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PROCEEDINGS AND DEBATES OF THE 94^{th} CONGRESS, FIRST SESSION

SENATE—*Thursday, September 18, 1975*

(Legislative day of Thursday, September 11, 1975)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. COTTON).

The ACTING PRESIDENT pro tempore. The Senate will be reverently attentive of prayers offered by the Chaplain.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, our Father:

"Thy love divine hath led us in the past;
In this free land by Thee our lot is cast:
Be Thou our Ruler, Guardian, Guide, and Stay;
Thy word our law, Thy paths our chosen way.
Refresh Thy people on their toilsome way,
Lead us from night to never ending day;
Fill all our lives with love and grace divine,
And glory, laud, and praise be ever thine." Amen.

Rev. DANIEL C. ROBERTS, 1876.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, September 17, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF SENATE RESOLUTION 239 AT 1 P.M. TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an order be entered for the taking up of Senate Resolution 239 at the hour of 1 o'clock.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendars Nos. 367, 368, and 369.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZING PUBLIC PRINTER TO DESIGNATE EMPLOYEES TO ADMINISTER OATHS

The bill (S. 2264) to authorize the Public Printer to designate employees to administer oaths, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 3 of title 44, United States Code, is amended by adding at the end thereof the following new section:

"§ 318. Authority to administer oaths

"The Public Printer may designate employees of the Government Printing Office to administer and certify the oath or affirmation of office required by section 3331 of title 5 and other oaths or affirmations that may be required by law or regulations with respect to the operation of the Government Printing Office. Any such employee designated in writing by the Public Printer is authorized to administer and certify such oaths and affirmations, but may not charge or receive any fee or pay therefor."

(b) The analysis of such chapter 3 is amended by adding at the end thereof:

"318. Authority to administer oaths.".

AUTHORIZING PRINTING OF ANNUAL REPORT OF THE NATIONAL FOREST RESERVATION COMMISSION

The resolution (S. Res. 184) authorizing the printing of the annual report of the National Forest Reservation Commission was considered and agreed to, as follows:

S. RES 184

Resolved, That the annual report of the National Forest Reservation Commission for the fiscal year ended June 30, 1974, be printed with an illustration as a Senate document.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

The resolution (S. Res. 246) authorizing additional expenditures by the Committee on Rules and Administration for routine purposes was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $10,000 in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946, and in Senate Resolution 153, Ninety-fourth Congress, agreed to May 14, 1975.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar beginning with "(New Reports)".

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

U.S. AIR FORCE

The assistant legislative clerk read the nomination of Maj. Gen. Thomas P. Stafford to be a major general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. ARMY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Army for appointment to the grade indicated.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The assistant legislative clerk proceeded to read sundry nominations in the

U.S. Navy for appointment to the grade indicated.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. MARINE CORPS

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Marine Corps for appointment to the grade indicated.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF JUSTICE

The assistant legislative clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Air Force and in the Army placed on the Secretary's desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the President will be notified.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oklahoma (Mr. Bellmon) is recognized for not to exceed 15 minutes.

CRITICAL SHORTAGE OF NATURAL GAS

Mr. BELLMON. Mr. President, according to every reliable source, several sections of the country are headed for a critical shortage of natural gas supplies during the coming winter months. The seriousness of the crisis will largely depend upon the severity of the winter but given even a mild winter many industrial and commercial users, as well as some residential areas, will suffer a curtailment in the delivery of essential natural gas.

Mr. President, regrettably, it is too late now to avoid this winter's gas crisis and the inconvenience and economic hardship which will result. The crisis could have been avoided had the Congress taken action to free interstate gas from the unrealistic price controls which have curtailed production of gas for this market during the last 20 years, and having taken this action in a timely way.

It is worth noting that, even though there is a critical shortage of gas for the low priced interstate market, there is no shortage of gas at realistic prices for the intrastate customers. The reason is simple. Investors can afford to drill the costly wells and produce gas for the intrastate customers who are willing to pay a competitive price for gas. Investors are not able or willing to invest in costly and risky gas development ventures and then sell at below cost of production to the interstate pipelines. No rational person should be expected to do so.

Those who have advocated unrealistically low controlled prices for interstate gas have felt they were doing consumers a favor. The result has been overutilization by interstate users and economic restraints on production. That a serious shortage has resulted should surprise no one. I submit that the best interests of consumers have not been served by artificially low prices. I am confident that consumers who sit shivering in the dark in the coming winter months or who lose their jobs because of a lack of gas will be quick to agree.

Mr. President, I have before me a letter from Mr. John W. Fisher, of the Ball Corp., of Muncie, Ind., which is a consumer of gas and not a producer, which makes this point eloquently.

Mr. Fisher says:

> Unless quick constructive action is forthcoming, massive additional unemployment lies ahead because of the anticipated natural gas shortage in many parts of the United States. Our company and our employees may be seriously affected. While the following does not cover all of our problems, here are two examples:
>
> 1. At Asheville, North Carolina, where Ball Corporation operates a plant for the manufacture of glass containers, 96% devoted to the food industry, we currently have no firm commitment for any natural gas although we are a very high priority user. Over 400 people are employed at our Asheville plant, where among other things approximately 25% of the nation's home canning jars are produced, not to mention tremendous quantities of baby food jars.
>
> 2. At Williamsburg, Virginia, where Ball operates a plant for the manufacture of beer cans, on which Anheuser-Busch at Williamsburg is 90% reliant, the natural gas situation is equally critical. Here we employ 260 people.

Mr. Fisher goes on to say:

> Federal controls for the past 20 years on the well-head price of interstate natural gas are without a doubt a contributing factor to the current natural gas shortage. At the FPC currently-established well-head price of $.52/MCF (which is equivalent to oil at $3.15/bbl), and because of today's high costs of drilling and development, there is little incentive to explore, drill and produce natural gas to expand the nation's supply. Meanwhile, natural gas is selling in the intrastate market at prices ranging from $1.25 to $2.00/MCF and states such as Texas and Louisiana have an overabundance. Our company has determined that there are many large capacity shut-in wells in these states. This is simply because the owners of the natural gas wells do not want to exhaust their reserves if required to sell at $.52/MCF. Obviously our company, as a cost conscious manufacturer, does not want to pay more for fuel than necessary. We have instituted practical means of energy conservation and have installed standby oil systems where oil can be substituted for natural gas. Despite this, however, there are certain process requirements for which oil is not a substitute fuel and natural gas must be available to operate our equipment and keep our employees working.

Then he asked the question:

> What is the answer? There is only one that makes good sense—namely, deregulation of new natural gas at the well-head.

Mr. President, I ask unanimous consent that the full text of this letter be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. Leahy). Without objection it is so ordered.

(See exhibit 1.)

Mr. BELLMON. Fortunately, Mr. President, there is a solution to the problem consuming States face so far as future gas deliveries are concerned. The solution is simple. Interstate gas prices must be allowed to rise to competitive levels so that those who are willing to pay for natural gas will have access to the available supply. There should no longer be either a price or supply disparity in either the interstate or intrastate market. At the present time, consumers in the producing States are paying two or three times the prices paid by interstate consumers. If gas is worth this higher price to the intrastate consumers, clearly interstate consumers must pay the same if they expect to share in the available supply. It is unrealistic for consumers in nonproducting States to expect to pay less than the gas is worth on a Btu basis. It is equally unrealistic for Congress to consider depriving the producing States of gas consumers need and willingly pay for by legislative fiat or by the use of Federal governmental police powers. Such a policy would make no more sense than passing a law requiring a New York banker to make loans to Oklahoma borrowers for 3-percent interest or to pass legislation instructing Detroit auto manufacturers to ship $6,000 pickup trucks to

Texas ranchers for a price of $3,000, or to order the Wisconsin dairy producers to ship milk to Oklahoma at 15 cents a quart. Gas is a commodity and like other commodities its value is the same wherever it is consumed.

Mr. President, before the end of the week, Congress will be considering legislation relating to natural gas pricing and supply policies. Before the debate begins Members need to realize that what we are talking about is not a solution to the immediate problem of the winter of 1975–76. It is too late for the policy we adopt now to have a significant impact in the short range. The policy Congress sets should be tailored to meet the problem of over-utilization by consumers and the removal of disincentives to producers who could and should produce for national markets. The time has arrived to recognize the failure of the existing policy and to adopt new policies which allow the free market to begin to work. We must not continue unworkable practices which have proved to be a disservice to both producing and consuming States. To do otherwise is to hasten the day when all consumers are shivering in the dark.

Congress must now adopt policies that will solve our long-range gas supply problem. Emergency action aimed only at this winter's immediate problem will be of little help. It can only delay a final solution while the crisis continues to deepen.

EXHIBIT 1

BALL CORP.,
Muncie, Ind., September 11, 1975.

Hon. HENRY BELLMON,
Russell Office Building,
Washington, D.C.

DEAR SENATOR BELLMON: Unless quick constructive action is forthcoming, massive additional unemployment lies ahead because of the anticipated natural gas shortage in many parts of the United States. Our company and our employees may be seriously affected. While the following does not cover all of our problems, here are two examples:

1. At Asheville, North Carolina, where Ball Corporation operates a plant for the manufacture of glass containers, 96% devoted to the food industry, we currently have no firm commitment for any natural gas although we are a very high priority user. Over 400 people are employed at our Asheville plant, where among other things approximately 25% of the nation's home canning jars are produced, not to mention tremendous quantities of baby food jars.

2. At Williamsburg, Virginia, where Ball operates a plant for the manufacture of beer cans, on which Anheuser-Busch at Williamsburg is 90% reliant, the natural gas situation is equally critical. Here we employ 260 people.

Federal controls for the past 20 years on the well-head price of interstate natural gas are without a doubt a contributing factor to the current natural gas shortage. At the FPC currently-established well-head price of $.52/MCF (which is equivalent to oil at $3.15/bbl), and because of today's high costs of drilling and development, there is little incentive to explore, drill and produce natural gas to expand the nation's supply. Meanwhile, natural gas is selling in the intrastate market at prices ranging from $1.25 to $2.00/MCF and states such as Texas and Louisiana have an overabundance. Our company has determined that there are many large capacity shut-in wells in these states. This is simply because the owners of the natural gas wells do not want to exhaust their reserves if required to sell at $.52/MCF. Obviously our company, as a cost conscious manufacturer, does not want to pay more for fuel than necessary. We have instituted practical means of energy conservation and have installed standby oil systems where oil can be substituted for natural gas. Despite this, however, there are certain process requirements for which oil is not a substitute fuel and natural gas must be available to operate our equipment and keep our employees working.

What is the answer? There is only one that makes good sense—namely, deregulation of new natural gas at the well-head.

It has been alleged that such a move will result in sizable increases in the consumer's residential gas bill. Actually the well-head price of natural gas represents less than 20% of the home owner's monthly gas bill. The remaining 80% is the charge attributed to pipelines and local distribution companies to defray their huge investment in plant facilities needed to transport the natural gas. Moreover, whether the pipelines and gas distribution companies operate at full or reduced volumes, their costs continue. As the shortage deepens, they must increase their portion of the home owner's bill to recover their costs.

This is already happening. From May 1974 to May 1975 the average well-head price of natural gas paid producers by interstate pipelines increased $.06/MCF while pipeline and distribution companies' charges increased $.30/MCF. The increase is largely due to decreasing volume and the need to recover costs.

A further travesty is that some pipelines are producing synthetic natural gas (SNG) from imported Naptha at a cost equal to $30/bbl of oil. Plans are currently under way to import increasing quantities of liquified natural gas (LNG) which, when volatilized, will result in gas at $4.00 to $5.00/MCF.

FPC Chairman Nassikas reports that the April 1975 through March 1976 natural gas curtailment is projected to be 2.9 trillion cubic feet. It will take 516 million barrels of foreign oil at an approximate cost of $6.2 billion to replace this shortage. This is double the $3.1 billion paid producers for all interstate natural gas in 1974. Such increased costs will most certainly be passed on to the consumer in terms of higher prices.

No one knows with any degree of certainty the extent of natural gas reserves in the United States and its offshore lands. We will never know if the incentive to explore, drill, and develop is stifled as it is now. The only way to create this incentive is to deregulate new natural gas, with "old" gas remaining under Federal regulation. The FEA has estimated that 5 years after adoption of such a policy, about 60% of interstate natural gas supplies will continue to be "old" gas. Increased costs to the home owners are estimated at 6.2% in 1976, 8% in 1977 and 11.5% in 1978. This is substantially less than the overall national rate of inflation which we have recently been experiencing.

Removal of government price controls on new natural gas is without question the least costly course of action for the consumer. This is the only option which will assure an increase in supply and it is the only option which will lessen our nation's dependence upon unreliable, foreign sources of energy.

Meanwhile, even with the deregulation of new natural gas, the only viable short term step is to permit pipelines to purchase, during the next several years, emergency gas on a year around basis, at intrastate unregulated prices. Allowing interstate pipelines to purchase natural gas in the intrastate market on an emergency basis would go a long way towards alleviating the critical situation facing high priority users such as Ball Corporation in the coming winter.

Your support of the foregoing is urgently solicited.

Respectfully yours,
JOHN W. FISHER.

QUORUM CALL

Mr. BELLMON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a morning hour for the conduct of morning business not to extend beyond the hour of 10 o'clock, and that there be a time limit of 5 minutes attached to each Member thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 10:25 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3979) to authorize appropriations for the Indian Claims Commission for fiscal year 1976; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MEEDS, Mr. MELCHER, Mr. RISENHOOVER, and Mr. YOUNG of Alaska were appointed managers of the conference on the part of the House.

At 1:45 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4005) to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 543. An act to expand coverage of the Rehabilitation and Betterment Act (Act of October 7, 1949, 63 Stat. 724) (Rept. No. 94-380).

By Mr. CANNON, from the Committee on Rules and Administration, with an additional amendment:

S. 5. A bill to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes (Rept. No. 94-381).

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Res. 9. A resolution amending the rules of the Senate relating to open committee meetings (Rept. No. 94-382).

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, without amendment:

S. 2375. An original bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 3 months (Rept. No. 94-383).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

H.R. 1401. An act for the relief of Robert M. Johnston (Rept. No. 94-384).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

Austin N. Heller, of New York, to be an Assistant Administrator of Energy Research and Development.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUDDLESTON:

S. 2370. A bill to amend section 403(i) of the Federal Food, Drug, and Cosmetic Act to require that the labels on foods disclose the kinds of oils contained in such foods, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. METCALF (for himself, Mr. Jackson, Mr. Johnston, Mr. Hatfield, Mr. Cranston, and Mr. Tunney):

S. 2371. A bill to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. JACKSON (for himself, Mr. Ribicoff, Mr. Humphrey, and Mr. Magnuson):

S. 2372. A bill to secure fair financing for local units of government. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BEALL:

S. 2373. A bill for the relief of Nicholas A. Aguwa. Referred to the Committee on the Judiciary.

By Mr. MONTOYA:

S. 2374. A bill to establish an agency to promote the transfer of technology among government agencies, and for other purposes. Referred to the Committee on Government Operations.

By Mr. TALMADGE:

S. 2375. An original bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for three months. Placed on the Calendar.

By Mr. GRIFFIN:

S. 2376. A bill to prohibit the shipment in interstate commerce of dogs and other animals intended to be used to fight dogs or other animals for purposes of sport, wagering, or entertainment. Referred to the Committee on Commerce.

By Mr. STEVENSON (for himself and Mr. Percy):

S. 2377. A bill to authorize the Secretary of the Army to carry out a program for flood prevention in the North Branch of the Chicago River Watershed in Cook and Lake Counties, Illinois, and for other purposes. Referred to the Committee on Public Works.

By Mr. ROTH:

S. 2378. A bill to establish a commission to study all laws, and executive branch rules, regulations, orders, and procedures, relating to the classification and protection of information for the purpose of determining their consistency with the efficient operation of the Government, including the proper performance of its duties by the Congress, and for other purposes. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUDDLESTON:

S. 2370. A bill to amend section 403(i) of the Federal Food, Drug, and Cosmetic Act to require that the labels on foods disclose the kinds of oils contained in such foods, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. HUDDLESTON. Mr. President, a 1940 Federal Drug Administration trade correspondence letter to the Institute of Shortening and Edible Oils granted shortening manufacturers an exemption from the requirement to list specific oils on food labels. Trade correspondence letters were informal opinions issued by FDA concerning the application of the Food, Drug, and Cosmetic Act to specific problems prior to 1946. Since 1946, such opinions have been issued through publication in the Federal Register rather than through trade correspondence letters.

The FDA proposed over a year ago to rescind the trade correspondence letter which granted the exemption for shortening. But this proposal has never been finalized.

Americans consumed an estimated 575 million pounds of palm oil in the form of shortening during 1974. In the case of shortening it is becoming increasingly likely that the product does contain palm oil. As much palm oil was imported into the United States during the first 3 months of 1975 as all of 1974 because the depressed price of palm oil has encouraged many shortening manufacturers and users to substitute it for higher priced domestic oils.

Palm oil contains 51.9 percent saturated fatty acids. In contrast corn oil and soybean oil contain only 13.7 percent saturated fatty acids. Although margarines and liquid cooking oils do list specific oils as required by law, the term "vegetable oil" is permitted to be used on shortening labels. Thus, most consumers do not realize they may be consuming palm oil.

Consumers have the right to know what kind of fats and oils they are consuming. Labels of shortening and other edible oil products should identify the specific fats and/or oils contained therein.

In the belief that consumers should know what they are getting when they buy a can of shortening or other food containing fats and oils, I am introducing a bill to amend section 403(i) of the Food, Drug, and Cosmetic Act to require that the labels of foods containing oil identify such oil on the basis of the source from which it was derived. Further, it requires that no exemption may be granted in the case of shortening.

Mr. President, I ask that this bill be appropriately referred and I ask unanimous consent that it be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 403(i)(2) of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 343(i)(2)), is amended by striking out the semicolon immediately before the word "except" and inserting in lieu thereof a comma and the following: "and, in the case of food containing oil (shortening), the identity of such oil on the basis of the source from which it was derived, and, in the case of food containing two or more oils (shortening), the identity of each oil on the basis of the source from which it was derived and the percentage each such oil constitutes of the total quantity of oil used in such food;".

(b) Section 403(i)(2) of such Act is further amended by striking out the period at the end of such section and inserting in lieu thereof a comma and the following: "but no exemption may be granted in the case of oil (shortening).".

Sec. 2. The amendments made by the first section of this Act shall become effective 180 days after the date of enactment of this Act.

By Mr. METCALF (for himself, Mr. Jackson, Mr. Johnston, Mr. Hatfield, Mr. Cranston, and Mr. Tunney):

S. 2371. A bill to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System, and

for other purposes. Referred to the Committee on Interior and Insular Affairs.

PROTECTION OF NATIONAL MONUMENTS

Mr. METCALF. Mr. President, on behalf of myself and Senators JACKSON, JOHNSTON, HATFIELD, TUNNEY and CRANSTON, I am introducing today legislation to prohibit location of claims under the Mining Law of 1872 in units of the national park system. The spectacular, scenic and natural values of these areas, particularly Death Valley and Glacier Bay National Monuments, are being threatened by mineral development. This development will be carried out under the Mining Law of 1872 which, many years ago by special acts of Congress, was made applicable to six units of the park system. In addition to the two national monuments already mentioned, the other areas involved are Crater Lake and Mount HcKinley National Parks, Coronado National Memorial and Organ Pipe Cactus National Monument.

I believe the time has come to repeal these special laws so as to assure the preservation of these national treasures.

In addition to repealing these special laws, the bill I am introducing today calls upon the Secretary of the Interior to determine the validity of any existing claims as soon as possible and to submit recommendations to the Congress as to whether any valid claims should be acquired by the United States. The bill also imposes a moratorium on disturbance of the surface on any land included within a mining claim in any of these areas for 3 years. This will give the Congress an opportunity to determine whether valid claims should be purchased so as to prevent further destruction.

The Committee on Interior and Insular Affairs will conduct a hearing on this legislation on October 7 in room 3110, Dirksen Senate Office Building, at 10 a.m. If anyone has any questions, please call D. Michael Harvey, deputy chief counsel of the committee, at 224–1076.

Mr. President, I ask unanimous consent that the text of S. 2371 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the benefit of present and future generations the pristine beauty of areas of the National Park System, and to further the purposes of the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321 *et seq.*), surface use of mineral land locations within any areas of the National Park System is subject to such rules and regulations as may be prescribed and published by the Secretary of the Interior as he deems necessary or desirable for the protection and management of those areas.

SEC. 2. The following Acts are amended or repealed as indicated:

(a) The first proviso of section 3 of the Act of May 22, 1902 (32 Stat. 203; 16 U.S.C. 123), relating to Crater Lake National Park, is amended by deleting the words ". . . and to the location of mining claims and the working of same";

(b) Section 4 of the Act of February 26, 1917 (39 Stat. 938; 16 U.S.C. 350), relating to Mount McKinley National Park, is hereby repealed;

(c) Section 2 of the Act of January 26, 1931 (46 Stat. 1043; 16 U.S.C. 350a), relating to Mount McKinley National Park, is hereby repealed;

(d) The Act of June 13, 1933 (48 Stat. 139; 16 U.S.C. 447), relating to Death Valley National Monument, is hereby repealed;

(e) The Act of June 22, 1936 (49 Stat. 1817), relating to Glacier Bay National Monument, is hereby repealed;

(f) Section 3 of the Act of August 18, 1941 (55 Stat. 631; 16 U.S.C. 450y-2), relating to Coronado National Memorial, is amended by replacing the semicolon in subsection (a) with a period and deleting the prefix "(a)", the word "and" immediately preceding subsection (b), and subsection (b); and

(g) The Act of October 27, 1941 (55 Stat. 745; 16 U.S.C. 450z), relating to Organ Pipe Cactus National Monument, is hereby repealed.

SEC. 3. For a period of three years after the date of enactment of this Act, the surface of any land included within any mining claim located or patented subject to any of the acts amended or repealed by Section 2 of this Act shall not be disturbed for purposes of mineral exploration or development.

SEC. 4. The requirements for annual expenditures on mining claims imposed by Rev. Stat. 2324 (30 U.S.C. 28) shall not apply to any claim subject to Section 3 of this Act during the time such claim is subject to such section.

SEC. 5. Within 90 days after the date of enactment of this Act, the Secretary of the Interior shall submit to the Congress an estimate of the funds and manpower needed to determine the validity of any mining claims within Death Valley and Glacier Bay National Monuments, together with recommendations as to whether any valid claims should be acquired by the United States.

SEC. 6. Within one year after the date of enactment of this Act, the Secretary of the Interior shall submit to the Congress an estimate of the funds and manpower needed to determine the validity of any mining claims within Crater Lake and Mount McKinley National Parks, and Coronado and Organ Pipe Cactus National Monuments, together with recommendations as to whether any valid claims should be acquired by the United States.

Mr. JOHNSTON. Mr. President, I am pleased to join the chairman of the Committee on Interior and Insular Affairs (Mr. JACKSON) and the distinguished Senator from Montana and chairman of the Subcommittee on Minerals, Materials, and Fuels (Mr. METCALF) in the introduction of this legislation, which will facilitate congressional review of the application of the mining laws to units of the National Park System.

The National Park System of the United States is a unique and precious part of our heritage. The United States, unlike many other countries, has had the foresight to set aside and preserve for future generations many of the natural, scenic, cultural, and historic treasures with which this Nation has been blessed. Our dedication of these irreplaceable elements of our national heritage has not been single purpose, however. We have tried, in establishing each unit of the National Park System, to avoid turning a living heritage into a dry, lifeless museum piece. And to the extent possible, while fulfilling our special responsibilities to future generations, we have permitted certain activities such as hunting, cattle grazing, and mining to continue so long as they do not threaten the public's interest in the protection and preservation of the area.

Recently, however, two ill-advised actions have occurred which, regrettably, require the Interior Committee, and specifically the Subcommittee on Parks and Recreation, to reevaluate the application of the mining laws to the six units of the National Park System to which they apply.

First, the Department of the Interior has decided to conduct a mineral survey of Glacier Bay National Monument in Alaska as a part of a wilderness study. The basis for conducting the survey is the Department's conclusion that since the mining laws apply, Congress must intend that the area be developed rather than preserved.

Second, it appears that extensive surface mining may begin shortly at Death Valley National Monument. Although Death Valley National Monument has had tremendous mineral production since its establishment, the companies have avoided the major areas of public visitation. It now appears, however, that Zabriskie Point, the most heavily visited area of the Monument, will soon be the site of extensive surface mining operations.

The Subcommittee on Parks and Recreation has been involved in an extensive appraisal of the management of our national parks and recreation areas. Hearings on this legislation will enable us to conduct a full and extensive review of the impact of the mining laws on our national parks. I would like to emphasize that this legislation is merely a focus for committee hearings and will be amended or modified as may be advisable once the record of public hearings has been reviewed. I, therefore, welcome the opportunity to join with Senators JACKSON and METCALF in sponsoring this legislation.

By Mr. JACKSON (for himself, Mr. RIBICOFF, Mr. HUMPHREY, and Mr. MAGNUSON):

S. 2372. A bill to secure fair financing for local units of government. Referred to the Committee on Banking, Housing and Urban Affairs.

FAIR FINANCING FOR LOCAL GOVERNMENT ACT OF 1975

Mr. JACKSON. Mr. President, local governments in America are now facing a grave financial crisis. I am today, in conjunction with Senators RIBICOFF, HUMPHREY, and MAGNUSON, introducing legislation designed to assure that America's local government institutions can continue to provide the essential public services with which they are charged. Called the Fair Financing for Local Government Act of 1975, this legislation provides for Federal reinsurance and guarantees of certain local government bonds.

Years of recession have made deep cuts in local tax revenues. At the same time, continued inflation has significantly raised the cost of providing local public services.

Now a third element has been added, which renders the position of local governments nearly impossible: the cost of borrowing has recently jumped upward. For cities and counties throughout the Nation, scarce tax revenues must increasingly be allocated to servicing debt, instead of providing essential public services such as police and fire protection, education, and sanitation.

Th Nation's largest city, New York, now pays $1.8 billion each year to service its debt. And surely this enormous burden is one key explanation for that city's near miss with actual default on it's debt.

But the local government financial crisis is a truly national crisis. Clearly, the financial collapse of New York City, and with it the inevitable financial collapse of New York State, would totally disrupt the national bond markets. But already, the twin problems of high interest rates and scarce capital affect every city, town, and county in America, no matter how sound its financial condition. The statistics show that in the last 2 years, average interest rates on municipal bonds have risen by over 2 percent—and the rise is continuing. There is approximately $200 billion in municipal bond debt outstanding, and it is therefore clear that these high rates will divert literally billions of dollars away from public service spending, to debt service.

Let us be clear in what a failure to act on our part may come to mean. Vital public services may be curtailed or eliminated. Needed capital construction will be postponed or scrapped, so that local government facilities slowly become outmoded and inefficient. Jobs in public service or in construction of public facilities will be lost, at a time when unemployment is already shockingly high.

Mr. President, our economy is already fragile. It must be protected from further shocks. A serious disruption of the national municipal bond market would endanger the future of our local governments, the health of our financial institutions, and the security of investors throughout our country.

Today we are introducing a plan of action designed to meet these problems, and called the Fair Financing for Local Government Act of 1975.

The act would, in conjunction with the efforts of the States and of private enterprise, assure the availability of credit on reasonable terms to counties, towns and cities whose finances are in order.

The Federal Government would stand behind the obligations of local governments, protecting investors and encouraging them to invest in their communities.

Privately insured local government bonds are no longer a rarity. This act would extend that option to many more units of local government by providing Federal reinsurance of 75 percent of the private coverage.

Further, the act would provide that when a State assists local governments in securing credit, the Federal Government would guarantee 75 percent of any resulting State obligations.

To qualify for Federal guarantees, the State agency must itself be in sound financial shape, and must insist on rational budget practices and accurate accounting procedures by local governments.

The new Board is designed to be self-financing, like the Federal Deposit Insurance Corporation.

It is our hope that, by reducing the risk to investors throughout the Nation, this act will reduce the cost of borrowing for local governments, and assure the availability of capital to meet their needs. It will help bring stability to our financial markets, it will protect investors, and it will ultimately save our cities and counties billions of dollars in interest payments.

Mr. President, the continued vitality of our cities, towns and counties is crucial to our Nation's future. The time has come for the Federal Government to recognize this fact, and to act boldly to protect our fragile national economy and the economies of our Nation's local governments.

Mr. President, I ask unanimous consent that a factsheet in connection within this bill be printed in the RECORD.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

FAIR FINANCING FOR LOCAL GOVERNMENT ACT OF 1975

1. The three key goals are:

(a) To lower interest rates paid by local governments on their bonds.

(b) To enhance the marketability of local government bonds.

(c) To promote sound local government finance without direct federal intervention in local government financial affairs.

2. The Basic Plan

A. A Fair Finance Insurance Board would be established by the federal government. The Board would charge premiums for its services and, like the Federal Deposit Insurance Corporation, is designed to be self-financing.

B. Re-Insurance—Insurance policies are available for some municipal bond issues. The Board would be empowered to reinsure 75% of municipal bond insurance issued to a city by a private insurance company.

C. Guarantees—The Board would also be empowered to guarantee 75% of the bonds issued by any state agency set up to help local governments. (Such agencies already exist in Vermont, Maine, and New York, and some local government bonds are state-guaranteed in California, New Hampshire, Michigan, and Minnseota.)

Sound economic standards for localities would be assured in three ways:

(1) Since 25% of the value of the bonds is not insured, the state would have an incentive to monitor city finances and avoid losses should a city default;

(2) The Board is required by the Act, before issuing a guarantee, to determine that the state agency prescribes and enforces strict accounting standards, financial controls, and balanced budget programs;

(3) Any state agency which failed to comply would be disqualified from the guarantee program.

3. The Fair Finance Insurance Board.

The Board would consist of a Chairman and four members, all appointed by the President with the advice and consent of the Senate.

The Board Chairman and members would be individuals from academia, the labor movement, commerce, or government, who are by their experience well qualified to carry out the purposes of this Act. They shall serve terms of five years.

In addition, the Secretary of the Treasury and the Secretary of Housing and Urban Development will be ex-officio members of the Board.

4. Local Securities Market Study.

The Board will conduct a study of the national market in local government securities, focusing especially on:

(a) The availability, and present and potential sources of funds for the purchase of such securities;

(b) Influences on, and developments in, interest rates for such securities;

(c) Suggested reforms in the financial structures and functioning, and in present methods of financing the activities, of local governments;

(d) Federal and state efforts to assist in the marketing of such securities.

5. Local Government Advisory Committees.

The Board will establish special advisory committees to consult with it and provide it with advice and needed information. These advisory committees will consist of representatives of:

(a) City, county, and state governments;
(b) The labor movement;
(c) The financial community.

By Mr. MONTOYA:

S. 2374. A bill to establish an agency to promote the transfer of technology among Government agencies, and for other purposes. Referred to the Committee on Government Operations.

THE TECHNOLOGY TRANSFER ACT OF 1975

Mr. MONTOYA. Mr. President, today I am introducing a bill which will facilitate the transfer of technology from the Department of Defense to other Federal agencies, State and local governments and the private sector. It is my belief that this bill can stimulate research and development and provide valuable new products for the benefit of the public.

Basically, this bill will provide for dissemination of existing ideas and knowledge to the public and private sectors where it could be put to additional uses. It will be funded apart from the Defense Department research and development budget, so as to not take laboratories and engineers away from their primary responsibilities of developing new technologies and devices for defense.

The Technology Transfer Act of 1975 would make the Department of Defense technology more attractive and easily obtainable for the private sector and other Government entities. The Agency for Technology Transfer will be administered by the Director, who is appointed by the President, and approved by the Senate. The Director's primary responsibilities are to oversee the collection, assimilation, and publication of information by the Processing Office, and to nominate six regional liaison officers to direct the activities of the Regional Dissemination Centers. Marketing available technology is the function of the Regional Dissemination Centers which must act as local coordinators in bringing the needs of State and local governments and private industry into contact with potential applications and technologies made available by the Department of Defense.

Review and evaluation of Department of Defense technologies will be made by the Declassification Board, nominated by the President and approved by the Senate. One area which could possibly be immediately affected are those projects which have been discontinued before completion and still remain classified. The composition of the Board, two members from the Department of Defense, two employees from the Federal Government, other than the Department of Defense, and two from private life will allow the Board to view these technologies on their potential contribution outside the Department of Defense while restricting information vital to the security of the United States.

The changes recommended to review the Department of Defense policies on patents would increase the motivation to enter Department of Defense projects. The possibility of being able to employ knowledge gained while employed by the Government for private application could be a valuable incentive to private enterprise. The cost of work done in Department of Defense laboratories to develop secondary applications for private gain will be borne on a scale of 75 percent paid by industry and 25 percent paid by the Government.

This technology transfer bill will provide guidance and a definition for the Department of Defense role in technology sharing, where previously there was none. It will provide funds earmarked specifically for documentation and dissemination. Presently research and development funds are restricted to military and mission-related programs only. The law restricts the possibility of exploring possible secondary applications in Department of Defense laboratories. This bill will provide a means for active work by laboratories and engineers to develop secondary applications for these technologies without being illegal.

Mr. President, in fiscal year 1976, $21.6 billion was allocated for research and development for all Federal agencies. The Department of Defense received the largest portion of the research and development increase from fiscal year 1975, even larger than much needed energy programs. More than $10.8 billion, almost half of the total Federal research and development budget has been allocated for research and development for the Department of Defense. Unfortunately, by present day law, this money can be spent only on mission-related projects.

Defense is a necessary item and the dollars for research and development are well spent, but it is possible to realize a larger return on our tax investment by expanding the applications of these technologies and by also providing a mechanism where the Department of Defense can share ideas and methods with other agencies to avoid unnecessary duplication of effort and materials. This bill provides these mechanisms.

I believe that technological development is a primary concern of Congress. We must promote the advances in science and technology to remain first in the world in technology, but is also time for us to stop wasting these technologies and scientific advancements by limiting their use to one area and retarding their possible development in other fields. America's industries and economy can benefit from the existing technologies and potential adaptations which are now stuck in Department of Defense laboratories and storehouses. The people of the United States benefit from having the finest military forces and equipment in the world. It is time for us to increase our benefits and the return on investment of R. & D. dollars by making nonstrategic and declassified information more easily obtainable for ancillary uses. This process must include collection, publication, and dissemination of data and the active promotion of this plethora of information.

Mr. President, I believe that if possible applications for existing technology were investigated and promoted in all sectors, that the number of new products available to the public would increase dramatically. It is for this reason that the Technology Transfer Act of 1975 has specifically provided for a commission to study and determine the advantages, disadvantages, and the feasibility of having a national policy for technology transfer which would be expanded to include all Federal agencies. The Commission, selected by the President of the Senate, who will select six members and the Speaker of the House of Representatives who will also select six members, will have 2 years to research the situation and present their findings. The representatives on the commission will come two each from the Senate and House of Representatives, and four each from private life and the Government. The recommendations made by this Commission will provide Congress with the necessary information needed to establish a centralized agency for the transfer of technology.

America has long been known as the land of plenty. Technology has been plentiful and it, too, like so many of our assets, has been squandered. It is time for us to not only conserve our much needed natural resources, but also to conserve our natural resource of technology and know-how. Action has been long overdue and it is my hope that this bill will get the action underway to develop a long range technology utilization plan for the Nation. In the interim, it is important to mobilize the technology available in the largest consumer of research and development dollars, the Department of Defense.

We must be more prudent in how we use these critical resources, This Technology Transfer Act of 1975 will bring about the more efficient usage of our technology, manpower, and materials.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2374

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Technology Transfer Act of 1975".

SEC. 2. The Congress finds that—

(1) a substantial portion of new technology that results from research and development activities conducted with Department of Defense funds should be made available to other departments and agencies of the Federal Government, to State and local governments, and to private industry;

(2) making such technology available to other departments and agencies of the Federal Government, to State and local governments, and to private industry will avoid duplication of research and development, will result in substantial savings to the taxpayers, and will increase our technological advances generally;

(3) secondary applications of the technology developed by the Department of Defense would be an important product of a technology transfer program;

(4) the availability of new technology developed by the Department of Defense would stimulate industrial growth and result in broader based support for Department of Defense research and development programs; and

(5) a pilot program of technology transfer should be established within the Department of Defense to determine the most effective methods for operating such a program in the future on a government wide basis.

SEC. 3. It is the purpose of this Act to provide for an effective means of assessing and evaluating the technology developed by the Department of Defense and make such technology available to other departments and agencies of the Federal Government, to State and local governments, and to private industry to the extent that it is not essential to restrict the dissemination and use of such technology because of national security reasons. It is also the purpose of this Act to provide for the development of secondary uses for such technology.

SEC. 4. As used in this Act—

(1) The terms "technology" and "technological" mean any scientific knowledge, engineering design, or scientific or engineering process or system.

(2) The term "technology transfer" means the transfer of any technology developed as the result of research and development work conducted by or for the Department of Defense to any other department or agency of the Federal Government, to any State or local government, or to private industry by the Agency established under section 5 of this Act.

SEC. 5. (a) There is established within the Department of Defense an agency to be known as the Agency for Technology Transfer (hereinafter referred to as the "Agency").

(b) The Agency shall be headed by a Director for Technology Transfer (hereinafter referred to as the "Director") who shall be appointed by the President by and with the advice and consent of the Senate.

(c) The Director shall be responsible for the administration of this Act subject to the supervision and control of the Secretary of Defense.

SEC. 6. (a) There shall be within the Agency a Processing Office, the function of which will be to gather technological information on all current and discontinued programs of the Department of Defense and to assimilate and periodically publish, not less often than twice each year, reports regarding such information to the extent that such information is not classified. Such reports shall include possible secondary applications of the technology information contained in the publications.

(b) The Processing Office shall utilize, to the maximum extent practicable, the existing facilities of the Defense Documentation Center in carrying out its functions under this Act, including the use of data banks for the storage of technology information.

(c) The Processing Office shall also be responsible for determining the possible secondary applications of that technology information which is not classified. In order to determine what the secondary applications of any particular technology might be, the Processing Office may (1) provide for research on its own initiative, (2) obtain research on the request of any State or local government, or (3) obtain research at the request of any private person on a cost-sharing arrangement under which the person making the request pays not less than 75 per centum of the cost of such research.

(d) The Processing Office shall identify possible markets for technology information developed with research and development funds for the Department of Defense and include a description of such markets in the reports published pursuant to subsection (a) of this section.

SEC. 7. (a) The Director shall establish six Regional Dissemination Centers throughout the United States. The location of such centers shall be determined on the basis of the industrial output of the areas they are to serve and on the basis of such other relevant factors as the Director deems appropriate. Such centers shall serve as centers for the distribution and promotion of information issued by the Processing Office. Such centers shall also serve as liaison between the Department of Defense and the potential users of technology information distributed by the Agency under this Act.

(b) Each Regional Dissemination Center shall also—

(1) work directly with State and local governments and with industry located within the area served by such center;

(2) respond to requests from State and local governments and private industry located within the area served by such center to find applications for technology and to solve specific technology problems; and

(3) make arrangements whenever possible for State and local governments and private industry to utilize Federally owned laboratory facilities if (A) the type of equipment contained in such facilities is not otherwise reasonably available to such governments or industry, and

(B) the purpose for which such facilities are to be used is compatible with purposes for which such facilities are normally used; the cost of using such facilities to be agreed upon between the department or agency concerned and the user thereof.

(c) Each Regional Dissemination Center shall be headed by a Regional Liaison Officer who shall be responsible for carrying out the functions of that Center under the supervision and control of the Director.

SEC. 8. (a) Within the Agency there shall be a Technology Declassification Board whose function on it shall be to review on a continuing basis all classified technological information developed by or for the Department of Defense with a view to determining which technology information can be declassified and made available to other departments and agencies of the Federal Government, to State and local governments, or to private industry without adversely affecting the national security of the United States.

(b)(1) The Technology Declassification Board shall be composed of six members appointed by the President by and with the advice and consent of the Senate. Two members shall be employees of the Department of Defense, two shall be employees of the Federal Government, other than the Department of Defense, and two shall be appointed from private life. Members of the board shall biannually select one of their members to serve as Chairman.

(2) The term of office of each member of the Technology Declassification Board shall be six years; except that (A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (B) the terms of office of members first taking office shall begin on the first day on which the appointment of any such member is confirmed by the Senate and shall expire, as designated by the President at the time of their appointment, one from each of the three categories specified in paragraph (1) at the end of two years, one from each of the three categories specified in paragraph (1) at the end of four years, and one from each of the three categories specified in paragraph (1) at the end of six years.

(3) No member shall be eligible to serve in excess of two consecutive terms of six years each. Notwithstanding the preceding provisions of this subsection, a member whose term has expired may serve until his successor has qualified.

(4) Any vacancy in the board shall not affect its power, but shall be filled in the manner in which the original appointment was made.

(5) Members of the board who are employees of the United States shall serve without compensation in addition to that received for their services as employees of the United States.

(6) Members of the board from private life shall each receive $100 per diem when engaged in the actual performance of the duties of the board.

(7) All members of the board shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

(c) Any order issued by the Technology Declassification Board providing for the declassification of any technology information shall be final unless the President, within 10 days after the issuance of such order, overrules the Board and submits a written notification of his action to the Board indicating the reasons for his action.

SEC. 9. (a) Within the Agency there shall be a Patent Policy and Review Board whose function it shall be to review on a continuing basis the policies and practices of the Department of Defense regarding the rights of private contractors to use technological information developed by them in conducting research and development work for the Department of Defense. Such Board shall formulate and recommend to the Secretary of Defense the initiation of new policies and procedures which will permit such contractors to utilize, for non-defense related purposes and at the earliest practicable time, technology information developed by them in connection with research and development work performed for the Department of Defense. The Board shall also review the current policies of the Department of Defense regarding the right to patent ideas and discoveries developed by contractors while conducting research and development work for the Department of Defense and submit recommendations to the Secretary of Defense for policies and procedures which would permit such contractors to obtain patent rights on such ideas and discoveries more easily.

(b)(1) The Patent Policy and Review Board shall be composed of six members appointed by the President as follows: (A) two members shall be employees of the Department of Defense, (B) one member shall be an employee of the United States Patent Office and one shall be an employee of the Federal Government other than the Department of Defense or the United States Patent Office, and (C) two members shall be appointed from private life. Members of the board shall biannually select one of their members to serve as Chairman.

(2) The term of office of each member of the Patent Policy and Review Board shall be six years; except that (A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (B) the terms of office of members first taking office shall expire, as designated by the President at the time of their appointment, one from each of the three categories specified in clauses (A), (B), and (C) of paragraph (1) at the end of two years, one from each of the three categories specified in such clauses at the end of four years, and one from each of the three categories specified in such clauses at the end of six years.

(3) No member shall be eligible to serve in excess of two consecutive terms of six years each. Notwithstanding the preceding provisions of this subsection, a member whose term has expired may serve until his successor has qualified.

(4) Any vacancy in the board shall not affect its power, but shall be filled in the manner in which the original appointment was made.

(5) Members of the board who are employees of the United States shall serve without compensation in addition to that received for their services as employees of the United States.

(6) Members of the board who are not employees of the United States shall each receive $100 per diem when engaged in the actual performance of the duties of the board.

(7) All members of the board shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

(c) Any contract entered into after the date of enactment of this Act by any department or agency of the Federal Government to have research and development conducted for the United States shall be subject to a condition that any new process, design, or discovery developed as the result of such research and development shall be available for use by the United States without charge therefor notwithstanding any patent or other rights obtained in connection with such process, design, or discovery by the person who conducts such research and development.

SEC. 10. (a) For the purpose of carrying out the provisions of this Act in any fiscal year there is authorized to be appropriated for such fiscal year a sum equal to 5 per centum of the total amount authorized to be appropriated for such fiscal year for all research and development activities of the Department of Defense or $100,000,000, whichever amount is greater.

(b) Not less than 60 per centum of the funds appropriated to carry out the provisions of this Act in any fiscal year shall be used for the purpose of conducting secondary application research.

SEC. 11. The Director is authorized to contract with persons outside the Federal Government to conduct secondary application research for the Agency. To the maximum extent practicable all contracts shall be let on the basis of competitive bidding.

SEC. 12. The Director shall submit an annual report to the President and to the Congress regarding the operation of the technology transfer program provided for under this Act.

SEC. 13. (a) There is established in the Federal Government a Commission to be known as the Technology Transfer Commission (hereinafter in this section referred to as the "Commission"). The Commission shall be comprised of twelve members appointed as follows:

(1) six members appointed by the Speaker of the House of Representatives (A) two from

the House of Representatives, (B) two from private industry, and (C) two from government; and

(2) six members appointed by the President of the Senate, (B) two from private industry, and (C) two from government.

(b) Any vacancy in the Commission shall not affect its power, but shall be filled in the manner in which the original appointment was made. Seven members shall constitute a quorum for the transaction of business.

(c) The Commission shall select a chairman and vice chairman from among its members.

(d) (1) It shall be the duty of the Commission to conduct a comprehensive study and investigation to determine the advantages, disadvantages, the problems, the feasibility, and the cost of implementing a centralized government wide technology transfer program for all departments and agencies of the Federal Government.

(2) The Commission shall submit an interim report to the President and the Congress of the results of such study and investigation at the end of one year following the date of enactment of this Act and a final report not more than two years following such date. The Commission shall include in such report such comments and recommendations as it deems appropriate.

(e) The Commission is authorized to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter 3 of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title;

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals; and

(3) conduct hearings at such times and places and otherwise secure such information as may be necessary to the performance of its functions.

(f) (1) A member of the Commission who is a member of Congress or is an officer or employee of the United States shall serve as a member of the Commission without additional compensation, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Commission.

(2) A member of the Commission who is not otherwise a member of Congress or an officer or employee of the United States shall be compensated at a rate of $100 per day when engaged in the performance of his duties as a member of the Commission, and shall also be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Commission.

(g) Each department, agency, and instrumentality of the executive branch of the government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the chairman, such data, reports, and other information as the Commission deems necessary to carry out its functions under this section.

(h) The head of any executive department, agency, or instrumentality of the United States may detail such personnel and may furnish such services, with or without reimbursement, as the Commission may request to assist it in carrying out its functions under this section.

(i) There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. The Commission shall submit to the Congress within 90 days after its first meeting a budget request necessary for carrying out the provisions of this section. There is authorized to be appropriated the sum of $500,000 for the purpose of organizing the Commission.

(j) The Commission shall terminate 10 days after the date on which its final report is submitted to the President and to the Congress.

SEC. 14. (a) The director shall formulate and carry out a cooperative interagency technology information exchange program under which he shall keep other departments and agencies of the Federal Government informed of technological information developed by the Department of Defense which he determines may be of use to such departments and agencies and shall receive from such other departments and agencies technological information developed by such departments and agencies which he determines may be of use to the Department of Defense.

(b) In the interest of promoting more efficiency and economy in the Government, the Director shall study the practicality of the Department of Defense conducting research and development projects jointly with other departments and agencies of the Federal Government.

(c) All other departments and agencies of the Federal Government shall cooperate fully with the Director in carrying out the provisions of this section.

SEC. 15. The Director is authorized to issue such rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 16. Section 203 of Public Law 91–441 (84 Stat. 906, 907) is repealed.

By Mr. GRIFFIN:

S. 2376. A bill to prohibit the shipment in interstate commerce of dogs and other animals intended to be used to fight dogs or other animals for purposes of sport, wagering, or entertainment. Referred to the Committee on Commerce.

ANIMAL FIGHTING

Mr. GRIFFIN. Mr. President, today I am introducing legislation designed to curb the reprehensible practice of pitting one animal against another in fights for purposes of sport, wagering, or entertainment.

That a civilized society such as ours has tolerated spectacles of such cruelty is a wonderment surpassed only by the fact that this activity apparently is on the increase.

Although animal fighting is supposed to be illegal in all 50 States, enforcement is sporadic and the penalty in some cases amounts to less than the price of admission or the wager on one fight. Comprehensive Federal legislation is needed if we are to deal effectively with this problem.

It is not my intention to dwell upon any of the abundant number of stories involving dog fights. Newspaper articles, hearings, and previously introduced measures have all adequately conveyed the cruelty inherent in this activity.

During testimony presented before Congressman FOLEY's Subcommittee on Livestock and Grains last year, it was reported that in approximately 40 percent of the fights, both dogs will die and in about 70 to 75 percent of the fights one of the dogs will die. Fights generally last anywhere from 45 minutes to as long as 2½ to 3 hours, and many dogs which do not die during the course of the fight die of exhaustion, or are so badly mauled that their owners destroy them once the fight is completed.

The victimizing has not been limited to animals raised and trained for the specific purpose of fighting. Several dog fighting groups use pet-type dogs either stolen or obtained from animal shelters. It is not uncommon for 30 dogs to be killed in this manner in 1 weekend.

There is an urgent need for effective legislation to put an end to dog fighting. Earlier this year, I was pleased to cosponsor one such measure sponsored by my colleague from New Jersey, Senator WILLIAMS.

However, the question evolves that if the cruelty of dog fighting is to be ended, should not this protection be extended to other animals who suffer similarly? Accordingly, this legislation would offer the same protection to all animals which are victimized in this manner.

For many years, the mail service and other means of communication such as the telephone have been the unwitting accomplices to the animal fight promoter. Fighting magazines announcing results of previous fights and giving word of future ventures have flourished for years, using the mails to keep informed and organized those enthusiasts who gain access to the well-guarded mailing lists. In addition, the telephone is commonly used to make last-minute arrangements as to time and location of a fight. This bill would make illegal the use of either the telephone or the mails, or any other interstate instrumentality, for the purpose of organizing or staging such an animal fight.

This measure would also provide for the forfeiture of all animals and equipment involved in a fight. Because of the value of the animals to their owners, in some cases, this provision may be a more effective deterrent than a fine.

Finally, this bill would not supersede or invalidate existing State or local laws relating to animal fighting ventures. It is intended that this legislation would supplement State regulations wherever possible to provide the broadest, most effective protection under the law.

It is my hope that the Commerce Committee will schedule hearings on this and related measures at an early date. A number of humane groups have been actively investigating this problem, and the testimony of their representatives should be particularly interesting and helpful.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2376

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Animal Fighting Prohibition Act of 1975".

FINDINGS

SEC. 2. The Congress hereby finds (1) that the practice of promoting, instigating, or otherwise conducting, for purposes of sport, wagering, or entertainment, any show, exhibition, program, or other activity involving a fight between animals, including animals which were captured, bred, or trained for such purposes, is cruel and inhumane treatment of such animals, and repugnant to common decency; (2) that anything so consistently condemned and banned by the several States is contrary to the public policy of the United States; and (3) that the movement in commerce of animals for any such activity or the movement in commerce of equipment and devices used in connection with any such activity adversely affects and burdens commerce.

DEFINITIONS

Sec. 3. As used in this Act—

(1) The term "commerce" means commerce between a point in any State, territory or possession of the United States (including the District of Columbia and the Commonwealth of Puerto Rico) and any point outside thereof, or between points within the same State, territory or possession of the United States (including the District of Columbia and the Commonwealth of Puerto Rico) but through any place outside thereof, or within the District of Columbia, or from any foreign country to any point within the United States.

(2) The term "animal" means any mammal of the class Mammalia (excluding man), any bird of the class Aves, or any reptile of the class reptilia.

PROHIBITED ACTS

Sec. 4. It shall be unlawful for any person to—

(1) Knowingly capture, breed, or train, for sale, shipment, transport, delivery, or movement in commerce any animal for use in any show, exhibition, program, or other activity featuring or otherwise involving a fight between such animal and any other animal for the purpose of sport, wagering, or entertainment;

(2) sell, or offer for sale, ship, transport, or otherwise move, or deliver or receive for movement, in commerce, any animal which such person knows or should know has been captured, bred, or trained, or will be used, to fight another animal, for the purpose of sport, wagering, or entertainment;

(3) manufacture for sale, shipment, transportation, delivery, or movement in commerce any device or equipment which such person knows or should know is for use in any show, exhibition, program, or other activity featuring or otherwise involving a fight between two or more animals for purposes of sport, wagering, or entertainment;

(4) sell or offer for sale, ship, transport, or otherwise move, or deliver or receive for movement, in commerce any equipment or device which such person knows or should know is intended for use in connection with any show, exhibition, program, or activity featuring or otherwise involving a fight between two or more animals for purposes of sport, wagering, or entertainment;

(5) knowingly promote, conduct, carry on, observe, or participate in, for purposes of sport, wagering, or entertainment, any show, exhibition, program, or other activity involving a fight between two or more animals, if any one or more of such animals, or any equipment or devices used in connection therewith, was moved in commerce;

(6) make available any site, structure, or facility, whether enclosed or not, which such person knows or should know is intended to be used for the purpose of conducting any show, exhibition, program, or other activity involving a fight between two or more animals, if one or more of such animals, or such site, structure, or facility or any part thereof was moved in commerce; or

(7) knowingly make use of the mail service of the United States Postal Service, any telegraph, telephone, radio, television, or other interstate instrumentality to promote, conduct, show, carry on, or participate in, for purposes of sport, wagering, or entertainment, any show, exhibition, program, or activity primarily featuring a fight between two or more animals.

REGULATIONS

Sec. 5. The Secretary of Agriculture, who shall be responsible for the administration of this Act, is authorized to promulgate, in accordance with section 553 of title V, United States Code, such regulations as are necessary to carry out effectively the provisions of this Act.

PENALTIES AND ENFORCEMENT

Sec. 6. (a) Any person guilty of violating any provision of section 4 of this Act or any regulation issued under this Act shall be punishable by a fine of not more than $25,000 or imprisonment for not more than one year, or both, and such animals, equipment, and devices involved in any such violation shall be forfeited.

(b) The provisions of this Act shall not supercede or otherwise invalidate any such State, local, or municipal legislation or ordinance relating to animal fighting ventures except in case of a direct and irreconcilable conflict between any requirements thereunder and this Act or any regulation hereunder.

By Mr. ROTH:

S. 2378. A bill to establish a commission to study all laws, and executive branch rules, regulations, orders, and procedures, relating to the classification and protection of information for the purpose of determining their consistency with the efficient operation of the Government, including the proper performance of its duties by the Congress, and for other purposes. Referred to the Committee on Government Operations.

Mr. ROTH. Mr. President, I am introducing legislation today to establish a National Commission on Executive Secrecy to examine the Nation's laws relating to classification and declassification practices and to recommend needed reforms. This bill is identical to S. 1520 which I introduced in the 93d Congress and which was cosponsored by Senators Ervin, Abourezk, Baker, Bayh, Bible, Brock, Clark, Cranston, Fulbright, Hart, Mathias, McIntyre, Mondale, Montoya, Pastore, Pell, Percy, Sparkman, Stevenson, Symington, and Williams.

Progress has been made in the area of helping citizens obtain information to which they are entitled through last year's Freedom of Information Act amendments. However, there has still been no basic reforms to prevent overclassification in the Government in the first place. The current dispute between the executive branch and the House Intelligence Committee points to another controversy in this area—does Congress have a right to unilaterally declassify executive branch information and if so, is that right without limit? Finally, I am concerned that overclassification leads to waste, duplication, and often serves the interests of specific groups within bureaucracy rather than those of the general public. For example, I was appalled to discover recently that information developed for our trade negotiators was not being made available to the Departments of State and Treasury which are intimately involved in these negotiations.

If this bill had been passed in 1971, when I first introduced it, we would have had available years ago a thorough study on which to base legislation and substantive reforms. I hope this legislation will be given careful and expeditious consideration in the Senate Subcommittee on Intergovernmental Relations.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 5

At the request of Mr. Chiles, the Senator from Kansas (Mr. Dole) and the Senator from Kentucky (Mr. Huddleston) were added as cosponsors of S. 5, the Federal Government in the Sunshine Act.

S. 410

At the request of Mr. Goldwater, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of S. 410, a bill to repeal the earnings limitation of the Social Security Act for all workers age 65 and over.

S. 1804

At the request of Mr. Hansen, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 1804, a bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs.

S. 2180

At the request of Mr. Abourezk, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 2180, a bill to amend title I of the House and Community Development Act of 1974.

S. 2293

At the request of Mr. Helms, the Senator from South Dakota (Mr. Abourezk), the Senator from California (Mr. Cranston), the Senator from Nebraska (Mr. Curtis), and the Senator from Utah (Mr. Garn) were added as cosponsors of S. 2293, proposing an amendment to section 402 of the Highway Safety Act of 1966 relative to compulsory helmet legislation for motorcyclists.

S. 2324

At the request of Mr. Dole, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 2324, a bill to amend the Internal Revenue Code of 1954 to restrict access to confidential tax information.

S. 2329

At the request of Mr. Stevenson, the Senators from Minnesota (Mr. Mondale and Mr. Humphrey), and the Senator from Pennsylvania (Mr. Schweiker) were added as cosponsors of S. 2329, a bill to amend the Export-Import Bank Act of 1945 with respect to nuclear exports.

S. 2358

At the request of Mr. Stone, the Senator from New Jersey (Mr. Williams) was added as a cosponsor of S. 2358, a bill to amend title 23 of the United States Code with respect to cost estimates applicable to certain routes transferred within the Interstate Highway System.

SENATE RESOLUTION 144

At the request of Mr. Burdick, the Senator from South Dakota (Mr. Abourezk) was added as a cosponsor of Senate Resolution 144, to urge the restoration of the status of amateur athlete for the late Jim Thorpe, and for other purposes.

SENATE JOINT RESOLUTION 101

At the request of Mr. BURDICK, the Senator from California (Mr. TUNNEY) was added as a cosponsor of Senate Joint Resolution 101, to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE RESOLUTION 252—SUBMISSION OF A RESOLUTION RELATING TO THE CANADA-UNITED STATES ENERGY EXCHANGE

(Referred to the Committee on Foreign Relations.)

Mr. HUMPHREY submitted the following resolution:

S. RES. 252

Whereas, Canadian oil and natural gas exports to the United States are being curtailed; and

Whereas, such curtailments will create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop planting and harvesting, curtailment of vital public services, including the transportation of food and other essential goods, and shortages of home heating fuels in areas demonstrably dependent on Canadian energy; and

Whereas, existing and anticipated new United States energy sources can be substituted for Canadian energy imports only with great difficulty, over a long period of time and at great cost; and

Whereas, Canadian energy exported to the United States could be replaced with Alaskan energy delivered on the west coast of Canada, or with oil delivered to Canada through the Portland Pipeline or through other means; and

Whereas, a permanent energy exchange between Canada and the United States would prevent the severe economic and personal dislocations imposed by a curtailment of Canadian energy exports to the United States; Now, therefore, be it

Resolved by the Senate that the President shall immediately initiate negotiations with the Canadian Government for the permanent exchange of fossil fuel energy beyond 1976, designed to avoid a curtailment of Canadian energy exports to the United States. The President shall report to the Congress on the progress of these negotiations within six-months from the date of enactment of this Resolution.

Mr. HUMPHREY. Mr. President, I rise to submit legislation calling on the President to initiate negotiation of a Canada-United States energy swap. Under such a swap, Alaskan oil and imported oil would be exchanged for the continued flow of Canadian oil to the Northern Tier States, New England and the Pacific Northwest.

Canada has announced that it will reduce both oil and natural gas exports to the United States. Their decision means that by 1981, we will be receiving about 700,000 barrels of oil less each day from Canada than we received in 1974.

Minnesota and other northern border States are dependent on Canadian energy. They have few, if any, alternative sources of oil or natural gas. In fact, the curtailment of Canadian energy could mean the reversal of economic growth and a severe rise in unemployment for States like Minnesota.

The only permanent solution to the cutback of Canadian energy exports to the United States is an energy swap—the exchange of a small portion of our Alaskan oil for an equivalent amount of Canadian oil. Canada would then be able to continue exporting oil and natural gas to our border areas. At the same time, energy reserves and usage in Canada and the United States would be unchanged. This would benefit both countries.

There are two potential energy exchange arrangements the President should investigate. First, some 10 to 20 percent of our Alaskan oil could be shipped to the west coast of Canada, well north of Vancouver, and intermingled with the Canadian energy network. This, incidentally, would not divert Alaskan oil from homes and factories in the United States. As you know, Mr. President, a large portion of our Alaskan oil will be sold abroad in any case. I much prefer that we sell this oil to Canada in exchange for energy rather than to other nations in exchange for nonenergy products.

A second arrangement could involve the transshipment of oil through the Portland, Maine, pipeline to eastern Canada. This oil would be purchased by the United States on the world market, and appropriate assurances would be necessary to insure alternative supplies in the event of another oil embargo.

In either case, this U.S. oil would replace Canadian oil and natural gas that would continue to be shipped from the Canadian Great Plains to the Pacific Northwest and the American northern tier, including Minnesota.

There are indications that Canada is willing to discuss an energy swap which promotes the interests of Canada and the United States. My resolution would urge the President to explore the grounds for such a swap and provide him with the full backing and support of the Senate in this important activity. The Senate resolution would also require a progress report on these negotiations within 6 months from the date of its passage.

I do not want to minimize the difficulties involved in arranging a Canada-United States energy swap. It will involve long and tedious negotiations with Canada as well as oil and natural gas producers and distributors. For that reason, my legislation gives the President no specific date by which negotiations must be satisfactorily concluded; rather, it simply calls on him to initiate negotiations on an energy swap in time to forestall a reduction in Canadian energy exports to the United States.

An effective swap arrangement would be good news to the almost 10 million U.S. citizens who daily use Canadian energy in their homes and at work.

SENATE RESOLUTION 253—SUBMISSION OF A RESOLUTION RELATING TO THE CONSERVATION OF HELIUM

(Referred to the Committee on Interior and Insular Affairs.)

Mr. DOMENICI (for himself), Mr. FANNIN, Mr. HANSEN, and Mr. MCCLURE) submitted the following resolution:

S. RES. 253

Whereas helium is a unique, valuable, and wasting natural resource which is essential to the vital interests of this country;

Whereas in accordance with Section 104 (e)(3) of the Energy Reorganization Act of 1974, the Energy Research and Development Administration filed its report with the President and the Congress on the energy related applications of helium;

Whereas ERDA concluded that large quantities of helium will be required for energy-related applications such as fusion reactors, superconducting magnetic energy storage, and superconducting power transmission;

Whereas ERDA concluded that this large energy-related demand will commence and increase about the time this Nation's known existing helium reserves will be essentially exhausted and that the helium now being extracted and wasted should be saved;

Whereas ERDA concluded that this Nation will be dependent in part on foreign-source helium, in part on helium stored and in small shut-in fields, and eventually on helium extracted from the atmosphere;

Whereas ERDA concluded that (a) the economic cost of extraction of helium from the atmosphere is $3,000 to $6,000 per Mcf, or 150 to 300 times the amount the Government had been paying helium contractors for helium extracted from natural gas, and (b) the energy cost of producing one Bfc/yr. of helium from the atmosphere would require at least 50% of the projected annual output of the Alaskan Oil Pipeline;

Whereas the Helium Conservation Program established under the Helium Act of 1960 is now the subject of numerous lawsuits, including suits by the helium conservation contractors against the Government seeking to recover damages for alleged breach of contract and/or erroneous cancellation of their 20-year helium sales contracts;

Whereas about three billion cubic feet per year of helium from this Nation's largest helium-rich reserve were being extracted from the natural gas by the helium contractors, sold to the Government for about $12 per Mcf, and transported via the Government's pipeline to the Government-owned storage reservoir for future use;

Whereas the Government has closed the valves to its pipeline and these three billion cubic feet of helium per year are now being wasted;

Whereas three of the four helium conservation contractors have so integrated their helium extraction operations with liquefied petroleum gas and/or petrochemical operations that the helium plants must continue in operation even though the Government has stopped accepting the helium for storage, and therefore approximately two Bcf/yr. of helium for which the Government had been paying about $24 million a year to store for future use is still being extracted but wasted into the atmosphere;

Whereas one possible result of the pending lawsuits is that the Government will pay full contract price for the helium but will have wasted the helium which should have been stored;

Whereas the helium contractors have no helium storage facilities and the Government has adequate helium pipeline and storage facilities to accommodate for many years substantially more helium than that now being extracted, and at minor cost;

Whereas it is imperative that the helium being extracted and then wasted be stored by the Government for future use and done in a manner which is without prejudice to the rights of the parties in existing litigation;

Whereas an interim step of storing this helium which is being extracted and then wasted will curtail the waste of this vital resource while the Courts resolve the legal problems and the Administration and Congress develop an effective helium conservation program. Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States that the President of the United States should direct the Secretary of Interior to make prompt arrangements to conserve the helium which is now being extracted and then vented into the atmosphere.

Mr. DOMENICI. Mr. President, today I am submitting legislation for myself, Senators FANNIN, HANSEN, and MCCLURE, which requests the President of the United States to direct the Secretary of the Interior to make prompt arrangements to conserve helium.

The language contained in this legislation makes it clear that there is a need for conserving helium.

The United States has been extremely shortsighted in its decisions on helium conservation. This proposal would simply request the President to make arrangements to conserve the helium which is now being extracted and vented into the atmosphere.

The Energy Reorganization Act of 1974 at section 104(e)(3), required the Administrator of the Energy Research and Development Administration to conduct a study of the potential energy application of helium and to report to the President and the Congress. On April 10, 1975, Dr. Robert C. Seamans, Jr. submitted ERDA's report which concludes that energy technologies under development in light of projected future demands indicates that substantial amounts of helium will be required in the future.

Mr. President, it seems inconsistent to me that the Federal Government is authorizing funds for research and development of helium-based technologies, for example, fusion reactors, superconducting electrical power transmission, and superconducting magnetic energy storage, while making no attempts to assure an adequate supply of helium resources. It would appear to me, as it does to many experts in this area, unless we begin to conserve helium now, we will not have enough helium at acceptable financial cost after the turn of the century to meet the needs of the many promising helium-based technologies now under development. We should, either conserve helium or put our R. & D. funds into development of alternative technologies.

Mr. President, research is currently underway at Los Alamos Scientific Laboratory, in New Mexico, as well as at other laboratories in the United States and several other industrialized countries, on superconducting underground cables. Underground superconducting cables contained in pipes filled with liquid helium would permit transmission of large blocks of power underground through congested areas with negligible loss of energy. In 1970, the Office of Science and Technology reported to Interior that "the potential here is very great."

Helium is also used to maintain a controlled atmosphere for growing crystals for transistors, in processing fuels for nuclear energy purposes and for cooling vacuum furnaces. As a lifting gas, its primary use is in weather monitoring, and astronomical study. Helium provides a rapid and reliable method of checking for the absence of the most minute leaks in a variety of products. Helium is the preferred carrier gas in chromographic instruments used to determine impurities in a variety of industrial products, especially petroleum, chemical compounds and pharmaceuticals. It has a number of medical applications. As a breathing mixture helium provides the ability to explore lower depths of the ocean.

The ERDA report indicates estimates of future helium supply do not coincide with projected demand. Virtually all domestic helium, which is now contained in natural gas, is expected to be depleted by the end of this century—before new technologies require it. This helium will be dissipated to the atmosphere during natural gas consumption unless action is taken to separate and store it.

Mr. President, I ask unanimous consent that the summary of the data and conclusions contained in the April 10, 1975, Energy Research and Development Administration report to the President and the Congress be printed in the RECORD following my remarks.

I hope that the Congress will move forward quickly on this legislation. I feel it is imperative that we begin to support and encourage a well coordinated program for assuring helium for technologies that could contribute significantly to our future electricity supply.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE DATA AND CONCLUSIONS

Helium possesses certain unique properties which are being utilized in a number of advanced energy technologies now under development. Adequate supplies of helium are essential for their successful operation.

In this report the Nation's helium resources are examined, supply and demand projections are reviewed and recommendations relating to the management of the Federal Helium Program are made which will ensure an adequate supply of helium for the development of helium-dependent energy-related technologies and for other essential uses. The following is a summary of the data and the resulting conclusions upon which these recommendations are based.

Resources—Helium exists in natural gas but the concentration of the helium differs from field to field. Approximately 85% of the Nation's proven reserves of helium-rich (>0.3%) natural gas are located in Texas, Oklahoma and Kansas. Because natural gas is being used as a fuel, these helium reserves are depleting. From 1962–1971 helium was extracted from about half of this gas on its way to market, purchased by the Government and stored underground in a partially-depleted Government-owned gas field. Helium has also been discovered in natural gases with a fuel content too low to be marketed. These helium reserves are "shut in" and are nondepleting.

In this study two long term energy scenarios, developed by the Federal Energy Administration in its Project Independence report, have been used. These two scenarios both forecast significantly lower energy growth rates than in the past and they differ considerably in their projected utilization of electricity.

Beginning in the year 2000 three helium-dependent energy-related technologies have been identified which require large amounts of helium. These are:

(1) Superconducting power transmission,

(2) Superconducting magnetic energy storage; and

(3) Fusion reactors.

Estimates of helium demand with time have been developed for these technologies assuming that their technical and economic feasibility will have been demonstrated prior to the year 2000 and that their introduction into the economy begins shortly thereafter. Other energy-related uses of helium are relatively small, but their cumulative total is not. These other nonconventional uses have been recognized in this analysis.

An analysis of the Nation's natural gas reserves, their helium content and the rate at which they are being depleted indicates that about 280 billion cubic feet (Bcf) of helium still exist as proved recoverable reserves. By 1990, about 15 Bcf will have been used beneficially, 200 Bcf will have been wasted to the atmosphere, and only about 65 Bcf including the stored helium will remain. In addition, nondepleting helium reserves, designated as "probable", exist in the amount of 35 ± 28 Bcf. This excessive uncertainty should be reduced.

Helium also exists in the atmosphere. There its concentration is five parts per million. Although helium can be extracted from the atmosphere, to do so is costly both in energy and in dollars.

Demand—Current U.S. demand for helium is about 0.7 Bcf/yr. Helium is used in industry for welding, leak detection, cryogenic research, etc. These uses are expected to increase slowly reaching a level of about 1.4 Bcf/yr in the year 2000.

Energy-related uses of helium are projected to be primarily in the area of advanced electric power technology. However these uses are not expected to become substantial until after the year 2000. How much helium will then be required depends upon overall energy usage in the U.S. and also upon the "mix" of the forms in which the energy will be utilized, i.e., how much in the form of electricity and how much in the form of portable, transportable fuels such as oil, etc.

Energy-related helium demands could increase from essentially zero in the year 2000 to between 1 and 5 Bcf/yr by 2030. This five-told uncertainty in demand is a consequence of (a) uncertainty in the overall growth scenario adopted by the Nation as a whole and (b) the differing helium requirements of competing fusion reactor designs. These uncertainties in the projected annual demand for helium yield cumulative demand estimates by the year 2030 ranging from a low of 100 Bcf to a high of 180 Bcf. These demand uncertainties will presumably be diminished as the competition among alternative fusion reactor designs is resolved and as achievable National energy growth rates are agreed upon. Consequently periodic reviews of helium requirements should be scheduled in order to correlate the management of the Federal helium program with changes in projected demand.

Supply—Government-owned and privately-owned in-place helium extraction plants exist with a potential production capability of about 5 Bcf/yr. Since being built, the volume flow of the natural gas through these plants has diminished such that only about 3.8 Bcf/yr of helium can be produced at the present time. This is still many times current demand, hence the helium extraction facilities of many of these plants are not operational.

By 1990 the volume flow of natural gas will have decreased to the point that supply will no longer exceed demand. A choice will then have to be made with respect to the source of additional helium. The available options will depend upon what action is taken between 1975 and 1990.

If no action is taken the Government could elect to release helium from its stockpile in 1990 to supplement the remaining production capacity. Following depletion of the stockpile, other nondepleting helium resources could be exploited. Such a course of action would provide about 20 Bcf from current production, 60 Bcf from proved nondepleting reserves and perhaps 35 Bcf from probable nondepleting reserves. The total would amount to about 115 Bcf and this would marginally ensure that a shortage of helium would not impede the implementation of one of the two above-mentioned Project Independence energy scenarios to the year 2030. The other such scenario, which requires 134 Bcf (min) and 180 Bcf (max) of helium by the year 2030 could not be fully implemented. Given the fact that helium will sooner or later have to be extracted from the atmosphere however, the available reserves of helium will at least ensure a substantial development of these new technologies, particularly fusion technology. It is not unreasonable to imagine the dedication of a small percentage of new fusion plants to the task of helium production from the atmosphere for make-up and future growth.

An alternative and more prudent course of action is to hold back the helium in the Federal stockpile in 1990, thus forcing the conventional demand to be satisfied by alternative sources. These alternative sources are not well defined at this time, but they would presumably include imports, the construction of new helium extraction plants on remaining helium-lean natural gas streams (if any, or if any in adequate amounts), etc. It is doubtful that these sources will be able to supply more than 10–20 Bcf before release of helium from the Federal stockpile will become mandatory. Adoption of this course of action will extend the supply of helium.

A third and the most prudent course of action is to provide for the private storage of the excess helium production capacity which exists at the present time. At least 19 Bcf of helium could be so stored by 1990. This helium could be released thereafter to meet demand or it could be held for a longer period forcing maximum utilization of the alternative sources discussed above. Normal economic forces would presumably dictate the mix. The net result could be a significant extension of the helium supply and a long step toward ensuring adequate supplies of helium to permit the playing out of either energy growth scenario, at least through the year 2025. Again it will eventually be necessary to resort to helium extraction from the atmosphere, but this third course of action defers this action the farthest into the future. Procedures for facilitating the private storage of helium should clearly be developed.

Helium extraction from the atmosphere.—The cost of extracting helium from the atmosphere is projected to range between $3000–$6000 per thousand cubic feet. This is 150–300 times the present commercial cost of helium and 350–700 times the cost of Bureau of Mines helium produced from existing plants. In terms of energy, the production of 1 Bcf/yr of helium from the atmosphere would require about 70% of the projected annual output of the Alaskan oil pipeline or 16% of current annual coal production. This very considerable disparity between the cost of stored helium and helium extracted from the atmosphere underlines and emphasizes the importance of extracting and storing helium from currently available supplies of helium-rich natural gas.

International considerations.—Although the United States has been the major world source for helium in the past, in the future foreign gas fields will be developed as alternative sources. Such sources will probably last well into the next century but world demand for such helium may be expected to increase at about the same time and at about the same rate as the U.S. demand.

Management options.—No advantages or benefits are discernable in changing responsibility for the management of the Federal Helium Activity.

The Federal helium program.—The current policies of the U.S. Bureau of Mines Helium Activity such as debt repayment, sale of helium to Federal agencies, stockpiling of Federally-produced helium, etc. warrant further study in view of the findings of this report.

Recommendations.—The following recommendations concerning the management of the Federal helium program as related to energy are divided into four categories. The first category proposes that a policy relating to the storage of privately-owned helium be established. The second category recommends that a comprehensive policy for the management of publicly-owned helium be developed. The third category addresses the issue of the auspices under which the Federal helium program should be managed and the fourth category relates to proposed actions which will better define the state of the Nation's remaining helium reserves and the future helium demand.

1. Policy Toward Private Helium Storage.

The Federal government should facilitate the storage of privately-owned helium in the government-owned Cliffside Field. Since financial, legal and administrative obstacles to such private storage of helium presently exist, government action may be necessary to accomplish this recommendation.

2. Policy Toward Use of Publicly-owned Helium.

The Federal government should establish a management and pricing policy for the Federal Helium Program consistent with the objectives of Recommendation No. 1 and taking into account the benefits and costs to the public. This policy should encourage the use of helium from sources other than the Federal helium inventory as long as extraction from other sources is financially justified. Such a policy would encourage investment in new helium extraction plants utilizing helium in helium-lean natural gas, helium production from air separation plants and importation of foreign helium.

3. Administrative Responsibility for the Federal Helium Program.

The Federal helium program should continue to be administered by the Department of the Interior.

4. Policy with Respect to Improving Supply and Demand Estimates of Helium.

The Federal government should:

a. Improve estimates of the magnitude of helium-rich reserves (concentration greater than 0.3%) currently identified in the proable nondepleting category where this can be accomplished by a limited program in high opportunity areas, e.g., exploration of helium in the Tip Top field in Wyoming. To this end, alternative levels of effort should be identified and an appropriate program selected based on probable costs and benefits.

b. Undertake periodic comprehensive helium supply and demand analyses in support of program management. The large uncertainties in projected supply and demand and the possibility of acting to conserve additional helium before the end of the century suggest that program management should periodically consider improved supply and demand data as they are developed and adjust program efforts as required.

AMENDMENTS SUBMITTED FOR PRINTING

NATURAL GAS PRODUCTION AND CONSERVATION ACT OF 1975—S. 692

AMENDMENT NO. 891

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS (for himself and Mr. STEVENSON) submitted an amendment intended to be proposed by them jointly to the bill (S. 692) to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes.

NATURAL GAS EMERGENCY ACT OF 1975—S. 2310

AMENDMENT NO. 892

(Ordered to be printed and to lie on the table.)

Mr. STEVENSON (for himself and Mr. HOLLINGS) submitted an amendment intended to be proposed by them jointly to the bill (S. 2310) to assure the availability of adequate supplies of natural gas for the period ending June 30, 1976.

AMENDMENTS NOS. 898 AND 899

(Ordered to be printed and to lie on the table.)

SENATOR RANDOLPH INTRODUCES AMENDMENTS TO THE NATURAL GAS EMERGENCY ACT OF 1975

Mr. RANDOLPH. Mr. President, on June 30, 1975, the authority for the Federal Energy Administration to require electric powerplants and industrial boilers to convert from oil and natural gas to coal expired.

Section 6 of S. 2310 would extend until June 30, 1976, this recently expired authority. This section provides additional standby authority to require conversion from natural gas to oil. This provision is intended to free up natural gas for such uses as residential consumption, industrial processes, and feedstock uses, when other fuels are available for boiler fuel use.

Approximately one-third of the natural gas consumed in the United States is for boiler fuel; this use is about equally divided between industrial boilers and electric utility generating stations. Where practicable for conversion of these boilers from natural gas to other fuels would make additional supplies available for higher priority uses, where no alternate fuels are available.

Mr. President, a comparable provision is contained in S. 2330, the administration's proposed Natural Gas Emergency Standby Act of 1975. In addition, title IV of S. 2330 would prohibit natural gas use by electric generation systems, if such powerplants have the capability to convert to petroleum products. The administration's proposal is broader than S. 2310, it also covers the conversion of major fuel-burning installations to oil, if coal conversion is not feasible.

The provisions in S. 2310 and S. 2330 governing the conversion of boiler uses of natural gas are not identical. In the judgment of FEA Administrator Frank Zarb, section 6 of S. 2310 fails to adequately integrate the "oil conversion" authority in subsection 6(a) with the program contained in the earlier enacted Energy Supply and Environmental Coordination Act; it leaves unclear whether coal or oil conversion is to be ordered where both would be possible. In his judgment there are a number of other technical discrepancies between the oil conversion authority in section 6(a) of S. 2310 and ESECA, which should be eliminated so as to avoid unnecessary implementation problems.

Mr. President, this amendment would integrate the new authority provided in S. 2310 with existing authority contained in the Energy Supply and Environmental Coordination Act. In addition, the provision would remove the technical discrepancies of concern to the Federal Energy Administration.

This amendment would extend for 1 year the recently expired authority in ESECA to require electric utility and industrial boiler conversions from natural gas or oil to coal, and would provide additional standby authority to require conversion from gas to oil where coal conversion is not practicable. The intent of this provision is consistent with the recently expired coal conversion authorities under the Energy Supply and Environmental Coordination Act and S. 1777, which is currently under consideration by the Committees on Public Works and on Interior and Insular Affairs.

Mr. President, I ask unanimous consent that a section-by-section analysis and the text of this amendment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 5(a). States the purpose of this section is to continue the conservation of natural gas and petroleum products by fostering the use of coal by powerplants and major fuel burning installations, and if coal cannot be utilized, to provide authority to prohibit the use of natural gas when petroleum products can be substituted.

Section 5(b). Amends Section 2 of the Energy Supply and Environmental Coordination Act of 1974 ("ESECA") to extend FEA's recently expired authority to require conversion to coal by gas and oil burning power plants and major fuel burning installations, and to add a new authority to require conversion from gas to oil where coal conversion is not feasible and certain other requirements are met, including a certification by the Administrator of the Environmental Protection Agency that the particular power plant or installation will be able to comply with the Clean Air Act while burning oil. Certain technical amendments of a conforming nature are also made to Section 2 of ESECA.

Section 5(c). Amends section 11(g)(2) of ESECA by extending the expiration of Section 11 from June 30, 1975 to June 30, 1976.

AMENDMENT NO. 898

Strike all of section 6 and insert in lieu thereof the following:

"SEC. 6. (a) The purpose of this section is to continue the conservation of natural gas and petroleum products by fostering the use of coal by power plants and major fuel burning installations, and if coal cannot be utilized, to provide authority to prohibit the use of natural gas when petroleum products can be substituted.

"(b) Section 2 of the Energy Supply and Environmental Coordination Act of 1974 is amended by:

"(a) Redesignating subsections (e) and (f) as subsections (f) and (g), respectively;

"(b) Amending redesignated subsection (g)(1) to read as follows:

'(g)(1) Authority to issue orders or rules under subsections (a), (b), (d), and (e) of this section shall expire at midnight June 30, 1976. Authority to issue orders under subsection (c) shall expire at midnight June 30, 1975. Any rule or order issued under subsections (a) through (e) may take effect at any time before January 1, 1979.'

"(c) Inserting after subsection (d) the following new subsection (e):

'(e)(1) The Federal Energy Administrator may, by order, prohibit any powerplant or major fuel burning installation from burning natural gas if—

'(A) the Administrator determines that:

'(i) such powerplant or installation had on June 30, 1975 (or at any time thereafter) the capability and necessary plant equipment to burn petroleum products,

'(ii) an order under subsection (a) may not be issued, with respect to such powerplant or installation,

'(iii) the burning of petroleum products by such powerplant or installation in lieu of natural gas is practicable,

'(iv) petroleum products will be available during the period the order is in effect,

'(v) with respect to powerplants, the prohibition under this subsection will not impair the reliability of service in the area served by the plant, and

'(B) the Administrator of the Environmental Protection Agency has certified that such powerplant or installation will be able to burn the petroleum products which the Federal Energy Administrator has determined under subparagraph (A)(iv) will be available to it and will be able to comply with the Clean Air Act (including applicable implementation plans).

'(2) An order under this subsection shall not take effect until the earliest date the Administrator of the Environmental Protection Agency has certified that the powerplant or installation can burn petroleum products and can comply with the Clean Air Act (including applicable implementation plans).

'(3) The Federal Energy Administrator may specify in any order issued under this subsection the periods of time during which the order will be in effect and the quantity (or rate of use) of natural gas that may be burned by a powerplant or major fuel burning installation during such periods, including the burning of natural gas by a powerplant to meet peaking load requirements.'

"(c) Section 11(g)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out 'June 30, 1975,' wherever it appears and inserting in lieu thereof 'June 30, 1976'."

AMENDMENT NO. 899

Mr. RANDOLPH. Mr. President, over the last 10 years major shortages of natural gas have emerged. The formidable task of redressing the imbalance between supply and demand could easily require another decade.

In my State of West Virginia natural gas meets 21 percent of our energy needs. Over 69 percent of the homes in my State use natural gas.

Last year's actual curtailment was 8.1 percent of normal usage. In 1975, this is predicted to reach 11.3 percent, or 20 billion cubic feet. Reportedly there will be at least a 60-percent curtailment of industrial customers beginning this November.

Hardest hit will be the industrial sector: stone, clay, and glass products; chemical and allied products; and primary metals. If alternative fuels are not available a 20-percent reduction in West Virginia's natural gas supplies could displace 8,300 workers in manufacturing and related industries.

In North Carolina there will be a total cutoff—100 percent curtailment—of industrial users. The nationwide cutback of industrial customers this winter will average 40 percent. This is particularly critical since one-half of all the energy consumed by industry is natural gas.

The House Government Operations Committee has recommended serious consideration be given to declaring a state of emergency in advance of this winter. Particular concern is for six States: West Virginia, Pennsylvania, Ohio, Kentucky, New York, and New Jersey.

In response the Senate is to consider emergency natural gas legislation later this week. Before us are S. 2310, the Natural Gas Emergency Act of 1975, introduced by Senators HOLLINGS, GLENN, and TALMADGE; and S. 2330, the Natural Gas Emergency Standby Act of 1975, proposed by the administration.

Due to my deep concern for the curtailment of the customers of interstate pipelines, I read with interest title III of S. 2330. Within my State of West Virginia there are new, but limited, supplies of natural gas; however, there are no intrastate pipelines. Thus these supplies, for the most part, are not available to commercial and industrial users within West Virginia who are being curtailed by interstate pipelines. This provision could correct this situation; intrastate natural gas could be transported within a State by an interstate pipeline without the possibiliy for its diversion outside the State, which is likely to occur under present regulatory policies.

There is no comparable provision in S. 2310. Therefore, I propose an amendment based on the administration's proposal. This provision would amend the Natural Gas Act to allow high priority consumers of natural gas who are experiencing curtailments to purchase natural gas directly from intrastate sources at market prices and to arrange for its transportation though intestate pipeline systems.

The purpose of this amendment is to allow curtailed users in certain high priority use categories established by the Federal Power Commission to locate and acquire available supplies of natural gas in the intrastate market. They might have to pay more than the Federal Power Commission's regulated interstate natural gas price, however, at their choice they would be afforded an alternative to shutting down operations due to lack of natural gas.

Recently, on August 28, 1975, the Federal Power Commission endorsed this proposal. Order No. 533 proposes the issuance of certificates of public convenience and necessity to interstate pipeline companies to permit transmission of gas purchased under such arrangements. However, the FPC has acknowledged that legal objections might be raised with respect to their existing authority to approve such actions. This provision would provide an explicit statutory base for such actions, which could provide as much as 50 to 75 billion cubic feet of natural gas to high priority end users.

Some concern has been expressed that big industrial end users would bid high, thereby tying up all of the available gas and force the price of intrastate gas to an inordinately high level. FEA Administrator Frank Zarb observed last week that experience under other FPC emergency procedures demonstrate that this will not occur. Rather purchasers of natural gas will only pay for the commodity what it is worth.

Mr. President, I ask unanimous consent that a section-by-section analysis of this amendment and its text be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 5(a). States the purpose of provision is to allow curtailed high priority consumers of natural gas to purchase natural gas from the intrastate market by enabling them to arrange for the transportation of such gas by regulated interstate pipeline companies.

Section 5(b). Definition.

Section 5(c). Amends Section 1 of the Natural Gas Act to make clear that FPC jurisdiction shall not extend to transportation by gas distributing companies of natural gas purchased under this Title by curtailed high priority consumers.

Section 5(d). Amends subsection 7(c) of the Natural Gas Act by providing explicit authority to the FPC to issue a certificate of public convenience and necessity to transport natural gas purchased under this title, without the need to review and approve the price paid by a high priority consumer directly to the seller.

AMENDMENT No. 899

On page 7, after line 15, insert the following new section and renumber the subsequent sections accordingly:

"SEC. 5. (a) The purpose of this section is to allow curtailed high priority consumers of natural gas to purchase natural gas from the intrastate market by enabling them to arrange for the transportation of such gas by regulated interstate pipeline companies.

"(b) Section 2 of the Natural Gas Act (15 U.S.C. 717a), as amended by section 203 of this Act, is amended further by inserting immediately after subsection (11) thereof, the following new subsection:

'(12) "Independent producer" means a person, as determined by the Commission, who is engaged in the production of natural gas and who is not (i) an interstate pipeline company or (ii) affiliated with an interstate pipeline company.'.

"(c) Section 1 of the Natural Gas Act (15 U.S.C. 717) is amended by adding at the end thereof the following new subsection:

"'(d) The provisions of this Act shall not apply to the use of the facilities of a gas distributing company for the transportation of natural gas produced by an independent producer from lands, other than any land or subsurface area within the Outer Continental Shelf as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), and sold by such a producer directly to a high priority consumer of natural gas: *Provided*, That the rates applicable to the use of such facilities for the transportation of natural gas described in this subsection are subject to regulation by a State commission. The transportation of natural gas exempted from the provisions of this Act by this subsection is hereby declared to be a matter primarily of local concern and subject to regulation by the several States. A certification from such State commission to the Federal Power Commission that such State Commission has regulatory jurisdiction over rates and service of such person and facilities and is exercising such jurisdiction shall constitute conclusive evidence of such regulatory power or jurisdiction.'.

"(d) Subsection (c) of section 7 of the Natural Gas Act (15 U.S.C. 717f(c)), as amended by section 204 of this Act, is amended further by inserting therein the following new paragraph:

"'(3) Pursuant to the substantive and procedural provisions of this section the Commission may in its discretion issue a certificate of public convenience and necessity upon filing of an application by a natural gas company to transport natural gas produced by independent producers from lands, other than any land or subsurface area within the Outer Continental Shelf as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), and sold by such producers directly to existing high priority consumers of natural gas whose current supply of natural gas is curtailed due to natural gas company curtailment plans on file with the Commission: *Provided, however*, That in issuing a certificate pursuant to this paragraph, the Commission need not review or approve the price paid by a high priority consumer of natural gas directly to an independent producer.'."

FOREIGN ASSISTANCE AMENDMENTS OF 1975—H.R. 9005 AND S. 1816

AMENDMENTS NOS. 894 THROUGH 897

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. KENNEDY. Mr. President, I am submitting today a series of working amendments to the pending foreign assistance bills (S. 1816 and H.R. 9005), which is now under final review in the Foreign Relations Committee.

I submit these amendments—as well as a number of recommendations for action—following a series of hearings and a report on world hunger, health, and refugee problems, conducted jointly by the Subcommittee on Refugees and the Subcommittee on Health, which I serve as chairman. These amendments relate to the humanitarian and disaster relief portions of the bill. Hopefully, they will contribute to the Senate's forthcoming debate and review of the foreign aid program, and support the commendable efforts already underway within the Foreign Relations Committee in charting new priorities and new directions in our overseas assistance program.

Mr. President, we are passing through a period of critical choices in our Nation's foreign assistance program. As in so many other areas of U.S. foreign policy, we have arrived at a time of transition and reassessment in our approach and policy toward overseas assistance. With increasingly limited funds, we must carefully review our foreign aid expenditures to assure that they both support legitimate foreign policy objectives as well as satisfy the humanitarian and developmental needs of the coming decade.

The Indochina war is finally behind us, freeing resources for peace which have, until now, been used for war. We have entered a period of detente, establishing new relationships with old adversaries, and providing new opportunities for peace and stability. We have an opportunity for the first time in several decades to examine our foreign policy goals and objectives, and to establish a companion foreign assistance program that is both attuned to the times as well as to the needs of people around the globe.

At the same time, however, we have also entered a period of new tensions in the relations between the industrialized nations and the countries of the developing world. We are witnessing new dimensions in the competition for scarce world resources—over oil and energy and food. Even as Americans have come to better understand the meaning of "interdependence," we are being confronted with the need to rethink our relationships with the Third World, and our humanitarian responsibilities to millions of people in need. The developing world has both the majority of the world's resources as well as the greatest need for developmental and humanitarian assistance.

These new factors in international relations have brought us to a time of change in our foreign assistance program—and in our approach toward the needs and demands of other nations in a world that becomes more interdependent each year. Even as we reject the notion of isolationism in our foreign policy, so, too, must we reject it in our attitudes toward foreign assistance—in helping people in other nations to help themselves. Although the United States, like many nations in the industrialized world, is currently experiencing a difficult economic period, it would be a mistake to ignore the desperate plight of the majority of the people in the world who are far less well-off than we. The United States, and all of the industrialized world, are still islands of affluence amidst a sea of poverty. We can ignore this fact only at our peril.

The question before us is how do we help meet the silent crisis facing millions of men and women and children across the globe—millions who stand on the brink of starvation and death?

How can we better respond to the nagging problems of world hunger and malnutrition and disease? How can we help mobilize the will and resources of the international community to meet this global peril? And what more must be done to find viable means for implementing the resolutions of the World Food Conference and the World Population Conference?

Creative and important steps were taken in these areas 2 years ago, during our consideration of the Foreign Assistance Act of 1973. A stronger and more explicit congressional mandate was then established to give new priority to our foreign aid program in the areas of food and nutrition, population and family planning, and rural and agricultural development. In the absence of any new or meaningful initiatives in this area by the President since that time, it was again up to Congress this year to build upon this important humanitarian mandate established 2 years ago.

A giant step in this direction was achieved last week in the House with the passage of the International Development and Food Assistance Act, which is now before the Senate Foreign Relations Committee. The House Committee on International Relations, and the Senate Foreign Relations Subcommittee on Foreign Assistance, chaired by my distinguished colleague, Senator HUMPHREY, have both fulfilled their pledge to give new direction and new priority to our foreign aid program. As one who has followed and fought for a creative foreign assistance program for many years, Senator HUMPHREY is the author of many of the important developmental and humanitarian aspects of the current foreign aid program. I am in full support of the House bill, and will support the further efforts this week by the Foreign Relations Committee to report out a bill that truly reflects the will of the American people to contribute constructively to the development and humanitarian needs of people around the globe.

It is in this spirit, Mr. President, that I submit this morning a series of working amendments to strengthen the humanitarian and disaster relief aspects of the pending bill, as well as offer a number of recommendations for action.

1. FOOD AND NUTRITION: VITAL ELEMENTS OF OUR FOREIGN ASSISTANCE PROGRAM

Mr. President, at the outset I want to commend the action in the House, as well as the efforts within the Senate Foreign Relations Committee, to give priority and additional funding to the food and nutrition program, and the agricultural assistance portions of the bill. The recent history of people problems and humanitarian needs around the world have told us that, time again, that threats to the peace are more than just military confrontations or arms races. We have seen famine become a threat to the peace, and massive refugee movements have unbalanced the peace and stability in countries and entire regions.

Ultimately, the health and well-being of people is the true basis for peace: their needs and aspirations are an essential ingredient in building a structure for peace. Because the pending bill reflects this fundamental fact, I will strongly support its enactment. For the first time in many years, it gives priority to programs relating to food and nutrition, to humanitarian and developmental uses of the Public Law 480 food for peace program, and greater support to agricultural assistance and population and family planning. By expanding upon the congressional mandate of 1973, the bill supports a recommendation I have made repeatedly, that our overseas assistance policy must encourage developing countries to give first priority in their national development plans to the agricultural sector of their economies.

2. INTERNATIONAL FOOD RESERVE SYSTEM

Over the past 2 years—especially during the deliberations of the U.N. World Food Conference—Members of Congress and representatives of American voluntary agencies have together advocated a stronger response from the administration toward the issue of establishing an international food reserve system. Rather than permit uncertain, often contradictory forces, to determine that sufficient food is available under title II of Public Law 480 to meet the needs of millions assisted by the voluntary agencies and America's bilateral food programs, we need to make a beginning in establishing a food reserve system.

Despite strong words of support from many in the administration for participating in an international system of food reserves—and the mandate of Congress, in section 55 of last year's Foreign Assistance Act, calling upon the President to implement the resolutions and recommendations of the World Food Conference—no concrete action has yet been taken. I would hope that the Foreign Relations Committee would actively consider amending section 212 of the pending bill, to strengthen its mandate regarding the early negotiation and establishment of an international food bank, including an initial authorization for U.S. contribution to such a program when it is established.

Over the years—particularly the past two—we have learned from tragic experience that such a reserve can be crucial. Whenever manmade or natural disaster has unleashed a tide of human misery, agricultural stocks have frequently been destroyed or, particularly in the third world, rapidly depleted when they are most needed—leaving mass population groups defenseless against starvation and famine. In a world perilously close to an annual food deficit—where agricultural production remains at the mercy of climate and the uncertain trends of production—the merits of a system of international food reserve have come to be recognized by all. Further efforts must be made to use more responsibly America's most important export product—food—which all to frequently is seen by some in the administration as a "food weapon".

Food, far more than oil and energy products, is essential for man's survival. Unlike a shortage in oil or energy, which may slow machines and silence engines, a shortage of food can bring starvation and silence millions of people. It is incumbent upon to use this scarce international resource with wisdom, and with a sense of equity and justice—and not merely as a "weapon" on the chess board of diplomacy.

3. STRENGTHENING DISASTER RELIEF AND HUMANITARIAN ASSISTANCE PROVISIONS OF THE BILL

Mr. President, one of the most commendable features of the pending bill is the establishment for the first time in the Foreign Assistance Act a clear-cut and comprehensive international disaster assistance policy and authorization. Title I of the bill embodies the essential features of S. 562, an International Humanitarian Assistance Act, which I introduced last February, and of amendments adopted by the Senate during last year's consideration of the foreign aid bill.

Although title I is an important initiative, its authorizing language and funding levels are, I feel, inadequate in a number of respects. It is for this reason that I am submitting an amendment to section 492 of the pending bill

First, this amendment—similar to an existing authority for humanitarian purposes in the Migration and Refugee Assistance Act of 1962—establishes a permanent authorization, making available up to $50,000,000 annually for emergency humanitarian assistance. The pending bill includes only an authorization through fiscal year 1977.

Second, this amendment increases the annual authorizations in the pending bill from $25,000,000 to $50,000,000—so as to tie the refugee contingency fund in the 1962 act to the same source of funding as regular disaster relief. This fund, generally administered by the Department of State, is in the process of being increased from $10,000,000 to $25,000,000 annually, and previously was drawn from development assistance.

And third, this amendment increases emergency humanitarian assistance available in fiscal year 1976 by $30,000,000. Since the House version of the bill was adopted, the immediate requirements for funds under this section have increased dramatically. In fact, the administration has already requested an additional $20,000,000 to absorb the anticipated costs of humanitarian assistance in Angola, including the refugee airlift.

And additionally, Mr. President, no funds are available in the pending bill to help meet the continuing humanitarian relief and rehabilitation needs on Cyprus. Given the lack of progress in negotiations, and the continuing plight of tens of thousands of Cypriot refugees unable to return to their homes, it is incumbent that funds be available for an American contribution to international relief efforts on Cyprus.

Finally, the authorizing language and reporting requirements built into the amendment are, I believe, very precise—to insure that the funds appropriated will be utilized solely for humanitarian purposes and not abused as so often in the past. Provisions of the current Foreign Assistance Act funds made available under this section will be available to the President to distribute through the Department of State, as well as through the Agency for International Development.

4. AFRICAN FAMINE AND DROUGHT RELIEF AND REHABILITATION

A regrettable omission in this year's AID presentation, and in the pending bill, is the deletion of the special African Famine and Drought Relief and Rehabilitation Fund. First established in 1973 through congressional initiative, this special fund has played a crucial role in insuring that adequate funds were available to avert massive human tragedy in the Sahel, as well as in other drought-affected nations of Africa.

Every indication—including the report of a special study mission of the Subcommittee on Refugees and the Subcommittee on Health—suggests that there remains a critical need for additional relief and rehabilitation assistance for the drought affected areas of Africa. As the subcommittees' study mission reported this June, it is tempting for the countries and agencies involved in the African relief effort to adopt the view that the worst of the drought and famine is over. Although there has been 1 year of adequate rain in the Sahel, and the situation for many subsistence farmers is better than a year ago, in other areas of Africa there has been no change. And even in areas were there has been some rain, the nomadic population has yet to recover. As one consultant to the subcommittees noted:

> If the Sahelian patient, to use a medical analogy, is showing great resilience and recuperative power, having survived a long and desperate illness, one which required massive transfusions—let us not abandon the patient before he is even out of the recovery room."

Special funds are needed. AID recognized this and incorporated recovery programs for the Sahel and other drought affected nations of Africa in its initial planning. Reportedly under pressure from OMB, however, a number of exceptionally worthwhile and valuable rehabilitation programs for the Sahel were dropped. The amount of money involved was small, but its potential for helping to avert future tragedy is great.

For the record, Mr. President, I would like to list some of the rehabilitation projects the subcommittees' study mission found on the drawing boards in Africa, but which were cut in Washington. These projects—some only costing $500,000 for a 2-year period—amount to little more than just $24 million. But they represent the kinds of famine rehabilitation programs we should be actively supporting, not slowing cutting.

LIST OF SAMPLE REHABILITATION PROJECTS DROPPED FROM U.S. AID PROGRAM FOR LACK OF FUNDS

Range and Livestock Development—This type project will redress much of the drought damage inflicted on livestock production in the Sahel countries. It would include range development schemes, placement of wells, improvement of grazing schemes, and improvement of overall animal nutrition. Cost of this would range between $700,000 to $1.4 million.

Crop Protection—This type project would assist the drought-affected countries to better manage and control the common animal crop pests. The funds would be essential to establish plant protection organizations and train the nationals in administering insecticides to better control the losses of crops for harvest. The projected cost is $3 million.

Family Health Training and Services—This type project will serve to improve the delivery of family health education as well as disseminate information and services to the people to aid in their overall health environment. Such programs would help to reduce the very high mortality rates. The projected cost is $500,000.

Rural Health Services Development—In the rural areas of the drought-affected countries, health delivery systems are virtually non-existent. There is a need to develop rural health delivery systems which can provide basic health needs to the scattered populace. Included within this type project would be elements of training and education to provide a continuation of such services on an ongoing basis long after the funding of the project is complete. The cost will be approximately $7.4 million.

Integrated Rural Development—This type project would take a comprehensive and diversified approach to overall development in the developing countries to include such areas as improvement to land and vegetation, increase production and income from ag and livestock, improve overall basic living conditions, as well as to improve the health conditions of both people and animals. Subcomponents of such projects would involve education and employment of the affected people. Projected cost is approximately $10 million.

Development of Areas Freed of Diseases—Countries which have had areas free of diseases need assistance in planning economic development for those areas. Much technical assistance would be needed to determine what type of development would best be suited for those areas previously affected and this can only come from external technical assistance. The projected cost would be approximately $1.6 million.

Food Production and Agriculture Credit—In order to reduce the dependency of the developing countries on external donors, heavy commitments are needed to increase food and agriculture production. This overall objective can be achieved through the use of small-scale farmers and the availability of credit. The ultimate results of available credit and the increase in the number of farmers should produce significant increases in food and agriculture outputs.

Grain Production—There is a need to develop the capacity of these countries to better plan and implement national grain marketing programs. Such a task will serve to assure reasonable grain outputs to safeguard the needs of the farmers as well as the food supplies of the consumers. If an adequate supply of grain production is produced, then the price fluctuation can better be controlled, as well as surpluses will be available to produce much needed cash for overall budgetary requirements. This project can be somewhat associated with the food production and ag credit project and yet it is sufficiently distinguishable to be identified as a separate project. The projected cost is $5.4 million.

It is the purpose of my amendment to restore the special fund for famine recovery programs in Africa—to enable us to support international efforts that will carry forth the rehabilitation already begun through the generous support of the American people.

5. HUMANITARIAN ASSISTANCE TO INDOCHINA

Mr. President, the war in Indochina is thankfully behind us, and we have an opportunity today to begin the task of healing the wounds of this war, both here at home and abroad. In extending a warm welcome to the Indochina refugees who have come to our shores, we must not forget the needs of the refugees and millions of war victims who remain behind in their native lands.

I have long believed that our "moral commitment" in Indochina was not with any army, nor with any political faction or government. Our true obligations were, and remain, with the people of the area—to millions of war victims who today cry out for relief and rehabilitation. After a decade of involvement in Indochina, we cannot now ignore the need for helping the maimed, the crippled, the war orphan, and the millions of other war victims and refugees throughout the war-affected areas of Southeast Asia.

Regrettably, our clear humanitarian responsibilities toward the people of Indochina have been met with a national policy of silence.

The time is past due for the President and the Congress to respond to the appeals of the United Nations, the International Red Cross, and other organizations and voluntary agencies for contributions to assist the relief and rehabilitation efforts for the people of Indochina. I urge the Foreign Relations Committee to favorably consider the amendment I am introducing, which provides for $50 million in humanitarian assistance for the war affected areas of Southeast Asia—to be distributed solely through international humanitarian or voluntary relief agencies. This amendment is similar to the bill, S. 1350, which the distinguished chairman of the Foreign Relations Committee (Mr. SPARKMAN), submitted on my behalf on March 26, and which was cosponsored by him and a bipartisan group of 16 Senators.

6. OCEAN FREIGHT REIMBURSEMENTS

A fourth amendment I am submitting today will strengthen our Government's support of the private voluntary agencies working overseas. This amendment will increase the ability of voluntary agencies to meet international humanitarian needs by authorizing a minimum level of $15,000,000 for the reimbursement of ocean freight costs incurred in their export of food and nonfood donated commodities to support their programs overseas.

For years, our Government has assumed the responsibility for the cost of ocean freight shipments of title II commodities under the food for peace program, thus relieving voluntary agencies of a significant burden and permitting them to divert their limited resources to the more important task of operating viable humanitarian development programs in needy nations.

Unfortunately, the voluntary agencies have been forced to absorb the tremendous cost of transporting donated commodities such as medical supplies and other relief assistance which are made available each year to these agencies.

While our Government should not shoulder this burden alone, we can increase our assistance in order to minimize the diversion of scarce voluntary agency resources.

Presently, ocean freight costs are reimbursed under the selected country and organization program in the Foreign Assistance Act. In fiscal year 1976, AID is planning to designate approximately $7 million for this purpose. My amendment would provide up to $15 million for reimbursement purposes, and authorize an increase of $8 million during each fiscal year under section 106 of H.R. 9005 in order to insure that other programs are not affected.

7. THE NATIONAL SCIENCE FOUNDATION AND FAMINE AND FREEDOM FROM HUNGER

Mr. President, an important feature of the pending bill is the establishment of title XII, "Famine Prevention and Freedom from Hunger," which authorizes funds to support the agricultural research capacities of the land-grant and other eligible universities, and providing for a Board for International Agricultural Development to coordinate and to marshall our Nation's great resources in agricultural research for the benefit of developing nations.

I fully support this provision of the bill. Science and technology must play an important role in an intensive U.S. effort to ameliorate agriculture, nutrition, and related problems of developing countries. As chairman of the Special Subcommittee on the National Science Foundation, I have long been convinced that we must make greater use of this important scientific and technical resource available to help Third World nations achieve increased agricultural production, improved nutrition, and better living conditions for their people.

It is a source of great encouragement that the President has already called upon the National Academy of Sciences to assist in the effort to set priorities, determine the resources needed, and to establish specific programs in this area. His recognition of the U.S. responsibility to make our research capabilities available to all countries and to increase food production and combat malnutrition in Third World nations is an important indication that he is ready to move our Government toward more effective application of science and technology to problems of international concern. The recommendations which will result from the Academy study will undoubtedly be valuable in the development of cohesive programs to meet the challenge we face.

As this study gets underway, the National Science Foundation is uniquely qualified to begin to focus the scientific and technical resources of this Nation on food and nutrition problems. It is in close touch with the finest researchers and research facilities in this Nation. It has access to this Nation's best scientific and technical talent. Over its 25-year history it has supported basic research which has led to significant advances in our knowledge here at home and has strengthened the position of the United States as a leader in the world scientific community.

The National Science Foundation has the authority under its enabling legislation to initiate and support scientific activities that bear not only on domestic problems but that deal with problems that beset other societies or that are international in scope. This authority was granted by the Congress to enable the Foundation to promote international cooperation in science and technology. It was granted not only to insure that our Nation and our scientists could benefit from scientific and facilities and developments abroad, but to insure that the scientific and technical expertise of this country could be made available to other nations and to the global community in general.

I believe it is now time for the NSF to exercise fully its authority to bring the benefits of U.S. science and technology to developing countries. It must offer support and training to scientists whose expertise can be applied to the needs of the developing world. It must broaden the focus of its international programs to include not only those designed to bring to the United States the benefits of new scientific and technical developments abroad, but programs designed to bring U.S. science and technology to bear on problems unique to the developing world. With regard to agriculture and nutrition the NSF has the opportunity and the ability to make an important contribution to the amelioration of human suffering and I believe that it should undertake the following new efforts immediately:

First, a program to provide U.S. scientists with support and training for work abroad in laboratories and research institutes on agriculture, and nutrition-related problems. These are problems which can only be addressed effectively if the researcher is on the scene and able to study the unique environmental conditions, biological organisms, and population patterns which are such vital aspects of nutritional and agricultural research problems.

Second, a program to build the capability of our own research institutes and facilities to adapt and apply U.S. scientific and technical developments to the agricultural problems of Third World countries.

Third, a more vigorous effort from within the NSF to initiate and design scientific and technical research efforts in agriculture and nutrition which cross national boundaries and address problems of international concern.

Fourth, an increased emphasis within the NSF's basic and applied research support programs on research in all disciplines which may contribute to the resolution of agriculture- and nutrition-related problems.

Fifth, a program to assist Third World nations in utilizing technology which is not capital intensive and which can bring about accelerated development through more effective utilization of abundant natural and human resources.

Sixth, the initiation of international science policy studies within the Foundation's recently established Directorate for Scientific, Technological, and International Affairs addressed to the scientific and technical needs of the developing world and the opportunities which exist for significant U.S. participation in meeting those needs.

All of these efforts must, of course, take into account the objectives of U.S. foreign policy, and there must be full cooperation between the NSF and the Department of State. I am, however, concerned that for too long the NSF has not been an active participant in discussions at the highest levels of U.S. foreign policy dealing with the contributions which science and technology can make to the achievement of our international goals. Almost without exception, new programs are formulated by foreign policy officials and then presented to the Foundation for implementation. The NSF must be an active participant in the development of the international scientific programs it is called on to administer, and must begin to exercise its own initiative in making scientific and technical talent available to explore areas of research where increased knowledge can contribute to the amelioration of problems abroad.

The NSF has the statutory authority to carry out the efforts I have outlined. It should move to implement these new programs promptly. Recognizing that additional funding may be required for these new efforts, it is my intention as chairman of the NSF Subcommittee, to address each of these programs specifically in the authorizing legislation for the Foundation which the Congress will have before it early next year. It is my conviction that the Congress will move not only to provide the necessary funding, but to establish research on agricultural and nutrition problems confronting the developing world as a priority area within the NSF's overall mission to promote the progress of science.

8. FOREIGN ASSISTANCE: MEETING THE NEEDS OF PEOPLE

Mr. President, as we survey the world of 1975, and assess the points of crisis and concern in our relations with other countries—what we see is a list of trouble spots and foreign policy crises which, more often than not, hinge on the fate and needs of people. In Cyprus it is the issue of displaced Greek Cypriots driven from their homes by the invasion of Turkish troops. In Angola, it is civil strife and the flight of thousands. In Portugal it is the instability of gasping the first air of freedom after decades of dictatorship. In the Middle East it is the issue of the Palestinian people demanding a home and a political identity. And all over the world, it is people searching for food, for better health, and for decent lives.

People's needs and hopes, and what we are prepared to do to help them, are both the source as well as the solution to many of the international problems confronting us today in the world. People problems represent those important foreign policy variables which diplomats and generals may try to, but really cannot, ignore in their situation rooms.

The American people know this. It is time that our foreign policy, particularly our foreign assistance program, reflect this as well. I believe the pending foreign aid bill makes a giant step in the right direction, and I commend the action of the House, and support the current review of the Foreign Relations Committee.

Mr. President, I ask unanimous consent that the text of the four amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 894

On page 3, beginning with line 4, strike out through line 10 and insert in lieu thereof the following:

"SEC. 492. Authorization.—(a) There is authorized to be appropriated to the President to carry out section 491 of this Act, and to carry out the purposes of the Migration and Refugee Assistance Act of 1962, as amended, in addition to funds otherwise available for such purposes—

(1) not to exceed $50,000,000 in any fiscal year, for disaster relief, rehabilitation, and reconstruction assistance in any country, including those countries referred to in clause (2) of this section; and

(2) for the fiscal year 1976, in addition to the amount authorized under clause (1) of this section $30,000,000 for international relief, rehabilitation, and reconstruction needs caused by the civil and international strife in the Republic of Cyprus and the territory of Angola, and for other purposes.

(b) Amounts appropriated pursuant to this section shall remain available until expended.

(c) The President shall submit quarterly reports to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives with respect to the programing and obligation of funds authorized to be appropriated under this section.

Amendment No. 895

At the appropriate place in the bill insert the following new section:

Sec. African Famine and Drought Relief and Rehabilitation Fund.—(a) (1) The Congress affirms the intention of the United States in providing continuing relief and rehabilitation assistance to the African nations affected by drought and famine conditions.

(2) The President shall continue to report to Congress with respect to—

(A) the nature and extent of drought and famine conditions in Africa;

(B) United States relief and rehabilitation relating to such conditions; and

(C) potential short- and long-term solutions to this problem and how any of these solutions may be undertaken under the auspices of international organizations or multilateral channels.

(b) Notwithstanding any prohibitions or restrictions contained in this or any other Act, there is authorized to be appropriated to the President in addition to funds otherwise available for such purposes, $30,000,000 to remain available until expended, for use by the President, under such terms and conditions as he may determine, for the purpose of meeting emergency and recovery needs, and for providing drought, famine, and disaster relief and rehabilitation and related assistance, for the drought and famine affected nations of Africa.

Amendment No. 896

At the appropriate place in the bill, insert the following new section:

Sec. ( ) (a) Notwithstanding any other provision of law in addition to amounts otherwise available there are authorized to be appropriated to the President for the fiscal year 1976, to remain available until expended, $50,000,000 to provide humanitarian assistance to all people in need in the war-affected areas of Southeast Asia.

(b) Such assistance shall be provided under the auspices of and by the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, and private voluntary agencies.

(c) Not later than six months after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely

(1) the names of all agencies and organizations involved in the distribution of such assistance;

(2) the means with which such distribution is carried out; and

(3) the recipients of such assistance.

Amendment No. 897

On page 2, lines 14 and 15, strike out "$32,000,000" and insert in lieu thereof "$40,000,000".

On page 2, line 15, strike out "$40,000,000" and insert in lieu thereof "$48,000,000".

On page 2, line 13, immediately after "(5)" insert "(A)".

On page 2, between lines 16 and 17, insert the following:

(B) Of the amounts made available under this section, not less than $15,000,000 shall be available during each fiscal year for reimbursement of private voluntary agencies of the United States for costs incurred with respect to the shipment of food and nonfood commodities provided through private donations and on a grant basis by the Government of the United States.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 880

At the request of Mr. Dole, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of amendment No. 880, proposed to the bill (H.R. 8069, making appropriations for the Departments of Labor and Health, Education, and Welfare.

NOTICE OF HEARINGS ON ACTS TO ESTABLISH A UNIFORM LAW ON THE SUBJECT OF BANKRUPTCIES

Mr. BURDICK. Mr. President, I wish to announce that open public hearings will continue for the Subcommittee on Improvements in Judicial Machinery on S. 235 and S. 236, two proposals to revise the bankruptcy laws of the United States. Hearings will be held on September 24 and 25 in room 6202, Dirksen Senate Office Building, commencing at 10 a.m.

The Commission on Bankruptcy Laws of the United States has recommended sweeping changes in the bankruptcy law. These recommendations are reflected in the provisions of S. 236. The National Conference of Bankruptcy Judges has also recommended substantial changes in the present bankruptcy law. These changes are reflected in the provisions of S. 235.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building; telephone 224-3618.

NOTICE OF HEARING

Mr. HUDDLESTON. Mr. President, the Senate Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices will hold hearings on S. 2260, a bill to establish improved programs for the benefit of producers and consumers of rice, at 4 p.m., September 25, 1975, in room 2228, Dirksen Senate Office Building. Witnesses will be limited to 10 minutes. Anyone wishing to testify contact the committee clerk.

NOTICE OF HEARINGS

Mr. ABOUREZK. Mr. President, I wish to announce that the Subcommittee on Separation of Powers of the Senate Judiciary Committee will hold 3 days of hearings on "Justice Department Policies Affecting the Independence of Congress." The hearings begin on September 24, at 10 a.m., in room 457 of the Russell Senate Office Building. Representing the Justice Department will be the Solicitor General Robert H. Bork. The remaining 2 days are scheduled for September 30, at 10 a.m., in room 1318, Dirksen Senate Office Building, and October 2, at 10 a.m., in room 457, Russell Senate Office Building.

Any person wishing to appear and testify or to submit a statement should contact the subcommittee staff in room 1418, Dirksen Senate Office Building, telephone 202-224-4434.

ADDITIONAL STATEMENTS

A NEBRASKA VIGNETTE

Mr. CURTIS. Mr. President, I would like to pass along a few words by the famous and beloved Nebraska author, Mari Sandoz. Reprinted and sent to me by Mr. Hal Lainson of the Dutton-Lainson Co., of Hastings, Nebr., this quotation by Sandoz was originally prepared for a bulletin board in one of the public schools of Nebraska.

It says a lot of what I feel about Nebraska and about the role of education in preserving our heritage for our young people.

Mr. President, I ask unanimous consent that this quotation by Mari Sandoz be printed in the Record.

There being no objection, the quotation was ordered to be printed in the Record, as follows:

A Nebraska Vignette

You ask me to write a statement of my impressions of Nebraska for your students. I wish I could do that. More, I wish I could make them see the region as it must have looked to the free, roving Indians when spring at last ran swift and green along the slopes, bringing new grass for winter-gaunted ponies and for the buffalo that would soon move like a dark cloud out to the horizon. I would like to make them see Nebraska as it must have looked to the trail-weary eyes of the early settlers, coming from far and strange lands in search of homes, and freedom from want and oppression for themselves and their children.

But I have no words to give these things reality. I cannot even hope to express my own feeling for Nebraska, which, to me, means not just the land within the broad confines of our state today but rather the older territorial area, spreading from the Missouri to the mountains, from the Cimarron country to Canada. To me this is Nebraska—this, and the thousand things that come suddenly to mind when I am far away. Perhaps it is a recollection of a slow, golden autumn hanging along the breaks of the Missouri, or the dark velvet of spring plowing seen through the haze of evening, with wild geese honking southward overhead. Perhaps it is the cedars of the High Plains standing dark against a thundercloud, or the tall white tower of our capitol reaching into the mists of night.

Fortunately there is no need for words to bring our state to your students, for they are Nebraska—the Nebraska of the future, and in their keeping lies the heritage of a vision followed by their fathers the wide world across, a vision of a land free from intolerance and oppression and want.

Let them guard this heritage well.

FORD'S FURTHER TAX CONCESSIONS FOR BUSINESS

Mr. CHURCH. Mr. President, President Ford and Secretary of the Treasury Simon have recently proposed a number of additional tax concessions to business, using the arguments on capital formation all of us are now hearing so frequently in the Congress. Although proponents of these concessions have skirted the nomenclature of Herbert

Hoover's "trickle-down" economics, anyone knowledgeable with the experiences of the 1930's must recognize their thesis. Trickle-down economics were certainly discredited in the Great Depression, and I must strongly question their validity today.

The Idaho Statesman has editorially exposed flaws in the capital formation arguments that the President and Secretary Simon have made. The Nation would be far better served if the Congress concentrates its efforts on tax reform to better our economic situation, than if further tax ripoffs are granted to business with the questionable hope that benefits will trickle down to individuals. I ask unanimous consent that the Statesman's editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Idaho Statesman, Aug. 29, 1975]

Comment and Opinion

FORD'S BUSINESS TAX CUT PLAN

President Ford is engaged in a campaign for $13 billion a year in tax reductions to business and stockholders. The idea is to stimulate investment in the next 10 years—to make it easier for industry to raise capital.

The benefits of the tax reductions would presumably trickle down to individuals. Individual taxpayers would either have to pay more or the government would incur bigger budget deficits—to the degree revenues were not boosted by increased business activity.

Among those who disagree with the Ford proposal is economist Walter Heller, an advisor to Presidents Kennedy and Johnson. Heller recognizes a need for investment capital but believes it can be provided without these tax cuts. He points out that:

The existing investment tax credit will save corporate and individual investors $9 billion this year.

Corporate taxes, as a percentage of gross profits, have gone down from 37 per cent in 1953 to 27 per cent in 1972.

The ratio of savings and investments to gross national product today is 16 per cent, the same as it was in 1929 in the days of considerably lower taxes.

The gap between projected capital needs and private savings can be closed with a budget surplus—achievable by 1980 if increased spending and tax cuts are held to only $175 billion.

If you gave the same $13 billion in tax cuts to individuals it would generate more spending, more saving, more business, more profits and more capital for business to invest. Investment has lagged during the recession because demand for goods and services slowed down.

Individual taxes are at least as burdensome as corporate taxes.

Given a reasonably healthy economy without huge budget deficits, well-managed businesses should be able to find capital to invest. They can make their way in the marketingplace without an added tax bail-out.

Congress must consider extending the tax cuts for individuals and for business adopted temporarily this year. It should also take a look at the equity of some of the existing preferences in the tax laws.

It should reject the more extensive Ford proposal.

REDLINING

Mr. GARN. Mr. President, on September 16, 1975, an article appeared in the Wall Street Journal raking the Senate over the coals for passing the redlining bill, S. 1281. This is a very perceptive article, and perhaps, Mr. President, I was glad to see it, because it reflects many of my fears as to what the whole concept behind S. 1281 will and will not do.

The article goes right to the heart of the matter by declaring this legislation a first step toward credit allocation and a solution that misses the whole target of prevention of a serious problem, neighborhood decline. The Federal Government, through its FHA insured mortgages and the welter of housing policies already in existence, have made home building perhaps the most governmentally sponsored segment of private industry. Some of the attempts that have been made to control the money markets in this area, such as the move to control interest rates, have been so futile, they ought to deter us from further actions to "rig" this market further.

Another concept of this bill attacked by the Journal was the idea that money raised in a big city should stay there and not be allowed to be moved through money markets to developing areas of our country. This idea is totally opposed to the business practices that have developed our country from 13 eastern seaboard colonies to 50 States reaching across a continent and an ocean; and, if you want to go back even further, the very business policies that made the settlement of the North American continent a reality.

Neighborhood deterioration, in the inner-cities and small population centers of the country is a problem, but making the banks scapegoats for more basic causes of this deterioration such as ethnic migrations, changing economic structure and even particular situations like New York City's confiscatory rent control program, will not stop housing blight.

As a former mayor who knows that there are actions that local governments on both the State and municipal level can take and should be encouraged to take to stop neighborhood deterioration, as a representative of a Western State whose growth and development were helped by investments from other parts of the country, and as one who believes the free market system and abhors the idea of credit allocation, I urge that the Members of Congress take a hard look at the Home Mortgage Disclosure Act and at the more promising alternatives before final action in the matter is taken.

Mr. President, even though the Senate has acted on S. 1281, the Home Mortgage Disclosure Act of 1975, I ask unanimous consent that this article be printed in the RECORD for the benefit of my colleagues in the House of Representatives and also in the Senate should there be another opportunity to vote on this or similar legislation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REDLINING

Fresh from its August recess, the U.S. Senate directed a blow against urban decay by passing a bill to discourage "redlining." This colorful term refers to an act which bankers may or may not physically perform, but which big-city mayors and activists blame for some of their troubles: Some mythical mortgage officer draws a red line around a deteriorating neighborhood on his map and henceforth refuses to lend money there. This decision, whether it takes place in this form or not, supposedly makes it impossible for creditworthy people there to get mortgages and rehabilitation loans, and hastens the decay.

Bankers deny that this happens, but whether it does or not, the Senate bill misses its target. The bill is a familiar sort of compromise, the feeble application of an atrocious principle. The principle, of course, is credit allocation; some Senators want the federal government to tell the money market the best place to put its money. "Best," you understand, is defined in terms of these Senators' idea of a socially useful, or politically popular, loan. The federal government has to step in, they think, because the market is deterred from putting money in the "right place" by things like high risk or low rate of return.

But the bill applies this principle in a very watered-down form. It requires metropolitan lenders to disclose the amount of mortgages they are making within each zip code area over the next three years. It makes the touching assumption that if depositors in a "redlined" neighborhood see how their bank is making its loans elsewhere, they'll punish the mortgage officer by withdrawing their money. And maybe the Senate sponsors hope that disclosures will build up their case so that next time around they can pass a bill *mandating* loans.

Now, credit allocation in a variety of forms already goes on. Washington tries to direct more money to the middle-income home buyers by insuring mortgages through the FHA; it regulates their interest rates; it buys mortgages from the banks. The welter of housing policies has made home building perhaps the most governmentally-sponsored segment of private industry. Some of this experience, such as the attempt to control interest rates, has been so futile it ought to deter the attempt to rig the market further.

But the "redlining" bill is driving toward a particularly harmful form of allocation. If it carries on in its present spirit, the proposed "solutions" would begin forcing banks to take higher risks than they, or their depositors, would like. And bankers, after all, aren't drawing on their private fortunes; they've been entrusted with other people's money on the understanding that they won't throw it away. Naivete of the bill's sponsors notwithstanding, depositors are just as likely to pull out their money if they think their bank is making too many high-risk loans.

And underlining the whole controversy is a premise that contradicts the very idea of a national money market. This is the argument that money raised in a big city like New York ought to stay there, not to go for developing some other region, like the "affluent suburbs." This cry is the reverse side of the populist complaint in the 1890s, that the East was sitting on all the money and choking off the growth of the capital-poor Midwest and West. In short, while some regions decay, others grow. The national flow of capital makes this process possible, and the attempt to freeze it would leave the country as a whole worse off.

To be sure, urban decay is a serious problem. And it may well be that mortgage officers, who have to worry about the fate of their loans over the coming 20 years, react too quickly to the first signs of neighborhood blight. But the banks are being made scapegoats for more basic causes, like ethnic migrations, changing economic structure and even particular situations like New York City's confiscatory rent control program or the rise of federally subsidized youth gangs in Chicago's Woodlawn section.

If Washington can find some way to change these basic conditions, loans will flow into the areas in question without any direction from the Congress. If there is no change in the fundamentals, a campaign against "redlining" would simply mandate losses for the banks and, more importantly, for the economy as a whole.

EAGLETON ON FOREIGN POLICY

Mr. HUMPHREY. Mr. President, during the last 2 weeks of August our distinguished colleague, Senator EAGLETON, visited four troubled parts of the world—Israel, Greece, India, and South Korea—Japan. Each of these nations presents a challenge for U.S. foreign policy.

Senator EAGLETON held lengthy private meetings with the heads of government in Israel, Greece, India, and South Korea, with other top governmental and opposition party leaders in all five countries, and with influential private citizens as well.

His 1 hour and 20 minute meeting with Indira Gandhi was the longest time she has spent with an American politician in recent memory.

Senator EAGLETON wrote his impressions of these meetings in a series of four articles recently published on the editorial page of the Kansas City Star.

His insights and his conclusions—fresh, cogent, and thought-provoking—bear reading by Members of the Senate. Mr. President, I ask unanimous consent that the series of four articles by Senator EAGLETON be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

Dilemma of a Democracy Under Seige—I

(By Thomas F. Eagleton)

TRIP REPORT

(Sen. Thomas F. Eagleton of Missouri has just returned from a round-the-world trip during which he visited Israel, Greece, India, Japan and South Korea. At each stop he had private meetings with top government leaders. In this and three subsequent articles, he will report on the trip.)

Washington.—The telephone interrupted my luncheon conversation with Yigal Allon, Israeli foreign minister, at his home in old Jerusalem. He asked to take his leave, for the cabinet was to vote soon on whether negotiations between Egypt and Israel had progressed to the point where a Kissinger shuttle was warranted.

My visit to Israel came at a crucial time in the negotiations for the interim Sinai agreement. In many ways the afternoon cabinet meeting Foreign Minister Allon left to attend was vital, for the Israeli government knew that Henry Kissinger would not begin another Middle East shuttle without a near-promise of success.

Later that afternoon, after the cabinet meeting had been completed, I met with Prime Minister Yizhak Rabin and Defense Minister Shimon Peres and learned that Secretary Kissinger had been given a somewhat tenuous green light to come to the Middle East.

The shuttle is history now. The agreement has been initiated and Dr. Kissinger has again met with success in the Middle East. But as I learned in my meetings with Israeli leaders, the relative success of this agreement will be measured only over the long haul—and measured not by the provisions of the agreement itself, but rather by the actual conduct of Egypt over the coming months and years.

ISRAELI SACRIFICE

There is a consensus in Israel that the latest agreement constitutes a great risk. While a majority in the Knesset support it, there is no consensus among the populace over whether the risk is worth taking. As one government official put it. "When we sign an agreement, it will be the best one possible considering that both the United States and Egypt know that, in the end, Israel must sign."

Such comments explain the long, drawn-out negotiating process, and they reflect the resentment U.S. pressure has wrought. As Abba Eban, Israel's former foreign minister, and others told me, Israel is sacrificing valuable bargaining chips which might be better used in negotiations for an over-all settlement.

Yet people like Mr. Eban reluctantly support the interim agreement because they do not want Israel to become estranged from the United States.

In the nearly two years since the Yom Kippur War, Israel has seen the political clout of its rival Arab nations greatly enhanced by the power of oil and its own political clout diminish to the point where, for practical purposes, she stands alone with the United States as her one friend and benefactor.

The man who brought the stark threat of an Israel isolated from the United States is Secretary of State Kissinger. For this he is not loved in Israel.

"He is pressuring us into extinction," it was put to me. "Why does he constantly twist our arm? Why isn't he equally tough with Sadat?"

"POSITIVE EFFECT"

The shock waves the current agreement is causing reverberate throughout the Israeli body politic. Some of the more liberal members of the majority party with whom I spoke see the trauma as possibly having a positive effect.

They believe that the government might now comprehend the need to go after a political mandate at home with which to negotiate the final comprehensive peace settlement at Geneva. If this mandate is not forthcoming, they see outside pressures re-emerging in the coming years, with Israel again forced to give up land for something far short of peace.

Others, primarily representatives of the opposition Likud party and members of an activist citizens organization known as Gush Emunim, see the latest experience as demonstrating that Israel must "go it alone." These persons told me that those now interceding in their affairs—principally Dr. Kissinger—do not have Israel's best interests at heart, nor do these "outsiders" fully comprehend the Arab threat.

Paradoxically, both of these bodies of thought oppose step-by-step diplomacy. But whereas the first group would urge the government to aim for the over-all settlement, the second, the opposition parties, represent the principal obstacle to the government's effort to obtain the political mandate it needs. The opposition's attitudes toward what that final settlement should entail are far more conservative than those the ruling Labor party might negotiate.

Such is the dilemma of a democracy under siege. Every Israeli has a stake in the manner in which peace is pursued. Rarely if ever does an issue confronting a democratic nation arouse so much personal interest as does Israeli's effort to assure its own security through diplomatic means.

GOOD TIMING

Time is very much a relevant factor in the Middle East calculations. American policy is predicated in part on the assumption that in time the Israeli government will possess a sufficient public mandate to grapple with the complexity of a final accord with the Arabs.

But America's time frame for peace may not coincide with Israel's.

One high-ranking Israeli leader put it to me this way: "You Americans are impatient by nature. We Israelis are patient by necessity. If the United States pushes too hard too fast, the normal evolution of an Israeli political mandate will be disrupted, and the growing realization on the part of the Arabs that war is too costly will be overcome by unrealistic expectations of what can be accomplished through the sole use of American pressure."

Secretary Kissinger, scholar and skilled practitioner of the art of diplomacy, probably realizes better than most the significance of timing in achieving a negotiated settlement.

It is my feeling that the time was right for this particular interim agreement. Its merit lies not only in the fact of its signing but, more importantly, in the opportunity it provides for Egypt and Israel to gain confidence in each other's long-range intentions.

In my view, this agreement will signal the end of step-by-step diplomacy. When the time is ripe—and timing is vital—that next step will be the big one leading to Geneva where the parties will begin the arduous task of achieving a final settlement.

Awesome Task for Greek "Father Figure"—II

(By Thomas F. Eagleton)

Washington.—Democracy was born in Greece in the 4th century B.C.—the era of Socrates and Aristotle. But for only a few brief periods in Greek history has it ever been practiced. Once again, the great experiment is being attempted.

A year ago, in the wake of incredibly inept bungling by the military junta that had ruled the country for seven years. Greece's modern-day father figure returned from exile and began the process of substituting democracy for dictatorship.

Constantine Caramanlis is Greece's George Washington in a Brooks Brothers suit. A talented, determined, proud and sometimes irritable man, he spells the difference in Greece between democracy and either anarchy or dictatorship.

He sees his role, he told me when I met with him in Athens, as no less than bearing the responsibility for restoring the political and economic fabric of his country while simultaneously resolving the centuries-old friction between Greece and Turkey over Cyprus.

In July, 1974, the Greek junta tried to overthrow the President of Cyprus, the mercurial Archbishop Makarios, in an attempt to bring about "enosis," the union of Greece and Cyprus.

Turkey, twice before denied the chance to invade Cyprus by President Johnson, seized this occasion and, using American military equipment, eventually occupied 40 per cent of the island. (79 per cent of Cyprus is of Greek origin and 18 per cent is of Turkish origin, although Cyprus lies only 40 miles off the Turkish coast.) This calamity toppled the junta and Caramanlis was called back from exile to become prime minister.

Cyprus made Caramanlis and from my conversations with him he fully understands that it could break him as well.

The Greek junta's penultimate miscalculation, the coup of July, 1974, and the subsequent Turkish invasion, left almost 200,000 Greek Cypriots homeless, and over 3,000 Greek Cypriots dead. To this day the small island republic remains divided. And Cyprus now represents a troublesome millstone around the neck of Greek democracy.

The American role in the Cyprus matter is perceived by Greeks literally as schizophrenic. The executive branch is seen as tilting heavily to the Turkish side. And Congress, which imposed sanctions against Turkey's illegal use of American arms on Cyprus, is seen as a friend of the Greek people.

But American-Greek relations are complicated by policies which preceded the Cyprus affair. The United States had cordial relations with the junta from 1967 to 1974—in fact, many Greeks think that our CIA played a role in bringing the junta to power—and now we are paying for that policy.

I spoke with some of those who were jailed and tortured during the junta years. As one told me, "Our democracy is not yet that strong. We could still slip back into military rule if we do not watch carefully."

The people of Greece now have a keen understanding that the preservation of democracy requires eternal vigilance. And many still feel that the United States deserves close watching.

Anti-American attitudes are pervasive and official U.S. initiatives toward bettering relations are greeted with cool cynicism. Even so there is still some residual good will for America because of the ethnic ties between Greece and Americans of Greek descent, and because of the positive memory of President Truman saving Greece from a Communist take-over. But, despite the action of Congress in cutting off military aid to Turkey, a considerable amount of confidence-building is still needed.

Those with whom I spoke during my August visit await the report of Sen. Frank Church and his special committee investigating the CIA, and many will not be satisfied with that report unless it confirms their worst suspicions. I have advised Senator Church that, whatever his committee concludes with regard to the CIA's role in Greece, a factually supportable case will be necessary to dispel the cynicism that now grips Greek attitudes toward the United States.

Meanwhile Greece and Caramanlis continue to struggle with the fate of those military men who perpetrated the 1967 coup. Opinion is split over how severely the government should punish the colonels.

Some conservatives would prefer to see them treated with understanding—they continue to feel that threats of a Communist take-over in 1967 at least partly justified the coup. Liberals and democrats—those who suffered most during the junta—will be satisfied with nothing less than the death penalty. They are in the forefront of those criticizing the government for commuting the death sentence recently given to chief perpetrator George Papadopoulos and his two deputies.

Only Caramanlis stands above this partisan bickering. He is a force unto himself in Greece today and no one, either in his own party or in the opposition, can compete with his popularity.

George Mavros, opposition leader, told me that Prime Minister Caramanlis consults frequently with him on matters of foreign policy and that he is kept fully informed. I detected that even this chief political rival and frequent critic has great respect for Caramanlis as a person.

But the central question is how long Caramanlis can retain this support. In addition to Cyprus, Greece has serious economic and political problems. Caramanlis has a mandate today, but he knows that it will one day come to an end.

What contemporary Greece lacks most are strong democratic institutions. Seven years of authoritarian rule have eroded the safeguards which keep democracy strong. Caramanlis seems to realize that his personality is holding the system together right now, but he wants to reconstruct those legal and political institutions which will make the survival of democracy less dependent upon the fate of a single man.

Meanwhile the United States will probably continue to muddle through in the Eastern Mediterranean, attempting to steer a course somewhere between the conflicting interests of two important NATO allies.

I was told in no uncertain terms that the Greek people will not be very understanding if Congress reverses itself by resuming arms aid to Turkey in the face of that country's unwillingness to pull back on Cyprus. And Turkey will continue to interfere with our base operations in that country so long as the embargo is in place.

When confronted with such a dilemma, I believe it is best to follow the requirements of the laws we wrote long ago—laws designed to maintain control over use of U.S. arms so they will not be used for aggression.

Even our harshest critic among the Greeks with whom I met told me that the United States has gained a begrudging admiration in Greece for being a nation that places the rule of law and moral principle over pragmatic short-range considerations. That reluctant admiration has somewhat stemmed the tide of anti-Americanism.

But the current runs strong below the surface and only the right combination of future U.S. actions with respect to the CIA, Cyprus and the American military presence in Greece, and the continuing positive influence of Prime Minister Caramanlis, will return Greek-American relations to the golden era of the Truman Doctrine.

FUTURE OF INDIA PRECARIOUS—III

(By Thomas F. Eagleton)

WASHINGTON.—"Indira is India; India is Indira." So say the most zealous supporters of India's prime minister, Mrs. Indira Gandhi.

The mind-boggling problems and complexities of Indian life are such as to cause one to doubt whether any one person, however, strong, however popular, however well ensconced in power, can bring order out of a chaos which seems endemic.

And Mrs. Gandhi is all three—she is diminutive, but strong; she is controversial, but popular, and she is nervous in her authoritarian role, but firmly in power.

I met with Mrs. Gandhi at her home in New Delhi for 1 hour and 20 minutes—the longest time she has spent with an American politician in recent memory.

The conventional wisdom in the Western world is that Mrs. Gandhi struck down democracy to preserve her personal power. On the basis of my brief contact, I cannot discard that motivation, nor can I affirm it. No one can get that deeply into Mrs. Gandhi's mind.

But I am convinced that the situation in India is far more complicated than is generally understood.

"SELFISH" COALITION

Prior to the now famous decision at Allahabad—which would have caused Mrs. Gandhi to resign for minor violations of India's campaign laws (Mrs. Gandhi was convicted of using civil servants to assist in her campaign in one Indian state)—the political opposition had formed a coalition. This coalition brought defeat for Mrs. Gandhi's Congress party in one state and spelled political trouble for her in Parliament.

Mrs. Gandhi refers to the opportunistic nature of her opponents, to their coalition being one of selfish convenience and to their lack of alternative programs. No doubt this posed a political threat to Mrs. Gandhi's leadership, but did it in fact represent a threat to the security and viability of the nation?

Some doubt India's governability in any event. But most seem to believe that Mrs. Gandhi has the best, maybe the last chance to bring some semblance of order out of chaos, and perhaps that is why her recent actions have met with less resistance than the Western world might have expected.

India is by any measure a nation of debilitating and ever-present poverty. Seventy per cent of its 600 million citizens are illiterate. Twenty-four thoroughly distinct languages are spoken.

Even in what appears to be a very good agricultural year India will still have to import approximately 10 million tons of grain simply to keep her people alive. Population grows at an annual rate of 2.1 per cent. The Indian governmental and business communities creak along in their traditionally cumbersome, ofttimes graft-ridden way.

The 5-foot-2-inch, 57-year-old daughter of Nehru is the closest thing to a national hero in a nation in which political personalities only rarely penetrate consciousness in rural areas infested with abject poverty and illiteracy.

"CONFIDENT ENOUGH"

I talked with Mrs. Gandhi about India's problems at her livable but certainly not opulent private residence. While we conversed, her chattering grandchildren played in the yard outside. Although military guards were posted at the entrance, there was no sense of a siege mentality.

Her demeanor was graceful and pleasant with none of the monster-like attributes often portrayed in U.S. editorial cartoons. Her voice is soft, her mannerisms perhaps a bit edgy, but confident enough.

As she recounted in great detail the days since June 25 when the arrests of her political opponents and the censorship of the press began, she appeared to convey—although she did not directly express it—a genuine feeling of remorse over the authoritarian restraints she claims she was forced to impose. Mrs. Gandhi says she holds firm to the hope that democracy will return to her country.

My visit to India reminded me that our forefathers chose the most fragile form of government. The preservation of a democratic system depends on many things, not the least of which is an education and participatory citizenry.

India has neither in any great quantity. Geographic isolation, poverty and illiteracy are not the roots from which a thriving democracy springs.

India has had 28 difficult years of democracy compared to our 200. India now is in a transitional holding pattern with precious indicia of democracy—freedom of speech, freedom of assembly and freedom of the press—suspended. What the future holds one cannot confidently predict.

DOCUMENT NOT SUFFICIENT

Mrs. Gandhi would have us believe that democracy still flourishes in India. She insists that all the steps she has taken were technically legal and in compliance with the emergency rule provided by the Indian constitution.

But as we know, democracy is much more than dutiful compliance with a document. It is a way of life. A country with a censored press and an imprisoned political opposition is, as such, undemocratic regardless of the niceties of the laws that allowed her to impose unilateral rule.

To control the press is to control what the literate minority can read, think, and judge. To imprison the political opposition is to indicate that political opposition will be tolerated only if it is benign enough to remain a minority.

Since the day of independence 28 years ago, the Congress party of Mahatma Gandhi, Jawaharlal Nehru, and now Indira Gandhi, has ruled India. No other political force has seriously challenged this party's dominance. But, according to Mrs. Gandhi, the opposition was challenging the orderly processes of government.

History will decide whether that perceived challenge warranted the foreclosure of democracy. For Mrs. Gandhi must live and govern in the midst of her country's heritage of democratic principle. Indira Gandhi must live and govern in an India that will not soon forget Mahatma Gandhi's indelible warning: "No society can possibly be built on a denial of individual freedom."

In the best of times one must wonder about the viability of democracy in India. In the most troublesome of times one wonders even more.

JAPAN, KOREA DESTINY INEXTRICABLY BOUND—IV

(By THOMAS F. EAGLETON)

WASHINGTON.—"Korea points at Japan like a dagger."

That dramatic statement—a commonly heard geopolitical assessment in Japan—is characteristic of the concern many Japanese have today over the impact war on the nearby Korean peninsula would have on their nation's destiny.

Modern Japan has a tendency to worry through potential external threats until they are either defused by diplomacy or they stabilize on their own accord. She has little choice, for Japan has no military capability to wage war beyond its own shores. Article 9 of Japan's constitution, drafted after World War II under the guidance of U.S. Gen. Douglas MacArthur, provides that "land, sea and air forces as well as other war potential, will never be maintained."

Over the years the absolute nature of that prohibition has eased. It is indicative of the importance Korea holds for Japanese security that Article 9 was first modified at the outbreak of the Korean War in 1950. A National Police Reserve was then created and this paramilitary group has expanded into the modest self-defense force of today.

"SHOCKS" PAST

The Japanese government officials with whom I spoke were mostly concerned about Korea. The "Nixon shocks"—the surprise U.S. opening to China in 1971, the textile battle and the soybean embargo—are now part of the past. The U.S.-Japan relationship is more mature now, but during the recent post-Vietnam period there was still a need to reaffirm our defense commitment and to explain that the U.S. Congress sees Korea as being more important than Southeast Asia.

Few would dispute that Japan is the keystone to America's Asia policy. She is an economically powerful and democratic ally with diplomatic tentacles spread throughout the region and the world.

Why then is small, less-democratic Korea so important to Japan and, hence, to U.S. interests? Here are some obvious reasons:

Geography: The tip of the Korean peninsula is but 50 miles from Japan.

History: Japan has been invaded only twice, both times from Korea.

Military necessity: An outbreak of war in Korea would inextricably involve Japan since American bases in Japan would be used in any military assistance we would provide.

The threat to democracy: Japan very much thrives on its post-World War II democratic institutions and its open society. A Communist South Korea would place great pressures on these institutions and, as a worse case, could even give rise to pressure for a return to militarism.

The Korean minority: 800,000 Koreans, with sympathies divided between North and South, reside and work in Japan. A totally Communist Korean peninsula would exacerbate the already difficult problems this very substantial minority group causes for Japan.

SOME MISGIVINGS

Viewed in this broader regional perspective, I believe we have no choice but to maintain for the foreseeable future our military presence in South Korea. Right now that presence is the most important deterrent to war. But I arrive at this conclusion with some misgivings.

While it has the facade of democracy, South Korea under President Park Chung-hui is an unquestionably authoritarian regime. Even what political dissent there is seems controlled.

I came away from Korea with the feeling that the political opposition was just another branch of government. Just as the government has a structured Department of Education and a structured Department of Defense, so too does it seem to have a structured Department of Political Opposition, a department that can be turned on or off by direction of President Park.

Park, in our conversation at the presidential mansion known as the "Blue House," pointed out that such "restrictions" as are imposed are in compliance with the letter of the emergency powers he as president holds.

With a North Korean military machine, super in planes and tanks, posed along the Demilitarized Zone only 25 miles from the capital and main population center of Seoul, Park believes he is under a clear and present danger and that the normally accepted privileges of an open society would be abused by infiltrators and subversive, agitators. The pressures, he says, are too great, the threat too real to allow for substantial divisions in the South Korean society.

In my 30-minute helicopter ride to Panmunjom in the Demilitarized Zone, I did get a feel for the eyeball-to-eyeball nature of the military confrontation and for its proximity to the 8 million residents of Seoul.

Kim Il Sung, North Korea's boss, is an unrelenting saber rattler. He would like to start another war with the South if he were satisfied that the United States would withdraw from the South or, if we remained, that the Soviet Union or China or both would support him.

As I view it, one of the identifiable dividends of our new relationship with China and our detente with the Soviet Union is that neither has given the green light to Kim Il Sung.

I pointed out to President Park the uneasiness I and many other Americans felt in supporting a repressive regime in South Korea in the name of resisting a repressive Communist regime in North Korea.

CREDIBLE ROLE

The American commitment is now probably more credible than it has been for 10 years. There is consensus even among opposition elements within Korea that the security threat is a real one. So why not permit some real discourse on public policy?

Several Koreans with whom I spoke conceded that it is now time to ease the restrictions. This is a dynamic and intelligent community—a people who, however accustomed in the past to monolithic systems, seem to understand that no one man has all the answers in this complex modern world.

Japan, for its part, finds its destiny precariously tied to events in Korea. In my discussions with Prime Minister Miki's closest advisors, I detected that a great amount of very creative thought is going into the search for a solution to the Korean problem.

I would even venture a prediction: Japan will be the eventual mediator in negotiations which will defuse the Korean time bomb. When that occurs no less than six countries—the United States, Japan, China, the Soviet Union and North and South Korea—will rest easier. The Korean dagger will then be sheathed.

REFLECTIONS OF A NOVICE AQUANAUT

Mr. WEICKER. Mr. President, in "Reflections of a Novice Aquanaut," Howard Pollock has written an accurate account of what was one of the most memorable happenings in my life.

As the men and women of New England sailed the oceans of the world discovering and developing new knowledge, so this generation of Americans has before it the relatively undiscovered "world below." Getting that challenge in motion motivated the dive of August 4.

Mr. President, I ask unanimous consent that Mr. Pollock's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

REFLECTIONS OF A NOVICE AQUANAUT

(By Howard W. Pollock)

At approximately 10:00 A.M. on Monday, 4 August 1975, Senator Lowell P. Weicker, Jr., of Connecticut, Congressman Bill Alexander, of Arkansas, Robert I. Wicklund, a veteran aquanaut, fisheries biologist, and manager of the Hydro-Lab underwater habitat for the Perry Foundation, and I donned our scuba diving gear, checked every item of equipment to insure that it was in proper operating condition, then we slipped into the sea for what appeared to be a routine scuba dive. But, it wasn't routine. We didn't return to the surface in the normal forty minutes or an hour. We didn't return to the surface all that day, nor the next. As a matter of fact, we didn't re-enter the natural realm of man at the surface until Wednesday afternoon about 2:30 P.M., fifty-two and one-half hours after we disappeared beneath the surface of the sea on Monday morning. During that time we were making an extended saturation dive. When we commenced our dive, we swam down to live in the Perry Hydro-Lab underwater habitat located on the ocean floor 50 feet below the surface, little more than a mile off shore from Freeport, Grand Bahama Island; and, during our stay, we made a number of scuba diving excursions from our underwater home to conduct experiments and to observe the flora and fauna in the surrounding marine environment.

The objective of the saturation dive was two-fold: To make the Members of Congress more intimately aware of the problems faced by marine scientists and technicians as they probe the mysteries of the briny deep, and concomitantly to make these Members more keenly aware of our many ocean potentials for utilizing, managing and conserving our renewable living and nonrenewable nonliving resources, for finding marine sources of energy, and for developing other potential uses of the oceans, such as facilities for human habitation, for air fields, offshore deep water ports, aquaculture farms, power generation sites, ore reduction plants, etc.

The Hydro-Lab underwater habitat is a cylindrical chamber 16 feet long by eight feet in diameter with rounded ends, one of which contains a 4-foot oval window or port. The habitat contains two bunks (two of our Congressional saturation diving team members, one of which was Senator Weicker, slept on air mattresses on the floor), and a dehumidifier, an air conditioner, communications equipment, a fresh water hose with spray nozzle for our drinking and cooking requirements and for taking a shower or after-dive fresh-water rinse in the diver lock-out chamber, an electric pot and pan for cooking freeze-dried or other dehydrated foods and for making coffee or tea, and other spartan accommodations.

The air and fresh water for the habitat are provided by an unmanned life support buoy floating on the surface above. It contains an air compressor and a 250-gallon tank of fresh water. The underwater habitat reposes on four stout, round, spreaded legs attached to a heavy concrete slab on the ocean floor. There is a vertical diver lock-out chamber or trunk which opens into the ocean at the bottom of the habitat and extends well into the Hydro-Lab at the top for entry and exit. At either end of the lock-out chamber are hatches to seal off the chamber when necessary. However, during the saturation phase both hatches are left open. The Air pressure in the habitat prevents the water from entering through the open lock-out chamber, so that one can breathe freely in the habitat, without any special apparatus, just as he or she might do at the surface.

Incidentally, immediately outside of the Hydro-Lab was a small metal building or compartment with open sides, and containing a supply of free-flowing air and an emergency bank of air cylinders. This little facility is known as a "puts" (portable underwater talking station). The air is captured in the inside of the long sloping roof of the puts, so that we could enter, remove our masks and regulators and talk to each other about things we had seen or were doing. It also provided us with an opportunity to free-dive from the habitat (with masks, weight belt and fins, but no tank) and then enter the puts for a lung-full or two of air.

We engaged in a number of experiments, studying aspects of the coral reef, the kinds and distributioin of the corals themselves, the fish and plant life that inhabits the reefs, the effect of pollutants on reef life, the metabolism of individual living organisms and of the reef community, and a host of other aspects. We even herded fish into small nets which we had stretched underwater to capture them so as to explore the possibility of removing air from their bladders to see if they would remain sufficiently dormant to be herded, as a fish-farming (mariculture) potential. It occurred to me that some of these experiments might appear to be on the periphery of the possible today while having a potential for being the routine or common-place practice tomorrow.

Over the period of the saturation dive we made eight research "excursions" from the habitat using scuba gear, four on Monday, and four on Tuesday, one each evening after dark. Each time we made an "excursion" dive we used double tanks of air, and were out an average of an hour per dive, so that of our total saturation time of 52 hours and 30 minutes under water we were on diving "excursions" approximately eight hours; and each of us consumed 16 tanks of air. That means, of course, that we spent some 44 hours in the chamber during our saturation/decompression exercise, but this included time for sleeping, eating, studying and communicating with each other, and a total of 16 hours and 17 minutes were consumed in the decompression phase alone. All in all it was a very comfortable, most enjoyable, and very educational experience.

At the surface at sea level the atmospheric pressure is 14.7 pounds per square inch (psi). In the ocean environment, every 33 feet in depth increases the pressure by one atmosphere, or an additional 14.7 psi. Thus, the absolute pressure at 33 feet depth in the ocean is 14.7 psi x 2, or 29.4 psi. For ease of computation we can round off the 14.7 to 15 psi. Accordingly, at 33 feet we can conveniently assume the ambient or surrounding pressure to be 30 psi; at 66 feet, we can assume the ambient pressure to be 45 psi, and so on, in a linear progression, increasing 15 pounds per square inch for every additional 33 feet of depth.

Although the Hydro-Lab habitat is on the ocean floor at 50 feet, the atmospheric pressure inside the habitat is the same as the pressure of the water level at the lower hatch. The lower hatch happens to be 43 feet from the surface (above the concrete slab and legs). If my mathematics is correct, that is two and five-sixteenths atmospheres of ambient pressure. Thus, 14.7 psi x 2-5/16ths equals 34.995 or 35 psi of absolute pressure in the habitat, except as it might fluctuate by reason of changes in actual depth of the habitat as influenced continuously by the changing tides, which have a range of 3.3 feet variance in that location.

The air we breathe is approximately 20% oxygen content and 80% nitrogen. Under the increased pressure of several atmospheres as a diver submerges, the nitrogen and oxygen of the air he or she breathes goes into solution in the tissues and blood. After about 24 hours at our Hydro-Lab and diving depth under the ambient pressure—roughly two and one-half times atmospheric pressure—saturation occurred, which means that the blood and tissue in our bodies absorbed all of the nitrogen and oxygen they were capabale of holding. Once saturated, a diver can safely stay at that depth for an indefinite period of time. To go back to the surface, a slow period of decompression is required that permits the nitrogen and oxygen to be returned to their gaseous state and then be released from the body without forming bubbles in the blood and tissues. If bubbles form, they can cause what is commonly referred to as the "bends". Going to the surface without decompresison during saturation would cause a massive and probably fatal case of the "bends".

Because it was critically important that we stay submerged once we were saturated, all normal scuba diving "essential equipment used for going to or staying on the surface was discarded. Thus, I made the dive without my snorkel, or buoyancy compensator (inflatable jacket) or lift bag (device for filling with air to lift heavy objects off the ocean floor). I even put by summer wet suit aside after my initial entry, as the water temperature was mild, although I had adequate weights on my weight belt to overcome the buoyancy of the wet suit.

It would seem that the inside of the Hydro-Lab habitat would be damp, with high humidity, and be very hot. Actually, thanks to the dehumidifier and the air conditioner, it was quite comfortable and dry. Of course, we were always careful to keep our swim trunks and dive gear in the lock-out chamber or behind it in the habitat. Thus, we kept our rug and living area dry.

Speaking of dry things brings to mind the use of transfer pots for delivery of dry clothes, dehydrated foods, bread and other food items, books, cameras, paper and pens, etc., from the surface to the habitat and back. The transfer pots are cylinders of various sizes with heavy lids that are sealed by "O" rings or gaskets and bolted shut, and are provided with venting valves to accommodate changes in pressure. When a transfer pot is lowered from the surface, the sealed air inside exerts less pressure than the surrounding denser air in the habitat, so that even without being bolted down the lid is held securely closed. The venting valves must be opened to let the outside air enter the transfer pot and equalize the pressures before the lid can be removed.

If the transfer pot is closed and sealed in the habitat at a pressure of 2½ atmosphere and is then raised to the surface—and this was done on one occasion during our saturation dive—the excessive inside pressure will bleed off slowly through the "O" ring or gasket as the outside pressure decreases during ascent. As the bolts are loosened on the surface, the excess internal pressure will quickly escape and the lid will readily open.

Cameras are a special problem. They must be taken apart before being placed in the dry transfer pot, whether going to the bottom of the sea or back up to the surface, if the camera is to be opened for loading film or otherwise taken apart in the habitat while it is subjected to ambient pressure. Because the air inside the camera is at surface or atmospheric pressure, it would be impossible to open the camera for reloading in the habitat, as the outside pressure exerts too great a force. On the other hand, if the camera were taken apart and placed in the transfer pot for lowering into the habitat and were thereafter opened, the air pressure inside the camera would then be ambient (2½ atmospheres of pressure in our situation). If the camera were then not disassembled and were placed in the transfer pot for ascent to the surface, the front window of the camera and the exposure counter window on the bottom would be blown out, and the lens unit, including the iris and other elements, would be distorted, damaged and ruined.

It is interesting to note that the camera is much like the habitat itself when it comes to withstanding external or internal pressure exerted from the outside than from the inside. As a matter of fact, if the Hydro-Lab habitat were sealed and lifted from the ocean floor to the surface, the pressure inside would soon exceed the decreasing ambient pressure outside. When the inside pressure exceeded the outside pressure by little more than two or three psi, the windows would be blown out of the habitat and it would fill with water. (The more one contemplates the great wealth of knowledge and understanding required to properly construct a habitat such as the Hydro-Lab, and its constituent components, the more one can appreciate the genius of John H. Perry, Jr., the designer and builder.)

Congressman Bill Alexander, currently the president of the Congressional Underwater Explorers Club in Washington, D.C., provided all of us with a vivid demonstration of the effects of pressure at different depths. dive with him partially filled with shampoo or lotion, thus having ample air space left in the bottle. The cap was screwed on tightly before the descent, so it contained a volume of surface air under one atmosphere of pressure. At depth the air space in the plastic bottle was severely compressed as if crushed by the grip of a giant hand. Bill decided not to open the bottle down at the bottom of the ocean, which would have allowed the denser air to fill it, so as to discern if the original shape of the flexible bottle would be restored during the decompression phase (which is equivalent to swimming back to the surface with it). And indeed it did. As the pressure was reduced, the volume of the air inside the bottle increased until it had expanded the bottle back to its original size and shape.

As I observed this phenomenon, I recalled my early scuba driver training and the need to understand Boyle's Law of physics: "For any gas (nitrogen and oxygen of the air) at a constant temperature, the volume will vary inversely with the absolute pressure while the density will vary directly with the absolute pressure." To say it another way in layman language, at two atmospheres of pressure (33 feet) the volume of the air is reduced to one-half; at three atmospheres of pressure the volume is reduced to one-third; at four atmospheres of pressure the volume is reduced to one-fourth, and so on. Of course, conversely, when a diver ascends, the volume of air increases in the same proportions. Also, when the increasing pressures at greater depths compress and reduce the volume, the air one breathes is denser, that is, there is a greater quantity of air per unit of volume, and the diver thus gets increased amounts of nitrogen and oxygen in his system in a shorter period, and uses up his air supply much sooner.

An exciting moment occurred during one of our "excursion" dives out to the reef. We had just exited the Hydro-Lab, when a massive hammerhead shark swam by us overhead at great speed, immediately above the habitat. He didn't seem to be interested in us, but appeared to be on the chase after something beyond our vision. We saw one very large and several smaller barracudas, several large sting rays, and many other varieties of fishes, and learned the common names of many of them.

Speaking of observing fishes, from the inside of the habitat through the four-foot diameter port or round window in the end of the Hydro-Lab (near the bunks and opposite the end where the diver lock-out chamber or trunk is located), we could unobtrusively watch the panoroma of myriad exotic and common fishes, some very large, some quite small, in every imaginable color and hue. At night the stage would change, and our flood light would attract untold thousands of fishes of all conceivable shapes, sizes, colors and markings. We constantly consulted our fish manuals to seek out and identify each species observed.

By the way, there are no toilet facilities in the Hydro-Lab. To answer nature's call, it is a unique experience to put on one's mask, weight belt and fins and exit the habitat nude, and either swim over to the puts and hang out to go while breathing inside, or; in the alternative, stick the regulator in one's mouth and tuck the double scuba tanks of air under arm to venture out on a "potty excursion". Solid waste, also subject to ambient pressure, often sinks to the ocean floor and is almost immediately devoured by anxiously waiting angel fish and yellowtail snappers.

Decompression time for our saturation dive at the 43 to 50 foot depths was scheduled to be 15 hours, but actually took 16 hours and 17 minutes, because of a problem we encountered in controlling our decompression schedule during the quiet hours of late Tuesday night and early Wednesday morning. We all stood watches of two hours or so through the full decompression period, operating the pressure control valves to safely vent off the air in the habitat pound by pound or fraction of a pound, and observing the equivalent reduction in depth foot by foot, under precise and tightly controlled conditions, until the ambient pressure in the habitat on the ocean bottom was ultimately reduced to an equivalent of the atmospheric pressure at the surface. Because of the tidal fluctuations, it is necessary to begin the decompression phase with the actual depth and absolute pressure at that precise time. The process is slow and tedious and I recall, as an example, that our decompression table provided for a full 68 minutes of decompression at the last foot before reaching surface pressure.

It is interesting to note that, because decompression takes so long, we could, in fact, have flown to Tokyo from the Bahamas in less time than we could safely travel from the habitat to the surface, only 50 feet away.

The lock-out procedure and re-entry to the surface was a particularly interesting and exciting aspect of the saturation dive. Only one aquanaut can enter, be locked into, and exit through the lock-out trunk or chamber at any given time. At the beginning of the decompression phase the top hatch of the lock-out trunk is securely closed and locked, after which the habitat pressure is reduced. The lock-out chamber itself, with bottom hatch open, is at the ambient pressure of nearly 2½ atmospheres. In order for an aquanaut to manage an escape or departure from the habitat, the bottom hatch must temporarily be held closed by an outside diver (why not a hydraulic gear operated from inside?) until the air in the lock-out trunk is vented off and reduced to the surface pressure which is now inside the decompressed habitat. Thereafter, the outside ambient pressure of the sea against the bottom hatch will hold it securely shut.

At this stage the top hatch of the lock-out chamber is opened and the aquanaut climbs in with his mask, fins and weight belt on, after which the top hatch is closed over him and locked securely, leaving him quite alone inside the lock-out escape chamber. At this juncture air pressure is immediately introduced into the lock-out chamber to force an increase in the pressure there to equalize again with the ambient pressure of the ocean outside the chamber. This introduction of suddenly-increased pressure causes a high-pitched, ear-splitting whistle in the closed lock-out trunk. The aquanaut must pinch his nostrils closed and blow firmly to open the eustachian tubes to his ears so as to equalize the pressure (and this incidentally, makes the shrill whistle all the louder). In about a minute the pressure in the lock-out trunk is equal to the ambient pressure at the sea floor, and the bottom hatch falls open automatically. The equanaut immediately slips out through the bottom hatch, and is greeted on the ocean floor by a scuba diving buddy who presents him with a second regulator on his octopus rig (both regulators attached to the scuba diver's single tank).

Since the decompressed aquanaut must immediately be removed from the increased pressure to avoid speedy absorption of nitrogen and oxygen in solution in the now-more-receptive tissues and blood, the escort diver takes hold of the arm of the aquanaut and leads him directly to the surface, where the aquanaut climbs aboard the waiting boat amid the cheers of his compatriots and the filming of the event by the news media. And so the saturation dive ends, but the effects of the dive do not. The aquanaut cannot fly for 36 hours, nor can he scuba dive for at least 24 hours. Otherwise he's back to normal.

As I reflect upon it, no one in our Congressional aquanaut team smoked—no cigarettes, no cigers, no pipe, no tobacco. How fortunate! Smoking by one individual would have quickly polluted the air for the others in the close and confined quarters of the underwater habitat. Too, the terrifying possibility of a fire in the habitat when it is all but impossible to leave the underwater "home" to return to the surface is a sobering thought indeed. Of course, when divers are using mixed gases instead of air, for diving at greater depths, and there are tanks of oxygen in or connected to the underwater habitat, the danger of fire or explosion is all the greater. Perhaps the likelihood of fire in the habitat was not appreciable, but I personally felt safer knowing no one would be striking matches in the Hydro-Lab. As a matter of fact we found a book of matches when we first entered the habitat, and Bob Wicklund quickly threw them down the lock-out trunk and into the sea.

One more reflection—Bob Wicklund, our mentor, guide, diving buddy, advisor, scientist, technician and friend was superb. In charge of the Perry Hydro-Lab, this quiet, capable, confident and unassuming man literally brought us back alive. He is an outstanding aquanaut and I blush at the thought of sharing with him such a cherished qualification and distinction. You see, by virtue of our unique underwater-world experience together, Bob Wicklund, Senator Lowell Weicker, Congressman Bill Alexander, and I have qualified to be officially designated as NOAA Aquanauts. Lowell and Bill are the first Members of Congress in history to be so designated.

And while I'm passing out accolades for exceptional services rendered, I am compelled to commend the excellent support services rendered on our behalf by Bob Wicklund's very capable associate and alter ego, Richard Clarke, of the Perry Foundation, Dr. Don Beaumariage, Director of NOAA's Manned Undersea Science & Technology (MUS&T) programs, Dr. Morgan Wells, also of NOAA's MUS&T Office, and Senator Weicker's able Cngressional Assistant, Tim Keeney (a former Navy Underwater Demolition Team diver). These gentlemen all provided extraordinary support and dedicated service to our mission. They made numerous scuba diving trips down to the habitat area, brought in needed supplies or repair parts, took underwater pictures, and manned the monitor radio at the Hydro-Lab home base quarters at the facilities of the Underwater Explorers Society in Freeport. During the saturation phase, one or the other of these gentlemen on watch called by radio phone to check with us around the clock at least every two hours and, during the decompression phase, every half hour. We always called into the base headquarters when we departed on a scuba diving "excursion" and immediately notified them upon our return.

All of us are cognizant of the severe energy shortage for our nation and are aware of the critical need to find new energy sources through geophysical exploration and through scientific research and technological innovation. Thus, perhaps it was not altogether surprising that while I was down under I wondered whether it were possible to harness the enormous energy source potentially available through utilization of the pressure differentials in the ocean depths. There is almost one-half pound change in pressure for each additional foot of depth in the oceans which cover about 70% of the earth's surface; and with ocean depths varying from sea level down to beyond 30,000 feet, the energy supply would literally be inexhaustible for the use of mankind on this planet. Of course, finding the means to harness this energy is a fantastically difficult problem; but, then, the potential rewards for achieving success in this extraordinary venture boggle the mind.

In looking back upon the whole saturation dive experience, I feel quite fortunate to have been a member of the team, especially with such outstanding men. We were compatible and jovial, and intermittently exchanged good-natured jibes and kidding. Yet, Senator Weicker and Congressman Alexander were quite serious about this project and wholly dedicated to full and untiring participation. It was certainly an intensive learning process for them, and for me.

The Senator and the Congressman have been interested in the marine environment for most of their lives, but they are now true and dedicated ocean enthusiasts more than ever. At first hand, down in "Davy Jones' Locker" they have seen the living and nonliving treasures of the deep. Now, as never before, these discerning lawmakers are acutely aware of the enormous potential of the oceans, the monumental challenges mankind faces in transforming the marine resources into economic benefits, the desperate need to protect the great marine environment from pollution and other degradation, the obligation we have to all mankind for broadening our marine scientific and technological horizons, and the critical requirement for substantially increased funding for the ocean programs of our Nation.

THE GUNS OF AUTUMN

Mr. STEVENSON. Mr. President, the controversy over CBS' documentary "The Guns of Autumn" continues. Television critics and newspaper editorial writers have expressed vigorous opinions in favor of and in opposition to this program. I have received a large number of letters about this program, most of which have roundly criticized CBS for having televised it.

I did not see "The Guns of Autumn," Mr. President, and for that reason I feel unqualified to make judgments about this documentary's merits. As a hunter and sportsman myself, I must say that hunting is a legitimate recreational activity. I would hope that this documentary in no way portrayed the majority of hunters as butchers interested in the slaughter of defenseless animals, for this is not the case.

I deplore the confusion which the gun lobby has apparently generated on two separate issues: The legitimate use of rifles and shotguns for sports on the one hand and the need for handgun control legislation. The gun lobby wants Americans to believe that handgun control legislation, such as the bill which Senator Kennedy and I have introduced, will somehow lead to the confiscation of sportsmen's rifles and shotguns. Such a contention is false. Our bill simply requires the registration of all handguns and the licensure of all handgun owners; rifles and shotguns are not affected by my bill. Yet, the gun lobby would have the American people believe that passage of legislation such as this will somehow result in the confiscation of rifles and shotguns.

Mr. President, the effort of the gun lobby to deceive the public on the issue of gun confiscation is typical. This lobby apparently pressured advertisers into withdrawing their support for the CBS documentary "The Guns of Autumn." Such arrogance and intolerance of contrary viewpoints have no place in a democratic society. Mr. President, I ask unanimous consent that a recent New York Times editorial on this issue be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the New York Times, Sept. 7, 1975]

The Gun Thugs

Just before the attempted shooting of President Ford demonstrated anew just how dangerous the *laissez-faire* attitude toward gun controls is, the National Rifle Association and various gun clubs gave the nation a different example of the virulance of the gun disease. They mounted a rough and effective campaign which drove all but one advertiser off a CBS documentary on hunting.

That is the gun lobby's idea of democratic debate. The CBS caper is reminiscent of the broad, mean campaign the lobby mounted a few years ago in an attempt to dry up funding for the Y.W.C.A. when it called for effective gun control laws. Dissatisfied with simply making more noise than anyone else, the gun lobby goes for the jugular in trying to silence its opponents.

The fact is that America's romance with guns is an entirely appropriate subject for broad and intense political debate just now. With handgun homicides running at about 10,000 per year and with untold millions of illegal guns sloshing around the country, the Administration and a number of legislators have offered gun control bills which they think will make the country safer.

CBS was engaged in a perfectly legitimate journalistic effort to make the debate as informed as possible. Fortunately, the network has not been deterred and plans a follow-up to describe the blackjacking. Perhaps the gun lobby will learn from all of this that the politics of thuggery has no place in the democratic decisionmaking process.

MR. GEORGE A. CRONIN

Mr. FONG. Mr. President, it was with deep regret that I learned of the sudden passing, on September 16, of Mr. George A. Cronin, professional staff member of the Senate Special Committee on Aging.

Mr. Cronin's death is a source of personal sorrow to all of us who knew him through his fine work with the committee. He was 41 years of age. We share with the members of his family the shock at his departure from this life at such an early age when he had so much to offer. They have our deepest sympathy at this time of bereavement.

Mr. Cronin was particularly well qualified for his work with the committee having received two degrees in 1973, one a master of social work, and the second a master of public administration. He served as assistant to the director of the dual master's degree program in social work and public administration at the University of California where a heavy emphasis was placed on gerontological training.

This experience was most valuable to the committee in its studies of State and community agencies on aging. He was deeply concerned about all services to the elderly, and his main interest was to insure the effectiveness of agency programs at the Federal, State, and community level.

Mr. Cronin was an industrious and capable member of the Committee on Aging staff who brought a high level of professional competence to those aspects of its work with which he was involved, especially in the extremely important field of transportation problems of the elderly. The loss of his dedication and knowledge will be seriously felt by the committee and the Senate and by all older Americans on whose behalf he worked.

Mr. Cronin was a very gentle person. This, coupled with his strong feelings on behalf of other human beings, was reflected in his personal as well as his professional life. It doubles the sense of loss for those who knew him.

ADDRESS BY SENATOR JENNINGS RANDOLPH ON SOCIAL SECURITY STRENGTHENS AMERICA

Mr. CHURCH. Mr. President, social security is truly one of our Nation's landmark legislative achievements—protecting workers and their families from loss of earnings because of death, retirement, or disability.

Last month the University of Michigan and Wayne State University commemorated the 40th anniversary of social security at the annual gerontological conference.

The keynote speaker at the August 15 luncheon was Senator Jennings Randolph, a member of the Senate Committee on Aging.

The selection of Senator Randolph was especially appropriate because, as a Member of the House of Representatives, he voted for social security when it became law in 1935. In fact, there are only four Members now serving in the Congress who were also Members of Congress when President Franklin Roosevelt signed the Social Security Act into law. The others—in addition to Senator Randolph—are Representatives Wright Patman and George Mahon, both of Texas, and Senator John McClellan of Arkansas.

Throughout his career Senator Randolph has been an enthusiastic advocate for social security. He has consistently been in the forefront in supporting benefit increases, as well as other reforms to improve social security.

Senator Jennings Randolph's speech reflects this commitment. In addition, his address provides insight on other issues of direct importance to aged and aging Americans.

For these reasons, I ask unanimous consent that Senator Randolph's speech on "Social Security Strengthens America" be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Social Security Strengthens America

(Remarks by Senator Jennings Randolph, Annual Conference on Gerontology, University of Michigan, Friday, August 15, 1975—12:15 p.m., Ann Arbor, Mich.)

In Chicago yesterday, our Senate Special Committee on Aging conducted a hearing on "The Recession and the Older Worker." It was one of a continuing series of field hearings to help us develop a clear-cut, effective and comprehensive national policy on providing more job opportunities for persons aged 45 and above.

The leadoff witness was that remarkable septuagenarian, Mayor Richard J. Daley, who described how the City of Chicago is taking steps to provide greater training and employment opportunities for older workers. But the Mayor and other witnesses testified that current efforts barely scratch the surface of what's happening to older people during this worst economic slowdown since the Great Depression.

Today, 1.6 million persons in the 45-plus age category are unemployed—an increase of 83 percent above the level just one year ago. During the past year, the number of impoverished persons in the 45 to 60 age category jumped by 200,000—from 2.4 million to 2.6 million.

These statistics are significant because the people involved will have difficulty returning to the work force in the months ahead—even if the current unemployment rate declines dramatically. These also are the people who, over the next two decades, will become eligible for retirement benefits.

We must prepare now for their entry into the so-called Golden Years of Leisure after a lifetime of work and struggle.

The hearing yesterday—on the 40th Anniversary of the Social Security Act—had a special significance for me, because it was my privilege, as a member of the House of Representatives, to actively support and vote for the original legislation. There are only three other members serving in the Congress now who were in Congress on August 14, 1935, when President Franklin Roosevelt signed the bill into law. They are Representatives Wright Patman and George Mahon, both of Texas, and Senator John McClellan of Arkansas. The President commented:

"We can never insure 100 percent of the population against 100 percent of the hazards and vicissitudes of life. But we have tried to frame a law which will give some measure of protection to the average citizen and his family against the loss of a job and against poverty-stricken old age."

I am gratified to have voted for Social Security because I believe that it has served our country well. Improvements, to be sure, are needed. And, we must come to grips with the short-term and long-range financing problems caused by high inflation, high unemployment, and a projected decline in the birthrate.

These problems are clearly solvable—given time and the national will to improve the existence of our Nation's elderly.

This point has been made very positively and convincingly by witnesses testifying before the Committee on Aging, whether they be from the business community, labor movement, general public, or elsewhere.

Over the past few months, alarmist accounts on the fiscal stability of social security have surfaced. They have been discredited, but the sensational rumors and reports continue.

Social Security is sound, and it is working. Today's and tomorrow's retirees need have no fear that their checks will stop coming, because the Congress will insist that Social Security continue to be rooted in sound policy, actuarial and equity considerations.

Statistical data are inevitable to this conference. I won't overwhelm you with figures, but a few key facts are necessary to illustrate the importance and scope of Social Security for Americans of all ages. Certainly no government program in our history has touched so many people.

In 1940, when the first Social Security recipients became eligible, there were 222,488 beneficiaries, including retirees, dependents, and survivors.

On June 30, 1975, there were 36,660,000 beneficiaries.

Over the past 35 years, a total of $35 billion has been spent for Social Security benefits—slightly more than was expended for the Apollo space program, but only about one-third of this fiscal year's total military budget.

For one out of seven Americans, Social Security benefits represent the economic mainstay of their lives. More than 90 percent of all people 65 and older are eligible for these benefits—and 95 percent of all mothers and children would be entitled to benefits if the father of the family should die.

In terms of numbers, virtually all Americans have a direct and vital stake in assuring that the integrity of this system is maintained. It is, I think, important to remind ourselves that Social Security, as it was conceived in 1935—and as it exists today—is a contributory retirement program. One hundred million American workers will make contributions to this almost universal system this year, building credits toward future benefits for themselves and their families.

I consider the numbers involved—21 million people aged 65 and over today. By the year 2000, that total will climb to almost 30 million. Social planners don't attach too much importance on the totals, because their meanings keep changing. People are living longer, and many are retiring earlier. Many are looking now for semi-retirement; many more want longer years of leisure.

Others want to work at top speed to the very last day of their lives, and many do so. More and more, they insist on the same kind of choices in life they had in earlier years—and the same guarantees of opportunity. More and more, our elderly population is challenging our Nation—and the world—to change the way in which people live the latter part of their lives.

They want personal security, health and housing—yes, but more than that, they want personal development and growth. They want to continue contributing to our society—and they are doing it. Today many retirees are returning to college, seeking new training or the personal satisfaction of learning achievement. Today, the fastest-growing segment of our college population is among students past the age of 35.

These are some of the dynamics our older people are engaged in—and in many cases it is an almost direct result of a law passed 40 years ago.

Only four out of every 10 Americans today were alive during the "New Deal" days of the 1930's. But to them, recollections of the Great Depression are vivid.

During the early part of this century, America moved from an agrarian society to an industrialized Nation. People left the farms in large numbers for the major cities, seeking higher wages and a higher standard of living. They abandoned the plow for the payroll—and in so doing lost their ability to grow their own food and provide for their own security within their own community.

The economic collapse of the 1930's dramatized the fact that many American workers had become almost totally dependent on factors beyond their individual control.

For most Americans, knowledge of that frightening period when our system of government almost collapsed is gleaned from books, movies and television. I'm afraid the current wave of "nostalgia" portrayals of the Depression years don't provide a very accurate picture.

In Washington today, we are prone to call every troubling situation a crisis. I don't think we will ever see anything in our current troubles to compare with the despair and desperation our Nation endured in those days. The entire country was in a state of shock; one of every four workers could not find a job. In the four years prior to 1935, the gross national product was cut in half. Families were split as fathers hit the road in search of a job.

Coming from a small town in West Virginia, I can remember the county "poor farm". When a worker died or abandoned his family, the survivors had only two choices: The mother moved with her children into the county-run farm, or a similar installation operated by private charities, to eke out a barren and hopeless existence. Or, as happened more often, the surviving family was broken apart and the children parceled out among relatives or neighbors.

It was in this stark climate of conditions that Franklin Roosevelt became President, promising the American people a new deal both politically and economically. He pledged that he would think anew and act anew to aid the United States, to strengthen its economy, and to bring hope again to the American people.

I recall those challenging yet exhausting first "100 Days" of the Roosevelt Administration, when the 73rd Congress enacted fifteen major pieces of legislation to provide economic relief and uplift for America.

Some of the initial legislation—such as the Tennessee Valley Authority and the Federal Deposit Insurance Corporation—survives today. In a time of extreme national emergency, the Congress and the Administration acted in a coordinated, cooperative effort to pull our Country from the depths of depression.

We moved together decisively to correct the flaws in our system, to forge a new public policy of human fulfillment. There were mistakes made; some laws were reviewed and corrected. But the momentum had been established and carried over into the 74th Congress.

Many of the moves taken to restore faith in government during that perilous period have been embodied in the permanent legislation—such as the monumental Social Security Act of 1935.

Yes, the advent of social security ended the system of poor farms and charity homes. But you and I know it has done so much more. It has given dignity and self-sufficiency to millions of Americans who might otherwise be consigned to some modern-day version of the poor farm.

Social Security—and many other people-oriented measures that followed in its wake—gave the American people a vision of our Nation as it might be some day. This vision has not been reached in the past four decades—and possibly never will be because we keep expanding our hopes and aspirations.

We are aware that no piece of legislation is written in concrete, and, over the years, it has been necessary to refine and correct deficiencies in the original Social Security Act. The Social Security Administration has grown because Congress has given it new tasks to perform.

Thomas Jefferson spoke these words in the early 19th century, and they apply well to the challenge we face today:

"As new discoveries are made, new truths discovered, and manners and opinions change with the change in circumstances, institutions must advance also and keep pace with the times."

One of the strengths of the system is that it is capable of change while preserving fundamental concepts. The basic working principle is that a man or woman contributes part of his or her pay during a lifetime in order to earn benefits after retirement. No matter what adjustments we may make in the system to respond to the special needs of individuals, the pay-as-you-go principle must remain firmly fixed in the heart of the system.

Some of the special needs incorporated in the Social Security Act have resulted in significant expansion of the original goals. The inclusion of Medicare in 1965 and Supplemental Security Income in 1974 represents major steps toward ending ill health and poverty for senior citizens. This latter program, however, does not draw from the Social Security trust fund; it is supported by general revenue. It has welfare overtones which many of us did not want when we voted for it, but it is a vital part of our social goal of ending poverty for the elderly, the handicapped, and the economically helpless.

The evolution of the Social Security Act represents a concern and commitment at the Federal level to insure domestic tranquility among our elder citizens. This commitment has created a number of related programs to meet the special needs of the elderly.

That is what we had in mind when we established the Senate Committee on Aging in 1961. Its prime mission is to keep the Senate informed about the many public issues related to aging.

Ten years later, the White House Conference on Aging focused national attention on several areas of need not envisioned in the Social Security Act. Congressional response to these needs over the past four years has been impressive.

A few of the achievements in terms of legislation are:

A comprehensive pension reform package is now law, and it should help today's worker feel more confident about retirement security in the years ahead.

Social Security benefit increases to meet the rising costs of inflation. In 1972, when we voted a 20 percent increase, it looked as if we might have caught up with rising prices. In that same year, Congress approved a cost-of-living adjustment mechanism to help beneficiaries stay in the race against inflation. But in the last session of Congress, it was necessary to move ahead with the two-step, 11 percent increase which started last year. Even so, inflation has not been overcome. We know the sharpest price increases are concentrated in areas where the elderly have their greatest expenditures: In food, where costs have jumped 28 percent; in home heating fuels, where costs have increased 73 percent.

The supplemental security income program to which I referred earlier is in operation, and, although, it has many flaws, it does establish a Federal floor under incomes for those whose Social Security or other forms of retirement incomes are inadequate in these days of near double-digit inflation.

Shortly before the Congressional recess, conferees of the House and Senate considered amendments to the Older Americans Act. They were unable to reach final agreement, but will meet again as soon as scheduling will allow when the Congress returns next month. Meanwhile, the program is operating at its present level of funding under a Continuing Resolution.

It is interesting that, under the Older Americans Act, funding has been increased more than six times the amount requested by the Administration in 1971. I'm sure you'll agree that there's room for more funding, and this can be accomplished in the legislation extending the Act for two more years.

The aim of this and other significant legislation on behalf of the elderly is to demonstrate that America cares about its older citizens.

A civilization is measured not by its gross national product, not by its number of shiny cars or the wealth of its very rich. A Civilization is measured in better ways. And, historically, one of the most important ways a civilization is measured is in the way it treats its elderly citizens.

To achieve that vision of America that began 200 years ago, we must firmly establish for all our people that there is a priority in this land to build a just retirement and medical and social services system for and with our older citizens. I hope that, in the difficult days ahead, we will work together to insure that the long ago vision is not dimmed in the years ahead!

PRESIDENTIAL CLEMENCY BOARD

Mr. JAVITS. Mr. President, as the Senate knows, the Clemency Board, created by President Ford to insure that every Vietnam draft evader or military deserter would be given a hearing to determine whether or not he should be granted clemency for his offense, has completed its work. Yesterday, the President signed an Executive order charging the Attorney General with the responsibility to complete the unfinished business of the Board.

During the past year the Board processed 15,500 applicants for Presidential clemency. Of these, 51 percent of the applicants were recommended for pardon, 43 percent were recommended for clemency, conditional upon fulfillment of alternative service, and 6 percent were denied clemency. For many, this program provided a way to return to their families and country. I again commend President Ford for the constructive step he took to establish a vehicle to help these thousands of young men who, for one reason or another, were compelled to refuse the draft or desert the military during the Vietnam war.

And, I wish to commend our former colleague, Senator Charles E. Goodell, Chairman of the Board who took on this extraordinarily difficult task in order to assist in healing the deep wounds inflicted in our Nation by that long and bitter war.

Mr. President, to give the public continuing information on this subject the general counsel of the Board has prepared a series of memorandums about the nature of the Presidential pardon and/or clemency discharge and other relevant matters. I believe that this information should be of use to our colleagues in both Houses of Congress and have the widest possible dissemination and therefore ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRESIDENTIAL CLEMENCY BOARD,
THE WHITE HOUSE,
Washington, D.C., September 5, 1975.

MEMORANDUM

From: Lawrence M. Baskir, General Counsel.
Subject: Meaning of a pardon.

A pardon is the supreme constitutional gesture of forgiveness or mercy, and, once granted, has many wide-reaching effects. The pardon releases an individual who is incarcerated. In addition, once a person receives a Presidential pardon, Federal civil rights which have been lost because of the conviction are restored, i.e., the right to vote, to hold Federal office and to sit on a Federal jury. The Presidential pardon may also, since it is generally honored by the States, restore State rights including, but not limited to, the rights to vote, hold office and obtain licenses for trades and professions from which convicted felons are otherwise barred. Also, a pardon indicates to all government agencies and officials the President's intent that they not consider pardoned offenses in deciding questions involving the pardon recipient. Finally, a Presidential pardon is an expression by the Chief Executive of his desire that the stigma of conviction be removed and that the pardon recipient no longer be discriminated against when seeking employment, housing or other opportunities.

However, while a pardon removes most legal disabilities of an offense, it does not erase the offense, and a pardon in and of itself will not qualify an individual for a position of trust. Where the character of the individual applying for a job, housing or other opportunities is the basis for determining suitability, the offense which was pardoned can still be considered in making that determination.

For further information about the meaning of a Pardon, you may contact the Pardon Attorney, Department of Justice, Washington, D.C. 20530.

PRESIDENTIAL CLEMENCY BOARD,
THE WHITE HOUSE,
Washington, D.C., September 5, 1975.

MEMORANDUM

From: Lawrence M. Baskir, General Counsel.
Subject: Meaning of a clemency discharge.

The Clemency Discharge is a neutral discharge, issued neither under "honorable conditions" nor under "other than honorable conditions." It is to be considered as ranking between an Undesirable Discharge and a General Discharge. Such a discharge in and of itself restores no Veterans Benefits. While there is no change in benefit status per se, a recipient may apply to the Veterans Administration for benefits. He may also apply for an upgrade in his original discharge (Undesirable, Bad Conduct, Dishonorable) to the appropriate Discharge Review Board, where the Clemency Discharge should greatly improve the recipient's chances for success. Finally, the Clemency Discharge, like a Presidential pardon, is an expression by the Chief Executive that the stigma of a bad record has been removed, and that the bearer of a Clemency Discharge should no longer be discriminated against in his future opportunities.

PRESIDENTIAL CLEMENCY BOARD,
THE WHITE HOUSE,
Washington, D.C., September 5, 1975.

MEMORANDUM

From: Lawrence M. Baskir, General Counsel.
Subject: Discharge review boards.

Any individual who receives a less than honorable discharge from the Armed Forces may apply to the Discharge Review Board (DRB) and/or the Board for Correction of Military Records (BCMR) for a possible upgrade to a general or honorable discharge. Each branch of service has its own Discharge Review Board for Correction of Military Records.

Generally speaking, the veteran should first apply for a recharacterization of his discharge to the Discharge Review Board. The DRB may upgrade the type of discharge but may not revoke a discharge nor may it reinstate the applicant in the service. Also, it may not review a discharge resulting from the sentence of a General Court-Martial. The veteran may apply within 15 years of the date of his discharge. This statutory limitation may not be waived, but any contact with the DRB during the 15 year period starts the period running anew. Even if the veteran has already applied to the DRB, he may petition for a rehearing if material evidence such as a Clemency Discharge and a Pardon, not available at the time of the first hearing, is now available, or if he or she is now seeking a personal appearance and has not previously appeared before the Board.

The Board for Correction of Military Records may correct any error in the individual's military record. The BCMR may review a discharge after relief has been denied by the DRB. Further, it may change the reenlistment code on a given discharge, allowing the veteran to reenlist. This Board can also review discharges awarded by sentence of a General Court-Martial. The statute of limitation for filing with the BCMR is 3 years, but this is freely waived in the interest of justice. However, it should be noted that the BCMR will not review a case within 15 years from the date of discharge unless the DRB has already heard it. Reconsideration will be granted by the BCMR only in the case of new evidence.

Army DRB, Room 1E479, Department of the Army, Pentagon, Washington, D.C. 20310 (202) 695–4682, 697–3166.

Air Force DRB, 1300 Wilson Blvd., Commonwealth Building, Room 920, Arlington, Va., 22209 (202) 694–5249.

Navy DRB, Department of the Navy, Navy Annex, Washington, D.C. 20370 (202) 694–1631.

Coast Guard DRB, 400 7th St., S.W., Washington, D.C. 20590 (202) 426–0884.

Army BCMR, Department of the Army, Washington, D.C. 20310 (202) 695–4298.

Air Force BCMR, Room 5C860, Pentagon, Washington, D.C. 20330 (202) 695–2172.

Navy BCNR, Department of the Navy, Navy Annex, Washington, D.C. 20370.

Coast Guard BCMR, 400 7th St., S.W., Washington, D.C. 20590 (202) 426–2270.

(NOTE—USMC applicants should apply to the Navy.)

PRESIDENTIAL CLEMENCY BOARD,
THE WHITE HOUSE,
Washington, D.C., September 5, 1975.

MEMORANDUM

From: Lawrence M. Baskir, General Counsel.
Subject: Exemplary Rehabilitation Certificate.

An Exemplary Rehabilitation Certificate is available to individuals who have received General or other than Honorable discharges from the Armed Forces, but who have long records of good conduct in the civilian community. This certificate is tangible evidence to show employers that the recipient has made an effort, despite his bad discharge, to make a good life for himself. Further, the certificate entitles the recipient to special job counseling at his State employment office. Once awarded, a copy is automatically placed in his military file.

Applications and additional information are available from:

U.S. DEPARTMENT OF LABOR,
Manpower Administration.

PRESIDENTIAL CLEMENCY BOARD,
THE WHITE HOUSE,
Washington, D.C., September 5, 1975.

MEMORANDUM

From: Lawrence M. Baskir, General Counsel.
Subject: Discharges for drug use.

On July 1, 1971, Secretary of Defense Laird established a policy exempting military members from prosecution or issuance of "other than honorable discharges" for drug use or possession. On August 18, 1971 Secretary Laird instructed the Secretary of each service to review applications, through the Discharge Review Boards, for recharacterization of those other than honorable discharges issued solely on the basis of use of drugs or possesion of drugs for personal use in process on or before that date. The Navy and Marine Corps use August 20, 1971, as the cut-off date.

On April 28, 1972, this policy was extended to punitive discharges issued as a result of court-martial convictions for the use or possession of drugs. Discharges resulting from the sale of drugs or the intent to sell drugs are not covered under this policy. The Under Secretary of the Army stated "that the term 'solely' should not be construed to bar the favorable recharacterization of a discharge where only minor offenses, especially those related to or caused by drug abuse, may have been a contributing factor in the granting of an Undesirable or other than Honorable Discharge."

Application should be made to the Discharge Review Board of the appropriate branch of the service if the above described policy is applicable to an individual's situation. If the Discharge Review Board applies this policy, the discharge will be recharacterized as General under honorable conditions or as Honorable depending on the merits of the case.

Army DRB, Room 1E479, Department of the Army, Pentagon, Washington, D.C. 20310, (202) 695-4682/697-3166.

Navy DRB, Department of the Navy, Navy Annex, Washington, D.C. 20370, (202) 694-1631.

Air Force DRB, 1300 Wilson Boulevard, Commonwealth Building, Room 920, Arlington, Virginia 22209, (202) 694-5249.

Coast Guard DRB, 400 7th Street, S.W., Washington, D.C. 20590, (202) 426-0884.

(NOTE.—USMC applicants should apply to the Navy.)

PRESIDENTIAL CLEMENCY BOARD,
THE WHITE HOUSE,
Washington, D.C., September 5, 1975.

MEMORANDUM

From: Lawrence M. Baskir, General Counsel.
Subject: Civil Service Commission.

The present policy of the Civil Service Commission regarding "rehabilitated offenders" is to consider each applicant's suitability for federal employment on a case by case basis. Factors considered by the Commission are (1) nature and seriousness of the crime; (2) circumstances surrounding the crime; (3) how long ago the crime was committed; (4) age of the offender at the time of the commission of the crime; (5) contributing social or environmental conditions; and (6) absence or presence of rehabilitation. Further information regarding the rehabilitated offender concept can be found in "Employment of the Rehabilitated Offender in the Federal Service," BRE-29, a publication of the Civil Service Commission. Determinations regarding suitability are made after an individual has applied for a job. Assistance in applying for a job can be obtained from a Selective Placement Specialist at any Federal Job Information Center. As of this date a final determination has not been made by the Civil Service Commission regarding eligibility for veteran's preference for holders of Clemency Discharges.

PRESIDENTIAL CLEMENCY BOARD,
THE WHITE HOUSE,
Washington, D.C., September 5, 1975.

MEMORANDUM

From: Lawrence M. Baskir, General Counsel.
Subject: Coerced enlistment under threat of incarceration (*U.S.* v. *Catlow*, 48 CMR 758 (1974)).

Army Regulation 601-210 disqualifies from enlistment persons who are enlisting as an alternative to jail or court proceedings. In the *Catlow* case, the Court of Military Appeals applied this regulation and held that Catlow's enlistment was illegal. No constructive enlistment was found to have occurred, even though Catlow had received Army pay and allowances, because there was never an intention on Catlow's part to be a soldier. The determination that there was not a constructive enlistment was based on the fact that Catlow "never served in the United States Army honorably." A constructive enlistment cannot occur where there was never an intention to be a soldier; receipt of pay and allowances is merely evidence of the intention and not proof conclusive. The other services have a similar policy regarding coerced enlistments.

If an applicant to the Presidential Clemency Board, who has received a discharge under other than honorable conditions, or any other former serviceman or woman, believes that his or her enlistment was coerced in this manner, he or she may meet the *Catlow* test. Application should be made to the military Discharge Review Board of the appropriate branch of service. Corroborating evidence of the illegal enlistment, such as a court record or transcript, should accompany the application for review.

Army DRB, Room 1E479, Department of the Army, Pentagon, Washington, D.C. 20310, (202) 695-4682/697-3166.

Air Force DRB, 1300 Wilson Blvd., Commonwealth Building, Room 920, Arlington, Virginia 22209, (202) 694-5249.

Coast Guard DRB, 400 7th St., S.W., Washington, D.C. 20590, (202) 426-0884.

Navy DRB, Department of the Navy, Navy Annex, Washington, D.C. 20370, (202) 694-1631.

(NOTE.—USMC Applicants should apply to the Navy.)

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention which awaits Senate ratfication is for all practical purposes a very simple document. However, this simplicity seems to have been submerged in an all-inclusive net of technicalities, facts, and figures which shroud the actual issues at stake.

All that the convention states is the principles of law that genocide is a crime under international law which the signatories undertake to prevent and punish.

The failure to ratify the Genocide Convention is obviously related to the Senate's failure to perceive the convention as a moral statement; a simple document of basic human concerns. In many respects, it is similar to the Geneva Conventions on the treatment of prisoners of war.

Mr. President, I emphatically urge our colleagues to support this treaty on genocide, a crime that is understandably condemned by the civilized world.

AUTO DUMPING CASES

Mr. FANNIN. Mr. President, when "dumping" charges were alleged recently against foreign automobile manufacturers, it was my position to encourage the Treasury Department to expedite its investigations as quickly as possible pursuant to the provisions of the 1974 Trade Act. The International Trade Commission has voted to ask the Treasury Department to investigate further these charges that imported cars are being "dumped" in the United States to the detriment of the domestic industry. This is a crucial stage. I feel it is essential to bring this matter to my colleagues' attention once again and to make a few observations.

Clearly the issue involved here is the loss of jobs by American workers. Compared with the same period in 1974, sales of imported cars have risen from 793,000 to 990,000 units while sales of domestically produced cars have dropped 12.4 percent from 4,448,000 to 3,898,000 units. Import sales constituted 20.3 percent of the domestic market in the first 7 months of 1975, up from 15 percent in the same period in 1974. Among compacts and subcompacts, imports constituted 40.8 percent of the U.S. market from January 1 to July 31.

These figures clearly illustrate the present weakness of the American automobile industry. Thousands of jobs have been lost due both to decline in demand as well as to increase in imports.

It is essential that an expeditious determination be made by Treasury as to whether foreign automobile manufacturers are dumping their cars on our market. The eight cases in question allege that these automobiles are being sold in the United States at lower prices than they are sold where they are manufactured.

There is no question that these are serious charges which, if proven, could effect our trading relations with several industrialized nations. Nevertheless, the loss of jobs in one of this Nation's principal industries requires our most diligent efforts to seek the truth about these allegations. I urge prompt but thorough investigations by the Treasury Department.

Mr. President, an editorial in the September 16, 1975 issue of the Journal of Commerce, "The Sword of Damocles," discusses these eight cases and offers pertinent comments. The editorial raises the question of whether the labor unions have taken over the role formerly played by industry in trade and tariff cases. That observation might be made in this instance since U.S. auto manufacturers produce 13 percent of the cars and between 45 to 50 percent of the trucks imported into this country in their own foreign plants. I want to make it clear that as far as this Senator is concerned, the Congress of the United States shares the interest of the American worker in this matter. There are too many domestic jobs at stake to proceed with any degree of complacency and disinterest.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SWORD OF DAMOCLES

What began five weeks ago as a routine federal probe of charges that foreign cars are being "dumped" in the United States is now developing into what threatens to become the biggest antidumping proceeding ever. It also threatens to fray the relationships between this country and most of its major trading partners, including Canada, Japan, the United Kingdom, West Germany, France, Italy, Belgium and Sweden, all of which are disturbed by it.

They were not especially disturbed early last month when it was announced that the International Trade Commission (ITC), successor to the old Tariff Commission, had opened an inquiry into the charges of Rep. John H. Dent, a Pennsylvania Democrat, that dumping was taking place. They knew that sales of foreign cars in the United States had risen from about 15 to 20 per cent of registrations in the first seven months of this year while sales of American-made cars dropped about 12 per cent.

But they also knew that Rep. Dent had only been echoing allegations made by U.S. car manufacturers did not support them.

If these charges are upheld in a more formal proceeding now pending, the Treasury could impose heavy antidumping duties on imported cars. And since car imports amounted last year to some 900,000 units valued at $7.5 billion, there is a lot of money at stake.

But "dumping" is not found simply because imports of a foreign product line increase while domestic production decreases. There first must be a finding that the imports are indeed being marketed here at prices below those they bring at home, with allowances being made for shipping costs. It must also be demonstrated in the present instance that the decline in Detroit's production was attributable directly to "dumping" of foreign cars, rather than, say, to the public's decision to buy more economical cars.

European and Japanese car makers felt safe on both points. They felt their pricing practices in the American market were unassailable. They also felt that Detroit had misjudged its own market, and has underestimated the reactions of car-buying Americans to the energy crisis and to their fears of drastic gasoline price increases.

That is why shock waves traveled swiftly overseas last week when ITC voted 4–2 that the Treasury should conduct a formal investigation of the charges. It was known abroad, of course, that the commission's finding was only preliminary and involved no penalties, and that it would probably be a good three months before the Treasury, through the Customs Bureau, would reach its own decisions.

Still, that "preliminary" ITC vote came as a jolt. It was not expected. The very fact that a formal antidumping proceeding could be opened on the complaint of a labor union without the backing of the American industry involved raised a lot of unpleasant questions that could involve more than motor vehicles, especially in view of the pressure unions were applying to Washington at the time to halt sales of grain to the Soviet Union.

Are American labor unions really taking over the role formerly played by industry in trade and tariff cases? There have been enough signs of it to give anyone pause, and this may be another. Will the case be decided on facts, or by the pressure UAW can apply to the administration?

The union can argue, of course, that Detroit's car makers can't assume that traditional role because 13 per cent of the trucks imported into this country are produced by their own foreign subsidiaries. This is an argument that may carry some weight with the Treasury and the administration generally.

It may, but for the time being we don't think the Europeans and Japanese, or the Canadians either, should worry too much about ITC's preliminary finding. The commission didn't find any "dumping"; it simply remarked that it hadn't received evidence that it existed. And not having found that, it couldn't blame Detroit's woes on it, either.

So ITC's tentative findings don't necessarily foreshadow what those of the Treasury will be around the end of the year. But the foreign producers have another worry. If the Treasury is part of the administration, so is the Department of Labor, which only last month authorized retraining subsidies to employees at three Chrysler plants on the grounds that their difficulties in finding or retaining employment were caused by imports of autos and auto parts.

The Department of Labor does not, of course, decide dumping cases. It would be quite possible for the Treasury to find that no dumping exists without contesting the Labor Department's assertion that the woes of the three Chrysler plants were attributable to imports.

If events follow their usual course, the foreign car makers will have a three-month respite before the Treasury's Sword of Damocles either falls or doesn't. Like New York City's new lease on life, it may prove a very short and troubled three months, however.

It is, in fact, so reminiscent of the uncertainties that formerly hung over entire industries for extended intervals during escape-clause proceedings under the Tariff Act that it is almost certain to create even more strains in the multilateral tariff negotiations now in progress under the auspices of the General Agreement on Tariffs and Trade. If hopes for these negotiations are tempered by many doubts, the Treasury's new antidumping proceeding will temper them even more.

HEARINGS ON PROPOSED OFFER BY CRANE TO ACQUIRE ANACONDA

Mr. METCALF. Mr. President, the Subcommittee on Reports, Accounting and Management will hold a hearing on October 8, 1975, concerning the proposed offer by Crane Co. to acquire common stock of the Anaconda Co. The hearing will commence at 10 a.m., in room 3302 of the Dirksen Senate Office Building.

Mr. President, the hearings scheduled by this subcommittee will focus on the procedures by which Crane Co. is attempting to acquire 22.6 percent ownership interest in the Anaconda Co. Each company has filed suit in the Federal courts charging that the other is abusing the disclosure procedures required under Federal laws. Proper disclosure is necessary for investors to make an intelligent appraisal of the Crane offer, as well as to enable Federal agencies to fulfill their statutory duties.

The Securities and Exchange Commission has responsibility for ensuring that all material facts relating to the Crane offer are disclosed. There is controversy as to whether the information contained in the registration statement filed by Crane is responsive to SEC requirements. Another question is whether the information required by the SEC is responsive to the needs of investors and the public interest.

For example, Crane has stated that it intends to purchase 22.6 percent of Anaconda's common stock for investment purposes only. Hearings held by this subcommittee in conjunction with the Intergovernmental Relations Subcommittee have revealed that effective control of a widely held company such as Anaconda can result sometimes from holdings of 5 percent or less. If effective control of Anaconda will result from Crane's proposed exchange offer, then the SEC must insure that such information is disclosed to investors and the public.

The Department of Justice and the Federal Trade Commission must also investigate the practical effects of the Crane offer in relation to the antitrust laws. Control of Anaconda by Crane would create substantial competitive problems in the building supply industry in which both of these companies operate. In 1974, Anaconda ranked number 118 among the largest industrial corporations in the United States as measured by total sales. Crane ranked number 170 in terms of sales. A combined Anaconda and Crane would have ranked number 52 among all industrial corporations according to sales. Such an increase in concentration of ownership and integration of business would not benefit the American consumer.

It is essential that proper information be available to investors, the public, the Congress, the SEC, the FTC and the Justice Department in this proposed acquisition by Crane. Previous price-fixing arrangements by Crane have resulted in a settlement with the New York State attorney general in 1972 of an antitrust suit commenced by his office. Reciprocal trade agreements led to a judgment in Federal court against Crane in 1973 on a suit brought by the Justice Department. A similar antitrust judgment was entered against H. K. Porter Co. in 1972. Porter is controlled by Thomas M. Evans, who is also chairman and the major stockholder of Crane Co.

Crane's statement that the exchange offer is only for investment also raises questions. Within the past year, Crane has twice tried unsuccessfully to gain control of copper companies.

The effects of Crane's acquiring 22.6 percent of Anaconda's common stock are of great importance to investors, employees, and the public. In this regard, the subcommittee expects to hear testimony from Representative FRANK THOMPSON of New Jersey, the SEC, and the Anaconda Co.

Questions regarding the hearing should be directed to the subcommittee at 161 Russell Senate Office Building, phone 224–1474—majority—or 224–1480—minority.

WOMEN IN POLICE WORK

Mr. JAVITS. Mr. President, the September 1975 edition of the FBI Law Enforcement Bulletin contains a comprehensive and informative article on women in police work.

Written by Assistant Chief Anthony V. Bouza of the New York City Police Department, this article deserves the attention of my colleagues since it highlights another area where women are increasingly active and effective. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the FBI Enforcement Bulletin, September 1975]

WOMEN IN POLICING

(By Assistant Chief Anthony V. Bouza, Commanding Officer, Bronx Field Services Area, New York City Police Department, Bronx, N.Y.)

EARLY HISTORY

The role of women in the New York City Police Department (NYCPD) underwent many changes between the employment of the first full-time matron in 1888—probably just in time to help out with the Great Blizzard—and the emergence of the female patrol officer of 1975.

Over what has been almost a century of existence within the ranks, women have participated in, or led the way into, what can only be described as a revolutionary social transformation.

Their entrance into police ranks was slow—somewhat accelerated by the rising waywardness of youth during and after World War I, and the department's meeting this challenge through the use of women. And the assimilation process was unsteady. In 1920, women police officers were divided into two employee classes: matrons, the custodians of female prisoners; and policewomen, the youth-clerical specialists. By 1937, these were merged into one title, policewomen.

Entrance into this elite women's corps wasn't easy. The pay was good—equal to the male's—and the benefits shared by all were generous. The number was kept at about 300 and the competition was very keen. There were separate tests and separate eligibility lists. While a male might take the police entrance test with many thousands of candidates, he still had excellent odds going for him since it could be expected that many of the male candidates were not seriously interested in police work, yet there would be many hundreds appointed from among all the candidates.

The women, realizing that their competition would be razor sharp, and that the numbers appointed would be very small (about 50 over a 4-year period), didn't bother to vie for the jobs unless they were extraordinarily confident and well enhanced intellectually. Typically, 1,000 or more well-prepared women took these separate tests, and the winnowing process produced a very superior cadre of employees.

Two models of women officers developed: the complaint model and the competitive model. The complaint were placed on a pedestal, relegated to specialized tasks or clerical functions and decidedly compartmentalized. They occupied the youth and detective units, staff and headquarters posts, and the policewomen's bureau. A system of rewards existed that contained such recognition for a few policewomen as the detective's gold shield (which carried with it pay increases that could reach as high as a lieutenant's salary, appointments as director of the policewomen's bureau, and even as a deputy commissioner). The unstated conditions for women required acceptance of their limited police role—with the department contributing occupational security, and a not inconsiderable reward system.

The strength of this arrangement could be appreciated from the perspective of experience. Its power was such that all but two policewomen were compliant enough to accept the conditions. Felicia Shpritzer and Gertrude Schimmel were anything but willing to surrender to the charms of such an alluring situation. They were the competitive model. They fought for the right to be occupationally fulfilled, to develop to the limits of their capacities, to assume as much responsibility as their talents could encompass, and to enjoy the exercise of as much power as their abilities could garner. They would not be content with a perch on a pedestal—they insisted on descending into the arena and participating competitively in the struggle. Theirs was an instinctive and unself-conscious rebellion that arose from their sense of fairplay and need to perform, and which surfaced a full decade before the feminine consciousness was to be aroused, organized, and shaped into what is today called Women's Lib.

Shpritzer and Schimmel's actions, although seen then as the vaulting ambitions of a disaffected duo, were to flower into a blessing for the department. As a result, the department was dragged into early compliance with what later became the law and into a position of reluctant leadership of what also became a widespread and militant social issue. Their pioneering fight for job equality had, by the early seventies, created an environment and a realization in the New York City Police Department which prepared it for the sudden application of the Civil Rights Act to police departments.

LEGAL FRAMEWORK

Title VII of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, creed, color, sex, or national origin with respect to compensation, terms and conditions, or privileges of employment. It was amended by the Equal Opportunity Act of 1972 to include public employees, including police departments. Employers were permitted to discriminate on the basis of sex only if that characteristic was a bona fide occupational qualification for the job, and this pointedly excluded subjective assumptions or stereotypes relating to "the weaker sex."

If the hiring involved sex appeal or if community standards of morality or propriety required it (such as rest-room attendants), sexual distinctions could be made in employment. Women could also be excluded if they simply couldn't perform the job (play a position on a male professional football team, for example), but this had to be demonstrated.

The law anticipated the resistance by excluding stereotype assumptions relating to sex (such as the "weaker sex" syndrome associated with women); preferences of coworkers; job tradition; inadequate travel and comfort facilities available to accommodate both sexes; or other obvious excuses devised to circumvent compliance.

Police administrators were left with the choice of hiring women or proving that a bona fide occupational qualification existed that precluded the use of women. The dilemma for those opposed to hiring women was to find and describe police work in which it could be demonstrated that women could not perform.

SERVICE MODEL

The commonplace view that police are service agencies is supported by the Bronx experience. In 1974, there were 447,060 radio patrol car runs in that borough, and the total number of FBI Index Crimes was 70,521. Even allowing for the existence of a wide range of other crimes, we can see that the commonly used formula that police agencies are 80 percent service agencies (and that the rest involve enforcement and other factors) holds up on inspection.

NATIONAL EXPERIENCE

Under the impetus of the Equal Opportunity Act of 1972 amendment to the Civil Rights Act of 1964, a few police departments created hospitable environments for female employees. The Washington, D.C., police began to employ them in large numbers and, more importantly, in frontline patrol situations. A followup study comparing the performance of 86 women with 86 men showed "generally similar" results.

In Miami, Chief of Police Bernard L. Garmire only recruited females and wrote a highly favorable article on their performance in the June 1974 issue of the FBI Law Enforcement Bulletin.

New York City, impelled by a confluence of forces that included the man (then Police Commissioner Patrick V. Murphy), the historical backdrop, and the law moved vigorously into the full adoption of the principle that women could be used interchangeably with men in police work.

While this was going on, a court decided, in April 1975, that the Chicago Police Department had to undertake broader minority employment and compelled the hiring of 200 additional officers, mostly blacks and women, in order to achieve consonance with the law. That a court order like this could come at a time of budget problems and possible layoffs of full-duty officers simply illustrates the hardship that a policy of resistance can create. Clearly, other departments would be put to the test.

Two stories appearing in the same May 4, 1975, issue of the New York Times reflected the dilemma of police priorities. In one, the priorities of the Los Angeles Police Department were called into question after 511 youngsters were arrested for smoking marihuana at a rock concert. The other reported the successful assimilation of 35,000 women into the U.S. Army, in every position but frontline combat. The Army was not resisting an idea whose time had come.

NEW YORK CITY

By the spring of 1972, the New York City Police Department had undertaken a study, with the Police Foundation, of the effectiveness of women on patrol—with focus on their participation in neighborhood police teams. The policewoman's traditionally unique gold and blue shield was replaced with the male officer's white shield and the androgynous term "Police Officer" was adopted for all. Height requirements were ended for all and a ladies' list was "unfrozen" and hundreds were quickly appointed. The ranks of the females more than doubled, in a very brief time, to over 700.

The physical training was made relevant to on-the-job performance stressing self-defense and search and seizure situations, and a career path that required heavy doses of patrol experience in high activity precincts was inaugurated for all. This also served to equalize the risks among the men since, before its adoption, one could be stuck in a busy precinct for 20 years while a brother officer would spend his career in a slow and safe command. Thus, persistent efforts required to grapple with issues of social justice were having radial effects that benefited employees beyond the target population. The obverse of this lies in the limiting effects on the freedoms of all when the rights of the few are trampled.

Although the females had all entered under the old understanding, having taken the test while the flower of compliancy for security was still in bloom, they enthusiastically accepted the new understanding and assumed their new roles of police officers with elan and verve. They donned their uniforms, shed their typewriters and steno pads, and took to the streets.

The impetus lent by the battles waged and won by Schimmel and Shpritzer gave the department a headstart. In 1963, they won the right to take promotional exams, and they were both promoted to sergeant in 1965. By 1975, a decade later, we had 23 female superiors—1 inspector (Schimmel), 1 captain, 5 lieutenants (Shpritzer being 1), and 16 sergeants. The fear that the elite corps of women would overwhelm the upper ranks, as they applied their talents to departmentwide competitive exams for sergeant, lieutenant, and captain, never materialized. The fear foundered on the shoals of the woman's family role, cultural tradition, mores, and the distractions of the home that the males did not have to face with such immediacy.

Many persons fear that opening the police rolls to women will inevitably lead to an overwhelming flood. The actual experience belies this expectation. Twenty-seven percent of all comers to a test given with no height requirements on December 15, 1973, were female. Of the first 6,000 names on the list (the realistically viable candidates), only 667, or 11 percent, had typically feminine first names. Military preference, we found, had created this distortion. Despite a heavy minority recruitment effort, the fears of some officers (mirroring the concern about women monopolizing the upper police ranks) again failed to materialize. The spector of an all (or even half) female force could be put to rest, for a time anyway.

THE BRONX EXPERIENCE

By the midseventies, the New York City Police Department had 725 women on the rolls, of which 400 were on patrol. Eighty had been sent to my command, the Bronx, in 1973, and they were assigned among all of the 11 precincts there. Almost a third were concentrated in one precinct, the 46th, to promote equal treatment, generate peer pressure, avoid privilege, encourage reinforcement, establish identity, and to study the impact of such a large group on a formerly all male work environment.

This group, although consisting of less than 3 percent of the 3,000 police officers in the Bronx, had, by 1975, amassed 64 medals for heroism or exceptional performance among them. They worked around the clock in the worst ghettos of the city and received their assignments on the basis of a color-blind and sex-blind policy.

Although, at first, they wore short skirts, they were permitted (actually encouraged) to wear trousers. The key to uniform policy became functionality. Guns (they can carry the standard 6-shot, 4-inch barrel model if they can demonstrate control or, alternatively and more frequently, the 5-shot, 3-inch barrel model) are carried on the hip. Hair is off the collar for both sexes and neither can wear earrings.

Car driving failures have occurred more frequently with women than men, and it is vital to the process of successful integration that all failures, whatever their form, be meticulously recorded and frankly faced. A female superior was reduced in rank on the basis of her failure to perform to standards. The credibility of the agency would be lost if the experiment were "made to succeed."

The existence of a legally mandated position of matron has proved troublesome. Women have been notably reluctant to seek inside jobs that would take them from patrol. The result has been that they have been forced to accept this assignment on a rotating basis.

The training needs of new female recruits are, together with the needs of the rest, very large and very real. Extensional training that carried female recruits beyond the classroom and which supports them in the field situation is critical to the development of the necessary confidence.

By the middle of 1975, the presence of women in police ranks had become commonplace, despite a substantial amount of resistance from men. The appearance of feminine first names on department reports or in news accounts of arrests or rescues was no longer a curiosity. They were performing, and they were gaining a grudging, and very hard won, acceptance.

PROBLEM AREAS

The employment of women on patrol raises many problems, real and fancied. Some administrators subvert, undermine, or defeat the process of successful assimilation in a hundred subtle ways. They "understand" that women can't be used in plainclothes or assigned with men as steady partners, or assigned together, or not given certain posts. They interject problems of restroom or sleeping facilities or otherwise overreact to minor obstacles in accommodating mixed personnel.

The existence of the female stereotype as the weaker sex—emotional, unaggressive, and indecisive—is as fatal to her progress as certain Negro character myths were to the raising of black consciousness and pride. Male protectiveness is another of the ostensibly well intentioned but counterproductive practices.

The police stereotype that features a tough masculine image, and which focuses on physical strength, is another barrier to equality. Males bring a whole baggage of unfavorable myths, images, and symbols to the issue of female equality. Too many civilian review boards have sprouted from the soil of complaints produced by the proclivity of male police for physical domination over a situation. Had the possibilities of conflict management, issue resolution, and negotiation been fully and professionally explored earlier, many police confrontations that ended in violence may have taken a different turn. Some persons feel women have unique contributions to make in police encounters charged with emotion.

But, women create many nagging questions in the minds of many of their fellow male officers: Can we curse? Should we open doors for her? Should we initiate friendliness or wait? What limits are there on friendship? Is there a double standard—one for men and one for women? Who drives the patrol car? What about the female boss? Will women overwhelm us with their numbers? How do command officers handle a refusal of a male officer to patrol with a female? (An absolute refusal to tolerate generalized prejudice of any type—whether reflected in refusal to patrol with a white, a black, an Italian, or a Jew—is essential. Specific problems can be addresed, but generalized prejudice cannot be accepted.) What about pregnancy? (In New York, a woman officer can work up to the day she delivers a baby—a rare case—but she is taken off patrol on announcing her condition. She gets leave without pay during her absence, up to a limit of 18 months.) What about police wives? (This is a media-created issue exploiting the news value of a few demonstrations and a few colorful outbursts. Despite the disclaimer of wives that safety for their officer husbands is their principal concern, it is thought likely that the romantic possibilities with female officers are an underlying cause of their unrest.) How do you cope with tendencies to provide excessive back-up personnel for women officers? (The need wastes away with time as women prove themselves.) What about male resistance and resentment? (It, too, subsides as the ladies demonstrate their ability to handle all assignments.)

It is one of the most apparent truisms of police work that male police officers develop strong personal bonds as partners on assignment. A platonic, but terrifically intense, relationship is forged on the crucible of shared danger, as well as long hours and soul-revealing moments spent together. With the propensity of this relationship, the intrusion of sex—as represented by a female partner—is likely to have amorous possibilities.

PARTICIPANT'S POSITIONS

A recent survey of females on patrol revealed that they were confident of their ability to perform all aspects of the patrol function, that they'd rather work on the street than in the station house, that they acknowledged their physical limitations but were confident of their ability to cope—either through persuasion or through the display of superior force—that the initial male resistance was subsiding and that acceptance was growing, that they felt accepted and respected by the public, and that they can drive automobiles as well as males.

A simultaneous survey of male officers reflected an overwhelming rejection of using women on patrol, a sense that female physical limitations was the key issue—with safety the primary factor—a belief that women lack aggressiveness, initiative, and "street savvy," that the public sees them as novelties and objects of curiosity and that this will soon wear off—with dangerous consequences—that women have a role in specialized cases (sex crimes, family disputes, children, clerical tasks, etc.), that women are poor drivers, and that men are willing to accept her as an equal only when she has proven herself capable in a physical confrontation.

The chasm is clearly discernible. It is being spanned, but the bridge is still composed of many tentative and fragile strands.

EVALUATIVE STUDIES

The New York City Police Department has undertaken two formal studies of female officer performance, in addition to the ongoing, real-life, day-to-day evaluation and observation that these officers, together with their male counterparts, experience.

In the first, a cohort of 165 males and 165 females, who were recently assigned to patrol, was examined. No great effort was made to match these employees carefully, and the period October 1973 to March 1974 was chosen as the most convenient period for examination. The results demonstrated no statistically significant difference between the sexes in the usual measures of police performance; arrests, summonses, radio runs, sick time, evaluations, etc.

The second cohort, 80 males and 80 females, involved pairs that were matched on the basis of ethnicity, age, marital status, education, appointment date, and prior employment. The only variables remaining were sex and physical size. This group graduated from the Police Academy in March 1974, and the study was undertaken by an independent agency under a Law Enforcement Assistance Administration grant of $150,000.

The data gathered to date reveal no significant differences between the sexes in summons or arrest activity or in disciplinary or sick records. Five thousand five hundred hours of observation of personnel in the cohort have been scheduled but not yet made. This lengthy scrutiny will allow on-the-job analysis of performance.

CONCLUSION

The successful integration of women into police work will require the firm commitment of police leaders. The desire to give the process a fair chance must be clearly and universally visible to all police personnel. Objectivity is critical and failures must be recorded as meticulously as successes. We must acknowledge that males fail too—but that this is not a compelling argument for discontinuing their use.

In any given 100 cases, males may fail in 10. That females will fail in a different set of 10 cases is not a very compelling argument for discontinuing their use either.

This has been a very personal account, flowing from my experience, predisposition, and convictions. My feeling, after 2 years of watching a large number of women in police work, is that they can be used interchangeably with men. They have worked out extraordinarily well in the Bronx. Part of this may be due to the women seeing themselves as pioneers in a momentous social struggle and taking extra pains to succeed. There have been problems and even failures, but the successes have been overwhelming; not that they occurred, but that they were so sweeping and convincing.

I have heard no compelling argument against the use of women on patrol after 2 years of heated and constant debate. Women add another dimension to police operations. Because of generally less physical prowess than men, they are more likely to rely on their tact and ingenuity in confrontations. They can cool, defuse, and deescalate many heated situations. While the controversy rages over the ability of women in police work, the final results are still not in. I believe, however, that women are doing the job. Women on patrol is an idea whose time has come.

FLIGHT FROM DEMOCRACY

Mr. GRAVEL. Mr. President, the flight from democracy in India may well sound the death knell of democratic attempts at national economic and political development in most of the third world. It may well be the bell tolling not only for India but for the rest of the poor world. And while one out of every seven human beings on this planet loses his freedom, we have remained silent.

Over the past few months, I have asked myself why I and others have not spoken out. Perhaps our collective reluctance to comment on the growing oppression in India is due to the personal charm of the Prime Minister. Perhaps we find it hard to be harsh with the daughter of Nehru. Perhaps we think it will not do any good.

However, the loss of democracy in India is a matter we must all take seriously. It is not, as some have claimed, the final end of a colonial hangover. It should not be proclaimed as conforming to "Indian realities." It should not be said that democracy is something India can afford to jettison as so much excess baggage. It should not be heralded as the first step in the solution of India's economic problems. For years, the Prime Minister has held virtual dictatorial powers and little if any social or economic progress has been made.

The recent events in India are startlingly reminiscent of Watergate. The fear of losing power compels the government of India to "delay" an election, while in America similar fears corrupted the electoral process. In India, the chief accuser is quickly jailed.

In America, a special prosecutor was summarily fired. In India, the institution of Prime Minister must be preserved. In America, the Office of the Presidency was not to be weakened.

It is claimed in India that the workings of democracy have become cumbersome and inefficient. In America, the tenets of democracy and justice were treated in the same indifferent manner. In India, democracy is described as a simple pipedream, in conflict with the best interests of the people of that nation. In America, democracy was the victim of similar appeals to national security.

In India, the restraint of democracy is removed from the path of those seeking absolute power. In America, it was this very check on the quest for power which saved our democracy. In India, antisocial elements are blamed for government crisis. In America, public figures on private enemies' lists were similarly blamed for domestic troubles. In India, laws are passed to make crimes innocent acts, and to make innocent acts crimes. In America, a President took it upon himself to decide what is innocent and what is criminal.

Is this not evidence enough of the futility of basing the welfare of a nation on acts which hold within them the destruction of the very means with which to secure social and economic justice? After all this Nation has experienced during the tragedy we have come to call Watergate, can we in good conscience sit calmly by in silence and watch a similar drama unfold in a nation we all once proudly called the largest democracy in the world?

Our silence in the face of such a tragedy has been justified on the basis of "lessons we have learned in Vietnam." We have been told that "we should not meddle in the internal affairs of other nations." That is very true—we should not drop bombs on people, not obliterate their homes and cities, nor prop-up tinhorn dictators. That is very true—we should not funnel billions of dollars worth of arms to help ignite coups and brush-fire wars. That is true—we should not send in the Marines or the CIA whenever we disagree with another nation's policies.

The policies of the past generation—of arsenal diplomacy, of armed intervention, of engineered coups and "dirty-trick" operations, of cozy relationships with dictators everywhere, has made us turn inward. We have shied away from playing a role of moral and political leadership in the world. We have reacted to the point of greeting the establishment of tryanny over one-seventh of humankind with little more than a yawn.

As a result, the very organs of free opinion in this Nation have been used by representatives of India to justify the elimination of those same institutions in India without so much as a single reply from our political leaders.

After the loss of thousands of lives and the waste of billions of dollars in Vietnam, we should ask ourselves whether this is the lesson we want to learn. Have we learned to shrink from speaking out in the face of blatant totalitarianism? Have we lost the courage to speak out in the face of such a tragedy? Is it proper, is it consistent with the ideals of this Nation to remain silent in the face of the naked seizure of power and the elimination of the freedom of over 600 million people? Especially in a nation we have long called our friend?

I do not believe so. I cannot see how the cause of freedom, or the ideals for which we conduct foreign policy, are served by the silence, the deafening silence, of the United States. It is directly contradictory, not only to our past ideals but to our future hopes. For what is a foreign policy if it is not the expression of a national conscience?

I thus raise my voice, as a Senator for the State of Alaska, as a citizen of the United States, and as a citizen of this world, in protest over the growing political carnage in India. I raise my voice in answer to the self-serving statements we have heard in recent weeks that have attempted to casually dismiss these tragic events. Our silence on this issue is a dark stain on our foreign policy, on our desire to see law, and not force, govern the affairs of the world.

I urge the Government of India to lift the cloud of oppression that hangs over the people of India. I urge that we all speak out and support the survival and renewal of freedom in India. I urge that we do this within the same spirit and conscience that gave birth to this Nation.

The tragedy in India is not only a tragedy for democracy. It is also a tragedy for all of us personally. Having met Indira Gandhi, I could not but be impressed by her charm, her leadership and dignity. But her role as a genuine leader in the affairs of humankind has now been washed away by the flood of her recent actions. The flight from democracy in India is a tragedy for India, for her people, for the people of this world, and for Indira Gandhi herself.

MAKING PUBLIC BUILDINGS PUBLIC

Mr. BAKER. Mr. President, just prior to the August recess, the Senate passed S. 865, the Public Buildings Cooperative Use Act of 1975. I was pleased to be a cosponsor of that legislation and to have supported it at the time of passage with a speech on the Senate floor. The bill is now pending before the House Committee on Public Works and Transportation.

Following passage of the bill, the Washington Post ran an editorial that evaluated S. 865. As I believe my colleagues will find the editorial of interest, I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Making Public Buildings Public

The public rarely ventures into public buildings, unless bent on unavoidable business—or caught in a sudden rain. The reason is that there is usually nothing public, let alone inviting, about public buildings in Washington and the towns and cities across America. Federal buildings are the exclusive domain of the bureaucracy and, more often than not, massive, forbidding and dour, set apart from the community they are supposed to serve. They die every evening around about 5 p.m. when the government workers go home. Their neighborhood usually dies with them. With rare exceptions, they are uncongenial neighbors.

A new bill, just passed by the Senate, would change this. Introduced by Sen. James L. Buckley (Con. R-N.Y.) and his colleagues on the Senate Public Works Committee, the bill is probably the most tangible result so far of the efforts by the National Endowment for the Arts, under Nancy Hanks, to breathe new life into federal architecture and make the government understand that good design can help improve the environment. The Buckley bill is based on a readable and persuasive study of "multiple use" in federal architecture, prepared by the endowment's "federal design" task force.

The bill would permit federal offices to share the same buildings with commercial ventures, such as stores and restaurants and would encourage the General Services Administration to acquire and "recycle" old buildings for government purposes. Separately and combined, these two provisions could make federal buildings important catalysts for downtown revitalization. While the bill will not necessarily put a bowling alley on the first floor of the Treasury Building, as one senator feared, it will enable GSA to lease space in government buildings for "commercial, cultural, educational, or recreational" uses. This specifically includes child care centers for the benefit of federal office workers in the building as well as parents working for private business elsewhere.

The "recycling" provision would not only make GSA an important force in historic preservation, but also save the taxpayer a good deal of money and provide employment in the construction industry. Testifying for the bill, a spokesman of the American Institute of Architects pointed out that converting old buildings usually saves half to two-thirds the cost of replacing them with a modern glass box of the same size. Old masonry buildings also consume considerably less energy.

GSA, which originally resisted the "multiple use" idea (it has long seemed "un-American" to live or work above a candy store), has supported the Buckley bill. Its outgoing administrator, Arthur F. Sampson, professed to be "enthusiastic" about the opportunity to make "imaginative and innovative use of our nation's cultural and architectural resources." It should not be difficult for GSA to apply this enthusiasm even before the bill is passed by the House and becomes law, as we hope it will. Just a dozen or so city blocks from GSA's headquarters offices is one of the most imposing old structures in Washington, crying out for a new vital use. The marvelous court of the old Post Office on Pennsylvania Avenue could still be turned into a refreshing oasis for the millions of tourists that will crowd the Mall next summer. The rest of this grand old granite pile would provide superb, modern office space. Mr. Sampson has had the plans to make imaginative and innovative use of the old building on his desk for a good many months. His successor should get them moving. As Sen. Mike Gravel (D.-Alaska) has pointed out, the conversion of Washington's Post Office could set an example for the nation to follow.

GEORGE A. CRONIN

Mr. EAGLETON. Mr. President, it was with great regret and a real sense of loss that I learned yesterday of the sudden death of George Cronin on Tuesday. In the relatively short period of 2 years that he served as a professional staff member of the Senate Special Committee on Aging, Mr. Cronin earned great respect from those who worked with him for the skill and dedication that he brought to the job of improving the lot of older Americans.

As chairman of the Subcommittee on Aging of the Committee on Labor and Public Welfare, I am particularly appreciative of the contributions that Mr. Cronin made to the Older Americans Amendments of 1975—legislation which is now under consideration by a conference committee. He was closely involved in the development of this legislation and in the design of a related study of State and area agencies on aging conducted by the General Accounting Office. Mr. Cronin was especially knowledgeable with respect to the transportation needs of the elderly and our subcommittee benefited from his suggestions in this area.

I feel certain that I express the view of all of the members of the Subcommittee on Aging, as well as that of other Members of both the House of Representatives and the Senate who are active in the field of aging legislation, in saying that George Cronin will be sorely missed. I want also to extend my deepest sympathy to his mother and his brother.

NATURAL GAS SHORTAGE

Mr. HUGH SCOTT. Mr. President, our natural gas shortage is one of the most severe economic problems facing the Nation. In Pennsylvania the problem will shortly be critical. At this time, it is expected that Pennsylvania will be denied 159.98 billion cubic feet of gas. This predicted curtailment represents about 17 percent of the gas that would have been used in the Commonwealth during 1975. Since the residential and small commercial users will be given an understandable priority, the entire shortage is likely to be borne by the industrial marketplace. Therefore, some remedial action must be taken at once, without reduction to priority users.

In Pennsylvania, the industrial users consume 45 percent of the total gas. If this portion of the market must absorb the 17 percent curtailment, industrial users can expect a greater than 30 percent curtailment of natural gas.

This curtailment will be especially felt in the primary metals industry which utilizes 57 percent of the industrial supplies of natural gas and employs approximately 6 percent of the working force and the stone, clay, and glass industry which utilizes 12 percent of the industrial gas supply and employs 1.4 percent of the working force. The end result of this cutback in Pennsylvania is higher unemployment at a time when we are trying to effect economic recovery.

The primary metals industry can substitute alternate fuels for many purposes, but it still requires substantial amounts of natural gas for process fuel. The stone, clay, and glass industry is even less able to substitute for natural gas because a high proportion of the gas is used as a process fuel in unique production techniques. In addition, the manufacture of brick and kiln dried lumber both depend on the use of natural gas.

Initially, a 30-percent curtailment in these industries would bring about either the temporary or permanent loss of approximately 108,000 jobs. This is an increase in unemployment of about 2.8 percent in a State which already has 9 percent of its working force unemployed. This would make the rate of unemployment in Pennsylvania 12 percent.

Consider the far-reaching effects of this curtailment. With the steel, brick, and lumber industries having less gas, they will obviously produce less which will be reflected throughout the manufacturing and construction industries causing a shortage of materials, cutbacks in manufacturing, and construction, as well as the loss of thousands of jobs.

The time has come to look carefully at our natural gas policies. To continue on our present course is the height of irresponsibility. We must act now to insure the fullest development of our natural gas resources. If not, we face economic catastrophe.

THE NATHAN NEW OIL PRICE STUDY

Mr. GRAVEL. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the economist Robert R. Nathan relative to the economic cost of new oil.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. ROBERT R. NATHAN IN RESPONSE TO THE SENATE INTERIOR COMMITTEE STAFF ANALYSIS OF THE NATHAN NEW OIL PRICE STUDY

On July 16, 1975, Senator Henry M. Jackson placed into the Congressional Record a Senate Interior Committee staff analysis of my testimony on oil prices and the study on which it was based, Calculation of New Oil Costs, United States, Years 1959 Through 1974, May 1, 1975, La Rue, Moore and Schafer.

There is set forth below a point by point response to the questions raised and the claims made in the staff report. Several general observations would seem to be in order, however, before the more detailed analysis is undertaken.

Both my testimony and the La Rue report examine the economic cost of finding and producing new oil only. In my testimony, I made it clear that if the economic cost of new oil is significantly more than the price, there will be less and less exploration and that additions to reverses and domestic production will be at lower levels. This can only mean increased imports.

For this reason, in pointing out all the things the La Rue study did not do (e.g., sensitivity analyses, omission of old oil, released oil and stripper well oil, secondary and tertiary recovery, etc.) the staff report criticizes the La Rue study for not including analyses which are not germane to the object of the study, which was to calculate the economic cost of new oil. This scarcely constitutes a sound basis for criticism.

In comparing the La Rue study results with those from other sources, the staff report is exceedingly careless. While differences in themselves do not necessarily lead to the conclusion that the La Rue study, or any other study, is therefore incorrect, the differences should be real and not contrived. Thus, comparison is made with cost data in other studies which include old oil. Citations from other studies are highly selective and do not always represent the main thrust of the study conclusions. Comparison is made with studies using a different time frame or a different set of assumptions.

Finally, the staff report is critical of the La Rue study because it is "totally unable to relate a particular crude oil price to the level of production which would be forthcoming at that price." While such information would indeed be valuable, it does not exist today, nor is it likely to exist in the immediate future.

I put the matter succinctly and clearly in my testimony before the Senate Committee on Finance on July 10, 1975. I said:

"If Senator Nelson or Senator Long had said to me, 'Mr. Nathan, if you let new oil prices go to $12.83 are you confident you are going to get a tremendous amount?' And I would say no. 'I do not know. All I am saying is that if you do not let it go near the cost, you are never going to know because you will not get the drilling.' "

Following is a point-by-point response to the Interior Committee staff analysis:

1. Interior Staff claim:

Oil cost calculation by LaRue, Moore & Schafer "far exceeds" those calculated by the National Petroleum Council and Federal Energy Administration Project Independence.

Nathan-LaRue response:

a. The only oil costs ever calculated by the National Petroleum Council were for new oil plus old oil, which may have been discovered in prior decades and cannot be related in any way to the cost of new oil.

b. Project Independence supports the LaRue, Moore & Schafer analysis. Oil costs based on 1973 drilling costs, when calculated using 15 percent rate of return and including lease bonuses, were:

	Per barrel
West Texas, New Mexico	$11.66
Texas, Louisiana Gulf Coast	9.04
Texas, Louisiana offshore	11.26

c. Other sources cited by the Interior staff do not back up its claims. To wit: The MIT study (May, 1974) says, "The results indicate that prices of $11 to $13 per barrel (oil equivalent) will be necessary to bring forth enough additional supplies of fossil fuels to satisfy demands in domestic energy markets at that time." To this is added in a footnote, "The prices are for 1973 and a factor of 10 to 15 percent must be applied to convert to 1974." The 1974 price, according to this source, should then be between $12 and $15 per barrel.

A Foster Associates study is quoted as saying that finding and other direct costs average $1.85 to $2.20 per barrel based on 1957–1967 data. LaRue, Moore & Schafer costs comparably computed were $1.87/barrel for the same period. The Interior staff fails to mention further statements that appear in the Foster Associates Study, namely, "Thus, the results of this study are a more nearly accurate reflection of the present cost of finding hydrocarbons discovered in the past five to ten years than they are a forecast of the cost of finding new supplies in the next five years." The Foster report further states, "The results of this study are, therefore, not a measure of the economic cost of finding new supplies in the sense of measuring total costs, including an allowance for return commensurate with risk, but instead are measures of comparative profitability at present price levels."

2. Interior Staff claim:

Dollar outlays have been "consistently overestimated" by assuming an after tax rate of return "two and one-half times" greater than that of U.S. manufacturing and "ignoring enormous low cost reserves discovered in Alaska."

Nathan-LaRue response:

a. The staff attempts to make a meaningless comparison between "total return on total assets" after taxes (which is said to be 6.2 percent for all U.S. manufacturing) and a 15 percent, after tax, discounted cash flow rate of return on new projects. The following example illustrates the fallacy inherent in such a comparison. From the LaRue, Moore & Schafer projections, capital expenditures associated with new reserves added in 1973 were $2,846 million. If the after tax rate of return were 15 percent, these capital expenditures would produce an after tax profit of $2,434 million over a 26-year period. The "total rate of return on total assets" after taxes would be 6.5 percent per year (see page 12).

b. The reserves discovered in Alaska (i.e., Prudhoe Bay) have nothing whatever to do with economic costs in other areas of the United States which to date have produced 100 percent of the nation's oil. The Prudhoe Bay field is expected to produce 1.6 million barrels a day, or about 10 percent of the nation's petroleum requirements. Even if Prudhoe Bay had been included along with the remainder of the United States, economic oil costs would be changed for the year in which the reserves were booked. There is a common misconception that Alaska oil is cheap oil. Nothing could be further from the truth. Development of Alaskan fields will be far more expensive than comparable fields in other areas, and the chance of finding another field the quality of Prudhoe Bay is extremely small.

c. Sources are embraced in one claim and discarded in the next. For example, both NPC and Foster Associates excluded Prudhoe Bay in their economic studies, although both knew of the discovery.

A study, dated May 12, 1975, by the reputable Houston firm Butler, Miller & Lents concludes that the 1973 cost of new oil, exclusive of profit, was $9.83 per barrel. This study was selectively ignored in the Interior staff's analysis.

3. Interior Staff claim:

"The LaRue, Moore & Schafer study only addresses the question of newly discovered oil." It provides no standard for pricing old oil, released oil, or stripper oil. It does not even claim to provide a guide to prices required for secondary and tertiary recovery.

Nathan-LaRue response:

a. The LaRue, Moore & Schafer study is exactly what it is purported to be—a study of the economic cost of each year's new oil supplies. It has nothing whatever to do with old oil, stripper oil, and relased oil, which are all constructs of government policy. Costs of new oil are indicative of replacement costs of existing reserves; without replacement, existing reserves are in liquidation.

b. Secondary reserves and related costs attributable to newly discovered oil are taken into account in yearly projections. Because of the high costs involved, there will be no significant tertiary recovery at old oil prices.

4. Interior Staff claim:

The study, if carried to its conclusion, would suggest that a Federal Power Commission type cost-based formula should be adopted for oil pricing.

Nathan-LaRue response:

The study was carried to its conclusion, which was that oil costs more to find and develop than at any prior time in our history, and that the petroleum exploratory effort will decline if the selling price of oil is below its economic cost, as defined by the 15 percent rate of return. By no stretch of the imagination can it be said that the study suggests that a cost-based formula for oil pricing is needed, desirable, or workable.

5. Interior Staff claim:

The LaRue, Moore & Schafer study does not "relate a particular crude oil price to the level of production forthcoming at that price."

Nathan-LaRue response:

a. The purpose of the study was to examine the historical trend in the economic cost of new oil between 1959 and 1974. Further, a comparison was made between the economic cost of oil and its selling price, and the disparity between the two was correlated with the level of petroleum exploration activity. The relationship between the volume of oil that can be discovered as a function of its cost cannot be calculated with any degree of certainty for a very simple reason: no one knows what is underground without drilling a hole. For example, Exxon and its partners would hardly have spent $650 million in the last two years offshore Florida had they known that their lease was worthless. The Navy would not have bothered to drill its $7 million North Slope well on the Naval Petroleum Reserve had they expected a dry hole. While the absolute volume of oil cannot be estimated as a function of price, reliable qualitative relationships can be easily seen.

When the economic cost of oil exceeds its selling price, exploratory drilling for oil will decline and ultimately cease. The LaRue, Moore & Schafer study makes abundantly clear that just such a decline occurred between 1964 and 1973 when industry rates of return fell below 15 percent. During this period, oil well drilling fell 55 percent, although it was a period of rising petroleum demand. An increase in activity, the first in 10 years, occurred in 1974 only when economic prices moved up to approach economic costs. Now that new oil costs have been increased by about $1.90 per barrel (because of repeal of the depletion allowance), oil exploration programs have again been cut.

Regardless of new oil price, the United States will find it extremely difficult to become self-sufficient in crude oil. The nation can, however, maintain its present degree of independence in oil supplies if the price for new oil offers an incentive for exploration. To set arbitrary new crude oil prices at a level which will provide less than the maximum exploratory effort otherwise attainable to sheer folly.

It should be apparent to all that any barrel of oil we do not find because of artificially restricted petroleum exploration must be purchased at higher cost from OPEC. The economically "ruinous" prices, which should concern the Interior staff, are flat prices which discourage to any extent exploration activity which would normally occur in the absence of controlled prices.

(NOTE.—The following is a more technical discussion of "principle conclusion" reached by the Interior staff after "careful study." These "conclusions" are in reality a collection of assertions based on incorrect interpretation or irrelevant conjecture.)

COMMENTS ON PRINCIPAL CONCLUSIONS OF SENATOR JACKSON'S STATEMENT

When the staff complains that the method used in the LaRue, Moore & Schafer analysis is "comparable to those used by corporate planners in assessing the likely profitability of potential investment", and suggests that oil "reserves developed in earlier and less expensive periods" should be included in these calculations, it demonstrates a profound misunderstanding of the forces that drive petroleum exploratory activity. Every manager is obligated to invest his firm's capital in ventures which produce a rate of return sufficient to perpetuate the existence of the firm. The fact that an oil company may have certain reserves which it can produce at $1.00 per barrel has nothing whatever to do with its future petroleum exploration ventures.

The exploration manager's judgments are necessarily based on the extrapolations of his past experience, and trends established in the last ten years show conclusively that oil has become more expensive to find and produce. If pro forma economics of new drilling ventures show that the economic cost of new reserves added is likely to exceed their selling price, then exploration activity will decline and the funds originally slated for exploration ventures will go to other projects, some of which may be outside of the energy industries. The search for new oil may be financed by the profits from old reserves; however, it is absurd to think that profits from old oil will subsidize the production of new oil for any length of time, and that producers will risk money searching for oil which must be sold at prices less than its economic cost, even though overall company operations may be profitable.

Leasehold costs are regarded by the Interior staff as "transfer payments—unnecessary as a cost either to society or to the producers who make them." They further suggest that the fact the leases were acquired at all is proof that the producers anticipated that prices would be sufficient to support exploration, development, and producing costs. Apparently, the justification for these statements is that oil price determines the amount which a producer can bid for a lease. While this argument appeals to many theoretical economists, it has no place in the real world, and in particular, it cannot apply to historical studies where oil prices have been constant.

Leasehold costs are incurred at the very front end of an exploratory program. To afford protection, an operator must acquire more exploratory rights through the acquisition of leases than he will ultimate use, and most of the leases will be worthless. Typically, onshore leases are negotiated with landowners who set their asking price arbitrarily, and will not accept less. The offshore leases in Federal waters are sold by sealed bid, and the government of the United States has the right to reject any and all bids. The value of the leases prior to their drilling is extremely difficult to determine, and is subject to wide variation of opinion, as demonstrated by the spread of bids on any offering of offshore Federal leases. While the average of all bids may be more nearly the correct value, the lease is not sold at the average price, but to the top bidder, and frequently the top bidder pays too much. Moveover, many reasonable bids are rejected by the Feedral agency. The leases may be worthless, such as the $632.4 million block of acreage in the Destin anticilne offshore Florida, but producers who participated in the Destin venture can hardly be called foolish, because the quality of the geologic prospect was such that it could have added materially to the nation's reserves. Since the oil companies did not get their money back from the government after the leases were proved worthless, these leases and others must be paid for by the companies themselves, and the costs to the producers are just as real as those paid to drilling contractors. Further, these costs can only be charged to the cost of new oil, because they were incurred in the search for new production and have nothing whatever to do with older reserves.

To say that lease bonuses paid are anticipatory of increased oil prices is unrealistic. Lease costs included in the LaRue, Moore & Schafer projections for the year 1974 were actually those expended in the year 1972. Lease costs included in 1973 projections were actually those incurred in 1971. This two-year shift was made in order to place lease and drilling costs more nearly in the year in which the leases were actually drilled. To say that operators in 1972, after more than 17 years of constant oil prices (decreasing prices in real terms), expected oil prices to rise suddenly to over $10 per barrel in 1974 and calculated lease bids accordingly, stretches the imagination. It should be noted that oil costs increased only after the major oil companies lost control of the "cheap foreign oil" from OPEC countries. The payments for lease bonuses were developed over a period of near-contant oil prices, and the lease bonuses were justified based on those prices in anticipation of greater revenues. What the Interior staff chooses to ignore is that during the period between 1964 and 1974, drilling of oil wells dropped over 50 percent, and the exploration industry was in the process of liquidation. Had this trend continued, drilling for oil would have ceased in the early 1980's.

TREATMENT OF NATURAL GAS

The Interior staff alleges, without stating its authority, that the average price of natural gas in intrastate sales in 1974 was already over $1.00 per Mcf, implying that the co-product credit for natural gas as applied in oil should be at least $1.00. Factors the staff fails to take into consideration are that many of the new oil discoveries are in oil areas where only interstate markets exist. Gas, unlike oil, is commonly sold on long-term contracts, and much of the gas and oil produced in the areas is already dedicated under old contracts. Further, the staff fails to note that natural gas produced from oil wells does not have the same value as gas produced from gas wells. Oil wells typically produce small quantities of gas at low pressure, requiring expensive gathering, compression, and treatment before it can be sold. A portion of the gas is used for lease fuel and is therefore not available for sale. The 44.9 cents selling price for new oil well gas used in the LaRue, Moore & Schafer study is probably on the high side of prices actually received by producers in 1974. But even if the price were doubled, the economic cost of new oil would be reduced by only 5 percent.

Another erroneous allegation is that costs attributed to exploration for new oil were responsible for discovery of non-associated gas reserves. Exploratory wells being drilled for oil production occasionally find non-associated gas reserves. Similarly, exploratory wells being drilled for natural gas occasionally discover new oil deposits. The Joint Association Survey compiles and reports the cost of wells by category, oil wells, gas wells, and dry holes, as well as the number of holes drilled in each category. These data provide a definitive basis for allocating exploration costs between oil and gas ventures. Operating costs are allocated to oil and gas wells on the basis of the number of wells contemplated in each category. Since gas wells cost less to operate than oil wells, this procedure tends to allocate too little cost to producing oil wells, and therefore tends to make the calculated economic cost of new oil too low, which is just the opposite of the interior staffs' claim.

USE OF RESERVE FIGURES

The complaint made that gross reserves additions in the LaRue, Moore & Schafer projections do not include the full amount of API revisions in each year. This statement demonstrates a total lack of understanding of what reserve revisions are.

Revisions to oil reserves have generally been due to changes in reserve estimates for older giant fields found in the 1920's and 1930's. These changes in estimates come about through improved technology for estimating reserves which were not available at the time of discovery, and through the installation of large secondary recovery projects. Of the annual reserve adjustments made since 1967, more than 70 percent of the total was applicable only to fields discovered more than ten years before the date of adjustment, and more than 50 percent of all adjustments made since 1967 apply to fields discovered prior to 1941. These revisions, for the most part, apply to old fields and have little or no bearing on the quantity of new oil discovered through drilling.

While the LaRue, Moore & Schafer study uses a constant reserve appreciation factor of .75, there is persuasive evidence that the factor may be decreasing and the estimates of reserves are overstated for recent years, which is just the opposite effect of that claimed in the Interior staff's statement. Improved well logging and geographical tools enable reserves to be defined early, as evidenced by a pronounced decline in extensions to old fields beginning in 1956. Moreover, since the mid-1960's, it has become a much more common practice to maximize ultimate oil recovery by installing pressure maintenance equipment early in the life of the field, thereby skipping the "secondary phase" and adding reserves initially, which in earlier periods would have been added through revisions many years later. The revision factor used in these studies does take into account future secondary reserves and their capital requirements, and the cost of installing the secondary processes are delayed until five years after the field's development. Contrary to the claim made in the Interior staff statement, the treatment of revisions used in the LaRue, Moore & Schafer study tends to produce reserve estimates which are too high, and if anything would cause the economic oil cost to be understated.

CRITIQUE OF API RESERVES

Another assertion expressed in the Interior staff's statement is that API reserve figures "have not been adjusted to take into account higher price levels." The LaRue, Moore & Schafer study investigated all pertinent and available historical data on an annual basis. Data on reserves added by drilling plus allocated revisions during a given year, the expenditures for that year, and the tax structure in effect for the given year were all used to arrive at an economic price per barrel required to yield a 15 percent rate of return. Thus, reserves added in a given year did incorporate the economic cost and conditions prevailing for that year. Future speculative reserve adjustments due to price increases or decreases were not considered predictable and did not alter investment decisions during that given year. In 1974 when oil prices were higher, the reserves added by drilling were calculated by API with the full knowledge of the prevailing price structure. Thus reserves added by drilling during 1974 did incorporate the prevailing economic conditions and these reserve data are included in the report.

THE RATE OF RETURN

In its statement the Interior staff submits that "total return on total assets" for all U.S. manufacturing industry during the period between 1966 and 1974 averaged 6.2 percent. Further, the staff claims that this 6.2 percent is numerically comparable to the 15 percent discounted cash flow rate of return used to arrive at economic cost in the LaRue, Moore & Schafer study. The technique used by the staff in arriving at the 6.2 percent was to take from the Fortune 500 group after tax income, add net indebtedness times prime commercial rate, and divide this by total assets. No rationale is given of why this number even remotely resembles a discounted cash flow rate of return. However, the same type of number can be calculated for each year of the LaRue, Moore & Schafer projections, all of which contain prices necessary to give a 15 percent discounted cash flow rate of return. A comparison of these numbers is as follows:

	Total return on total assets	LaRue, Moore & Schafer rate calculated on same basis (a)
1966	5.5	6.4
1967	5.5	6.2
1968	5.5	6.2
1969	6.1	6.5
1970	6.1	6.8
1971	5.3	6.7
1972	5.4	6.5
1973	7.2	6.5
1974	9.2	6.6
Total	6.2	6.5

Sample calculation: Year 1974, dollars in millions:
Assets over reserve life: $4,632+0÷2=$2,316.
Annual income after taxes: $4,241/27.58 yr=$153.8.
Total return on total assets: $153.8÷$2,316 *100=6.6 percent.

It may be seen that the total rate of return on total assets as defined by the Interior staff is 6.2 percent for the period between 1966 and 1974 inclusive. The average for the LaRue, Moore & Schafer data when calculated on the same basis for new projects yields 6.5 percent. A comparison of these two numbers, 6.2 percent versus 6.5 percent, hardly substantiates the staff's claim that one exceeds the other by a factor of "two and one-half."

The Foster Associates study using 1967 and earlier data puts the estimated return on book capital in better perspective. According to the Foster study[1] the estimated return on book capital for oil reservoirs was 7.2 to 8 percent in the Gulf of Mexico, 11.9 percent on onshore South Louisiana, and 7.2 percent in other continental United States. The author further states that "the overall rate of profitability of current outlays for finding and producing hydrocarbons is less than the returns on capital experienced in earlier years and also lies below the approximately 13 to

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[1] Foster & Associates, "The Role of Petroleum and Natural Gas From the Outer Continental Shelf." U.S. Gov't Printing Office 1970, page 161.

15 percent rate of return currently earned on book capital by a large segment of U.S. manufacturing enterprises."[2] The discounted cash flow, according to Foster, for oil reservoirs in the Gulf of Mexico during the same period was estimated to be from 5.0 to 5.4 percent, onshore South Louisiana 6.4 percent, and other continental U.S. 4.3 percent. In comparison, the discounted cash flow rate of return for the five year period ending in 1968 from the LaRue, Moore & Schafer projections averages 6.6 percent which is in substantial agreement with the Foster estimates. Moreover, the slightly higher value calculated by the LaRue, Moore & Schafer model shows that economic oil cost calculated by that model would be somewhat lower than those which would be calculated by the Foster and Associates model. An inescapable fact was that the rates of return in this period were not sufficent to encourage sustained exploratory activity, and during the five year period 1964 through 1968, drilling for oil declined by one-third.

EXCLUSION OF THE NORTH SLOPE OF ALASKA

The North Slope of Alaska and its reserves have nothing whatever to do with the historical economic cost of crude petroleum in the remainder of the producing areas in the United States which have yielded 100 percent of the nation's production to date. If the reserves in the Prudhoe Bay field should indeed prove less costly than those from the remainder of the nation, this still has no bearing on what future economic cost will be in the Gulf of Mexico, Louisiana, or Texas, or California or any other of the more mature producing areas. It is exceedingly naive to assume that Alaska oil will be cheap, and there will be no need for additional exploration in the traditional producing areas because all future needs will be met by Alaska. The addition of the Prudhoe Bay reserves were of great significance to three major domestic oil companies, and do not in the least affect the remainder of the nation's producers, particularly the independents. Even the three major U.S. producers that share the Prudhoe Bay reserves are faced with the same costs in the remainder of the country as all of their competitors. The suggestion that funds were drawn away from the lower 48 states by the lure of Alaska between 1968 and 1973 makes little sense in light of the drilling and exploratory activity in Alaska during those years.

DEPLETION ALLOWANCE

The Interior staff attempts to brush away as insignificant the loss of depletion allowance to the nation's major producers. Eliminating the depletion allowance for 1974 would have increased the economic oil cost by $1.90 per barrel, an amount which is hardly insignificant. The importance of this loss to the petroleum industry is emphatically demonstrated by the cuts in exploration programs and budgets made by major producers following the repeal of the depletion allowance. Stated another way, loss of the depletion allowance has again pushed the economic cost of new oil to a level above its selling price and exploration activity, as a consequence, has begun to decline from what it would have been had depletion allowance remained at the 1974 level.

CONCLUSION

The Interior staff judges, apparently more from intuition than facts, that the economic cost of oil was really lower than that testified to by Robert Nathan. To arrive at such a conclusion one must ignore the activity levels in United States exploration which began to decline when the discounted rate of return, as defined by LaRue, Moore & Schafer, dropped below 15 percent and which was reversed only after the oil price increased above the economic cost. The facts lead to only one possible conclusion: that is, that any barrel of oil we fail to produce by virtue of reduced exploratory levels brought about by reducing new oil prices to levels below OPEC prices must in the foreseeable future be replaced by OPEC oil at a greater price. To say that we do not need new domestic supplies which cost more than $8.00 or $10.00 per barrel, and then to turn around and buy $13.00 oil from Arab countries to make up the difference, flies in the face of all reason.

The staff claims that the U.S. regulatory system left domestic producers, consumers, and the Government alike unaware of growing deficiency in domestic supply until it created spot shortages in 1973. This simply is not so. Repeated warnings issued by industry spokesmen and private research groups were drowned out by voices calling for more cheap foreign oil. Now these same voices call for more cheap domestic oil. There is no more cheap domestic oil, and had there not been a substantial price increase, within 20 years there would have been no domestic petroleum exploration industry.

STATEMENT OF HENRY M. JACKSON ON ROBERT NATHAN'S TESTIMONY ON OIL PRICES

On April 28, 1975 Robert R. Nathan testified before the Senate Interior and Insular Affairs Committee on national pricing policy for new domestic crude oil. Nathan reported the results of a study conducted by a Dallas petroleum consulting firm, La Rue, Moore and Schafer, which purported to show that the "economic cost" of new oil in the United States in 1974 was as high as $12.73 per barrel.

The staff of the Senate Interior Committee, with the assistance of the Congressional Research Service, has analyzed both the La Rue, Moore and Schafer Study and the policy conclusion which Nathan either claims explicitly or implies on the basis of that study, A copy of the Interior Committee staff analysis is printed below. The results of this analysis stand in stark contrast to the Nathan testimony and raise the most serious and substantial doubts concerning the validity of the study and of the policy conclusions drawn from it.

It is clear that the Administration, the oil industry, and their supporters in the Congress have attempted over the past two months to use the Nathan testimony as "proof" of the need for domestic oil prices set at levels even higher than those imposed by the OPEC cartel. In my opinion, the Interior Committee staff analysis of the Nathan testimony utterly demolishes the foundation of any such claim based on the arguments of the La Rue, Moore and Schafer study.

A number of misconceptions and outright distortions are contained in the Nathan testimony and the study upon which it is based. In addition, even more egregious distortions have characterized the interpretations which others have placed on the testimony.

Some of the more significant and telling points which the Interior Committee staff analysis makes about the Nathan study are:

First, the prices which are calculated by La Rue, Moore and Schafer by far exceed the prices determined by other reputable analyses, including those by the National Petroleum Council and the Federal Energy Administration's Project Independence Task Force.

Second, in calculating their "prices" La Rue, Moore and Schafer have consistently overestimated dollar outlays—for example, by assuming an after-tax rate of return which is two and one-half times the average for U.S. manufacturing—and underestimated the amount of oil which is obtained from those outlays—for example, by totally ignoring the enormous low-cost reserves discovered in Alaska.

Third, independent of the magnitude of the prices calculated, the conclusions drawn from this effort could be applied only to a fraction of what is presently called new oil. The LaRue, Moore and Schafer study only addresses the question of pricing for newly discovered oil. It provides no standard for pricing of the other categories of crude oil production established by current regulations—old oil, released oil, or stripper well oil. It does not even claim to provide a guide to the price necessary to elicit new oil from old reservoirs by secondary and tertiary recovery.

Fourth, the logic of the study, if carried to its conclusion, would imply that the U.S. should adopt a cost-based formula which sets a separate price for oil discovered in each past and future year, and perhaps for every geographic region. This sort of regulation would extend to its logical absurdity the regime that now applies to interstate natural gas under the Federal Power Commission. I doubt that the oil industry representatives who have been urging Nathan's analysis on members of Congress really intend that Congress draw this implication; and

Finally, the LaRue, Moore and Schafer analysis is totally unable to relate a particular crude oil price to the level of production which would be forthcoming at that price. This is, of course, what is really required for the purpose of evaluating the appropriateness of a new oil price. To my knowledge, no adequate analysis of this sort exists. The efforts of Nathan and of LaRue, Moore and Schafer, however, because of their total inadequacy, only serve to further confuse the oil pricing issue.

The calculation by LaRue, Moore and Schafer is an interesting academic exercise which is unfortunately fatally tilted toward the substantial overestimation of the "prices" required to make oil exploration profitable. The oil industry and the Administration have been all too eager to find some justification, no matter how meager, for the economically ruinous oil prices which are implied by their policies—in combination with those of OPEC. The LaRue, Moore and Schafer study and the interpretations of it given by Robert Nathan and others far less scrupulous fail totally to provide this justification. There is indeed a widespread conviction even in the Administration, as evidenced by statements of FEA Administrator Zarb, Secretary Simon and others, that such prices are neither necessary nor justified as production incentives.

SUMMARY

In testimony on oil pricing policy before the Senate Committee on Interior and Insular Affairs on April 28, 1975, Robert R. Nathan presented calculations of the "economic price" of crude oil production for the years 1959 through 1974. This "economic price" purported to be the "price necessary to induce wildcat producers to take risks and incur the costs attendant on finding and developing new sources of crude oil." This price ranged, according to Nathan, from $2.86 per barrel in 1959 to $8.22 in 1970 and $12.73 in 1974.

Using this set of price estimates Nathan concludes:

"It is quite clear that for some time oil prices in the United States have been at levels well below actual costs and this has had a discouraging impact on finding and developing new sources of oil supplies" and

"It costs a great deal more to find, develop and produce oil today than ever in the past. If this nation is serious about reducing dependence on oil imported from insecure sources it will have to pay sufficient prices to cover the true economic costs of exploration, discovery, development, and production."

Without explicitly saying so, Nathan implies that these "economic costs" are now at a level in excess of $12.73 per barrel.

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[2] Ibid, p. 161.

The Nathan testimony is based on a study carried out by LaRue, Moore and Schafer, a Dallas, Texas petroleum consulting firm. Both the Nathan testimony and the study by LaRue, Moore and Schafer have been carefully analyzed by the staff of the Senate Interior Committee with the assistance of the Congressional Research Service.

Our principal conclusions are:

1. The logical implication of the Nathan testimony is that the United States should establish a system of cost-based regulation for petroluem pricing similar to the present Federal Power Commission regulation of interstate sales of natural gas.

There are substantial conceptual flaws in the LaRue, Moore and Schafer study upon which the Nathan testimony is based, flaws which are compounded by a consistent bias in the assumptions of, and choice of data for the calculations.

If, however, for the sake of argument, these are ignored, and the numerical results accepted, the logic of Nathan's exercise, suggests that a cost based system of oil pricing be imposed with a different price for oil discovered in each given year. Carried to its conclusion, the resulting multi-tier system for newly discovered oil would also differentiate prices regionally, between on-shore and offshore production, and among classes of producers.

Despite this implication of Nathan's testimony, the LaRue, Moore and Schafer study does not, in fact, distinguish "economic prices" for any specific region or category or of production but is in fact based on national averages modified only by the exclusion of prolific and relatively low cost reserves of northern Alaska.

Accordingly the study does not specify either the appropriate price for production clasified under current regulations variously as old oil, released oil or stripper well oil or an appropriate price that might be provided for in oil produced with the assistance of secondary or tertiary recovery.

2. If Nathan's interpretation of LaRue, Moore and Schafer is correct, the oil industry's investment strategy for the past 15 years has been extremely foolish.

Nathan's finding "that for some time oil prices have been at levels below actual costs" is puzzling on its face, because it implies that the petroleum industry voluntarily poured $64 billion over the period of 1959–1974 into investments that would not earn an economic rate of return.

3. Nathan's results substantially exceed previous calculations of oil costs by reputable sources.

The numerical results of the study far exceed the "economic" or "required" price estimates arrived at for the same years by both public and private studies, including those of Franklin Fisher, Foster Associates the Bureau of Mines,[1] the National Petroleum Council and the Federal Energy Administration's Project Independence study.[2]

4. The LaRue, Moore and Schafer calculations of the costs which should be reflected in oil prices include huge lease payments unrealistically high rates of return for the oil industry and exclude the low-cost reserves associated with the most favorable domestic discovery of the last 15 years.

The surprisingly high figures which Nathan quotes from the LaRue, Moore and Schafer study trace directly to a number of assumptions. Among the most important:

The inclusion in petroleum capital costs of lease bonus payments which, if Nathan's findings are correct, were unwise in the past and would be unnecessary in the future;

Treatment of petroleum reserve data that ignores both the true cost of developing each year's reserve additions and the flexibility of producible reserves at differing price levels.

The assumption of a rate of return standard—15 percent on total assets after taxes—in substantial excess of both the experience of other American industries and the profitability premised in other energy development research. This extreme assumption compounds annually into Nathan's "economic price" over the 28 years of each reserve's productive life; and

The deliberate exclusion from the study of all data on oil discoveries on the North Slope of Alaska. At one stroke, Nathan thus removes the largest single field of petroleum development and reduces total reserve additions in the United States over the last eight years by more than one-half.

5. The Nathan testimony does not, and cannot, identify the appropriate price for domestic oil. Even if the biases listed above were corrected, the notion of "economic price" as defined by LaRue, Moore and Schafer cannot be made relevant to a determination of the proper level for new oil prices in the future. Any meaningful attempt to determine the true supply function for petroleum would have to combine an estimate of how much oil is wanted at various prices with an estimate of how much could be produced at each of those prices. Because the LaRue, Moore and Schafer model does not even consider the relationship between the volume of oil that can be discovered and produced at different levels of cost, it has nothing useful to say about the proper or desirable level of crude oil prices.

ANALYSIS

Mr. Nathan's prepared statement for the Senate Interior Committee hearings of April 28, 1975, "The Cost of Finding, Developing and Producing Crude Oil in the United States," draws conclusions from, and makes policy recommendations based upon, an analysis of the oil industry's financial and operating data entitled "Calculation of New Oil Costs: United States, Years 1959 through 1974." The analysis was prepared by LaRue, Moore and Schafer, a Dallas-based petroleum consulting firm. There are substantial reasons to doubt the inferences which Nathan makes from the LaRue, Moore and Schafer study, and there are substantial reasons to question the methodology, use of data and, finally, the value of the study itself.

THE LA RUE, MOORE AND SCHAFER CALCULATIONS

The LaRue, Moore, and Schafer approach can be quickly sketched. Data on the costs of finding oil, estimates of the amounts found, and prospective costs of producing it (including royalties, Federal and State taxes, etc.) are presented for each year 1959 to 1974. A discounted cash flow (DCF) model is then used to set the price (called the economic price) which would provide the producers with an annual after-tax return of 15 percent on their total investment (including investments made with borrowed funds). The method is comparable to those used by corporate planners in assessing the likely profitability of a potential investment—except that in this case the bulk of investment, exploration and development expense, has already been made. Were its assumptions accurate, the method would be equivalent to a year-end review by petroleum investors of the captial costs incurred during the preceding twelve months and the benefits needed to justify their prior expenditures.

The study in no fashion assesses the profitability of oil production during each of the years in the table. The vast majority of oil actually lifted in any particular year is from reserves developed in earlier and less expensive periods. For this reason, the industry could conceivably make a competitive profit in every year and on every investment project, with the current price always lagging behind the "economic price" calculated for current investments. Nathan's statement "that for some time oil prices in the United States have been at levels well below actual costs," is not, therefore, a legitimate inference from the LaRue, Moore and Schafer report.

Even as an intended estimate of "minimum economic price" (Nathan's definition) for current year development, moreover, the LaRue, Moore and Schafer report rests on incorrect or inappropriate assumptions. These shortcomings in turn impart substantial upward biases to its price projections.

Leasehold costs

The cost of acquiring leases—including bonus payments—is included in the original investment total on which the 15 percent annual return must be earned. From an oil producer's point of view, this would be a legitimate procedure for deciding, among other things, whether a *past* bid offer was justified. From the standpoint of the economy as a whole this assumption reduces to the assertion that consumers must pay a price for oil that rewards landowners with whatever bonuses and other payments oil developers happen to offer them. If these payments reflected a realistic estimate of the property's alternative uses, they would indeed constitute an "economic cost" useful in arriving at an "economic price" for oil. But when, as in the majority of cases, they reflect only a scarcity bid by prospective producers, they are a transfer payment—useful as an allocative mechanism but unnecessary as a cost either to society or to the producers who make them.

Put another way, the willingness to incur lease acquisition charges is evidence that producers anticipate that prices over the life of the lease will in fact exceed the expected costs of exploring, developing and producing it—including the appropriate allowance for dry holes. If a particular price level would not adequately compensate producers for their original lease acquisition expenses, then these expenses themselves should and would be revised downward before oil prices need increase. The LaRue, Moore, and Schafer analysis purports to show prevailing price levels failing to justify productive investment, yet reveals producers continually incurring leasehold expenses of up to 28 percent of their investment. In 1970, for example, exclusion of only leasehold costs would reduce the "economic price" projection by about $1.30 per barrel, from $7.25 to less than $6.00.

Treatment of natural gas

The model assumes natural gas prices at a fixed figure for each year equal to 1.5 times the Bureau of Mines estimate of the average price of natural gas in that year. For recent years, the resulting figure is far less than producers can actually expect to receive over the life of newly added gas reserves. It is believable, for instance, that production from reserves added in 1973 and 1974 will be selling for 28 and 45 cents respectively per thousand cubic feet (McF) over the life of these reserves? The average price of natural gas in intrastate sales in 1974 was already over $1.00 per McF! By seriously understating revenues producers can anticipate from natural gas sales, the methodology consistently inflates the revenues they must receive from crude oil to assure a specified profitability for their investment.

The LaRue, Moore and Schafer analysis also takes no accounting of some joint costs of oil and natural gas. Estimates of oil development and operating costs from the American Petroleum Institute's Joint Association Survey of the Oil and Gas Producing Industry—are derived from aggregates that reflect the expenses of oil and gas operations together. It appears that exploratory expenses from this source attributed by LaRue, Moore

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Footnotes at end of article.

and Schafer to the search for oil—including dry hole expenses—have also been responsible for the discovery of non-associated natural gas reserves in addition to oil and associated natural gas. Revenues from non-associated gas, however, are not included as income in the analysis.

The formula by which LaRue, Moore and Schafer separated out the cost of oil development may, moreover, tend to underestimate oil operating costs and overestimate oil exploratory and development outlays.

This latter component, because it must compound at 15 percent until the product is sold, is the far more decisive factor in setting the economic price.

Use of reserve figures

The figure used for gross reserve additions in each year is not the whole increase in proved reserves as published by the American Petroleum Institute, but only the reserves attributed to new discoveries and "expected upward revisions." Each year's expenditure figures, however, includes all exploration and development outlays in that year. The cash-flow purportedly necessary to produce each year's new reserves, therefore, encompasses development investment that results in current extensions and upward revisions of reserve estimates for previously discovered fields, including investment in secondary and tertiary recovery. The result can be viewed as either a gross understatement of new reserves or a gross overstatement of the investment necessary to discover them. In either view, the result is a strong upward tilt to price projections for recent years. Though there is no simple means of disentangling these mismatched reserve and cost data, the case of 1973 is instructive of its impact. Taking LaRue, Moore, and Schafer's version of investment during that year with 1973's addition to proved reserves recorded by the American Petroleum Institute would reduce the "economic price" from $8.70 per barrel to about $6.00.

Critique of API reserve estimates

Even this adjustment would not resolve another fundamental problem with the models' approach to crude oil reserves. For the API reserve figures—whether taken in their original form or as converted and reassigned by LaRue, Moore, and Schafer, have not been adjusted to take into account higher price levels. This is despite the qualification in the definition of proved reserves that they be recoverable under current economic conditions. Higher priced crude oil makes possible better and more widely applied recovery techniques. Revenues from crude oil at $10 per barrel or more, firstly, extend the productive life of previously discovered reservoirs, and thereby increase the amount of the recoverable oil contained in them.

Price ought to influence the volume of reserves, secondly not only through prolonging production, but by making feasible more advanced methods of recovery, and by its effect on the very definition of a successful drilling venture. Among the historical "dry holes"—whose cost pushes up the total capital commitment required for developing reserves—are many wells that reached crude oil reservoirs of insufficient size or quality to justify development at 3.00 per barrel. At higher crude oil prices these marginal reservoirs become additions to the nation's producible oil reserves.

The Nathan study, by failing to allow flexibility of reserves in response to real or expected price increases, built a decisive bias into the economic price estimates themselves. For these "prices" are essentially a gross revenue (needed to recover capital and costs), divided by the estimated volume of product to be sold. Improperly conservative estimates of the amount of oil that is recoverable increase the dollar burden that each barrel must bear in justifying investments.

The rate of return

A 15 percent after-tax rate of return [3] on stockholders' equity may be a reasonable standard for judging new investments. Such a standard reflects the anticipated rate of return on alternative investment opportunities. Over the period 1966–1974, the average rate of return for Fortune's top 500 U.S. manufacturing firms was 11.3 percent, reaching a peak of 15.6 percent in 1974. The LaRue, Moore and Schafer exercise relied upon by Nathan, however, uses as its standard not a 15 percent rate of return on stockholders' equity but a 15 percent after-tax rate of return on total assets. This figure is almost two and one-half times the average for the comparable rate of return concept in U.S. manufacturing industry over the period in question (6.2 percent between 1966 and 1974).[4]

This special profitability is necessary in the LaRue, Moore and Schafer view because (a) oil development is risky, (b) it is undertaken by small producers, and (c) it is financed out of equity capital.

These characterizations which apply to only part of the industry are not necessarily appropriate to a study purporting to cite average costs for all oil discoveries in the U.S. (less Prudhoe Bay). Each of them, moreover, is only partly true. Initial stages of oil exploration and development have traditionally depended upon a large number of small "wildcat" operators. Much reserve activity is now moving toward expensive sites off-shore and in the Arctic, where a major proportion of financing must come from major integrated petroleum corporations, though the efforts of independent drillers will still play a large part in the expansion of U.S. production.

Yet even in the past major firms, either through their own exploratory efforts or by participating agreements with small operators, have shouldered a substantial share of capital requirements for exploration and development, and as reserves move towards the peak of their productive lives a far greater portion of the benefits and costs of exploiting them shifts to integrated firms. The 15-percent after-tax rate of return posted by LaRue, Moore and Schafer, when applied to the complete amount and duration of investment in oil reserves, would mean that these firms can also expect profitability rates far in excess of standards for the economy as a whole.

Yet these firms, the major oil companies, are large and varied enough in their commitments that the risk premium necessary to attract capital to a small operation is hardly a "minimum" requirement. It is not surprising, therefore, that the average after-tax earnings on investment by petroleum corporations have tended to be almost the same as the average for all manufacturing industry.[5]

Fixing a particular rate of return has, in a discounted cash flow model, a decisive impact on its results. Had the 15 percent standard been used as a pre-tax measure, or after tax earnings set at 10 percent (both assumptions are approximately equal, given the oil industry's tax structure even after partial depletion repeal), the "economic prices" projected would have been reduced 12 to 15 percent for various years; indeed, by this one correction alone, the "economic price" would have stayed below the actual oil price up to the mid-1960's.

Exclusion of the North Slope of Alaska

No economic rationale is advanced for excluding the reserves added on the North Slope of Alaska. The current API reserve figure for the Prudhoe Bay field makes no allowance for future revisions or extensions, ignoring, for example, the billions of barrels of recoverable oil known to exist in the Lisburne and Kuparuk formations, but is nevertheless greater than the sum of all new reserves attributed by LaRue, Moore and Schafer to the years between 1969 and 1974, inclusive. Thus by one unexplained assumption, the report has reduced total reserve additions in the United States by more than one half. While the exploration and development expenses incurred on the North Slope have apparently also been omitted, these were insignificant compared to the expenditures that were included from elsewhere in the United States.

More important, perhaps, the oil and gas reserves contained in Alaska's North Slope are not only immense; they are fuel sources that the oil industry was anxious to tap long before the era of $10 per barrel crude, or the prospect of crude at $12 or more that Nathan now urges. This eagerness itself reveals something of the "economic price" necessary for development in these regions, and it tells something else too. For as the opportunities for profitable North Slope development were perceived, and as these opportunities were converted into corporate commitments, investment funds and interest were drawn away from the traditional fields below the Arctic. Petroleum's financial prospect in Alaska are as relevant to "lower forty-eight" activity as are the figures obtained by LaRue, Moore and Schafer for lower forty-eight development itself.

The Prudhoe Bay discovery is indeed exceptional. We have no way of knowing how many more "supergiant" oil fields—if any—will yet be discovered in Alaska, or elsewhere in the United States or on its Outer Continental Shelf. Yet Nathan makes much of the riskiness of the exploration gamble—whose reward includes for the hope of bonanzas just as its cost includes the fear of failure. Any assessment of the expected responsiveness of oil supply to oil price—and any judgment what price is needed to elicit a given supply—must encompass both ends of the probability spectrum. The exclusion of the Alaskan experience, precisely because of its rich finds at low unit costs, creates a decisive upward bias in the model's results. And it tokens, at the same time, extremely narrow approach to energy matters taken by its authors.

Depletion allowance

Since preparation of the Nathan study, a partial limitation of the depletion allowance has been effected. This change would, other things being equal, require a higher selling price and a greater level of pretax earning to achieve any specified rate of after-tax profitability. But this one "downward bias" in the Nathan scheme is certainly dwarfed by the many and substantial upward tilts contained in its methods. The estimates cited—for the effect of bonus inclusion, underestimation of reserves, excessive rate of return—underscore this point all to clearly for just a few of these biases.

CONCLUSION

The foregoing points have been addressed to those components of the LaRue, Moore and Schafer analysis most critical in shaping Robert R. Nathan's economic price conclusions. Invested capital to be recovered profitably, the revenues attributable to sale of oil, the volume of crude oil on which costs and profits are to be made, and the rate of return at which profitability should be set—each of these elements could under differing but reasonable assumptions result in an "economic price" estimate far closer to historical prices than to Nathan's conclusion. A complete assessment of their effect could require a virtual duplication of the LaRue, Moore and Schafer exercise with different and more appropriate assumptions.

Footnotes at end of article.

THE USEFULNESS OF HISTORICAL COST ANALYSIS TO DETERMINE FUTURE PRICES

There would seem little purpose in such duplication. For, even if all the inappropriate assumptions identified in this memorandum were modified, we would have to question the whole logic of the LaRue, Moore and Schafer model and the use to which it has been put by Mr. Nathan. Over the long-term, the rate of return on investments in crude oil producing facilities is not determined by the price of crude oil.

Whatever is the price of oil, firms will invest in those prospects (and only those prospects) which promise as good or better profits than are available from alternative investment opportunities. Abnormally high profits expected from exceptionally favorable prospects will tend to be appropriated by landowners (including the federal government) in the form of leasehold charges, so that oil producers will tend to be left with about the same average rate of return on their investment as is experienced by other industries. The price of crude oil, therefore, determines not the rate of return but the amount of exploration and ultimately of production that will take place in the course of earning a return competitive with other kinds of business.[6]

Unless we know how much oil is likely to be discovered and ultimately recovered at each level of costs per barrel, and couple this schedule with a statement of how much crude oil we want (at any given price), we cannot meaningfully specify the necessary "economic price" for crude oil.

Because the LaRue, Moore and Schafer model does not address itself to the relationship between the volume of oil that can be discovered and produced at different levels of cost, it would have nothing useful to say about the proper or desirable level of crude oil prices even if it were purged of its economic and accounting fallacies.

The Nathan testimony does not tell us how much domestic oil would be discovered and produced at $12.75 per barrel. Taken at face value, however, his analysis is terribly pessimistic. Cost outlays of almost thirteen dollars per barrel are cerdited with 1974 reserve additions which were far less than sufficient to maintain current production, much less to meet future growth or reduce imports.

Even if we had confidence that Nathan's 1974 "economic price" were accurate, and that the same outlays would produce the same results in 1975 as they did in 1974, we still would not know the proper price for crude oil. Thirteen dollars per barrel may be the "cost" of so many million barrels per day, but that may not be as much oil as we would like. But how much more oil would $15 or $30 per barrel elicit? We do know that still higher prices would have bid up the value of leases and factors of production whose supply is not readily increased. By doing so, higher oil prices would by themselves further increase the "economic price" as defined by Nathan. We also know that such prices would create immense windfalls for some producers and have serious inflationary and contractionary effects on the general economy. Unfortunately, however, we still cannot predict with much confidence the effect of higher prices on oil discoveries and the Nathan analysis does not advance us along the path to such predictions.

It is very likely that $13 crude oil will not make the United States self-sufficient, or even 75 percent self-sufficient in petroleum by 1985. But how much less self-sufficient would we be if the price of "new" oil were reduced to $10, or $8, or even less? Again, the Nathan analysis is silent. It is not implausible that the loss of production would in fact be negligible compared to the savings to consumers.

Several earlier studies attempted to measure the historical responses of petroleum exploration and production to price fluctuations in the range between $1.50 and $4.00 per barrel which encompassed the prices that prevailed between World War II and the Arab embargo. These analyses cannot, however, easily be extrapolated to prices far outside of these limits. The responsiveness of oil production to price changes above (say) $6 per barrel may indeed be substantial, and it may not.

It is difficult to ignore the fact, however, that industry groups like the NPC and the Independent Petroleum Association of America (IPAA) were only two or three years ago telling us that $4.000 or $5.00 per barrel would result in an acceptable degree of self-sufficiency. What has really happened in the intervening period? Inflation alone could be expected to raise these figures only into the $5.50 to $7.00 range. Within the range of plausible prices (say $7 to $15), it is not clear whether discoveries are more sensitive to actual prices themselves or to other variables such as OCS leasing policy, the general economic and investment climate, sheer luck, or the stability of industry expectations regarding prices (and taxes).

Mr. Nathan in his Interior Committee testimony has argued that crude oil prices prevailing from the early 1960's up to the cartel's price hikes were insufficient to signal private oil firms into the domestic exploration and development activity necessary to maintain domestic reserves at the levels which we would have (retrospectively) deemed desirable. While respectable opinion agrees with this point a host of other factors influenced the evolution of the domestic oil supply situation during this period. For example:

Substantial oil industry exploration and development activity took place overseas, with the aim of exploiting the lowest cost prospects. The activity received substantial government encouragement, including, but not limited to, generous tax incentives. The prospects developed were dominated by super-giant oil fields in foreign countries, and this fact contributed substantially to an increased American dependence on these sources of supply.

Leasing on the Outer Continental Shelf proceeded at a snail's pace both because of a desire on the part of the Federal Government to maximize lease bonus revenue per acre and because of opposition from some coastal states and onshore producer interests.

State prorationing, assisted by the Mandatory Oil Import Program, stabilized prices (albeit at levels above the then current world market prices) and obscured the signals of declining domestic oil availability until Texas and Louisiana fields reached nearly 100 percent of their effective producing capacity in 1972–1973.

The U.S. regulatory system left domestic producers, consumers and the government alike unaware of growing deficiency in domestic supply until it created spot shortages in 1973 and more importantly left the U.S. vulnerable as it had never been before to the cutoff of Arab oil.

These observations tell us part of the story that led to the current oil supply problems of the U.S., but neither they nor the accounting exercise carried out by LaRue, Moore and Schafer and interpreted for us by Mr. Nathan, offers a concrete program for the future.

We are left, that is, where we were before: with an understanding that elements in Federal energy policy—including prices, import quotas, tax treatment, environmental regulation, and leasing procedures—all contributed to the creation of our immediate oil problem, but with no clear guide to the equitable and efficient correction of these past mistakes.

FOOTNOTES

[1] Crude oil cost estimates based upon historical data. The Foster Associates Report, "The Role of Petroleum and Natural Gas from the Outer Continental Shelf in the National Supply of Petroleum and Natural Gas" (Washington: U.S. Government Printing Office, 1970) shows estimated "current costs" of new hydocarbon supplies from 1957–67 data. "By 'current cost' (was) meant the cost which may reasonably be anticipated in the near-term future in the absence of significant changes in discovery rates or other factors influencing unit costs. The essence of the measurement of current cost is to estimate two categories of costs—those of (1) finding and (2) producing the reserves." The cost estimates for oil reservoirs are shown below:

	Gulf of Mexico	Onshore Southern Louisiana	Other Continental United States
Finding costs	$1.30–1.35	$1.19	$1.01
Other costs	.63	.91	.84
Total	1.93–1.98	2.20	1.85

These figures include lease acquisition exquisition expenses and dry hole costs, but do not include a return to capital, royalties or income tax. The study used a discounted cash flow (DCF) model to determine the overall rate of return from crude oil at the prices prevailing at the time. Investment in oil reservoirs earned a DCF rate of return (on total investment) of a 5.0 to 6.4 percent, and a return to book capital of 7.2 to 11.9 percent (see footnotes 4 and 5 for a discussion of competitive rates of return).

In 1970 the Bureau of Mines analyzed seven fields selected at random in the Gulf of Mexico by the DCF method. The total cost of crude oil, excluding dry hole costs other than on the particular lease block, and profits, but including lease bonuses, royalties and income taxes, ranged from $1.45 per barrel to $2.56. Profit per barrel based upon prevailing prices (1970) ranged from .32 cents to $1.31, for a DCF rate of return varying from 1.1 percent to 19.5 percent. (Bureau of Mines Information Circular No. 8557, 1972).

[2] Recent estimates of the "economic price" or cost of new crude oil.

Judgments regarding oil prices in the National Petroleum Council's (NPC's) Energy Outlook study, the Federal Energy Administration's (FEA's) Project Independence Report and the Massachusetts Institute of Technology's (M.I.T.'s) Economic Evaluation of Project Independence are all based upon a balance sheet type approaches similar in one key regard to that of LaRue, Moore and Shafer. Neither the NPC nor FEA model uses an economic model that takes account of the fact that costs per barrel (both incremental and average) would in fact vary greatly, depending upon the levels of production. Both approaches project an average cost of crude oil per barrel for a particular assumed level of production. The FEA and MIT reports start from such a single point, balance sheet-type estimate of average prices, and adjust it with a price elasticity of supply coefficient (the ratio between the percentage change in output and the percentage change in price) in order to project the daily rate of production at different price levels.

The NPC, FEA and MIT prices purportedly refer to the average cost of all future production from both present and future reserves as seen from a given future production year. The Nathan figures, on the contrary, refer to all production from reservoirs discovered in each particularly year in the recent past, as seen from that year. None of these concepts is necessarily equivalent either to the price industry must receive today, or to the price industry must expect to receive in some future year to assume a specified level of production in that year.

Nation's concept of "economic price" purportedly refers to a cost for discovery and producing new reserves actually added in a particular year, and not necessarily to the cost for the reserves we would have desired to have added and produced. In order to compare his estimates with those in other studies that post different levels of production, the prices which are in principle most comparable to Nathan's are those that result in the similar levels of production to those which actually occurred (in 1974, for example).

In FEA's "business as usual" (BAU) scenario, $7 per barrel (in 1973 dollars) is a "minimum acceptable price" that would result in production increases for domestic petroleum liquids of 6 and 10 percent over 1974, in 1980 and 1985 respectively. In the "accelerated development" scenario (where the critical changes are expanded leasing, authority to develop Naval Petroleum Reserve No. 4, and deregulation of new natural gas), the "minimum acceptable price" necessary to maintain current production is less than $4 per barrel (in 1973 dollars)! Four dollars would, according to the protection, generate an increase in production over 1974 of 6 and 13 percent in 1980 and 1985 respectively. (Project Independence Report, November 1974, p. 81)

FEA's 1980 and 1985 production estimates (11.1 to 11.9 million barrels per day) of $4 and $7 per barrel are not likely to be regarded as an acceptable degree of energy self-sufficiency. On that basis, the desirable price level is of course higher than $4 or $7. But a strict reading of the LaRue, Moore and Schafer analysis does not show a claim that $12.73 (in 1974 dollars, we assume) is the proper price for crude oil, but that it was the "economic price" (cost) of the discoveries actually made in 1974. (Nathan, however, attempts to convey this inference.) Because these additions were clearly insufficient to replace 1974 consumption, the study's figures imply that any desired increase in discoveries would require an even higher price than $12.73 over the life of any new crude oil reserves added in the future.

The NPC in its 1973 study of oil availability (reflecting work begun in 1971) gave the price figures in the left column of the following table. The figures in the right column show the NPC estimates, updated to current prices by use of the GNP deflator. (The years after 1975 are in constant 1975 dollars.)

UNIT REVENUE REQUIRED

	1970 dollars	Current dollars
1971	$3.22	$3.37
1972	3.31	3.58
1973	3.37	3.85
1974	3.49	4.39
1975	3.65	5.14
1980	4.90	6.90
1985	6.69	9.42

The NPC "required price" figures are for all oil, and are therefore a weighted average of "old" and "new" oil, rather than oil from reserves discovered only in the particular year (as in the case of Nathan's study). They can, however, be further adjusted to separate out a "required price" for new oil, which would be comparable to the Nathan figure. Assuming that the price of "old" oil including "old" stripper well oil and presently "released" oil from old wells, were frozen at $5.25 that the production of old oil declined at 10 percent per year, and that total production remained unchanged over time, the required price for new oil would have been less than $5.25 per barrel in current prices for each year through 1975; for 1980 it would be $8.14 per barrel, and for 1985, $10.81 (both in 1975 dollars).

M.I.T.'s report (Energy Self-Sufficiency: An Economic Evaluation, May 1974) implies that the cost of "new" oil to maintain the volumes that have actually been produced in recent years is in the vicinity of $7.00 per barrel (1974 dollars). That price, according to the Erickson-Span model, would result in 1980 crude oil production of 8.4 million barrels per day; an MIT natural gas supply model predicts 2.1 million barrels per day of natural gas liquids at this price, for a total of 10.5 million barrels per day just about the 1974 average for domestic production. Here again, "only" 10.5 million barrels per day of domestic production would generally be regarded as inadequate because it implies a continuing growth of oil imports. The MIT report suggests that, for total energy self-sufficiency, however, ". . . the price needed to bring in 13 million barrels per day in 1980 . . . must be far higher than the $5.64 estimated by the NPC. We might suppose that to double the 1972–73 performance (in terms of reserve additions) would require tripling the price . . . to $12.90 in 1973 dollars." (emphasis added). The similarity here to the Nathan figure is purely coincidental—because the MIT study implies that $12.90 per barrel will result in the future in twice the discoveries which supported in 1974. The point of the foregoing is not that the projections of FEA, NPC or MIT are correct, or even better than Nathan's, but to illustrate the substantial divergence of his numbers over those recently produced by other authorities, given similar assumptions about the level of production.

[3] Real or Nominal Rates of Return.

Nathan's study did not explicitly designate this rate either as a "real" rate of return—i.e., one that removes the overstatement of inflation—or simply a nominal one expressed in current dollars. If it is supposed to be "real" return, its profitability target would be all the more excessive. Fifteen percent per annum is about five times the real return on secure investments such as mortgaged property and the AAA debentures by which major oil firms themselves borrow money. Yet if it is to be merely a nominal return it makes no sense to compare the model's "economic price" to the then prevailing crude oil price—investors would expect this later price to rise with inflation, assuring them of the required nominal rate of return, and canceling the whole logic of Nathan's approach.

[4] Rate of Return Standards.

The table below shows some rate of return indicators for all U.S. manufacturing industry. None of these book rate of returns concepts corresponds exactly to a DCF rate of return; for relatively capital-intensive industries, and in inflationary periods generally book rates of return will tend to exceed DCF rates of return. (In the Foster Associates study cited previously, book rates of return exceeded DCF rates of return by 2.2 to 5.5 percentage points.) The implication is that the DCF rate of return required by the petroleum industry to be competitive in capital markets would be substantially less than those shown in the table.

	Return before taxes		Return after taxes—income as percentage of stockholder equity		
	Income as percentage of stockholder equity (FTC mean)	Total return on total assets [1]	FTC mean	Fortune 500 median	Total return on total assets [2]
1966	22.4	7.5	13.4	12.7	5.5
1967	19.3	7.1	11.7	11.3	5.5
1968	20.8	7.5	12.0	11.7	5.5
1969	20.0	7.9	11.4	11.3	6.1
1970	15.6	7.6	9.3	9.5	6.1
1971	16.4	6.9	9.7	9.1	5.3
1972	18.4	7.7	10.6	10.3	5.4
1973	21.7	9.4	12.8	12.4	7.2
1974	[3] 24.7	11.4	[3] 15.5	13.6	9.2
Average [4]	19.9	8.1	11.8	11.3	6.6

[1] (Income after taxes. Fortune 500, times (income before taxes divided by income after taxes, FTC) plus (net indebtedness, Fortune 500 times the prime commercial rate)) divided by total assets, Fortune 500.

[2] (Income after taxes, plus (net indebtedness, times the prime commercial rate)) divided by total assets, all from Fortune 500.

[3] 1st 3 quarters.

[4] From geometric mean of (1+r).

Even with this qualification, none of these rate of return measures is uniquely appropriate to the kind of balance sheet analysis used by LaRue, Moore and Schafer. The most nearly appropriate concept and the one most useful in evaluating the profitability of investments within a firm is probably total pretax returns against total assets, while the outside investor is interested in after tax returns to stockholder equity. The average 1966–1974 figures for the two measures in U.S. manufacturing were 8.1 percent and 11.3–11.8 percent respectively (depending upon the source). LaRue, Moore and Schafer's standard of 15 percent, however, is for after tax total returns (profits and interest) against total assets. This figure in 1966–74 averaged only 6.2 percent for all U.S. manufacturing. (Even this figure contains an upward bias, because we were not able to measure the cost of debt directly. Using the current prime rate as a proxy for the cost of borrowed capital, as we did here, exaggerates this cost in a period of rising interest rates.)

[5] Comparison of Rate of Return in Petroleum and Other Industries.

The average after-tax rate of return on stockholders' equity of the "petroleum refining sector of the Fortune 500 (which contains the major integrated oil companies including their producing operations) was almost identical with that for the 500 as a whole (11.4 and 11.3 percent respectively). The following table shows the figures for individual years:

MEDIAN RATE OF RETURN ON STOCKHOLDER'S EQUITY

	Petroleum refining	All manufacturing
1965	10.4	13.6
1966	12.3	12.4
1967	11.2	10.3
1968	11.8	9.1
1969	10.5	9.5
1970	10.3	11.3
1971	9.0	11.7
1972	9.4	11.3
1973	13.4	12.7
1974	16.8	11.8
Average [1]	11.4	11.3

[1] From geometric mean of (1+r)

The 1974 Fortune 500 contained 29 oil companies. According to the 1973 Annual Survey of Oil and Gas (U.S. Department of Commerce, Bureau of the Census) the top 25 companies (in terms of oil and gas lease revenues) made 42 percent of the total U.S. expenditures on exploratory dry holes, 65 percent of total exploration expenditures, 62 percent of development expenditures, and produced 78 percent of the crude petroleum and condensate.

[6] *"Costs" are Determined by Industry Expectations in Certain Models.*

The circular logic of balance-sheet-type cost analyses like that of the NPC or LaRue, Moore and Schafer, has a curious implication: to the extent that such an analysis correctly specifies (1) the timing and cost of past reserve additions (or the probability of future exploratory success) and (2) the expected rate of return necessary to justify investment, they will produce an "economic price" just about equal to the price industry expects to prevail. This is because the industry will undertake only those exploration ventures that look profitable at the expected price—and moreover, will bid up price-inelastic elements of costs (including lease bonuses and, recently, rig-time and certain drilling supplies) to a level that tends to absorb any expected "excess" profits above a competitive rate of return.

Because of unforeseen developments (OPEC's price increases, changes in regulatory policies, etc., exceptional exploratory luck, etc.), price expectations and cost realities will diverge one direction or another in individual years. But on the whole, the cost or "economic price" projections of such analyses as the *NPC* or Nathan should tend to track industry price expectations rather closely. That fact that the Nathan analysis consistently results in "economic prices" higher than those that were anticipated by the industry (as well as higher than current prices) actually indicates more about the upward bias of its assumptions than it does about the appropriateness of the prices that actually prevailed.

Mr. GRAVEL. Mr. President, Mr. Nathan's statement responds to an analysis by the Senate Interior Committee staff, which the distinguished Senator from Washington, Mr. JACKSON, placed in the RECORD on July 16. That analysis raised a number of objections to a study which Mr. Nathan had made on the economic cost of finding and producing new oil in the United States, and on which he testified before the Senate Interior and Finance Committees.

The Nathan study is of extreme importance to the Congress and the public, as debate continues on the oil price question. Its principal conclusions are:

That the economic cost of finding oil—the cost of paying for dry holes, paying taxes and royalties on the oil that was found, and earning a reasonable return—was higher than the market price for that oil during each of the years between 1960 to 1974.

That as a result, half the independent producers in the United States were unable to remain in business.

That those who continued to explore for oil were able to do so because their success rate was higher than the average.

That if the United States wishes to remain at least as "energy independent" as it is today, it will have to encourage the search for domestic oil by permitting the market price for that oil to approximate its economic cost.

Robert Nathan is a distinguished economist, a frequent adviser on economic matters to Members of this body, and a longtime member of the national Democratic Party. Both his study and his response to the Interior Committee staff analysis deserve the closest attention of the Senate.

WHEELCHAIR SPORTS

Mr. PACKWOOD. Mr. President, I commend to my colleagues' attention an article which appeared in bulletin of the Portland Wheelblazers Wheelchair Athletic Association. I have been very impressed with this group, both in terms of athletic ability and attitude.

I am extremely proud of the efforts of the Wheelchair Athletic Association; I think we can all learn a great deal from their endeavors, their patience, and their perseverance.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HISTORY OF WHEELCHAIR SPORTS

Before the onset of World War II, there were no known organized competitive wheelchair sports. Some of the disabled individuals with a love for sports found pleasure for themselves in tossing a basketball around from their wheelchairs and in racing their wheelchairs against each other for the sheer fun of it. Others went swimming and tried their hand at table tennis, bowling and archery.

One of the tragic results of World War II was a large number of disabled who returned home. These included amputees, paraplegics and other disabled casualties. These men, heroes in their respective communities, faced an entirely new situation on their return. Prior to the War, the disabled had been regarded, to a large extent, as a burden to society, if not to their families, as rehabilitation was not practiced extensively. The war, however, with all its horrors, ironically brought to the disabled something better than they had previously received.

New methods of treatment were being developed and the public attitude toward the handicapped was undergoing significant changes in many countries. The need to provide the disabled with more than simple medical treatment and to reintegrate them into society began to be intensively recognized as an urgency and a right, thus new impetus was given to rehabilitation. As part of the rehabilitation programs, particularly in the United States and England, recreational and competitive sports were seen by some as an important integral factor in the rehabilitation of the disabled.

In 1946-47, paraplegics at various Army, Navy and V.A. Hospitals became interested in wheelchair basketball and adapted the rules and regulations for the game. The Flying Wheels of Van Nuys, California toured the country and aroused considerable interest wherever they went. These men and many like them contributed to the growth of public recognition of the untapped potential resources of the disabled. It was increasingly realized and became evident that if a person who is disabled could summon the strength, courage and skill to actually play basketball from a wheelchair, there would be few limits to his capabilities if he were properly trained in a suitable field of employment.

About the same time as the development in the United States, Prof. Sir Ludwig Guttman of Stokes Mandeville Spinal Injury Center in England introduced and began development of sports for all disabled.

In 1946–47 Prof. Tim Nugent, Director of Student Rehabilitation at the University of Illinois, USA, together with Benjamen H. Lipton, Director of the Joseph Bulova School of Watchmaking, engaged in organizing, promoting and coaching wheelchair basketball. In 1949, Nugent organized the first national basketball tournament in the United States. Today, there are approximately 80 teams in the country with 12 conferences. Each season culminates with the National Wheelchair Basketball Tournament to select the U.S. champion.

The first games on an international level had been held in 1952 at Stokes Mandeville with a team from the Netherlands which had accepted an invitation to meet in direct competition with the British team. The games were a success and, as in the past, the psychological benefit of developed self-confidence in the disabled participants became increasingly apparent. In 1960, the U.S. first entered international competition. The same year also marked the first time wheelchair games were held in relationship to OLYMPIC games, which took place that year in Rome. They were called the "Paralympics." Since then, the Paralympics have been held annually at Stoke Mandeville, England and every fourth year, immediately following the Olympic Games, they are held in the Olympic Games host city. In 1964, they were held in Tokyo with 23 nations joining the competition. The games held in Israel in 1968 brought together 730 wheelchair athletes from 27 countries, representing all five continents.

In 1967, the first Pan American Wheelchair Games were held at the site of the Pan American Games in Winnipeg, Canada and included leg amputees and others with orthopedic leg disabilities. The teams competing in this new organization included Argentina, Canada, Mexico, Trinidad and Tobago and the United States. In 1969, a new indoor sports center for the paralyzed was opened at Stoke Mandeville. This would not have been possible had it not been for Dr. Cuttman's enthusiasm and devotion to the wheelchair sports program. His influence over the years has helped in bringing the wheelchair program to its status today.

ANNEXATION

Mr. HARRY F. BYRD, JR. Mr. President, the September 1975 issue of Commonwealth, the monthly publication of the Virginia State Chamber of Commerce, contains an excellent summary of the Richmond, Va., annexation dispute which has resulted in a seemingly endless succession of lawsuits and political battles.

It may be recalled that I cited the Richmond case as an example of the wrong-headed approach of the Voting Rights Act during recent debates in the Senate. The application of that Federal statute to Richmond's annexation has resulted in the disenfranchisement of every Richmond resident in local councilmanic elections and referendums for almost 5 years.

The article by Steve Row, "Annexation," also provides a sympathetic and well-deserved commentary on Richmond Mayor Thomas J. Bliley, Jr., Tom Bliley has stayed on as Richmond's chief executive, in spite of his desire to step down at the end of his 1972 term and in spite of the many problems which have confronted the Richmond area as a result of the court's prohibition on local elections until the annexation case is resolved.

The publisher of Commonwealth magazine is Richard S. Gillis, Jr. Dick Gillis is also executive vice president of the Virginia State Chamber of Commerce and is responsible in large part for the dynamic character of that organization and its monthly magazine.

I ask unanimous consent that the article from Commonwealth be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Commonwealth, September 1975]

ANNEXATION

(By Steve Row)

You have to sympathize with Tom Bliley.

There he sits, every other Monday night, in the City Council chamber of Richmond's white marble City Hall, presiding as mayor over the deliberations of the city's governing body, not all of whom have been "duly elected," listening to citizens and fellow council members orate about rezoning, taxes, assessments, crime and a variety of other subjects.

In April 1972, Tom Bliley said he was stepping down and would not seek reelection to the City Council.

In April 1975, Tom Bliley still was mayor, as he was in May, June, July, August, and as he is now.

He wasn't "drafted" to run again; he might even say he was "sentenced" to extend his term. And the court which sentenced him was the U.S. Supreme Court, which has postponed all municipal elections in Richmond until the city's protracted litigation over a 1970 annexation of part of Chesterfield County is over.

The legal scramble that has kept Bliley in office (he said he would continue to serve until a new election, words which at times he may regret ever having uttered) is not over, and no one is quite sure when it will conclude.

Quite simply, the fluid and unsettled situation which has "lame ducked" the present City Council ad infinitum is the result of the annexation running afoul of the 1965 Voting Rights Act. That act requires Southern cities such as Richmond to obtain U.S. Justice Department approval of changes in voting patterns before they become effective.

A minor change like shifting the boundary line of a voting precinct must be approved, but so also must a major change like an annexation.

Actually, Richmond's annexation went into effect before a U.S. Supreme Court ruling in 1971 that annexations were covered by the voting law. When the city submitted the annexation to the U.S. Department of Justice for approval in 1971, the department denied the approval, charging that the annexation diluted black voting strength by bringing in so many new white voters.

City officials had claimed throughout the lengthy state annexation court trial (and they still do) that the annexation was designed to "recapture" some of the wealth that was leaving the city, in the form of flight to the suburbs. Just about any expansion of city boundaries would mean the addition of a large number of whites, because the suburban areas of the adjacent Chesterfield and Henrico counties are predominantly white.

Numerically, the annexation did water down the black population ratio, and city officials concede this. The population of the city had tipped in favor of blacks by a few percentage points by 1970, but the annexation reversed the ratio, so that whites were in a majority once again after the annexation became effective.

The Justice Department pointed this out in 1971, and in that same year the city was brought into federal court to defend the charge that the annexation was racially motivated and not motivated by economics.

And the city has been in court ever since, with more yet to come.

The chief challenger to the annexation is a large, portly black civil rights activist, Curtis J. Holt Sr., who ran for City Council in 1970, the only election which has occured since annexation, but who lost (he claims) because the additional white voters living in the annexed area negated black votes in the pre-annex city. He cites precinct totals to support his claim that he would have won, had it not been for annexed area voters.

His lawsuit (called "Holt I" because there is a second suit) was heard in U.S. District Court in Richmond in the fall of 1971. The testimony included a complex discussion about the administration of city government, the economic necessity for expansion and allegations that the city's power structure covertly plotted to keep blacks from gaining control of the City Council. In the end, the U.S. district judge agreed with Holt that his Constitutional (14th and 15th Amendment) voting rights had been violated, but he refused to grant Holt's primary request, that the land be ordered back to the county.

Instead, Judge Robert R. Merhige Jr., acting in accord with a "friend of the court" brief filed by a black attorney not involved in the case, ordered a special councilmanic election in January 1972, under a new representation plan. The pre-annex city would elect seven council members at large, while the annexed area would elect two by districts. All nine Richmond council members normally are elected at large.

The city appealed the ruling to the 4th Circuit Court of Appeals, which then reversed the lower court ruling and effectively barred the special election. The appeals court determined that the annexation did not violate the Constitution and was not racially "tainted."

Holt appealed to the U.S. Supreme Court, but the high court refused to hear the case, and "Holt I" came to an end.

So the city proceeded with plans for the regular councilmanic election in May 1972. Nearly 30 candidates, including several persons who lived in the annexed area, had filed. The city's two major political organizations, the predominantly white Team of Progress, and the predominantly black Richmond Crusade for Voters, even had agreed to a tentative (and surprising) accommodation with each other in the wake of the bitter court case, by "cross-endorsing" several candidates from the other's camp.

But Holt was not yet through pursuing his claim that the annexation was illegal. He filed a second lawsuit before a three-judge federal panel of the U.S. District Court in Richmond at about the same time that the city was appealing the "Holt I" decision to the 4th U.S. Circuit Court. This time, Holt charged that the annexation diluted black voting strength in violation of the 1955 Voting Rights Act—the same charge made by the Justice Department—and therefore should be voided.

Because of this latest lawsuit, now called "Holt II" Holt also petitioned the Supreme Court to postpone the city's May election, at least until the litigation concluded.

The Supreme Court agreed and stopped the election, less than 30 days before the scheduled voting, and the city's elective process has been in legal limbo ever since.

But the litigation continued, this time with the city taking the initiative under a provision of the Voting Rights Act which permits a jurisdiction to sue the government for approval of a voting change. The city had been told by the Justice Department that objections to the annexation might be removed if the city changed the way council members were elected from the at-large system to a district, or ward, system.

Council debated the merits and demerits of ward representation on several subsequent occasions, and the majority of council members finally agreed to a representation plan that would have divided the city into five wards. One council member would be elected from each ward, and the remaining four would be elected at large. The logic behind this, according to the majority, was that each Richmond voter would have the chance to vote for at least a majority of council members during an election. Some strong opposition developed, however, and the city also learned that the Justice Department was not too keen about the "modified ward" proposal.

The council majority finally decided on a nine-ward plan prepared by the city administration, and the city presented the plan to the Justice Department. In August 1972, the city also filed suit against the government before a three-judge panel of the U.S. District Court in Washington to gain approval of the annexation and ward plan. Holt immediately filed as an intervenor against the city, as did the Richmond Crusade for Voters. Holt again sought de-annexation as the best remedy.

Since "Holt II" was still pending, the city asked the three-judge panel in Richmond to suspend its deliberations to allow the city to argue its case in Washington. Some testimony already had been taken, but the three judges agreed with the city, and the case was halted.

By April 1973, the Justice Department had generally agreed to the city's ward proposal, and so the city's lawsuit was ready to proceed. But instead of going directly to court, the city's suit first went to U.S. Magistrate Lawrence S. Margolis, who was appointed by the three judges to take testimony and make a recommendation on the disposition of the case.

In October 1973, the city, the Justice Department, Holt and the Crusade all presented their sides in the annexation squable to Margolis, and four months later, Margolis stunned city officials with his judgment that Holt was absolutely correct—the only possible remedy to impermissible purpose and effect of the boundary expansion is de-annexation.

The final oral arguments before the three judges all addressed this recommendation, and the city, faced with the prospect of losing the territory for the first time in four years, asked the panel to ignore the magistrate's judgment and approve the ward plan.

In May 1974, the Washington judges handed down their decision: the annexation appeared to be impermissibly motivated, and they would not approve a ward plan. But at the same time, the judges refused to order de-annexation, as Holt requested. Instead, the judges suggested that the local court already convened to consider the issue (referring to "Holt II") would be the logical place for the matter to be settled.

Sixty days later, the city appealed the decision (some observers were calling it the "non-decision") to the U.S. Supreme Court, claiming that the Washington court erred in not approving the annexation accompanied by a ward plan.

A short time later, the "Holt II" trial reconvened as scheduled for final oral arguments, and the city requested a second suspension of the proceedings until the Supreme Court decided whether to consider the city's appeal. The three judges agreed again to withhold a final decision, and "Holt II" is still pending.

The Supreme Court did consent to consider the city's appeal, and this past April, the city, the Justice Department, Holt and the Crusade presented their arguments to seven justices. Former Richmond lawyer Lewis F. Powell Jr. did not participate, and Justice William O. Douglas was recuperating from an illness.

The city argued that the annexation and ward plan should be approved because the Justice Department, which had noted the original objections to the annexation, now had agreed that the ward plan would remove those objections. The Justice Department agreed and noted that de-annexation would have an adverse impact in public school desegregation by removing a large percentage of the dwindling white school-age population from the city. The Crusade told the justices that unless a ward plan could be fairly drawn to guarantee expanded black strength on the City Council, then de-annexation would be the best remedy. Holt argued simply that de-annexation was the only remedy.

This past June 24, the Supreme Court ruled, but the judgment was not the definitive statement that everyone had hoped for. Most observers agree that the ruling tended to favor the city's case, but Holt's lawyer, W. H. C. Venable, said he was "tickled pink" that the high court had not affirmed the annexation.

What the Supreme Court did was to send the case back to the three-judge Washington panel (from which the city had appealed to the Supreme Court) and direct the panel to consider whether the 1970 annexation still has any legitimately justifiable reason in 1975, particularly from an economic standpoint. If it does, the Supreme Court said, then the annexation and its accompanying ward plan can be approved. If it does not, then the court would have no alternative but to order the city to divest itself of the annexed area.

Through it all, Bliley and his colleagues have continued to transact the city's business. Since the original 1972 election was postponed, three members of council have resigned for various reasons, political and personal, and under the provisions of the city charter, the remaining members have named successors. Thus, the nine-member council is composed of six persons first elected in 1970, and three non-elected appointees. Two blacks, including one woman, are on council, and the annexed area has two representatives, one elected and one appointed.

And this is where it stands now. Immediately after the Supreme Court decision, city administration officials started preparing their side of the case in an attempt to show that the annexation still was economically beneficial to the city. Venable has said he will be able to prove that the city is losing money on the annexed area and therefore should not be entitled to keep it. The remanded case may be heard in September or October by the three-judge U.S. District Court panel in Washington.

What the suspension of elective government has done to the city is barely noticeable. No judge ever has ordered the city to surrender its control over the annexed area, so public improvements continue to be made, the police and fire bureaus continue to patrol the area and taxes continue to be collected. Many annexed area residents complain they are living in an "occupied" territory and generally grumble that their taxes are not matched by the services they are receiving. They complain about sporadic trash collection and street repairs, but so do residents of other sections of the city. Some point out their windows and say they don't have curbs and gutters, as they were promised, while residents of other areas that were annexed many years earlier are without curbs and gutters as well.

A recent study done by the Urban Institute in Washington estimates that the city gains a per capita return from all sources of taxes and revenues of $337 per annexed area resident, while expenditures were estimated at just over $239 per person in the area. The report also pointed out that in the pre-annex city, expenditures were higher than income ($343 versus $324), which the report stated was a strong indication that the annexed area was keeping the rest of the city solvent. City officials say they expect to update these figures, which were based on the 1971–72 fiscal year, in their attempt to prove that the city still reaps an economic benefit from the annexed area.

The litigation has been costly in terms of money and its impact on the citizens, however. The Richmond city attorney's office has estimated that the cost of outside lawyers who have argued the city's cases since the beginning of post-annexation litigation has exceeded $450,000.

And members of city council are noting a sense of apathy and resignation among many citizens who say they are discouraged and frustrated about not being able to choose whom they want to run their government. The distance between the citizens and their representative government has increased in direct proportion to the time since the last election, observers say, and this distance would be shortened only with a new election.

Not just councilmanic elections have been suspended, either. No new constitutional officer (commonwealth's attorney, commissioner of revenue, for example) can be elected until the logjam is cleared, and Richmond citizens also were denied the opportunity to vote in November 1974 on whether to repeal the Blue Law banning Sunday sales, because of the litigation. Only General Assembly and federal elections have been permitted.

De-annexation of the territory still remains one of the possible outcomes of the litigation, but most observers feel that no court would issue that order. The city has spent, by its estimates, more than $20.5 million in permanent public improvements in the area, not counting interest payments associated with the bonds that were used for the improvements, through last December 31. Utilities improvements, mostly the installation of water and sewer lines, have cost $11.8 million through 1974.

Chesterfield County Administrator M. W. Burnett has testified that the county could assume supervision of the territory, if de-annexation is ordered, with no major problems and in a period of 30 days. He was quoted in a newspaper article as saying the county probably would pay for the improvements the city made through a bond issue.

But Bliley, who says he still feels the annexation was justified, said Richmond "would kind of stagnate" if de-annexation were the eventual outcome of the court cases. "I would predict a detrimental long-term effect on the city," he was quoted as saying early this summer, and he also predicted further white flight to the suburbs would result after a de-annexation order.

And Richmond, nearly all observers agree, would never again initiate another annexation proceeding to recapture that fleeting wealth.

ANNEXATION PROBLEMS STRIKE OTHERS, TOO

Since Richmond's annexation became effective in 1970, nearly a dozen annexations by other Virginia cities and towns have been attempted or completed. But in only two other major cases has the annexation run afoul of the 1965 Voting Rights Act.

Petersburg annexed part of Prince George and Dinwiddie counties three years ago, but because of apparent violations of the Voting Rights Act—dilution of black voting strength—the city was required to change from at-large councilmanic elections to single-member district representation. In a situation similar to Richmond's, Petersburg was barred from having local elections for more than a year while a ward plan was developed and submitted for approval.

Also like Richmond, Petersburg went all the way to the U.S. Supreme Court with its case, arguing in vain to keep the at-large voting system that a lower three-judge court had ruled out, because of the dilutive aspects of the annexation.

Petersburg implemented an interim ward plan in 1973 and received a city charter change from the 1974 General Assembly to permanently change local election voting for Council members to a seven-district scheme.

The other example has not yet been resolved. Lynchburg, which first drew up plans in early 1972 to annex nearly 50 square miles from Amherst, Bedford and Campbell counties, was in the process this summer of drawing up a district representation plan for its council members that would replace the city's present at-large system. The final award was 25 square miles of Bedford and Campbell counties.

As in Richmond's case, the U.S. Department of Justice refused to approve the annexation, saying it diluted black voting strength, and in late July, Lynchburg City Council instructed the city administration to draft a ward plan for consideration by the department.

One of the most hotly contested annexation cases in the past decade has involved the city of Roanoke, Roanoke County, and the city of Salem, but so far the Voting Rights Act has not played an important part. This case started out as the attempt by Roanoke and Salem to annex all of Roanoke County. Eventually Salem's objective was thwarted by a state annexation court, and after years of arguments and numerous challenges, a state annexation court awarded about 16 square miles of the county to the city of Roanoke, at a price of nearly $19 million. At one time, the town of Vinton, which was threatened with extinction if the original annexation plans by Roanoke and Salem ever were approved, even initiated an annexation proceeding of its own as a protective step. But that suit never was heard.

Most of the land awarded to Roanoke (the decision was given last year, and Roanoke City Council voted earlier this summer to agree to the court's decree) was industrial and commercial and was composed of several different geographic parts of the county.

Other examples of annexations that were initiated or concluded in the past five years include Blacksburg, seeking 15 square miles of Montgomery County in 1970; Bristol, getting 6.9 miles of Washington County in 1972; and Christiansburg, seeking 8.5 square miles of Montgomery County last year. Creme, Crewe, Victoria, Wytheville and Altavista also have initiated or concluded relatively small annexations of neighboring counties since 1970, but in none of these cases has the Voting Rights Act played a major role, as in Richmond, Petersburg and Lynchburg.

HUMPHREY URGES ALL AMERICANS TO SUPPORT THE "WEEK OF CONCERN"

Mr. HUMPHREY. Mr. President, I wish to call to the attention of this body the fact that the American Freedom from Hunger Foundation is again sponsoring a nationwide effort to raise public awareness of food and hunger problems during the National Week of Concern for World Hunger, September 21 to 28.

I want to take this opportunity to remind public officials that this Week of Concern is a time to take cognizance of the fact that millions of people here in our own country and around the world suffer from hunger, abject poverty, and the ravages of acute malnutrition.

A news conference will be held by the American Freedom from Hunger Foundation to kick off the Week of Concern Friday, September 19, 10 a.m., room 457, Russell Senate Office Building. Freedom from Hunger plans, at the news conference, to announce a six-point action plan for the forthcoming year, calling for the development of a national food policy.

As a followup to the Week of Concern for World Hunger, the Subcommittee on Foreign Agricultural Policy, which I chair, will hold hearings on Tuesday, October 2, 10 a.m., on the world food situation and the progress made to date since last year's World Food Conference. We also will review the changes which have taken place with regard to food supplies and U.S. agricultural policies.

During the National Week of Concern for World Hunger more than 300,000 petitions will be circulated nationwide. Freedom from Hunger intends to continue the petition drive through 1976, at which time it will present the estimated million-plus signatures to the President and the U.S. Congress.

More than 80 national, State, and local agencies are cooperating in this year's Week of Concern, which will give Americans an opportunity to demonstrate a firm commitment to solving the problem of hunger worldwide.

It is my hope that this Week of Concern can help keep alive the momentum for constructive action mandated by the World Food Conference last fall.

I intend to introduce a resolution during the Week of Concern calling on Americans to contribute generously to those in need during the Thanksgiving period.

REMARKS BY SENATOR VANCE HARTKE TO THE INDEPENDENT OIL PRODUCERS

Mr. HARTKE. Mr. President, yesterday I addressed an annual meeting of the Independent Oil Producers in Evansville, Ind. Since my remarks reflect my general approach to this subject, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered ot be printed in the RECORD, as follows:

REMARKS OF SENATOR HARTKE

I am going to discuss—oil!

I want to preface my remarks by telling you that I voted to override President Ford's veto of the "Emergency Petroleum Allocation Act."

The President's veto was sustained in the Senate by a margin of six votes. A temporary extension of the emergency petroleum act that would allow Congress and the President to reach a mutually satisfactory alternative to immediate oil decontrol is now being considered. If no mutually acceptable agreement is reached, the price of domestically-produced old oil would be totally and immediately decontrolled. There is no doubt that the price of all oil will rise above $12 per barrel.

I understand that many of you own old oil. Some of you would personally benefit temporarily from immediate decontrol. As a United States Senator, it is my obligation to act in what I perceive to be the best interests of the Nation, including you in my audience. I do not believe that immediate decontrol would be in the best interests of America: Therefore, any temporary advantage to you would very quickly become counterproductive.

Our national economy is in the throes of its worst economic crisis since the 1930's. Inflation is rampant, eating away at consumer purchasing power, destroying savings, and—most tragically—shattering the dreams of our youth and the hopes of our senior citizens. Simultaneouly, we are experiencing what can only be called a major depression. Every economic indicator has fallen. Unemployment is a national disgrace. Millions of our fellow citizens are without jobs; many of them have no expectation of being rehired. Others toil doggedly for wages insufficient to provide a decent living. The toll in human suffering has been very great, indeed.

If the price of oil is immediately decontrolled, the effects on the economy can only be heavily negative. Even the advocates of decontrol admit that much: They differ with me and the majority of my colleagues in the Senate and the House only as to the degree of severity. I am convinced that what halting steps we may have made toward economic recovery will be entirely wiped out. Both inflationary and deflationary tendencies will be exacerbated. The retail price of gasoline, fuel oil, diesel and jet fuels will necessarily increase. The price of other petroleum products that form the basis of key industries, such as plastics and textiles, will increase. The net effect will be at least a 2 percent rise in the consumer price index within a six month period, bringing with it double digit inflation and double digit unemployment.

If, as many economists predict, the increase in petroleum prices soaks up between $30 and $50 billion in consumer funds, it is inconceivable that the effect on the economy will be any different than hitting a spike full force with a sledge hammer. The downward spiral that some say is decelerating will gain new momentum.

President Ford and a few of his top advisors have in times past been the leading advocates of immediate decontrol. In recent months, however. His own executive agencies have been expressing their fears similar to my own. Consequently, the president and his administration have had "second thoughts" about decontrol: President Ford and his energy administration now advocate *"Phased Decontrol."* The proposal involves the gradual decontrol of old oil at the rate of 3.3 percent a month together with a national ceiling price on all domestic oil of $13.50 a barrel. Thus, over a period of $2\frac{1}{2}$ years oil would be partially decontrolled and allowed to rise no higher than $13.50 a barrel.

"Phased decontrol" is really a misnomer for the President's plan. It should, more accurately, be called, "Phased Recontrol." In establishing a ceiling price for petroleum, the President is rejecting the free market mechanism whose virtues he constantly extols. All, in actual fact, that is being abolished is the two-tier pricing system as it presently exists. What is ironic, however, is that the two-tier pricing system is an executive invention which is not required by present law.

I am philosophically opposed to the Federal Government playing an unnecessary role in the private sector of the economy. I would much prefer that petroleum in the United States be priced and distributed according to the laws of supply and demand. Government supervision and control frequently lead to administrative inefficiencies, market distortions, and some arbitrariness. Generally speaking, a free, competitive market is unsurpassed as an efficient mechanism for making society's economic decisions.

However, extraordinary situations require us to circumvent the free market from time to time. During periods of war or when the free market mechanism has, through its natural tendency to create fluctuations, gotten itself into a rut, the Federal Government has temporarily suspended or controlled the marketplace. Price controls on petroleum were instituted by President Nixon in response to inflationary pressures generated by the Vietnam war. They were reaffirmed and continued as a result of the Mideast war and consequent oil embargo. The original legislative authority for price controls was the Economic Stabilization Act and this was followed by the Emergency Petroleum Allocation Act of 1973.

The creation of O.P.E.C., its embargo against the United States, and the quadrupling of oil prices by its members has fundamentally altered both the international and domestic petroleum markets. In fact, it is no longer possible to speak of a free, competitive market. The free market price of petroleum is no longer the result of the interplay of supply and demand factors. OPEC has created a permanent distortion in the market. The present situation—from an economist's point of view—is much closer to the model of an oligopolistic market than it is to a competitive market.

Recognizing that the demand for petroleum is relatively price inelastic, the OPEC cartel simply demands an arbitrary price for its product. Domestic prices rise to meet the OPEC price. The current price of uncontrolled oil in the United States bears absolutely no relationship to traditional factors like the cost of production. We do not know what the price of petroleum would be in the absence of the OPEC cartel.

These points have been made so many times before that they have the familiar ring of cliches—standard lines in the great energy debate. Yet, they cannot be dismissed. They point to a fact that is fundamental: The petroleum market in the United States and the world is not now a free market nor will it become a free market when and if American price controls are lifted. Even the administration which has couched so much of its policy in the rhetoric of the free market clearly recognizes that this is a sham. The very act of proposing a ceiling price on petroleum is unambiguous evidence that the free market is a myth, even among those who advocate it most vociferously.

My vote to override the President's veto was not, and should not be construed as, a vote for or against a free market in petroleum. That simply was not the question.

I believe along with the President and others, that to the extent consistent with other national goals, we should move to minimize the role of the Federal government in the pricing and distribution of petroleum. If the President and the Congress are able to agree upon a reasonable phased recontrol package, I will support it. But there is nothing simple even about phased recontrol or phased decontrol. We still face many very complicated problems.

For example, some of you here today represent independent refiners and jobbers. Decontrol makes your position precarious. On September 9 of this year—last week—Harold Jordan, general manager of the Indiana Farm Bureau Cooperative testified before a Senate committee on this matter. I do not believe anyone here would ever accuse the farm bureau of opposing private enterprise.

Yet, the cooperative owns and operates the second largest independent refinery in Indiana—18,000 barrels a day. In recent years, Mr. Jordan testified, the cooperative has found it increasingly difficult to meet its raw material needs from independent producers. Contemplating the end of the Emergency Petroleum Allocation Act, Mr. Jordan had this to say, and I quote:

"While our Association and its members basically oppose government regulation of agriculture and business, the F.E.A. regulations, providing "entitlements" and "buy-sell" provisions, have (1) helped equalize the burden of . . . the unprecedented precipitous increases in both domestic and foreign crude oil prices of the past 3 years between the "have" and "have not" American petroleum refineries; and (2) assured that an adequate supply of crude oil would be available to insure continued operation of all United States refineries. Were it not for these provisions in the regulations, those few companies (predominantly major oil companies) who are self-sufficient, or nearly self-sufficient in crude oil they refine, could have unprecedented windfall profits, while selling all petroleum products at substantially lower prices than those required to remain solvent by virtually all independent refiners and those major refiners who are not self-sufficient."

In his testimony, Mr. Jordan reproduces a copy of a telegram he sent to Mr. Ford prior to the President's veto of the Emergency Petroleum Allocation Act in which he ends by saying, "We earnestly appeal to you to refrain from vetoing the bill recently passed by Congress . . ."

In a decontrolled market, companies that control their sources of crude oil supply would have a very significant advantage over independents. They would be assured of supplies in sufficient volume to make their operations economically efficient which usually means operating at about 90 percent capacity. More significantly, they would hold a very distinct competitive advantage in the area of supply cost. On paper they would pay the same for crude oil as everyone else: in reality, however, this would merely represent a bookkeeping transaction between different divisions of the same corporate entity. So while the independent refiner would be forced either to absorb the higher costs of crude or to pass them through to their customers, the integrated oil companies would have a variety of options available, including an attempt to eliminate competition.

Because of these and other circumstances, any phased recontrol proposal on which Congress and the President could agree would have to contain certain essential provisions.

Controls, if they are to be changed, must be phased up gradually to minimize the disruptive effects of the economy. Even phased recontrol will tend to retard economic recovery and to push inflation higher. Most analyses done in Congress suggest that at minimum the period should be 36 months and preferably 42. The matter of creating disincentives for full production during the phase-up must also be considered.

President Ford's implicit view that there needs to be a ceiling on the price of oil agrees with my own views. I reject a system in which the OPEC cartel can control the price of all oil. It is not a matter of a free market versus a controlled market; It is a matter of Arab decisionmaking versus American decisionmaking. I am not prepared to say at this point what that ceiling should be. But I am inclined to believe that President Ford's proposed $13.50 ceiling is too high.

Any compromise legislation will incorporate a windfall profits tax coupled with a plowback provision. These must be significant and effective if we are to both encourage new exploration and to return to the consumer part of the income he loses as the result of recontrol. I am sensitive to the special needs of the independent producer in this regard, and would favor according that segment of the industry special status under any new legislation. It is essential, not only because of the particular capital needs of independents, but for broader reasons that I will specify in a few moments.

The objective of decontrol is twofold. It is supposed to provide the oil industry with all the capital it needs to bring forth all available supplies. At least as far as independents are concerned, there is some persuasive evidence that there is a high degree of responsiveness to changes in the capital formation and accumulation processes. The example I have in mind involves the approximately 12 percent increase in domestic drilling by independents that is directly traceable to changes in the depletion allowance. Many independents who had shifted their operations to Canada have returned.

The other objective of decontrol involves effects on the demand for petroleum products. Since decontrol will produce higher prices than we already have, it is theorized that the demand for oil will decrease. There are some difficulties with this formulation, however. Experience indicates that demand elasticity is low. Large increases in price will only produce very small changes in demand. We have already experienced a doubling in the retail price of gasoline that has pared as much of the superfluous use of gasoline off as is possible in the short run. As long as there are no fundamental changes in, for example, the structure of our national transportation system, most individuals are required to use their automobiles regardless of cost.

Increases in the cost of fuel will have longer range conservation effects. As a family considers the purchase of a new automobile, it is likely to be influenced far more heavily by fuel efficiency than ever before. The striking differences in the way Detroit is advertising its products is an excellent example that this is already occurring. Congress is about to pass legislation that will mandate automakers to meet certain fleet averages for fuel economy. As industry plans its various techniques for production, the higher costs of fuel and petrochemicals will obviously play a role in shaping those decisions. In general, I believe it is wise to emphasize conservation in the medium-run and not the short-run. I also believe, that price rises we have already experienced have brought forth most of the savings of energy in both the short- and medium-run we can expect.

The feeling abounds that the present energy problem has a nice, neat, rational "solution". Too many people, even in Congress, expect that somewhere, somehow—if we try hard enough—we will find that solution. Those individuals who look to Washington for that perfect solution—whether they think it lies in the direction of more or less federal intervention—are going to be quite disappointed. Even the wisdom of Solomon would be insufficient because it is not the kind of problem that can be solved.

The Nation's energy dilemma is as much a matter of perspective and philosophy as it is an existing condition. We are not even agreed as to the real nature of the problem let alone its ramifications or solutions. That is the frustrating essence of all political problems and decisions. We were recently faced with the need to decide the fate of the breeder reactor. How a Member of Congress voted on this issue resolved itself, in the final analysis, into whether he regarded the dangers inherent in the breeder as outweighing the possible advantages it would provide. In reality, it was a judgment call like the many that referees in sports matches get booed for each game.

Energy is going to be an issue that is with us for a long time. In my view, we will still be making key decisions in this area over the next decade and a half and longer. The solution will, in fact, consist of hundreds of small decisions, some legislative, some administrative, and some private that will often appear unrelated and even contradictory. A democracy does not operate with the relentless and brutal efficiency of a totalitarian state. We accept the legitimacy of a diversity of interests, and we try, as we make our decisions, to accommodate as many of those interests as possible. We do not create 5-year plans and then mobilize every segment of society to accomplish the objective. In a democracy, the shortest distance is almost never a straight line. But although that may look a little like muddling—and it is certainly frustrating at times—it is the protection we have against centralized, totalitarian control.

I do not want to suggest that I condone inaction. I do not. Neither do I suggest that America lacks the capability to deal with its pressing problems. We do not. Nor do I blame President Ford for the energy problem, although he seems to enjoy blaming Congress in his continual campaign trips. The President would serve the Nation better by well conceived action than by blame assessment. History teaches us that we have successfully overcome far greater obstacles while retaining our fundamental freedoms. I am suggesting that our style is different and that the problem will be attacked piecemeal rather than all at once.

Although a few visionaries can claim to have predicted our present energy dilemma quite a while ago, for most people it is a recent discovery. It was brought home to us in dramatic fashion by the Arab oil embargo connected with the last Mideast war. The extent of our dependence on others was measured for most people by the length of the line at the gas station. We discovered not only our dependence, but our vulnerability.

In truncating our oil supplies, the OPEC nations—and most especially the Middle East members—had two objectives. The first was overtly political and diplomatic. Oil was used as a weapon to reshape our position in the Middle East. But the other was purely economic. In one sense the OPEC embargo was the culmination of two centuries of anti-colonial sentiment. The underdeveloped world has been festering with the feeling that their primary resources are being exploited by the developed nations to sustain a way of life and a degree of human satisfaction of material wants that they do not share in at all.

The Mideast war provided the occasion and the overt rationale for the embargo and the consequent quadrupling of oil prices, but the real reason was a desire on the part of non-industrial countries to share the benefits of the great black seas beneath their deserts. That desire has proved sufficiently strong to maintain the integrity of the cartel in the face of predictions that it would necessarily splinter. To my mind, this has been the most momentous act of definance by the Third World since the independence movements.

Metaphorically, the oil embargo affected the American consciousness like the first awareness of mortality and weakness. It was an awakening. It was also a national trauma of sorts. It demanded of us that we rethink our relationship to the rest of the world. Not since the end of America's monopoly of nuclear weapons was revealed have we felt so vulnerable. I also believe that in this case, as in that one, we have over-reacted.

As the realization of our partial dependency in energy has sunk in, we have responded in a characteristic but not altogether mature manner. Project Independence, more than any other single document, embodies our feelings towards the fact of our economic interdependence. Its message is simple: "Dependence is intolerable. Dependence is an evil to be expunged at all costs. Even partial dependence is tantamount to a malignant state. Every effort must be bent to make ourselves whole again." This is the message of President Ford and his advisors. It is pure emotionalism, and emotionalism is not the best basis upon which to construct rational national policy. We have allowed ourselves to become obsessed with the idea of absolute energy independence. That may no longer even be possible. And, if it is, the cost may be greater than we should pay.

Like every American, I am concerned that we are dependent upon foreign countries for a portion of our energy needs. Prudence demands that we take steps to lessen that dependence to a point where it is manageable, and that we take steps to insure our access to those foreign sources. But I have serious questions as to whether America can or should become energy independent in this century. I also have serious reservations concerning the way in which this dependence—and its possible effects—has been presented to the American public.

The American economy runs on hydrocarbon fuels, namely, oil and natural gas. I believe we can reduce the 35 to 40 percent dependence we now have in those fuels by taking steps to increase domestic production. But there are also absolute limits on the domestic availability of oil and gas which must be taken into account in the formulation of policy. In its most recent assessment, the Federal Energy Administration reported to Congress that "the United States (has) proved reserves of 38.2 billion barrels of crude oil and 237 trillion cubic feet of natural gas." These estimates are higher than those provided by industry sources.

Proved reserves, as you know, are "resources that have actually been discovered and can be produced under current economic and technological conditions." Assuming consumption at the rate of 15 million barrels a day, proved reserves would be sufficient for 7 years. Unproved reserves—that is, those consisting of undiscovered reservoirs in discovered fields and undiscovered fields—amount to another 105 billion barrels of oil and 686 trillion cubic feet of natural gas, according to the most recent U.S. Geological Survey estimates.

Recognizing that all estimates are subject to error either way, the United States has approximately 144 billion barrels of oil. Using the same consumption rate, that would provide enough fuel for 26 or 27 years. Those figures are not particularly comforting. They certainly cast doubt on the assumption that the United States is really capable of true energy independence.

In the frenetic push toward the goal of complete energy independence, the administration has repeatedly cited national security. The argument is that unless we become independent quickly, our national security is in jeopardy. Fortunately for those who use it to justify their policies, national security is one of the most ambiguous phrases in the English language. To me, it means the military security of the nation—its ability to defend itself and to maintain its territorial and political integrity. By that standard, the military readily admits that the administration argument is specious. Even a full embargo would have no effect on any conceivable set of military operations. The Navy which is the heaviest consumer of oil uses only 5 percent of the total national consumption.

My point is that the administration has wed itself to a conception of the problem and a policy for resolving it that is open to a serious question. Because America finds itself partially dependent on foreign sources for oil does not automatically signal the decline of the American Republic.

To quell fears that an embargo may disrupt our military and economic operations, I have long advocated the establishment of a one half to one billion barrel strategic reserve. By using salt domes as storage depots this can be accomplished at extremely low cost. Such a reserve would allow us to wait out a complete embargo with negligible effects for up to one year.

An embargo would have very serious consequences for the economy. But the probability of another oil embargo is very slight. Through the commendable efforts of Secretary Kissinger, the Middle East situation has been fundamentally changed. The United States has facilitated and underwritten a diplomatic breakthrough that may well open the path to an eventual settlement.

But the real reason for the embargo and the price increase, as I mentioned, was economic: a rebellion of the third world against what they perceived to be the exploiting nations of the north. They have successfully won a staggeringly great increase in their share of their natural wealth. In their success, they have tied their own economic development and dreams for the future more closely than ever before to the economies of the western countries. Their stake in the health of those economies has practically foreclosed use of the embargo weapon again. In the future, our dealings with OPEC will consist of tough bargaining to decide marginal changes in the distribution of benefits between the two sides.

As I view the situation, real American energy independence cannot be achieved in this century. However, we can and we should attempt to establish as much relative independence as possible. Domestic supplies of oil and gas represent a much smaller than anticipated diminishing resource base. It is not sufficient to create incentives to insure that we bring forth all available supplies. We must look in other directions as well.

American reserves of oil and gas may be limited, but its overall hydrocarbon reserves are virtually unlimited. I know you are familiar with the figures, but they are impressive to reiterate. Total coal reserves are estimated at 3.2 trillion tons, one-half of which are proved reserves. At today's prices and using today's technology, 193 billion tons can be mined. At present, we consume a mere 600 million tons of coal a year—about 17 percent of total national fuel consumption. At that rate, those 193 billion tons will last for 322 years.

We can and we should increase our reliance on coal. Many electric generating plants that use oil can be converted to coal. Recent technological refinements have opened vast new areas for powdered coal in place of gas and oil. Most important, however, coal can be transformed into the equivalent of crude oil and natural gas. The technology for this exists. There are numerous successful pilot and demonstration projects throughout the country. The moment for large-scale commercial development is at hand. It would be possible to reduce our reliance on oil by 2 million barrels a day by 1985 using only an additional 438 million tons of coal a year.

As important as coal—perhaps, in the long-run, more important—is shale. The United States possesses the largest shale deposits anywhere on earth, most of it located in the Green River formation of Wyoming, Utah, and Colorado. Shale oil deposits are estimated at 1.8 trillion barrels, 130 billion of which could be recovered and produced using technology already on hand or in the final stages of development.

Shale oil, coal liquefaction, and coal gasification have not become commercially viable yet because of the huge capital investment required. Industry sources inform me that the present rule of thumb is $1 billion for every 50,000 barrels a day capacity. These are not backyard operations. Given the many uncertainties surrounding the oil industry, private capital is understandably reluctant to gamble on new ventures. The only companies with sufficient in-house capital are the multinational oil giants which would rather reinvest in oil than high-risk ventures.

It is my firm belief that if the United States is to lessen its dependence on foreign sources to any meaningful extent, we must immediately begin the costly and lengthy process of creating the industrial infrastructure necessary for a large-scale synthetics industry. To date, there has been a lot of conversation and no action. Consequently, Senator Bentsen and I jointly introduced an amendment to the energy conservation and conversion Act of 1975 which is pending before the finance committee. The amendment was unanimously adopted by the committee. It provides for federal government loan guarantees of up to $2.5 billion per year for a five-year period. This is, I believe, the single most constructive initiative towards creating a sufficient and diversified energy industry in the United States that has yet been taken. I am confident, furthermore, that the full Senate and House will pass this legislation.

Looking towards the more distant future, our industrial complex will slowly convert, to the extent possible, to electricity. That is the most flexible form of power since it can be generated by a multiplicity of different methods. At present we generate most of our electricity by water, the burning of hydrocarbons, and nuclear fission. These methods will be slowly superseded by far more sophisticated methods now being developed. The breeder reactor is practically a reality already; each month new advances are being made in photovoltaic conversion; and basic research on what may prove the ultimate energy source—nuclear fusion . . .

This last quarter of the twentieth century is a period of change. Historians of the future will look back upon this era as a turning point in man's history. It will be no less important to our future as the invention of steam and the internal combustion engine have been to our present.

To say that today is the beginning of a bridge to a future substantially different is not to deny or to denigrate the role that petroleum will and must play in the coming decades. And because petroleum will continue to be vital, you—the independent oil producers—will occupy a still more important place in the nation's existence.

Initially, I indicated that you played a dual role in the emerging scene. You are producers of the industrial lifeblood of America. But you are also independent producers—and I underscore independent. This nation is becoming hostage to the giant multinational oil companies. You, better than I, know the extent of the power they possess. Their capacity to influence American decisionmaking is potentially very dangerous. The men of Exxon, Texaco, and Shell were not elected by the people. They are not obliged to think in terms of the commonwealth. Whether they are personally good and capable men is irrelevant. Their power is too great. Lord Acton, the English philosopher, coined the phrase that "power corrupts and absolute power corrupts absolutely." Regardless if the realm of that power is political or economic, the nature of human beings makes it all too true.

It is my conviction that it is absolutely essential to maintain some degree of competition and decentralization in the petroleum industry. Congress has already recognized your importance. We have demonstrated our willingness to legislate to preserve your integrity and financial viability. I personally have voted to support your segment of the industry. I pledge now to continue that support.

In the tax reduction act of 1975—a piece of legislation that I played a considerable role in drafting—contained specific sections designed to insure the economic health and continued growth of the independent oil producer. Percentage depletion was retained to make your search for capital easier. Al Kiltz has informed me that some of the wording of the legislation has created unexpected difficulties, to the extent that these problems can be remedied without violating the guiding philosophy of tax reform, I can assure you that my staff and I will work to find an acceptable solution.

Phased recontrol, if it becomes a reality, will contain both a windfall tax provision and a plowback provision to insure that the major oil companies do not benefit unduly from legislative action. Again, I pledge to you that I will do all I can, consistent with those purposes, to insure the continued competitive position of the independent producer of petroleum. To the extent possible, we will attempt to exempt the independents from the more onerous of these provisions.

Some of you represent independent refineries. My remarks regarding the independent and diversified nature of the petroleum industry apply to you as well as to producers. I pledge to you that I will do all in my power to insure that any legislation involving an end to the present equilization rules will contain provisions to insure you of adequate supplies. I also promise to do all possible to insure your competitive position relative to the refiner who controls his own source of crude oil.

I would like to end on this positive note. The United States faces a serious "energy problem", but not an "energy crisis". Steps are being taken that will, I believe, move us toward a reasonably secure and independent position. The long-term outlook is good. America will not be forced, as the prophets of doom and gloom predict, to revert to a more primitive lifestyle with a lower standard of life. In fact, those of us who have dreams of raising the level of the entire world to that of the United States still have reason to be optimistic. This is a period of change and transition, a bridge between two worlds. It is, therefore, an exciting time, and the decisions we make today will have a profound influence on the shape of things to come.

Congress, as it grapples with those decisions, will not lose sight of the independent. Congress will seek to expand the role of the independent as a counter to the awesome power of the oil giants.

As in the past, my office is open to you. I encourage you to assist me in understanding the particular needs of your segment of the industry. I invite you to assist me in evolving answers to the many questions which confront us. Help me serve your interests and the interests of all the American people.

AN EDITORIAL IN THE STATE NEWSPAPER ON SCHOOL BUSING

Mr. THURMOND. Mr. President, the folly of school busing which is designed only for the achievement of an arbitrary racial quota persists in this country despite logic, experience, or the obvious wishes of most citizens. The theory of forced busing for the promotion of racial mixing was conceived, has grown, and is perpetrated on communities across the land by the weight of its own questionable worth. It has no basis in quality education, the advancement of learning, or in the consent of Americans.

It is encouraging that this body has now voted approval of a measure which would no longer allow HEW to deny Federal funds as a coercive device to force busing ordered by the administrators of that Department. This is truly a step in the right direction.

Children of all races should be allowed to attend schools near their homes. As no one should be denied admission to a school due to race, no one should be compelled to attend a distant school due to race or quotas of race.

Mr. President, a recent editorial in the State newspaper of Columbia, S.C., entitled "People Not Consulted About School Busing," eloquently states the case for an expression from the American people on this controversial practice. While the Civil Rights Act of 1964 expressly forebade the use of busing as a tool of desegregation, it has been used over and over by Federal judges and HEW administrators. The people of this country should be allowed to speak their will, and in order that my colleagues may have the benefit of this excellent editorial on that subject, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PEOPLE NOT CONSULTED ABOUT SCHOOL BUSING

In theory, and indeed by the very words of the Declaration of Independence, the United States is supposed to be among those governments which derive "their just powers from the Consent of the Governed."

In practice, at least with respect to the forced busing of school children, the people have neither given their consent nor have they been asked to express themselves on the matter. The nearest approach to a popular expression was made 11 years ago when Congress prohibited the busing of school children to achieve a racial balance.

But even that supposedly authoritative voice of the people has been continually ignored by bureaucratic zealots and judicial tyrants who feel impelled to foist their own sociological ideas upon the school systems.

One wonders how the courts and the federal agencies have been able to get by with this continuing abrogation of the expressed will of Congress. The explanation is rooted in politics, not in law or in logic.

Politicians—in and out of Congress—have become fearful of the voting strength of black Americans. Consequently, they timidly avoid any action which might alienate the affections of black Americans. Thus, Congress submits to the continued flouting of the anti-busing clause of the Civil Rights Act of 1964.

What the politicians do not seem to realize is that more and more blacks are themselves beginning to question the wisdom of arbitrarily busing black and white children out of their own neighborhoods to attain an elusive racial balance.

For one thing, the practice constitutes a strongly implied insult to all blacks, suggesting that they are incapable of attaining an education except in company with whites. For another, it shifts the emphasis from schooling to mixing, with all the attendant discord and diversions so apparent today in Boston, Louisville, and elsewhere.

Even some of the early proponents of busing, while still firm in their advocacy of desegregation, are having second thoughts about busing. One recognized authority, Dr. James S. Coleman, has publicly revised his thinking and now acknowledges that busing and other forcible race-mixing tactics are defeating the very ends they were designed to promote.

All over the country, Americans are "voting with their feet" against these pressures by picking up and moving away from areas where their children are being subjected to forced busing. But some federal judges are seeking to nullify this "white flight" by enlarging the scope of busing orders. Blind to the realities of education and the concerns of parents (black and white), dictatorial judges are imposing their mandates over larger areas so as to bring suburban and urban schools into a judicially structured melting pot.

It is one thing to say, as the U.S. Supreme Court did in 1954, that racial discrimination in the public schools is unconstitutional. It is something else to say that white and black children from widely disparate backgrounds must be mixed willy-nilly into an amalgam which pleases no one but the judicial oligarchs and sociological experimenters who seek to restructure human nature to their own liking.

What is needed—badly needed—is an expression from the people of America (either on a community-by-community basis or by a national referendum on a constitutional amendment) as to their views on forced school busing.

Reverting once more to the Declaration, most Americans still cherish the notion that when "any form of government becomes destructive of these ends (Life, Liberty and the Pursuit of Happiness), it is the Right of the People to alter or abolish it."

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD three notifications I have just received. A portion of one notification, which is classified information, has been deleted for this public publication.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

WASHINGTON D.C.,
September 18, 1975.

In reply refer to: I-7290/75.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover

Transmittal No. 76-3, concerning the Department of the Navy's proposed Letter of Offer to Iran for an estimated cost of $125.6 million. Letter of Offer to Iran for an estimated cost of $125.6 million.

Sincerely,

H. M. Fish,
Lieutenant General, USAF, Director, Defense Security Assistance Agency, Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL No. 76-3

(Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Foreign Military Sales Act, as amended)

a. *Prospective Purchaser:* Iran.

b. *Total Estimated Value:* $125.6 million.

c. *Description of Articles or Services Offered:* (deleted).

d. *Military Department: Navy.*

e. *Date Report Delivered to Congress:* September 18, 1975.

WASHINGTON, D.C.,
September 18, 1975.

In reply refer to: I-7284/75.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 76-7, concerning the Department of the Army's proposed Letter of Offer to Iran for thirty-nine Bell 214A Utility Helicopters, support equipment, repair parts and technical assistance estimated to cost $81.3 million. Shortly after this is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. Fish,
Lieutenant General USAF, Director, Defense Security Assistance Agency, and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL No. 76-7

(Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Foreign Military Sales Act, as amended.)

a. *Prospective Purchaser:* Iran.

b. *Total Estimated Value:* $81.3 Million.

c. *Description of Articles or Services Offered:* Thirty-nine Bell 214A Utility Helicopters, support equipment, repair parts and technical assistance.

d. *Military Department:* Army.

e. *Date Report Delivered to Congress:* 18 Sep 1975.

WASHINGTON, D.C.,
September 18, 1975.

In reply refer to: I-5876/75.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 75-33, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for conventional small arms and artillery ammunition, land mines, demolition sets, and auxiliary support equipment estimated to cost $26.5 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. Fish,
Lieutenant General, USAF, Director, Defense Security Assistance Agency, and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL No. 75-33

(Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Foreign Military Sales Act, as amended)

a. *Prospective Purchaser:* Saudi Arabia.

b. *Total Estimated Value:* $26.5 million.

c. *Description of Articles or Services Offered:* Conventional small arms and artillery ammunition up to 155mm, land mines, demolition sets, and auxiliary support equipment for both training and combat use.

d. *Military Department:* Army.

e. *Date Report Delivered to Congress:* 18 Sep 1975.

AN ARTICLE BY WILLIAM F. BUCKLEY, JR.

Mr. THURMOND. Mr. President, the situation regarding the Panama Canal has been in the forefront of the news lately. The question of continued U.S. sovereignty over the Canal Zone is of vital importance to our Nation. One commentator has written an especially enlightening article on this issue. I hope every one of my colleagues will avail himself of the opportunity to read the article entitled, "Headed for Confrontation on the Panama Canal" by William F. Buckley, Jr., which appeared in the September 10, 1975 edition of the Washington Star and which I ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEADED FOR CONFRONTATION ON THE PANAMA CANAL

Everyone is agreed that, in respect of the Panama Canal, we are headed for confrontation. It's our fault, mostly, though the anti-colonialist *zeitgeist* plays a role in it. It's our fault in the sense that nobody would be talking about the necessity of the United States abandoning the Panama Canal if the United States hadn't begun, as it did under Eisenhower, making concessions on the subject.

Nobody, outside the deejays in Radio Havana, talks about the United States giving up its naval base in Guantanamo, Cuba, and the reason is every bit as simple as that we have no intention of abandoning our naval base in Guantanamo, Cuba. But treat yourself to our president, or even one chairman of the Senate Foreign Relations Committee, on "Meet the Press" or the "Today" show, beating his breast about our atavistic presence in Cuba, and the subject comes up for immediate negotiation. Then the entire Third World closes in on you, and you make silly defensive speeches in the United Nations, and pretty soon we have a ceremony, and John-John pulls down the American flag, and our last destroyer steams out into the sunset.

But what then steams in, in all probabality and given the dynamic flux of the world situation, is the Soviet Navy. And of course it is the Soviet Navy we are properly concerned about in Panama. Running Panama at the moment is a talkative left-wing despot who staged a coup in 1968 and has suspended democratic elections. He studied his economics from Allende, and openly praises Castro. He has talked publicly about the need for a guerrilla war of liberation if the United States does not give in to his demands. Behind him is all the United Nations, whose Security Council junketed down to Panama to thunder and shake over the vestigial act of western colonialism, ending its filibuster only when interrupted by a U.S. veto.

Meanwhile, Henry Kissinger has gone down there to mollify Torrijos, and Ambassador Bunker, the kindliest and most intelligent of men, whose footsteps, unfortunately, are dogged by historical scavengers, is down there trying to work something out. While the executive was planning an orderly retreat from Panama, suddenly a Senate minority and a House majority acted in separate resolutions indicating quite clearly that they had no intention of backing away from Panama. The canal, for those who've forgotten it, is United States territory. As much so as Key West or Atlantic City. And the Constitution requires an acquiescence by both houses in the abandonment of U.S. territory.

But don't you see, we won't abandon it, they reassure us. We'll merely modify the existing situation, which is unacceptable to Panamanian pride, and still maintain effective military control over the area.

No doubt the plans for retreat are more sophisticatedly drawn up than as intimated here. But we are in fact losing sight of the scaffolding of the American argument:

1. We don't "lease" the canal—we compensate Panama for the use of the railroad, not the canal, which is ours.

2. We don't make a profit from the canal, we plow all revenue back in toward its maintenance.

3. If France and England weren't able to maintain, according to the schedule agreed upon, their hold on Suez, how could we expect, having relinquished effective operational control, to contain the likes of Torrijos?

4. The big and important countries of Latin America, Venezuela excepted aren't all that hot to give little Torrijos the keys to a canal on which they depend so heavily. There has been only formalistic pressure from Argentina, Brazil, Chile, Uruguay and Ecuador.

5. It may just not be too soon for somebody in the United States government responsibly placed to open up the question whether our flight from colonialism is historically or morally justified. In a world that seeks stability so that it can focus on the problem of producing food for hungry people, the passion to decolonialize becomes an abstract imperative alongside the humanitarian alternative of staying in there, particularly if you have strategic responsibilities to defend. Resolved, the United States should hang on to its canal in Panama.

STATEMENT ON THE AMERICAN INDIAN POLICY REVIEW COMMISSION

Mr. ABOUREZK. Mr. President, the American Indian Policy Review Commission was established pursuant to Public Law 93-580 and is mandated by the Congress "to conduct a comprehensive review of the historical and legal developments underlying the Indians' unique relationship with the Federal Government in order to determine the nature and scope of necessary revisions in the formulation of policies and programs for the benefit of Indians." The Commission has 2 years to complete its work, of which 1 year is to be allocated to task forces to gather facts and other information necessary for the Commission to carry out its responsibilities and submit a final report of that investigation and study together with recommendations thereon, 6 months to be allocated for the Commission to review and compile such reports together with its independent findings into a final report, and 6 months to be allocated for the Commission to complete its business and store its files in the Archives.

The task forces, composed of three members each, have a limited amount of time and funds to accomplish their tasks. They will move forward to accomplish as much as possible within those limitations; however, it is unrealistic to believe that the task forces will be able to find solutions to all problems in the area of Indian affairs. The Commission, in turn, will seek to accomplish as much as possible but will also not be able to recommend solutions to all of the problems of the Indian people.

The Congress of the United States and the executive and judicial branches of the U.S. Government cannot wait for the American Indian Policy Review Commission to, within 2 years, find answers to questions and solutions to problems which it has taken 200 years to create. These branches of Government cannot neglect their duties.

The American Indian Policy Review Commission is not a superagency to solve all of the ongoing current Indian problems. Indian people have reported to Commissioners and Commission personnel that Congressmen and Senators have halted much of their work on needed Indian legislation, pending the report of the Commission. Much of the needed legislation involves issues which have been well documented already and include many issues which the Congress itself has recently investigated. The Commission now calls on all Members of the U.S. Congress and all Federal agencies to move expeditously on pending legislation and other current matters brought before them on behalf of American Indians.

JORDAN SPURNS MISSILE TERMS AS "INSULTING"

Mr. STONE. Mr. President, the Senator from Florida wishes to bring to the attention of his colleagues the statement of the Prime Minister of Jordan just made to the effect the defensive requirement, that nonmobile and the prohibition against placing the HAWK missile in access or control of other nations are insulting and are rejected by Jordan.

Mr. President, if perceiving it as an insult, to maintain the secrecy of an advanced system on which our very own defense rests, from access by Soviet missile technicians resident in Syria and attached to their forces serves only to heighten the belief that delivering these weapons to Jordan would render them subject to adverse access.

Mr. President, if we fear the involvement in hostilities of our own military personnel, how can we consider attaching our own military technicians to either side in that dispute as the technical level of the Jordanian Armed Forces would seem to require?

Mr. President, the junior Senator from Florida continues to oppose this transaction and asks unanimous consent to print in the Record the Associated Press report in this evening's edition of the Washington Star reporting the statement of His Excellency Zaid Rifai, the Prime Minister of Jordan.

There being no objection, the article was ordered to be printed in the Record, as follows:

Jordan Spurns Missile Terms As "Insulting"

Amman.—Jordan said today it will not buy Hawk antiaircraft missiles from the United States under "insulting" limitations on their use imposed by President Ford.

"The prime minister has informed the American ambassador that the government would regretfully decline to sign the Hawk missile contract under the conditions and limitations contained in President Ford's message to Congress," a statement from Prime Minister Zaid Rifai's office said.

Rifai's statement specifically rejected Ford's pledge that Jordan would use the missile batteries only at fixed sites as "defensive and nonmobile antiaircraft weapons" and that Jordan would be banned from placing the weapons under any binational or multinational military force.

"Jordan regards these limitations as unique and insulting to Jordan's national dignity," the statement said.

(In Washington, the Jordanian denunciation caught the State Department by surprise. Officials there insisted that Ford's letter to Congress, in which he certified that the missiles would not be used for offensive purposes, still stands.

(Sources said the Jordanian announcement may have been a case of wounded pride and face-saving in reaction to disclosure of more details of the agreement than the Amman government expected.

(The administration hopes now that the flap will not escalate into renewed opposition to the sale on Capitol Hill.

("The chances are that Jordan agreed to the restrictions on the missiles as the President's letter said but Jordan was not prepared for the full disclosure on the deployment limitations that were revealed at (Sen. Clifford P.) Case's press conference yesterday. We hope this is a statement for home consumption and that when the sound and fury dies down, the sale will go through as agreed," one expert said.)

King Hussein has previously said he would buy an antiaircraft defense system from the Soviet Union if the $270-million Hawk deal falls through and that Jordan would be prepared to accept Soviet advisers for training his Bedouin army "for a limited period of time" if he buys the Russian SAM missiles.

Ford made his pledges in a letter delivered to Congress yesterday to head off a threatened veto of the missile sale by members of the House and Senate apprehensive that the weapons could be used against Israel. The President said the United States would monitor Jordan's use of the missiles to assure that they be used only for defensive purposes.

Rifai, addressing his statement to the American people, stressed that any American weapons sold to Jordan "should become Jordanian once they reach the kingdom."

He also complained of Ford's proposed delivery schedule—one battery each in October, November and December of 1976, three more in the first three months of 1978 and the remaining eight over a period extending into 1979.

The Hawks should be delivered to Jordan whenever Jordanian crews are fully trained to handle them, Rifai said.

"In the event of an American refusal to sell arms to us on these bases, then the Jordanian government will withdraw its request to buy the missiles and seek antiaircraft defenses elsewhere, in line with King Hussein's previous declarations," he declared.

Ford and Secretary of State Henry A. Kissinger have pushed to win congressional approval for the sale, warning that Hussein is a moderating influence in the Arab world whose friendship is valuable to U.S. policy in the region.

But congressmen led by Case, R-N.J., and Rep. Jonathan B. Bingham, D-N.Y., demanded assurances that the missiles would be used only for defensive purposes and not against Israel.

Gen. George Brown, chairman of the Joint Chiefs of Staff, testified before Congress that six batteries would meet Hussein's defensive needs. The proposed deal called for 14 batteries of the missiles, which have a range of 35 miles.

EVANS-NOVAK COLUMN ON NATIONAL DEFENSE

Mr. THURMOND. Mr. President, a timely and informative article on the relationship of the Budget Committee to national defense appeared in yesterday's issue of the Washington Post under the byline of Rowland Evans and Robert Novak.

This article speaks for itself and deserves the attention of each Member of Congress. One principle upon which the Budget Committee must work is applying an even hand to all elements of the national budget and it would appear from this article that the defense budget is receiving special and unfair treatment.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Senate Shell Game

(By Rowland Evans and Robert Novak)

The most recent "scorekeeping" report by the Senate Budget Committee, showing excessive defense spending and reduced non-defense spending suggests that the much acclaimed congressional budgetary reform is really a Senate shell game to fleece the Pentagon.

In fact, Congress clearly is reducing defense spending and increasing non-defense spending. The reason this does not show up in the monthly scorecard is an acounting change by the Senate staff which, at least temporarily, appears to reduce non-defense for future spending by a huge $27 billion. That accounting change will probably be corrected in time, but the figure juggling reflects a clever anti-Pentagon operation only now becoming clear.

The budgetry reform, while actually cutting Pentagon spending more deeply than domestic programs, gives the opposite impression. If we cut school milk funds, demand liberal budget reformers headed by Sen. Edmund Muskie of Maine, you must reduce missiles and aircraft carriers. The result; enough conservative Republicans joining Muskie to create a new Senate anti-defense coalition endangering long-range defense programs.

Architect of this coalition is Muskie who preaches "fiscal discipline" but is firmly committed to cutting back the Pentagon and boosting social welfare spending. Such "reordering of priorities" is the goal of Muskie's Senate Budget Committee staff (including its defense specialist, Andrew Hamilton, a former soft-line staffer on the National Security Council).

The game began stacked against defense in the Muskie committee's original targets. The defense request ($3 billion less for current spending, $7 billion less for new budget authority). The non-defense target was set above President Ford's request ($21 billion more for current spending, $17 billion more for new budget authority).

From that uneven beginning, the Muskie committee moved into a budget accounting quagmire navigable by few technicians and not U.S. senators. **The committee's Sept. 2** scorecard shows Congress $4 billion over the committee target in defense budget authority and $9 billion under its target in non-defense budget authority.

How can this be when Congress cuts defense and increases just about everything else? The scorecard answers in a footnote: An accounting change removed $27 billion in long-term authority for public housing. Without that change, non-defense budget authority would be $9 billion above even the Senate's high target. This target may be lowered later to correspond to the accounting change, but the Muskie committee for now has given a false impression of defense profligacy and non-defense parsimony.

This fits Muskie's Senate tactics. On July 10, he rose to oppose a $180 million addition to the school lunch program on grounds it exceeded his committee's targets. He was overwhelmingly supported by the Senate, amid speculation Muskie had turned from spender to tight-fisted fiscal conservative.

That speculation ended when Muskie dropped the other shoe Aug. 1, the last day before the August recess. Muskie again rose in the Senate to reject the defense procurement bill's final version on grounds it exceeded the target by $5.4 billion (a misleading figure partially caused by the Muskie staff's accountancy), Muskie's message: If you cut school lunches, cut defense as well.

Defense advocates scarcely consider swapping free lunches for missiles a fair trade considering the overall rise in social welfare spending. But Muskie's argument enlisted five conservative Republicans—Henry Bellmon of Oklahoma, J. Glenn Beall of Maryland, Robert Dole of Kansas, Pete Domenici of New Mexico and William Roth of Delaware. They provided the difference as the Senate rejected the bill 48 to 42.

It is not coincidence that all these conservatives except Roth belong to Muskie's budget committee. Relatively junior in seniority, they view the new budgetary process as their avenue to power.

Thus, a new anti-defense coalition has been built on internal Senate politics, on balancing minor social welfare cuts with major defense cuts and on impenetrable budgetary accounting. The Aug. 1 roll call reflects a possible landmark change in Capitol Hill defense politics that deeply worries the Pentagon. On Sept. 5, Muskie helped cement his coalition by successfully opposing the final version of the school lunch bill, thereby perpetuating the notion of gradeoff.

Defense officials hope to break the coalition by convincing its conservative Republicans that they are victimized by figures which magnify defense spending and shrink non-defense spending. But the impulse for stronger national defense immediately following the Indochina debacle seems to be fading. The desire to equate elimination of free school lunches for children of $200-a-week workers with cuts in military preparedness may be irresistible.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The PRESIDING OFFICER. The Chair lays before the Senate the pending business, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 8069) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, and so forth, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma (Mr. Bartlett).

LEGISLATIVE PROGRAM TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the resolution of disapproval of the comparability pay bill, if the Senate has not finally acted on the HEW appropriations bill, the Senate resume consideration of that bill and that upon the disposition of that measure the Senate then go to the emergency gas bill, which was previously ordered to follow immediately upon the action of the comparability pay bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. BARTLETT. Mr. President, I have an amendment at the desk which I call up and ask that it be read.

The PRESIDING OFFICER. The amendment is pending.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. BARTLETT. Yes.

Mr. BROOKE. I would appreciate it if the Senator would withhold his amendment. I expect the chairman of the committee to arrive at any moment, and I would certainly want to have him present during the consideration of this particular amendment. So if the Senator will not object, I would like to suggest the absence of a quorum.

Mr. BARTLETT. That will be fine.

Mr. BROOKE. And assure him that his amendment will be considered immediately upon the arrival of the chairman.

Mr. BARTLETT. Very well.

Mr. BROOKE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BROOKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, I believe the distinguished Senator from Oklahome (Mr. Bartlett) has an amendment to call up at this time.

The PRESIDING OFFICER. The amendment of the Senator from Oklahoma is pending at this time.

Mr. BROOKE. Mr. President, I ask unanimous consent that David Russel of my staff be accorded the privilege of the floor during the vote and debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask that my amendment No. 889, which is the pending business, be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the bill, add a section as follows:

Sec. . No funds appropriated under this Act may be spent to pay unemployment compensation to persons drawing Federal civil service or military retirement income: *Provided*, That, if such person's Federal retirement income is less than the unemployment compensation for which he would otherwise be qualified, he may draw the difference in unemployment compensation.

Mr. BARTLETT. Mr. President, there is an opportunity for Congress to close a loophole that is enabling a number of people who are retirees from the Federal Government, civil service, or from the military to immediately draw unemployment compensation in many cases.

In our State the retirees of civil service and the military from Tinker Air Force Base are given instructions as to how to apply for unemployment compensation, and the Employment Security Commission is providing, according to their officials, from $2 to $2.5 million in unemployment compensation for these people who are on retirement from the Federal Government.

Oklahoma has in its law a provision that disqualifies the non-Government pensions but does qualify the Government pensions, whereas there are 15 States that do not qualify any pensions. So this means that in 15 States people who have pensions from private sources in the private sector or from the Government may qualify for unemployment compensation.

I read an article that was in the Daily Oklahoman in Oklahoma City, June 18, that describes very accurately what has happened in our State, is happening to a worse degree in 15 States, and also is happening in a similar fashion in other States, although I do not have the number:

> Some 2,200 retired federal civil service employees and retired military men in Oklahoma are collecting more than $2.5 million in federal unemployment compensation while receiving retirement benefits, it was learned Tuesday.
>
> Laymond C. Crump Jr., public relations officer of the Oklahoma Employment Security Commission, said federal employees may receive up to 26 weeks of unemployment compensation following retirement.
>
> Crump said the retired federal employees must show they are "able and available for work." He said the retirees can be cut off from compensation if they turn down suitable work secured by the commission.
>
> However, Crump said it is difficult to obtain jobs for the more elderly pensioners.
>
> Persons on disability retirements do not receive unemployment payment, Crump said.
>
> He said retirees can receive as much as $78 a week during the 26-week period. He said the amount of their federal pensions is not deducted from the payment.
>
> He said the unemployment payments are provided for by an act of Congress approved four years ago and are paid by the state agency under a contract with the U.S. Department of Labor.
>
> He said the agency is paying at this time 1,267 retired Civil Service employees and approximately 1,000 retired servicemen.
>
> At the time of retirement, employees are given written forms which give the retirees instructions on how to apply for unemployment compensation, federal officials said.
>
> Crump said although the maximum weekly amount is $78, the average weekly payment made is $54.
>
> Crump estimated the agency pays out annually about $1 million to $1.5 million to civil service retirees and about $1 million to retired military personnel.
>
> Crump said outside income other than the pensions is deducted from the compensation.
>
> Crump said the money is paid by the federal government and not by state employers who contribute to the fund. However, Crump noted that "it's the taxpayer who's paying."
>
> "They must be able and available for work," he said. "If we offer them a suitable job, they must take it or forfeit the compensation.
>
> "Of course, we are not going to offer a laborer's position to a supervisory person."

Mr. President, I bring out that in this Chamber there have been many examples of people saying that we have a loophole to close, and oftentimes those loopholes have been written into the law as definite provisions. This is a loophole that certainly was not written in the law on purpose, and it is because of the loophole that exists that States can in their laws make it possible for people who are on retirement programs either in the private sector or the public sector, to draw unempolyment compensation.

In my mind it is very clearly the responsibility of Congress to see that this cannot take place. We have the responsibility over the expenditure of money. It is a great opportunity for the Senate to show that it is interested in how the money is spent and to stop unnecessary and wasteful spending of the taxpayers' money.

I draw to the attention of our colleagues that at the present time I am finding—and I do not know whether they are—but I am finding that there is a certain disillusionment among the nongovernment citizens of our country with those who are employed by the Government. I think they see this kind of a program as a ripoff. I do not think that it is intended as a ripoff. But unless we take those steps necessary to close the door on this unnecessary wasteful expenditure of the taxpayers money, then I think it would be called a ripoff.

So, I call on the distinguished chairman to accept this amendment. I do hope to have a yea and nay vote on it. But I do think it is important that the Senate, the House of Representatives, and the President support this provision to close a loophole that is wasting the taxpayers' money.

Mr. MAGNUSON. Mr. President, I have not had as much time as I would like to study the ramifications of this particular amendment. But basically it would deny Federal employees, and others who have paid into the pension plan, the right to draw unemployment benefits in addition to their retirement. Federal employees who have paid in their money are entitled under the law to unemployment benefit. It is based on the fact that if a person pays in, that person is entitled to the benefits if needed and the person is eligible. This would deny benefits to a great number of people who cannot find employment.

So, I oppose the amendment. Federal and military workers pay taxes all their working lives just like anyone else. A great number of them find, after they retire, that they cannot find employment. It may be because they worked in some specialist jobs before they retired. I oppose the amendment for that basic reason; but, also, again we are legislating on an appropriation bill, and this is a matter that is the responsibility of the legislative committee. Pension systems and benefits are highly complex matters. It would require some hearings.

It would require some hearings simply to find out how far-reaching an amendment such as this would be; but again, it is legislation on an appropriation bill—purely legislation.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MAGNUSON. Please let me finish.

Thirty-five States, as I understand, reduce unemployment benefits based upon the amount of retirement benefits an individual receives. I think that is fair. If an individual has a very large pension and asks for unemployment insurance, it should be adjusted to the ratio of what the payments are. Thirty-five States do that. The remainder of the States apparently do not.

Again, I oppose the amendment. I am sure that the Senator from Massachusetts also feels that this is a matter for the legislative committee. In addition, how far reaching this would be in an intricate, complex pension system, I do not know. This amendment belongs in the Legislative Committee for a look see.

Mr. BROOKE. Mr. President, I understand what the distinguished Senator from Oklahoma is attempting to do by his amendment. He is somewhat concerned that at a time such as this we need to cut back in our expenditures everywhere we can. I am sure that the distinguished chairman of the committee and I agree with him in that regard.

On the other hand, the Senator from Oklahoma proposes an amendment which, as has been said, seems to be surely legislation on an appropriations bill. As a matter of fact, I do not think that so far—and we have been on this bill for the second day—we have had any substantiated appropriations amendment.

Mr. MAGNUSON. We are a so-called money committee, and no one has discussed the money. It is all legislation. There are billions of dollars in this bill.

Mr. BROOKE. It would appear that many of our colleagues, rather than going before the proper authorizing committees, are coming before the Senate on an appropriations bill and trying to legislate on our appropriations bill.

What that means, Mr. President, is that there are no hearings. We do not know what the effect of this proposal would be. We do not know what equity is involved in it.

As has been pointed out, 35 States do reduce unemployment benefits, based upon the amount of the retirement benefits an individual receives. That means 15 States do not.

As we view this amendment, seemingly, it would discriminate against Federal pensioners since private pensioners still would be able to draw unemployment benefits in addition to their retirement benefits.

I could go on with questions that could be raised, and I am sure that the distinguished and very able Senator from Oklahoma (Mr. BARTLETT) could answer many of these questions. But our committee is not geared to accept proposals of this nature without having the appropriate hearings; moreover, this is not the proper committee before which it should come. I assume that the proper committee in this case would be the Committee on Finance. I believe that the Committee on Finance would have the jurisdiction to hear the proposal made by the distinguished Senator from Oklahoma and then act upon it. Then, the Senate would be the final arbiter. But in this case we are being asked to accept an amendment which at least on its face attempts to save money and in that regard it is a money bill. But I really think that a point of order would lie against this amendment.

If the Senator really wants a vote on this amendment, I will raise a point of order and have a ruling from the Chair. I have not raised the point of order. If the Senator really feels that he wants an up and down vote on this amendment, I will raise a point of order and have the Chair rule as to whether or not the point of order would lie with respect to this amendment.

The chairman and I are going to serve notice that for the duration of the consideration of this bill we are going to start raising points of order, because we feel that the practice of legislating on this appropriations bill has gone too far, and we are not going to go along with it any longer.

Mr. BARTLETT. Mr. President, I appreciate very much the distinguished and able Senator from Massachusetts saying that he would be willing to have a yea-and-nay vote, and I would like that.

I know that he and the chairman have brought up the matter of hearings and that there has been no discussion of money so far in the amendments. I suppose I would feel bad for even taking up their time in bringing up this matter, except that I know that both distinguished Senators have voted many times on amendments—and for the amendments—on which there have not been hearings. So, as a fairly junior Senator, I have gained the knowledge of how people proceed in this body, and I followed the example of such distinguished people as the Senator from Washington and the Senator from Massachusetts.

With respect to the matter of money, my amendment is chock full of money. It wants to reduce the expenditure of money. I note on page 10 of the bill, line 13, this language:

> None of the funds appropriated in this act shall be used to require recordkeeping and reporting under the Occupational Safety and Health Act of 1970 . . .

This, of course, is part of the bill and certainly sets a great example for me to try to save more money. So I certainly am thankful that this kind of approach is in the proposed legislation.

Commenting further on the chairman's statement, I point out that the whole purpose of unemployment compensation, as I understand it, is to take care of a person who loses his job and does not have income. If a person has outside income, it is deducted from what he would qualify for in unemployment compensation.

Also, the social security payments are deducted from unemployment compensation. A person who is working for the Federal Government and retirees and takes another job with the Federal Government at a certain salary receives his retirement payment, but he receives the difference in salary up to the amount of his salary. So it is generally recognized that a retirement program is not a bonus on top of unemployment compensation.

The Senator cited 35 States, and I do not know that that number is correct. But I know that at least 16 States violate what I consider the spirit of the law, and undoubtedly there are more.

This points out that we should safeguard the expenditure of this money by making certain that the States cannot, through a loophole, provide unemployment compensation to the full amount to those who are retirees, whether it be in the private sector or in the public sector. I do not think we should leave this up to the State. We should have an ironclad program that will not permit the State to circumvent the intent.

So if Senators have any doubts, I should think they would want to accept this amendment. I do want a rollcall vote.

I think the Senator would want to let this go ahead and, if it passes, accept it. There is certainly going to be time when it gets to conference to decide whether or not I am portraying this as it is.

I have to admit that the Department of Labor knew nothing about this. I am very surprised, because I should think they would be watching the expenditure of the taxpayers' money more carefully than that. But our Employment Security Office, which must, by law, make these payments, does not think that it is in the best interests of the taxpayer. The whole idea of unemployment compensation is to make certain that a person who loses his job is going to get a certain payment for so long a time. Then, any income he receives would be deducted from that. This is a consistent way to go.

I feel that I am, by offering this amendment following the example of many colleagues in the Senate who have done exactly the same. I think that it is a very prudent amendment which the taxpayers of this Nation will welcome, because I do not think that they feel that we in the Senate and those in the other body are spending too much time and too much concern about how the money of the taxpayers is spent.

Mr. BROOKE. Will the Senator yield?

Mr. BARTLETT. I yield.

Mr. BROOKE. We are advised that this matter has been discussed with the senior staff of the Department of Labor. They have counseled against the Oklahoma ruling. They say that it is inconsistent with the Department's existing policy.

In addition, the administration bill on unemployment insurance, H.R. 8614, would create a commission to make recommendations on just such issues. It is now the subject of hearings in the Committee on Ways and Means.

The Senator has pointed out that both the distinguished chairman and I have voted on bills in the Senate that have not been the subject of hearings. I do not speak for the distinguished chairman, but I will agree that at some time I have; I do not know that there is any Senator who has not. But that is not what we are talking about here. I think the Senator understands that. I think the point here is that this matter just does not belong on this bill at all. It is just not appropriate for this bill. There are many things involved in the Senator's amendment which we just have not considered and we are not the proper committee to consider. I point out to him—he says, and refers to page 10 of the bill itself, which says that none of the funds appropriated in this act, et cetera—this applies to OSHA. But I think that undermines the Senator's basic argument.

This is a matter on which the Subcommittee on Labor-HEW had hearings. We considered it and discussed it, we debated it. We voted upon it and it is included in the bill.

Mr. MAGNUSON. After the House had put it in, too.

Mr. BROOKE. The House also put it in.

Mr. BARTLETT. Will the Senator yield for just a question?

Mr. BROOKE. Yes.

Mr BARTLETT Will the Senator deny that this bill is chock full of amendments similar to mine?

Mr. BROOKE. But that is the point. They have been heard, we have had hearings on them before the subcommittee. We have had no hearings on the Senator's amendment at all. We just do not know what the results would be. We certainly do not question the judgment of the Senator from Oklahoma. We just do not know. We have not included it in the bill because it was not before us. If he had submitted to it—I do not know; maybe we would have included it in the bill. But I would have thought the proper place to submit it would have been to the Committee on Finance.

Mr. BARTLETT. The Senator is wanting the best of two worlds. On the one hand he is saying, yes, we have all voted for bills on which there have not been hearings. Then, on the other hand, he says, yes, the bill under discussion and under amendment is just chock full of such provisions.

Mr. BROOKE. That is the Senator's argument, not mine.

Mr. BARTLETT. The Senator from Massachusetts is arguing both these positions. The Senator says the committee has discussed this with the staff of the Department, and that is not my responsibility. Apparently, the Labor Department is not familiar with this. When we talked to them, they were not.

I do challenge the statement that they made that what Oklahoma is doing is illegal, if that is the point of it. Our employment security office does not want to make these payments.

Mr. BROOKE. If the Senator will yield, I just want the Senator to be correct. I did not say that they said it is illegal. What I said was, they had counseled against the Oklahoma ruling and they thought that it was inconsistent with the Department's existing policy. But I did not say it was illegal.

Mr. BARTLETT. That is my point, that what Oklahoma and 15 other States are doing is inconsistent with the policy. It is the Federal Government's responsibility and Congress' responsibility to see that the States cannot do this. As more States will find out that they can violate the real spirit of the law, they are going to do it.

What I am saying is let us treat them all the same and let us be consistent with the whole idea of unemployment compensation. That is what this amendment does. I think it is in the best interests of the taxpayer, I think it is in the best interests of the person who has the misfortune of losing his job and comes under unemployment compensation. He is going to know, whether he is from Massachusetts or Washington or Oklahoma, that he is going to receive the same treatment and there is not going to be a way that some States can get around it.

Mr. BROOKE. I think, unless the distinguished chairman has anything further, I really have nothing further to say to the Senator's amendment. The Senator did say he thought it was appropriately here. Then perhaps we will have a point of order on it.

Again, I repeat that if the Senator wants an up-and-down vote on it—would the chairman agree?

Mr. MAGNUSON. Well, I do not know why we should continually do this. Has the Senator from Oklahoma ever presented this to the Finance Committee?

Mr. BARTLETT. This is being brought to the attention of this body, I think, for the first time. I think it is high time it has been brought. As many other matters, it is being brought just as I am sure both of you have. I am trying to represent the taxpayers of my State in a responsible way. I think it is important that we consider this amendment.

I know that the distinguished gentlemen have considered other amendments this way and I think it would only be fair——

Mr. MAGNUSON. Yes, we have considered them, but we never even knew about the Senator's amendment, let alone had the opportunity to discuss it. The Senator has not submitted this to the Committee on Finance. I cannot understand why we even bother to have other committees. If the Senator were to submit an amendment about the railroads, he would submit it to the Committee on Commerce, would he not? Why is this amendment brought out now—on an appropriations bill?

Mr. BARTLETT. I have submitted a lot of legislation to various committees and some of the committees act on them and some do not.

Mr. MAGNUSON. All right—but that is the legislative process.

Mr. BARTLETT. Some of them have hearings and some of them do not.

Mr. MAGNUSON. That is what the committees are there for.

Mr. BARTLETT. I know, but some of them are there and do not act.

I have also found that it is a very customary and straightforward and proper way to proceed, that when a matter does come to one's attention and there is an opportunity to present it on legislation on the floor, it is generally presented. That is what I am doing here and I would like very much to have a yea-and-nay vote.

Mr. MAGNUSON. If that were the case, then the Committee on Appropriations ought to serve as the legislative committee for everything that is submitted. We just cannot operate that way. There has to be some orderly procedure.

Yesterday was the first time I heard of the amendment. The Senator from Oklahoma came over yesterday with it. It is a complex matter. I wish the Senator would submit this to the Committee on Finance, where it belongs. It may be a good legislative amendment. It might be that, if they would accept it and Congress would pass it, it would help the Committee on Appropriations to appropriate less money for unemployment compensation. This may be true; I do not know. I doubt it. I doubt whether we can tell an individual who has paid into unemployment and is eligible that he is not eligible for benefits, any more than we could tell him that he could not have social security. These people have paid in, too.

Mr. BARTLETT. I say to the distinguished Senator on his point——

Mr. MAGNUSON. You understand I am just giving some basic reasons.

Mr. BARTLETT. I understand, but I think if the Senator is talking basics, he would want to make certain that, if he did follow his line of reasoning, which I disagree with, but if he did, then I think he would want to have it consistent for everyone in the country and have some States not enjoy that. What I am trying to do is set one policy which I think is a fair policy consistent with other approaches that the Federal Government is making.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. MAGNUSON. Maybe that might be true, but I do not think we can determine here on an appropriations bill in a couple of hours whether that is so or not. Maybe the 35 States are wrong and Oklahoma is right, I do not know. These are all the points that should be covered in the proper legislative channels.

Mr. BARTLETT. What I am saying is that Oklahoma is wrong.

Mr. BROOKE. Cannot Oklahoma amend its law to restore equal treatment? It seems to me that Oklahoma could do that. Can that not be done?

Mr. BARTLETT. Oklahoma, and there are 15 other States that are circumventing this. Yes, I think Oklahoma could if they were not interfered with by the Supreme Court. They could move in a lot of areas. But——

Mr. BROOKE. Does the Senator mean the Supreme Court of Oklahoma?

Mr. BARTLETT. I am talking about the Supreme Court of the United States.

Mr. BROOKE. I do not think the Supreme Court of the United States——

Mr. BARTLETT. I think the responsible level of Government in the expenditure of Federal moneys is the Congress and the President of the United States. I would like to have a yea-and-nay vote so that the membership of this body could make the decision. They might decide to vote with the Senator from Washington.

Mr. MAGNUSON. The Senator from Oklahoma puts every Senator in a very embarrassing position. He wants a vote because he wants to show that he is trying to save money and the rest of the Senators who did not understand the amendment, who voted against it, are not trying to save money. I do not know whether it is going to save money or not. Nobody knows. The Senator says so, and it may be true. I like to save money; so does the Senator from Massachusetts. The Senator from Oklahoma says this amendment will save money. Well, we do not know. We do not even know whether this will be constitutional, as a matter of fact.

Mr. BROOKE. And the discrimination against Federal pensioners.

Mr. MAGNUSON. It may be discrimination against them.

Mr. BARTLETT. I will say to the two distinguished Senators that on the two arguments they have given me, one, on the fact that there have not been hearings, one on the fact that this is legislating that, one the one hand, so far as hearings are concerned, this body has voted time and time again in favor of such proposals where there have not been hearings.

Second, as far as legislating, this bill is chock full of similar provisions, and I think it is only fair that the Senator from Oklahoma have the opportunity of having his colleagues in the Senate vote on this matter and decide whether they agree with the two distinguished Senators or not. I do not think that is asking very much.

I would like to have the yeas and nays. I think we will probably need to have a quorum call placed in order to have enough Senators on the floor to do so.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, the Senator from Massachusetts and I have discussed this matter and we are going to suggest a point of order lie against the amendment.

The PRESIDING OFFICER. The Senator is suggesting a point of order?

Mr. MAGNUSON. Yes.

The PRESIDING OFFICER. The amendment does contain legislation and thus it is subject to a point of order. Therefore, the amendment falls.

The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I have two amendments. I would like to send one amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 4, strike "$601,998,000" and insert in lieu thereof "$621,998,000".

On page 24, line 9, strike "$84,104,000" and insert in lieu thereof "$86,904,000".

Mr. KENNEDY. Mr. President, I first of all, commend the chairman of the Labor/HEW Appropriations Committee, and particularly the chairman and members of the Subcommittee on Health for their long and grueling efforts in the preparation of this bill. The difficult economic times we face, and the very tight budgetary constraints that the Senate has placed on itself, have made this year's bill an especially difficult matter. Many very difficult decisions have had to be made—and indeed I find it hard to express enthusiasm for most of the health appropriations. There are program cutbacks in health maintenance organizations, the National Health Center for Health Statistics, health services research development, and a number of other programs. In addition, some health programs in the area of health services and health manpower are operating under continuing resolution which involves a major program cutback pending appropriations later this year in supplemental bills. The best that can be said, I believe, of this bill, is that it is a workmanlike attempt to respond to very difficult times—and a reflection of the enormous health policy issues have delayed health manpower legislation for over a year, and which resulted in two Presidential vetoes of the services bill—and an override of this veto in late July.

I will return to the Appropriations Committee at the time of its consideration of the supplemental appropriations to urge adequate funding levels for health services and nursing programs. Later in the year, when we will hopefully have enacted health manpower legislation, I will approach the committee concerning supplemental appropriations in this area.

I would like to say at this point, that we had administration witnesses appear before the Health Subcommittee just 2 days ago in the development of our health manpower legislation. It was a most forthcoming, innovative, and I think responsive, approach to the shortages of primary care physicians, and the maldistribution of physicians, the FMG problem, and other issues, that the Health Manpower Committee has been concerned with.

I am very hopeful we can have really responsive health manpower legislation which can receive the financial support which in the past has been the record of the Committee on Appropriations.

Today, however, there are two areas in which I feel this bill must be amended if we are not to do lasting damage to our efforts in the area of health care. The first is in the area of mental health. It is an amendment of $20 million aimed basically at keeping existing community mental health centers in operation and financially solvent through these difficult economic times. The second amendment involves an investment in planning of health care under the National Health Planning and Resources Development Act enacted in January of this year.

This amendment on the community mental health centers adds $20 million to the budget of the Alcohol, Drug Abuse, and Mental Health Administration for community mental health center programs.

The community mental health center program has been highly successful in bringing mental health services to individuals within their own community. These programs provide preventive services, emphasize early intervention and provision of outpatient and other ambulatory care services as an alternative to institutionalization. To date, about 600 centers have been initiated with Federal funds with at least one center now operating in every State in the Nation. These centers serve a population of 86 million people, and in 1973, treated 1.25 million patients.

Ten million dollars of this $20 million amendment today would be made available for financial distress grants to centers which have received their maximum 8 years of Federal financial support under the law, but which demonstrate that without some continued Federal assistance they will be forced to drastically reduce services to those unable to pay.

Under the Community Mental Health Center Act, funds for community mental health centers are provided on a declining basis for an 8-year period. By the end of that time it was hoped, when the act was originally designed, that all centers could support their program through State and local resources, private insurance, public third-party payments and fees. However, in reviewing the program prior to drafting Public Law 94-63, the Health Subcommittee realized that in some communities the centers are not yet able to continue to operate a comprehensive program if Federal funds are withdrawn. Primarily because the earlier estimates of third-party payments available to the centers were over optimistic, the goal of self-sufficiency at the end of 8 years is simply not attainable for many of these programs. The financial distress grant was therefore designed as a stopgap program to provide interim support and technical assistance to improve the centers' collections of third-party payments and other funds to the maximum feasible level. Eventually, enactment of national health insurance should eliminate the need for any financial distress grants.

During fiscal year 1975 and fiscal year 1976, a total of 69 community mental health centers will receive their 8th and final year of Federal payment. Most of these centers will be able to continue to operate their programs without further Federal support—and without major cutbacks. However, the National Institute of Mental Health estimates that roughly a third of these centers, or 23 programs, will be forced to significantly reduce services if no further Federal assistance is provided. These centers simply cannot continue to provide comprehensive services to their catchment areas without additional aid. If this money is not forthcoming quickly, the consequences will soon be felt:

Staff will be laid off—in many of these centers this has already occurred;

Programs which produce little or no revenue will be severely curtailed or cut out altogether, particularly preventive programs which cannot generally be reimbursed;

Services for which the patient has third-party coverage will be emphasized—a particular tragedy since this is generally inpatient care, while the centers have traditionally placed an emphasis on outpatient services which are both less expensive and generally better for the patient.

The approximately 23 centers which need financial distress grants would require some $10 million in fiscal year 1976 to continue to operate the programs they have been providing to their communities for the last 8 years. This is not a substantial sum, but it does make the difference between cutbacks in services and continued operation of comprehensive mental health centers. Studies show that during and after periods of economic recession demands for mental health and related services increase significantly. Such an increase in demand has already been detected in many community mental health centers. A survey by the National Council of Community Mental Health Centers conducted in early 1975 showed an increase of 20.5 percent in the number of patients seeking care in the 124 centers responding to the survey. This then is clearly not the time to reduce services.

This amendment is offered now, because of the pressing need to fund these programs. Draft guidelines for implementing the financial distress grant program have already been prepared by the National Institutes of Mental Health. If the funding is provided now in this bill, many of these programs can continue to operate their programs virtually without interruption; the way the financial distress grant was intended to operate. Other programs which have already been forced to make cutbacks will be able to increase the scope of their programs to the level previously offered with a minimum of delay.

The second $10 million of this amendment would provide an increase for continuation staffing grants, benefiting all existing community mental health centers which receive Federal staffing grants—about 500 programs. In fiscal year 1976, for the first time ever, the President's budget failed to include a cost-of-living increase allowance for continuation staffing grants. While the amount of funding involved in this increase for each center is not high—an average $21,000—such a decision can have a devastating effect. Community mental health centers must compete for staff in the job market, and most center salaries are not high. For instance, in 1973, physicians working in community mental health centers earned an average $32,500; psychologists with a Ph. D. $20,000; and social workers with a masters degree, $16,000. Reductions in salaries in real dollar terms could seriously jeopardize the centers in hiring and keeping staff members throughout fiscal year 1976.

At a time when the cost of living is increasing at such a rapid rate, the elimination of the expected cost-of-living increase for the approximately 500 currently operating centers is particularly inappropriate.

The Committee on Appropriations clearly has recognized this problem, since it has included approximately $2 million in the budget for cost-of-living increases for staffing grants for children's programs in mental health centers. My proposed amendment would include an equivalent 8 percent cost-of-living increase for the staffing grants which fund other mental health center services.

I believe these amendments are essential to keeping the mental health centers stable during these difficult times, and I urge my colleagues to support them.

I know that on this particular issue the Appropriations Committee has been extremely sensitive to this.

I point out at this time that it is a pleasure to see the former ranking Republican member of the Appropriations Committee in the Chamber, the distinguished Senator from New Hampshire (Mr. COTTON), who was always during his service, and I am sure even here today, tireless in his support of adequate resources for important health programs.

It is a pleasure to see him back in the Chamber today, and I know that even though New Hampshire has spoken recently and he will not be with us for long, any discussion of health appropriations would have to recognize his longtime commitment to insuring adequate health appropriations for needed health programs.

I know that even though he might not be with us here, in the Senate, he will still be interested in these particular problems and their solution.

Mr. COTTON. Mr. President, I thank the Senator for his kind words.

It has been a privilege to work with the Senator in these matters in which he is so interested for so many years.

Mr. KENNEDY. If I may have a dialog with the Senator from Washington, I mention at this point that three leading areas of public health concern are in areas of mental health, alcoholism, and drug control.

I personally feel the leading problems in the area of public health are alcoholism and drug abuse. The community mental health centers are the primary response by the Congress to these problems.

They have, I think, performed extremely effectively, that is not only my personal observation but a fair evaluation of many experts in the field.

This is not a time, with all the kinds of pressures in our society because of the problems of recession and inflation, with the kinds of tension which are generally acknowledged to have increased in our society, for cutbacks in these programs.

I know that my colleagues are concerned, interested, and committed, as I am, to these programs. I also know really hard choices and decisions have to be made. But I understand from my conversations with the chairman of the Committee on Appropriations that he is sensitive to these matters that I have raised here in the Chamber, and that he would vastly prefer to include funding increases as part of a supplemental appropriation bill this fall.

I would be interested to find out whether this is, in fact, the view of the chairman of the committee. As I mentioned before, he has included cost-of-living increases for the children's program in these centers, so he has shown a sensitivity to the whole importance of that factor.

We have been trying to do everything we could to insure that third-party payments be recovered by all of the various centers which are being funded by the Federal Government, whether community mental health, neighborhood health, or any of the other kinds of centers. I know the chairman has been working on that. I agree with him that we want to insure that we get as much reimbursement as possible, but I know well from his record that he does not want to see a curtailment of services in these important areas.

If the Senator feels that we could make some additions in this area with the supplemental, I would be interested to hear his comments.

Mr. MAGNUSON. As the Senator from Massachusetts knows, as well as his colleague from Massachusetts, all of us strongly support community mental health centers.

As the Senator from Massachusetts knows, there has been a persistent effort by OMB and HEW over the past 4 or 5 years to phase out support for community mental health centers. In other words, HEW never recommends any new centers, even though the need exists.

HEW requests some money in the budget, but the purpose of the money is to phase out support.

I think that would be disastrous.

As background, this budget is very skimpy on staffing. This is one of the real problems, staffing the centers after we get them established. They are understaffed. Everybody agrees with that. We would like to separate this now and take it up in connection with a supplemental, which will come along in about 30 days. Then we have it out on the table. This committee should convince HEW and convince the Congress that the phaseout, if that should happen, would threaten the continued operation of the centers. The communities themselves, where there is a substantial private contribution all over the country, will just lose all their initiative. Instead of the communities picking up the full tab, we run the risk that they are just going to sit back and say, "Well, it is all over. We cannot do this entirely on our own."

We run the risk that the whole thing will disintegrate.

Therefore, and this is my personal feeling, in the supplemental we will go ahead with this particular item which the Senator suggests. As a matter of fact, I may go one better and get some more.

Mr. KENNEDY. I appreciate the comments of the Senator from Washington. Neither he nor I want to see a termination nor curtailment of services which are being currently provided in any of the communities of this country. We recognize the importance of insuring that all the centers themselves have the kind of staff and support which exists in many of them.

With that assurance, I want to say I will be glad to work closely with the Senator from Washington, the chairman and the other members of the Committee on Appropriations and also the community mental health centers' organizations in presenting to the Appropriations Committee the real facts about the nature of this particular crisis.

Mr. MAGNUSON. Will the Senator yield?

Mr. KENNEDY. Yes.

Mr. MAGNUSON. The distinguished occupant of the chair as well as Senator BROOKE and others have often thought, with the facts to prove it, that this is going to save money. We are taking the burden off the institutions, which usually were State operated, at a high cost per patient.

This saves money. This is what I like to call preventive medicine, preventive care, so that people can go out and live their lives rather than be put into an institution. This is why all of us have always favored it.

Mr. KENNEDY. Mr. President, I withdraw my amendment.

The ACTING PRESIDENT pro tempore (Mr. COTTON). The amendment is withdrawn.

Mr. KENNEDY. Mr. President, I send to the desk another amendment and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 26, line 7, insert the following immediately before the period: ": *Provided further,* That not to exceed $67,000,000 shall be available and expended for medical facilities construction authorized under title XVI of the Public Health Service Act".

Mr. KENNEDY. Mr. President, I ask unanimous consent that Brian Biles, Stan Jones, and Mark Schneider be permitted the privilege of the floor during the consideration of this amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, we have all heard a great deal recently about inflation. The President feels it is the Nation's greatest problem. I would certainly agree that it is a major problem.

Over the past decade, one of the most inflationary sectors of the economy has been the health industry. During the 15 months since the end of the economic stabilization program, the medical care index has increased sharply at an annualized rate of 13.1 percent. The rate is three times the rate during the control period, almost twice the rate during the prefreeze period.

Within the health services industry, both the most inflationary and the largest sector is hospital services. Since the end of the freeze, hospital per diem costs have increased at an 18.8 percent annualized rate. Hospital services now cost more than $40 billion a year.

In terms of health care, at least, I agree with the President. Inflation, especially hospital inflation, is our No. 1 problem.

It was to address this problem, along with the problems of availability and quality, that the health subcommittee spent considerable time during the 93d Congress drafting legislation to establish a new health planning and resources development program. This program—based on a merger and strengthening of existing programs—is intended to have the competence and authority to begin to control inflation in the health care sector, especially the hospital part of that industry. Specifically, new agencies are established at the area and State level to administer certificate-of-need programs in the States. This program is to assure that new hospital services are limited to those which are necessary to the efficient provision of hospital services. Duplicative or unnecessary services are not to be developed.

If such a program had been in place over the past decade, many of the 60,000 surplus beds that we now have would not have been built. The cost-savings in the construction area alone would have been almost $3 billion. The savings in operating expenses would be more than $1 billion a year.

In order to be effective, the new program must be adequately staffed. Studies indicate that a minimum of 1 professional staff per 100,000 residents is necessary at the area level for successful health planning. In 1972, 75 cents per resident was the amount found necessary to support successful health planning. State agencies were also found in need of a basic level of funding to support their activities.

When the subcommittee developed the legislation last year, it took the need for adequate staff into consideration. The subcommittee directed that the new area agencies, the health systems agencies, have a staff of 1 professional per 100,000 residents and that the State agencies have a staff of sufficient size to carry out their responsibilities.

To support agencies of these sizes the new law provided that each local planning agency should receive 50 cents per capita plus an additional 25 cents per capita to match funds raised locally State agencies were to receive an average of $500,000. The amounts established were the minimum consistent with effective administration of the certificate-of-need program and the carrying out of the other responsibilities the agencies would have.

Even at this level, only 60 cents per capita per year would be expended to direct the $200 per capita per year hospital industry. Viewed more broadly, the 60 cents per capita compares with $500 per capita per year expenditure for all health care. As is evident, this is not a great amount.

The committee was aware that the Federal budget would be tight in the coming years. For this reason, the committee reprogramed the funds previously expended for the CHP and RMP programs. In 1973, $179.4 million had been appropriated for these two programs. An additional $197 million was appropriated for facility construction. With these funding levels in mind, the committee set authorization levels for the new program at less than the previous appropriation levels: Altogether $338 million was authorized compared with an appropriation of $376 million 3 years earlier.

But the administration, after supporting the legislation as an effective cost containment measure, requested only $66 million to fund HSA and State agency activities in fiscal year 1976. An additional $100 million was requested for facilities construction. The administration request was then an overall cut of $210 million from the fiscal year 1973 appropriations level.

Only enough funds were requested to support the local planning agencies at a 20 cents per capita level and the States at a $300,000 average; not enough to support programs which would effectively prevent excessive new construction.

Next year it is estimated that the medicare and medicaid programs will cost the Federal Government more than $3 billion more than they did this year; $3 billion. That is what 13-percent inflation means to the Federal Government.

The Appropriations Committee has improved on the administration request. It has provided $80 million for HSAS and States agencies.

But this is not enough. At the $80 million level, the agencies will be understaffed. The certificate-of-need program will not be competently administered. Hospital expansion will continue to go unchecked; 19-percent inflation could well continue.

As I have indicated, the full authorization for this program is a minimal amount. It is less than previous appropriations for the predecessor programs.

But a lower figure—$113.8—would be workable. So I offer an amendment to increase the appropriation for the implementation of title XV of Public Law 93-641 to that level. Of these funds, $21.5 million is to continue the CHP and RMP programs until they are phased out on or before June 30, 1976. Up to $5 million is to support State ratesetting programs; $18 million is for State agencies; $63 million is to fund the new HSA's. And $7 million is to establish the new regional centers and otherwise provide technical assistance to HSA's and State agencies.

The proposed increase is $33 million.

My amendment has a second part. I know that overall budget limits must be maintained. So I propose to decrease the appropriations for title XVI of Public Law 93-641 by the $33 million amount.

I do not favor such a decrease. It seems incredible that this Nation cannot support both health planning and facility construction. But if a choice must be made—the construction supported by other sources or deferred. The development of a sound health planning program has no other source of support, it cannot be deferred.

The amount of construction funds deleted is only $33 million. At 10 million per building, fewer than 4 ambulatory centers would be deleted. At $50,000 per bed, the renovation of only 680 hospital beds would be delayed.

And most of these centers will be built, the renovation will proceed. Funds from other sources will be found. Total hospital capital expenditures last year exceeded $4.5 billion. Debt financing is now the primary source of hospital capital. The Federal program now contributes less than 3 percent of total hospital capital funds. The funds deleted—$33 million—are less than seven-tenths of 1 percent of total hospital capital funds.

So the question is, regrettably, one of choices, one of priorities. I believe, given the choice, our choice must be to control hospital inflation, to reduce the 18.8 percent rate, to prevent that $3 billion increase in medicare and medicaid from increasing to $4 billion or $6 billion next year.

Construction, even ambulatory facilities and renovation, can be funded from other sources or delayed. But good health planning cannot wait.

Mr. President, I yield the floor.

Mr. BROOKE. Mr. President, as I understand the Senator's amendment, it does not add any additional money to the bill; is that correct?

Mr. KENNEDY. The Senator is correct.

Mr. BROOKE. And it transfers $33 million from hospital construction to hospital planning; is that correct?

Mr. KENNEDY. The Senator is further correct.

Mr. BROOKE. What effect would this amendment have, say, on Hill-Burton money? Would it curtail construction?

Mr. KENNEDY. As the Senator knows, the basic Hill-Burton formula was eliminated in legislation last year, although the essential aspects of it were maintained by the provisions of that legislation. That formula will not be altered or changed by this amendment.

Under that particular provision, as the Senator knows, there are certain minimum guarantees to all the States, and the rest of the money is allocated according to a formula based upon population, income, and primarily need. So that particular formula is not being altered or changed; but of the total amounts available under that provision, the $100 million will be reduced by $33 million to $67 million. That is the effect of my amendment.

Mr. BROOKE. And it is the intent and purpose of this amendment that the money can now be more wisely used for planning than construction?

Mr. KENNEDY. The Senator is correct. Furthermore, I want to give assurance to my colleague that actually, in terms of the money that will go to the States, there will not be any significant difference, because the money that will be deducted from the area of hospital construction will be returned to the States to support health planning. There may be some incidental kinds of adjustments vis-a-vis certain States, but they will be incidental, even to the largest States, which would have the most—where this might be of greatest concern.

I am sure that the Senator from New York will point out that the difference in terms of the total amounts of money actually received by the State of New York may be $2.7 million, but it will not be any more than that; and some States will receive a very marginal kind of increase. I want to indicate to my colleagues that in terms of what any States will receive in total dollars, the tradeoff is minuscule. I am personally convinced that the savings, both immediate and projected, to both the States and the Federal Government, in terms of dollars expended for health services, will, I think, be impressive in the future if this particular program is properly implemented and if we are able to proceed with PSRO's and HMO's, and other programs to enable our health system to function more effectively.

Mr. BROOKE. As I understand, in some States there are many hospital beds that are empty, and in others, of course, hospitals are overcrowded. I was wondering if the Senator had any data as to what impact his amendment would have on various States across the nation.

Mr. KENNEDY. Well, in terms of total moneys that will go to States, I believe there are 30 States that will not be affected, or affected minimally, perhaps to the extent of a few thousand dollars, in terms of the transfer. A small group of States that will be affected, maybe, up to—as I mentioned, the larger ones may be affected to the extent of $2 million or perhaps $3 million.

Let me say this specifically about hospital beds: There are now, according to the best estimates, anywhere from 60,000 to 100,000 hospital beds in this Nation which are not needed. The excess beds are draining all of our health services payment programs, including medicare, medicaid, Blue Cross, and private insurance of close to $2 billion a year. There may be areas of our country where more hospital beds are necessary and needed and they ought to be provided. But in terms of the assistance provided by this program, even if fully funded for a State like New York which spent approximately $4 billion on hospital construction last year, only 1.5 percent of that $4 billion comes from the Federal Government.

So the impact, in terms of actual hospital construction, from this program is minimal.

I have supported this program in the past. I think there are many important provisions in it. Such provisions as stressing ambulatory care and renovation which is a much more enlightened approach than we have had in the traditional formula grants to the States for hospital construction.

But I point out that we have too many hospital beds in this country in a wide variety of different areas. It is the purpose of those who supported the health planning bill as well as those who support this amendment to get hospitals to work with local and State groups. If a hospital is able to make a case in terms of a certificate of need, then the local community and the State groups will understand that there is a need for those beds in the particular areas. The hospital will then be able to receive the kind of needed support both from the local financial community and from the State resources.

What has happened in the past too often is that hospitals and hospital beds have been constructed, even with the support of the Federal Construction Act, which have been unnecessary, unneeded. These unneeded beds have resulted in enormous amounts of additional payments by the American consumer, because they have been underutilized.

Mr. BROOKE. Even though we have too many hospital beds in our country, they are not always in the places that we need them.

Mr. KENNEDY. The Senator is quite correct.

Mr. BROOKE. That is one of the serious problems. There may be one State where we have many empty beds. In a State where it is highly populated, say, like New York, Pennsylvania, or California, there may be a shortage of beds. We wish some assurance that those States are not injured by the amendment of the Senator.

Mr. KENNEDY. I quite frankly think, I say to the Senator, that the hospitals in the urban areas will be strengthened by this health planning program. At the present time there is very considerable concern—for example, within the private investment community, when they have seen a number of these hospital beds which have been underutilized—whether they should be putting up the private money for hospital construction. This is true because they have seen the whole movement, of which I am a strong supporter, toward outpatient treatment and ambulatory care centers. They do not know whether it really is going to make sense over a protracted and prolonged period of time.

Under the new program they will have a certificate of need which has developed as a result of local and State planning agencies. Within a reasonable period of time, it is going to indicate that these are necessary and that they will be utilized. What we are going to do is insure the kind of support within the local community for private funds. We are going to insure the support at the State level. We are going to find out that the Federal Government, under the medicare program, is going to be saving itself a good deal of funds with this program. In recent times, in many areas of the country, communities have built all the local hospital beds every group wanted. And this has run up additional costs in terms of medicare.

The Federal Government ended up picking up a good percent of that bill. What we are trying to make sure, under the planning program, is that, with regard to facilities and services, that those facilities and services are really warranted, that they are needed. We are bringing together, hopefully, in these planning agencies, the best in terms of those in the medical professions, as well as consumers, to guide and evaluate what existing resources exist and what new resources are needed within the local community and the State.

We are going to see, hopefully, that the planning legislation will mean that we are not going to have this kind of continued open-ended situation, which we have had in recent times, where the Federal Government has been picking up the tab for decisions which are made by every hospital, which have been independent decisions that have not considered all the resources which exist in the local community or in the local area.

Mr. BROOKE. I take it, then, that the position of the Senator is that any planning is the logical, if not even the central, forerunner of construction, and that it benefits health services and facilities as well as being economical to the Federal Government.

Mr. KENNEDY. The Senator is absolutely correct. As I mentioned in my remarks, outside of energy and food, it is the increase in health services which has been the greatest, and that has been because of the open-endedness situation in our whole health system.

It is the hope of those who have supported the planning legislation that we can begin to get a handle on this open-ended situation which has existed within our system.

Mr. BROOKE. I thank the Senator. I just wish to have an assurance that there will not be any States that are hurt.

I know the Senator from New York (Mr. JAVITS) is very much concerned about this amendment as to what effect and impact it will have on his own State. I feel those assurances are necessary.

I yield to him.

Mr. MAGNUSON and Mr. JAVITS addressed the Chair.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. Yes, I yield to the Senator.

Mr. MAGNUSON. I think the maladjustment of construction of hospitals has followed the maladjustments in placement of physicians and health workers. Now that the Federal Government has a stake in all of this and has to pick up the tab we ought to do something like this to see that the planning and the placement of all these services is done in a much better way—a way which will save us money in the long run.

Mr. KENNEDY. It is a good and valid point that our colleague makes that part of the problem is the maldistribution of manpower. Much of our manpower affiliates with these various kinds of units.

One of our problems, in the whole health area, is the maldistribution of manpower by geographic area as well as speciality. The more we are going to have of these facilities, the more they are going to draw health manpower away from areas where they are needed, whether it is rural communities, or in the inner cities.

I appreciate the point that has been made.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I had in mind raising very serious questions respecting this amendment and its impact on providing urgently needed funding for health care facilities. I have discussed the matter at great length with the Senator from Massachusetts (Mr. KENNEDY) and with the managers on the part of the majority and the minority, and I believe, Mr. President, that we have come to some kind of working understanding which will be helpful to all of us. While we are doing the mathematics, I wish to explain it, if I may have the attention of my colleagues.

Mr. President, the Senator from Massachusetts (Mr. KENNEDY) quite properly said the issue here is as between planning and hospital construction, but because he had his eye fixed upon that—and I understand it—he did not include the fact that it also relates to hospital modernization and renovation and project grant funding pursuant to section 1625(a) of the Public Health Service Act. I thoroughly agree with him, and I thoroughly agree with all my colleagues who feel that the planning element is absolutely essential if we are going to rationalize hospital construction; but on the modernization and renovation and section 1625(a) projects proposition, which is also included in the figure which is involved here, that is a very different story, because there, we are concerned with outdated, obsolete, and outmoded hospitals. As a matter of fact, there is a separate section of this particular statute which I previously referred to, which is section 1625(a). This, in effect, legislates—makes law—in essence a measure which I had sponsored and which is called the Urban Hospitals Emergency Assistance Act of 1974, which is designed to remedy the situation, especially in urban public hospitals. That is also affected by the Kennedy amendment, but that is not entitled to be superseded by planning money, because that is really urgently needed.

Those facilities are deplorable. It is just as true in many big cities as it is in my city of New York. They should not be deprived of any part of what they should have in order to modernize while this planning effort gets underway.

Mr. President, this is a strange place for me to be, opposing a health amendment of Senator KENNEDY. He and I are, I guess, almost 100 percent teamed up in these matters of insuring quality health care is available to all Americans. But this is a very pressing problem with big cities with slum areas, to which I refer. The point of the matter which I wish to make here is the fact that there is no magic, as I see it, about the $33 million addition for planning. Even if we concur that the planning idea should go forward, there is no magic in the $33 million figure. Therefore, it is desirable—highly desirable—that that amendment which is reserved for renovation and modernization and carrying out the purposes of section 1625(a) of the Public Health Service Act—and that comes to 22 percent of the aggregate figure of either $33 million or the $67 million, which is the subject of the Kennedy amendment—22 percent of that is permissible for renovation and achieving the section 1625(a) objectives and that should be preserved.

Now, there are some procedural difficulties about stating that in connection with this bill, and rather than cope with those difficulties, and relying, as I fully intend to rely, upon the views and the positions of Senator MAGNUSON and Senator BROOKE, who feel in all these matters so much as I do, and with them, too, I have been together, we have come, I hope, to a meeting of the minds that the $67 million figure which is contained in Senator KENNEDY's amendment shall have added to it $7,260,000. That represents the amount by which the renovation and section 1625(a) funding availability would otherwise be reduced.

So, by restoring more to the aggregate in the Senate bill, I have complete confidence that the managers will work out in conference whatever the statement of manager language should be to accommodate these ideas respecting modernization and grants to public entities for projects which will eliminate or prevent imminent safety hazards or avoid noncompliance with State or voluntary licensure or accreditation standards.

Furthermore, I understand that we take our chances—we in New York—with everybody else who is similarly situated, and I think that is perfectly fair.

All I want to be sure of is that the universe which is now going to exclude some money for construction—and I agree with my colleagues on that—will, at the same time, accommodate some money for renovation and carrying out the objectives of section 1625(a), to wit:

> To (1) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (2) avoid noncompliance with State or voluntary licensure or accreditation standards. A grant under this subsection may only be made to a State or political subdivision of a State, including any city, town, county, borough, hospital district authority, or public or quasi-public corporation, for a project described in the preceding sentence for any medical facility owned or operated by it.

Therefore, Mr. President, I hope that Senator KENNEDY will consent to amend his amendment to strike the figure $67 million and insert in lieu thereof the figure $74,260,000.

Mr. KENNEDY. Mr. President, I understand the concerns of the Senator from New York. I assure him that those funds which are allocated under the 22-percent formula would go for modernization of inner city hospitals. I happen to have one in my own city of Boston, the Boston City Hospital, that is in desperate need.

This particular provision was grafted onto the Hospital Construction Act because under the old Hill-Burton formula all the money had to be allocated to the States under a formula.

We have been able to adjust this, at the urging of HEW and most medical economists, to permit that all the funds, even the other 78 percent, can be used for modernization and for ambulatory care.

There is nothing—and I want to make it clear in terms of the RECORD, there is nothing—under this legislation that prohibits the use of the other $67 million even under my original amendment from being used for modernization or for ambulatory care and from being used in any of the inner cities.

I would certainly hope that any of the money that comes to my own home State of Massachusetts would be so used. But I know the Senator from New York is particularly concerned about this provision which, if it had remained, would have provided $22 million for the purposes of modernization for inner city hospitals. I know he feels that with the reduction of $33 million that there will only be 22 percent available of the other $67 million, which is $15 million rather than $23 million and, as a result, there is going to be $8 million that would have otherwise been available for the inner cities hospitals that may not be available under the amendment which I have proposed.

So, exercising or indicating that concern, he has asked that we reduce ours by a total of $7.26 million which will put this matter into conference. Actually, the amendment would have been in conference in any event because of the different figures between the House and the Senate. But I understand the point that is being made. It is a worthwhile and valid point about the importance of modernization in the inner cities.

Therefore, I am very hopeful that, understanding the views of the Senator from Washington and my own colleague from Massachusetts who recognize that we need both good health planning and to meet the needs in the inner city hospitals of this country that we can work that particular issue out in conference and achieve both what the Senator from New York is concerned about and what our amendment does. That is at least my understanding from my conversations with the Senator from New York.

I move to modify the amount in my amendment to $74,260,000. This will, in effect, reduce my amendment by changing the $33 million transferred to the planning program to $25.74 million.

It seems to me that that is satisfactory. Hopefully then we will be able to, in conference, work it out.

The ACTING PRESIDENT pro tempore. No rollcall having been requested, the Senator from Massachusetts may modify his amendment without the necessity for a unanimous consent request.

Mr. KENNEDY. I do so, Mr. President.

The ACTING PRESIDENT pro tempore. The amendment is so modified.

Mr. MAGNUSON. First of all, I think the record ought to show that construction funds cannot be spent until next spring anyway. I hope we will not lose sight in this other modification of the purpose of this bill which is to allow the health system agencies to get busy between now and the time we may want to go back to do construction again. I hope we do not lose sight of that.

Mr. KENNEDY. I am glad the chairman has underlined that this is money which can be used right away. The Senator is quite right. Generally in the appropriation process HEW has let money for construction in the spring. If we have more moneys for construction available in the spring they can be provided then. It makes sense.

I hope my amendment will be accepted.

Mr. BROOKE. Mr. President, I think the compromise between the Senator from Massachusetts and the Senator from New York is a good one. I think it takes care of the problem of the inner cities and modernization money, and if the chairman will accept this, then I would be willing to accept it.

Mr. MAGNUSON. I would be willing.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts, as modified.

The amendment, as modified, was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. BROOKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. I thank Senators MAGNUSON and BROOKE and Senator KENNEDY for letting us leave our record intact that we have never disagreed on the need to provide quality health care to all Americans.

Mr. MAGNUSON. Mr. President, I understand that at 12 o'clock there is a ceremony to be performed in the Senate, and I see the senior Senator from New Hampshire here all ready and willing, and I know the Chair is.

Mr. STONE. Mr. President, would the chairman and the Presiding Officer grant me recognition so that I can legitimatize the presence on the floor of a member of my staff?

Mr. MAGNUSON. Go right ahead.

Mr. STONE. I thank the Senator.

Mr. President, I ask unanimous consent that a member of my staff, Mary Repper, be permitted floor privileges at this time and during the consideration of this bill

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. Will the Senator also including Louise Ringwalt and Jon Steinberg?

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that during the consideration of the HEW appropriation bill Howard Segermark and George Shanks of my staff be granted the privileges of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—SWEARING-IN CEREMONY

Mr. CRANSTON. Mr. President, during the swearing-in ceremony, I ask unanimous consent that Roy Greenaway and Jan Mueller of my staff have the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. MAGNUSON. Mr. President, the hour of 12 noon having arrived, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The absence of a quorum is suggested, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SENATOR FROM NEW HAMPSHIRE

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate the credentials of the Senator-elect from New Hampshire, the Honorable John A. Durkin.

The ACTING PRESIDENT pro tempore (Mr. COTTON). The certificate of election will be read.

The legislative clerk read as follows:

CERTIFICATE OF ELECTION FOR UNEXPIRED TERM

To the President of the Senate of the United States:

This is to certify that on sixteenth day of September, 1975 John A. Durkin was duly chosen by the qualified electors of the State of New Hampshire a Senator for the unexpired term ending at noon on the third day of January, 1981 to fill the vacancy in the representation from said State in the Senate of the United States caused by the declaration of the United States Senate.

Witness: His Excellency our Governor and our Seal hereto affixed at Concord, New Hampshire, this seventeenth day of September in the year of our Lord nineteen hundred and seventy-five.

MELDRIM THOMSON, Jr.,
Governor.

By the Governor,
Attested to:

ROBERT L. STARKE,
Secretary of State.

The ACTING PRESIDENT pro tempore. If the Senator-elect will present himself at the desk, the oath of office will be administered to him.

Mr. DURKIN, of New Hampshire, escorted by Mr. MCINTYRE, advanced to the desk of the Vice President; the oath prescribed by law was administered to him by the Acting President pro tempore (Mr. COTTON); and he subscribed to the oath in the official oath book.

[Applause, Senators rising.]

The PRESIDING OFFICER (Mr. STONE). The Chair recognizes the Senator from Montana.

RECESS

Mr. MANSFIELD. Mr. President, I ask that there be a brief recess for the purpose of the Senate greeting Senator DURKIN.

There being no objection, the Senate, at 12:20 p.m., recessed until 12:24 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GLENN).

The PRESIDING OFFICER. The Senator from Vermont (Mr. LEAHY) is recognized for not to exceed 3 minutes.

Mr. LEAHY. Mr. President, I simply wish to state for the RECORD that I was delighted to see my old law school classmate, JOHN DURKIN, sworn in today as Senator DURKIN. I must admit, however, to a bit of personal mixed emotion. I have for more than 8 months enjoyed the distinction of being the most junior Member of this august body, and it is with mixed emotions that I hand that distinction over to Senator DURKIN. As I sit in that far corner of the Chamber, I will be glad to find someone other than the secretary's desk to my left.

Mr. President, I yield the floor.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. TAFT. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. TAFT. Mr. President, I expect to offer an amendment in a few moments, but before I do so, I would like to make some remarks.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. TAFT. I yield, without relinquishing my right to the floor.

Mr. DOMENICI. Just for a unanimous-consent request. I ask unanimous consent that Caroleen Silver of my staff be granted the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I commend the committee, and particularly the chairman, the Senator from Washington (Mr. MAGNUSON) and the ranking Republican member, the Senator from Massachusetts (Mr. BROOKE), for their careful attention to the needs of the National Institute for Occupational Safety and Health.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Ohio will suspend until order is restored.

The Senator may proceed.

Mr. TAFT. This year the committee included critically needed funds to complete the design for the main NIOSH research laboratory. Congress authorized this laboratory 5 years ago when NIOSH was created by the Occupational Safety and Health Act of 1970. In 1973, after an extensive site selection process, Cincinnati was announced as the site for the permanent headquarters for this new research facility. Agreement has been reached between the Environmental Protection Agency and HEW on land for the laboratory next to EPA's own research center near the grounds of the University of Cincinnati Medical School. Considerable cost-savings will be realized by this shared facilities arrangement. At this moment, however, researchers and technicians and sophisticated laboratory equipment are housed in quarters which do not meet safety standards, and are several blocks from their own administrative offices.

They are about to move on a temporary basis to other facilities, which are also not adequate to meet their long-term needs.

With the passage of this bill, the delays in providing adequate space appear to be over. I am convinced that in order for NIOSH to accomplish the goals we have set for them, and to maximize the research funds we are providing, it is absolutely essential that their laboratory needs be fulfilled. As pointed out in the hearings, the list of potentially hazardous chemicals to which the 80 million American workers are exposed continues to grow. NIOSH officials are finding the truth in the saying, "Much learning shows how little we know."

I hope NIOSH will continue to learn about the unknown and fill the void in knowledge about job-related health hazards. I am pleased to see the Appropriations Committee's recommendations to bring the main research laboratory one step closer to reality.

I have here a letter dated July 17, from the then Secretary of Health, Education, and Welfare, Mr. Weinberger, regarding this site. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 17, 1975.

Hon. ROBERT TAFT, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR TAFT: Thank you for your inquiry of July 9, 1975 seeking clarification of this Department's intent to construct a new facility in Cincinnati for the National Institute for Occupational Safety and Health (NIOSH). You indicated that the language on page 19 of the House Appropriations Committee Report to accompany H.R. 8069 may have created some misunderstanding as to the extent of our planning.

The NIOSH laboratory space at 1014 Broadway in Cincinnati was marginally adequate prior to passage of the Occupational Safety and Health Act in 1970. With the expanded programs and increased personnel necessitated by the Act, it became increasingly apparent that the space was unsuitable for several reasons: overcrowding; not meeting many Federal safety and health standards and the Life Safety Code, NFPA #101; excessive cost of remodeling to eliminate major problems; lack of long term availability since located in an urban renewal area; and prohibition against major expenditures in leased space by the "Economy Act." As an interim step while planning and acquisition of suitable space is accomplished, NIOSH has attempted to minimize problems by utilizing space in the following separate locations in Cincinnati: 1014 Broadway (53,500 square feet), Federal Office Building (17,500 square feet), U.S. Post Office and Courthouse (36,800 square feet), 5555 Ridge Avenue (6,500 square feet, present; 9,000 square feet, pending; 99,000 square feet, proposed), for a total of 114,500 square feet.

Considerable effort has gone into obtaining consolidated, safe, efficient laboratory and office space for NIOSH since the passage of the Occupational Safety and Health Act. During 1972 representatives of the Department visited several areas throughout the country to recommend a location for the principal laboratories of NIOSH. In April of 1973, I announced that the Cincinnati area had been chosen and that a site would be selected. Many buildings, building shells, and vacant sites were reviewed and it was finally determined that the Federal interest would best be served by construction of a new facility for NIOSH adjacent to the new Environmental Protection Agency on St. Clair Street in Cincinnati. This site has several distinct advantages to NIOSH, and the 20 acre tract, wherein NIOSH will use 4.6 acres, is large enough to accommodate both agencies. Negotiations were completed with EPA in the spring of 1974 and requirements were then assembled for the architect/engineer contract to develop design criteria.

The contract for development of criteria for design and construction of the new NIOSH facility was let by the Department's Facilities Engineering and Property Management Office during March, 1975. The contract provides for development of design criteria and functional relationships of laboratories and support space. The subsequent planning and design phase would probably take 1½ years after appropriation of funds for the new facility. After the decision is made to request such an appropriation, no extraordinary delays are anticipated. I recognize that an adequate facility is essential to effective and efficient discharge of the Department's responsibilities under the Occupational Safety and Health Act.

NIOSH is presently planning an interim move to safer and more adequate space. The General Services Administration has leased space available on Ridge Avenue in Cincinnati; however, a study recently brought to our attention indicates that this space also presents some safety problems and would require considerable renovation. If these problems can be overcome, the Ridge Avenue space would be a significant improvement over the presently occupied space on Broadway and would be a positive step toward relieving the immediately pressing space needs.

Funds for design and construction of the proposed NIOSH facility have not been appropriated in Fiscal Year 1976. We intend to review the possibility of funding for construction in the course of the Fiscal Year 1977 budget process. If funds were appropriated, construction could begin in about two years.

Sincerely,

CASPAR WEINBERGER,
Secretary.

Mr. TAFT. I would like to read briefly from the letter:

> In April of 1973, I announced that the Cincinnati area had been chosen and that a site would be selected. Many buildings, building shells, and vacant sites were reviewed and it was finally determined that the Federal interest would best be served by construction of a new facility for NIOSH adjacent to the new Environmental Protection Agency on St. Clair Street in Cincinnati. This site has several distinct advantages to NIOSH, and the 20 acre tract, wherein NIOSH will use 4.6 acres, is large enough to accommodate both agencies. Negotiations were completed with EPA in the spring of 1974 and requirements were then assembled for the architect/engineer contract to develop design criteria.

Mr. President, the House of Representatives, in regard to this matter, included in its bill approximately $1.1 million, and the Senate committee, with the evidence of additional funds being needed to complete the engineering studies that are necessary, has added an additional $356,000, so that the total now in the bill would be $1.456 million.

This facility, I believe, is greatly needed at the earliest possible date. With that in mind, I have prepared an amendment to this bill which would expedite considerably the construction of this laboratory. It will do so by giving to HEW and the Public Health Service operating under HEW the authority to use a lease-purchase arrangement for the construction of this laboratory. The amendment has been prepared and discussed with NIOSH, and they are strongly in favor of having this lease-purchase authority, although officially the position has not as yet been approved by OMB or HEW.

The Labor Subcommittee of the appropriations staff has indicated that the committee will consider this language. I also say, of course, we have the question of whether a special laboratory facility of this type should be built through GSA, as is sometimes the usual case, or through HEW.

With the special needs involved and the technical nature of the laboratory facilities, I have become convinced that HEW could more properly and effectively build this particular facility than GSA.

I should say that the lease-purchase authority, which formerly did exist in GSA for the building of structures of this kind, has expired. Apparently this issue is still pending before the Committee on Public Works insofar as GSA is concerned. I am not attempting to tackle that problem here today. I do believe it would be very wise, however, and I would urge the Committee on Public Works, whatever the way the decision of who to build the laboratory might go, eventually, between GSA and HEW, to act judiciously to restore the lease-purchase authority to GSA and make it available for the construction of facilities, other than this special type of laboratory facility I am talking about, because in some instances I believe this can be more effective and a cheaper and a quicker way to construct facilities than going through the straight appropriation process.

Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TAFT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 44, line 25, insert the following: Notwithstanding any other provision in law, the Department of Health, Education, and Welfare is authorized to directly enter into lease purchase agreements for special purpose laboratory facilities found necessary for the activities of the Public Health Service: *Provided,* That any such agreement shall not extend for a period of more than thirty years from the date such agreement is entered into.

Mr. TAFT. Mr. President, I am finally bringing up the amendment, and I welcome the remarks of the distinguished Senator from Massachusetts with regard to the proposal. I realize, of course, that there are a number of questions here that have to be discussed, and I have attempted to lay them out for the Committee on Appropriations as the issues have arisen.

Admittedly, there may be some question as to legislating on an appropriations bill. If that issue is raised, it may go adverse.

I had hoped that this would not be the case, because it does seem to me that this is the quickest and most expeditious way to proceed, and I do not believe there really is a great deal of objection to this very limited extension in using this procedure insofar as this particular building is concerned.

Mr. President, I am glad to yield the floor.

Mr. BROOKE. Mr. President, I understand what the distinguished Senator from Ohio is attempting to do by this amendment. I think it has merit.

However, I am not quite clear in my own mind as to exactly what the costs will be of such a procedure. I know there is a maximum of 30 years for the lease contained in this amendment. It seems to me that this amendment could result in considerably higher costs to the Federal Government than the costs would be by having the Federal Government construct the facility.

I wonder whether the distinguished Senator from Ohio has done any cost analysis? Does he have any data that could be helpful to the committee as to what the costs might be under the leasing program.

Mr. TAFT. Mr. President, engineering studies not having been completed, of course, it would be very difficult to estimate what the entire cost of the laboratory would be. The EPA laboratory, next to it, I advise the Senator, was in excess of $35 million. I think we are talking about in that kind of general area, if it is a straight construction job the Federal Government takes on.

Insofar as going to the lease-purchase route, of course, there is nothing in the authority that I would ask here that would mandate that the HEW use this authority in this particular case, as with the case of GSA. That is the position I have taken insofar as giving lease-purchase authority to GSA is concerned. In each case there should be no mandate, in my opinion, to the agency involved as to which route it should pursue.

This is something that has to be costed out in each case to determine the net cost to the Government, interest, rent, and the terms that it is bid on included. As the Senator has said, these lease-purchase arrangements can go from anywhere between 10 and 30 years, when authority has not expired, which did exist. It would be usual to expect a 25-to-30-year lease to purchase arrangement. But there is no way of estimating what the exact cost would be until a bid is taken in the marketplace on a competitive bidding basis by those who might be willing to make such a lease-purchase arrangement to undertake to construct the facility, to lease to the Government, and then to sell it to the Government at the end of the lease period.

So there is no way of making an estimate of that.

I say, economically, that in the commercial market of buildings of this type, office buildings or residential buildings, or whatever, the lease-purchase arrangement often is a cheaper method of proceeding than an outright construction and purchase contract.

So, I think there is no way of answering the Senator's question. I only say in some instances it would be cheaper and in other instances it could be more expensive. We ought to pursue the cheaper way.

I will say one thing, of course. Unfortunately, it is true about the lease-purchase approach. We enter into it right now and we get the prices right now. We know what it is going to cost right now. We do not know what will occur, if there is a delay. The lease-purchase process could go a great deal faster than the regular appropriation purchase process and perhaps speed up the entire construction of the building by a year or two. Meanwhile we are going to be leasing other facilities and constructing other temporary facilities out there. I think there is a considerable possibility, because of the time factor and the inflationary factors that are built in our economy today, unfortunately, that the lease-purchase approach might well turn out to be a far more economical way to proceed than the straight purchase contract.

Mr. BROOKE. I was not addressing my question to the particular facility but the general practice of lease purchasing and what the costs would be as compared with other construction.

Mr. TAFT. As I indicated to the Senator, it could be either way. We could save money with a lease purchase, in which case we ought to do it that way. I see no reason for difficulty, although there have been some abuses in the past of lease purchase arrangement. There could be abuses in construction contracts, also. We could get into problems in any building program we get into. But there is no reason there should be any more difficulty, in my opinion, with the lease purchase approach than the straight purchase approach. It can be cheaper; it can be more expensive. It all depends on which way we get the benefit.

Mr. BROOKE. I appreciate the Senator's candor relative to this particular facility.

I presided at a hearing where the Senator presented his request. The chairman of the subcommittee, the committee, and I are in favor of it.

Actually, our bill already provides $356,000 for engineering and design for the facility.

Mr. TAFT. Plus the $1.1 million the House already had in the bill.

Mr. BROOKE. Already had in the bill, which was because of the efforts of the Senator from Ohio that it was contained in this bill.

I wish to do everything possible—and I am sure the chairman of the committee does also—to help the distinguished Senator.

But we have adopted really a rule for the duration of the bill that whenever there is a matter which is legislation on this appropriations bill we would be constrained to have a point of order. We have done so. We just did so recently on an amendment, which was offered by the distinguished Senator from Oklahoma (Mr. BARTLETT).

I personally feel, as does the chairman, that this again is legislation on an appropriations bill.

If the Senator wanted a yea and nay vote on this matter, which I understand he does not want, I could understand that. I would rather hope that he would understand our position insofar as raising a point of order is concerned.

Actually, with the exception of the amendment of the distinguished Senator from Massachusetts (Mr. KENNEDY), we have not had any other money amendments to this bill, except very minor ones. All have been legislation on an appropriations bill. We both have agreed, and we have served notice, that from now on we are going to raise points of order, in order to restrict this appropriations bill to the general purposes of an appropriations bill. That is our position.

We assure the distinguished Senator from Ohio, however, that we are very sympathetic to his cause. We are going to do everything we can for him with respect to the facility for which he has made an outstanding case.

Mr. TAFT. I thank the Senator for his remarks. I understand his position.

I hope that before next year, we can get the lease-purchase option into this picture through GSA or HEW. Whether we do or not, I expect that we will be back next year with an appropriation—I hope we will. I hope the administration will see fit to include this as a budget item. But that does not avoid the necessity for facing up to the lease-purchase question. For this particular type of facility, it might make a lot of sense.

Mr. BROOKE. Aside from the Senator's own facility, I think it could make sense, and we could take it up at the appropriate time. So far as this facility is concerned, we will do everything we can.

Mr. MAGNUSON. I say to the Senator from Ohio that this has been a long-time controversy in the Appropriations Committee.

I recall that at one time during the Eisenhower administration, we went to lease-purchase, mainly with post offices. Then, after some time, we found that under the lease-purchase, the building costs ran about 33 to 40 percent higher. But there are some places where it is more desirable to have lease-purchase agreements. This has been a long controversy. It is constantly being brought up.

Mr. BROOKE. It would not be mandatory. They could take their option; and if they found that the costs were less in lease-purchase than in construction, they could do that, and vice versa—they could go to construction.

Mr. TAFT. I thank the Senator.

Mr. BROOKE. Mr. President, for the reasons I have stated to my distinguished colleague, I am constrained to raise a point of order with respect to this amendment.

The PRESIDING OFFICER. The point of order has been raised. The amendment is legislation on an appropriation bill, and the point of order is sustained.

The bill is open to further amendment.

Mr. BROOKE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION DISAPPROVING ALTERNATIVE PLAN FOR PAY ADJUSTMENTS FOR FEDERAL EMPLOYEES

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the previous order, the hour of 1 o'clock having arrived, the Chair lays before the Senate, Senate Resolution 239. The debate on this resolution is limited to 2 hours, to be equally divided between proponents and opponents. No amendment to this resolution is in order.

The clerk will state the resolution.

The assistant legislative clerk read as follows:

Resolved, That the Senate disapproves the alternative plan for pay adjustments for Federal employees under statutory pay systems recommended and submitted by the President to Congress on August 29, 1975, under section 5305(c) of title 5, United States Code.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, it is my understanding that the legislation now before us is not amendable; that a motion to recommit is not in order, nor is a motion to reconsider; that there is a time limitation; and that the yeas and nays are automatic. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be equally divided between the distinguished chairman of the committee, the Senator from Wyoming (Mr. MCGEE), and the equally distinguished ranking member of the committee, minority member, the Senator from Hawaii (Mr. FONG), or whomever they may designate.

The PRESIDING OFFICER. The Senator's statement of a moment ago was correct except that the yeas and nays have not been ordered and are not automatic.

Mr. MANSFIELD. I see.

Now, my last request.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time to be taken out of both sides equally.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, may I ask a parliamentary inquiry as to the situation with respect to the time. How is the time allocated?

The PRESIDING OFFICER. The time, during the quorum call, was divided equally.

Mr. McGEE. Mr. President, I would like to address myself to the matter that is pending here and, I hope, put it in the context of where we find ourselves at this moment.

The issue has to do with the comparability question in Federal employment and with pay raises for the military. It is a question that the Senate rose to in 1962 and that we have been refining and sophisticating ever since.

Under that procedure measurements are taken in the relevant private sector areas to compare equivalent types of jobs, in the private sector and Federal Government. Then the gaps are noted, whatever they may be, so that we can attempt to close those gaps so that we attract stronger personnel in Federal service, so that we can hold the best personnel in Federal service, in competition with the private sector, and so that we can stabilize the civil service. All of these points are important for the mileage received by the taxpayer from the dollars it takes to run the American system.

So the question under the comparability mechanism today is whether we accept the report of the comparability percentage for Federal employees judged 6 months ago last March—7 months ago nearly now—or whether we give them a little more than half of that amount as recommended by the President.

The question is a simple one: Either we accept the President's 5 percent recommendation, which is well below the recommended increase for comparability for Federal employees as of last March—already 6 months or more out of date—or whether we should allow them the finding of the President's counselor on the width of that gap.

The President's advisers have judged that 8.66 percent was the Federal gap since last October 10 raise. I remind you again that is a half year out of date already. The head of the OMB, Jim Lynn, the head of the Civil Service Commission, Bob Hampton, and the President's Advisory Committee on Federal Pay, together agree that the equitable adjustment figure is 8.66 percent.

The President, under the law, has the option of a counter-recommendation within the context of his advisers' submission. The President chose to recommend 5 percent. Congress, under the mechanism, retained the option of one house rescinding the President's decision by a majority vote, and returning to the base of the President's pay advisers.

The matter that is pending is rescinding the President's recommendation. The Metcalf resolution would disallow the President's recommendation of 5 percent which, automatically, then would revert to the recommendation of the President's own advisers, which is 8.66 percent.

The problem this poses for all, of course, is in the times in which we live. Inflationary processes are still underway. The economy still is queasy, but I would submit, Mr. President, that the 8.66 is substantially less than the cost-of-living increase in the last year which runs in the neighborhood of 12 to 13 percent and for food as high as 14 or 15 percent.

That is simply another way of saying that this is not an irresponsible or a reckless assault on cost-of-living figures, that it is a modest figure and it certainly belongs to the Federal employee.

When we speak of Federal employees, we speak of those civilians in the Government of the United States that total about 1.4 million persons and those in the military service that amount to nearly 2 million persons.

This then becomes the issue.

We have a new approach in the Congress in which we are striving to arrive at overall budget considerations in order to make predictable and responsible expenditures by all levels of the Federal Government. I would submit, Mr. President, that this proposal is most consistent within that context and that new responsibility.

The new pioneering Budget Committees, in their conference report as they put together their plans in May, acknowledged that whatever salary adjustments were made in this year for the military and for civilian personnel were within their budget calculations despite the 5-percent pay cap proposal. They went on to address themselves to the much broader picture about overall expenditures. I would add that the Bureau of the Budget, the OMB, likewise reserved this option and maintained the necessary projections to incorporate the salary adjustments under the law. Its Director signed the 8.66-percent recommendation.

What we are talking about here, Mr. President, are the options under the law itself, the comparability law, and that falls on either the 5 percent or the 8.66 percentage for the Federal employees.

The substance of all this, Mr. President, is whether we play games with numbers in the interests of impressing constituents or consumers, or whether, to quote the phrase of a very famous American, we bite the bullet.

We believe that this is the time to bite the bullet out of a fair and deep sense of equity. To penalize the Federal employees, as some have suggested because the Members of Congress are involved in the formula, is to really miss the whole point. That issue has been settled, that bridge has been crossed, and it is a very tiny segment, incidentally, of the budget consideration here, as President Ford said in a letter supporting the action by the Congress last July, this was but a fraction, a tiny fraction, he said, of 1 percent of the total Federal outlay in this category.

So what we are really talking about are the Federal employees at the lower grade levels and we are talking about them in the context of what has happened in their country, not alone in their own ranks.

Postal workers this year have already received a substantial adjustment in their income. They have likewise received a sum far above the 5 percent—and should, I hasten to add, Mr. President. The blue collar workers in the Government have received or will receive an adjustment upward.

In the private sector, every major segment of the working community this past year has received—and rightfully so—an adjustment upward in their wages to account for at least a part of the cost-of-living factor, and only the Federal employee groups have been unattended to in this regard.

Now, it is fine for the President to suggest that he wants to set an example. Mr. President, I would say on behalf of the Federal employees in this country that they would be delighted to follow their President and to make the sacrifice if it were to be across the board and if the President were to say, "Fellow Americans, all of us must accept a 5 percent ceiling even though that does not keep up with the cost of living; all of us must do that." The Federal employees would rally around the President's leadership.

But indeed, that is not the case, not the case now. To be sure, the other segments of the private community in America have received their adjustments, some of them running up into the 12- or 14-percent brackets, most all of management in the private sector has received very generous increases. And the President is saying to the Federal employees, "But you are different, we will make an example out of you so that you cannot keep up with your neighbors in trying to pay your bills, in trying to meet the rapidly rising costs of your groceries."

That is what it says, Mr. President, and I say it is a gross inequity that they are trying to foist off upon the Federal employee. They are at the tag end of the line now and we are only asking that this last organized section of wage earners in the country be at least brought substantially up toward the level of the increased costs since a year ago October 1.

So that is, really, what it boils down to.

Mr. President, the question before the Senate is whether to approve or reject Senate Resolution 239, a resolution introduced by the Senator from Montana (Mr. METCALF) to disapprove the President's alternative plan for adjusting the pay of Federal employees in the statutory pay schedules.

The President, forsaking the advice of his agents, has asked the Congress to agree to limit pay raises effective next month to 5 percent. The resolution before us would have the effect of vetoing that limitation, whereupon the President would set the level of the pay adjustment in accordance with the principle of comparability and the advice given to him by his agent and the Advisory Committee on Federal Pay. That advice, in the present instance, calls for an adjustment of 8.66 percent.

The annual report on comparability for Federal statutory pay systems, given to the President on July 21, 1975, by Director James T. Lynn of the Office of Management and Budget and Chairman Robert E. Hampton of the Civil Service Commission, the President's agents, was based on private enterprise pay rates reported by the Bureau of Labor Statistics in the National Survey of Professional, Administrative, Technical, and Clerical Pay as of March of this year.

The President's agents consulted with the Federal Employees' Pay Council and also solicited views of non-Council organizations. There are strongly held differences as to concept and methodology among these parties, with the Pay Council in particular arguing that the methodology used by the agents serves to diminish the aggregate pay raise. It notes that the methodology used from 1968 through 1972, if it were applied now, would yield an average increase of 9.98 percent.

The agents' report notes that the 8.66 percent comparability increase at each grade is based upon private sector salary levels which had risen by March of this year about 9 percent over 1974 levels. The difference is the effect of the final phase of the transition to the new methodology, undertaken 3 years ago.

A separate body composed of three non-Federal experts in pay policy questions, the Advisory Committee on Federal Pay, has reviewed the report of the President's agent. In its report to the President on August 4, 1975, the Advisory Committee endorsed the uniform increase of 8.66 percent. Its report also contained a carefully considered observation on the Presidential penchant for tinkering with the comparability process annually. I will return to that matter later, however.

Both of the reports I have referred to, as well as a Labor Department release on the basic survey, appeared in the RECORD for Tuesday, September 16.

First, let us consider the relative cost of the 8.66-percent increase and the proposed 5-percent ceiling.

We are dealing directly with the question of pay adjustments for the 1.39 million employees who are under the statutory pay systems. At the 8.66-percent level, their pay would be increased by $1,708,300,000 and the added cost in so-called fringe benefits and premium pay would go up by $243,700,000 for a total cost of $1,952,000,000.

In addition, there are certain other employees whose pay is fixed by administrative action and who normally receive pay adjustments corresponding to general schedule adjustments. Their inclusion adds another $46,200,000 to the cost.

As the result of the enactment of Public Law 94–82 in July, as Senators are aware, certain officials of the executive, legislative, and judicial branches will receive their first pay adjustments since March of 1969, at the same overall percentage rate as employees. The effect of this law would be to add $53,800,000 to the cost of an adjustment of 8.66 percent.

Finally, under section 1009 of title 37 of the United States Code, uniformed members of the armed services also receive adjustments in their basic pay and certain allowances comparable to the general schedule increases. The cost of this military pay adjustment is estimated by the President's agents to be $1,894,300,000.

The total annualized cost, then, would be $3,946,300,000.

The President, in forwarding his alternative plan, projected savings of $1.6 billion if his 5-percent ceiling were adopted. This is the same as the estimate projected when the pay cap was proposed in the fiscal 1976 budget. A pay adjustment at the 5-percent level, then, would cost about $2,346,300,000.

Allowances for statutory pay increases are carried in two functional portions of the budget. Thus, about $1.2 billion of the $1.6 billion difference in question occurs in the Defense portion of the budget and includes Department of Defense civilian personnel as well as the members of the uniformed services. The remaining $400,000,0000 difference shows up in the lump-sum allowances included in the budget for contingencies. The budget for fiscal year 1976 reflects both estimates; that is, an estimate of the cost of true comparability raises and an estimate of the savings if the 5-percent ceiling were effective.

The Budget Committee, in presenting the first concurrent resolution on the budget fudged, if I may use the word a member of that committee has, in dealing with the issue. In point of fact, if one does the arithmetic, one realizes that the Senate Budget Committee went along with the ceiling proposed. But nowhere in its report, to the best of my knowledge, did it say so very clearly. The other body had other thoughts, however, and the resulting compromise, the conference report presented in this Chamber May 9, 1975, contains some interesting phrases relating to the issue. With respect to the National Defense portion of the budget, which contains the lion's share of the funding in question, it says unequivocally that:

> If Congress should decide not to limit increases in defense salaries and retirement allowances, there are sufficient funds within this total to support that decision.

Further on, in dealing with the budget's lump-sum allowances for nondefense civilian pay raises, the conference report states:

> The conferees assume that the levels agreed upon are sufficient to cover civilian agency pay raises under existing law.

So, in the end, the conferees told us that the $100.7-billion target in budget authority and $90.7 billion in outlays would cover increase in Defense Department salaries and retirement allowances without the 5 percent caps. And they told us the $1.4 billion in budget authority and $1.2 billion in outlays targeted for allowances would be sufficient to cover civilian agency pay raises under existing law, which is where we are at.

Subsequently, of course, the Director of the Office of Management and Budget, James Lynn, put his name to the Report of the President's agents on pay comparability, which contains the recommendation for an increase of 8.66 percent.

It would appear then that the likelihood of Congress disagreeing with the so-called pay cap was considered by those with budgeting authority.

In transmitting his alternative plan to Congress, the President stated that:

> Full comparability pay is inconsistent with my course of action to build a strong and stable economy and to bring inflation under control.

One observer has called that a "remarkable statement," noting that what the President is doing is asking white-collar employees and military personnel to make special sacrifices, while their blue-collar and postal colleagues in Government as well as workers in the private sector are asked to make none.

Nor has Congress, I would add, imposed the other 5 percent ceilings sought by the administration earlier this year.

It has been said by some that the reason this particular ceiling might be imposed is Public Law 94–82. That is the law by which the top officials of the executive branch, the judiciary, and Members of Congress were tied to the comparability process—as the President himself agreed was a correct step—so that they could receive a pay adjustment in October for the first time in 5½ years.

The pros and cons of that legislation were thoroughly and recently covered here in the Senate, so I will not plow that ground again. The approximate difference between a 5-percent raise and an 8.66-percent raise for the personnel in this category, including supergrade employees now held down by the $36,000 ceiling, is $22.8 million. That amount is not sufficient to cause any Senator who otherwise believes lower grade Federal employees should have full comparability to change his vote.

In its annual report to the President, the Advisory Committee on Federal Pay noted that the July amendments to the Executive Pay Act took one critical step to break the freeze which has had such adverse effects by compressing the pay structure at the higher levels of the general schedule. But it did not represent the entire answer. Under a raise of 8.66 percent, the statutory ceiling will remain, but will move up from $36,000 to $39,000. At 5 percent it would be $37,800. In short, all the July act has done is permit these people to share in the general pay adjustment for the first time in years.

The issue here involves nearly 1.4 million civilian employees and more than 2 million members of the armed services and should be decided, I firmly believe, on that basis and not on how it affects a relatively small number of officers in each of the three branches of Government.

We come back, then, to the comparability principle and the process, now 5 years old, by which the annual statutory pay adjustments are figured. The survey conducted by the Bureau of Labor Statistics measures private enterprise salary movements for selected white collar occupations for the previous year, but ends in March. So, already 6 months have passed, during which non-Government salaries have, at least in many instances, moved upward. Additionally, as the Federal Employees Pay Council has pointed out, this is the first Federal pay raise for some time which has not been affected by wage controls. That is because last October's increase was based on a period which ended in March, 1974, whereas wage controls were taken off the general economy in April, 1974.

The BLS survey is not perfect. Indeed, the General Accounting Office has issued several reports in recent years bearing recommendations for improvement of the survey and the mechanism for translating private enterprise pay data into Federal salary scales. And changes have been made. It is a dynamic process. Presently, under the Chairmanship of Vice President Rockefeller, the President's Panel on Federal Pay is assessing the many studies conducted on the entire compensation subject, preparatory to making a report and policy recommendations to President Ford in November.

Imperfect as the process may be, it utilizes the best information available to compare Federal and private salary rates for the same level of work. And the results of this best information have led the President's agent to recommend 8.66 percent as the necessary increase to achieve comparability.

In endorsing that recommendation, the Advisory Committee on Federal Pay took note of the fact that "each year since the enactment of the comparability statute the President has not followed the normal procedures envisioned by that statute."

It added its view that:

> Constant resort to emergency procedures makes the whole process envisioned by the statute meaningless and the BLS survey of private industry pay a futile exercise.

Futile, that is, except that either House of the Congress can disapprove of such an alternative, as the Senate is asked to do by Senate Resolution 239.

The Advisory Committee went on to say:

> Labor relations is a very fragile entity. In the judgment of this Committee, if an alternative plan is again proposed it is inevitable that more pressure will build up to scrap the present statute. The Federal unions will petition Congress to substitute some form of collective bargaining more akin to that prevailing in the private sector. This pressure will mount and eventually become irresistible.

Mr. President, such an alternative plan has been proposed, but we here do have the opportunity to say "no" to that ceiling and send the matter back to the President so that he can adjust the rates of pay in keeping with the principle of equal pay for substantially equal work.

While we have no agreement here on who is responsible for the minority time, the ranking Member of the committee has agreed to honor that and honor it openly so that we, together, will make sure nobody is shortchanged on this.

The Senator from Hawaii (Mr. FONG) will be speaking on the majority time in terms of the support of the bill, however.

The PRESIDING OFFICER. It is the Chair's understanding that there is, in fact, a 2-hour time agreement with the time equally divided between both sides.

Mr. McGEE. That is correct.

The PRESIDING OFFICER. Or their designee.

Mr. McGEE. That is correct.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. FONG. We will see that the opposition gets sufficient time, Mr. President.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. FONG. Mr. President, the question before the Senate is whether to adopt Senate Resolution 239, disapproving the President's alternative plan for pay adjustments for Federal employees.

As ranking minority member of the Senate Post Office and Civil Service Committee to which Senate Resolution 239 was referred, I voted to report the resolution favorably. So did six other members of the nine-member committee.

I voted for Senate Resolution 239 because if approved, it would provide for an 8.66 percent comparability pay adjustment for Federal white-collar employees and military personnel. The 8.66-percent increase would be in lieu of the President's alternative proposal of a 5-percent increase.

Under the Federal Pay Comparability Act of 1970, there are only two choices to make on the question before us: either the Senate can approve Senate Resolution 239, in which case the 8.66-percent increase goes into effect automatically on October 1 this year; or the Senate can reject Senate Resolution 239, in which case the 5-percent increase becomes effective on October 1, unless the House of Representatives votes for the 8.66-percent increase.

The law provides for no other adjustment at this time.

I strongly urge my colleagues to support the 8.66-percent increase. I have taken this position in the interest of fairness and equity to the Government workers affected, after considering the many factors involved. I base my decision on the comparability law on which the pay adjustment is to be made and on my study of the pros and cons of the issues advanced on this question. Having given the subject the full and thoughtful deliberation it deserves, I believe it is only fair to stand by the 8.66-percent figure.

To appreciate how the 8.66-percent recommendation was arrived at, a brief review of the Federal Pay Comparability Act of 1970 and its procedures is in order at this point.

It was back in 1962 that Congress established the principle that Federal pay rates be comparable with private industry pay rates for the same levels of work. But it was not until the passage of the 1970 comparability act that the statutory procedures and machinery could be put into motion.

As a member of the Post Office and Civil Service Committee since 1960, it was my privilege to help write the comparability statutes.

Under the 1970 act, the Bureau of Labor Statistics gathers pay data from private industry during the period from January through early May each year to reflect average salaries as of March. The data are processed and furnished to the U.S. Civil Service Commission and the Office of Management and Budget for further evaluation and comparison with Federal white-collar salary levels.

Under the law, the President's agents—the Director of OMB and the Chairman of the Civil Service Commission—are required to prepare a report to the President for his consideration in determining the pay adjustment necessary for Federal pay rates to be comparable with private enterprise pay rates for the same levels of work.

In preparing their report, the President's agents consult with and obtain the views and recommendations of the Federal Employees Pay Council, composed of five representatives of employee unions. The views of labor organizations not represented on the council are also sought.

The President's agents then submit their report to the President, with a copy to a three-member Advisory Committee on Federal Pay appointed by the President. This committee, which serves as an independent, impartial board of pay experts from outside the Government, makes its own report to the President after reviewing the report of the President's agents.

After receiving the recommendations of his agents and the Advisory Committee, the President can submit to Congress an alternative plan instead of his agents' recommendations if he believes a national emergency or economic conditions affecting the general welfare warrant such an alternative plan. The alternative plan must be submitted to Congress by September 1 of the year in question, and either House of Congress, by a majority vote, can reject the alternative plan. If the President's alternative plan is rejected, the original pay plan recommended to the President by his agents would go into effect on October 1.

This is the procedure that is being followed now. The Bureau of Labor Statistics conducted its survey last spring. It covered more than 7.5 million employees in 3,000 private firms in all geographical areas of the 48 contiguous States. The survey results were processed and forwarded to the Civil Service Commission and the Office of Management and Budget for evaluation and comparison with Federal job levels. The heads of CSC and OMB, after discussing the survey results with the Federal Employees Pay Council and employee groups not represented on the Council, recommended to the President a pay increase of 8.66 percent for all Federal white-collar employees effective October 1, 1975.

In other words, the heads of CSC and OMB, after evaluating the BLS survey results, determined that Federal white-collar pay was 8.66 percent behind the pay for the same levels of work in private industry.

The President's Advisory Committee on Federal Pay also came to the same decision and endorsed the 8.66-percent increase.

However, the President on August 29 submitted an alternative pay plan to the Congress recommending instead a 5-percent increase.

In his message to Congress, he cited the need to cope with inflation, unemployment, and recession as the reason for proposing a 5-percent increase, stating as follows:

> Full comparability pay, at this time, is inconsistent with my course of action to build a strong and stable economy and to bring inflation under control. Therefore, the size of the proposed pay raise must be temporarily restrained for the economic well-being of the Nation as a whole.

I fully recognize the President's deep concern for the economic well-being of our Nation. I share his desire to achieve a strong and stable ecenomy.

As a member of the Appropriations Committee, I have supported the administration's efforts to combat inflation and I shall continue to join in this campaign whenever I can. But, on the issue before the Senate today, I must respectfully disagree with the President.

The complex area of Federal pay is a subject to which I have devoted many years of study and attention. I believe it would be unfair to the Federal white-collar employees and to the military personnel, whose pay is tied to the civilian pay system, to deny them full comparability pay adjustment.

The Federal civilian white-collar employees and the military personnel should not be forced to go it alone in the battle against inflation. Together, the Federal government personnel in these two broad categories make up a tiny segment of the national work force—less than 4 percent—3.88 percent.

They are the 1.39 million employees under the statutory pay systems, including employees in the general schedule, the Veterans Administration's Department of Medicine and Surgery, and the Foreign Service schedules. Also, certain other employees whose pay is fixed by administrative action normally receive pay adjustment corresponding to the General Schedule. One example is staff members of the legislative branch. In addition, Public Law 90–207 provides for comparable raises for 2.1 million members of the uniformed services. Finally, under a new law just enacted, upper-level Federal executives, Federal judges, and Members of Congress—who have not had a single pay adjustment since 1969—are also included for the first time.

The remaining 96 percent of the national work force are not under legal restraint similar to that of the civilian white-collar and military personnel. They are free to seek whatever pay increases they can, and in the case of private businesses, to pursue whatever profits they can. No wage-price controls place a ceiling on pay raises or profits and the Federal Government is not forcing them to forego increases in pay or profits.

Other Federal personnel are the postal employees and the blue-collar workers, numbering about 1,170,000. Covered under other pay systems than those applying to the general schedule white-collar and military personnel, the pay adjustments of all postal and blue-collar employees are not subject to a Presidential veto.

In the case of the 600,000 postal employees in bargaining units, their pay is settled through collective bargaining with the Postal Service. This is the procedure prescribed under the Postal Reorganization Act of 1970.

As a result of recent contract negotiations, the vast majority of postal workers, like the letter carriers and clerks, continue to stay far ahead of general schedule white-collar employees. Most postal employees will be ahead by 22.2 percent if the white-collar workers are granted the 5-percent increase recommended by the President. Most postal workers will still be ahead by 18.1 percent even if the 8.66-percent adjustment is made for the white-collar workers.

In its report to the President on August 4, 1975, the Advisory Committee on Federal Pay took note of the wide gap between the postal workers who rely on collective bargaining for their pay adjustments and those who depend on the pay comparability law. In recommending the 8.66-percent raise to the President, the committee stated:

> The unions expressed real concern lest the President propose an alternative plan this year which would either reduce the amount or delay the effective date of the Federal pay increase. Discussions of the Advisory Committee with Federal employee representatives took place the very day the 1975 postal pay settlement was announced. Union leaders were very upset by the further widening of the gap between postal and Federal white-collar pay that this settlement presaged.
>
> Since the time when postal employees achieved collective bargaining rights, increases have been 25 per cent greater than those provided by the comparability legislation. Failure to implement the 8.66 per cent adjustment will widen this gap, which has already seriously undermined the confidence of Federal unions in the present system.

The 570,000 wage grade or so-called blue-collar Federal employees have averaged 8.93 percent in wage increases in fiscal year 1975. Their rates are set through surveys of similar jobs prevailing in the locality. Last year 137 such localities throughout the Nation were surveyed for this purpose.

I ask unanimous consent to have printed at this point of my remarks a State-by-State breakdown showing the blue-collar wage increases during the 12 months preceding September 15, 1975:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BLUE-COLLAR WAGE SURVEY AREAS

	Interim increase		Final increase		Cumulative percent
	Date	Percent	Date	Percent	
Alabama:					
Anniston-Gadsden			June	8.85	8.85
Birmingham			June	8.20	8.20
Dothan			October	8.67	8.67
Huntsville			June	10.20	10.20
Alaska: Alaska			September	17.28	17.28
Arizona:					
Northeastern Arizona			May	11.04	11.04
Phoenix			May	5.41	5.41
Tucson			May	12.36	12.36
Arkansas: Little Rock			October	7.57	7.57
California:					
Fresno			April	9.56	9.56
Los Angeles			November	12.06	12.06
Sacramento			April	8.22	8.22
Salinas-Monterey			April	10.19	10.19
San Bernadino-Riverside-Ontario			November	7.82	7.82
San Diego			November	8.01	8.01
San Francisco			November	8.88	8.88
Santa Barbara			November	7.27	7.27
Stockton			April	8.50	8.50
Colorado:					
Denver			March	9.64	9.64
Southern and Western Colorado			March	11.86	11.86
Connecticut:					
New Haven			July	9.84	9.84
New London			November	7.60	7.60
Delaware: Wilmington			January	9.78	9.78
District of Columbia: Washington, D.C			October	6.47	6.47
Florida:					
Cocoa Beach-Melbourne			November	9.78	9.78
Gainesville			September	15.10	15.10
Jacksonville			March	8.72	8.72
Miami			March	9.15	9.15
Orlando			November	8.07	8.07
Panama City			November	6.16	6.16
Pensacola			November	8.55	8.55
Tampa-St. Petersburg			September	7.70	7.70
Georgia:					
Albany			October	9.14	9.14
Atlanta			August	10.23	10.23
Augusta			August	13.38	13.38

	Interim increase		Final increase		Cumulative percent
	Date	Percent	Date	Percent	
Brunswick			September	9.86	9.86
Columbus			October	8.97	8.97
Macon			August	10.07	10.07
Savannah			August	7.71	7.71
Hawaii: Hawaii			August	8.01	8.01
Idaho: Boise			September	6.72	6.72
Illinois:					
Champaign-Urbana			December	8.82	8.82
Chicago			December	11.19	11.19
Indiana:					
Bloomington - Bedford - Washington.			December	7.26	7.26
Fort Wayne-Marion			December	14.10	14.10
Indianapolis	December	11.26	December	.03	11.29
Iowa:					
Cedar Rapids-Iowa City			November	15.60	15.60
Davenport-Rock Island Moline			December	10.50	10.50
Des Moines			December	8.50	8.50
Dubuque			December	12.51	12.51
Kansas:					
Topeka	January	5.64	August	.782	6.422
Wichita			January	9.39	9.39
Kentucky:					
Lexington	April	5.90	August	2.79	8.69
Louisville			April	8.73	8.73
Louisiana:					
Lake Charles-Alexandria			July	13.47	13.47
New Orleans			April	7.50	7.50
Shreveport			July	7.75	7.75
Maine:					
Augusta			August	7.70	7.70
Central and northern Maine	September	7.23			7.23
Portland			July	6.48	6.48
Maryland:					
Baltimore			December	10.47	10.47
Hagerstown-Martinsburg-Chambersburg.			March	10.60	10.60
Massachusetts:					
Boston			November	7.03	7.03
Central and western Massachusetts.			August	8.06	8.06
Michigan:					
Detroit			March	9.62	9.62
Northwestern Michigan			October	12.78	12.78
Oscoda-Alpena			October	6.19	6.19
Southwestern Michigan			April	9.10	9.10
Minnesota:					
Duluth			August	10.67	10.67
Minneapolis-St. Paul			May	8.30	8.30
Mississippi:					
Biloxi			December	11.50	11.50
Columbus-Aberdeen			April	6.93	6.93
Jackson			April	7.59	7.59
Meridian			April	10.91	10.91
Missouri:					
Kansas City			January	8.11	8.11
St. Louis			January	7.75	7.75
Southern Missouri	January	7.44	July	2.60	10.04
Montana: Great Falls			September	10.34	10.34
Nebraska: Omaha			December	8.32	8.32
Nevada:					
Las Vegas			November	8.79	8.79
Reno	May	7.09	September	.73	7.82
New Hampshire: Portsmouth			November	14.87	14.87
New Mexico: Albuquerque			July	8.56	8.56
New York:					
Albany-Schenectady-Troy			May	7.97	7.97
Buffalo			March	11.00	11.00
Newburg			May	8.78	8.78
New York			March	8.73	8.73
Northern New York			May	8.89	8.89
Rochester			April	8.10	8.10
Syracuse-Utica-Rome			May	9.69	9.69
North Carolina:					
Asheville			October	6.40	6.40
Central North Carolina			July	6.33	6.33
Charlotte			May	7.30	7.30
Southeastern North Carolina			March	9.02	9.02
North Dakota: North Dakota			May	7.89	7.89
Ohio:					
Cincinnati			March	7.90	7.90
Cleveland			July	7.41	7.41
Columbus			March	6.01	6.01
Dayton			March	7.04	7.04
Oklahoma:					
Oklahoma City			October	9.87	9.87
Tulsa			October	9.58	9.58
Oregon:					
Portland			September	12.86	12.86
Southwestern Oregon			August	10.50	10.50
Pennsylvania:					
Harrisburg			March	10.22	10.22
Philadelphia			December	8.56	8.56
Pittsburgh			November	9.80	9.80
Scranton-Wilkes-Barre	October	8.42	October	.17	8.59
Rhode Island: Narragansett Bay			March	1.98	1.98
South Carolina:					
Charleston			September	10.52	10.52
Columbia			July	10.08	10.08
South Dakota: Eastern South Dakota			January	7.30	7.30
Tennessee:					
Eastern Tennessee			June	12.10	12.10
Memphis			June	8.95	8.95
Nashville			April	10.09	10.09
Texas:					
Austin			August	11.24	11.24
Corpus Christi			August	14.44	14.44
Dallas-Fort Worth			January	9.32	9.32
El Paso			June	12.19	12.19
Houston-Galveston-Texas City			August	11.50	11.50
San Antonio			August	6.62	6.62
Texarkana			July	8.46	8.46
Waco			August	9.91	9.91
Western Texas			August	7.58	7.58
Wichita Falls-southwestern Oklahoma			October	6.11	6.11
Utah: Utah			May	7.58	7.58
Virginia:					
Norfolk-Portsmouth-Newport News-Hampton.			July	9.04	9.04
Richmond			January	11.21	11.21
Roanoke	January	5.40	January	.90	6.30
Washington:					
Seattle-Everett-Tacoma			November	8.62	8.62
Southeastern Washington-Eastern Oregon.			September	9.18	9.18
Spokane			September	10.07	10.07
West Virginia: West Virginia			May	10.28	10.28
Wisconsin:					
Madison			October	9.50	9.50
Milwaukee			February	9.20	9.20
Southwestern Wisconsin			August	7.17	7.17
Wyoming: Wyoming			March	10.80	10.80
Puerto Rico			September	6.92	9.92

Mr. FONG. Mr. President, while General Schedule white-collar workers and military personnel have lagged behind the postal employees and blue-collar workers in the Federal Government, wage increases negotiated in the Nation's private industries have also moved ahead of the Federal white-collar and military personnel.

Wage rate adjustments negotiated during the first half of 1975 averaged 11 percent for the first contract year and 8 percent annually over the life of the contract. Comparative adjustments in 1974 were 9.8 and 7.3 percent, respectively.

In the manufacturing sector, wage rate adjustments averaged 10.9 percent in the first contract year and 8.4 percent annually over the life of the contract. Comparative adjustments in 1974 were 8.7 and 6.1 percent, respectively. These adjustments exclude possible gains under cost-of-living escalator clauses.

Just this week, the Washington Post published an article about a contract settlement reached between negotiators for the Hotel Association of Washington and a union representing more than 7,000 employees in 35 city hotels. According to the newspaper account, a 3-year contract will provide an across-the-board increase of $33.80 a week for the majority of the union's members—hotel laundry room workers, maids, kitchen, utility room, and other service employees. The majority of the union members currently earn about $106 a week, according to the union. Based on these figures, the majority of the employees will have a wage raise of more than 31 percent during the 3-year contract period, or 10 percent annually. By comparison, a 5 percent annual raise, as recommended by the President, would be very small indeed. Certainly, Government employees are as important to our national life and economy as hotel workers or any other workers.

Every American must pay higher prices these days, and, like every American, the Government worker is also hurt by inflation. Prices for consumer goods are running about 9 or 10 percent higher this year than last. Like every American, the Government employee has to pay these higher prices. For the 12 months from July 1974 to July 1975—the latest monthly figure available—the Consumer Price Index rose 9.7 percent. So even the 8.66-percent increase recommended by the President's agents falls below the adjustment needed to maintain living standards.

Moreover, there is a 6-month lag between the BLS survey of pay in private industry and the October effective date for the comparability pay increase—a factor which is not calculated in the Federal employee's paycheck, although it should be. Therefore, the Federal pay increase does not lead private indstry; it follows the private sector. It is a "catch-up" struggle for the Federal workers.

Although President Ford has been waging a determined fight against inflation, Congress has refused to extend the President's authority to control wages and hours, even on a standby basis.

President Ford, therefore, used the

only statutory authority available to him for imposing wage restraints, by recommending a less-than-full comparability pay increase of 5 percent.

But, as I pointed out earlier in my remarks, it would be unfair and inequitable to single out only certain Federal employees and military personnel for a cut in a pay raise due them under the law. A small segment of the Nation's huge labor force is being asked to bear a burden which is not being shared by the vast remainder of that work force. If the sacrifices were shared across-the-board, I feel certain this group of Federal white-collar and military employees will do their part.

In an economy as vast as ours, in a Federal Government as far-flung as ours, it should be within our ability to hold down Government spending in a more equitable way.

By cutting out waste and inefficiency within our Government, let us continue the battle against inflation and against uncontrolled Government spending, but let us try to be fair, to share the burden as fairly as possible, so no one sector of our work force is made to carry the load alone.

As long as the pay comparability law is on the books, we should keep faith with the Federal workers covered by that law.

If the law provides for an equitable way to adjust their pay—and it does—shouldn't we in Congress who enacted the law see to it that it is carried out fairly and fully?

If Federal workers in other sectors, like the postal employees and the blue-collar workers, have received proper wage adjustments this year—and they have—shouldn't the white-collar and military personnel also receive the full comparability adjustment under the law?

And since workers in private industry have negotiated higher wages and our comparability law is linked to those higher wages, shouldn't we carry out the intent of the law and approve comparable wages for all those covered by the comparability law?

I say, definitely, we should. So I urge my Senate colleagues to vote for Senate Resolution 239 and the 8.66-percent pay increase.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. FONG. I yield to the distinguished Senator from Maryland such time as he may require.

Mr. BEALL. I thank the distinguished ranking Republican member of the committee for yielding.

Mr. President, I support the recommendation that the Federal pay scale be adjusted upward by 8.66 percent.

This increase will meet the requirements of the 1970 Federal Pay Comparability Act. As my colleagues know, with that act, the Congress took steps to assure that Federal employees would not fall behind those in the private sector. We in essence promised Federal statutory employees, who generally cannot take advantage of collective bargaining, that they would receive equal pay for equal work in the private sector.

Under this legislation, the President's pay agent is required to prepare a report to the President for his consideration in determining the amount of annual pay adjustments. This report is also studied by the independent, three-member advisory committee on Federal pay. The advisory committee studies the report of the President's agent, considers additional views and reports its recommendations to the President.

That committee has now made its determination, based on all relevant data, that 8.66 percent is the correct and proper amount that Federal pay schedules should be increased to achieve comparability with the private sector.

If the Congress is going to carry out the spirit of the law, it has no other choice than to support the 8.66-percent recommendation of the Advisory Committee on Federal Pay, and reject the suggestion of the President that this increase be limited to 5 percent.

The 1970 law specifically mandates comparability with the private sector. Until we in the Congress change that act, we must uphold its provisions which require pay comparability in the Federal service.

I might also point out that approximately 1½ million other Federal employees will continue to receive pay increases through 1975, regardless of the action of the Senate today. Among them are some 700,000 postal workers, whose salaries result from collective bargaining and whose pay increases have been 25 percent greater than those provided for statutory employees by the Federal Pay Comparability Act of 1970. Further, more than 500,000 wage grade or blue collar employees, whose compensation is pegged at non-Government pay rates prevailing in the geographic area, will continue to receive their increases, again regardless of the action we take today. In short we are singling out only one segment of our economy—the Federal white collar employees—to make sacrifices.

As a member of the Budget Committee, I am fully aware of the dangers of fiscal irresponsibility.

But the President's pay recommendation will not lower the price of bread or fuel to Federal or non-Federal employees by 1 cent.

Instead, it will place a disproportionate burden on millions of loyal Federal and military employees who must pay the soaring prices of these and thousands of other items.

It would be terribly unfair to use the Federal white collar workers as a scapegoat every time we want to trim the budget. Until the same restraints apply to the rest of the economy, we must not single out the Federal employee as the "fall-guy" for our economic miseries.

Therefore, I urge my colleagues to disapprove the President's recommendation.

Mr. FONG. Mr. President, I yield to the distinguished Senator from Maine. How much time does the Senator wish?

Mr. MUSKIE. Can the Senator give me 10 minutes?

Mr. FONG. I yield 10 minutes to the Senator from Maine.

Mr. MUSKIE. Mr. President, as chairman of the Budget Committee, I must reluctantly oppose Senate Resolution 239, which would remove the 5-percent cap on Federal pay increases recommended by the President.

On August 29, President Ford sent a message to the Congress recommending, under the Pay Comparability Act of 1970, an increase of 8.66 percent in Federal white-collar pay on October 1. In that message, the President made an alternative recommendation, as permitted by the Pay Comparability Act, to hold the increase to 5 percent. Either body of the Congress may overturn the President's alternative recommendation by passage of a simple resolution, in which case the increase of 8.66 percent would prevail.

The distinguished chairman of the committee has eloquently stated, as well as the distinguished Senator from Hawaii, the equities involved in the question of pay raises for Federal employees.

I understand those equities fully, sympathize with them, and, indeed, endorse them. So the observations I make are related more to my responsibilities in connection with the budget than with the merits of this particular proposal.

I begin, Mr. President, by pointing out that the pay proposal covers all Federal so-called white-collar civilian employees except the Postal Service. It also covers all military personnel. Postal Service employees and so-called Federal blue-collar employees are granted pay raises through separate procedures and are not affected by the resolution under consideration today. Since the Postal Service is an "off budget" agency, any increases granted to postal employees do not show up in the budget totals.

A pay raise of 8.66 percent would have a budgetary cost of about $3.2 billion in the remaining 9 months of fiscal year 1976. Holding the pay raise to 5 percent would save about $1.4 billion in fiscal year 1976 and about $2 billion on a full-year basis. These figures are slightly lower than those cited by the President in his August 29 message and reflect more up-to-date information. These are the gross figures.

Mr. President, I will acknowledge that some savings through absorption of pay costs within regular Federal agency budgets are likely, but the amount that can be absorbed is only a small part of the total—in recent years averaging only 10 to 15 percent—so we cannot count on much from that quarter. The resolution before us today is really "spending legislation" since it locks us into increased budget authority and outlays when supplemental pay requests come before the Congress in January or February 1976.

Last May, when the first budget resolution was adopted by Congress, the statement of managers accompanying the conference report indicated that as of that time the budget totals were sufficient to cover the full costs of the pay raise, provided, of course, that other targets were met. No decision on this matter was taken by the Senate, either in committee or in floor debate. Thus the vote today will be the first specific action on the pay raise by the Senate.

In considering the pay cap issue, Mr.

President, it is essential to consider the present status of the budget. That is where my responsibility lies.

Summary Table 1 on page 9 of the latest Senate budget scorekeeping report, issued September 15, shows that spending legislation enacted, in process, or requested by the President may exceed the first budget resolution targets by $9.4 billion in budget authority, when the total is adjusted for comparability, and by $6 billion in outlays. I should point out that these totals include the full pay raise, since we have adjusted the President's requests not yet acted upon to reflect the cost of current law in all cases. If the pay raise were held to 5 percent, we may, depending on our remaining spending decisions, still be over the first budget resolution targets by $8 billion in budget authority and $4.6 billion in outlays. This means we have a lot of saving still ahead of us to do if we want to avoid the deficit rising from the $68.8 billion projected in May.

The amounts for the pay raise are found in two functional areas of the budget. "Function 050: National Defense" includes the cost of the pay raise for all military personnel and the civilian employees of the Department of Defense. The "allowances" function includes the cost of the pay raise for all civilian employees of the Government other than the Department of Defense. This "allowance" is not divided by agency until the supplemental requests are transmitted next year. The pay raise amounts break down as shown in the following table.

Mr. President, I ask unanimous consent that the table entitled "Fiscal Year 1976 Pay Raise Costs" be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD. as follows:

FISCAL YEAR 1976 PAY RAISE COSTS

[In billions]

	Budget authority and outlays		
	National defense	Allowances	Total
1st 5 percent	1.2	0.6	1.8
Additional 3.66 percent	1.0	.4	1.4
Total	2.2	1.0	3.2

Mr. MUSKIE. Mr. President, thus, if we hold to a 5-percent increase, during the next 9 months we will save $1 billion in the national defense function and $0.4 billion in the allowances function from the figures contained in the scorekeeping report.

As shown on page 15 of the latest scorekeeping report, spending legislation enacted, in process, or requested by the President in the national defense function may exceed the congressional budget targets by $7.9 billion in budget authority and $4.9 billion in outlays. While this overage is apt to be reduced considerably through congressional action on the President's defense appropriation requests, I have pointed out several times—most recently in the August 1 debate on military procurement authorizations—that it will be very difficult to hold to the congressional budget targets for national defense. The implication is clear—we need to save every dollar we can in the national defense function. Limiting the pay raise to 5 percent will save $1 billion, which we might otherwise have to make up through extreme cuts in defense procurement or other areas.

As shown on page 57 of the latest scorekeeping report, spending legislation enacted or requested by the President in the allowances function may exceed the congressional budget targets by $0.4 billion in budget authority and outlays. This is exactly the amount we would save in that category by holding the pay raise to 5 percent. If we hold to 5 percent, the allowances function will be on target.

Mr. President, it is not easy for any of us to vote to hold pay raises for Federal employees to an amount less than established procedures indicate may be required. Each of us represents Federal employees, and they are giving the country loyal and dedicated service. But Federal workers are taxpayers, too. They are American taxpayers. And like all of us they want and deserve fiscal responsibility—freedom from inflation and all possible limitations on Federal deficit financing.

So, Mr. President, all are facing very tough fiscal choices right now. The question before us is not whether Federal employees deserve a full raise—they certainly do—but the alternatives we must consider. If we grant a full pay raise now, what else will be cut? Will we build fewer ships? Will we cut Federal employment? The money has got to come from somewhere, Mr. President, and that is why, on balance, I will vote to raise Federal salaries 5 percent.

Mr. CHILES. Mr. President, will the Senator yield at that point?

Mr. MUSKIE. Yes, I yield to the distinguished Senator from Florida.

Mr. CHILES. I agree with the distinguished Senator from Maine on that point. As a member of the Committee on the Budget and as one who was interested in making and made some amendments at the time we were dealing with the figures which became our subtotal for defense, I say that I thought many of us at that time were working on the assumption that we were talking about 5 percent. I know the Senator from Georgia pointed out not once but on many occasions that if we were not talking about 5 percent, then we were talking about major cuts that would have to be made, tremendous cuts in materiel, tremendous cuts that would have to be made in R. & D. or planning money, and probably more realistically what would happen, because we would not be able to make those cuts there would be riffing of employees. There would have to be cuts in personnel, if we were going to go over the figures. Yet we did cut. We did cut from what the President had requested, and I thought we were cutting in areas that we could, without sacrificing defense; at the same time we were dealing with the assumption of a 5 percent pay raise, and that we would be able to meet these items.

If we do not have that 5 percent and we go to 8.86 percent, we are either going to have to increase spending or we are going to see some deep, deep cuts.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. MUSKIE. First, I should like to say this. I believe it is accurate to say that the Budget Committee last spring did not specifically act on the question of the pay raise. Each of us made his own assumption. Perhaps all of us hoped that the development of the budget and the spending decisions made by Congress would make possible the full pay raise—which, of course, at that point had not yet been received from the President. That has been received just recently. But I think we all hoped that we could so control spending decisions subsequent to that time that the full pay raise would be decided.

We are now faced with a condition, not speculation, and the condition does mandate as alternatives those that the distinguished Senator from Florida has mentioned.

I know that the distinguished Senator from Georgia also has addressed himself to this matter, and I yield to him at this point.

Mr. CHILES. I just want to make one more point. I think it would be more positive for me to say that we did not know what the President's figure was going to be. But what we did work for was that we were going to provide that there would be some increase and that the increase would be 5 percent. So we were not holding him to a zero increase. We were saying that we could provide for 5 percent and still do these other things. When we see it go to 8.86 percent, we cannot do the other things and have the 8.86 percent, too. I think that is a better way to put it.

Mr. MUSKIE. That is right.

Mr. President, I yield to the distinguished Senator from Georgia.

Mr. NUNN. Mr. President, I support what the Senator from Maine has stated and what the Senator from Florida has just added.

As the Senator from Maine and the Senator from Florida know, when we had the first concurrent resolution, I felt that the Senate position on that was the responsible position. But when the conference committee report came back, I questioned that on the floor of the Senate. The Senator from Maine and I had a dialog that day about the defense budget. At that time it was apparent to me that if we were going to be able to stay within that budget on defense, we had to assume a 5 percent pay cap. The reason is not that I have any strong position on whether it should be 5 percent or 8 percent, but it is really just arithmetic. I admit it is rather complicated arithmetic.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McGEE. The Senator has not quite an hour because of the time for the quorum call having been divided equally.

Mr. MUSKIE. I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. NUNN. The arithmetic is rather complicated because of the relationship between outlays and authorizations. In the bill that the conference committee has just come back with the second time, it is a $30 billion authorization bill, since personnel costs are not included, although numbers are. The outlays are only about $8 billion.

So what the Senator from Florida has just said is extremely important; because no matter how much you cut in terms of planes and ships, unless you cut virtually every plane and every ship out of this military authorization bill, you cannot really affect 1976 fiscal outlays very much. In fact, staff computations I have received show that if this 5 percent pay raise does not stick, if we go to 8 percent, if you really are going to stay within the concurrent resolution on the defense budget in outlays, you will have to cut virtually all new ships, virtually all new planes, and you also will have to cut hundreds of thousands of jobs.

The way you get to the outlays in fiscal year 1976, particularly since the year has already started—we are in it 3 months—is basically to cut jobs, because that is people and that is payroll.

So we are in a very bad position here, in trying to determine whether people get a pay raise while many other people get laid off. We will be saying to many people, "Yes, we are going to raise your pay, but you may not have a job next year."

That is particularly true in the defense industry and in the defense bases all over this country, which affects every State to some degree. It is particularly important that people who work in defense jobs and people who work for the Federal Government realize that this is a very difficult situation and that we are really talking about increased pay versus increased jobs.

Mr. STONE. Mr. President, will the Senator yield for one brief question to the Senator from Georgia?

Mr. MUSKIE. I yield.

Mr. STONE. In connection with what the Senator from Georgia has just said, does that mean this if this increase were to go through at 8 percent instead of 5 percent and militarily oriented jobs at bases would be cut, loss in employment could take place at such places as the rework facilities in Pensacola and Jacksonville and the other rework facilities around the country?

Mr. NUNN. That is true. Any military base could be affected.

I wish to make clear to the Senator from Florida, if the Senator from Maine will yield one or two minutes, that we are not talking about something that is going to happen automatically. There will be choices.

This does not mean that if we go to 8.7, people automatically are going to be laid off around the country. It means that we have a choice as to going substantially above, by about a billion dollars, the concurrent resolution on the budget; and that means increasing the deficit, and everyone will have to make his own judgment about the economic effect of that. That is one choice. If that choice is not accepted, then we have to decide in the defense category how we are going to go about making the cuts.

So we not only are talking about laying off many people if we are going to stay within the concurrent resolution. We are talking about many other people in defense industry, in private employment, who will have to lose jobs, because we will have to cut out procurement—procurement in airplanes, procurement in ships.

So it is a matter of a choice we will have, a choice as to whether to increase the deficit and save the consequences of that—at least, that is my judgment—or whether we really want to slash the defense budget beyond anybody's imagination, including hundreds of thousands of jobs.

I believe that the people in my State who work for the Federal Government would rather have everybody who now holds a job have reasonable assurance of continuing to have that job, than seeing some people get a 3.6-percent increase above the 5 percent and then have thousands of people laid off.

I believe that the sentiment of the Senate is pretty obvious, when we look at the history of the military authorization bill. The Senator from Wisconsin (Mr. PROXMIRE) offered an amendment on the floor to increase the number of civilians cut from the defense budget by 17,000, and that amendment was adopted. The Senator from Georgia opposed that amendment, but it was adopted; and I believe that expresses the sentiment of the Senate as to what direction will be taken in the second concurrent resolution, in the military appropriation bill, when it comes to the floor, and, probably more significantly, what will happen next year as the budget pressures become greater and greater.

Mr. CHILES. I wonder whether the distinguished Senator from Maine can enlighten me on this.

We were just talking about our budget figures when we get ready for the second concurrent resolution. Have we made enough saving so that we can take up this increase and not break our budget target figures? I wonder whether the Senator from Maine can give us figures as to how we stand in that regard.

Mr. MUSKIE. We have made no savings that would permit us to absorb this increase without raising the deficit. I presented some of the figures already, in my prepared statement. Let me add another one. One of the great pressures on the budget is the pressure of uncontrollables. This has to do with programs which mandate by law certain expenditures—food stamps and veterans benefits, for example, and others.

Those kinds of expenditures have risen under the pressure of the recession. With more people out of work, those kinds of expenditures grow. At this moment, the cost of those kinds of expenditures has risen by $3.9 billion since the budget resolution of May. So there is $3.9 billion that we have to find a way to absorb in the budget, if we want to hold the deficit at $68.8 billion. If we do not find a way to absorb that $3.9 billion, then, wholly because of that, the deficit will go up to $73 billion. That $73 billion includes the full pay increase. We are talking about this decision this afternoon as a way of dropping that, because we computed the congressional budget on the basis of what current law requires.

Mr. CHILES. As I understand, we then are $3.9 billion——

Mr. MUSKIE. Over the budget, for that reason alone.

Mr. CHILES. Today, we are $3.9 billion over our $69 billion target.

Mr. MUSKIE. That is right for those items.

Mr. CHILES. That includes this 3.9, which includes a billion dollars for this?

Mr. MUSKIE. That is right.

In addition, of course, in the defense function, we have the problem posed by the defense procurement bill, which is just back from conference. I am not sure it is physically back yet, but it has been reported out. The conferees were not able to achieve the full cuts that would bring it in line with the Senate action earlier this year. I am sure it was a tough conference. I am not passing judgment on it at this point, but that represents additional spending for planes and ships, for which money must be found.

The Senator from Georgia is absolutely correct in making the point that those are the kinds of tradeoffs we are talking about.

What we are trying to do in this budget are necessary things: First of all, we changed the budget from that of the President in order, in many, many places, to relieve the pressures and the burdens of those at the grass roots in this country. We changed the budget in the health function, we changed the budget in income security, we changed the budget in the education function. We changed the budget in many ways for the purpose of relieving the pressure on grassroots Americans and in order to serve priorities here at home.

We cut foreign aid; we cut the budget in other ways in international affairs. We reduced defense spending to the extent that the committee thought was prudent. So there has been a shift in the direction of trying to be of assistance to grassroots Americans.

This pay issue was left fluid. We did provide for the 5-percent increase. We left the remainder until such time as the President made his recommendations and until we could see where the spending decisions that we have made since would take us. This is where we are.

The Senate, of course, has the prerogative this afternoon—and I emphasize that—of voting to increase the deficit. It has the prerogative of voting to increase the spending level in the budget. That prerogative is not denied the Senate by the Budget Reform Act or by the budget process or by the Committee on the Budget. The Senate can make the decision today that this pay increase is more important than holding the line on the deficit and holding the line on Government spending. But I think the Senate ought to do so with a full recognition of the facts. That has been my posture all summer. It is my posture now.

I am as attracted by the equities of this proposal as any Senator. I think the

Senator from Wyoming and the Senator from Hawaii are performing their duty in presenting those equities to the Senate this afternoon. I hope that when we are through with our discussion, following the presentation by the committee and the distinguished chairman and ranking Republican, that the Senate will be in a position to make its decision. That is the only role we are trying to play this afternoon.

Under the overall spending target of the budget, as I say, we tried to relieve pressures which the President's budget created for grassroots Americans.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. I yield myself an additional 5 minutes.

Nevertheless, having done that, we still reached a ceiling because we were required to do so by the law. The Senate expected us to do so and we have set that ceiling. Now we have to make the process of adhering to that ceiling one of deliberate decisionmaking. That is really what it is all about.

I am most grateful to the distinguished Senator from Florida and the distinguished Senator from Georgia, both of whom are members of the Committee on the Budget, for this contribution. I particularly appreciate the analysis made by the Senator from Georgia, because he is also a member of the Committee on Armed Services. He is much more knowledgeable with respect to the defense budget than any other member of the Committee on the Budget because no other Member serves on the Committee on Armed Services. We have looked to him for information and for perspective on these critical decisions.

Mr. STONE. Will the Senator yield to me for 1 minute?

Mr. NUNN. I thank the Senator from Maine. If I may make one brief comment, I think he is performing a great service here. The Senate, as he said, can take this deliberate decision of increasing the deficit if they choose, but it ought to be a conscious decision and an informed decision and I think the Senator is performing a great function there.

I also appreciate the positions of the Senator from Wyoming and the Senator from Hawaii, who are also performing a duty in pointing out the equities on the other side of this issue. It is a tough question, a tough tradeoff. It is not an easy situation to tell anybody why they were not raised 8.6 percent. But neither is it going to be very easy next spring to explain to people all over the country, who work at defense bases, why their jobs are being terminated if that is the choice that has to be made at a later point. I think that is the most likely choice, based on the sentiment I have seen in Congress so far.

The vote in the Senate today is on the size of the annual pay increase for military and civil servants, either 5 percent as recommended by the President or 8.66 percent. Unfortunately, on this vote there is no opportunity to eliminate Members of Congress from this pay raise. I voted last July to eliminate Members of Congress from this raise because we should actually take the lead in belt-tightening during this period of economic hardship.

The country continues to face near double-digit inflation. We see it in our food prices, in the increasing price of fuel, in high interest rates, and in virtually everything we buy. At the same time, there are over 8 million Americans unemployed.

Many Americans strongly believe, as I do, that excessive Federal spending has been an important contributor to these problems.

When my own State of Georgia was faced with the question of granting pay raises to State employees, the State elected to exercise strict budget controls and maintain fiscal responsibility. Virtually no one received an increase as large as 5 percent and many received no increase at all. I would like to see the Federal Government also follow the principle of fiscal responsibility.

Today's vote, however, is a choice between a 5- and a 8.66-percent increase. The economic impact of an 8.66 percent pay raise is much broader than the actual $1.4 billion cost above the 5-percent raise and the ripple effect of the higher pay increase will be felt throughout the economy. Many off-budget agencies, State and local government employees are indirectly linked to Federal salaries.

There is a second consideration which many Americans are not aware of. In my opinion, real defense spending will have to be reduced by almost $1 billion if the higher pay increase is accepted. Significant cuts have already been made in defense spending; further cuts pose a serious threat to the ability of our armed forces to fulfill our national security goals.

Of course, in the defense area, this increase could be absorbed by increasing the national defense budget target with a corresponding increase in the budget deficit, but in my opinion, this is highly unlikely based on the mood of Congress.

It is more realistic to expect that the higher increase in pay would have to be absorbed within the current defense budget which would mean either an actual reduction in personnel or in the procurement of aircraft, ships and missiles, or more likely, drastic reductions in all of these categories.

There would be considerable pressure to concentrate these cuts in the personnel area. In fact, there have already been proposals to make further cuts in personnel. To absorb the difference of nearly $1 billion in the defense category—5 percent versus 8.66 percent—in the personnel accounts at this time could require cuts in defense civilian and military personnel of hundreds of thousands. Such cuts are unacceptable in terms of our national security and in the loss of jobs of thousands of Americans involved in defense.

In effect, many defense workers would lose their jobs to permit others to enjoy a larger pay increase.

In times of economic hardships, the Federal Government must exercise fiscal responsibility in all areas of Government spending, including matters of pay. For these reasons, I am voting against the 8.66-percent increase.

Mr. STONE. Will the Senator yield me 1 minute?

Mr. MUSKIE. I am happy to yield to the distinguished Senator from Florida and then to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator's additional time has expired. Who yields additional time?

Mr. FONG. I yield 1 minute to the Senator from Florida.

Mr. STONE. Mr. President, even if a conscious decision were to be made by the Senate to increase the deficit by this amount, the fact that the Senate has included in a straight up or down vote, with no ability to separate the votes, the vote relating to a pay raise for the general Federal employees, coupling that with a required pay raise at that amount for Congressmen and Senators, would invalidate, in the view of the junior Senator from Florida and others, this vote.

We have set up a continuing conflict of interest by including Congressmen and Senators within the ranks of Federal employees. I think it is a bad mistake and will make it very much more difficult for those who would like to vote for a pay raise for others to vote for one for themselves.

Mr. FONG. I yield 5 minutes to the Senator from Ohio.

Mr. TAFT. I thank the Senator for yielding.

Did the Senator from Connecticut wish me to yield to him?

Mr. WEICKER. I thank the distinguished Senator from Ohio, but I am sure I can get 2 minutes from the Senator from Hawaii.

Mr. TAFT. I thank the Senator very much.

I listened with interest to the sentiment expressed by the Senator from Florida, and I must say, I am in strong agreement with it.

When this Commission for Pay Procedure was set up in the House of Representatives, I objected to it at that time. I voted against it at that time. I have voted against every pay increase that has been proposed under it that included the Senate and Congress—I think those are all of the increases—because of my objections that the principle involved seems to me to be wrong.

Yet I think that today we face a very, very difficult decision, because it does involve a conflict of interest. We have to weigh this conflict of interest with the equities and needs of those who are affected—those, of course, being all the lower paid employees and the military and also, I find, about 500,000 black lung recipients and their beneficiaries. This puts us, I think, in a very, very difficult position.

I have examined this carefully and I should like at this point to make a parliamentry inquiry of the Chair as to whether an amendment to this resolution would be in order to excise Senators' salaries and Representatives' salaries from this measure?

The PRESIDING OFFICER. The Senator from Ohio is advised amendments are not in order.

Mr. TAFT. I thank the Chair for its opinion. I understood that was the case.

Mr. NUNN. Mr. President, will the Senator yield for a brief comment?

Mr. TAFT. I would be glad to yield to the Senator without losing my right to the floor.

Mr. NUNN. I agree with the Senator from Ohio and the Senator from Florida on the points made. That was my position when it came up in July. I just want to echo the sentiments of the Senator from Ohio.

Mr. TAFT. I want to thank the Senator from Georgia for his comment.

I have examined what we have done in this regard, and I want to call the attention of the Senate to the measure introduced in the House of Representatives by my colleague, Representative MOSHER, under H.R. 9336. This measure is one that I expect in the very near future to introduce in this body, and I welcome any Senators who wish to cosponsor it.

The effect of it would be similar to what has been the rule of the State of Ohio for as long as I remember, and certainly when I was in the State legislature. That is a law that no member of the general assembly could receive a pay raise unless a general election intervened between the time the raise was voted and the time it went into effect.

Mr. President, this law has worked very well in Ohio. I realize in regard to a 6-year term there is a problem involved because there would be a bar against any increase for U.S. Senators for a period of 6 years if it applied consistently.

However, this measure would only bar Senators from a salary increase for the 2-year Congress in which they are elected. It seems to me, this is all right because there is also a House control and a reelected House that goes into office, would have a control over our salaries as well as ourselves, so I resolved that conflict with regard to the application of this measure to the Senate.

We are already in a jam now as to whether we vote a salary increase for ourselves and break the principle involved at this time or whether we prevent those who, I think, are entitled to a comparable cost-of-living increase from getting that cost-of-living increase.

Faced with this dilemma, I have struggled with myself somewhat, and I find I am going to vote for the 8.66 percent for the Federal employees and others who, I think, really need it under the current economic circumstances, even though I think it is basically wrong for the Senate, insofar as it itself is concerned. But that is a decision which I opposed when it came up on the Senate floor just a while ago, and when we put ourselves in this situation once more.

I hope the Senate will continue to consider remedies that might be enacted to cure this situation. It just has not worked very well.

If we get this increase, it will be the first increase we have gotten since the system went into effect in 1969, and certainly nobody can say that is a system that has worked very well under the circumstances. I think the country would far rather see us stop trying to hide behind some pay commission or advisory committee procedure, such as we currently have, and vote up or down and separately from other considerations on the salaries that we set for ourselves.

Mr. President, did the Senator from Kentucky wish to ask a question?

Mr. FORD. I have no questions, but I would like to have 2 or 3 minutes.

Mr. McGEE. The Senator asked for a little free time if there was any remaining.

Mr. TAFT. I would be glad to yield for a question.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. FONG. Mr. President, I yield 3 minutes to the distinguished Senator from New Mexico.

Mr. DOMENICI. I commend the Senator from Maine for what he did here on the floor and the Senator from Georgia and the Senator from Florida in explaining the options we have.

Although this particular issue applies to more than military, whether it be military personnel and civilians included within the military, I think it is important since it has most of its impact on the military, and what the distinguished Senator from Georgia and the distinguished Senator from Maine have said about it should be understood and, as I see it, it is basically this, and I would like the Senator from Maine's observations.

Basically, when we set a target in terms of military outlays and authorizations for this country it is a little bit different in functional area than others because that is all in it, so we do not have all the confusion in it about four different functional areas mixed here and there. It is all in one. So we have got one figure that we came out of conference with, and it has got to cover both procurement and personnel.

It is my observation and, therefore, I am very concerned as to the military, that Congress is probably not going to exceed the total figure in target area either as outlays or as authorizations, and I think our vote on the procurement measure the other day is pretty indicative that we are going to use that figure or pretty close to it.

I think the point has been made that $1.2 billion out of this has to fit in that total figure, and you have got to find it within the total one way or the other and, as the distinguished Senator from Georgia said, the procurement bill the other day clearly indicates that there is not much room there.

So for those who are on the payroll of the military or the military's civilians they are confronted with a serious issue and that is are we going to add $1.2 billion down the line for the total military or are we going to stick with our original, and if we stick with the original and vote in the 8.66 percent then we are going to find $1.2 billion somewhere as a cut and, I believe, it will be either in equipment, R. & D., but most logically it will be in personnel, and it probably will be people without jobs in the military rather than whether they got 8.66 percent. That is my own analysis of it.

I am going to vote for the 5 percent. I think the committee has done an admirable job of presenting equity and fair play. Nonetheless, I think we have to look at this functional category alone, set an example and, I think, maybe out there many Americans will be looking at this as to whether or not we want to sacrifice a little bit for the benefit of fiscal responsibility, strong military, and meeting our other social goals in that budget. Otherwise, we are going to have to add more. I do not see how we are going to do it otherwise, and we are already over it because of things we cannot control.

Mr. SPARKMAN addressed the Chair.

Mr. MUSKIE. May I just respond?

Mr. SPARKMAN. Mr. President, may I ask the Senator to yield to me?

Mr. MUSKIE. Just 10 seconds. The Senator from New Mexico has clearly spelled out the options available to us, and I commend him for his articulateness and his commitment to the budget.

Mr. DOMENICI. I thank the Senator from Maine.

Mr. McGEE. Mr. President, I yield to the Senator from Alabama for a unanimous consent request on nobody's time.

The PRESIDING OFFICER (Mr. BAKER). Without objection, it is so ordered.

VISIT TO THE SENATE BY MARGARET ROBERT THATCHER, LEADER OF THE CONSERVATIVE PARTY OF THE UNITED KINGDOM

Mr. SPARKMAN. I have asked for this time, Mr. President, in order to present to the Senate a distinguished visitor we have with us today. It is Mrs. Margaret Thatcher, the leader of the Conservative Party of Great Britain.

I believe it is the first time in history that a woman has been the head of one of the major parties in Great Britain, and she would not admit this, but it is freely predicted in England, and I have heard it many times, that some day she may be the Prime Minister of England. I am very glad to present Mrs. Thatcher who is here.

[Applause, Senators rising.]

Mr. President, I ask unanimous consent to insert a little item about Mrs. Thatcher in the RECORD, if I may.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARGARET ROBERTS THATCHER, LEADER, CONSERVATIVE PARTY

Rightwinger Margaret Thatcher, 49, was elected leader of the Conservative Party on 11 February 1975. She is the first woman to head a major political party in Britain and could become the first woman Prime Minister when the party returns to power. Since her election to Parliament in 1959, Mrs. Thatcher has gained considerable government experience in both the Cabinet (Secretary of State for Education) and the Shadow Cabinet (most recently as Deputy Chancellor of the Exchequer). In the latter post, she advocated a tight-money policy and curbs on government spending to help remedy Britain's economic problems.

Two ballots were necessary for Mrs. Thatcher's election to succeed Edward Heath.

On the first she received 130 votes, Heath 119, prompting him to resign; or, as one political observer noted, "First ballot results in dead Heath." On the second, she received 146, more than the combined total of her four opponents.

Becoming leader of a party that has its fair share of male chauvinists was a remarkable achievement for Mrs. Thatcher, who has displayed courage, deftness and determination. She has stamina, is a prodigious, highly organized worker, and relies strongly on detail rather than principle. A British writer describes her political philosophy as simple and traditional: valuing ability, hardwork and enterprise and supporting individual liberty, thrift and application.

After graduating from Oxford with honors in chemistry, Mrs. Thatcher studied law, specializing in tax legislation. She and her husband, Denis, have 21-year-old twins, Mark and Carol. Mrs. Thatcher enjoys opera, theater and reading.

RECESS FOR 5 MINUTES

Mr. McGEE. Mr. President, I ask unanimous consent that the Senate recess for 5 minutes.

There being no objection, the Senate, at 2:19 p.m. recessed until 2:24 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BAKER).

RESOLUTION DISAPPROVING ALTERNATIVE PLAN FOR PAY ADJUSTMENTS FOR FEDERAL EMPLOYEES

The Senate continued with the consideration of the resolution (S. Res. 239) disapproving the alternative plan for pay adjustments for Federal employees.

Mr. FONG. Mr. President, I yield 2 minutes to the distinguished Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to express my opposition to any pay raise for Members of Congress.

Under Public Law 94–82, which I supported, the military, Federal judges, Federal employees, Members of Congress, and officials of the executive branch will receive, for the first time, a cost-of-living increase under the Federal Pay Comparability Act of 1970.

Unfortunately, Congress does not deserve a pay raise. In the past, I have continually stated my strong belief that a raise in congressional salaries is needed. The time has come to earn it.

To vote this raise in the face of Congress' failure to deal with the Nation's needs is gross.

The American people are asking how a Congress which cannot vote energy policy can vote itself a pay raise. I do not have an answer.

Therefore, I will cast a vote of protest, the only vote possible against both an 8.6-percent and a 5-percent increase. I will vote present.

Mr. FONG. Mr. President, I yield 5 minutes to the distinguished Senator from Oklahoma.

Mr. BELLMON. Mr. President, I thank my distinguished friend from Hawaii.

Mr. President, as a member of the Post Office and Civil Service Committee, also as ranking minority member of the Budget Committee, I view the resolution before us this afternoon in a different light, perhaps, than other Members. I have long been deeply involved and deeply concerned regarding the issue of Federal pay scales.

Anyone who studies the problem will have to realize that there is a serious difficulty in the discrepancy in the pay scales between certain Government workers and some in the civilian sector. This makes it difficult for some Departments to recruit the talent they need in competition with the private sector.

Also, there is the serious problem of compaction between upper level Government employees.

We have, as has been said, a problem where in many cases we have employees working at the same pay scale even though some have far greater responsibilities than others.

The problem with Senate Resolution 239 is that it does not deal realistically with either of those problems.

There is nothing here that will relieve the problem of compaction and there is obviously not going to be any real equalization of pay scales between civilian and the private sector when the adjustment is either 5 or 8.66 percent.

Therefore, for those reasons, as well as budgetary reasons, I must oppose and urge my colleagues to oppose Senate Resolution 239.

This resolution would simply remove the proposed 5-percent cap on Federal salaries which was recommended and in its place would cause an increase of 8.66 percent to occur, effective October 1.

Mr. President, the problem is that the budget impact of 5 percent versus 8.66 percent is enormous. While a difference of 3.66 percentage points does not sound like a lot, a total saving or extra expense of more than $1.5 billion is involved. For this fiscal year alone. Rarely will this body have the opportunity to decide in a single vote whether an entire $1.5 billion is all spent in 1 year or all saved—but that is what we intend to decide when we count our votes—and the $1.5 billion impact is only a 9-month fiscal year 1976 impact. This decision today will affect fiscal year 1977 to the extent of about $2 billion.

This pay proposal involves about 2 million civilian Federal Government employees, about half of whom are Department of Defense civilians, and the proposal also covers all military personnel. Not included are Postal Service workers which is considered an "off-budget" agency.

Each of us has some of these 3 million people as constituents so it may not be easy to ask these people to limit their salary increases to 5 percent. I think in ordinary times the Senate would not even consider such a thing. But these are not normal times.

We are facing both high unemployment and inflation, and anything this Congress can do to improve either one of those critical conditions is certainly in order.

About 8 million Americans are unemployed and recent indicators clearly demonstrate that all Americans are being adversely affected by the inflationary pressures illustrated by the increase in the Consumer Price Index, the Wholesale Price Index, and the pressures of increases in prices on steel and aluminum. An 8.66-percent salary increase will only add to that pressure.

This vote today is important for another reason. All kinds of wage discussions are held every day throughout this country whether it is an entrepreneur holding a salary discussion with an individual employee or a collective bargaining discussion involving hundreds of thousands of workers. It is going to be hard for us in Congress to expect the private sector in these wage discussions not to be affected by Congress' decision with regard to Federal employees. We have the opportunity to demonstrate once again that Congress is aware of the fiscal restraint necessary to guide this country through the perilous times of extraordinarily high inflation and unacceptably high unemployment. The action we take today will help improve both of these problems.

As we have described on previous occasions, the congressional budget which was overwhelmingly approved by this body, included outlays and revenues of a level which lead to a deficit of almost $70 billion, and that deficit now threatens to be even higher. It is becoming more and more difficult to hold the deficit to that level. On military procurement and on child nutrition we have asked the conferees to seek additional cuts and on the Labor-HEW bill which was discussed yesterday and we have cautioned the conferees to explore ways of reducing outlays. Yet in this resolution we have an issue which potentially has an even greater budgetary impact than those other three issues combined.

This budget cannot afford to lose all that has been gained or will be gained in savings in military procurement, in child nutrition and in the Labor-HEW bill by spending an extra $1.5 billion on Senate Resolution 235. These times demand restraint at every quarter, including Federal pay increases, and I urge the Senate to defeat this resolution.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. Mr. President, I yield 6 minutes to the distinguished Senator from Alabama.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Hawaii for yielding time to me at this time.

Mr. President, the issue before the Senate is not whether there shall be a pay raise for Federal white-collar workers or not. The issue is whether the Federal payroll shall be increased by $3,946,000,000, or whether it shall be increased only by $2,346,000,000, a difference of $1,600,000,000.

A "yes" vote would increase the Federal payroll by approximately the $4 billion figure that I suggested. A "no" vote would increase the Federal payroll by $2,346,000,000, a not inconsiderable item.

I might state that it has been my experience with the defense and Federal installations in my State that each time the Federal pay rate is increased, it results in rifs; it results in reductions in force at the various Federal installations. I would assume that if this $4 billion figure is added to the Federal payroll that we will have in my State and throughout the country literally thousands of Federal employees who will lose their jobs.

At this time, the difference between the 5-percent pay raise proposed by the President and the 8.6 percent rate proposed by the pay scale agency is $1,600,000,000.

The Senator from Alabama believes it is not to be good business to increase the deficit by a $1,600,000,000 figure at this time.

What would happen to the 3.6-percent increase? Would it be lost forever if the 5 percent figure is accepted? It would not. It would carry over to the next year, and if the comparability comparison with private employment was still out of line that figure would be taken into account next year. So at worst, then, it would be a deferral of the 3.6 rather than the loss of it forever.

Mr. President, aside from the merits of the question, I wish the status of the Federal Treasury was such that we could give this 8.6-percent raise. I like to see people compensated for their services. I like to see the loyal Federal employees adequately compensated. I wish the situation was such that I could, in good conscience, vote for the 8.66-percent figure. But I cannot, in view of the economic conditions throughout the country; in view of the fact that nearly 10 million Americans are out of jobs; in view of the fact that this will add to the unemployment if we go for the higher figure; in view of the fact that it will add $1.6 billion to the deficit, and in view of the fact that it will add fuel to the fires of inflation. I am going to have to vote "No." I am not voting against a Federal pay increase; I am voting for a 5-percent increase proposed by the President.

They talk about white-collar jobs. Well, that is true, but it also raises the Vice President's salary; it raises the salary of the Chief Justice of the Supreme Court and every Federal judge in the country; it raises the salary of every Cabinet officer. There is a whole lot involved here.

I might say, when the schedule was prepared for the raising of the salaries of the Members of Congress, I opposed that effort of putting Members of Congress under this automatic pay raise schedule every year. I pointed out at that time that we were building in a conflict of interest for Members of Congress because each year we would be called upon to set a high figure or a low figure. We will have to decide whether our salaries will be raised more or less each year. It does create a conflict of interest involving every Member of Congress. Even though I was able to surmount all of the other objections to the 8.6-percent figure, I would have to vote against it because of this conflict of interest that has been voted upon the Members of Congress without the approval of many of us.

Since we do have a conflict of interest here in the setting of our own salaries at the 5-percent increase or the 8.66-percent increase, a conflict of interest is there and the only way to resolve a conflict of interest, it seems to the Senator from Alabama, is to vote against one's own self-interest. So, if for no other reason I would have to oppose the larger increase because I would have a personal benefit from that. I am going to resolve this conflict of interest that every Member has by voting for the 5-percent increase and against the 8.66-percent increase.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I yield 1 minute to the majority leader on the opposition's time.

The PRESIDING OFFICER. The Senator from Montana.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I send to the desk a nomination which was reported earlier today, and I ask unanimous consent that the Senate go into executive session to consider this nomination.

There being no objection, the Senate proceeded to the consideration of executive business.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

The second assistant legislative clerk read the nomination of Austin N. Heller, of New York, to be an Assistant Administrator of Energy Research and Development.

Mr. MANSFIELD. Mr. President, the reason for this is that the administrator of ERDA, Dr. Robert Seaman, has to leave for Europe either this afternoon or tomorrow morning to attend an atomic energy conference. Because of that, we have the reason for calling up this nomination at this time.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I request the President to be notified.

The PRESIDING OFFICER. Without objection, the President will be notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION DISAPPROVING ALTERNATIVE PLAN FOR PAY ADJUSTMENT FOR FEDERAL EMPLOYEES

The Senate continued with the consideration of resolution—Senate Resolution 239—disapproving the alternative plan for pay adjustments for Federal employees.

Mr. McGEE. Mr. President, I yield 3 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 3 minutes.

Mr. FORD. I thank the distinguished floor leader.

Mr. President, I rise today to express my support for Senate Resolution 239 despite my firm belief that if inflation is to be brought under control, the Congress must help lead the way by practicing restraint in Federal spending.

This was my reasoning for voting against including Members of Congress and supergrade Federal employees in the automatic pay raise earlier this session. I still maintain that this is the correct decision.

In spite of these reservations, I am voting for Senate Resolution 239. My decision to support the resolution was influenced by the fact that Federal employees in lower classifications merit an increase, although I do not believe that supergrades and the Congress should be carried along with them in their legislation. In addition, postal and wage-grade employees have already received increases under separate pay-setting systems.

However, the determining factor in my support was because of what this action will mean for this country's 500,000 black lung victims and dependents, more than 55,000 who live in my State of Kentucky. I want to remind my colleagues that the black lung benefits to these disabled coal miners, their widows and dependents, are pegged directly to the Federal pay schedule, being based on a percentage of the monthly pay of the Federal GS-2, step 1 classification. To these persons, many of whom have no other source of income, the difference between a 5-percent and an 8.66-percent raise means more than we can realize.

There is no doubt in my mind that these people require an increase in their benefits. And I would hope that my colleagues are in agreement that the wrong place to start cutting back Federal expenditures is when it affects programs that assist those on low and fixed incomes, the people who are hardest hit by the present burdens of inflation.

Mr. McGEE. Mr. President, I yield to the distinguished Senator from Alaska (Mr. STEVENS), a member of the committee and one of the leaders in the forefront of this issue. How much time remains on the affirmative side, Mr. President?

The PRESIDING OFFICER. The Senator from Wyoming has 16 minutes.

Mr. FONG. How much time remains to the other side?

The PRESIDING OFFICER. There are 3 minutes remaining to the Senator from Hawaii.

Mr. McGEE. How about 8 minutes?

The PRESIDING OFFICER. The Senator from Alaska is recognized for 8 minutes.

Mr. STEVENS. Mr. President, I support the resolution (S. Res. 239) before us to disapprove the President's proposal of a 5-percent comparability pay increase for the general schedule employees and military personnel. I think we are all very much in favor of the President's attempt to stem the tide of inflation and to keep the Federal deficit from becoming totally unmanageable. His suggestion of limiting a Federal salary increase to 5 percent is made, I know, because of his efforts to combat inflation and to keep the budget deficit as low as possible.

However, I again have to object, as I have in the past, to the practice of singling out the white collar Federal employees and our military personnel to shoulder the burden of our battle against inflation and budget deficits, for I think it is wrong.

These Federal employees are justified, in expecting an 8.66 percent salary increase as recommended by the President's Federal pay advisers. We all know the background of the act. There just does not seem to be any equity if we take the position, as has been suggested here, that one set of Federal employees receive a 3 to 5 percent lower salary adjustment than other Federal employees. This is particularly so in view of what has occurred already in regard to the postal employees salary increase and in terms of the increases that will be paid to the wage grade employees. To take the action recommended here today of limiting the general schedule employees and the military employees to 5 percent would be to in essence discriminate against them.

I would like to make a special point. That is that for the first time since this act was passed, the President's advisers, who are the Director of the Office of Management and Budget, the Chairman of the Civil Service Commission, the Federal Employees' Pay Council, and the President's Advisory Commission on Federal Pay, are unanimous in their recommending 8.66 percent as a proper salary increase for Federal employees covered by this act.

Since this is the first time in history that these advisers have been unanimous in their recommendations as to the percentage increase which Federal employees covered by the act should receive, I think we should not disapprove the 8.66 percent and therefore place upon these employees this unwarranted restriction.

I would point out to the Senate that those of us who are football fans at the present time wonder about the fate of the football games on Sundays. We have watched the teachers' pay strikes throughout the country. We have watched increasing strife that has led to strikes in areas where they have been unknown in the past.

I was amazed, on my last trip home, to be visited by representatives of Government employees and postal workers, who inquired of me what my position would be with regard to giving those employees the right to strike.

I had to inform them that I had not made up my mind on that issue yet. But I do think that if there is any one pressure that will put that issue before Congress it is the continued neglect of a just Federal employee pay. Federal employees would be, in my opinion, entirely warranted in bringing the issue before Congress, particularly if we do not approve the 8.66 percent increase after the unanimous recommendation for the increase from all of those who are charged by the law with examining the problem of comparability and the differential in pay for Federal employees as compared to all others in our work force.

I am sure our colleague from Hawaii has mentioned that we are dealing with only 4 percent of the total work force of the United States; and they are to be told that they alone are under wage control; they are to receive 5 percent salary increase. Again if there is any one issue that will absolutely bring to the top and into the forefront the demand for the right to strike for Government workers, I think it will be an action to limit their pay increase to 5 percent, when all of those charged by this Congress to look into the matter have unanimously said 8.66 percent is warranted.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield to the Senator from Vermont.

Mr. STAFFORD. First of all, I thank the Senator for yielding. I support the resolution of disapproval with him. As I understand from what he has been saying the postal workers, postal employees, and 500,000 wage rate employees already have had substantially higher increases in their salaries and pay than the 8.66 percent which was recommended for the civil service employees and the military employees; is that correct?

Mr. STEVENS. That is correct.

Mr. STAFFORD. So, should the pay increase for civil service and military employees be limited to 5 percent, they would not be treated equitably in comparison with the other employees of the Federal Government?

Mr. STEVENS. I think they would be discriminated against.

Mr. STAFFORD. In other words, they would be treated as second-class citizens as far as their pay is concerned, in the immediate future?

Mr. STEVENS. They would be the only employees in the country who would still be under wage control as a matter of Federal policy, in my opinion.

Mr. STAFFORD. I thank the Senator very much for supplying me with that information, which convinces me that the resolution of disapproval should be supported this afternoon, even though it is unfortunate, in this Senator's opinion, that the salaries of Members of Congress are and will be included in whatever action we take.

I thank the Senator for yielding.

Mr. STEVENS. That would be my last point, and I thank the Senator for his comments.

We took an action here a few weeks ago to include Members of Congress, the executive branch, and the judicial branch who have not received any pay adjustments since 1969 under the provisions on automatic increases of the 1970 act.

It does seem to me that a comment I heard on the radio this morning that we were being asked to vote a pay increase for ourselves for the second time is rather improper. I heard that on one of the national radio networks as I drove in to work, that for the second time we are being asked to vote on the issue of pay increases. This resolution would not effect a second pay increase for Congress, obviously. What it does is to carry out the intent of what we did prior to today.

The PRESIDING OFFICER. The Senator's time is expired.

Mr. McGEE. I yield the Senator 2 more minutes.

Mr. STEVENS. I thank the Senator

The Federal Pay Comparability Act of 1970 established a workable mechanism by which Federal employees will receive pay equal to that received in private industry for equivalent work. As mentioned before, this act does not cover almost 500,000 wage grade employees and over 700,000 postal employees. Postal employees have recently ratified their negotiated contract with the U.S. Postal Service. In addition many wage grade employees have either received or are scheduled to receive pay increases shortly. In fact we hear that local Federal wage grade employees will be receiving an 8 to 10 percent salary increase. These raises are automatic because their salaries are geared to local geographic conditions.

Not only must we consider the inequity of requesting certain Federal employees to receive a salary increase less than is deserved, but we must also look at our role as members of the legislative branch and the law. In 1970, Congress, with the concurrence of the executive branch, enacted through legislation the Pay Comparability Act of 1970 to insure that our general schedule employees would receive equal pay for equal work prevailing in private industry. To insure this equality a workable mechanism was set up. Now we have a situation whereby, and let me again stress, that the Director of the Office of Management and Budget, the Chairman of the Civil Service Commission, the Federal Employees' Pay Council, and the President's Advisory Commission on Federal Pay are unanimous in recommending an 8.66 percent increase in salaries for Federal employees covered by the 1970 act. Let me again remind my colleagues that this is the first time in the history of the act that these advisers to the President have been unanimous in their recommendations in the percent of a salary increase which Federal employees covered by the act would receive. We clearly know the intent of the law with regard to a salary adjustment and we have unanimous agreement on what percent increase is necessary to comply with the law, and yet we have been asked to let certain Federal employees receive less than is justified and thus not live up to the act we passed 5 years ago. If we do that, if we do not disapprove the President's recommendation, we will not be keeping faith with the thousands upon thousands of Federal employees loyally servicing this Nation, its people, and their needs.

As mentioned before, I believe that a great deal of labor strife stems from unmet commitments to employees. There is no question that there is a commitment to provide salaries for Federal employees comparable to those in private industry. There is no question that a raise of 8.66 percent is warranted in order to live up to that commitment.

I want to stop a minute and point out that even with an 8.66 percent upward salary adjustment, Federal employees' salaries continue to lag behind private industry by 6 months. This is evidenced by the fact that the survey on which the salary increase recommendations are based was taken March of this year, 6 months ago.

Let us take a close look at the question of pay comparability. Remember we must consider comparability as of last March, not as of this coming October. Even if the 8.66 salary adjustment is put into effect, our Federal employees will still receive less pay than their private industry counterparts. For example, a GS-5 with just a 5 percent increase will receive $9,818, or $1,726 less than an individual receives in private industry at the same level of work. Even with an 8.66 percent increase the civil servant will still receive $1,384 less than his counterpart in private industry. The following yearly salary figures tell the same story for GS-7's and GS-14's.

GS-7 with 5 percent increase	$12,150
Private industry	13,266
Amount less than private industry	1,116
GS-7 with 8.66 percent increase	12,573
Amount less than private industry	693
GS-14 with 5 percent increase	29,549
Private industry	31,688
Amount less	2,139
GS-14 with 8.66 percent increase	30,578
Amount less	1,110

I agree with the President's advisers on pay comparability that those figures do not indicate that our Federal employees are receiving equal pay for the same amount of difficulty and responsibility in their work as those in private industry.

It is important to consider what has happened to our economy since the Bureau of Labor Statistics white collar survey was completed in March. In April the Consumer Price Index rose .5 percent, May .4 percent, June .8 percent and in July 1.2 percent. That is 2.9 percent in 4 months since the survey was completed and the figures are not available for August and September.

Based on these two considerations, the unquestioned commitment to pay Federal employees an equivalent salary as those received in private industry, and the equally unquestioned percent increase necessary to comply with the law, I urge support of S. Res. 239.

Mr. President, I ask unanimous consent that at the end of my remarks tables showing precisely how much the general schedule employees and the five most heavily populated grades will lose if the President's alternative plan is not overturned be inserted in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Grade/step	Current base pay	8.66 percent adjustment	5 percent adjustment	Annual loss
GS 3(4)	$7,439.00	$644.21	$371.95	$272.00
GS 5(4)	9,349.00	809.62	467.45	342.17
GS 7(4)	11,573.00	1,002.00	578.00	423.57
GS 9(4)	14,125.00	1,223.22	706.25	516.97
GS 11(4)	17,029.00	1,474.71	851.45	623.26

MILITARY PAY

Rank	Basic monthly pay	Monthly quarters rates with dependents	Monthly basic subsistence	Total monthly	At 8.66 percent increase	At 5 percent increase
E-1	$344.10	$110.70	[1] $81.30	$536.10	$582.53	$562.90
E-4 (3 yr service)	462.90	128.10	[1] 81.30	672.30	730.52	705.91
E-8 (8 yr service)	813.90	181.80	[1] 81.30	1,077.10	1,170.27	1,130.85
0-1—2d Lieutenant (under 2 yr)	634.20	149.40	50.52	834.12	906.35	875.83
0-4—Major (8 yr service)	1,245.90	227.40	50.52	1,523.82	1,655.78	1,600.01

[1] Based on 30 days at $2.71 per day.

Mr. STEVENS. The impact of including all of those who have not received an increase since 1969 in the automatic provisions of the act was to say that they are entitled to at least one increase in 8 years.

I do not feel that Members of Congress should now hide behind the excuse that we refused to give ourselves 8.66 percent, in order to deny 4 percent of the workforce of the country the increase they deserve, and I emphasize every member of the advisory panel that reviewed the matter unanimously recommended an 8.66 percent increase in salary. Because some of us are afraid to face our own constituents on the issue of a pay raise, how can we say we should limit other Federal employees to 5 percent increase? I just cannot understand that conclusion because to me if our constituents are against the 8.66 percent they will be against the 5 percent increase as well.

There is the real question of the pay increase for Congress. I happen to agree with the Senator from Ohio. Perhaps we should take the whole subject of congressional pay out of this act; it should not be lumped together with judges, executive branch members, military, and general schedule employees. But for this one time let us do justice to the civil service employees and to the military and grant them what they are entitled to.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. FONG. Mr. President, I yield 1 minute to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 1 minute.

Mr. DOLE. Mr. President, am I correct that this is for or against the bill?

Mr. FONG. For.

Mr. DOLE. Either way, I am against it.

Mr. McGEE. Mr. President, I will give the Senator 2 minutes if he will speak for the bill.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 1 minute.

Mr. DOLE. Mr. President, the Senator from Kansas cannot do much damage either way in 1 minute.

Mr. President, the time has arrived for this body to render its judgment on the proposed Federal pay increase. For weeks I have studied the relative merits of two proposals: that which would provide an 8.66-percent increase for all white-collar Federal employees, Members of Congress, and military personnel, and that which would limit the increase to a more modest 5 percent. I have studied the relevant budgetary data and have listened closely to the contrasting viewpoints of interested constituents. The arguments on both sides of this issue are good ones. It is a tough decision to make.

Last week, my colleagues and I on the Senate Post Office and Civil Service Committee approved a motion to report the Metcalf Resolution to the Senate floor, so that all relevant issues—and all viewpoints—could be fully aired. The resolution, disapproving President Ford's recommendation of a 5-percent increase, would have the effect of implementing a full 8.66-percent increase if approved. In terms of the vigorous discussion of this issue on the Senate floor today, I say the committee's expectations have been usefully fulfilled.

FISCAL RESPONSIBILITY

But my responsibilities as a representative of Kansas on the Senate Budget Committee necessitate due consideration to the economic welfare of the Nation as well. The State of Kansas has been spared much of the severest stagflationary impact that racked this country in recent months, but there is no one who has not felt the effects of the ever-rising wage-price spiral in a personal way. In times of economic inflation, fiscal responsibility and budgetary restraint are everyone's duty. Perhaps most of all, it is the duty of the Federal Government to set in motion the forces of restraint that can slow and eventually end the spiral of rising prices and the cost of living.

Kansans recognize the responsibility of the Federal Government to set an example in restraining inflationary spending. I have been particularly concerned by indications that the Federal budget for this fiscal year, if not curbed, may far exceed the $68 billion deficit figure considered acceptable by both the Senate and House Budget Committees earlier this year. In discussions with my colleagues on the Senate Committee, I have found that the majority of them agree that the difference in cost to the Federal Government between a 5-percent and an 8.66-percent salary increase for Federal and military employees is considerable, and sentiment is strong that Congress must make the hard choice of opposing the higher figure. In recognition of the fact that economic inflation tends to hit hardest at the jobless and the disadvantaged, and that no one gains in the race with an endless spiral, I have reached the decision that the more modest 5-percent increase for Federal employees is in order at this time.

COMPARABILITY IS JUST

There has never been any question in my mind that the concept of equitable comparability pay for Federal and military personnel is entirely justified. In past years, I have readily voted for comparable pay adjustments recommended by the President's Advisory Committee on Federal Pay. Our civil servants and our military personnel deserve to be paid at a level comparable to that of those employed in the private sector.

But these are times that call for an element of sacrifice on everyone's part. Over 8 percent of the Nation's work force has no job at all; the rate of inflation continues to exceed 10 percent month after month. A 5-percent salary increase for Federal employees at this time will mean a savings of between $1.46 billion and $1.6 billion—and I have every confidence that it will be a first step in setting the brakes on salaries in private industry and on consumer prices we all must pay. No one stands to benefit from an inflationary spiral that continues unchecked.

It is never easy or popular for Members of Congerss to vote against an increase in salary or benefits for any segment of society, when only retrospective judgment can prove the wisdom of that action. But the members of the Senate Budget Committee who join me in supporting the 5-percent pay increase today have made the hard decision that the economic welfare of all Americans must take precedence over the personal interests of any one group. If this bullet-biting move can help curb the inflationary syndrome that robs us all of true comparability with the cost of living, there is no one who will not benefit from the end result.

REVIEW COMPARABILITY SYSTEM

At the same time, I want to urge this Congress to make a thorough review of the comparability system for Federal employees, and of the computation procedures used in determining figures for an equitable salary adjustment in the Federal sector. There are numerous unanswered questions and persistent doubts about the validity and accuracy of the salary schedule for Federal employees, and it is time that steps were taken to answer these questions and to resolve these doubts. Only then can our civil servants and the public at large be certain that full and just compensation is being afforded Federal personnel.

The present debate over the percentage increase for Federal salaries has spurred a special interest in the accuracy and the adequacy of comparability schedules. For years, the General Accounting Office, the Congressional Research Service, and other public and private "watchdogs" over the bureaucracy have warned of serious flaws in the surveys and the computations that comprise the President's comparability recommendation. Yet Congress, to a large degree, has failed to confront these reports or to take the necessary steps to rectify errors in the system.

If serious flaws do in fact exist in the comparability compensation system, they are being perpetuated by each passing year of congressional inaction. What is worse, they may be compounding the economic problems of society as a whole, or depriving Federal employees of just and equitable comparability with private industry. It cannot be judged in advance who would stand to gain or lose financially by instituting proper reform in the Federal compensation system, and that question should have no bearing on the matter in any case. But certainly the credibility and the integrity of Congress can only diminish if such errors are permitted to continue.

SERIOUS QUESTIONS

In recent weeks, I have been reviewing the various reports and recommendations that have been made with respect to persisting inaccuracies and problems in the Federal pay system. The range and the scope of these purported flaws is incredibly large; if found to be valid, the inaccuracies are intolerable and should be corrected prior to the October 1976 comparability pay period.

Among the questions which have arisen about the salary system for Federal white-collar and military personnel are the following:

Procedures used by the Bureau of Labor Statistics, the Civil Service Commission, and the Office of Management and Budget to compute percentages for salary increases are said to be invalid. According to a letter sent by the Comptroller General to the directors of OMB and CSC in 1974,

> Methods used to translate private enterprise data into Federal pay adjustments were not based on well-founded, logical premises that reflect the legislative pay principles. This resulted in significant deviations from comparability for Federal employees and in inequitable pay distribution among employees.

Among the specific flaws cited as a contributing factor was the BLS survey's equal weighting of all jobs in a particular category of private enterprise, which "does not result in meaningful grade average pay rates."

Furthermore, it has been charged that 74 percent of private industry salaries are excluded from the annual survey, as are those of local and State government, further contributing to the distortion. The Advisory Commission on Intergovernmental Relations maintains that these factors contributed to a 120 percent increase in the salaries of Federal employees over a 12-year period, in contrast to an average 87 percent pay rise in the private sector. As a result, ACIR advises, Federal employees now earn an average of 46 percent more than do workers in private industry.

On the other hand, GAO reported on July 1 of this year that "total compensation comparability cannot be achieved under current law" because "pay comparability processes do not recognize the benefit element of compensation." This would seem to suggest that Federal workers may actually be receiving less than true comparability based on the various retirement provisions, insurance programs, and leave time allowances which prevail in private industry.

The Comptroller General's 1974 letter further suggests a need to "reduce and/or devise a means to compensate for the six-month timelag between the date of comparability data and the Federal pay adjustment." Some critics of the proposed 8.66 percent increase point out that the figure is based upon data collected through last April which cannot be considered timely in this period of vast economic variability.

Still with us is the lingering "compression" problem among top-level GS-schedule employees that results in identical pay for vastly differing work and responsibilities. According to a GAO report of February 25, 1975, "stagnated executive salary rates and the resultant compression of salary rates in other pay systems have distorted pay relationships in Federal pay systems," destroying the principles of both external and internal equity in Federal pay salaries. "Without pay adjustments, employees with the same age and service can actually earn higher retirement annuities by retiring now than by continuing to work for the government," and experience is demonstrating that a good number are doing just that, leaving a void of expertise in our Federal career service.

Only last month, the Congressional Research Service completed a study of changes in grade structure within the civil service, and determined that "grade creep" alone has resulted in a $1 billion increase in job rating structure costs between 1967 and 1974. By reclassifying Federal jobs into higher grade categories, the service has gradually "inflated" itself without congressional consent or supervision.

All of these factors, and others, have shed serious doubt in recent years on the validity, the adequacy, and the relevance of the annual pay comparability recommendation for Federal employees. Until most or all of these points are resolved, Congress will continue to operate "blindly"—to a certain extent—in passing judgment on the recommendations of the President and his pay advisers. This is a "margin for error" that both Congress and the Nation as a whole can ill afford when a 1-percent variability in the Federal salary increase can mean a difference of millions of dollars in budgetary outlay.

Some of these points will be confronted in the report by the Rockefeller Commission on Federal Comparability, to be issued later this year. But it is incumbent upon Congress, and particularly upon the Senate Post Office and Civil Service Committee, to undertake its own studies and to offer its own recommendations to resolve these questions before we are once again confronted with this issue at this time next year.

I plan to offer legislative recommendations of my own in these and other areas in the coming weeks, in an effort to resolve inaccuracies in the Federal comparability system. Hopefully, we will find ourselves in a far better position next September to judge the fairness of pay recommendations for white-collar and military personnel. Hopefully, too, our national economy will have recovered to the extent that there is no need to place arbitrary restraints upon a true comparability increase for Federal employees. I look forward to working with my colleagues in the Senate towards accomplishment of both of these broad goals in the months ahead.

Mr. President, I remind my distinguished chairman that I did vote to report the bill, and I certainly have mixed feelings about the vote I will cast in a few moments.

I have counted my Federal employees from Kansas, and that even adds to the mixed feelings.

It seems to me that, somewhere along the line, we have done it on the school lunch program and the military procurement program, that those of us who serve on the Committee on the Budget are going to have difficulty in having it both ways, a great difficulty in having it both ways, and it is my understanding that the Committee on the Budget, of course, does not dictate to any committee, but based on the economic considerations, I find the Senator from Kansas in all fairness to those who are affected by this legislation must vote in the negative.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. Mr. President, how much time do I have remaining on the bill?

The PRESIDING OFFICER. The Senator from Hawaii has 2 minutes remaining.

Mr. FONG. I yield the entire 2 minutes to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 2 minutes.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Hawaii.

Mr. President, the issue involved in this resolution is exceedingly complex. In the first place, it is a Hobson's Choice. Under the 1970 Federal Pay Comparability Act, the Federal Employees Pay Council has recommended an 8.66 percent Federal pay increase which will go into effect if the President's alternate 5 percent pay increase plan is disapproved. Thus the matter of this increase actually was decided by an action of the 91st Congress 5 years ago.

That Congress, in its wisdom or lack of it, removed the present Congress from the responsibility of facing up to fiscal facts. Thus, even though the 91st Congress could not possibly have foreseen the day when the Secretary of the Treasury would be predicting an $88 billion deficit, and when the Chairman of the Federal Reserve Board would suggest the deficit might go as high as $100 billion, we have nevertheless arrived at that day.

If we were to read only the cost table in the Committee Report submitted by the distinguished chairman of the Committee on Post Office and Civil Service, one might come to the conclusion that the 8.6 percent increase would cost only $1.952 billion dollars. But if we go beyond the table to read the grey print below, we learn that the military uniformed services will receive a comparable pay raise because their rates of compensation are tied to what we do here today. Thus the total cost will be $3.946 billion.

On the other hand, the President's 5 percent increase would cost about $2 billion. We are faced therefore with the following dilemma: If we disapprove the President's plan, thereby accepting the 8.6 percent increase, the deficit will be increased by nearly $4 billion. If we vote no on the resolution of disapproval, thereby approving the President's plan, the deficit will be increased by nearly $2 billion. In my judgment, any such increase is unacceptable. Yet, in the present parliamentary situation, there is no way for a Senator to vote for a zero increase.

The second problem is that by reason of the action on this floor on July 28 and 29, cost of living increases will also be given to every Member of this body, every Member of the House, and to the top level Federal bureaucrats who are already enjoying $36,000 salaries. We are told that this extra category applies to "only 17,000" more employees. But they are the 17,000 employees who have the most responsibility for Government spending and the operation of Government programs. I would think that it has a salutary effect on Government for the top executives to feel the pinch of inflation, since it is excess Government spending that causes inflation.

I do not think that my distinguished colleagues, for example, should be isolated from feeling the effects of inflation when it is the work of this body which is in a large measure responsible. And it is the same with the bureaucrats: let them adopt a lifestyle which is compatible with the shrinking power of the dollar, and perhaps they will be motivated to curtail waste and empire building.

Every Member of Congress, both House and Senate, knew what their salaries would be when they ran for office. I think it was an insult to the American taxpayer to slip this thing through the legislative back door. The impact of including Members of Congress and high officials in the automatic pay raise scheme is far greater than the dollars involved; the impact goes deep into the responsibility which the taxpayers have a right to expect of their elected representatives. I remind my colleagues that this inclusion was slipped on to a minor bill authorizing the Postmaster General to establish a job safety program for postal employees.

And now let us look at the substance of the pay raise procedure. The Pay Board's proposals are supposed to be based upon "comparability" with the private sector. But there is a great deal of subjective judgment involved in assessing "comparability." I need not point out that the members of the Pay Board are themselves Federal employees, and are setting pay standards which will directly benefit themselves. Congress erred in not asking a disinterested outside group to determine this "comparability."

For it is difficult to say what "comparability" really is. Last February the Advisory Commission on Intergovernmental Relations—ACIR—released a detailed study which showed that in the time span from 1955 to 1973, compensation for persons working in the private sector increased 129.3 percent, while average Federal pay was up 182.9 percent. In other words, the average of Federal pay, was 145.9 percent of the average of private sector pay.

Moreover, the Government Accounting Office criticized the methodology of the pay comparability survey. In 1973, GAO said that comparable job levels to the GS levels were weighted in favor of Government workers. For example, in GS-5, although 70 percent of GS-5 Federal employees are engaged in clerical work, the group of 10 equally weighted survey jobs in private industry included only one secretarial category. Six of the 10 were found to be college-hire trainee type jobs which pay substantially more in private industry than secretarial help, yet correspond to less than 1 percent of the Federal Government's GS-5 employees.

In the GS-15 category, GAO found that the pay survey included only three jobs—that of attorney, engineer, and chemist. According to GAO, all three types of employment that consistently receive the highest salaries for middle management work in the private sector, and could not be considered a representative sampling for determining Federal GS-15 compensation.

GAO concluded that the mix of jobs selected for the comparability study at several GS levels "contained disproportionate numbers of jobs which were highly paid in the private sector, so the average work level rates were biased upwards."

Another GAO criticism was that the survey included only about 25.7 percent of white-collar workers in the private sector. The survey arbitrarily excluded small business and small financial institutions from the survey, no doubt because of the difficulty in collecting the information. But small business is usually not in a financial position to compete with large corporations, and salaries in small business are traditionally lower. When Federal employees are given pay levels comparable to those in big business, it becomes more difficult for small business to compete for workers and markets.

Moreover, the pay survey also excluded white collar workers in the industrial divisions of agriculture, forestries, mining and contract constructions; all service industries and commercially operated research, development, and testing laboratories; and all nonprofit organizations. These levels of pay are also not comparable to those in big business. Finally, the pay of State and local white collar workers was not considered in the survey. This, again, creates a problem for local government as their employees are drained away to higher-paying Federal jobs.

It is for these reasons that most citizens look on in wonderment at the high salaries enjoyed by Federal workers. They also envy, and with reason, the job security, automatic ingrade increases, better health benefits, and high pensions—fringes not included in the comparability studies. We are creating a privileged class in the United States, and we are creating it with money wrested from the pockets of citizens who by no means enjoy the levels of compensation that we are voting on here today.

I fully realize that everyone looks forward to a pay increase. It is human nature. But we would be doing far more for Federal employees—and for all citizens—by holding down all Federal spending, including pay schedules, so as to arrest the headlong plunge into deep deficit spending. By cutting inflation, everybody's pay would go further, not just the pay of those who receive the Government's largesse. The rate of inflation today—and I checked just this morning—is 9.5 percent. If we could reduce that rate by just 1 percent, the family with an average level of income—and that level is $10,800—would have $108.80 more in purchasing power. If there were no inflation whatsoever, every such family would have $1,033.60 in additional purchasing power. These are the people to whom we are responsible, and the people we should be trying to help, not those who are on a guaranteed Federal gravy train.

Those of us who are on the Federal payroll have a special obligation to our country to make sacrifices, sacrifices not required of those in the private sector. I do not seek a pay raise for myself, but it appears that there is no way to avoid one.

Mr. President, the upcoming vote is, as I say, a Hobson's choice for those of us who feel that there should be no pay raise at all for Members of Congress and high-salaried Federal bureaucrats. Therefore, it is my intent to vote "present"—unless my vote should be needed in support of the lesser of two evils. In that event, I intend to vote "no" to save the taxpayers the difference between the 8.66 percent and the 5 percent.

Mr. President, a solid criticism of the comparability pay system by Mr. Neal R. Peirce was recently printed on the editorial page of the Washington Post, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 7, 1975]

FEDERAL PAY: "CATCH-UP" OR "RIP-OFF"?

(By Neal R. Peirce)

Early in the 1960s, President Kennedy began a concerted effort to bring the pay of federal government workers up to a par with private industry so that qualified employees could be attracted to federal service.

Some federal programs have flopped spectacularly in recent years—but not the "catch-up" pay effort. The salary of the average federal worker rose 120 per cent in a dozen years, much faster, despite the inflation of all salaries, than the average 87 per cent rise in private sector workers' pay. Federal employees, according to the advisory Commission on Intergovernmental Relations, now earn an average of 46 per cent more than workers in private industry.

Federal pensions and fringe benefits have also surged ahead of the private sector. They cost the government another 32.1 per cent on top of each federal worker's base pay, compared to 28.7 per cent in private firms.

And taxpayers have reason to be deeply suspicious about the behind-the-scenes statistical finagling by which private sector jobs are "comparable" with their own, and thus in effect set up their own salaries.

Except in some upper-echelon jobs, the "catch-up" phase in federal compensation is now history. Today most federal pay is so high, and there's such a surfeit of federal workers in middle-management jobs, that "rip-off" might be a better word.

Champions of the federal workers argue their pay should be higher because federal employment is weighted heavily to professional, administrative and technical jobs. But the differential in such high-paying jobs—they make up 29.5 per cent of the federal employment pool versus 20.9 per cent in the private sector—isn't nearly great enough to justify average federal pay almost half again as high as what other Americans earn.

Skyrocketing federal wages have richochet effects that few people fully understand. They feed the fires of inflation. They cause serious competitive problems for private employers. And they quickly become common knowledge in state capitals and city halls across the nation, as state and local workers demand that their pay be made comparable.

Perhaps the most blatant abuse in federal compensation is the so-called "one per cent kicker" of the 1969 pension law. This guarantees a retiree a four per cent pension increase each time the consumer price index rises three per cent. With double digit inflation or something close to it, a federal pensioner could add up to 63 per cent to his pension—above and beyond the real increase in the cost of living—30 years after leaving government services. According to an Associated Press analysis, this odd law could cost the federal government as much as $100 billion by 1990.

It's easy to be skeptical about the chances for repeal of the one-per cent kicker, because congressmen themselves, as federal retirees, can expect to share in its bounty. But in regular pay the central problem is not top-level jobs. Congress did act in a stealthy way when it recently "unfroze" salaries for itself, judges and other senior federal officials.

But top-level federal pay isn't high. In fact, it lags well behind private industry, and has caused excessive resignations and early retirements of late. Talent is a marketplace commodity, and if Americans pay mediocre wages for high-ranking federal jobs, they'll get mediocre management in the vast federal bureaucracy.

The real scandal takes place in excessive salary increases for the vast bulk of middle management, technical and clerical federal workers—the white collar group covered under the so-called "general schedule," or "GS" system.

On the surface, the pay-setting method looks eminently fair. Laws of 1962 and 1970 decree that the federal pay at the various GS levels should be "comparable" with like work outside the federal government. The statisticians at the Bureau of Labor Statistics (BLS) do the necessary surveys. The chairman of the Civil Service Commission and director of the Office of Management and Budget certify the results. Based on the comparability study, the President can then raise GS employees' pay without new authority from Congress.

The Comptroller General, though, has documented gross abuses in the pay comparability study. The BLS excludes fully 74 per cent of private industry from its survey sample, mostly for "statistical" reasons that seem specious to an outside observer. Excluded are white collar workers in all but large shops and factories, non-profit hospitals, industrial divisions of agriculture, forestry and mining all but a few gilt-edged service industries, and indeed the most "comparable" area of all to federal employment—state and local government. White collar workers in all these areas earn less than their federal counterparts.

Even in the quarter of private industry the federal bureaucrats accept for comparability surveys disproportionate numbers of high-paying jobs are picked to match most GS-levels. For example, 70 per cent of GS-5 employees do clerical work. But of the 10 private industry survey jobs picked to determine GS-5 wages, six are in relatively high-paying college-hire trainee-type jobs. One secretarial category was included—and even that was dropped two years ago allegedly because of statistic gathering problems. Average pay for GS-5s will top $10,000 again this fall.

The Civil Service and Budget directors say they'd like to correct some of these problems—but don't, out of deference to federal employee groups which have strong allies in Congress and object to any change in the system that would lessen pay increases. In effect, the administration is engaged in collective bargaining with the federal worker unions. But the bargaining isn't done in an open and above-board manner the public could understand and hold the administration accountable for. Rather, it's done on murky statistical grounds, on the pretense that the whole process still reflects true "comparability" with private employment.

The isolation of the civil service system from marketplace pressures also leads to "grade-creep"—constant internal pressure to advance employees to higher GS grades, meaning higher pay. Employees at GS grades 11 or above, earning $17,447 to $36,000 presently now make up 34.3 per cent of federal general schedule employment, compared to 14.2 per cent 20 years ago.

A special new panel on federal compensation, chaired by Vice President Rockefeller, may come up with some new answers in the sticky area of pay comparability. Arch Patton, who headed a former presidential commission on the pay issue, said the Rockefeller panel "has a golden opportunity to overhaul the entire system, transforming it from patchwork to one that pays competitively throughout, provides meaningful incentives for job performance, and breaks the lock-step of lower and middle-grade pay advances made without regard to employees' real contributions."

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I yield 2 minutes to the distinguished Senator from West Virginia on my time.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 2 minutes.

Mr. RANDOLPH. Mr. President, I shall support passage of Senate Resolution 239.

It was on my motion, in the Committee on Post Office and Civil Service, to bring this matter to a vote in the Senate. The Metcalf resolution was reported from our committee by a vote of 7 to 2.

There is some reluctance, of course, as I vote for the 8.66 percent because we do consider the recommendation of the President for the 5 percent increase. The Chief Executive has given the matter careful study.

I voted against the inclusion of congressional salaries in the pay comparability measure, a few months ago. That action was taken in the committee, as it was also done in the Senate Chamber.

I shall turn back to the Federal Treasury any increase in my present salary. I so stated in this Chamber on July 29, and I repeat it today.

There is a positive side that I think Members of the Senate should understand in reference to the thousands of Federal workers, 1.39 million white collar civil servants, 2.1 million military personnel. These are all affected, and this is the point that I wish to make.

In addition, there are 87,400 black lung benefit recipients in West Virginia. This weighs heavily with me. In Pennsylvania, the number is 146,700, in Kentucky the number is 54,600, and in Virginia the number is 26,575.

The PRESIDING OFFICER. The Chair regrets to inform the distinguished Senator, the ranking member of the Post Office and Civil Service Committee, that his time has expired.

Mr. McGEE. Mr. President, I will allot 1 more minute to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia for 1 additional minute.

Mr. RANDOLPH. These benefits to the black lung beneficiaries, are paid at the rates of 50 percent of the minimum monthly payment which a Federal employee in grade GS–2 receives when he is totally disabled.

I cannot in good judgment deny the increases that these persons justly deserve.

Also, Mr. President, our Federal employees are traditionally conscientious and productive. Criticism should not be aimed at such workers.

I repeat that, in reference to the matter of the increase for Members of the Senate, I am not critical of any colleague but I believe that Members of the Senate should vote directly to either decrease their salaries, keep them at present levels, or increase those salaries. I think this is an obligation which we, the only elected officials in this program, should face.

Mr. McGEE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Wyoming has 1 minute remaining.

Mr. McGEE. I yield a half of that time to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, we are confronted with a dilemma as to whether or not to support the 8.66 percent pay raise recommended by the President's Advisory Committee, or whether to support the President in his decision to cut the Commission's recommendation almost in half.

It would be much easier for me to support the original recommendation of the committee if Congress had not decided to include itself under the cost-of-living umbrella. There is no doubt in my mind that controversy will be aroused because we are voting a financial increment to ourselves, no matter what its size. Nevertheless, I believe that it would be unfair to the 4 million Federal employees, dependents and pensioners who will be affected by our decision to permit whatever heat we may be obligated to take to interfere with our judgment as to the right or wrong of this matter.

My judgment is that an 8.66-percent increase is justified by the rise in the cost-of-living index over the past year. The price index has increased 9.7 percent from July 1974 to July 1975. The fact of the matter is that in the private sector collective bargaining has produced an average 11 percent increase in the pay scale over the past 12-month period. The whole purpose of this legislation was to keep pace, to the degree possible, with increases of this nature.

I want to underline the essential point here. It was the intent of the Congress, and the law was signed by the President of the United States, to maintain the pay rates of Federal workers at the same level as workers in comparable positions received in private industry. It should be understood by the American public that the 8.66 percent recommendation comes from a Board composed of the Director of the OMB and the Chairman of the Civil Service Commission, along with an independent Advisory Committee on Federal Pay chosen by the President himself.

We are not establishing an arbitrary figure here. We are simply abiding by the recommendations of an impartial body that has made its decision on the basis of facts by the Bureau of Labor Statistics. To penalize Federal employees because they offer their services to the Federal Government rather than to private industry would be grossly unfair, and I cannot participate in such an action simply to protect myself from possible criticism where anyone can see that my own salary will be increased in only a union way and I spend too much on the job as to make it inmaterial. I make my decision to vote in accord with the recommendation of the President's Advisory Committee because I believe it is right.

Several Senators addressed the Chair.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FANNIN. Mr. President, I urge my colleagues to reject Senate Resolution 239 disapproving the President's proposal to limit Federal pay increases to 5 percent.

When the Senate was considering H.R. 2559, I had reservations about the Congress approving salary increases for Federal employees at that time. One feature of that bill which I considered objectionable was the provision for automatic annual increases.

I also strongly disapproved of including in our largesse Members of Congress and officials of the legislative branch. I cosponsored an amendment to exclude us and them from the salary adjustment provisions. Unfortunately efforts to delete that and modify other sections failed. Accordingly I reluctantly voted for the postal safety bill on final passage because it contained certain provisions I felt were needed.

In my opinion, Mr. President, we should provide increases for Federal judges and top level executive branch and Cabinet officials whose pay has been frozen for 6 years despite higher living costs and inflation. The Comptroller General reported that failure to adjust salaries had created inequities and adverse effects on recruitment, retention and incentives for advancement through the Federal service. Too many valuable employees have chosen to retire rather than stay in their jobs at fixed pay levels, to the cost and detriment of the Government. As I stated earlier, if we are to bring more talented and more dedicated men to Government from comparable high paying positions in the private sector, we must provide sufficient incentive. We must attract and retrain good men if we are to promote good Government. A reasonable but moderate salary increase for Federal employees seems warranted.

There is no sound justification for unreasonable, immodest increases across the board, however. The difference between the 5 percent limit which the President is trying to hold and the 8.66 percent which supporters of this resolution now urge upon us is not trifling. An 8.66 percent increase would cost the taxpayers another $1.6 billion this year alone over the 5 percent boost requested by President Ford.

According to the Advisory Commission on Intergovernmental Relations, the average Federal worker earns fully 45 percent more than the average worker in private industry. The Government employee earns $75 more each week, or $4,000 more per year. In addition, Federal employees already have far more advantageous retirement, sick leave, vacation, and other benefits than most employees in the private sector. It is well known, especially to the taxpayers who foot our salaries, that Federal employees already make more for the work they do than employees in private industry.

Mr. President, the total cost of the Federal payroll and benefits already stands at $70 billion per year. There is no reason to add another $4 billion to that total. Our current Government budget deficit is running around $69 billion. An 8.66 percent boost would only drive up inflation even higher, adding more problems to our troubled economy. We simply do not have the funds in the Treasury to absorb another $1.5 billion in fiscal 1976.

Mr. President, citizens of Arizona, as everywhere else, are already overburdened with taxes, high prices, fuel shortages, too many Government regulators, controls, and paperwork, and a myriad of other problems, many of them generated by Government. They are disgusted with politicians and politics as usual. They are increasingly disenchanted with bureaucratic, insensitive government institutions in which they are losing faith and confidence. They cannot see how all of us in Washington deserve more money for the poor job we are doing. They, too, must live with inflation, and many exist on limited or fixed incomes. They cannot understand why $42,500 per year does not satisfy our needs. I do not blame the people for their impatience. The Federal Government's lackluster performance record for dealing with the Nation's problems speaks for itself. Government has earned this criticism. Government employees have not earned an extra 3.66 percent.

According to the mail I have received, congressional approval of a Federal pay raise package did not sit well at all in Arizona. I suspect the same negative response was registered across the country. I only wish we had an opportunity to vote again on the postal safety bill. Unfortunately by law our only recourse now is either to support the President and stick to 5 percent or approve this Senate resolution and vote ourselves inflationary increases of 8.66 percent. In light of the adverse popular reaction and unfavorable publicity given to the Congress in the media for swift approval of a pay raise bill, if we now reject the President's proposal and vote to insulate ourselves from the inflation that oppresses other Americans, we will merit the wrath of the taxpayers and voters.

The temptation to vote for this resolution is understandably strong for many. It might be easy just to vote the whole 8.66 percent and then wait for the country to forget, rather than incur the wrath of Government employees, a strong block of votes, after all. Then there are pressures from the professional Government unions and lobbies. Only yesterday my office here received a call from a HEW employee in Seattle, presumably using the taxpayer-supported Government WATS line, seeking my support for 8.66 percent.

I can readily understand and appreciate the concerns and interests of Government workers in earning higher salaries, in keeping ahead of inflation, especially when their pay has been frozen for years. But I am also sure that most of them realize that the money for their increases must come from somewhere, and that means everyone. They surely know that the country simply cannot afford extravagance and fiscal irresponsibility.

I repeat what I said, Mr. President, when H.R. 2559 was before the Senate, that "this is both the wrong time and the wrong approach" to increasing pay for Federal employees. "This would be an extremely poor example for the Congress to set at a time when we are asking the American people to make sacrifices and show restraint so that we can fight inflation, overcome recession, and deal with the energy crisis." Once we have balanced the Federal budget, returned full employment to our economy, and formed a sound energy policy, once all branches of Government have dealt effectively with the problems of the people we are supposed to serve, then perhaps the Congress can consider increasing the pay for all Federal employees. Right now we have an obligation to keep Federal compensation at reasonable, competitive levels without imposing excessive, inflationary demands on the public purse.

Mr. President, the time for fiscal responsibility is long overdue. I shall vote to hold Government pay increases to 5 percent. I shall vote against Senate Resolution 239, and I urge my colleagues to do the same.

Mr. HRUSKA. Mr. President, my vote today against the resolution to disapprove the President's proposal to hold the Federal pay increase to 5 percent is cast most reluctantly.

I have voted for the 5 percent level knowing well the difficulties that many Federal employees and members of the armed services are experiencing with rising living costs. But it seems to me that there are three very important considerations which call for supporting the President's position:

First. There will be an increase. It will not be as large as that recommended by the President's advisors under the provisions of the Pay Comparability Act of 1970. But it will be substantial totalling approximately $2 billion. At 5 percent, the President is going more than halfway toward the 8.66 percent recommended to him.

Second. Unless we can limit increased Federal spending, we will be adding to the very inflation which is the worker's worst enemy. What good does a salary increase do him if it is immediately eaten up by inflation?

Third. The savings which would be achieved by holding the increase to 5 percent are impressive, an estimated $1.6 billion. By accepting a limitation on the amount of the increase, the result will be a significant contribution toward fighting inflation which is the real enemy.

May I take this opportunity to note, Mr. President, that on July 25, 1975, I was recorded as for the Allen amendment to S. 2559 that would have prevented Members of Congress from receiving any increase in salary. However, the Allen amendment was defeated. Members of Congress, as a result, are included in the Pay Comparability Act, so that their pay will be increased, either by 5 percent or 8.66 percent, depending on the result of the vote on the pending resolution. My preference is that Members of Congress should be called upon to vote directly on a measure which has for its sole issue a congressional pay raise separate and apart from any other pay raises. Had that been the case, Mr. President, I would have voted "no" thereon.

Mr. HANSEN. Mr. President, I rise to express my strong opposition to Senate Resolution 239, which overturns President Ford's recommendation and mandates an 8.66 percent pay increase for about 3.5 million Federal white-collar and military personnel, together with top Federal officials, Federal judges, and Members of Congress. President Ford recommended a 5 percent pay increase.

I oppose this resolution for two reasons: First, the 8.66 percent pay increase called for under the Senate resolution is clearly inflationary; and second, the law requiring wage comparability, to which this Senate resolution speaks, is based on a misconception, and the method by which comparability is determined is faulty.

The Federal Pay Comparability Act of 1970 requires that, each year, on October 1, the rate of pay for Federal white-collar and military personnel is to be made comparable with similar employees in the private sector.

Under the provisions of this act, it was determined that, for 1975, an 8.66 percent pay increase was necessary to make the salaries of Federal white-collar and military personnel comparable to that of their private sector counterparts. Additionally, because of legislation which cleared the Congress late in July of this year, top Federal officials, members of the Federal judiciary, and Members of Congress will annually receive the pay-rate increase found applicable for white-collar and military personnel. Accordingly, the 8.66 percent pay increase called for under Senate Resolution 239, or the 5 percent asked for by the President, will go to Members of Congress as well as other Federal employees.

Before turning to the substantive objections I have to this resolution, I want to address the fact that the pay raise we are considering will go also to Members of Congress.

In July, when the legislation which tied congressional pay raises to those of Federal white-collar and military personnel was before the Senate, I voted to make congressional pay raises a separate issue; on final passage I voted against the pay raise. If the Congress wants to vote itself a pay raise, I believe it should do so, but I do not believe that a congressional pay raise should be tied to pay increase legislation for other Federal employees. This back-door approach to legislating congressional pay raises is particularly objectionable, not only as a matter of fact, but as a matter of legislative policy.

The matter of congressional pay raises aside, let me now turn to the substantive objections I have to the pending matter before the Senate, Senate Resolution 239.

As I previously indicated, I am opposed to Senate Resolution 239 because an 8.66 percent pay increase will be inflationary. President Ford, in asking Congress to limit the pay raise to 5 percent, emphasized that "pay comparability must be viewed in the light of the country's current economic situation." Despite the fact that the leading economic indicators predict a strong economic recovery, all leading economists are quick to note that our longrun concern must continue to be the control of inflation. A false economic recovery which only fires an additional round of inflation will truly be self-defeating. Our concern and legislative priority must be to promote economic recovery without promoting inflation.

A pay increase of 8.66 percent will add more than $3½ billion to Federal expenditures. The President's recommended increase will cost approximately $1.9 billion.

With the Federal deficit for this year estimated to be between $70 and $80 billion, the cost of the President's recommended 5-percent pay increase is no small amount. I believe the President's recommendation is more than sufficient during these troubled economic times.

To those Federal employees who say, "Yes, I want to control inflation, but why only pick on us?" I must reply that you have not been singled out. I have voted against many Federal programs that I believed were needed and would have been of assistance to many Americans simply because the Nation cannot afford them. High Federal deficit spending, even during periods of economic stability, is poor fiscal policy, but such deficits during a period of high inflation will lead to even higher inflation. Federal deficits have, in large part, caused our current economic difficulties; I cannot support legislation which adds further to the Nation's economic problems.

Cutting Federal spending will necessarily result in complaints from those who have been accustomed to automatic increases; however, when the stability of the entire Nation is at stake, I have no alternative. Surely, if longrun stability is our goal, we must all be willing to give a little in the short run.

Finally, I am opposed to Senate Resolution 239 because the Federal Pay Comparability Act of 1970, which calls for pay comparability between Federal workers and their private-sector counterparts, is based on a misconception and the method by which comparability is determined is faulty.

During periods of economic instability, millions of workers in the private sector feel the bite of stagnation. Many private-sector employees are laid off, required to work reduced work weeks, and face other forms of job and income instability. Businessmen, farmers, and ranchers watch their incomes fall, and many are forced out of business. These individuals know the reality of job, business, and income instability.

Certainly, during these troubled times, not everyone suffers equally. Some businesses and employees escape, because not all segments of our economy are equally hard hit. However, those that escape this economic downturn know from experience they may be severely hit next time. Civil servants, on the other hand, enjoy unprecedented job and income stability, and rarely feel the full thrust of national economic difficulties.

Because Federal employees, unlike their private-sector counterparts, are insulated from job and income instability, legislation mandating that Federal employees are to annually receive wage increases comparable to their private-sector counterparts makes no sense to me. Certainly, most Federal employees do not enjoy the right to engage in wage and benefit collective bargaining. However, few private-sector white-collar employees engage in such collective bargaining.

In sum, I believe that, because of the unprecedented civil service job and income security, annual wage comparability between white-collar civil servants and their private-sector counterparts is not warranted.

Moreover, the issue is larger than unprecedented civil service job and income security. I believe the method by which income comparability is determined is faulty.

According to the Advisory Commission on Intergovernmental Relations, Federal employees earn an average of 46 percent more than workers in the private sector. Additionally, I am informed that Federal pensions and fringe benefits are more than those found in the private sector. The Federal Government pays, in addition to a worker's wage base, 32.1 percent in fringe benefits, as compared to 28.7 percent in private industry.

The question arises, if this is true, then why has the Advisory Committee on Federal Pay indicated that Federal white-collar employees need an 8.66 percent pay increase to make their pay comparable to their private-sector counterparts? The answer is that the method used to determine comparability excludes most all private-sector employment. In determining wage comparability, the Bureau of Labor Statistics excludes 74 percent of the private-sector employees. The fact that many individuals in the private sector have experienced a reduction, rather than an increase, in income is not reflected in the BLS comparability sample. For example, the fact that in a 1-year period, national farm income decreased by 16.9 percent, and decreased by 31 percent in my State of Wyoming, is not reflected in the BLS sample to determine comparability.

Mr. President, I cannot support this this resolution merely assures that Federal white-collar workers will keep up with their private-sector counterparts, I seriously question with whom the Federal employees are being compared. It appears that they are not compared with the private sector, but with only those jobs in the private sector that have escaped the instability of the private sector. Clearly, it is time for a new standard.

Mr. President, I cannot support this resolution, and urge my colleagues to vote against it.

Mr. TUNNEY. Mr. President, over the years, I have voted for cost of living increases for Federal employees. Today the Senate must decide whether the increase this year should be 5 or 8.6 percent.

I plan to vote for the lower figure. I do so in shared concern with the majority of the Senate Budget Committee members that first a ceiling must be imposed on Federal spending, and second the larger increase could ignite further inflation.

The deficit for the fiscal year apparently will be around $70 billion, and every dollar added to it just adds more inflammable material to the fires of inflation. The 8.66 percent increase would cost an estimated additional $1.6 billion.

The enormous majority of our military personnel and Federal employees deserve every dollar they get and more. They give devoted service.

But the Federal Government itself must demonstrate to the Nation that it has the will and the determination to bring spending under control.

I regret that Federal employees must be frontline troops in the fight against inflation. But the national interest clearly requires that the spread of inflation be halted.

Inflationary pay increases are like candles; both are devoured by their own incandescence.

There are two other points which I believe should be made. The first is the well-known fact that some people need this raise more than others. Employees at the lower levels of the civil service pay scales are desperately in need of higher pay to cope with the skyrocketing cost of inflation. Judges, at the higher levels of the pay scales, are making tremendous financial sacrifices to serve in the Federal judiciary.

But the question before us today is not whether to raise the salaries of some Federal employees to give them a fair competitive wage. The President has chosen to give us a single choice of accepting a 5-percent raise for all non-blue collar employees, and I believe the increase just, though clearly not generous.

One other point is worth mentioning. I feel that the Congress did the Nation a disservice by linking its own pay raises with those of other Federal employees. When the congressional pay raise was approved in July, I opposed the legislation because I felt that the Congress had no business tying its own financial security to that of the rest of the Federal Government. In future salary considerations, raises of Congressmen and Senators should be considered separately and independently of those for other Federal workers.

Mr. FANNIN. Mr. President, people in Arizona and around the Nation each day become a little more disenchanted with Congress and the Government in general. The pay raise action taken just before the August recess brought a flood of mail to my office, and to virtually every office on Capitol Hill.

The pay raise scheme for Congress which was adopted in 1970, and the recent cost-of-living escalator for Congress, are both viewed with alarm by Americans who are suffering from the fiscal irresponsibility of Congress. Now that Members of Congress have been freed from concern about the effect of inflation on their own income, the pressure on Congress to do something about inflation has diminished. Whether this is true or not, this is what the people believe, and this is an extremely bad situation.

The pay comparability system for Federal employees is likewise very suspect in the eyes of the average non-Government employee who is struggling to overcome inflation, avoid unemployment, and make some provisions for the future.

We have before us a resolution which would provide an 8.66-percent increase in the pay of Federal workers. President Ford has proposed that the increase be held to 5 percent. It is essential that we support the President and demonstrate to the people that the Government—the Congress and Government workers at all levels—are willing to take the lead in returning fiscal responsibility to Washington.

Mr. President, the Arizona Republic last Monday carried an editorial, "The Rip-off Artists," which I believe accurately portrays the public view of the proposed 8.66-percent increase. I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

THE RIP-OFF ARTISTS

No one in his right mind would hire a rabbit to guard a lettuce patch. Yet, that is precisely what Congress did in 1962 when it decreed that federal pay scales should be comparable with those in private industry.

It assigned the Bureau of Labor Statistics to conduct the necessary surveys, with the Civil Service Commission and the director of the Office of Management and Budget certifying the results.

In other words, it assigned government bureaucrats to determine how much government bureaucrats, including themselves, should be paid.

Not surprisingly, since 1962 the salary of the average federal worker has risen 120 per cent, as compared with an average increase of 87 per cent in the private sector.

The result: According to a study by the Commission on Intergovernmental Relations, federal employes now earn an average of 46 per cent more than workers in private industry.

Federal workers are ahead in fringe benefits, too. These now cost the government 32.1 per cent on top of each worker's base pay; for workers in private industry, the figure is 28.7 per cent.

The mathematical calculations of the Bureau of Labor Statistics are wondrous to behold. Despite the demonstrable fact that federal workers already make more than workers in private industry, the bureau has decided they need an 8.66 per cent raise this year to make their wages "comparable."

The estimated cost: $3.5 billion.

The Civil Service Commission and the OMB have okayed the bureau's statistics, but, under the Udall Act of 1970, President Ford has the power to reject the bureaucrats' recommendations. He has done so, arguing that an 8.66 raise would be inflationary. He has asked Congress to limit the raise to 5 per cent, an estimated $1.6 billion.

On Thursday, the Senate Post Office and Civil Service Committee rejected the President's request. If the full Senate upholds the committee, the 8.66 per cent raise will go through. If not, the issue will be fought out in the House.

Meanwhile, Ford has asked Vice President Nelson Rockefeller to head up a commission to study the procedure the Bureau of Labor Statistics uses in reaching its strange conclusions.

On its face, the procedure looks eminently fair. Actually, it's anything but. For example, in deciding how much workers in private industry earn, the bureau disregards 74 per cent of all private industry.

Even in the private companies it does survey, the bureau picks a disproportionate number of the highest-paying jobs. Seventy percent of all GS-5 employees are clerical workers. Nevertheless, of the 10 job categories in private industry picked to determine GS-5 wages, six require a college education.

The Civil Service Commission and the OMB admit the Bureau of Labor Statistics' methods of determining pay in private industry give a distorted picture. They say they can do nothing about it because the federal workers have so many friends in Congress.

The vote in the Senate committee shows how right they are.

Mr. DOMENICI. Mr. President, I have reviewed carefully the proposal to limit pay raises for Federal employes to 5 percent. I have also listened attentively to arguments to raise Federal pay levels by almost 9 percent. After many, many hours of hearings and seminars in the Senate Budget Committee, I am persuaded that this Nation must simply begin to cut back on the growth of the Federal budget. We can not tolerate any longer a situation where Government spending itself actually erodes the dollars the working man and woman bring home, and the dollars our citizens have put into savings and pension accounts for their futures.

The only way to break this inflationary cycle is to exercise restraint. I must remind my colleagues that by limiting this pay raise for Federal employes to 5 percent, we are still adding some $1.9 billion to the Federal budget. We are not proposing to hold anyone to no increase.

Other governments have shown the courage to limit the size of pay increases to their employes. My State of New Mexico limited the pay increases of its classified workers to 5 percent for this fiscal year. Other States and localities have done likewise.

I have voted for a maximum pay raise for Federal employes for 2 straight years. I can, in all good conscience, only vote for a 5 percent raise this year. Bluntly, if we are to cut down on the rate of increase of Government spending, we are either going to cut back on programs, cut back on personnel, or limit pay increases. I have a choice then: I can vote to increase the salaries of those employed, and, thereby, almost guarantee that fewer jobs will be available to them and to those now unemployed in the future. Or, I can vote for a smaller increase and give present employes added job security and hold out for the unemployed a chance for eventual employment. I choose the latter course as the one best for the greatest number of Americans and as the one that will, in the long run, best protect the earning power of our citizens and their savings.

I might add, that if we vote to limit this pay increase, to ask this sacrifice for the national good by Federal employes, then we are sending an important signal to the private sector to limit wage increases—and, more important, to limit price increases. This signal is very important. It shows we are serious in our efforts to restore economic stability.

I should remind those in the military, also, that if we allow an 8.66 percent increase to go into effect, we will exceed the five percent increase by $1.6 billion. To make up for this increase, we would have to cut back on between 200,000 and 400,000 military jobs or cut programs. Since most cuts have been in personnel, I think it is obvious that to vote against limiting the pay raise would have serious consequences for military personnel and could affect adversely the communities in which they live.

Mr. President, we have high unemployment and higher inflation. We need to fight both of them. One of the ways the Federal Government can do this directly is to limit the pay raise for Federal employees this year.

We should guarantee to Government employees that they will have their jobs in the future. We should guarantee them that their savings will be free from inflation. We should guarantee them that their earning power will stop eroding, that their paychecks will go further. By voting to limit this pay raise, we are actually voting to increase the purchasing power of the Federal employee.

All logic and all honesty demand a vote to limit the pay raise for Federal employees to 5 percent. I will so vote.

Mr. PACKWOOD. Mr. President, I have made my position on Government spending clear before this body on numerous occasions. I will vote to limit the cost of living increases to 5 percent. We are currently spending about $850 million every day of the year. Next year it is projected to be almost $1 billion every day. Every day we spend money at these amounts we add to our deficit and push the rates of inflation to intolerable levels.

I have not been convinced that the 8.66 percent pay raise will not have further inflationary ripple effects. A number of private business firms here in Washington, D.C., as well as in Oregon, tie their pay and benefits to the Government increase. Although this raise is billed as a catchup with private industry, some of these firms will be forced to catch up with the Government, whether the raise is 5 percent or 8.66 percent. To me it is not clear who leads and who follows. What I am convinced of is that Congress can take action which would prevent an exacerbation of these inflationary effects and set a tone for nationwide contract agreements over the next year.

We are now clearly over the Senate budget recommendation. If the 8.66 percent increase were adopted, we would have exceeded the budget resolution agreed to in the Senate by some $6 billion. These are not the Presidential budget estimates; there are the Senate budget estimates. A vote to cap the cost of living increases at 5 percent would save about $1.6 billion in Government payroll costs.

My vote is not a statement against the equities and merits of the pay raise; I am not voting against the 8.66 percent increase because I think it is undeserved. Nor can this vote be interpreted to mean I favor no cost-of-living increase. On the contrary, our military and Federal civilian employees are among the most qualified in the world and deserve our support and praise. Now, during a period of financial difficulty, we are going to ask them to adopt a standard contrary to which they have merited.

Mr. President, budgetary considerations and the threat they pose to our financial stability are the overriding reasons for my vote against the cost-of-living increases of 8.66 percent. I frankly think that the real fears of rampant inflation caused by Government spending outweigh the soothing effects of an additional pay increase of 3.66 percent at this time.

Mr. ROTH. Mr. President, I am voting against the resolution because Members of Congress would benefit from the higher 8.66 percent pay raise.

I voted against the legislation last month that made Members of Congress eligible for this automatic cost-of-living raise, and I cannot in good conscience now vote to grant myself a pay raise at the expense of the already overburdened taxpayer.

During the debate on that legislation last month, I supported and voted for amendments to repeal the automatic pay raises for Members of Congress. Unfortunately, these amendments were defeated.

And because today's legislation cannot be amended to exclude Members of Congress, I must vote against the higher pay raise.

I believe that if Members of Congress want a pay raise, they should have the guts to vote on it separately and not tie it to a pay raise for all Federal workers.

In addition, I believe it is most inappropriate for Congress, which is responsible for much of today's inflation, to insulate itself from the pains of inflation.

If Congress cannot provide the leadership, how can we expect labor, business, and consumers to make the necessary sacrifices to get this country moving again?

At a time when every American is feeling the effects of inflation and recession, I believe it is outrageous for Members of Congress to add this additional burden to the already over-taxed American people.

Mr. CRANSTON. Mr. President, I have decided not to support the President's attempt to deny to Federal workers their full comparability pay raise.

My decision was determined by three factors:

First, sufficient funds were provided in the congressional budget to accommodate the full 8.66-percent raise.

The conference report on House Concurrent Resolution 218, the First Concurrent Resolution on the Budget makes that plain—I was a conferee.

The comparability pay adjustment for military personnel and for Federal civilian classified workers impacts on two budget functions—"National Defense" and "Allowances."

The Senate managers were not unanimous as to whether or not a pay cap should be imposed, but the House managers were unanimous in favor of cap removal.

Properly so, Mr. President, for the full House had instructed its managers, by adopting by a substantial margin the O'Neill amendment to the House resolution, removing all pay caps.

In the joint explanatory statement of managers accompanying the conference report, explaining the action agreed upon by the House and Senate managers, the following statements appear:

In national defense, "if Congress should decide not to limit increases in defense salaries and retirement allowances, there are sufficient funds within this total to support that decision."

Cap removal is consistent with the budget resolution, but only if other spending bills are held within the limits envisioned by the Budget Committees.

An analysis of the national defense target, broken out by spending bills, supports that conclusion. I ask unanimous consent that the analysis I have prepared be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

NATIONAL DEFENSE BUDGET

Budget authority ($ billions) FY 1976

Congressional budget targets by appropriations (or other spending) bills.

Prior year carryover	1.668
Defense appropriations	88.116
051	88.115
052	0.000
054	0.001
Military construction appropriation	
051	3.884
(Treasury, Postal Service and general Government appropriation) (H.R. 8365)	0.121
051	0.088
054	0.033
Military retired pay recomputation (S. 1702, S. 1969)	0.000
Allowance—pay raise (8.66%)	2.920
Foreign assistance appropriation	2.673
Public works appropriation (H.R. 8122)	1.896
HUD, independent agencies appropriation (H.R. 8070)	0.048
State, Justice, Commerce and Judiciary appropriations (H.R. 8121)	0.005
Miscellaneous offsets	
054	—0.631
Congressional budget target	100.700

CONGRESSIONAL BUDGET TARGETS ESTABLISHED BY FIRST CONCURRENT RESOLUTION

[In billions of dollars]

	Present	Congressional budget	Congressional action
Prior year carryover		1.668	1.668
051 DOD Military:			
(1) Defense appropriation (______)	96.342	88.115	
Military personnel	25.078		
Retired personnel	6.885		
O. & M.	29.182		
Procurement	24.720		
R.D.T. & E.	10.179		
(2) Military construction appropriation (______)	4.109	3.884	3.853
Military construction			
Family housing			
(3) Treasury, Postal Service, and general Government appropriation (H.R. 8365)	.088	.088	.085
Civil defense O. & M.	.066	.066	
Civil defense shelter research	.022	.022	
(4) Military retired pay recomputation (S. 1702, S. 1969)	0	0	.4-.6
(5) Allowance, pay raise (______)	2.083	2.920	
Military pay	.780	1.350	
Retirees, after raise	.477	.490	
Wage Board, blue collar	.480	.480	
Civilian classified	.346	.600	
052 Military assistance:			
(1) Defense appropriation (______)	1.293	0	0
Vietnam military aid			
(2) Foreign assistance appropriation (______)	2.673	2.673	2.673
Foreign military aid			
Foreign military training			
Israel emergency aid			
053 Atomic energy defense activities:			
(1) Public works appropriation (H.R. 8122)	1.896	1.896	1.896
ERDA nuclear weapons			
054 Defense related activities:			
(1) Defense appropriation (______)	.001	.001	.001
Defense Manpower Study Commission			
(2) HUD and independent agencies appropriation (H.R. 8070)	.048	.048	.048
Selective Service			
(3) State, Justice, Commerce, and judicial appropriation (H.R. 8121)	.005	.005	.005
Renegotiation Board			
(4) Treasury, Postal Service and general Government appropriation (H.R. 8365)	.033	.033	.015
GSA: Office of Emergency Preparedness	.017	.017	.015
Expenses of Defense Production Act	.016	.016	0
(5) Miscellaneous stockpile sales	—.001	—.001	—.001
(6) Disposal of surplus stocks	—.627	—.627	—.627
(7) Offsetting receipts	—.003	—.003	—.003
Total budget authority	107.840	100.700	

Assumptions:

(1) When Budget Conference report reflects Budget Comm. position, target is consistent with that position, e.g., "Eliminate SE Asia military aid."

(2) When Budget Conference report is silent, but March 15 Appropriations report makes specific recommendation, recommendation is assumed adopted, and is used as target, e.g. "Cut $225 million from Military Construction."

(3) When both Budget Conference report and Appropriations Comm. report are silent, assume President's request adopted as target, e.g. "ERDA Nuclear weapons."

(4) "Inflation, program growth, and financial adjustments" were assumed, based on Committee discussion, to be cuts applicable to the Defense Appropriation bill only.

Congressional Action:

Amounts below target, i.e. Military Construction ($0.031) and two items in H.R. 8365 (total: $0.021) are more than offset by retired pay recomputation. Where there has been no identifiable Congressional action, the Congressional target is shown. Congressional action numbers are subject to change as bills progress.

Mr. CRANSTON. As the analysis makes clear, the pay cap will not cut Federal spending—rather, it will simply take the pressure of fiscal restraint off of the foreign military assistance appropriation, and the defense appropriation bill.

For the latter bill alone, more than $88 billion has been allocated, consistent with no pay cap, and even more is being sought.

As a matter of priority, I believe it far wiser, socially, economically, and even as a matter of national security, to attempt to maintain the real wages of our military and civilian workers, than to permit the endless escalation of the arms production and distribution race to continue unrestrained.

In the allowances section, the report states—

> The conferees assume that the levels agreed upon are sufficient to cover civilian agency pay raises under existing law.

Both of the quoted statements are consistent with the interpretation that funds are allocated to accommodate cap removal. Neither is consistent with the view that cap removal is precluded.

Changed circumstances can properly be taken into account, as the process anticipates, in the Second Concurrent Resolution.

Retaining full comparability pay costs far less than the President's budget implies.

The cost of uncapped comparability pay is about $1.1 billion over the President's 5 percent cap.

This represents outlays of $776 million for defense civilian and military personnel, and the balance for nondefense workers.

Presidential estimates of savings resulting from cap imposition have been as much as twice as high—$2.2 billion, as estimate which falls apart under close analysis.

Finally, I believe it is essentially unfair and counterproductive to ask these workers to bear a disproportionate share of the burden of higher living costs.

The comparability standard is an attempt to insure that comparable wages be paid for similar work performed by public and private workers.

The President would discriminate against those performing public service.

I believe this discrimination is unwarranted.

Mr. HUDDLESTON. Mr. President, certainly it is difficult for me to oppose the higher increase for Federal employees, particularly since my home is in the area of a major military installation.

But, I believe the interest of all citizens—Federal employees and others—require a fiscally responsible position on this issue.

The most significant development in many years in Congress has been the establishment of the Congressional Office of the Budget and the related budget making machinery. It is designed to bring soundness and reason to the congressional appropriations process. But, it will not work if Congress does not adhere to its requirements.

The distinguished chairman of the Senate Budget Committee, Senator Muskie, has pointed out that the higher increase of 8.66 percent, which would cost $1.6 billion more than the 5-percent increase, would result in an expenditure of that amount above the spending limits already set by the Senate. It would, therefore, increase by a substantial amount the already too high national deficit with all of the accompanying adverse economic effects on every citizen.

Twice in recent months the Senate has been faced with a decision as to whether it was willing to stand by its own budget limitations. Both instances involved programs that were attractive and popular—improvements in the school lunch program, and funds for military procurement.

In both instances the Senate acted responsibly and rejected the increases in conformity with its spending restraints. I supported those actions although I approved the purposes for which the funds would have been expended.

It is hard decisions like these—and the one today—that are necessary to bring Government spending under control. And, every day there are greater demands from the American people that we do just that.

It is important that I—and the Senate—act today in a manner consistent with those previous decisions. It is the only responsible thing we can do.

I must add, Mr. President, that if I felt that a pay increase of 5 percent rather than 8.66 percent was a great injustice to Federal employees, I would be compelled to favor the higher figure—the economic consequences notwithstanding. The vast majority of Federal employees are dedicated, hard working persons who are entitled to fair and equitable treatment.

In comparing Federal pay with the pay in the private sector which resulted in the proposed 8.66 percent increase, one important factor has been overlooked—that is job security. Very few Federal employees have faced the prospect of losing their jobs during the past year, while unemployment in the private sector has increased dramatically. Since early 1974, over 3 million workers have lost their jobs.

During this same period, Federal employment has increased by 70,000 persons. That represents substantial job security and, with the 5-percent pay increase provided by the President's proposal, goes a long way toward assuring parity with other workers.

Therefore, Mr. President, as distasteful as it is, I feel I must favor the 5 percent increase for Federal workers and oppose the pending motion to reject the President's proposal.

Mr. McGEE. Mr. President, in a final gracious gesture I yield back the remaining 30 seconds that I have available.

Mr. FONG. Mr. President, I have nothing more to yield back. I understand we have used all our time.

Mr. MANSFIELD. Vote.

The PRESIDING OFFICER. The time has expired.

Mr. FONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FONG. Mr. President, a yea vote is for the 8.66 percent and a nay vote is for 5 percent; is that correct?

The PRESIDING OFFICER. The Chair is limited to saying that a yea vote is to disapprove of the proposal; a "no" vote——

Mr. McGEE. To approve of the President's proposal.

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the resolution. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. HELMS (when his name was called). Mr. President, on the grounds that I believe this to be a ripoff, I vote "present."

Mr. WEICKER (when his name was called). Present.

Mr. METCALF (after having voted in the affirmative). Mr. President, I have a pair with the Senator from Utah (Mr. Moss). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withdraw my vote.

Mr. EAGLETON (after having voted in the negative). On this vote I have a pair with the distinguished junior Senator from Indiana (Mr. Bayh). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. McGovern) and the Senator from Utah (Mr. Moss) are necessarily absent.

I further announce that the Senator from Indiana (Mr. Bayh) is absent on official business.

I also announce that the Senator from Michigan (Mr. Philip A. Hart) is absent because of illness.

The result was announced—yeas 39, nays 53, as follows:

[Rollcall Vote No. 398 Leg.]

YEAS—39

Beall
Bentsen
Brooke
Bumpers
Byrd, Robert C.
Case
Clark
Cranston
Culver
Fong
Ford
Gravel
Hart, Gary W.
Hartke
Haskell
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Long
Magnuson
Mathias
McGee
McIntyre
Mondale
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott,
  William L.
Stafford
Stevens
Taft
Williams

NAYS—53

Abourezk
Allen
Baker
Bartlett
Bellmon
Biden
Brock
Buckley
Burdick
Byrd,
  Harry F., Jr.
Cannon
Chiles
Church
Curtis
Dole
Domenici
Durkin
Eastland
Fannin
Garn
Glenn
Goldwater
Griffin
Hansen
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Johnston
Leahy
Mansfield
McClellan
McClure
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pearson
Proxmire
Roth
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Tunney
Young

ANSWERED "PRESENT"—2

Helms
Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Eagleton, against.
Metcalf, for.

NOT VOTING—4

Bayh
Hart, Philip A.
McGovern
Moss

So the resolution (S. Res. 239) was rejected.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 84-689, appoints the Senator from Alabama (Mr. Sparkman) as a delegate to the North Atlantic Assembly, to be held in Copenhagen, Denmark, September 21-27, 1975.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. In response to the parliamentary inquiry, the pending business is H.R. 8069, pursuant to a previous unanimous-consent order. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

> H.R. 8069, an act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. MAGNUSON. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MAGNUSON. Mr. President, the Senator from Washington and the Senator from Massachusetts are very hopeful that we can finish this HEW appropriation bill today. I have had several inquiries as to when we might vote on passage.

Mr. HATHAWAY. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senate please be in order? The Senators will take their seats; the galleries will please be quiet.

Mr. MAGNUSON. Mr. President, I have hope that we will be able to finish this bill sometime today, at least, maybe by 5:30 or 6 o'clock. We have some further amendments, I understand. I hope they will not take long and maybe we can get a time limitation on some of them.

At any rate, I want Senators to be aware that we will probably have a vote on passage and some important amendments between now and 5:30. I am hopeful it will take only about 2½ hours.

I do not know how many amendments are pending.

I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Does the Senator from Washington yield for the parliamentary inquiry?

Mr. MAGNUSON. Yes.

Mr. HELMS. Is there, at this time, any time limitation of any sort connected with this bill?

The PRESIDING OFFICER. The Chair advises the Senator that there is no time limitation and that there are no amendments at the desk.

Mr. HELMS. I thank the Chair.

Mr. BIDEN. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MAGNUSON. Yes.

Mr. BIDEN. I ask unanimous consent that Wes Barthelmes and Peter Wentz of my staff be granted the privilege of the floor for the remainder of debate on this issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. I understand the Senator from Wisconsin (Mr. NELSON) has an amendment which has been pending all morning, and I think if he wants to go ahead now——

Mr. NELSON. Mr. President, we are modifying that amendment and we would rather wait for any other amendment at this time. We will not be taking much time on it.

Mr. MAGNUSON. Are there any further amendments? The Senator from Oklahoma has an amendment.

Mr. BARTLETT. I do have an amendment.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Oklahoma.

The assistant legislative clerk read as follows:

> At the end of the bill, add a section as follows:
>
> "SEC. . No funds appropriated under this act may be used to pay unemployment compensation, in excess of the difference between a person's Federal retirement payment and the unemployment compensation for which he would otherwise qualify, to persons drawing federal, civil service or military retirement income.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. BARTLETT. Yes.

Mr. HELMS. Mr. President, I ask unanimous consent that a member of my staff, Dr. James P. Lucier, be accorded the privileges of the floor during discussion of this measure and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair and the distinguished Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I would like to point out to the distinguished Senator from Washington and the distinguished Senator from Massachusetts that this amendment is different from the one I introduced this morning, and I understand it will pass the test of inquiry to the Parliamentarian, but that it does accomplish the goals that I set out for this morning.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MAGNUSON. Will the Senator from Oklahoma yield for half a minute?

Mr. BARTLETT. I will yield for a question.

Mr. MAGNUSON. The question is why have we not got a copy of the new amendment?

Mr. BARTLETT. I have one almost written out. It is being duplicated.

Mr. MAGNUSON. We would like to know what it is all about.

Mr. BARTLETT. The Senator can have what I have.

Mr. MAGNUSON. Very well.

Mr. BARTLETT. The purpose of this amendment is to plug a loophole in the Federal law which permits States to make it possible for retirees from the civil service or from the military to also draw unemployment compensation.

This is going on in our State, and some $2 million unnecessarily is being paid to such retirees. But, beyond that, retirees, as they retire, are given information as to how to qualify and how to proceed to qualify for unemployment compensation.

There are 15 other States that not only pay unemployment compensation for civil service retirees and military retirees, but also to those who retire on nonmilitary retirement programs in the private sector.

I would estimate that the amount of money involved that it unnecessarily paid to such recipients is over $100 million, so I think here is an opportunity for Congress to really plug a loophole, and to plug one which is irritating a lot of the taxpayers and citizens of this Nation when they see this money being unnecessarily squandered.

This amendment is consistent with other approaches that our Government is taking. If a person receives social security and has a job and loses that job and qualifies for unemployment compensation, they deduct the social security payment from the unemployment compensation. If a person retires from Government and then takes a job with the Government, he receives the difference, crediting the retirement, so I think the provisions of this amendment are consistent with other approaches that the Federal Government is taking.

I consider it the responsibility of Congress to see that its moneys are properly used and not wasted, so I feel it is very important that we do adopt this amendment to correct this inequity.

Mr. President, I do feel it is very important that the Senate consider this legislation at this time.

I was rather shocked when I found out that the Labor Department was not even aware that this was going on and, therefore, they do not have figures on precisely the amount of money that is wasted.

I found out that this was not generally known in other areas, but I did confer at some length with the Unemployment Security Commission in Oklahoma and found there are 15 other States that provide unemployment compensation not only for government retirees and civil service retirees but also those who retired on private pensions.

So I think this is a big loophole that needs to be closed, and I certainly encourage the distinguished chairman and the ranking member to support this good legislation.

I reserve the remainder of my time.

Mr. BROOKE. Mr. President, the amendment that the distinguished Senator from Oklahoma has introduced this afternoon, in my opinion, is the same amendment that the distinguished Senator introduced this morning, with the exception that it has been drawn so as not to be subject to a point of order. The same arguments that were used against that amendment this morning can be used against that amendment this afternoon.

Though we did not enjoy raising a point of order, it was the belief of the distinguished chairman of the committee (Mr. MAGNUSON) and I that we would raise points of order against any amendment which was legislating on an appropriations bill. We felt very strongly that this amendment should have gone to the Finance Committee so that the Finance Committee could have held hearings on the subject matter of this amendment, even though the purpose of the Senator from Oklahoma may be a laudable one, and that we ought not to make substantive change in the Federal-State unemployment insurance system on an appropriations bill.

We feel that this amendment is contrary to Federal policy and that Federal policy is not to dictate such provisions to the States.

We fear that the amendment would discriminate against Federal pensioners since private pensioners would still be able to draw unemployment benefits in addition to their retirement benefits.

We feel that if a retired Federal or military employee needed money so badly that he went to the employment office seeking work, it would seem that he may be forced to take unemployment benefits if no job were available. The average pensioner takes a big cut from his working day's pay.

But mostly, we feel that Federal and military workers pay taxes all their working lives—and this is a point which was made by the distinguished chairman—they pay these taxes in order to be entitled to unemployment benefits and this amendment would deny benefits, despite workers having paid for benefits.

If this belongs in an appropriations bill at all, I suggest to the distinguished Senator from Oklahoma, it would belong in the Treasury, Post Office and Civil Service bill, not in the Labor, HEW appropriations bill.

It is a most complex issue and it certainly is an issue without any question, without any doubt, that a legislative committee should handle.

I think I ask the Senator from Oklahoma this question this morning, but I think it is clear that Oklahoma can easily amend its law to restore equal treatment and I think the Senator from Oklahoma agreed that Oklahoma could amend its laws.

Mr. BARTLETT. I am happy to respond.

Mr. BROOKE. Yes.

Mr. BARTLETT. I think that it is the Federal Government's responsibility to control the Federal money and I think from the fact that 16 States, at least, and probably more, can waste this amount of money shows a test of the fact that we need to do something.

If the Senator from Massachusetts feels very strongly that everybody who is qualified for unemployment compensation should receive that notwithstanding outside income, then the law would have to be changed so that the social security would not be deducted, other income would not be deducted.

So he is going to have to change the Federal law there to be consistent.

This amendment makes the law for the Federal Government consistent for all the States and does not give the State the option of a loophole.

Now, if I may continue on the first point that the Senator made, I am very glad that this morning the point of order was made because the Senator taught this Senator from Oklahoma several things. I did check to see if we could modify the amendment, which we have done, and it is not now considered legislation, would not disqualify, as I understand it.

Mr. BROOKE. Will the Senator yield at that point?

I think the Senator will agree there is no change in substance in the Senator's amendment; it is a change in form rather than substance.

Mr. BARTLETT. That is correct.

But I would like to point out to the distinguished Senator from Massachusetts and the distinguished Senator from Washington that the second new paragraph on page 17, in my opinion, is legislation; that the paragraph at the top of page 18 is legislation; the next paragraph, National Institute of Dental Research, is legislation; that on further down page 18, the National Institute of Arthritis, and so forth, is legislation. The two areas on page 19, all three items on page 20, and also 21, and so on.

Mr. BROOKE. Will the Senator yield at that point?

Mr. BARTLETT. No; I just want to make this point and then I shall yield.

I understand that those could be questioned, and if they were found out to be legislating that they could either be removed from the bill or the whole bill could be sent back to conference, but I want the Senator and the distinguished chairman to know that I have no such intentions. But I have learned what my rights are, and I certainly would not do that.

Mr. BROOKE. I certainly hope that the Senator from Oklahoma realizes that neither the chairman nor I would do anything, or intend to do anything, that would in any way abrogate his rights under any circumstances.

Mr. BARTLETT. No, as I said, I understand.

Mr. BROOKE. What we said this morning, we felt very strongly that we would have to resist any further amendments that would legislate on an appropriations bill; and after the Senator's amendment was subjected to a point of order, our distinguished colleague from Ohio introduced an amendment which would legislate on this appropriations bill. It was an amendment which normally we could have taken because it just had to do with a leasing contract rather than the construction of buildings, but we raised the point of order on that because we had raised the point of order on the Senator's amendment and we said we would raise a point of order of any future amendment legislating on an appropriations bill.

But one difference between the so-called legislation on an appropriations bill that the Senator has read from the bill itself and his proposal is that we had extensive hearings on all of those proposals. We went into great detail in the subcommittee and in the full committee before that was contained in the appropriations bill itself. We distinguish that from an amendment which is presented on the floor, of which we have no knowledge, which is not within, normally, the jurisdiction of this committee, and no real opportunity to get information that would be helpful to us in any formal fashion as to whether this would be good legislation or not.

So that is the policy which we have adopted. I want to assure the Senator from Oklahoma that in adopting that policy we did so not in regard to his amendment alone, but just as a blanket policy that would apply to any amendment which so qualifies.

I do not know whether the Senator has already asked for the yeas and nays, so I take it that the Senator wants to have a rollcall vote on his amendment.

I do not know that I could say any more since the Senator himself has agreed that the substance of the amendment which he offers now and the substance of the amendment which he offered this morning and to which a point of order was raised is the same, so the arguments are the same.

I presume his arguments pro are the same; our arguments con are the same.

I yield to the distinguished chairman prior to a vote on this amendment.

Mr. MAGNUSON. Mr. President, I want to point out that some of the amendments the Senator mentioned were germane to our bill, one of them dealt with employment, several at NIH, and that is the only way we could increase or decrease employment, to do it that way.

I just want to point out the complexity of this thing. The Federal Government probably should watch oversight on these payments.

But we only pay a part of the unemployment insurance. The States contribute their part. We left it up to the States to make the rules and regulations. That is where it is and that is where it belongs. We do not make the rules and regulations for unemployment insurance, except in a basic way. I think most States have different qualification rules for unemployment insurance. In my State, they put up about 55 percent of the unemployment insurance paid out. We would be telling the States that they have no more authority in this matter in the State regulations. That is why we have the differences, for example, between Oklahoma and some of the other States mentioned.

This is an action for the States. It not only is legislation on an appropriation bill but it overturns the whole unemployment system.

Mr. BROOKE. Will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BROOKE. If I may have the attention of the Senator from Oklahoma, I think the Federal Government through this bill only pays for the administration cost, employment services, and the like.

I might use the argument of States' rights position here in the Chamber, but I think this is clearly a matter of States' rights. As the Senator well knows, some States have already done exactly what he wants them to do. Others have not done so. It is an individual State's problem.

Mr. BARTLETT. I appreciate the interest of the Senator in the States' rights. If he would read the language carefully, this deals only with Government retirees from the military and from the civil service. I am advised that only Federal money is involved; that this does not involve the State or the employer non-Government money. The employer, of course, is the Federal Government. This is 100 percent Federal money that is dealt with in this amendment.

Mr. MAGNUSON. It is money paid in by the Federal employees. If the benefits are to be denied, the law should be changed to exempt these people from paying the unemployment insurance tax. That is a big thing to look at. That should have long hearings to find out the advisability of changing this system. That is what is wrong with the amendment.

Mr. BARTLETT. Let me ask this question: Does the Senator feel that it is right for somebody who has worked for 40 years in the Federal Government to retire, immediately file for unemployment compensation, and receive it in almost every instance?

Mr. MAGNUSON. No, I do not think that is right.

Mr. BARTLETT. That is what is happening. It puts the burden of proof on the Employment Security Commission in the case of Oklahoma because then they have to come up and match the equivalent job. They cannot do that for a person who is senior in years and also perhaps senior in position. Then the person is qualified.

I do not think that is fair and the people in my State do not think it is fair. I think it is the responsibility of the Federal Government to see that this does not happen in the various States, not only Oklahoma.

Mr. MAGNUSON. But the State of Oklahoma and my State can put a stop to that or have benefits commensurate to what the pension may be. A fellow may retire on a very, very small pension but he is still able to work and wants to work. They do not have to find him a comparable job that he had in civil service. They have to qualify and they have to work.

Mr. BARTLETT. This amendment, of course, provides that it is the retirement fund and he would get the difference between that and the unemployment compensation. It protects the retiree who retires on a small retirement.

Mr. BROOKE. In attempting to correct one condition, the Senator, by this amendment, may very well be causing great hardship to others who are not involved in the practice which the Senator has pointed out occurs in Oklahoma.

Mr. BARTLETT. What the State of Oklahoma is doing is having this change be consistent with all the other provisions that we now have, deducting other income from an unemployment compensation payment. This is what is done in every other instance that this Senator is aware of.

I think it is good legislation. I think it is an example for this Congress to adopt a program that is saying, "Let us plug a loophole."

Coming from the State of Oklahoma, I have often heard about the loophole of various energy provisions, such as the depletion allowance. I happen to know that that was written into law, in almost precisely the language before it was taken out recently, in 1926.

This was a real loophole. This was not written in for States to do this because some States are going one way and some States are going the other. Apparently a very few, 16 plus, are going in this one direction which, in my opinion, is misusing Federal money.

Mr. BROOKE. I certainly would like to see us close loopholes, but I feel that the Senator might be injuring the rights of Federal employees and military employees. The fact that we are having this colloquy, which I think is very helpful, is proof positive that this is such an important subject that it ought to be subjected to lengthy hearings and all the information that can be obtained should be obtained to be sure that we are doing the right thing in closing up any loophole in the manner which the Senator from Oklahoma suggests.

I do not like to see happen what the Senator has said happens.

Mr. BARTLETT. This in no way affects anyone's retirement. They will receive whatever retirement is accorded them from the civil service and from the military.

I would like to comment on what the Senator from Massachusetts said earlier, Mr. President. We debated this subject this morning. I think the issues are the same on the amendment I have offered this afternoon. I am not interested in prolonging the debate. I am ready for a vote.

Mr. BROOKE. I would like to make one statement and then be ready for the vote. The Federal employees' compensation is federally funded. However, with federally funded extended benefits now up to 65 weeks and the special unemployment assistance program, State law governs most eligibility rules, including treatment of retirement income. That takes me back to the point I made earlier about Oklahoma having the right, and easily, to change its law if it sees fit to do so, and other States as well.

I agree with the Senator from Oklahoma. I think we have debated this at great length. He has asked for the yeas and nays.

Mr. BARTLETT. I would like to comment on the Senator's final point. I certainly agree that Oklahoma and the other States can change their law. Also, other States which do not have this loophole could change their law and also have the same extra benefits that some States have seen fit to have. But who is responsible for spending the Federal money? Is it the States or the Congress and the administration? We are. That is why I am introducing this amendment. I think this amendment is appropriate and we should take action to correct this abuse.

Mr. MAGNUSON. We do not have a time limitation.

The PRESIDING OFFICER (Mr. TOWER). The question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Utah (Mr. MOSS), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Indiana (Mr. BAYH) is absent on official business.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from North Dakota (Mr. YOUNG) is necessarily absent.

The result was announced—yeas 27, nays 64, as follows:

[Rollcall Vote No. 399 Leg.]

YEAS—27

Allen
Bartlett
Bellmon
Brock
Buckley
Bumpers
Chiles
Curtis
Dole
Domenici
Fannin
Garn
Goldwater
Hansen
Helms
Hruska
Johnston
Laxalt
McClure
Morgan
Nunn
Packwood
Roth
Scott, William L.
Talmadge
Thurmond
Tower

NAYS—64

Abourezk
Baker
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary W.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Tunney
Weicker
Williams

NOT VOTING—9

Bayh
Cannon
Hart, Philip A.
McGee
McGovern
Moss
Sparkman
Symington
Young

So Mr. BARTLETT's amendment was rejected.

Mr. MAGNUSON. Mr. President, I

move to reconsider the vote by which the amendment was rejected.

Mr. BROOKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

AMENDMENT NO. 880

Mr. DOLE. Mr. President, I call up my amendment No. 880, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 880.

The amendment is as follows:

On page 10, line 7, strike the words "not to exceed" and change the figure "$5,000,000" to "$15,000,000.".

Mr. DOLE. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that Ken Benjamin, a member of my staff, have the privilege of the floor during the consideration of this amendment and the vote thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the names of the Senator from Arizona (Mr. FANNIN), the Senator from New York (Mr. BUCKLEY), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from New Mexico (Mr. DOMENICI) be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, before getting into my remarks, I would like to thank my good friend the Senator from Tennessee (Mr. BROCK) for standing by yesterday, when I was absent because of illness in the family, to offer this amendment.

I also appreciate the courtesy and willingness of the distinguished Senator from Nebraska (Mr. HRUSKA), a member of the Appropriations Committee, for consenting to help out in the event action had to be completed before I could return.

Mr. President, as I indicated in my remarks Tuesday on page 28862 of the RECORD, the amendment I am proposing would increase the availability of funds for State administered consultation services under section 7(c)(1) of the Occupational Safety and Health Act. It would do this by redirecting for those activities the $10 million otherwise added in the Appropriations Committee for the hiring of new Federal compliance officers.

I underscore at the outset that we are not adding $10 million to the bill. We are simply transferring and redirecting the expenditure of $10 million to provide for State consultation services, rather than using it to hire another 833 Federal enforcement employees.

This amendment would complement the one offered yesterday by the distinguished Senators from Florida and Louisiana (Mr. CHILES and Mr. JOHNSTON)—and adopted by the Senate—in that its thrust would be to shift OSHA's emphasis away somewhat from the harsh punitive features of penalty assessments. It would do this by significantly expanding the State-sponsored consultation programs in lieu of increasing the size of the Federal enforcement staff.

As an example of what can frequently happen in Federal enforcement programs such as OSHA, the Consumer Product Safety Commission recently sent four attorneys to my State of Kansas to inspect and investigate a two-man mattress factory. So four Federal employees—GS-14 and GS-15—were sent to Hutchinson, Kans., to examine and otherwise inspect a man and his son who were making mattresses in that State. That is just one example of how the Federal Government—through its inspection and enforcement personnel—reaches further and further and spends more and more money, doing less and less for the American taxpayer.

The main thrust of this amendment is to help shift our emphasis at the Federal level away from that type of practice and toward State agency assumption of the law-implementation role. It involves a different agency, of course, but the Senator from Kansas feels that the last thing we need is 833 more Federal OSHA inspectors.

What we propose instead is increased consultation services through which the owner of the business would have a better opportunity to voluntarily comply. It has been my observation that he would much rather do this than to have some Federal bureaucracy swoop down and, in effect, penalize him before he has a chance to identify his shortcomings and act to correct them.

The whole idea of this amendment is that we already have a rather sizable staff of Federal compliance officers available to perform inspections of business operations and cite them for any health or safety deficiencies. Since every successful businessman has at least a basic concern for a healthy and safe working environment for his employees, the great majority of those citations result simply from a lack of knowledge and understanding regarding the maze of OSHA regulations and requirements.

The way to address this problem is to improve the process by which every employer may become better informed about what constitutes a safe and healthy working place for his particular business. This can only be accomplished effectively in a spirit of cooperation and advice—not by heavy-handed and sometimes overbearing and authoritative chastisement and retribution—and that in turn calls for meaningful education and consultation.

What we are saying is that OSHA can never really reach its ultimate goals without the element of acceptance on the part of those subjected to its numerous and complex standards. By changing the scope of the law's implementation to encourage voluntary compliance, therefore, we can realize much greater progress towards fulfillment of the Occupational Safety and Health Act's very purpose.

No number of Federal inspectors whatever, Mr. President, can ever take the place of initiatives performed by a willing and responsible employer acting out of a sincere desire to take legitimate corrective measures. The on-site consultation services which this amendment would increase would, I believe, inspire just such responses.

As most Senators are aware, this employer-requested consultation program—administered by the States on a 50/50 funding basis—is relatively new, having had only $5 million appropriated for its inception in last year's Labor-HEW bill. Already, however, a total of 15 States are participating through the training of more than 200 consultants.

Since that information is certainly relevant to our consideration of this amendment, I ask unanimous consent that a July 1 report by the division of voluntary programs at the Occupational Safety and Health Administration be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SECTION 7(c)(1) CONSULTATION AGREEMENTS

State	Number of consultants	Federal amount
1. Massachusetts	55	$862, 825
2. New York	45	672, 541
3. Puerto Rico	7	150, 062
4. West Virginia	12	107, 454
5. Virginia (Health)	2	31, 509
6. Delaware	2	32. 639
7. Mississippi	3	49, 773
8. Wisconsin (Labor)	5	51, 734
Wisconsin (Health)	9	184, 635
9. Ohio	25	321, 400
10. Arkansas	9	147, 495
11. New Mexico	8	130, 360
12. Oklahoma	6	64, 621
13. Texas	13	298, 081
14. Kansas	3	43, 900
15. Nebraska	5	53, 299
Total	209	3, 202, 328

Source: Division of Voluntary Programs, Occupational Safety and Health Administration.

Mr. DOLE. Mr. President, in looking over this report, I do not see any consultants for the great State of Tennessee. But I do find 3 in the State of Kansas, 25 in Ohio, 55 in Massachusetts, 45 in New York, and so on.

This, as I indicated, is a 50–50 sharing program. It is a new program. It represents a trend toward the transfer of responsibility for implementing a law the Federal to the State level.

Mr. President, while this program is very young, a total $3.5 million has been committed for consultation agreements listed on this chart. A separate agreement in the amount of $267,455—not reflected among the State designations—has also been entered into with a New York laboratory employing 20 people to provide support facilities.

Unfortunately, the voluntary consultation program has thus far had to be resents a trend toward the transfer of restricted to 1 year due to funding limitations. Moreover, about 20 States otherwise eligible to participate have been reluctant to enter into commitments due to a lack of assurance that matching funds will continue to be available.

The present situation, then, is that a small portion of the $5 million from last year is being held in reserve for those who might apply for a late start. By adopting this amendment, we could give them the incentive they need to go ahead with development of their on-site consultation plans.

Mr. President, if those who truly want OSHA to survive and pursue the objectives for which it was created want to enhance that eventuality, they should be aware and supportive of the need for innovative thinking on the matter. By voting for this amendment, they would be departing from the "more and bigger" philosophy which has plagued our regulatory bodies and endorsing instead a quest for practical and pragmatic solutions.

This amendment, very simply, would reorient our States to redistribute the knowledge about occupational safety and health which is so essential to advancements being made for the benefit of every American worker. The amendment is relevant, meaningful, and timely, and I hope every Senator can give it the consideration which it deserves.

Mr. President, I reserve the remainder of my time.

Mr. BROOKE. Mr. President, I believe that the amendment offered by the Senator from Kansas is relevant. I believe the amendment is meaningful. But I must oppose the amendment vigorously.

No. 1, the amendment, as I understand it, would transfer the $10 million which we have in this appropriations bill for 833 inspectors to use in consultations. Is that correct?

Mr. DOLE. That is correct.

Mr. BROOKE. As a result of exhaustive hearings, we have found that we only are taking care of about 5 percent of the Nation's business in our inspections at the present time, with the inspection force we have. By putting in the $10 million and the 833 inspectors, together with the other inspections we have provided for, it would increase the percentage only to 7 percent—just a 2 percent increase—and would add another 10,000, inspections which would move it from 120,000 inspections to 130,000 inspections.

So, obviously, there is a great need for additional inspectors in order to carry on these inspections, in order to improve the incentive for employers to make their places of employment safe for employees. What the Senator would do would be to deprive us of those 833 additional inspectors and thereby maintain inspections of the Nation's businesses only at 5 percent.

Mr. President, this is a backward step. If OSHA is to be effective—and I am sure that the Senator from Kansas and we all want it to be effective—we need more inspectors, not fewer. The bill contained $5 million for consultations last year and only $3 million of the $5 million was used. I do not know if the Senator is aware of that, but only $3 million of that $5 million last year was used. Apparently, the employers' response to utilize this new service of consultation was not very great.

Since this is a new program, we should see what happens to the $5 million for consultations included in the bill this year before we seek expansion of the consultation services. The Senator's amendment would add an additional $10 million to the $5 million which is already in the bill, making a total of $15 million for consultation. That, in my opinion, is just too much money. It cannot be used. It will not be used. Unofficially, we understand that all the Department of Labor can possibly use is $7 million at the most in fiscal 1976 for consultations. The extra $2 million should be available through reprogramming of excess State grant money.

In addition to that, I point out to the distinguished Senator, in 22 States that operate their own OSHA programs, they are allowed to use whatever portion of their State grants they feel is necessary for consultation services with employers. There is $38 million in the budget for these States. So there is that money in addition to the $5 million that we have put into this bill for consultation .

The point is, very simply stated, that we are, by the Senator's amendment, putting money into a program where we already have more money than we can possibly use, considerably more money. On the other hand, we are not putting enough money where the money is really needed in order to make the program successful.

It is for this reason that I cannot accept the Senator's amendment. I shall have to oppose the amendment vigorously. I think the effect of this amendment would be seriously to impair—I shall not overuse the word "gut"—the effectiveness of this program, a program which is sorely needed in this country and which is just beginning to get into operation.

We made an amendment to it yesterday, as the Senator very well knows, when we decreased the penalty on nonserious violations from $1,000 to $50. If we go any further along this line with OSHA, I feel that we will be doing a great disservice to the American worker in this country.

Mr. DOLE. Mr. President, I do not often cite the Chamber of Commerce as an authority, but I say in response to the distinguished Senator from Massachusetts that as far as industry and small business are concerned, they have a great deal of awareness. And in reference to OSHA, the Chamber said in a recent publication:

> It is unconscionable that employers—faced with as complex and highly technical law as OSHA and its supporting regulations—have nowhere to turn for competent assistance and advice. And the Labor Department is the one agency with the expertise to provide such advice and assistance.
>
> Amending the law to require appropriate on-site consultations—

And that is what this Senator is talking about:

> Without fear of citation upon an employer's request would do much to assist all employers meet their legal obligations. However, care should be taken to separate the consultative functions from the enforcement functions of the Labor Department. In addition, the Act's provisions dealing with "imminent danger" situations should not be affected by on-site consultation.
>
> Smaller-sized employers have a greater burden in trying to achieve full compliance with the Act, but all employers regardless of size may have occasion to require on-site consultation assistance. For the smaller employer, economically unable to afford the specialized talents of safety and health consultants, on-site consultation may be the only way to secure assistance in meeting health and safety standards. The current situation where a compliance inspection is the only on-site contact an employer may have with OSHA experts merely emphasizes the punitive nature of OSHA rather than its stated goal of achieving greater safety in the workplace for all employees.

I further add that Secretary Dunlop himself has said that we need more emphasis on consultation, education, and information. But even though he has made such a policy recommendation, the OSHA administrators are apparently ignoring him.

For example, the Office which would normally direct voluntary activities within the OSHA framework—the Office of Consultation and Employer Self-Inspection—has not even been staffed, director or otherwise. Neither has a subdivision of that office, the Division of Consultation.

As a result, work in this area is being handled by a very small Division of Voluntary Programs, which has a staff of only five people—a director, two professionals, and two clericals. Maybe Secretary Dunlop calls that emphasis, but the Senator from Kansas does not even believe that is interest in promoting consultation services.

Insofar as the suggestion that we have more funds now than we can use, that we can only use $7 million, and if only $3.5 million of the $5 million last year was used, why should we seek to allocate more—first, let the Senator from Kansas make it clear again that this is not an addition, this is a substitution.

As indicated by the chart of State programs, $3.2 million was used to contract with 15 States to provide these voluntary consultation services. In addition, another $267,000 was used for support facilities in New York—total $3.5 million.

However, OSHA also apparently committed $1,121,000 of the available funds for 7(c)(1) enforcement programs in Erie County; Ohio; Wisconsin; Guam; Delaware; and the trust territories. While not in total keeping with the intent of the Steiger amendment that provided the $5 million last year, it nevertheless depleted the balance of that sum.

In any event, as I indicated in my earlier remarks, the program has not received the enthusiasm of OSHA officials, who want more Federal inspectors.

But to reiterate the example I cited previously of how Federal agencies like OSHA make use of their inspectors, Consumer Product Safety Commission sent four Federal employees to investigate a two-man mattress factory in a community in my State, and the resulting newspaper headline was very appropriate: "Mattress Trip Here Produces Lots of Lumps."

There was a lot of cost involved in sending two men from Washington and two men from Kansas City to Hutchinson, Kans., in that instance to investigate a poor man and his son and see what they were putting in their mattresses, or some such thing. In any event, it indicates very clearly what a great waste there can sometimes be in adding more and more Federal inspectors to do the job a single consultant could perform.

I suggest that we are going to have just as many consultants as we would have compliance officers with my amendment. We would not lose anything, but rather we would gain by having them on the scene, in the State, instead.

It would be in my opinion a much better, more effective program and a better expenditure of Federal dollars. As a 50–50 matching program, many States which would have otherwise applied have held back due to difficulty in raising sufficient funds to participate.

That is, I understand, the situation in Georgia. The distinguished junior Senator from that State (Mr. NUNN) is aware of that problem there and has been working to provide assistance.

The logic behind increasing the allocation for consultation is that if the money is there, it will be utilized by a greater number of States. That is especially true if changes can be made in matching percentages.

It would also be especially true if we had a little more support for the program from OSHA itself: if those who direct the program would listen to the Secretary of Labor's call for more emphasis on consultation, education, and information.

I do not want to "gut" the program as the Senator indicated. That is not my intention nor that of anyone who wants safety and health in the work place.

The only thing that might happen if the entire $15 million were not used is that Federal spending would be reduced accordingly and that is hardly an undesirable effect. It costs no more to train a consultant than it does some Federal inspector, and I certainly believe more consultants are preferable to more compliance officers.

I also wish to point out that the question here is not one of spending more money, but rather simply transferring $10 million to another activity so we may have more participation in consultation training at the State level.

Mr. BROOKE. I want to assure the Senator from Kansas that, first of all, I did not charge the Senator with desiring to gut the program. I ultimately did not use the word "gut."

I think the effect of the amendment might be to impair the effectiveness of the program and, on the one hand, I applaud the Senator from Kansas for not adding money to the bill. But, on the other hand, I would, perhaps, rather see him, if he really believes we need more money for consultation, add money to the bill for consultation and not take money away from inspection because, as I pointed out to the Senator from Kansas, we only have sufficient compliance officers at the present time to inspect 5 percent of the Nation's businesses.

Now, the purpose of inspection, first of all, is to find out if there are any violations of the law. But, it also serves as an incentive for employers to improve the safety conditions in their plants.

It also serves as a deterrent. So it has many advantages. I do not think the Senator from Kansas would want to see us have a program where we did not have sufficient inspections.

When I tell him 5 percent is the figure, I am sure he will accept that figure as fact. But that is the number, the only percentage that we are able to inspect at the present time. Because of money constraints we only go up 2 percent to 7 percent by adding the additional inspectors that we do add in this bill. This includes the additional 833 I spoke of.

If the Senator believes that $15 million can be used for consultation—and let me say that I personally agree we ought to have consultation, I agree with Secretary of Labor Dunlop's statement exactly. I do not want to see any punitive measures being used by inspectors in my State or in Kansas or any other State, for that matter. Where consultations can be effective certainly we ought to use them. We ought to use them in most instances.

But I want to assure the Senator that we have in this bill already $5 million for consultation purposes. In addition to that we have $38 million for the States that operate their own OSHA programs. In addition to that the National Institute of Occupational Safety and Health already conducts a consultation program. I am just suggesting to the Senator that we have more money than we can actually use. Last year we had $5 million for consultation and they only used $3 million. So they gave back $2 million.

This year we put $5 million more in. We would have put more in had we thought there was more money needed or that could be used by OSHA for consultation purposes.

But what I am suggesting, most respectfully, to the Senator from Kansas is that we are thrusting upon them by his amendment $10 million more than the $5 million they would get in this bill as reported, $15 million, when they only could use $3 million in the last fiscal year.

I would hope the Senator would recognize the necessity for the 833 inspectors, first of all, because, as I said, 7 percent is still a small percentage of the businesses that would be inspected. So it is not by any means an unreasonable figure, 7 percent.

In addition to that, I hope the Senator would recognize, unless he has some evidence to the contrary, that OSHA just cannot use $15 million, and if he comes to that conclusion it seems to me that at the best he would want to modify his amendment at least to some figure that OSHA could use realistically rather than thrusting upon them $15 million.

The Senator, of course, is a most distinguished conservative Member of this body. He wants to see us cut costs, and I know he did not want to add to this bill, and I appreciate that and I respect it. But, on the other hand, I just want to point out to him that his amendment would be, in my opinion, appropriating money that just could not be used.

Mr. DOLE. Just let me say, in response, and then I will yield to the Senator from Tennessee, that I do not quarrel with the Senator from Massachusetts. In fact, Massachusetts has made very good use of this program. They lead all States with 55 consultants and nearly $1 million.

Mr. BROOKE. Very effective.

Mr. DOLE. We just want to be as effective in Kansas as you are in Massachusetts. We asked for funds to train some 10 consultants, I think. They said, however, "We do not have enough money. You can only have three in Kansas."

Mr. BROOKE. I do not know why they said that to you and turn back $2 million. That is what I cannot understand.

Mr. DOLE. I do not think they turned that back, but rather used the full $5 million by committing $1.2 million to 7(c) enforcement programs in Delaware, Guam, and the trust territories. I have already made mention of that fact.

At any rate, the Senator from Kansas feels that perhaps we can work out some middle ground between enforcement and consultation. First, however, splitting the allocation of the $10 million concerned, I will yield to the Senator from Tennessee, who has an interest in this, and at the same time thank him again for being available yesterday to offer the amendment in my absence.

Mr. BROCK. Mr. President, I appreciate the Senator's remarks. I was delighted to have been able to be here. I would have taken great delight in presenting the amendment and claiming some pride of coauthorship with the Senator from Kansas.

I think it might be helpful if I give the Senator from Massachusetts a little personal experience. I was invited some several months ago to go to my home town in Chattanooga to address the professional safety engineers of a major concern in my hometown.

I accepted, and I was going to be home. I went down expecting to visit three, four, or five people and just talk about the problems they were having with OSHA.

I walked into the room, and they had 125 people. This firm has 93 plants in 36 States, and it is a heck of a big outfit. We talked a couple of hours, no speeches—just conversations, questions, and answers back and forth, suggestions from them, and I left the meeting satisfied with this particular concern, Combustion Engineering, which is one of our finer engineering concerns, which is fully capable of meeting OSHA standards and desires to do so, and is able to charge enough for its nuclear boilers for attorneys to defend themselves in court and to pay for all these professional safety engineers.

But what bothered me as I drove through Chattanooga, I saw several other businesses that were about one hundredth of that size, and I kept thinking to myself where do they hire their graduates of our best colleges in professional safety engineering? I came to the conclusion that most of them cannot. As the Senator well knows, whether he is in Massachusetts or Tennessee, they cannot hire all these professional safety engineers and hire a battery of corporate attorneys that can defend them against some idiotic ruling that is rationally unsound. They have to depend upon the Government's utilization of commonsense, that is all.

The Senator is proposing to apply a slight dose of commonsense in the application of OSHA enforcement. He suggested to us that we, instead of coming in and putting everybody on the defensive with an inspector who is by law required and by regulation required going to fine that small business right from the outset on every little jot and tittle of error that he can identify, that we want to go in with consultants and say, "These are the areas you need to improve." But they are not hit with fines.

The business community of this country is not made up of a bunch of fools. They are concerned human beings, small business particularly. That plant manager in most cases works right on the production line or in the drycleaning shop right alongside his presser or his seamstress, he is doing the same kind of work. He knows them as human beings. He is concerned about them. He wants to do what is right, but he does not even know because he is not told.

The absolute charade of this Government of ours coming in without any right of response at all and saying, "We do not care whether you are ignorant of the law, we do not care whether you are ignorant of some new safety technology, we are going to fine you right here and now," without any due process, without adequate right of appeal, that exists today. That small businessman may have legal rights, but he does not have the money to defend himself and his employees because he cannot hire Edward Bennett Williams to take it to the Supreme Court.

Why do we undertake to do that? Fifty-two percent of this country works in American small business, and they are being much damaged by the insensitivity, the incompetence of the bureaucracy that we in this Congress create daily.

The Senator from Kansas has asked us to do a very commonsense thing. Instead of coming in with more punitive measures, with more control, more fines, we should go in and work with people to resolve a problem affecting human life. Does it not make more sense to enlist their help? Does it not make more sense to enlist their support, their active involvement in the program, than to come in like a bunch of kingpins who want to rule the world, and tell them that, "We are going to slap you just because you are there and because you are small?"

Mr. BROOKE. Mr. President, will the Senator yield at that point?

Mr. BROCK. Sure.

Mr. BROOKE. I have heard this argument many times about OSHA inspectors. I just want to call the attention of the Senator to the rules under which they work. I want to cite that the compliance officer may not on his own impose or propose a penalty on the spot at an inspection, nor can he close down an establishment or process.

OSHA can act quickly in the courts to deal with imminent danger situations, as explained on page 14 of the fact book; but I have heard it oftentimes in these debates on OSHA, and they come up every year either in the authorization or appropriation bill, it is always said, about the inspector who runs in and bam, on the spot, levies a penalty.

I say it cannot be done quite that quickly under the law, although there may be exceptions.

I am not going to say to the Senator that it has not been done in Tennessee because I do not know, on any particular job. I cannot say in Kansas, I do not know. But I am saying, if that inspector does act that way, he maybe acting in violation of the law and the employer does have a remedy.

Mr. BROCK. Will the Senator tell me that if an inspector goes in and finds a violation which requires a fine on the first visit to that plant that that fine is not going to be imposed because he is going to get time to correct it?

Mr. BROOKE. If I understand it, I am just reading what he is required to do, it says:

> After the walkaround, the compliance officer discusses with the employer what he has seen and reviews probable violations. Also discussed is the time the employer believes he will need to abate hazards. The compliance officer then returns to his office, writes his report, and discusses it with his area director. The area director or his superiors determine what citations will be issued and what penalties, if any, will be proposed. These are sent to the employer by certified mail with a copy to the complainant, if there is one.

Now, I am just reading what the Labor Department has said.

Mr. BROCK. The Senator really has not changed my opinion then because what he says is that the inspector has to go back to his area director and jointly they make a decision as to the magnitude of the fine, but that does not change the fact that the fine is applied as a result of the first visit.

Mr. BROOKE. But not on the spot by the inspector.

Mr. BROCK. And the individual has no right of consultation. In my State of Tennessee, we have no funds for consultation to give him a precheck so he can clear up the problem before the fine is levied. Nobody. Where does he go? Nowhere. Who does he come to? Nobody. He does not know. Who is available? No one. What agency? No agency. What happens? He gets kicked in the neck again by his own Government.

No wonder why people are frustrated in this society of ours. What is wrong with trying to work with these small business people instead of against them all the time? We are not doing that.

Mr. MAGNUSON. Will the Senator yield?

Mr. BROCK. Surely.

Mr. MAGNUSON. The Senator is talking mainly about—I listened carefully to everything he had to say—the administration of the law and not the law itself, is that correct?

Mr. BROCK. No, sir, I am talking about the law itself, the law itself should require——

Mr. MAGNUSON. Yes.

Mr. BROCK. Should require that we go in with advisory visits to help him find these areas and help get it corrected and then if they do not comply they ought to be subjected to the penalty. We do not do that.

Mr. MAGNUSON. We do not disagree, and we put the 5 million in because we were told that was sufficient.

Mr. BROCK. But if one does not disagree, why not change the law to require that?

Mr. MAGNUSON. We cannot change the law.

Mr. BROOKE. We cannot change the law, our committee cannot change the law, this bill cannot change the law.

The proper place to change the law, and the distinguished chairman of the Committee on Labor and Public Welfare is on the floor at the present time, that is where it should be changed, if there is a necessity.

Mr. BROCK. Maybe I can create a unique coalition.

I have enormous regard for my two colleagues from Massachusetts and Washington and if they would lend their support to this effort, we might be on the road to real progress, I would appreciate that so much.

Mr. MAGNUSON. I think the distinguished chairman of the Labor and Public Welfare Committee would admit there has been some bad administration.

Mr. BROCK. That is for sure.

Mr. MAGNUSON. Bad, and we have been trying to correct it, but we do think that our amount for inspectors was reasonable considering that with the addition we would be only looking at 5 percent of establishments that come under the law, that is a small amount.

Now, on the consultant thing, I think that is very important.

I just said to the Senator from Kansas, the Senator from Massachusetts and I will agree to any amendments that look like they can spend, it may be more than this, but we had to assume that when we put the $5 million in last year, and it was only spent—either $3 million—it was bad administration on the people. As the Senator points out, they did not know where to go or what to do.

Mr. BROCK. That is right.

Mr. MAGNUSON. That may be because no one was taking too much advantage of it.

So the theory is instead of cutting down on consultants, maybe we ought to put in more money so that it will spread to the people the Senator is talking about.

Mr. BROCK. I think that is exactly what I would like to see—I know it is. I think that is what the Senator from Kansas is seeking.

I may say, I hope he will not modify his amendment, just to add more money for consultants. I think what he has done is to substitute more consultants for more inspectors and that, to me, is exactly the way we ought to be going because our problem is in getting compliance. We get compliance by making people want to comply, not hitting them with a brick. If they violate in their work, then hit them with a brick.

Mr. BROOKE. Will the Senator yield?

Mr. BROCK. Yes.

Mr. BROOKE. We would be very pleased to do everything we can, and I think he is absolutely right. If we can resolve it, by consultation, it ought to be resolved by consultation. Anything further should be the last resort, not the first.

The only thing I object to, as I said in my opening response to the Senator from Kansas, is that I just do not want to see them take the money out of inspection because it is only 5 percent of the Nation's businesses at present. We have got to improve that situation. It is dismal. Five percent is not enough with this additional $10 million, we are only adding 833 inspectors and I think that would be good.

At the same time, perhaps we can put more money into consultation and mandate them to do something about it this time, because if they are turning back $2 million and in Kansas we do not have sufficient money for consultation, or in Tennessee they do not, then something is wrong.

Mr. BROCK. May I say to the Senator that the fact we are going to spend $10 million just to increase the number of inspections from 5 percent to 7 percent, if the Senator runs that mathematically we then would have to spend $500 million here just for inspections in order to be sure everybody was complying with the law.

I do not think the Senator wants to do that.

Mr. BROOKE. I do not think that is true.

Mr. BROCK. Well, it is mathematically correct.

Mr. BROOKE. That is like saying we ought to have one policeman for every person in the country. I just do not believe that is necessary.

Mr. BROCK. Neither do I.

Mr. BROOKE. One policeman serves as a deterrent for thousands of people. Obviously that is enough to be sure.

Mr. BROCK. The Senator has made my point. Name me a community in the United States which has 5 percent of its total population in the police department. Not one.

Mr. BROOKE. This is a little different.

Mr. BROCK. Is there something particularly evil or wrong with the small business community?

Mr. BROOKE. Not at all. Not at all. We are starting from scratch. We are trying to be sure that the Nation's businesses are safe for their employees. I think we can all agree that that is a laudable purpose, a laudable goal.

That is like disagreeing with God and motherhood to say we do not want safe conditions for the people of this country.

Mr. BROCK. I think so. I agree with that.

Mr. BROOKE. Very well. Then if we are going to do it, we have to have some incentive and deterrent, and those who insist on violating the law must be dealt with.

Mr. BROCK. If I might suggest, I do not think we are far apart. I think he and I fundamentally agree where we are trying to go.

To me, it would be far, far better government practice to go in and show these individuals where they could improve, get consultant services and advice, all the help we can, and only when they fail to meet the standards after several opportunities for correction, then do we apply the penalty.

But now we are going in and saying, "You are guilty the day we walk on your job."

I cannot understand that.

Mr. BROOKE. Will the Senator yield? We are talking about 5 million businesses in this country, so when we talk about 5 percent, we are talking about 5 percent of the 5 million businesses.

Mr. BROCK. Some of them are little two-man mattress factories, and some are one-man mattress factories.

Mr. BROOKE. Some are giant corporations.

Mr. BROCK. Yes. The thing about it that I found fascinating is OSHA is spending more time on small business than the giant corporations where they multiply their effectiveness a hundredfold. Why? Are they trying to make a record or what? Are they trying to justify more inspectors?

Mr. BROOKE. I would think what they are trying to do is to just do their job and see that the Nation's businesses are safe for employees.

Mr. BROCK. That is exactly what I hope they will do.

Let me make this point to the Senator from New York, who I know wants to speak. I know, too, why they are there, but I think it is important that when we are dealing with small businesses where the problems do occur, and they do, that the most important objective should be to try to enlist the support of that small business. That means that they are going to consult with them, to give them a chance to understand their problem and correct it.

Mr. BROOKE. We are in total agreement.

I would like to ask the Senator from Kansas, if I may, would the Senator consider modifying his amendment so as not to cut any of the 833 additional inspectors provided by that $10 million and add what he thinks is a reasonable amount, an amount that can and will be used for those consultation purposes?

Mr. DOLE. I did not consider adding more inspectors.

Mr. BROOKE. Not the inspectors, no. I am not asking that. We have that in the bill. I ask the Senator if his prime concern is that we do not have enough money for consultation. I am suggesting to the Senator that he may consider modifying his amendment so as to add additional money for consultation purposes.

Mr. DOLE. The problem of the Senator from Kansas is a very small item which we have talked a good deal about, $10 million. We have talked about incentives, and as I look at it, if we take $10 million away from deterrence, it still leaves $103 million.

We would still only have $15 million for incentives, and that is not much of a balance. Even if we hired those 833 Federal inspectors, it would only add about 10,000 inspections, according to the committee's report language.

If those inspections are going to cost $10 million, that is about $1,000 each. It seems to me that is pretty expensive.

Mr. BROOKE. The Senator is overlooking the incentive and deterrent value, of course. I do not know how many dollars he has put to it, but that is present.

I am just trying to ascertain whether the Senator's main purpose is to increase the consultation or if his main purpose is to delete inspectors. If his main purpose is to add to consultations, then the distinguished chairman and I will seriously consider accepting an amendment which would do that because we want to do that. We are in favor of consultations within some reasonable bounds and with the amount of money that can be used and will be used by OSHA. But if it is the purpose of the Senator to cut back on the inspection and compliance part of the law, then we just cannot accept such an amendment.

Mr. DOLE. We would not be cutting back on inspectors. We just would not be adding the 833 new ones.

Mr. BROOKE. Then we would be cutting back, in our opinion, because we have added them. We have had extensive hearings and we feel we have been reasonable and fair. We have given the minimum number that we could give under the circumstances and taking into consideration our budgetary constraints. That is our position. We want the Senator to know it. We have had lengthy debates. There are experts in the Chamber now. Senator WILLIAMS is here and so is Senator JAVITS. They could go on with this discussion for another 2 hours, but I do not see any need for doing it if we can avoid it. If the Senator wants more money for consultations, tell us and we will accept it. If the purpose is to go into the compliance angle, let us have and up-and-down vote on it. Let the Senate decide.

Mr. DOLE. I think the Senator from Massachusetts is correct. We have discussed this at length.

There are a great many experts in the Chamber, certainly more expert than this Senator. I really do not think I would accomplish much in the way of bringing about a better balance between enforcement and consultation efforts by just adding $10 million more for consultation——

Mr. BROOKE. I am not suggesting an amount.

Mr. DOLE. Well, whatever it is, if we do not reduce funds somewhere else, there would be no meaningful shift in emphasis. The bill is already over the budget by more than a billion dollars anyway, so I am not interested in adding more to make it worse, regardless of the purpose.

I think we may as well vote on the amendment, and irrespective of the outcome, I think we will have made some progress. I say that because both the Senator from Massachusetts and the Senator from Washington made it clear that we want consultation, not confrontation, and that there will be money available for that service.

Mr. BROOKE. Has the Senator asked for the yeas and nays?

Mr. DOLE. The yeas and nays have been ordered.

Mr. CHURCH. Will the Senator from Kansas yield to me?

Mr. DOLE. I yield.

Mr. MAGNUSON. I wish to point out something, if the Senator will yield? We tried to be reasonable in adding to consultation. I think if we add $5 million it would not be too much because if it is not used it will not be spent. If we need that much for consultation, it will be used wisely. But we cannot cut down on the inspectors. We cannot trade one for the other. I hope the Senator will accept that and we will not have to have a rollcall vote on this amendment.

Let me say this one more thing. When we talk about inspectors, I thoroughly agree that they have had some bad practices. They really have. But that is talking about the administration of the law and not the money. I hope the Senator will accept this compromise and we can go on with the bill.

Mr. DOLE. The Senator from Kansas does not want to obstruct the progress of the bill. I know the Senator from Washington wants to complete action.

I might just point out, however, that the House did not find it necessary to add more inspectors. And even if they had, it would seem to the Senator from Kansas that if we just keep beefing up our inspection force without providing equally for consultation, we would be losing the thrust of our objective to balance the emphasis on each.

Mr. BROOKE. If the Senator will yield, we have to go to conference with the House on the bill. The House has not added inspectors but we have. We have to go to conference. We may not end up with the additional 833 inspectors. Having served ably in the House, the Senator knows what we are up against. I think the compromise offer we are making here will assure the Senator that we will get more consultation and let us worry about the House in conference as to what we do on inspectors.

Mr. DOLE. Will the Senator add $5 million for consultation and take off five from the other? That would be a compromise.

Mr. BROOKE. I do not think that would be a compromise. If the Senator wants to add $10 million for consultation and leave the inspection alone, I think that is a good compromise, recognizing that when we get to the House we are going to have problems with the House on a compromise on the $10 million.

Mr. DOLE. I agree fully. But I would suggest that the attitude there is such that adoption of my amendment would actually enhance the possibility of their accepting the additional $10 million figure. If it is not, then I would hope there would be problems.

Mr. BROOKE. The House is hoping the same thing. We do not want to compromise with the Senator on the Senate floor and then go to the House and have to compromise again and end up with no inspectors.

Mr. DOLE. Well, if consultation is going to be the primary thrust, as I think it should be, then I am not overlyconcerned with how many inspectors we will end up with in the Federal bureaucracy. It seems to this Senator we could get along quite well without another 833.

Mr. BROOKE. May I respectfully suggest that the Senator keeps saying that consultation is the primary consideration.

Mr. DOLE. That is what Secretary Dunlop has said should be the emphasis.

Mr. BROOKE. That is not what the Senator from Kansas has said. We have offered consultation, but the Senator is really talking about inspection. If the Senator does not accept this compromise, he puts us in the position of arguing on the question of compliance. On this we cannot give. We are not prepared to compromise on the Senate floor and have to compromise again in the conference room in the House.

Mr. DOLE. If we added $10 million for State consultation programs and took it away from inspection it would still only amount to about 13 percent of the overall OSHA budget. At the same time, the people who run that agency have the authority to increase the Federal matching which they might even be inclined to do if more money were available.

Many States cannot apply now because they do not have the funds to put up on a 50–50 basis. If they could match it on a 75–25 basis, perhaps, even $15 million would not be enough.

The point is, instead of forcing Federal regulations down the throats of businessmen, as is the case with OSHA and its enforcement team now, we should put our stress on consultation services to help the businessman—whether small, middle sized or large—to understand what is expected of him and subject to citation if and when he is inspected. My amendment would have precisely that objective.

Mr BROOKE. We have provided $38 million for States which operate their own OSHA programs and they may use this liberally for consultation. In addition, the National Institute has money for consultation.

So you have it in two other places in addition to the $5 million. If the Senator wants to add $5 million or $10 million to this bill for consultation purposes, that will be $38 million to the States, $15 million in this bill, and the National Institute. Can you have any more consultation than that, realistically? I think that solves the problem.

Mr. DOLE. Let me reflect on that while I yield to the Senator from Idaho for a question.

Mr. CHURCH. Mr. President, I thank the Senator very much.

Mr. President, as I have listened to this debate, it seems to me the point being missed is that, if we are trying to enforce these safety regulations under OSHA, the most effective means is to increase the emphasis on consultation.

Mr. MAGNUSON. That is what we are doing.

Mr. CHURCH. I have listened to the argument, and I know from my own personal experience that in my own State, the harsh impact of OSHA falls upon small businessmen. So many of them have come to me and said:

> We know we have the law, and must comply with the law, but we do not know how to comply. We lack the resources to find out.

And they are getting no help.

Small businessmen are not lawbreakers. Typically, they are people willing to comply, but when they do not know how, when they cannot get help, and then a Federal inspector comes along and slaps a fine on them, informing them for the first time that—for some reason they have never suspected—they are out of compliance, they say that is arbitrary, and they are right.

I would like to see compliance, too. The best way to get it is to make available to small businesses sufficient consultation to enable them to comply.

So I really believe that the Senator from Kansas is on the right track. He will get better observance of this law by providing better consultation than we will ever get by adding more inspectors to levy fines.

Putting the emphasis on punishment is a double-edged sword. In the long run, it creates more resistance by engendering the belief that the Federal Government is arbitrary.

The question I would like to ask the Senator from Kansas is this: Many States, as he knows, including my own State of Idaho, have not created a State agency for the purpose of administering this act. The reasons for it may be varied. One has been suggested by the Senator from Kansas himself: That the matching formula is such that some States have felt they could not afford to do it. So the enforcement of the act in my State remains with the Federal authority.

I am not certain whether the Senator's amendment would reach a State like Idaho. Is it his understanding of his amendment that it would only reach those States that have set up State agencies for administering this law, or would the adoption of his amendment make it possible for Federal agencies to spend more money on consultation, so they can get compliance in the proper way?

If the Senator's amendment would reach a State like Idaho, I would want to support it. If it would not, I think there must be another route that would make what he is attempting to do applicable to all States.

Mr. DOLE. My interpretation may not, of course, be the same as that of OSHA officials, for they do not seem to be too strong on consultation. But my interpretation would be that this money could be used under section 7(c)(1) for Federal consultation, so that a State such as Idaho which does not have a State agency would benefit.

In addition to that, there is a bill pending in the House of Representatives, H.R. 8618—to be considered by the full Labor Committee next week—which would make all States eligible. Also, it would provide 100 percent Federal funding, with no limitations as to the size of the business assisted.

So as far as my amendment is concerned, it is my understanding that it could be used.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CHURCH. I do not have the floor. The Senator from Kansas has the floor.

Mr. DOLE. I might add, OSHA has said their role is limited to offsite consultations, and we are directing our effort toward onsite advisory activities, so in that respect the use of these funds might be subject to interpretation. I think there is some question as to the validity of that conclusion on the part of OSHA, however, as far as I can determine from reading the law, consultation would, indeed, apply to States such as Idaho.

Mr. MAGNUSON. Will the Senator from Kansas yield to me?

Mr. DOLE. I yield to the Senator from Washington.

Mr. MAGNUSON. Surely consultation can apply to any State. What we have offered here, I say to the Senator from Idaho, is double the amount of money to be used for consultation. That was the offer.

What the Senator from Kansas apparently wants to do is cut down national inspection. The way it is now, we could only inspect 5 percent of all the businesses anyway, without the amount we have added. We have gradually moved that up, after the law was passed.

Everyone around here voted for this law. There has been some bad administration of the law with Federal inspectors, and I agree with that. But that does not mean we should have less. Consultation is the key, I understand, and we have offered to double the amount for that. That could be used in Idaho or anyplace else.

I know what has happened in this field. I get just as many complaints from my State as the Senator from Idaho does. But that is not a matter for the appropriation bill. What we are trying to say here is that we should have better inspection and more consultation. That is what we have provided in the bill.

We have offered to add to it. We have $5 million in there for consultation, which employs a lot of people, and we are willing to make it $10 million. Last year they used only $3 million, so we assume it was not being taken advantage of; but we will give them more. If they do not use it, it will be available.

Mr. CHURCH. I appreciate the Senator's good intentions and good faith. I am sure he understands the plight of small businessmen. But even with the effort he has made in the bill, it seems to me we are not shifting quickly enough in the direction of greater consultation.

As I comprehend it, the amendment offered by the distinguished Senator from Kansas shifts more emphatically in the direction of consultation, and I cannot help but believe that this is the best way to achieve enforcement.

If the Senator's amendment would reach States like mine, I would be glad to support it.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. CHURCH. I do not have the floor.

Mr. WILLIAMS. Will the Senator from Kansas yield for an observation?

Mr. DOLE. I yield.

Mr. WILLIAMS. It seems to me it is abundantly clear that the shift to consultation has to come upon application of the State. If they do not come in with their requests for money for consultation, obviously they are not going to get it.

The State of Idaho has not come in to get consultation money. The State of Tennessee, which the Senator from Tennessee discussed, is on the list of those States with consultation money under the State OSHA plan. He said his people are not being consulted. It seems to me that is strange, indeed, because the State qualifies and has funds under section 18(b).

The State of Kansas qualifies for 7(c)(1) consultation money. The money was there and was not fully used. The money for consultation was there, but it was not fully used by the States eligible.

Notwithstanding that, the committee bill comes to us with ample money to meet the present needs, and more than has been requested by the States.

There is a lot of lament here about the small businessman and the harsh impact on him of this program. I have not heard any statements around here about the harsh impact on the working people of this country who are being killed at the rate of 14,000 a year on the job, and are being injured at the rate of almost 6 million a year. This program, this Occupational Safety and Health Act, is tested by inspection not once every 50 years in the average working place. So it seems to me that the record shows, on the record of injuries and the record of enforcement, that these additional inspectors are amply needed. The amendment would put in more money for consultation than the Department of Labor requested. They are the ones who know what the State's request for money for consultation are.

I strongly support the committee's action on this.

In fact, I would like to express my appreciation for the support and understanding the Senator from Washington has shown to the occupational safety and health program. He has now demonstrated his continuing concern for America's working men and women by amending in committee the fiscal year 1976 appropriations bill to add $10 million to increase the number of Federal inspectors by 833 positions. The pending amendment would undo this fine work.

Funds for consultative services are not going to do anyone any good if they simply languish in Labor Department accounts for the next year. And this is exactly what will happen if the amount of funds appropriated for consultative services is raised to $15 million.

Of the $5 million appropriated in fiscal year 1975, limited State grants applications resulted in a final obligation of only $3.2 million. These grants run through June 30, 1976.

The Labor Department has estimated that even if all the 19 States and territories which presently do not have consultative services programs came into the program during 1976, the fund's startup funds necessary would be only $2 million. Therefore, the Labor Department's request of 35 million is more than adequate to meet the need for new programs and continuation of old programs even if every State eligible decides to enter the program.

As with any program, it does not make sense to overfund in the beginning. Such action usually leads to inefficiencies, bad program decisions and gross wastes of Federal dollars.

I believe a consultative services program is very useful. However, it it also my view that it is not advantageous to anyone to overfund a program, particularly at three times the outside amount they can use.

If the consultative services program serves the purposes for which we intended it and uses the $5 million appropriated in fiscal year 1976 for the advancement of compliance through constructive assistance to employers, I would certainly support an expansion of that program in fiscal year 1977.

But it is important to recognize the fact that last year when we first appropriated money for this purpose, it was clearly understood that consultation resources must not be drawn at the expense of enforcement resources. This is precisely what the pending amendment does.

At the fiscal year 1975 level of 1,400 inspectors, OSHA is at only 29 percent of what it considers to be the optimum enforcement level which if reached would mean they could inspect the most hazardous establishments twice a year and the least hazardous once every 10 years. With the addition of the much-needed 833 positions included in the committee bill, the enforcement level will rise to about 45 percent of optimum level. A vast improvement to a badly impoverished program.

In the face of increasing awareness of hazards and public concern for the welfare of their working family heads and the welfare of the community as a whole, we cannot allow OSHA to stand still at less than one-third of the inspection force which it needs to insure the protections of this Nation's working men and women. Accordingly, I oppose this amendment.

Mr. DOLE. Mr. President, the Senator from Kansas will conclude by saying the Senator from Idaho expressed it very well when he suggested we ought to be shifting our emphasis away from compliance and confrontation and toward greater consultation. In fact, it seems to this Senator that if we had more consultation, we would not even need all these inspectors and there would be fewer injuries due to the preventative action that would result.

We can argue that either way.

But I would just say again that if more Federal money is there for consultation, it will certainly be used—if not as a result of the Daniels bill coming up in the House Labor Committee next week, then by reason of new enabling legislation in each State.

It seems to me that this is a way to change a thrust of a Federal program before it eats us up. I say, let the States exercise some jurisdiction. Let there be more consultation. Kansas is not large, but certainly three consultants cannot cover the entire State.

It seems to this Senator that we are not spending any less money by this amendment, we are just not spending more. We are shifting $10 million from enforcement into consultation and that still leaves 87 percent of the budget for compliance. That does not seem to be much of a balance when compared with the 13-percent consultation figure, but at least an increase from the present 5 percent would be a step in the right direction. I am ready to vote, Mr. President, and the yeas and nays have been ordered.

Mr. JAVITS. Mr. President, I shall not detain the Senate long, but I underwrite, endorse, and secure the point made by Senator Williams which was made very deeply in our committee. It seems to me we are looking at this whole thing through the wrong end of the telescope.

The fact is, Mr. President, we are forgetting all about the figures of mortality, which are shocking, and the fact that there has been a major improvement that was brought on by the OSHA. The programs of safety in the country should certainly stand paramount over small business firms that violate any kind of real safety law.

It is significant that half of the violations in respect to OSHA are found in plants with 25 or less employees. What about them? This represents an enormous amount of the employment in this country, about 30 percent. If we are going to take pride in small business, we should not take pride in small business which is an engine for destruction in terms of the health and life of its own workers.

I am the ranking member of the Subcommittee on Small Business. I am deeply solicitous about small business and work for the SBA and thousands of other things to give them financing and a special allocation of Government contracts; and I will again, again, and again. But I certainly am not going to lend myself to that council of weakness which says that they cannot run safe plants.

Most small businessmen do and want to, but there is a big proportion that do not, and many do not want to. And what are we going to do? Are we going to sit by and plead for them under the general label "small business"? We have given them tax exemptions and many other things, it is right; but it is not right to take it out of the back of the worker for whom OSHA was the salvation, and now we are pleading this case as if the only person hurt was the small businessman. What is he going to lose—money. Is he going to lose his lungs, or his eyes, or his respiratory system, or lose a leg or arm? He is going to lose money.

Yet that is the tenor of this argument for all these small business amendments.

Mr. President, I think the committee has offered a very reasonable proposition in this. Do not cut down on what is desirable but add what the Senator thinks is desirable, and we will all help with it. Why take it out of the backs of inspection, already about one-third of what it ought to be.

One last point and then I am through. I sat in this Chamber for 18 years—I am in my 19th year—and I have heard people say: "You do not need this money. You cannot use it." That is what we say in this case. "You cannot use it."

OSHA tells us that the most you can use $2 billion for those who wish to match in this State consultation. So what are we going to do? Appropriate more? There is this argument: Well, you cannot use any more. Why appropriate? Here we are doing that.

Mr. President, I do not think——

Mr. DOMENICI. Mr. President, will the Senator from New York yield for a question?

Mr. JAVITS. Yes.

Mr. DOMENICI. This is for a clarification of a statement he made.

Mr. JAVITS. Very well.

Mr. DOMENICI. The Senator indicated that percentage of violations by small businesses. Did I understand it was that that figure was violations or injuries? I think there is a difference, and I did not quite understand.

Mr. JAVITS. The figure is that one-half of all serious violations respecting hazardous conditions in establishments of all sizes are found in establishments of fewer than 25.

Mr. DOMENICI. Then the Senator did not mean to leave us with the impression that it followed logically from that that 50 percent of the injuries, which he was concerned about and I am concerned about, come from those.

Mr. JAVITS. Certainly not. But injuries are based on hazardous conditions.

Mr. DOMENICI. Indeed.

Mr. JAVITS. So it leads to the conclusion that more conditions which produce injuries are found in proportion in the smaller establishments. I am not unsympathetic to that. I understand it. They do not have the elaborate safety mechanisms and friends with unlimited credit. But that is no reason why we should not at least try to take as many precautions as we can. I hope the Senator understands.

Mr. DOMENICI. I understand.

Mr. JAVITS. Let me finish. We are not trying to cut Senator Dole's amendment. We are perfectly willing to go with Senator Dole's amendment. If the money can be used, great, but what we object to is taking it out of the inspection.

Mr. DOMENICI. Let me add my observation on this. I am certainly not anywhere near as expert as the Senator from New York. But I do not think the statistics with reference to wherein we find serious violations necessarily has any relevance to injuries nor has any relevance to this inspection question. I think it is more relevant to the way the law is enforced and the absolute lack on the part of the small businessman of even finding out how to comply, whether it is serious or otherwise. The Senators know if he is in touch with his constituents, and he must be, that the small businessman's biggest complaint is that he does not really know what to do and that maybe in a serious matter that he does not know what to do.

Let me tell the Senator. A new plant was moving to my State, a little tiny plant that hired 22 people. They are going to repaint airplanes. They had an old hangar in a little small town and they were moving, in fact, I think from Arkansas. The distinguished Senator in the Chair called it to my attention. They had been trying to find out from OSHA what else they had to do to this plant in order to start painting old airplanes. It took 3 months and a personal call from me for them to even get down to defining what was serious and what was not. Yet they were on the red list as one of the serious violators. They had not even opened up yet. They would not let them because they said here is a serious paint hazard and they could not even tell them what to do to make it not serious. So I think the statistics are a bit out of kilter in terms of the Senator's argument, which I agree with, and we want to protect life and limb. But I am not sure the small businessman statistics indicate that he is the one that is seriously causing the loss only because we are finding these serious violations. The way we manage the thing may place an undue emphasis on that statistic. I exchange that observation with the Senator.

Mr. JAVITS. I will agree with the Senator, give or take 10 percent, but I cannot agree with the Senator that 90 percent of what I said is not entirely valid. The numbers of injuries we have and the number of deaths depends on the hazardous conditions in the plant.

Mr. DOMENICI. The Senator could be right. As I said, I am not an expert, but I do not think we should use it as a blatant objective statistic that injury followed from it. If the Senator wants to say 10 percent, I will buy his expertise because I do not have it. But I think there is a significant variance which follows from those statistics.

Mr. BROOKE. Mr. President, will the Senator yield for a moment to the minority leader?

Mr. DOMENICI. Yes.

VISIT TO THE SENATE BY DELEGATES OF THE SOCIALIST PARTY OF JAPAN

Mr. HUGH SCOTT. Mr. President, I am going to ask unanimous consent that the Senate stand in recess for 5 minutes in order that we may pay our respects to a very distinguished delegation of the Japanese Socialist Party visiting the United States as an official group for the first time in 18 years, headed by Mr. Saburo Eda, the delegation head and vice chairman of the party, and Messrs. Hideo Den, Tamio Kawakami, Susumu Kobayashi, Tetsu Ueda, and Shozo Sugiyama.

RECESS

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes, so that Members might meet our guests from Japan.

There being no objection, the Senate, at 5:20 p.m., recessed until 5:25 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. Bumpers).

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I repeat: Whatever may be the arguments in favor of additional consultation, that is all right; we will go with that, whether it is really justified or not. The important point is that we should not thereby jeopardize the American worker by reducing the already minimal amount of inspection, which is at least one-third less than what it should be.

For those reasons, this amendment should be rejected.

Mr. HRUSKA. Mr. President, I rise to speak in favor of the amendment offered by the junior Senator from Kansas.

This amendment is intended to further effective accomplishment of the goals of the Occupational Safety and Health Act. It would accomplish this by providing resources to shift Federal Government emphasis away from the punitive issuing of citations and toward support for consultation services conducted by State governments. Through such consultation employers will be enabled to identify and correct deficiencies on their own. I agree with the Senator from Kansas that this should result in a much more favorable return on the Federal dollar invested in OSHA enforcement.

Underlying the thinking of the Senator from Kansas is the conviction that for a program as complex as OSHA to work effectively we must rely much more on voluntary compliance and State government participation and much less on what I consider the frequently unproductive direct enforcement by Federal authorities.

It is high time, Mr. President, that we begin to review in this light many Federal programs which impact directly on private business and local government.

I encourage my colleagues to consider this amendment in the spirit that it is offered—to make OSHA both more workable and more enforceable by giving those most directly affected a larger and more responsible share in the program.

Mr. BROOKE. Mr. President, we have had the pros and the cons on this amendment. The yeas and nays have been requested, and we have nothing further to say.

I move to table the amendment of the distinguished Senator from Kansas, and I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts to table the amendment of the Senator from Kansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon), the Senator from South Dakota (Mr. McGovern), the Senator from Utah (Mr. Moss), the Senator from Alabama (Mr. Sparkman), the Senator from Missouri (Mr. Symington), and the Senator from Wyoming (Mr. McGee) are necessarily absent.

I further announce that the Senator from Indiana (Mr. Bayh) is absent on official business.

I also announce that the Senator from Michigan (Mr. Hart) is absent because of illness.

The result was announced—yeas 52, nays 40, as follows:

[Rollcall Vote No. 400 Leg.]

YEAS—52

Abourezk
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Culver
Durkin
Eagleton
Fong
Glenn
Gravel
Hart, Gary W.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McClellan
Metcalf
Mondale
Montoya
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NAYS—40

Allen
Baker
Bartlett
Bellmon
Brock
Buckley
Bumpers
Byrd,
Harry F., Jr.
Chiles
Church
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Laxalt
Long
McClure
McIntyre
Morgan
Nunn
Packwood
Pearson
Roth
Scott,
William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NOT VOTING—8

Bayh
Cannon
Hart, Philip A.
McGee
McGovern
Moss
Sparkman
Symington

So Mr. Brooke's motion to lay Mr. Dole's amendment on the table was agreed to.

Mr. BROOKE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL STATEMENTS SUBMITTED IN CONNECTION WITH H.R. 8069

Mr. EAGLETON. Mr. President, the appropriations bill that we are now considering contains a very important provison in it that I would like to bring to your attention. The bill permits a modest expansion of the nutrition program for the elderly established under title VII of the Older Americans Act. This expansion is most critical since more than 116,000 elderly people are now on waiting lists to receive assistance under this health-vital program.

The nutrition program for the elderly uniquely combines nutritional recreational and counseling services for our Nation's senior citizens. In my judgment, this program is one of the best Federal efforts to aid old people in their quest to lead dignified lives. Elderly persons, particularly the elderly poor, are brought to group feeding sites where then can eat together with other persons. At the same time, a portion of the title VII funds may be used to pay for recreational and counseling services, and funds are available to transport people to the group feeding sites.

Because this program is so popular, many people seeking title VII services have been denied them. In my State of Missouri, a survey taken last year indicates that 7,800 people are served every day but 6,000 people are on waiting lists at existing project sites. In addition to the people on waiting lists, many are in areas where no project sites are located.

The Appropriations Committee has taken a responsible step in providing for program growth under title VII. Our bill appropriates $125 million and we direct that an additional $75 million be spent—from forward funded appropriations in previous fiscal years—so that $200 million is spent on the program during fiscal year 1976. By directing "that the level of operations for the nutrition services for the elderly program shall be $200 million per annum," our committee sought to provide a clear directive to the HEW Secretary that he should cause State agencies to spend $200 million for program services during the course of this fiscal year.

We expect the Secretary to move quickly on this mandate. Immediately after enactment, we expect the Secretary to increase the program's annualized rate of expenditures to the amount necessary so that the $200 million are spent. If some States fail to spend at the rate necessary to meet our legislative mandate, it is our expectation that funds will be reapportioned to the States that can use additional title VII funds. In so doing, we believe that the waiting lists in States like mine can be reduced.

I urge the Senate to adopt the committee's bill and I believe that this provision in the bill will be of great importance to our Nation's elderly.

ELDERLY NUTRITION

Mr. SCHWEIKER. Mr. President, title VII of the Older Americans Act, which establishes the nutrition program for the elderly, represents one of our most important efforts at helping senior citizens. Under this program, persons over 60 years of age—who are either unable to afford adequate meals, or lack the skills to prepare nourishing meals, or have limited mobility, or are so lonely and rejected that the incentive to cook and eat alone has been obliterated—are eligible to receive meals in congregate settings or through a home-delivered meals-on-wheels operation. The purpose of this program is to bring disadvantaged elderly persons out of their isolation so that they can eat well in a warm and friendly atmosphere.

The nutrition program for the elderly did not get underwy until approximately December 1973. Neverthless, the program has become extremely popular already because senior citizens throughout the country are finding out that their health, economic and social well-being can be substantially improved through participation in the program. Indeed, in a survey conducted a year ago in 41 States, we found that there are more than 116,000 elderly persons on waiting lists seeking program participation at existing sites; since that time, many more have applied for admission. If we count the present number of people on waiting lists and add those desiring services but residing in areas with no feeding sites, there would be several hundred thousand elderly people who want title VII aid but are not getting it.

This situation is complicated by the Department of Health, Education, and Welfare's reluctance to spend necessary additional funds for responsible program expansion. Last year HEW sought a rescission of more than $25 million in program appropriations; in addition, HEW delayed committing additional funds for the program until the end of the fiscal year, thereby delaying implementation of very modest increases in program participation. Apparently, HEW did not clearly understand congressional intent under the authorizing and appropriations laws. It is imperative that we now make manifestly clear our intentions.

Under the bill currently before us, $125 million has been appropriated for fiscal year 1976 to fund title VII of the Older Americans Act. However, since approximately $100 million in title VII funds remains available from fiscal year 1975—and has been carried over into this fiscal year—we expect and mandate the Secretary of HEW to spend $200 million for the nutrition program for the elderly in fiscal year 1976. The HEW Secretary must see to it that the States actually spend $200 million for the program's operations during this fiscal year, and money must be repositioned among the different States—if necessary—so that this cumulative expenditure amount gram's operations during this fiscal year,

To accomplish this directive contained in the committee report, it is critical for the Secretary to immediately increase the program's annualized expenditure rate so that the $200 million is spent. Equally important, the Secretary should carefully keep track of program expenditures during the course of the fiscal year so that the annualized rate of expenditure can be adjusted to assure that $200 million is spent during the year by State administrators for feeding additional people. In so doing, the Secretary will help us reach the many needy senior citizens who desire nutrition program for the elderly services but are not now getting them.

Mr. JACKSON. Mr. President, I would like to take this opportunity to thank my colleague, Mr. Magnuson, for accepting my amendment for the Veterans' Education and Training Service which is to be administered by the Community Services Administration.

This program is designed to serve disadvantaged Vietnam-era veterans in 70 cities throughout the country.

It is a very worthwhile project, and I appreciate the support of my distinguished colleague.

Mr. CHURCH. Mr. President, as chairman of the Committee on Aging, I shall direct my remarks to provisions in H.R. 8069, the Labor-HEW appropriations bill, of direct interest to the elderly.

First, however, I commend the chairman of the Labor-HEW Appropriations Subcommittee for his leadership in bringing this measure to the floor for a vote.

Throughout his career he has demonstrated a genuine concern for the problems and challenges facing aged and aging Americans.

His continuing interest is again reflected in the bill before us.

NATIONAL INSTITUTE ON AGING

I am especially pleased that the Senate bill would provide a $5 million increase above the House-passed figure for the new National Institute on Aging. I joined with Senators Eagleton, Chiles, Cranston, and Schweiker in advancing this provision.

The National Institute on Aging is responsible for conducting and supporting biomedical, social, and behavioral research and training relating to the aging process.

The $5 million increase would permit expansion of aging research activities; enable the institute to begin its start-up operations in an effective manner; and fund the aging research plan, as required by law.

Important but still unanswered questions about the aging process present compelling reasons for obtaining accurate information about the impact of growing old. But as things now stand, only a tiny fraction of our health care expenditures is devoted to aging research. Consequently, we know far too little about this phenomenon, even though it accounts for a substantial portion of our health care costs.

There are now 22 million persons in the 65-plus age category. Within the next 50 years this figure will almost double. In terms of numbers alone, we should be vitally concerned about the aging process.

With increased knowledge about this phenomenon, greater emphasis can be placed upon preventive medicine—instead of waiting until disease reaches the serious or catastrophic stage.

Moreover, research conducted by the National Institute on Aging can help more people to live more productively for longer periods.

NUTRITION PROGRAM FOR THE ELDERLY

H.R. 8069 would also provide additional funds for the title VII nutrition program for the elderly. Both the bill and the report language direct the administration to spend $200 million for fiscal 1976 by using carryover funds from fiscal 1975 together with this year's appropriation of $125 million. This is the same amount as appropriated in fiscal 1975.

Nearly 240,000 meals are now served daily under the title VII program, including 1,276 in my own State of Idaho. The additional spending level can help many elderly persons to obtain low-cost nutritious meals at prices they can afford.

I am also hopeful that the administration will adjust the rate of expenditures for the nutrition program as soon as this measure is signed into law, in accordance with congressional intent.

OTHER AGING PROGRAMS

Finally, I support the committee's recommendations to continue the highly successful senior opportunities and services program, as well as provide a $2 million increase above the House allowance for the foster grandparent and senior companions programs.

These programs have enabled elderly persons to derive great satisfaction and fulfillment in serving others. In addition, many older Americans have been able to escape from poverty, and without the necessity of resorting to welfare.

We do not need any more proof that these programs work. What is needed is a genuine effort to continue and expand the successful work already undertaken.

And, H.R. 8069 is designed to achieve this goal.

TIME LIMITATION AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that——

Mr. PASTORE. Mr. President, may we have order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Curtis amendment is laid before the Senate—it is a very simple amendment—that there be a time limitation of 10 minutes attached thereto with the time to be equally divided in the usual manner.

Mr. CURTIS. With the understanding that there will be no motion to table.

Mr. MANSFIELD. There will be no motion to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. I ask for the yeas and nays.

Mr. MANSFIELD. The request does not apply under the amendments as laid down.

Mr. President, I understand there will be four or five amendments, and I was wondering if it is possible—I do not think it will be—but at least the effort should be made—I was wondering if it would be possible for the Senate to agree to a 1-hour limitation on the remaining amendments beginning at about the hour of 9:10 or 9:15 tomorrow morning because it is not the intention of the leadership to keep the Senate after the vote on the Curtis amendment is concluded.

Mr. BIDEN. Mr. President, reserving the right to object, I understand there may be an amendment to the so-called antibusing amendment which passed yesterday. I have not seen it. I do not know whether one exists. I am told there may be, and until I see that amendment I would object to such a time limitation.

Mr. MANSFIELD. Very well.

The PRESIDING OFFICER. Objection is heard.

Mr. PASTORE. Well, could we not find out from the other people who have amendments whether or not they will agree to a time limitation? If we cannot get it on this one maybe we can on others.

Mr. MANSFIELD. Yes. Who else has an amendment? Would the Senator from Wisconsin consider a half-hour or 20 minutes on his amendment when we get to it?

Mr. NELSON. Less than that.

Mr. MANSFIELD. All right. Ten minutes on the Nelson amendment, the time to be equally divided in the usual form.

Mr. HELMS. Reserving the right to object, what is the amendment?

Mr. MANSFIELD. It is a money amendment.

Mr. HELMS. It has nothing to do with the Biden amendment?

Mr. NELSON. Giving money to three of the other institutes.

Mr. MANSFIELD. The National Institutes of Health.

Mr. BEALL. Is this the amendment that cuts $100 million——

Mr. NELSON. Quite the contrary. This would add a total of $20 million to three of the institutes of NIH.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Are there any more?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. It is a start.

At the conclusion of this vote—again if the Senator will allow me—the Senate will recess until 9 o'clock tomorrow morning, and very shortly after 9 o'clock we will be back on the pending business.

I thank the Senator from Nebraska.

Mr. CURTIS. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Nebraska.

Mr. CURTIS. May we have order, Mr. President.

The PRESIDING OFFICER. Will the Senators please take their seats or retire to the cloakroom. We cannot proceed until the Senate is in order.

Will the Senators please take their seats or retire to the cloakroom. The clerk will suspend until we have order in the Chamber.

The clerk may proceed.

The assistant legislative clerk read as follows:

> The Senator from Nebraska (Mr. CURTIS) for himself and Senators THURMOND and HANSEN proposes an amendment. At the appropriate place insert the following: "None of the funds appropriated by this Act shall be expended to pay the salaries of any employees of the Federal Government who inspect firms employing five or fewer persons to enforce compliance with the Occupational Safety and Health Act of 1970."

Mr. CURTIS. Mr. President, I ask unanimous consent that the names of Senators THURMOND and HANSEN may be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I yield myself 4 minutes.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, the distinguished majority leader was correct. This is a simple amendment. For all practical purposes, it would exempt employers having five or fewer employees from the Occupational Safety and Health Act.

If we would review the CONGRESSIONAL RECORD of the debates gone by we would find the most ardent supporters of the Occupational Safety and Health Act have agreed that administration has been lacking, that it has been harsh in many instances, and it has been unfair to small businessmen.

The PRESIDING OFFICER. Will the Senator suspend until we have order in the Chamber.

The Senator may proceed.

Mr. CURTIS. Some years ago I brought in here a stack of books 7 feet high which represented the regulations that a small businessman had to be familiar with to stay out of the clutches of the law.

The Occupational Health and Safety Act is one where the inspector walks in and on the spot imposes a penalty. He is the prosecutor, the judge, and the jury.

For 5 long years we have asked for some relief for small business, we have asked for some relief in the way of a change in the operation of the act.

On one occasion, I had a number of small businessmen pay their own way and come in here and tell of their trouble. What did they get? The Senator presiding over that subcommittee thanked them for coming in, and 5 long years have gone by.

The debate today reveals the fact that we only have enough inspectors to handle about 5 percent of the employers.

Does it not make sense to assign those inspectors to the places where they can do the most good? Where is that? Where most people work.

Here is another angle, suppose we have a little business, a repair shop or something else, and there are a couple of employees and one of them is the proprietor's son or maybe his wife. Who on Earth is more interested in preventing accidents than that employer?

There is every reason to support this amendment.

We must also keep in mind, Mr. President, that up until the passage of this act safety by and large, with the exception of mining, was handled by local and State governments and all of a sudden we put the Federal Government in it, with the massive job of writing regulations, hiring inspectors that knew what they were doing. A tremendous job. I maintain that if we would relieve them from their duties with respect to employers of five or less, it would advance the cause of safety, they could do a better job.

Mr. President, too often it has been implied that if we wanted any change in this law we were against safety. Not at all. I think the first responsibility for safety is on the employer and the employees. I think local government has a responsibility. I believe the States have a responsibility.

Now, in putting the Federal Government in the job of running into every business in the country, is there not a place where we should say the jurisdiction of the Federal Government stops?

Why, when we have such few inspectors, assign them to these family businesses?

Mr. BROOKE. Mr. President, I must oppose this amendment. First of all, I think it is clear that——

The PRESIDING OFFICER. Does the Senator from Washington yield time to the Senator?

Mr. MAGNUSON. Yes; I yield such time as the Senator from Massachusetts desires.

Mr. BROOKE. First of all, it is clear that even five employees are entitled to and should have safety requirements and safety in places in which they work.

I want to point out to the Senator from Nebraska, who has again raised a question about these inspectors and what they can do on the spot, and this troubles a lot of us as to what these inspectors can do on the spot, I will read in part from a Labor Department fact book about OSHA what the requirements are and what can and cannot be done:

> After the walkaround, the compliance officer discusses with the employer what he has seen and reviews probable violations.
>
> The compliance officer then returns to his office, writes his report and discusses it with his area director. The area director or his superiors determine what citations will be issued and what penalties, if any, will be proposed. These are sent to the employer by certified mail with a copy to the complainant, if there is one.
>
> The compliance officer may not, on his own, impose or propose a penalty "on the spot" at an inspection nor can he close down an establishment or process. OSHA can act quickly in the courts to deal with imminent danger situations.

Mr. President, time and time again when there is an attempt to delete the effectiveness of OSHA the argument is used that these inspectors can close them down on the spot. The fact is that they cannot.

Yesterday, the Senate voted on an amendment which reduced the penalty for nonserious violations from $1,000 to $50. Today, we have had an amendment on the floor that would wipe out the additional inspectors. We only have inspectors now for 5 percent of the businesses in this Nation. There are 5 million businesses in the Nation and we are only, with the inspectors we have at the present time, servicing about 5 percent.

If the bill goes through, that will be increased to only 7 percent. So we are only making 120,000 inspections a year.

Mr. PASTORE. Will the Senator yield?

Mr. BROOKE. Yes, I am pleased to yield to the Senator.

Mr. PASTORE. The Senator mentioned the fact of an appeal, to whom can the employer appeal and when can he do it?

Mr. BROOKE. The employer, as I understand it, and the chairman of the Labor Committee can correct me if I am wrong, there is an appeal to the area director first and then it goes to an OSHA review commission and eventually to the courts.

Mr. PASTORE. Must he pay the fine, in the meantime?

Mr. BROOKE. I think that when there is an appeal, the fine is not assessed pending the appeal.

I yield to the Senator.

Mr. JAVITS. Mr. President, just 1 minute.

Mr. BROOKE. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, the facts here are that at five or less employees, 68 percent of the covered establishments, and 10 percent of the workers, that is 6.5 million workers are exempted. I certainly think the argument has been eloquently made that OSHA was intended to deal with the protection of the health, life, and safety of the workers and that, therefore, this is a very ill-advised amendment.

It is a complete blanket exemption, whatever may be the conditions in many establishments, and we all know in small establishments those conditions are certainly inclined to be, in many cases, not up to par.

Mr. President, simply on the ground that the Congress has acted and that there is a very basic issue of principle here involved of discrimination against small establishment workers, I hope the Senate will reject the amendment.

Mr. MAGNUSON. Mr. President, just half a minute.

The amendment will eliminate about 68 percent of the Nation's accidents. I am one who happens to think that no matter where a man works, whether there is 1 employee, 100, or 1,000, he is entitled to safety protection.

Last year there were 51,000 deaths by accident in business establishments, but there were 6 million injuries, and this is what we are trying to stop. This is what the able Senator from New York talked about with so-called small business.

Mr. WILLIAMS. Mr. President, it is most unfortunate that this amendment is once more before us. Again and again in recent years the Senate has shown its intent by rejecting exemptions. As the OSHA program improves and our understanding of the complex issues of occupational safety and health increases, it becomes ever more apparent that an exemption of small business from inspections is unwarranted and would result in serious harm to the health and physical well-being of millions of American workers.

After the explosion into the public mind of the vinyl chloride tragedy discovered last winter, we have become more and more cognizant that there are hundreds and probably hundreds of thousands of potentially hazardous industrial chemicals to which workers have been exposed over the past 30 years. How many of these represent the tragic cancer time bomb that vinyl chloride did? The answer may number in thousands.

The image of the large chemical companies as the source of these death-dealing exposures to cancer-causing substances is not altogether accurate. Forty-eight percent of all firms manufacturing industrial chemicals have fewer than 20 employees. Forty percent of firms which manufacture organic industrial chemicals, which include benzidene which is linked to bladder cancer, have fewer than 20 employees. Forty-five percent of the firms manufacturing industrial inorganic chemicals, including inorganic arsenic which is linked to lung cancer, have fewer than 20 employees. Sixty-one percent of the firms involved in the manufacture of agricultural chemicals, including aldrin and dieldrin and all the pesticides, are plants with fewer than 20 employees.

Looking at accidents on the other hand, in the construction industry where 89 percent of the establishments employ 25 or fewer persons, 10 percent of all recordable injuries take place and 1 out of every 5 workers suffers an occupational injury or disease. In the manufacturing industries where 66 percent of the establishments employ 25 or fewer persons, over 50 percent of all recordable injuries take place and 1 out of every 6 workers suffers an occupational injury or disease. Nearly one-half of all serious violations cited are found in small business establishments.

Employers of 25 or fewer employees represent 90 percent of the establishments covered under OSHA.

Testimony before my committee on the proposed exemption has been resoundingly against such action. Insurance companies, unions, the National Association of Manufacturers, the Associated Builders and Contractors, the Associated General Contractors and the chamber of commerce have all testified against exemptions of any employers from OSHA.

To quote one statement:

> What kind of law is it that pledges on the one hand to assure safe and healthful working conditions for every working man and woman and then turns around on the other hand and excludes 90% of the employers from their obligation to provide such conditions? . . . This is unconscionable in human terms, and in legislative terms it is indefensibile.

Exemptions also cause some disastrous inequities, as can be seen by looking at the construction industry. I quote from a letter from the Associated General Contractors:

> The construction industry would suffer utter chaos with any action such as this. Traditionally, the industry has functioned with a general contractor coordinating all operations coupled with the support of sub and sub-sub contractors. The subs are generally small in size and carry out specialized tasks. Nonetheless, the subs and the sub-subs would create hazards for both their own employees as well as those of the general contractor and be free of citation or penalty. The general contractor would find himself in a position wherein he could be cited and fined because his employees were subjected to a hazard created by a subcontractor's employee either as a result of error of commission or omission. The subcontractor . . . would be free of penalty. We do not believe that this was the intent of the Congress and the President when the Occupational Safety and Health legislation was enacted.

As an original sponsor of the landmark Occupational Safety and Health Act, I am unalterably opposed to any exemptions from the protection provided by this act. If we are to assert ourselves as men of conscience and fair play, we must vote against this amendment and resist any misguided responses which mistakenly equate exemptions with the needs of small business. The health and welfare of millions of American workers rests on this vote.

Mr. President, we faced this issue last year and voted down an exemption of employers of five or fewer persons. The Senate confirmed that every working man and woman has a right to a safe and healthful workplace.

As we have become increasingly aware of the hazards facing our workers, now is not the time to strip away these protections.

I urge you to vote against this amendment.

Mr. BROOKE. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Nebraska has 1 minute remaining. The time of the opposition has expired.

Mr. CURTIS. Mr. President, I am afraid the opponents of this amendment are overstating the case. So many programs, Federal programs, exempt employers of just a few. I will not take time out of my minute to enumerate them, but it is very true.

Also, the fact remains that there is not a Senator here, I doubt, that cannot find in his files many letters from employers where the inspector did come in and on the spot informed him of a penalty even though he went back to the area office and the area officer signed the paper.

Mr. THURMOND. Mr. President, I rise in support of the position taken by the distinguished Senator from Nebraska. This small business exemption is a solution to the basic problem faced by small business; namely, the unreasonable research burden placed on these businessmen by the voluminous and complex OSHA standards. Small businessmen cannot afford to hire professional consultants or safety engineers to help them digest and understand the highly technical and complicated regulations promulgated by OSHA. Consultation cannot be provided on a large enough scale without an excessive appropriation of funds. Furthermore, the complexity of the regulations places an unfair burden on the small businessman who is trying to ascertain which regulations apply to his particular business.

The concept of OSHA is that increased worker safety and health can be assured through the developments of safer and more healthful working conditions. Small businessmen realize the merit of this concept and agree with it. Safe working conditions contribute to high employee morale and increased productivity.

Mr. President, because of this realization on the part of small businessmen and because of the unreasonable burden of research placed upon them by OSHA, I believe the interests of both business and labor would be best served by the exemption of small business from OSHA regulation.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Nebraska. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have staff people as well as Senators out of the well?

The PRESIDING OFFICER (Mr. STONE). The Senate will be in order. The Chair requests Senators to take their seats and the staff members to take their seats, those who are permitted the privilege of the floor. Senators will clear the well and kindly take their seats so that the vote can be completed.

Will the Senators and staff members convenience the body by taking their seats and, if possible, clearing the aisle?

The clerk will resume.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Utah (Mr. MOSS), the Senator from Alabama (Mr. SPARKMAN), the Senator from Missouri (Mr. SYMINGTON), the Senator from Colorado (Mr. HASKELL), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that the Senator from Indiana (Mr. BAYH) is absent on official business.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

The result was announced—yeas 44, nays 44, as follows:

[Rollcall Vote No. 401 Leg.]

YEAS—44

Abourezk
Allen
Baker
Bartlett
Bellmon
Bentsen
Brock
Buckley
Byrd,
Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Curtis
Dole
Domenici

Eastland
Fannin
Fong
Garn
Hansen
Helms
Hollings
Hruska
Inouye
Johnston
Laxalt
Long
Mansfield
McClellan
McClure
Muskie

Nelson
Nunn
Packwood
Pearson
Randolph
Roth
Scott,
William L.
Stennis
Stevens
Stone
Talmadge
Thurmond
Tower

NAYS—44

Beall
Biden
Brooke
Bumpers
Burdick
Case
Clark

Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Gravel

Hart, Gary W.
Hartke
Hatfield
Hathaway
Huddleston
Humphrey
Jackson

Javits
Kennedy
Leahy
Magnuson
Mathias
McIntyre
Metcalf
Mondale

Montoya
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh

Stafford
Stevenson
Taft
Tunney
Williams
Weicker
Young

NOT VOTING—12

Bayh
Cannon
Goldwater
Griffin

Hart, Philip A.
Haskell
McGee
McGovern

Morgan
Moss
Sparkman
Symington

So Mr. CURTIS' amendment was rejected.

Mr. BROOKE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. CURTIS. Who is eligible, in the case of a tie vote, to make a motion to reconsider?

The PRESIDING OFFICER. A Senator who voted with the prevailing side. In this case, it would be a Senator who voted "nay," because on a tie vote the amendment fails.

Mr. CURTIS. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Is there anything provided in the rules as to when the vote on the motion to reconsider shall be taken?

The PRESIDING OFFICER. There is nothing provided in the rules, as far as the Chair knows.

Mr. CURTIS. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Is it debatable?

Mr. MANSFIELD. Mr. President, will the Senator yield? The motion is to lay on the table, I believe, the motion to reconsider.

The PRESIDING OFFICER. A motion to lay on the table is not debatable.

Mr. MANSFIELD. I ask unanimous consent of the Senate, in view of the fact that the leadership did state that at the conclusion of this vote there would be no further business, that the motion to lay on the table be voted on at 9:30 tomorrow.

Mr. JAVITS. Mr. President, I object, and I will explain, if I may.

Mr. MANSFIELD. I would hope the Senator would not object for a personal reason, because what he is doing, if that is the case, is set his personal convenience against a pledge, in effect, made by the leadership to the Senate as a whole.

Mr. JAVITS. If the Senator will yield at that point, I have an annual meeting of a citizens' committee in New York at 9 a.m., scheduled without the remotest notion that we would have this problem. I will be back here by noon, at 12 o'clock, happily. This is not a matter of my personal disposition.

Mr. CURTIS. Let us vote right now.

The PRESIDING OFFICER. The motion to lay on the table is not debatable.

Mr. CURTIS. Regular order, Mr. President.

Mr. MANSFIELD. May I have the attention of the Senate?

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. It has been agreed to by the leadership to take up a privileged conference report on H.R. 4222, the school lunch and child nutrition bill, at 9:30 tomorrow. It is my understanding that that will not take too long to dispose of, and I would ask unanimous consent that immediately upon the conclusion of the disposition of the conference report that the Senate then return to the pending business, that other amendments be taken up, and that at the hour of 12 noon, approximately, a vote occur on the pending motion to table.

Mr. HELMS. Objection.

The PRESIDING OFFICER. Objection is heard.

RECESS UNTIL 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 9 a.m. tomorrow under the order previously entered.

The motion was agreed to; and at 6:20 p.m., the Senate recessed until Friday, September 19, 1975, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 18, 1975:

DEPARTMENT OF JUSTICE

James B. Young, of Indiana, to be U.S. attorney for the southern district of Indiana for the term of 4 years.

Julio Morales-Sanchez, of Puerto Rico, to be U.S. attorney for the District of Puerto Rico for the term of 4 years.

ENERGY RESEARCH AND DEVELOPMENT

Austin N. Heller, of New York, to be an Assistant Administrator of Energy Research and Development.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify befor any duly constituted committee of the Senate.)

IN THE AIR FORCE

The following-named officer for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10, United States Code, to the grade indicated, to which grade he was appointed during the last recess of the Senate:

To be major general

Maj. Gen. Thomas P. Stafford, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

IN THE ARMY

The following U.S. Army Reserve officer for appointment to the grade of brigadier general, Army of the United States, and brigadier general, U.S. Army Reserve, under the provisions of title 10, United States Code, sections 593a, 3371, 3442, and 3447:

To be brigadier general

Col. Russell Ivan Berry, [redacted].

The following U.S. Army Reserve officer for appointment to the grade of brigadier general, U.S. Army Reserve, under the provisions of title 10, sections 593a and 3371:

To be brigadier general

Col. Demetri Michael Spiro, [redacted].

The Army National Guard of the United States officer named herein for promotion as Reserve commissioned officer of the Army under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be brigadier general

Col. Thomas Kennon Williams, Jr., [redacted].

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. John Blatsos, [redacted].

Brig. Gen. Kennedy Cornelius Bullard, [redacted].

Brig. Gen. Franklin Everett Miles, [redacted].

To be brigadier general

Col. Thomas Craft Armstrong, [redacted].

Col. James George Sieben, [redacted].

Col. James LeRoy Spence, [redacted].

Col. William David Weller, [redacted].

IN THE NAVY

Adm. Means Johnston, Jr., U.S. Navy, for appointment to the grade of admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Robert S. Salzer, U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named Reserve Officers of the U.S. Navy for permanent promotion to the grade of rear admiral:

LINE

James Grealish
Philip C. Koelsch
Robert N. Pitner
Frank E. Guest, Jr.
Richard G. Altmann
John R. Rohleder
Robert M. Garrick

MEDICAL CORPS

William J. Mills, Jr.

SUPPLY CORPS

Lee E. Landes.

CIVIL ENGINEER CORPS

Philip V. King.

JUDGE ADVOCATE GENERAL'S CORPS

Hugh H. Howell, Jr.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of major general:

Andrew W. O'Donnell
Adolph G. Schwenk
Herbert L. Wilkerson
Clarence H. Schmid
Arthur J. Poillon
Kenneth McLennan
Joseph Koler, Jr.

The following-named officers of the Marine Corps for permanent appointment to the grade of brigadier general:

Francis W. Tief
Calhoun J. Killeen
Edward J. Megarr
William B. Fleming
Charles G. Cooper
John K. Davis
Darrel E. Bjorklund
George L. Bartlett
Richard C. Schulze
William R. Maloney
Charles D. Roberts, Jr.

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of major general:

Harold Chase.
Robert E. Friedrich.

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of brigadier general:

Jack M. Frisbie.
Dorsey J. Bartlett.

IN THE AIR FORCE AND ARMY

Air Force nominations beginning Maj. Alfred T. Bachman, to be lieutenant colonel, and ending Maj. Charles A. T. Foreman, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 3, 1975.

Air Force nominations beginning Earl J. Abert, to be lieutenant colonel, and ending Max F. Wichers, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 3, 1975.

Air Force nominations beginning Clark E. Aamodt, to be lieutenant colonel, and ending Robert Steffen, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 3, 1975.

Air Force nominations beginning James B. McClary, Jr., to be major, and ending Oliver S. Winter, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 3, 1975.

Air Force nominations beginning George W. Carpenter, Jr., to be major, and ending Russell E. Zurawka, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 3, 1975.

Air Force nominations beginning Frederick M. Abbot, Jr., to be first lieutenant, and ending Joseph E. Zumpf, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 3, 1975.

Army nominations beginning Jimmy F. Bates, to be colonel, and ending Bobby L. Brown, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 3, 1975.

Army nominations beginning Clyde D. Sadler, to be colonel, and ending Lawrence F. Wzorek, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 3, 1975.

Army nominations beginning Dorothy L. Kemske, to be lieutenant colonel, Regular Army, and colonel, Army of the United States, and ending Bryon J. Young, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 3, 1975.

HOUSE OF REPRESENTATIVES—*Thursday, September 18, 1975*

The House met at 11 o'clock a.m.

Dr. R. H. Collins Lee, general secretary, African Methodist Episcopal Zion Church, Washington, D.C., offered the following prayer:

O God, we pray Thee that we hold our liberty in high esteem because Thou hast not dealt so with every nation.

We thank Thee for this wonderful country in which we are privileged to live. Inspire all our people to hold sacred this glorious heritage. Keep us from strife and may we live in unity.

Bless, we pray Thee, our President and those who labor in high power places.

Bless all who are in need and who labor in these critical times.

In the name of the Prince of Peace, our Lord Jesus. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 128. Joint resolution to authorize and request the President to issue a proclamation designating the fourth Sunday in September of each year as "Good Neighbor Day."

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 8121, DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT DURING 5-MINUTE RULE TODAY

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct be permitted to sit today during proceedings under the 5-minute rule.

The SPEAKER. Is there objection to

the request of the gentleman from Georgia?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP AND INTERNATIONAL LAW OF THE COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Citizenship and International Law of the Committee on the Judiciary be permitted to sit today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

APPEAL TO MEMBERS TO SIGN DISCHARGE PETITION NO. 4

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, for the 12th consecutive year, the verbal and mathematical test scores of high school seniors seeking admission to college have declined.

The public elementary and secondary schools are not teaching our young to read and write even passably well. Our schools are producing generations of semiliterates.

It is also very sad that a nation which has produced technological marvels is unable to teach its young even a reasonable level of proficiency in mathematics.

The taxpayers have made a huge investment in education within the past dozen years, and they are being ill-served by continuing decline in the quality of education.

It is time to require public education to return to the basics, to concentrate totally on teaching the basic skills our young need.

As we approach this task, our schools should not be endlessly harassed and disrupted by social experiments with racial quota systems.

I appeal to the House to sign discharge petition No. 4, to force the Judiciary Committee to release H.R. 2818, which would end the disastrous Federal policy of imposing racial quotas on schools.

CONFERENCE REPORT ON H.R. 4222, NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966 AMENDMENTS OF 1975

Mr. PERKINS. Mr. Speaker, I call up the conference report on the bill (H.R. 4222), to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of September 15, 1975.)

Mr. PERKINS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The gentleman from Kentucky (Mr. PERKINS) is recognized.

Mr. PERKINS. Mr. Speaker, the consideration of this conference report here today brings to a conclusion a long and difficult debate on how to reach more schoolchildren with the school lunch program.

The conference report does not contain all of what I had hoped for nor what I fought for during the last 8 months. It is nevertheless a report which I wholeheartedly support and, despite the fact that the House was forced to recede on a very important issue, this is the best school lunch and child nutrition bill we have considered in the last 5 years.

Because the debate has been long and controversial, I would like to take some time to review for my colleagues some of the legislative history.

Beginning with its inception in 1946, the national school lunch program has had the single purpose of improving the nutritional status of all children in school. Over the last 29 years, the program has grown from one involving an expenditure of less than $100 million to a program of an annual cost of nearly $2 billion.

In addition, more than $300 million is now expended on programs such as the school breakfast, WIC, special milk, and nonschool feeding service programs. Millions of needy and nonneedy children have been brought into the program, and because of legislation emanating from the Committee on Education and Labor Federal subsidies on free and reduced-price lunches have risen dramatically. This growth has been particularly great in the last 5 years with the total number of children receiving free and reduced-price lunches more than doubling from 4.5 million in 1970 to 9.9 million in 1975.

During this same period, however, participation by students paying the full price has decreased from 18 million to 15.3 million. This dramatic loss in the participation of paying students is inconsistent with the purposes of the program, and, indeed, jeopardizes the future of the entire school lunch program including the free and reduced-price program.

The House version of H.R. 4222 recognized this problem, and accordingly it was a balanced piece of legislation, designed to improve the nutritional status of all children.

That bill, which was approved here in the House overwhelmingly by a vote of 355 to 59, provided needed additional financial support for all aspects of the lunch program. Additional funds were to be provided not only for the free and reduced program, but also for that portion of the program under which students pay the full price for their lunch.

My colleagues will recall the lengthy discussion which took place on the floor of the House March 24 and 25, in regard to the committee proposal to establish a national maximum of 25 cents, and subsequently 35 cents, as the price of a school lunch. I felt at that time, as I still do, that it was necessary to strengthen the paying program so that the steadily rising cost of a school lunch would not price middle-income children out of the program. Our statistics show that the paying program has suffered a decline in participation from 1970 to 1975 of almost 3 million children. Much of that loss was due to the rising cost of the lunch—the preparation cost of a lunch in 1970 being 62.2 cents and in 1975 being over 85 cents. When our efforts to obtain approval of this provision failed, a number of Members joined me in an effort to provide a more modest and reasonable payment of 5 cents for each paying lunch. The cost of this provision was estimated at $125 million, and the purpose of it was to provide a small additional subsidy so that school districts would not have to raise their lunch prices for this present school year. During the course of the debate on it, there was ample evidence that rising lunch prices resulted in curtailment of participation. As an example, a survey of the lunch program in the elementary schools in Wisconsin was cited by Mr. CORNELL. It indicated that when the lunch charge was 25 cents, 82 percent of the children participated; when the charge was 35 cents, 68 percent of the children participated; when the charge was 45 cents, 44 percent participated; and when the charge was 55 cents, a mere 22 percent purchased the hot lunch.

In a very recent study, half of the State school lunch directors reported that a decrease in participation in the paid lunch program was a result of the increase in cost of the lunch to the student. In Alaska, for example, where the average cost increase of a lunch to a child was 10 cents, the participation decreased 8 percent. In Florida, the average increase of 8 cents resulted in a 9-percent decrease in participation. The State of Minnesota reported that for each 5 cents increase, there was a 5-to-10-percent decrease in participation. An average increase of 5 cents in New Mexico resulted in a participation decrease of 6 percent.

Numerous comments were made by other directors to the effect that as the price to the child increases, the participation drops.

I should note further that a decrease in the number of paying children could cause school districts to discontinue their school lunch programs altogether.

Therefore, both the middle-income students and the low-income student would suffer from this loss. This has, in fact, taken place and that testimony was heard by the Committee on Education and Labor during its hearings in March.

Just before the August recess, agreement was reached on H.R. 4222 in conference which very closely paralleled the original House version.

That conference report, like the original House bill, was a balanced piece of legislation designed to better finance all aspects of the lunch program. Twenty-four of the 30 conferees on the bill signed the conference report, with 19 of the 22 House conferees agreeing to the report.

This was understandable in that there was not one provision in that report which should have been opposed by any organization or person interested in nutrition and well-balanced and adequate diets for our children.

To the contrary those provisions, because of inflation, are desperately needed if we are to continue in our effort. We could have expected, in light of the overwhelming votes on H.R. 4222 in both the House and the Senate, and the substance of the conference report, that there would be overwhelming support for it.

However, on September 5, the Senate recommitted H.R. 4222 to the conference committee by a record vote of 76 to 0. There were no instructions with the recommittal. However, the discussion on the floor of the Senate indicated that the principal opposition to the conference report was related to budgetary concerns—and more particularly, to our agreement to provide a 3-cent subsidy on each lunch other than a free or reduced price lunch rather than a 5-cent subsidy as was proposed in the House bill.

Because there were a number of feeding programs about to expire and because there were so many necessary and desirable features in H.R. 4222, there was great pressure on the House conferees to go back to conference immediately.

This we did and when we went back to conference it was my position that the House stand firm on the 3-cent subsidy and on another House provision objected to in the Senate which required the service of a reduced-price lunch to students from families with incomes 95 percent above the income poverty guidelines.

We were asked by the Senate to recede on the 3-cent provision and to drop the income eligibility guideline to 90 percent of the poverty level. We said that we would not do that. In lieu of the 3-cent subsidy, we offered a compromise under which additional commodities would be distributed this year equal to 1 cent per lunch on every lunch served and that we go to 100 percent of the poverty index. This was rejected by the Senate conferees unanimously.

We then offered a compromise under which we would recede on the 3-cent subsidy but insist on 100 percent of the poverty index as was the case in the House bill. This too was rejected by the Senate conferees unanimously. We were able, however, to retain the 95-percent figure. To review, then, in this last conference the House was asked to recede on two points. We most reluctantly did on the 3-cent subsidy, but held firm on the other—the setting of an income guideline for the reduced price lunch program at 95 percent of the poverty level.

With regard to the first, I still feel that the paying program, which accounts for 60 percent of lunches served throughout the year, must remain well patronized so that we may continue to offer to all children a nutritious meal at an affordable price. I hope my colleagues will watch carefully, as I will watch, the results of further increases in lunch costs during the present school year. If we see further erosion of paying students because of rising prices, we must face up to this loss once again.

With regard to the second, I should like to discuss now the provisions of the conference report, starting with the reduced price lunch program because it is clearly one of the most important provisions.

As I said, the original House bill required reduced price meals to be offered in every participating school and placed the eligibility ceiling for reduced price meals at 100 percent above the USDA Secretary's "income poverty guidelines." This would be $10,020 for a family of four during the current school year. The Senate bill contained no comparable provision.

Essentially, the House conferees prevailed on this issue, with the conference making only a slight modification. The conference agreed to mandate the provision of reduced price meals in participating schools, and lowered the eligibility ceiling only slightly—to 95 percent of the income poverty guidelines or $9,770 for a family of four. This will mean that an additional 2.2 million students will qualify under the bill for a reduced price meal where the price to the student cannot exceed 20 cents.

This is a great step forward. This excellent provision will be of great benefit to children from low-income working families. At present many of these children are paying from 45 to 65 cents for a school lunch. Participating schools must now offer these children a lunch at a price of 20 cents or less. Participation in the reduced price program in the past has been far less than it should have been. Now that the program is mandatory, we can expect that the benefits of this program will be extended to greatly increased numbers of eligible children.

Another section of the report directs the Secretary of Agriculture to establish procedures to diminish waste of foods in the school lunch program and, further, provides that students in senior high schools shall not be required to accept offered foods which they do not intend to consume when paying the full charge for the lunch.

I trust that the Department of Agriculture will develop and issue regulations implementing this provision which will maintain the basic nutritional standards and objectives of the school lunch program.

Another important section provides that any child whose parent is unemployed be served a free or reduced price lunch if the family income eligibility guidelines are met. We intend that in determining eligibility, schools consider only the family's current income—that is, the income during the current period of unemployment. We also intend that schools institute effective efforts to inform the unemployed about free or reduced-price school meals. To this end, the conferees directed the Secretary to promulgate regulations requiring local school authorities to distribute informational materials on free and reduced-price school meals to all local unemployment offices, to major employers contemplating large layoffs, and to unions with unemployed members.

The conference report includes several other major school lunch provisions. One provision originally included in the House bill makes children's residential institutions eligible for the school lunch and breakfast programs.

In my judgment this provision should apply to any public or licensed nonprofit residential institution in which a majority of the clients are children. It will apply to such institutions as orphanages, homes for mentally retarded children, homes for emotionally disturbed children, homes for unmarried mothers and their infants, temporary shelters for runaway children, temporary children's homes for abused children, hospitals for children who are chronically ill, and juvenile detention centers, and other children's institutions.

There are some 430,000 children who live in institutions of this type. Institutions serving these children will now receive reimbursements equal to those received by schools participating in the school lunch program. I am including a chart of those reimbursements for the information of the Members:

School Lunch Program

Free lunch program:

[In cents]

General cash-for-food assistance (sec. 4)	12.25
Special cash assistance (sec. 11)	54.50
Commodities for cash in lieu plus additional half pint free milk	11.00
Total	77.75

Difference between free and reduced price is 10 cents in cash and free ½ pint milk.

Reduced price program:

[In cents]

General cash-for-food assistance (sec. 4)	12.25
Special cash assistance (sec. 11)	44.50
Commodities for cash in lieu	11.00
Total	67.75

Paying lunch program:

[In cents]

General cash-for-food assistance (sec. 4)	12.25
Commodities for cash in lieu	11.00
Total	23.25

The conference report retains the House provision requiring the Department of Agriculture to refrain from restricting participation of local producers when purchases are made for the commodity distribution program. This provision is meant to encourage the Department to use local producers wherever possible in purchasing agricultural commodities for the school lunch and child nutrition programs.

In part, information indicating that food shipped from the continental United States to Hawaii under the commodity distribution program did not fit into the eating habits of the majority of the children in Hawaii prompted this provision. Accordingly, the statement of managers directs the Department of Agriculture to give proper consideration and attention to the cultural eating habits and dietary preferences of participants when acquiring and distributing agricultural commodities in Hawaii and localities where there are comparable problems.

A second provision in the conference report extending the Secretary's authority to purchase agricultural commodities when acquisitions under other authorities are not available will also be helpful in alleviating these problems.

Other significant provisions of this conference report include making the school breakfast program a permanent program. More importantly, however, the report makes clear that:

> It is the purpose and intent of Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance.

The Secretary of Agriculture is directed to devise plans that will effectuate this expansion to all needy schools and needy children and to report his plans to the Congress. The need for the expansion of the breakfast program is clear. It is evidenced by the fact that only 13,000 out of 100,000 public schools in the country are providing breakfasts.

The summer food program for children is extended through September 30, 1977, with increased reimbursement rates set. The conference report requires that summer feeding sponsors serve children from areas of poor economic conditions. Sponsors would also have to operate a "regularly scheduled" program, meaning that the program would be situated at a specific site and run at regular times. The bill also allows sponsors to serve breakfasts, lunches, suppers, and supplements so long as the various meal services do not overlap or coincide.

The Secretary will no longer be permitted to prohibit sponsors from serving more than one meal per day. Under the conference report, sponsoring institutions must be provided with monthly advance payments on June 1, July 1, and August 1 of each year. Finally, the conference adopted an important provision that provides funds to the States for administering the summer feeding program.

The conference report also contains several major provisions affecting the special supplemental food program for women, infants, and children—WIC. The conference retained a House amendment to authorize a funding level of $250 million a year for this program for fiscal year 1976, next summer's transition period, fiscal year 1977, and fiscal year 1978. The conference also adopted a Senate provision requiring section 32 funds to be used for the WIC program during fiscal years 1976 and 1977 and next summer's transition period.

These provisions require that if Congress appropriates less than that authorized for fiscal year 1976 or fiscal year 1977—or less than the authorized level during the 3-month transition—then the Secretary must use enough section 32 funds to bring the new funds made available each year to the authorized levels. The provisions agreed to in conference mandate the expenditure of this $250 million each fiscal year.

During fiscal year 1976, unused WIC funds from the previous fiscal year will also be available.

The conference also accepted the "entitlement" provision contained in the House bill which requires that agencies applying for the WIC program have a determination of their eligibility made immediately and, if found eligible, be fully funded. For fiscal 1976, then, the "entitlement" mandate is to become operative. During fiscal year 1978, all eligible agencies seeking to operate the program must immediately be funded up to the $250 million authorization level.

I am also proud of the child care feeding section of the bill. In this area, there were few differences in conference because the Senate Agriculture Committee largely adopted this section of the House bill. The final conference report provides that in the child care food program and also in the summer food program all eligible sponsors can obtain the lunch and breakfast programs upon request. Child care sponsors are permitted to serve breakfasts, lunches, suppers, and two supplements a day.

The child care section of the bill makes family day care homes eligible for this program.

The conference report provides that the reimbursement rates paid in the child care food program be the same as those used in the school food programs, and that the same income standards and hardship deductions be used in the child care program as are used in the school food programs to determine whether a child falls into the "free," "reduced-price," or "paid" income category.

The conference did reject a provision in the House bill that required advance payments to be provided to child care institutions. However, the conferees directed USDA to use a letter-of-credit payment system to States, a system that USDA already uses for the school food program and other food assistance programs.

Mr. Speaker, there has been a good deal of confusion about H.R. 4222 and the cost it would add to the budget. One of the concerns expressed in the recommittal debate in the other body focused on the budgetary implications of H.R. 4222.

It is a difficult bill to analyze in terms of cost. I believe the clearest statement of what is involved here is one which relates to what we can expect in terms of outlays this year over and above what the Department of Agriculture estimated in May as the cost for a simple continuation of the current set of services.

Using as the comparison this estimate of the Department, H.R. 4222 will add $216,000,000 in new budget authority over the budget authority for current services and $201,000,000 over the estimate of outlays for current services. At the end of my statement I will insert a chart breaking this down by program and a chart comparing fiscal year 1976 authorizations for the House bill, the Senate amendment and the conference report.

In summary, Mr. Speaker, the House conferees did everything humanly possible to maintain the House position on H.R. 4222. I will not detail all that we did to defend the House position. Despite these efforts we were unable to retain any additional subsidy for paying lunches.

In every other aspect of this report, however, we have either retained or improved upon the original House version.

Mr. Speaker, we should have—and in my judgment this House very easily could have—agreed to the first conference report that was filed. There is no question in my mind that we should and we will approve this conference report.

Another of the concerns registered about the first conference report was that it would be vetoed and that we would not be able to override. In my judgment, Mr. Speaker, if there had been a veto we would have overridden and in my judgment Mr. Speaker if there is a veto of this legislation, we will easily override.

Mr. Speaker, I want to state that this is the most comprehensive child nutrition legislation ever approved by the Congress. It is especially important because it extends vital nutritional benefits to hundreds of thousands of children who never before had the opportunity to take part in food service programs based on sound principles of nutrition. I refer specifically to children in resident type child care institutions, to poor children attending resident type summer camps, to pre-school children, regardless of income status, attending all types of day care centers, and, finally to mothers, infants, and children in areas not previously covered by the WIC program.

Passage of this bill marks another major step toward improving the nutritional status of the Nation's children. Congress can rightfully take great pride in the significant actions it has taken over the past 5 years to help achieve this objective. I am also personally proud that the House Education and Labor Committee has had a major role in this period of great accomplishment.

The chart referred to follows:

CHILD NUTRITION PROGRAMS, NEW AUTHORIZATIONS FOR FISCAL YEAR 1976 UNDER H.R. 4222

	House bill	Senate amendment	Conference report House (Sept. 18, 1975)
Mandatory reduced price lunch program	[1]$108,000,000		[1]$80,000,000
School breakfast program	144,000,000	$144,000,000	144,000,000
Summer food program	[1]20,000,000	[1]20,000,000	[1]20,000,000
WIC program	250,000,000	250,000,000	250,000,000
Child care program	95,000,000	95,000,000	95,000,000
Children in residential child care institutions	35,000,000	35,000,000	35,000,600
Special 5 cents payment	$125,000,000		
Required donation of cereals and oils		$79,000,000	
Other	4,500,000	6,000,000	$6,000,000
Total	781,500,000	629,000,000	630,000,000

[1] Current estimates for remainder of fiscal year.

INCREASED FISCAL YEAR 1976 COSTS OF H.R. 4222 OVER CURRENT SERVICES BY PROGRAM COMPONENT

[In millions]

Program component	Increased 1976 cost of H.R. 4222 over current services[1] Budget authority	Outlays
WIC	+$50	+$50
Expansion of reduced price lunches	+80	+80
Extension to nonresidential day care	+25	+25
Extension of reduced price lunches to children of unemployed parents	+4	+4
Residential institutions	+35	+35
Summer feeding	+20	+5
State administrative expenses	+2	+2
Total	+216	+201

[1] May 1975 estimate of current services by the Department of Agriculture.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the distinguished gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. I thank the gentleman for yielding.

I just want to indicate that I support the conference report. The big controversy was over the additional subsidy for those who could afford to pay for their own lunches. All of that now has been removed and, therefore, I urge my colleagues to support the conference report.

The conference report bill on H.R. 4222—the School Lunch and Child Nutrition Act amendments—is far superior to the bill passed by the House last April and, I feel, an improvement over the bill passed by the Senate in July. It has been a long and tortuous road to reach this result, requiring a recommittal by the Senate in September of the original conference report filed July 30. But I think that this second conference report represents the best features of both the House and Senate versions of the bill, while eliminating the worst features of both.

That is a genuine accomplishment—one which will improve the operation of school lunch and child nutrition programs—and I strongly endorse the final bill.

Members will recall that the bill as reported by our committee had a 25-cent ceiling on the cost of lunches served to children without regard to family income—a $655 million added annual cost item. It also contained, as did the Senate-passed bill, a required purchase of additional commodities at a cost of $79 million. By the time the bill had been brought to the floor in the form of a substitute for the reported bill the 25-cent ceiling had been raised to 35 cents and the $79 million commodity purchase had been dropped. By a vote of 269 to 144 the House approved an amendment by our colleague, Mr. GOODLING of Pennsylvania, which eliminated the 35-cent maximum charge for those who can afford to pay for their lunches. But soon after that vote the committee rose and further consideration of the bill was delayed for several weeks. When consideration of the bill was resumed the House approved—but with 179 "nay" votes cast against it—an amendment to add a 5-cent supplemental cash payment for all lunches which are not free or reduced-price. The cost would have been $125 million.

The House also approved an amendment by Mrs. CHISHOLM which I believe will provide genuine financial relief to lower middle-income and working poor families who can use financial help. It mandated the serving of reduced cost lunches at 20 cents for children in families whose income was 100 percent above the income eligibility line set for free lunches. Currently the eligibility for the reduced price lunch would be $10,020 for a family of four.

In the first conference we eliminated the $79 million commodities add-on from the Senate bill, agreed to the Chisholm amendment but cut the income eligibility level to 95 percent above the free-lunch income level—or $9,770 for a family of four—but retained 3 cents of the 5-cent supplemental payment at an initial annual cost of $75 million. As a result of the retention of the 3 cents I refused to sign the conference report, as did two other of my colleagues on this side, and none of the Senate Republican conferees signed the report. Subsequently, as I have said, the Senate by a vote of 76 to 0 on September 5 recommitted the report to conference after a debate largely focused upon the 3-cent payment. This new conference report—agreed to by all House conferees and all except one Senate conferee—is the result.

Mr. Speaker, as I have said, I now believe that we have an excellent bill. For example, today many schools do not make available reduced price lunches for children who qualify and as a result only about 500,000 children receive a 20-cent lunch. Under the Chisholm amendment it is estimated that an additional 1,500,000 children who qualify will take advantage of the 20-cent lunch, and that half of these are not now participating at all in the school lunch program.

This bill makes permanent the school breakfast program which has proven itself both as a nutritional and as an educational benefit for needy children. It continues the special supplemental food program for women, infants, and children at nutritional risk—WIC—through September 30, 1978. This may well be the most effective point of intervention nutritionally for the prevention of irreversible brain damage and other defects attributable to inadequate child nutrition. Its potential savings in economic and human and social terms is literally beyond calculation, but must be very substantial.

This bill makes the school lunch and breakfast programs available to other nonprofit, licensed institutions such as orphanages and homes for the mentally retarded. It extends and revises the summer and year-round special food service programs for children in child service institutions. It has several provisions designed to cut down on plate waste of foods in the school lunch program and to improve program operations. It improves and clarifies the House provision making the children of unemployed parents eligible for a free lunch or reduced-cost by assuring that the family income eligibility standards for such lunches must be applied. It retains the amendment of our colleague, Mr. JEFFORDS, of Vermont, which prohibits restrictions unfavorable to commodity purchases from local producers unless provisions result in substantial cost savings—a little noted provision of the bill which should be helpful to both the program and to many of our constituents whose food production or processing businesses are relatively small. There were numerous other provisions of this bill which are improvements over existing law and merit discussion. Most of these are described in the statement of managers.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Will the gentleman give us the bottom line or the total dollar figure, whether this is over the House version or over the President's budget? Where are we on this particular point?

Mr. QUIE. If the gentleman will yield, this is substantially under the House version. I do not have the figures right in front of me, but I think the House version was about $185 million more, if I recall correctly, than this conference report. The President's budget was $1,600,000,000, but that was for a bill that would have block grants to the States. If the Congress did nothing, and it operated under the present law, it would be a little over $2,500,000,000, if I recall correctly. The fiscal 1976 cost of this bill is approximately $2,700,000,000.

If the chairman of the committee does not agree with that in his figures, I wish he would so state, but that is my recollection, I will say to the gentleman from Ohio.

Mr. ASHBROOK. That would be how much over the budget, then, roughly $800 million?

Mr. QUIE. Over the budget that was sent in. It would be close to $1 billion over that. The revised budget, which assumes a mere extension of existing programs, would be $200 million under this Conference Report.

Mr. ASHBROOK. A little under $200 million in the revised budget?

Mr. QUIE. Yes.

Mr. ASHBROOK. The gentleman is not talking about the congressional budget?

Mr. QUIE. No; I am talking about the President's budget, and the amount that the Department of Agriculture sent us.

Ms. CHISHOLM. Mr. Speaker, I am pleased and delighted to speak with wholehearted support for H.R. 4222, the National School Lunch Act and Child Nutrition Act Amendments of 1975. I urge all my colleagues to support this bill which is a landmark in child nutrition legislation.

H.R. 4222 is the product of many months of negotiation and compromise. The bill that emerged from conference last week is a sleeker form of H.R. 4222, with $75 million worth of fat removed from the previous version. The $75 million that was eliminated represented a 3-cent subsidy for each school lunch served to middle- and upper-income students. The absence of this subsidy has gained support for the bill from Democrats and Republicans in both Houses of Congress.

Members of the House Education and Labor Committee and Senate Agriculture Committee worked in conference to limit the provisions of this bill to those which we feel are essential to making the child nutrition programs function effectively. The bill focuses its aid primarily on those children who are most in need of nutritious breakfasts, lunches, suppers, and meal supplements.

I am particularly gratified by the sections of the bill that deal with the special supplemental food program for women, infants, and children—WIC. The bill reported by the conferees guarantees a $250 million a year funding level for this program through the use of section 32 funds. If in fiscal year 1976 or fiscal year 1977 the Congress appropriates less than $250 million in new moneys for the WIC program, the Secretary is required to take enough money from the section 32 fund to bring the funding level to $250 million. The Secretary is also required to spend this $250 million for WIC program operations in fiscal year 1976, and again for WIC operations in fiscal year 1977.

In addition, the Secretary must also spend any WIC carryover funds from the prior fiscal year. These carryover funds are in addition to the $250 million section 32 authorization for fiscal year 1976 and 1977, and in addition to the $250 million authorization ceiling in fiscal year 1978. Thus in fiscal year 1976, for example, the Secretary must use the $30 to $40 million in WIC carryover funds from fiscal year 1975 in addition to the $250 million in fiscal year 1976 funds guaranteed by this bill.

These aspects of the bill will permit some growth in the program so that more low-income women and children at nutritional risk are aided before it is too late.

The bill also includes a provision under which all eligible agencies applying for the WIC program must immediately be funded for the full amount of funds that they can use to reach eligible women and children, so long as funds are available. This means that the Secretary can not turn down or delay action on the application of an eligible agency either for a program or a caseload increase if any WIC funds are going to be unspent at the end of the fiscal year. The Secretary must fund eligible agencies fully as long as money from the $250 million section 32 authorization or from carry-over funds remains unspent in fiscal year 1976 or fiscal year 1977. In fiscal year 1978, the Secretary must fund eligible agencies up to the $250 million authorization ceiling plus the carryover funds from fiscal year 1977.

SCHOOL LUNCH PROGRAM

The WIC program is not the only program that is improved by H.R. 4222 as reported out of conference. The school lunch program is strengthened by a provision that I offered in this Chamber last spring to make it mandatory for schools to offer reduced-price lunches to children whose family income is below 195 percent of the Secretary's income poverty guidelines. This provision will make several million children eligible for reduced-price school meals which must be offered to eligible children for no more than 20 cents a meal.

This provision will be put into effect quickly. Specifically, the Secretary must publish final regulations at a sufficiently early date so that the new reduced-price lunch provision will be implemented in all schools in all states by January 1, 1976.

The manner in which this provision is implemented is exceedingly important. There is evidence that some schools that have operated reduced-price school lunch programs in the past did not do an effective job of publicizing the availability of reduced-price meals.

In implementing the new provision this January, local school authorities must take effective steps to insure that eligible families learn of reduced-price meal availability. Local authorities must send a special notice home with children and must make public announcements through the print and broadcast media. Local authorities must also take any other actions needed to inform eligible families about reduced-price school meals.

I believe the new reduced-price lunch provision in this bill will prove of great benefit to many near-poor families who work hard for low wages and are usually left out of federally aided programs for the needy.

School districts will also benefit. They will receive 44.5 cents in Federal funds for each reduced-price lunch served. The Federal payment for reduced-price lunches must always be 10 cents less than the payment for free lunches.

Another group in our population that will be helped by this legislation is the unemployed. Originally, the House passed a provision to make children eligible for free school meals if the principal wage-earner in the family was unemployed. The Senate conferees would not agree to this provision but we did get something that is still significant for many unemployed. First, we make children from unemployed families eligible for free and reduced-price school meals if the family income during the period of unemployment meets the eligibility limits. Thus, if a family's income is too high to qualify in September when school starts, but the income drops below the eligibility limit due to loss of employment in December, the children in this family can start receiving free or reduced price school meals in December.

Second, we require local school authorities to conduct an ongoing informational campaign to make sure that the unemployed—especially the newly unemployed—learn of the availability of free and reduced-price school meals. The Secretary would have to issue regulations requiring schools to supply all local unemployment offices with informational materials that could be handed out to all applicants and recipients of unemployment insurance. School authorities would also have to provide these materials to all employers contemplating major layoffs and all unions with unemployed members. The materials would have to be provided in sufficient quantity so that they could be distributed to all potentially eligible heads of household. When major layoffs occur, school authorities would also have to make public announcements in the media about the availability of free and reduced-price school meals, and send a special notice home with children.

Another school lunch provision in the conference bill that is worthy of note requires that USDA continue to provide the annually programed level of commodities to programs operated under au-have operated reduced-price school lunch Act, Child Nutrition Act, and Older Americans Act. USDA would have to provide schools with their traditional variety of commodities, and would have to make this same variety of commodities available to other programs such as the title VII elderly feeding program—unless title VII program operators indicated they could not use some of these commodities.

CHILDREN'S RESIDENTIAL INSTITUTIONS

One of the most important innovations in this bill is its provision making children's residential institutions eligible for the school lunch and breakfast programs. Thousands of orphans and mentally or physically handicapped children will benefit.

The provision applies to all public and licensed private nonprofit institutions in which 50 percent or more of the patients or inmates are under 21 years of age. Also eligible would be wings or sections of residential institutions, if 50 percent of the residents of the wing or section were under 21 years of age.

MORGAN AMENDMENT

The conferees also agreed to a Senate amendment aimed at protecting the integrity of the school lunch program. This amendment allows local school authorities to seek verification of the data provided on an application for free or reduced-price school meals—but only in those few cases where the authorities possess evidence that the material on the application is not truthful. This provision does not mean that school authorities can demand verification on the basis of unsupported suspicions, or as a tool against families of a particular racial, ethnic, or religious background. The verification procedure can be used only "for cause"—only where the school officials have concrete evidence of an application's apparent falsity.

Furthermore, this verification procedure cannot be used as a mechanism to delay the provision of free or reduced-price school meals to children filing applications that meet the eligibility criteria. Once such an application is filed, the children must be given free or reduced-price meals. If the school had evidence that places the application's accuracy in question, it may seek verification; but while the verification process is underway, the child in question must be given free or reduced-price meals. If the verification proves the child to be ineligible, the free or reduced-price meal benefits will then be promptly terminated.

SUMMER FEEDING

H.R. 4222 also addresses the issue of how to reach more needy children with nutritional assistance during the summer months when school is out of session. The bill makes a number of improvements in the summer feeding program, so that poor children may be aided in the summer.

Perhaps most important is a provision that allows all eligible summer feeding sponsors to enter the program upon request. This provision places the summer feeding program on the same funding basis that the school food and special milk programs operate on. All eligible sponsors must be permitted to enter the program. No sponsor could be limited in terms of the number of children it could serve or the number of meals it could provide. No sponsor could be restricted in terms of the number of days of its operation. If enough funds had not been appropriated by the Congress to cover the program in a given fiscal year, the Congress would have to come up with a supplemental appropriation.

I should note that we have added precisely the same provision in the child care food program as well.

Sponsors would be eligible for the summer program if they served children who come from an area of poor economic conditions. This would include overnight camps for children from poor areas. The sponsors would have to run a "regularly scheduled" program—a program that had a regular site location—although organized field trips such as visits to parks or museums, or overnight hikes, would certainly be allowed.

We would hope that sponsors would offer some sort of recreational activity for the children they serve. However, the primary purpose of this program is to get nutritional assistance to needy youngsters. Therefore, the conference bill makes no requirement that recreation or other organized activity be provided as a prerequisite to having a summer feeding site. Sponsors providing only a food service would be eligible.

Sponsors could run the program for any period from May 1 through September 30. In places with a continuing school calendar—where major school vacations are during nonsummer months—the program could operate during months other than May–September.

I am also pleased to report that the bill allows sponsors to serve breakfasts. I am a strong supporter of the school breakfast program, and I believe that poor children should have access to breakfasts during summer vacation as they do during the school year.

H.R. 4222 permits sponsors to serve breakfasts and lunches, and also suppers and supplements. No meal services could overlap or coincide. But USDA could not impose arbitrary requirements that children have to remain at a site for 5 hours to get a second meal.

Sponsors would be reimbursed for these meals, with the reimbursement covering food costs, labor costs, administrative costs, costs of equipment and space rentals, and other costs involved in running the food service. Sponsors would receive payment in advance—on June 1, July 1, and August 1 of each year.

States would also receive funds to help them administer the program. The States would receive an amount equal to 2 percent of the funds expended by sponsors within the State for food service operations. Of course, States would have to spend this money on summer feeding administration, and could not receive more than they actually spend to administer the summer program. These funds are to be used for outreach, training, technical assistance, and monitoring, so that the summer program may reach more eligible children and may be more effectively run at the local level. These administrative funds for the States would come from moneys appropriated for summer feeding, and not from funds appropriated for State costs in running other child nutrition programs.

CHILD CARE FOOD PROGRAM

A final program covered by the legislation now before us is the child care food program. H.R. 4222 makes major changes in this program and should benefit many young children and their families. The bill enables any eligible nonresidential child care institution to enter the program upon request, and to receive Federal reimbursements for breakfasts, lunches, suppers, and two supplements served each day.

Institutions would be eligible if they had local, State, or Federal licensing or approval or satisfied the Secretary that they meet the standards prescribed in the Federal interagency day care requirements of 1968, as modified by the new title XX social services regulations. The Secretary would set up regular procedures under which institutions could show that they comply with the Federal interagency requirements.

Eligibility would also require nonprofit status. Sponsors would need to have Federal tax exempt certification, to be moving toward compliance with the requirements for tax exempt status, or to be operating another Federal program requiring tax exempt status.

Sponsors needing to meet this requirement could include organizations or associations serving as "umbrella sponsors" for individual child care institutions. The use of umbrella sponsors, which has been encouraged under USDA's old special food service program for children, would continue. Where an umbrella sponsor applies for the child care program, each individual day care operation need not have tax-exempt status; this requirement must be met by the sponsoring organization. Sponsors can also include public organizations or agencies, and units of local, State, or regional government.

It is likely that umbrella sponsors will be used widely when family and group day care homes apply for the program. These homes are made eligible for the child care food program for the first time by this legislation. Family and group day care homes would need to keep food for the child care operation separate from food used by the family residing in the home. However, separate refrigerators and cabinets would not be necessary for this purpose. The child care operation's food could have its own section of the existing refrigerator and storage space.

The Federal reimbursements paid under this program would vary according to the income of children's families. The income eligibility criteria would be the same as those used in the school food programs, with the same income limits and hardship deductions being used. Each child would fall into one of three reimbursement categories—the "free," "reduced prices" or "paid" category.

Child care institutions would not actually have to record the number of children in each reimbursement category eating each day, as this could prove cumbersome. We expect that institutions will be permitted to request that the State establish "average reimbursement rates" for each institution. The institution would then record the total number of breakfasts, lunches, suppers, and supplements served each day, and receive its reimbursements. The "average rate" for each institution would be determined by taking the average per meal rate the institution would receive if all meals served to children in the free category were reimbursed at the free meal rate, all meals for children in the reduced-price category were reimbursed at the reduced-price rate, and all meals served to children in the paid category were reimbursed at the paid rate. Thus, the use of average or blend rates will provide institutions with the same amount of financial assistance they would receive if they were reimbursed according to the number of children in each income category eating each day, but it will accomplish this purpose in a far simpler way administratively.

The use of average rates is only one

way we expect the Secretary to make this program as simple as possible to administer. We intend that virtually all financial, application, and recordkeeping procedures and requirements be far simpler and less complex than those used in the school food programs. Child care institutions do not possess the administrative and management capabilities of school districts, and this fact should be taken into account by the Secretary.

We also do not intend that child care institutions be required to collect money from children or parents for meals served to children who do not fall into the "free" meal category. Indeed, H.R. 4222 prohibits such a requirement. Child care institutions will remain free, as they are under the special food service program, to finance that portion of food service costs not borne by the Federal Government out of public or private funds, fees collected from parents for the overall day care service, or other resources at their disposal.

The procedure by which States pay child care institutions for meals served would be similar to that utilized in the school food programs. States would receive letters-of-credit, and could draw on the letter-of-credit to make payments either in advance or within 30 days after the submission of reimbursement claims.

Finally, I should like to note that sufficient equipment assistance funds will at last be available for child care institutions. The Secretary is required to take $3 million from the funds appropriated for the child care food program each year and apportion this $3 million among the States. During the transition period next summer, the Secretary must apportion a pro rata share of $750,000 for this purpose.

SCHOOL BREAKFAST PROGRAM

The school breakfast program should be greatly expanded as a result of the conference bill. Our intentions under the bill are patently clear: We expect the Agriculture Secretary to promulgate regulations within 4 months that will require school districts throughout the country to implement the breakfast program in every school that qualifies for title I aid under the Elementary and Secondary Education Act and in every school in which one quarter or more of the children qualify for free or reduced-price lunches. USDA's regulations should specifically set forth the requirement that any school district—that receives any Federal feeding funds—must implement the breakfast program in every "needy school" as I have just defined.

USDA must actively monitor the implementation of this regulation. In its report to the Congress after the regulations are promulgated, USDA should precisely indicate what steps they are going to take to make this statutory and regulatory requirement a reality in every "needy school."

This expansion requirement for the breakfast program is long overdue. Current legislation requires every State to submit a State plan of child feeding operations that must describe how the breakfast program is to be extended to needy children to the maximum extent practicable. Encompassed in this requirement is the State's obligation to define which schools are needy; to specifically name them in the plan of operations; and to promise by what date the breakfast program is to be established in each of these schools. By doing this, impoverished children and their parents will know when to expect the implementation of the breakfast program in their schools. In addition, the specifying schools and the dates of their inauguration of the breakfast program in the State plan of child feeding operations serves as a good yardstick for the State's performance in any given year.

Each State must implement the scheduled establishment of the breakfast program as specified in the State plan of child feeding operations. Failure to do so, or failure to submit the type of plan that I have just indicated, should result in USDA's cutting off of all child nutrition funds from the Federal Government.

The current legislative expansion requirement simply has not worked. As our committee has found out, only about 13,000 out of about 101,000 public schools are now implementing the breakfast program. From our observations, the States and USDA have not fulfilled their obligations under the current breakfast outreach requirement; either the plans of operations have been improperly drafted, or the plans were never implemented. In any event, USDA has not taken any effective action to remedy this failure. As a result, the new and specific outreach implementation mandate—requiring the breakfast program to be established in every title I school and every school in which 25 percent or more of the children qualify for reduced-price lunches—must be passed.

We hope that this implementation mandate will be as successful as the somewhat different implementation mandate in the school lunch program. In the school lunch program, the law requires every school district that participates in the program at all to serve every needy child—regardless of which school in the district that the child attends—with a free or reduced-price lunch. In effect, therefore, the law requires the school lunch program to be implemented in every school, in participating school district, as long as such schools have at least one needy child therein. This requirement has worked for the lunch program; we hope that the somewhat analogous requirement for the breakfast program also works.

The conferees on H.R. 4222 have endeavored to bring to you a bill which is truly a responsible product of the legislative process. Its provisions reflect our commitment to the future health and well-being of our country's most precious and vital resource—our children. The enactment of H.R. 4222 will bring us closer to our oft-stated goal of an end to hunger in this Nation. Once again, I urge you to support this conference report.

Mr. **BURKE** of Massachusetts. Mr. Speaker, I want to compliment the gentleman from Kentucky and the ladies and gentlemen of the conference committee for giving us a palatable child nutrition bill. The deadline for expiration of the school lunch and child nutrition programs is rapidly drawing nigh, and you should be commended for reaching a workable compromise in such a short time.

We all know that the main point of contention between this House and the other body is the provision which gives the schools an extra nickel for every regularly priced meal which they serve. When we considered the bill originally, back in late April, the plight of the middle-income family almost kept us from reaching a consensus. It appears that, once again, we are unable to offer assistance to the people who shoulder most of the tax burden, and who always seem to benefit the least from our social programs. I thought that strong bipartisan support for the nickel-subsidy provision would insure its adoption; the gentleman from Kentucky made a valiant effort to exercise his mandate on this matter. The Members of the other body, however, find this concept difficult to swallow.

So we have gone from a 25-cent maximum price for the paid lunches; to a 35-cent maximum; to a 5-cent subsidy for a paid lunch, no matter what the price; to nothing.

I will support this conference report, because I think that the programs which it authorizes are some of the most vital and beneficial programs administered by the Federal Government. We cannot allow one missing board to make the whole house collapse. But I want to point out that the paid lunch part of the school lunch program is dying on the vine. Mr. John Stalker, who is the director of the Massachusetts Bureau of Nutrition Education and School Food Services, has pointed out to me that participation in the paid lunch program declined in the city of Boston in 1974–75—by almost 560,000 meals served. The corresponding increase in the number of free and reduced-price lunches served did not make up for that loss. In fact, it fell 319,000 short.

There must be some reason for this decline, and I think that middle-income families are being priced out of the market. Whether their failure to take advantage of the free or reduced-price meal is a result of pride, or lack of publicity about the program, or an unwillingness to submit the proper forms, or unappealing food, the end result is the same. And I have a feeling that people of moderate means are not going to support indefinitely programs which shortchange them.

Mr. **FRENZEL**. Mr. Speaker, I did not support the House version of the school lunch bill—totaling some $3.267 million—as I could not justify supporting a bill for taxing the poor to feed the rich. The original House bill asked us in a time of catastrophic deficits to pay for school lunches for all children, rich and poor.

I commend the conferees for eliminating the additional Federal 5 cents reimbursement for each lunch served. This provision alone will save the taxpayers $125 million.

In my earlier statement, I indicated that I want to vote for a school lunch and child nutrition bill, but I could not unless it was amended. I believe the conference bill, now totaling approximately $2.8 billion is one which I can support and intend to do so today. I have always supported programs of reasonable nutrition for people who need it, and I did support the original House amendment mandating all schools offer free and reduced priced lunches which will add to the number of needy children eligible for these lunches. I am pleased that this amendment, while changed slightly, is still in the bill.

While the conference version of H.R. 4222 is still somewhat over budget, it is a significant reduction over the House-passed bill and has done a far better job of concentrating the Federal effort to the needy.

Mr. ZEFERETTI. Mr. Speaker, I rise in support of H.R. 4222, an excellent piece of legislation that will provide vitally needed nutritional assistance to millions of American children.

This bill makes fundamental and far-reaching improvements in the school lunch and breakfast programs, the WIC program, the day-care food program, and the summer feeding program.

The most important school lunch provision requires all schools in the school food programs to offer reduced-price meals to children from families with incomes below 195 percent of the USDA poverty guidelines. Schools must provide lunches to these children for a charge of no more than 20 cents a meal. This will benefit children from many near-poor families.

The conferees agreed to direct the Secretary to implement this provision promptly. Specifically, we are directing the Secretary to issue regulations governing this provision in sufficient time to allow for nationwide implementation of this provision no later than January 1, 1976. It is the intention of the conference that all schools in the school food programs implement this new provision by January 1.

The Secretary's regulations must also require schools to publicize this provision adequately so that eligible children and families may learn of this new aspect of the school food programs. Schools must send notices home with schoolchildren explaining the new provision, and must also make public announcements in newspapers and the media, and use other means to guarantee that eligible families learn of the new availability of reduced-price school meals.

The schools will continue to receive a Federal reimbursement of 44.5 cents for reduced-price lunches during the current year. The Federal reimbursement for reduced-price lunches must continue to be 10 cents less than the reimbursement for free lunches.

H.R. 4222 also aids the unemployed. The conferees agreed that in figuring eligibility for free and reduced-price school meals, school food authorities must consider a family's current income. If the family is unemployed, only their income during their current period of unemployment can be considered.

The conferees have also directed that school authorities take special steps to insure that the unemployed learn of the availability of free and reduced-price school meals. The Secretary is required by this bill to issue regulations that require local school districts to disseminate materials on free and reduced-price school meals to all unemployment offices, to employers contemplating large layoffs, and to unions with unemployed members. When major layoffs occur, schools must also make public announcements in the media and send a special notice home with children concerning the availability of free and reduced-price school meals.

The conference did agree to a Senate amendment which could affect eligibility determinations for a very small number of children. Under this amendment, local school officials may, "for cause," seek verification of the information provided in an application for free or reduced-prices lunches. This procedure is not meant to apply to a large number of children; it may be used solely in those circumstances where local officials have clear evidence that the data on the application is not truthful. The number of instances in which this procedure is invoked should be very few, but it does provide a safeguard against abuse.

Under this provision, all children would still become eligible for free or reduced-price meals upon the filing of an application that meets the applicable income criteria. If school authorities have evidence that the information on the application is false, they may seek verification. If the verification proves that the application was indeed false and the child is not entitled to free or reduced-price meals, the child's eligibility shall then be ended. However, the child shall not be penalized by being denied eligibility while the verification process is underway but before a final determination is made.

A final aspect of the school lunch program which I should like to mention concerns commodities. Commodities are a basic part of our school food programs, and this bill wisely requires the Secretary to continue until September 30, 1977, to provide the annually programed level of commodities to schools, and to other programs authorized under the National School Lunch Act, the Child Nutrition Act of 1966, and the Older Americans Act. The Secretary would have to donate to schools their traditional variety of commodities, and he would have to provide other feeding programs—such as the title VII elderly nutrition program—with the same variety of commodities that schools receive insofar as this complies with the needs of these programs as determined by the authorities of the local institutions involved.

RESIDENTIAL INSTITUTIONS

I am particularly pleased with the section of H.R. 4222 dealing with residential institutions. The bill makes all public or licensed private nonprofit children's institutions eligible for the school lunch and breakfast programs. Institutions involved include orphanages, homes for blind or mentally retarded children, temporary homes for runaway children, shelters for unwed mothers, children's hospitals, and other institutions. To qualify as a children's institution, at least 50 percent of the institution's residents—not counting staff, of course—would have to be under the age of 21.

This provision also covers children's wings or sections of institutions that are not predominantly children's institutions. Again, the wing or component of the institution that wished to qualify would have to have at least half its residents under the age of 21.

WIC PROGRAM

The WIC program is one of the most important nutrition programs we have in this country. The nutritional assistance provided to pregnant and nursing women and young children through this program can avert a lifetime of stunted growth and of failure to realize what could have been a child's full potential.

The conference agreed that the WIC program should be funded at $250 million a year for fiscal years 1976, 1977, and 1978. The conference bill also guarantees a $250 million level during fiscal years 1976 and 1977 through the mandatory use of section 32 funds if less than $250 million is appropriated in either fiscal year 1976 or fiscal year 1977—or if less than $62.5 million is appropriated during the 3-month transition period between fiscal years 1976 and 1977. In addition any unspent WIC funds from the prior fiscal year must be carried over and added to the $250 million provided in fiscal years 1976 and 1977. During fiscal year 1976, for example, about $30 to $40 million in unspent fiscal year 1975 WIC funds will be carried over and used to supplement the $250 million otherwise provided for WIC program operations in fiscal year 1976.

The conferees also adopted a House provision that requires that eligible age agencies applying for the WIC program be funded immediately if money for that fiscal year—from either the $250 million spending authorization or prior year carryover money—is unused. In fiscal year 1978, eligible agencies must be funded up to the $250 million authorization ceiling set by H.R. 4222 plus the carryover funds from fiscal year 1977—if any. The amount of funds that each eligible agency will immediately receive will be the amount that such agency needs to feed everyone it is capable of serving; that amount, of course, must include the funds necessary to pay for administrative costs.

CHILD CARE PROGRAM

Major advances are also contained in the child care feeding section of H.R. 4222. All eligible sponsors in this program would receive the program upon request. No eligible sponsor could be turned down, made to wait to enter the program, limited as to the number of meals or children that could be served, or restricted as to the number of days it could operate. If the funds initially appropriated during a fiscal year proved inadequate, Congress would have to provide a supplemental appropriation as it does for the school food programs.

Eligible institutions would include group and family day care homes, and homestart programs. These programs would have to separate food for the child care program from food used by the regular household. Maintenance of a separate refrigerator would not be required for this purpose, however. Keeping the food on separate shelves would suffice.

To be eligible, an institution would have to possess local, State or Federal licensing or approval or satisfy the Secretary that it meets the interagency day care requirements of 1968—as modified by the day care regulations contained within HEW's new title XX regulations. USDA would be required to set up a mechanism whereby unlicensed institutions could attempt to demonstrate that they do meet the interagency day care requirements.

Also, to be eligible, sponsors would be required to have Federal tax exempt status, to be moving toward compliance with the requirements for tax exempt status, or to operate another federally funded program requiring nonprofit status. The sponsoring agency that would need to meet this requirement for nonprofit status could be an "umbrella sponsor" instead of an individual day care institution.

Umbrella sponsors, which are currently allowed under USDA's day care and summer food programs, could include public or private nonprofit organizations, voluntary agencies, or units of local or State governments.

In prescribing application and reimbursement procedures for use in the child care food program, USDA must make these procedures simpler than in the school food programs. For example, we do not expect child care institutions to be required to keep records of the specific number of each meal served each day to children in each of the three pricing categories—free, reduced price, and paid. Rather, we expect USDA to direct States to allow their day care institutions to request that the State set average reimbursement rates for each institution, and require the institutions to record only the total number of breakfasts, lunches, suppers, and supplements served each day. This average rate would simply be the average per meal rate to which each institution is entitled on the basis of the number of children enrolled in the intitutions in each of the three income categories.

Child care institutions could, as at present under USDA's special food service program for children, receive reimbursements for breakfasts, lunches, suppers, and two supplements served each day.

The conference rejected a House provision that would have required USDA to make payments in advance to all States for the full amount being used in the State for the child care food program. The conference believed that the procedure used in the school food programs should also apply to the child care food program: States should be issued letters of credit, and should be permitted to draw on the letters of credit to make payments to institutions either in advance or by way of subsequent reimbursement. If the reimbursement procedure is used, the State must pay child care institutions within 30 days after the institution has submitted its claims.

I would also like to note that under H.R. 4222, $3 million must be apportioned each year among the States for equipment assistance to child care programs. This $3 million shall come from sums appropriated for the child care food program.

SUMMER FEEDING

The summer feeding program, like the child care program, would be available to all eligible sponsors upon request. No eligible sponsor could be turned down, or limited as to the number of children or meals it could serve, or the number of days it could operate between May 1 and September 30.

To be eligible, sponsors would have to serve children from areas of poor economic conditions. Sponsors would not have to provide recreation or any other organized activity besides a food service. The food service would have be be scheduled for a regular site and operated at regularly scheduled times.

Sponsors could run the program for any period from May 1 through September 30. In areas with continuous school calendars and with major school vacations during other months of the year, the program could be operated during vacation periods in nonsummer months.

One important aspect of the summer feeding section of the bill is that it allows summer sponsors to serve breakfasts. In fact, sponsors could serve lunches, suppers, and supplements, as well as breakfasts, so long as no two meal services overlap. Sponsors would no longer be prohibited from serving as many meals as they deem necessary and capable of serving.

In the financial area, the bill provides that out of the funds appropriated for summer feeding, USDA must pay the States for State administrative costs incurred in running the summer program.

These payments to the States must equal 2 percent of the funds used by sponsors in the State for their food service operations. States could use this administrative money only for summer feeding. This money is to come from the summer feeding appropriation, not the appropriation for general State administrative expenses in running other child nutrition programs.

Summer sponsors would be reimbursed for their full food service costs including food and labor costs, administrative costs, equipment and space rental costs, and other costs involved in running their food service. The reimbursements could not, however, exceed the maximums set in the bill.

The sponsors would receive their payments from the State largely in advance. The bill requires that advance payments be provided to sponsors by June 1, July 1, and August 1 of each year.

SCHOOL BREAKFASTS

The House bill required the Agriculture Secretary to promulgate regulations requiring the implementation of the breakfast program in all needy schools and, then, to provide a report about program expansion to the Congress; that report was to be presented within 90 days of this bill's enactment. The Senate established the same substantive requirement, but set the deadline for USDA's report at 6 months after enactment. The conference bill compromised on the report date by specifying that the report—issued after the promulgation of USDA's regulations—be submitted to the Congress within 4 months of enactment. That report should indicate how USDA will monitor the implementation of its regulations in each State and school district.

The conferees did not alter the original intent of the House and Senate bills on the breakfast expansion requirement: we expect the USDA Secretary to require, in his regulations, the implementation of the program in every title I school and every school that has 25 percent or more children eligible for free or reduced-price lunches. As long as State and school districts receive Federal feeding funds, they will have to comply with this legislative and regulatory expansion directive.

In sum, this bill could properly be described as the best child feeding bill to come before the Congress. The bill deserves everyone's support and I am pleased to recommend its passage to the House.

Mr. BADILLO. Mr. Speaker, H.R. 4222 is one of the most important pieces of children's legislation ever to come before this body. At a time when the economy is suffering so badly, it could be easy to acquiesce to the demands of the administration for spending cutbacks because it is "only" children who are involved. After all, they are not voters. But our children are our constituents too, and if we fail to respond to their needs now, we are jeopardizing our country's future as well as theirs. In fact, it is because of the state of the economy that we must move forward with this program to nourish our young.

This bill contains far-reaching, innovative and thoughtful provisions for every segment of our young society. It will provide, during this time of high unemployment, lunches for the children of those out of work. It will extend food programs to institutions—to hospitals, to centers for abused children, to the retarded, even to juvenile detention centers, and homes for the physically and emotionally handicapped. We have learned over the years how important the relationship is between a nourishing breakfast and educational performance. By extending the school breakfast program to new areas of needy children, we are providing a base for developing a new level of response to learning among the young.

The summer feeding program will finally put an end to the struggle to find existing programs through which to feed the young when school is not in session. In my own district, when OEO funding was cut back, it was extremely difficult to find activity programs that would take children just for meals. Now, programs can be initiated solely for that purpose. And, for the first time, nonprofit camps that take needy children, like those in my district will be eligible, and agencies like the Catholic Youth Organization, the Y's, and settlement houses will be able to take advantage of the bill's benefits.

But perhaps most important are the day care provisions of the bill, which will, for the first time, put child care programs on the same basis as other programs receiving Nutrition Act funds. No eligible child care institution can be denied entry into the program, licensed family day care homes will be made eligible, and the reimbursement rates will be identical to those for schools and other institutions. A new feature of this section of the act is the establishment of a separate fund for the purchase of desperately needed equipment for these centers.

What the Child Nutrition Act means for me in New York, as I am sure does for many of my colleagues in hard-pressed urban centers across the country, is that the children of my district will not become the victims of the fiscal folly their elders have created.

Mr. PERKINS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 380, nays 7, answered "present" 1, not voting 45, as follows:

[Roll No. 519]

YEAS—380

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hechler, W. Va.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Roush
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—7

Collins, Tex.
Crane
Krueger
McDonald
Rousselot
Steiger, Ariz.
Symms

ANSWERED "PRESENT"—1

Steelman

NOT VOTING—45

Annunzio
Ashley
Aspin
Barrett
Brodhead
Brooks
Broomfield
Byron
Casey
Danielson
de la Garza
Dickinson
Edwards, Ala.
Fary
Frey
Gibbons
Hays, Ohio
Hébert
Heckler, Mass.
Karth
Kemp
Landrum
Lehman
Lujan
McCloskey
Macdonald
Matsunaga
Michel
Moorhead, Calif.
Randall
Rhodes
Rodino
Rooney
Rose
Roybal
Shipley
Sisk
Snyder
Stanton, James V.
Steed
Stephens
Udall
Vander Jagt
Wilson, Bob
Young, Alaska

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Aspin.

Mr. Hays of Ohio with Mr. Brodhead.

Mr. Hébert with Mr. Casey.

Mr. Lehman with Mr. de la Garza.

Mr. Barrett with Mr. Fary..

Mr. Byron with Mr. Karth.

Mr. Danielson with Mr. Shipley.

Mr. Macdonald of Massachusetts with Mr. Broomfield.

Mr. Matsunaga with Mr. Steed.

Mr. Rodino with Mr. Snyder.

Mr. Rooney with Mr. Dickerson.

Mr. Sisk with Mr. Stephens.

Mr. James V. Stanton with Mr. Edwards of Alabama.

Mr. Udall with Mr. Kemp.

Mr. Roybal with Mr. Frey.

Mr. Randall with Mr. Lujan.

Mr. Brooks with Mr. McCloskey.

Mr. Ashley with Mr. Moorhead of California.

Mr. Gibbons with Mr. Vander Jagt.

Mr. Landrum with Mrs. Heckler of Massachusetts.

Mr. Rose with Mr. Bob Wilson.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will now recognize Members for unanimous-consent requests but not for speeches.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks immediately before the vote on the conference report, National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975, just agreed to, and I ask unanimous consent that I may be permitted to revise and extend my own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS OF COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Mr. FLOWERS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary be permitted to sit today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REVISION OF FEDERAL CRIMINAL LAWS

(Mr. HUNGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNGATE. Mr. Speaker, the Subcommittee on Criminal Justice has pending before it two bills to revise, reform, and codify Federal criminal laws—H.R. 333 and H.R. 3907. The former is sponsored by Representatives Robert Kastenmeier, Don Edwards, Joshua Eilberg, and Abner Mikva, and it embodies the recommendations of the National Commission on Reform of Federal Criminal Laws. H.R. 3907 is sponsored by Representative Charles Wiggins and is identical to S. 1, whose chief Senate sponsor is Senator John L. McClellan.

Both of these bills are comprehensive attempts to modernize and revise Federal criminal laws. The Subcommittee on Criminal Justice will conduct public hearings. Persons who are interested in testifying at these hearings should contact the subcommittee and make their interest known. The mailing address is: Subcommittee on Criminal Justice, House Committee on the Judiciary, room 2137 Rayburn House Office Building, Washington, D.C. 20515. The phone number is 202-225-0406.

CONFERENCE REPORT ON H.R. 4005, DEVELOPMENTALLY DISABLED ASSISTANCE AND BILL OF RIGHTS ACT

Mr. ROGERS. Mr. Speaker, I call up the conference report on the bill (H.R. 4005) to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 11, 1975.)

Mr. ROGERS (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS. Mr. Speaker, I rise in support of the conference report on H.R. 4005, the Developmentally Disabled Assistance and Bill of Rights Act.

This bill originally passed the House last March without controversy or opposition. The Senate version of the bill, however, contained a 330-page second title which was not found in the House bill which provided very detailed standards for both residential and community programs which serve the developmentally disabled. For this reason the conference on the legislation has been a somewhat long and complicated one but I am now pleased that we are able to bring for your consideration a very satisfactory result.

The original House bill would have extended the existing programs for 3 years, through 1978, with a total authorization of $147 million. The Senate version of the bill would have extended the program through 1979 with a much greater total authorization, $712.5 million. In this area we achieved a very satisfactory compromise, extending the program through 1978 with a total of only $287 million. While this is $140 million above the original House figure, it represents an additional year of funding and is $426 million below the Senate amount, a very reasonable compromise.

With respect to the Senate's very long second title, we were able to get them to agree to a much shorter version—less than 15 pages—which will require that the Secretary of HEW study the question of standards for these programs, that programs assisted under this act have individualized plans for treating those individuals that they serve, that States assisted under the act have systems which will advocate and protect the rights of the developmentally disabled, and which makes a brief statement of the rights of the developmentally disabled to appropriate treatment and care. These are modest requirements which we were able to find among the Senate's long list of standards and considered reasonable at this time. Again, I think you will recognize that the Senate has agreed to a very reasonable accommodation.

In other areas the conference report follows the outlines and general provisions of the House bill with few exceptions. I should note that the Senate version was more detailed than the House bill in almost every respect and that some of these extra specifics are included in the conference report but only where they seemed reasonable and workable. We have agreed to a permissive program of satellite centers for university-affiliated facilities and to some strengthening of the role of the National Advisory Council and State planning councils because the increase in inputs from the people actually served by the program that would result from this increase in the role of the councils seemed appropriate.

This is a good conference report which generally follows the original House legislation and which I know of no opposition to. I urge its adoption by the House.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this conference report. I find myself a little bit embarrassed. I just received a note from the Administration that it is in opposition, and I find it passing strange that one of the reasons for their opposition is because the word dyslexia has been added to this legislation.

Mr. Speaker, I remind them it was included in the platform in 1972 at the Republican National Convention at that time as part of our program.

Mr. Speaker, I support this legislation. We have been over it very carefully, and I think it is the best that we could do. I think it is a very important bill. I regret to have received this message at this late hour. It was signed by every conferee.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, will the gentleman from Florida (Mr. Rogers) tell us what the total amount of the authorization as contained in this bill at this time?

Mr. ROGERS. Yes. Mr. Speaker, if the gentleman from Kentucky will yield, the total amount is $287 million.

Mr. BAUMAN. Did I understand the figure to be $287 million?

Mr. ROGERS. The gentleman is correct.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman.

Mr. ROGERS. Mr. Speaker, I think the gentleman might already know that the Senate version carried a total of $712 million, so I think our conferees tried to do a good job in attempting to bring that figure down.

Mr. BAUMAN. That is a 1-year authorization?

Mr. ROGERS. No, that is a 3-year authorization.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman.

Mr. CARTER. Mr. Speaker, I rise in support of the conference report on H.R. 4005, this legislation amends the Developmental Disabilities Services and Facilities Construction Act.

I believe that it is of outstanding significance that this legislation includes dyslexia along with disabilities attributable to mental retardation, cerebral palsy, epilepsy, and autism. The inclusion of dyslexia will be a help for the individuals afflicted with this condition. It has implications for the whole of society as well.

Ten percent of the population in our Nation's prisons have diagnosed dyslexia. A correlation exists between this learning disability and the impaired educational achievement and other ramifications which can push individuals into situations which make them susceptible to the temptations of crime.

Because of dyslexia, these individuals cannot learn fast in school. They become depressed, distressed, and often stubborn and then drop out. Individuals who drop out are ones likely to be unable to get adequate jobs and who might then turn to crime.

Besides this aspect, there are the millions of children suffering from dyslexia for whom the services and facilities made possible under this law would be a great benefit. Some estimates have placed the number of American children afflicted with this disability as high as 1 out of every 5.

I believe dyslexia is a condition which rightfully should be recognized as a developmental disability.

By definition, dyslexia is the inability to learn and use language skills in a manner consistent with an individual's intellectual and social potential.

Among the specific symptoms of manifestations of dyslexia are delayed or inadequate spoken language, difficulty in reading and remembering printed words, reversal of orientation of letters and sequences of letters in words, confusion about direction in space or time, or difficulty in finding the right word to use in spoken language.

Mr. Speaker, this legislation is of great importance to a segment of our society which is disadvantaged. I strongly urge adoption of this conference report.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 4005, DEVELOPMENTALLY DISABLED ASSISTANCE AND BILL OF RIGHTS ACT

Mr. ROGERS. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 400) and ask unanimous consent for its immediate consideration.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 400

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 4005) to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that Act, shall make the following corrections:

(1) In the proposed section 123(a) of the Developmental Disabilities Services and Facilities Construction Act, strike out "$25,000,000" and insert in lieu thereof "$21,000,000".

(2) In the proposed section 102(10) of the Developmental Disabilities Services and Facilities Construction Act, strike out "in an integral" and insert in lieu thereof "is an integral".

(3) In section 303 of the bill, strike out "final" and insert in lieu thereof "fiscal".

Mr. ROGERS (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida for the immediate consideration of the concurrent resolution?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7014, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on yesterday, it was agreed that title V of the substitute committee amendment would be considered as read and open for amendment at any point. All time for debate on part A of title V and all amendments thereto had expired.

Are there further amendments to part A of title V?

AMENDMENT OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio: Page 288, line 23, strike out "one" and insert in lieu thereof ".5".

The CHAIRMAN. This amendment was printed in the RECORD. Therefore, the Chair recognizes the gentleman from Ohio (Mr. BROWN) for 5 minutes, under the rule, in support of his amendment.

Mr. BROWN of Ohio. Mr. Chairman, there is a direct relationship between auto emissions and fuel economy. In the 1974 cars, for example, which had to meet emissions standards before the catalytic converter was operational, as much as a 14 percent fuel loss was experienced. Because of this relationship H.R. 7014 contains a provision which makes it possible for a manufacturer not to be penalized for a failure to meet the fuel economy standard imposed upon him because of fuel losses attributable to pollution control requirements.

The mechanism that existed in the subcommittee bill stated that if the Secretary of Transportation determined that in any model year there would be an emission standards penalty, he would adjust the average fuel economy standard applicable to that year by subtracting the number of miles per gallon equal to the fuel loss resulting from emission control equipment. Thus, if a 1978 model year car suffered .3 miles per gallon loss because of fuel emission equipment, the 18.5 miles per gallon fuel economy standard that is applicable in 1978 would be reduced to 18.2.

This "credit" for emission control equipment fuel losses is important because failure to meet fuel economy standards makes a manufacturer subject to extensive penalties equal to $5 for every tenth of a mile the cars in his fleet fail to meet the fuel economy standard times the total number of cars he manufactures in that year. Thus, missing the standard by .5 of a mile would cost a manufacturer $25 per car, and would, for Ford Motor Company which manufactures about 3 million cars a year, mean a penalty of $75 million.

Unfortunately in full committee the emission penalty credit was modified so that it only took effect if the loss from emission control devices was one mile per gallon or more. Thus the manufacturer who suffered a .5 mile per gallon loss because of EPA requirements would not get a credit against his fuel economy standard and could be penalized tens of millions of dollars because meeting one agency's—EPA's—standards caused him to fail to meet another agency's—DOT's—standards.

My amendment would change this situation to give a credit for any fuel economy loss of .5 of a mile or more. Because the inherent conflict between fuel economy standards and emission control requirements needs to be effectively resolved, I urge adoption of this amendment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. Yes; I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I thank my good friend, the gentleman from Ohio (Mr. BROWN) for yielding.

I would like to begin by saying that the language of the amendment now offered by the gentleman from Ohio is to an amendment offered by our good friend and colleague, the gentleman from Florida (Mr. ROGERS).

Mr. BROWN of Ohio. The amendment offered in full committee.

Mr. DINGELL. In full committee, that is right.

Mr. BROWN of Ohio. It is printed in the RECORD.

Mr. DINGELL. It was presented in the full committee and the committee adopted it as a part of the bill. I have discussed this amendment with the original author of the amendment, the gentleman from Florida (Mr. ROGERS) and I am pleased to advise that both the gentleman from Florida (Mr. ROGERS) and I find no objection to the amendment. It reduces the amount of the fuel penalty which must be considered from 1 mile per gallon to half a mile per gallon before relief is extended to auto manufacturers who are affected with clean air standards adversely insofar as mileage is concerned.

So, on this side of the aisle we are delighted to accept the amendment, it is a good amendment and we think it helps the bill.

Mr. BROWN of Ohio. I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. BROWN).

The amendment was agreed to.

The CHAIRMAN. Are there additional

amendments to part A? Are there additional amendments to part B?

AMENDMENT OFFERED BY MR. MOFFETT

Mr. MOFFETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOFFETT: Page 315, line 22, strike out "Such targets" and insert in lieu thereof "The targets for such types (other than the targets for furnaces and central air-conditioners)".

Page 315, line 24, and on line 1 of page 316, insert "(other than furnaces and central air-conditioners)" after "types".

Page 316, line 1, strike out "1974" and insert "1972".

Page 316, line 1, insert after the period the following:

"The targets for furnaces and central air-conditioners shall be designed to achieve the maximum energy efficiency which it is economically and technologically feasible to attain for furnaces and for central air-conditioners sold in 1980."

Mr. MOFFETT. Mr. Chairman, I certainly will not need to take the full 5 minutes because this is a technical amendment that the committee supports which basically makes a technical change in the energy efficiency provision.

First of all, it changes the base year from 1974 to 1972.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I hesitate to agree with the gentleman's statement that the committee supports this because we just heard of this on this side, and I would like to say that it appears to be a lot more than technical.

Mr. MOFFETT. The gentleman from Ohio will certainly have a chance to discuss the amendment.

Mr. BROWN of Ohio. That is right, but could we ask for a copy of the amendment since we do not have a copy of it?

Mr. MOFFETT. Certainly.

Mr. BROWN of Ohio. I thank the gentleman.

Mr. MOFFETT. Mr. Chairman, as I started to say, first of all this puts a change in the base year from 1974 to 1972, and this is done for the reason that we have better records for 1972, and second, we do not want to penalize those manufacturers that have made their best efforts since that time. Additionally, this excludes furnaces and central air-conditioners from the 25-percent improvement goal applicable to all major appliances, since there is inadequate data on the potential for improvement of these products. However, it is important to note that energy efficiency improvement targets would be set administratively for those products.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, I have had an opportunity to look at this amendment, and I would like to ask the gentleman just a brief question about it. As I understand it, it charges the base year against which calculations will be made from 1974 to 1972; am I correct?

Mr. MOFFETT. That is correct.

Mr. DINGELL. This would tend to accomplish two things: First, it would tend to abate somewhat the pressures on manufacturers in terms of allowing them a little more favorable beginning with regard to the calculation of the efficiency of the appliance.

Mr. MOFFETT. Yes.

Mr. DINGELL. And it also would, as the gentleman has indicated, exclude furnaces and central air-conditioning plants from the application of the 25-percent improvement goal.

Mr. MOFFETT. That is correct.

Mr. DINGELL. Of course, the reason is that there is great paucity of data as to the efficiency of furnaces and central air-conditioners, or as to how the efficiency might be increased; is that correct?

Mr. MOFFETT. That is correct. As the chairman of our subcommittee knows, we have been trying to be very careful not to legislate on matters on which we simply do not have the data.

Mr. DINGELL. If the gentleman will yield further, I think, with that understanding, it is a helpful amendment; it helps the bill; and I find no objection to it.

Mr. MOFFETT. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I think we ought to explain to our colleagues—those who are here—what is done by part B of title V. I wonder if the gentleman from Connecticut would assist me with that and just address himself to what we are doing in this title.

Mr. MOFFETT. I would be happy to talk about the title.

Section 554 of H.R. 7014 provides for an aggregate energy efficiency target for products sold in 1980 of 25 percent over the levels such products achieved in 1974. We seek here to change that to 1972. This applies to those products very specifically described in 551(b). It is important to note that appliances accounted for about 8 percent of the total United States energy consumption in 1972, which equals about 2.9 million barrels of oil per day. So this is certainly an area in which we can do a great deal.

This is not to say that some manufacturers have not been doing quite a bit and are not moving in the right direction. In fact, the energy efficiency standards would never go into effect if that trend continued, so what we do here is to create labeling requirements and energy efficiency targets, which would be implemented, only if the Secretary determined we were not making the progress that we would hope to make in the way of conservation.

Mr. BROWN of Ohio. Mr. Chairman, would the gentleman yield further?

Mr. MOFFETT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. As I understand, 90 days after the date of enactment of this legislation the Secretary of Commerce must prescribe energy efficiency improvement targets for the following products.

Mr. MOFFETT. That is correct.

Mr. BROWN of Ohio. Room and central air conditioners, refrigerators, freezers, dishwashers, clothes dryers, kitchen ranges and ovens, water heaters, home heating equipment, including furnaces, television sets, clothes washers, humidifiers and dehumidifiers.

These targets must in the aggregate provide for an increased energy efficiency of 25 percent over 1974 by 1980. As I understand, the gentleman's amendment is to change 1974 to 1972 as the base period; is that correct?

Mr. MOFFETT. That is correct.

Mr. BROWN of Ohio. And it is to strike out what? Room air-conditioners and central air-conditioners?

Mr. MOFFETT. Not room air-conditioners; no. To strike out boiler furnaces and central air-conditioners.

The CHAIRMAN The time of the gentleman has expired.

(At the request of Mr. BROWN of Ohio, and by unanimous consent, Mr. MOFFETT was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. If the gentleman will yield further, could the gentleman explain to me why those two items are stricken from his list of appliances which must be improved by 25 percent by 1980?

Mr. MOFFETT. As the gentleman may have heard me state earlier, this is simply because we have insufficient data established for us on which to prescribe standards for those two categories.

Mr. BROWN of Ohio. Does that apply to just those items? In other words, do we have sufficient data for energy consumption on kitchen ranges and ovens to know what their improvement possibilities by 1980 can be?

Mr. MOFFETT. Yes. By all indications from the ERDA material and the FEA material which have already been developed and the Commerce Department material, we do have adequate data. Of course, it does not end here. The Secretary of Commerce has at his disposal the means to come up with even more data, but we simply felt with those two categories from all we could see we simply did not have the data and there seemed to be no possibility of getting it in the time we needed to acquire it, so we are moving here to make this proposal go forward without furnaces and central air-conditioning included.

Mr. BROWN of Ohio. Our report from the Subcommittee on Energy and Power dated August 29, 1975, from which I quote, says that there can be a savings of 10 percent for electrical and gas furnaces. That is in the report entitled "Potential For Improvement of Energy Efficiency of Automobiles and Major Appliances" issued August 29, 1975, by the Subcommittee on Energy and Power. It says a savings of 10 percent is possible. It does not say probable. But we mandate 25 percent.

Mr. MOFFETT. But we are talking

about one of the whole range of appliances, a 25-percent reduction which by the way, I think the gentleman knows, both Commerce and FEA have reported in their studies is very modest. And ERDA said 28 percent is achievable.

Mr. BROWN of Ohio. Which would infer, I suppose, some appliances must then be improved by 35 or 45 percent in fuel efficiency. Does the gentleman from Connecticut have any idea at what other costs that would be accomplished? Has the gentleman talked to any of the appliance manufacturers on this?

Mr. MOFFETT. We do know, for example, that it is possible we may have a higher first cost for some of these appliances, but one of the problems is we look too frequently at first costs and not the life cycle costs in terms of the time in which it will serve the consumer, in terms of higher energy costs, and so forth. We do know from our studies at our disposal that we would have decreased life cycle costs as the efficiency increased.

Mr. BROWN of Ohio. Let us talk about some other area. We have had some talk about freon gas which is used in the walls of some major cooling appliances such as refrigerators, that freon gas ought to be outlawed. If we outlaw freon gas because it is a dangerous substance, then the thickness of the wall of an appliance might have to be increased rather substantially because of the decrease in cooling ability. If that is the case and our decision is we must increase efficiency by 25 percent, the appliance then would have to be very much larger which would involve more steel production, or if the appliances retain the same size as present appliances, under these requirements they would have to have a very much smaller capacity.

Mr. MOFFETT. The gentleman may be familiar with the report that is cited in the committee document the gentleman is pointing to from Kurt W. Riegel of the Energy Research and Development Administration. He outlines there the improvements that can be made in the various appliances beginning with hot-water heaters and going through freezers. It is a detailed analysis. Yet there is nothing in here that indicates in fact, we are going to have much larger appliances. There are many things that can be done to improve efficiency, as he points out.

Mr. BROWN of Ohio. Would the gentleman indicate, say in rapid succession, one thing that could be done to increase fuel efficiency?

Mr. MOFFETT. For example in refrigerators and freezers, he said they can have improvements that result in reduced energy consumption and decreased life cycle costs, but possibly increased first costs, including better insulation, better quality control in manufacture, and selection of superior hardware, et cetera.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this title and part of the legislation is another example of Congress looking at sort of a general target without much concept of what the specifics are, how to reach that target, and become a worthy objective without consideration on any basis of detail of what the trade-offs are.

Our subcommittee did print up a couple of little studies to justify this part of the legislation, but we sure as heck did not have it justified in the full committee when we considered it. We had all of 2 minutes of debate on it when it was inserted in the legislation in the full committee.

In the subcommittee we did not consider the idea of mandatory fuel efficiency for appliances. What we were considering was the idea of mandatory labeling of appliances. The appliance industry, in conjunction with the Department of Commerce, has been studying for an extended period of time, more than a year, how to put together a label that can make clear to the consumer what the impact will be on him of the purchase of this appliance in terms of energy cost and efficiency. That has nothing to do with the changes in that appliance. That is just the appliance that we have now and how we agree on what the label should say. They have been working on it on a voluntary basis for a year.

Under this legislation we will give the Secretary of Commerce 90 days to tell what the improvement in fuel efficiency should be by 1980. They have 90 days to figure that out and then if they do not do that by 1980, then the Federal Government will set the standards for the appliances.

Now, that is something we are notably good at in Washington. We will set the standards which all appliances must meet and then we will let industry struggle around and figure out how to meet those standards. I assume they will meet them in the GSA faction and remove a lot of the diversity we now enjoy in appliances.

Mr. Chairman, I yield to the chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to point out that the subcommittee did consider the question of appliance standards very carefully. There were mandatory standard provisions in the bill as it arrived in the full committee.

I do not think the gentleman meant to indicate that neither the subcommittee or full committee considered mandatory standards.

Mr. BROWN of Ohio. Mr. Chairman, I did not say they did not consider it. That dealt with making the label. It did not deal with mandating the standards for the Federal Government, an area in which this Government probably is totally incompetent.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield further, I will state the introduced bill did have energy standards for appliances and that was considered in the subcommittee.

Mr. BROWN of Ohio. Labeling.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, it was considered in the subcommittee, but I wanted to ask the gentleman a question. The gentleman is talking about the difficulty of coming up with a labeling agreement as to what constitutes effective labeling and the gentleman says that now we are giving the Secretary 90 days—to come up with what? I just want to know what the gentleman said.

I think this is confusing, because in fact the Secretary has jurisdiction on labeling; does he not?

Mr. BROWN of Ohio. Mr. Chairman, the Secretary has to send legislation 90 days after date of enactment of the President's energy improvement targets—that is targets.

Mr. MOFFETT. That is true; but as I said to the gentleman before, those targets for the appliances in our bill are probably fairly easy to obtain, as the gentleman knows.

Mr. BROWN of Ohio. That is the gentleman's judgment. It is not mine.

Mr. MOFFETT. I agree that we have a difference of opinion there, but the gentleman is talking about labeling. He said the secretary has 90 days. The fact of the matter is that section 553 requires the secretary, not later than 1 year after the date of enactment of the bill, to promulgate rules applicable to all consumer products.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(On request of Mr. MOFFETT and by unanimous consent Mr. BROWN of Ohio was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, let me just say to the gentleman that he is a great consumer advocate.

Mr. MOFFETT. I thank the gentleman.

Mr. BROWN of Ohio. He has that reputation, and he therefore obviously knows what is good for the consumer. I am afraid I do not. I leave that judgment to the consumer himself, because that is the way our system operates. I would like for the consumer to have a range of choices of the kind of appliances he might wish to buy.

Some consumers may want to buy an appliance that literally boils the water when it washes the dishes so as to make those dishes totally bacteria free. Others may wish to have just warm water for the detergent. I must say that as a personal consumer—and I am—that we had the need for the former at one time because of an illness in our household. My guess is that our appliance was not what the Government might approve as energy efficient because if the Government decided that people should not boil the water in washing the dishes, I assume we would not be able to do that. So, if I did not happen to want what the Government prescribed for me, I am not sure what I would do.

I suppose I just would not have that choice, but I could repose my confidence in the fact that somebody who had the interests of the consumer at heart was making that decision for me. I do find some fault with that whole provision in this legislation.

I would like to go on and say that under this, the manufacturer must submit progress reports toward meeting the prescribed targets. I am one of the authors of the reduction of paperwork legislation. One of my friends, when we introduced that, said, "I know what you are going to do as soon as this takes effect. You are going to have the Government devise a form and send it around to small businessses so that they can fill that form out saying that we ought to reduce paperwork."

Of course, he was making a joke, but one of the best things Government does—while it is not designing appliances—is designing paperwork for the small businessman. That is why we have so few of them left and why the appliance industry has been subsumed into three large conglomerates. We just had one formed recently based in my State. It is a wonderful business. To be sure, it had to take over some small appliance manufacturers because they were too small to make it in our Government dominated and monopolized system.

I am concerned about that. I am concerned about it when the appliance industry, which is kind of a big business and is not something one starts in one's garage, winds up getting into the hands of fewer and fewer people because of Government regulations already. Now, we are going to tell the appliance industry how to design its products, and we only do that because we know the consumer does not have brains enough to look at a label and see that it costs a lot of energy and costs a lot of money, and he does not have brains enough to make a discriminating choice for himself. I find that offensive not only from the standpoint of the consumers and the taxpayers, but maybe even that of the voters.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Chairman, could the gentleman cite one appliance industry that has gone out of business as a result of Government regulation?

Mr. BROWN of Ohio. I did not say gone out of business. I said subsumed. We had Consolidated in Cleveland take over Gibson and several other manufacturers. Is that a satisfactory answer?

Mr. DOWNEY of New York. No. That was the result of Government regulation and Government involvement in that industry, because the import of the gentleman's remarks in the well appears to me to suggest that as a result of Government intervention and Government prescribing standards, that we see an industry being beaten into submission by the Government.

Mr. BROWN of Ohio. Does the gentleman run a small business, or has he ever worked in a small business?

Mr. DOWNEY of New York. Quite often.

Mr. BROWN of Ohio. Does he operate a small business?

Mr. DOWNEY of New York. What relevance does that question have?

Mr. BROWN of Ohio. Has he ever had anything to do with the management of a small business?

Mr. DOWNEY of New York. I reiterate my last query.

I have, and I still do. I can tell the gentleman that I have been getting reports from my people in that business who say, "Hey, look, stop doing so much for us because of what you are doing to us. You are literally putting us out of business. We cannot afford, in my little business, to have a corporate lawyer on the payroll, I cannot afford to have somebody spending all their time on Government records." And yet to an increasing degree that is necessary, and in our effort to try to save this country from all sorts of things we are pushing it right down the drain on this point.

Mr. DINGELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise for the purpose of clarifying the record and making it possible for the House to understand what we have before us. Mr. Chairman, I hope I have the attention of my good friend and colleague, the gentleman from Connecticut (Mr. MOFFETT), the author of this amendment.

As I understand it, the amendment now before the House is simply a technical and clarifying amendment; is that correct?

Mr. MOFFETT. If the gentleman will yield, that is correct.

Mr. DINGELL. I understand the purpose of the technical amendment is severalfold.

First, it fixes the base years for purposes of calculating energy efficiency for 1972 instead of 1974; am I correct?

Mr. MOFFETT. That is correct.

Mr. DINGELL. The reason for the change is to go back to a year on which better data is available; am I correct?

Mr. MOFFETT. Yes.

Mr. DINGELL. I am also of the view that this would be a little easier for the manufacturers to meet, because a number of manufacturers have in good faith since the year 1972 upgraded significantly the energy efficiency of their products: for television sets, and so forth?

Mr. MOFFETT. Yes.

Mr. DINGELL. This is preferable from the standpoint of manufacturers?

Mr. MOFFETT. Yes.

Mr. DINGELL. Then I am also aware that the amendment does a further thing which is of importance to American manufacturers, and that is it excludes from the purview of efficiency standards central heating and central air-conditioning, furnaces and central air-conditioning appliances; am I correct?

Mr. MOFFETT. That is correct.

Mr. DINGELL. And that is because there is no data sufficient and necessary available to enable a good calculation of energy efficiency and to enable a rational process for fixing efficiency standards; am I correct?

Mr. MOFFETT. The gentleman is correct.

Mr. DINGELL. I thank the gentleman.

Mr. Chairman, with that understanding, I think the technical amendment is a desirable one. I support it, and I think the subcommittee and the full committee would be pleased to endorse it.

The CHAIRMAN pro tempore (Mr. EVANS of Colorado). The question is on the amendment offered by the gentleman from Connecticut (Mr. MOFFETT).

The amendment was agreed to.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that all debate on part B of title V, and all amendments thereto, end in 30 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, how many amendments are there at the desk on this title, please.

The CHAIRMAN pro tempore. I would say there are five at the desk.

Mr. BROWN of Ohio. That would be 6 minutes on the amendments, on a 30-minute request.

Further reserving the right to object, are those the ones that are published, or have some of them not been published?

The CHAIRMAN pro tempore. Some have been and some have not been.

Mr. BROWN of Ohio. Further reserving the right to object, Mr. Chairman, I wonder if the gentleman from Michigan would be agreeable to extending the request by 15 minutes at least.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, I understand the committee has already agreed to this, but I would make a fresh unanimous consent request, in the light of that, and I would ask the attention of my colleagues.

Mr. Chairman, I ask unanimous consent that all debate on part B of title V, and all amendments thereto, conclude in 45 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER: Page 306, line 18, strike out "Secretary" and insert in lieu thereof "Commission".

Page 307, line 5, strike out "Secretary" and insert in lieu thereof "Commission".

Page 307, line 11, strike out "Secretary" and insert in lieu thereof "Commission".

Page 309, strike out lines 4 and 5 and insert in lieu thereof the following: (15) The term "Commission" means the Federal Trade Commission.

Page 309, line 20, strike out "Secretary" and insert in lieu thereof "Commission".

Page 310, line 6, strike out "Secretary" and insert in lieu thereof "Commission".

Page 310, line 14, strike out "he" and insert in lieu thereof "the Commission".

Page 310, line 22, strike out "Secretary" and insert in lieu thereof "Commission".

Page 311, line 3, strike out "he" and insert in lieu thereof "the Commission".

Page 311, line 18, strike out "Secretary" and insert in lieu thereof "Commission".

Page 312, line 3, strike out "Secretary" and insert in lieu thereof "Commission".

Page 312, line 7, strike out "he" and insert in lieu thereof "the Commission".

Page 312, line 11, strike out "Secretary" and insert in lieu thereof "Commission".

Page 312, line 12, strike out "his" and insert in lieu thereof "its".

Page 312, line 14, strike out "he" and insert in lieu thereof "the Commission".

Page 312, line 17, strike out "he" and insert in lieu thereof "the Commission".

Page 312, line 23, strike out "Secretary" and insert in lieu thereof "Commission".

Page 312, line 24, strike out "he" and insert in lieu thereof "it".

Page 313, line 7, strike out "(A)".

Page 313, line 11, strike out "Secretary" and insert in lieu thereof "Commission".

Page 313, line 13, strike out "he" and insert in lieu thereof "it".

Page 313, line 14, strike out "he" and insert in lieu thereof "it".

Page 313, strike out lines 22–24.

Page 314, lines 12 and 13, strike out "Secretary" and insert in lieu thereof "Commission".

Page 315, line 6, strike out "Secretary" and insert in lieu thereof "Commission".

Page 315, line 19, strike out "Secretary" and insert in lieu thereof "Commission".

Page 316, line 4, strike out "Secretary" and insert in lieu thereof "Commission".

Page 316, line 8, strike out "him, he" and insert in lieu thereof "the Commission, it".

Page 316, line 10, strike out "he" and insert in lieu thereof "the Commission".

Page 316, line 13, strike out "He" and insert in lieu thereof "The Commission".

Page 317, line 10, strike out "Secretary" and insert in lieu thereof "Commission".

Page 317, line 13, strike out "Secretary" and insert in lieu thereof "Commission".

Page 317, line 17, strike out "Secretary" and insert in lieu thereof "Commission".

Page 317, line 21, strike out "he" and insert in lieu thereof "the Commission".

Page 318, line 1, strike out "Secretary" and insert in lieu thereof "Commission".

Page 318, line 4, strike out "he" and insert in lieu thereof "the Commission".

Page 318, line 15, strike out "Secretary" and insert in lieu thereof "Commission".

Page 318, line 23, strike out "the Secretary may, if he" and insert in lieu thereof "the Commission may, if it".

Page 319, line 23, strike out "Secretary" and insert in lieu thereof "Commission".

Page 320, line 5, strike out "Secretary" and insert in lieu thereof "Commission".

Page 320, line 9, strike out "Secretary" and insert in lieu thereof "Commission".

Page 320, lines 15 and 16, strike out "Secretary" and insert in lieu thereof "Commission".

Page 320, line 18, strike out "Secretary" and insert in lieu thereof "Commission".

Page 320, lines 20 and 21, strike out "Secretary" and insert in lieu thereof "Commission".

Page 321, line 3, strike out "Secretary" in both places it appears and insert in lieu thereof in both places "Commission".

Page 321, line 9, strike out "Secretary" and insert in lieu thereof "Commission".

Page 321, line 16, strike out "Secretary" and insert in lieu thereof "Commission".

Page 322, line 23, strike out "Secretary" and insert in lieu thereof "Commission".

Page 322, line 25, strike out "Secretary" and insert in lieu thereof "Commission".

Page 323, line 3, strike out "Secretary" and insert in lieu thereof "Commission".

Page 323, line 5, strike out "he" and insert in lieu thereof "the Commission".

Page 323, line 8, strike out "Secretary" and insert in lieu thereof "Commission".

Page 323, line 13, strike out "Secretary" and insert in lieu thereof "Commission".

Page 323, line 22, strike out "Secretary" and insert in lieu thereof "Commission" and strike out "he" and insert in lieu thereof "it".

Page 324, line 3, strike out "Secretary" and insert in lieu thereof "Commission".

Page 324, strike out lines 10 and 11, and insert in lieu thereof "persons subject to this part, the Commission may seek an order from the district court".

Page 327, line 3, strike out "Secretary" and insert in lieu thereof "Commission".

Page 327, strike out line 25 and line 1 on page 328, and insert in lieu thereof the following: "section 553 or 554. Such action may be brought in any United States district court for a".

Page 328, line 11, strike out "Secretary" and insert in lieu thereof "Commission".

Page 328, line 14, strike out "he" and insert in lieu thereof "the Commission".

Page 328, line 22, strike out "Secretary" and insert in lieu thereof "Commission".

Page 329, line 8, strike out "Secretary" in both places it appears and insert in lieu thereof in both places "Commission".

Page 330, line 6, strike out "The Secretary" and all that follows down through line 9.

Page 330, line 12, strike out "such agreement" and insert in lieu thereof "this part".

Page 330, strike out line 15, and all that follows down through line 10 on page 331 and insert in lieu thereof the following:

"(b) The Commission may enter into an agreement with the National Bureau of Standards to aid the Commission, on a reimbursable basis, in performing research and analyses related to energy use and energy efficiency of products, and in developing and recommending to the Commission test procedures, labeling requirements, and energy efficiency standards."

Mr. OTTINGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OTTINGER. Mr. Chairman, this amendment is long and complicated only because the designation of the Secretary of Commerce, who is presently assigned to administer this appliance standards and labeling provision, appears in many places throughout the bill. The thrust of the amendment is very simple. It designates the Federal Trade Commission as the agency to administer this appliance provision rather than the Secretary.

Part B of title V would require manufacturers of consumer appliances such as air-conditioners, refrigerators, freezers, dishwashers, clothes dryers, water heaters, home furnaces, and television sets to affix labels on their products which will state their energy efficiency or energy use. Part B also prohibits manufacturers, distributors, and retailers of these appliances from advertising their energy use or efficiency unless the appliances have been tested and the advertisement fairly discloses the results of the test.

Enforcement of these requirements will be civil penalty of up to $100, by injunction, and by declaring (in section 562(c) on page 372) that a violation of the labeling and advertising requirement is "an unfair deceptive act or practice in or affecting commerce" as defined in "section 5(a)(1) of the Federal Trade Commission Act".

Mr. Chairman, the bill now places the administration of this part B in the Secretary of Commerce primarily because the National Bureau of Standards is located in the Commerce Department. Indeed, section 565(b)(1) of part B directs that the Secretary "shall delegate to the National Bureau of Standards" the task of administering the requirements concerning labeling, testing, and analysis of energy use and energy efficiency and the determination of the requirements relating to the advertising restriction.

The National Bureau of Standards is an eminent scientific and testing agency, and its expertise should be used in this respect. Provision is made to do so in this title, section 553(e)(2)(A). However, the Bureau of Standards is not equipped, nor is it a proper agency to perform the task of regulating the labeling and advertising requirements concerning products for consumer use, and that is what this provision in the bill primarily addresses.

Part B is intended as a consumer protection and energy conservation law. It is intended "to assist purchasers in determining which consumer products—have low energy use or high energy efficiency." That is at page 312, line 18.

Indeed, section 552 states that no test procedure need be prescribed for a consumer product if "information respecting the energy efficiency or energy use of such class of consumer products is not likely to influence purchasing decisions."

These are functions which the Federal Trade Commission has done for many years. The FTC has particular expertise to perform such work and to protect the consumer. It makes no sense to impose these regulatory functions and duplicating duties on the Bureau of Standards.

Mr. Chairman, my amendment, therefore, simply provides that these functions shall be administered by the Federal Trade Commission. The last paragraph of my amendment will enable the FTC to utilize the Bureau of Standards' special scientific expertise under reimbursable agreement to have the Bureau assist the Commission in research and testing analysis and to make recommendations to the FTC. But the FTC would issue the necessary regulations and enforce the statutory requirements under the provisions authorizing civil penalty, injunction, and the application of the "unfair or deceptive act or practice" provision of the Federal Trade Commission Act.

The FTC's experience and expertise in dealing with misleading advertisements and with the content of warranties and guarantees under the Federal Trade Commission Act would help to protect both consumers and legitimate businesses. It is the proper agency to administer the requirements under this part B.

Mr. Chairman, I would like to point out to the Committee that the Senate in considering appliance labeling and standards for energy efficiency put this responsibility in the FTC. That was included in a separate bill which has been passed. The Senate bill unfortunately will not be available to the conference committee, assuming, we pass this legislation, however, because we have specified in this legislation that it will be considered in conference with a different Senate bill.

I think that the FTC is the appropriate agency. It has the expertise to be able to administer these regulations. I hope the amendment will be adopted.

The CHAIRMAN pro tempore (Mr. EVANS of Colorado). The time of the gentleman from New York (Mr. OTTINGER) has expired.

(By unanimous consent, Mr. OTTINGER was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. Mr. Chairman, I also have reservations, because of the constituency of the Commerce Department, as to the appropriateness of having this kind of regulatory function placed in that agency. It would be much like putting the fox in charge of protecting the chicken coop.

Mr. Chairman, I strongly urge the adoption of this amendment.

Mr. McCOLLISTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am very much concerned about further burdening the FTC with these duties when the FTC already has its hand full on a number of items and issues relating to anticompetitive practices, unfair and deceptive practices. I am most reluctant to further clog the FTC's work with this additional burden.

I think we underestimate how much this is going to require. If there are those present who want the FTC to do a more effective job than it is now doing, for heaven's sakes, do not make it even more difficult for the FTC to do that by imposing these additional duties and burdens on them.

I think the committee chose wisely, in this instance at least, in designating the Secretary as the officer having the duty, and I would hope and urge that the amendment be defeated.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, here we go with proliferation of Government again.

The voluntary labeling program that has been undertaken in cooperation between industry and the Bureau of Standards is already well along in terms of its evolutionary development from the Government standpoint.

Let me tell the Members how well along it is. Here are some notices from the Federal Register. These are notices just on labeling. Here are the pages out of the Federal Register on the labeling of one kind of appliance.

This one happens to be on freezers, on refrigerators, refrigerator-freezers, and freezers. That labeling notice is something like 39 columns in the Federal Register, just the labeling notice.

It does not have anything to do with the manufacturing standards. I am not sure that the FTC has any expertise in the manufacturing of a product. They might have something to do with labeling and advertising, but hardly with the manufacturing. Of course, that is what this part of the bill is designed to do, to get the Federal Government into regulation of manufacturing.

Here is one on clothes washers. That only takes 30 columns in the Federal Register to come up with standards for labeling, just labeling, not manufacturing.

Fourteen columns is what it takes for room air-conditioners. Here is what the Bureau of Standards has been putting out with reference to room air-conditioners. They are not exactly unsophisticated with respect to this subject. They have been doing fairly interesting work in it for about 3 years, but the gentleman from New York (Mr. OTTINGER) would like to have all that changed.

They spent almost $1 million in the Bureau of Standards, in the Department of Commerce, on this subject and put a great deal of work on paper on the subject, and now we are going to switch it over to the Federal Trade Commission.

In the legislation that we have before us it says that prior to prescribing any rule under this section—the section with which we are dealing—the Secretary shall consult with the Federal Trade Commission.

Mr. Chairman, I say that it is pointless to waste all of that work done by the Bureau of Standards and industry on voluntary labeling.

Turning the whole burden over to the Federal Trade Commission, where, obviously, the Commission is going to have to take time to review everything they have to do here, is also pointless.

They will have to decide that which they would like to reject and they will have to decide that which they would like to keep and they will have to decide whether the label ought to be printed in government blue or whether the label ought to be printed in government red or whether the label ought to be printed in government red and blue or whether it ought to be in red on blue paper or on white paper, or perhaps even red paper with white and blue printing.

That is the kind of thing we are wasting our time on here when we already have a program for labeling underway.

I submit that we ought to reject this, if we are going to go ahead with this proposition, which I am not at all enthusiastic about in the first place, we ought to object to removing it from one agency and giving it to another. This is to me simply the height of folly.

Mr. MOFFETT. Mr. Chairman, if the gentleman will yield, does the gentleman from Ohio argue against the mandatory labeling provision?

Mr. BROWN of Ohio. I am arguing against the acceptance of the amendment to move a program which is already 3 years and $1 million down the road from the Bureau of Standards to the Federal Trade Commission.

Mr. MOFFETT. That is all the gentleman is arguing against?

Mr. BROWN of Ohio. That is all I am arguing against on this amendment.

Mr. MOFFETT. Would the gentleman from Ohio oppose mandatory labeling?

Mr. BROWN of Ohio. I do not oppose mandatory labeling, no. I oppose mandatory standards in connection with the design of an appliance by the Federal Government because I think the Federal Government does not know anything about it, they do not want to go that far, which is where the gentleman's amendment would lead us.

Mr. MOFFETT. I would remind the gentleman from Ohio, if the gentleman will yield further, that in fact the standards never go into effect because the targets never never become standards.

Mr. BROWN of Ohio. The targets are promulgated, I would say to the gentleman from Connecticut because the law specifically has been promulgated within 90 days, and then if the appliance industry does not in toto meet those targets then we have the Federal Government going into the appliance design business and there is a great deal in the appliance manufacturing operation which the Federal Government, I must say, does not know a diddley about.

Mr. MOSS. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I find it so interesting that the gentleman from Ohio knows so much about this subject, and I compliment the gentleman on that.

Mr. WIRTH. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Chairman, I support this amendment. It is merely the transfer from Commerce to the Federal Trade Commission, which does have a better record of dealing with matters of relevance to consumers of this Nation than does the Department of Commerce. I think I can illustrate very quickly perhaps the best example of the failure of the Department of Commerce to carry out the kind of function that is proposed in the section now being amended.

In 1973 I had the privilige of coauthoring the Consumer Product Safety Commission Act after several years of careful study and hearings by the Commerce Subcommittee. One of the items we transferred from the Department of Commerce to the new Commission was flammable fabrics because in the period from 1953 to 1973 the Department of Commerce had made no discernible progress in developing a standard to insure against flammability particularly of children's sleepwear.

I think that one of the great merchandising institutions of this Nation, Sears Roebuck, actually reached the point where they would not sell sleepwear within the age categories that were supposed to be protected by a standard.

The Elkins Commission, which was appointed to study this same problem, also strongly recommended the removal of this function from the Department of Commerce to the Federal Trade Commission because of the difference in orientation.

Now, there is no validity to the contention that because the Bureau of

Standards has certain expertise as a consulting body or in the proposal of standards for Federal departments and agencies and is located in Congress that the labeling provision for appliances should be there, because the amended version, the language that the gentleman from New York (Mr. OTTINGER) has offered makes it abundantly clear that the Federal Trade Commission would have the authority to contract with the agency for the purpose of its expertise. They could go to the Bureau of Standards and enter into an agreement with them for any research or any evaluation of labeling standards that might be made.

Now, I want to express my strong dislike for the tactic of stepping into the well of this House and reading to members of this committee totally unrelated material from the Federal Register. It makes a good show, but it has damned little substance that merits the consideration of the Members of this House. I can read titles and lists of materials and use them to try to ridicule, rather than to deal with the hard facts concerning the issue before us. The issue is rather simple. Which agency is best able to prescribe the standards for labeling in order to inform the American consuming public?

I say that by any test the Federal Trade Commission is the better equipped. Commerce was established to deal with the problems of business, to assist and to promote business. It was not established to perform functions in the interests of the American consumer. To follow that path is to go backward, not forward.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, is it not true with respect to any burden on the Federal Trade Commission that the Federal Trade Commission performs exactly this kind of function at the present time?

Mr. MOSS. The Federal Trade Commission is going to be doing even more of it.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. Moss was allowed to proceed for an additional 2 minutes.)

Mr. MOSS. Mr. Chairman, it is going to have to develop the standards which apply to guarantees and warranties whenever they are offered. It has a lot of functions dealing with products and with information. It must examine certain publications to determine that there is accurate information being supplied to the consumer.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I would observe that this amendment was a matter of some consideration, even though it may not have been offered in this precise form in the committee and in the subcommittee. It was our consensus and I think it was the consensus of the subcommittee that it was not very important where this matter went; but on greater consideration I find it better to be in the Federal Trade Commission. The Federal Trade Commission is a far better agency to administer it now under the jurisdiction of the amendment.

I personally would endorse the amendment, and I think, on behalf of at least this side of the aisle, I find no objection to it.

Mr. MOSS. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I wonder if my chairman would explain to me the difference between a majority vote in committee and a concensus. I was under the impression that a majority of the subcommittee and of the committee voted to put this right where it is in the legislation, and not in the FTC.

Mr. MOSS. This is a different committee, and it has the right to second guess the subcommittee, and I think if it does so, we must abide by that.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I rise in support of this amendment. As a former State Director of a Consumers Affairs Division, I appreciate what the gentleman is talking about.

The only question I would like to ask, for clarification, is this: On page 315, lines 24 and 25, running over to page 316, it speaks of targets designed so that all such types sold in 1980 will improve by 25 percent over the aggregate energy efficiency achieved by products of all such types sold in 1974. How is that figure of 25 percent improvement arrived at?

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent Mr. MOSS was allowed to proceed for 5 additional minutes.)

Mr. MOSS. Mr. Chairman, I would yield to the gentleman from New York (Mr. OTTINGER), who is a member of the subcommittee which drafted the language, for the purpose of answering that question.

Mr. OTTINGER. Mr. Chairman, I am very happy to answer the gentlewoman from New Jersey. I am sorry that I was not able to answer that question when she asked me about it informally before; but I am glad to do so for the record.

That was the information we got from the Federal Energy Administration.

Mrs. FENWICK. That we intend that every single appliance should improve by that percentage?

Mr. OTTINGER. No, on the average this is what it could be. Not with respect to every single appliance.

Mrs. FENWICK. The average of each manufacturer or the average of a group of manufacturers?

Mr. OTTINGER. Overall in the appliance field, an average of 25 percent energy savings could be achieved.

Mr. BROWN of Ohio Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Could I ask the gentleman from New York for the citation of either the testimony or some citation for that FEA source?

Mr. OTTINGER. We do not have citations in the Energy and Power Subcommittee, but it is my recollection of the testimony.

Mr. BROWN of Ohio. Does the gentleman mean we can get the information more specifically than that?

Mr. MOSS. I would assume that the gentleman from New York, as we must assume on behalf of every Member of this body, that he is a man of integrity and that his statement reflects the facts as they occurred in the subcommittee.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, in the discussion the gentleman from Ohio (Mr. BROWN) cited an earlier statement put out by the subcommittee on August 29, at page 10. The ERDA study concludes that the energy weight average efficiency improvement potential for all the named appliances in the list which compares to the ones in our bill is 28 percent with respect to 1972 and 26 percent with respect to 1974.

Mr. BROWN of Ohio. Will the gentleman yield so that I may inquire if ERDA and FEA are the same agency?

Mr. MOSS. The gentleman in the well, the gentleman who has asked the question, knows that of course they are not the same agency. It makes the information no less valid.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from New York.

Mr. OTTINGER. My recollection is that FEA testified to in this matter. There was substantiation of this in our hearings, that this was a target, which is all we are talking about, that could be met.

I would also like to point out with respect to the allegations of the gentleman from Ohio that all the work the Bureau of Standards has done on this in setting standards would be lost, that is plainly not so. We have in this bill a section, section 533(a)(2)(A) on page 313, which specifically provides for the incorporation of the work the Bureau of Standards has done.

Mr. MOSS. The gentleman is correct, and I strongly urge adoption of this amendment.

THE CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. OTTINGER).

The question was taken; and on a division (demanded by Mr. BROWN of Ohio) there were—ayes 23, noes 14.

Mr. BROWN of Ohio. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. NATCHER). One hundred Members are appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

Prior to making the point of no quorum, the gentleman from Ohio (Mr. BROWN) had demanded a recorded vote on the amendment offered by the gentleman from New York (Mr. OTTINGER).

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 214, noes 165, not voting 54, as follows:

[Roll No. 520]

AYES—214

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Ashley
AuCoin
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Brademas
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Chappell
Chisholm
Clay
Collins, Ill.
Conte
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Davis
Delaney
Dellums
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Giaimo
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Tenn.
Jordan
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McCloskey
McCormack
McFall
McHugh
McKay
Madden
Maguire
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Rees
Reuss
Richmond
Riegle
Rinaldo
Roe
Rosenthal
Rostenkowski
Roush
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Slack
Spellman
Staggers
Stanton, J. William
Stark
Stokes
Stuckey
Studds
Sullivan
Symington
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Zablocki
Zeferetti

NOES—165

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Bowen
Breaux
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
English
Erlenborn
Esch
Eshleman
Findley
Fish
Flynt
Forsythe
Fountain
Frenzel
Fuqua
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hastings
Hightower
Hillis
Hinshaw
Holt
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Lent
Lloyd, Tenn.
Lott
McClory
McCollister
McDade
McDonald
Madigan
Mahon
Mann
Martin
Milford
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Murtha
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pettis
Poage
Pritchard
Quie
Quillen
Railsback
Regula
Risenhoover
Roberts
Robinson
Rogers
Roncalio
Rousselot
Runnels
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Winn
Wydler
Wylie
Young, Fla.
Young, Tex.

NOT VOTING—54

Annunzio
Aspin
Badillo
Bonker
Brooks
Broomfield
Burke, Calif.
Byron
Casey
Conyers
Coughlin
Danielson
de la Garza
Dent
Edwards, Ala.
Fary
Frey
Gibbons
Hays, Ohio
Hébert
Helstoski
Karth
Landrum
Lehman
Lujan
McEwen
McKinney
Macdonald
Mathis
Matsunaga
Michel
Moakley
Moorhead, Calif.
Patman, Tex.
Randall
Rangel
Rhodes
Rodino
Rooney
Rose
Roybal
Ruppe
Sisk
Solarz
Stanton, James V.
Steed
Stephens
Teague
Thompson
Udall
Vander Jagt
Wilson, Bob
Young, Alaska
Young, Ga.

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Hébert against.

Mr. Stanton, James V., for, with Mr. Teague against.

Mr. Sisk for, with Mr. Steed against.

Mr. Rooney for, with Mr. Landrum against.

Mr. Thompson for, with Mr. Byron against.

Mr. Matsunaga for, with Mr. Rose against.

Mr. Lehman for, with Mr. Mathis against.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. M'COLLISTER

Mr. McCOLLISTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCOLLISTER: Page 315, strike out line 17 and all that follows down through line 12 on page 319 and renumber the subsequent sections accordingly.

Mr. McCOLLISTER. Mr. Chairman, the amendment I offer will strike the whole section on energy efficiency standards. I wish that more Members had been present during the debate on an earlier amendment when the gentleman from Ohio (Mr. BROWN) I think very eloquently raised some questions about the need for this whole section. If we heard him, I think we would agree that the section as it is now written is both unnecessary and counterproductive. Under the provisions of this section, the FTC now is required to prescribe energy efficiency improvement targets for some 13 major household appliances, not including heating and cooling equipment, which was deleted by an earlier amendment. These targets must in the aggregate provide for an increased energy efficiency of 25 percent over 1972 levels by 1980. The manufacturer must submit progress reports toward meeting the prescribed targets and should the FTC determine that a target for a type of product is not being met, he must prescribe a mandatory standard for that product type to insure that a 25-percent improvement is achieved. Thus, the Federal Government would be telling the appliance manufacturers how to make their products—a talent for which the Government is hardly noted.

Increasing the fuel efficiency of a product requires redesigning the product, retooling assembly lines and developing new component parts or modifying those currently in use. Such adjustments would require substantial capital expenditures, which will not only increase the product's price to the consumer, but also involve some very important capital load for companies in general at a time when they are short on capital.

Some companies, especially the smaller ones, may not be able to afford that additional investment in the period of time required by section 554. Those that can, still face the uncertainty of consumer acceptance of the redesigned product in the marketplace. To mandate product changes without a prior determination of market acceptability could result in substantial numbers of unsold products, plant closings, and further unemployment in an industry that has already laid off thousands and had a 35-percent decline in factory shipments for the first 5 months of 1975. Even with advanced market testing, the consumer may dislike the energy efficient product and refuse to purchase it. For example, increased energy efficiency for a room air conditioner may result in a decrease in the ability of that product to remove dust particles from the air. Are we really prepared to force this product on individuals affected with asthma or other respiratory diseases?

The folly of this section and the superfluous nature of the mandatory standards are clearly demonstrated by the fact that the Department of Commerce, in conjunction with the Federal Energy Administration, already has in place a voluntary program.

The program was established in January and is designed to achieve a 20-percent reduction in energy use by household appliances by 1980. In a recent report from the Department of

Commerce, they point out that 93 percent of the retail sales of appliances being marketed today are being covered by the Department of Commerce current voluntary program, which I think is pretty compelling evidence that we do not need the mandatory program to be put in place.

One final point, if I may. The bill as reported out of the subcommittee did not contain mandatory standards for appliance energy efficiency. The mandatory 25 percent, about which there has been some considerable discussion as to from whence it came, were added in the form of an amendment during a time when the committee was operating under a limitation of debate. The procedural rule in effect at the time provided for only 2 minutes of debate. I think that is hardly enough for such a far reaching amendment that is going to affect so many different manufacturers and affect so many different consumers and their choices.

I think this section is an example of bad legislation, and I think the results obtained by the Department of Commerce and its voluntary program is sure evidence that we do not need the mandatory program that is contained in section 534.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we ought to see the background against which the amendment is offered. The amendment would strike section 554. Section 554 is a section which authorizes the Federal Trade Commission to initiate proceedings to require a 25-percent improvement in energy efficiency of appliances. We have already adjusted the manner in which the section would operate by using 1972 instead of 1974 so as to give the manufacturers the fairest treatment.

In addition to this, we have now excluded, by amendment, central heating and central air-conditioning because there is not as much good evidence on which judgments could be made as to how much efficiency could be achieved in these appliances. There is no requirement in the bill that energy efficiency standards be promulgated. There is only a requirement that the proceeding be begun by the Federal Trade Commission.

Any standards would be established under the provisions of section 18 of the Federal Trade Commission Act. That is very important, because I want my colleagues to know the rights of the industry under that section. The section requires very careful judicial review, but more importantly, it very carefully protects all of the rights of the industries involved by requiring cross-examination, by allowing presentation of evidence, by allowing presentation of statements, and by allowing presentation of evidence and witnesses in rebuttal.

There is no requirement—and I want my colleagues to remember this—that the Commission would have to require 25 percent, or any other figure, energy savings, and the proceedings would not have to be initiated until 1980 if the Commission, in its wisdom, saw that it was not necessary.

Now, what is really required by the bill is that, if the Commission finds that the appliance manufacturers are not meeting the goal of 25 percent, it could then initiate the proceedings to establish standards. Now, comment has been made with regard to the action of the Department of Commerce in securing voluntary statements of compliance. It is true that the Department of Commerce has charged around the country procuring slips of paper from manufacturers saying that they are going to meet a certain goal.

As of this particular minute, that goal averages out at 23 percent, but there is no force and effect of law behind that, and there is no requirement that the Commission act on it.

The committee has heard the figures which indicate that the 28-percent saving is easily met. In the bill we have only required a 25-percent improvement.

I believe the language of the bill, with the Moffett amendment, is an entirely reasonable proceeding and an entirely reasonable way of protecting the rights of everybody and a useful way of saving a significant amount of energy.

Mr. Chairman, I would urge the committee to reject the amendment offered by my good friend, the gentleman from Nebraska (Mr. McCOLLISTER).

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Chairman, I would like to emphasize one of the things the gentleman has said here, and that is we have the most liberal rule, the most liberal process for rulemaking, from the standpoint of the person controlled, that exists anywhere in the Federal law.

Mr. DINGELL. That is right. This was done in order to be fair to the industries involved and not to impose excessive burdens or unfair regulations upon them.

Mr. ECKHARDT. If the gentleman will yield further, that rule, as I recall, was devised in the committee that deals with the Federal Trade Commission, with much cooperation and with much dependence on the advice of the gentleman from North Carolina (Mr. BROYHILL), and the gentleman from Nebraska (Mr. McCOLLISTER), who served extremely well in devising the rule which would protect the interests of manufacturers.

Mr. Chairman, we simply adopted the rulemaking provisions of the Federal Trade Commission Act in this act.

Mr. DINGELL. That is right.

Mr. ECKHARDT. If the gentleman will yield further, it was done so as to give cross-examination for any class or group of persons similarly situated.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is important to note, because there has been a great deal of discussion about it today, that the 25-percent efficiency target, according to a study made at the request of our subcommittee by the staff of the Energy Research Development Administration, is well within the capability of the industry. In fact, the study goes even so far as to show that a 28-percent improvement is feasible and the costs justified. It is also important to note, because the question has been raised, that it is not all that difficult—it is very much achievable—to come up with energy efficiency targets for each particular category, whether it be freezers, refrigerators, ranges, television sets. In fact, Commerce and FEA, in cooperation with industry, have already come up with some approximate targets for improvement over the next several years.

Mr. Chairman, all we are doing here is saying that if the energy labeling requirement works—and both sides on this debate have indicated they see some requirements on energy labeling mandatory—there will never be any need to put into effect prescribed standards for the various classes of appliances.

Also, Mr. Chairman, it is important to note, because it has been said here that Commerce's voluntary program has done so well, that the program can continue and, in fact, we will never have to impose anything if it continues to do so well.

Mr. Chairman, this section is supported by major consumer and labor organizations. It is also important to note that the University of Illinois study has shown that improvements in operating efficiency of appliances will create jobs in the appliance manufacturing industry in a broad spectrum of skills.

I think the American people are looking to us—and the President has reminded us frequently of this—for a comprehensive energy program. We simply cannot have that without reasonable and forward-looking conservation measures, and this is one on which the committee has been flexible, as is evidenced by the technical amendment I offered today and which was accepted, to move the base year back from 1974 to 1972. This is one area where the committee has bent over backward to be reasonable and to let the American people know we are interested in conservation in an area where we can achieve a great deal, perhaps $3 billion a year, in savings.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I wonder if we were not almost too reasonable. It would be very, very difficult to ever meet the standards provisions under this act.

As I recall, what the committee was primarily concerned with is that the public know the energy efficiency of the product they bought, the committee feeling that that would ultimately lead to fair competition amongst producers of various products so they would not be selling a product which cost so much more to operate during the first 6 months of use that the difference in price between that product and another which was more expensive was offset.

I think what we were thinking about really is disclosure and the requirement to deal fairly and candidly in the marketplace and, at the same time, to conserve energy. But had we not put in the fallback provisions, we would have had nothing but a mere admonition to improve energy efficiency and we would not have achieved the purpose of labeling.

Mr. Chairman, I point out that on page 316 of the bill it is stated that in order for the standard to apply—and, incidentally, we should remember that this can only be done after 180 days of notice and after the 18-month period has elapsed—the Secretary shall prescribe a standard if he determines that "it is technologically and economically feasible to improve the energy efficiency * * *."

In some cases that would not be possible.

Under section (B) it states that he shall prescribe a standard if he determines "the application of the labeling rule applicable to such type is not sufficient to induce manufacturers to produce" a better product.

In most instances it could easily be shown that a standard should not be promulgated because labeling was sufficient to achieve the necessary efficiency level.

The CHAIRMAN pro tempore (Mr. NATCHER). The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

(On request of Mr. ECKHARDT and by unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield further?

Mr. MOFFETT. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, under (C) it states he shall prescribe a standard if he determines "that the benefit of reduced energy consumption and savings in operating costs" will offset the additional cost in the manufacture of the product.

Then we provide in the next paragraph that the Attorney General shall look into the question of competition and agreements in restraint of trade.

So, for instance, if one manufacturer were charging more for the product than was saved by the increased efficiency of the product, the one who produced the product at a greater cost could say, "Look, you haven't met the standard. I saved more money by saving the cost to the consumer in the original price."

Mr. Chairman, all of these hurdles would have to be overcome through a process by which each producer of a product in a different category would have the right to cross-examination before a hearing officer before the standard could go into effect. It seems to me that this gives the most complete and adequate protection against any abuse.

I join the gentleman from Connecticut in his opposition to this amendment and compliment him for his excellent work on this section, which is one of the best energy-saving provisions in the entire bill.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Connecticut (Mr. MOFFETT) and the gentleman from Texas (Mr. ECKHARDT), who just spoke. I wish to say that I really think if we are serious about wanting to conserve energy and promoting conservation in this country, this is the minimum requirement.

I certainly do hope that the committee will keep this provision in the bill.

Mr. MOFFETT. Mr. Chairman, I thank the gentleman, and I urge rejection of the amendment.

Mr. BROWN of Ohio. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN pro tempore. The gentleman is recognized for 3 minutes, the remaining time, in support of the amendment.

Mr. BROWN of Ohio. Mr. Chairman, I was fascinated by the colloquy between the gentleman from Texas (Mr. ECKHARDT) and the gentleman from Connecticut (Mr. MOFFETT), because I guess it illustrates really what we are all about here.

They were saying that the Government would decide or the courts would decide. We once operated on the principle that maybe the consumer had some decisionmaking responsibility in selecting what he would buy.

We once had some thought that maybe the businessman who is designing and selling the appliance would have some decisionmaking area in which he could operate, but we are moving more and more and more into telling the consumer what is good for him. We are going to tell the manufacturer how he ought to make something.

I venture to say that most of the Members of the Congress who were elected to Congress for the first time in the last year or year and a half came to Washington with the idea that we were going to get Washington off the backs of the average citizen and that we were going to go down there and keep the executive branch of Government from telling people what was good for them and what they ought to do and what they ought not to do. But we are going to get here is power to the FTC, power to the Consumer Product Safety Commission, power to the Government decisionmaker, who is going to make all the discriminating decisions for the average citizen.

It occurs to me that the very way we get to the kind of dominant government that most of us abhor, that most of our citizens abhor, and that most of our taxpayers do not like to have to pay for, is via the process we are talking about right now. Let us put an agency in charge of deciding what is good for the consumer. Then that agency can make the decision. However, if the manufacturer does not like what the agency decided, then we will let the manufacturer sue the agency. We will take it to court and let a judge decide what is good for the manufacturer or the consumer, but not the consumer or the manufacturer, because he, obviously, does not have the intelligence for that. All he is good for is earning the money and paying the taxes so that we can set up the agencies to tell him what is good for him.

Mr. Chairman, how far can we go in this? Is there no end to our ability to be elitists in this Congress when we get here and to be citizen-defenders when we get back home?

The CHAIRMAN. All time on this title has expired.

The question is on the amendment offered by the gentleman from Nebraska (Mr. McCOLLISTER).

The question was taken; and on a division (demanded by Mr. McCOLLISTER) there were—ayes 23, noes 34.

RECORDED VOTE

Mr. McCOLLISTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 146, noes 243, not voting 44, as follows:

[Roll No. 521]

AYES—146

Abdnor
Anderson, Ill.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Bowen
Breaux
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Cederberg
Clancy
Clausen,
  Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
English
Erlenborn
Eshleman
Evans, Colo.
Findley
Fithian
Flynt
Forsythe
Fountain
Frenzel
Ginn
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Hamilton
Hansen
Harsha
Hastings
Hayes, Ind.
Henderson
Hightower
Hillis
Holland
Holt
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Lent
Levitas
Lloyd, Tenn.
Long, La.
Lott
McClory
McCloskey
McCollister
McDonald
McKay
Madigan
Mahon
Mathis
Michel
Milford
Montgomery
Moore
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nichols
O'Brien
Passman
Poage
Pritchard
Quie
Quillen
Railsback
Rinaldo
Risenhoover
Roberts
Robinson
Roush
Rousselot
Runnels
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shuster
Sikes
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stanton,
  J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wylie
Young, Tex.

NOES—243

Abzug
Adams
Addabbo
Ambro
Anderson,
  Calif.
Andrews, N.C.
Andrews,
  N. Dak.
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Chappell
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.

Eilberg
Emery
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fuqua
Gaydos
Giaimo
Gilman
Gonzalez
Green
Gude
Guyer
Haley
Hall
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Hinshaw
Holtzman
Horton
Howard
Howe
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Keys
Koch
Krebs
LaFalce
Latta
Leggett
Litton
Lloyd, Calif.
Long, Md.
McCormack
McDade
McFall
McHugh
McKinney
Macdonald
Madden
Maguire
Mann
Martin
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shriver
Simon
Skubitz
Slack
Spellman
Staggers
Stark
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—44

Alexander
Annunzio
Aspin
Biaggi
Brooks
Broomfield
Byron
Casey
Danielson
de la Garza
Edwards, Ala.
Esch
Fary
Frey
Gibbons
Hays, Ohio
Hébert
Karth
Landrum
Lehman
Lujan
McEwen
Matsunaga
Moorhead, Calif.
Pepper
Peyser
Randall
Rhodes
Rodino
Rooney
Rose
Roybal
Ruppe
Sisk
Solarz
Stanton, James V.
Steed
Stephens
Teague
Udall
Vander Jagt
Vander Veen
Wilson, Bob
Young, Alaska

So the amendment was rejected.

The Clerk announced the following pairs:

Mr. Hébert for, with Mr. Annunzio against.
Mr. Rose for, with Mr. Lehman against.
Mr. Landrum for, with Mr. Matsunaga against.
Mr. Steed for, with Mr. Biaggi against.
Mr. Teague for, with Mr. Rooney against.
Mr. Casey for, with Mr. Sisk against.
Mr. Byron for, with Mr. Rodino against.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title V?

AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment which has been printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER: Page 315, insert after line 3 the following: A rule prescribed under this section applicable to a product may require disclosure, in any printed matter distributed at the point of sale of such product, of energy use or energy efficiency of the product (or any other information which may be required under this section to be disclosed on the label of such product). Such requirements shall not be applicable to any broadcast advertisement or any advertisement in any newspaper, magazine, or other periodical.

Mr. OTTINGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OTTINGER. Mr. Chairman, this is a fairly technical amendment to which I think there is agreement by both sides. During the committee deliberations we took out the requirement that appliance energy efficiency performance and energy use be printed in periodical or broadcast advertising; inadvertently we also took out the requirement with respect to requiring this information in advertising and promotional materials at the point of sale. There is general agreement that energy efficiency information on appliances ought to be distributed at the point of sale and this amendment restores the authority to require such distribution. I urge it will be adopted.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I am glad to yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would like to concur in the amendment. I would, however, like to make a little legislative history and presume that the last line, which says:

> Such requirements shall not be applicable to any broadcast advertisement or any advertisement in any newspaper, magazine, or other periodical.

Would in all likelihood also apply to billboards. Billboards are not mentioned specifically, but I do not see how a billboard could quite be construed as a point of sale method; so I assume that billboards are not addressed one way or another and since they are not addressed one way or another in the amendment, that the gentleman would not make it applicable to billboards.

Mr. OTTINGER. Mr. Chairman, that is also my understanding. We covered that in our discussion at the time this was considered in committee. My amendment is not intended to make advertising regulations applicable to billboards.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, we find no objection to the amendment and we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. OTTINGER).

The amendment was agreed to.

The CHAIRMAN. Are there additional amendments to title V? If not, are there amendments to title VI?

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 331 after line 10, add the following new title:

TITLE VI—INCENTIVES TO EXPLORATION FOR AND DEVELOPMENT OF CRUDE OIL BY SMALL PRODUCERS

SEC. 601. (a) The Administrator may, in accordance with regulations prescribed under subsection (d) guarantee loans made to small crude oil producers for the purpose of financing the exploration and development of crude oil properties in the United States.

(b)(1) A small crude oil producer shall be eligible for a guarantee under subsection (a) only if the Administrator determines that

(A) he is capable of successfully managing any oil-producing property to which the loan guarantee is sought;

(B) there is a reasonable prospect of repayment of the guaranteed loan;

(C) the loan will be adequately secured; and

(D) such producer would not be able to obtain adequate financing without such guarantee.

(2) The amount of a guarantee issued with respect to a loan may not exceed the lesser of 90 percent of the loan or $5,000,000. Not more than one guarantee may be issued—

(A) to any small crude oil producer (including all persons affiliated with such producer), or

(B) with respect to any single property.

(3) The aggregate outstanding principal amount of loans which are guaranteed under this section may not at any time exceed $300,000,000.

(4) No loan guarantee may be issued under this section unless the small crude oil producer to whom the loan guarantee is issued agrees to pay to the Federal Energy Administration a royalty in such dollar amount as shall be determined by the Administrator but in no case may such amount represent less than 5 per centum or more than 15 per centum of monies received from the sale of the crude oil which is produced by such small producer from the property to which the loan guarantee applies.

(c) For purposes of this section:

(1) A person shall be considered a small crude oil producer if such person (together with all persons affiliated with such producer)—

(A) did not produce an average of more than 3,000 barrels of crude oil per day or 5,000,000 cubic feet of natural gas per day during the calendar year preceding the year in which he makes application for assistance under this section; and

(B) did not have gross revenues in excess of $50,000,000 in such calendar year.

(2) A person is affiliated with another person if he controls, is controlled by, or is under common control with, such other person. The term "affiliate" means any person directly or indirectly controlling, controlled by, or under common person control or ownership with any other person as determined by the Commission under its rulemaking authority. In promulgating such rules to implement this paragraph, the Adminstrator shall consider direct or indirect legal or beneficial interest or legal power or influence over another person, directly or indirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements or leasing arrangements.

(d) the Adminislator shall prescribe such regulations as may be necessary or appropriate to carry out this section.

Redesignate succeeding titles accordingly.

Mr. MURPHY of New York. Mr. Chairman, this amendment will empower the Federal Energy Administrator to guarantee loans to small crude oil producers to enable them to finance the exploration and development of crude oil properties within the United States.

The independent wildcat operator is one of the mainstays of our national exploration effort. Wildcatters drill 85.2 percent of all the exploratory wells drilled in the United States in 1974, and they will be invaluable participants in any national effort to achieve energy independence or sufficiency during the remainder of the century. It has become increasingly difficult for the small producer to finance exploratory activities.

Lenders are understandably apprehensive when possible oil price changes threaten to diminish the value of their properties which drillers use as collateral. It is absolutely essential that there be adequate economic motivation for exploration, and this amendment will provide that incentive.

This proposal does not concern the large, integrated companies, and for good reason. Mr. Chairman, we go to the heart of one of the issues which has come before this committee throughout the debate on the energy bill, and that is the major integrated companies, and this does not include the major integrated companies. The large producer corporations can absorb price rollbacks at the production level and still make a profit from other phases of their operation. But this is not the case with a small operator. There is no capital cushion for the small wildcatter to fall back on. He is exclusively engaged in exploration, for the most part, and is often beset by cash flow problems. This amendment alleviates that problem.

Some provision must be made for the small producers. The major producers already operate within a highly concentrated market, which some characterize as monopolistic under present antitrust laws. This is certainly not the time to sound the death knell for the small operators who provide some competition to the majors. Their demise will only yield more of the production market to the larger corporations.

The experience of one representative wildcat drilling operation in Texas, to take one example, suggests that the investment of high-risk capital in wildcat exploration produces new reserves in almost direct proportion to the exploratory dollars invested.

Mr. Chairman, we must anticipate the effect of this bill on the small producers and act to meet their capital needs. Guaranteed loans will accomplish the job.

We said 3,000 barrels per day, or less, or 5 million cubic feet of gas per day, or less, as defining a small producer and one whose cash flow has been less than $50 million. In the calendar year preceding the loan application.

Let us analyze this industry. Go up to the Cook Inlet in Alaska and go on one drilling platform. The platform itself costs $150 million.

We are asking for $300 million to guarantee loans—just to guarantee loans—and we have a provision for a royalty from the fields that are found to go right back into this fund, so that it is self-perpetuating.

Other items that are built into the amendment are virtually self-explanatory.

Go to Prudhoe Bay. The greatest engineering project in history is going on there. Billions of dollars are being invested by the integrated oil companies, and they expect 60,000 barrels a day in 1977–78, perhaps at the most 1,200,000 barrels when the fields are fully producing.

This amendment, if it is passed, will produce 1 million barrels a day in additional oil and the equivalency in natural gas. The small producer is not going down 20,000 feet. He is not going into the Continental Shelf. He is not going up on the Cook Inlet and into Alaska. He is drilling 2,000 to 3,000 to 4,000 to 5,000 feet. He is drilling throughout the East, South, Midwest, in areas where there are no reserves, an at the present time the capital market will not support him because it is being dried up by an $80 billion deficit. And other projects with less risk.

Mr. BURLESON of Texas. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Texas.

Mr. BURLESON of Texas. I thank the gentleman for yielding.

I assume this would be applicable to offshore drilling.

Mr. MURPHY of New York. It would be applicable to offshore drilling, with the exception that a $5 million guarantee is the largest guarantee.

The CHAIRMAN. The time of the gentleman from New York (Mr. MURPHY) has expired.

(On request of Mr. BURLESON of Texas and by unanimous consent, Mr. MURPHY of New York was allowed to proceed for 1 additional minute.)

Mr. BURLESON of Texas. Mr. Chairman, will the gentleman yield further?

Mr. MURPHY of New York. I yield to the gentleman from Texas.

Mr. BURLESON of Texas. Mr. Chairman, I have not read the gentleman's amendment, but as I understand it from his statements, he directs his remarks to the exploratory feature or wildcatting, as he has so termed it.

What about the development of additional production in a field where a wildcat well has proved productive? What about the developing of that area around the producing well?

Mr. MURPHY of New York. Mr. Chairman, the exploration is the key part of it, because once the exploration phase has been completed and the product of the field has been developed, then capital will flow in through development money. But the point is to find that oil and that gas in the first instance. After that there is no risk.

Mr. BURLESON of Texas. There could, however, be quite a gap in time from a successful exploratory well to the development of other wells in the area. I was just wondering if, in the expansion of an area or of a field in order to prove it, the loan feature would be available to development. I ask that question because one well does not necessarily prove a field.

Mr. MURPHY of New York. Mr. Chairman, the loan feature would be available up to the cap of $5 millon per applicant. The applications, of course, would be carefully drawn so there would not be any hidden investors in these enterprises.

Mr. BURLESON of Texas. Mr. Chairman, I thank the gentleman.

Mr. KRUEGER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, over the past 15 years we have consistently seen independent drillers and producers going out of business, and there has been a decline in their numbers in relatively recent years from 25,000 to 10,000. At the same time we see the majors consistently enlarge their own percentage of the business.

Currently, I understand, there is legislation that may come forth from the Committee on Ways and Means which would strike the tax benefits that apply to intangibles in drilling, which benefit has been one of the great sources of benefit to the independent producers in terms of trying to stimulate drilling in the independent sector of the industry. With the combination of forces that we have strengthening the majors, it seems to me that we need to do something to try to maintain some sort of a competitive structure, and one of the strongest ways of doing this is certainly to strengthen the hands of the independents.

I, therefore, Mr. Chairman, urge support of this amendment, because I think it would help to maintain competition in the industry.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, as this country has progressed in the very expensive areas of oil exploration, we are amazed at the high costs of drilling, for instance, at Prudhoe Bay, the Cook Inlet and on the Continental Shelf. Then we have heard about Stavanger, Norway; the chairman of the subcommittee was there just recently, and it was reported that one drilling platform cost $350 million. That is one drilling platform to be floated out in the North Sea and dropped on the sea bottom.

We, too, will be facing these costs in drilling along the Pacific coast, along the Atlantic coast and the Gulf of Alaska. We have been doing it in the Gulf of Mexico. These are tremendous amounts of money that are involved.

As a consequence, much of the drilling equipment available to the small onshore driller is now lying idle, but through this amendment capital will come in for the small-type producer, those who have declined from 25,000 down to 10,000. We can just imagine the jobs that will be involved in this bill.

This amendment is a bargain, not only for the energy-consuming people in America but for the entire oil drilling job market in America. As an example, the gentleman has very carefully pointed out that at least 15,000 small drillers would be back out in the industry drilling for oil and gas.

Mr. KRUEGER. Mr. Chairman, I thank

the gentleman very much, and I concur in that statement.

I think if we are interested in maintaining a competitive industry, this at least would be one effort we could make toward trying to sustain that kind of competition in the industry.

I, therefore, support the amendment.

Mr. DINGELL. Mr. Chairman, I reluctantly rise in opposition to the amendment.

Mr. Chairman, the author of the amendment, the gentleman from New York (Mr. Murphy), is a very valuable and able Member of this body and of the Committee on Interstate and Foreign Commerce.

The gentleman was gracious enough to make available to me earlier a copy of his amendment. At the time it was first presented to me I really did not know what my position was. I have since that time had an opportunity to analyze the amendment against the situation with which we are beset.

The purpose for which the amendment is offered is to provide incentives for exploration and development of crude oil by small producers.

The total amount of the amendment is $300 million. That is less than the cost of one drilling rig of the kind the gentleman described for going into the North Sea or off the Atlantic Coast.

The total amount of any loan which could be made available or which could be guaranteed is $5 million. That means that $5 million, on a guarantee basis, if it is spread flatly and equally across the total number of loan guarantees, would stimulate drilling by about 60 producers.

If, on the other hand, it were limited to $1 million, and that is not unreasonable in the light of development costs today, it would only make available loan guarantees to about 300 producers.

It should be understood that there are many hundreds or many thousands of wells drilled in the United States each year. It also should be noted that I am very much in sympathy with the purposes of my good friend, the gentleman from New York (Mr. Murphy). I think he has come upon an innovative and desirable suggestion which he has made to the Congress, but it is one, in my view, that clearly requires substantial additional consideration and exploration by the House before it is presented. Obviously, this should be done within the committee system, in the appropriate fashion, through hearings, taking testimony, and so forth, and having analyses of the proposal made available to Congress by the administration.

It is fair to say that the goal of the gentleman from New York is a desirable one. How much additional crude it will produce is doubtful. The impact on the budget, again, is doubtful.

Also, I am not able to say what the prospects of repayment are. I have seen similar proposals with regard to repayment in other cases, and it has been my experience, at least in the case of the railroads, which have a better prospect, I would suspect, at success than drilling, that the prospects of repayment, in spite of language of this sort with regard to assurances of repayment have already been not very good from the standpoint of the Treasury.

Mr. Chairman, with those caveats and considering the fact that we would be assuming a large liability with respect to which repayment could not be very surely anticipated, I have to regretfully oppose the amendment.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the chairman of the subcommittee for yielding.

I would like to point out to him that the question of small producers in the oil and gas industry has been before the Commerce Committee, and particularly before the Subcommittee on Power and Energy, for years.

I offered this amendment in the committee deliberations. Unfortunately, it was ruled not germane because we used the agricultural land bank as the vehicle to provide the loans. It was ruled nongermane because the committee was not aware that at the present time and in the past the agriculture land bank has been making loans for oil and gas equipment and for drilling. The agricultural areas are the very areas concerned.

Mr. DINGELL. Mr. Chairman, I would like to yield further to my good friend, the gentleman from New York (Mr. Murphy), but I cannot.

I do want to make this further point: I think this is something that should be considered.

I have only been chairman of this subcommittee since the beginning of the year. We have been very diligently working on this bill, especially in view of the energy crisis.

As soon as the subcommittee's schedule would permit, if the gentleman would introduce legislation of this kind, I would be disposed to consider holding hearings on it to try to look into the possibility of seeing something of this kind move forward. I think it merits careful and sympathetic consideration, but I do not think that the House is ready to consider this proposal at this time in the light of the questions that remain to be answered.

Mr. MURPHY of New York. If the gentleman will yield further, the gentleman pointed out that perhaps 60 individuals would be affected at the outset. That is all that was intended. It was not to get 20,000 or 10,000 new people into drilling immediately. The idea was to get 60 people into drilling, 60 people to find more gas and oil through exploration. It is not expensive drilling, as the gentleman knows, to drill on land and to go into areas that we know have oil and gas.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. Dingell) has expired.

(On request of Mr. Murphy of New York and by unanimous consent, Mr. Dingell was allowed to proceed for 1 additional minute.)

Mr. MURPHY of New York. If the gentleman will yield further, the fact is we are not going to have expensive explorations such as the Continental Shelf exploration, we are going right into the heartland of America where oil and gas is and has been found and assist people to drill for it because now that the price of oil and gasoline has gone up it is economically viable to drill for it. This amendment, as modest as it is, will stimulate the finding of up to 1 million barrels of oil a day of new energy.

Mr. DINGELL. I thank the gentleman from New York for his additional comments, but I still must oppose the amendment. Sixty drillers at work are not going to increase very significantly the level of oil production.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Murphy).

The question was taken; and on a division (demanded by Mr. Murphy of New York) there were—ayes 15, noes 25.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Jeffords: Page 331, after line 10, add the following:

TITLE VI—ENERGY LABELING AND EFFICIENCY STANDARDS FOR BEVERAGE CONTAINERS

DEFINITIONS AND COVERAGE

Sec. 601.—For purposes of this part—

(1) The term "beverage container" means a bottle, jar, can, or carton of glass, plastic, or metal, or any combination thereof, used for packaging or marketing beer or any other malt beverage, mineral water, soda water, or a carbonated soft drink of any variety in liquid form which is intended for human consumption.

(2) The term "energy" means electricity or fossil fuels.

(3) The term "energy use" means energy efficiency.

(4) The term "energy efficiency" means the ratio (determined on a national basis) of: The capacity of the beverage container times the number of times it is likely to be filled, to the units of energy resources consumed in producing such container (including such container's raw materials) and in delivering such container and its contents to the consumer.

The Commissioner, in determining the energy efficiency shall adjust any such determination to take into account the extent to which such containers are produced from recycled materials.

(5) The term "manufacture" means to manufacture, produce, assemble or recycle or reuse or to import into the customs territory of the U.S.

(6) The definitions in paragraphs 5, 7, 8, 9, 10, 12, 13, 14, and 15 of section 551 of this act shall apply to this section except that beverage containers, as defined in this section, are to be considered as consumer products for the purposes of said definitions.

TEST PROCEDURES

Sec. 602. The provisions of section 552 of this act with respect to consumer products, shall be applicable to beverage containers as defined in section 601.

LABELING

Sec. 603. The provisions of section 553, except paragraph (B) of subsection (a)(1), shall be applicable to beverage containers as defined in section 601. In addition, if the Commissioner determines that a beverage container achieves the energy efficiency target described in section 604, then no labeling requirement under this section may be promulgated or remain in effect with respect to such type.

ENERGY EFFICIENCY STANDARDS

SEC. 604. The provisions of section 554 of this act with respect to consumer products shall be applicable to beverage containers as defined in section 601 except that energy efficiency targets provided for in said section with respect to beverage containers, shall be designed so that if met, aggregate energy efficiency of all beverage containers which are sold in 1980 will improve by 25 per cent over the aggregate energy efficiency achieved by all beverage containers sold in 1974.

REQUIREMENTS OF MANUFACTURERS AND PRIVATE LABELERS

SEC. 605. The provisions of section 555 of this act with respect to consumer products to which a rule under section 553 applies shall be applicable to beverage containers as defined in section 601.

EFFECT ON STATE LAW

SEC. 606. The provisions of section 556 of this act with respect to consumer products shall be applicable to beverage containers as defined in section 601.

RULES

SEC. 607. The provisions of section 557 of this act with respect to part B of title V shall also be applicable to this title.

AUTHORITY TO OBTAIN INFORMATION

SEC. 608. The provisions of section 558 of this act with respect to part B of title V shall also be applicable to this title.

EXPORTS

SEC. 609. The provisions of section 559 of this act with respect to consumer products shall also be applicable to beverage containers as defined in section 601.

IMPORTS

SEC. 610. The provisions of section 560 of this act with respect to consumer products shall also be applicable to beverage containers as defined in section 601.

PROHIBITED ACTS

SEC. 611. The provisions of section 561 of this act with respect to consumer products shall also be applicable to beverage containers as defined in section 601.

ENFORCEMENT

SEC. 612. The provisions of section 562 of this act with respect to consumer products as defined in part B of title V shall also be applicable to beverage containers as defined in this title.

INJUNCTIVE ENFORCEMENT

SEC. 613. The provisions of section 563 of this act with respect to consumer products as defined in part B of title V shall also be applicable to beverage containers as defined in this title.

ADMINISTRATIVE PROCEDURES AND JUDICIAL REVIEW

SEC. 614. The provisions of section 564 of this act with respect to consumer products as defined in part B of title V shall also be applicable to beverage containers as defined in this title.

COOPERATION WITH OTHER AGENCIES; DELEGATION

SEC. 615. The provisions of section 565 of this act with respect to consumer products as defined in part B of title V shall also be applicable to beverage containers as defined in this title.

Renumber subsequent titles accordingly.

Mr. JEFFORDS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD due to the fact that it was printed in the RECORD with the exception of two words which I shall explain.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

Mr. HAYES of Indiana. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. HAYES of Indiana. Mr. Chairman, I wish to reserve a point of order on the amendment.

Mr. DINGELL. Mr. Chairman, I rise to make a unanimous consent request with regard to a limitation of time. I particularly would like the attention of my good friend the gentleman from Ohio.

The CHAIRMAN. The Chair will state to the gentleman from Michigan that the reading of the amendment has not been completed and we should dispose of the reading of the amendment prior to such a request.

The Clerk will proceed to read the amendment.

The Clerk continued to read the amendment.

Mr. JEFFORDS (during the reading). Mr. Chairman, I would again ask unanimous consent that the reading of the amendment be dispensed with and that it be printed in the RECORD since it was printed in the RECORD prior hereto with the exception of two words, as I stated before.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

Mr. SYMMS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued to read the amendment.

Mr. JEFFORDS (during the reading). Mr. Chairman, I again ask that the reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. HAYES of Indiana. Mr. Chairman, I still wish to reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Indiana reserves a point of order on the amendment.

Mr. DINGELL. Mr. Chairman, I likewise reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Michigan reserves a point of order on the amendment.

Mr. BROWN of Ohio. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Ohio reserves a point of order.

The Chair recognizes the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I believe I should not speak to the point of order now but wait.

The CHAIRMAN. The gentleman will rise in support of his amendment. The point of order will come later at the end of the debate.

Mr. JEFFORDS. I thank the Chairman.

Mr. Chairman, this amendment adopts almost identically the provisions of labeling and efficiency standards which are contained in part B, title V. What this amendment does is make those provisions also applicable to beverage containers, with the exception that for any beverage container which does fulfill the energy efficiency standard, it is not required to be labeled.

First, I think there should be pointed out the energy significance of this bill because it is possible to confuse it with other aspects of the beverage container problem. It is laudable certainly to deal in this area with respect to recycling and with respect to litter, but here we are concerned with energy and the energy savings here are dramatic. I do not think they are any more dramatically put than by the former head of the Federal Energy Administration, Mr. Sawhill, who, when referring to the possibility of saving energy, said "there are few other instances where energy saving of this magnitude could be achieved so easily." What this amendment does and what it will save if it reaches the energy efficiency standard established in this bill, as already in part B of title V, is to save some 70,000 barrels of oil a day. If it reaches the reasonable expectations which the Environmental Protection Agency Study shows it can, it will save some 120,000 barrels a day.

When we compare that against the total savings of part B, title V, almost half of what will be saved in that part will be saved by this one amendment alone. The standard bill establishes in part B of title 5 for the appliances to be covered is 100 kilowatt hours in an average annual household use. Beverage containers use some 2,000 kilowatts on an annual basis per household.

The savings of 70,000 barrels is one-half of our commitment that we have made to Israel for its oil dependency and is equal to what the first year's production at Elk Hills will be.

Also this is a matter which has been studied extensively, more extensively, I believe, than any other aspect that we have presently talked about as far as part B, title V is concerned.

It has been studied extensively by the Environmental Protection Agency. The figures I have produced can be documented from that study. This study has been updated. For reference it is designated EPA 530/SW-91c (1974).

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I will yield briefly to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I want to understand the amendment. As I understand it, what the amendment does is provide a procedure by which can be determined the energy efficiency of a product considering the capability of recycling of certain containers, and if that energy efficiency falls below a certain point, that would trigger authority to the Administrator to prevent the manufacture of that type of container; is that correct?

Mr. JEFFORDS. Only if we go through the procedural steps which are contained in part B, title V, which require, first, the targets to be set, and then all of the other procedures outlined. Then if it does not meet the standards, a balancing of interests would be required under the procedure set forth in part B. If the commission then deems it appropriate, it is possible that that could happen, yes.

Mr. ECKHARDT. Yes. In other words, if these requirements are met, if these barriers to prohibition of the manufacture of the cans, say, are overleaped, and each of the requirements in the bill is met, then the Administrator shall have authority to prevent even the distribution of the can.

Mr. JEFFORDS. That is conceivable but highly unlikely in view of the fact that the industry itself, especially, for instance, with aluminum, can easily meet these standards with not too much recycling. In the aluminum industry 60 percent recycling will meet the 25 percent standard at present.

For instance, Coors Beer, which has a recycling program, is already at 50 percent recycling. Alcoa is moving forward with recycling and is presently somewhere around 30 percent and hopes to be up around 60 percent.

What we are doing is pushing in the area that the industry itself says it wants to go and ought to go, and this country should go to, recycling.

Mr. ECKHARDT. If the gentleman will yield further briefly, I have seen such recycling operations with respect to aluminum cans. I assume that if they were carried on vigorously, they would probably meet the standards of this amendment, perhaps almost inevitably, as the gentleman says, meet them.

But what about other types of cans? Suppose there might be steel cans which did not meet the requirements?

The CHAIRMAN. The time of the gentleman from Vermont has expired.

(By unanimous consent, Mr. JEFFORDS was allowed to proceed for 2 additional minutes.)

Mr. JEFFORDS. Mr. Chairman, let me go through some of the other containers. For instance there are presently the bimetal cans. It can reach the standard with 60 percent recycling. I do not know what percentage it is at present. There is a new iron can coming out which they believe can meet it with 50 percent or less. As far as glass, it meets the standards with the reusable bottle, the returnable bottle. It is inconceivable a nonreturnable bottle could meet the standard alone.

Mr. ECKHARDT. But if the nonreturnable bottles did not meet the standard this procedure would permit the glass bottles, but not nonreturnables. It would permit use of the aluminum can but not the steel can if the aluminum might meet it but steel did not.

Mr. JEFFORDS. It would depend on the Administrator. He could do the same as part B of title V allows and that is to separate out the different types of containers. It is conceivable he could say because there are so many reusable bottles on the market and such a small percentage of nonreturnables that the small percentage are allowable, if all glass bottles meet the 25-percent increase in efficiency. At present 50 percent of bottles are reusable and about 50 percent nonreturnable. If we want a 25-percent increase we would have to take around a 25-percent or more drop in the nonreturnables.

Mr. ECKHARDT. I thank the gentleman for his very lucid explanation.

Mr. JEFFORDS. This amendment gets around many of the problems which have been raised relative to the Oregon law because the amendment just goes to recycling and reusing of materials rather, than as many of us would like to do, which is to go all the way to a deposit law.

The CHAIRMAN. The time of the gentleman from Vermont has again expired.

(By unanimous consent, Mr. JEFFORDS was allowed to proceed for 30 additional seconds.)

Mr. JEFFORDS. Mr. Chairman, this amendment has the backing of many different groups. It has the backing of the National League of Cities and the National Association of Counties. It has the enthusiastic support of environmental groups: Environmental Action; Friends of the Earth; Environmental Policy Center; and the Sierra Club. I also want to commend the excellent help of Pat Taylor of Environmental Action.

Also industry is taking a look at the amendment and they are much more amenable to this than other laws, especially some of those which are going in this direction.

In summary this amendment will get the country moving in a direction it must move, not only to save energy, but to reuse and recycle its valuable resources.

POINT OF ORDER

The CHAIRMAN. The Chair will hear the gentleman from Indiana on the point of order.

Mr. HAYES of Indiana. Mr. Chairman, my point goes to the germaneness of the gentleman's amendment. I would ask that the amendment be ruled out of order because it is not germane. The gentleman seeks to add a new title which is not germane to the scope of the bill. On that ground I ask that the amendment be ruled out of order at this time.

The CHAIRMAN. The Chair will hear the gentleman from Michigan on the point of order he reserved.

Mr. DINGELL. Mr. Chairman, the point of order on which I made a reservation was on the ground that the amendment is not germane to the bill before us. The amendment seeks to impose efficiency standards on the manufacture of beverage containers. There is nothing in the bill relating to beverage containers. The amendment seeks to change efficiency standards imposed upon beverage containers themselves. There is nothing in this bill relating to beverage containers.

Furthermore, Mr. Chairman, not only is the amendment not germane to the bill but it also fails because it is not germane to the bill as amended because as the Chairman recalls all references to the efficiency standards have been removed from the bill with respect to industrial processes. If the amendment were to be offered relating to efficiency in manufacturing processes, it more appropriately should have been offered in sections relating to efficiency in manufacturing.

Those have now been deleted, of course. The amendment is not germane because it comes too late in the bill, for that matter, after it has been considered and acted upon in the House.

The amendment is very, very complex, setting up standards for efficiency in a whole series of devices. With regard to the mechanism we are under, this efficiency is judged and it goes into a lengthy complex set of judgments that must be exercised by the administrators with regard to this efficiency; but dealing solely with the question of bottles and containers. As I pointed out, there is no reference in the bill to bottles and containers. For that reason, the amendment is not germane.

The CHAIRMAN. Does the gentleman from Ohio care to be heard on the point of order?

Mr. BROWN of Ohio. Yes, Mr. Chairman. In Cannon's Procedures of the House of Representatives, the rule of germaneness occurs at section 794. It says that while the committee may report a bill embracing different subjects, it is not in order during the consideration of a bill to introduce a new subject, and the rule applies to amendments by the committee, as well as amendments offered on the floor.

Mr. Chairman, the nature of the new subject in this legislation, it seems to me, is embarred in section 604 of the amendment as submitted by the gentleman from Vermont (Mr. JEFFORDS), in which we are not dealing with the set of standards of the operation of appliances as we were in the appliance section, or automobiles, as we were in the automobile standards section; but rather in the design of a nonenergy consuming product which the author of the amendment seeks to prohibit with reference to its possibilities of reuse. It gives the authority to the Secretary to prohibit a product on the basis of its design. So we are, in effect, impacting on the product with reference to the manufacture of the product in some mechanical or energy-consuming way. That, it seems to me, is a new direction or a new subject under the rule of germaneness, as opposed to the other approaches which the bill as reported out of the committee has taken. It is an area which I rather doubt comes under the purview of our committee, in that the purview of the committee relates to the consumption of energy as such and the licensing of that energy and the pricing of it and so forth.

This seeks to prohibit a product based on the method by which it is produced in terms of energy consumption. On that basis, I would say, Mr. Chairman, we could deal with the limitation of production on agricultural products, because in the growing of those agricultural products some energy is consumed in their growing. If we get into that, then, of course, we can touch anything. I think that was not the thrust of the rule of germaneness or the assignment of jurisdiction of committees by the rules of the Congress.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. ECKHARDT. Mr. Chairman, I would like to be heard on the point that the amendment is not germane.

My point is very much the same as that of the gentleman from Ohio (Mr.

BROWN). Perhaps I shall state it slightly differently.

Title V purported to save energy by creating certain standards with respect to the actual function of the product. For instance, an air-conditioner which wasted electricity in its operation might be banned for that reason. Actually, title IV came a bit closer to the purpose of this bill, but I think it was still distinguishable. However, as the gentleman from Michigan (Mr. DINGELL) has pointed out, title IV does not remain available as a provision of this bill to which this could be germane.

Title IV dealt with efficiency in the operation of industry generally. Actually, I agree with the gentleman's argument. What I would say is that this is more as if we attempted to amend this bill to prohibit the use of iron ore, or less than a certain percentage of iron ore in the manufacture of steel and required an amendment purporting to be applied to this bill that scrap be used instead of iron ore because it is more efficient and uses less power to produce.

In this case the gentleman, as he stated in stating his purpose to me, is interested in prohibiting the manufacture of certain cans of oil because the manufacturers of those cans are simply deemed, under all considerations with respect to their energy efficiency and recycling, as somewhat antisocial, and therefore a business can be prohibited from making a particular product that is thereby considered to go into waste, not be used, not be efficiently applied. That is not a purpose that this bill at the present time reaches in any manner. Therefore, I feel that the amendment is not germane.

Mr. HAYES of Indiana. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. HAYES of Indiana. Mr. Chairman, I simply wanted to add in regard to the standard fundamental purpose of looking to the fundamental purpose of an amendment in qualifying its germaneness, that this particular amendment would seek to add for the first time in the bill a class of product which does not in and of itself consume an average annual per household energy factor, nor does it consume in and of itself energy at all.

I am saying, in one respect, something very similar to what the gentleman from Texas was just trying to explain, but I believe that it is the first and the only instance that we have had of attempting in any way to classify a subject matter under the scope of this legislation that itself does not consume energy, but rather he attempts to direct his amendment to something which can only be said to indirectly consume energy.

For that reason, he would go outside what hitherto in this consideration has been a rather narrowly defined class of things. I believe that if his amendment were to be correct and to be germane and to accomplish the same kind of purpose, he would have to present an amendment which would somehow or other seek to classify those powerplants which generate the type of power needed to manufacture the kind of goods against which he directs his amendment, that is, cans.

On this basis, I think it is clearly not germane.

Mr. JEFFORDS. Mr. Chairman, may I be heard?

The CHAIRMAN. The gentleman from Vermont is recognized.

Mr. JEFFORDS. Mr. Chairman, never have I had an opportunity to tell so many distinguished gentlemen that they are wrong at the same time. First, let us go back to the basics here. What are we concerned with when we talk about the germaneness? Let us look at the legislative manual.

The fundamental purpose of an amendment is that it must be germane to the fundamental purpose of the bill. What is the fundamental purpose?

Let us take a look at the title, "Energy Conservation and Oil Policy Act of 1975." Look what we are trying to do. We are trying to conserve energy. Let us take a look at title III, with its broad powers over the whole area of development of petroleum. There are tremendous powers over the whole industry in allocation, production, as to where the industry goes.

Let us take a look at title VI, which gets into the powerplants and says that we can spell out what power to use, what kind of energy to use.

That is exactly what I am talking about here. You can tell people what they can do, as far as bottles go.

Let us take a look at the definitions in this bill. Let us take a look at what a consumer product is. I am sure the committee is aware, and I am not going to read it. There is no question in anybody's mind that "beverage container" comes within the definition of consumer product in this bill. In fact, not too long ago the Chair here, on an amendment of a similar nature but totally misdirected, ruled it was not appropriate because it was a consumer product. We have precedent right there that this is a consumer product.

Let us take a look at the titles we have gone through. I have mentioned some. Let us look at some others. Let us take a look at title IV. We can even tell how many people can drive in car pools. We have a whole set of standards for automobiles. All of these are covered in this bill, and certainly the broad spectrum of issues here make it possible to add one other aspect when the general purpose is conservation of energy, and the evidence is clear here that we are going to conserve energy.

Let us get to the argument made by many, and that is it is different because we are talking about energy consumed in the production of the consumer product rather than the consumer himself.

The FEA is not going to go around this country chasing after people with electric toothbrushes to see whether they brush properly or to see whether they are plugged in properly. They are going to go to the manufacturer and say, "You have a toothbrush here that has to have a certain energy efficiency improvement." So we are saying when the product is sold that particular beverage container must consume less than a certain amount of energy. It is identical in purpose. The bill does not try to go out and nail the consumer. It gets to him by labeling. It says, "Here is a consumer product that uses less energy." My amendment will say, "Here is something that uses less energy." I see no difference whatsoever. Its basic purpose and fundamental purpose is the same as the bill, to conserve energy and conserve oil. How anybody can argue that this is not germane is impossible for me to see.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Indiana, the gentleman from Michigan, the gentleman from Ohio, and the gentleman from Texas have made points of order against the amendment offered by the gentleman from Vermont (Mr. JEFFORDS) on the ground that it is not germane to the bill.

The Chair would like to state that if the amendment had been offered to title V, the arguments of many of the gentlemen would have more significance.

The amendment offered would add a new title to the bill relating to energy conservation in the production of beverage containers.

The test of germaneness in such a situation is the relationship between the new title to be added by the amendment and the entire bill.

The Chair would state, initially, that he has reexamined the precedents contained in section 6.18 and section 6.19 of chapter 28 of Deschler's Procedure, wherein an amendment prohibiting the production of nonreturnable beverage containers was held not germane to the Energy Emergency Act, and finds that the situations are distinguishable.

As noted, the germaneness is dependent upon the relationship between the amendment in the form of a new title and the entire bill to which offered.

The 1973 bill was designed to regulate and promote the production, allocation, and conservation of energy resources and contained no reference to the production of consumer goods. In that context, the nonreturnable container amendment was not germane.

However, the bill now under consideration contains several diverse titles, all relating to use, consumption, availability, and conservation of energy.

The Chair notes specifically the provisions of title V relating to end use and energy consumption of certain consumer products.

The Chair, therefore, believes that the bill is sufficiently broad in scope to admit as germane an amendment in the form of a new title which is drafted in the form presented by incorporating by reference certain standards in the bill, and which relates to the conservation of energy by an industry engaged in the production of a consumer product, specifically, beverage containers.

The Chair, therefore, overrules the point of order.

Mr. SCHEUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to congratulate the gentleman from Vermont (Mr. JEFFORDS) for bringing to the attention of the House his very public-spirited and positive thrust toward the development of a program requiring returnable liquid containers and, hopefully one day, biodegradable liquid containers which do not use tin, glass, or other energy-intensive and scarce nonrenewable resources.

I regret that the Committee on Interstate and Foreign Commerce, which certainly has jurisdiction over this subject, has not had the opportunity to schedule the extensive hearings required to delve into the problems and the prospects for such a plan, in order to define the merits of this far-reaching proposal. If the gentleman's amendment is not agreed to, I would hope very much that our committee will make a thoroughgoing scrutiny and investigation of this subject and that we will propose legislation against nonreturnables and for returnable bottles and, preferably, for biodegradable liquid containers.

This approach would have several very great advantages. First, there is perhaps no other single measure that can so benefit the environment as the elimination of bottles and cans, these articles that disgrace and despoil not only our city streets but our highways, our byways, and our country lanes.

Second, the energy savings and cost savings to Government would be enormous. First, there is an enormous amount of energy and Government funds are wasted in picking up discarded bottles and cans from our city streets and from our national intercity highways. We spend far more money and far more energy in picking up these containers than we spend in producing them and filling them with the beverage by the time they are originally sold. The cost to the Government of retrieval of the container after use is more than the cost to the consumer of the container and the beverage at the cash register.

Third, the use of nonreturnable liquid containers that are only used once, involving the use of aluminum and tin and glass, the production of which is highly energy intensive, is a gross waste not only of energy but also of scarce, nonrenewable resources.

Therefore, Mr. Chairman, without committing myself as to whether I am going to support this particular proposal in its detail, and expressing regret that we have not had long and detailed hearings which this subject well merits, I do want to congratulate the gentleman from Vermont for his initiative in bringing this subject to our attention. I hope very much that if his amendment is not agreed to, the Committee on Interstate and Foreign Commerce, under its distinguished chairman, the gentleman from West Virginia (Mr. STAGGERS), and under the distinguished chairman of the subcommittee, the gentleman from California (Mr. VAN DEERLIN), will give this matter their consideration, and that the committee will provide real leadership in investigating this problem and this program in depth.

Hopefully, if this amendment is not agreed to today, our committee in the weeks to come, will come before this Congress with a carefully conceived and formulated program to effectuate the purposes of this amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I congratulate my colleague, the gentleman from New York (Mr. SCHEUER), on his remarks. I would like also to congratulate the gentleman from Vermont (Mr. JEFFORDS) for offering what I think is a very creative and constructive amendment.

As a Member who has a deep commitment to conservation, particularly to conservation of energy, I think that bringing in the use of recycled materials of all kinds, particularly as this applies to bottles and cans which not only waste energy but also litter our landscape and our highways, is something to which we ought to give high priority.

I hope that our committee will hold hearings on this subject. I personally would like to urge support of the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

Mr. SCHEUER. Mr. Chairman, I might just add one thought.

Almost 10 years ago, when I first came to Congress, I sponsored a bill which would place a heavy Federal tax on all nonreturnable liquid containers. This year, as a member of the Committee on Science and Technology, I have pressed the National Science Foundation to use some of its brains and its development capability and talent in this area.

Mr. Chairman, I have also urged NASA, over which our Committee on Science and Technology has jurisdiction, to use their enormous capability in the field of metallurgy in order to do some useful research in this field. They have produced a spaceship—a space home that will take human beings into outer space and to the Moon. It is designed to stand incredible extremes of heat and cold, and friction. I urged NASA, with their enormous technology, to put some of that technology to Earth use and to develop a liquid container that is biodegradable, and which will trigger a self-destruct mechanism upon use, once the liquid is consumed.

I want to express my wholehearted support of the general principle espoused by the gentleman from Vermont (Mr. JEFFORDS), and I hope that this Congress and our distinguished committee will address themselves to that problem very shortly and intensively in the weeks to come.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. Yes, I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I thank the gentleman for yielding.

I do want to join in strong support of the gentleman's amendment.

I come from the State of Oregon. Ordinarily, the State of Oregon is out in the forefront, all by itself, in all the innovative legislation of whatsoever kind or nature one might describe.

In this instance, we are proud to share the preeminence of that forward-looking position with the State of Vermont.

The CHAIRMAN. The time of the gentleman from New York (Mr. SCHEUER) has expired.

(On request of Mr. DUNCAN of Oregon and by unanimous consent, Mr. SCHEUER was allowed to proceed for 1 additional minute.)

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield further?

Mr. SCHEUER. Yes, I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, in this instance, the State of Vermont and the State of Oregon have shown the way to the Nation in making very effective savings, both in the consumption of energy, in the cost to the consumer, and in the additional benefits that the gentleman has mentioned, such as in the reduction of litter on our streets and on our highways. It is something that ought to appeal to everyone.

We talk about the energy crisis requiring us to change our way of life. Certainly this is a way of life that could be changed with very minimal inconvenience to each of us.

There are other bills in front of the Congress imposing deposits on bottles and prohibiting fliptop caps, which is the approach the State of Oregon uses.

I am prepared to support any such approach, this or the other, because there is more than one way to skin a cat.

I hope that the gentleman's amendment receives very substantial support on the floor of the House today.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. Yes, I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I am not quite sure that the gentleman who supports this amendment is joining in the sentiments of the gentleman in the well. I understand that the gentleman in the well approves the direction but will not support the amendment. I just want to be clear on that.

Mr. SCHEUER. Mr. Chairman, to answer the gentleman, without taking a position on the amendment, I do express regret that the amendment, including the specifics of the language, has not had the scrutiny it deserves through a comprehensive, intensive series of hearings.

Mr. MOSS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I would enthusiastically support an appropriate amendment to achieve the objectives of doing away with the nonreturnable containers, either glass or metal. I think they are one of the greatest causes of litter across this Nation. They deface the countryside. They are an abomination, and they ought to be done away with, but not in this fashion.

I have read the gentleman's amendment. I talked to counsel, and I have great difficulty in understanding exactly how it would work because it has always been my observation that a manufacturing plant manufactures in response to orders received. They do not undertake the bottling of beverages; they have to supply what the customers require.

I think the action taken in some of the States to outlaw these nonreusable containers is excellent. I think the State of Oregon has done it, and I believe that the Governor of California has recently signed a bill outlawing the fliptop can, which is such a source of clutter over the countryside.

I feel very much as the gentleman

from New York (Mr. SCHEUER) feels, a matter as important as this deserves a very careful hearing as to an understanding of its impact because, make no mistake, it would have an impact and it could be an adverse and a very unfair impact.

I like to feel when I legislate that I do it on a solid record of hearings that are objectively structured and undertaken so that all relevant facts are available. I do not think it appropriate for this Congress to injure anyone's business without having that kind of a hearing record before it. There is not now that kind of a hearing record in any committee or subcommittee of this House.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Is the gentleman from California aware that rather extensive hearings were held by a subcommittee of the Committee on Commerce with respect to solid wastes and they have gone into this very question of nonreutrnable containers and also touched upon the issue of energy?

Mr. MOSS. I believe the subcommittee on solid wastes has been in the process of coming to some recommendation and resolution of this problem but I am not aware that they have concluded their action.

I might point out to the gentleman from Vermont that I for 10 years chaired that Committee on Commerce and Finance that originally had this jurisdiction. So I have a fair degree of familiarity with the nature of the problem. I must say that there is not now that kind of a hearing record that meets my prescription for fairness in dealing with American business.

I would join with the gentleman from Vermont in any well-conceived effort to deal with this problem but this is not a well-conceived effort. This is not carefully crafted and it should not be adopted as an amendment to this bill.

Mr. HAYES of Indiana. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. STAGGERS. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment.

Mr. Chairman, I respect and commend the gentleman from Vermont for speaking and acting the way he has in relation to the bill and the amendments that we have. I rise opposition to the amendment, but with reservations. I must oppose the amendment because no hearings have been held. It is too important a subject included without hearings. I think we need to hold hearings and let everybody in that segment of the industry come in and be heard. Then we can do something workable. As it is, I think the amendment is unworkable.

I think if we have a chance to go to the committee and have all segments of society come in and express their point of view, then I think we would be ready to make a decision.

I do, as I say, hesitate to oppose the amendment, but I must in all fairness to the country and the bill and the subject matter. I think it is too complicated a subject to just bring up at this time and put in a bill which is as important to America as this one is, especially when people do not understand how the amendment works.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. Yes, I am happy to yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I want to commend the gentleman from West Virginia for his comments and agree wholeheartedly. The amendment speaks for itself. The drafting is most convoluted, not to say downright contorted, because the author tries to carry out a desirable goal and at the same time get around a point of order that could be raised against the amendment. He has had to draft one of the most extraordinary pieces of legislation I have ever seen. I have to say, the contorted method of drafting converts it into something of a monstrosity. As the Chairman of the Committee on Interstate and Foreign Commerce pointed out, there have been no hearings on this matter. The committee will be going into this subject shortly and I am satisfied this will be a matter before us at the appropriate time.

I would urge my colleagues to reject the amendment, even though the gentleman who offered it has done so in the best of faith.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would also concede we have had no hearings on the proposal and would hope to call attention of the full committee and the chairman of the subcommittee to the comments of counsel in that area when we deal with title VIII.

Mr. AuCOIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the purpose of this amendment is to provide an interim period during which beverage manufacturers will have time to gradually develop a more energy-efficient system of packaging. This amendment would also play an important role in raising the consciousness of the consumer about the impact of beverage containers on our Nation's energy resources.

Most estimates indicate that between 0.3 and 0.6 percent of our Nation's total energy consumption can be attributed to beverage containers. The Federal Energy Administration has indicated that Federal actions such as the proposed amendment can cut consumption in this area by one-third.

As a percentage of total consumption, this is small. But the Task Force in Critical Problems, commissioned by the New York State Senate, has projected that we can save the equivalent of 43.6 million barrels of oil a year by shifting to refillable bottles.

As a member of the Oregon State Legislature, I worked hard for the passage of that State's bill requiring returnable beverage containers. Since that time we have annually saved the equivalent of 250,000 barrels of oil in a State containing only 1 percent of the Nation's population. New York State estimates that if they follow the same mixture of containers as is currently sold in Oregon, they would save over 3.5 million barrels of oil a year, or 0.5 percent of that State's energy consumption.

These energy savings can be easily and quickly accomplished. Each one-way soft drink bottle consumes 4.4 times as much energy as a refillable bottle does. The conventional steel beer can, the second most efficient common beer container, requires 150 percent more energy than the 12-ounce refillable bottle. Recycling aluminum cans offers a possible reduction of 75 percent of the energy required to manufacture this type of container.

If this amendment is passed, it will provide industry with a strong incentive to provide recyclable containers and to develop other alternatives that would be energy efficient compared with present practices.

The President has established a national goal of reducing energy imports by 1 million barrels a day. This amendment, if enacted, would offer progress toward the 12 percent of that amount that could be realized by converting to returnable beverage containers.

Mr. Chairman, we have seen mandatory returnable bottles and cans in Oregon and our experience has been good. The practice has the overwhelming support of the people of the State. I am convinced that this amendment offers an opportunity to move toward energy conservation and efficient use of natural resources for all Americans.

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to associate myself with the remarks of my colleague, the gentleman from Oregon (Mr. AuCOIN) who testified to this House that the Oregon bottle bill has worked. It has been eminently successful and gives us an enormous energy savings. I would hope that this amendment is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The question was taken; and on a division (demanded by Mr. JEFFORDS) there were—ayes 11; noes 26.

So the amendment was rejected.

The CHAIRMAN. If there are no further amendments, the Clerk will read.

The Clerk read as follows:

TITLE VI—CONVERSION FROM OIL OR GAS TO OTHER FUELS

EXTENSION OF AUTHORITY TO ISSUE ORDERS

SEC. 601. Section 2(f) (1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by revising the date "June 30, 1975" to read "June 30, 1977".

EXTENSION OF ENFORCEMENT AUTHORITY

SEC. 602. Section 2 of the Energy Supply and Environmental Coordination Act of 1974 is amended as follows:

(1) Subsection (f) (1) of that section is amended by revising the date "January 1, 1979" to read "January 1, 1985".

(2) Subsection (f) (2) of that section is amended by revising the date "December 31, 1978" to read "December 31, 1984", and by revising the date "January 1, 1979" to read "January 1, 1985".

ADDITIONAL INSTALLATIONS SUBJECT TO PROHIBITION ORDERS

SEC. 603. Section 2(a) of the Energy Supply and Environmental Coordination Act of 1974 is amended to read as follows:

"(a) The Federal Energy Administrator—

"(1) shall, by order, prohibit any powerplant, and

"(2) may, by order, prohibit any major fuel burning installation, other than a powerplant,

from burning natural gas or petroleum products as its primary energy source, if the requirements of subsection (b) are met and if (A) the Federal Energy Administrator determines such powerplant or installation on June 22, 1974, had, or thereafter acquires or is designed with, the capability and necessary plant equipment to burn coal, or (B) such powerplant or installation is required to meet a design or construction requirement under subsection (c)."

ADDITIONAL INSTALLATIONS REQUIRED TO BE CONSTRUCTED WITH A COAL-BURNING CAPABILITY

SEC. 604. Section 2(c) of the Energy Supply and Environmental Coordination Act of 1974 is amended by inserting "or other major fuel burning installation" after "powerplant" wherever it appears.

AUTHORITY TO PROHIBIT USE OF NATURAL GAS AS BOILER FUEL

SEC. 605. (a) Section 2 of the Energy Supply and Environmental Coordination Act of 1974 is amended by redesignating subsections (e) and (f) as (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e) (1) The Federal Energy Administrator may, by order, prohibit any powerplant, from burning natural gas if—

"(A) the Administrator determines that—

"(i) an order has been issued to such plant under paragraph (3), or such powerplant had on June 30, 1975 (or at any time thereafter) the capability and necessary plant equipment to burn petroleum products,

"(ii) an order under subsection (a) may not be issued with respect to such plant,

"(iii) the burning of petroleum products by such plant in lieu of natural gas is practicable and consistent with the purposes of this Act,

"(iv) petroleum products will be available during the period the order is in effect,

"(v) the order will result in making natural gas available to users who will not use it as fuel for the production of steam and such natural gas will be used in substitution for petroleum products,

"(vi) the order will not result in an increase in consumption of petroleum products,

"(vii) the prohibition under this paragraph will not impair the reliability of service in the area served by the plant, and

"(viii) serious negative impact on consumers will not result.

"(B) the Administrator of the Environmental Protection Agency has certified that if such plant will be able to burn the petroleum products which the Administrator of the Federal Energy Administration has determined under subparagraph (A) (iv) will be available to it, such plant will be able to comply with the Clean Air Act (including any applicable implementation plan).

An order under this paragraph shall not take effect until the earliest date on which the Administrator of the Environmental Protection Agency has certified such plant can burn petroleum products and can comply with the Clean Air Act (including any applicable implementation plan).

"(2) (A) The Federal Energy Administrator shall exempt from any order under this subsection the burning of natural gas for the necessary processes of ignition, start-up, testing, and flame stabilization by powerplants.

"(B) Subject to subparagraph (A), the Administrator may make an order under paragraph (1) apply to all natural gas burned by the powerplant to which it applies or may specify the periods and amounts to which such order shall apply.

"(3) The Federal Energy Administrator may, by order, require that any powerplant or major fuel-burning installation in the early planning process (other than a powerplant or installation to which an order may be issued under subsection (c), or a combustion gas turbine or combined cycle unit) be designed and constructed so as to be capable of using petroleum products as its primary source of energy for production of steam. No powerplant or installation may be required under this paragraph to be so designed and constructed if the Administrator determines that (A) in the case of a powerplant, to do so is likely to result in an impairment of reliability or adequacy of service, or (B) an adequate and reliable supply of petroleum products is not expected to be available. In considering whether to impose a design and construction requirement under this paragraph, the Federal Energy Administrator shall consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner to recover any capital investment made as a result of any requirement imposed under this paragraph.

"(4) The procedures specified in subsections (b) and (c) of section 18 of the Federal Trade Commission Act shall apply to orders under this subsection (e) to the same extent that such subsections apply to rules prescribed under section 18(a) (1) (B) of such Act. Any such order shall be reviewed in accordance with section 18(e) of such Act in the same manner as rules under such section 18(a) (1) (B)."

(b) Section 2(g) (1) of such Act (as redesignated by subsection (a)) is amended by striking out "(d)" and inserting "(e)".

INCENTIVES TO OPEN NEW UNDERGROUND MINES PRODUCING LOW SULFUR COAL

SEC. 606. (a) The Administrator may, in accordance with regulations prescribed under subsection (d), guarantee loans made to persons described in subsection (c) (1) for the purpose of opening new underground coal mines which produce low sulfur coal.

(b) (1) A person shall be eligible for a guarantee under subsection (a) only if the Administrator determines—

(A) that such person is capable of successfully developing and operating the mine with respect to which the loan guarantee is sought;

(B) that such person has provided adequate assurance that the mine will be constructed and operated in compliance with the provisions of the Federal Coal Mine Health and Safety Act and that no final judgment holding such person liable for any fine or penalty under such Act is unsatisfied;

(C) that there is a reasonable prospect of repayment of the guaranteed loan;

(D) that such person has obtained a contract of at least 10 years duration for the sale of coal to be produced from such mine to a person who requires such coal in order to meet requirements of section 111 or 119 of the Clean Air Act, or of an applicable implementation plan (as defined in section 110 of such Act);

(E) that the loan will be adequately secured; and

(F) that such person would be unable to obtain adequate financing without such guarantee.

(2) The amount of a guarantee issued with respect to a loan may not exceed the lesser of 80 percent of the loan or $30,000,000. Not more than one guarantee may be issued—

(A) to any person (including all persons affiliated with such person), or

(B) with respect to any single mine.

(3) The aggregate outstanding principal amount of loans which are guaranteed under this section may not at any time exceed $750,000,000.

(c) For purposes of this section—

(1) A person shall be considered eligible for a guarantee under this section if such person (together with all persons affiliated with such producer)—

(A) did not produce more than 1,000,000 tons of coal in the calendar year preceding the year in which he makes application for a loan guarantee under this section;

(B) did not produce more than 300,000 barrels of crude oil or own an oil refinery in such preceding calendar year; and

(C) did not have gross revenues in excess of $50,000,000 in such calendar year.

(2) A person is affiliated with another person if he controls, is controlled by, or is under common control with such other person.

(3) The term "low sulfur coal" means coal which, in a quantity necessary to produce one million British thermal units, does not contain sulfur or sulfur compounds the elemental sulfur content of which exceeds 0.6 pound. Sulfur content shall be determined after the application of any coal preparation process which takes place before sale of the coal by the producer.

(d) The Administrator shall prescribe such regulations as may be necessary or appropriate to carry out this section.

Mr. DINGELL. Mr. Chairman, I have two unanimous consent requests.

Mr. Chairman, I ask unanimous consent that further reading of title VI be dispensed with, that it be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there an objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that all debate on title VI and on all amendments thereto terminate in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, may I inquire as to how many amendments to this title there are at the desk?

The CHAIRMAN. There are three amendments at the desk.

Mr. BROWN of Ohio. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ROGERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time only to ask the gentleman from Michigan to clarify a point with regard to section 605 of the bill. That section authorizes the FEA Administrator under certain conditions, to order conversion of electrical power plants from the burning of natural gas to the burning of petroleum products.

As the gentleman will recall, when this section was before the Commerce Committee, I expressed concern over the possible effect of this provision on some areas of the country, such as Florida and California.

My concern was based on the fact that, if this authority were exercised, Florida and other parts of the country could be forced to import large quantities of expensive foreign residual fuel oil, with the total cost to Florida consumers alone running in the neighborhood of an additional $220 million per year.

I did not believe the intent of this bill would permit action which would result in an increase in imported petroleum products, and I was prepared to offer an amendment to insure this.

At that time, the gentleman from Michigan assured me that he did not believe an amendment was necessary, and that report language would be included to clarify the bill on this point. I would ask the gentleman if he is satisfied that the language on pages 101 and 102 of the report sufficiently clarifies section 605 in this regard?

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I would say to the gentleman that I believe the language of section 605, together with the language he has referred to in the report, make clear that in instances where utilities have long-term natural gas contracts entered into before the price of petroleum products rose in response to the Arab embargo, and where those utilities would convert to extremely expensive and insecure imported petroleum, FEA would not have authority to order a gas-to-oil conversion unless FEA was able to find that the conversion would not result in an increase in petroleum import consumption, and consumers would not be seriously impacted by reason of rate increases.

Mr. ROGERS. Mr. Chairman, I thank the gentleman, and I think this makes very clear, for our purposes, the situation that would prevail in Florida.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Chairman, I thank my colleague for his efforts in writing this protective language, the language in the report and his colloquy on the subject. It is important to us in Florida, where we have no hydroelectric power and are totally dependent on imported oil. Mandating conversion of our municipal generating plants would have per se a serious negative impact on consumers and in that case the language in the bill prohibits the Administrator from exercising his authority.

Mr. Chairman, my understanding is that the committee has said and the law provides that the Administrator can exercise his authority to mandate conversion from gas only when all of these specific findings are made. Am I correct on that?

Mr. DINGELL. If the gentleman will yield, the gentleman is correct. The authority cannot be exercised unless the findings are made.

I would also point out there were two findings the committee gave particular credence to, and the gentleman from Florida (Mr. FASCELL) and the gentleman from Florida (Mr. ROGERS) have particular interest in, and those were the ones which related, first, to the fact that the reliability of service could not be impaired, and, second of all, that the rates could not be adversely changed against the consuming public by reason of changes.

Mr. FASCELL. I thank the Chairman. If the gentleman will yield further, to permit one more observation. A negative and serious impact on consumers could be presumed, in a case of where a utility sells 50 percent of its electric power to residential and commercial customers as distinguished from industrial users. A mandated conversion in that case, would obviously have a negative and serious impact on customers and catastrophic if there is no hydropower or only much more costly imported oil.

Mr. DINGELL. If the gentleman will yield further, there is language in the bill so that serious negative impact to the consumer will not result.

Mr. FASCELL. So it is clear that the language in the bill assumes that the Administrator must consider factors other than simply price rise to the consumer in determining whether there is a serious and negative impact?

Mr. DINGELL. Yes, for example, impairment of the reliability of service.

Mr. FASCELL. Certain utilities in the State of Florida—municipally owned utilities—including the cities of Homestead, Tallahassee, Lakeland, Sebring, and others—have long-term gas contracts.

To the extent that they lose their gas and replace it with oil at three times the price or more—their electric bills will sky rocket.

Does this bill protect against that situation?

Mr. DINGELL. Yes, the bill specifically prohibits issuing an order if serious adverse effects on consumers will occur. Skyrocketing electric bills and clearly an adverse effect on consumers.

AMENDMENT OFFERED BY MR. SNYDER

Mr. SNYDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SNYDER: Page 334, line 24, insert "(i)" after "(A)".

Page 335, insert after line 2 the following: "(ii) The Administrator shall not issue any order under this subsection which applies to any power plant which was in existence on June 30, 1975, which during the 12-month period preceding such date did not burn petroleum products, and which the Administrator determines will be operated on natural gas only for the purpose of providing electric power which would otherwise be provided by one or more of the base load power plants of the same electric power system which cannot be operated because of an air pollution emergency or because of an unanticipated equipment outage or an act of God."

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I will yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has shown me the amendment. I would like to have it known there is no objection on this side. I do not think it hurts the bill, and I am very pleased to accept it on this side. I hope my colleagues on the other side will accept it also.

Mr. SNYDER. I have a commitment over there. I will ask the gentleman from Ohio (Mr. BROWN) for his comments. The gentleman from Michigan (Mr. DINGELL) has accepted the amendment and has suggested that the gentleman from Ohio (Mr. BROWN) might have a comment.

Mr. DINGELL. If the gentleman will yield, I have indicated that I have no objection to the amendment. It does not impair the purpose of the bill. I would hope the other side would also accept the amendment.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman from Kentucky will yield, I think that his amendment could be accepted by the gentleman from Ohio.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. SNYDER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KRUEGER

Mr. KRUEGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KRUEGER: Strike out all from the beginning of line 1, page 333 to the end of line 12, page 336 (section 605 of the committee substitute), and redesignate the sections of title VI accordingly.

Mr. KRUEGER. Mr. Chairman, the inclusion of section 605 in this bill would give an extraordinary amount of power to an unelected official, and it seems to me it would be dangerous in the extreme. It is particularly dangerous to certain regions because it would give those States which have, over the years, become extremely dependent upon a particular source of energy, natural gas, the position of having to rely fully for their own industrial and economic future on the potential decision of one Administrator.

There is, it seems to me, a grave danger in allowing a single individual to have the authority to prohibit entirely the use of natural gas as boiler fuel, and yet that is precisely what this section does. At one point this section says that the FEA Administrator may "prohibit any powerplant from burning natural gas if the burning of petroleum is practicable" and available. In other words, cost is not considered.

However, later on under the same section it says that the FEA Administrator may prohibit any powerplant from burning natural gas if "the order will not result in an increase in the burning of petroleum products." Clearly, that is contradictory. There is no means of, on the one hand, prohibiting the burning of natural gas and requiring a changeover to petroleum, and on the other hand saying there shall not be an increase in the use of petroleum.

If this increase in the use of petroleum comes about, it will come at the expense of the Midwest, among other areas, where people run the risk of suffering grave shortages in their petroleum supplies if other areas use more petroleum in order to stop burning natural gas.

Take a State such as my own home State, Texas. There, two-thirds of the energy in the entire State is provided by natural gas. Ninety-five percent of the electricity is provided by natural gas. This two-thirds of the total energy of the State being provided by natural gas compares, for example, with one-third of the energy in the United States generally being provided by natural gas. There is no question that over a period of time this State, like most others, will turn away from the use of natural gas as boiler fuel and go to other fuels. But this will come inevitably through the course of economic events as natural gas is over a period of time allowed to rise in price to its proper market level.

However, to give the power to mandate conversion and prohibit the use of natural gas is really, I think, a gross misuse of Federal authority.

Only 4½ percent of the use of natural gas in Texas is residential. Some 60 percent of the natural gas is used for industrial purposes. In fact, roughly half of the entire petrochemical industry in the United States is in Texas, and that industry came to be located there because natural gas is available.

Mr. Chairman, the capital cost of simply changing over of equipment from the burning of natural gas to other fuels would be, it has been estimated, some $18 billion in one State alone. This is not the kind of power which we on some easy afternoon here should suddenly grant to a single administrator. This involves the entire fate of a whole State and its industrial complex and its residential users.

We cannot give that much power to one single individual. To do so would be to do exactly the sort of thing that we always hear from our constituents that we should not do, that is, the Congress would be passing fuzzy directives instead of passing clear laws. We should not turn over to an unelected Federal administrator the power to make decisions for the Congress.

Striking this section would restore justice, and I therefore urge the striking of section 605, and I urge the adoption of the amendment.

Mr. ECKHARDT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, about the last time this kind of power was granted was in 1322, in the Statute of York of Edward II.

The Statute of York read as follows:

> Matters which are to be determined with regard to the estate of our lord the king and his heirs, or with regard to the estate of the kingdom and the people, shall be considered, granted and established in parliament by our lord the king and with the consent of the prelates, earls and barons and of the community of the kingdom, as has been accustomed in time past.

Since that time, however, we have established policy with respect to what businesses cannot do by statute, both in Parliament and in Congress. This provision goes back to the old school. It would give the Federal Energy Administrator the power to prohibit any powerplant from burning natural gas. It says "if" and then provides certain qualifications.

Listen to these qualifications and tell me whether there is any way, other than subjectively, to determine how they apply. Here is one of them:

> The burning of petroleum products by such plant in lieu of natural gas is practicable and consistent with the purposes of this Act.

Then it says:

> The prohibition under this paragraph will not impair the reliability of service in the area served by the plant.

Cannot the energy czar determine that, in Houston, it does not hurt reliable service to deprive Houston Light and Power Co., which supplies not only consumers of electricity in that area, but virtually the entire industrial complex of that area, of the use of gas?

Then it says that he must find that no serious negative impact on consumers will result.

What we are doing here is saying that the energy czar may or he may not permit the use of gas for boiler fuel.

Do we want to give that much power to one man? I say we should not.

I come before you, of course, with a regional interest in this case. I, like my colleague, the gentleman from Texas (Mr. KRUEGER), am naturally concerned about this amendment because it could, in fact, be utilized to shut down the entire industrial economy of my area and my State. However, I do not think that I am known in this House to be totally subservient to the interests that happen to operate in my community, but in this instance, the effect of this amendment on my area is merely an example of how it can be used in any other area.

If there is power to either grant or to deny the use of that basic energy source that turns the wheels of the economy of the entire area, that area may be held hostage by whoever exercises the power. Of course, ultimately, the President exercises the power.

Have we learned anything from Watergate?

Have we learned anything about the exercise of power by the Attorney General to enforce or not enforce EPA orders? If we have, we will not grant the authority this statute provides for the energy czar to either cut off the major source of energy in an entire region or not to cut it off.

I suggest to the Members that we do not have to cross this bridge in this bill. This is the only thing in the bill that deals directly with gas and principally with gas and our committee has before it a bill which deals with gas and is opening hearings on this immediately, or at least forthwith.

If the bill provided that after a reasonable period of time and under specified, reasonable conditions gas would not be used as a boiler fuel or in electrical generation, I would be for it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, it pains me greatly to differ with my good friend because of his very able work and because of his being a very valuable Member of my subcommittee. I would commend to the gentleman a more careful reading of the statute that the gentleman has quoted. The provisions that the gentleman quoted do not confer additional powers on the administrator of FEA with regard to conversion from gas to oil and coal but, rather, the provisions cited by the gentleman from Texas contains limitations—and I repeat—limitations on the power of the administrator of FEA to go in and to order changeover from natural gas to oil for boiler fuel use.

What is the situation? We have got an energy crisis on our hands in this country and it is severe. Many of the Members in this Chamber have already begun to receive warnings that significant curtailment of natural gas for industrial and home heating purposes during the fall and winter months impends and the figures in some areas are 25 percent.

The question is: Are we going to require that natural gas be used wisely and prudently? First of all, it should be known by my colleagues here that the provisions of section 605 with regard to conversion from natural gas to oil are almost a verbatim reenactment of the existing law as it applies to conversions to coal.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I do not think that the gentleman from Texas has to go back to 1322 but that if he just goes back to 1974 he can find language that is very similar to that. It says in the Energy Supply and Environmental Coordination Act of 1974.

> (a) The Federal Energy Administrator—
>
> (1) shall, by order, prohibit any powerplant, and
>
> (2) may, by order, prohibit any major fuel burning installation, other than a powerplant,
>
> from burning natural gas or petroleum products as its primary energy source, if the Federal Energy Administrator determines such powerplant or installation on the date of enactment of this Act has the capability and necessary plant equipment to burn coal, and if the requirements of subsection (b) are met.

Mr. DINGELL. I thank the gentleman from Ohio.

Let me read from the FEA document which I have in my hand:

> Utilities burned about 20 percent of the approximately 22 trillion cubic feet (TCF) of natural gas consumed in the U.S. in 1974. Of this, about 1.8 TCF (8 percent of total U.S. consumption) is estimated to be con-

> vertible to oil at this time. This represents about two-thirds of the projected curtailments during the 1974-75 heating season.

This coming season is going to be worse than it was last season. So while industries consume about 42 percent of all natural gas, the Department of Commerce estimates that industrial capacity to significantly curtail use of natural gas in the near term is very limited.

If we refer elsewhere throughout the bill to the portions with which the gentleman from Florida (Mr. ROGERS), and the gentleman from Florida (Mr. FASCELL) and I had colloquy, we put safeguards in here. We cannot order this to be done except where the Administrator makes, first, determinations cited by my friend, the gentleman from Texas, and we cannot do it, or the Administrator cannot do it, unless and until he finds it is not going to have a serious adverse effect on the rate-payers, and it is not going to adversely affect the reliability of service. We tried to constrain his authority.

I recognize the concerns of the gentleman from Texas about giving him untrammeled powers, and I share them, and we have tried to limit them in the bill. The provisions he discusses do just that.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I wonder if the gentleman would explain what seems to be a conflicting provision in the bill that the gentleman from Texas (Mr. KRUEGER) pointed out in enrollment (iii). It says the Administrator must find "the burning of petroleum products by such plant in lieu of natural gas is practical and consistent with the purposes of this act," and then he says he must find "the order will not result in an increase in consumption of petroleum products." If one quits burning gas and starts burning petroleum products, one by very definition increases the consumption of petroleum products, does he not?

Mr. DINGELL. No, because both oil and natural gas are petroleum products.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ECKHARDT, and by unanimous consent, Mr. DINGELL was allowed to proceed for one-half minute additionally.)

Mr. ECKHARDT. But enrollment (iii) says "The burning of petroleum products by such plant in lieu of natural gas." Obviously natural gas is treated as one thing here and petroleum products as another.

Mr. DINGELL. No. Natural gas is a petroleum product, but it is a very particular petroleum product. What we have done is we have treated all petroleum products in one part, and we have treated natural gas as a highly specific and distinct petroleum product in another part.

Mr. ECKHARDT. I see. It is used in a different sense in (iii) than it is used in (vi).

Mr. DINGELL. If the gentleman will permit, that is my interpretation.

Mr. ECKHARDT. That is a strange way to treat it.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas (Mr. KRUEGER) that would delete section 605. In essence this section would allow the Federal Energy Administrator to prohibit any powerplant from burning natural gas.

Let me remind the Members of a bit of history on this subject of natural gas. I can remember the time when I was a young man working in the west Texas oil fields. We were looking for oil. We had no or little concern for gas. That was in the days of gas flaring, and through all these fields the extra gas was being just burned and was not being put to good use. In our part of the country we found out how to use natural gas, and we began to use it. Not only did we build industries and business by natural gas, we fired most of our utilities by natural gas. We harnessed the power that we had.

Almost every utility that we have in Texas is fired by natural gas. They were built to use that kind of fuel.

This is not so in many parts of the country, because those utilities could burn either coal or oil, or perhaps other fuels. In the South and the Southwest, though, natural gas is the only fossil fuel really that they have.

Two years ago my city of Austin was curtailed in the use of natural gas. Fifteen or 20 times in 1 year we had to burn No. 2 fuel. The plant was equipped to allow it to burn No. 2 fuel for a very limited time, 15 or 20 percent of the time. If they used that oil longer than that, it would literally clog up all the machinery, and millions and millions of dollars would be lost. The boilers cannot burn No. 2 oil for a long period of time.

So we can convert but only to a very limited extent. A great many plants in Texas do not have even that capacity. If we give the FEA Administrator authority to come in and say in his judgment and discretion and opinion that it is practical and that he can force that plant to change over, we have no alternative in our State but literally to close down our plants. We can run them for a short time but after that we ruin the whole thing.

This is a little thing we are asking of the membership of the House. We are not asking any favor. Literally this will bankrupt many plants and businesses in our area if we give the Administrator this authority. Members might say the Administrator does not have that authority and he has to have hearings. I am saying to the Members the authority is that broad. The guidelines are very vague and uncertain.

More than that, if we were attempting to comply, it would cost us I suppose in the neighborhood of $18 billion in our State alone. I am sure that was not intended. The intent to convert is good, but the practical effect is to bankrupt every utility in the Southwest.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I think the gentleman's point is very well taken. What I was trying to point out is that the standards are completely subjective. So if the Administrator says this is necessary in order to conserve natural gas or what-have-you, there is no way to test whether or not that is supported by substantial evidence on the record because it is on his judgment alone.

Mr. PICKLE. One phrase is "serious negative impact." It is the Administrator's judgment. It is very vague in meaning. It would mean, of necessity, if we keep this in the bill, instigate lawsuits all over our State and perhaps the entire country because every utility must protect itself as best it can.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield further, there is a definition of petroleum products on page 171 of the bill. That is under "Definitions." It is true that does not apply to this section, but it indicates what we were talking about when we were talking about petroleum products. It means "crude oil, natural gas liquids"—the gentleman knows that does not apply here—"residual fuel oil, or any refined petroleum product."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. PICKLE was allowed to proceed for 1 additional minute.)

The CHAIRMAN. The Chair announces that leaves 3½ minutes remaining of the time allocated to this title.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Texas.

Mr. KRUEGER. To give an Administrator the authority to mandate that a particular area or region must take a precious natural resource, and then not be allowed to use that resource, but to have to send it somewhere else because some Administrator decided that, is rather like saying Lake Michigan should be drained so water might flow abundantly for the people of west Texas. I think it would be most unfair for the people of Michigan to have Lake Michigan drained so the people of west Texas could get that water. It is equally unfair to have the fuel taken away by the authority of one unelected official from the people in the area that produces it, people who heavily depend on it.

Mr. PICKLE. I thank the gentleman.

Mr. Chairman, the price of electricity affects every consumer. Capital costs by law are allowed to be passed through to the consumer, so when we dictate costly expenditure for conversion to oil or coal in plants built to burn natural gas, we are automatically adding to the bill of the households that have to buy electricity from the converting utilities. This in turn affects industry and all the products that they manufacture. The result can only be a dizzying upward spiral of inflation.

In Texas, and in other Southwestern and Southern States, natural gas is the primary fuel source for their electric generating plants. In order to convert existing plants in Texas from natural gas to other fuels, it has been estimated that it would cost some $18 billion—more than double the present $8.5 billion total investment of the electric industry in Texas, without increasing production.

In my home city of Austin that has a municipally owned electric utility company, residential rates have already increased significantly, 75, 100, 150 percent in some cases.

While we realize that we shall run out of natural gas in approximately 10 years unless new wells are discovered, with conversion we will still run out of natural gas in 12 years. To spend this amount of money and add only about 2 years to the Nation's supply of natural gas seems to me, completely unsound. Rather, let us convert at a more orderly rate, and not require conversion even where it is not feasible. We realize that we will have to phase out using natural gas to make electricity. For example, the Texas Railroad Commission has initiated proceedings to phase out gas for power generation, but this cannot be done immediately.

Further, even if we did convert these plants to oil, we have no assurance that we will have enough oil to continue to supply them. We do know that we would have to increase our daily imports of foreign oil into the United States, the very opposite of what this bill hopes to accomplish. It has been estimated that in order to comply with this change we would have to expand our daily imports of foreign oil into the United States by 14 to 20 percent.

If we attempted to convert these plants to coal, we not only have equipment problems but we have environmental problems. There are technological problems involved in building pollution-free coal-fired plants. In either event, we can be sure that it will cost a great deal of money.

I suggest that we delete this section that will not only cost the consumers money, but could literally turn out the lights in many States.

I hope this section is stricken from the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. KRUEGER).

The question was taken; and on a division (demanded by Mr. DINGELL) there were—ayes 20, noes 18.

Mr. DINGELL. Mr. Chairman, I demand a recorded vote and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quroum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN pro tempore (Mr. YATES). A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to report their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 522]

Anderson, Ill.
Annunzio
Aspin
Badillo
Bingham
Blouin
Breaux
Brooks
Broomfield
Byron
Casey
Cederberg
Chisholm
Conyers
Cornell
Danielson
de la Garza
Diggs
Drinan
Edwards, Ala.
Edwards, Calif.
Esch
Eshleman
Evins, Tenn.
Fary
Fish
Ford, Mich.
Fraser
Frey
Gaydos
Giaimo
Gibbons
Goldwater
Hanley
Harkin
Hastings
Hays, Ohio
Hébert
Helstoski
Jarman
Johnson, Calif.
Jones, Ala.
Karth
Landrum
Leggett
Lehman
Lujan
McCloskey
McKay
Mathis
Matsunaga
Michel
Moorhead, Calif.
Murphy, N.Y.
Obey
O'Hara
Pike
Randall
Reuss
Rhodes
Riegle
Rodino
Rooney
Rose
Roybal
Ruppe
Santini
Scheuer
Sisk
Staggers
Stanton, James V.
Steed
Stephens
Stuckey
Udall
Vander Jagt
Whitehurst
Wilson, Bob
Wilson, C. H.
Wright
Young, Alaska

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 7014, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 352 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand for a recorded vote made by the gentleman from Michigan (Mr. DINGELL).

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 93, noes 300, not voting 40, as follows:

[Roll No. 523]

AYES—93

Alexander
Ambro
Anderson, Calif.
Archer
Armstrong
Bafalis
Beard, Tenn.
Bennett
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Brown, Calif.
Buchanan
Burgener
Burleson, Tex.
Byron
Chappell
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
de la Garza
Dickinson
Eckhardt
English
Evins, Tenn.
Flowers
Flynt
Ginn
Goldwater
Gonzalez
Haley
Hammerschmidt
Hannaford
Hansen
Hayes, Ind.
Hightower
Jarman
Jones, Ala.
Jones, Okla.
Jordan
Kazen
Kelly
Ketchum
Keys
Kindness
Krueger
Levitas
Long, La.
Lott
McClory
McDonald
Mahon
Mathis
Michel
Mikva
Milford
Montgomery
Moore
Passman
Patman, Tex.
Pattison, N.Y.
Pettis
Pickle
Poage
Quillen
Risenhoover
Roberts
Robinson
Runnels
Ryan
Sarasin
Satterfield
Schulze
Sebelius
Sikes
Steelman
Stuckey
Symms
Taylor, Mo.
Teague
Thornton
Treen
Waggonner
Wampler
White
Whitten
Wilson, Tex.
Wright
Young, Tex.

NOES—300

Abdnor
Abzug
Adams
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Ashbrook
Ashley
AuCoin
Badillo
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Mich.
Brown, Ohio
Broyhill
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cederberg
Chisholm
Clancy
Clay
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Calif.
Eilberg
Emery
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Giaimo
Gilman
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Kasten
Kastenmeier
Kemp
Koch
Krebs
LaFalce
Lagomarsino
Latta
Leggett
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mann
Martin
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pepper
Peyser
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Roush
Russo
St Germain
Santini
Sarbanes
Scheuer
Schneebeli
Schroeder
Seiberling
Sharp
Shriver
Shuster
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson
Thone
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wiggins

Wilson, C. H.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—40

Annunzio
Aspin
Brooks
Broomfield
Casey
Crane
Danielson
Diggs
Edwards, Ala.
Fary
Fraser
Frey
Gibbons
Hays, Ohio
Hébert
Johnson, Calif.
Karth
Landrum
Lehman
Lujan
Matsunaga
Moorhead, Calif.
Perkins
Randall
Rhodes
Rodino
Rooney
Rose
Rousselot
Roybal
Ruppe
Shipley
Sisk
Steed
Stephens
Udall
Vander Jagt
Whitehurst
Wilson, Bob
Young, Alaska

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Annunzio against.

Mr. Casey for, with Mr. Sisk against.

Mr. Steed for, with Mr. Johnson of California against.

Mr. Landrum for, with Mr. Rooney against.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MURTHA

Mr. MURTHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Murtha: Page 336, strike out line 14.

Page 336, beginning on line 18, strike out "which produce low sulfur coal".

Page 337, line 11, insert "(i)" after "person".

Page 337, line 14, insert before the semicolon the following: "; and (ii) in the case of coal which is not low sulfur coal, who the Administrator of the Environmental Protection Agency certifies can burn such coal without the use of a continuous emission reduction system for sulfur-related emissions."

Page 337, strike out lines 18 through 23 and insert in lieu thereof the following:

"(2) The total amount of guarantees issued to any person (including all persons affiliated with such person) may not exceed $30,000,000. The amount of a guarantee issued with respect to any loan may not exceed (A) 80 percent of the principal balance of the loan, in the case of a loan for the purpose of opening a mine which produces low sulfur coal, or (B) 40 percent of such principal balance in any other case."

Page 337, line 26, insert after the period the following: "Not more than 20 percent of the amount of guarantees issued under this section in any fiscal year may be issued with respect to loans for the purpose of opening new underground coal mines which produce coal which is not low sulfur coal."

Mr. MURTHA. Mr. Chairman, I would like to congratulate Chairman John Dingell and the members of the committee for including this section in the bill, and recognizing the very important problem of providing loan guarantees to help stimulate increased coal production in the United States.

The amendment I am offering enlarges this section. As reported the bill provides loan guarantees of up to 80 percent for small coal producers—defined as those with less than 1 million tons in annual production and less than $50 million in gross revenues—to open new underground mines producing low-sulfur coal.

It is my belief that to meet our total use of coal production the section should be amended to cover some coal above the 0.6 pounds elemental sulfur per million Btu's which defines low-sulfur coal in the bill.

This amendment takes an important step in that direction by: First, adding a section covering coal which is not low-sulfur coal; second, guaranteeing 40 percent of the loan guarantees for this coal; third, applying the 40-percent provision only to coal where the Administrator of EPA certifies the coal can burn without continuous emission reduction systems for sulfur related emission; and fourth, limiting the amount of guarantees for nonlow-sulfur coal to 20 percent of the total amount of loan guarantees.

Without this amendment the Bureau of Mines reports most coal east of the Mississippi River would not be eligible for the program. With the Project Independence report calling for doubling our coal production in the next 15 years, such a restriction seems inconsistent.

I believe this is an important first step in recognizing that Government must stimulate energy production and alternate energy sources. This section would stimulate somewhere between 25 to 50 million tons of new coal production if all the loan guarantees were used. A total of 5 to 10 million of that could be in the higher sulfur coal.

In the long run, Mr. Chairman, I think we must consider creation of an energy bank to insure and support massive energy research, development, and production. I believe this section and this amendment make a small, but important, first step in that direction.

Mr. Chairman, section 606 of the bill presently authorizes FEA to issue $750,000,000 in Federal guarantees of loans made by private lenders to small coal producers who are opening new underground mines which produce low-sulfur coal. Eighty percent of the loan could be guaranteed. The Murtha amendment would make $150,000,000 of these loan guarantees available for the purpose of guaranteeing loans to open up new underground mines which, instead of producing low-sulfur coal, produce coal which the coal buyer can burn without using a flue gas desulfurization system—a "scrubber." Only 40 percent of such a loan could be guaranteed.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the chairman of the subcommittee.

Mr. DINGELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I understand this would earmark 20 percent of the loan guarantee under the bill for purposes of taking care of the problems of producers of coal which is above the low-sulfur level. Am I correct?

Mr. MURTHA. That is the Eastern coal.

Mr. DINGELL. If the gentleman will yield further, I think the amendment is desirable. I have no objection to it. I endorse it. I think it is helpful to the bill.

Mr. MURTHA. I thank the gentleman for his remarks.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield further, I think it would be useful to have the comments from my good friend and colleague, the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, speaking for my side of the aisle, we tend to be for coal, and coming, as I do, from the Midwest, we have shorter quantities of coal, at least from the economic sense, so I would tend to support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Murtha).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title VI?

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gonzalez: On page 338, after line 25, insert a new section.

"Sec. 607. An additional $100,000,000 is authorized for the Energy Research and Development Administration for a high priority program exclusively geared to the practical application of fusion energy."

Mr. DINGELL. Mr. Chairman, I rise to reserve a point of order.

The CHAIRMAN. The gentleman from Michigan reserves a point of order.

Mr. McCORMACK. Mr. Chairman, I rise to reserve a point of order.

The CHAIRMAN. The gentleman from Washington reserves a point of order.

PARLIAMENTARY INQUIRY

Mr. GONZALEZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GONZALEZ. Mr. Chairman, is there such a thing as a point of order against a point of order?

The CHAIRMAN. The gentleman can oppose the point of order when it is made for any proper reason. The gentleman could insist that the point of order be made now.

Mr. GONZALEZ. Mr. Chairman, I would like to have my say that I have been recognized for.

Mr. Chairman, my amendment is very simple, and it merely says that the United States should and must gear itself into a priority basis; and I mean the highest priority, very much a sense of urgency and priority that we had when we initiated, sustained and developed the space program. No less.

Mr. Chairman, time is awasting. No matter what we decide on the conservation of petrochemicals and fossil fuel sources, and the likes, the men of knowledge and science tell us that there is one real hope, and that is the development of thermal nuclear fusion power because it avoids all of the natural elements and side products of fission-producing derived energy.

On top of that we have an almost inexhaustible source for the generation of that energy, and that is sea water.

Mr. Chairman, America was the first Nation to begin this period of experimentation heading in this direction in the late 1950's. We were No. 1 in this field until less than 5 years ago, when the Russians overcame us, and today they are No. 1. In fact, we are even a poor third to the English, who are No. 2.

If the Russians get that breakthrough—and informed sources tell us they expect to have it way ahead of any projections made by American scientists which call for 1990 or 1995—it is expected that, given the high priority and urgency the Russians are giving to the production of fusion energy, they will far surpass us; they may possibly have a breakthrough in the 1980's.

If that happens, we can kiss ourselves off; we may just be written off into the dust of history.

The Members may laugh at me for offering this amendment at this time. The points of order that I anticipate will be absolutely frivolous. They may be like yesterday's point of order, when the decision could have gone either way.

It seems that the skids are greased to uphold the committee so that we can get a very difficult and troublesome bill disposed of with a minimum of real thought. This oil debate may all be wasted time. All of the profitable time that we have spent in days and days of debate will go to naught unless this bill comes out with the recognition that we must have a high-priority, first-class urgency in the development of a program looking toward the possibility of a real alternative, cheap source of energy.

Mr. Chairman, when this process becomes practicable, 1 gallon of sea water will generate the equivalent of 300 gallons of gasoline.

My amendment is not frivolous, but I am afraid that the points of order will be. I am hoping that I will get serious consideration of my amendment. I have great admiration for the gentleman holding the chair, and I am sure that if the chairman will bear with me and if he wields an evenhanded gavel, he will find that there is no question of the germaneness of this amendment, absolutely none.

All I am saying is that instead of the piddling amount that this bill provdes for the development of thermal-nuclear-fusion-derived energy, we should add $100 million and let the world know that America is giving this a real priority. This is a real Project Independence.

I ask for support of my amendment, and I lay my case, in anticipation of the points of order, squarely in the lap of this illustrious chairman presiding over our session.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Washington (Mr. McCORMACK) insist on his point of order?

Mr. McCORMACK. I do insist on my point of order, Mr. Chairman. May I speak on my point of order at this time?

The CHAIRMAN. The Chair will hear the gentleman on his point of order.

Mr. McCORMACK. Mr. Chairman, my point of order is that the amendment comes to the wrong bill and to the wrong committee. The authorization for nuclear research should come to the Joint Committee on Atomic Energy and the Energy Research and Development Administration.

This body has already authorized almost exactly what the gentleman in the well recommends. We have increased our authorization from $105 to $192 million this year for fiscal year 1976 in the ERDA budget through the Joint Committee on Atomic Energy.

While I sympathize with the intent of the gentleman in offering his amendment, I simply point out to him that the House has already done this year what he recommends that we do now.

I make my point of order, Mr. Chairman, on the ground that this amendment is out of order because the jurisdiction falls exclusively with the Joint Committee on Atomic Energy and the Energy Research and Development Administration.

POINTS OF ORDER

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) also reserved a point of order against the amendment.

Does the gentleman wish to be heard on his point of order?

Mr. DINGELL. Mr. Chairman, I do wish to be heard.

I would like to commend my good friend, the gentleman from Texas (Mr. GONZALEZ) for offering what I think is a very well written amendment. Unfortunately, no hearings have been held on it, and it has not been considered.

I would point out to the body that the germaneness rule requires that the character of the amendment be such that the membership would have reasonably been apprised that amendments of that sort might be placed before the body. Unfortunately, the character of the amendment is such that it provides certain authorities for ERDA, the Energy Research and Development Agency.

Unfortunately, I do not think there is any way that anyone here could have anticipated amendments dealing with adding authorities or changing authorities within ERDA.

For that reason, it is my view that it does not meet the test of germaneness which the Members might reasonably anticipate with respect to amendments of this kind.

Perhaps the authority that the gentleman seeks to give might more properly be attained through another agency, but certainly there is no propriety in the House here when it should really be considered by ERDA.

Mr. Chairman, for that reason, I believe the amendment is not germane.

The CHAIRMAN. The Chair will hear the gentleman from Texas (Mr. GONZALEZ) on the points of order.

Mr. GONZALEZ. Mr. Chairman, it is almost getting monotonous. Almost exactly 24 hours ago I heard the same trite argument in the name of germaneness.

In arguing the point of germaneness, I will address myself first to the remarks of the gentleman from Washington (Mr. McCORMACK).

I in no way intended to transgress on the jurisdiction of his committee. I know he has developed and he wants to have these 10,000 little electric cars running around, but what I am saying is that we need more than that. That is not what the country needs.

If we are going to debate on a point of order the merits of the amendment, it is contrary to the clear indication in Deschler's Procedure, one of which decisions I quoted yesterday, on page 73, which says that one does not look to the material content of the general purposes of the bill to determine the specificity—there is a good Watergate word—the specificity of the pending amendment.

The gentleman says, "This is the wrong church, the wrong pew. It ought to go over here into another bill."

Yesterday it was supposed to have gone to the Committee on Ways and Means. Today it is to this other one.

Facetiously, let me say that we can make that comment about the last 6 months and say that this bill before the committee has been in the wrong committee and in the wrong place for the last 6 months.

Let me say, however, that in Deschler's Procedure, both cases that I cited yesterday in the RECORD clearly control the situation here.

I cannot think of anything more germane than this amendment to the section of the bill that is talking about research and development. It is actually authorizing moneys for that purpose.

All I am saying is, let us make it real; let us make it a real, substantial amount that means that we intend to have a high priority in the development of thermonuclear fusion—not fission, fusion.

As to the point of the second gentleman, the gentleman from Michigan (Mr. DINGELL), his contention again comes repetitiously as yesterday. He talks about the sanctity of committee jurisdiction. Deschler's Procedure and particularly that citation I quoted yesterday clearly says that that shall not be a governing factor in determining whether or not an amendment is germane to a pending bill. The jurisdiction of a committee is not the controlling factor with respect to germaneness.

Mr. Chairman, I trust and I implore that the illustrious chairman will consider seriously the points I have made in pursuance of the precedents, in pursuance of the well-accepted Deschler's precedents in Deschler's Procedure, and that the points of order will, consequently, be overruled.

The CHAIRMAN. The Chair is ready to rule.

The title of title VI is exceptionally broad, in the opinion of the Chair.

If the content of title VI were as broad as the title, the Chair believes that the arguments of the eloquent gentleman from Texas (Mr. GONZALEZ) might bear more weight. But it is the content of the pending title and not its heading against which the germaneness of the amendment must be weighed.

The Chair has had the opportunity to examine with some care all of title VI and also language on pages 17 and 18 of the committee report which deals with title VI. The Chair will not read from those words except to say that the Chair only refers to those words in that they support his view that title VI actually deals with the conversion from oil or gas to coal and thus the scope of the title is quite narrow. The amendment therefore does not fit the rule of germaneness despite the eloquence of the gentleman from Texas and the Chair feels compelled to rule that the amendment is not germane to title VI and therefore sustains the various points of order.

Are there further amendments to title VI? If not, the Clerk will read.

The Clerk read as follows:

TITLE VII—GENERAL PROVISIONS

PART A—PROCEDURE, REVIEW, ENFORCEMENT, AND OTHER GENERAL PROVISIONS

ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 701. (a) (1) Subject to paragraph (2), (3), and (4) of this subsection, the provisions of subchapter II of chapter 5 of title 5, United States Code, shall apply to any rule, regulation, or order having the applicability and effect of a rule as defined in section 551 (4) of title 5, United States Code, issued under title II or III of this Act (other than a provision of any such title which amends another law).

(2) Notice of any proposed rule, regulation, or order which is substantive and of general applicability described in paragraph (1) shall be given by publication of such proposed rule or order in the Federal Register. In each case, a minimum of 30 days following the date of such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time of notice and opportunity to comment may be reduced to no less than 10 days if the President finds that strict compliance would seriously impair the operation of the program to which such rule, regulation, or order relates and such findings are set out in such rule, regulation, or order. In addition, public notice of all rules, regulations, or orders of general applicability described in paragraph (1) which are promulgated by officers of a State or political subdivision thereof or to State or local boards pursuant to this Act shall, to the maximum extent practicable, be achieved by publication of such rules or orders in a sufficient number of newspapers of general circulation calculated to receive widest practicable notice.

(3) In addition to the requirements of paragraph (2) and to the maximum extent practicable, an opportunity for oral presentation of data, views, and arguments shall be afforded and such opportunity shall be afforded prior to the implementation of such rule, regulation, or order, but in all cases such opportunity shall be afforded no later than 45 days after the date of the implementation of any such rule, regulation, or order. A transcript shall be made of any oral presentation.

(4) Any officer or agency authorized to issue rules, regulations, or orders described in paragraph (1) shall provide for the making of such adjustments, consistent with the other purposes of this Act as may be necessary to prevent special hardship, inequity, or an unfair distribution of burdens and shall in rules prescribed by it establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or rescission of, or an exception to or exemption from, such rules, regulations, and orders. If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the officer or agency and may obtain judicial review in accordance with subsection (b) or other applicable law when such denial becomes final. The officer or agency shall, in rules prescribed by it, establish appropriate procedures, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

(b) The procedures for judicial review established by section 211 of the Economic Stabilization Act of 1970 shall apply to proceedings to which subsection (a) applies, as if such proceedings took place under such Act. Such procedures for judicial review shall apply notwithstanding the expiration of the Economic Stabilization Act of 1970.

(c) Any agency authorized, by titles II and III of this Act, to issue any rule, regulation, or order described in subsection (a) (1) shall, upon written request of any person, which request is filed after any grant or denial of a request for exception or exemption from any such rule, regulation, or order, furnish such person, within 30 days after the date on which such request is filed, with a written opinion setting forth applicable facts and the legal basis in support of such grant or denial.

PROHIBITED ACTS

SEC. 702. It shall be unlawful for any person to violate any provision of title II, or title III of this Act (other than a provision of any such title which amends another law), or to violate any rule, regulation, or order issued pursuant to any such provision.

ENFORCEMENT

SEC. 703. (a) Whoever violates section 702 shall be subject to a civil penalty of not more than $5,000 for each violation.

(b) Whoever willfully violates section 702 shall be fined not more than $10,000 for each violation.

(c) Any person who knowingly and willfully violates section 702 with respect to the sale, offer of sale, or distribution in commerce of a product or commodity after having been subjected to a civil penalty for a prior violation of section 702 with respect to the sale, offer of sale, or distribution in commerce of such product or commodity shall be fined not more than $50,000 or imprisoned not more than 6 months, or both.

(d) Whenever it appears to any person in whom is vested, or to whom is delegated, authority under this Act that any person has engaged, is engaged, or is about to engage in acts or practices constituting a violation of section 702, such person in whom is vested, or to whom is delegated, may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any rule, regulations, or order described in section 702.

DELEGATION OF AUTHORITY AND EFFECT ON STATE LAW

SEC. 704. (a) Within 30 days after the date of the approval of a gasoline rationing contingency plan pursuant to section 752 of this Act, the President shall, by rule, offer an opportunity for interested persons to make oral presentations to assist in—

(1) establishing criteria for delegation of his functions under this Act to officers or local boards (of balanced composition reflecting the community as a whole) of States or political subdivisions thereof; and

(2) establishing procedures for petitioning for the receipt of such delegation.

(b) (1) Offices or local boards of States or political subdivisions thereof, following the establishment of criteria for delegation and procedures for petitioning in accordance with subsection (a) of this section, may petition the President for the receipt of such delegation.

(2) The President shall, within 30 days after the date of the receipt of any such petition which is properly submitted, grant or deny such petition.

(c) No State law or State program in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any rule, regulation, or order described in section 702 except insofar as such State law or State program is inconsistent with such provision, rule, regulation or order.

PROHIBITION OF CERTAIN ACTIONS

SEC. 705. Action taken under authority of this Act, or the Emergency Petroleum Allocation Act of 1973, resulting in the allocation of petroleum products and electrical energy among classes of users or resulting in restrictions on use of petroleum products and electrical energy shall not be based upon unreasonable classification of, or unreasonable differentiation between, classes of users. In making any such allocation the President or any agency of the Federal Government to which such authority is assigned, shall give consideration to the need to foster reciprocal and nondiscriminatory treatment by foreign countries of the United States citizens engaged in commerce in those countries.

EXPIRATION

SEC. 706. The authority under any provision of titles II and III of this Act (other than any provision of any such title which amends another law) and any rule, regulation, or order issued pursuant to such authority, shall expire at midnight, June 30, 1985, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight, June 30, 1985.

TRANSFER OF AUTHORITY

SEC. 707. In accordance with section 15(a) of the Federal Energy Administration Act of 1974, the President shall designate, after the termination of the Federal Energy Administration where applicable and not otherwise provided by law, an appropriate Federal agency to carry out the provisions of this Act which are vested in or delegated to the Federal Energy Administrator.

PART B—CONGRESSIONAL REVIEW

PROCEDURE FOR CONGRESSIONAL REVIEW OF PRESIDENTIAL REQUESTS TO IMPLEMENT CERTAIN EXTRAORDINARY AUTHORITIES

SEC. 751. (a) For purposes of this section, the "energy action" means:

(1) a request to put into effect an energy conservation plan under section 202 of this Act;

(2) a request to put into effect a gasoline rationing contingency plan under section 203 of this Act;

(3) a rule under section 211 of this Act related to international petroleum product allocation;

(4) the National Civilian Strategic Petroleum Reserve Plan developed under section 253(b), the Elderly Storage Reserve Plan developed under section 254(b), a proposal developed under section 255(b), or any amendment under section 255(c), of this Act;

(5) any request to exercise authority under section 256(a) of this Act;

(6) any proposal to draw down or distribute the National Civilian Strategic Petroleum Reserve under section 258 of this Act;

(7) notice of a modified average fuel economy standard under section 502(a) (4) of this Act; or

(8) any other action proposed to be taken, amendment proposed to be made effective, or authority proposed to be exercised, with respect to which congressional review is required pursuant to the procedures specified in this section.

(b) The Presdent shall transmit any energy action (bearing an identification number) to both Houses of Congress on the same day and to each House while it is in session.

(c) (1) Except as provided in paragraph (2) of this subsection, if energy action is transmitted to the Houses of Congress, such action shall take effect at the end of the first period of 15 calendar days of continuous session of Congress after the date on which such action is transmitted to such Houses, unless between the date of transmittal and the end of such 15-day period, either House passes a resolution stating in substance that such House does not favor such action, or with respect to actions authorized by section 256, both Houses pass such a resolution.

(2) An energy action described in paragraph (1) may take effect prior to the expiration of the 15-calendar-day period after the date on which such action is transmitted, if each House of Congress approves a resolution affirmatively stating in substance that such House does not object to such action.

(d) For the purpose of subsection (c) of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 15-calendar-day period.

(e) Under provisions contained in an energy action, a provision of such an action may take effect on a date later than the date on which such action otherwise takes effect pursuant to the provisions of this section.

(f) (1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of the House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress described in subparagraph (A) or (B) of this paragraph.

(A) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not object to the energy action numbered ——— submitted to the Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled; but does not include a resolution which specifies more than one energy action.

(B) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not favor the energy action numbered ——— transmitted to Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; but does not include a resolution which specifies more than one energy action.

(3) A resolution once introduced with respect to an energy action shall immediately be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4) (A) If the committee to which a resolution with respect to an energy action has been referred has not reported it at the end of 5 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such energy action which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same energy action), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same energy action.

(5) (A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to; except that it shall be in order to substitute a resolution described in paragraph (2) (A) of this subsection with respect to an energy action for a resolution described in paragraph (2) (B) of this subsection with respect to the same such action, or a resolution described in paragraph (2) (B) of this subsection with respect to an energy action for a resolution described in paragraph (2) (A) of this subsection with respect to the same such action.

(6) (A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(7) Notwithstanding any of the provisions of this subsection, if a House has approved a resolution with respect to an energy action, then it shall not be in order to consider in that House any other resolution with respect to the same such action.

EXPEDITED PROCEDURE FOR CONGRESSIONAL CONSIDERATION OF CERTAIN AUTHORITIES

SEC. 752. (a) Any contingency plan transmitted to the Congress pursuant to section 201(a) (1) shall bear an identification number and shall be transmitted to both Houses of Congress on the same day and to each House while it is in session.

(b) No such contingency plan may be considered approved for purposes of section 201 (a) (1) of this Act unless between the date of transmittal and the end of the first period of 60 calendar days of continuous session of Congress after the date on which such action is transmitted to such House, each House of Congress passes a resolution described in subsection (d) (2).

(c) For the purpose of subsection (b) of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-calendar-day period.

(d) (1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of the House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress the matter after the resolving clauses of which is as follows: "That the ——— approves the contingency plan numbered ——— submitted to the Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled; but does not include a resolution which specifies more than one contingency plan.

(3) A resolution once introduced with respect to a contingency plan shall immediately be referred to a committee (and all resolutions with respect to the same contingency plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4) (A) If the committee to which a resolution with respect to a contingency plan has been referred has not reported it at the end of 20 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such contingency plan which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same contingency plan), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same contingency plan.

(5) (A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to: except that it shall be in order to substitute a resolution to disapprove such contingency plan with respect to the same contingency plan.

(6) (A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to provide to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(7) Notwithstanding any of the provisions of this subsection, if a House has approved a resolution with respect to a contingency plan, then it shall not be in order to consider in that House any other resolution with respect to the same such action.

Mr. DINGELL. Mr. Chairman, I have two unanimous-consent requests. My first unanimous-consent request, Mr. Chairman, is that further reading of title VII be dispensed with and that title VII be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, my further unanimous-consent request is that all debate on title VII and all amendments thereto terminate in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, may I inquire, as I usually do, how many amendments there are at the desk pertaining to title VII?

The CHAIRMAN. The Chair will state that there are four amendments pending at the desk to title VII.

Mr. BROWN of Ohio. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CARNEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have taken this time in order that I may engage in colloquy with the chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL).

The CHAIRMAN. The Chair will state that the gentleman from Ohio (Mr. CARNEY) will be recognized for 3 minutes in accordance with the limitation of debate just agreed to.

Mr. CARNEY. Mr. Chairman, I would like to address a question to the floor manager of the bill, the gentleman from Michigan, with respect to the committee's purpose in including 705.

That section prohibits allocations of petroleum products and electrical energy which are based on unreasonable classification of, or unreasonable differention among users.

It is my understanding that the committee intends to bar actions which unreasonably and disproportionately place burdens on some users. In this regard such action would constitute an unreasonable discrimination.

To guard against this result can the gentleman from Michigan tell me whether the committee intends that consideration be given to the needs of commercial, retail, and service establishments whose normal function is to supply goods and services of an essential convenience nature during times of day other than conventional daytime working hours? Surely this must be avoided.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I yield to the gentleman from Michigan.

Mr. DINGELL. The answer to the question is yes.

Mr. CARNEY. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman from Michigan (Mr. DINGELL) be so kind as to advise me what part of the bill we are addressing with regard to the inquiry and the response just given?

The CHAIRMAN. The Chair will state that the gentleman from Ohio (Mr. CARNEY) still has time remaining.

Mr. DINGELL. I beg the Chair's pardon, did the Chair recognize the gentleman from Ohio (Mr. BROWN)?

The CHAIRMAN. The Chair will state that the gentleman from Ohio (Mr. CARNEY) has time remaining.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman from Ohio yield?

Mr. CARNEY. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I could not hear the reference in the legislation.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, we were discussing section 705.

Mr. BROWN of Ohio. And the statement of the gentleman from Michigan was what?

Mr. DINGELL. It is yes.

Mr. BROWN of Ohio. Yes to what?

Mr. DINGELL. It is yes.

Mr. BROWN of Ohio. What is the thrust of the gentleman's affirmative response? That is my question.

Mr. DINGELL. I think I ought to defer to the gentleman from Ohio.

Mr. CARNEY. A lot of good words prepared by a very esteemed lawyer. I want the gentleman to understand that.

Mr. BROWN of Ohio. If the gentleman will yield, that is my difficulty. It was trying to understand the words "esteemed lawyer."

Mr. CARNEY. The gentleman from Michigan said yes, so I am satisfied. If the gentleman from Ohio is not, he may speak for himself.

The CHAIRMAN. The time of the gentleman has expired.

PARLIAMENTARY INQUIRY

Mr. HECHLER of West Virginia. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HECHLER of West Virginia. Inasmuch as my amendment at the desk was printed in the RECORD, does this allow me 5 minutes to speak on the amendment?

The CHAIRMAN. It does, indeed.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HECHLER of West Virginia: On page 345, between lines 15 and 16 insert the following new section:

"SEC. 708. Any employee of the Administrator, or of the Secretary of the Interior, who performs any function or duty under this Act, and who has a direct or indirect financial interest in any corporation, company, association, firm, partnership, or other private entity engaged in the business of exploring, developing, producing, refining, transporting by pipeline, or selling (other than at the retail level) coal, natural gas, or petroleum products, or has any interest in property from which coal, natural gas, or petroleum is commercially produced, shall, beginning on February 1, 1977, annually file with the Administrator (or the Secretary of the Interior, as the case may be) a written statement concerning all such interests held by such employee during the preceding calendar year. Such statement shall be available to the public. Whoever knowingly violates the provisions of this section shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Administrator (and the Secretary of the Interior, as the case may be) shall (1) within ninety days after enactment of this act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions of this section will be monitored and enforced including appropriate provisions for the filing by such employees and the review by the Administrator (or the Secretary of the Interior, as the case may be) of such statements, and (2) report to the Congress on June 1st of each calendar year on the actions taken and not taken during the preceding calendar year under this section. The Administrator (and the Secretary of the Interior, as the case may be) by regulation published in accordance with 5 U.S.C. 553, may identify specific positions within their respective agencies which are of a non-regulatory and/or nonpolicy-making nature and provide that employees occupying such positions shall be exempt from the requirements of this section."

Mr. HECHLER of West Virginia. Mr. Chairman, the reason I imposed on the Committee for the full reading of this amendment is that I would like the Committee to understand that this is an informational amendment. Rather than prohibiting conflicts of interest, it merely provides for the filing of public reports on financial interests of corporations, companies, associations, firms, or partnerships.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I have no objection to the purpose of the gentleman from West Virginia if I understand it, and I want to understand it, and therefore I would like to ask him what the phrase "indirect financial interest" means. In other words, I am asking about the specific word "indirect." I understand "direct interest" but I would put the question this way. In my case I have a blind trust established for my children and investments I do not have any way of identifying for their college education. What I am trying to determine is whether it would be an indirect financial interest if somebody in FEA had a similar arrangement so as to get away from knowing what such investments were in turn invested in.

Mr. HECHLER of West Virginia. I would interpret, as the author of this amendment, that "indirect financial interest" would refer to a brother or a sister or a member of the immediate family who obtained some financial gain. I would hesitate to pass judgment on the example that the gentleman indicated.

Mr. BROWN of Ohio. Would it be the normal familial relationship then of one generation removed, that is children or parents or siblings that the gentleman had in mind when he meant indirect?

Mr. HECHLER of West Virginia. Yes, that is my interpretation of the word "indirect."

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would congratulate the gentleman on what I consider to be an excellent and badly needed amendment on the conflict of interest in this field. I think this would be an important step forward in solving that problem.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, could the gentleman advise me that it includes a trust over which he has no knowledge in terms of the investment of the trust?

Mr. HECHLER of West Virginia. Mr. Chairman, I do not feel personally that would be an indirect financial interest if he has no control over it.

I would further indicate to my good friend, the gentleman from Ohio, that the last sentence of this amendment allows the Administrator and the Secretary of the Interior to identify specific positions which are of a nonregulatory or nonpolicy-making nature which could be exempted from the provisions of this section by the authority of the Administrator or the Secretary of the Interior.

I thank my good friend, the gentleman from Ohio and my good friend, the gentleman from New York for their help and support.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I find no objection to the amendment saving the point raised by the gentleman from Ohio (Mr. BROWN) and I am troubled about the definition of the word "indirect." As I understand it, "indirect" applies to ownership by the individual. We would not say it applies to ownership that the wife of an employee might have. Am I correct?

Mr. HECHLER of West Virginia. No.

Mr. DINGELL. I would say "direct interest" would be an interest he would have in stock ownership.

Mr. HECHLER of West Virginia. "Indirect" would be a wife but not a trust over which he has no knowledge or control.

Mr. DINGELL. So the gentleman is saying the definition of "indirect" would be the ownership his wife might have?

Mr. HECHLER of West Virginia. That is correct. I would say that would be an indirect interest.

Mr. DINGELL. I do not so interpret the law. The law means if an individual owns something directly he has a fee ownership or an identifiable legal interest.

Mr. HECHLER of West Virginia. Mr. Chairman, in view of the uncertainty over the phrase "or indirect" and its interpretation, I ask unanimous consent that the two words "or indirect" be stricken from this amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. DINGELL. Mr. Chairman, with that point well in hand I do not see any objection. I have offered similar amendments at other times.

Mr. BROWN of Ohio. Mr. Chairman, I would have no objection to that amendment with the provision that the amendment does not cover the ownership of a blind trust and that sort of thing.

Mr. HECHLER of West Virginia. Certainly the word "direct" would not cover that.

Mr. BROWN of Ohio. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia, as modified.

The amendment, as modified, was agreed to.

The CHAIRMAN. Are there additional amendments to this title?

AMENDMENT OFFERED BY MR. WIRTH

Mr. WIRTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIRTH: Page 344, after line 22, insert the following:

EXTENSION OF ENERGY INFORMATION GATHERING AUTHORITY

SEC. 706. Section 11(g)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "June 30, 1975" wherever it appears and inserting in lieu thereof "December 31, 1979".

Redesignate the succeeding sections in title VII, part A, accordingly.

The CHAIRMAN. The Chair will state that under the previous statement of the Chair there are 7 minutes time remaining and the gentlemen who have the time are the gentleman from Michigan (Mr. DINGELL) and the gentleman from Ohio (Mr. BROWN).

Mr. DINGELL. Mr. Chairman, I ask to be recognized.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. DINGELL) for 3½ minutes.

Mr. DINGELL. Mr. Chairman, in view of the fact that my good friend, the gentleman from Colorado (Mr. WIRTH) has no time for his amendment, I yield to him briefly for an explanation; but preliminarily I would say the amendment extends a valuable existing provision of law, a provision which was originally offered as a floor amendment to ESECA by me. The provision which would be extended requires reporting of energy data and information with regard to production, reserves and so forth, to the Administrator of the FEA by the energy-producing companies.

Mr. Chairman, I strongly urge the House to adopt the amendment.

Mr. Chairman, I yield to my friend, the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Chairman, I thank the gentleman from Michigan for yielding.

We can do this rather quickly. This is a noncontroversial amendment.

Mr. Chairman, one of the problems we have had in framing this legislation relates to the matter of information and the difficulty of understanding the energy world. This amendment certainly will make a contribution to solving this problem by extending this act, increasing our ability to collect and have information about such areas as the importation of petroleum, production, reserves and refinery activities.

In my judgment, we should be going farther than that, but this is a good early step. I hope it will be included in the bill.

Mr. DINGELL. Also, Mr. Chairman, it is useful to point out that this is an extension of existing law.

Mr. WIRTH. Mr. Chairman, it is an extension of existing law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. WIRTH).

The amendment was agreed to.

The CHAIRMAN. Are there additional amendments to title VII?

AMENDMENT OFFERED BY MR. CARTER

Mr. CARTER. Mr. Chairman, I offer an amendment in the form of a new title to title VIII.

The Clerk read as follows:

Amendment offered by Mr. CARTER: On page 356, line 6, insert the following new Title and renumber subsequent Titles accordingly:

TITLE VIII—COAL GASIFICATION AND LIQUEFACTION DEVELOPMENT

SEC. 801. (a) The Administrator shall establish a program of assistance to private industry for the construction and operation of one or more facilities for the liquefaction and gasification of coal. In order to effectuate such program, the Administrator may make loans and issue guarantees to any person for the purpose of engaging in the commercial operation of facilities designed for the liquefaction or gasification of coal.

(b) (1) For the purpose of making loans or issuing guarantees under this section, the Administrator shall consider (A) the technology to be used by the person to whom the loan or guarantee is made or issued, (B) the production expected, (C) reasonable prospect for repayment of the loans.

(2) In making such determination, the Administrator is to give preference to projects which would provide additional employment opportunities in depressed areas and increase competition within the coal and petroleum industry.

(3) The Administrator shall not make any loan or issue any guarantee to any person which is owned or controlled directly or indirectly, by any foreign government or instrumentality of such government, including any national oil company of such foreign government, unless the President finds that such loan or guarantee is in the national interest an authorizes the Administrator to make such loan or issue such guarantee.

(c) (1) The Administrator may enter into purchase agreements to assure a market for the output of such facilities when the cost of production exceeds current market prices.

(2) The Administrator shall, in order to assure adequate supplies of material, equipment, and market outlets for the output of such facilities, guarantee performance of contracts by persons receiving loans from the Administrator for the purchase, construction, or other acquisition of equipment and supplies necessary to develop, construct, and operate any such facility.

(d) The construction plans and actual construction of any facility (including any exploration) financed, in whole or in part, under this section shall be reviewed from time to time by the Administrator of the Environmental Protection Agency who is authorized to require the use in such facility of the most thorough pollution control devices then available. The cost of such devices shall be included in the total cost of each such facility and shall be taken into consideration by the Administrator in granting any loan or entering into any guarantee agreement or purchase or price support agreement under this section.

PURCHASES OF SITES, RESERVES AND CONSTRUCTION OF FACILITIES

SEC. 802. (a) The Administrator is authorized—

(1) to acquire sites by purchase except by condemnation, and to construct facilities deemed necessary by him to carry out the gasification and liquefaction of coal under section 801 of this Act,

(2) with respect to each such project, to acquire, by purchase, except by condemnation, such reserves of coal as he may deem necessary to assure supplies of raw materials adequate for the attainment of the objectives of such project, and

(3) to acquire, except by condemnation, from private interests such facilities as may have therefore been constructed or acquired by such interests, whether in whole or in part, in connection with any project for the liquefaction or gasification of coal at prices to be negotiated by the Administrator with such private interests: *Provided, however,* That in connection with any such acquisition the private interests shall be granted an option to lease such facilities upon the terms and conditions provided for in subsection (b) of this section, such option to be exercised within six months from the date on which the facilities were transferred to the Administrator, if complete, or within six months from the date when such facilities are completed by the Administrator.

(b)(1) Facilities acquired or constructed under this section shall be leased to any person at such rentals and upon such terms and conditions as shall be agreed to by the parties.

(2) Each such lease shall provide that the lessee may sell at prevailing market prices or acquire for its own account at such prices, the output of such facilities.

(3) Each lease shall further provide that the lessee shall have options to purchase the facilities at any time within ten years after the date of the respective lease at a price to be agreed upon by the parties. Each option shall be conditioned, however, upon the right of the Administrator within the ten-year term to offer the facilities for sale at public auction and the lessee shall be entitled to purchase the facilities if he meets the highest bona fide offer in excess of the agreed option price. In order that an offer may be considered bona fide, it shall be offered by a bidder who shall have been determined by the Administrator to be financially and technically qualified to purchase and operate the facilities.

(4) No private interest shall be permitted to lease or purchase any facility covered by this section if such interest is a person who is owned or controlled directly or indirectly by any foreign government or instrumentality of such government, including any national oil company, unless the President finds that such sale or lease is in the national interest and specifically authorizes such lease or purchase.

DEFINITIONS

SEC. 803. As used in sections 801 and 802—

(1) the term "facilities" means land, mineral rights, mines, water rights, rights-of-way, easements, and other interests in land, pipelines, machinery and equipment, and all other property, real, personal, or mixed, used or to be used in connection with any project for the liquefaction or gasification of coal.

(2) The term "person" does not include Federal, State or local governments or any subdivision or agency thereof.

AUTHORIZATION OF APPROPRIATIONS

SEC. 804. (a) There are authorized to be appropriated sums not to exceed $750,000,000 for fiscal year 1976 to carry out section 801.

(b) There are authorized to be appropriated sums not to exceed $750,000,000 for fiscal year 1976 to carry out section 802.

Mr. CARTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection the request of the gentleman from Kentucky?

There was no objection.

Mr. DINGELL. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Michigan reserves a point of order.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman from Kentucky may have an additional 1 minute so that he may yield to me, so that I may ask a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman from Kentucky yield?

Mr. CARTER. I am most happy to yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Could the gentleman from Michigan advise me what the plans are for the balance of the evening so that our colleagues may be informed as to where we are?

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, it had been my hope that we would be able to finish this tonight, but it looks rather less like that now. After consultation with the gentleman from Ohio, the Speaker and majority leader, I am under general instructions to ask that the committee should rise at 6 o'clock. We will rise at 6 o'clock, as I understand it, or very close thereto, and the matters remaining in the bill will be considered on Tuesday next.

Mr. BROWN of Ohio. I thank the gentleman.

The CHAIRMAN. The gentleman from Kentucky is recognized for 5 minutes in support of his amendment.

Mr. CARTER. Mr. Chairman, I wish to offer this amendment, which is similar to one offered in the committee deliberations and which was ruled germane. At that time, some objection was raised to its scope and to its effect upon environmental law. The amendment has been revised so as to make it, as I see it, noncontroversial.

As most Members know, there is a serious shortage of gas in the Central and South Central States. Columbia Gas told the citizens of Kentucky that its supply of gas for industrial use would be cut 100 percent. In Ohio, the cut will amount to 40 percent. In New York State, I understand it will be 100 percent; North Carolina, 25 to 45 percent; Tennessee, 50 percent; West Virginia, 60 percent; and in Virginia, 55 percent overall.

Mr. Chairman, this means that many industries in Central United States, and particularly in my State, would have to close their doors and throw thousands of people out of work. In addition to the case of Kentucky, Ohio is involved, as well as North Carolina and New York and many, many other States.

The fact of the matter is that the technology is available now for liquefaction and gasification of coal. Not too long ago, we had a report from the subcommittee headed by Chairman JOHN MOSS, and I want to quote from that report:

> Coal gasification technology has been available for years. The Lurgi fixed-bed gasification process, which is the most advanced development, has been commercially used in at least a dozen plants in Europe, and for many years producing gas with low, medium and high Btu.

We have the technology, Mr. Chairman. We need to get on with the job. This legislation would provide $750 million each year for loans to private industry so that we could start liquefaction and gasification of coal. Not only that, it would provide for leasing of land. All this would be done working hand in hand with the Environmental Protection Agency so as not to, in any way, damage the environment irreparably.

I feel, Mr. Chairman, that this amendment is needful and would be extremely helpful. Certainly, it is not expensive. Just a few weeks ago, in our papers we read of legislation such as this involving $100 billion. This only involves $1.5 billion and is extremely needful. Let us start now with gasification and liquefaction of coal. I strongly urge the adoption of this amendment.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Would these loans be available to existing entities which are presently engaged in gasification, or would they only be extended to those which might be set up subsequent to the passage of the act?

Mr. CARTER. As I see it, they would not be limited to any individual. Any person who could qualify for this, who, as the legislation states later on in the bill, shows that he is financially capable, would be permitted to receive such a loan.

Mr. ECKHARDT. I had thought that the purpose, though, of this provision, was to encourage persons to get into the gasification of coal, and not to aid those who are already in it.

Mr. CARTER. This is not it. It is to start on gasification. The amounts are relatively small, and perhaps not many companies could get into it.

As I have stated, we have the technology. It is in use in 40 places in Europe. We will also have several pilot plants in the United States which are producing very little.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the gentleman for yielding. As I interpret the meaning of the gentleman's amendment, it would provide for additional capacity. It might provide for some company presently in the business that would be building capacity for liquefaction and gasification.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Brown of Ohio, and by unanimous consent, Mr. Carter was allowed to proceed for 3 additional minutes.)

Mr. CARTER. Mr. Chairman, I thank the distinguished ranking minority Member for yielding to me.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield further?

Mr. CARTER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I do not think my question, which was placed in the fashion of a statement, was answered by the author of the amendment.

Am I correct in my assumption here that the intent of the gentleman's amendment is to increase production and capacity?

Mr. CARTER. It is to start production now.

Mr. MYERS of Indiana. If the gentleman will yield further, there are those, as I think was indicated by the gentleman from Texas, that are already in gasification and liquefaction in a pilot sort of way. They might well still qualify for building a plant and going into production; am I correct?

Mr. CARTER. This is in research. Particularly, there is one in New Jersey. There is another one in Chicago, in that area, and another one in Tacoma, Wash. We checked on one, and one produced 25 barrels of distillate a day, which is really miniscule. We must start and produce large amounts of gas, and we must certainly liquify larger amounts of coal.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield further?

Mr. CARTER. I yield to the gentleman.

Mr. MYERS of Indiana. It is presently being discussed, and will probably be awarded sometime this year or early next year through Coalcon, the coal converting concern, with ERDA, to build a plant for liquefaction and gasification. After they get this pilot started they are going to award someplace in the six-State area, including Kentucky. The gentleman's amendment will permit it to receive a loan for this authority?

Mr. CARTER. I do not know that I understand the gentleman exactly. I do know that there is Senate legislation providing for funds for ERDA for research, particularly. I do know that in one part of Kentucky there are plans already underway for construction of a plant. That is Catlettsburg, Ky. That is not in the district that I represent. Certainly, this is not aimed at that district, particularly. But, as I stated previously, these funds are to provide for immediate gasification and liquefaction of coal, and I certainly support it. I believe that it is necessary. We have the technology.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I thank the gentleman for yielding. I take it for granted that the gentleman is not speaking entirely of bituminous coal.

Mr. CARTER. No, sir, not at all. We include anthracite.

Mr. FLOOD. If the gentleman will yield further, my experience has been that when anybody speaks of coal here, they cannot spell anthracite.

Mr. Chairman, I want to be sure, if the gentleman is successful with the amendment, that it will include anthracite as well as bituminous coal.

Mr. CARTER. We certainly want to include anthracite. I can spell it. A-n-t-h-r-a-c-i-t-e. We want to include the great State of Pennsylvania. We have so much of this most valuable coal.

Mr. FLOOD. If the gentleman will yield further, out of an abundance of caution, in my experience, I ask that question.

I thank the gentleman.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Michigan (Mr. Dingell) insist on his point of order?

Mr. DINGELL. Yes, Mr. Chairman, I do, regretfully.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. DINGELL. Mr. Chairman, I raise a point of order that the amendment is not germane, and as I do that, I make note that the distinguished gentleman from Kentucky (Mr. Carter) who offered this amendment is a most valuable member of the committee and Member of the House. He has worked very hard on this matter, and it is with great regret that I do raise this point of order against his amendment and against the efforts of my good friend, the gentleman from Kentucky (Mr. Perkins), who has also assisted ably in this undertaking.

The point of order is as follows: A reading of the amendment will show that under subsection 801(a), it would authorize a very large program of loans and grants for the construction and operation of facilities for the liquefaction and gasification of coal.

Nowhere else in the bill are there loans and grants, and nowhere else in the bill are there provisions for that kind of stimulus for the construction of facilities for the liquefaction or gasification of coal.

In addition to these loans and guarantees, the Administrator is vested with authority to guarantee performance of contracts of persons receiving loans from the administration for the purchase, construction, and acquisition of equipment and supplies necessary to construct and operate such a facility. This again, Mr. Chairman, is not within the purview of the bill.

In addition to this, construction plans and construction of facilities, further down under (d)(2), could be financed in whole or in part, including exploration and development.

In addition to this, the possibility of exemptions and exceptions from the air and water pollution laws are included under (c)(2)(d), or, rather, under paragraph (d).

To go along further, by no stretch of the imagination could my colleagues be anticipated to anticipate an amendment of this kind and character coming to this bill and relating to the air and water pollution laws. Indeed the language is sufficiently broad to make this exempt from State statutes, as well as from Federal statutes, and that is a matter clearly not before the committee at this particular time. Then we have the question of compliance with Federal and State air pollution laws.

In addition to this, section 802 would authorize extensive acquisition of sites under 802(1). Again the acquisition of reserves of coal could be accomplished here, and the sale of those reserves of coal could be accomplished.

In addition to this, under section 802 (a)(3), the amendment provides for acquisition of private interests in all such facilities as may have heretofore been constructed or acquired relating to gasification of coal and other types of energy uses. Again this goes far beyond the scope and sweep of the bill before the committee.

Again, under section 802(b)(1), these facilities could then be leased or rented under conditions and terms as agreed on by and between the parties, apparently without regard to existing Federal statutes relating to the sale, leasing, or disposal of real estate, and that is a matter which is under the jurisdiction of other committees and which is the subject of control under other statutes not presently before the House and not mentioned or alluded to in the provisions of H.R. 7014 now before the committee.

Under section 802(b)(3) each lease would then have specific proscriptions with regard to options and the purchase of facilities.

Again, Mr. Chairman, that is a matter which is under the jurisdiction of other committees and is not presently before this body at this particular time and which relates to legislation dealing with the power of the Federal Government to alienate real estate in fee or to alienate or dispose of other interests in real estate.

Again, under (b)(4) it would relate to private interests not being permitted to purchase or lease facilities if such interest is a person who is owned or controlled directly or indirectly by foreign governments. There are statutes on the books elsewhere covering that.

There is no mention of that kind of control of persons other than American citizens in the legislation, and legislation relating to that kind of facility or persons who are citizens or who are not citizens is properly in other committees and is not listed or stated in the legislation presently before us.

So for these reasons, Mr. Chairman, I would point out that the Members might not properly have been advised of the sweep and the breadth of this amendment or of the very broad and technical changes in other laws involved.

I would point out that the Ramseyer rule, Mr. Chairman, if this were to be applied if this were in the bill, would clearly have required notification to the body of changes in other laws which are not under the jurisdiction of the Committee on Interstate and Foreign Commerce and not mentioned in the bill before us.

So for that reason it is with a great deal of regret that I insist on the point of order against the amendment offered by my able colleague, the gentleman from Kentucky (Mr. CARTER) and his very able associate, the gentleman from Kentucky (Mr. PERKINS), who worked so hard on this particular amendment.

The CHAIRMAN. Does the gentleman from Kentucky (Mr. CARTER) wish to be heard at this time?

Mr. CARTER. Mr. Chairman, I believe I should be heard at this time.

The CHAIRMAN. The Chair will be glad to listen to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Chairman, to begin with, from listening to my distinguished friend, the gentleman from Michigan (Mr. DINGELL), I did not recognize the amendment that I actually have. I believe that perhaps he had the amendment which I offered in committee and which has since been refined a great deal. From listening to him, I actually do not think that he has the real amendment.

As far as the germaneness of this legislation is concerned, I want to refer first to the title of the bill. This bill is "to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes."

This is exactly what this legislation does, is to prepare for energy supplies and availability, to prepare for energy emergencies by increasing the amount of gas and by liquefaction of coal, also.

I want also to refer to paragraph 6 on page 170, which says again "to increase the use of domestic energy supplies other than petroleum products and natural gas through conversion to the use of coal; and to provide adequate data," and so on.

Therefore, Mr. Chairman, I feel that my amendment is germane.

The CHAIRMAN. Does the gentleman from Ohio (Mr. BROWN) desire to be heard on the point of order?

Mr. BROWN of Ohio. Yes, Mr. Chairman, I do.

The CHAIRMAN. The Chair will hear the gentleman from Ohio.

Mr. BROWN of Ohio. As much as I am reluctant to do so, I would have to suggest to the chairman of the subcommittee that I think that the gentleman's amendment is germane.

I would like to cite the provisions of the purposes of the act, section 102. Item (3) in that section says, "to increase the supply of fossil fuels in the United States, through price incentives and production requirements."

The gentleman's amendment squares, it seems to me, specifically with that. As the gentleman from Kentucky (Mr. CARTER) has pointed out, item (6) says "to increase the use of domestic energy supplies other than petroleum products and natural gas through conversion to the use of coal."

This would certainly encourage the use of coal.

Section 606 in the bill provides similar incentives to those provided by the amendment of the gentleman from Kentucky (Mr. CARTER) for coal mines. Pollution requirements would not be overridden by the legislation or the legislative modification of the gentleman from Kentucky unless specified that is, those existing pollution requirements would not be overridden unless they were specified in the amendment, and they are not specified in the amendment. They would, therefore, continue to apply.

It seems to me that the amendment of the gentleman from Kentucky specifically does encourage the development and use of additional fossil fuels by the various provisions in his amendment and that those provisions are in the bill and have been added by other amendments, and, therefore, would be germane to this legislation.

The CHAIRMAN. The Chair is ready to rule.

For substantially the reasons just outlined by the gentleman from Ohio (Mr. BROWN), and in view of the fact that title III has several provisions going to the general issue of maximizing availability of energy supplies, including coal, and, as pointed out, title VI encourages industrial conversion from oil and gas to coal, for example, by a similar loan guarantee mechanism as proposed in the amendment. The Chair finds that the amendment inserting a new title is germane to the bill under consideration and overrules the point of order.

Mr. PERKINS. I strongly support the amendment offered by my esteemed colleague from Kentucky, Mr. CARTER.

As he knows, I have been supporting and urging upon the Congress for a quarter century an energy policy that takes into appropriate account the resources of coal that we possess in abundance.

In less than a year, we will mark the 200th anniversary of our nationhood, and great celebrations are planned through the country.

Unhappily, there is a cloud upon this occasion which I am afraid that too few of our countrymen perceive. To me, it is nothing less than shameful that a nation founded upon independence and self-reliance, should now find itself dependent upon the whim of foreign states for a considerable portion of its energy.

In this land of abundance, we have come to depend upon foreign supplies of fossil fuel for much of the energy that powers our transportation, that runs our industrial plants and heats our homes, and that lights this very Chamber in which we sit.

No longer can we honestly say that our independence as a nation is untrammeled when our economy—which we take pride in as the strongest in the world—can be thrown into turmoil by the actions of foreign rulers in some faraway corner of the Earth.

The disgrace, Mr. Chairman, is that we need never to have gotten ourselves into this situation.

We have known for decades that our own deposits of petroleum and natural gas would not last forever, and that the rapid expansion in their consumption would accelerate their depletion.

And we have known for decades that U.S. deposits of coal are measured in the trillions of tons, that would last for approximately 500 years at current levels of output and recovery.

Acknowledging that the estimation of reserves is hardly an exact science, we can, I think, rely upon the availability of coal for a substantial period of time in the future.

Why, then have we not made a start at utilizing this coal resource? Why have we not developed coal as a fitting alternative to petroleum and natural gas?

The truth is, we did make a start. And then we stopped in midflight.

I do not wish to belabor history, but will only summarize briefly the events that have taken place during the past generation.

Those who remember World War II cannot fail to be impressed by that fact that Germany fought the final two years of that war largely without petroleum. She had been cut off from her accustomed sources, and Russian and Allied forces stood between her and the fields of the Ukraine and the Balkans. But Germany was able to operate on a war footing for 2 years with fuels derived from her own coal deposits.

At the close of the war, the United States adopted the German technology, and employed some of the German scientists who had developed it. We began a pilot program to develop in this country an industry to produce synthetic fuels from coal.

The program was enormously successful, and our pilot plants did produce synthetic fuel from American coal. The cost was in a competitive range with fuel from petroleum. But in 1953 a new administration came to power. And one of the first decisions it made was to abandon the oil-from-coal program.

There are still a few Members left in the House today who stood on this floor in 1953 and argued and pleaded with the leadership and with the administration to let this program go forward. Those arguments fell upon deaf ears.

We only asked for a few million dollars—pennies by the appropriations standards of today—to move ahead with the liquefaction and gasification program.

Not only did the administration successfully oppose our bid to continue the program, it also closed down, dismantled, and sold the pilot plants.

Had that program continued, Mr.

Chairman, I believe sincerely that we would not face an energy crisis in the United States today.

We would not now be subject to the whim and caprice of foreign governments. And the idea of oil blackmail would not even enter the mind of fourth-rate powers half a world away.

This, as I say, is history. We cannot change it. But we are not automatically condemned to relive it, if we can demonstrate that we have really learned its lessons.

It is getting late, but mercifully not too late, to make amends for this quarter century of folly. We can adopt this amendment and make a new start to utilize American coal to assure American strength.

Since the first of this year, the President and other administration officials have commented at length on the subject of energy. They have constantly stressed the need for energy independence by 1985. I commend them for their efforts and for their resolve.

Unfortunately, Mr. Chairman, I cannot feel comforted by their proposals and their actions—for I feel that coal has been relegated to the most minor role in their considerations.

Coal figures, at best, as only a short term, interim solution to the energy problems that beset us.

They speak of coal as a substitute for oil in generating electricity. They speak of relaxing clean-air standards established for the protection of the environment so that industry can utilize more coal in its furnaces. Only rarely does one read a statement from the administration having to do with coal as a source of synthetic fuels.

This, I contend, is the direction in which we should be pushing, and this is the direction that the Carter amendment will take us.

We need not delude ourselves by thinking that coal liquefaction and gasification is a new idea—a new experiment. It is nothing of the sort.

The technology already exists. It has existed for 50 years or longer. It has been tried successfully in our own country under programs of the Department of the Interior. It is being utilized today in the Union of South Africa, in Germany, and in other parts of the world. There is no sane reason why we should delay one more week on a project that is of such vital importance to our economic well-being and to our real independence as a nation.

The amendment before us would authorize the appropriation of $750-million for assistance to private industry for the construction and operation of gasification and liquefaction facilities. It would authorize $750-million for acquisition or construction of such facilities by the Federal Government itself.

I am persuaded that the Federal Government must take the lead in this field—just as it has taken the lead for three decades in the development of nuclear power.

The program is of such magnitude and of such importance to the Nation that private enterprise cannot be asked to assume all the risks, bear all the burden, at least, during the opening years of the new era we propose to create.

There are those who say that this is too much money, that $1.5 billion will strain the fiscal resources of the Nation.

Mr. Chairman, in pursuing that line of thought, is it really necessary to remind the House that when the OPEC countries last year jacked up the price of oil by unilateral decision, American consumers were hit to the tune of $40 to $60 billion?

Is it really necessary to remind the House that the President's imposition of a $3 a barrel import tax on oil carries a $16 billion annual price tag for American consumers.

Is it really necessary to remind the House that a proposed increase in gasoline taxes will be reckoned in billions of dollars to the American consumer?

Is it really necessary to remind the House that this very week the Shah of Iran declared that an oil price increase of 35 percent will be necessary to offset the effect of inflation on the world economy—without ever saying that it was his and his fellow oil-producing nations who set off this punishing inflationary spiral to start with? If this increase goes into effect this fall—and we must assume it will—it will mean more billions out of the pockets of American consumers.

These billions, Mr. Chairman, are the price we have to pay because we have not safeguarded our energy independence over the years.

Can we reasonably say that $1.5 billion asked in this amendment is too much, if it will set us on the road to energy self-sufficiency once again? Is it not worth $1.5 billion to be able to tell the Shah of Iran and the OPEC nations where to head in when they threaten our economic stability?

Is it not worth $1.5 billion to start getting control of our own economic destiny once again?

I have no doubt that it is worth every penny of it, and I am sure most Americans will agree.

Unfortunately, much of our thinking about coal in connection with the energy crisis seems to have centered on the old image of coal. Coal is no longer a dirty substance dug out of the Earth by men with picks and shovels, and then burned in smoking furnaces that smell up the environment.

Coal is capable of being extracted from its underground beds by highly sophisticated machines, and converted into sophisticated fuels that meet all environmental standards for cleanliness.

The processes for conversion are relatively simple, and should not require extended periods of time before they can be fully operational.

I hope the House can look upon this effort not as a drive to replace domestic oil as a dominant fuel source, but as an alternative source against the day when all of our domestic deposits are depleted.

As a matter of fact, we must recognize a substantial ownership of coal reserves by the major oil companies of this Nation. And whatever we do to promote coal conversion can, in the long run, only benefit the oil companies.

This amendment does not move in the direction of a one-fuel system for America, but for a continuation of fuel development on as many fronts as possible. We are taking steps already to hasten the development of nuclear and solar power, as well as of geothermal energy and other sources.

Our plea is that coal, our most abundant fuel resource, be permitted to develop alongside all the other sources of energy. Only by so doing can we enjoy the blessings of abundance.

Mr. Chairman, I urge the adoption of this amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WIRTH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am very sympathetic to the purposes stated by the gentleman from Kentucky (Mr. CARTER) and by the gentleman from Kentucky (Mr. PERKINS) regarding this bill and our national needs. I do think, however, that there are a number of questions that ought to be raised about this particular amendment and whether it belongs in this bill at this particular time.

I sit on both the Committee on Science and Technology and on the committee which drafted this bill. We on the Committee on Science and Technology have been looking at the question of synthetic fuel, and there are a variety of issues that arise. We are going to be holding hearings in that committee during October focusing on the synthetic fuel problem. Some of the questions that will be considered in those hearings I believe should have been considered in connection with this amendment, and I should like to ask the gentleman from Kentucky (Mr. CARTER) some of these questions and see how they have been considered.

First of all, had this amendment come under consideration in hearings by any of the subcommittees of the Committee on Interstate and Foreign Commerce or by the full committee?

Mr. CARTER. If the gentleman will yield, it is quite true that we have not had any hearings, but it is also quite true that we have had the technology for gasification and liquefaction of coal for some 30 years or more.

Mr. WIRTH. Second, how did the gentleman and his committee come to an agreement of this kind on a subsidy of the coal liquefaction and gasification business?

Mr. CARTER. If the gentleman will yield further, we will find that this is not a subsidy but a loan to stimulate private enterprise to do what it is not doing and what evidently it is afraid to do. We know that we lack gas in Kentucky; we know that we lack it in Ohio; and Colorado probably lacks it. We want to supply it, and this is our way of doing that.

Mr. WIRTH. I am in agreement that it is important to stimulate the industry, but the thrust of my question is why have we chosen the loan route? Why, for example, might we not have considered tax incentives to the industry or some kind of purchase agreement? Were all those alternatives considered?

Mr. CARTER. If the gentleman will yield further, our need is immediate.

Therefore, we chose that loan method. Furthermore, as we well know, tax incentives are under the purview of a different committee.

Mr. WIRTH. It would appear that there are a number of alternative funding mechanisms which might be considered in this regard and that those were not taken into consideration; is that correct?

I think we took the most direct and most effective one, I would say to my good friend, the gentleman from Colorado, and I think the most necessary one, and I am glad we did it.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, let me say to my good friend that the oil companies were the ones that closed down these demonstration plants in 1953 until the date could come when they could develop a monopoly on energy in this country and then leave it up to themselves or someone else to solve the problems.

We know the oil companies are not going to build these plants with the expectation or with the chance of the rug being pulled out from under them by the OPEC countries dropping their prices.

So here is only a loan, a loan to foster competition, a loan that is supervised by the Energy Administration. It may be an oil company, yes, in the business, and that can be, but this process must be started.

But in addition to that, with the amendment we provide for a direct construction loan of $750 million from the Government to be leased under certain conditions that will protect the rights of the general public, so it is feasible.

Mr. WIRTH. Inasmuch as the gentleman talks about competition, are there provisions in this amendment to insure that these loans would not be going to the very largest oil companies, say the seven largest oil companies?

Mr. PERKINS. That is correct.

Mr. WIRTH. Could the gentleman tell me if there were hearings about how this would affect the general structure of the energy business?

Mr. CARTER. Mr Chairman, if the gentleman will yield, the gentleman knows there have been no hearings on the House side. As I understand it, we know the general technology and we want to get started with it. The need for gas is great. We will be cut in Kentucky 100 percent, Ohio will be cut 40 percent, North Carolina will be cut 35 percent, and New York will be cut 100 percent. For that reason we must proceed. We must get on with the business. I do not see why we should have this problem here because we know all these things.

Mr. PERKINS. Mr. Chairman, if the gentleman will yield, the whole purpose of the amendment is to foster competition.

Mr. WIRTH. I think there is an interesting parallel between the development of coal gasification and liquefaction in the gentleman's area and the development of oil shale in my area. We would like to move ahead, put those technologies in place, and get them working as quickly as possible. However, in my opinion there are a great many complicated factors that have to be taken into account.

Mr. ECKHARDT. Mr. Chairman, I rise in opposition to the amendment and I move to strike the requisite number of words.

I think the purpose of the amendment, to encourage gasification of coal, is a good general purpose and if we created some manner of corporation to do this type of thing if industry did not do it, it would be most desirable, but I find nothing in this amendment that authorizes any agency of the Government to do anything but the authorization to the properties which are then contemplated FEA to make loans or to acquire coal properties which are then contemplated to be leased back to those who were originally producing on the properties.

I should like to point out on page 4 of the amendment that it states:

> "(2) with respect to each such project, to acquire" . . . "such reserves of coal as he may deem necessary to assure supplies of raw materials adequate for the attainment of the objectives of such project, and . . ."

Then it provides further——

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I am glad to yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I am afraid the gentleman left out part of this when he read it. The gentleman left out "except by condemnation."

Mr. ECKHARDT. That is right.

Then No. 3 says:

> To acquire, except by condemnation, from private interests such facilities as may have therefore been constructed or acquired by such interests, whether in whole or in part, in connection with any project.

Then it says:

> *Provided, however,* That in connection with any such acquisition the private interests shall be granted an option to lease such facilities upon the terms and conditions provided.

So the amendment permits the FEA to acquire the facilities, pay for them, but it seems to me it requires the FEA then to lease them right back to the coal companies, operating the liquefaction process.

Then it says:

> Facilities acquired or constructed under this section shall be leased to any person at such rentals and upon such terms and conditions as shall be agreed to by the parties.

No standards are provided, no notice to others to permit them to compete for lease rights. It seems to me that the land and facilities are controlled under perfectly private terms agreed upon between the coal companies that originally owned them and the FEA. Then they are leased back to the coal gasification companies.

Then it says:

> Each lease shall further provide that the lessee shall have options to purchase the facilities at any time within ten years after the date of the respective lease at a price to be agreed upon by the parties.

Now, how is the public protected? Is there any opportunity there for someone else to come in and, after notice, have an opportunity to bid to buy these very valuable lands or facilities?

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. Surely, I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, this was patterned after the synthetic rubber legislation where the Government built plants directly and where the Government loaned funds, so in every instance the Government was protected. The Government in every instance is protected here, so I see nothing in connection with the gentleman's argument, other than the loans that will foster competition and will bring about coal liquefaction and gasification. It needs to be done now and not tomorrow. We have procrastinated too long already.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield back to me part of my very limited time, I should like to say that I do not know what was provided with respect to production of synthetic rubber, but I do know that the FEA as an agency has essentially been an army whose only strategy has been retreat and usually capitulation to the major industries which it is called upon to control. I simply am not willing to delegate to the FEA authority to take public money, buy coal properties at whatever figure the FEA wants to buy them for and then sell them at whatever price it will agree to sell them without taking competitive bids.

Mr. SKUBITZ. Mr. Chairman, I move to strike the requisite number of words. I want to speak in support of the amendment.

Mr. Chairman, I want to commend the gentleman from Kentucky on his amendment and I shall support it.

We have heard a lot of talk here about a need before this of conserving fuel, and here we have an amendment to produce more fuel, the kind of fuel that the American public wants.

The gentleman from Kentucky quoted from the report by the Committee on Government Operations entitled, "Federal Preparedness To Deal With Natural Gas Shortage Emergency This Coming Winter," published July 25, 1975. The gentleman from Kentucky quoted from the report, and he pointed out that we do have available at this time methods of producing liquefied gas from coal. But, the gentleman from Kentucky did not read all of the report, unfortunately. I would like to read it to the committee at this time.

The report of the committee that was studying this question of trying to get more fuel states this on page 38:

> For example, coal gasification technology has been available for years.
>
> Increased emphasis on an encouragement of coal gasification could decrease its unit costs. Hence, the establishment of large-scale commercial coal gasification plants in the United States would, in light of the increasing costs for oil and gas, certainly become competitive, help to end our dependence on foreign oil and, by removing sulphur in the gasification process, enable us

to efficiently utilize our high sulphur coals which are now disfavored because of their air pollution potential.

Mr. Chairman, it seems to me that if we are wanting more fuel and if we are wanting it quickly, this is the way to do it. We have the method, we have plenty of coal. I urge that this committee support and give a tremendous vote of approval to the amendment offered by the gentleman from Kentucky.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, coming from a very large coal State which would benefit from the spending on coal gasification, I would like to observe that I think it would be highly irresponsible for the Congress to spend $1.5 billion here at 6 o'clock in the evening without any hearings, without any consideration of just exactly what the effects of this proposal would be. What would this do to the budget, I would ask the gentleman from Kansas?

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I would say that it would do no serious damage to the budget.

Mr. HECHLER of West Virginia. Does the gentleman contend that $1.5 billion will do no serious damage?

Mr. CARTER. I have seen my good friend from West Virginia vote for many more billions than this. He is one of the great spenders of the House. This is an unusual thing for us to come out with progressive legislation, and I am amazed to see my good friend from West Virginia vote against the interests of his own State. I am just amazed, totally amazed and alarmed that he would be terrified in voting for a bill for only $1.5 billion when so many pieces of legislation he has voted for have contained much more.

Mr. HECHLER of West Virginia. There are no limits to the guarantee or the loan. There is no discussion of the interest rate. There is no indication of the terms of these loans, or the loan guarantees. There is open-ended discretion given to the FEA. All these questions are not being answered. There is no attention directed in the amendment to guidelines for the purchase of the products. The authority for the Government to acquire coal reserves, land, and facilities and then lease them is equally devoid of any criteria or guidelines.

This amendment clearly duplicates authority which belongs to the Energy Research and Development Administration. I want to make it clear that I strongly favor coal gasification and the Committee on Science and Technology has produced a bill which will shortly go to conference with the Senate on this very issue. The Administration will present to our committee their own position on this issue next Tuesday.

It is questionable that the FEA, which is primarily a regulatory agency, should be authorized to conduct a land acquisition, leasing and loan-guarantee program of this nature. Certainly, FEA is ill-equipped to determine whether or not the particular technology is worthy of demonstration or that it is commercially viable. That properly lies with the expertise of ERDA.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. CARTER).

The question was taken; and the Chairman announced that the "noes" appeared to have it.

RECORDED VOTE

Mr. CARTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 154, noes 211, answered "present" 1, not voting 67, as follows:

[Roll No. 524]

AYES—154

Abdnor
Alexander
Beard, Tenn.
Bell
Bennett
Bevill
Biester
Breaux
Breckinridge
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burton, John
Byron
Carney
Carr
Carter
Cederberg
Chappell
Clawson, Del
Cleveland
Cochran
Cohen
Conte
Coughlin
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Dent
Derwinski
Devine
Downing, Va.
Duncan, Tenn.
Emery
English
Esch
Eshleman
Flood
Flowers
Ford, Mich.
Frey
Gaydos
Gilman
Ginn
Gonzalez
Goodling
Gradison
Green
Hagedorn
Haley
Hall
Hammerschmidt
Hanley
Harsha
Hastings
Hawkins
Heckler, Mass.
Hefner
Heinz
Hinshaw
Holland
Hubbard
Hungate
Hutchinson
Jeffords
Jenrette
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Kasten
Kindness
Koch
Latta
Leggett
Levitas
Litton
Long, Md.
McClory
McCollister
McDade
McEwen
McKinney
Madigan
Mazzoli
Meeds
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Moore
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Natcher
Nichols
Nix
Nolan
Oberstar
O'Brien
Patten, N.J.
Pepper
Perkins
Pettis
Pickle
Poage
Pressler
Preyer
Price
Quillen
Railsback
Regula
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rostenkowski
Sarasin
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, J. William
Sullivan
Taylor, Mo.
Thompson
Thone
Treen
Walsh
Wampler
Winn
Wright
Wylie
Yatron
Young, Fla.
Young, Tex.

NOES—211

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashley
AuCoin
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Bedell
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Brinkley
Brodhead
Brown, Calif.
Burke, Calif.
Burleson, Tex.
Burlison, Mo.
Chisholm
Clancy
Clausen, Don H.
Clay
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conyers
Corman
Cornell
Cotter
Crane
D'Amours
Delaney
Dellums
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Fish
Fisher
Fithian
Florio
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Fuqua
Giaimo
Grassley
Gude
Hamilton
Hannaford
Hansen
Harkin
Harris
Hayes, Ind.
Hechler, W. Va.
Helstoski
Henderson
Hicks
Hightower
Holt
Holtzman
Horton
Howe
Hughes
Hyde
Ichord
Jarman
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Krebs
Krueger
LaFalce
Lagomarsino
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
McCloskey
McCormack
McDonald
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mahon
Mann
Martin
Mathis
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moffett
Montgomery
Mosher
Moss
Murphy, N.Y.
Myers, Pa.
Neal
Nowak
Obey
O'Hara
O'Neill
Ottinger
Passman
Pattison, N.Y.
Pike
Pritchard
Quie
Rangel
Rees
Reuss
Richmond
Rinaldo
Roncalio
Rosenthal
Roush
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Solarz
Spellman
Stanton, James V.
Stark
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symington
Symms
Talcott
Taylor, N.C.
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waggonner
Waxman
Weaver
Whalen
White
Wiggins
Wilson, C. H.
Wirth
Wolff
Wydler
Yates
Young, Ga.
Zablocki

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—67

Annunzio
Armstrong
Ashbrook
Aspin
Badillo
Brooks
Broomfield
Burton, Phillip
Butler
Casey
Danielson
Derrick
Dickinson
Edgar
Edwards, Ala.
Evins, Tenn.
Fary
Findley
Fraser
Gibbons
Goldwater
Guyer
Harrington
Hays, Ohio
Hébert
Hillis
Howard
Jacobs
Johnson, Calif.
Karth
Landrum
Lehman
Lent
Lujan
Matsunaga
Metcalfe
Mills
Mollohan
Moorhead, Calif.
Nedzi
Patman, Tex.
Patterson, Calif.
Peyser
Randall
Rhodes
Riegle
Rodino
Rose
Rousselot
Roybal
Ruppe
Shipley
Simon
Sisk
Steed
Steelman
Stephens
Teague
Udall
Vander Jagt
Vigorito
Whitehurst
Whitten
Wilson, Bob
Wilson, Tex.
Young, Alaska
Zeferetti

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. DINGELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes, had come to no resolution thereon.

LEGISLATIVE PROGRAM FOR TOMORROW

(Mr. McFALL asked and was given permission to address the House for 1 minute.)

Mr. McFALL. Mr. Speaker, I have taken this time for the purpose of announcing the program for tomorrow. It is the intention to come in at 12 o'clock tomorrow and do the rules on the following bills:

H.R. 6227, right to representation during questioning;

S. 584, retirement credit for National Guard technician service;

H.R. 7222, Federal employees group life insurance;

H.R. 5397, retirement after 30 years.

We will just do the rules on those bills.

Then we will do the rules on H.R. 5620, construction of mint building, and we will try to take up that bill; and then the rule on H.R. 8757, river basin authorization and we will try to finish that legislation.

As I say, we will come in at 12 o'clock and we will play it by ear and see how late it takes.

We will continue on Tuesday with the energy bill again.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The CHAIR laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
September 15, 1975.

HON. CARL ALBERT,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on September 15, 1975, the Clerk has received this date the following message from the Secretary of the Senate:

That the Senate passed H.R. 9497, An Act to amend the computation of the level of price support for tobacco.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.
By BENJAMIN J. GUTHRIE.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 6674, MILITARY PROCUREMENT AUTHORIZATION, 1976

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the managers have until midnight tonight, September 18, 1975, to file a conference report on H.R. 6674, a bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERSONAL EXPLANATION

Mr. HEINZ. Mr. Speaker, I regret to say that I was unavoidably detained while the House voted earlier this afternoon on the amendment to H.R. 7014 offered by my colleague from California (Mr. MOORHEAD). When the Interstate and Foreign Commerce Committee considered this bill I put myself on record as being opposed to the four sections that my colleague's amendment would have striken. Had I been able to cast my vote on this matter this afternoon, I would have voted "aye" on the motion to strike sections 405, 406, 407, and 408.

PERMISSION FOR SUBCOMMITTEE ON GENERAL OVERSIGHT TO SIT DURING 5-MINUTE RULE TOMORROW

Mr. LLOYD of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on General Oversight of the Committee on Banking, Currency and Housing be permitted to sit tomorrow during the 5-minute rule.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from California?

There was no objection.

THE LATE HERMAN T. GREENBERG

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, it is with great sadness that I deliver this tribute to the memory of a good friend of mine, a man with a great public spirit, Mr. Herman T. Greenberg, president of the Springfield-Chicopee-Westfield Labor Council AFL–CIO. Mr. Greenberg passed away this weekend and his funeral was Wednesday.

It is impossible to separate the history of the accomplishments of the Springfield-Chicopee-Westfield Labor Council from the life of Herman Greenberg, for he was its precursor, its patron and its patriarch.

An immigrant from Russia who left school after the eighth grade to help support his family, he had keen organizational saavy from his earliest days.

In 1936, he helped organize Local 290 of the Amalgamated Clothing Workers Union and became its president, a post to which he was returned without contest for 10 years.

Five years after assuming that first position in organized labor, he assumed the presidency of the regional CIO Council, heading that body until 1961 when the merger of the AFL and CIO created the Greater Springfield Labor Council—now the Springfield-Chicopee-Westfield Labor Council AFL–CIO—the presidency of which he was elected to again and again.

In keeping with the concept of American organized labor as the spokesman, not only for the better livelihood of its members, but also the advocate for a better, more responsive social structure for all citizens, Herman Greenberg also devoted time to community pursuits, serving as chairman of the Springfield Welfare Board, as a member of the board of trustees of the United Community Fund, and as vice president of the United Fund. During the period 1941 to 1945, he worked to assist veterans returning to their communities to find employment. He also served, in the 1950's, as chairman of the State Personnel Appeal Board and as chairman of the Springfield Industrial Commission.

Herman Greenberg was rich in ability and character and he shared this wealth with his constituents; and of equal importance, he left it behind as a legacy to insure, for them, a better future.

At this time, I want to express my deepest sympathy to his widow, Mrs. Marlene Greenberg, son Robert Greenberg, daughter Miss Eva Greenberg, stepson Scott Parizo, and the entire Greenberg family.

REPRESENTATIVES KOCH AND EARLY REPORT ON THEIR VISIT TO PORTUGAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 15 minutes.

Mr. KOCH. Mr. Speaker, three members of the Foreign Operations Subcommittee of the Appropriations Committee: DAVID R. OBEY, EDWARD I. KOCH, and JOSEPH D. EARLY, visited Portugal on August 21 to obtain firsthand insight into the political situation and to be in a position to adequately appraise any administration request for economic or military aid to Portugal.

The following report prepared by EDWARD KOCH and JOSEPH EARLY will be furnished to all of the members of the Foreign Operations Subcommittee but we thought it would also be of interest to our colleagues in the Congress.

The report consists of raw notes that we took at the time of our conversations with various people in Portugal. The notes are intentionally presented in this manner so as to reflect the true flavor of our experience. The report follows:

> We were met at the Lisbon Airport by Marsha Meyers of the American Embassy in a bulletproof-windowed car. Ambassador Frank Carlucci had been threatened and told by Prime Minister Vasco Goncalves that (he) could not guarantee the Ambassador's safety driving through the streets. We were struck by the overwhelming Communist presence throughout Lisbon, with militant Communist posters containing the hammer and sickle on every statue and every building.
>
> We saw Ambassador Carlucci at 9:15 a.m. at the Embassy. Some perspective into the political situation in Portugal at that time would be relevant here so the comments following were what we heard on that occasion. We were told that Portugal had been under 48 years of dictatorship, ruled by a 20 family oligarchy. We were advised that the Angola War, about ten months raging now, was ultimately fought by reservists who became politicized. The April, 1974 revolution was peaceful with sincere and naive military of-

ficers in charge. The only political party existing under President Antonio Salazar, and after his death in 1970, President Marcello Caetano, was the Communist Party, which moved in on the media, took over the newspapers through the labor unions and in particular, "Republica", the Socialist Party newspaper. They ingratiated themselves with a small group of military and embarked on a cultural dynamization campaign which went into the rural areas. It was called the Fifth Division.

The first President following the revolution was Antonio Spinola who was ousted in September, 1974. He was replaced by Francisco da Costa Gomes who was viewed as a conciliator. Vasco Gonçalves is the Prime Minister and is linked to the Communist Party. The Fifth Provisional Government is now in power. On March 11th there was a coup—poorly organized by Spinola—which did not achieve its objectives. The Communist Party moved in, consolidated its position and undertook a wave of purges in the military. The government moved ahead with nationalization.

As a result of diplomatic pressure exerted on the government, elections were held on April 25, 1975 for a constituent assembly to draw up a constitution—not to form a government. Only 13% of the vote went to the Communist Party; the Socialists won a national vote, running neck and neck with the Popular Democrats in the North and the Communist Party elsewhere. Less than 7% turned in blank ballots which the military had encouraged, "a magnificent exercise in civic responsibility." Registration is obligatory but voting is not. People had to wait five hours to vote. A more complete breakdown in the vote was as follows: Socialist Party 38%; Communist Party 13%; Popular Democrats (PD) 26%; Center Social Democratic Party (CDS) 7%. (At the present time there is no government as the new Prime Minister Pinheiro Azevedo is holding consultations with the various political parties with the aim of forming a new government.)

Following the election nine of the twenty-eight member Revolutionary Council resigned and protested the course of government having played a prominent role in the April '74 revolt. The Council is an executive body of military officers from the armed forces movement. The nine went underground and were in fear of arrest. We asked Carlucci if he could arrange for us to see the leaders of the Communist and Socialist parties as well as the military junta (the Revolutionary Council). The Ambassador didn't want us to see any of them, saying, "We are not hostile to the goals of the revolution. Our aid program is symbolic of that—($15 million). If the Socialists get into power we will have to help them." The Ambassador said he would be giving a demarche to the President of Portugal. We asked him what he meant. He told us that a demarche is a strong letter providing the position of the United States government.

A delegate of the Popular Democratic Party (PPD) from the Azores joined our meeting. He said he thought the Socialists and the Communists would ultimately have an alliance in the government and that Soares, who was once a Communist, could not be trusted. We asked, "What should we do to preserve democracy?" His response was that the Communist Party had been expelled from the North of Portugal and the Azores. He also said that there were separatist feelings in the Azores for independence from Portugal and that the Communist Party there only received 2% of the vote.

We pressed the Ambassador to arrange the meetings with the party officials, saying we did not come to Portugal to look at housing projects. We came to get the political pulse. We wanted to see Mario Soares, the Socialist Party leader. He said, "that is impossible. It was difficult for me to see him and when I tried, we had to make a dozen telephone calls—secret—to find him. He doesn't sleep in the same house more than one night because he fears for his life and when the appointment was made it was 40 miles outside of Lisbon." We said, okay, if not Soares, then someone else, but we wanted to speak to someone in the Socialist Party. He said he would arrange it. At 1:15 we had lunch at the home of the Ambassador. Present was Minister Joao de Oliveira Paquita, Director General of Economic Affairs. Nothing important occurred.

At 4:00 pm we went to a government building to speak with a military officer, Jorge Correia Jesuino, who is the Minister of Mass Communications and the head of the Fifth Division. He said that he had voted to return the "Republica" to the Socialists and the Catholic radio station to the church. But the Cabinet wouldn't order the military to enforce the order. We asked, "Where is the revolution going?" The minister replied, "Our goal is socialism—not the Eastern model but pluralism—democracy, of course." "Unless the armed forces in the coming days pulls it together nothing good will happen and I am not optimistic. There is a split in the armed forces. Reactionary forces have infiltrated Portugal." He saw a coming civil war.

At 5:00 pm we appeared at the office of the Socialist Party headquarters and met with Rui Mateus, International Secretary of the Socialist Party. He said "the conflict was a split in the armed forces movement involving the Prime Minister's bloc which is pro Communist; the Melo Anteunes bloc which is moderate left and the Otelo bloc which is Maoist." He said "a majority of the people, 80% are against a Communist takeover. The extreme left of the Army is in Lisbon. The moderate Army is outside of Lisbon. The Air Force is against the Prime Minister but some sergeants could paralyze some of its operations.

For the Communist Party to respect the rules of the game would mean that we would have to hold elections in January for legislative seats. They would not do that. We have 52% of the vote." The Communist Party receives money from the Soviet Union and Mateus believes they are also getting arms. He says the Communists began with violence when they took over the "Republica" and the Catholic radio. The meeting lasted ½ hour and we got up and started to walk down the steps when Mateus came running after us and said Mario Soares was upstairs and would like to see us. We went upstairs and met Soares, a man in his fifties, unprepossessing but clearly after speaking with him, one who has a charismatic personality. We asked, "What should the United States do to help?" He said, "We are opposed to the Communist Party takeover.

There are no anti-American feelings in this country. There exists a very favorable feeling to the United States. We lived through 50 years of fascism and because of fascism, engaged in a colonial war for 15 years. We have 300,000 unemployed. The returning refugees from Angola could create a very serious problem. We feel the United States must encourage democratic strategies for Portugal and not engage in any conspiracies which would have the effect of encouraging the extreme right. We have the internal forces able to win." At this point his doctor arrived and he took a five minute break for a physical. When he came back he said, "There are rumors that General Spinola is getting aid from the United States for military action in Portugal. This should not happen.

The United States should encourage private funds to be sent to democratic parties on the left. The speech that President Ford made warning the Soviet Union not to interfere in Portugal was very helpful. It was a signal to people that the United States would not permit a Soviet pipeline like that to Cuba. The Portuguese economy needs some economic stability—jobs and new industries. The United States' offer of aid should be made without conditions but it would be subject to long range changes in Portugal. There should be no aid to the present government which is about to fall but there should be aid to the next one which we support. The armed forces have presented President Gomes with an ultimatum—to get rid of the armed services which are now Communist. But beginning next week there should be a new government.

We asked why the Socialists didn't make an alliance with the Popular Democratic Party (PPD). He said, "It is difficult to make an alliance with the PPD at the local level but we are working with the Executive Board."

We left Soares with two perceptions: One, that he appears to be capable of leading a new government predicated on democratic principles, and two, if Ambassador Carlucci wants to meet him, he should call us so that he doesn't have to go 40 miles outside of Lisbon.

At 7:30 p.m. we met with the editor of the PPD newspaper, "Express", named Francisco de Balsemio. Balsemio told us, "The junta is called the Directory. It would help to help the nine men who signed the statement calling for Goncalves resignation. As soon as there are some signs of progress, the United States should be the first to help by making money available to the government."

At 8:40 pm we met a leader of the Center Socialist Democratic Party (CDS) in our hotel. He said, "Help diplomatically. We are convinced that the Soviet Union is helping the Communist Party financially. We have no evidence but confidential information from England is that they are receiving money and the Soviets are leaving the admission fees of the ballets, etc., for the Communist Party. They are also helping through the press (Pravda) supporting the Communist line—the tough line (as opposed to the Italian Communist party line which is linked with the Socialists). The Communist Party has shown tremendous financial capability, paying people to work in the election, enormous numbers of posters and also to work at headquarters. The new law forbids overseas contributions to parties except for Portuguese overseas."

He said he was afraid of Soares for the following reasons. He is an ex-Communist and perhaps subject to extortion. He is also a friend of Mitterand who urges an alliance between the Communists and Socialists in France, and finally, he is dominated by the Marxist wing of the Socialist party. He said, "The Communist Party is not behaving like a democratic party. It says elections are not what is important so it is probable that if the Prime Minister is required to resign they would take to the streets." He said he does not sleep at home because the junta might arrest him. He urged that the United States send a cultural presence as the Soviet Union is doing.

At 8:00 am on August 22 (Friday), Ambassador Carlucci met us at the hotel and said, "Vasco de Gamba Goncalves has picked up the support of the sergeants and is still in." It sounded to us as though we were living in the days of Caesar and the praetorian guard was running Rome.

Parenthetically, every day of the trip from August 22nd until our return on August 30th, the daily headline, no matter what the capital, said, "Goncalves still in" and some new event had retained him until September 1st when he was removed as Premier and designated as Chief of Staff of the Armed Forces.

CONCLUSION

At the present time the Portuguese government is in a state of flux. Goncalves has been removed both as Premier and Armed Forces Chief of Staff to which he had been appointed after we left Portugal. If a civilian government is formed in which democratic forces are represented, it is our opinion that the United States should provide economic aid to that government.

The Portuguese people have demonstrated a commitment to democracy that must be applauded. Would that it were emulated in other countries where communist governments have sought to impose themselves on a people notwithstanding their defeat at the ballot box. The kind of courage demonstrated by the Portuguese people should receive recognition and support by the United States.

NATIONAL RESPIRATORY THERAPY WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, in this age of environmental awareness, it is imperative that modern medical care serve the needs of persons suffering from the effects of our polluted air. Respiratory therapy, a progressive segment of modern medical care, is attempting to respond to those needs through the treatment of cardiorespiratory conditions. Therefore, today I am introducing a joint resolution proclaiming the week beginning November 2 as "National Respiratory Therapy Week," in recognition of the national convention of the American Association for Respiratory Therapy to be held in Anaheim, Calif., that week.

Respiratory therapy is an allied health specialty under medical supervision serving to treat such cardiorespiratory conditions as emphysema, asthma, cystic fibrosis, black lung, and pulmonary stress associated with heart disease. Techniques are advanced and related tasks range from patient care to research and education.

Over 26,000 dedicated members of the respiratory therapy profession belong to the American Association for Respiratory Therapy, an association striving to advance the science, technology, ethics, and art of respiratory therapy through education and cooperation between respiratory therapy personnel and the medical profession. The AARP has grown substantially since its beginnings in 1947, and the Anaheim convention of 1975 marks the 21st time this organization has met nationally to encourage the development of this important medical field.

I would urge my colleagues to join me in recognizing the worthwhile and timely contributions of the American Association for Respiratory Therapy to modern medical needs by proclaiming the week beginning November 2 as "National Respiratory Therapy Week."

FULL TAX DEDUCTION FOR MEDICAL AND DENTAL CARE: TIME FOR REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Florida. Mr. Speaker, today I am reintroducing a proposal which can effect needed tax relief for a large number of our citizens, especially those who live on retirement income. This bill is the same as another which I introduced originally as H.R. 4499 on February 21, 1973, early in the 93d Congress.

The bill would amend section 213(a) of the Internal Revenue Code of 1954 to allow individuals to deduct all expenses incurred during the year by themselves, their spouses, and their other dependents—except, of course, for amounts 'compensated for by insurance or otherwise." It includes a section specifically allowing such deduction in the case of "any person who has attained the age of 65 years before the close of the taxable year" and who is a taxpayer's dependent, or who would be a taxpayer's dependent if he had received more than half his support from the taxpayer during the taxable year.

Unfortunately, the last Congress failed to enact this proposal; but the need is still there, particularly as it affects our retired citizens who live on incomes that are fixed and, therefore, increasingly inadequate when measured against the steadily climbing cost of living.

As everyone who has to struggle with itemized deductions each April 15 knows, a taxpayer is currently entitled to deduct medical and dental expenses in excess of 3 percent of his adjusted gross income. However, he may at the same time deduct 100 percent of other costs such as charitable contributions, property taxes and mortgage interest, State and local sales taxes, State and local income taxes, and expenses for education related directly to his business or profession.

This is unfair because it is inequitable. Men and women spend the better part of their lives working and saving for retirement. If they are fortunate, they will be adequately covered by medical insurance. But what if they are not?

For the rest of us, gainfully employed with far larger and usually rising incomes, other deductions like those mentioned above may be sufficient to keep us from paying our last dollar to the Internal Revenue Service every April 15. Retired people, however, in most cases are simply not in a position to itemize these deductions to any meaningful extent.

Many are obligated to rent rather than buy their homes, so they lose what is generally the biggest single deduction right at the outset. Also, because of their reduced incomes, most would hardly be able to make sufficiently sizable charitable contributions. And since State and local sales and income tax deductions are keyed to one's income level, retired persons obviously suffer there, too.

One expense which could amount to a really significant deduction, though, is the average older person's medical-dental expense. Some medical protection plans provide coverage only up to a certain point; beyond that point, the older taxpayer must foot the bill himself, often at heavy cost. Some of our older citizens with chronic illness may have to pay really unaffordable amounts of money, especially for medicine, which is extremely expensive as we all know.

One way to help alleviate this burden would be to allow deduction of all medical and dental expenses incurred by taxpayers and their dependents as contemplated by my bill. Such a device could ease the great financial burdens of the elderly—or of those upon whom they are dependent—while at the same time providing an effective argument against the further socialization of medicine in this country. I, for one, would much prefer using the tax system to provide the needed relief, as the British experience shows just how poorly socialized medicine works both in terms of efficiency and in terms of decent doctor-patient relationships.

This reform is long overdue. Older people in many localities are allowed great—even total—tax breaks on their property. This, however, applies only to those who are fortunate enough to own their own homes. Why not give all of them a break where they really need it: on their ballooning medical and dental expenses?

Mr. Speaker, as a gesture of fairness to our older and retired citizens, as well as to younger taxpayers upon whom they may be dependent, and to correct the fundamental inequity I have tried to outline briefly here, I urge early consideration of this bill by the House with a view to its speediest possible enactment.

LEGISLATION TO PROVIDE A SOURCE OF FUNDS FOR CONSTRUCTION OF ENERGY PRODUCING FACILITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

Mr. CORMAN. Mr. Speaker, I would like to call the Members' attention to a bill I am introducing today that could provide a source of badly needed funds for the construction of new energy producing facilities by public utilities. Since this proposal is a unique and untried one, I am introducing it with the request that it receive attention and review. I have also submitted it for consideration by the Ways and Means Committee in its initial phase of tax reform legislation now underway, and I would welcome the comments of all interested Members.

This proposal would allow an energy public utility to exclude from gross income for purposes of taxation, specially designated payments received from customers to be applied to a qualified capital expenditure. This mechanism would eliminate the need for utilities to raise twice the amount needed for the costs of the facility in order to meet the Federal taxes due. The utility in this case would serve as a conduit through which funds for the project would be funneled directly from the consumers and into the capital expenditure.

Since the equipment purchased in this way would have no tax basis, it would not be eligible for the investment credit and the utility would forgo any depreciation or amortization deduction on the property. Also, the amount a public utility could raise from its customers on a tax-free basis under the bill would be limited to 10 percent of its gross receipts from customers. As an additional safeguard, the project would have to be approved by a regulatory body.

The utility industry is now faced with staggering financial requirements and is experiencing grave difficulties attracting the required funds from conventional sources. This proposal could provide a novel way of meeting these requirements with a minimum cash outlay on the part of the consumer.

HEARINGS ON WESTERN HEMISPHERE IMMIGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Eilberg) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, I wish to advise the House that my Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary has scheduled hearings on September 25, 1975, to consider H.R. 981 and H.R. 367, bills which would establish a preference system for immigrants from the Western Hemisphere. The hearings will commence at 10 a.m., in room 2141, Rayburn House Office Building.

These hearings will also be concerned with the need, if any, for modification of the present preference system.

As my colleagues are well aware, the current 120,000 limitation on Western Hemisphere immigration and the lack of a preference system for this hemisphere have resulted in innumerable hardships for potential immigrants. There is presently a backlog of 28 months, and it is not anticipated that this backlog will be reduced since the demand for immigrant visas continues to increase at a rapid rate.

Members of Congress and other interested parties who wish to testify or submit statements for inclusion in the hearing record should address their requests to the Committee on the Judiciary, room 2139, Rayburn House Office Building.

HOUSE RESOLUTION 204

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, today I am reintroducing on behalf of myself and 11 of my colleagues my proposal, first introduced on February 19 as House Resolution 204, to create in the House a select committee of seven members for the purpose of studying the various political assassinations in our country since the death of President John Kennedy in 1963.

Specifically my proposal calls for studying the circumstances surrounding the deaths of President Kennedy, U.S. Senator Robert Kennedy, and Dr. Martin Luther King, and the attempted assassination of Gov. George Wallace.

I do not espouse any particular theory as to why President Kennedy or any of the others were murdered or maimed, or at this time point the finger at anyone who might have aided or abetted or been a part of these crimes in addition to or instead of those who have either been accused or convicted of these murders or the attempted murder.

This is why such a committee is necessary—to answer the many legitimate questions being raised, and to either prove or disprove the various theories being espoused.

I do not necessarily believe that these assassinations and the attempted assassination are related—except in some very important ways. These crimes against the people robbed the people of options; thwarted the democratic process of representative government; eliminated basic grassroots leaders like Dr. King, who had a following among the civil rights, labor, and peace movements which was showing signs of merging into one, possible very effective, unit.

Further, these crimes baited domestic unrest and caused great harm to the collective national psyche—the extent of which I keenly feel it is the Congress' responsibility to assess.

The list of 51 Members of the House who are now cosponsors of House Resolution 204 follows:

Cosponsors

Arizona—Morris (Mo) Udall; California—Charles Wilson, George Brown, Edward R. Roybal, William M. Ketchum, Yvonne Braithwaite Burke, Ronald C. Dellums, Norman Y. Mineta, Henry Z. Waxman, Augustus F. Hawkins, Mark W. Hannaford, Robert Legget and F. H. (Pete) Stark; Connecticut—Stuart McKinney, Anthony Toby Moffet, and Christopher Dodd; District of Columbia—Walter Fauntroy; Florida—Paul G. Rogers; Georgia—Andrew Young; Guam—Antonio Borja Won Pat; Hawaii—Patsy Mink; Illinois—Cardiss Collins; Indiana—David W. Evans and Andrew Jacobs, Jr.; Maryland—Parren Mitchell; Massachusetts—Paul Tsongas; Michigan—Robert Carr and Don Riegle; Missouri—William Clay; Montana—John Melcher; New Jersey—James J. Florio, Henry Helstoski and Andrew Maguire; New York—Richard Ottinger, Edward I. Koch, Mario Biaggi, Bella Abzug, Herman Badillo, Benjamin S. Rosenthal, Shirley Chisholm, Thomas J. Downey, John M. Murphy and Charles Rangel; North Carolina—Stephen L. Neal; Ohio—Louis Stokes; Pennsylvania—Gus Yatron and Robert W. Edgar; Tennessee—Harold Ford; Texas—Robert Eckhardt; South Dakota—Larry Pressler; Wisconsin—Henry Reuss.

TAX RELIEF FOR THE EXPENSES OF HIGHER EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. Harris) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, today I am introducing a bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for certain expenses of higher education. The purpose of this bill is to ease the financial burdens of higher education for parents and students by providing relief to the taxpayer in the form of a tax credit. Under my bill, a certain percentage of educational expenses—defined as tuition, fees, books, supplies, and equipment—can be claimed as a credit against the taxpayer's income taxes.

An important feature of my bill is that it covers the broad spectrum of postsecondary education. More than 10 million students at a variety of institutions—public and private, 4-year and 2-year—would receive assistance from this legislation. Colleges, universities, community and junior colleges, business schools, trade schools, technical institutions, and vocational training centers are all eligible institutions under this bill.

NO RELIEF NOW

My bill attempts to correct a major deficiency in our tax laws. Presently, the law provides relief only for educational expenses incurred for training required to maintain one's position of employment. No relief is provided for students or parents of students who are pursuing education or training for their career. Thus, a $50,000-a-year business executive can take a tax deduction for the expenses of a refresher course in management techniques; but a young college student, struggling to make ends meet, cannot take a deduction for an equivalent course. The former is considered to be incurring a "business expense," whereas the latter is merely incurring a "personal expense." I believe it is unfair that those who need the assistance most are ineligible under our present laws.

COSTS CLIMBING

I would like to remind my colleagues that the costs of continuing one's education after secondary school are extremely high. Today, the average 4-year public institution of postsecondary education costs about $2,400 a year to attend. The average 4-year private institution costs slightly over $4,000 a year. Looking at average costs, of course, is of little benefit to the student who must pay over $6,500 a year to receive a top education.

A graver problem, however, is the fact that educational costs to institutions are rising rapidly. The Department of Health, Education, and Welfare predicts that the total expenses of postsecondary institutions in the United States will rise from $35.4 billion in 1973–74 to $45.7 billion in 1983–84. We can be fairly certain that these cost increases will be passed on to the students. For example, in the last 5 years, the cost of attending a 4-year public institution has increased by 35 percent. Similarly, the cost of attending a 4-year private institution has jumped 36 percent. Tuition and fees at these institutions have risen by 37 percent.

FAMILY BUDGETS SHRINKING

Unfortunately, family incomes have not kept pace with the rapidly rising costs of higher education. From 1970 to 1973, the median family income in the United States rose by 22 percent. In the same period, however, an increase of 23 percent in the cost-of-living price index negated almost all of the rise in family income. Just recently, the Bureau of Labor Statistics reported that real spendable weekly earnings—the take-home pay—actually dropped 4.1 percent over the past year. Meanwhile, every year, the costs of higher education continue to rise by several hundred dollars.

Today, basic necessities are requiring a larger and larger share of the family income. The average residential electric bill went up 60 percent in my State, an increase far exceeding the 12-percent increase in the cost of living in the area last year. Likewise, gas bills for heating homes jumped 31 percent. Food prices have climbed 22 percent since 1973. The cost of medical care in the Washington metropolitan area has risen 17 percent in the last year. Is it any wonder that our students' parents, who typically pay about half of the costs of higher education, can no longer bear the burden of increasing educational expenses?

HIGHER EDUCATION ENROLLMENTS

In the Eighth Congressional District of Virginia, we have a large number of students attending schools of higher education.

Almost 7,400 students will attend George Mason University in the fall of 1975. More than 20,000 students will attend Northern Virginia Community College. Large numbers of students, living in my district, attend a variety of schools both within the Commonwealth of Virginia and across the United States.

Furthermore, a large percentage of high school graduates in the Eighth Congressional District of Virginia are deciding to continue their education. This year, 75 percent of the graduating seniors in the Fairfax County Public Schools will go on to some form of post-secondary education. In the city of Alexandria, 60 percent of the graduating seniors will go on to higher education. In Prince William County, 40 percent of the graduating seniors will enroll in institutions of post-secondary education in the coming academic year.

ASSISTANCE PROVIDED

My bill will provide assistance for these students to continue their pursuit of higher education. For example, an average student attending Northern Virginia Community College would receive a tax credit for about 87 percent of his or her yearly educational expenses. Students attending George Mason University would receive, on the average, tax credits for about 57 percent of their expenses. Students attending the more expensive institutions, in or out of the State, would receive credits for a smaller percentage of their expenses, but the aggregate credit would be greater in accordance with the greater costs they incur.

Mr. Speaker, the following is a summary of the major provisions of my bill. Our bright young men and women of today deserve the opportunity to achieve their potential. Let us make sure that they have that chance.

The summary follows:

MAJOR PROVISIONS OF THE BILL

Amends the Internal Revenue Code to allow tax credits for the expenses of higher education for the taxpayer, his or her spouse and any dependents of the taxpayer as defined under section 152(a) of the Internal Revenue Code.

Provides that the credit allowed would be an amount equal to the sum of the following:

A. 100% of allowable expenses not exceeding $200.

B. 75% of allowable expenses over $200 but not exceeding $500.

C. 25% of allowable expenses over $500 but not exceeding $1,500.

Provides that the credit allowable shall be proportioned according to the amount of expenses paid by each taxpayer in those cases where more than one taxpayer pays the educational expenses of an individual student.

Stipulates that the amount of the credit shall be reduced by an amount of 1% of the taxpayer's adjusted gross income that exceeds $25,000.

Defines the expenses of education as tuition, fees, books, supplies, and equipment. (Expenses for room and board are not included.)

Defines institutions of higher learning as those regularly offering education above the twelfth grade or those offering an accredited program of business, trade, technical or vocational postsecondary education.

Requires that the school be located in the United States including all U.S. possessions.

Stipulates that the total educational expenses for which an income tax credit may be claimed shall be reduced by the total amount of scholarships, fellowship grants and veterans' educational assistance allowances received by the individual student, prior to determining the net tax credit for which the taxpayer is eligible.

Requires that the student be a candidate for a baccalaureate or higher degree or attending school to fulfill an identified educational, professional or vocational goal.

Provides that any expense taken as a credit is thereby disallowed as a deduction.

Provides that the amendments would become effective only for tax years ending after the date of enactment of the Act.

FOOD STAMPS: MYTH AND REALITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 15 minutes.

Mr. METCALFE. Mr. Speaker, the recent attacks by Secretary of Agriculture Earl Butz and Secretary of the Treasury William Simon could be dismissed as harmless demagoguery, if they were not so tragic. Unfortunately, these attacks are a continuation of the Ford administration's campaign to place the brunt of the war against recession and inflation onto the shoulders of those who can least afford to carry such a burden—onto the poor, the sick, and the elderly. At a time when the unemployment rate is at a record post-war high, and when inflation has eaten up many peoples' hard-earned savings and forced some of our senior citizens onto dog food diets, attempts to deny food to the needy can only be viewed as the insensitive and deliberate machinations of a callous administration.

The American people have been fed so much anti-food-stamp propaganda by Ford administration spokesmen that the facts have been forgotten. Secretary Butz and Secretary Simon, who have recently been quite vocal on this subject, somehow fail to mention that the food stamp program is probably the most effective Federal social welfare program in existence. They fail to mention that, according to the Department of Agriculture's own figures, 45 percent of food stamp recipients have incomes below $3,000 a year, over 77 percent have incomes below $5,000 a year, and more than 92 percent have incomes below $7,000 a year, and that nearly all food stamp recipients earn less than $10,000 a year. Considering that the poverty level for a nonfarm family of four is officially defined at $5,050 a year, the fact that over 77 percent of food stamp recipients have incomes below the poverty level attests to the program's effectiveness in reaching those who are in greatest need. Furthermore, according to testimony by Assistant Secretary of Agriculture Clayton Yeutter in June 1973 before the Senate Select Committee on Nutrition and Human Needs, the food stamp program has been, ". . . remarkably free from fraud." Mr. Yeutter elaborated by testifying that, during the first three quarters of 1973:

> The percentage of fraudulently participating households, as related to total participating households, equaled 24 thousandths of one percent.

In May 1975, in a report to the Senate Agriculture and Forestry Committee by the Agriculture Department, the Department stated that there had been no significant increase in fraud since Mr. Yeutter's testimony. Altogether, the Department of Agriculture has reported that only 0.08 of 1 percent of the monthly participants in the program were participating on a fraudulent basis. It is apparent from these figures that if Secretary Butz paid closer attention to his own Department's figures, he would discover that he is, in spite of himself, running a highly effective program.

Both Secretary Butz and Secretary Simon have cited the large participant and cost increases in the food stamp program as a reason for cutting back the program. This is such a fallacious argument that it comes close to being an intentional misrepresentation of the facts. What both Secretarys fail to tell us is that there are very good reasons for the large increases. Not only has the rising unemployment rate created large numbers of new recipients, but also bureaucratic shifts in Federal food programs have served to expand the use of food stamps. Again, according to the Department of Agriculture in its report on food stamps which was done in response to Senate Resolution 58:

> Unemployment has become a major factor in participation as many more households fell within the income range which defines eligibility.

The Department goes on to state that:

> A 1% change in the unemployment rate may result in as many as 500,000 to 750,000 additional participants.

This correlation is further borne out by the fact that, according to the report, until recently, "internal growth in participation slowed" and that the growth that did occur could be primarily attributed to bureaucratic shifts in the Federal food effort. From the beginning of fiscal year 1973 to the end of fiscal year 1974, three-fourths of the growth was due to projects shifting from the food distribution program to the food stamp program. However, the rapid rise in unemployment over the last year and a half has brought a corresponding rapid rise in food stamp recipients. Of course, what this means is that we are not faced with a program whose costs are running away from us, but one which is actually doing that for which it was specifically designed, namely, feeding the needy during times of stress. Furthermore, even with this increase in recipients, the Department of Agriculture projects that the number of recipients will level off and actually begin to decline by 1980. As a result, it is difficult for me to understand how these two knowledgeable officials could so negligently ignore their own departments' figures.

As is obvious from the figures which I have been citing, the food stamp program is an effective and necessary program. It is accomplishing its purpose—feeding the needy—with great success. Cutting back on food stamps would be tantamount to snatching food from the mouths of the hungry. For supposedly responsible national leaders to advocate such a policy is totally incomprehensible since it would force many poor people into making the unhappy choice of either watching their families starve or resorting to crime in order to provide for their families. Either way, we all lose. One cannot help but think that the Ford administration intends to win the war on poverty by wiping out the poor through starvation, poor health care, and delapidated housing. The American people deserve, and our country's poor desperately need, better national leadership than is currently being exhibited. The Ford administration can better serve the people by taking actions to put people back to work than it can by further burdening those at the bottom of the economic ladder with inflammatory, irresponsible, and inaccurate rhetoric.

CONGRESSMAN ALEXANDER AND SENATOR WEICKER FIRST CONGRESSIONAL AQUANAUTS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 60 minutes.

Mr. **ALEXANDER**. Mr. Speaker, Senator Lowell Weicker and I were honored today by the American Oceanic Organization and the National Oceanic and Atmospheric Administration for our participation and interest in undersea technology and Government policies related to oceans.

We were officially designated as NOAA aquanauts, having completed all the necessary requirements to qualify for participation in NOAA's undersea experimentation. We are the first Members of Congress to earn this designation.

I think it was the overwhelming consensus of those in the field with whom we met today that it is time Congress engaged in a national policy debate for the purpose of increasing the level of awareness of ocean potential.

I would like to share with my colleagues some data and comments on the potential of oceans in meeting the world's food and fuel needs:

Excerpts Delivered at American Oceanic Organization Luncheon, September 18, 1975

Increasing shortages of raw materials needed to turn the wheels of commerce have prompted the United States and other industrial nations to step up their efforts to extract food and fuel from the sea.

Future survival of the industrial nations of the world will become more and more dependent upon the resources from the ocean floor and from the sea as fossil fuels and mineral deposits on the surface become more and more depleted. Unfortunately the level of public awareness is very low, and the superiority of the American technology is being seriously challenged by Japan, Germany, Canada, Australia and the Soviet Union.

It is estimated that the world's population will reach seven billion by the year 2000. It is also believed that the major natural resources on land will be exhausted in a matter of a few decades.

Oil is a case in point. Known world supplies of oil are expected to supply the anticipated demand for about 25 more years. After this time, civilization will no longer be able to count on oil and gas as a major source of energy.

Under these circumstances, then, it is clear that we must look even more diligently to the sea to meet our fuel and food needs—the sea, truly the last frontier for man to explore.

Recognizing the need to probe this last frontier, most industrial nations have sent delegates to international conferences on ocean development, the laws of the sea, food shortages, and population explositions.

We know from such efforts that the oceans, which cover more than two-thirds of the earth's surface, possess enormous amounts of resources and energy potential.

In the course of these endeavors, however, precautions must be taken so as not to kill the ocean. We know from experiments such as those I conducted in the Perry Hydro-Lab last August that the ocean is becoming sick from the pollution caused by indiscriminate industrial development and dumping of industrial waste beyond the ocean's capacity for natural purification.

Thus, we must insure orderly exploration of marine resources and provide for well-planned cultivation of marine products.

Our research thus far has showed us that tides generate a huge amount of energy, but most of this energy is left untapped except in a few cases in France and the Soviet Union.

We know that waves also create considerable energy. The energy generated by waves along the coast of the Japanese archipelago is estimated at several hundred million kilowatts annually. Currents such as the Mexico and Black Currents carry tremendous amounts of energy, and sea water contains some sixty kinds of elements needed by industrial nations.

Technology now in use has enabled man to extract some of these elements from sea water on a commercial basis. Extraction of hydrogen from sea water has loomed large as important technology is developed to secure a new source of energy for the future.

Oceans produce a huge amount of petroleum and natural gas through a natural process in a cycle of several million years. It is estimated that there are 318 billion tons of petroleum and natural gas deposits under the ocean floor.

1971 statistics indicate that man consumed 2.8 billion tons of petroleum that year. Man, therefore, could depend upon these ocean resources for about 100 years, if he succeeds in tapping the petroleum and gas deposits now covered by the sea.

There are about 200 billion tons of manganese nodules on the sea floor near the equator at a depth of 4000 to 6000 meters. The volume is about 200 times larger than deposit on land. Manganese nodules are known to contain nickel, cobalt, and copper. The United States, Japan, France and the Soviet Union have started to study exploration of manganese nodules on the ocean floor.

Man has depended heavily and is still very dependent on the sea for protein. Peoples of the world haul about 70 million tons of marine products from the ocean. But, even for marine products there is a limit.

If man continues to recklessly catch fish and other marine life, the sea will someday become dead. We need to work out an effective production system for marine products. This topic was one of those discussed at the recent U.S.-Japan Ocean Forum which I attended as a delegate for the United States in late August.

Groups such as American Oceanic Organization can lend considerable support and direction for our national and international efforts to secure a workable ocean policy. I applaud your interest in the sea, an area which I believe holds one of the keys to our meeting the fuel and food needs for years to come.

However, we have got to increase the level of public awareness of ocean potential if our efforts are to succeed.

TAX BREAKS MAY NOT SPUR FINANCIAL SUPPORT TO CHARITIES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 10 minutes.

Mr. **VANIK**. Mr. Speaker, in November 1973, a privately funded, 32-member panel was formed to make a comprehensive study of the sources and impacts of charitable giving in the United States. The Commission on Private Philanthropy and Public Needs—or the so-called Filer Commission—will submit its report to the public and the Congress in November of this year.

In preparation for its final report, the commission has contracted for a broad range of studies on virtually every facet of philanthropy in this country. The central questions the commission is hoping to answer are not only what the past patterns of philanthropic activity have been—who gives how much to whom, and why—but also what the likely impacts would be of changes in our existing laws relating to donors and donees. In short, the Filer Commission hopes to define more closely the appropriate roles of Government and the private sector in philanthropy.

I commend the Filer Commission for its foresight and ambition in examining such a complex, but important issue of public concern. The conclusions and recommendations of the commission will undoubtedly have significant impact on the future of charitable organizations in our society.

TWO NATIONAL SURVEYS OF PHILANTHROPIC ACTIVITY

Although the commission's final report has not yet been issued, the commission has released an excellent study on charitable giving which was completed by the Survey Research Center of the Institute for Social Research at the University of Michigan. The study explored the motives behind the voluntary giving of time and money with two national surveys covering almost 3,000 households. The conclusions of the study—especially as they relate to the impacts of tax benefits on charitable giving—are significant.

The commission has requested that the

following statement accompany any publication of this report:

> This paper is one of many research studies sponsored by the Commission on Private Philanthropy and Public Needs as part of its information gathering and data force for a comprehensive report and recommendations to be issued in the Fall of 1975. These research studies and related papers represent the findings and opinions of the authors. The Commission is releasing completed studies as part of its effort to inform the public and encourage widespread discussion of this complex subject.

SOURCES OF CHARITABLE GIVING

The study estimates that the total dollar giving for all charitable purposes was approximately $26 billion in 1973. The vast bulk of this giving comes from individuals with incomes between $10,000 and $50,000. Over half of the total comes from the $10,000 to $30,000 income group. The following table reveals this pattern:

Income:	*Percent of households*	*Percent of aggregate giving*
Less than $10,000	49	16
$10,000 to $19,999	39	38
$20,000 to $49,999	13	25
$50,000 or more	1	21
		100

MOTIVATIONS FOR GIVING

In attempting to define the reasons why people give to charitable organizations, the study focused on the impact of tax incentives on giving patterns. Under our current tax law, a deduction from gross income is allowed for contributions made by the taxpayer to qualified charitable organizations. The advantage of the deduction to the taxpayer varies with his income. As his income goes up, his tax rates goes up. The value of a deduction, therefore, increases with a higher marginal tax rate.

A simple example will illustrate. Assume two taxpayers, both filing itemized returns, each gives $100 to charity. Taxpayer A has a gross income of $150,000 and taxpayer B has a gross income of $15,000. Each is allowed to deduct his $100 contribution from his income to arrive at his net taxable income to which the statutory tax rate applies.

For taxpayer A who must pay tax at a rate of 70 percent, his $100 contribution saves him $70 in taxes. Taxpayer B's marginal tax rate is only about 30 percent, however. His tax savings from a $100 gift is, therefore, only $30. In short, the actual cost of giving under our tax system varies with the income level of the taxpayer. A $100 charitable contribution "costs" taxpayer A only $30 while the same contribution "costs" taxpayer B about $70.

For taxpayers who choose not to itemize deductions on their tax returns, these calculations are unimportant. The standard deduction, of course, eliminates any specific tax advantage from charitable giving.

THE DUBIOUS IMPACT OF TAX SUBSIDIES

Advocates of continuing the tax deduction for charitable gifts maintain that tax preferences are essential to maintaining the flow of voluntary contributions to charities. However, the results of the Michigan survey dispute this conclusion. The researchers find instead that tax law appears to play little part in determining how much money an individual contributes to charity:

> Overall, the picture even among those with wealth and high incomes is of a great deal less tax sensitivity and a great deal less interest in charitable bequest than one might expect . . . We see much less sophistication and calculated consideration of tax effects than is often alleged to exist.

Not surprisingly, the authors found that those taxpayers with higher incomes are most likely to file itemized returns. Based on their survey, the researchers estimate that only 26 percent of the individuals with incomes under $10,000 itemize their returns. However, over 90 percent of taxpayers with incomes over $30,000 income itemize. One would expect that these taxpayers would be knowledgeable of the tax consequences of charitable giving—but this is not the case.

Individuals who itemize were asked the question, "If you contributed another $100 to charity, how much would it save you in taxes?" The intent of this question was to identify the extent to which these people were aware of their marginal tax rates. The presumption is that if tax policy is to have its full impact in stimulating charitable giving, people should be aware of the true value of giving in reducing their taxes.

Remarkably, when the researchers asked the itemizers about the impact of an additional $100 gift on their taxes, over 70 percent of the sample was either unable to respond or gave impossible answers. Only 21 percent gave answers that conceivably were accurate. Clearly, even among those people who we would expect would be most sophisticated on the tax implications of charitable giving, there is remarkable ignorance. This fact leads us toward the conclusion that tax incentives for charitable giving may not be an important factor in encouraging support for charitable organizations.

This conclusion is bolstered by another finding in the study. Here I would like to quote at length from the report:

> Families who had given $100 or more in 1973 were asked a sequence of questions about past and planned *changes* in giving—amounts and donees—and the reasons for such changes. Any mention of tax reasons or considerations was recorded. Over the thousands of interviews and the seven places where such reasons could be elicited, there were only twelve instances of taxes being spontaneously mentioned! Clearly, tax considerations were not salient in the minds of most respondents in changing the level or mix of their contributions.

It appears from the results of this survey that tax policy plays a perceptible role in encouraging giving only among the wealthiest taxpayers. These are the individuals who receive the most benefit from the deduction for charitable gifts and who are most aware of the tax consequences of giving. But as we have seen, even at this level, there is an amazing lack of awareness of the impact of giving on tax liabilities. It appears that most people give to charities for other reasons. These motives—which are largely social and psychological—are difficult to identify and quantify.

For example, a person might give to the Red Cross, because he may sympathize with the goals of that organization. Or, he may give to his church simply because he is a member. These factors—perhaps more than purely economic motives—account for the fact that charitable giving is characteristic of most Americans.

CONSEQUENCES FOR CONGRESS

According to the latest estimates of Federal tax expenditures compiled by the Treasury Department and the Joint Committee on Internal Revenue Taxation, in fiscal year 1976 the deduction of charitable contributions by individuals other than to educational institutions will cost the Treasury $4.84 billion. If we add to that the deductions taken for contributions to educational institutions—another $435 million in revenue loss—we find that the Federal Treasury subsidizes charitable organizations to the tune of $5.275 billion.

The important question for Congress to decide is to evaluate what the public is getting for this loss in Federal revenues. Although the survey research study estimates that charitable giving totaled about $26 billion in 1973, the study also revealed, as we have seen, that only a small increment of this total was given in direct response to specific tax incentives. It would be important to define, however, as precisely as possible, how much of the total charitable giving is in response to tax subsidies. This calculation would give us a good estimate of how effective this subsidy was in encouraging financial support for charities. If, for example, we found out that only $4 billion of the $26 billion was given in direct response to our current tax policy, we could conclude that deducting charitable contributions was not a very efficient way for the Federal Government to give support to charities. It would not make much sense for the Federal Government to invest over $5 billion in order to stimulate only $4 billion in additional giving. In this case, it would be more prudent simply to give the $5 billion directly to the charities rather than funneling it through the taxpayer.

Not only would it be important to develop some concrete measurement of the effectiveness of current tax policy on giving, it would also be important to compare the effectiveness of current tax policy with other policy alternatives designed to encourage support of charities.

The Filer Commission has touched on some complex but important issues of tax policy. It is refreshing to see extensive research being conducted in an area of tax law where for too long we have relied on presumptions which may not be solidly based in fact. I am looking forward to reviewing the other study papers of the commission as well as the final report.

CANAL ZONE SOVEREIGNTY LOSS: GREATEST VICTORY FOR SOVIET POWER SINCE STALINGRAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, as is well known by students of Isthmian Canal policy matters the current question about the future status of the Canal Zone and Panama Canal is not new. During the Senate debates over the ratification of the 1955 Eisenhower-Remon Treaty certain Senators voiced strong opposition. Among them was Senator Richard B. Russell, longtime chairman of the Senate Committee on Armed Services, who, when deploring the failure of the military to stand up against the State Department, stated:

> All I can say is I have observed over a long number of years that whenever the Department of State snaps its fingers in matters of this kind the Defense Department rolls over and plays dead. The Defense Department has learned long ago never to challege the State Department in any international matter. (*Cong. Record*, July 29, 1955, P. 12010).

The latest information on the status of the current canal treaty negotiations between Panama and the United States is that the administration has broken the opposition in the Department of Defense to the State Department's program for surrendering U.S. sovereign control over the Canal Zone, and eventually giving away the canal itself. Thus the military have been muzzled again and on September 8, 1975, the negotiations were resumed in Panama after months of inactivity.

It is indeed significant that of those in the State Department supporting the surrender program, Secretary Kissinger, Deputy Secretary Robert S. Ingersoll, Assistant Secretary William D. Rogers, and Ambassador Ellsworth Bunker are members of the Council on Foreign Relations of New York. Of their allies in the Defense Department, the Assistant Secretary for International Security Affairs is likewise a member of the Council on Foreign Relations, a body long engaged in the manipulation of U.S. foreign policy and known as the "invisible government" of the United States.

Mr. Speaker, I know from close association with many greatly distinguished officers of the Armed Forces, both active and retired, they are not impressed by Panamanian threats of violence, which have been repeatedly and publicly encouraged by State Department officials, and that these leaders strongly oppose the projected surrenders at Panama. They understand the strategic value of the Caribbean in the defense of the Western Hemisphere and are not beguiled by diplomatic sophistries and evasions such as are steadily emanating from the State Department.

The real issue involved in the Canal Zone sovereignty question is not U.S. control versus Panamanian but continued undiluted U.S. sovereignty over the Canal Zone versus U.S.S.R. domination.

Today Red agents are in the government of Panama, which is pro-Castro Cuba and pro-Soviet. Submarines of the U.S.S.R. base in Cuba prowl the Caribbean. The loss of U.S. sovereignty over the Canal Zone would complete the transformation of the strategic Caribbean into a Soviet lake and give Red power its greatest victory since Stalingrad.

A recent article from the New York Times is quoted as part of my remarks and commended for reading by all concerned with the canal question:

[From the New York Times, Sept. 16, 1975]

PENTAGON YIELDED TO FORD ON CANAL—DIRECTIVE BROKE DEADLOCK OVER U.S. POSITION AT PANAMA DISUSSIONS

(By David Binder)

WASHINGTON, September 15.—The White House succeeded in breaking a deadlock in the Pentagon on controversial aspects of a new Panama Canal treaty last summer, permitting the Ford Administration to resume stalled negotiations in Panama this month, top-level Washington officials said today.

The deadlock, resulting in part from powerful opposition to the State Department's concept of a treaty that would turn over defense of the canal to Panama in less than 50 years, was broken only after the National Security Council had met twice on the issue and President Ford had sent a directive to all the agencies concerned.

The canal talks halted last March when Ambassador Ellsworth Bunker, the chief United States negotiator, returned from Panama after completing agreement in principle on less controversial aspects of a new treaty.

The Administration was then confronted with the problem of agreeing on guidelines for the more controversial issue of the duration of a new treaty.

LEADING OFFICIALS OPPOSED

According to participants in Pentagon debates, leading officials in the Defense Department, including Secretary James R. Schlesinger, expressed sharp antagonism to any agreement that would relinquish defense of the canal to Panama in less than 50 years.

"You have to remember what was going on at that time," a Pentagon official said. "We were being driven out of Southeast Asia. When Saigon fell the attitude tightened considerably at the department. A lot of men said, "Why give away something you already have?' "

A Cabinet-level participant in the debates recalled: "There were some quite high-ranking officers who said after Saigon that the United States should stand up if tested and be firm. The Mayagüez in Spades."

He added that "some said 'Perpetuity is not long enough' for the United States to defend the canal."

The Panama Canal treaty of 1903 gave the United States authority to operate and defend the canal "in perpetuity:" The Ford Administration is committed to a new treaty of limited duration.

AGITATION IN PANAMA FEARED

The hard line adopted by Mr. Schlesinger and others was opposed by Secretary of State Kissinger, Deputy Secretary Robert S. Ingersoll, Ambassador Bunker and Assistant Secretary of State William D. Rogers.

They argued that to confront Panama with such demands would not only undermine negotiating effort but also invite increasing agitation by radicals in Panama.

The impasse continued into July, with "a good bit of passion involved" on the Pentagon side, as the Cabinet official described it.

But the State Department had allies in the Defense Department, officials from both recounted. Among them were Deputy Secretary William P. Clement, Jr., and Robert F. Ellsworth, the Assistant Secretary for International Security Affairs.

As complaints from the Panamanian Government of Gen. Omar Torrijos Herrera mounted about the lengthening pause in negotiations, Mr. Kissinger convened a meeting of the National Security Council in July.

"Defense was not leaned on," Mr. Kissinger recently recalled. "Before that they just didn't have a poistion."

DIRECTIVE FROM FORD

But it took a second National Security Council meeting Aug. 9 and a directive from President Ford the same day to all the agencies concerned to break the Pentagon deadlock, participants related.

"We were asked to go back and scrub our arguments very hard and to be as forthcoming as we could be," a defense official said. We found a little more give."

As a result, the Administration was able to work out a compromise on the critical question of treaty duration.

The compromise envisions transfer of canal operations to Panama by the year 2000 but United States defense of the canal for about 40 years.

In addition, an Administration official, said the Pentagon won concurrence for its demand that the new treaty provide for negotiation of a future bases agreement with Panama permitting the United States to continue participating in the defense of the canal.

Agreement on this negotiating position permitted Ambassador Bunker to resume treaty talks with the Panamanian Government on Sept. 8. According to a State Department official, the talks have gone "pretty well."

A POLICY BARRIER TO OFFSHORE OIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. LONG) is recognized for 5 minutes.

Mr. LONG of Louisiana. Mr. Speaker, a great debate is underway in Congress—and all over the United States for that matter—over what to do about drilling for oil on the Outer Continental Shelf. I, for one, advocate increased drilling on the shelf because of the need to find more oil, and because my experience in Louisiana has shown me that offshore drilling and environmental protection are not necessarily at odds with each other.

One of the many issues in this debate is how the Federal Government will lease the offshore tracts. Mr. Dorman L. Commons, president of Natomas Co., has written an article for the Wall Street Journal proposing a new system for leasing these offshore tracts that I believe has considerable merit.

Under the present system, a bidder puts up a large cash bid and pledges a small royalty—usually 16.67 percent—for the Federal Government. Mr. Commons' proposal is that the large initial cash payment should be eliminated and the Federal royalty on producing properties should be substantially increased.

I find his argument compelling for a number of reasons. First, the present system is weighted heavily toward the largest oil companies because they are the only ones who can put up the hundreds of millions of dollars needed to "win" the lease in the competitive bidding process. This has the practical effect of stifling competition on the Outer Continental Shelf.

My own feeling is that the smaller independents should have an equal opportunity to explore the shelf because they are the ones who have found 94 percent of all the new domestic oil fields—the major oil companies have found only the remaining 6 percent. Eliminating the initial cash payment would increase the potential for entry to the shelf for independents thereby promoting rather than deterring competition in the oil industry.

Second, in these times when the need for increased investment in energy and particularly oil exploration is so great, it makes little sense to divert into the Federal Treasury the hundreds of millions of dollars—even billions—that could be used in additional exploration and drilling. As Mr. Commons notes, Why pay the Federal Government millions of dollars for a tract that may not produce a single drop of oil? Why not let the Federal Government take a larger share of the royalties on producing fields?

These and other important questions are addressed in Mr. Commons' article which follows:

[From the Wall Street Journal, Aug. 8, 1975]

A POLICY BARRIER TO OFFSHORE OIL

(By Dorman L. Commons)

The existing policy of the federal government in developing the oil resources of the outer continental shelf is inadequate to meet the needs of a nation dedicated to becoming less dependent on imported oil. The greatest weakness of the present bonus bidding system for leasing government-owned offshore lands is that it deprives the oil industry of tremendous sums of desperately needed capital that should be put to work in discovering oil and gas.

Bonus bidding is a high stakes gamble in which neither party necessarily wins. The government may or may not get fair value for the land it leases, and the contractor, in effect, buys a pig in a poke. The system also stifles competition in the oil industry by perpetuating the dominance of the major companies.

These faults can be easily corrected by discarding the present ineffectual system and adopting the production sharing contract approach used by a growing number of countries. Many of the elements of production sharing contracts are included in amendments to the Outer Shelf Continental Lands Act now being considered by the U.S. Senate. If the nation rejects these changes, Project Independence will be revealed as a hollow slogan and our dependence on foreign oil will increase rather than diminish.

A GRAPHIC ILLUSTRATION

A comparison of bonus bidding and production sharing contracts illustrates the disadvantages of the former.

Under bonus bidding, oil companies bid for offshore exploration leases. The lease goes to the highest bidder, who also agrees to pay the government a relatively low royalty—usually 16⅔%—on any oil and natural gas found and produced.

Bids on properties believed, not always rightly, to have major potential involve tremendous sums of money that can be raised only by major oil companies that already dominate the industry. The smaller independents, unable to put up the ante, are excluded from participation.

Last year, for example, winning bids for the rights to explore 238 tracts offshore Texas and Louisiana totaled $2.9 billion. A year earlier, a group headed by Exxon U.S.A. bid a record $632 million for the right to just six tracts (the Destin Dome) in the Gulf of Mexico. This bid money went into the federal treasury when it should have been put to work exploring for new oil fields and increasing production.

To make matters worse, there is no guarantee that oil or gas will be found on a tract for which a company has bid millions of dollars. Obviously, that is a risk the bidders agree to run. But from a national energy policy point of view, wouldn't it be far better if the bid money were spent on finding out if any oil or gas is actually there, and then developing it, or going on to explore elsewhere?

In the Destin Dome situation, the Exxon group, of course, based its bid on an analysis of seismic and geophysical studies that indicated tremendous potential. However, the group has spent more than $15 million to date drilling exploratory wells without finding oil or gas and is apparently ready to give up. They now have some $650 million less with which to conduct other exploration activities.

Moreover, the winning bids for potentially rich offshore leases are certain to escalate with each increase in the price of oil. Under the present system, the industry has to raise the capital both to pay the bonus bid and to finance exploration and, it is hoped, production. Estimates of the industry's capital requirements for exploration and production over the next 10 years run as high as $250 billion. The cost of raising such tremendous sums makes it imperative to rely less on bonus payments and more on increased royalty payments after the start of production. This is the essence of the production sharing contract, which originated in Indonesia when that country had to rely on foreign capital and knowhow to develop its vast offshore oil resources.

These contracts have typically provided that exploration and production expenses are recovered from a maximum of 40% of the oil and gas produced in any year. Indonesia then gets 65% of the remaining production and the contractor receives 35%. After the contractor recovers his investment, operating expenses drop to about 10%, leaving 90% of production to be split on the same basis. The percentages, of course, may vary, but the essence of the arrangement is that instead of getting a large "front-end" bonus bid, the government gets a more substantial share of the benefits of actual production after making reasonable provision for recovery of the contractor's investment.

The production sharing contract speeds exploration by mandating both specific expenditures and periodic relinquishments of acreage. The relinquishment assures that the contractor will carry out exploration promptly in order not to turn back to the government a potentially rich but unexplored area.

The benefits to the U.S. in adopting this method are obvious. The up-front money paid under bonus bidding can be put to work discovering and producing oil and gas. The royalty from the new production assures the government of fair value for the resource developed. By sharing the actual production, rather than paying a front-end bonus, the contractor risks only the money spent on exploration if no oil is found, but on the other hand, the contractor's reward is less, and the government's is proportionately greater, if oil is found. In addition, independents can win a production sharing contract by demonstrating, not how much money they have, but simply their ability to carry out the specified work program.

While some of the details of the Indonesian production sharing contract would have to be modified for use in the United States, the method remains a worthwhile model.

The federal government for example, could set a minimum work program to be carried out by the contractor and specify work obligations and reliquishment requirements. Competing companies would then bid on the amount of the government's share of production. Or, conceivably, the government could set all of the elements of the contract and pick the winner by lot.

PARTICIPATORY TERMS

The terms of the government's participation should be designed to assure complete exploitation of the field. This can be achieved in many ways. For example, by sharing the actual production, or levying a gross royalty, which can be adjusted downward when the field approaches exhaustion just enough to permit the operator to earn a minimum operating fee. Or it can be achieved by basing the royalty bid on net profits.

Production sharing contracts have one other advantage. Since the government can take its share in kind, it can market the oil by competitive auction in which the contractor and any other refiner or consumer of oil can bid. This assures the government full value for its share of the resources and strengthens the position of independent refiners and marketers, who now rely on the majors for their supplies.

In 1974, the U.S. consumed about 6.1 billion barrels of petroleum products. About 36% of this was imported at a cost of $25 billion. By exchanging the law, the U.S. can more efficiently develop its off-shore resources, help achieve the goals of Project Independence, and regain control over its economic future.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BYRON) is recognized for 5 minutes.

Mr. BYRON. Mr. Speaker, last week when H.R. 9005, the International Development and Food Assistance Act of 1975, was before the House I was recorded as voting for final passage. In fact I voted against final passage of H.R. 9005, and I wanted to make sure the public record so indicated.

House Resolution 707, the rule under which the bill was considered, was adopted earlier by a yea-and-nay vote of 358 yeas to 41 nays. My vote on the rule indicated my intent to vote against final passage since I was one of the 41 nay votes.

I appreciate, Mr. Speaker, having had the opportunity to clarify the record on my position on the foreign aid bill.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

Mr. DRINAN. Mr. Speaker, on Wednesday evening, September 17, I was unable to be present for the last recorded vote on amendments to H.R. 7014, the Energy Conservation and Oil Policy Act of 1975.

Pending before the House was an amendment offered by the gentleman from Maine (Mr. EMERY) concerning the utilization of methanol in automobiles. Mr. Speaker, I am most impressed by the potential for methanol consumption as a substitute for petroleum, and I certainly feel that this is an area which should be more carefully investigated. However, I do feel that there are a number of questions which must be answered before we can fully pursue this very promising technology.

Mr. Speaker, had I been able to vote on the amendment offered by the gentleman from Maine, I would have voted "no."

RACE RELATIONS ABOARD THE U.S.S. "FORRESTAL"

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, as a result of a visit that I made to the U.S.S. *Forrestal* in the Mediterranean and information which had been provided to me by members of the carrier's crew, I wrote to Secretary of Defense Schlesinger, bringing to his attention what I considered to be a serious situation involving race relations and an apparent ending of a successful race relations program. I received a response not from Secretary Schlesinger but from Secretary of the Navy J. William Middendorf II. I am enclosing that correspondence with the thought it would be of interest to our colleagues.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 5, 1975.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: In the course of the recent NATO trip which I took at your suggestion, and which I found fascinating and quite worthwhile, I was disturbed by a particular situation which I would like to call to your attention.

While on the U.S. Forrestal in discussions with sailors, I was told that just a week before there had been a racial brawl in Taranto, Italy and that racial relationships were very strained in the Navy. Indeed, one sailor told me that such racial flareups and fights take place in Norfolk, Virginia almost every night. What is particularly distressing is the fact that the sailors with whom I spoke were amazed and upset that the race relationship program which had been initiated in the Navy had been ended on the Forrestal about a year. The men felt that the program had been extremely helpful while in existence.

I raised this matter with Admiral Petersen while on the Forrestal and he confirmed the Taranto incident and in response to my question as to why the race relations program had been terminated, he said that that had been "phase 1" and that "phase 2" would commence shortly. I bring the matter to your attention with the thought that you might inquire as to why there has been a hiatus of one year between "phase 1" and "phase 2" and also whether enough is being done to deal with the racial brawls, including the Taranto incident and the allegations concerning Norfolk, Virginia.

Indeed, I would very much appreciate having the details of whatever reports exist concerning the Taranto incident in particular, as well as any other matter which you think would be informative for me on those disturbances in Norfolk or elsewhere in the Navy.

I intend to report on my trip to my colleagues in the Congress and at that time will send a copy to you also with the thought that it would be of interest. I also want to thank you for having invited me to participate in the tour and to advise you that members of your staff from Jack Maury to the attendants on the plane were extraordinary in their assistance in making the trip most worthwhile.

Sincerely,

EDWARD I. KOCH.

DEPARTMENT OF THE NAVY,
Washington, D.C., August 7, 1975.

Hon. EDWARD I. KOCH,
House of Representatives, Washington, D.C.

DEAR MR. KOCH: This is in further reply to your letter of June 5, 1975 regarding your recent NATO trip and specifically your comments and observations with regard to USS FORRESTAL (CVA-59).

It is gratifying to note your observation that the crew of USS FORRESTAL felt the race relations program had been extremely helpful. However, you expressed concern over the apparent hiatus between Phase I and Phase II of the race relations program. It should be noted that Phase I of the race relations program was designed to increase awareness by use of structured seminars provided to all personnel. To stimulate and assist in translating this increased awareness into action, Phase II of the Equal Opportunity/Race Relations Program was initiated in November 1974. Limited resources preclude simultaneous implementation Navywide, resulting in what may appear to be a hiatus in the race relations program. However, the value of the awareness gained through Phase I is being translated through affirmative actions on the part of the individual and the command. This process has not ended, but is continual as demonstrated by Command Affirmative Action Plans, Human Relations Councils, responsiveness to individual grievances and similar actions.

As you requested, I have provided the enclosed information concerning the race relations program, the Taranto incident and the situation in Norfolk. As indicated in the enclosures, judicious action is taken in dealing with incidents such as Taranto and Norfolk on a situational basis.

In summary, the Navy has had incidents and situations that reflect racial disharmony. These incidents do not reflect the overall atmosphere in the Navy. When occurring, immediate and positive actions are taken to control and prevent such situations from reoccurring. As part of the Navy's endeavors in this area, the race relations program has been actively implemented in two phases. Phase I increased awareness and understanding of each individual's personal worth and racial dignity. Phase II builds on this awareness and provides for positive actions to be taken. While structured seminars and workshops are provided in the race relations program, progress results only from the individual and command commitment to positive action.

It is heartening to note that you found the NATO trip worthwhile. Your comments and concern are appreciated.

Sincerely yours,

J. WILLIAM MIDDENDORF II,
Secretary of the Navy.

RACE RELATIONS PROGRAM

The Navy Equal Opportunity/Race Relations (EO/RR) Program is directed at creating an environment in which racial tensions will not develop. Thus the orientation is towards prevention rather than correction.

Phase I of the EO/RR Program was designed around a series of educational seminars aimed at different levels of management. These seminars resulted in increased awareness of:

a. Personal worth and dignity,

b. Inequities in oportunity for minority personnel,

c. Racial discrimination in the Navy.

Phase II of the EO/RR Program, initiated in the fleet in November 1974, is designed to translate this awareness into action. A series of workshops are given to different levels of management ending with a revitalized Equal Opportunity Affirmative Action Plan. Among these workshops are:

a. Military Rights and Responsibilities,

b. Women in the Navy,

c. Cultural Expression in the Navy,

d. Actions to Counter Racism,

e. Counter Racism and Equal Opportunity, and

f. Affirmative Action Plan Revision.

The established criteria for transition from Phase I to Phase II are that at least 70 percent of a command's personnel have participated in Phase I, the commanding officer or executive officer has participated in an Executive Seminar in race relations and the command has developed and implemented an Affirmative Action Plan.

A paucity of resources has prevented simultaneous implementation of Phase II Navywide. Distribution of present resources and future resource personnel has allowed a phased implementation throughout the Fleet.

The USS FORRESTAL has completed 72 percent training of Phase I as of December 1974 and is qualified for transition to Phase II.

Personnel management efforts have been continuing on board FORRESTAL. In January 1975 a Human Resource Availability period was completed. This is part of the overall Navy Human Resource Management cycle of which Phase II of the EO/RR Program is a part.

It is anticipated USS FORRESTAL will initiate Phase II prior to December 1975.

TARANTO INCIDENT

1. On 16 May 1975 an incident involving personnel from USS FORRESTAL occurred at Taranto, Italy. While in a bar, a White sailor bumped into a Black sailor who was dancing. An apology was asked for but the White sailor hit or shoved the Black sailor. Then about three Blacks and six Whites went outside the bar and fighting ensued. When the Shore Patrol arrived the White sailors had disappeared. The three Black sailors were escorted to the beach guard post.

2. Shortly after the incident at the bar, a disturbance began at fleet landing. A White sailor exchanged words and shoves with a Black sailor. The Shore Patrol intervened. Several small altercations occurred in the crowd of about 30 Whites and 30 Blacks. The fights expanded with almost all of the crowd participating.

3. The Shore Patrol Quick Reaction Team was called and the crowd dispersed without further incidents. The Human Relations team of the USS FORRESTAL aided in preventing additional flare-ups by isolating emotional personnel. The time from the bar incident to getting personnel into the boats was about 30 minutes. No further incidents ensued, no permanent or serious injuries incurred, no foreign nationals were involved and there was no damage to foreign property.

4. The crew was briefed via the ship's television system to ensure a single source of factual information in order to curtail rumors. For those personnel identified as being involved, liberty was restricted. The Shore Patrol posts and Quick Reaction Team were relocated to better control approaches to the fleet landing. The commanding officer's policy was reaffirmed and 11 of the crewmembers, who were found to be major instigators/participants, were transferred to the United States for appropriate action.

U.S. NAVAL BASE, NORFOLK, VA.

During the summer of 1974 a number of racial incidents occurred on base. These incidents were considered related to the large transient personnel population (over 3,000) over which there was inadequate control.

Others areas related to the racial tensions of the summer of 1974 were:

a. Insufficient controls at the Enlisted Men's Club

b. Insufficient controls at the Bachelor Enlisted Quarters

c. Insufficient command communication

d. High legal caseload

e. Insufficient programs at the correctional center

f. Insufficient control of working parties

g. Lack of good order and discipline

h. Inefficient administrative procedures

i. Insufficient security management to prevent crime

All of these problems taken together, with imposed reductions in manning levels, caused frustration and confusion on the part of the personnel aboard the Naval Base, thus producing a very tense atmosphere that was potentially explosive.

In September of 1974 a number of changes in management and organization were introduced to reduce racial tensions as well as to address other personnel and material problems. Improved procedures to speed up the processing for moving the transient personnel to their ultimate destination has reduced the transient population to less than 300 as of July 1975.

The commanding officer, in an effort to upgrade the Norfolk Base Police Department, contracted with the former Chief-of-Police of Washington, D.C., to evaluate the department. He recommended including awareness training for the entire department, upgrading quality of men being hired, integrating the force and becoming low key in operation. The effects of this training appear positive in all respects.

CONFERENCE REPORT ON H.R. 6674

Mr. PRICE submitted the following conference report and statement on the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes:

CONFERENCE REPORT (H. REPT No. 94-488)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked, combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE 1—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1976 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $337,500,000; for the Navy and the Marine Corps, $2,997,800,000; for the Air Force, $4,119,000,000, of which amount not to exceed $64,000,000 is authorized for the procurement of only long lead items for the B-1 bomber aircraft. None of the funds authorized by this Act may be obligated or expended for the purpose of entering into any production contract or any other contractual arrangement for production of the B-1 bomber aircraft unless the production of such aircraft is hereafter authorized by law. The funds authorized in this Act for long lead items for the B-1 bomber aircraft do not constitute a production decision or a commitment on the part of Congress for the future production of such aircraft.

MISSILES

For missiles: for the Army, $431,000,000; for the Navy, $990,400,000; for the Marine Corps, $52,900,000; for the Air Force, $1,765,000,000, of which $265,800,000 shall be used only for the procurement of Minuteman III missiles.

NAVAL VESSELS

For Naval vessels: for the Navy, $3,899,400,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $864,000,000, of which $379,400,000 shall be used only for the procurement of M-60 series tanks; for the Marine Corps, $101,500,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $189,500,000.

OTHER WEAPONS

For other weapons: for the Army, $74,300,000; for the Navy, $17,700,000; for the Marine Corps, $100,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1976 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,028,933,000;

For the Navy (including the Marine Corps), $3,318,649,000;

For the Air Force, $3,737,001,000; and

For the Defense Agencies $588,700,000, of which $25,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

TITLE III—ACTIVE FORCES

SEC. 301. (a) For the fiscal year beginning July 1, 1975, and ending June 30, 1976, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 785,000;
(2) The Navy, 528,651;
(3) The Marine Corps, 196,303;
(4) The Air Force, 590,000.

(b) The end strength for active duty personnel prescribed in subsection (a) of this section shall be reduced by 9,000. Such reduction shall be apportioned among the Army, Navy, including the Marine Corps, and the Air Force in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to Congress within 60 days after the date of enactment of this Act on the manner in which this reduction is to be apportioned among the Armed Forces and shall include the rationale for each reduction.

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year beginning July 1, 1975, and ending June 30, 1976, the Selected Reserve of each Reserve component of the Armed Forces shall be programed to attain an average strength of not less than following:

(1) The Army National Guard of the United States, 400,000;
(2) The Army Reserve, 219,000;
(3) The Naval Reserve, 106,000;
(4) The Marine Corps Reserve, 32,481;
(5) The Air National Guard of the United States, 94,879;
(6) The Air Force Reserve, 51,789;
(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the fiscal year beginning July 1, 1975, and ending June 30, 1976, the Department of Defense is authorized an end strength for civilian personnel of 1,058,000.

(b) The end strength for civilian personnel prescribed in subsection (a) of this section shall be apportioned among the Department of the Army, the Department of the Navy, including the Marine Corps, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of enactment of this Act on the manner in which the allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense or from a department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section but such additional number may not exceed one-half of one per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. (a) For the fiscal year beginning July 1, 1975, and ending June 30, 1976, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 83,101;

(2) The Navy, 69,513;

(3) The Marine Corps, 26,489;

(4) The Air Force, 51,225;

(5) The Army National Guard of the United States, 9,788;

(6) The Army Reserve, 7,359;

(7) The Naval Reserve, 1,661;

(8) The Marine Corps Reserve, 2,769;

(9) The Air National Guard of the United States, 1,952; and

(10) The Air Force Reserve, 810.

(b) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components prescribed in subsection (a) of this section for the fiscal year ending June 30, 1976, shall be adjusted consistent with the manpower strengths provided in titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve Components in such manner as the Secretary of Defense shall prescribe.

TITLE VII—AUTHORIZATION FOR THE PERIOD BEGINNING JULY 1, 1976, AND ENDING SEPTEMBER 30, 1976

SEC. 701. PROCUREMENT.—Funds are hereby authorized to be appropriated for the period July 1, 1976, to September 30, 1976, for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $59,400,000; for the Navy and the Marine Corps, $585,500,000; for the Air Force, $858,000,000, of which amount not to exceed $23,000,000 is authorized for the procurement of only long lead items for the B-1 bomber aircraft.

MISSILES

For missiles: for the Army, $56,500,000; for the Navy, $308,600,000; for the Marine Corps, $10,700,000; for the Air Force, $252,200,000.

NAVAL VESSELS

For naval vessels: for the Navy, $474,200,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $245,300,000, of which $133,000,000 shall be used only for the procurement of M-60 series tanks; for the Marine Corps, $400,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $19,200,000.

OTHER WEAPONS

For other weapons: for the Army, $9,700,000; for the Navy, $1,400,000.

SEC. 702. RESEARCH, DEVELOPMENT, TEST, AND EVALUATION.—Funds are hereby authorized to be appropriated for the period July 1, 1976, to September 30, 1976, for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $513,326,000;

For the Navy (including the Marine Corps), $849,746,000;

For the Air Force, $965,783,000; and

For the Defense Agencies, $144,768,000, of which $5,000,000 is authorized for the activities of the Director of Test and Evaluation Defense.

SEC. 703. ACTIVE FORCES.—(a) For the period beginning July 1, 1976, and ending September 30, 1976, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 793,000;

(2) The Navy, 535,860;

(3) The Marine Corps, 196,498;

(4) The Air Force, 590,000.

(b) The end strength for active duty personnel prescribed in subsection (a) of this section shall be reduced by 9,000. Such reduction shall be apportioned among the Army, Navy, including the Marine Corps, and Air Force in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to Congress within 60 days after the date of enactment of this Act on the manner in which this reduction is to be apportioned among the Armed Forces and shall include the rationale for each reduction.

SEC. 704. RESERVES FORCES.—(a) For the period beginning July 1, 1976, and ending September 30, 1976, the Selected Reserve of each Reserve component of the Armed Forces shall be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 400,000;

(2) The Army Reserve, 219,000;

(3) The Naval Reserve, 106,000;

(4) The Marine Corps Reserve, 33,013;

(5) The Air National Guard of the United States, 94,543;

(6) The Air Force Reserve, 53,642;

(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the period; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the period. Whenever such units or such individual members are released from active duty during the period, the average strength for such period for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

SEC. 705. CIVILIAN PERSONNEL.—(a) For the period beginning July 1, 1976, and ending September 30, 1976, the Department of Defense is authorized an end strength for civilian personnel of 1,064,400.

(b) The end strength for civilian personnel prescribed in subsection (a) of this section shall be apportioned among the Department of the Army, the Department of the Navy, including the Marine Corps, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of enactment of this Act on the manner in which the allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense or from a department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section, but such additional number may not exceed one-half of 1 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

SEC. 706. MILITARY TRAINING STUDENT LOADS.—(a) For the period beginning July 1, 1976, and ending September 30, 1976, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 75,185;

(2) The Navy, 70,571;

(3) The Marine Corps, 26,788;

(4) The Air Force, 52,280;

(5) The Army National Guard of the United States, 9,481;

(6) The Army Reserve, 5,518;

(7) The Naval Reserve, 2,106;

(8) The Marine Corps Reserve, 4,088:

(9) The Air National Guard of the United States, 2,180; and

(10) The Air Force Reserve, 836.

(b) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components prescribed in subsection (a) of this section for the period beginning July 1, 1976, and ending September 30, 1976, shall be adjusted consistent with the manpower strengths provided in sections 703, 704, and 705 of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE VIII—GENERAL PROVISIONS

SEC. 801. (a) Section 138 of title 10, United States Code, is amended as follows:

(1) Subsection (a) of such section is amended—

(A) by striking out "or" at the end of paragraph (4);

(B) by inserting "or" after the semicolon at the end of paragraph (5); and

(C) by inserting immediately after paragraph (5) the following new paragraph:

"(6) military construction (as defined in subsection (e) of this section);".

(2) Such section is amended by adding at the end thereof the following new subsection:

"(e) For purposes of subsection (a)(6) of this section, the term 'military construction' includes any construction, development, conversion, or extension of any kind which is carried out with respect to the military facility or installation (including any Government-owned or Government-leased industrial facility used for the production of defense articles and any facility used for the production of defense articles and any facility to which section 2353 of this title applies) but excludes any activity to which section 2673 or 2674, or chapter 133, of this title apply, or to which section 406(a) of Public Law 85–241 (71 Stat. 556) applies.".

(b) The amendment provided by paragraph (2) of subsection (a) above with respect to funds not heretofore required to be authorized shall only apply to funds authorized for appropriation for fiscal year 1977 and thereafter.

SEC. 802. (a) The second sentence of section 511(d) of title 10, United States Code, is amended by striking out "four months" and inserting in lieu thereof "twelve weeks".

(b) Section 671 of title 10, United States Code, is amended by striking out "four months" and inserting in lieu thereof "twelve weeks".

(c) The sixth paragraph of section 4(a) of the Military Selective Service Act (50 U.S.C. App. 454(a)) is amended by striking out "four months" each time it appears in such paragraph and inserting in lieu thereof in each case "twelve weeks".

(d) The third sentence of section 6(c)(2)(A) of the Military Selective Service Act (50 U.S.C. App. 456(c)(2)(A)) is amended by striking out "four consecutive months" and inserting in lieu thereof "twelve consecutive weeks".

Sec. 803. (a) Notwithstanding any other provision of law, in the administration of chapter 403 of title 10, United States Code (relating to the United States Military Academy), chapter 603 of such title (relating to the United States Naval Academy), and chapter 903 of such title (relating to the United States Air Force Academy), the Secretary of the military department concerned shall take such action as may be necessary and appropriate to insure that (1) female individuals shall be eligible for appointment and admission to the service academy concerned, beginning with appointments to such academy for the class beginning in calendar year 1976, and (2) the academic and other relevant standards required for appointment, admission, training, graduation, and commissioning of female individuals shall be the same as those required for male individuals, except for those minimum essential adjustments in such standards required because of physiological differences between male and female individuals.

(b) Title 10, United States Code, is amended as follows:

(1) Sections 4342, 6954, and 9342 are each amended by striking out the word "sons" wherever it appears therein and inserting in place thereof in each instance the word "children".

(2) Section 6956 (d) is amended by striking out the word "men" wherever it appears therein and inserting in place thereof in each instance the word "members".

(c) It is the sense of Congress that, subject to the provisions of subsection (a), the Secretaries of the military departments shall, under the direction of the Secretary of Defense, continue to exercise the authority granted them in chapters 403, 603 and 903 of title 10, United States Code, but such authority must be exercised within a program providing for the orderly and expeditious admission of women to the academies, consistent with the needs of the services, with the implementation of such program upon enactment of this Act.

SEC. 804. (a) Chapter 4 of title 10, United States Code, is amended by adding the following new section after section 139 and inserting a corresponding item in the chapter analysis:

"§ 140. Emergencies and extraordinary expenses

"(a) Subject to the limitations of subsection (c) of this section, and within the limitation of appropriations made for the purpose, the Secretary of Defense and the Secretary of a military department within his department, may provide for any emergency or extraordinary expense which cannot be anticipated or classified. When it is so provided in such an appropriation, the funds may be spent on approval or authority of the Secretary concerned for any purpose he determines to be proper, and such a determination is final and conclusive upon the accounting officers of the United States. The Secretary concerned may certify the amount of any such expenditure authorized by him that he considers advisable not to specify, and his certificate is sufficient voucher for the expenditure of that amount.

"(b) The authority conferred by this section may be delegated by the Secretary of Defense to any person in the Department of Defense or by the Secretary of a military department to any person within his department, with or without the authority to make successive redelegations.

"(c) In any case in which funds are expended under the authority of subsections (a) and (b) of this section, the Secretary of Defense shall submit a report of such expenditures on a quarterly basis to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives.".

(b) Section 7202 of title 10, United States Code, and the corresponding item in the analysis of such chapter are repealed.

SEC. 805. Section 139(b) of title 10, United States Code, is amended by deleting the word "sixty" and inserting in lieu thereof the word "ninety".

SEC. 806. Section 1401a of title 10, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(f) Notwithstanding any other provision of law, the monthly retired or retainer pay of a member or a former member of an armed force who initially became entitled to that pay on or after January 1, 1971, may not be less than the monthly retired or retainer pay to which he would be entitled if he had become entitled to retired or retainer pay at an earlier date, adjusted to reflect any applicable increases in such pay under this section. In computing the amount of retired or retainer pay to which such a member would have been entitled on that earlier date, the computation shall, subject to subsection (e) of this section, be based on his grade, length of service, and the rate of basic pay applicable to him at that time. This subsection does not authorize any increase in the monthly retired or retainer pay to which a member was entitled for any period prior to the effective date of this subsection.".

SEC. 807. In any case in which funds are unavailable for the payment of a claim arising under a contract entered into prior to July 1, 1974, for the construction or conversion of any naval vessel, the Secretary of the Navy is authorized to settle such claim, but the settlement thereof shall be made subject to the authorization and appropriation of funds therefor. The Secretary of the Navy shall promptly forward to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives copies of all claim settlements made under this section.

SEC. 808. Concurrent with the submission of the President's budget for the fiscal year commencing October 1, 1976, the Secretary of Defense shall submit a five-year naval ship new construction and conversion program. Thereafter, concurrent with the annual submission of the President's budget, the Secretary of Defense shall report to the Committees on Armed Services of the Senate and the House of Representatives any changes to such a five-year program as he deems necessary for the current year, and for the succeeding years, based upon, but not limited to, alterations in the defense strategy of the United States and advances in defense technology. This section does not in any way change existing law with respect to the annual authorization of the construction and conversion of naval vessels.

SEC. 809. The restrictive language contained in section 101 of the Department of Defense Appropriations Authorization Act, 1975 (Public Law 93–365), and in section 101 of the Department of Defense Appropriations Authorization Act, 1974 (Public Law 93–155), under the heading "Naval Vessels", which relates to the use of funds for the DLGN nuclear guided missile frigate program, shall not apply with respect to $101,000,000 of long lead funding provided for in such Acts for the DLGN–42 nuclear guided missile frigate.

SEC. 810. No funds authorized for appropriation to the Department of Defense shall be obligated under a contract for any multiyear procurement as defined in section I–322 of the Armed Services Procurement Regulations (as in effect on September 26, 1972) where the cancellation ceiling for such procurement is in excess of $5,000,000 unless the Congress, in advance, approves such cancellation ceiling by statute.

SEC. 811. (a) Beginning with the quarter ending December 31, 1975, the Secretary of Defense shall submit to the Congress within 30 days after the end of each quarter of each fiscal year, written selected acquisition reports for those major defense systems which are estimated to require the total cumulative financing for research, development, test, and evaluation in excess of $50,000,000 or a cumulative production investment in excess of $200,000,000. If the reports received are preliminary then final reports are to be submitted to the Congress within 45 days after the end of each quarter.

(b) Any report required to be submitted under subsection (a) shall include, but not be limited to, the detailed and summarized information included in reports required by section 139 of title 10, United States Code.

SEC. 812. The Secretary of Defense, after consultation with the Secretary of State, shall prepare and submit to the Committees on Armed Services of the Senate and the House of Representatives a written annual report on the foreign policy and military force structure of the United States for the next fiscal year, how such policy and force structure relate to each other, and the justification for each. Such report shall be submitted not later than January 31 of each year.

SEC. 813. In the case of any letter of offer to sell or any proposal to transfer defense articles which are valued at $25,000,000 or more from the United States active forces' inventories, the Secretary of Defense shall submit a report to the Congress setting forth—

(1) the impact of such sales or transfers on the current readiness of United States forces; and

(2) the adequacy of reimbursements to cover, at the time of replenishment to United States' inventories, the full replacement costs of those items sold or transferred.

SEC. 814. (a) It is the sense of the Congress that equipment, procedures, ammunition, fuel and other military impedimenta for land, air and naval forces of the United States stationed in Europe under the terms of the North Atlantic Treaty should be standardized or made interoperable with that of other members of the North Atlantic Treaty Organization to the maximum extent feasible. In carrying out such policy the Secretary of Defense shall, to the maximum feasible extent, initiate and carry out procurement procedures that provide for the acquisition of equipment which is standardized or interoperable with equipment of other members of the North Atlantic Treaty Organization whenever such equipment is designed primarily to be used by personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty.

(b) The report required under section 302

(c) of Public Law 93–365 shall include a listing of the initiation of procurement action on any new major system not in compliance with the policy set forth in section (a).

(c) Section 302(c) of Public Law 93–365 is amended by deleting the last two sentences and inserting in lieu thereof the following: "The Secretary of Defense shall report annually, not later than January 31 of each year, to the Congress on the specific assessments and evaluations made under the above provisions as well as the results achieved with the North Atlantic Treaty Organization allies.".

Sec. 815. Notwithstanding any other provision of law, the authority provided in section 501 of Public Law 91–441 (84 Stat. 909) is hereby extended until June 30, 1977; but no transfer of aircraft or other equipment may be made under the authority of such section 501 unless funds have been previously appropriated for such transfer.

Sec. 816. (a) The Armed Forces of the United States operate worldwide in maintaining international peace and in protecting the interests of the United States. It is essential to the effective operation of the Armed Forces that they receive adequate supplies of petroleum products. Citizens and nationals of the United States and corporations organized or operating within the United States enjoy the benefits of the United States flag and the protection of the Armed Forces and owe allegiance to the United States. It is the purpose of this section to provide a remedy for discrimination by citizens or nationals of the United States or corporations organized or operating within the United States, and by organizations controlled by them, against the Department of Defense in the supply of petroleum products.

(b)(1) No supplier shall engage in discrimination (as defined in subsection (e)(2) of this section) in the supply, either within or outside the United States, of petroleum products for the Armed Forces of the United States.

(2) The Secretary of Defense, whenever he has reason to believe that there has been discrimination, shall immediately refer the matter to the Attorney General of the United States who shall immediately institute an investigation.

(c)(1) The several district courts of the United States are invested with jurisdiction to prevent and restrain discrimination prohibited by subsection (b)(1) of this section; and it shall be the duty of the several United States attorneys, in their respective districts, under the direction of the Attorney General, to institute proceedings to prevent and restrain such discrimination. Such proceedings may be by way of petitions setting forth the case and requesting that the discrimination be enjoined or otherwise prohibited. Pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as it determines appropriate under the circumstances of the case.

(2) Whenever it shall appear to the court before which any proceeding under paragraph (1) of this subsection may be pending, that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not; and subpenas to that end may be served in any district by the marshal thereof.

(3) Any proceeding under paragraph (1) of this subsection against any corporation may be brought not only in the judicial district in which it is incorporated, but also in any district in which it may be found or transacts business; and all process in such cases may be served in the district in which it is incorporated, or wherever it may be found.

(4) In any proceeding brought in any district court of the United States pursuant to this section, the Attorney General may file with the clerk of such court a certificate of the Secretary of Defense that, in his opinion, the proceeding is of critical importance to the effective operation of the Armed Forces of the United States and that immediate relief from the discrimination is necessary, a copy of which shall be immediately furnished by such clerk to the chief judge of the circuit (or, in his absence, the presiding circuit judge) in which the proceeding is pending. Upon receipt of the copy of such certificate, it shall be the duty of the chief judge of the circuit or the presiding circuit judge, as the case may be, to designate immediately three judges in such circuit, of whom at least one shall be a circuit judge, to hear and determine such proceeding. Except as to causes which the court considers to be of greater urgency, proceedings before any district court under this section shall take precedence over all other causes and shall be assigned for hearing and trial at the earliest practicable date and expedited in every way.

(5) In every proceeding brought in any district court of the United States under this section, an appeal from the final order of the district court will be only to the Supreme Court.

(d)(1) For the purpose of any investigation instituted by the Attorney General pursuant to subsection (b) of this section, he, or his designee, shall at all reasonable times (A) have access to the premises or property of, (B) have access to and the right to copy the books, records, and other writings of, (C) have the right to take the sworn testimony of, and (D) have the right to administer oaths and affirmations to, any person as may be necessary or appropriate, in his discretion, to the enforcement of this section and the regulations or orders issued thereunder.

(2) The Attorney General shall issue rules and regulations insuring that the authority of paragraph (1) of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority, and it is assured that no adequate and authoritative data are available from any Federal or other responsible agency. In case of contumacy by, or refusal to obey a subpena served upon, any person with respect to any action taken by the Attorney General under paragraph (1) of this subsection, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the Attorney General, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The production of any person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpena, or other document issued with respect thereto, such person furnishes the Attorney General with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the Attorney General as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(4) Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by paragraph (1) of this subsection, or any rule, regulation, or order issued under paragraph (2) of this subsection, shall upon conviction be fined not more than $1,000 or imprisoned for not more than one year or both.

(5) Information obtained under this section which the Attorney General deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the Attorney General determines that the withholding thereof is contrary to the interest of the national defense. Any person who willfully violates this subsection shall, upon conviction, be fined not more than $10,000, or imprisoned for not more than one year, or both. All information obtained by the Attorney General under this section and which he deems confidential shall not be published or disclosed, either to the public or to another Federal agency, not including the Congress or any duly authorized committee thereof in the performance of its functions, unless the Attorney General determines that the withholding thereof is contrary to the interests of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than one year, or both.

(6) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.

(7) No individual who, having claimed his privilege against self-incrimination, is compelled to testify or produce evidence, documentary or otherwise, under the provision of this section, may be prosecuted in any criminal proceeding of the offense of discrimination established by this section.

(e) As used in this section—

(1) The term "United States" when used in a geographical sense includes the several States, the possessions of the United States, the Canal Zone, and the District of Columbia.

(2) The term "discrimination" means the willful refusal or failure of a supplier, when requested by the Secretary of Defense or his designee, to supply petroleum products for the use of the Armed Forces of the United States under the terms of any contract or under the authority of the Defense Production Act, as amended (64 Stat. 798, 50 U.S.C. App. 2061–2166), the Emergency Petroleum Allocation Act, as amended (Public Law 93–159); or under the provisions of any other authority, on terms not inconsistent with the applicable Armed Services Procurement Regulations, as amended from time to time, and at prices which are fair and reasonable and do not exceed prices received for similar products and quantities from other domestic or foreign customers. Disagreements as to price or other terms or conditions shall be disputes as to questions of fact to be resolved in the manner prescribed by the applicable Armed Services Procurement Regulations, as amended from time to time, for the settlement of disputes arising out of contracts and shall not be a basis for delay or refusal to supply petroleum products.

(3) The term "supplier" means any citizen or national of the Untied States, any corporation organized or operating within the United States, or any organization controlled by any United States citizen, national, or corporation organized or operating within the United States, engaged in producing, refining or marketing of petroleum or petroleum products.

(f) Any supplier who willfully discriminates as prohibited by subsection (b)(1) of this section shall, upon conviction, be fined not more than $100,000 or imprisoned for not more than two years, or both.

(g) If any provision of this section or the application thereof to any person or circumstances is held invalid, the validity of the remaining provisions of this section and the application of such provision to other persons and circumstances shall not be affected thereby.

(h) The provisions of this section shall expire two years after the date of enactment of this Act, except that—

(1) any supplier who, before the date of the expiration of this section, willfully violated any provision of this section shall be punished in accordance with the provisions of such section as in effect on the date the violation occurred;

(2) any proceeding relating to any provision of this section which is pending at the time this section expires shall be continued by the Attorney General as if this subsection had not been enacted, and orders issued in any such proceeding shall continue in effect as if they had been effectively issued under this section before the expiration thereof or until otherwise terminated by appropriate action;

(3) the expiration of this section shall not affect any suit, action, or other proceeding lawfully commenced before the expiration of this section, and all such suits, actions, and proceedings shall be continued, proceedings therein had, appeals therein taken, and judgments therein rendered, in the same manner and with the same effect as if this section had not expired; and

(4) the provisions of this section relating to the improper publication or disclosure of information shall continue in effect, in the same manner and with the same effect as if this section had not expired, with respect to any publication or disclosure (prohibited by such section before the expiration thereof) made after the expiration of such section if the information published or disclosed was obtained under authority of this section before the expiration of this section.

SEC. 817. The Secretary of Defense shall provide to the Committees on Armed Services of the Senate and the House of Representatives a plan that identifies the platform and funding for AEGIS fleet implementation.

SEC. 818. (a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this or any other Act shall be used for the purpose of production of lethal binary chemical munitions unless the President certifies to Congress that the production of such munitions is essential to the national interest and submits a full report thereon to the President of the Senate and the Speaker of the House of Representatives as far in advance of the production of such munitions as is practicable.

(b) For purposes of this section the term "lethal binary chemical munitions" means (1) any toxic chemical (solid, liquid, or gas) which, through its chemical properties, is intended to be used to produce injury or death to human beings, and (2) any unique device, instrument, apparatus, or contrivance, including any components or accessories thereof, intended to be used to disperse or otherwise disseminate any such toxic chemical.

SEC. 819. (a) Notwithstanding any other provision of law, the aggregate amount of any upward adjustments in certain elements of compensation of members of the uniformed services required by section 1009 of title 37, United States Code, may not exceed 5 per centum during the period from January 1, 1975, through June 30, 1976, except that no such restriction shall apply unless a 5 per centum restriction on the aggregate amount of upward adjustments of the General Schedule of compensation for Federal classified employees as contained in section 5332 of title 5, United States Code, is also required during that period.

(b) No reduction in compensation is required under subsection (a) of any upward adjustment that may have been put into effect under section 1009 of title 37, United States Code, between January 1, 1975, and the date of enactment of this section.

(c) Any upward adjustment in compensation which has been limited by subsection (a) of this section to an amount or amounts less than otherwise would have been in effect shall not be increased subsequent to June 30, 1976—

(1) in order to compensate a member for the difference between the amounts he has received under the provisions of subsection (a) and the amounts he would have otherwise received; or

(2) except in accordance with the normal procedures and timing which would have been in effect for any such pay increase subsequent to June 30, 1976, without regard to any limitation under subsection (a) of this section.

SEC. 820. (a) Notwithstanding any other provision of law, the total number of enlisted members of the Armed Forces of the United States that may be assigned or otherwise detailed to duty as enlisted aides on the personal staffs of officers of the Army, Navy, Marine Corps, Air Force, and Coast Guard (when operating as a service of the Navy) during any fiscal year shall be a number determined by (1) multiplying 4 times the number of officers serving on full-time active duty at the end of the fiscal year in the pay grade of 0–10, (2) multiplying 2 times the number of officers serving on full-time active duty at the end of the fiscal year in the pay grade of 0–9, and (3) adding the products obtained under clauses (1) and (2).

(b) The Secretary of Defense shall allocate the aides authorized by subsection (a) of this section among officers of the Armed Forces, in such numbers as he determines appropriate, on the basis of the duties of such officers.

(c) This section shall not apply with respect to the number of aides assigned to generals of the Army or admirals of the Fleet.

SEC. 821. Notwithstanding any provision of section 2004 of title 10, United States Code, an officer in any pay grade who was in a missing status (as defined in section 551(2) of title 37, United States Code) after August 4, 1964, and before May 8, 1975, may be selected for detail for legal training under that section 2004 on other than a competitive basis and, if selected for that training, is not counted in computing, for the purpose of subsection (a) of that section 2004, the number of officers who may commence that training in any single fiscal year. For the purposes of determining eligibility under that section 2004, the period of time during which an officer was in that missing status may be disregarded in computing the period he has served on active duty.

SEC. 822. This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1976".

And the Senate agree to the same.

MELVIN PRICE,
F. EDWARD HÉBERT,
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
RICHARD ICHORD,
LUCIEN NEDZI,
WILLIAM RANDALL,
CHARLES WILSON,
ROBERT L. LEGGETT,
BOB WILSON,
WILLIAM DICKINSON,
WILLIAM WHITEHURST,
FLOYD SPENCE,
Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON,
(with reservation, right of opposition on floor)
HENRY M. JACKSON,
HOWARD W. CANNON,
HARRY F. BYRD, Jr.,
SAM NUNN,
STROM THURMOND,
JOHN TOWER,
BARRY GOLDWATER,
WILLIAM L. SCOTT,
ROBERT TAFT, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6674) an Act to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLES I AND II—PROCUREMENT

DEPARTMENT OF DEFENSE FISCAL YEAR 1976 AND 197T AUTHORIZATION BILL—SUMMARY BY MAJOR WEAPON CATEGORY: ARMY, NAVY, AIR FORCE, AND DEFENSE AGENCIES

[Amounts in thousands of dollars]

	Request		House		Senate		Conference	
	1976	197T	1976	197T	1976	197T	1976	197T
Procurement:								
Aircraft:								
Army	362,300	59,400	362,300	59,400	337,500	59,400	337,500	59,400
Navy and Marine Corps	3,077,000	600,100	3,056,600	585,500	2,959,800	578,200	2,997,800	585,500
Air Force	4,575,500	1,087,100	4,445,250	886,300	3,960,700	831,300	4,119,000	858,000
Subtotal	8,014,800	1,746,600	7,864,150	1,531,200	7,258,000	1,468,900	7,454,300	1,502,900
Missiles:								
Army	460,800	56,500	455,600	56,500	393,500	41,600	431,000	56,500
Navy	1,000,500	309,100	1,000,500	309,100	990,400	308,600	990,400	308,600
Marine Corps	52,900	10,700	52,900	10,700	52,900	10,700	52,900	10,700
Air Force	1.791,400	277,400	1,768,500	277,400	1,718,100	252,200	1,765,000	252,200
Subtotal	3,305,600	653.700	3,277,500	653.700	3,154,900	613,100	3,239,300	628,000
Naval vessels	5,466,000	474,200	4,422,400	474,200	3,666,400	474,200	3,899,400	474,200

DEPARTMENT OF DEFENSE FISCAL YEAR 1976 AND 1971 AUTHORIZATION BILL—SUMMARY BY MAJOR WEAPON CATAGORY: ARMY, NAVY, AIR FORCE, AND DEFENSE AGENCIES

[Amounts in thousands of dollars]

	Request		House		Sonate		Conference	
	1976	1971	1976	1971	1976	1971	1976	1971
Tracked combat vehicles:								
Army	915,000	272,600	915,000	272,600	862,700	245,300	864,000	245,300
Marine Corps	101,500	400	101,500	400	101,500	400	101,500	400
Subtotal	1,016,500	273,000	1,016,500	273,000	964,200	245,700	965,500	245,700
Torpedoes: Navy	197,400	19,200	197,400	19,200	189,500	19,200	189,500	19,200
Other weapons:								
Army	74,300	9,700	74,300	9,700	74,300	9,700	74,300	9,700
Navy	26,300	4,400	26,300	4,400	17,700	1,400	17,700	1,400
Marine Corps	100		100		100		100	
Subtotal sec. 101	100,700	14,100	100,700	14,100	92,100	11,100	92,100	11,100
Sec. 102	300,000							
Total procurement title I	18,381,000	3,180,800	16,878,650	2,965,400	15,325,100	2,832,200	15,840,100	2,881,100
R.D.T. & E.:								
Army	2,181,700	585,600	2,049,228	535,017	2,016,593	491,214	2,028,933	513,326
Navy and Marine Corps	[1] 3,470,188	[1] 903,837	3,268,661	849,730	3,368,802	[1] 851,363	3,318,649	849,746
Air Force	3,903,200	1,034,000	3,766,691	986,077	3,707,840	946,621	3,737,001	965,783
Defense agencies	597,800	152,700	556,793	137,793	565,700	143,600	563,700	139,768
Test and evaluation	28,500	6,800	25,000	3,400	28,500	6,800	25,000	5,000
Total R.D.T. & E.: title II	[1] 10,181,388	[1] 2,682,937	9,666,373	2,512,017	9,687,435	2,439,598	9,673,283	2,473,623
Total procurement and R.D.T. & E.	[1] 28,562,388	[1] 5,867,737	26,545,023	5,477,417	25,012,535	5,271,798	25,513,383	5,354,723

[1] Includes $2,488,000 (fiscal year 1976) and $37,000 (fiscal year 197T) currency program.

Note: Excludes $1.293 billion requested for support of South Vietnamese military.

Aircraft

Army

UH-1H utility helicopter

The House bill contained $24.8 million for 48 UH-1H Utility Helicopters for the Army. The Senate amendment deleted all of these funds.

The conferees concurred with the Senate rationale that since the Army was permitted to purchase 48 helicopters in FY-75, those additional assets were sufficient to supplement the Army's Authorized Acquisition Objective until the follow-on UTTAS helicopter comes into the inventory.

The House reluctantly recedes.

AH-1S

Section 101 of the House bill provided that no funds authorized for procurement of Army aircraft shall be obligated for AH-1S aircraft. The Senate amendment had no similar provision.

The Department of Defense pointed out that the 1973 joint Army-Navy study was an in-depth evaluation of the feasibility of common gunship procurement, including consideration of the AH-1J (improved) for Army use. The study concluded that the Army should procure the AH-1S for a variety of reasons. Subsequently, the Congress appropriated funds for the Army to modify existing Cobras and for procurement of new AH-1S helicopters. The Senate conferees were adamant in their position that any curtailment of AH-1S production at this time would result in increased costs for the aircraft, and an undesirable slippage of the timetable deemed necessary to bolster the Army's anti-armor capability.

The House conferees were equally as adamant because of the detailed Committee consideration in the House committee. After a lengthy discussion, and Senate conferees producing figures showing the greatly increased cost to the Army for purchase of AH-1J, and pointing out the fact that the Army didn't want or need the AH-1J, the House very reluctantly receded.

Navy

A-4M

The House bill contained $67.3 million for 24 A-4M light attack aircraft in fiscal year 1976. The Senate deleted the 24 aircraft buy, but included $8.2 million in fiscal year 1976 for non-recurring costs of two improvement items (heavyweight landing gear and improved bombing computer).

The Senate conferees argued that the 24 aircraft were an attrition buy and that these planes need not be bought this year for the active Marine Corps inventory. Furthermore, because of foreign military sales, the A-4M production line would continue to be active in fiscal year 1976 without the need of a U.S. buy. The House conferees pointed out that delay in procurement of the A-4A for the Marine Corps would result in some increased costs during fiscal year 1977, but Senate conferees argued that the need for fiscal restraints in the present procurement cycle made this action acceptable.

The conferees, after a full discussion, authorized $8.2 million in fiscal year 1976 for non-recurring costs of the two improvement items, and $9.8 million for 3 aircraft in fiscal year 197T. These three aircraft will level the A-4 production rate at two per month in fiscal year 197T (including foreign sales) and will be followed by A-4M procurement in fiscal year 1977 for the Marines.

The House recedes with an amendment.

A-6E

The House bill authorized 12 A-6E aircraft for $151.3 million in fiscal year 1976, and $14.3 million for advance procurement. The Senate amendment authorized 8 A-6E aircraft for $118.9 million in fiscal year 1976, 3 A-6E aircraft for $24.3 million in fiscal year 197T, and $8.1 million for advance procurement in fiscal year 197T. In essence, the Senate recommended buying 11 rather than 12 A-6Es and using the funds saved for advance procurement.

The conferees were advised that there would be a 4-month production gap at the start of the fiscal year 1976 funded delivery period because of a delay by OSD in authorizing release of long lead funds for fiscal year 1976. It was necessary, therefore, to make both fiscal and quantitative adjustments in the A-6E procurement program. The Senate's recommendations for funding were not sufficient to procure the 8 aircraft in fiscal year 1976, nor was there sufficient funds for the advance procurement necessary to sustain fiscal year 197T and fiscal year 1977 delivery schedules.

The conferees discussed this program at length and finally agreed to fully fund the 11 aircraft in fiscal year 1976 for the original price of 12 A-6Es and provide $14.3 million for advance procurement towards a fiscal year 1977 buy of A-6Es as the Navy requested, because the 11 will be stretched over a 15-month production period (fiscal years 1976 and 197T) which raises the price of the program. The conferees insist that the Navy see that these planes are built on an optimized schedule.

The Senate recedes with an amendment.

A-7E

The House bill deleted all funds for advance procurement in fiscal years 1976 and 197T. The Senate amendment provided $21.8 million for this purpose. The Senate conferees argued the fact that deletion of advance procurement funds would cause complications in production planning and ultimately result in increased costs for A-7E production through fiscal year 1977. The conferees agreed on the full Senate figure of $21.8 million in advance procurement for the A-7E, but redistributed the funding primarily into fiscal year 1976.

The House recedes with an amendment.

F-14

The House bill provided for procurement of 9 F-14s in the amount of $73.3 million and $59.0 million for advance procurement in fiscal year 197T. The Senate deleted procurement authorization for the 9 aircraft in 197T and added $33.3 million for advance procruement in that year.

The House conferees argued that Senate action conflicted with the Congressional full funding principle for weapons systems which was the basis for the funding of 9 aircraft in fiscal year 197T. The $33.3 million amounted to about 54 percent of the total cost for advance procurement in fiscal year 1977.

After a full discussion, the conferees agreed to fully fund 9 F-14s in fiscal year 197T as requested by the Navy. Thus, advance procurement for the 197T period is authorized at $59.0 million.

The Senate recedes.

AH-1J

The House bill authorized 16 helicopters for $39.0 million in fiscal year 1976 and 6 helicopters for $10.1 million in fiscal year 197T. The Senate amendment authorized 7 helicopters for $17.4 million in fiscal year 1976 and 7 helicopters for $12.2 million in fiscal year 197T. The House bill authorized $1.4 million for advance procurement in fiscal year 1976 and $1.0 million in fiscal year 197T. The Senate did not authorize any advance procurement funding for fiscal year 1976, but included $6.2 million in fiscal year 197T.

The Senate conferees pointed out that 8 of the 22 aircraft in the total request were to be completed during the fiscal year 1977 funding period, and therefore, recommended that these 8 aircraft not be authorized until fiscal year 1977.

The Department of Defense was concerned that due to administrative/contracting procedures, it was necessary to provide adequate advance procurement funds in fiscal year 1976 in order to provide economical procurement of long lead items.

The conferees, after discussing the concern of the Department of Defense, agreed to authorize 7 AH–1Js in fiscal year 1976 and 7 in fiscal year 197T and shift $6.2 million of advance procurement funds from fiscal year 197T to fiscal year 1976.

The House recedes with an amendment.

P–3C

The House bill provides $11.7 million in fiscal year 197T for simulators and ground support equipment for the P–3C. The Senate amendment deletes the entire amount. The House conferees verified that certain anticipated homeport changes for P–3C squadrons were recently cancelled by the Navy, and, therefore, accepted the Senate reduction in fiscal year 197T of P–3C simulators and ground support items no longer needed for overseas homeporting.

The House recedes.

Harpoon modifications

The House bill deleted $22.7 million in fiscal year 1976 and $4.8 million in fiscal year 197T for Harpoon modification for the P–3C and S–3A aircraft. The Senate retained full authorization for this procurement.

The House conferees argued that the Navy should consider other versatile air-launched weapons systems which are currently available, for multiple roles as a substitute in view of the expensive modifications necessary for use of the Harpoon.

The Senate recedes.

Aircraft spares

From the total amount of $429.0 million proposed for procurement of aircraft spares, the Senate reduced $2.7 million for A–4M spares in fiscal year 1976 and $1.2 million for AH–1J spares in fiscal year 197T.

The House recedes.

Other financing

The Senate amendment reduced other financing by $8.7 million in fiscal year 197T. This figure was determined to be the calculated savings achieved through consolidation of contracts under a single procurement contract rather than two separate contracts for fiscal years 1976 and 197T buys. The House argued successfully that this was not a viable procedure for calculating savings.

The Senate conferees reluctantly accepted the House position that $8.7 million "Other Financing" will not be available.

The Senate recedes.

Air Force

B–1

The House bill authorized the entire amount of $672.2 million and $168.3 million requested by the Air Force for the B–1 research and development program for fiscal years 1976 and 197T respectively. The House bill also authorized the full requests of $77.0 million and $31.0 million for the procurement of long-lead items for these periods. The Senate amendment reduced the R&D program by $75.0 million and $39.3 million for fiscal years 1976 and 197T respectively. The Senate amendment also deleted the entire amount requested for procurement.

The following table summarizes the action of the conferees:

[In millions of dollars]

	Fiscal year— 1976	Fiscal year— 197T
R. & D.:		
DOD request	672.2	168.3
Conference	642.0	158.0
Procurement:		
DOD request	77.0	31.0
Conference	64.0	23.0

The conferees emphasized that the authorization of long-lead funding in no way commits nor obligates the United States Government to place the B–1 aircraft in production. Indeed, the conferees agreed to prohibit the Defense Department, as a matter of law, from entering into any production contract or any other contractual agreement for the production of the B–1 bomber aircraft unless subsequently authorized by law. This prohibition, however, is not meant to apply to the acquisition of the long-lead items for the first three follow-on air vehicles.

The authorization of long-lead items is completely independent of the production decision. Authorization for the long-lead items for the B–1 was strongly supported by the House conferees who believe that future production cost savings will be realized which would otherwise be precluded in the event that actual production of the B–1 is subsequently authorized.

The Senate conferees did not necessarily agree with the estimated magnitude of the savings.

A–10

The House bill contained $72.0 million for 33 A–10 aircraft for FY–7T. The Senate authorization contained $61.0 million for 30 aircraft. After a thorough discussion, the House conferees concurred with the Senate view that the production rate should be slowed, while the contractor gains experience in building the airplane. The conferees adopted the 30 aircraft delivery schedule.

The House recedes.

E–3A AWACS

The House bill contained $245.25 million in FY 1976 and $15.0 million in FY 197T for AWACS procurement. This action amounted to a reduction in the procurement account by 50 percent and cut aircraft production from six to three. The Senate authorized the full $430.5 million for six aircraft for FY 1976 and $30 million for FY 197T.

Repricing of some components and deferral of some support equipment permits a reduction of $50 million to the amount requested for six AWACS aircraft. Further, the conferees were advised that the Air Year had completed negotiating the Fiscal Year 1975 production contract early in September and the cost had been reduced by $30 million from the budget estimate. The conferees agreed that the Air Force should take appropriate steps if necessary to reprogram the savings to the Fiscal Year 1976 AWACS program and accordingly reduced the AWACS authorization by that amount.

In summary, the conferees agreed to six aircraft and $350.5 million for Fiscal Year 1976 and $30 million for the transition period. This is a reduction to the request of $80 million for Fiscal Year 1976.

The House reluctantly recedes.

A–7D

$115 million was added to the budget request in the House bill for FY 1976 to procure 24 A–7D aircraft for the Air National Guard. The Senate bill contained no such authorization. The conferees recognize and fully support the need for modernization of the Guard, but had to weigh that need against total expenditures in the Defense Authorization Bill. The House reluctantly receded, but without diminishing its conviction that careful examination of Air National Guard assets and capabilities should be among the priority programs in Defense Department planning.

F–15

The House bill contained $1,400.6 million for 108 F–15s in fiscal year 1976. The Senate bill contained $1,378.3 million for the same number of aircraft for fiscal year 1976. This amounted to a reduction of $22.3 million by the Senate and was for a partial reduction in the allowance for engineering change orders.

The House recedes with the understanding that in the event this reduction adversely impacts on the F–15 program, a reprogramming action will be entertained by the appropriate committees to compensate for this problem.

The House recedes.

Modification of aircraft (Civil Reserve Air Fleet)

Included in the $600.7 million Air Force request for modifications of aircraft in FY 1976 and $126.3 million in FY 197T is $22.0 million and $24.0 million, respectively, for the modification of commercial aircraft to increase their cargo-carrying capacity for use as a standby airlift capability.

The House bill approved the CRAF authorization. The Senate amendment deleted it.

The Senate deleted the funds for the civilian aircraft modification program because the Air Force airlift studies conducted to date were not adequate to justify this program.

The House was adamant in their insistance that this program was needed to improve the strategic airlift capability.

The Senate agreed to a compromise position to allow the modification of the four aircraft requested in the FY 1976 budget as a prototype program and the House agreed to recede on the request for authorization of additional aircraft modifications in the transition budget period. The compromise was an effort to get the FY 1976 prototypes started. The House and Senate recede with an amendment.

Aircraft spares

The House bill authorized $1,071.7 million in FY 1976 and $179.3 million in FY 197T. The Senate bill contained $672.2 million in FY 1976 and $175.6 million in FY 197T.

The House Conferees were concerned over the ramifications of diminishing the aircraft spares account, as the Senate cut would do, particularly with respect to the adverse effect such reductions would have on F–15 spares and mobilization spares.

The Senate Conferees pointed out that the spares request for FY 1976 represented an increase of $375 million, or 52 percent, over the FY 1975 spares appropriation and yet the Air Force was supporting less total flying hours in FY 1976. The Conferees agreed to restore $147.3 million of the Senate reduction, which would provide $819.5 million in FY 1976. The Conferees recommend, if practicable, that the Air Force allocate $30 million of the reduction to AWACS spares.

The Senate agreed to restore $3.7 million in FY 197T, which was for F–15 engine spares and accept the House figure of $179.3 million for that period.

Common ground equipment

A total of $209.3 million was requested by the Air Force in FY 1976 in the Common Ground Equipment account. The House bill did not reduce the amount of the original request; however, the Senate reduced the program by $36.9 million for C–130 and B–52 simulators and $1.5 million alleged by the Senate to be for the CRAF program, a total of $38.4 million.

The Conferees thoroughly support the objectives of aircraft simulator programs and recognize the all-around accumulated savings inherent therein in comparison to airborne training. Senate Conferees, however, pointed out that the configuration of the C–130 simulator had not been adequately defined, including some disagreement as to the type of visual system required, and would not be put on contract until April 1976, two more C–130 simulators were not required at this time. Also, the Senate also argued that the complexity and expense of the first-time requested B–52 simulator was such that, the Air Force should start with one simulator, instead of two, in order to see if the simulator is capable of performing the mission required.

House Conferees pointed out that there was no money in the Common Ground Equipment account for the CRAF program and, therefore, the Senate agreed to restore the $1.5 million they deleted. In addition, Senate Conferees admitted that the $3.5 million to the Common Ground Equipment account, required to support the C–130 simulator authorized in FY 1975, making the total authorized $175.9 million.

The House and Senate recede with an amendment.

War consumables

The House bill contained $34.6 million in FY 1976 and $9.9 million in FY 197T for war consumables. The Senate bill was $1.3 million less in FY 1976 and $0.3 million less in FY 197T which reflected the cost of planned F–5E support to South Vietnam.

The House accepts the funding in the Senate authorization, $33.3 million in FY 1976 and $9.6 million in FY 197T.

The House recedes.

Other financing

The Conferees concurred with the Senate proposal that $24.3 million could be saved in close-out costs of the F–111 program.

The Air Force did not deny these savings.

The House recedes.

Missiles

Army

Chaparral

The House approved $37.5 million, the amount requested, for procurement for Chaparral surface-to-air missile system in fiscal 1976, plus $1 million for the system in the fiscal transition period.

The Senate amendment deleted all authorization for the Chaparral.

The Senate recedes.

Hawk

The House provided $73 million for 520 Hawk surface-to-air missiles in fiscal year 1976. The Senate provided $72.2 million for the same quantity of Hawk missiles.

The House recedes.

TOW

The House bill provided $20.5 million in authorization for 6,000 TOW missiles during the fiscal transition period. The Senate reduced the amount to $6.6 million for 1,922 TOW missiles, a reduction of $13.9 million. The Senate position was based on the fact that the Army's budget request included quantities of missiles that were intended to satisfy projected requirements for contingency and war reserve for allies and such would be in violation of law. The House Conferees were concerned about the drawdown of inventories of such weapons that occurred during the Middle East War of 1973 and were concerned that inventory requirements for antitank missiles have been understated. After considerable discussion, the Conferees agreed to restore the funds for the TOW missiles with the understanding that the missiles are to be procured only for the inventory requirements for the Army and are not to be procured for the purpose of filling stockpile requirements for allies.

The Senate recedes.

Interim target acquisition system

The House bill contained $23.8 million in fiscal 1976 to begin procurement of the Interim Target Acquisition System (ITAS), an Army system using reconnaissance drones. The Senate deleted all authorization for the ITAS because it would duplicate existing Air Force reconnaissance capabilities. The House Conferees concluded that the authorization for procurement for the system could safely be delayed until fiscal year 1977 and, therefore, concurred in the Senate reduction.

The House recedes.

Lance

The House bill contained restrictive language [section 101(b)(1)] which provided that no funds could be used for production of a nonnuclear warhead for the Lance missile for any other nation until a nonnuclear warhead had been certified for production for the U.S. Army.

The Senate amendment contained no similar provision.

The House conferees pointed out that some allies of the United States were in the process of buying the conventional Lance—developed and produced by the U.S. Army—but the Army had been prevented from buying it by the Department of Defense. The House conferees insisted they did not believe the United States should be in a position of stating that it could produce a cost-effective nonnuclear Lance for allies but not for its own Army. The Senate conferees stated the previous Defense Department studies of the cost-effectiveness of the nonnuclear Lance had shown that all-weather manned aircraft could deliver conventional weapons at less cost than using Lance missiles, at least at normally experienced attrition rates to the aircraft.

The Fiscal Year 1976/7T budget contains $1.0 million for procurement of nonnuclear Lance war-heads for the U.S. Army for use in annual training firings. These funds were approved by both the House and Senate and were not at dispute in the conference. Since approval of procurement of nonnuclear Lance missiles for the Army would not occur before the Fiscal Year 1977 budget is submitted, the conferees agreed to review this question again if the Army requests production of this missile next year.

If the Army should desire to utilize certain funds contained in the fiscal year 1976 budget for the procurement of nonnuclear warheads for the Lance, the conferees would consider an Army proposal for such a change through the normal reprograming procedure.

The House recedes.

Navy

Standard MR

The House bill provided $38.1 million for procurement of 285 Standard MR missiles for the Navy in fiscal year 1976 and $7.6 million for 54 missiles in the fiscal transition period. The Senate amendment reduced the authorization by $10.1 million and 85 missiles in fiscal year 1976 and $.5 million and four missiles in the fiscal transition period.

The House recedes.

Air Force

Maverick

The House bill contained $25 million in the fiscal transition period for procurement of 1200 Maverick missiles and $9.2 million for the procurement of Maverick spares in the fiscal transition period. The House bill also provided $33.3 million in fiscal year 1976 for advance procurement for Maverick.

The Senate amendment deleted all of these authorizations. The Senate reduction was intended to slow the production to phase in the laser-guided and infrared versions of Maverick. The House Conferees expressed concern that the Senate reduction would result in later high start-up and related costs and also expressed concern about maintaining the inventory levels of this weapon. After extensive discussion, the Conferees agreed on deletion of the $25.2 million for the fiscal transition period as provided in the Senate amendment and agreed to retain the $33.3 million for advance procurement in fiscal 1976 as provided in the House bill.

Sidewinder

The House bill provided $17.1 million, the amount requested, for modification of the Sidewinder missile. The Senate amendment deleted the authorization for the Sidewinder modification on the grounds that the Air Force should procure the newer AIM–9L Sidewinder instead. The House Conferees stated their belief that the Air Force would have to depend on the stocks of the older Sidewinder missiles for quite a few years to come and that the missile could be modified to provide significantly increased capability at relatively low unit cost.

After considerable discussion, the Senate agreed to recede with an amendment providing for the authorization of $13.6 million to modify 1,410 AIM–9B Sidewinder missiles to the -9J configuration. The House recedes on $3.5 million. The conferees agreed that future procurement should be of new AIM–9L Sidewinder missiles in lieu of further modifications to the AIM–9B series.

Procurement of Minuteman III missiles

The Senate amendment language provided that the $265,800,000 authorized for the procurement of Minuteman III missiles may only be used for such procurement.

The House bill had no similar provisions.

The House recedes.

NAVAL VESSELS

Trident

The House approved $537.4 million of the $602.6 million requested by the President. The Senate approved $602.6 million.

The House recedes.

SSN 688 (nuclear attack submarine)

The House approved $474.8 million of the $541.0 million requested by the President. The Senate approved $541.0 million.

The House recedes.

DLGN–42 nuclear frigate

Included in the Shipbuilding and Conversion section, as approved by the House, was new authorization for the DLGN–42 (nuclear frigate) in the amount of $203.9 million. The Senate approved no new funds for the DLGN–42 and, further, placed a $75 million recoupment objective upon the $111 million appropriated for the DLGN–42 in prior years.

The Senate Conferees were adamant in their opposition to the House action on the DLGN–42, maintaining that this ship should not be further funded since it would be built without the AEGIS surface to air weapons system. After considerable discussion, the House Conferees reluctantly receded.

The Conferees found, however, that a considerable portion of the funds appropriated for the DLGN–42 in prior years has already been obligated by the navy for long lead time items. The components procured with these already obligated funds may be usable as spares for existing ships. On the other hand, if the navy is required to recoup all of those funds, to the extent that incomplete contracts had to be terminated, funds may be wasted through cancellation charges and the delivery of incomplete and unusable components. To prevent this waste of funds, the Conferees urge the Secretary of the Navy to recoup the unobligated DLGN-42 funds for use in other shipbuilding and conversion programs. Where funds have been obligated, the remaining recoupments should be made, or contracts continued through completion where the result would be most economical, depending upon the status of each individual contract.

Nuclear strike cruiser long lead authorization

Included in the Shipbuilding and Conversion program approved by the House was authorization for long lead time items for a new nuclear strike cruiser (CSGN-1) in the amount of $60 million. The strike cruiser was not included in the President's budget request for FY 1976 as originally submitted and, therefore, it was not considered in the Senate bill. However, on June 25, 1975, the President submitted a budget amendment for FY 1976 to include $60 million for long lead time funds for the nuclear strike cruiser.

The House Committee on Armed Services received testimony to the effect that inclusion of $60 million for long lead time items would permit fleet introduction of this more powerful ship, equipped with the AEGIS surface-to-air weapons system one year earlier. The AEGIS will be a much more advanced weapons system than now exists or is planned for any ship in the U.S. Navy inventory.

The Senate Conferees, during the many vigorous discussions of the strike cruiser, were adamant in their position that no new class of ships should be authorized in this bill, even to the extent of long lead items for a lead ship, not until the ship's characteristics had been more clearly defined and program costs had been more fully developed. After considerable discussion the House reluctantly receded with the understanding that the disapproval of long lead time items for the nuclear strike cruiser is without prejudice to future requests for authorization of ships of this type.

The House Conferees recognize the need for more capable surface combatants in the fleet and that all surface ships contained in the FY 1976 authorization are of the "low mix", relatively less capable, type. In submitting future budget requests, the Conferees hope that recognition will be given to the fact that large numbers of ships with weaponry of very limited offensive and defensive capability provide only a questionable probability of success in modern naval warfare.

It was the position of the House Conferees that the deletion of the $60 million for long lead time items for the nuclear powered strike cruiser is not to be considered as a rejection of the ship. On the contrary, the Department of Defense is urged to include within the budget for FY 1977 the total amount of long lead time items which are required, and the Navy is expected to continue its efforts in connection with the design of the ship so that it can respond fully to questions from the Congress as to the characteristics and costs of the ship when the Navy's FY '77 ship building program is considered by the appropriate Congressional committees.

Patrol frigate

The House included $837.1 million of the $955.5 million requested for 10 patrol frigates. The House removed $118.4 million requested for escalation on this program for fiscal year 1978 and later years. The Senate included $617.5 million for 7 ships after disapproving $68.0 million requested for the Vulcan-Phalanx Close-In Weapon System (CIWS).

The conferees agreed to a program of 9 patrol frigates and $802.5 million. This is a reduction to the request of $68 million requested for the Vulcan Phalanx and $85 million for one patrol frigate.

The Senate recedes with an amendment.

Patrol hydrofoil missile ship (PHM)

The President's request contained $83.4 million for two Patrol Hydrofoil Missile ships (PHM's). The House included $72.5 million for two ships. The Senate approved no funds for the requested PHMs. After considerable discussion the conferees agreed to authorize two fully funded PHMs in the amount of $83.4 million.

The House recedes with an amendment.

Destroyer tender (AD)

The House approved $322.3 million of the $393.2 million requested by the President for two destroyer tenders. The Senate approved $374.0 million of the President's request, removing $19.2 million, the funds for putting Vulcan-Phalanx Close-In Weapon System on the Tenders.

The House recedes.

Fleet oiler (AO)

The House approved $202.7 million of the $231.8 million requested by the President for two fleet oilers. The Senate approved $212.1 million of the President's request, removing $19.7 million, the funds for putting the Vulcan-Phalanx Close-In Weapon System on the oilers.

The House recedes.

Fleet tug (T-ATF)

The House approved $38.4 million of the $41.4 million requested by the President for three fleet tugs, the Senate approved $41.4 million, including $3.0 million requested for future escalation.

The House recedes.

Escalation on prior year programs

The House approved $633.0 million of the $1,149.8 million requested for contract escalation which the DoD estimates will occur on prior year shipbuilding and conversion programs until those programs are completed. The $633.0 million approved represents the estimated amount of escalation which will need to be obligated in FY 1976, the transition period and in FY 1977. The additional year of escalation was added to permit a measure of flexibility.

The Senate approved $368.6 million for this escalation reserve—the amount calculated to be obligated in FY 1976 and the transition period.

The Conferee's compromised the two amounts at $420.3 million, realizing that this amount reduces the Navy's flexibility in financing escalation on its programs approved in prior years and that the Navy may have to resort to reprogramming actions to prevent program disruption or stop work orders.

The House recedes with an amendment.

Escalation on fiscal year 1976 shipbuilding programs

The House funded the basic costs of all 23 ships requested and, in addition, funded the forecast contract escalation on those ships in amount equal to two years of escalation. The Senate funded only 17 ships and funded forecast contract escalation in the full amount requested. The Senate receded on 5 ships (three patrol frigates and two patrol hydrofoil missile ships) and the Senate Conferees insisted that the full amount of forecast escalation for the entire period of the contracts be funded.

The House Conferees objected to the authorization of large sums merely on the basis of speculation as to future economic events and pointed out that shipbuilding programs may be overfunded in the light of the experienced reduction in the rate of inflation and the recent downward revision of escalation estimates by DoD.

In view of the adamant position of the Senate $363.7 million was added to the individual ship programs for escalation which may need to be obligated in FY 1978 and the following years.

The House recedes.

Cost growth

The House approved $969.5 of the $1,119.5 requested for cost growth on the Navy shipbuilding and Conversion programs, after deleting $150 million requested for a reserve against the settlement of claims. The Senate approved $913.4 for this item, after deleting $143.2 million which is not needed for obligation in FY 1976 and $62.9 million for cost growth on the Patrol Hydrofoil missile ship (PHM) program.

The Conferees compromised these differences at $826.3 million, as follows:

The Senate agreed to delete the $150 million requested as a reserve against claims, but with the understanding that reprogramming for claims would be considered if necessary.

The House agreed to delete the $143.2 million not required for obligation in FY 1976.

The Senate agreed to restore the $62.9 million for cost growth in the PHM program.

The Senate recedes with an amendment.

Need for Improvement in the Planning and Management of Navy Shipbuilding Program

Both the constitutional and statutory responsibility of the Congress for maintaining an adequate national defense necessitates sound budgetary information and planning. It is with this responsibility in mind that the conferees of this bill comment on the Navy shipbuilding management.

It is essential that there be an improvement in the management of the Navy shipbuilding programs. Among the principal problems are the following: (1) for a number of years there has been a consistent understatement of costs presented to the Congress with regard to various shipbuilding programs. One result has been the insufficient budget requests causing the necessity for later approval of funds to cover underestimates in prior years. This lack of accurate cost information has hampered Congressional efforts to provide for a coherent and systematic shipbuilding program; (2) in many instances Congress is unaware of the cost of ships since the ultimate cost has remained unresolved for long periods of time. In part this situation prevails because of the lack of firm contractual arrangements between the Navy and shipbuilders initially with regard to the obligation of the government in terms of costs and construction schedules. Therefore, in order for the Congress to be in a better position to make budgetary judgments the Navy must, at the time of its initial submission of shipbuilding requests, present better cost estimates and construction schedules, both of which may necessitate a greater degree of preliminary design and definitization effort.

The objective of the foregoing comments is to place the Congress in a better position of knowing realistically the cost of ship programs at the time of their initiation and likewise be advised of changes in these programs in terms of cost whenever revisions are made subsequent to construction.

SHIPBUILDING AND CONVERSION, NAVY

	Number requested	Number authorized	President's budget	Conference resolution	Difference
Trident	1	1	602.6	602.6	
SSN 688 (nuclear attack submarines)	2	2	541.0	541.0	
DLGN (nuclear guided missile programs)	1		257.0		257.0
Recoup prior year LL				−75.0	75.0
CSGN (nuclear strike cruiser) LLT			60.0		60.0
PHM (patrol hydrofoil missile)	2	2	83.4	83.4	
PF (patrol frigate)	10	9	955.5	802.5	153.0
AD (destroyer tender)	2	2	393.2	374.0	19.2
AO (fleet oiler)	2	2	231.8	212.1	19.7
T-ATF (fleet tug)	3	3	41.4	41.4	
Craft			12.9	12.9	
Outfitting			38.2	38.2	
Post delivery			19.7	19.7	
Cost growth			1,119.5	826.3	293.2
Escalation prior year program			1,149.8	420.3	729.5
Total	23	21	5,506.0	3,899.4	−1,606.6

Tracked Combat Vehicles

M60A1 tank and tank modification

The House bill contained $387 million in FY 76 and $147.4 million in FY 7T for the M60A1 tank. The authorization was to procure 662 tanks in FY 76 and 248 in FY 7T. The Senate amendment, while providing authorization for the same number of tanks, reduced the authorization by $14.6 million in FY 76 and $14.4 million in FY 7T. The Senate reductions were for product improvement of the M60A1 tanks being procured in FY 76 and FY 7T intended to improve their combat capability.

In addition, the House bill contained $241.0 million in FY 76 and $71.2 million in FY 7T for tank modifications. The Senate amendment reduced the authorization by $36.4 million in FY 76 and by $12.9 million in FY 7T. This reduction was to reduce the modification funds so as to eliminate retrofit kits for putting on M60A1 tanks already in the inventory the same items of equipment referred to above to improve the tank capability. The basis for the reduction by the Senate was that the unit cost for the modifications were so high and the increased effectiveness and tank capability demonstrated to date so limited as to make the modification not cost effective. The House conferees expressed the belief that the modifications would provide a desirable level of increased capability and were, therefore, justified. The conferees agreed to a deletion of the authorization with the understanding that when the cost-effectiveness of the items in question were adequately demonstrated, the Army could request reprograming for these items through the regular reprograming procedure.

The House recedes.

The language of the Senate amendment also provided that the $379,400,000 authorized in Fiscal Year 1976 and $133,000,000 authorized in Fiscal Year 197T for the procurement of M-60 series tanks shall be used only for the procurement of M-60 series tanks. The House bill had no similar provisions.

The House recedes.

M578 recovery vehicle

The House bill contained $38.9 million for 210 M578 recovery vehicles for the Army in FY 76. The Senate amendment reduced the authorization by $1.3 million, representing a reduction of 7 vehicles from the buy. The conferees agreed to restore the funds with the understanding that the recovery vehicles are to be procured only for the inventory requirements of the U.S. Army and the authorization is not to be used for the purpose of providing war-readiness reserves for our allies.

The Senate recedes.

Navy torpedoes

The House approved $21.5 million for 24 Mark-30 torpedo targets and $13.5 million for torpedo spare parts. The Senate approved $16.6 million for 9 Mark-30 targets and $10.5 million for torpedo spare parts.

The House recedes.

Other weapons

Navy

Vulcan-phalanx close-in weapons system

The House approved $8.6 million requested for FY 1976 for design and planning of the production line to manufacture the first units of this system which were planned to be funded in FY 1977, and $3.0 million for this purpose for FY 197T. The Senate approved no funds for this item. In view of the fact that the Vulcan-Phalanx Close-In Weapons System requires further testing prior to production, the House recedes.

TITLE II AND VII—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

General

The Department of Defense requested authorization of $10,181,388,000 for the fiscal year 1976 Research, Development, Test, and Evaluation appropriations.

The R.D.T. & E. request for the three-month transitional period referred to as "197T" was $2,632,937,000.

The following table summarizes the Senate and House modifications to the Research and Development budget request:

R.D.T. & E. SUMMARY

[In thousands of dollars]

	Request	House	Senate	Conference amount
FISCAL YEAR 1976				
Army	2,181,700	2,049,228	2,016,593	2,028,933
Navy	3,470,188	3,268,661	3,368,802	3,318,649
Air Force	3,903,200	3,766,691	3,707,840	3,737,001
Defense agencies	597,800	556,793	565,700	563,700
Test and evaluation	28,500	25,000	28,500	25,000
Total, budget authority	10,181,388	9,666,373	9,687,435	9,673,283
FISCAL YEAR 197T				
Army	585,600	535,017	491,214	513,326
Navy	903,837	849,730	851,363	849,746
Air Force	1,034,000	986,077	946,621	965,783
Defense agencies	152,700	137,793	143,600	139,768
Test and evaluation	6,800	3,400	6,800	5,000
Total, budget authority	2,682,937	2,512,017	2,439,598	2,473,623

As shown, the conferees agreed on a total of $9,673,283,000 which is $508,105,000 less than the amount requested for fiscal year 1976. The conferees agreed on a total of $2,473,623,000, or $209,314,000 less than the amount requested for fiscal year 197T.

The details of the differences between the House bill and the Senate amendment and the changes adopted by the conferees are reflected in the following table:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

ARMY—FISCAL YEAR 1976

[In thousands of dollars]

Item No.	Program element	Fiscal year 1976 request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
1	Surgical investigations	5,880		5,880	−500	5,380	5,380	
2	Studies and analyses	7,000		7,000	−500	6,500	6,500	2
3	TRADOC studies and analyses	3,900		3,900	−900	3,000	3,000	3
4	Heavy lift helicopter	19,790	−3,000	16,790	−7,790	9,000	9,000	4
5	Aerial scout	10,700		10,700	−10,000	700	5,000	5
6	Advanced attack helicopter	65,039	−9,500	55,539	−100	55,439	55,439	6

			House		Senate			
Item No.	Program element	Fiscal year 1976 request	Change	Authorization	Change from House	Authorization	Conference	Item No.
7	CH-47 modernization	10,000		10,000	−6,500	3,500	10,000	7
8	Chaparral/Vulcan	14,790	−10,000	4,790	+100	4,890	4,890	8
9	Hardened BMD materials	5,150		5,150	−5,150			9
10	Advanced forward area air defense system	16,940	−11,100	5,840	+11,100	16,940	16,940	10
11	Surface-to-surface missile rocket system	5,000	−5,000		+5,000	5,000	1,000	11
12	BMD advanced technology program	105,000	−8,000	97,000	+8,000	105,000	97,000	12
13	Site defense	140,000	−6,000	134,000	−64,000	70,000	100,000	13
14	Cannon launched guided projectile	17,792	−7,792	10,000	+7,792	17,792	14,000	14
15	Heliborne missile—Hellfire	5,000	−5,000		+5,000	5,000	5,000	15
16	Pershing II	19,000		19,000	−3,000	16,000	19,000	16
17	Nonnuclear warheads	4,750		4,750	−2,000	2,750	4,750	17
18	Fire and forget missile—Hellfire	7,300	−7,300		+7,300	7,300		18
19	Kwajalein Missile Range	87,400	−7,400	80,000	−4,000	76,000	80,000	19
20	Armament technology	21,315		21,315	−5,000	16,315	18,815	20
21	Ballistics technology	13,850		13,850	−3,000	10,850	13,850	21
22	Chemical munitions technology	1,945		1,945	−685	260	1,945	22
23	Lethal chemical munitions concept	957		957	−957		957	23
24	Lethal chemical munitions	3,525		3,525	−3,525		3,525	24
25	M60A1 thermal sight	8,086		8,086	−1,500	6,586	6,586	25
26	Bushmaster	16,070	−6,070	10,000	+6,070	16,070	10,000	26
27	Chemical defense materiel concepts	6,890	−1,850	5,040	+1,850	6,890	5,040	27
28	Manpower and human resources technology	7,280		7,280	−1,000	6,280	6,280	28
29	Army support of DARPA hostile weapons project	1,400	−1,400		+1,400	1,400	400	29
30	Unattended ground sensor	9,630	−6,630	3,000	+4,130	7,130	5,000	30
31	Classified program	13,041		13,041	−3,000	10,041	13,041	31
32	STANO	16,430	−12,430	4,000	+12,430	16,430	12,000	32
33	Command and control	7,190		7,190	−1,100	6,090	7,190	33
34	Artillery locating radar	13,340	−4,000	9,340	+4,000	13,340	10,340	34
35	Manpower and human resources development	9,480		9,480	−1,600	7,880	7,880	35
36	General combat support	8,655		8,655	−1,000	7,655	8,000	36
37	Mortar locating radar	10,820	−2,000	8,820	+2,000	10,820	8,820	37
38	Programwide management and support		−18,000	−18,000	+18,000		−9,000	38
	Reimbursements from foreign military sales	−7,700		−7,700		−7,700	−7,700	
	Programs not in dispute	1,469,065		1,469,065		1,469,065	1,469,065	
	Total, Army budget authority	2,181,700	−132,472	2,049,228	−32,635	2,016,593	2,028,933	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

NAVY—FISCAL YEAR 1976

[In thousands of dollars]

			House		Senate			
Item No.	Program element	Fiscal year 1976 request	Change	Authorization	Change from House	Authorization	Conference	Item No.
1	Studies and analysis support, Navy	11,135		11,135	−1,000	10,135	10,135	1
2	Aircraft flight test general	3,983		3,983	−500	3,483	3,483	2
3	Classified program	35,713		35,713	−9,608	26,105	31,700	3
4	Aircraft systems (advanced)	4,913		4,913	−2,000	2,913	2,913	4
5	Air ASW	41,300	−16,900	24,400	+7,598	31,998	31,998	5
6	Airborne mine countermeasures	3,531		3,531	−500	3,031	3,031	6
7	Tactical air reconnaissance	6,888		6,888	−6,277	611	6,888	7
8	Aircraft survivability and vulnerability	2,033		2,033	−1,000	1,033	2,033	8
9	Modular FLIR	600	−600		+600	600		9
10	All weather attack	1,100	−1,100		+1,100	1,100	500	10
11	Fleet ballistic missile system	65,782	−20,000	45,782	+20,000	65,782	53,282	11
12	Sanguine	18,000		18,000	−300	17,700	17,700	12
13	Gryphon	11,788		11,788	−700	11,088	11,088	13
14	Strike warfare weaponry technology	39,291	−9,000	30,291	+9,000	39,291	36,500	14
15	ARM system technology	5,002	−1,002	4,000	+1,002	5,002	4,000	15
16	Advanced surface-to-air weapon system	11,932	−11,932		+11,932	11,932	11,932	17
17	Advanced short range air-to-air missile	6,000	−3,000	3,000	+3,000	6,000	3,000	16
18	Air launched/surface launched antiship missile	3,000	−3,000		+3,000	3,000		18
19	Cruise missile	101,800	−8,000	93,800	+1,000	94,800	93,800	19
20	Surface missile guidance (advanced)	4,000		4,000	−3,000	1,000	1,000	20
21	Surface launched MGGB technology	500	+3,500	4,000	−3,500	500	4,000	21
22	Close in weapon system (Phalanx)	30,671	−19,371	11,300	+19,371	30,671	15,000	22
23	Trident missile system	735,500	−45,000	690,500	+42,000	732,500	725,500	23
24	Classified program	27,822		27,822	−4,000	23,822	27,822	24
25	Surface ASW	27,093	−5,000	22,093	+5,000	27,093	24,600	25
26	Ship development (advanced)	27,758	−7,758	20,000	−42	19,958	19,958	26
27	Hydrofoil craft (advanced)	7,075		7,075	−2,900	4,175	4,175	27
28	Classified program	22,547	−11,647	10,900	+11,647	22,547	13,900	28
29	Ship development (engineering)	32,670		32,670	−23,800	8,870	30,570	29
30	MK-48 torpedo	3,197	−1,597	1,600	+1,597	3,197	3,197	30
31	Gun systems	1,500	−1,500		+1,500	1,500		31
32	BW/CW weapons	1,599		1,599	−1,599		1,599	32
33	Fire control systems (engineering)	14,197	−2,000	12,197	+2,000	14,197	14,197	33
34	Manpower effectiveness	4,508		4,508	−700	3,808	3,808	34
35	Education and training	7,930		7,930	−400	7,530	7,503	35
36	Reliability and maintainability	2,000		2,000	−2,000			36
37	Other Marine Corps development (engineering)	5,390	−2,505	2,885	+2,505	5,390	5,390	37
38	Foreign weapons evaluation	2,110	−1,110	1,000	+1,110	2,110	2,110	38
39	R.D.T. & E. instrumentation support	29,081		29,081	−2,000	27,081	27,081	39
40	R.D.T. & E. ship and aircraft support	47,029		47,029	−2,000	45,029	47,029	40
41	Test and evaluation support	150,466		150,466	−3,000	147,466	147,466	41
42	Laboratory fleet support	3,000		3,000	−3,000			42
43	Programwide management and support		−33,005	−33,005	+33,005		−17,000	43
44	Undistributed reduction						−23,020	44
45	Funds excess to fiscal year 1975 program requirements				−4,000	−4,000		45
	Reimbursements from foreign military sales	−50,000		−50,000		−50,000	−50,000	
	Programs not in dispute	1,958,754		1,958,754		1,958,754	1,959,754	
	Total, Navy budget authority	3,470,188	−201,527	3,268,661	+100,041	3,368,802	3,318,649	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

AIR FORCE—FISCAL YEAR 1976

[In thousands of dollars]

Item No.	Program element	Fiscal year 1976 request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
1	B-52 squadrons	10, 329	−10, 329		+7, 329	7, 329	5, 000	1
2	F-15 squadrons	39, 900	9, 900	30, 000	+9, 900	39, 900	35, 000	2
3	C-5A airlift squadrons	22, 300		22, 300	−10, 300	12, 000	22, 300	3
4	Advanced avionics for aircraft	10, 200	1, 200	9, 000	+1, 200	10, 200	10, 200	4
5	Aircraft equipment development	7, 480		7, 480	−1, 500	5, 980	7, 480	5
6	B-1	672, 200		672, 200	−75, 000	597, 200	642, 000	6
7	Air combat fighter	272, 950	−39, 000	233, 950	−12, 900	221, 050	221, 050	7
8	Advanced ICBM technology	41, 200		41, 200	−1, 100	40, 100	40, 100	8
9	Advanced ballistic reentry systems	101, 000	−9, 000	92, 000	+9, 000	101, 000	96, 500	9
10	Strategic bomber penetration	7, 700		7, 700	−1, 000	6, 700	7, 700	10
11	Advanced short-range air-to-air missile systems technology	3, 800	−800	3, 000	+800	3, 800	3, 000	11
12	SAMTEC and ACS telecommunications	4, 500		4, 500	−1, 000	3, 500	4, 000	12
13	Classified programs	20, 000	−2, 000	18, 000	+2, 000	20, 000	19, 000	13
14	Armament ordnance development	9, 680		9, 680	−1, 500	8, 180	9, 000	14
15	Close air support weapon system	31, 520	−21, 520	10, 000	+21, 520	31, 520	24, 000	15
16	Strategic Air Command communications	6, 000	−4, 000	2, 000	+4, 000	6, 000	6, 000	16
17	Ground electronics	45, 350		45, 350	−2, 160	43, 190	43, 190	17
18	Electronic warfare technology	8, 400	−1, 000	7, 400	+1, 000	8, 400	7, 400	18
19	Advanced computer technology	3, 960	−960	3, 000	+960	3, 960	3, 000	1
20	Life support system	6, 940		6, 940	−1, 000	5, 940	6, 440	2o
21	Other operational equipment	9, 900		9, 900	−2, 500	7, 400	8, 400	20
22	Integrated program for airbase defense	7, 500		7, 500	−1, 500	6, 000	7, 650	22
23	Drone/remotely piloted vehicle systems development	13, 988		13, 988	−5, 500	8, 488	13, 988	23
24	Precision emitter location strike system	19, 000	−8, 000	11, 000	−2, 900	8, 100	10, 000	24
25	AWACS	199, 192	−14, 000	185, 192	+14, 000	199, 192	199, 192	25
26	Advanced fighter protective systems	18, 800	−2, 800	16, 000	+2, 800	18, 800	17, 400	26
27	Intelligence equipment	7, 200		7, 200	−2, 000	5, 200	6, 200	27
28	Test and evaluation support	288, 500		288, 500	−12, 500	276, 000	276, 000	28
29	Programwide management and support		−12, 000	−12, 000	+12, 000		−8, 000	29
30	Undistributed reduction						−19, 000	30
31	Funds excess to fiscal year 1975 program requirements				−11, 000	−11, 000		31
	Programs not in dispute	2, 013, 711		2, 013, 711		2, 013, 711	2, 013, 711	
	Total, Air Force budget authority	3, 903, 200	−136, 509	3, 766, 691	−58, 851	3, 707, 840	3, 737, 001	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

DEFENSE AGENCIES—FISCAL YEAR 1976

[In thousands of dollars]

Item No.	Program element	Fiscal year 1976 request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
	DARPA:							
1	Defense research sciences	37, 100		37, 100	−2, 100	35, 000	37, 100	1
2	Missiles and related equipment	74, 900	−2, 000	72, 900	+2, 000	74, 900	72, 900	2
3	Nuclear monitoring research	15, 400	−1, 000	14, 400	+1, 000	15, 400	14, 400	3
4	Tactical technology	46, 000	−3, 000	43, 000	−1, 000	42, 000	43, 000	4
5	Distributed information systems	14, 700	−3, 000	11, 700	+3, 000	14, 700	11, 700	5
6	Advanced command, control, and communications technology	12, 700	−1, 000	11, 700	−1, 000	10, 700	11, 700	6
7	Training, forecasting, and decision technology	7, 100	−1, 000	6, 100	+600	6, 700	6, 100	7
8	Technology assessments	6, 200	−1, 000	5, 200	+800	6, 000	5, 200	8
9	Materials processing	6, 100	−600	5, 500	+600	6, 100	6, 100	9
10	DCA: WWMCCS–JTSA	6, 800		6, 800	−1, 200	5, 600	6, 200	10
11	DMA: Undistributed reduction	14, 902	−900	14, 002	−100	13, 902	13, 902	11
12	DIA (classified)		−1, 000		−200			12
13	DNA (classified)				−2, 000			13
14	NSA (classified)		−9, 407		−5, 593			14
15	Technical support to OSD/JCS	22, 800	−17, 100	5, 700	+14, 100	19, 800	17, 500	15
	Programs not in dispute	44, 853		44, 853		44, 853	44, 853	
	Total, Defense agencies budget authority	597, 800	−41, 007	556, 793	+8, 907	565, 700	563, 700	
16	Director of test and evaluation	28, 500	−3, 500	25, 000	+3, 500	28, 500	25, 000	16
	Total, R.D.T. & E. budget authority	10, 181, 388	−515, 015	9, 666, 373	+21, 062	9, 687, 435	9, 673, 283	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

ARMY—197T

[In thousands of dollars]

Item No.	Program element	Fiscal year 197T request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
1	Surgical investigations	1, 605		1, 605	−200	1, 405	1, 405	1
2	Studies and analyses	1, 900		1, 900	−200	1, 700	1, 700	2
3	TRADOC studies and analyses	970		970	−170	800	800	3
4	Heavy lift helicopter	3, 000	−500	2, 500	−2, 500			4
5	Aerial scout	8, 800		8, 800	−8, 600	200	7, 000	5
6	Advanced VTOL	3, 405		3, 405	−1, 200	2, 205	2, 205	6
7	Advanced attack helicopter	17, 908	−6, 900	11, 008		11, 008	11, 008	7
8	CH-47 modernization	2, 800		2, 800	−1, 900	900	2, 800	8
9	Chaparral/Vulcan	5, 710	−4, 000	1, 710	−700	1, 010	1, 710	9
10	Hardened BMD materials	1, 717		1, 717	−1, 717			10
11	Advanced forward area air defense systems	2, 025	−1, 500	525	+1, 500	2, 025	2, 025	11
12	Surface-to-surface missile rocket system	3, 000	−3, 000		+3, 000	3, 000	500	12
13	BMD advanced technology program	30, 158	−5, 000	25, 158	+1, 342	26, 500	25, 158	13
14	Site defense	38, 000	−4, 000	34, 000	−15, 000	19, 000	25, 000	14
15	Cannon launched guided projectile	6, 982	−6, 982		+6, 982	6, 982	3, 000	15
16	Heliborne missile—Hellfire	4, 000	−4, 000		+800	800	800	16
17	Pershing II missile	6, 000		6, 000	−1, 000	5, 000	6, 000	17
18	Fire and forget module—Hellfire	1, 450	−1, 450		+1, 450	1, 450		18
19	Kwajalein Missile Range	23, 560	−1, 560	22, 000	−3, 000	19, 000	22, 000	19
20	Ballistics technology	3, 260		3, 260	−500	2, 760	3, 260	20
21	Chemical munitions technology	475		475	−170	305	475	21
22	Lethal chemical munitions concepts	960		960	−960		960	22

Item No.	Program element	Fiscal year 1976 request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
23	Tank systems (XM-1)	38, 953		38, 953	−29, 653	9, 300	38, 953	23
24	Lethal chemical munitions	1, 448		1, 448	−1, 448		1, 448	24
25	Bushmaster	3, 631	−1, 631	2, 000	+1, 631	3, 631	3, 631	25
26	Chemical defense materiel concepts	1, 620	−550	1, 070	+550	1, 620	1, 070	26
27	Manpower and human resources technology	1. 827		1, 827	−200	1, 627	1, 627	27
28	Army support of DARPA hostile weapons program	280	−280		+280	280	100	28
29	Unattended ground sensors	2, 460	−1, 700	760	+1, 300	2, 060	1, 400	29
30	Classified program	2, 735		2, 735	−200	2, 535	2, 735	30
31	STANO	4, 191	−3, 191	1, 000	+3, 191	4, 191	3, 000	31
32	Command and control	1, 770		1, 770	−200	1, 570	1, 770	32
33	Artillery locating radar	1, 960	−1, 000	960	+1, 000	1, 960	1, 200	33
34	Manpower and human resources development	2, 443		2, 443	−400	2, 043	2, 043	34
35	General combat support	2, 254		2, 254	−250	2, 004	2, 100	35
36	Mortar locating radar	1, 925	−500	1, 425	+500	1, 925	1, 425	36
37	Program wide management and support		−2, 839	−2, 839	+2, 839		−1, 400	37
38	Undistributed reduction						−16, 000	38
	Programs not in dispute	350. 418		350, 418		350, 418	350, 418	
	Total, Army budget authority	585, 600	−50, 583	535, 017	−43, 803	491, 214	513, 326	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

NAVY—197T

[In thousands of dollars]

Item No.	Program element	Fiscal year 197T request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
1	Studies and analysis support, Navy	3, 189		3, 189	−600	2, 589	2, 589	1
2	Aircraft flight test general	1, 467		1, 467	−500	967	967	2
3	Classified Program	11, 289		11, 289	−6, 929	4, 360	10, 289	3
4	Aircraft systems (advanced)	2, 398		2, 398	−1, 500	898	898	4
5	Air ASW	4, 419		4, 419	−1, 883	2, 536	2, 536	5
6	Airborne mine countermeasures	1, 445		1, 445	−400	1, 045	1, 445	6
7	Tactical air reconnaissance	2, 307		2, 307	−1, 764	543	2, 307	7
8	Aircraft survivability and vulnerability	2, 096		2, 096	−1, 500	596	2, 096	8
9	Modular FLIR	200	−200		+200	200		9
10	All weather attack	1, 201	−1, 201		+1, 201	1, 201		10
11	Fleet ballistic missile system	21, 273	−6, 500	14, 773	+6, 500	21, 273	16, 773	11
12	Sanguine	4, 400		4, 400	−770	3, 630	3, 630	12
13	Gryphon	6, 597		6, 597	−1, 800	4, 797	4, 797	13
14	Strike warfare weaponry technology	10, 683	−2, 500	8, 183	+2, 500	10, 683	9, 500	14
15	ARM system technology	804	−400	404	+400	804	404	15
16	Advanced surface-to-air weapon system	4, 600	−4, 600					16
17	Agile	5, 407	−2, 600	2, 807	+2, 600	5, 407	3, 307	17
18	Air launched/surface launched antiship missile	2, 373	−2, 373		+2, 373	2, 373		18
19	Cruise missile	42, 100	−4, 000	38, 100	−1, 000	37, 100	37, 100	19
20	Surface missile guidance (advanced)	1, 700		1, 700	−700	1, 000	1, 000	20
21	Surface launched MGGB technology	200	+1, 500	1, 700	−1, 500	200	1, 700	21
22	Air-to-air missile component technology	4, 604		4, 604	−3, 200	1, 404	1, 404	22
23	Close-in weapon system (Phalanx)	2, 458	−2, 458		+2, 458	2, 458	2, 458	23
24	Trident missile system	172, 510	−10, 000	162, 510	+9, 000	171, 510	165, 510	24
25	Classified program	11, 598		11, 598	−1, 200	10, 398	11, 598	25
26	Surface ASW	9, 160	−2, 160	7, 000	+2, 160	9, 160	8, 000	26
27	Ship development (advanced)	10, 755	−1, 755	8, 000	−1, 845	6, 155	7, 000	27
28	Hydrofoilcraft (advanced)	2, 398		2, 398	−930	1, 468	1, 468	28
29	Classified program	5, 844	−2, 884	3, 000	+2, 844	5, 844	4, 000	29
30	Ship development (engineering)	9, 803		9, 803	−6, 700	3, 103	8, 603	30
31	Gun systems	642	−642		+642	642		31
32	BW/CW weapons	348		348	−348		348	32
33	Manpower effectiveness	1, 187		1, 187	−200	987	987	33
34	Educational and trianing	2, 112		2, 112	−100	2, 012	2, 012	34
35	Reliability and maintainability	1, 250		1, 250	−1, 250			35
36	Other Marine Corps development (engineering)	2, 081	−1, 002	1, 079	+1, 002	2, 081	2, 081	36
37	R.D.T. & E. instrumentation and material support	10, 325		10, 325	−2, 000	8, 325	8, 325	37
38	R.D.T. & E. ship and aircraft support	12, 988		12, 988	−1, 000	11, 988	12, 988	38
29	Test and evaluation support	38, 657		38, 657	−1, 000	37, 657	37, 657	39
40	Laboratory fleet support	1, 000		1, 000	−1, 000			40
41	Undistributed reduction		−9, 372	−9, 372	+9, 372			41
	Programs not in dispute	473, 969		473, 969		473, 969	473, 969	
	Total, Navy budget authority	903, 837	−54, 107	849, 730	+1, 633	851, 363	849, 746	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION
AIR FORCE—1971

[In thousands of dollars]

Item No.	Program element	Fiscal year 1976 request	House		Senate		Conference	Item No
			Change	Authorization	Change from House	Authorization		
1	B-52 squadrons	7, 329	−7, 329		+3, 029	3, 029		1
2	C-5A airlift squadrons	10, 400		10, 400	−7, 400	3, 000	10, 400	2
3	Advanced avionics for aircraft	3, 600	−600	3, 000	+600	3, 600	3, 600	3
4	Stall/spin inhibitors	600		600	−600			4
5	Aircraft equipment development	2, 200		2, 200	−700	1, 500	2, 200	5
6	B-1	168, 300		168, 300	−39, 300	129, 000	158, 000	6
7	Air combat fighter	82, 504	7, 000	75, 504	−5, 800	69, 704	69, 704	7
8	Advanced ICBM technology	15, 300		15, 300	−1, 000	14, 300	14, 300	8
9	Advanced ballistic reentry systems	29, 150	−5, 000	24, 150	+5, 000	29, 150	26, 650	9
10	Strategic bomber penetration	5, 700		5, 700	−1, 000	4, 700	5, 700	10
11	Advanced short-range air-to-air missile systems technology	1, 200	−200	1, 000	+200	1, 200	1, 000	11
12	SAMTEC and ACS telecommunications	1, 000		1, 000	−100	900	1, 000	12
13	Classified program	5, 720	−1, 720	4, 000	+1, 720	5, 720	4, 800	13
14	Armament ordnance development	2, 789		2, 789	−600	2, 189	2, 500	14
15	Close air support weapon system	16, 800	−13, 000	3, 800	+13, 000	16, 800	6, 700	15
16	Ground electronics	12, 123		12, 123	−529	11, 594	11, 594	16
17	Electronic warfare technology	2, 750	−1, 000	1, 750	+1, 000	2, 750	1, 750	17
18	Advanced computer technology	1, 200	−200	1, 000	+200	1, 200	1, 000	18

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

AIR FORCE—1971—Continued

[In thousands of dollars]

Item No.	Program element	Fiscal year 1976 request	House Change	House Authorization	Senate Change from House	Senate Authorization	Conference	Item No.
19	Life support system	1,980		1,980	−400	1,580	1,780	19
20	Other operational equipment	2,200		2,200	−200	2,000	2,000	20
21	Integrated program for airbase defense	1,650		1,650	−150	1,500	1,650	21
22	Drone/remotely piloted vehicle systems development	6,000		6,000	−4,900	1,100	6,000	22
23	Precision emitter location strike system	10,600	−4,600	6,000	−4,300	1,700	3,000	23
24	AWACS	54,474	−1,374	53,100	+1,374	54,474	54,474	24
25	Advanced fighter protection systems	3,600	−1,600	2,000	+1,600	3,600	2,800	25
26	Intelligence equipment	3,300		3,300	−2,000	1,300	2,300	26
27	Test and evaluation support	75,000		75,000	+2,500	72,500	72,500	27
28	Programwide management and support		−4,300	−4,300	+4,300		−2,150	28
29	Undistributed reduction						−6,600	29
	Programs not in dispute	506,531		506,531		506,531	506,531	
	Total, Air Force budget authority	1,034,000	−47,923	986,077	−39,456	946,621	965,783	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

DEFENSE AGENCIES—197T

[In thousands of dollars]

Item No.	Program element	Fiscal year 197T request	House Change	House Authorization	Senate Change from House	Senate Authorization	Conference	Item No.
	DARPA:							
1	Defense research sciences	9,300		9,300	−500	8,750	8,750	1
2	Missiles and related equipment	18,700	−2,750	15,950	+2,750	18,700	17,950	2
3	Tactical technology	11,500	−1,000	10,500		10,500	10,500	3
4	Distributed information systems	3,700	−1,250	2,450	+1,250	3,700	2,450	4
5	Advanced command, control, and communications technology	3,200		3,200	−500	2,700	2,700	5
6	Training, forecasting, and decision technology	1,800		1,800	−100	1,700	1,700	6
7	Technology assessments	1,600		1,600	−100	1,500	1,500	7
8	DCA: WWMCCS-JTSA	1,700		1,700	−300	1,400	1,550	8
9	DMA: Undistributed reduction	3,850	−350	3,500		3,500	3,500	9
10	DNA (classified)				−1,500			10
11	NSA (classified)		−5,282		+1,282			11
12	DIA (classified)							12
13	Technical support to OSD/JCS	5,700	−4,275	1,425	+3,575	5,000	4,300	13
	Programs not in dispute	18,464		18,464		18,464	18,464	
	Total, Defense agencies budget authority	152,700	−14,907	137,793	+5,807	143,600	139,768	
14	Director of test and evaluation	6,800	−3,400	3,400	+3,400	6,800	5,000	14
	Total, R.D.T. & E. budget authority	2,682,937	−170,920	2,512,017	−72,419	2,439,598	2,473,623	

CONFERENCE ACTION ON SELECTED SUBJECTS IN THE RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FISCAL YEARS 1976 AND 197T AUTHORIZATION REQUEST

The Senate bill contained language prohibiting the use of funds authorized by the act to conduct research, development, testing, and evaluation of the F-18 Navy Air Combat Fighter until the Comptroller General of the United States has rendered an official decision in the LTV Aerospace Corporation protest filed with the GAO, or until July 31, 1975, whichever is sooner.

The House conferees objected to the provision as not being necessary and pointed out that the effective date of an authorization bill would be later than July 31, 1975. The Senate reluctantly receded.

Aerial scout

The House bill approved the full amount of $10.7 million for FY 1976 and $8.8 million for 197T as requested. The Senate amendment authorized $700,000 and $200,000 for these respective periods only to support in-house efforts because (1) the Army had not yet approved the characteristics of the new scout; (2) the Army had not determined if either a new development or an off-the-shelf helicopter would satisfy the requirement; and (3) following these determinations, the Army must obtain DSARC approval before proceeding with the program. The Senate action considered that if the Army and DOD had decided what the Army requires by the time the fiscal year 1977 request is submitted, there then would be a meaningful basis for consideration.

The Department of Defense reclama states the Army had completed the study of the characteristics of the Advanced Scout Helicopter, that indications are it will be a military adaptation of an existing helicopter, and the DSARC will be held on July 31, 1975. Because of these new developments, the Senate conferees recede and agreed to restore $4.3 million in fiscal year 1976 and $6.8 million in 197T. This will provide a total of $5.0 million and $7.0 million for these respective periods.

The use of the funds restored is contingent on approval of the House and Senate Armed Services Committees following DSARC approval and prior to issuance of requests for proposal to industry.

Advanced forward area air defense system

The House bill deleted the request for $11.1 million in fiscal year 1976 and $2.0 million in 197T for prototypes of a new antiaircraft gun system. The Senate amendment approved the full request.

The House reduction was made because of the belief that the Army's plans for development of a new gun system were too indefinite to warrant a start on the program at this time. The Senate conferees pointed out that the Army had continued to firm up its plans for development of the new gun since the fiscal year 1976 budget hearings and an advanced development requirement had been approved before the conference.

The Senate and House conferees both agreed on the need for a new and more powerful gun to replace the 20 mm Vulcan. The conferees agreed to restore the full amount of $13.1 million in fiscal year 1976 and $2.0 million in 197T as provided by the Senate. At least one of the new prototype gun systems shall use the GAU-8 30 mm gun adapted for the anti-aircraft role.

Artillery locating (counterbattery) radar

The House bill resulted in a reduction of $4.0 million from the Army's request of $13.340 million for fiscal year 1976 and a reduction of $1.0 million from the $1.960 million requested for fiscal year 197T. The Senate amendment authorized the amounts requested.

The House action was based on the fact that the Army planned to initiate a six-month modification phase for the two competing radar systems. The modification phase follows the completion of test and evaluation of both systems.

The conferees believe that the Army, at the completion of testing, should be able to select the best system for the follow-on phase. The conferees agreed to a funding level of $10.340 million and $1.2 million for fiscal years 1976 and 197T respectively to support this approach.

The projected high unit cost of this system requires that the Army assess less costly alternatives such as Remotely Piloted Vehicles and infrared systems to provide this capability. The results of this assessment should be available to support the fiscal year 1977 authorization request.

BINARY CHEMICAL MUNITIONS

See Title VIII, General Provisions

Cannon Launched Guided Projectile

The House bill authorized $10.0 million of the Army's $17.8 million request for fiscal year 1976, and none of the $7.0 million for fiscal year 197T. The Senate amendment approved the full amount requested for both periods.

The House action reflected dissatisfaction with the overall management of the Army and Navy guided ordnance programs, and stated the belief that commonality is possible and both cost and performance effective.

The conferees are concerned that the Army requirement for this projectile has not yet been validated, in view of all other weapons and munitions available or planned to be employed against the same targets. The conferees also are concerned that it may not be worth the cost to develop and deploy this projectile since there are other possible alternatives. The conferees were advised that the estimated cost to develop and procure the planned inventory requirements is about $1.0 billion.

The conferees agreed that the Army's program should proceed into engineering development with the specific understanding that the engineering development contract would not be a commitment to either full scale engineering development or production. The conferees were advised by the Army that the "Producibility Engineering and Planning (PEP)" phase of the contract would be deferred until after fiscal year 197T. At that time the prospects for commonality will again be assessed. Both Committees on Armed Services are to be advised of this assessment prior to initiation of PEP. In addition, the Army advised that it planned another stopping point for program review preceding the Limited Rate Initial Procurement (LRIP) phase of the program.

Prior to the submission of the fiscal year 1977 request for authorization, both Committees on Armed Services are to be provided with the results of a complete DDR&E coordinated study of Army requirements (including the Navy candidates and all other delivery systems and munitions available or planned for inventory) and cost effectiveness analysis.

The House recedes and agrees to restore $4.0 million in fiscal year 1976 and $3.0 million in 197T to support either the engineering development contract or competitive testing with the Navy round.

Chaparral/Vulcan

The House bill reduced the request for $14.8 million in fiscal year 1976 and $5.7 million in 197T for R&D on improvements to the Chaparral surface-to-air missile down to $4.8 million in fiscal year 1976 and $1.7 million in 197T. The Senate amendment contained $4.9 million in fiscal year 1976 and $1.0 million in 197T.

The Conferees agreed to provide $4.9 million in fiscal year 1976 and $1.7 million in 197T. If additional funding is required during the fiscal year, a reprogramming request will be considered for this missile system.

CH-47 Modernization

The House bill authorized the full $10.0 million requested for fiscal year 1976 and $2.8 million for 197T to modernize the CH-47 helicopter fleet. The Senate amendment reduced these amounts to $3.5 million and $900,000 respectively because the Army had not yet decided which of six possible alternative courses of action to pursue. The reduced level of funding would sustain current preliminary design efforts but preclude initiating the full program.

The Army now states that preliminary results of current studies confirm that modernization of present inventory helicopters rather than replacement with new helicopters is the most cost effective approach. Formal Army approval was anticipated by July 24, 1975 and DOD approval by September 30, 1975. Because of these developments and the imminency of the approval actions, the Senate recedes and accepts the full amounts approved by the House. However, none of the amounts restored are to be used without approval by both the House and Senate Armed Services Committees of the plan approved by the Office of the Secretary of Defense.

Chemical Defense Material Concepts

The House bill recommended a reduction of $1.850 million from the $6.890 million requested by the Army for fiscal year 1976 and $550,000 from the $1.620 million requested for fiscal year 197T. The reduction was intended to terminate the Long Path Infrared (LOPAIR). The Senate amendment authorized the full amount of the request.

The Senate conferees accepted the House position since LOPAIR has not demonstrated significant progress to warrant continued support. The House conferees expressed their belief that LOPAIR has been overtaken by technological advancements such as the Forward Looking Infrared (FLIR). Last year the Army was encouraged to conduct side-by-side tests and evaluation of FLIR and LOPAIR. The tests were conducted.

While no funds are authorized for any continued development of LOPAIR; the Army can, if it chooses, submit a reprogramming request in accordance with established procedures to conduct a side-by-side test of FLIR and LOPAIR.

Hellfire

The House bill deleted all of the funds for both HELLFIRE programs: $5.0 million for the laser Heliborne missile for fiscal year 1976 and $4.0 million for fiscal year 197T; $7.3 million for the Fire and Forget module for fiscal year 1976 and $1.450 million for fiscal year 197T. The Senate bill authorized the entire amount requested for both programs except for fiscal year 197T where the $3.2 million requested for starting engineering development of Hellfire was deleted and only $800,000 was authorized for the laser Heliborne missile.

The rationale for the House action was based on the Army's testimony concerning the affordability of the Hellfire missile. The House conferees, however, in light of the relatively successful test program coupled with the fact that the Hellfire missile is a viable alternative for the Advanced Attack Helicopter, agreed with the Senate position to authorize the $5.0 million request for the laser Heliborne missile for fiscal year 1976 and $800,000 for fiscal year 197T. The Army is expected, however, to thoroughly assess other possible alternatives, such as a powered version of the cannon launched guided projectile or a 5-inch guided projectile, for the Hellfire mission.

The Senate conferees agreed with the House position that the Fire and Forget module would result in an even more expensive missile than Hellfire since it would utilize a more expensive seeker. Further, the Army has not yet been able to demonstrate that the Fire and Forget seeker would improve combat capability over laser Hellfire because of the target acquisition problem. The conferees agreed to terminate this program as a line item. However, the Army may continue to explore the potential of using other candidate seekers within the total funding authorized for the laser Heliborne missile.

Heavy Lift Helicopter

The House bill approved $16.8 million in fiscal year 1976 and $2.5 million in 197T for continuation of the redirected Heavy Lift Helicopter (HLH) program limited by the Secretary of Defense to a single prototype advanced development program including flight testing. The Senate amendment approved $9.0 million for fiscal year 1976 which is the amount estimated by the Army as required to terminate the program.

The reasons for termination are set forth on page 84 of Senate Report No. 94-146 on the pending Military Procurement Authorization Bill. The House recedes.

Site Defense

The House bill authorized $134.0 million of the $140.0 million requested for fiscal year 1976 and $34.0 million of the $38.0 million requested for 197T.

The Senate amendment provided $70.0 million and $19.0 million respectively for these two periods because the Army had not entirely complied with the Senate direction last year to change from a prototype demonstration program to a sustaining advanced development program. The Senate stated that the program will be maintained at a sustaining level pending further developments in strategic weapons limitation negotiations with the Soviets.

The conferees agreed to an authorization of $100 million and $25 million for fiscal years 1976 and 197T respectively.

The Department of Defense reclama stated that the Senate position is inadequate for a sustaining level and would cripple the program and possibly force dissolution of the present contractor team. This also would dramatically increase deployment time, if needed, and erode the U.S. SALT bargaining position.

The Senate reluctantly recedes and agrees to restore $30.0 million in fiscal year 1976 and $6.0 million in 197T, the minimum amount estimated as needed to retain the contractor team and continue the program at a minimum acceptable level. The conferees adopted the Senate requirement for a study by the Secretary of Defense to conduct it as stated on page 18 of Senate Report No. 94-146 acompanying the pending Military Procurement Authorization Bill.

The results of the study will be submitted to the House and Senate Committees on Armed Services by November 15, 1975.

Surface-to-Surface Missile Rocket

The House bill deleted the entire $5.0 million requested by the Army for fiscal year 1976 and the $3.0 million requested for fiscal year 197T. The Senate amendment authorized the entire request.

The Army intended to develop two systems: a new Long Range Guided Missile (LRGM) as a nonnuclear alternative to Lance, and a free flight General Support Rocket System (GSRS). The conferees were not convinced that the LRGM would be more performance or cost-effective than the existing Lance missile system and accordingly agreed to preclude this new start.

The conferees agreed to restore $1.0 million for GSRS for fiscal year 1976 and $500 thousand for fiscal year 197T. The basis for supporting this development is the need for a medium range counter-battery weapon; however, the conferees are concerned over two areas which are not properly integrated in the program plan, viz., a concurrent development of a terminal seeker for the GSRS and the forward area targeting problem. During the coming year, the Army will address these problems and report their findings and conclusions in conjunction with submission of the fiscal year 1977 authorization request.

Vehicle Rapid Fire Weapon System—Bushmaster

The House bill resulted in a reduction of $6.070 million from the $16.070 million requested by the Army for fiscal year 1976 and a reduction of $1.631 million from the $3.631 million requested for fiscal year 197T. The Senate amendment authorized the full request.

The rationale for the House action was based largely on the Army's plan to product improve the M-139 gun and use it as an interim system for the Mechanized Infantry Combat Vehicle (MICV). Further, the House was not convinced that the Army had a viable plan for the development of the Bushmaster for the MICV. There are a number of factors in question. Included is the fact that the proposed 25mm round is not fully developed and will cost several hundred million dollars to put into the U.S. inventory.

The Senate conferees concur with the

House position that continued investment of funds for the M-139 is not prudent. The conferees have been advised of a Department of Defense memorandum that states it would be more cost effective to slip the MICV schedule than it would be to pursue an interim gun system. The Army should reassess the MICV schedule and justify the need and plan to both Committees on Armed Services, for both the interim and Bushmaster gun system.

The conferees agreed that the Army still lacks a viable definitive plan for the Bushmaster and agreed to the level of funding authorized by the House.

XM-1 Tank

The House bill authorized the entire Army request of $51.8 million and $39.0 million for fiscal year 1976 and 197T respectively. The Senate amendment reduced the 197T request by $29.7 million.

The Senate action was intended to ensure a competition of both U.S. tank candidates in addition to the German Leonard II candidate.

The Senate recedes and agreed to restore the $29.7 million approved by the House. The conferees agree that $23 million of this is available only to initiate engineerng development wth a single contractor provided specific approval is granted by the Secretary of Defense and reported to the Armed Services Committees. The conferees also agreed that initiation of engineering development, prior to the delivery of a Leopard II test article in September 1976 for competitive testing with the XM-1, will not prejudice the results of that test program.

Advanced Short Range Air-to-Air Missile Technology

The House bill resulted in a reduction of $3.0 million from the Navy's request for $6.0 million for fiscal year 1976 and a reduction of $2.6 million from the $5.407 million request for fiscal year 197T. In addition, the House bill reduced the Air Force request of $3.8 million for fiscal year 1976 to $3.0 million and the $1.2 million request for fiscal year 197T to $1.0 million. The Senate amendment authorized full funding for both the Navy and Air Force programs.

Last year the conferees terminated the Navy's Agile missile program due to its high cost, complexity, and lack of progress after expenditures in excess of $80 million. The conferees also terminated the Air Force's CLAW missile program because of its projected lack of effectiveness. Both programs were intended to provide the Navy and Air Force with separate follow-on dogfight missiles to the Sidewinder AIM-9L series.

The House-Senate Conference Report, No. 93-1212, for fiscal year 1975 directed that the Navy and Air Force establish firm common requirements for a new missile prior to the expenditure of funds for the development of complex technology that may not even be required. The plans provided by the Services for fiscal years 1976 and 197T, however, indicated their intention to develop Agile and CLAW prototypes.

The conferees again stress the need to complete the requirements phase which will define a single set of missile performance characteristics such as seeker sensitivity, off-axis boresight acquisition requirements, maneuverability, etc. The conferees agreed that the funding authorized by the House is adeuate to perform the necessary requirements phase with limited component development. The conferees further stress that there does not appear to be any urgency for an accelerated program to develop this follow-on to the excellently-performing AIM-9L Sidewinder.

The Senate recedes.

Advanced Surface-to-Air Weapon System

The House bill deleted the $11.932 million requested by the Navy for fiscal year 1976 and $4.6 million requested for fiscal year 197T to initiate the development of this missile. The Senate amendment authorized the full request for fiscal year 1976 but deleted the $4.6 million requested for starting engineering development in fiscal year 197T.

The House action was based on the belief that a 5″ surface-to-air missile is neither cost nor performance effective. The missile has a smaller warhead than that of the 5-inch guided projectile with an estimated unit cost that could be as much as ten times greater than that of the projectile. The Navy failed to explain why the lower cost guided projectile could not be made launcher compatible. The Senate action for fiscal year 197T was intended to preclude engineering development of this missile until the basic questions concerning lethality and systems integration are resolved by the Navy.

The House conferees remained firm in their conviction that a launcher compatible 5-inch guided projectile would be more cost and performance effective. While the feasibility of the guidance scheme employed in the 5-inch guided projectile has been demonstrated, the Senate conferees contended that performance should be demonstrated including feasibility firings. Since the feasibility of the boosted projectile would have to be demonstrated, the conferees agreed to support an advanced development program for both the missile and projectile during fiscal years 1976 and 197T.

The conferees authorized $11.932 million for fiscal 1976 and 197T of which $4.9 million will be used only for the advanced development of the launcher compatible guided projectile. The remaining $7.032 million is authorized for the advanced development of the 5-inch missile. The Navy has advised that these funds are sufficient for the directed tasks. The authorization for the missile program is predicated upon the initiation and conduct of the guided projectile launcher compatibility demonstration, i.e., the missile program may not be initiated unless all funds are available for the projectile program during the fifteen month period. The Navy could submit a reprogramming request if additional funding is required.

The conferees agreed that no subsequent funding would be provided for the 5-inch missile program until completion of the feasibility firings of the projectile.

Aegis

The House bill contained restrictive language that would prohibit expenditure of funds for Aegis until the Secretary of Defense provided to both Committees on Armed Services a plan that identified a nuclear platform and funding for the fleet implementation of Aegis during or prior to 1981. The Senate amendment contained no similar provision.

While recognizing the need to identify a platform for the Aegis, the Senate conferees thought it unwise to make continued development of the Aegis system dependent upon identification of a platform that would provide for Aegis fleet implementation before 1981. Thus the conferees agreed simply to require the Secretary of Defense to identify a platform, nuclear or otherwise, for the Aegis system.

The House conferees were especially concerned over the fact that after a period that spans nearly ten years of Aegis development, the Navy has failed to identify a suitable platform for this much needed system.

The House report (No. 94-199) suggested that the Navy give serious consideration to the U.S.S. *Long Beach* (CGN-9) as the first Aegis platform. The House contended that the *Long Beach* could serve as a prototype for the Strike Cruiser and would be a viable platform since, at the present time, the *Long Beach* weapon systems suite is antiquated.

The House conferees feel strongly that the Navy should give special attention to integrating the Aegis on the *Long Beach* in order to make it a modern Strike Cruiser. The Navy is to submit a written report by November 15, 1975, to both Committees on Armed Services that addresses the various alternatives and estimated costs for the *Long Beach* with various conversion plans including the addition of the Aegis and Standard missile systems.

Air ASW (MK III Lamps)

The House bill authorized $16.9 million of the $41.3 million requested for fiscal year 1976 and none of the $4.419 million requested for 197T for this program. This would leave $18,533 million in fiscal year 1976 specifically for the MK III LAMPS project and no funds in 197T. The Senate amendment provided $26.131 million in fiscal year 1976 and $1.987 million in 197T for the MK III LAMPS project.

Both the House and Senate reductions are intended to defer engineering design contracts to define the required changes to UTTAS until after the Army selects the winning UTTAS contractor.

The Senate considered that it is improper if not illegal to limit the LAMPS competition to the two UTTAS contractors and preclude an open competition in accordance with Armed Services Procurement Regulations. The amounts deleted by the Senate are not required under the foregoing House and Senate determinations.

The House accepts the Senate authorization and the conferees direct the Navy to conduct an open competition for the helicopter. Consistent with this action, which does not preclude the ultimate selection of a UTTAS derivative in an open competition, the Navy should revise its program schedule and fund requirements, and submit to the Congress a request for funds to initiate this program in fiscal year 1977. If the Navy is ready to do this sooner, and urgency dictates action before fiscal year 1977, the Armed Services Committee of the House and Senate would consider a reprogramming action if proposed for this purpose.

This situation may again occur in other programs and therefore should be reviewed by the Department of Defense and the General Accounting Office to determine what corrective action, if any, should be taken in law or in the ASPR. The Comptroller General will submit, a report to the House and Senate Armed Services Committees of findings and appropriate recommendations by October 1, 1975.

The action of the Congress will ensure a more comprehensive checkout of the sensors and software since the Navy plans to integrate them in the SH-2 testbed. The present SH-2 Air ASW system is performing exceptionally well. Therefore, the conferees also recommend a more orderly systems development phase for the LAMPS III without unnecessary concurrency.

Air Launched/Surface Launched Antiship Missile

The House bill deleted the entire Navy request of $3.0 million and $2.373 million requested for fiscal years 1976 and 197T respectively. The Senate amendment authorized the full request.

This program was intended to initiate an advanced technology program for the improved Harpoon seeker. The rationale for the House reduction was based on the recent substantial increase in the cost of the Harpoon program as reported in the latest Selected Acquisition Report (SAR).

The Senate conferees receded and join with the House conferees in requiring the Navy to investigate the basic design, fabrication and manufacturing process of the present system in an effort to reduce costs. The conferees support the need for the Harpoon missile but believe that an advanced technology program should not be initiated at this time.

All Weather Attack

The House bill deleted the entire Navy request of $1.1 million for fiscal year 1976 and $1.201 million for fiscal year 197T. The Senate amendment authorized the full amounts requested.

The basis for the House action was the Navy's failure to present a viable plan for this program. The Senate conferees expressed concern over the Navy's future requirements in the area of all weather avionics. The House conferees, in recognition of this concern, agreed to authorize $500,000 for fiscal year 1976 for study purposes only. The conferees emphasize that this authorization is not a commitment to the program as presented by the Navy.

Classified Program

The House bill reduced this Navy classified program by $11.647 million in fiscal year 1976 and $2.844 million in 197T. The Senate amendment approved the full amount requested.

The conferees consider this Navy program essential and their action is not intended to curtail advances in the technology. The conferees agreed to restore $3.0 million and $1.0 million respectively of the amount reduced by the House. The Navy's plan to build an integrated brassboard system at a specific contractor operated facility is not accepted by the conferees. This plan would not allow for maximum government participation in operation, would give one contractor a technological monopoly, and would not allow for full system testing because of safety limitations.

The amounts authorized will be used only for modification and completion of equipment already under development. Assembly of an integrated brassboard system will not begin until a thorough study to identify and prepare a government facility for the construction of the system has been completed and the study results reported to both Committees on Armed Services. If the two Committees agree with the results of the study and additional funds are required during fiscal year 1976 and 197T to implement the results, such funds may be provided through established reprogramming procedures.

Close-in Weapon System (Phalanx)

The House bill decreased the Navy's request of $30.671 million by $19.371 million for fiscal year 1976 and deleted the entire $2.458 million requested for fiscal year 197T. The Senate amendment authorized the full request for R&D.

The House action was based on the fact that the system has not demonstrated its effectiveness. Last year the conferees directed that the Navy design target missile tests that would provide lethality data in support of CIWS. The Senate conferees agreed with the House conferees that the data provided by the Navy was insufficient and agreed that a more rigorous test program was required to demonstrate the adequacy of the present gun or the possible need for a larger caliber weapon.

The conferees agreed to an authorization of $15.0 million for fiscal year 1976 and $2.458 million for fiscal year 197T. The funds authorized are intended for lethality tests and the conduct of any appropriate reliability and maintainability efforts that could be accomplished on existing completed CIWS systems and within the funding provided.

The conferees agreed that subsequent CIWS funding will be made contingent upon test data that clearly demonstrates: the ability of the CIWS to cause full detonation of the target warhead; a kill of the specified dynamic target in its normal flyable configuration at the intended ranges; and an acceptable level of the CIWS platform damage as a result of debris should warhead detonation occur.

If the CIWS tests are successful and its effectiveness is clearly demonstrated, the Navy may submit a reprogramming action in accordance with established procedures for the funds required to complete the operational suitability models and continuation of the R.D.T. & E. program.

Combat System Engineering Development Site (CSEDS)

The conferees recognize the advantages that can be realized from a land based test facility for the Aegis system. Such a system is invaluable to the conduct of systems studies, system checkout, and greatly facilitates the support of a weapon system from the manufacturer's plant to the shipboard platform.

The House conferees expressed concern over the Navy's lack of definition of a government facility for the CSEDS. The House rationale for support of a government facility is based on the need to conduct life cycle maintenance throughout the fleet operational lifetime of the Aegis.

The conferees support the House position that precludes the expenditure of any funds for CSEDS until the Navy completes a trade-off study that addresses the location of the facility, the cost considerations over the near- and long-term, and advises both Committees on Armed Services of the results and considerations.

Close Air Support Weapon System (CASWS)

The House bill deleted $21.52 million from the $31.52 million requested by the Air Force for fiscal year 1976 and $13.0 million from the $16.8 million requested for fiscal year 197T. The Senate amendment authorized the full amount.

The Senate Conferees agreed with the House position to preclude the engineering development of the imaging infrared seeker until the Air Force can adequately analyse the cost of both the missile and the ancillary equipment required to support the acquisition and cueing requirements. The Conferees authorized $4.4 million which the Air Force requested for the advanced development of the imagining infrared seeker during Fiscal Year 1976/7T. Funding for engineering development of this seeker was denied and will not be approved until the Air Force presents to the Committee on Armed Services of the Senate and House of Representatives a plan that delineates the total system cost relative to the increased capability provided by such a seeker.

The House Conferees agreed to a funding level of $24.0 million for fiscal year 1976 and $6.7 million for fiscal year 197T. The restoration of these funds, however, is predicated upon full Air Force support of the laser semi-active seeker development program.

Fire Control Systems (Engineering)

The House bill resulted in a reduction of $2.0 million from the $14.197 million requested by the Navy for fiscal year 1976. The House bill authorized the Navy's request of $1.570 million for fiscal year 197T while the Senate amendment authorized the entire request for fiscal years 1976 and 197T.

The House action was directed toward the MK–92 gun fire control system since the planned effort for fiscal year 1976 as described by the Navy was not commensurate with the requested funding level.

The Senate conferees concurred with the House position and recognized the Navy's need for funds for naval gunnery. Consequently, the conferees agreed that $2.0 million be restored only *for application to the development of the much needed extended range 8-inch guided projectile.*

Fleet Ballistic Missile System

The House bill decreased the Navy's request of $65.782 million by $20.0 million for fiscal year 1976 and reduced the $21.273 million request for fiscal year 197T by $6.5 million. The Senate amendment authorized the full amounts requested.

The rationale for the House action was based on the Navy's proposed costly approach to better defining the component contributions to the total system error budget for the Poseidon and Trident missile systems. The House recommended that the Navy examine the missile performance measuring system technique employed by the Air Force to delineate the in-flight error components.

The Navy is not to proceed with the proposed satellite approach until they provide a clear, definitive plan that establishes the need for this costly approach.

The conferees, in light of the required study effort, agreed to restore $7.5 million for fiscal year 1976 and $2.0 million for fiscal year 197T.

Laboratory Fleet Support—R.D.T. & E. Ship and Aircraft Support

The House bill provided full funding of the Navy's request for both programs. The Senate amendment deleted the $3.0 million and $1.0 million requested for Laboratory Fleet Support for fiscal years 1976 and 197T respectively.

The Senate amendment reduced the Navy's request for RDT&E Ship and Aircraft Support of $47.029 million for fiscal year 1976 by $2.0 million and the request of $12.988 million for fiscal year 197T by $1.0 million.

The Senate rationale for deleting all funds for Laboratory Fleet Support was that there is no justification for this new program since the fleet could receive laboratory support under other programs.

The House conferees concur with the Senate position that would preclude a separate funding element for laboratory support of the fleet. The House conferees contend, however, that funds should be available to enable the laboratories to respond to urgent, dynamic problems.

The conferees agreed, therefore, to restore $2.0 million and $1.0 million for fiscal years 1976 and 197T respectively to the RDT&E Ship and Aircraft Support element to accomplish this purpose.

Other Marine Corps Development (Engineering)

The House bill resulted in a reduction of $2.505 million from the $5.390 million requested by the Marine Corps for fiscal year 1976 and a reduction of $1.002 million from $2.081 million requested for fiscal year 197T. The Senate amendment authorized the full request.

The House reductions were intended to terminate the Positioning Location Reporting System (PLRS) project. The conferees believe that while this program has not demonstrated significant progress, it is nearing a major test milestone during fiscal year 1976. Therefore, the House conferees recede to the Senate position and agree to allow the program to continue through its initial test phase.

The conferees expect, however, that the Marine Corps will demonstrate the ability of the system to operate in an electronic countermeasure environment, demonstrate the over-all accuracy of the system and describe the total system concept that delineates the planned use of PLRS in support of the fiscal year 1977 request for authorization.

Ship Development (Advanced)

The House bill authorized $20.0 million of the $27.8 million requested for fiscal year 1976 and $8.0 million of the $10.8 million requested for 197T. The Senate provide $42,000 less than the House for fiscal year 1976 and $6.2 million for 197T.

The House and Senate amounts are essentially the same for fiscal year 1976, and the House recedes. The conferees agreed to an amount of $7.0 million for 197T. The Navy may apply the respective amounts authorized to the various programs proposed within each period consistent with program priorities.

Ship Development (Engineering)

The House bill authorized the full amounts requested for fiscal year 1976 and 197T. The Senate amendment provided $8.9 million of the $32.7 million requested for fiscal year 1976 and $3.1 million of the $9.8 million requested for 197T.

The Senate action primarily reflected a reduction of $21.7 million in fiscal year 1976 and $5.5 million in 197T for engineering development of the nuclear strike cruiser because the program lacked Secretary of Defense approval and because the program had not been reviewed by the Congress. Congress has received a formal budget amendment requesting $60.0 million in fiscal year 1976 for initial long lead items for a nuclear strike cruiser. The Senate recedes and agrees to restore the engineering development funds.

Surface Launched Modular Guided Glide Bomb Technology

The House bill increased the Navy's request of $500,000 to $4.0 million for fiscal year 1976 and the request of $200,000 to $1.7 million for fiscal year 197T. The Senate amendment authorized the full request for fiscal years 1976 and 197T.

The conferees recognize the present deficiencies in the surface fleet's shore bombardment mission. A review of the Navy's experience in Southeast Asia demonstrated the need for a weapon such as the SMARTROC. This weapon consists of a basic laser guided MK-82 bomb adapted to and powered by the MK-37 antisubmarine rocket booster SMARTROC feasibility was demonstrated in 1973.

The conferees recognize that the effective range of this weapon can be doubled and that the unit cost should be under $10,000. Further, the extended range weapon would provide a surface-to-surface as well as shore bombardment capability. The conferees understand that a total authorization of $5.7 million during a fifteen month period will permit the orderly development of the extended range weapon.

The conferees advocate the use and integration of existing off-the-shelf technology to provide low cost effective weapon systems and the Navy will use the additional funds to initiate this development during fiscal year 1976. The conferees agreed that the funds authorized for this program may not be used for any other purpose. The Senate recedes.

Surface Naval Gunnery

Last year the conferees added restrictive language to the Authorization Act (PL 93-365) to prevent funds authorized for naval gunnery from being reprogrammed to other accounts.

The conferees still remain concerned over the status of the surface fleet's gun systems and expressed dissatisfaction over the Navy's failure to carry out the guidance provided last year. The Navy was encouraged, for example, to develop the extended range 8-inch guided projectile but chose to reprogram the funds for this project to other elements.

On a comparative basis, the funds requested by the Navy this year for surface naval gunnery are over ten percent less than those requested for fiscal year 1975. The Navy should reassess its gun programs and initiate developments that will provide a significant increase in the effectiveness of naval gunnery. This will be a major consideration in the review of the fiscal year 1977 request for authorization in the area of both missiles and gun systems.

Again, the conferees request the Navy to take a more systems orientated approach toward enhancing the effectiveness of the surface fleet. *The conferees expect that the funds requested for naval gunnery will be used for that purpose*. The programs include:

Long Range Surface Weapon System (5-inch and 8-inch guided projectiles);

Surface Launched Munitions;

Fire Control Systems (Advanced);

Gun Systems, including the Lightweight Modular Gun System; and

Fire Control Systems (Engineering), including the MK-68, the MK-86 and the 8-inch Major Caliber Lightweight Gun.

Trident Missile System

The House bill resulted in a reduction of $45.0 million from the Navy's request of $735.5 million for fiscal year 1976 and $10.0 million from the $172.510 million requested for fiscal year 197T. The reduction was intended to terminate all effort on the MaRV Evader prototype program. The Senate amendment authorized full funding for the MaRV effort but deleted $3.0 million for the Trident II missile in fiscal year 1976.

The conferees were advised that the Evader prototype program could be completed by the end of fiscal year 197T. In view of the high termination costs for this program, coupled with the fact that it could be completed in a relatively short timeframe, the conferees agreed to restore $35.0 million in fiscal year 1976 and $3.0 million in 197T to continue and conclude this program. The House receded on the Trident II missile funding.

The Evader prototype is not a high accuracy MaRV. The Senate amendment offered in its general provisions, Title VIII, language that would preclude testing of both type MaRVs. The Senate receded on this amendment which is described in the general provisions section of this report.

Advanced ICBM Technology

The House bill authorized the full amounts of $41.2 million and $15.3 million requested for fiscal year 1976 and 197T respectively. The Senate amendment provided $40.1 million and $14.3 million for these two periods. The Senate reductions reflected the determination that studies will not be conducted for a new fixed base ICBM because of its questionable survivability. The House recedes.

Advanced Fighter Protective Systems

The House bill deleted $2.8 million from the $18.8 million requested for fiscal year 1976 and $1.6 million from the $3.6 million requested for fiscal year 197T. The Senate amendment authorized the full amounts requested.

The House's concerns centered on the Air Force's request which amounted to a 20 percent increase over the fiscal year 1975 funds, without a commensurate increase in the amount of work planned for the coming period.

In the Department of Defense reclama additional funds were requested for work not fully described earlier by the Air Force. Therefore, the Conferees agreed to increase the funding for this program and authorize $17.4 million for fiscal year 1976 and $2.8 million for fiscal year 197T.

B-1

The House bill authorized the entire amount of $672.2 million and $168.3 million requested by the Air Force for the B-1 research and development program for fiscal years 1976 and 197T respectively. The House bill also authorized the full requests for $77.0 million and $31.0 million for the procurement of long-lead items for these periods. The Senate amendment reduced the R&D program by $75.0 million and $39.3 million for fiscal years 1976 and 197T respectively. The Senate amendment also deleted the entire amount requested for procurement.

The following table summarizes the action of the conferees:

[Dollars in millions]

	Fiscal year 1976	Fiscal year 197T
R. & D.:		
DOD request	$672.2	$168.3
Conference	642.0	158.0
Procurement:		
DOD request	77.0	31.0
Conference	64.0	23.0

The conferees emphasized that the authorization of long-lead funding in no way commits nor obligates the United States Government to place the B-1 aircraft in production. Indeed, the conferees agreed to prohibit the Defense Department, as a matter of law, from entering into any production contract or any other contractual agreement for the production of the B-1 bomber aircraft unless subsequently authorized by law. This prohibition, however, is not meant to apply to the acquisition of the long-lead items for the first three follow-on air vehicles.

The authorization of long-lead items is completely independent of the production decision. Authorization for the long-lead items for the B-1 was strongly supported by the House conferees who believe that future production cost savings will be realized which would otherwise be precluded in the event that actual production of the B-1 is subsequently authorized. The Senate conferees did not necessarily agree with the estimated magnitude of the savings.

The research and development funds authorized provide for fabrication of a fourth prototype aircraft.

B-52 Squadrons

The House bill deleted the entire Air Force request of $10.329 million and $7.329 million for fiscal years 1976 and 197T respectively. The Senate amendment reduced the request by $3.0 million and $4.3 million for fiscal years 1976 and 197T respectively.

The purpose of this program is to integrate the Harpoon missile on the Air Force B-52 strategic bomber. The House reduction was based on Navy testimony indicating that augmentation of the fleet with this capability was not essential. In addition, the House was not convinced that Harpoon is the optimum choice since its guidance system limits its applications. The Senate conferees concur with the House position and agreed to defer this program until the above concerns are adequately addressed by the Air Force and Navy.

The Services will prepare a joint study that indicates the need for fleet augmentation, the tradeoffs concerning the various choices of available missiles and the potential savings that could be realized with this capability.

The conferees agreed to restore $5.0 million for fiscal year 1976 for the purpose of the study and the B-52 simulator effort that was a part of this program element. The funds are not to be used for any Harpoon/B-52 integration or development effort.

Technical Support to OSD/JCS

The House bill authorized $5.7 million of the $22.8 million requested by the Department of Defense for fiscal year 1976 and $1.425 million of the $5.7 million requested for fiscal year 197T. The Senate amendment authorized $19.8 million for fiscal year 1976 and $5.0 million for fiscal year 197T.

The rationale for the substantial reduction in the House bill was based on the extremely poor testimony presented in support of this entire program. The primary concern related to the utility of the studies conducted, especially in the House of International Security Affairs, Manpower, and Net Technical Assessment. The House Committee had every reason to believe that a number of these studies are also being conducted elsewhere in the Defense establishment.

The House Conferees very reluctantly receded and agreed to restore $11.8 million and $2.825 for fiscal year 1976 and 197T respectively, on the basis of a stated requirement for these funds by the Secretary of Defense during the deliberations of the Conference

Committee. The House conferees, however, are still concerned over the utility and effectiveness of these studies. A report will be provided to the Committees on Armed Services of the House and Senate that covers the fiscal year 1975 period and includes the following information: the title of the study; the principal investigators; the cost of the study; the number of man-years expended; the purpose of the study; a brief summary of what the study encompasses; the utility of the study; and a brief statement of impact, if any, that the study has on on-going programs and/or the defense posture. This report is to be submitted prior to submission of the fiscal year 1977 authorization request.

In-House Laboratories

The Director of Defense Research and Engineering indicated before both Committees on Armed Services his intention to effect a drawdown of some 6,000 civilian employees from the Defense Research and Development organization. The House, in its report number 94–199, directed that any proposed drawdown be deferred until the Committee had an opportunity to conduct hearings to assess the near and long-term effects of such action. The Senate, in its report number 94–146, expressed concurrence with the proposed drawdown.

The Department of Defense reclama requested that the House recede in its position during the deliberations of the Conference Committee.

Subsequently, staff members of the House and Senate Armed Services Committees met with representatives of the Office of the Director of Defense Research and Engineering and determined that the proposed drawdown of the planned magnitude over a one or two year period, under established procedures, could disrupt and demoralize the laboratories and reduce them in size without renewing and strengthening their staffs.

The Conferees understand that the military departments and many, if not all, of the laboratories concur in the need for a properly structured reduction in manpower and that this would result in improved efficiency and effectiveness. The difference of opinion relates to the schedule for implementation of the reduction coupled with a hiring policy that would preclude renewing and strengthening of the staffs. The concern of the conferees is based on the potential loss of vitally important manpower and capabilities that currently exists in the in-house laboratory system. The Conferees would agree that the Department of Defense should proceed with a drawdown provided that it is phased over a longer period of time than two years and permits concurrent staff renewal to ensure the retention of needed in-house capability in the various areas of the research and development organization.

The Conferees, however, direct that prior to the implementation of any drawdown, the Director of Defense Research and Engineering presents to both Committees on Armed Services a plan for the service laboratory drawdowns consistent with this guidance to ensure the vitality and integrity of the in-house laboratory system. In the interim, the House Conferees agreed to defer further inquiry pending a review of the Director of Defense Research and Engineering plan.

TITLE III AND VII—ACTIVE FORCES

Title III and VII of the bill contain the authorization for the end strength of the active duty component of the armed forces for FY 1976 and the transition period.

For both FY 1976 and the transition period, the House bill authorized the strengths requested by the military departments.

The Senate amendment had reduced the total authorization by 18,300 personnel in the following manner:

For fiscal 1976:	
Army	779, 300
Navy	524, 100
Marine Corps	195, 900
Air Force	582, 400
For fiscal year 197T:	
Army	787, 300
Navy	531, 300
Marine Corps	196, 100
Air Force	582, 400

The Senate contended that its reductions could be implemented without affecting combat capabilities. The House asserted that in light of the evidence that the management of defense manpower is showing real progress, reductions at this time would frustrate such efforts.

After extensive discussions, the conferees agreed on a compromise total reduction of 9,000 in active forces to be allocated by the Secretary of Defense as he deems appropriate. The conferees suggest that these reductions be made in the general areas recommended in the Senate committee report.

The conferees request that the Secretary of Defense report to the House and Senate Armed Services Committees within 60 days on the allocation of the reduction to the military services, and functional areas therein.

TITLE IV AND VII—RESERVE FORCES

Titles IV and VII of the bill contain the annual authorization for the strength of the selected Reserve of each Reserve component of the Armed Forces for fiscal year 1976 and the transition period.

The House and Senate positions differed on the strengths for the Army Reserve and the Navy Reserve. There were no differences in the authorizations for any other Reserve components.

For the Army Reserve, the Senate had authorized 212,400 for both fiscal year 1976 and the transition period; while the House authorized 226,000 for each of the periods.

The conferees agreed on 219,000.

For the Naval Reserve, the Senate authorized 92,000 for fiscal year 1976 and the transition period; while the House authorized 112,000 for each of these periods.

The conferees agreed on 106,000.

The House yielded reluctantly in the case of the Naval Reserve. It was agreed by the conferees that the 106,000 strength does not require reductions in the current strength of Reserve Naval Construction Battalions (SeaBee units).

The Senate and House also differed on the method of authorizing Reserve strength. The Senate conferees defended their authorization of Reserve strengths in terms of end strength and a minimum average strength, and stated this would provide a firm mission planning basis for the Selected Reserve components. House conferees, however, were adamant that the previous average strength method of authorization be continued as provided in the House bill.

The Senate reluctantly recedes.

TITLES V AND VII—CIVILIAN PERSONNEL

The Senate Armed Services Committee approved civilian personnel end strengths by services and the Defense agencies as follows:

Fiscal year 1976:	
Army	329, 000
Navy	310, 300
Air Force	251, 300
Defense agencies	71, 400
Fiscal year 197T:	
Army	332, 700
Navy	311, 100
Air Force	253, 200
Defense agencies	71, 400

The total of these authorizations represents a 23,000 reduction from the strengths requested by the Department of Defense. The Senate as a whole imposed a further reduction of 17,000 to be allocated by the Secretary of Defense.

The House authorized a single Department of Defense-wide authorization for civilian personnel for each period. The House bill also excluded from this authorized end strength the civilian personnel engaged in industrially-funded activities of the Department of Defense. The end strengths authorized by the House were the strengths requested by the Department of Defense for each period less the employees of industrially-funded activities (985,000 minus 286,662 for FY 1976; 991,441 minus 285,128 for FY 197T).

The House bill provided for a separate authorization of 96,000 for indirect hire foreign national civilian employees in both fiscal year 1976 and the transition period.

The conference agreed to provide for an overall Department of Defense-wide authorization for civilian personnel with the Secretary of Defense given the authority to allocate the personnel to the military departments and Defense agencies as he deems appropriate.

The conference agreed to a total reduction of 23,000, for fiscal year 1976 and the transition period, from the number requested by the Department of Defense. The conferees suggest that these reductions be made in the general areas recommended in the Senate committee report.

After extensive discussion, the House reluctantly recedes on the exclusion for civilian employees of industrially funded activities.

The conferees expressed the belief that the Armed Services and Appropriations Committees of the House and Senate should jointly study the manner of authorizing and appropriating for industrially-funded civilians, with a recommendation to be ready for Congressional action next year.

The conferees are cognizant of and emphasized the fact that no industrially-funded civilians were included in the reductions made in the areas specified in the Senate committee report.

The House recedes on the provision which would have changed permanent authorizing legislation regarding the authorization of civilian personnel on a Department of Defense-wide basis as its intent is met otherwise.

The Senate recedes as to the exclusion of indirect hire employees from the civilian personnel authorization; however, the conferees agreed to include their number within the overall civilian end strength. Since the indirect hire employees are included in the overall authorization and thus within the one-half percent escalatory authority of the Secretary of Defense, the House intent in providing flexibility is met.

The conferees request that the Secretary of Defense report to the House and Senate Armed Services Committees within 60 days on the allocation of the reduction to the military services, and functional areas therein.

TITLE VI AND VII—MILITARY TRAINING STUDENT LOADS

Both the Senate and House authorized the Military Training Student Loads as requested by the Department of Defense and the numbers, therefore, were not subject to conference.

The Senate amendment to the bill however, incorporated a provision which would require the Secretary of Defense to adjust the Military Training Student Loads consistent with the manpower strengths in Titles III, IV, V, and VII.

TITLE VII

The discussion of issues relating to the transition period can be found within prior discussions of the specific subject matters in earlier titles.

TITLE VIII—GENERAL PROVISION

Authorization of repair, maintenance and overhaul of naval vessels and certain element of military construction

The House bill contained a provision, section 701(a)(1)(b), amending section 138 of title 10 United States Code so as to subject appropriations for repair, maintenance and overhaul of naval vessels to the annual authorization process. The Senate bill contained no such language.

The Senate Conferees objected to this provision because they questioned the need for the additional oversight requirement and the resulting new workload placed upon the Department and the legislative Committees.

Section 701 of the House bill also contained a provision which adds a new paragraph (a) (6) on military construction, as defined in new subsection (e) to section 138 of title 10, United States Code, which precludes the provision of funds for any fiscal year for military construction unless funds therefor have been specifically authorized by law. Subsection (e) defines the term "military construction" to include any construction, development, conversion, or extension of any kind which is carried out with respect to any military facility or installation (including any Government-owned or Government-leased industrial facility used for the production of defense articles and any facility to which section 2353 of this title applies) but excludes any activity to which section 2673 or 2674, or chapter 133 of this title apply, or to which section 406(a) of Public Law 85-241 (71 Stat. 556) applies.

The conferees agree that there is a need for the DoD to maintain single management control of construction authorized with the procurement and RDT&E accounts. There is also a need for the Congress to have full visibility of all construction projects regardless of the method of funding. As currently practiced, military construction associated with either RDT&E or production of weapons systems is authorized along with those weapons systems. Therefore, it is pointed out that this addition to section 138 of title 10, United States Code, is not intended to incorporate an additional review of construction associated with weapons systems, which will continue to be reviewed and authorized along with the weapons systems themselves. However, all other military construction as indicated above not associated with RDT&E or production of weapons systems must be authorized in an annual military construction authorization bill.

The Senate recedes with an amendment striking the language referring to the authorization of repair, maintenance and overhaul of naval vessels.

Four months training

The House bill included language intended to alter certain requirements in the law which govern the amount of training necessary before an active duty serviceman can be assigned overseas, and governing the period of initial active duty for training for reservists. The Senate version of the bill had no such language.

The House position was motivated by evidence that substantial periods of time are being used inefficiently due to the current mandated periods for training which do not, in many cases, correspond to the actual time necessary for training servicemen in many skills.

The Senate conferees concern was to insure that adequate safeguards against the use of insufficiently trained personnel remained in the law.

The conferees agreed on new language which alters the current statutory time period of "four months", at various points in the law, to a period of twelve weeks so as to avoid these inefficiencies, yet continue the statutory safeguard. This language, with its constraints, should be uniformly interpreted within the Department of Defense.

Admission of women to the service academies

Both the House and the Senate have voted unequivocally to admit women to the Nation's three military service academies. Both House and Senate have also supported the principle that admission, training, graduation and commissioning of students should be essentially equal.

The conferees believe that this mandate can and should be carried out promptly, with a minimum of changes or adjustments in curriculum or facilities and with first admissions to begin with the class entering in calendar year 1976. However, no changes should be made that would lead to separate training systems for men and women in the academies.

In implementing the admission of women to the academies, the conferees believe that the Secretary of Defense should be provided the discretion to phase in such changes or adjustments as may be necessary using as a guide the experience gained in the introduction of women into officer training in the various services' ROTC programs, Officer Candidate Schools and the U.S. Merchant Marine Academy.

Section 707: Contracting authority for naval vessels

Section 707 of the House bill contained language which would authorize contracts for the construction, conversion, overhaul and repair of naval vessels, not in excess of unobligated balances. The Senate Amendments did not contain similar language.

The House Conferees urged that this provision was desirable in order to remove any doubt concerning the legal authority of the Department of Defense to enter into contracts where funds were appropriated in an amount sufficient for the target contract price, but where the Congress had not appropriated funds for contract escalation payments which might occur in the future due to economic inflation.

The House reluctantly recedes.

Emergency and extraordinary expenses

Included as Section 907 of the Senate bill was a provision, recommended by the Department of Defense, to specifically authorize for appropriations to the individual Service Secretaries, such funds as would be necessary for emergency and extraordinary purposes.

The House had not included a similar provision, since it was of the view that such new statutory language was unnecessary.

After considerable discussion, the conferees agreed to the Senate provision with some minor modifications.

The House recedes with an amendment.

Authority to settle shipbuilder claims subject to appropriations

The House bill contained a provision, section 708, authorizing the Secretary of the Navy to settle claims arising out of ship construction and conversion contracts, entered into prior to July 1, 1974, notwithstanding the availability of appropriations for that purpose, subject to appropriations subsequently authorized and appropriated by Congress. The Senate bill contained no such language.

The Senate recedes.

Compliance with Congressional Budget Act

The House bill contained a provision, Section 709, which would bring any new spending authority, as defined by the Congressional Budget Act of 1974, involved in the House Sections 707 and 708 into compliance with Section 401 of the Congressional Budget Act of 1974. The Senate bill contained no such language.

House Section 707 was dropped and House Section 707 was modified to include requirements of House Section 709. Consequently, the House receded.

Five-year naval shipbuilding program

Section 710 of the House bill contained language directing the Secretary of Defense to submit a five-year naval ship new construction and conversion program for each fiscal year. The Senate bill contained no similar language.

This provision was fully supported by the Department of Defense.

Extensive hearings in the House during 1974 and again this year clearly showed the need for a longer range shipbuilding plan in order to eliminate some of the upheavals and uncertainties in the shipbuilding industry which have contributed to increased costs.

The Senate Conferees expressed concern that this provision would affect the annual authorization process. The Conferees agreed to make a technical amendment to this section and the language of this section does not, in any way, change existing law with respect to the annual authorization of the construction and conversion of naval vessels.

The Senate recedes with an amendment.

Restriction on multi-year contracts

The House bill contained language which prohibits multi-year contracts with cancellation ceilings in excess of $5 million, unless such contracts are approved in advance by the Congress. The Senate bill had no similar language.

The Senate recedes.

Requirement to procure technical data packages

The House bill contained a provision, Section 712, to require the Department of Defense to purchase all designs and data required to manufacture major weapon systems which cost $100 million or more to develop and/or procure, subject to waiver with approval of both the House and Senate Armed Services Committees. The purpose of the House provision is to standardize DoD contractual relations which have been different of each of the three military services.

The Senate conferees consider that there is merit to the proposed language but, because it is a highly complicated matter with profound implications involving both the Department of Defense and industry, there should be a period of time to enable the Department to conduct a complete study and report to the Congress on findings and appropriate recommendations for statutory language if warranted.

The conferee's prime concern is the ever increasing cost of weapons systems which necessitates the Services having the greatest flexibility in procuring these systems. The conferees believe that it is more cost effective for the Services to have complete detailed design and manufacturing data in so far as weapons can be procured, when economical from multiple sources. Further, the conferees believe that it is imperative that the Department of Defense retain greater flexibility in having the information required to independently modify and maintain their weapons systems.

The House conferees agreed to delete Section 712 of the House bill. The conferees direct the Department of Defense, with GAO participation, to conduct a study on this subject to determine what policies and procedures should be established throughout the Department which can be implemented uniformly by the various military departments and Defense Agencies.

The results of this study, including proposed policies and procedures, will be submitted to the Congress in conjunction with submission of the fiscal year 1977 authorization request.

The Department of Defense will submit a report for fiscal year 1976 to the Congress covering all contracts awarded for development of weapon systems having a total value of $100 million or more, and indicating what provision was included for procurement of manufacturing data. Included in the report will be a complete discussion of the provisions included in the contracts which were used to ensure that the data obtained could be used by independent manufacturers for the production of the weapon systems. If the provisions used did not ensure that complete and useful data would be provided, then suggested provisions which would require that such data be supplied are to be included in the report.

Requirements for Notification of Transfers of Funds From RDT&E Accounts

The House bill contained a provision, Section 713, which required prior approval by the House and Senate Armed Services Committees of any transfer to other accounts of funds authorized for appropriations for Research, Development, Test and Evaluation.

The Senate conferees did not object to the purpose of the House language but questioned the need for statutory language. It also would severely restrict the limited management flexibility that the Department of Defense has in dealing with funding problems, particularly in view of the reluctance of the Congress to consider requests for supplemental appropriations.

The House conferees recede and agree to delete the statutory language recognizing that adequate controls by the Congress may be exercised through established reprograming procedures.

The conferees agree that the policy is hereby established whereby the transfer of any funds from the Department of Defense appropriations for Research, Development, Test and Evaluation, to other appropriations of the Department of Defense requires prior approval of the Armed Services Committees of the Congress in accordance with established reprograming procedures.

The Department of Defense will comply with this policy and will implement its provisions beginning with fiscal year 1976.

5-percent pay cap

The House bill contained a provision (section 714) providing for a 5-percent cap on military active-duty pay increases throughout FY 76 subject to a similar cap being placed on civil service classified pay increases and providing that no change is made in the surcharge of military commissaries during the period the cap is enforced. The Senate amendment contained no such provision.

The Senate conferees convinced the House conferees that the inclusion of military commissaries in the language was not appropriate to the provision of a 5-percent cap; and, therefore, the Senate receded with an amendment deleting all reference to the surcharge in military commissaries. It should be understood that the language of the section will provide for a 5-percent cap on military active-duty pay only if a similar cap is placed on classified civil service pay.

Submission of selected acquisition reports to Congress

The House bill contained a provision which would require the Secretary of Defense to submit to Congress within thirty days after the end of each quarter, beginning with the quarter ending December 31, 1975, all selected acquisition reports on major defense systems which are estimated to require a total cumulative financing for research, development, test, and evaluation in excess of $50,000,000 or a cumulative production investment in excess of $200,000,000. The Senate amendment contained no similar provision.

The Senate conferees concurred in the need for timely submission of these reports to Congress; however, the conferees being advised by the Department of Defense that final reports might not in all cases be finalized for submission to Congress within thirty days after the end of a quarter agreed to extend the period for submission of final reports to forty-five days. The conferees did insist, though, that selected acquisition reports covering the previous quarter be submitted to Congress within thirty days after the end of the quarter and strongly urge that they be the final approved reports. All reports whether final or not are to contain all information required in final selected acquisition reports.

Military force structure and foreign policy report

The Senate bill included in section 914 a provision adopted as a Floor amendment which required an annual report to the Congress explaining the relationship of our military force structure to our foreign policy for the forthcoming fiscal year.

The House bill contained no similar provision.

The House conferees were of the view that this proposed annual report was unnecessary and redundant. However, the Senate conferees were adamant in their position that an annual report of this kind was necessary to provide the Congress a better comprehension of the actual need for our military force structure required to support our current and projected foreign policy.

The House conferees reluctantly recede with an amendment.

Petroleum supply discrimination: Remedy for Department of Defense

Title VIII of the Senate amendments contained language prohibiting "discrimination" by United States citizens, by firms or organizations controlled by United States citizens, or by corporations organized or operating within the United States, in the supply of petroleum products for the use of United States armed forces. This title would prohibit such firms from refusing to supply petroleum products to the armed forces of the United States at fair and reasonable prices which do not exceed prices charged other foreign or domestic customers in similar commercial circumstances. The title also provides for injunctive relief and for criminal penalties.

The language of this title was prompted by concern of the Senate over the failure of some oversea suppliers to provide petroleum products to our armed forces during the Arab embargo. A related concern was the allegation that some U.S. petroleum companies have explicitly or implicity threatened to reduce or eliminate supplies of petroleum products to the Department of Defense overseas unless the Department of Defense agreed to contract terms which met the particular views of the company concerned, terms however, that were incompatible with laws or regulations governing Defense contracts. Although no supply failure has been experienced because of such disagreements, unnecessary delays in reaching agreement on contract terms did threaten timely supply support.

The Senate provisions, as approved by the Senate were designed to overcome these problems.

The House Conferees objected to this provision since it appeared to be non-germane to the subject of the House bill, was vague in its terms and, as drafted, was objectionable on Constitutional grounds.

As a result of the House Conferee's objections, Senate Title VIII was redrafted to provide a more concise procedure for obtaining records and furnishing records and information, protecting the Constitutional rights of individuals and for safeguarding confidential information. The responsibility for conducting investigations of discrimination (as defined by this provision) is shifted from the Secretary of Defense to the Attorney General of the United States. In addition the amended provision contains a more concise definition of "discrimination", adds a new definition of the term "supplier", and provides that this provision will expire two years after enactment.

The House therefore recedes and agrees to the Senate amendment, with an amendment.

Sale or transfer of Defense articles from the U.S. Active Forces inventory

The Senate amendment provided that in the case of any letter of offer to sell or any proposal to transfer defense articles from U.S. active forces' inventory in the amount of $25,000,000 or more, the Secretary of Defense shall submit a report to the Congress setting forth the impact of the transaction on the U.S. readiness posture and the adequacy of reimbursement to cover the full replacement cost of said items.

The House bill included a provision which was similar to the language of the Senate amendment, but not as broad in scope. The conferees agreed on a modification of the language of the Senate provision which satisfied the purposes of both Houses.

Accordingly, the House recedes with an amendment.

Readiness report

The Senate amendment contained a provision requiring an annual report detailing U.S. readiness in an additional, separate format. The House bill has no similar language.

The Senate recedes.

Binary chemical munitions

The House bill authorized the entire amount of $5.167 million requested by the Army for fiscal year 1976 and $2.578 million requested for fiscal year 197T for the continued research, development, test, and evaluation of binary chemical munitions. The House bill also authorized the Navy's request of $1.599 million and $348 thousand for fiscal year 1976 and 197T for the "Big Eye" bomb program. The Senate amendment deleted the entire Army and Navy requests for fiscal years 1976 and 197T and further adopted statutory language to prohibit the research, development, test, and evaluation, preproduction and production of lethal binary chemical munitions until the President certifies to the Congress that it is essential to the national interest.

The House conferees could not concur with the Senate amendment in consideration of the expanding effort of the Soviets to advance virtually every aspect of offensive chemical warfare technology.

The Senate receded to the House position to restore all RDT&E funds.

In light of the current negotiations concerning the ban of chemical munitions, the House conferees agreed to accept the Senate position and provide statutory language prohibiting the production of lethal binary chemical munitions unless the President certifies to the House and Senate that it is in the national interest to do so.

All of the conferees expressed serious concern over the inadequacy of our chemical warfare defensive programs. The conferees believe that the Department of Defense is not putting forth an acceptable level of effort in this area and strongly urges the Department to advance our military posture in this area.

NATO standardization

The Senate amendment contained language intended to provide impetus for further standardization of military equipment in NATO by declaring it to be United States policy that equipment procured for U.S. forces stationed in Europe be standardized or at least interoperable with the equipment to our NATO allies. The Secretary of Defense was also directed to implement procurement policies to this effect, and report to the Congress whenever this policy could not be complied with.

The House conferees, although in agreement with the goal of standardization particularly in the area of communication and other similarly suitable equipment, expressed grave concerns that the import of this language as presently constituted could be misconstrued and possibly used to our disadvantage.

After lengthy discussion of this matter, the House recedes with amendments. The section in the Senate amendment concerning the "Buy America" Act and its relationship to the Secretary of Defense's authority to procure articles manufactured outside the

United States was deleted and the reporting requirement was modified. The Senate conferees strongly believe that whenever the Secretary of Defense determines that it is necessary, in order to carry out the policy expressed in this section, to procure equipment manufactured outside the United States, he is authorized to determine, for the purposes of section 2 of title III of the Act of March 3, 1933 (47 Stat. 1520; 41 U.S.C. 10a), that the acquisition of such equipment manufactured in the United States is inconsistent with the public interest.

The conferees stressed that while the reporting requirement only covers non-compliance on major systems, the amendment also urges standardization of procedures, logistics and support equipment.

Suggestions from retiring personnel

The Senate amendment contained a provision (section 906) which would direct the Secretary of Defense to request suggestions for improvements in procurement of policies from retiring military officers and civilian personnel of a grade GS–13 or above who are employed in military procurement. The House bill contained no such provision.

The Senate recedes.

Study of training establishment

The Senate amendment contained a provision, Section 911, which expressed the sense of Congress that training programs in the Department of Defense should be restructured so as to increase the ratio of students to staff. This provision also mandated a study of the training establishment intended to result in a student to staff and overhead ratio of three to one. This study was to contain a detailed plan for achieving this three to one ratio with the conversion of these excess training authorizations into combat units. The House bill contained no comparable provision, however a study of the composition of the training establishment was directed in its report.

The conferees agree that a comprehensive study of the entire training establishment is necessary. It is apparent that substantial and valid concerns exist within both bodies as to the current structure of the training establishment with its consequent costs. Therefore, it was agreed that while the bill itself should not contain this requirement, a study of this nature should be expeditiously initiated by the Department of Defense. This study, in addition to examining the underlying policy and basic validity of the current training structure, its qualities unique from a civilian education institution, and the possibility of duplication therein, should carefully delineate the character of personnel currently assigned in the area of training, by function, using the manpower categories contained in the Manpower Requirements Report. Further, the study should examine in some depth the appropriate character which the training establishment would assume when structured for a substantially higher proportion of students to staff and overhead personnel than is currently existent.

The results of this study should be submitted to the Congress as an independent segment of the annual report recommending average student loads required by section 604 of Public Law 92–436.

The Senate recedes.

Enlisted aides

Section 912 of the Senate amendment contained a provision specifying that enlisted aides could only be assigned to four and three star general and flag officers of the armed forces in the following allocation: three aides for the Chairman of the Joint Chiefs of Staff, the Chiefs of Staff of the Armed Forces, and the Commandant of the Marine Corps; two for other officers in the rank of general or admiral; and one for officers in the rank of lieutenant general or vice admiral. This would result in a total of approximately 204 aides compared to the current number of 500.

The House bill contains no such provision.

The conferees agreed that a provision in the law controlling the number of enlisted personnel assigned to officers staffs as aides was appropriate. However, the conferees consider the assignment of these aides should be based not on the rank of the particular officer, but rather on the officer's position and its incumbent responsibilities. While the number of aides is to be determined by a formula based upon the total number of four star officers (four for each), and three star officers (two for each), the Secretary of Defense is given the authority to allocate these aides as he deems appropriate. The assigned duties of the officers should be the controlling factor.

This formula for determining the number of aides will result in 396 aides for fiscal year 1976. Generals of the Army and admirals of the Fleet are not considered in this formula; however, this omission is not intended to alter the current practice of assigning aides to these officers.

Extension of authority for credit sales to Israel

The bill, as passed by the Senate, included a floor amendment which would extend to December 31, 1977, the provisions of the Defense Procurement Act of 1970 (84 Stat. 909 (authorizing the President "to transfer to Israel by sale, credit sale, or guaranty, such aircraft, and equipment appropriate to use, maintain, and protect such aircraft, as may be necessary to counteract any past, present, or future increased military assistance provided to other countries of the Middle East. Any such sale, credit sale, or guaranty shall be made on terms and conditions not less favorable than those extended to other countries which receive the same or similar types of aircraft and equipment."

The authority of this provision was previously extended in 1972 and 1973 and is now due to expire on December 31, 1975.

The Senate Conferees urged approval of the Senate-passed provision since, in their view, failure to do so might be construed as an unwillingness of the Congress to maintain the "status-quo" in the Middle East. The House Conferees, on the other hand, expressed serious reservations concerning the germaneness of the Senate-passed provision, but in view of Senate adamant position reluctantly receded.

Military retired-pay inversion

The Senate amendment contained a provision which would amend title 10, United States Code, to prevent military personnel who retire from receiving less retired pay than if they had retired at an earlier date, but after January 1, 1971. The Senate provision was designed to correct the so-called "retired-pay inversion" problem which was caused by the fact that retired pay has been increasing at a faster rate than active-duty pay in recent years. The House conferees concurred that the present pay situation, based on an interpretation by the Comptroller General, was creating individual inequities and was working against the retention of highly qualified personnel.

The House recedes.

Law training for officers formerly in a missing status

The Senate amendment contained language to permit commissioned officers who were in a missing status during the Vietnam era to be detailed as students at law school notwithstanding eligibility limitations in section 2004, Title 10, U.S. Code, that would render them ineligible. The House bill contained no such provision. However, the House Armed Services Committee had approved separate legislation to achieve the same objective.

The House, therefore, recedes.

Food and forage

The Senate amendment contained a provision to repeal the so-called "Food and Forage" section of the revised statutes. This is contained in section 11 of title 41, U.S. Code, and provides authority for the military departments to contract for clothing, assistance, forage, fuel, quarters and transportation during the "current year" without regard to prior authorization and appropriation.

The Senate acted to effect repeal because the provisions of the so-called Food and Forage Act were designed to allow for emergency needs of the military departments at a time when rapid response from the Congress may not have been available in emergencies, and the Senate conferees maintained that the provisions are no longer required in law. The House conferees stated that they have not had an opportunity to study the matter and were not sure of the present uses of the law and what the ramifications of repeal would be.

The House conferees proposed, therefore, that the Senate language be deleted with the understanding that the House Armed Services Committee would hold hearings on the matter.

The Senate recedes.

Life cycle costing

The Senate amendment contained a provision which, if adopted, would have required the Secretary of Defense to submit a report estimating the life cycle costs of operating all major weapons systems procured since FY 1975 at the same time as the President presents his budget to the Congress for fiscal year 1977.

The House bill contained no similar provision.

Although the House conferees recognize the meritorious objective of the provision, they considered the proposed statutory requirement unnecessarily broad and requiring a response from the Department of Defense that could possibly not be met, within this time frame, in a meaningful manner.

After considerable discussion, the conferees agreed to delete this provision with the explicit understanding that the Department of Defense was to be placed on notice that each of the Committees on Armed Services, from time to time, expect to request life cycle costs on individual major weapons systems rather than on all weapons systems. Therefore, these requests for life cycle costs on individual weapons systems must elicit a timely and meaningful report from the departments.

The Senate recedes.

Maneuvering reentry vehicle testing

The Senate amendment provided language in section 917, general provisions, that would preclude any testing of Maneuvering Reentry Vehicles (MaRV) unless the President certified that such testing was conducted by our potential adversaries or the President certified that it would be in the national interest of the United States to conduct MaRV tests.

The House bill contained no similar provision.

The House conferees strongly opposed such restrictive language since it could result in unilateral U.S. termination of MaRV testing.

The Senate conferees reluctantly agreed to recede, but only after they determined that no MaRV testing, with the exception of the Evader prototype, would be conducted during the period of fiscal year 1976 and 197T. Since the Navy plans to flight test the Evader only over the ocean, the Senate conferees understand that this could in no way be construed as supporting the development of a high accuracy MaRV.

MELVIN PRICE,
F. EDWARD HÉBERT,
CHARLES BENNETT,
SAMUEL STRATTON,
RICHARD ICHORD,
LUCIEN NEDZI,
WILLIAM RANDALL,
CHARLES WILSON,
ROBERT L. LEGGETT,
BOB WILSON,
WILLIAM DICKINSON,
WILLIAM WHITEHURST,
FLOYD SPENCE,
Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON
(with reservation, right of opposition on floor),
HENRY M. JACKSON,
HOWARD W. CANNON,
HARRY F. BYRD, JR.,
SAM NUNN,
STROM THURMOND,
JOHN TOWER,
BARRY GOLDWATER,
WILLIAM L. SCOTT,
ROBERT TAFT, JR.,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 8121

Mr. SLACK submitted the following conference report and statement on the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 94–495)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8121) "making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 6, 7, 19, 20, 33, 34, and 39.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 9, 10, 12, 15, 16, 28, 37, 44, 45, 47, 48, 49, 50, 51, 52, 53, 54, 55, 59, and 64, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$21,595,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$142,300,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$36,100,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$809,638,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$204,960,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$360,000,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$89,625,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,378,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,375,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$63,068,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,760,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$61,205,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,815,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,204,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$495,162,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$136,000,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,618,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$63,004,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,128,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$117,075,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$29,700,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$20,040,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$64,500,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,968,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$47,885,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,675,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$278,750,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$109,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 8, 35, 42, and 58.

JOHN M. SLACK,
NEAL SMITH,
JOHN J. FLYNT, JR.,
YVONNE BURKE,
GEORGE MAHON,
ELFORD A. CEDERBERG,
MARK ANDREWS,
Managers on the Part of the House

JOHN O. PASTORE,
JOHN L. MCCLELLAN,
MIKE MANSFIELD,
ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
THOMAS F. EAGLETON,
J. BENNETT JOHNSTON,
WALTER D. HUDDLESTON,
JOHN SPARKMAN,
ROMAN L. HRUSKA,
HIRAM L. FONG,
EDWARD W. BROOKE,
MARK O. HATFIELD,
TED STEVENS,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF STATE

Administration of Foreign Affairs

Salaries and Expenses

Amendment No. 1: Appropriates $425,400,000 as proposed by the Senate instead of $410,000,000 as proposed by the House. The amount appropriated includes $450,000 for International Women's Year activities. The conferees are in agreement with the language in the Senate report concerning the reestablishment of a presence in Gothenburg, Sweden.

Amendment No. 2: Appropriates $119,100,000 for the transition period as proposed by the Senate instead of $114,900,000 as proposed by the House.

International organizations and conferences

Contributions to International Organizations

Amendment No. 3: Appropriates $217,853,000 as proposed by the House instead of $223,495,000 as proposed by the Senate.

Missions to international organizations

Amendment No. 4: Appropriates $9,000,000 as proposed by the Senate instead of $8,600,000 as proposed by the House.

Amendment No. 5: Appropriates $2,673,000 for the transition period as proposed by the Senate instead of $2,560,000 as proposed by the House.

Educational exchange

Mutual Educational and Cultural Exchange Activities

Amendment No. 6: Appropriates $60,000,000 as proposed by the House instead of $62,000,000 as proposed by the Senate.

Amendment No. 7: Appropriates $13,000,000 as proposed by the House instead of $13,500,000 as proposed by the Senate.

General provisions—Department of State

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion as follows:

Restore the matter stricken by said amendment amended to read as follows:

Sec. 104. It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

TITLE II—DEPARTMENT OF JUSTICE

General administration

Salaries and Expenses

Amendment No. 9: Appropriates $21,048,000 as proposed by the Senate instead of $20,735,000 as proposed by the House.

Amendment No. 10: Appropriates $5,223,000 for the transition period as proposed by the Senate instead of $5,145,000 as proposed by the House.

Legal activities

Salaries and Expenses, Antitrust Division

Amendment No. 11: Appropriates $21,595,000 instead of $20,661,000 as proposed by the House and $22,529,000 as proposed by the Senate.

Amendment No. 12: Appropriates $5,600,000 for the transition period as proposed by the Senate instead of $5,605,208 as proposed by the House.

Salaries and Expenses, U.S. Attorneys and Marshals

Amendment No. 13: Appropriates $142,300,000 instead of $141,800,000 as proposed by the House and $142,800,000 as proposed by the Senate.

Amendment No. 14: Appropriates $36,100,000 for the transition period instead of $35,900,000 as proposed by the House and $36,300,000 as proposed by the Senate.

Federal Bureau of Investigation

Salaries and Expenses

Amendment No. 15: Appropriates $468,700,000 as proposed by the Senate instead of $463,400,000 as proposed by the House.

Amendment No. 16: Appropriates $124,000,000 for the transition period as proposed by the Senate instead of $122,900,000 as proposed by the House.

Law Enforcement Assistance Administration

Salaries and Expenses

Amendment No. 17: Appropriates $809,638,000 instead of $769,638,000 as proposed by the House and $861,638,000 as proposed by the Senate. The amount appropriated includes $40,000,000 for the Law Enforcement Education Program and $40,000,000 for the Juvenile Justice and Delinquency Prevention Program.

Amendment No. 18: Appropriates $204,960,000 for the transition period instead of $194,960,000 as proposed by the House and $217,960,000 as proposed by the Senate. The amount appropriated for the transition period includes $40,000,000 for the Law Enforcement Education Program for the 1976–1977 school year.

TITLE III—DEPARTMENT OF COMMERCE

Social and Economic Statistics Administration

Salaries and Expenses

Amendment No. 19: Appropriates $52,090,000 as proposed by the House instead of $52,471,000 as proposed by the Senate.

Amendment No. 20: Appropriates $13,540,000 for the transition period as proposed by the House instead of $13,636,000 as proposed by the Senate.

Economic Development Administration

Economic Development Assistance Programs

Amendment No. 21: Appropriates $360,000,000 instead of $290,000,000 as proposed by the House and $453,500,000 as proposed by the Senate.

The conferees are agreed that this appropriation is to be allocated among the various Economic Development Assistance Programs as follows:

Title I	$150,000,000
Title II	36,000,000
Title III	55,500,000
Title IV	21,500,000
Title IX	62,000,000
Subtotal, Public Works and Economic Development Act of 1965, as amended	325,000,000
Title II, Trade Act of 1974	35,000,000
Grand Total	$360,000,000

Amendment No. 22: Appropriates $89,625,000 for the transition period instead of $72,500,000 as proposed by the House and $112,500,000 as proposed by the Senate.

Administration of economic development assistance programs

Amendment No. 23: Appropriates $25,378,000 instead of $23,880,000 as proposed by the House and $27,380,000 as proposed by the Senate.

Amendment No. 24: Appropriates $6,375,000 for the transition period instead of $5,990,000 as proposed by the House and $6,890,000 as proposed by the Senate.

Regional action planning commissions

Regional Development Programs

Amendment No. 25: Appropriates $63,068,000 instead of $42,068,000 as proposed by the House and $84,068,000 as proposed by the Senate. The conferees are agreed that $2,000,000 of this amount is to be allocated to the Mountain Plains School.

Amendment No. 26: Appropriates $15,760,000 for the transition period instead of $10,520,000 as proposed by the House and $21,000,000 as proposed by the Senate.

Domestic and international business administration

Operations and Administration

Amendment No. 27: Appropriates $61,205,000 instead of $61,000,000 as proposed by the House and $61,410,000 as proposed by the Senate.

U.S. Travel Service

Salaries and Expenses

Amendment No. 28: Adds language proposed by the Senate relating to the authorization for a domestic tourism promotion program.

Amendment No. 29: Appropriates $12,815,000 instead of $11,565,000 as proposed by the House and $14,065,000 as proposed by the Senate.

Amendment No. 30: Appropriates $3,204,000 for the transition period instead of $2,892,000 as proposed by the House and $3,517,000 as proposed by the Senate.

National Oceanic and Atmospheric Administration

Operations, Research and Facilities

Amendment No. 31: Appropriates $495,162,000 instead of $490,000,000 as proposed by the House and $501,342,000 as proposed by the Senate.

With respect to $1,750,000 added by the Senate for automation of aeronautical chart production, the conferees are agreed that this program has considerable merit. However, since it would benefit the Federal Aviation Administration primarily, the conferees have deleted this item from the appropriation and believe the program should be carried out on a reimbursable basis.

The conferees have deleted funds added by the Senate for increased environmental impact statement workloads, an expanded implementation of the marine endangered species program and for development of processing and analyzing techniques for the NASA ocean observation satellite. However, the conferees would have no objection if these programs are carried out within existing funds.

The conferees are agreed that of the total amount provided, $900,000 is for planning studies and for expanded operating funds to develop the full potential of existing salmon and steelhead rearing facilities on the Columbia River and its tributaries.

The conferees have deleted $300,000 added by the Senate for an assessment of conditions onshore and within the coastal zone in connection with NOAA's Deep Ocean Mining Environmental Study (DOMES). The conferees are agreed that this program should be carried out within the total amount provided in the appropriation.

The funds appropriated include the following:

$2,462,000 for automation of field operations and services (AFOS) for the National Weather Service;

$500,000 for continuation of the Puget Sound MESA project at the same level provided in FY 1975;

$800,000 for continuing the Federal-State Marine Fisheries grants at the FY 1975 level of $5.8 million;

$500,000 for a Pilot Demonstration Facility for all phases of Salmon production, for additional research and demonstrations for improved fisheries production, including lobster, for the Northeast part of the United States.

Funds are included in the total amount provided in this appropriation to maintain the Sea Grant program at the fiscal year 1975 adjusted level. The conferees are agreed that this program could be expanded within the funds available.

Amendment No. 32: Appropriates $136,000,000 for the transition period instead of $135,000,000 as proposed by the House and $137,000,000 as proposed by the Senate.

Coastal zone management

Amendment No. 33: Appropriates $18,000,000 as proposed by the House instead of $19,500,000 as proposed by the Senate. The conferees are agreed that the Department of Commerce should redirect previously appropriated but unused funds budgeted for Section 306 program administration grants into the program management area in order to provide for expanded assistance to the States facing offshore energy activity and for a series of contract studies concerning the impact of oil and gas facility sitings in coastal areas. The conferees are further agreed that if requirements for additional Section 306 program administration grants develop, supplemental budget estimates can be considered at that time.

Amendment No. 34: Appropriates $4,500,000 as proposed by the House instead of $4,900,000 as proposed by the Senate.

Construction

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Construction

For expenses necessary for the National Oceanic and Atmospheric Administration for planning the construction of facilities, $1,000,000, to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that the National Oceanic and Atmospheric Administration should work in conjunction with the General Services Administration to develop a master plan for a facility at Sand Point, Seattle, Washington.

National Fire Prevention and Control Administration

Operations, Research and Administration

Amendment No. 36: Appropriates $8,618,000 instead of $8,435,000 as proposed by the House and $9,068,000 as proposed by the Senate.

Amendment No. 37: Adds language proposed by the Senate providing that no part of the appropriation shall be available for the Federal Fire Council subsequent to enactment of this legislation.

Science and technical research

Scientific and Technical Research and Services

Amendment No. 38: Appropriates $63,004,000 instead of $62,475,000 as proposed by the House and $64,033,000 as proposed by the Senate.

Amendment No. 39: Provides that not to exceed $2,085,000 may be transferred to the "Working Capital Fund" as proposed by the House instead of $2,585,000 as proposed by the Senate.

Amendment No. 40: Appropriates $16,128,000 for the transition period instead of $16,058,000 as proposed by the House and $16,198,000 as proposed by the Senate.

TITLE IV—THE JUDICIARY

Courts of Appeals, District Courts, and Other Judicial Services

Salaries of Supporting Personnel

Amendment No. 41: Appropriates $117,075,000 instead of $115,700,000 as proposed by the House and $118,450,000 as proposed by the Senate. The increase over the House amount is to fund 244 of the positions added by the Senate lapsed at 50%.

Amendment No. 42: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds the following language concerning senior law clerks appointed by the chief judge of each circuit:

, said salary to be paid from this appropriation and be set by the Judicial Council of the Circuit, which Council shall also prescribe the duties and qualification of the position

Amendment No. 43: Appropriates $29,700,000 for the transition period instead of $29,000,000 as proposed by the House and $29,916,000 as proposed by the Senate.

Representation by Court-Appointed Counsel and Operation of Defender Organizations

Amendment No. 44: Appropriates $16,590,000 as proposed by the Senate instead of $16,551,000 as proposed by the House.

Amendment No. 45: Appropriates $4,148,000 for the transition period as proposed by the Senate instead of $4,138,000 as proposed by the House.

Travel and miscellaneous expenses

Amendment No. 46: Appropriates $20,040,000 instead of $18,500,000 as proposed by the House and $20,153,000 as proposed by the Senate.

Amendment No. 47: Appropriates $4,883,000 for the transition period as proposed by the Senate instead of $4,500,000 as proposed by the House.

Salaries and expenses of U.S. magistrates

Amendment No. 48: Appropriates $10,510,000 as proposed by the Senate instead of $10,489,000 as proposed by the House.

Amendment No. 49: Appropriates $2,594,000 for the transition period as proposed by the Senate instead of $2,589,000 as proposed by the House.

Salaries and expenses of referees

Amendment No. 50: Appropriates $24,096,000 as proposed by the Senate instead of $24,046,000 as proposed by the House.

Amendment No. 51: Appropriates $6,008,000 for the transition period as proposed by the Senate instead of $5,996,000 as proposed by the House.

Administrative office of the U.S. courts

Salaries and Expenses

Amendment No. 52: Appropriates $7,233,000 as proposed by the Senate instead of $7,140,000 as proposed by the House.

Amendment No. 53: Appropriates $1,823,000 for the transition period as proposed by the Senate instead of $1,800,000 as proposed by the House.

Federal Judicial Center

Salaries and Expenses

Amendment No. 54: Appropriates $6,565,000 as proposed by the Senate instead of $6,400,000 as proposed by the House.

Amendment No. 55: Appropriates $1,721,000 for the transition period as proposed by the Senate instead of $1,680,000 as proposed by the House.

TITLE V—RELATED AGENCIES

Board for International Broadcasting

Grants and Expenses

Amendment No. 56: Appropriates $64,500,000 instead of $62,350,000 as proposed by the House and $65,640,000 as proposed by the Senate.

Amendment No. 57: Appropriates $17,968,000 for the transition period instead of $17,375,000 as proposed by the House and $18,200,000 as proposed by the Senate.

Legal Services Corporation

Amendment No. 58: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

Legal Services Corporation

To enable the Community Services Administration to make payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974 (P.L. 93–355), $88,000,000, of which such sums as may be necessary shall be available to the Community Services Administration to pay obligations incurred in carrying out Section 3 of said Act.

For "Legal Services Corporation" for the period July 1, 1976, through September 30, 1976, $24,630,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Privacy Protection Study Commission

Amendment No. 59: Appropriates $150,000 as proposed by the Senate.

Securities and Exchange Commission

Salaries and expenses

Amendment No. 60: Appropriates $47,885,000 instead of $46,885,000 as proposed by the House and $48,885,000 as proposed by the Senate.

Amendment No. 61: Appropriates $12,675,000 for the transition period instead of $12,425,000 as proposed by the House and $12,925,000 as proposed by the Senate.

Small Business Administration

Business Loan and Investment Fund

Amendment No. 62: Appropriates $278,750,000 instead of $250,000,000 as proposed by the House and $307,500,000 as proposed by the Senate.

The increase of $28,750,000 over the House amount includes $9,500,000 for the 7(a) direct business loan program. The balance of the increase is to be used for 7(a) immediate participation loans and displaced business loans to bring these programs toward last year's level.

Amendment No. 63: Provides $109,500,000 for the 7(a) direct business loan program instead of $100,000,000 as provided by the House and $139,500,000 as provided by the Senate. This will fund the program at the same level as that carried out in fiscal year 1975.

Amendment No. 64: Provides $10,000,000 for the handicapped loan program as proposed by the Senate.

Conference total—with comparsions

The total new budget (obligational) authority for the fiscal year 1976 and the transition period recommended by the Committee of Conference with comparisons to the fiscal year 1975 amount, the 1976 and transition period budget estimates, and the House and Senate bills for 1976 and the transition period follows:

New budget (obligational) authority, fiscal year 1975	$5,840,929,400
Budget estimates of new (obligational) authority, fiscal year 1976	[1] 5,721,747,400
Transition period	[2] 1,574,084,100
House bill, fiscal year 1976	5,671,669,000
Transition period	1,484,791,208
Senate bill, fiscal year 1976	6,188,253,000
Transition period	1,600,323,000
Conference agreement	[3] 5,958,676,000
Transition period	1,551,256,000
Conference agreement compared with—	
New budget (obligational) authority, fiscal year 1975	+117,746,600
Budget estimates of new (obligational) authority, fiscal year 1976	[3] +236,928,600
Transition period	−22,828,100
House bill, fiscal year 1976	+287,007,000
Transition period	+66,464,792
Senate bill, fiscal year 1976	−229,577,000
Transition period	−49,067,000

[1] Includes $120,238,000 in budget amendments not considered by the House.

[2] Includes $32,981,000 in budget amendments not considered by the House.

[3] Includes $200,000,000 for Small Business Administration which was included in the President's Budget but proposed for later transmittal.

John M. Slack,
Neal Smith,
John J. Flynn, Jr.,
Yvonne Burke,
George Mahon,
Elford A. Cederberg,
Mark Andrews,
Managers on the Part of the House.

John O. Pastore,
John L. McClellan,
Mike Mansfield,
Ernest F. Hollings,
Warren G. Magnuson,
Thomas F. Eagleton,
J. Bennett Johnston,
Walter D. Huddleston,
John Sparkman,
Roman L. Hruska,
Hiram L. Fong,
Edward W. Brooke,
Mark O. Hatfield,
Ted Stevens,
Milton R. Young,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. Edwards of Alabama (at the request of Mr. Michel), for September 18–29, on account of attending the North Atlantic Assembly in Copenhagen as a delegate of the House of Representatives.

Mr. Kelly (at the request of Mr. Michel), for September 19, on account of official business.

Mr. Rose (at the request of Mr. O'Neill), until September 26, on account of official business.

Mr. Annunzio (at the request of Mr. O'Neill), until September 26, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Koch, for 15 minutes, today.

(The following Members (at the request of Mr. Kindness) to revise and extend their remarks and include extraneous material:)

Mr. Steelman, for 5 minutes, today.

Mr. Burke of Florida, for 10 minutes, today.

(The following Members (at the request of Mr. Lloyd of California) to revise and extend their remarks and include extraneous matter:)

Mr. Corman, for 5 minutes, today.

Mr. Eilberg, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Harris, for 5 minutes, today.

Mr. Metcalfe, for 15 minutes, today.

Mr. Alexander, for 60 minutes, today.

Mr. Ford of Michigan, for 5 minutes, today.

Mr. Vanik, for 10 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Long of Louisiana, for 5 minutes, today.

Mr. Byron, for 5 minutes, today.

Mr. Drinan, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Kindness) and to include extraneous matter:)

Mr. Crane.

Mr. Conte.

Mr. Fish.

Mr. Collins of Texas in three instances.

Mr. Derwinski in three instances.

Mr. Frenzel in three instances.

Mr. Steelman.

Mr. Steiger of Wisconsin.

Mr. Latta.

Mr. Goldwater.

Mr. Lagomarsino in three instances.

Mr. McKinney.

Mr. Burgener.

Mr. Shuster.

Mr. Carter.

Mr. Grassley.

Mr. Burke of Florida.

Mr. Rinaldo in six instances.

Mr. Pressler.

(The following Members (at the request of Mr. Lloyd of California) and to include extraneous matter:)

Mr. Teague.

Mr. Ryan.

Mr. John L. Burton.

Mr. Tsongas.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Harris.

Mr. Jones of Oklahoma.

Mr. Rangel.

Mr. Evins of Tennessee in two instances.

Mr. Natcher.

Mr. Ambro.

Mr. Murtha.

Mr. Shipley.

Mr. Rogers.

Mr. Hefner in two instances.

Mr. Edwards of California.

Mr. Drinan.

Mr. Breckinridge.

Mr. Harrington.

Mr. Badillo.

Mr. Slack.

Mr. Vanik in two instances.

Mr. Russo in three instances.

Mrs. Meyner in two instances.

Mr. Hamilton in two instances.

Mr. Wirth.

Mr. Rose.

Mr. Reuss in three instances.

Mr. Brademas.

Mr. Ottinger in two instances.

Mr. McDonald of Georgia in three instances.

Mr. Litton.

Mr. Moffett.

Mr. Hawkins in three instances.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 128. Joint resolution to authorize and request the President to issue a proclamation designating the fourth Sunday in September of each year as "Good Neighbor Day"; to the Committee on Post Office and Civil Service.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 9497. An act to amend the computation of the level of price support for tobacco.

ADJOURNMENT

Mr. LLOYD of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 28 minutes p.m.), the House adjourned until tomorrow, Friday, September 19, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1759. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on Federal contributions to States for civil defense personnel and administrative expenses during fiscal year 1975, pursuant to section 205(f) of the Federal Civil Defense Act of 1950, as amended [50 U.S.C. App. 2286(f)]; to the Committee on Armed Services.

1760. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to authorize an additional Assistant Secretary of the Department of Housing and Urban Development; to the Committee on Banking, Currency and Housing.

1761. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

1762. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Navy to offer to sell certain defense articles to Saudi Arabia, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1763. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Saudi Arabia, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1764. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles and services to Iran, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

RECEIVED FROM THE COMPTROLLER GENERAL

1765. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements for fiscal year 1974 of the National Flood Insurance Program, Federal Insurance Administration, Department of Housing and Urban Development, pursuant to section 106 of the Government Corporation Control Act [31 U.S.C. 851] (H. Doc. No. 94-257); to the Committee on Government Operations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CHARLES H. WILSON: Committee on Post Office and Civil Service. Supplement report on H.R. 5665. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service (Rept. No. 94-462, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 4034. A bill to designate the Veterans' Administration hospital in Loma Linda, Calif., as the "Jerry L. Pettis Memorial Veterans' Hospital", and for other purposes (Rept. No. 94-486). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 9576. A bill to amend title 38 of the United States Code in order to set a termination date for veterans' educational benefits under chapters 34 and 36 of such title, to extend the maximum educational benefits to 45 months under chapter 34 of such title, and for other purposes (Rept. No. 94-487). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Committee of conference. Conference report on H.R. 6674 (Rept. No. 94-488). Ordered to be printed.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 722. Resolution providing for the consideration of H.R. 1287. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome (Rept. 94-489). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 723. Resolution providing for the consideration of H.R. 5397. A bill to amend chapter 83 of title 5, United States Code, to authorize the retirement of employees after 30 years of service (Rept. No. 94-490). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 724. Resolution providing for the consideration of H.R. 6227. A bill to amend title 5, United States Code, to provide Federal employees under investigation for misconduct the right to representation during questioning regarding such misconduct (Rept. No. 94-491). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 725. Resolution providing for the consideration of H.R. 7222. A bill to increase the contribution by the Federal Government to the costs of employees' group life insurance (Rept. No. 94-492). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 726. Resolution providing for the consideration of H.R. 8603. A bill to amend title 39, United States Code, with respect to the organization and financial matters of the U.S. Postal Service and the Postal Rate Commission, and for other purposes (Rept. No. 94-493). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 727. Resolution providing for the consideration of S. 584. An act to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes (Rept. No. 94-494). Referred to the House Calendar.

Mr. SLACK: Committee of conference. Conference report on H.R. 8121 (Rept. No. 94-495). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CORMAN:

H.R. 9680. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income for certain customer payments to energy public utilities; to the Committee on Ways and Means.

By Mr. CORNELL (for himself, Mr. Burgener, Mr. Drinan, Mr. McCollister, Mr. Oberstar, and Mr. Vander Veen):

H.R. 9681. A bill to amend the Internal Revenue Code of 1954 to allow persons covered by certain other retirement plans to establish personal savings for retirement; to the Committee on Ways and Means.

By Mr. COUGHLIN (for himself, Mrs. Chisholm, and Mrs. Heckler of Massachusetts):

H.R. 9682. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

By Mr. GUDE (for himself and Ms. Schroeder):

H.R. 9683. A bill to amend title 39, United States Code, to increase to 90 days the period before an election during which a Member of, or Member-elect to, the Congress may not make a mass mailing as franked mail if such Member or Member-elect is a candidate in such election; to the Committee on Post Office and Civil Service.

By Mr. HARRIS:

H.R. 9684. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. Steelman, Mr. Ashley, Mr. Cochran, Mr. Duncan of Tennessee, Mr. Eshleman, Mr. Ford of Michigan, Mr. Gradison, Mr. Hastings, Mr. Hawkins, Mr. Jeffords, Mr. Lehman, Mr. Metcalfe, Mr. Mottl, Mr. Rangel, Mr. Riegle, Mr. Russo, Mr. Traxler, Mr. Walsh, and Mr. Waxman):

H.R. 9685. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. LaFALCE:

H.R. 9686. A bill to amend the Emergency School Aid Act with respect to eligibility for assistance; to the Committee on Education and Labor.

By Mr. PERKINS:

H.R. 9687. A bill to extend and revise the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

By Mr. SNYDER (for himself, Mr. Collins of Texas, Mr. Taylor of Missouri, Mr. Rousselot, Mr. Symms, Mr. Steiger of Arizona, Mr. Beard of Tennessee, Mr. Martin, Mr. Ketchum, Mr. Whitehurst, Mr. Bauman, and Mrs. Holt):

H.R. 9688. A bill to achieve energy conservation through prohibition of unnecessary transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 9689. A bill to amend section 318 of the Communications Act of 1934, as amended to enable the Federal Communications Commission to authorize translator broadcast stations to originate limited amounts of local programing, and to authorize FM radio translator stations to operate unattended in the same manner as is now permitted for television broadcast translator stations; to the Committee on Interstate and Foreign Commerce.

H.R. 9690. A bill to amend the Communications Act of 1934, as amended, with respect to Commissioners and Commission employees; to the Committee on Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 9691. A bill to amend title 10 of the United States Code in order to make certain disability retirement determinations by the Secretaries of the military departments subject to review by the Secretary of Defense; to the Committee on Armed Services.

By Mr. ABDNOR:

H.R. 9692. A bill to amend section 3(d)(2)(B) of the act of September 30, 1950 (Public Law 874, 81st Congress) to provide for local educational agencies having property of insufficient assessed valuation; to the Committee on Education and Labor.

By Mr. BURKE of Florida:

H.R. 9693. A bill to amend the Internal Revenue Code of 1954 to permit individuals to deduct all expenses for their medical and dental care, and for other purposes; to the Committee on Ways and Means.

By. Mr. HANNAFORD (for himself and Mr. Patterson of California):

H.R. 9694. A bill to require that Government forms be discontinued or revised every 5 years and that new or revised forms shall be used only when necessary; to the Committee on Government Operations.

By Mr. HEFNER (for himself, Mr. Andrews of North Carolina, Mr. Broyhill, Mr. Fountain, Mr. Henderson, Mr. Jones of North Carolina, Mr. Martin, Mr. Neal, Mr. Preyer, Mr. Rose, and Mr. Taylor of North Carolina):

H.R. 9695. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. LITTON:

H.R. 9696. A bill to provide Federal revenue assistance to local governments by extending Federal revenue sharing for local governmental units for 5¾ additional years, with specific concentration of assistance to cities of 500,000 population or more, and for other purposes; to the Committee on Government Operations.

By Mr. MELCHER:

H.R. 9697. A bill to amend the U.S. Grain Standards Act in order to establish a Federal Grain Inspection Agency, to require that inspections made under such Act be made by Federal employees, and for other purposes; to the Committee on Agriculture.

By Mrs. MEYNER:

H.R. 9698. A bill to prevent the abandonment of railroad lines covered by the Rail Reorganization Act; to the Committee on Interstate and Foreign Commerce.

By Mr. RINALDO (for himself and Mr. Hawkins):

H.R. 9699. A bill to amend the Urban Mass Transportation Act of 1964 to increase the amount of the Federal grant which may be made for certain mass transportation projects from 80 to 90 percent of the costs of such projects; to the Committee on Public Works and Transportation.

By Mr. BEDELL (for himself and Mr. Cornell):

H.R. 9700. A bill to amend the Federal Crop Insurance Act to establish an independent corporation to carry out the purposes of such act, to provide for more extensive commodity coverage under such act, and for other purposes; to the Committee on Agriculture.

By Mr. HARSHA (for himself, Mr. Jones of Alabama, Mr. Cleveland, Mr. Wright, Mr. Don H. Clausen, Mr. Johnson of California, Mr. Snyder, Mr. Roberts, Mr. Hammerschmidt, Mr. McCormack, Mr. Shuster, Mr. Breaux, Mr. Cochran, Mr. Holland, Mr. Abdnor, Mr. Taylor of Missouri, and Mr. Hagedorn):

H.R. 9701. A bill to extend for an additional 15 years the provisions which establish the highway trust fund and impose the taxes which are transferred to the highway trust fund; to the Committee on Ways and Means.

By Mr. PRESSLER:

H.R. 9702. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. STEELMAN:

H.J. Res. 659. Joint resolution authorizing the President to proclaim the week beginning on November 2, 1975, as National Respiratory Therapy Week; to the Committee on Post Office and Civil Service.

By Mr. TRAXLER (for himself and Mr. D'Amours):

H.J. Res. 660. Joint resolution to require the Attorney General of the United States to conduct an investigation to determine whether antitrust violations are occurring in the manufacture or marketing of replacement home canning lids, and for other purposes: to the Committee on the Judiciary.

By Mr. DERWINSKI:

H. Con. Res. 401. Concurrent resolution expressing the sense of the Congress that the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe did not change in any way the longstanding policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania; to the Committee on Interntional Relations.

By Mr. GONZALEZ (for himself, Mr. Clay, Mrs. Collins of Illinois, Mr. Edgar, Mr. Evans of Indiana, Mr. Hannaford, Mr. Leggett, Mr. Maguire, Mr. Riegle, Mr. Reuss, Mr. Rogers, Mr. Stark, and Mr. Udall):

H. Res. 721. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, Jr., and the attempted assassination of George Wallace; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN:

H.R. 9703. A bill for the relief of Dimitri A. Cotseones; to the Committee on the Judiciary.

By Mr. ROGERS (by request):

H.R. 9704. A bill for the relief of Assad Barakat; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

232. The SPEAKER presented a petition of Katina Cassianou, Alida Hadjiyianni, Tassia Macrides, Dora Vassiliadou, and 150,000 other Cypriot refugees (drawn up in Nicosia, Cyprus), relative to the plight of refugees in Cyprus and throughout the world, which was referred to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. HEINZ:

Page 356, strike out line 6 and all that follows down through line 18 on page 365 and insert in lieu thereof the following:

TITLE VIII—GENERAL ACCOUNTING OFFICE OVERSIGHT OF ENERGY-RELATED DATA COLLECTION AND ANALYSIS

Sec. 801 (a) The Comptroller General of the United States shall continuously monitor and evaluate the operations and activities of the Federal Energy Administration including its reporting requirements. The Comptroller General shall have access to information from any public or private source whatever, notwithstanding the provisions of any other law, as is necessary to carry out his responsibilities under this Title and shall report to the Congress at such times as he deems appropriate with respect to the operations and effectiveness of the Federal Energy Administration, including his recommendations for modifications in existing laws, regulations, procedures, and practices.

(b) Upon his own initiative or upon the request of a committee or a subcommittee of the Congress with legislative or investigative jurisdiction or, to the extent personnel are available, upon the request of a Member of the Congress, the Comptroller General shall (1) review the energy-related data gathering procedures of any Federal agency to insure that the agency is obtaining all necessary information from the appropriate sources to carry out the requirements of any Federal law, (2) review the issues that arise or might arise in the collection of any of the types of energy-related data, including but not limited to issues attributable to claims of business establishments, individuals, or governments that certain information is proprietary or violative of national security and therefore entitled to be kept confidential or secret, (3) conduct studies of existing statutes and regulations governing collection of energy-related data, (4) review the policies and practices of Federal agencies in gathering, analyzing, and interpreting energy-related data, and (5) evaluate particular projects or programs.

Sec. 802. The Comptroller General or any of his authorized representatives in carrying out his responsibilities under this Title shall have access to any books, documents, papers, statistics, data, information, and records of any persons engaged in whole or in part in the business of exploring, producing, transporting, refining, or distributing petroleum products, including but not limited to revenues, costs, assets, and liabilties. The Comptroller General may require any person to submit in writing such energy-related data as he may prescribe. Such submission shall be made within such reasonable period and under oath or otherwise as he may direct.

Sec. 803. To assist in carrying out his responsibilities, the Comptroller General may sign and issue subpoenas requiring the production of the books, documents, papers, statistics, data, information, and records referred to in section 802 of this Title.

Sec 804. In case of disobedience to a subpoena issued under section 803 of this Title, the Comptroller General may invoke the aid of any district court of the United States in requiring the production of the books, documents, papers, statistics, data, information, and records referred to in section 802 of this Title. Any district court of the United States within the jurisdiction in which the private organization is found or transacts business may, in case of contumacy or refusal to obey a subpoena issued by the Comptroller General, issue an order requiring the private organization to produce the books, documents, papers, statistics, data, information, or records. Failure to obey such an order of the court is punishable by such court as a contempt thereof.

Sec. 805. Reports submitted by the Comptroller General to the Congress shall be available to the public at reasonable cost and upon identifiable request, except that the Comptroller General may not disclose to the public any information which could not otherwise be disclosed to the public by any Federal agency pursuant to any provision of law.

Sec. 806. Within 24 months after enactment of this section, the chairman of the Securities and Exchange Commission shall develop and report to Congress on uniform accounting standards to be followed in the preparation of accounts by persons engaged, in whole or in part, in the production of crude oil or natural gas in the United States.

Sec. 807. Section 11(g)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "June 30, 1975" wherever it appears and inserting in lieu thereof in each case "September 30, 1980".

By Mr. MOSS:

Page 365, after line 18, insert the following:

TITLE IX—LIMITATION ON PASSTHROUGHS OF PETROLEUM COST INCREASES

LIMITATION ON PASSTHROUGHS

Sec. 901. Subparagraph (A) of section 4(b)(2) of the Emergency Petroleum Allocation Act of 1973 is amended by adding before the semicolon in such subparagraph the following: ", except that no passthrough of such net increases which are incurred after the date of enactment of the Energy Conservation and Oil Policy Act of 1975 may be permitted more than 60 days after the date on which such increases were incurred".

EXTENSIONS OF REMARKS

NEW YORK'S DILEMMA

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, September 18, 1975

Mr. HARRY F. BYRD, JR. Mr. President, the Richmond, Va., Times-Dispatch, in an editorial of Sunday, September 14, rightly said that the proper message Washington should send to New York City in regard to its financial difficulties would be:

"You are responsible for your own follies. For it is simply not fair to ask the citizens of a prudent and frugal city to pay for the excesses of another."

Were the Federal Government to bail New York City out of its financial difficulties, it would be creating a bottomless pit for itself and the taxpayers of our Nation.

I ask unanimous consent to have printed in the Record the Times-Dispatch editorial, captioned "Dangerous Precedent," to be followed by an editorial from the Northern Virginia Daily and a column in the Chicago Tribune by the able economist, Eliot Janeway.

There being no objection, the material was ordered to be printed in the Record, as follows:

DANGEROUS PRECEDENT

As a result of mounting pressure on President Ford and Congress, the taxpayers of Richmond and of every other city, county and town in this nation could soon be forced to help pay for the fiscal sins of New York City. That irresponsible urban giant has been tottering on the brink of bankruptcy for months, and the emergency financial aid plan the New York state legislature approved early last week may do nothing more than postpone the city's collapse. Federal financial assistance, more and more congressmen and New York leaders are saying, is the only solution.

This is an alarming proposal, as Virginia Senator Harry F. Byrd, Jr., cogently warns in a letter published on the opposite page today. Addressed to President Ford, the letter incisively analyzes New York City's plight, identifies the causes and asserts that the use of federal funds and "federal guarantees' to rescue New York City from difficulties of its own making would establish a "dangerous precedent."

New York City's problems, Senator Byrd accurately notes, are the result of gross mismanagement and incredible prodigality. Ignoring fiscal realities, extravagant officials of that city have provided its citizens with a profusion of free or subsidized services unequaled by any other major city, services that include, Senator Byrd writes, free college educations for New York City men and women and "day care for children of nonworking mothers." The city has been recklessly lavish in dispensing welfare aid, in paying its employees and in providing benefits for retired workers.

City revenues have not kept pace with city expenditures, and, as a consequence, New York now has a debt of $12 billion. For a while, New York officials managed to conceal the seriousness of the city's financial problems and to postpone the day of reckoning by resorting to what Mayor Beame has called "all sorts of fiscal gymnastics." But tricky bookkeeping will work no longer. The day of reckoning has arrived, and the city is now appealing for outside assistance.

It is a plea that the federal government should reject. A decision by Washington to go to New York's rescue would invite appeals for help from other cities that face serious financial problems and encourage municipal profligacy by suggesting that the federal government would come to the aid of any locality that overspent.

This is *not* the message that Washington should send to the nation's cities. The proper message, instead, would be: You are responsible for your own follies. For it is simply not fair to ask the citizens of a prudent and frugal city to pay for the excesses of another. It is not right to ask the taxpayers of Richmond who do *not* receive free college educations for their children to subsidize the high standard of living New York City has set for itself.

In the end, New York City may default its debts. This is not a pleasant thought, but worse things could happen. It would be far more damaging to the nation in the long run for the federal government to indicate that it is now prepared to assume responsibility for the financial problems of American localities.

NEW YORK'S DILEMMA

The City of New York is in a real financial bind, and hardly knows which way to turn for the immediate relief it must have to take care of its operating obligations such as payroll, pensions, etc., not to mention its long-term commitments such as servicing its $8 billion long-term debt and about $4 billion in short-term debt.

The servicing cost of the total debt runs to $1.8 billion a year which is nearly 17 percent of the city's current budget of $12 billion, and more than the cost of its police, fire, and environmental protection together.

Recently, an offering of 10 percent tax-free municipals fell flat on its face. Investors, leery of the continuing drift of New York's fiscal affairs from bad to worse simply didn't buy. Finally, some bonds were sold at the amazingly high tax-free interest yield of 11 percent.

But, this sale will at best afford only temporary relief to the beleaguered city. It will take more than a limited bond issue to bail New York City out of the total mess which is the result of mismanagement of the city's fiscal affairs. This trend began in 1964 when the Wagner Administration at City Hall embarked on the borrow and spend deficit financing theory.

Many financial experts think it will now take a fiscal miracle to save New York. The big question is—whose miracle? It's pretty clear that Mayor Beame and his cohorts are looking to the Federal Government to act as miracle maker.

The airlines between New York and Washington have been swamped with representatives of the city who travel to Washington to beg at the Federal portals. Congressional pressures are building for Federal assistance, a drive led by New York City congressmen, naturally. Saturday the Republican leader of the New York Senate is reported to have said Federal help to New York "makes political sense."

Perhaps. But, does it make economic sense? Virginia's Senator Harry F. Byrd Jr. answered that point in a letter to President Ford last week, in which the senator expressed his opposition to the big push to have the Federal Government bail out the city, and in which the senator pledged the President his support in resisting the pressures.

Said Senator Byrd:

"As the Washington Post so accurately noted today, whatever the federal government does for New York, it must be prepared to do for other cities. I am informed that Newark, Cleveland, Philadelphia, Detroit, Buffalo—to name only a few—are faced with difficulties not too different from New York.

"Help for New York, therefore, must be weighted not only in terms of what it will cost and what it will do for that City, but in terms of what it will cost and what its consequences will be if similar circumstances arise elsewhere.

"And the dangers are not only financial: If the federal government bails out a troubled city, it will have to intrude itself into that city's internal operations. Thus the trend toward federal dictation and centralized power, which you and I strongly oppose, would be accelerated."

We agree. While the dilemma in which New York City finds itself will require some tough, hard-nosed, belt-tightening steps, these are steps which the city itself, with the help of New York State, will have to take.

Woeful mismanagement and deliberate deficit financing brought the city to its present financial condition. The tapayers of the country cannot be expected to foot the bills for the mistakes of a succession of New York politicians.

AFFLUENCE LIVES ON, AS IF TIMES WERE STILL GOOD

New York.—"Affluence as usual" has remained the order of the day in America during these recent months of hard times.

Somehow, acting as if nothing has changed has taken the form of a new coverup on the financial front. But something has changed. To be precise, two circumstances of life have changed. The first is that many people are running out of money; the second is that all governments are.

Take New York City. The problem there seems to be that the city has run out of money. If it were nothing more serious it would be in pretty good company, considering all the other big names which have run out of money since the start of the present siege. But the real difficulty goes deeper. It is emotional and philosophical, rooted in the promise that the affluent way of life would never be interrupted.

Garbage is one of the fundamental ingredients of modern community living. In a simpler way, it refertilized the soil and fed the animals. In the better world waiting to be engineered, it will again play a productive role, recycled into alcohol and burned along with gasoline in the carburetors of autos.

But in New York's present crisis over money and lifestyles, the routine job of moving garbage has built up into more than a burning issue. It has surfaced into a commanding symbol of the real problem: whether to recognize that something has changed or to insist that nothing has.

The city's union of sanitation workers ended a recent protest strike against layoffs on a weekend. When members of the union chosen to do the emergency cleanup job reported for work, they insisted on overtime. The wonder of it was that, as good union men, they accepted it while thousands of their fellow workers remained on layoffs.

The overtime money did not come from the city treasury in the usual way. Instead, the union leadership used funds in the union treasury to buy a bond which raised the cash for the overtime payroll. Morally, it was a trick; cash belonging to all the union members was diverted to pay for a privilege to some while the rest were denied any consideration whatever. Politically, it was a fiction; it worked as an elaborate charade to preserve the scenery for the status quo.

The incident was not isolated. All municipal employes unions are playing out a charade of holding out for pay increases tho their problem is staving off layoffs. New York City's conscientious mayor, Abraham Beame, was outraged to discover squads of nonessential clerks with civil service status leaving work before the contractual quitting time of 4 p.m. They were going out of their way to prove that nothing had changed.

The city itself has been setting its employees an indulgent example. The first payroll it missed last June was overloaded with the routine summer vacation prepayment to teachers. Soon after the default scheduled for August, the city will be called upon to come up with a whopping $790 million payment to fund future-year retirement for city workers whose back pay it is no longer able to borrow.

The city government is not that unrepresentative. The businesses in the city are still indulging affluence as usual, too, even those in trouble. The biggest business in New York City is real estate; it is also the sickest. New York City's real estate operators have been having as much trouble borrowing the payroll as the city fathers. In fact, one reason the city is busted is that its real estate operators have fallen so far behind in paying property taxes.

But New York City's real estate men seem to prefer being busted to changing their ways. They have lost their credit, but they are clinging to the indulgence of the four-day week. Their chosen lifestyle leaves them with more leisure time in which to worry about their bad debts and back taxes.

FOREIGN MILITARY SALES ORDERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues the most recent figures released by the Department of Defense on foreign military sales orders. The totals listed here, $10.8 billion for fiscal year 1974 and $9.5 for fiscal year 1975, are considerably higher than previous estimates I have seen.

The table follows:

FOREIGN MILITARY SALES ORDERS

[In thousands of dollars]

	Fiscal year 1974	Fiscal year 1975
Argentina	8,618	14,100
Australia	33,419	158,564
Austria	4,040	6,967
Bahrain		18
Belgium	10,712	737,937
Bolivia	137	920
Brazil	69,059	27,025
Burma	119	30
Canada	107,621	102,126
Chile	75,104	29,038
China	95,573	123,145
Colombia	1,090	965
Costa Rica		259
Denmark	22,196	367,742
Dominican Republic	31	3
Ecuador		14,822
El Salvador	407	319
Ethiopia	7,447	28,018
Finland	12	1
France	22,601	4,565
Gabon		218
Germany	225,151	291,698
Ghana	187	16
Greece	449,995	198,575
Guatemala	1,115	468
Haiti	291	84
Honduras	708	282
India	2,623	7,939
Indonesia	148	48,514
Iran	3,917,121	2,567,903
Ireland	16	21
Israel	2,437,310	868,650
Italy	48,643	46,219
Jamaica	42	71
Japan	57,931	29,647
Jordan	61,550	29,583
Korea	113,121	218,806
Kuwait	30,400	370,496
Lebanon	9,777	295
Liberia	397	449
Libya	12	
Luxembourg	21	25
Malaysia	1,428	4,218
Mali		148
Mexico	411	153
Morocco	8,584	294,876
Nepal	2	
Netherlands	18,207	686,387
New Zealand	5,049	4,156
Nicaragua	385	571
Niger	8	
Nigeria	4,350	4,470
Norway	51,451	458,931
Oman		1,613
Pakistan	12,674	37,408
Panama	1,878	258
Paraguay	12	37
Peru	46,989	23,599
Philippines	5,593	31,356
Portugal	2,183	2,456
Saudi Arabia	2,539,408	1,373,862
Singapore	12,658	1,480
Spain	150,265	52,581
Sweden	6,974	691
Switzerland	9,366	49,212
Thailand	20,513	11,422
Tunisia	737	450
Turkey	17,788	68,964
United Kingdom	48,867	30,497
Uruguay	1,206	8,208
Venezuela	4,884	33,540
Vietnam	4	
Yemen	2,634	372
Yugoslavia	6	257
Zaire	1,510	1,337
International organizations	18,159	30,695
Total	10,808,926	9,510,727

Note: Fiscal year 1975 includes $2,100,000,000 for F-16 aircraft (Belgium $706,600,000, Netherlands $621,300,000, Norway $438,600,000, and Denmark $353,300,000) for which memoranda of understanding have been signed but letters of offer have not yet been finalized. Totals may not add due to rounding.

GEORGE W. TROTTER

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. NATCHER. Mr. Speaker, George W. Trotter is one of the outstanding newspaper editors and publishers in Kentucky. At the present time editor of the Lebanon Enterprise, he has recently been named as executive editor of Landmark Community Newspapers, Inc., and assistant to the vice president for operations.

I find myself in a difficult position. I congratulate George Trotter and wish him well in his new position. At the same time I am sorry to see him go for as editor of the Lebanon Enterprise for the past 20 years, he has served so well the interests and welfare of Lebanon and Marion County.

George W. Trotter has been a newspaperman for all of his adult life. He knows and respects his profession. He early determined his lifework and throughout his career has remained dedicated to the highest standards of journalism. A sincere person, he is given to fair and accurate reporting. Candid and open, he is a man to be trusted and a skilled writer, he reaches his reading audience. In all, George W. Trotter is now and will always be a credit to the fourth estate.

A newspaper editor and his newspaper, whether the paper be a small weekly, a suburban daily, or a metropolitan edition, occupy a particular place in any community. The responsibilities are great, the obligations demanding. To fulfill its purpose a good newspaper must lead, direct, and influence. It must at times crusade and arouse the general public against wrongdoing and at others, allay and calm the mood of its readers. It must create demands and sound the community's need and wants. A newspaper is an advocate, a keeper of principles, a guardian, and a mirror of the community itself.

Such a newspaper is the Lebanon Enterprise. Such an editor is George W. Trotter, and as he moves on in his field with this well-earned, well-deserved promotion, I wish my good friend the best of success.

The Enterprise has been the voice of Lebanon and Marion County for 90 years. With John Chapman as managing editor and Andrew Grundy, Jr., as news editor, I am confident it will continue in the same tradition and uphold its fine record of service to the entire community.

ENERGY SITUATION

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. GOLDWATER. Mr. Speaker, the Department of Commerce has completed a comprehensive study that clearly illustrates Congress scattershot approach to the energy situation.

For over a year, I have been increasingly concerned about the proliferation of congressional committees organized to study the energy situation in this country. Top administration officials and some of my colleagues have been saying the same thing, but to no avail.

The study, compiled by the Commerce Legislative Affairs staff with data furnished by 18 Federal agencies, gives the following startling statistics:

First. The total of 344 appearances before 86 congressional committees and subcommittees were made during the first 8 months of 1975;

Second. The total of 17 agencies determined that 732 hours had been spent in giving testimony;

Third. Approximately 15,855 man-hours were used to prepare testimony excluding figures from the Energy Research and Development Administration which were unavailable at survey time;

Fourth. Eight agencies estimated that 6,650 more man-hours will be needed to prepare such testimony for the balance of the session; and

Fifth. The estimated overall figure for additional man-hours to prepare testimony—meetings, briefings, drafts, and memoranda needed to go "on the record"—is 10,000 hours in the next 4 months.

This spread-out effort is obviously counterproductive to the resolution of our energy problems. There are simply too many people running in too many different directions.

Right now, the score is: Committees: 86, solutions: zero.

At least the American people now have an answer as to why we have no comprehensive energy plan—the Congress is pulling in 86 different directions.

NUCLEAR INITIATIVE IN CALIFORNIA

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. BURGENER. Mr. Speaker, my colleagues may recall that I have inserted in the RECORD responses from Government agencies to questions I posed on the effect of passage of the proposed nuclear initiative in California. During the August recess a response from the Federal Energy Administration was received in my office. I ask that this be printed at this point in the RECORD so that my colleagues and other interested people may have the opportunity to read the response.

The letter follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., August 15, 1975.

Hon. CLAIR W. BURGENER,
House of Representatives,
Washington, D.C.

DEAR MR. BURGENER: Thank you for your letter of April 14 regarding the "Nuclear Safeguards Initiative" presently being circulated in California. I do apologize for the delay in replying.

With regard to the first two questions in your letter, the Federal Energy Administration (FEA) does not have statutory authority, or any regulations which have been promulgated pursuant to statutory authority, which would be directly affected by the "Nuclear Safeguards Initiative." This initiative would, however, have very serious implications on the Nation's ability to achieve its basic goals of energy independence in the next decade. This is the subject of your third question.

Although the language of the initiative clearly avoids use of the term "moratorium," it is clear that the end result would be just that. The conditions that must be met through Federal and State actions are virtually impossible to attain, and would consequently lead to a halt in construction of new nuclear plants, as well as the phasing out of existing plants. The impact of such an action on California would be great.

Currently, utilities in the State of California have approximately 12,000 MWe of nuclear capacity either operating, under construction, or in the licensing stage. Should circumstances dictate that this capacity be replaced by oil-fired generating units, it would mean an additional consumption of 121 million barrels of oil annually. The economic consequences to the State of California in meeting its growing demand for electricity would be substantial in terms of lost jobs, income, and the cost of electricity to its citizens.

I recently delivered a speech to the Commonwealth Club of San Francisco entitled "Nuclear Power—A Time for Decision." The speech portrays very clearly the position of FEA on the substantive aspects of the "Nuclear Safeguards Initiative." I have enclosed a copy for your convenience.

Thank you for writing.

Sincerely,

FRANK G. ZARB,
Administrator.

CUTTING GOVERNMENT TO SIZE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the excellent Oxnard Press Courier editorial entitled: "Cutting Government to Size":

CUTTING GOVERNMENT TO SIZE

Political speeches, especially those heard in an election year, forever promise to do something about the size and cost of government and its intrusions into Americans' lives.

As a theme of U.S. politics it goes back to the Declaration of Independence. King George III was denounced not just for his oppressive taxes but because he had "erected a multitude of new offices, and sent hither swarms of officers to harass our people and eat out their substance."

In the modern contest the problem of burgeoning government bureaucracy dates mainly from the New Deal and the wave of federal programs and agencies spawned to treat the depression problems of the 1930s. President Ford's speech to hardware manufacturers in Chicago not too long ago had a familiar ring, but his vow to "cut big government down to size" must be placed in a new perspective.

The "mountain of paperwork and quicksand of regulation" which are Ford's target represent something more than an expensive nuisance. A country which has one person working for government for every four in private employment is facing serious problems in sustaining its economic productivity.

Ironically, the surge in growth of government and its power began in response to the economic depression 40 years ago. Today, the tax burdens and regulatory restraints of big government are being identified as factors holding back recovery from the current recession.

Thus the head-count in government offices symbolizes more than the tendency of bureaucracy to breed more of the same. It represents a government requiring such a share of national income that private industry is concerned about the supply of capital to finance its need for plant replacement and expansion.

It represents regulation which may have been inspired by the public interest but which has grown to the degree that it is now working against the public interest by discouraging if not stifling competition in the marketplace.

President Ford takes pride in a reduction of 52,000 in the federal work force under its current authorized size. He has high hopes for weeding out some of the 5,000 different forms which various government agencies demand that citizens fill out and return. This chipping away at the federal edifice can be meaningful, however, only if there is a shift in the philosophy which has been building that edifice to such towering size over the last generation.

If Ford uses the menace of big government as a campaign theme in 1971, he will not be the first candidate to do so. Yet, the economic problems are giving the public a fresh understanding of what big government really means.

In 1976 voters may not be as interested in how the government is going to solve all their problems as in getting the government monkey off their backs.

KNIGHTS OF COLUMBUS HONOR MAYOR GOUWENS

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. RUSSO. Mr. Speaker, on October 4, the Knights of Columbus, Genoa Council No. 1659 of Dolton-South Holland, Ill., will be celebrating their 63d anniversary. I want to congratulate them on this special occasion.

This year, because of their awareness of and involvement in community affairs, they have decided to select and honor an individual who has contributed greatly to the community. They have chosen a truly outstanding gentleman for their Man of the Year Award. I applaud their choice and I want to join them in recognizing and commending the mayor of my home community of South Holland, Mayor Harold J. Gouwens. This gentleman has given unselfishly of his time and efforts throughout the area for many years.

Mayor Gouwens has been a lifelong resident of South Holland. He and his lovely wife, Vera, have one daughter, Susan, and she and her husband, Mr. Ed DeVries, also reside in South Holland with their three daughters.

A graduate of Thornton Township High School, Mayor Gouwens received his bachelor and masters degree from Northwestern University. He earned a degree from the University of Wisconsin Central Banking School and graduated from the Northwestern School of Financial Public Relations.

His career as a banker began in 1939 as an associate cashier at the First Trust & Savings Bank of Riverdale. After his move to the First National Bank in Dolton he became first a director and then the president in 1964, a position he still holds.

To say that the mayor is active in community affairs is surely an understatement. In addition to serving as mayor of South Holland for the past 20 years, he is also chairman of the board of directors for the Ingalls Memorial Hospital in Harvey, Ill. He is president of the South Holland Lions Club and vice president of the Municipal League Board. In the past he has served as chairman of Harvey Memorial Hospital, as a member of the Thornton Township High School Board, the Thornton Township Junior College Board, and as president of Cook County Banker's Federation.

The Knights of Columbus especially recall Mayor Gouwens' untiring efforts and support for their tootise roll drive for mentally retarded children. This kind of involvement with worthwhile activities is a natural part of this generous man's character. He has given of himself on so many occasions that it is only fitting that he should be honored as man of the year by the Knights of Columbus.

FOREIGN USE OF TAX HAVENS AND BANK SECRECY TO BE RAISED BY UNITED STATES IN TRADE NEGOTIATIONS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. VANIK. Mr. Speaker, on August 30 I wrote to Hon. Frederick Dent, the Special Representative for Trade Negotiations, urging that the issue of bank secrecy and tax havens be raised by the United States as an unfair trade practice during the current Geneva trade negotiations. I have just received the following response from Ambassador Dent, who states:

> The use of tax havens to shield export income from taxation distorts trade and puts businessmen at a competitive disadvantage who do not utilize such practices. It is my intention that this issue be raised in the group on subsidies. . . .

I commend the Ambassador for his interest in this problem which results in multibillion-dollar distortions in world trade.

The full text of my letter of August 30 and the Ambassador's response follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C. August 30, 1975.

Hon. FREDERICK B. DENT,
Special Representative for Trade Negotiations, Washington, D.C.

DEAR MR. DENT: Recently, newspapers reported that the three major Swiss banks (Swiss Bank Corporation, Swiss Credit Bank, and the Union Bank of Switzerland) have issued a ten page booklet in defense of banking secrecy. The booklet maintains that "an end to banking secrecy would not diminish organized crime and tax evasion" and flatly rejected claims made in other countries that Swiss banking secrecy is maintained "solely for reasons of profit and greed, while knowingly providing a haven for criminal money and a shield for tax evaders." This statement by the banks would be laughable—except for the fact that billions upon billions of dollars of illegal investments and transactions are being covered up by the bankers of Switzerland and other bank secrecy/taxhaven countries.

In May 1972 Senator Metcalf, Chairman of the Subcommittee on Budgeting, Management and Expenditures, addressed a letter to 100 of the nation's largest industrial companies and requested a list of the 30 top stockholders and the amount of common stock held by each. Of the nine companies providing complete responses, I have calculated that the three major Swiss banks accounted for 2.3 percent of the combined amount of common stock outstanding in 1972 owned by the top 30 stockholders. Yet only .4 percent was owned by other foreign banks—hardly an equitable distribution. Four of the 18 oil companies included in the 100 industrials responded completely and only one foreign bank—one of the three issuing the pamphlet—was listed among the top 30 stockholders.

The complete results of Senator Metcalf's and Senator Muskie's study can be found in "Disclosure of Corporate Ownership" prepared by the Subcommittees on Intergovernmental Relations, and Budgeting, Management and Expenditures of the Senate Committee on Government Operations.

I find it extremely curious that foreign bank investment in American corporations should be almost exclusively by Swiss banks—banks who protect their customers behind a wall of secrecy, a wall which hides illegal stock trading activities, tax evasion and even the investments of organized crime figures. I think you would agree that this disproportionate Swiss bank investment is suspicious and that more normal investment patterns would show a larger share of investment by British, German and the banks of other industrialized countries.

Through "privileges" offered by Swiss banking laws, American citizens, corporations and corporate managers have been able to make virtually tax free investments without detection. Mr. Thurston Clarke, formerly a staff economist/investigator in the New York U.S. Attorney's office, and former U.S. Assistant District Attorney for the Southern District of New York John J. Teague, Jr. have recently written a book entitled "Dirty Money", which describes the magnitude of illegal financial schemes. On page 161 they state:

"The Securities and Exchange Commission estimated in 1974 that nearly 10 percent of all securities transactions made on the American stock markets are executed for foreign banks and brokers. During the 1968 bull market, foreign individuals and financial institutions bought or sold $24 billion worth of securities in American markets. Nine billion of this was for the customers of banks and financial institutions in Switzerland (and for their own accounts). Because the identity of the customers for whom the Swiss banks were buying these securities was protected by Swiss secrecy, the percentage of this $9 billion in Swiss transactions made on behalf of American customers is unknown. This same situation continues to exist, with the magnitude of Swiss and other foreign purchases fluctuating in response to political, economic, and financial factors."

The phenomena of bank secrecy and the offering of tax havens (which often accompanies bank secrecy laws) is unfair trade competition. It drains capital away from other industrialized nations, distorts patterns of capital movement, and despite the claims of the big three Swiss banks—is a refuge for international lawbreakers.

In this regard, I find it ironic that the world trade talks are being held in Geneva, and it would be my hope that at the on-going trade negotiations, you would be able to raise the issue of bank secrecy and tax havens as being unfair trade practices subject to negotiation.

Sincerely yours,
CHARLES A. VANIK,
Chairman.

SEPTEMBER 10, 1975.

Hon. CHARLES A. VANIK,
Chairman, Subcommittee on Oversight, U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN VANIK: Thank you for your letter of August 14, in which you express concern over the use of Swiss banks to conceal ownership in United States corporations and as a means of tax avoidance and evasion.

The use of tax havens as a trade distorting measure is one of the most difficult problems that will be involved in the multilateral trade negotiations. The use of tax havens to shield export income from taxation distorts trade and puts businessmen at a competitive disadvantage who do not utilize such practices. It is my intention that this issue be raised in the group on subsidies that will be the forum in which the United States makes proposals for international rules governing the use of unfair assistance to exports. Secretary Simon has indicated his concern in this issue to me as well and we will be formulating proposals to curb this trade distortion.

This issue is also the subject of current United States complaints in the General Agreement on Tariffs and Trade (GATT) against the tax practices of France, the Netherlands, and Belgium. The tax systems of each of these countries allow the use of tax havens in export transactions which can result in substantial tax avoidance. Our own Internal Revenue Code has been revised to reduce our corporations' use of tax havens to defer taxation on foreign sales income and further proposals in this regard, as you know, are before the House Committee on Ways and Means.

In 1970, with the passage of the Bank Secrecy Act, domestic record keeping requirements were established that assist our law enforcement agencies in areas where foreign banks were used to shield illegal activities. Further agreement has been reached with the Swiss authorities to further cooperation for law enforcement purposes. Certainly, additional improvements in the availability of information would be desirable.

I am taking the liberty of sending copies of your letters to Secretary Simon, and Chairman Garrett of the Securities and Exchange Commission, for such further comment as they may wish to make.

Sincerely,
FREDERICK B. DENT.

NONCOMMISSIONED OFFICERS ASSOCIATION CELEBRATES 15TH ANNIVERSARY

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. GONZALEZ. Mr. Speaker, on September 22, 1975, the Noncommissioned Officers Association of the U.S.A. will conduct an open house at its international headquarters in San Antonio, Tex. The association which is now the largest enlisted military organization in the United States will be celebrating its 15th anniversary.

It was founded on September 21, 1960, by three noncommissioned officers stationed in San Antonio, and was chartered in the great State of Texas the following year as a nonprofit, fraternal, social, benevolent, and patriotic organization. Its membership was open to all noncommissioned and petty officers of the U.S. Armed Forces on active duty, retired, in the Reserve or National Guard, or in a veteran's status.

From 1960 to 1967 the organization's growth was small, but in 1968 the membership began to grow by leaps and bounds until it reached 175,000 plus in 1974. With the number of members it now has on its rolls the association is truly the largest enlisted quasi-military group in the world today. Its membership is spread around the world and its more than 350 chapters are located in almost every country where American troops are stationed.

I am pleased to have been of the association's first honorary members.

I have watched the association grow from infancy in a small rented office in San Antonio to a large and active group in a new magnificent building of its own.

I have noted with pride and interest its participation in local, State, and national affairs. The association has contributed to many benevolent and worthwhile community projects and has led the way in obtaining jobs for veterans. It has provided many outstanding services for its members and widows, and has recently become a most energetic voice for the enlisted military members here on Capitol Hill.

The NCOA is "an Association in motion." As it enters its 16th year I want to wish it a most "happy anniversary," and I am sure many of my colleagues in both the House and Senate will extend their best wishes to the Noncommissioned Officers Association for continued success and service to the Nation and our military community.

UNEMPLOYMENT AND AFFIRMATIVE ACTION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. RANGEL. Mr. Speaker, while we continue to hear reports of the "bottoming out" of the recession, the misery continues for millions of Americans. Particularly hard hit are our Nation's black people. Unemployment continues at a rate exceeding 30 percent in some urban areas and approaches 50 percent among minority youth. In addition to our only partially successful efforts to appropriate funds to solve this problem, I feel that it is time to discover an answer to a fundamental issue which has saddled minorities with an unfair burden of unemployment woes.

Because of recent affirmative action and civil rights legislation, discriminatory hiring practices have been diminished. But now a new problem is threatening to undo the progress made in recent years. Consistently minorities are the last to be hired and first to be fired. This is a problem which minorities have been fighting for years, but one which during a recession becomes especially acute. President Ford has acknowledged his awareness of this economic fact of life, but cognizance is not enough. We need positive action which will help solve the problem.

Admittedly, finding answers is a complex and difficult task. However, it would appear that strong enforcement of a far-reaching affirmative action program would provide a means for redressing the prevalent ills in employments practices. Furthermore, it is up to local Equal Employment Opportunity Commission officials in conjunction with the Congress to devise a plan which protects union security rights dealing with seniority and yet does not make a disproportionate number of minority employees the victims of the "last hired, first fired policy". I urge my colleagues to consider this significant question and to work to stop this vicious cycle of keeping the minorities of our country out of work.

NUCLEAR POWER AND URANIUM TAILINGS

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. FISH. Mr. Speaker, in the national debate over nuclear power, the argument is always made that coal power is more hazardous to human beings than nuclear power because there are a substantial number of deaths from the routine emissions from coal powerplants and very few deaths from the routine emissions of nuclear powerplants. However, the error in this thinking is that the emissions from other segments of the fuel cycle, nuclear mill tailings, produce many more deaths per gigawatt than the routine emissions from coal fired plants.

For the benefit of my colleagues, I have included in the RECORD an excelent article on this critical issue which appeared in the Bulletin of the Atomic Scientists this month. The text of the article follows:

THE LEGACY OF URANIUM TAILINGS

A typical coal-fired power plant probably kills about 50 people per year with its air pollution whereas a typical nuclear power plant of the same capacity probably kills an average of 0.01 people per year. A coal-fired power plant kills more people every few days than a nuclear power plant will in its 30 or so years of existence.—Bernard L. Cohen.

Last year an article in the *Bulletin* by Bernard L. Cohen opened with the above provocative statements. The health impact of 50 deaths per gigawatt-year from coal-fired plants was almost entirely due to sulfur oxides released from the plant stack. The health impact of 0.01 deaths per gigawatt-year from a nuclear plant came from radioactive effluents released during normal plant operation, and assumed there would be no deaths from nuclear plant accidents. Other comparisons by nuclear proponents have reached similar conclusions.

Evidence is now emerging, however, that the health impact from the nuclear fuel cycle has been grossly underestimated. Robern O. Pohl, professor of physics at Cornell University, has made a major contribution to our knowledge of these effects in an important but as yet unpublished paper. Pohl concluded that due to thorium-230 decay alone, the health impact of nuclear-generated electrity is at least 394 death per gigawatt-year.[1] Thus, if the number of U.S. nuclear power plants projected for the year 2000 by the former Atomic Energy Commission are actually built, the result will be at least 5,741,500 future deaths from lung cancer over the next 80,000 years. A litle over 3 million of these deaths will be among the population of the eastern United States, the remainder in the rest of the Northern Hemisphere.

How could such enormous health effects have been overlooked? Probably because almost everyone has focused on emissions from the nuclear power plants and the fuel reprocessing plants, and virtually ignored the other end of the uranium fuel cycle.

Presently mined uranium ore contains 0.1 to 0.2 percent uranium and only 0.71 percent of *that* uranium is fissionable uranium-235.[2] Thus more than 100,000 tons of uranium ore must be mined to produce one gigawatt-year of electricity.

At the uranium mills, located in the western United States, the uranium ore is crushed and ground, then the uranium is chemically separated and the residue discarded on a tailings pile. When the pile dries out, radioactive radon-222 gas routinely escapes into the atmosphere, where it travels long distances. Radioactive isotopes formed by the decay of radon-222 include the "radon daughters" polonium-218 and polonium-214. These isotopes of radon have chemical and physical properties that cause them to be deposited in the bronchial epithelium or tissue of the human lung, leading to high radiation dose rates to a specific region of the lung, the bronchus, where lung cancers are most likely to arise.

THORIUM-230

The isotope in the uranium mill tailings which is the source of the radon and its lethal daughters is thorium-230, whose radioactive half-life is 80,000 years. This assures that radon-222 will continue to be produced from a tailings pile for more than a million years, with consequent health effects on human beings.

The U.S. Environmental Protection Agency, in its 1973 report on the uranium fuel cycle, estimated that approximately 5 percent of the radon generated in a tailings pile 16 feet thick would escape from the pile as a gas. Based on this release rate, the EPA estimated that in the first 100 years, a typical uranium mine tailings pile of 250 acres would result in 200 health effects. A recent modification by EPA of their air dispersion model has reduced that to approximately 60 health effects during the first 100 years.

Since those health effects are lung cancers, for which even the most medically advanced survival rate is less than 5 percent, Pohl has assumed that 57 lung cancer deaths would result in this 100 year period from each such pile. Because only 0.00091 of the thorium-230 in the pile will decay during this 100 year period, however the total number of deaths over time will be enormous; and based on the EPA assumption that 159 gigawatt-years of electricity will be generated from the uranium-235 that produced this tailings pile, Pohl calculates the fatality rate to be 394 deaths per gigawatt-year.[3]

If this estimate of 57 deaths per uranium tailings pile per 100 years and the EPA's estimate of 37,620 tons total production of uranium yellowcake per mill are correct, then given the 6,897,000 tons of yellowcake that will be required for the 1,090 gigawatts of reactors the AEC expects will be operating in the United States by the year 2000, I estimate that the total number of deaths resulting from this uranium production will be 5,741,500 over the next 80,000 years.[4]

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[1] One gigawatt-year equals 8,760,000 megawatt-hours (the amount of electricity generated in a year by continuous operation of a million-killowatt power plant).

[2] It is the fissile uranium-235 which is fabricated into fuel elements for the nuclear reactors used commercially in the United States to generate electricity. After the uranium is mined, illed and enriched, it is fabricated into these fuel elements or rods used in the reactor's core. The many stages of the nuclear fuel cycle are discussed by John Holdren in "Hazards of the Nuclear Fuel Cycle," *Bulletin* (Oct. 1974).

[3] $(57/159)/0.00091 = 394$ deaths per gigawatt-year.

[4] $(57/0.00091)/37{,}620 = 1.665$ deaths per ton; 6,897,000 tons × 1.665 deaths per ton 11,483,000 deaths; half of these deaths (5,741,500) will occur in the next 80,000 years during the first half-lief of the thorium-230.

Pohl has probably erred on the conservative side in his calculations. For one things, he uses the 1973 EPA estimate that one such model tailings pile equals 159 gigawatt-years of electricity. The AEC's 1974 report, WASH-1139(74), indicates that 142.5 gigawatt-years per pile is a more realistic figure. This increases the fatality rate to 440 deaths per gigawatt year.[5]

The AEC estimated a cumulative requirement of 2,187,000 tons of yellow cake by the year 2000. At their estimated annual consumption of 157,000 tons per year, 30 years operation would result in a total of 6,897,000 tons; $(157{,}000 \times 30) + 2{,}187{,}000 = 6{,}897{,}000$. This is for 1,090 gigawatts of nuclear plants on line by the year 2000. See Nuclear Power Growth 1974–2000, WASH-1139(74) (Washington, D.C.; Atomic Energy Commission, Feb. 1974), p. 3, Table 4, Case D. Hereinafter referred to as WASH-1139(74).

Moreover, Pohl's calculations assume no growth in population either in the United States or in the world over the 1970 population. While such a calculation is very valuable in terms of forming a constant baseline from which the health impact from various growth models can then be calculated, in itself it probably is not realistic.

The EPA report assumed that the U.S. population reached 300 million in the year 2020 and then stabilized. The world's population was assumed to increase at a 1.9 percent annual growth rate from a 1970 base of 3,560,000,000. When this EPA growth model is taken into account, the fatality rate rises to 982 deaths per gigawatt-year.[6] This corresponds to 12,850,000 deaths over the next 80,000 years—if AEC predictions of 1,090 gigawatts of nuclear power plant capacity in the United States by the year 2000 are met, and if these plants operate for 30 years.[7]

Based on the foregoing, it would seem to be a myth that the lethal health effects from coal-generated electricity are 5,000 times greater than the lethal health effects of nuclear-generated electricity as estimated by Cohen and others. The deaths induced by the decay of thorium-230 in uranium mill tailings alone seem to swing the statistics in the reverse direction, and further analyses of other parts of the nuclear fuel cycle may identify additional health effects that have been overlooked.

The Atomic Industrial Forum, the American Nuclear Society and others may argue that very few of the thorium-induced deaths will occur during our lifetimes, and that it is unfair to make such a comparison of *current* deaths from coal-generated electricity with *future* deaths from nuclear-generated electricity. But that makes the disparity a moral issue: Do we have the right to consume electricity from nuclear fission plants for the next few decades, forcing thousands of future generations to suffer the lethal consequences?

Theoretically we could have a national referendum and decide that 50 deaths per gigawatt-year from coal-generated electricity was a debt we are willing to pay ourselves. But how can we presume to make such a decision involving the lives of our descendents?

Even if no future generations were involved, there would still be a moral issue: Close to half the thorium-induced deaths will occur outside the United States, but the electricity will be consumed by the U.S. economy. That is likely to be regarded as a paradigm example of imperialism.

What is to be done?

In the case of coal-fired plants, the lethal health effects of the sulfur oxides can be considerably reduced either by removing them from the stack gases after the coal is burned, or through desulfurization.

Oak Ridge National Laboratory estimates that 90 percent of the health effects of radon-222 from tailings piles can be eliminated by using a 20-foot earth cover over the pile; but past experience with erosion by wind and flooding makes it clear that this would be an intermediate solution for only a few decades, and even this would cost about a billion dollars.

Removal of long-lived radionuclides such as thorium-230 from the tailings prior to their disposal could be accomplished at considerable economic cost. However, inasmuch as the disposal of high-level radioactive wastes from reactor spent fuel remains unresolved, this additional step would hardly assist in solving that problem.

Mixing thorium-contaminated tailings with cement and pumping the slurry down into abandoned uranium mines may present other long-term problems, not to mention the fact that the volume of the tailings is greater than the volume of the uranium ore removed from the mine, so not all of it would fit.

Any solution is probably going to raise the price of uranium substantially, and may result in making nuclear fission plants so uncommercial in comparison with alternate sources of electricity that no further construction of nuclear plants will occur.

This eventuality, however, should not be allowed to result in the neglect of the more than hundred million tons of uranium tailings already accumulated in the western United States.

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[5] $(57/142.5)/0.00091 = 440$ deaths per gigawatt-year.

[6] This assumes that the non-U.S. health effects (lung cancers) after the first 100 years result from a stable world population corresponding to the average during the first 100 years. This means 90 health effects outside the United States during the first 100 years, 44 health effects inside, for a resulting figure of 982 deaths per gigawatt-year:
$(((44 + 90)/142.5)/0.00091) \times 0.95 = 982$ deaths per gigawatt-year.

This calculation assumes that all the uranium-235 made into reactor fuel is actually fissioned to make electricity. In reality, however, about one-quarter of it is not fissioned and remains trapped in the spent fuel elements. The AEC seems to assume that all but 1.3 percent of it will be recovered by reprocessing the spent fuel and by shipping the recovered uranium to an enrichment plant where the uranium fuel cycle will start once again (WASH-1139(74), p. 26). So far this has not been the case, however, and the economics of fuel reprocessing make it unlikely in the future. Correctly the above calculations for this factor would raise the fatality rate well over the 1,000 deaths per gigawatt-year level

[7] See first note, col. 3, p. 44, $(134 \times 0.95)/0.00091/17{,}620 = 3{,}719$ deaths per ton. Thus 6,897,000 tons $= 25{,}650{,}000$ deaths; half of these deaths (12,825,000) will occur during the first 80,000 year half-life of thorium-230.

COAST GUARD-VA COOPERATION FOR EMERGENCY AIR MOVEMENT OF VETERANS

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, September 18, 1975

Mr. THURMOND. Mr. President, it is with a sense of satisfaction that I invite the attention of the Members of the Senate to a highly commendable intergovernmental development.

A few weeks ago the Veterans' Administration, under the direction of Mr. Richard L. Roudebush, issued instructions to the hospitals and other field agencies of the VA informing them of an arrangement which had just been completed with the U.S. Coast Guard. According to the arrangement, the air facilities of the U.S. Coast Guard, commanded by Adm. Owen W. Siler, Commandant of the Coast Guard, are prepared to provide emergency airlifts to VA-eligible patients into and between the over 170 VA hospitals.

Mr. President, I am firmly convinced that in addition to its other merits, this Coast Guard-VA arrangement marks an important breakthrough in services to our Nation's veterans.

This arrangement is directly related to some of the most important developments in medical treatment largely through the leadership of VA pioneering in modern scientific medical techniques. It has been well established that in many types of injury—spinal cord, burn, and severe electrical shock—the chances of recovery and the reduction or degree of lifelong disability are remarkably increased by prompt delivery of the patient to a properly equipped hospital—often a specialized hospital—for treatment.

The degree of disability in spinal cord injury cases is often dramatically reduced if the patient can be moved into a special spinal cord treatment facility of the VA quickly after suffering the injury. A matter of only a few hours is of critical importance in order to achieve these new medical results.

Therefore, the readiness of the Coast Guard to pick up a VA patient and move him into a VA hospital means inestimable benefits to the patient in terms of lifesaving and reduction of disability. It also means economic benefits to our Nation by reducing payment of what would otherwise be heavier disability ratings.

In Charleston and Columbia, S.C., we have two fine VA hospitals which are providing outstanding service to our veterans. These excellent hospitals will now be capable of improving emergency service. With the network of Coast Guard air facilities throughout the United States, VA hospitals such as these, will now be able to achieve even better results for seriously injured veterans. For instance, the VA hospital in Charleston which is relatively near the Coast Guard station in Charleston is ideally located for prompt emergency service. However, the same emergency service is also available to the VA hospital in Columbia which is about 100 miles from the Coast Guard station in Charleston and only minutes away by air.

Reflecting the broad understanding of the medical airlift problems, the guidelines worked out for the VA-Coast Guard arrangement are noteworthy. Admiral Siler and Administrator Roudebush agreed that the following criteria would govern the use of Coast Guard airlift for VA patients:

First. Suitability and availability of Coast Guard aircraft.

Second. Nonimpairment of the Coast Guard's primary mission and/or training activities.

Third. The emergency is genuine and

involves actual lifesaving or reduction of disability.

Fourth. Coast Guard services will be used only when noncompetitive with available and adequate commercial air ambulance service.

Fifth. Need for emergency movement based on medical decision.

Sixth. Assignment of trained VA health care personnel to accompany emergency patients when circumstances warrant.

It should be pointed out that this Coast Guard-VA arrangement stems originally from a study by the Comptroller General of the United States concerning delays in transferring patients to VA spinal cord injury treatment centers. That GAO study was a very sound one and reflected a deep concern over the then-existing delays in transferring spinal cord injury patients to special treatment centers of the VA. While the bulk of the report's recommendations pertained primarily to administrative delays, the recognition of the need to hasten the transfers, of course, includes the movement of patients. Accordingly, one of the key recommendations of GAO was that the Veterans' Administration "work with the military to develop a system to expedite the transfer of patients to VA centers."

It is indeed reassuring, Mr. President, that we have in this VA-Coast Guard agreement an actual example of a major Government agency, in this case the VA, reacting promptly and effectively in carrying out not only the letter but the spirit of a GAO recommendation. The VA and the Coast Guard deserve recognition and commendation for their cooperation and efforts on behalf of our Nation's veterans.

Mr. President, I am confident that Members of the Senate will share with me a sense of satisfaction in that such a need, practical, and well-thought-out arrangement has been established by the Coast Guard and the Veterans' Administration. It is the kind of interdepartmental initiative and cooperation that is so frequently absent, but so welcomed when it actually occurs. I believe that Veterans' Administrator, Richard L. Roudebush, summed the arrangement up very well, when in his letter to Admiral Siler he said:

> We in the VA are confident that such Coast Guard-VA cooperation will save lives, reduce disabilities, and accordingly benefit those who serve and have served in our armed forces. Additionally, the fulfilling of such a humanitarian need is obviously in our national interest, both from the standpoint of policy and economic savings.
>
> In conclusion, I again thank you on behalf of the VA and I am confident that veterans throughout our nation will share my appreciation for the Coast Guard's understanding cooperation in this endeavor which will be so beneficial to those who serve and have served our nation in our military services.

Mr. President, I ask unanimous consent that a Veterans' Administration news release announcing the VA-Coast Guard arrangement be printed in the Extensions of Remarks of the Record.

There being no objection, the news release was ordered to be printed in the Record, as follows:

News Release of the Veterans' Administration

A new and important advance has been made in emergency medical services for veteran patients.

Critically ill or injured veterans may be moved to and between Veterans Administration hospitals by Coast Guard aircraft under circumstances spelled out in recent correspondence between Administrator of Veterans Affairs Richard L. Roudebush and Coast Guard Commandant Owen W. Siler.

In his request for the Coast Guard support, Administrator Roudebush wrote, "We are confident that such Coast Guard-VA cooperation will save lives, reduce disabilities, and accordingly benefit those who serve and have served in our Armed Forces." He pointed out that VA requests would be limited to those in which a medical judgment has been made that there is a genuine emergency involving life saving or reduction of disability.

Coast Guard services would be used only when noncompetitive and adequate commercial air ambulance service was not available, he said, and when suitable aircraft were available without impairing the primary mission of the Coast Guard. Patients would be accompanied by trained VA health care personnel when circumstances warrant, he pointed out.

Commandant Siler responded that the Coast Guard is authorized and willing to cooperate within the criteria stated, and that "air station personnel would be advised of the specific nature of the VA requirements so that they may better evaluate and react to requests from VA representatives."

Both the Coast Guard and the VA are issuing notices to offices concerned, setting forth the principal responsibilities and procedures for the emergency air movements.

THE COSTS OF THE SINAI AGREEMENT

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mrs. MEYNER. Mr. Speaker, a great deal of legitimate concern has been expressed over the costs of the interim Sinai agreement to the American taxpayers. We have to remind ourselves, however, of what the cost would be of a new Mideast war, both in emergency military assistance to Israel and in the economic effects of a new oil embargo. I am inserting into the Record at this point an editorial from the Easton Express of Easton, Pa., which discusses this issue in a very thoughtful way:

[From the Express, Easton, Pa., Sept. 13, 1975]

U.S. Buying Time

Peace cannot, said a contributor to the Our Readers Write column on this page, commenting on the Israeli-Egyptian Sinai accord arranged by Secretary of State Kissinger, be bought. And that is a verity with which few will quarrel.

But time to work out compromises on issues which threaten the peace often can be bought, like any other commodity on the market place. And this is precisely what the Egyptian-Israeli agreement was engineered by Mr. Kissinger to achieve.

And the breathing space is not only designed to be provided for continuation of efforts to solve the key problems at the base of the Jew-Arab conflict—the Palestinian refugee, Israeli-occupied territory, border security and other issues.

The United States effort might be said to represent also an exercise in enlightened self-interest, not only as it is reflected in the maintenance of Israel as a model democracy in the Middle East, but in the American concern over energy.

So long as diplomatic juggling that averts war and maintains friendly relationships between the United States and adversary nations in the Mideast can be continued, that much more time will have been bought for the western societies dependent upon Arab oil to engineer alternative energy resources.

The issue is one of pragmatic acceptance of political and economic realities. No one is naive enough to believe that the U.S. quest for energy self-sufficiency is going to be realized in the decade which has been set as the target date for this objective. The people and their institutions, private and public, clearly have shown that they are not willing to make the sacrifices which would sustain a crash program. At least they will not do this voluntarily, and their lawmakers and government administrators are loath to risk their political security by advocating compulsion.

And this is the chief reason the Ford administration is trying to persuade the Congress and the American people to accept the staggering cost of buying at least an interim peace, or an Israeli-Arab détente which, in the execution of American obligations under the Israeli-Egyptian pact alone may require outlays of as much as $10 billion in arms and economic aid.

The sum and more nevertheless could be a pittance in contrast to the cost of another Middle East war or any circumstance which would evoke another, perhaps long-term or permanent embargo on shipment of oil from the Persian Gulf producer-states to America. We might squirm and rankle under the knowledge that this is a form of international blackmail. But it's their oil and we need it desperately and one way or another we're going to have to pay for it. Maintenance of peace, as expensive as it might be, in the Middle East seems to be one of the easier ways to do this.

VOTING RECORD, 94TH CONGRESS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. WIRTH. Mr. Speaker, when I was home during August, a number of people in the Second District asked me how I had voted on specific bills and amendments. I was both surprised and pleased by the amount of interest expressed by the people in Denver, Jefferson and Boulder Counties, with whom I talked.

Upon returning to Washington and reflecting on my month in Colorado, I decided that it might be helpful if my voting record in its entirety were readily available to anyone who wishes this information. The best way to do this, I concluded, would be to place it in the Congressional Record.

I have now compiled my voting record on all record votes during the first half of the 1st session of the 94th Congress. I have arranged it by subject area, in chronological order, giving a brief description of each vote, showing how I voted and how each vote turned out. I have included all record votes except 10 purely procedural questions. At the end of this session, I intend to update this material.

I insert the following to be printed in the Record:

Issue	My vote	Outcome
ENERGY		
To suspend for 90 days the President's authority to increase oil tariffs, fees, and quotas.	Yes	Passed (309–114).
An amendment to retain the depletion allowance on natural gas regulated by the Federal Government.	No	Defeated (157–254).
An amendment to exempt from the repeal of the oil depletion allowance the first 3,000 barrels of oil produced per day by independent oil and natural gas producers.	Yes	Defeated (197–216).
An amendment to retain a 15 percent depletion allowance until 1985 for oil from the North Slope oil fields of Alaska.	No	Defeated (81–329).
An amendment to eliminate the 22 percent oil and gas depletion allowance.	Yes	Passed (248–163).
To refer to Ways and Means Committee the President's veto of a bill suspending for 90 days his authority to impose oil import tariffs.	Yes	Passed (364–57).
An amendment to delete an extension of the Emergency Petroleum Allocation Act of 1973 to December 1975.	No	Defeated (163–222).
A bill to extend the period for congressional opportunity to disapprove presidential actions to exempt certain products from the regulations of the Emergency Petroleum Allocation Act of 1973.	Yes	Passed (230–151).
An amendment to require Federal purchase and sale of imported oil.	No	Defeated (152–265).
Amendments to energy tax bill, including removal of provision allowing Federal purchase and sale of imported oil.	No	Passed (216–96).
An amendment eliminating a provision for quotas on oil imports.	No	Defeated (185–224).
An amendment to raise petroleum import quotas	No	Passed (211–200).
An amendment to raise oil imports sufficient to offset expected reductions in natural gas supplies.	No	Defeated (195–213).
An amendment to delete imposition of gasoline taxes of up to 20 cents per gallon when gasoline consumption exceeds 1973 levels.	Yes	Passed (345–72).
An amendment to delete the impostion of gasoline taxes of 3 cents per gallon, to fudd an energy development program.	No	Passed (209–187).
An amendment to impose taxes on the production or import of cars not meeting fuel mileage standards.	No	Defeated (166–235).
An amendment to prohibit the manufacture of cars not meeting fuel mileage standards.	No	Defeated (79–319).
An amendment to fine the manufacturers of cars not meeting fuel mileage standards.	Yes	Defeated (128–271).
An amendment to fine manufacturers if their average cars did not meet fuel mileage standards.	Yes	Passed (306–86).
An amendment to phase out the excise tax on radial tires, rather than ending it immediately.	No	Defeated (117–220).
An amendment to delete provisions allowing an income tax credit for the installation of insulation in residences.	No	Defeated (108–281).
An amendment to allow tax credits for installation of solar heating equipment.	Yes	Passed (244–132).
An amendment to reduce the energy tax fund and appropriate to energy trust fund only any increase in any revenues caused by the bill.	No	Defeated (169–210).
An amendment to require the expenditure of 25 percent of the energy trust fund for mass transit research and development.	Yes	Defeated (117–240).
An amendment to eliminate the proposed energy trust fund	Yes	Defeated (162–247).
An amendment to make investments for building solar energy equipment eligible for rapid tax depreciation provisions.	Yes	Defeated (159–247).
An amendment to delete the extension of investment tax credit to the purchase of used materials for recycling.	Yes	Passed (249–170).
A motion to recommit to committee the energy tax bill	No	Defeated (150–270).
The energy tax bill, setting oil import quotas, providing tax incentives for energy conservation, and creating an energy trust fund.	Yes	Passed (291–130).
An amendment to prohibit the use of energy research funds for construction of the Clinch River breeder reactor.	Yes	Defeated (136–227).
A bill to authorize $4,700,000,000 for energy research and development.	Yes	Passed (317–9).
An amendment to delete $1,000,000,000 in appropriations to the Energy Research and Development Administration.	No	Defeated (93–320).
An amendment to increase solar energy research appropriations by $64,000,000.	Yes	Defeated (190–219).
An amendment to retain military control of the naval petroleum reserves.	No	Defeated (102–305).
A bill to create a system of national petroleum reserves	Yes	Passed (391–20).
A rule providing for consideration of the energy conservation and oil policy bill.	Yes	Passed (261–78).
A conference bill to extend oil price controls through December 1975, and to expand congressional review powers over changes of controls.	Yes	Passed (239–172).
An amendment to allow contingency rationing and conservation plans to become effective unless Congress disapproves them, rather than requiring explicit approval.	No	Defeated (155–231).
A resolution to disapprove the President's plan to decontrol domestic oil prices.	Yes	Passed (262–167).
An amendment to gradually decontrol domestic oil prices with a ceiling price of $11.28 for new oil.	Yes	Defeated (94–326).
An amendment to revise the windfall profits tax provisions of the oil policy bill.	No	Passed (236–187).
An amendment to provide for the gradual decontrol of domestic oil prices, contingent upon a windfall profits tax.	No	Defeated (202–220).
A motion to limit debate	Yes	Passed (244–168).
An amendment to delete provisions for increases in the cost of old domestic oil and rollbacks in the cost of new oil.	Yes	Passed (215–199).
A rule to allow consideration of an amendment containing the President's oil decontrol plan.	Yes	Passed (310–109).
An amendment to keep the current price ceiling for oid oil, to rell back the price of most new oil, and to allow the President to set the price for remaining new oil.	Yes	Passed (128–207).
An amendment to set ceiling prices for domestic oil	Yes	Passed (231–193).
A resolution to disapprove the President's plan for decontrol of domestic oil prices over a 39-month period.	Yes	Passed (228–189).
A bill to extend oil price control and regulation authority until March 1976.	Yes	Passed (303–117).
An amendment to bar joint ventures by major oil companies in developing energy resources on Federal lands.	Yes	Defeated (206–207).
An amendment to prohibit the leasing of certain Federal mineral lands to vertically integrated oil companies.	No	Defeated (158–254).
An amendment to suspend until May 1976, all lease sales in certain areas of the Continental Shelf.	Yes	Defeated (120–286).
An amendment to equitably distribute oil cost increases among petroleum products.	Yes	Passed (235–155).
A move to strike the enacting clause of the energy conservation and oil policy act.	No	Defeated (123–268).
An amendment to strike a provision exempting small refiners from the entailments program.	No	Defeated (57–331).
STRIP MINING		
To provide for consideration of Surface Mining Control and Reclamation Act.	Yes	Passed (274–36)
An amendment to place control of surface mining under the Assistant Secretary of Interior for Land and Water Resources.	Yes	Passed (145–100).
To place enforcement of surface mining regulations in the Environmental Protection Agency rather than Department of the Interior.	Yes	Defeated (67–174).
An amendment to delete the proposed reclamation fee and to finance the abandoned mine reclamation fund with revenues from Outer Continental Shelf leasing.	No	Defeated (140–250).
An amendment to prohibit the mining of slopes of 20 degrees or more.	Yes	Defeated (136–262).
An amendment to prohibit the surface mining of coal in national grasslands.	Yes	Defeated (168–248).
An amendment to strike the section of the bill exempting anthracite coal mines from the regulations of the bill.	Yes	Defeated (170–248).
A bill (Surface Mining Control and Reclamation Act) to establish a Federal-State program to regulate coal strip mining and reclamation.	Yes	Passed (333–86).
A conference bill to provide minimum Federal standards for the reclamation of strip-mined land.	Yes	Passed (293–115).
A motion to postpone a vote to override the veto of the strip-mining bill.	Yes	Passed (208–195).
Override of veto of a bill setting minimum standards for the reclamation of strip-mined land.	Yes	Defeated (278–143).
BUDGET		
To increase the temporary debt limit by $36,000,000,000	Yes	Passed (248–170).
To approve conference report on the 2d budget recession bill	Yes	Passed (346–59).
An amendment to provide for a 9.8 percent reduction of the budget deficit and a 2 percent reduction in outlays.	No	Passed (227–180).
An amendment that would balance budget outlays and revenues at $299,500,000,000.	No	Defeated (94–311).
An amendment to reduce the budget deficit to $54,100,000,000	No	Defeated (159–248).
A resolution to set budgetary targets of $368,200,000,000 for outlays and $298,100,000,000 for revenues.	Yes	Passed (200–198).
A concurrent resolution setting budgetary targets of $367,000,000,000 in outlays and $298,200,000,000 in revenues.	Yes	Passed (230–193).
A rule to provide for consideration of a bill increasing the Federal debt ceiling.	Yes	Passed (345–44).
An amendment to end the distinction between permanent and temporary debt ceilings.	No	Defeated (79–315).
An amendment to reduce the overall debt ceiling to $600,000,000,000 rather than the $616,000,000,000 proposed.	Yes	Passed (314–83).
A bill to increase the overall debt ceiling to $600,000,000,000 through June 30, 1976.	No	Defeated (175–225).
A bill to increase the temporary federal debt ceiling to $577,000,000,000 and extend it to November 1975.	No	Passed (223–196).
HOUSING		
Motion to close debate on rule providing for consideration of Emergency Middle-Income Housing Act.	Yes	Passed (242–142).
An amendment to extend mortgage assistance to 11 urban areas.	Yes	Defeated (101–274).
An amendment to change to provision for allocation of mortgage assistance so that 50 percent of the funds would be provided for new housing and 50 percent for existing newly built, but unsold housing.	Yes	Defeated (137–229).
An amendment to require that anyone receiving 6 percent interest mortgage subsidies must commit 25 percent of their income to mortgage payments, mortgage insurance, taxes, and insurance on the home.	Yes	Defeated (145–218).
A substitute to the committee bill to expand the existing Emergency Home Purchase Assistance Act of 1974 and to extend coverage to condominium units and rental multi-family projects.	No	Defeated (126–242).
A bill (Emergency Middle-Income Housing Act) to provide temporary assistance to subsidize mortgages for certain middle-income families.	Yes	Passed (259–106).
A bill to establish a temporary Federal loan program to aid unemployed persons who were faced with loss of their homes because of mortgage defaults.	Yes	Passed (321–21).
A rule providing for consideration of the variable rates mortgages bill.	Yes	Passed (392–0).
An amendment to allow Federal savings and loan associations to offer mortgages at variable rates where State associations have variable rates.	No	Defeated (167–232).
An amendment to set an expiration date of June 30, 1977, for termination of Federal mortgages at variable rates.	No	Defeated (164–231).
A bill that would prohibit the Federal Home Loan Bank Board from allowing Federal savings and loan associations to offer mortgages at rates that vary according to market rate.	Yes	Passed (291–104).
A conference bill to provide temporary subsidies for home purchases by middle-income families and to provide federal loans to unemployed homeowners unable to meet mortgage payments.	Yes	Passed (253–155).
An amendment to delete funding for a proposed rental subsidy program.	No	Defeated (74–326).
An amendment to decrease housing subsidies to 75 percent of the fair market rent.	No	Defeated (137–277).

Issue	My vote	Outcome
An override of the veto of the emergency housing assistance bill.	Yes	Defeated (268–157).
DEFENSE		
An amendment to restore the President's rescission for F–111F aircraft procurement.	Yes	Passed (230–164).
A bill to authorize $3,000,000 payment for the use of Bikini Atoll as atomic weapons test site.	Yes	Passed (346–10).
A rule providing for consideration of a weapons authorization bill.	No	Passed (367–26).
An amendment to eliminate $260,000,000 authorization for AWACS command and control aircraft.	Yes	Defeated (164–227).
An amendment to prohibit flight testing on the maneuverable reentry vehicle on ballistic missile systems.	Yes	Defeated (124–276).
An amendment to reduce overseas Armed Forces by 70,000	No	Defeated (95–311).
An amendment to provide 5,000 additional civilian personnel for the Department of Defense.	No	Defeated (96–300).
An amendment to provide a feasibility study for a separate military academy for women.	No	Defeated (113–284).
An amendment to allow women to be admitted to the military academies on the same basis as men.	Yes	Passed (303–96).
An amendment to reduce from $26,540,000,000 to $24,650,000,000 the authorization for new weapons systems.	Yes	Defeated (183–216).
An amendment directing the Secretary of Defense to regularly report to Congress on Dopartment of Defense contracts and grants.	No	Defeated (51–345).
A bill authorizing $26,540,000,000 for weapons procurement, research, and development and setting active duty strength at 2,100,000 people.	Yes	Passed (332–64).
An amendment to reduce the authorization for production of nuclear energy weapons.	Yes	Defeated (102–246).
A bill to authorize $23,000,000 for the Arms Control and Disarmament Agency.	Yes	Passed (382–28).
An amendment to cut funds to produce binary nerve gas munitions.	Yes	Passed (219–185).
An amendment to cut funds for the construction of the Uniform Health Services University.	Yes	Defeated (190–221).
A bill to authorize $4,000,000,000 for military construction projects.	Yes	Passed (369–47).
A conference bill to authorize $31,100,000,000 for military procurement.	Yes	Passed (348–60).
A resolution opposing the termination of appropriations for military commissary payroll expenses.	Yes	Passed (364–53).
SOUTH VIETNAM		
A rule to allow floor consideration of a bill to authorize funds for humanitarian assistance and evacuation in South Vietnam, and to clarify restrictions on the uses of Armed Forces in Indochina.	Yes	Passed (325–95).
A motion to consider a South Vietnamese bill in Committee of the Whole.	Yes	Passed (359–50).
An amendment to prohibit South Vietnamese assistance funds from being used by the North Vietnamese or the Viet Cong, and to remove requirement that the funds be distributed by international agencies.	Yes	Passed (340–70).
An amendment to increase an appropriation for military assistance to South Vietnam by $150,000,000.	No	Defeated (22–394).
An amendment to point out the violations by North Vietnam and the Vietcong of the Paris Peace Accords.	No	Passed (345–68).
An amendment to clarify Congress' war powers and the intent of the bill.	No	Passed (272–146).
An amendment to restrict the time during which U.S. Armed Forces could assist the evacuation of South Vietnam.	No	Defeated (196–208)
An amendment to channel the assistance funds through the U.N. international organizations and voluntary agencies to the extent possible.	Yes	Defeated (200–200)
A motion to rise from Committee of the Whole	Yes	Defeated (65–334).
An amendment to delete a waiver of existing law prohibiting the reintroduction of U.S. armed forces in Indochina.	Yes	Defeated (151–162).
An amendment to set a 10-day time limit for the evacuation	Yes	Defeated (97–311).
A substitute bill that would have prohibited U.S. Armed Forces assistance of the evacuation.	Yes	Defeated (147–266).
An amendment to point out the violations by North Vietnam and Vietcong of the Paris Peace Accords.	No	Passed (329–72).
An amendment to prohibit the use of assistance funds by North Vietnam and Vietcong.	Yes	Passed (343–71).
An amendment to limit the use of assistance funds to areas not controlled by Communists.	Yes	Defeated (125–290).
A bill to provide funds for humanitarian assistance and evacuation programs in South Vietnam, and to clarify restrictions on the use of U.S. Armed Forces in Indochina.	No	Passed (230–187).
A conference bill to authorize $327,000,000 for humanitarian assistance and evacuation programs in South Vietnam, and to clarify restrictions on the use of U.S. Armed Forces in Indochina.	No	Defeated (162–246).
A rule providing for consideration of a bill authorizing funds for South Vietnamese evacuation and assistance.	Yes	Passed (406–0).
An amendment requiring the President to report regularly to Congress on the Vietnamese refugee program.	Yes	Defeated (158–261).
An amendment to bar the use of assistance funds for refugees unless assistance is provided to Americans with equivalent economic hardships.	Yes	Defeated (71–346).
An amendment to authorize Vietnamese assistance funds solely for education assistance after September 1977.	Not voting.	Defeated (80–327).
An amendment to specify $507,000,000 as the extent of the refugee assistance authorization.	Not voting.	Passed (353–54).
A bill to authorize $507,000,000 for evacuation of Cambodian and Vietnamese refugees, and their resettlement.	Yes	Passed (381–31).
VOTING RIGHTS		
An amendment to apply the Voting Rights Act of 1965 where minority groups comprise more than 5 percent of the population and where less than 50 percent of minority voters voted in the last general election.	No	Defeated (134–269).
An amendment to exempt coverage of the Voting Rights Act of 1965 where 60 percent of minority voters voted in the last election, affirmative actions programs exist, and there have been no violations of the act for 5 years.	No	Defeated (134–279).
An amendment to repeal requiring states subject to the Voting Rights Act to obtain Justice Department approval of changes in voting law.	No	Defeated (105–300).
An amendment to ban literacy tests for 10 years rather than permanently.	No	Defeated (89–318).
An amendment to eliminate coverage of minority language groups by the Voting Rights Act.	No	Defeated (104–305).
An amendment to eliminate Alaskan natives from coverage by the Voting Rights Act.	No	Defeated (145–264).
An amendment to delete people from ethnic backgrounds with English as a dominant language from consideration as members of a language minority group.	No	Defeated (122–292).
An amendment to substitute "citizen" for "person" in language on conditions prompting coverage under the Voting Rights Act.	No	Passed (311–103).
An amendment to expand language minority groups to include all persons whose principal language is not English.	No	Defeated (156–253).
A bill to extend the Voting Rights Act through 1985, and to expand coverage of the Act to protect language minority groups.	Yes	Passed (341–70).
A resolution agreeing to Senate amendments to an extension of the Voting Rights Act.	Yes	Passed (346–56).
SCIENCE AND SPACE		
To authorize $3,500,000,000 for the National Aeronautics and Space Administration.	Yes	Passed (318–72).
An amendment to require congressional approval of implementation of curriculum programs of the National Science Foundation.	No	Defeated (196–215).
An amendment to require local school boards to hold public hearings on the use of the National Science Foundation funded courses.	No	Defeated (68–341).
An amendment to require the Director of National Science Foundation to submit projects for Congressional approval.	No	Passed (212–199).
To appropriate $755,400,000 for the National Science Foundation.	Yes	Passed (390–22).
A motion to insist on a provision in a House bill in conference that National Science Foundation research awards be reviewed by Congress.	No	Defeated (127–284).
A rule providing for consideration of the conference bill on the National Science Foundation.	Yes	Passed (328–73).
A conference bill authorizing $791,000,000 for the National Science Foundation.	Yes	Passed (321–79).
APPROPRIATIONS		
Supplemental appropriations totalling $117,200,000 for Government operations.	Yes	Passed (273–134).
An amendment to approve all of the President's proposed rescissions, except for hospital construction funds	No	Defeated (127–268)
To approve all or part of 28 Presidential rescissions of funds for various departments and agencies; also, disapproval of 12 other rescissions proposed by the President.	Yes	Passed (389–3).
An amendment to restore $259,400,000 of the President's total of $912,300,000 in rescissions in 25 HEW programs.	No	Defeated (132–252).
To approve all or part of 5 Presidential rescissions totalling $1,230,000,000 for various departments and agencies.	Yes	Passed (371–17).
To appropriate $3,000,000 for Bureau of Standards	Yes	Passed (386–2).
A bill to make supplemental fiscal 1975 appropriations of 11,400,000,000 for several Federal departments and agencies.	Yes	Passed (380–14).
A conference bill appropriating $15,000,000,000 for several departments and agencies.	Yes	Passed (317–34).
A bill to continue appropriations at current levels for several departments and agencies.	Yes	Passed (400–16).
A bill to appropriate $56,000,000,000 for the Department of Housing and Urban Development, the National Aeronautics and Space Administration, and the Veterans' Administration.	Yes	Passed (391–25).
A bill to appropriate $44,900,000,000 for the Department of Labor and the Department of Health, Education, and Welfare.	Yes	Passed (368–39).
A rule to provide for consideration of an appropriations bill for the Departments of State, Justice, and Commerce.	Yes	Passed (395–6).
An amendment to prohibit the use of funds by the State Department to negotiate the relinquishing of any U.S. rights in the Panama Canal Zone.	No	Passed (246–164).
An amendment to increase appropriations for the Antitrust Division of the Justice Department by $2,600,000.	Yes	Passed (230–182).
An amendment to increase appropriations for the Immigration and Naturalization Service by $45,000,000.	Yes	Defeated (164–242).
A bill to appropriate $5,990,000,000 for the Departments of State, Justice, and Commerce and the Federal judiciary.	Yes	Passed (395–4).
An amendment to delete a $3,000,000 subsidy to Cotton, Inc.	Yes	Defeated (196–199).
A motion to recommit to committee the agriculture appropriations bill.	No	Defeated (58–333).
A bill to appropriate $13,000,000,000 to the Department of Agriculture.	Yes	Passed (353–38.)
An amendment to reduce funds for the Council on Wage and Price Stability from $1,500,000 to $500,000.	No	Defeated (167–243).
A conference bill to appropriate $1,000,000,000 for the legislative branch.	Yes	Passed (374–45).
A bill to appropriate $5.2 for the Interior Department	Yes	Passed (417–8).
A motion to agree to a Senate amendment to appropriate $5,000,000 for international air mail carriers.	Yes	Passed (217–199).
NUTRITION		
To provide for consideration of amendments to H.R. 4222, the National School Lunch and Child Nutrition Act.	Yes	Passed (255–129).

Issue	My vote	Outcome
An amendment to delete the provision providing for a subsidy of the difference between 35 cents and the actual cost preparing the lunch.	Yes	Passed (269–144).
Motion to postpone further consideration of the bill to amend the National School Lunch and Child Nutrition Acts.	Yes	Passed (231–179).
To extend special summer food service program for children through Sept. 30, 1975.	Yes	Passed (396–2).
An amendment to provide a supplemental payment for school lunches.	Yes	Passed (213–176).
An amendment to provide supplemental feeding programs for pregnant women and infants.	Yes	Passed (238–152).
A motion to recommit the child nutrition bill	No	Defeated (144–246).
A bill to expand the child nutrition programs	Yes	Passed (335–49).

INTELLIGENCE INVESTIGATION

Issue	My vote	Outcome
An amendment to H. Res. 138 (establishment of a House Select Committee on Intelligence) to require the committee be composed equally of Democrats and Republicans.	No	Defeated (141–265).
To establish a Select Committee on Intelligence to investigate the operations of Government intelligence agencies.	Yes	Passed (268–120).
A motion to accept the resignation of Representative Nedzi as chairman of the Select Committee on Intelligence.	Yes	Defeated (64–290).
An amendment to abolish the Select Committee on Intelligence	No	Defeated (122–293).
An amendment to replace the Select Committee on Intelligence with a permanent committee on intelligence.	Not voting.	Defeated (178–230).
A motion to halt debate on the Select Committee on Intelligence resolution.	Not voting.	Passed (242–162).
An amendment to restrict the scope of inquiry of the Select Committee on Intelligence to the Central Intelligence Agency, and to decrease the committee membership.	No	Defeated (125–285).
An amendment to allow members of the original Select Committee on Intelligence to join the new committee.	Yes	Defeated (119–274).

LABOR

Issue	My vote	Outcome
A bill extending existing unemployment aid laws	Yes	Passed (381–8).
A bill to increase railroad unemployment benefits, expand eligibility for benefits, and prohibit striking workers from receiving benefits.	Yes	Passed (420–0).
A rule providing for consideration of the construction common-site picketing bill.	Yes	Passed (322–94).
An amendment to exempt nonconstruction employees from provisions permitting common-site picketing.	No	Defeated (176–223).
An amendment to prohibit common-site picketing against a contractor receiving a bid from a State requiring separate bids for different stages of public projects.	Not voting.	Passed (229–175).
An amendment to prohibit common-site picketing against a prime contractor with a separate and direct contract.	do	Defeated (176–222).
An amendment to prohibit common-site picketing against the use of a certain product.	do	Passed (204–188).
An amendment to prohibit common-site picketing at certain residences.	do	Defeated (200–202).
A bill to allow construction unions to strike and picket different contractors engaged in the same construction at a common site.	do	Passed (230–178).
A motion to consider a bill to authorize a work safety program for postal workers.	Yes	Passed (302–124).
A bill to authorize a work safety program for postal workers	No	Passed (214–213).

ENVIRONMENT

Issue	My vote	Outcome
To designate Mar. 21, 1975 as, Earth Day	Yes	Passed (374–30).
A bill to accept State-prepared environmental impact statements as compliance with the National Evironmental Policy Act for highway construction projects.	Not voting.	Passed (275–99).
A bill to amend the National Environmental Policy Act to preclude rejection of environmental impact statements because they were prepared by States.	do	Passed (370–5).
A motion to suspend the rules and authorize $5,200,000 for a noise control program.	Yes	Defeated (222–132).
A bill to continue Federal regulation of open dumping and to establish marine sanctuaries.	Yes	Passed (377–17).
A bill to extend the Wetlands Loan Act for 7 years and increase the amount of authorized loans.	Yes	Passed (400–0).
A bill to authorize $356,000,000 for research and development by the Environmental Protection Agency.	Yes	Passed (383–15).
An amendment to authorize $250,000,000 to help small farmers meet water pollution control standards.	Yes	Passed (307–86).
An amendment to increase wetlands acquisition appropriations from $1,000,000 to $10,000,000.	Yes	Passed (220–203).
A conference bill to amend the National Environmental Policy Act to state that environmental impact statements may not be rejected because they are prepared by State agencies.	Yes	Passed (279–143).
A bill to authorize $26,000,000 for Environmental Protection Agency noise control programs.	Yes	Passed (390–35).

CONGRESSIONAL ORGANIZATION AND OPERATION

Issue	My vote	Outcome
To elect Carl Albert Speaker of the House	Albert	Elected (287–143).
House ordered the previous question and thereby barred amendments to H. Res. 5, Rules of the House for the 94th Cong.	Yes	Passed (247–172).
To adopt the Rules of the House for the 94th Cong	Not voting.	Passed (259–150).
An amendment to delete funds for renovation and maintenance of the old FBI warehouse for use as House Office Building.	No	Defeated (170–236).
Motion to recommit resolution to provide funds for the operation of the Judiciary Committee.	No	Defeated (169–206).
An amendment to reduce the funds requested by the Rules Committee for travel.	No	Defeated (156–214).
To provide for adjournment of Congress until Apr. 7, 1975	Yes	Passed (210–182).
An amendment to the House Rules establishing a policy that Members convicted of a crime carrying a sentence of 2 years or more should refrain from voting on the floor or in committee.	Yes	Passed (360–37).
A motion to recommit to committee a resolution authorizing the printing of documents.	No	Defeated (133–264).
A resolution authorizing the printing of documents	Yes	Passed (262–138).
An amendment to prohibit an increase in congressional staff, office, and travel expenses.	No	Defeated (148–262).
An amendment to prohibit an increase in authorizations for congressional staff and office expenses without the approval of the House.	No	Defeated (152–259).
A resolution providing a recess from May 22 until June 2	Yes	Passed (233–99).
A resolution providing a congressional adjournment from Aug. 1 until Sept. 3.	Yes	Passed (293–10).

FARM PRICES

Issue	My vote	Outcome
To provide for the consideration of the agriculture price support bill.	Yes	Passed (369–35).
An amendment to maintain the existing cotton target price of 38 cents per pound and the loan rate of 34 cents.	No	Defeated (159–260).
An amendment to lower the cotton target price from the 48 cents in the committee bill to 45 cents and the loan rate from 40 cents to 38 cents.	Yes	Passed (321–97).
An amendment to retain 1974 target prices, for cotton, corn and wheat and set loan purchase rates at $1.34 per bushel for corn and $1.67 for wheat.	No	Defeated (105–306).
An amendment to lower the milk support rate from 85 percent to the present rate of 80 percent.	Yes	Passed (222–202).
An amendment to raise the milk support rate to a minimum of 82 percent of parity beginning with the third quarter of 1975.	No	Defeated (206–211).
To recommit the Agriculture price support bill to committee	No	Defeated (118–298).
To approve the agriculture price support bill which raises target prices and loan rates for wheat, feed grains, and cotton, and price support for milk.	Yes	Passed (259–162).
A conference committee bill to raise target prices and loan rates for 1975 crops of feed grains and to set daily price supports at 80 percent of parity.	Yes	Passed (248–166).
A veto override of the bill raising target prices and loan rates for feed grains, and setting dairy price supports.	Yes	Defeated (245–182).

TAXES

Issue	My vote	Outcome
To move the previous question on the rule accompanying H.R. 2166, Tax Reduction Act, thus closing debate on the Rule.	Yes	Passed (222–180).
To provide for consideration of the Tax Reduction Act	Yes	Passed (242–162).
A substitute to the committee bill to increase tax rebate on 1974 taxes but not to include reductions on 1975 taxes.	No	Defeated (160–251).
A bill (Tax Reduction Act) to provide tax rebates for 1974, individual tax cuts for 1975, increase in investment tax credit, corporate surtax exemptions, and repeal of 22 percent depletion allowance for oil and gas.	Yes	Passed (317–97).
Motion to disagree to the Senate amendments to the Tax Reduction Act, and to agree to a conference with the Senate on the bill.	Not voting.	Passed (281–18).
To provide for consideration of the conference report on the Tax Reduction Act.	No	Passed (240–172).
Motion to recommit the conference report on the Tax Reduction Act.	Yes	Defeated (197–214).
To adopt the conference report on the Tax Reduction Act	Yes	Passed (287–125).
An amendment to close certain tax loopholes	Yes	Passed (277–128).
An amendment to delete a provision that tax exemption cannot be denied to private organizations that had not proven their policies were not discriminatory.	Yes	Passed (284–122).

RAILROADS

Issue	My vote	Outcome
To authorize grants and loans to Penn Central and other bankrupt railroads in the process of reorganizing into a new rail system.	Yes	Passed (270–137).
An amendment to delete a $25,000 salary increase for the president of Amtrak.	No	Defeated (155–198).
A bill to appropriate $1,118,000,000 for Amtrak	Yes	Passed (280–63).
A motion to agree to the provisions of the Senate bill for railroad track repair and maintenance.	No	Defeated (141–253).
A motion to recede from disagreement with the Senate over railroad track repair and maintenance.	No	Defeated (136–215).
A motion to recede from disagreement with the Senate over railroad track repair and maintenance, and to appropriate $5,000,000 for planning of railroad assistance programs.	Yes	Passed (228–95).
A motion to disagree with a Senate authorization of $175,000,000 for a rail improvement program.	Yes	Passed (273–101).
A bill to authorize $44,000,000 to continue existing railroad safety programs.	Yes	Passed (387–0).

VETERANS

Issue	My vote	Outcome
To appropriate $638,000,000 in additional funds for Veterans Administration programs in fiscal 1975.	Yes	Passed (386–0).
A bill to increase veteran disability compensation rates	Yes	Passed (389–0).
A bill to exempt Veterans Administration doctors and dentists from the Federal employee salary ceiling.	Yes	Passed (382–3).

JOBS

Issue	My vote	Outcome
A motion to recommit emergency employment appropriations to committee with instructions to delete $2,170,000,000 of the $5,900,000,000 appropriated.	No	Defeated (109–315).
To appropriate $5,900,000,000 for public service jobs and manpower training, and acceleration of existing Federal programs and projects to stimulate employment.	Yes	Passed (313–113).
A conference bill to appropriate $5,300,000,000 to create 1,000,000 jobs.	Yes	Passed (293–109).
An override of the veto of emergency jobs appropriation bill	Yes	Defeated (277–145).
A bill to make supplemental appropriations of $473,000,000 for summer youth jobs.	Yes	Passed (408–8).

Issue	My vote	Outcome
EDUCATION		
An amendment to increase funding for 4 educational programs by $137,000,000.	No	Defeated (308–94).
An amendment to increase funds for 13 educational programs by $487,500,000.	Yes	Passed (259–143).
An amendment to prohibit the Department of Health, Education, and Welfare from issuing regulations or withholding funds from school districts in order to force them to integrate physical education classes, fraternities, and youth service organizations by sex.	No	Passed (253–145).
A conference bill to appropriate $9,000,000,000 for education programs.	Yes	Passed (370–42).
A motion to insist on the provisions of a House bill that physical education classes, fraternities, and sororities cannot be required to integrate by sex.	No	Passed (212–211).
A motion to recede from disagreement with the Senate, and not prohibit the mandatory sexual integration of physical education classes, fraternities, and sororities.	Yes	Passed (215–178).
HEALTH		
A rule providing for consideration of a National Health Service Corps bill.	Yes	Passed (401–0).
A bill extending and revising the National Health Service Corps.	Yes	Passed (399–4).
A bill authorizing $558,000,000 for assistance to nursing schools and nursing students.	Yes	Passed (384–17).
A bill to rescind $17,000,000 in appropriations for three health programs.	Yes	Passed (379–1).
A motion to recommit to committee a bill authorizing $1,400,000,000 for health services program.	No	Defeated (9–352).
An amendment to appropriate $31,000,000 for material and child health programs.	Yes	Passed (279–138).
A rule providing for consideration of the health manpower	Yes	Passed (351–0).
An amendment to require students to either repay the amount of their federal educational assistance or serve in medically underserved areas.	Yes	Passed (209–153).
An amendment to delete proposed limits on the number of postgraduate residency training positions.	No	Passed (207–146).
A bill to authorize $1,760,000,000 for health manpower assistance.	Yes	Passed (298–58).
An override of a veto of the bill authorizing funds for health services programs.	Yes	Passed (384–43).
FOREIGN AID		
To approve $3,500,000,000 of the President's requested $5,950,000,000 of foreign aid appropriations for economic and military assistance, peace corps and other programs.	Yes	Passed (212–201).
To provide for consideration of conference report on the foreign assistance appropriations bill.	Yes	Passed (235–141).
To approve conference report on the foreign assistance appropriations bill.	Yes	Passed (193–185).
A bill to authorize $853,000,000 for the State Department	Yes	Passed (336–46).
A bill to authorize $116,000,000 for the Peace Corps	Yes	Passed (303–70).
A rule providing for consideration of the Turkey arms embargo bill.	Yes	Passed (419–0).
A bill to permit partial resumption of arms shipments to Turkey.	No	Defeated (206–223).
PUBLIC WORKS		
A rule providing for consideration of a public works bill	Yes	Passed (377–6).
A bill authorizing $5,000,000,000 for local public works	Yes	Passed (312–86).
A motion to recede from disagreement with the Senate over a Mississippi River locks and dam project.	No	Defeated (168–179).
An amendment to delete a $1,460,000,000 appropriation for construction of a hydroelectric project in Maine.	Yes	Defeated (162–246).
An amendment to prohibit use of funds to study navigational alternatives with respect to the Trinity River Project in Texas.	Yes	Defeated (178–228).
A bill to appropriate $7,200,000,000 for public works and energy research projects.	Yes	Passed (377–28).
CRIMINAL JUSTICE		
A bill to create a U.S. Parole Commission and to afford greater protection to parolees.	Yes	Passed (260–137).
An amendment to change the proposed Federal rules of criminal procedure to let a prosecutor rather than a judicial officer issue a warrant or summons.	No	Passed (216–201).
An amendment to delete a provision entitling criminal defendants to the names and addresses of prosecution witnesses.	No	Defeated (199–216).
A bill to establish Federal rules of criminal procedure	Yes	Passed (372–1)
A motion to recommit to the House-Senate conference the Federal rules of criminal procedure bill.	Yes	Defeated (167–255).
WELFARE		
To authorize $188,750,000 in fiscal 1975–77 for programs to aid those with developmental disabilities.	Yes	Passed (398–5).
An amendment to favor lifting cost-of-living limits on income support programs.	Yes	Passed (234–171).
A bill to modify programs for the collection of child support payments from parents who deserted their families.	Yes	Passed 357–37).
An amendment to change the formula for distributing grants to assist in educating handicapped children	No	Defeated 116–308).
A bill to increase assistance to handicapped children	Yes	Passed (375–44).
MISCELLANEOUS		
To prevent an increase in the cost of food stamps	Yes	Passed (374–38).
To continue Government programs involving foreign aid and certain health and poverty programs.	Yes	Passed (308–75).
Resolution calling for the Federal Reserve to lower long-term interest rates and request the central bank to seek expansion of money and credit.	Yes	Passed (367–55).
To approve Neil Staebler as a member of the Federal Election Commission.	Yes	Passed (366–43).
To approve conference report on resolution calling upon the Federal Reserve to conduct monetary policy in the first half of 1975 so as to lower long-term interest rates.	Yes	Passed (335–46).
To amend the Older Americans Act of 1965 and to authorize $2,600,000,000 for the program.	Yes	Passed (377–19).
To designate Apr. 24, 1975, as "National Day of Man's Inhumanity to Man".	Yes	Passed (332–55).
An amendment to set up a 3-year, $22,500,000 program of Federal grants to states to develop camp safety standards, with no Federal enforcement permitted.	Yes	Defeated (194–188).
A bill to set up a program to assist States that developed and enforced federally approved safety standards for youth camps, and to provide for Federal inspection and enforcement of minimum Federal standards in States that did not develop their own.	No	Passed (197–174).
A bill to develop a more competitive and integrated securities market.	Yes	Passed (376–13).
A bill to increase congressional supervision of the protection of governmental officials.	Yes	Passed (352–0).
A bill to increase an authorization for the Pacific Trust Territory to $75,000,000, and to authorize $1,500,000 for the Mariana Islands.	Yes	Passed (334–27).
A bill authorizing additional appropriations for the acquisition and disposal of U.S. property in the United Arab Republic.	Yes	Passed (389–2).
A bill authorizing additional appropriation for construction and improvement of U.S. property overseas.	Yes	Passed (392–9).
A bill to extend the Emergency Livestock Credit Act through 1976, to increase Government loan guarantees, increase the repayment period, and change the total loan limit.	Yes	Passed (363–42).
A bill to authorize $98,100,000 to promote tourism	Yes	Passed (287–132).
A rule providing for consideration of a bill authorizing Maritime Administration appropriations.	Yes	Passed (379–2).
A bill authorizing $589,700,000 for shipbuilding and other programs by the Maritime Administration.	Yes	Passed (328–59).
A bill to extend the Appalachian Regional Development Act, and to authorize funds.	Yes	Passed (309–88).
A bill to increase the size of the Executive Protective Service	Yes	Passed (276–123).
A bill to authorize necessary expenditures for a share of the expenses of U.N. peacekeeping forces in the Middle East.	Yes	Passed (350–21).
A bill to allow newspapers in States with State lotteries to publish information on such lotteries in adjacent States.	No	Passed (250–125).
A motion to suspend the rules and pass a bill increasing the contribution of the Federal Government to employee group life insurance.	Yes	Defeated (245–145).
An amendment to change the funds authorized for the Federal Elections Commission from $7,800,000 for 18 months to $2,600,000 for 6 months.	No	Defeated (72–340).
A rule to provide for consideration of the Nuclear Regulatory Commission bill.	Yes	Passed (281–1).
An amendment to bar the use of funds for exporting nuclear fuel or nuclear technology to certain countries.	Yes	Defeated (117–139).
An amendment to prohibit the transportation of plutonium by aircraft until certain conditions are met.	Yes	Passed (165–79).
A bill to authorize $222,900,000 for the Nuclear Regulatory Commission.	Not voting.	Passed (233–2).
A rule to provide for consideration of a credit use reporting bill.	Yes	Passed (238–151).
A bill to require banks to report to the Federal Reserve Board the amount of loans made in certain categories.	No	Defeated (183–205).
An amendment to prohibit the use of funds to fine small firms for first violations of occupational safety and health regulations.	No	Defeated (186–231).
A rule to authorize consideration of an authorization bill for White House operation.	Yes	Passed (408–2).
A bill to extend the emergency loan program for victims of natural disasters.	Yes	Passed (403–0).
A bill to authorize $3,300,000 for the Council on International Economic Policy.	Yes	Passed (345–58).
An amendment to freeze the number of high-level White House staff jobs at the current level.	Yes	Defeated (157–234).
An amendment to provide control of White House staff operations through the authorization process rather than by statutory limits.	No	Defeated (146–242).
An amendment to prohibit the use of air traffic control funds for supersonic transport jets.	Yes	Defeated (196–214).
A bill to appropriate $3.640,000,000 for transportation programs.	Yes	Passed (392–13).
An amendment to prohibit the use of departmental funds to pay employees serving at the White House.	Yes	Defeated (141–274).
A bill to authorize $6,500,000,000 for Treasury, Postal Service, White House, and general governmental operations.	Yes	Passed (393–18).
A bill to repeal antitrust exemptions for State fair trade laws.	Yes	Passed (380–11).
A resolution to restore citizenship to Robert E. Lee	Yes	Passed (407–10).
A conference bill to change the authority of the Farmers Home Administration to make emergency loans to natural disaster victims.	Yes	Passed (398–0).
A resolution favoring most-favored-nation trade status for Romania.	Yes	Passed (355–41).
A rule providing for consideration of the consumer product safety bill.	Yes	Passed (387–22).
An amendment to allow the Consumer Product Safety Commission to regulate defective firearms and ammunitions.	No	Defeated (80–339).
A conference bill to authorize $7,600,000,000 for Department of the Treasury, Postal Service, White House, and general governmental operations.	No	Passed (337–79).
An amendment deleting the authority of the Council on Wage and Price Stability to obtain business records.	No	Defeated (185–237).
A bill to extend the Council on Wage and Price Stability through September 1977, and to expand the Council's authority.	Yes	Passed (235–188).

NEW DISCLOSURES IN KENNEDY ASSASSINATION

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, September 18, 1975

Mr. SCHWEIKER. Mr. President, I send to the desk for inclusion in the Record four recent articles which have appeared concerning new developments relating to the assassination of former President Kennedy.

I have submitted a resolution, Senate Resolution 243, to modify the authority of the Senate Select Committee on Intelligence Activities, to permit full investigation into the effectiveness with which the intelligence community discharged its responsibilities to the Warren Commission. The FBI coverup described in these articles—together with the other unexplained intelligence agency actions—devastates the credibility of the Warren Commission investigation, and clearly demonstrates the need for prompt Senate approval of Senate Resolution 243.

I ask unanimous consent that these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

FBI—The Oswald Cover-Up

What if Aaron Burr had been a bad shot? What if Lincoln had not attended *Our American Cousin?* Such questions, history's most tantalizing and ironic, are also its most academic and trivial—except in some extraordinary instances. One such instance is now coming to light. The FBI is investigating the previously unrevealed fact that a few days before President Kennedy's assassination on Nov. 22, 1963, Lee Harvey Oswald dropped in at the bureau's Dallas office to deliver a threatening note. Not only did the Dallas FBI fail to put Oswald under surveillance, but FBI officials destroyed the note after Kennedy's death and then withheld all knowledge of the affair from the Warren Commission.

Back in 1964, of course, the FBI told the commission that Oswald and his Russian-born wife Marina were no strangers to the bureau. Both had been the subjects of routine interviews the FBI conducted at that time with people who had lived in Communist countries. Dallas Agent James P. Hosty Jr., who had been keeping an eye on Marina throughout 1963, spoke with her early in November. Hosty told the Warren Commission that Mrs. Oswald had been "quite alarmed" by the interview. He did not mention, however, that Lee Oswald later visited his office, delivering a note warning the FBI to leave his wife alone. The bureau, preparing for Kennedy's trip to Dallas, did give the Secret Service the name of a potentially dangerous person in the area, but it was not Oswald.

Earlier this summer, the astonishing tale came to the attention of Tom Johnson, 33, former assistant press secretary to President Johnson and now publisher of the Dallas Times Herald. The Times Herald held off publishing its discovery for almost two months to give the FBI a chance to determine its accuracy. The story ran last week, under Johnson's byline, after FBI Director Clarence M. Kelley issued a statement to the Times Herald confirming its scoop. "FBI inquiries to date," declared Kelley, "establish that the note contained no references to President Kennedy or in any way would have forewarned of the subsequent assassination." Kelley added that the bureau's investigations "tend to corroborate that shortly after the assassination, the note in question was destroyed." But he did not say who might have destroyed it.

INDEX NUMBER

FBI sources close to the investigation believe, however, that the note was more ominous than Kelley implied, and that the bureau's inspectors have learned that Oswald specifically threatened to take action against the Government. Just after the assassination, anguished FBI men in Dallas asked their superiors in Washington for guidance about the note. According to present and former FBI officials, John P. Mohr, then the bureau's administrative chief, told the Dallas agents to destroy it. That probably required considerable ingenuity, because the note had been assigned an index number and filed away. Subsequently, a former FBI official told Time, the bureau deliberately concealed what had happened from the Warren Commission. Said this official: "The truth was that the FBI had information that Oswald intended to take action of some kind." Many agents aware of the coverup—including James Hosty—were reportedly deeply upset.

Mohr, who retired in 1972 after nearly 40 years with the FBI, denied any knowledge of Oswald's note or its disappearance. So, too, do his former aides in the administrative division: Nicholas P. Callahan, James B. Adams and Eugene W. Walsh. The continuing FBI investigation is especially sensitive because these men now hold three of the bureau's five top jobs. Many agents, in fact, believe that the trio actually runs the FBI—with a little behind-the-scenes counsel from Mohr.

Behind the Move To Reopen JFK Case

The Senate is being asked to order a new look into the 1963 assassination of President John F. Kennedy.

The task would be given to the Select Committee on Intelligence Operations, under a resolution sponsored by Senator Richard S. Schweiker (Rep.), of Pennsylvania. He is a member of that Committee, headed by Senator Frank Church (Dem.), of Idaho, which is investigating the Central Intelligence Agency.

Senator Schweiker told U.S. News & World Report he seeks a review of the Kennedy case because newly uncovered evidence has raised serious questions. From the Committee's investigations and from long-secret documents recently made public and his own research, the Senator says, "it now appears" that—

Both the CIA and Federal Bureau of Investigation covered up evidence that could have affected the Warren Commission's findings that Lee Harvey Oswald alone killed Mr. Kennedy.

Jack Ruby, who killed Oswald soon after the Kennedy shooting, was an FBI informer—a fact brought to light only recently when a 1964 letter by the late FBI Director J. Edgar Hoover was obtained under the new Freedom of Information Act.

Oswald himself may have had some "affiliation with an intelligence operation"—as indicated by his background and the strange way "he was favored in every step" as he defected to Russia and was later restored to full U.S. citizenship.

Former CIA Director Allen Dulles withheld from the Warren Commission information about CIA plots to kill Cuban Prime Minister Fidel Castro—which could have provided a motive for retaliation by Castro against Mr. Kennedy.

Several key witnesses before the Warren Commission changed their testimony under urging by the FBI.

The FBI destroyed a letter which Oswald delivered personally to its Dallas office several weeks before the Kennedy shooting. The letter warned an FBI agent to quit interviewing Mrs. Oswald. The destuction of this letter was first reported by the Dallas Times Herald then confirmed on August 30 by FBI Director Clarence M. Kelley, who also said Oswald's visit was never reported to the Warren Commission.

The FBI suppressed a report that one of its agents told Dallas police after the shooting that the FBI had known Oswald could be a threat to President Kennedy. This was reported by the Houston Chronicle September 1.

"Up until a few months ago," Senator Schweiker said, "I was one who believed the Warren Commission's conclusion that Oswald had acted alone. But all these new developments have caused me to question some of the Commission assumptions. I think there are certainly grounds for taking another look. To me, it's like a big, public boil that's going to burst."

The resolution that Senator Schweiker proposes would direct the Church Committee to investigate matters relating to the Kennedy assassination, including the possible involvement of Ruby and Oswald in intelligence activities and the way the FBI and CIA gathered and disclosed information for the Warren Commission.

It would also empower the Committee to demand documents which have never been made public. They have been stored in the National Archives, classified as secret, not to be made public for 75 years. Some of those documents have been declassified. But "if you look at the documents that have not been released," the Senator said, "You find that the overwhelming number of them concern the intelligence agencies—107 FBI and 23 CIA documents."

He asked: "Now, if Oswald didn't deal with intelligence people, why are these documents classified?"

Explaining his suspicions about Oswald, Mr. Schweiker cited this record: "As a Marine, he was stationed at a base in Japan where CIA special agents were trained. He applied for a 'hardship' discharge on account of his mother. But he went home to his mother for just a few days and then high-tailed it to Russia. He immediately got a passport to go there, then proceeded to renounce his citizenship. Yet, when he wanted to come back, we gave him back his passport and paid his fare home."

Senator Schweiker cited an Associated Press story of Sept. 9, 1963, quoting Castro as saying U.S. leaders would be in danger if they helped in any way to "eliminate Cuban leaders."

"My point is," the Senator said, "we were warned some weeks before Mr. Kennedy was killed on November 22 that if we did not stop trying to kill Castro the Cubans would get even. But nobody paid any attention because nobody knew at that time that we were trying to kill Castro."

Senator Schweiker also cited a *Miami News* report, printed in 1967, that Miami police were told by an informer on Nov. 9, 1963, that a plan to kill the President was in the works—and a tape of that conversation was given to the Secret Service. Although the site of the killing was not named, the informer was quoted as giving an almost precise scenario for what happened at Dallas.

Senator Schweiker is not the first member of Congress to ask for a reopening of the Kennedy investigation. But his approach of using the Church Committee is new. Numerous Americans who long have doubted the Warren Commission conclusions will be watching what the Senate does with his idea.

Assassination Conspiracy Theories

A three-minute survey of the local newsstand turns up:

A U.S. News & World Report article on Sen. Richard Schweiker's attempt to reopen the John F. Kennedy assassination investigation;

A Time magazine story on the FBI and "The Oswald Cover-Up";

A Ramparts piece on Dick Gregory prominently featuring the activist-comedian's suspicions of CIA and FBI involvement in the assassination and Lord-knows what else;

A special issue of Skeptic magazine titled: "Who Killed JFK?"

(There was also a Qui magazine article attempting to tie John and Robert Kennedy to the "murder" of Marilyn Monroe, but that's another conspiracy.)

Twelve years after the slaying of a President, the official Warren Commission version of that tragedy is in as much doubt as it ever was. And not just among those researchers put down as "conspiratorialists," either. The doubters include responsible journalists, publishers, public officials and, of course, the public. A Gallup Poll survey taken in November 1963 revealed that only 29 per cent of the American people believed Lee Harvey Oswald acted alone.

If there is one major difference between the doubts then and the doubts now, it is that the early suspicions were of a too-hasty, too-tendermined approach by the Warren Commission which allowed Oswald's co-conspirators to escape.

Maybe the commission members didn't want to believe the existence of a conspiracy; maybe they did believe, but also believed the American people would be better off not knowing what the commission members suspected.

Those were the doubts then. The doubts now are a good deal more sinister. Partly as a result of new information and partly as a result of new post-Watergate skepticism, the suspicions now are that there not only was a conspiracy but that the government agencies involved in the investigation were also part of the conspiracy.

Obviously no single column can explore the doubts and the information that produced them. But the suspicions centering around Oswald—even assuming he shot the President—are compelling enough by themselves to warrant a re-opening of the investigation.

Robert Sam Anson, writing in Skeptic, notes the allegations (including those forwarded to the Warren Commission by Texas Attorney General Waggoner Carr) that Oswald was in the pay of the FBI and then takes a look at Oswald's Marine Corps record.

He was stationed for a time at Atsugi, Japan, "according to those familiar with the workings of the agency, one of the largest CIA bases in the world."

He received a hardship discharge from the Marine Corps in 1959, a scant three days after he requested it on the ground that his mother had been injured. ("A box dropped on her foot at work; she was back at work a few days later," Anson reported.)

Despite a bank balance of $203, he somehow managed to pay in excess of $1,500 for his passage to Russia, after spending but a few days with his mother.

Once in Russia, he went to the American Embassy and renounced his citizenship. Two years later, when he applied for a new passport, "it was routinely granted, along with a loan of several hundrd dollars to get home," Anson wrote.

Sen. Schweiker told U.S. News that he found it strange that Oswald was so "favored in every step" and that the reason may have been his "affiliation with an intelligence operation."

It has recently come out that Oswald delivered a "threatening note" to the FBI's Dallas office a few days before the assassination but that the note was destroyed by the FBI. FBI Director Clarence Kelley confirmed the note and its destruction but has not disclosed its contents.

There is, in short, enough fact and rumor to suggest that Oswald was an agent of the FBI, the CIA or both. And if that connection could be established, it would mandate a different line of inquiry than the Warren Commission took—even if there were conclusive evidence that Oswald fired the fatal shots.

Which there is not. In fact, a number of commission critics make a convincing case that Oswald could not possibly have fired all the shots that the evidence shows must have been fired that day.

It isn't necessary to link the presidential assassination to the Robert Kennedy and Martin Luther King assassinations or to accuse present government officials as conspirators to conclude that there is a good deal that we haven't been told.

The best chance of learning more of what actually happened, and who was involved in it, may lie in the resolution sponsord by Sen. Schweiker. The Pennsylvania Republican, a member of the committee looking into the CIA, told U.S. News:

"Up until a few months ago, I was one who believed the Warren Commission's conclusion that Oswald had acted alone. But all these new developments have caused me to question some of the commission assumptions. I think there are certainly grounds for taking another look. To me, it's like a big, public boil that's going to burst."

Schweiker's resolution would direct the committee headed by Sen. Frank Church to investigate the possible roles of Oswald and Jack Ruby in the FBI and CIA and also to examine the way those agencies handled their investigation and reporting for the Warren Commission.

But if the conspiracy is as big and powerful as some commission critics believe, Schweiker hasn't a prayer of reopening anything.

FBI Chiefs Linked to Oswald File Loss

Washington, Sept. 14.—Top officials of the Federal Bureau of Investigation—probably including former Director J. Edgar Hoover—ordered the destruction of a letter in which Lee Harvey Oswald, assassin of President Kennedy, conveyed violent threats about 10 days before he killed the President, according to a source familiar with the meeting where this decision was made.

The sources said that the decision to destroy the letter, which made threats against the Dallas police, was taken at a meeting of top F.B.I. officials in Washington on the weekend after President Kennedy was murdered in Dallas on Friday, Nov. 22, 1963.

The F.B.I. has always maintained that it had no reason to believe that Oswald was capable of violence and therefore had not filed reports on him with the Secret Service.

The source said that the decision to destroy the letter was made because of potential embarrassment to the F.B.I., and not to hinder the investigation of President Kennedy's death.

The existence and destruction of the letter was first reported two weeks ago by The Dallas Times-Herald.

The letter's destruction was cited by Senator Richard S. Schweiker, Pennsylvania Republican, as a prime reason for his introduction of a Senate resolution on Sept. 8, directing the Senate Select Committee on Intelligence to inquire into Mr. Kennedy's murder as part of its investigation of the F.B.I. and Central Intelligence Agency. The resolution is pending.

Senator Schweiker said in an interview last week that since he introduced his resolution, his office received information that strengthened his belief that 17 still-secret reports from the F.B.I. and 23 from the C.I.A. to the Warren Commission might contain information that the public should have.

The order to destroy the letter was relayed to Dallas, where the letter was on file, by one of Mr. Hoover's assistants, but the assistant would never have ordered the destruction of possible evidence except on Mr. Hoover's expressed order, the source said.

Both Mr. Hoover and James P. Hosty Jr., the F.B.I. agent who received the Oswald letter, told the Warren Commission that they had no reason to believe that Oswald was capable of violence.

When he testified in April, 1964, before the commission, which investigated the assassination and found that Oswald was the lone assassin, Mr. Hosty said:

"Prior to the assassination of the President of the United States, I had no information indicating violence on the part of Lee Harvey Oswald. I wish the record to so read."

Clarence M. Kelley, who became F.B.I. Director in 1973 after Mr. Hoover's death, has said that there is evidence that the letter was received and de- * * *

The F.B.I. refused last week to direct Mr. Hosty to break his silence and discuss the destruction of the letter, an action that has prompted a growing demand to reopen the investigation of the assassination. Mr. Hosty, now working in the F.B.I. office at Kansas City, Mo., has refused to be interviewed.

An F.B.I. spokesman said that any comment would be "inappropriate" at this time, because an internal F.B.I. investigation of the incident was under way.

The Oswald letter contained a threat to "blow up" the Dallas Police Department, said the source familiar with the meeting that ordered the destruction of the letter.

GAVE NAME TO OSWALD

Early reports said that the letter threatened violence to the F.B.I. office as well as to the police department. But the source said that the letter threatened only the Dallas police, although it also told the F.B.I. to stop trying to interview Oswald's wife, Marina.

Oswald married his Russian-born wife in the Soviet Union while he was living there in 1961.

He wrote the letter in November, 1963, after Mr. Hosty had twice called on Ruth Paine, of Irving, Tex., housewife who was befriending Mrs. Oswald and her two small children.

Both Mrs. Paine and Mr. Hosty told the Warren Commission that Mr. Hosty left his name and telephone number with Mrs. Paine on Nov. 1, 1963, to give to Oswald, who at the time was residing in a Dallas rooming house.

Mr. Hosty's name, telephone number, office address and a close approximation of his automobile license number were found in Oswald's address book by Dallas police officers after Oswald's arrest on the afternoon of Nov. 22, 1963.

Mrs. Paine said that she had given Mr. Hosty's name and telephone number to Oswald, and that Oswald later told her he had gone to see the F.B.I. agent.

Mr. Hosty testified that he had gone to Mrs. Paine's home as part of a routine check that he was making on Oswald. He said that a file on Oswald, which had been closed, was reopened because of Oswald's activities with the Fair Play for Cuba Committee, a pro-Castro group, and because Oswald had begun subscribing to the Communist party newspaper, The Worker.

The file had originally been opened because of Oswald's attempts to defect to the Soviet Union.

Oswald's threatening letter was apparently written and delivered after Mr. Hosty paid a second visit to the Paine home on Nov. 5.

The source outlined what occurred after Mr. Hosty's second visit, as follows:

OFFICIAL DOCUMENT

Several days later, Oswald hand carried the letter to the F.B.I. office in downtown Dallas; the F.B.I. office was about a quarter of a mile from the Texas School Book Depository—a textbook warehouse—where Oswald was working as a laborer.

The letter addressed to Mr. Hosty, was left with an F.B.I. receptionist.

When Mr. Hosty read the letter, he showed it to the agent in charge of the Dallas F.B.I. office, J. Gordan Shanklin, who asked Mr. Hosty if Oswald was capable of carrying out the threat. Mr. Hosty replied that he did not know.

Mr. Shanklin then suggested that Mr. Hosty continue his search for Oswald and interview him.

In presenting the basic outline of the circumstances surrounding the letter, the source said that when the letter was given a file and item number in November, 1963, it became an official document, and that destruction of it might have violated Federal law.

In testimony and affidavits given to the Warren Commission some months after the assassination, Mr. Hoover and Mr. Hosty said that they had no reason to believe that Oswald was capable of violent action.

Shortly after the assassination, the F.B.I.'s Dallas office notified its headquarters in Washington of the existence of the letter. The meeting to discuss what to do about the letter ensued.

Some time later, Mr. Hoover sent out letters of censure to 17 agents and officials because of the incident, and Mr. Hosty was suspended without pay for 30 days and transferred to his present post in Kansas City.

The source said that Mr. Hoover "was madder than hell."

In Dallas, Mr. Shanklin, who has retired from the F.B.I. and now practices law, said that he would not discuss the letter.

"I know nothing about it," he said. "I handled only 1 phase of the investigation."

In one of a number of affidavits that he filed with the Warren Commission, Mr. Hoover denied rumors that Oswald had been an F.B.I. informer. Mr. Hoover listed "all" contacts that he said the F.B.I. had had with Oswald. The list did not mention the letter.

WORLD FOOD CRISIS SYMPOSIUM—IV: INTERNATIONAL RESEARCH CENTERS AND THE GREEN REVOLUTION

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. BRECKINRIDGE. Mr. Speaker, international research centers, drawing on the resources both of governments and private foundations, represent a many-faceted attack on the problem of world hunger.

An excellent explanation of the international research centers was given at the April 1 and 2 World Food Crisis Conference, held at the University of Kentucky, by Dr. A. McClung of the Rockefeller Foundation.

The important work of these centers will be greatly augmented by enactment of H.R. 9005. This measure, which passed the House September 10, includes provisions authorized by Representative PAUL FINDLEY that strengthen the role of America's land-grant and similar universities in the effort to increase agricultural production in developing countries.

Dr. McClung's presentation follows:

I have been asked to talk about the international agricultural research centers—their genesis, their present activities, their relationship to other institutions in the developed and the developing countries and something possibly about their future. The first of the international agricultural research centers was the one started in the Philippines in 1960—the International Rice Research Institute (IRRI). But to go back to the beginnings, you would have to go to Mexico in 1943, I believe, because that was the year in which the Rockefeller Foundation agreed to help the Mexican government establish a new agricultural research activity. This had a very limited set of objectives, primarily to develop varieties of wheat that were tolerant to rust. From this grew a very active program that gradually turned around Mexico's agicultural production. The Rockefeller Foundation went on to participate in similar programs in several other countries. The significance, I think, of these particular activities was their emphasis, first of all on research, but on research closely tied to training of men and extension of research findings to farmers. In the 1950's the tendency in many international aid programs was to feel that in the developed countries we had a reservoir of know-how about agricultural production that could be applied directly in the developing countries. We have since found that this application is often not a direct one. The results are not that transferable and, by good fortune and by good choice of advisors, the Rockefeller Foundation got onto that idea at the start.

Now, in the 1950's both the Ford and Rockefeller Foundations were having a look at Asia to see whether there was anything they might do as private foundations to help agriculture in an area as large as Asia. They made these studies independently, for each had certain programs of their own. After a period of intensive study Dr. F. F. Hill, then Vice President of the Ford Foundation, and Dr. Robert F. Chandler, Jr., an agricultural officer of the Rockefeller Foundation, came to the conclusion, more or less independently, that, if they were to help Asia's agriculture, rice was the key crop—not only was it important that something be done to increase rice production, but it seemed technologically feasible to find ways of doing so within the scope of available funds.

In 1960 the two foundations got together, made an agreement with the government of the Philippines and founded the International Rice Research Institute. They brought together an international board of trustees and assembled an international staff of scientists coming from seven or eight nations. Thus there came into being in a short time an organization dedicated primarily to finding ways of increasing rice production in tropical Asia and of helping bring about increases in national production.

The success of IRRI was to be measured, not in the number of its publications or the fame of its scientists, but in what happened to national average yields of rice. Now, there are many factors in this that a rice research institute cannot influence directly so the criterion of success was to be a tough one. However, IRRI was able to demonstrate solid progress and to do so rapidly. By 1966 some high-yielding varieties of rice, which I am going to show you on slides, had been brought out and had been very useful in meeting some of the acute food problems that occurred in Asia in the 1960's.

The results of IRRI were so encouraging that the two foundations moved to replicate it by establishing similar centers to deal with other crops. The staff which had assisted the Mexicans in their wheat program was still stationed in Mexico in the middle 1960's but working mostly in international activities. In 1966 the foundations decided to create a second international center—the International Maize and Wheat Improvement Center (Centro Internacional para el Mejoramiento de Maiz y Trigo, "CIMMYT"). This institution was to deal with wheat and corn on a worldwide basis. In 1968 they formed a new organization—the International Institute for Tropical Agriculture (IITA), which was to deal with agricultural problems of the African region. This center, I might say, was different from the first two in that it did not have close ties with one or two commodities but was dealing with much more complex agriculture. In 1969 the two organizations formed a fourth international institute—the International Center for Tropical Agriculture (Centro Internacional de Agricultura Tropical, "CIAT"). This one was to be situated in Colombia and was to deal with problems of tropical agriculture in Latin America.

These four centers represented joint undertakings of the two foundations, but it was obvious by this point that the two could not sustain this rate of growth nor could their resources bring out all of the potentials of these centers. To look into the maximization of the international center concept, several meetings were called in 1969–70. These were meetings of government officials and private citizens interested in world food problems and their purpose was to find ways these research centers could be made more effective, possibly added to in number, but sustained in a way that would make them as productive as possible. Two of the centers had demonstrated what could be done with wheat and rice. The challenge was to find ways of achieving similar results with a whole range of crops and cropping systems.

This series of conferences came up with a unique procedure for international cooperation. They formed what is called the Consultative Group on International Agricultural Research, or CGIAR. This is an informal organization—no government is committed to do a thing except send their representatives to be present. The objective is to examine agricultural research needs and find some ways of meeting them. At present there are about 24 members of the organization. Most of these are cash-contributing members. The latest one to come forward, not just to observe, but to make a financial contribution was Nigeria, demonstrating, I believe, that the centers have strong recognition by the countries which utilize their output. Those of us who are associated with the centers were pleased last November at the World Food Conference when the centers were cited by the assembled group as the kind of international cooperation that should be supported. There were about 135 participating nations at the Conference and I don't believe there was a single dissenting vote to the position that the centers represent a significant force toward improving world food production. The leaders at the Conference, such as the Secretary-General of the United Nations and Secretary Kissinger of the United States and many others, spoke in terms of solid support to these centers.

When I joined the International Rice Research Institute in 1964, our annual budget was $1.7 million, all of which came from the two foundations. There are now in 1975 nine international centers with aggregate budgets of $45 million and it comes from about 21 donors. Last year the budget was $36 million, the year before that $23 million; so you can see it has been a very strong growth situation even taking into account inflationary trends. This rate of growth is not expected to continue, but it is estimated that sums amounting to $80 million per year will be needed and available by 1980. The returns from this sort of investment are demonstrably high.

The CGIAR is simply a group of donor countries, development banks, foundations or agencies which accept a commitment to provide funds for international agricultural research. The sponsors of the group are the World Bank, the Food and Agriculture Organization of the United Nations, and the United Nations Development Programme. In addition to the three sponsors, the members of the group in August 1974 included thirteen governments, three regional development banks, the Commission of the European Communities, three private foundations and an autonomous Canadian organization. The members of the group usually attend meetings in Washington at the World Bank's headquarters twice a year. On the basis of progress from existing centers and on the need for new research activities, the members agree to provide funds. Any member of the group is free to provide funds for some centers and not for others; most international centers attract funds from several of the donors; none attract funds from all donors.

The Secretariat for the Consultative Group is provided by the World Bank in its headquarters in Washington. The group operates in a rather informal atmosphere without much red tape.

The Consultative Group is advised by the Technical Advisory Committee (TAC) consisting of thirteen scientists and economists. Membership on the TAC is drawn equally from the developed and developing countries. The TAC advises the Consultative Group on research priorities, on specific research proposals for which group assistance may be sought, on the effectiveness of existing international agricultural research programs and on how best to organize and conduct this research.

The international centers are truly international in scope, but they also tend to have a particular affiliation to the region in which they are situated. In 1974 the TAC has recommended to the Consultative Group that a new international center be established to carry out research into crops that are important in the Middle East and North Africa. This will fill what seems to be a gap in the geographical coverage of the international centers. The TAC is provided with a Secretariat by the Food and Agricultural Organization of the United Nations in its headquarters in Rome. It usually meets two or three times a year in Rome or Washington. Members of the TAC familiarize themselves with the work of the international centers and with research needs of developing countries by visits to international, regional, and national centers.

Proposals for new research centers or programs are channeled through a member of the Consultative Group or through one of its sponsors. It is not possible for the CGIAR to respond to requests to support national research programs, but the linkage between international and national research institutes is recognized as being of great importance. Methods of strengthening this linkage and of making the research work of the international centers pay off the farmers' fields are accorded high priority, as reflected in the activities of the international centers. To find additional ways of strengthening these ties and making the work of the international centers more effective, members of the CGIAR have sent delegates to separate conferences held in 1974 and again in 1975. These conferences have focused specifically on the question of how to strengthen the national research organizations.

But let us return to the international centers themselves. I have already told you about the International Rice Research Institute, the first of the chain. I have also described very briefly the International Maize and Wheat Improvement Center (CIMMYT) which is located in Mexico but worldwide on problems related to these two commodities. I have mentioned the work of the International Institute of Tropical Agriculture in Africa and also that of the International Center of Tropical Agriculture in Colombia. But there are four other major centers with equally exciting possibilities which have either been created outright under the auspices of the CGIAR or have developed from a much less worldwide base into true membership in the international network.

The first center to be established directly by the CGIAR is the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT). This center is headquartered in Hyberabad in Central India. The need for increased output by the dryland farmer, who is dependent on the rain which falls on his land, continues to be a critical question for some 400 million persons who live in the semi-arid tropics. These persons are found in parts of Australia and Southeast Asia, India, the Middle East, two wide belts in Africa and much of Mexico. The improved crop varieties from the international centers or elsewhere have boosted food supplies only to a limited extent in these regions. The increases have come mainly where irrigation can be part of the package.

Scientists of ICRISAT believe that concentrated work will produce varieties of food crops and methods of managing the soil and water resources for the dryland farmer which can substantially improve the size and dependability of his harvest. ICRISAT is determined to keep the Institute's sights fixed on the small cultivator of humble means. They are developing technology that will make sense to the small farmer. Careful attention is being given, for example, to reducing runoff, improving percolation of water into the soil and of storing excess water during the rainy periods for use in the drier part of the year.

ICRISAT has primary responsibility for two cereals and two pulses which are already major crops of the semi-arid tropical regions: sorghum, pearl millet, pigeon peas and chick-peas. They have recently added the peanut to their list of crops to receive major attention. In addition to the basic work being conducted at its home base in India, ICRISAT is forming strong liaison stations in Africa and South America.

The International Potato Center (Centro Internacional de la Papa, "CIP") is a one-crop institute. Its mandate is to improve potatoes and potato growing in developing countries and to extend the potato's range of adaptation to new territory including extending its range into areas with higher temperatures. The potato in question is the white or Irish potato, the tuber bearing species *Solanum*. While it is new as an international center, CIP has precursors ten to twenty years old. It incorporates in its activities work which was started in Mexico and also that which was carried out cooperatively by Peru and North Carolina State College under a USAID contract. Both of these forebears provided CIP with a legacy of research results, trained people, ongoing projects and valuable biological materials on which to build its programs.

The Center is situated in Peru near the origin of the potato species and it has devoted major attention to collecting wild relatives of the cultivated potato as well as traditional cultivars which were developed and maintained over the centuries by farmers of the Andean region.

CIP is extremely active in developing international ties into other parts of the world. Major attention is being given to South Asia where the potato, although a crop introduced less than 300 years ago, is a major factor in feeding the population. CIP's plans are drawn in consultation with the world's top potato men. Periodic planning conferences have been held under the Center's auspices and world authorities have been brought together to help orient the work in each of several major subject matter areas.

The International Laboratory for Research on Animal Diseases (ILRAD) has its headquarters in Nairobi, Kenya. Its primary and most urgent purpose is the development of immunological procedures for the prevention of two major diseases: trypanosomiasis and east coast fever which are extremely destructive to cattle in the African region. South of the Sahara are vast stretches of range and grassland, but cattle raising in these areas is hazardous because of these two diseases. Trypanosomiasis infects three-quarters of the area and east coast fever an estimated one-fourth. Both are blood-borne parasitic infections. Trypanosomiasis is carried by the tsetse fly and east coast fever by ticks. Exposure of susceptible cattle to either one can mean famine for nomadic herding societies that depend on cattle for their food or ruin for small ranchers whose animals are their livelihood.

Recent advances in the immunology, molecular biology and ultrastructure of these organisms have raised the hope that trypanosomiasis can ultimately be eradicated from large areas of Africa provided intensive research can be conducted on the basic biological aspects of these parasites. Although many investigators in different parts of the world are conducting active research on these diseases, the solution to these problems will be greatly facilitated by the existence of a coordinated multidisciplinary intensive program conducted in a single institute located in one of the endemic regions. The combined knowledge of zoologists, biochemists, geneticists, immunologists and pathologists will doubtless increase the probabilities for success in understanding the problem and achieving the ultimate goal of providing safe and practical vaccines.

The International Livestock Centre for Africa (ILCA) is located in Addis Ababa, Ethiopia. This organization got its start in 1974 when the Ethiopian government and the World Bank, acting on behalf of the Consultative Group, signed an agreement which led to the establishment of the ILCA.

ILCA's purpose is "to assist national efforts which aim to effect a change in the production and marketing systems in tropical Africa so as to increase the total yield and output of livestock products and improve the quality of life of the people in this region."

ILCA's mandate covers both biological and organizational constraints to improve livestock production in the tropical countries south of the Sahara. Its staff is assembling and evaluating the available information in the animal sciences as a preliminary step to designing a research strategy that will fill the gaps in present knowledge. It is analyzing elements necessary for undertaking multidisciplinary studies incorporating the team concept of projects to be initiated under its auspices. Seminars, conferences, in-service courses and similar activities carried out under ILCA's auspices will contribute to education, exchange of information and airing of problems at different levels and in different areas of interest.

The international centers are, of course, only a part of the global system which must deal with the problems of feeding an increasingly crowded world. I have mentioned the national programs of the developing world and the urgent need that they be strengthened. I should also mention the essential role of the advanced laboratories of the developed nations in providing basic information needed for development of world agriculture. The great land grant institutions of the United States have made many enormous contributions in this regard, as have the agricultural research centers of Europe, Japan and other more highly developed nations. But this is not the subject of my talk and others will treat with it later in the program.

In closing I would like to say that we feel cautiously optimistic about the prospects for the nations of the world to meet their food needs over the next two or three decades. It is essential, of course, that world population growth rates be slowed and that population achieve a reasonable balance with world food producing capacity. In the meanwhile, the international centers, together with the national programs both in the developed countries and in the developing ones, can buy time.

GUN CONTROL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. DRINAN. Mr. Speaker, I am very happy to make known an excellent statement on gun control issued by the Committee on Social Development and World Peace of the U.S. Catholic Conference.

This statement, approved for publication by the administrative board of the organization that represents the more than 200 Roman Catholic bishops in the United States, calls for "effective and courageous action to control handguns, leading to their eventual elimination from our society."

The full statement, issued September 15, 1975, by the U.S. Catholic Conference in Washington, D.C., follows:

HANDGUN CONTROL

THE PROBLEM

There are currently 40 million handguns in the United States.[1] More than 2½ million new handguns will be manufactured and sold this year. In most of our cities and rural areas, purchasing a weapon is as easy as buying a camera.

In 1973, the last year for which complete figures were available, there were 28,000 firearms deaths.[2] In 1975, it is estimated that nearly 30,000 will die from gunshot wounds. Added to this are over 100,000 people wounded by guns each year, the victims of 160,000 armed robberies and 100,000 assaults with guns.[3]

Gun accidents are now the fifth most common accidental cause of death according to the National Safety Council. In 1973, 2,700 people died in gun-related accidents.

Some have suggested that homeowners and citizens should arm themselves to protect their families from murder, assault or robbery. The sad fact is that a handgun purchased for protection is often used in a moment of rage or fear against a relative or acquaintance. A recent study in the Cleveland area indicates that guns purchased for protection resulted in the deaths of six times as many family members, friends and neighbors as intruders or assailants.[4] The 1973 FBI Uniform Crime Report indicates that of all murders almost 25% involved one family member killing another and an additional 40% occur among people who are acquainted. Most homicides are not the result of criminal design but rather they are the outcome of quarrels and arguments among spouses, friends and acquaintances. In these situations, it is the ready availability of handguns that often leads to tragic and deadly results.

Handguns play a disproportionate role in gun violence. They account for 53% of all murders, yet make up only 20% of all firearms. The problem is growing. The annual sales of handguns have quadrupled in the last ten years.

A NATIONAL FIREARMS POLICY

The growing reality and extent of violent crime is of great concern to the Committee on Social Development and World Peace and all Americans. It threatens more and more of our citizens and communities. The cost of this violence in terms of human life and suffering is enormous. We speak out of pastoral concern as persons called to proclaim the Gospel of Jesus, who "came that they may have life and have it to the full." (John 10:10). We are deeply committed to upholding the value of human life and opposing those forces which threaten it.

One of these factors is the easy availability of handguns in our society. Because it is so easily concealed, the handgun is often the weapon of crime. Because it is so readily available, it is often the weapon of passion and suicide.

This is clearly a national problem. No state or locality is immune from the rising tide of violence. Individual state and local action can only provide a partial solution. We must have a coherent *national* firearms policy responsive to the overall public interest and respectful of the rights and privileges of all Americans. The unlimited freedom to possess and use handguns must give way to the rights of all people to safety and protection against those who mis-use these weapons.

We believe that effective action must be taken to reverse this rising tide of violence. For this reason, we call for effective and courageous action to control handguns, leading to their eventual elimination from our society. Of course, reasonable exceptions ought to be made for the police, military, security guards and pistol clubs where guns would be kept on the premises under secure conditions.

We recognize that this may be a long process before truly comprehensive control is realized. We, therefore, endorse the following steps to regulate the use and sale of handguns:

(1) A several day cooling-off period. This delay between the time of the sale and possession of the handgun by the purchaser should result in fewer crimes of passion.

(2) A ban on "Saturday Night Specials." These weapons are cheap, poorly made pistols often used in street crime.

(3) Registration of handguns. This measure could provide an improved system of tracing weapons by law enforcement officials. Registration will tell us how many guns there are and who owns them.

(4) Licensing of handgun owners. Handguns should not be available to juveniles, convicted felons, the mentally ill and persons with a history of drug or alcohol abuse.

(5) More effective controls and better enforcement of existing laws regulating the manufacture, importation and sale of handguns.

These individual steps will not completely eliminate the abuse of handguns. We believe that only prohibiting the importation, manufacture, sale, possession and use of handguns, with the exceptions we have already cited, will provide a comprehensive response to handgun violence.

CONCLUSION

We realize this is a controversial issue and that some people of good faith will find themselves opposed to these measures. We acknowledge that controlling possession of handguns will not eliminate gun violence, but we believe it is an indispensable element for any serious or rational approach to the problem.

We support the legitimate and proper use of rifles and shotguns for hunting and recreational purposes. We do not wish to unduly burden hunters and sportsmen. On the contrary, we wish to involve them in a joint effort to eliminate the criminal and deadly mis-use of handguns.

We are, of course, concerned about the rights of the individual, as these rights are grounded in the Constitution and in the universal design of our Creator. We are convinced that our position is entirely in accord with the rights guaranteed by our Constitution, and particularly with the Second Amendment to the Constitution as these rights have been clarified by the United States Supreme Court. We affirm the traditional principle that individual rights to private property are limited by the universal demands of social order and human safety as well as the common good.

FOOTNOTES

[1] Estimate of the Division of Alcohol, Firearms and Tobacco, U.S. Department of the Treasury. Handgun refers to a firearm held and fired by the hand, usually a pistol or revolver. It does not include rifles, shotguns, long guns or other shoulder arms.

[2] There were 13,070 murders involving firearms according to *Crime In The United States, 1973*, the FBI Uniform Crime Report (September, 1974). In addition, there were 2,700 deaths involving firearms accidents according to *Accident Facts*, National Safety Council. And, approximately 13,317 people committed suicide with firearms according to the National Center for Health Statistics.

[3] *Crime In The United States 1973*, FBI Uniform Crime Report. September 1974.

[4] A 1968–1972 study of the Medical School of Case Western University. Of the 131 persons killed, 114 were family members or other acquaintances killed because a gun was present in the home and 17 were robbers or other persons engaged in criminal activity.

NEW SIZE STANDARDS SET BY SBA FOR VARIOUS TYPES OF SMALL BUSINESSES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. EVINS of Tennessee. Mr. Speaker, Nation's Business in its current issue lists the new size standards published by the Small Business Administration for small business which determine whether various types of small business are eligible for participation in SBA programs.

The size standards have basically been raised across the board as SBA takes into account the inflation of the past few years.

Because of the interest of my colleagues and American small businessmen in these size standards, I place the article from Nation's Business in the RECORD herewith.

The article follows:

A SMALL BUSINESS MAY BE LARGER THAN YOU THINK: SBA RAISES ELIGIBILITY CEILINGS FOR FEDERAL AID TO SMALL FIRMS

How little must an enterprise be to be considered a small business?

In dollar amounts, not so small at all, under Small Business Administration standards. And now the number of dollars can be larger than it used to be.

SBA has taken into account the inflation of the past few years and changed the ceilings for eligibility by nonmanufacturing companies for loans or other assistance from the agency.

These ceilings have been raised nearly 90 percent in some cases and in others as little as ten percent, with the amount depending on when the ceiling was established.

General ceilings for retailers, wholesalers, construction firms, and service companies were set in 1954. The other categories were added later—shopping center operators, for example, in 1960; passenger and freight transporters in 1962; and agricultural producers in 1974.

The ceilings involve three areas of SBA activity:

Lending and other types of financial assistance by SBA or under SBA guarantee.

The setting aside of certain government contracts for bidding by small firms only.

Equity and other financing for small firms from SBA-licensed investment companies and assistance for small firms by local or state development companies which are aided by SBA.

In the first of the above categories, most ceilings are total annual receipts. In the few cases where dollars are not involved in the ceilings—hospitals, for example, where the number of beds is the standard—there has been no change.

In the second category—firms wanting to bid on government procurement—all the ceilings are three-year averages of total receipts.

For a firm wanting investment company or development company aid, the ceiling is a combination of assets, net worth, and net income.

SBA's new and old size standards for nonmanufacturing firms are listed in the accompanying tables. Additional details appeared in the Federal Register dated Aug. 5.

Criteria for manufacturers are unchanged. If a manufacturing firm's employees do not exceed a maximum of 250 to 1,500, depending on the industry the firm is in, the firm generally qualifies for SBA programs.

NEW SBA FINANCIAL ASSISTANCE STANDARDS

[Maximum annual receipts in millions of dollars]

Industry	Old	New
Retail:		
Retail (not listed elsewhere)	$1.0	$2.0
Mobile homes	3.0	3.5
Department stores	5.0	7.5
Variety stores	2.0	3.0
Grocery stores	5.0	7.5
Meat markets	5.0	7.5
Motor vehicle dealers (new and used)	5.0	6.5
Motor vehicle dealers (used only)	5.0	6.5
Aircraft	3.0	5.0
Men's and boys' clothing and furnishings stores	1.5	2.5
Women's ready-to-wear stores	1.5	2.5
Family clothing stores	1.5	2.5
Shoe stores	1.5	2.5
Household appliance stores	1.5	2.5
Radio and television stores	1.5	2.5
Mail-order houses	5.0	7.5
Wholesale:		
Wholesale (not listed elsewhere)	5.0	9.5
Automobiles and other motor vehicles	15.0	22.0
Tires and tubes	15.0	22.0
Home furnishings, floor coverings	10.0	14.5
Construction materials (not listed elsewhere)	10.0	14.5
Sporting and recreational goods and supplies	10.0	14.5
Toys and hobby goods and supplies	10.0	14.5
Metal service centers	10.0	14.5
Metal sales offices	15.0	22.0
Coal	10.0	14.5
Electrical apparatus and equipment, wiring supplies, and construction materials	15.0	22.0
Electrical appliances, television and radio sets	10.0	14.5
Commercial machines and equipment	15.0	22.0
Construction and mining machinery and equipment	10.0	14.5
Farm and garden machinery and equipment	15.0	22.0
Industrial machinery and equipment	10.0	14.5
Industrial supplies	10.0	14.5
Printing and writing paper	10.0	14.5
Industrial and personal service paper	15.0	22.0
Drugs, drug proprietaries, and druggist sundries	10.0	14.5
Piece goods (woven fabrics)	10.0	14.5
Notions and other dry goods	10.0	14.5
Footwear	10.0	14.5
Groceries (general line)	15.0	22.0
Frozen foods	15.0	22.0
Dairy products	10.0	14.5
Meat and meat products	10.0	14.5
Groceries and related products (not covered elsewhere)	10.0	14.5
Cotton	15.0	22.0
Grain	10.0	14.5
Livestock	$10.0	$14.5
Chemicals and other allied products	15.0	22.0
Petroleum bulk stations and terminals	15.0	22.0
Petroleum and petroleum products (except bulk stations and terminals)	15.0	22.0
Wines and distilled alcoholic beverages	15.0	22.0
Tobacco and tobacco products	10.0	14.5
Paints, varnishes, and allied supplies	15.0	22.0
Construction:		
General construction (including dredging)	5.0	[1] 9.5
Special trades (except plumbing, heating, air-conditioning, electrical, and structural steel erection)	1.0	(2)
Plumbing, heating, and air-conditioning	2.0	(2)
Electrical work	2.0	(2)
Structural steel erection	2.0	(2)
Services:		
Services (not listed elsewhere)	1.0	2.0
Hotel and motel industry	2.0	3.0
Power laundry industry	2.0	3.0
Trailer courts and parks	1.0	1.5
Hospitals (less than 150 beds; unchanged)		
Convalescent or nursing homes	1.0	1.5
Medical and dental laboratories	1.0	1.5
Motion picture production	5.0	8.0
Motion picture services	5.0	8.0
Engineering services	2.5	3.5
Cable TV services	2.5	3.0
Electric utility (total annual output less than 4,000,000 MWh; unchanged)		
Transportation:		
Passenger and freight transportation and warehousing (not listed elsewhere)	1.0	1.5
Air transportation (less than 1,000 employees; unchanged)		
Storage of grain (less than 1,000,000 bushels capacity)	1.0	1.5
Trucking (local and/or long-distance; warehousing, packing and crating, or freight forwarding)	5.0	6.5
Agricultural production:		
Crops	[3] .25	[4] .275
Livestock	[3] .25	[4] .275
Shopping centers:		
Assets	5.0	8.0
Net worth	2.5	4.0
Average net income (for 2 fiscal years)	[3] .25	[5] .4

[1] 3-yr. average.
[2] Being considered under separate proposal.
[3] $250,000.
[4] $275,000.
[5] $400,000.

NEW SMALL BUSINESS PROCUREMENT ELIGIBILITY STANDARDS

[Maximum receipts, averaged over fiscal years, in millions of dollars]

Industry	Old	New
Construction:		
General construction	$7.5	$12.0
Special trades	1.0	(1)
(except plumbing, heating, air conditioning, electrical and structural steel erection)		
Plumbing, heating, and air conditioning	2.0	(1)
Electrical	2.0	(1)
Structural steel erection	2.0	(1)
Dredging	5.0	9.5
Services:		
Services (not listed elsewhere)	1.0	2.0
Engineering services (other than marine engineering)	5.0	7.5
Motion picture production or motion picture services	5.0	8.0
Janitorial and custodial services	3.0	4.5
Base maintenance	5.0	7.5
Marine cargo handling	5.0	7.5
Naval architecture and marine engineering services	6.0	9.0
Food services	4.0	5.5
Laundry services, including linen supply, diaper services, and industrial laundering	3.0	4.0
Cleaning and dyeing, including rug cleaning	1.0	1.5
Computer programing services	3.0	4.0
Flight training services	5.0	7.0
Motor car and/or truck rental and leasing services	5.0	7.0
Tire recapping service	3.0	4.0
Data processing services	3.0	4.0
Computer maintenance services	5.0	7.0
Services requiring use of helicopter or fixed-wing aircraft	3.0	3.5
Trucking (local and/or long-distance; warehousing, packing and crating, or freight forwarding)	5.0	7.0

NEW SIZE STANDARDS FOR ASSISTANCE FROM SMAL BUSINESS INVESTMENT OR DEVELOPMENT COMPANIES

Industry	Old	New
Assets	$7.5	$9.0 [1]
Net worth	2.5	4.0 [1]
Average net income	.25	.40
For 2 fiscal years	(2)	(3)

[1] Being considered under a separate proposal.
[2] $250,000.
[3] $400,000.

OF CUBA AND "OUR SHORT MEMORIES"

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. ROGERS. Mr. Speaker, at a time when many people are discussing the merits of resuming diplomatic relations with Cuba, I think some very good points which must be considered are expressed in a letter to the editor of the New York Times written by a very good friend of mine and a former Ambassador to Cuba, Hon. Earl E. T. Smith. I am therefore submitting his remarks to be added to the RECORD for the benefit of Members:

[From the New York Times, Sept. 10, 1975]

OF CUBA AND OUR "SHORT MEMORIES"

To the Editor:

Because we have initiated a détente with Russia and China (far off in different hemispheres), many people think it is logical to do the same with Cuba. No matter what coloration is put on it, the fact remains Communism has established a base ninety miles from our shores, from which it has been organizing against the United States throughout Latin America.

At the time of the missile crisis it was agreed upon between Soviet Premier Nikita Khrushchev and President John F. Kennedy that the United States would not invade Cuba and that the United States would be permitted to have "on-site" inspection of the caves in Cuba for hidden missiles. The inspection was to be under the auspices of the United Nations. Not only has there been no "on-site" inspection but since then the Russians have established a naval base in Ciefuegos in Las Villas Province, where missile-bearing submarines obviously may be harbored.

The following points need clarification:

What is Castro going to do regarding the release of the political prisoners who have been in jail since Batista fled Cuba on Jan. 1, 1959?

Have we forgotten the Cuban patriots who have been in jail since April 1961, when they were captured during the Bay of Pigs invasion? The invasion force, under complete American control, was known as Brigade 2506 and was composed of 1,443 men. They were trained and equipped by specialists of the United States Army. What will be the fate of our naval base at Guantanamo Bay, which protects the Panama Canal? Castro has always insisted that the base be given to the Government of Cuba.

Are we going to ignore claims for approximately $2 billion of American assets illegally expropriated when Fidel Castro took over the Government of Cuba?

We have short memories. Today, rapprochement is being discussed. The trade embargo which the United States imposed upon Cuba will soon terminate. Cuba needs our spare parts for all its equipment; understandably, American manufacturers want to take advantage of the available market.

Yet there is so very much to be resolved before the United States considers the resumption of diplomatic relations with Cuba while it is being governed by a ruthless Communist dictator who hates the United States and has abolished all personal freedom and human rights.

EARL E. T. SMITH.

PALM BEACH, FLA., *August 29, 1975.*

MRS. ELLA PAYNE IAGER

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. BYRON. Mr. Speaker, I would like to pay tribute to a remarkable woman residing in Laurel, Howard County, Md.—Mrs. Ella Payne Iager.

The Laurel News Leader recently paid tribute to Mrs. Iager in an article in the September 11 paper describing her eventful and useful life. I would like to share that article with my colleagues and to wish Mrs. Iager continued success in all her endeavors:

[From the Laurel News Leader, Sept. 11, 1975]

A SMILE AND THE BIBLE KEEP HER GOING STRONG AT 86

(By Karen L. Yengich)

Her smiling disposition, love for all, and devout faith in God are inspiration to all who know Ella Payne Iager, a longtime resident of this area.

At 86 years of age, Mrs. Iager can look back on a full life, not the least of which has included living through The Depression, and raising nine children, loving and outliving three husbands, running a dairy farm in Howard County, raising chickens, and being a nurse. Mrs. Iager attributes her life, a long and good one, to God.

"I give credit for everything to God," says the snow-white-haired woman.

Her favorite pastime is reading the Bible. She's convinced prayer and faith in God are keys to a good life.

Born March 14, 1889, in Loudoun County, Virginia, Mrs. Iager was left motherless when she was two weeks old.

"I was raised by a most wonderful grandmother and step-mother that any one ever had. Our home was a good Christian home where we were taught to tell the truth and never take anything that wasn't ours," she said.

When she was 19, she married her first husband, William Payne, and their marital bliss was interrupted rudely after three months when their home and everything they owned went up in flames.

They sharecropped raising corn, wheat, cattle, hogs, and horses, but they lost their investment and went into debt, selling everything, when the Great Depression came.

"We struggled on. My husband earned a small salary from jobs he hired out for and the children helped us by getting jobs. They actually clothed me," she recalled.

The family moved to Rockville and Mr. Payne worked in an ice house. It was here Mrs. Iager said she and her husband became devout church goers after joining the Primitive Baptist Church in 1931.

But "times were tough" and Mrs. Iager recalls how their faith was tested.

"My husband and son became ill with pneumonia. A doctor came and told us that nothing could be done. I went into another room, knelt down and said a prayer. Nothing happened but I felt fine. Twenty minutes after that, my son, whose pulse had been so weak earlier, opened his eyes and asked how his father was," Mrs. Iager remembered. Her husband also recovered. Another experience through prayer also made her and her husband stronger believers in God.

Mrs. Iager's husband died after they had been married 46 years and at that time she was a nurse at Montgomery General Hospital. She later became a nurse for a friend of a doctor and later still, for a rich, elderly lady. When she was 64 years old, she married Frederick Kruhm. He died nine years later. Two years after his death, she married George Iager. He died in 1973.

"They were all wonderful men," she said about her husbands. "I was as happy as I could be. They were all good to me," she commented.

After her third husband's death, Mrs. Iager prayed that "God would give me the strength to go out and do something for someone else."

"A good friend called shortly after that and asked if I would be the nurse for Augustus D. Oursler, Sr., who had been a friend for 30 years," she said. The arrangement has been ideal for Mr. Oursler, who is 87 years old, too, as he can remain in his home in Burtonsville.

"The dear Lord has been so good to me," says this senior octogenarian who is still earning her own way and would cause many younger women to take measure of their own energies. "I hope I will never complain. I never took my troubles to any of my family. I would always find a quiet spot to say a prayer to find comfort," she comments.

Mrs. Iager says she has always had the feeling to do for someone else. "I'm happiest in doing something or giving something to someone."

She's a living example that growing old is nothing to fret about. When she was 64 years old, she learned how to drive. She still drives to the bank, grocery store, and doctor.

"My advice to people is to keep busy. The worst disease is feeling sorry for yourself," she declares.

At one time, she traveled with the Montgomery County public nurse visiting older folks in nursing homes and other institutions, brightening their days with her lovely smile.

"She's an unusual person in that she's very generous with her time and feelings toward human beings. Her outlook on life is rather expanding. She's a very different person. She's as unselfish as anyone could be," says J. M. Amberson, M.D., former physician of Mrs. Iager.

Mrs. Iager's minister, Elder James L. Compton, Primitive Baptist Church, said: "About all the good things you could say for a person she's guilty of. She's extremely active for her age. She's alert and a good church member. She always has a smile and a good word to say."

"I think we should love everyone," says Mrs. Iager. "Love is mentioned more times in the New Testament than any other word."

Her greatest love has been for her children who she says have kept her going. Her greatest desire now is that "I never be a burden to my family or anyone else."

One woman, who refers to Mrs. Iager as a "second mother," met her at a nursery when both were looking for the same thing. "My life has been so enriched by her," Mrs. A. H. Feeney says. "I have bought eggs from her, sold eggs for her, seek opportunities to be with her, and have observed the care and love and tenderness which she bestows on people in her nursing care." "So believing is Mrs. Iager in the power of prayer, that one time when she was nursing her very ill husband, she knew she was suffering a heart attack. It was in the early morning hours and she was all alone but she prayed that she might be spared, and she was. It was some time later that an EKG done at Montgomery County General Hospital did indeed indicate heart damage," Mrs. Feeney recalled. "She is just an exceptional woman," she added.

Eight of her nine children are still living: Hazel White, Mary Stone, Eugene Payne, Mildred Francis, Alvin Payne, Frances Pierce, Nan Stephens and Delores Beall. Her son, Preston, died several years ago. She also has 19 grandchildren and five greatgrandchildren. Three of her children served during World War II. Preston served in the U.S. Navy, and Eugene and Frances both were Marines.

Mrs. Iager has many passages in the Bible she loves to read over and over. One that gives her most satisfaction is: Psalms 71, Verse 18: "And now that I am old and gray, Oh God forsake me not till I proclaim your strength to every generation that is to come."

Ella Payne Iager, probably Laurel's only senior citizen still employed full time at the age of 86, resides at 8401 Murphy Road. Laurel, Md.

INTERSTATE COMMERCE COMMISSIONER KENNETH H. TUGGLE RETIRES

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. CARTER. Mr. Speaker, a great career of public service has ended. A distinguished Kentuckian, Kenneth H. Tuggle, of Barbourville, concluded his service as a member of the Interstate Commerce Commission on July 31 of this year.

He was appointed to the Commission in 1953 by President Eisenhower, reappointed by him, and in turn by Presidents Kennedy and Johnson, and thus served under these appointments for nearly 22 years. Last year when he reached the age of 70, he was accorded by Executive order a waiver from mandatory retirement to complete his term ending December 31, 1975. He had the respect and trust of five Presidents of the United States in his integrity and ability.

His experience on the Commission included the chairmanship of the Commission, and each of its three divisions, motor carrier, rates, and finance. During the past 14 years he held the finance chairmanship, and in that capacity worked with the corporate structure of carriers, consolidations, securities issuances, and antitrust problems. In particular, he was the general financial adviser to the Commission in its proceedings. He was in administrative charge of the Transport Mobilization Staff and the National Defense Executive Research Unit of the ICC during 1957–58.

Chairman George M. Stafford in announcing the retirement of Commissioner Tuggle said:

The intellectual void created by the retirement of Kenneth Tuggle will be most difficult to fill. His wisdom and expertise, coupled with his many years of government service have made him one of the standout regulatory commissioners of all time. For a generation he has been a tower of strength in Washington, bringing to the Commission a

> judicious, legal mind and, at the same time, the worldly outlook of a practical business man. These admirable qualities and more, he has devoted tirelessly to his fellowman in dedicated service to his country.
>
> He has always been a man of the people, knowing their needs and wants, but he has also been aware of the enormous complexities involved in meeting those public needs. He has grappled with the public's problems astutely, armed with his computer-line knowledge and practical, worldly judgment. Big problems he found worthy of his time, be they a multi-billion dollar financial undertaking, a 20,000 mile merger, a rail extension to a newly developed phosphate or coal deposit, or a new industrial complex . . . In retirement, he will be sorely missed by us at the Commission and by all throughout the country who have a concern about public transportation.

Early in 1974, Commissioner Tuggle was designated to supervise the Commission's functions in the planning and implementation of the restructure of the railroad system in the Northeast quadrant of the United States as assigned by the Regional Rail Reorganization Act of 1973. He has had the responsibility to maintain a productive liaison between the task force established by law as an independent office of the ICC. Among the responsibilities was the selection of key personnel and the provision of policy guidance. This unique arrangement worked out successfully, and the Commission was able to deal expeditiously in completing the project. Its "Evaluation of the U.S. Railway Association's Final System Plan," was filed with the Congress on August 24, 1975.

President Ford in accepting Commissioner Tuggle's resignation said in part:

> During the 22 years you have served on the Commission, your ability and understanding of the transportation industry have been of great benefit to the American people and their Government. I know you are held in high esteem by your colleagues and respected in the industry as one of the nation's foremost authorities on transportation law. You have lent helpful guidance to the development of our transportation system, and you can be proud of your record of service as the dean of our regulatory members.

As the Congress is well aware, the Interstate Commerce Commission in recent years has been confronted with a host of new problems and changes resulting from the increase in population, particularly in certain sections of the country, the diversification of industries and the development of old ones, the energy situation, civil rights, environmental impact, the altering patterns of competition resulting from the great competitive growth of motor carriers and water carriers, and the necessity of restructuring the Nation's railroad network, particularly in the Eastern section of the country. Over the past two decades it has been Commissioner Tuggle's duty to study and work with these and other problems and many landmark decisions of the Commission bear his imprint.

In the lead editorial of its issue of July 28, 1975, the transportation publication, Traffic World, notes the retirement, saying in part:

> The announcement of Commissioner Kenneth Herndon Tuggle's decision to conclude his service on the Interstate Commerce Commission on July 31, for "reasons of health," was uncheerful news to the thousands who have become acquainted with him in the course of his long career of public life and particularly the thousands who knew something about the value of his work on the Commission and his colleagues' high regard for him.
>
> We join a huge throng in applauding Chairman George M. Stafford's comment concerning Commissioner Tuggle that, his wisdom and expertise make him one of the stand-out Commissioners of all time.

The editorial went on to quote sententious excerpts concerning transportation and regulation from some 10 of his speeches.

Kenneth Herndon Tuggle is a native and resident of Knox County in the district I have the honor to represent.

He was born June 12, 1904, the son of Jesse D. and Sue Root Tuggle. The family came from Virginia to Knox County, Ky., in 1804, and both his father and grandfather were lawyers and judges. He received his college and law education at the University of Kentucky and was admitted to the bar in 1926. From then until his ICC appointment he maintained a private law practice in Kentucky. It was said of him that "he was a city lawyer in the city and a county lawyer in the county, and a formidable opponent wherever he hung his hat."

In 1934 he organized the Union National Bank of Barbourville, one of the major financial institutions in southeastern Kentucky, and was chairman of its board until 1953. He was also a director of natural gas, lumber, and manufacturing companies.

From 1943 to 1947, he was Lieutenant Governor of Kentucky and President of the Kentucky Legislative Council in 1943 and 1947, a member of the Board of Managers of the Council of State Governments, a director of the Kentucky Bookmobile project, and active in other civic programs.

He has been a member of the board of trustees of Union College of Kentucky since 1936, and a founder member of the American Society of Traffic and Transportation. In 1957 he was chairman of the delegation representing the U.S. Government at the Sixth Session of the Inland Transport Committee, International Labor Organization, in Hamburg, Germany.

He is one of 146 persons who have been chosen for the Hall of Distinguished Alumni at the University of Kentucky, the citation reading that it is "in recognition of outstanding and meritorious contributions to his Alma Mater, and for generous and unselfish efforts during his professional life to improve his country, State, and Nation."

Commissioner Tuggle is married to the former Vivian Shifley of Barbourville and they have two children, Kenneth J. Tuggle, a lawyer in Louisville, and Sarah T. Johnson who is the wife of Andrew Johnson, a lawyer at Bristol Avon, England.

Mr. Speaker, in conclusion, I share the opinion of his colleagues and the transportation community generally, that Kenneth Tuggle has exemplified, in the highest degree, the attributes which Justice Frankfurter declared should be possessed by public officials, and especially by members of regulatory agencies:

> They should have character,
> They should have competence,
> They should be independent of outside pressure,
> They should deal with basic economic problems—not dogmatically, nor politically, but pragmatically, and
> They should never confuse publicity with the intrinsic quality of public service.

KANSAS CITY HONORED AS SELECT MEMBER OF TOP 10 LIVABLE CITIES

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. LITTON. Mr. Speaker, I am happy to announce that the Christian Science Monitor, as a result of a recent survey, has chosen Kansas City, Mo., as a member of the Nation's 10 most livable cities. Results of the survey were based upon actual votes of the citizens of those cities nominated. Mayor Charles Wheeler, his administration, churches, schools, businesses, and citizens of Kansas City certainly deserve the congratulations of the Congress.

The Monitor expressed that the Kansas City votes were supported by "comments that would please any chamber of commerce". Letters from the citizens of Kansas City were very emphatic and many of the strongest letters of support came under the letterheads of business leaders of the community. Such atypical partisan support, itself, places Kansas City in an elevated niche of its own.

Residents of this metropolis, nestled in the heartland of the Nation, do indeed, have much to brag about. The immensity of the Country Club Plaza, with its remarkable international grace, would be an asset to any city in the world. No city in the Nation, Mr. Speaker, can boast of the efficient modernity of Kansas City's International Airport. It is serviced by 8 major airlines, 435 flights depart daily; and because of a fortunate geographic coincidence, it is less than 3 hours flight time from anywhere in the United States. Six interstate highways service Kansas City, and act as the catalyst which places the area, phenomenally, within a day's drive of 29 million people. What other city proudly brandishes its Victorian past as Kansas City does at its River Quay area? The Saturday Evening Post recently remarked that Kansas City "has more fountains than the city of Paris." Kansas City is a unique American city deserving such international comparison.

It is evident that the partisan support Kansas City has, as manifested in the Monitor's survey, is well deserved. It tantalizes its citizens with eclectic domestic and international flavors. It can also offer, incongruously as it may sound, quiet, tree-lined boulevards for those who wish to live peaceful, Midwestern lives. It is definitely a city worth praising.

THE POLITICAL WAR AGAINST THE AUTOMOBILE

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. SHUSTER. Mr. Speaker, much emphasis has been placed in recent years upon the development of mass transit. While such systems are needed, particularly in certain of our larger cities, we must be careful not to overlook the value of individual transportation—by automobile—in our individually-oriented society.

I commend to the attention of my colleagues, the following article by the noted columnist Patrick Buchanan, which appeared on August 10 of this year:

THE POLITICAL WAR AGAINST THE AUTOMOBILE

(By Patrick Buchanan)

WASHINGTON.—Of all the inventions that have liberated the working man from the drudgery of daily existence, none has done more than the automobile.

It has taken him off crowded and dirty commuter buses, subways and streetcars, where he sometimes spent 90 minutes a day. It has brought within reach the home and plot of ground in the suburbs his parents dream about. It has given his wife and teenage children freedom of movement to visit shops, markets, friends and social events dozens of miles away. It has provided access to national parks, monuments, playgrounds and beaches, formerly the preserves of the upper middle class and the rich.

For the new middle class, and the working class of America, black and white, the automobile is the vehicle of escape from the inner city. And the 125 million drivers in the U.S.A., and the 100 million motor vehicles, make this the most impressive, and most envied, mass transit system on earth.

Yet, for 10 years, a political war has been mounted against the automobile. Private cars are regularly disparaged by the trendies in the media as inefficient wasters of raw materials. They are blamed for urban sprawl, congestion, pollution and the energy crisis. Pressured by Ralph Nader and like-minded "friends of the consumer," the Congress has mandated costly styling changes, safety features and emissions standards. And the consumer has paid the price. Half of the models have gone off the market, the price of an average car has risen by hundreds of dollars, and Detroit has been pushed deeper into the recession.

The principal victims of this war against the automobile have been auto workers, unemployed by the tens of thousands, and the working poor, priced forever out of the new car market. The political spokesmen of the working class, and trade union leaders as well should begin taking a second look at the stakes involved, and the motives of their erstwhile friends in the liberal elite, which displays such an irrational hostility toward the "highway lobby."

The motives of the anti-auto crowd are varied. There is first the snobbish disparagement by the elite for the mode of transportation favored by the masses. As Mr. B. Bruce-Bergg writes in a splendid piece in the summer edition of The Public Interest, "In the 1920s the automobile became in the (intellectuals') eyes a symbol of vulgar American materialism and status-seeking. Babbitt and his Buick exemplified the debased non-culture of the Americans. (Today, it would take a great deal of moral courage for an academic at an Ivy League College to own a Buick.)"

Secondly, as a statist, the modern liberal looks to government as the instrument of national deliverance. Ideologically, he is vastly more comfortable with a government-managed, government-run transit system than with a system of hundreds of thousands of individuals in hundreds of thousands of privately owned cars.

Then, there are the economic stakes involved. The big-city media, the giant banks, the urban politicians have a vested interest in stopping the national stampede to the suburbs. And since it is the auto which makes out-migration possible, the auto is the declared enemy.

But the American middle and working classes have stakes here as well. In a free choice, they have voted decisively against mass transit, and in favor of the automobile. Today 80 percent of the labor force rides to work by car and 94 percent of the intercity trips are by auto.

Since World War II, Americans have been deserting buses, subways, railroads, and streetcars by the millions. It is easy to understand why. Automobiles are comfortable, roomy and air conditioned; they offer privacy, time for thought or entertainment on a dozen radio channels; they provide a choice of companions; one need not share his vehicle to and from work with delinquents, obnoxious people or muggers. With the new highway system, the auto is more rapid and convenient; it does not travel some pre-determined course; it can reach the same destination by dozens of routes; the system is not subject to break-downs nor victimized by the strikes of municipal transit workers.

Before Americans start nodding thoughtless agreement to attacks on the "highway lobby," they ought to know that the highway lobby wants them to ride in their own cars; while the "mass transit lobby" has in mind forcing them back onto the buses and subways from which they and their parents escaped years ago.

Indeed, one wonders why so many civil rights leaders are right in there with the mass transit crowd. Today, 60 percent of the blacks and working poor in America travel to work by automobile; and it is these Americans who will be the first forced back onto the buses and subways if the nation's elite succeeds. Indeed, behind all this talk of congestion is the upper middle class' anger that its streets and highways are clogged with so many newcomers. When the blacks and poor are back where they belong—on mass transit—the taxis, limousines and Mercedes belonging to the upper middle class can move with greater ease.

Why Gerald Ford, who is as middle American as a Dodge Charger, should have thrown in with the mass transit lobby, against the highway trust fund, is difficult to understand. Nevertheless, workers of the world unite. When those editorial writers and television commentators say, "We have to change our life styles," what they mean is, "You have to change your life styles." Not in a million years will you find Cronkite, Sevareid, Chancellor or Brinkley riding across town on a city bus.

PERSONAL ANNOUNCEMENT

HON. GEORGE E. SHIPLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. SHIPLEY. Mr. Speaker, I was unavoidably detained and was unable to be present when the conference report on the School Lunch and Child Nutrition Act was voted upon this morning. I do support the conference report and would have voted in favor of it had I been present.

EMPTY PROMISES FROM VIETNAM

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. LAGOMARSINO. Mr. Speaker, the following editorial is relevent and worthy of the House's attention:

EMPTY PROMISES FROM VIETNAM

Even the most hardened of statesmen could recognize the invitation that North and South Vietnam are issuing to the United States

The Communists have taken great pains in recent months to let the United States know they are eager to implement Chapter 8 of the agreement which ended the U.S. role in the Indochina war—the provision which says the United States will contribute to the post-war reconstruction of both Vietnams if other promises are kept.

As early as last June Premier Pham Van Dong himself took the initiative, with an announcement that North Vietnam was "ready to pursue a resumption in relations with the United States" provided the U.S. gave them aid. North Vietnam, the premier said, in return would live up to its promise of 1973 to furnish a prompt accounting of the Americans missing in action in Indochina.

Once stung, twice shy. When the U.S. reacted coolly, North and South Vietnam took a number of other steps to exhibit their eagerness to do business with the United States. Among other things, Shell Oil Co. was approached to see if it is interested in a resumption of exploratory drilling in the South Vietnamese tidelands.

Dr. Roger Shields, who is in charge of repatriation of prisoners of war at the Pentagon, received a message from Hanoi that North Vietnam was ready to ship the remains of three more American servicemen. And finally, Nhuyen Van Luu and Dinh Ba Thi, observers at the United Nations for North and South Vietnam, again declared last month that their countries were ready to resume "normal relations" with the United States if the U.S. extended aid.

The eargerness of the Communists, North and South Vietnam, to tap American capital and technology for the reconstruction of Southeast Asia is hardly surprising. Both Russia and China are having their own reconstruction problems and would be delighted to have the U.S. relieve them of the financial burdens of such backward client states as the Vietnams and Cuba. For the Kremlin this would constitute a brilliant execution of policy along the classic lines dictated by Stalin, who said that capitalistic countries would furnish the rope to hang themselves.

The U.S. official policy on aid to North and South Vietnam is honest and straightforward. Private U.S. firms and organizations would violate provisions of the Trading with the Enemy Act if they tried to assist North Vietnam with technology or reconstruction.

The attitude of the State Department itself is particularly charitable. In a speech to the Japan Society of New York, Secretary of State Henry Kissinger said that although the Communists have flouted accepted standards of conduct, "we are prepared to look to the future. Our attitude toward them will be influenced by their conduct toward their neighbors and their attitude toward us."

Nothing in their attitude to date suggests that the Communists have the faintest intention to live up to the binding agreement that they signed to end the war in Indochina, to account for all Americans missing in action, or to permit international assurances that self-determination must dictate the future of Indochina.

Like so many other nations in history, and particularly in recent guerrilla warfare history, the Communists of Vietnam are learning that winning a war is one thing. Building a viable nation is quite another.

ON THE AWARD OF THE COVETED GOLDEN DOOR AWARD TO MRS. SONJA UNGER

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. VANIK. Mr. Speaker, on September 20, 1975, the Nationalities Services Center of Greater Cleveland will present their coveted Golden Door Award to Mrs. Sonja Unger. Mrs. Unger, born in Croatia, came to the United States in 1947 as the bride of Paul Unger, an equally distinguished public servant.

During her outstanding career in voluntary assistance since that time, Mrs. Unger has assisted the Nationalities Services Center, and hundreds of immigrants, with problems of translation in five different languages before the courts and other governmental bodies, while becoming very active in political activities in her "hometown" of Shaker Heights, rising to the position of ward leader for the Democratic Party.

Mrs. Unger joins a long list of distinguished immigrants to Cleveland to have made their mark on our city and the country through their endeavors in public service. Some of the other recipients include the late maestro of the Cleveland Orchestra, George Szell, the Honorable Anthony J. Celebrezze, Dr. Henry B. Ollendorff, the late Leonard Ratner, and Theodore Andrica.

I wish to extend my heartiest congratulations to Mrs. Unger, her husband Paul, and their very special children, Alan, Gerry, and Mara.

A description of Mrs. Unger's distinguished accomplishments was listed in the September 11, 1975, Sun-Press.

Shakerite First Woman To Get Ethnic Award

(By Marguerite Beck Rex)

"I lift my lamp beside the golden door" is the last line of a moving poem inscribed on the symbol of welcome for immigrants entering the New World, the Statue of Liberty in New York Harbor.

Cleveland's Golden Door Award, conferred from time to time on foreign-born residents who have rendered exceptional service to both the foreign-born and American-born, this year will go for the first time to a woman, Sonja Unger of Shaker Heights.

A Yugoslav architect and engineer, she came to the U.S. as the war bride of Paul Unger, then a United Nations official. Prominent in both the Cuyahoga County Democratic Party and the work of Cleveland's Nationalities Services Center, she will be honored at the Golden Door Award Dinner on Sept. 20 at the Sheraton-Cleveland Hotel.

The Cleveland Golden Door Award, patterned after Golden Door Awards first presented by the American Council for Nationalities Service Centers in New York City, is being presented to Mrs. Unger for her dedicated voluntary social work on behalf of Cleveland ethnic families and for her active contributions to the civic and cultural life of Cleveland.

Translating skills led her to the activity which now takes so much of her time, she said of her work through the area Nationalities Service Center. But knowledge of cultural patterns and habits is just as important in trying to help the nearly 70 families a year she becomes involved with.

A sad and difficult story Mrs. Unger told in an interview at her Shaker Heights home was that of a family in which a son was committed to Hanna Pavilion. The father, who spoke no English and had Old World customs, would not accept that there was anything wrong with his son. "Sick," in a psychiatric sense, was something he was culturally unprepared to deal with. Doctors could not understand the family's behavior either, because they knew nothing of deeply-ingrained ethnic attitudes and customs. Mrs. Unger was able to help each understand what was happening.

Another touching story is that of a five-year old Croatian girl, the daughter in a Muslim family which valued only male offspring. Expected to accept being a servant to her brother, she was kept home from school for this purpose when the family thought it necessary.

She became difficult in school until finally school authorities, who had seen her as a discipline problem, allowed her parents to keep her at home—exactly as they had wanted. Mrs. Unger was able to interpret the family situation to school authorities, who saw that the little girl returned to school and tried to help ameliorate the family situation. Mrs. Unger was also able to help the family understand the reasons behind their daughter's school behavior, and persuaded them to begin to modify some of their demands on the 5 year old.

Juvenile court has claimed a lot of Mrs. Unger's time. Not only has she served as interpreter in Croatian, Italian, French and German, but she has also had released in her custody youths who spoke no English but were headed for the Juvenile Detention Home.

Part of her job is to help those who don't speak English get through paperwork, red tape and legalities of everyday life. But her services are also needed in crisis.

"I have been called at night about a husband who died on the night shift, and asked to inform his wife in the morning of his death. I've helped through all of the necessary funeral arrangements, something a non-English speaking person can find very difficult."

Sonja Unger, also active in Cleveland's cultural life, has been known in the community at large primarily for her activities within the Democratic Party, even though her Nationalities Service Center caseload takes far more of her time.

Her involvement with politics came about in a negative fashion. Her husband, now a Cleveland manufacturer, had been involved in politics early in their marriage when they lived in Washington, D.C., and continued his involvements when they moved to Cleveland.

In Washington, D.C., Mrs. Unger worked for an architectural firm. When she moved to Cleveland, her professional talents were not treated in the same way.

"I was treated as a cute curiosity, with a charming accent.

"My husband was involved in politics here too, but here I was treated in a very patronizing manner. It was assumed I couldn't understand that deep matter, politics."

Clevelanders apparently weren't aware of the sensitivity of the foreign-born, or of the determination of Sonja Unger when challenged.

Her first involvement in politics centered around Adlai Stevenson. "I was glued to his speeches."

"I became involved with the Kennedy volunteers later, and found I liked the taste of politics. Once you are involved in politics, it's like a sickness. You go from one campaign to the next."

Politics are, in part, responsible for Mrs. Unger's withdrawal from professional life as an architect.

"I would say, 'Yes, I'll take this job or that, but after May (primary time), or after November.' Then the campaign would end, and somehow I would be gearing up for the next one.

It wasn't long after her involvement in political campaigns that Mrs. Unger was elected both president of the Shaker Heights Democratic Club and ward leader. It happened in absentia, while she was abroad with her husband.

Mrs. Unger was the first woman to be elected secretary of the Cuyahoga County Democratic Party. She resigned that job during inter-party strife following the Women's Caucus before the 1972 Democratic National Convention in Miami.

Again in her absence, she was elected to a county post. She still holds a vice-chairmanship of the Cuyahoga County Democratic Executive Committee.

Other recipients of the Cleveland Golden Door Award have been George Szell, Dr. Bruno Gebhard, Leonard Ratner, Judge Anthony J. Celebrezze, Dr. Henry B. Ollendorf and Theodore Andrica.

William S. Burton, Nationalities Services Center Board president, will preside at the dinner in Mrs. Unger's honor. Dinner tickets at $15 each can be ordered from the center at 781–4560.

NEGATIVISM AND THE PROFIT SYSTEM

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. STEIGER of Arizona. Mr. Speaker, Mr. Bill McReynolds, vice president and general manager of KPHO–TV, an independent television station in Phoenix, Ariz., has written an excellent article entitled "Negativism and the Profit System," which is worthy of sharing and which I am inserting in the Congressional Record.

Mr. McReynold's comments appeared in "Economic Outline," a monthly publication of Greater Arizona Savings in Phoenix.

The article follows:

Negativism and the Profit System

There seem to be more "aginners" these days than ever before. Some people are against growth . . . against freeways . . . against more buses . . . and on and on. But, I suppose the discussion, controversy, and, ultimately, action generated are some of the processes that form and maintain our democratic republic.

There is, however, a growing chorus of opposition to something I believe this country cannot survive without . . . the profit system economy.

Most of those who attack the profit system and the "profit makers" probably don't understand how the system works, or that it is the underpinning of our very society. How can those of us in the system counteract these damaging and potentially lethal voices? I have no specific remedy, but I suspect the answer lies somewhere within each of us.

First cousins to these profit system "aginners" are those well-intentioned people who somehow have formed the view that while profits are okay, and even necessary, the vast majority of businesses and industries make far too much profit! Of course, many of these folks have suggestions to correct the situation.

One of the suggestions: If companies didn't spend so much of our (consumer) money on advertising, they could lower their prices.

Well, those who don't understand the profit system probably don't understand the reason for advertising either. Advertising is, basically, an extension of selling. It is a cost of doing business. So is the package. So is the label. But a basic truth—although a general one—is that advertising, by generating volume sales, tends to exert a downward rather than upward pressure on prices.

FULL FUNDING FOR THE HIGHWAY TRUST FUND

HON. JOHN M. SLACK

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. SLACK. Mr. Speaker, we are all aware of the proposal by the administration to emasculate the highway trust fund. In my own district, it is apparent that such a policy could have dire consequences for the many motorists who ride on the West Virginia Turnpike.

The Charleston Gazette took note of this fact in an editorial dated August 27. I urge that this editorial be noted as it expresses a good example of the results which can come from administration highway policy:

DEATH'S ALLEY PROVES NEED FOR FULL FUNDING

Those who doubt the need for continued full funding of the Highway Trust Fund until the interstate system is completed should take a trip through the spout of the funnel. That is the West Virginia Turnpike, a two-lane highway in the path of three multilane interstates.

Already a death trap, the turnpike projects a picture too horrible to imagine when traffic from Interstates 64, 77, and 79 is fed directly into its narrow confines. The urgent necessity is an infusion of construction funds, not a cutback. If death's alley is to be upgraded to interstate safety standards before the turn of the century.

We mention the turnpike as a dramatic example close to home. But the problem is nationwide; any dilution of highway funds, especially in the face of inflation, would drag out completion of the interstates to the year 2004, not to mention the neglect of other important highway programs.

Yet, under these conditions President Ford is proposing that tax support of the Highway Trust Fund be spread, almost literally, to the four winds. The mainstay of this support is a gasoline tax of 4 cents per gallon which raises about $4 billion a year, more than 62 per cent of the total fund.

The President's plan is to divvy up the gasoline tax: 2 cents to the general treasury, where it could wind up paying for federal spending programs totally unrelated to transportation; 1 cent to the states to be spent on whatever programs they choose; and the remaining 1 cent to the trust fund for the interstate system. All other federal highway projects would have to be funded by the treasury, requiring a specific congressional appropriation for each project.

Ironically, when President Ford was in Congress as the House minority leader, he was one of the leading proponents of keeping the trust fund intact. What brought on this about face?

Obviously, the sudden injection of more than $30 billion a year into the general fund, somewhat like money from home, is going to give a rosier glow to the deficit picture. Could President Ford's reversal of Congressman Ford's position be designed to make his budget look better? The question itself suggests a logical answer. But what about the Highway Trust Fund and the highway program it supports?

Another irony is that one of the most vocal opponents of the Ford plan and any effort to dilute the trust fund is a Republican congressman from Pennsylvania, Rep. E. G. "Bud" Shuster, who calls Ford's proposal "The Rape of The Highway Trust Fund."

Shuster, the ranking Republican on the House surface transportation subcommittee, says "The inescapable fact is that the Highway Trust Fund is inadequate to provide for America's highway needs," and he contends "it is morally wrong to take user taxes and siphon them off into government's bottomless pit to pay for unrelated spending programs."

We have no qualms about using general revenue funds for highway purposes, either at the state or federal level, but the proposal at hand is somewhat a reversal of that principle. The President's plan would take trust fund taxes dedicated to highways and mix them with general revenue funds, thus putting the highway program in competition with other federal spending programs to meet its needs. That could very well put the highway program in jeopardy at a crucial time.

Highways may not make up the total transportation system, but they're a very important part of it. And it may be, as Rep. Shuster suggests, that America needs the Highway Trust Fund and a Mass Transit Trust Fund. But it would be foolhardy to drag out interstate construction to 2004 by emasculating the Highway Trust Fund in 1975.

JONES PRAISES KTUL-TV FOR LABOR DAY TELETHON

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. JONES of Oklahoma. Mr. Speaker, once again, I would like to take the opportunity to commend the generous efforts of KTUL-TV in Tulsa, Okla. for carrying the sixth annual Jerry Lewis Telethon to benefit the Muscular Dystrophy Association.

KTUL-TV general manager Tom Goodgame and the KTUL-TV staff, as always, were unsparing of their time and efforts in working to make the telethon a success. In addition, the Kiwanis Clubs of Claremore, Cushing, and Muskogee; the firefighters in Ponca City, Pryor, and Vinita; the Jaycees in Sallisaw; Beta Sigma Phi in Wagoner; Mrs. Janet Feeler and Leland Pope and local OCAW in Bartlesville, Mrs. Dorothy Howell and the Voluntary Action Center in McAlester; volunteers directed by Miss Karen Meadows in Henryetta; and the president's leadership class of NEOSU in Tahlequah were invaluable in their support in this annual fundraising event.

Through the efforts of people such as these, $143,200 was raised in eastern Oklahoma; and it is my great pleasure to congratulate the many citizens who donated both time and money to this most worthwhile cause.

A TIME FOR LEADERSHIP ON OIL POLICY

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. HARRIS. Mr. Speaker, Members of the House have an opportunity today to complete action on H.R. 7014, the comprehensive Energy Conservation and Oil Policy Act that the people of this country have been waiting for. It is the only energy program which holds the line against recessionary price increases on oil. It is the only energy program which is consistent with economic recovery.

I wish to call to the attention of my colleagues a commentary which appeared in this morning's Washington Post by economic reporter Hobart Rowen entitled "Oil: There's Still Time for Leadership". Mr. Rowen is one of a very few prominent journalists in the country who has consistently shown not only leadership on the issue of oil policy, but an understanding of what price decontrol will mean to consumers.

[From the Washington Post, Sept. 18, 1975]

OIL: THERE'S STILL TIME FOR LEADERSHIP

(By Hobart Rowen)

With a grand contempt for logic, the same President who vetoed price controls on domestic oil and then cheered Congress' failure to override the veto as "a victory for all Americans," has been jawboning the oil cartel against a price increase on *their* oil.

If you believe President Ford, an increase by the Organization of Petroleum Exporting Countries cannot be justified. But the inevitable increases in domestic oil prices, he says, would merely start America "on the road to energy independence."

This is just so much baloney. Further increases in oil prices—domestic or OPEC—will be inflationary and—coming at a time when economic recovery is fragile at best in the United States, and hasn't really got started elsewhere in the world—should be avoided if possible.

"High oil prices," Treasury Secretary William W. Simon told the World Bank and International Monetary Fund meetings in Washington a few days ago, "lie at the root of much of the world's recent inflation and the possibility of another increase in oil prices looms on the horizon."

Simon was talking about the possibility that OPEC later this month will decide on yet another price boost to supplement the 500 per cent increase in the two years since the Yom Kippur war in 1973.

The Secretary is, of course, correct about the impact of the excessive price rise. Only recently have some of the poor nations begun to comprehend how much of their economic woes are traceable to OPEC. A doctoral thesis by a young Bangladesh diplomat, Sheik Rustum Ali, is one evidence of this.

Ali said that "unless the oil price situation changes, "Some oil-less countries will go broke. They won't be able to remain independence in an economic sense."

But if another OPEC price boost would hit all oil consumer-nations in the pocketbook, how does the U.S. oil price increase under a decontrolled system differ? The answer is that it doesn't. Moreover, any boost in the U.S. price structure would merely offset some evidence of weakness in world market prices.

"If I signed this bill continuing controls," President Ford said in his veto message, "America's start on the road to energy independence could be delayed indefinitely."

But the harsh reality is that the absence of price controls does not assure a start toward energy independence (which is a phony concept to begin with). It merely assures that prices will go up on gasoline, heating oils, and other products using petroleum—and that the profits of the multi-national oil companies will skyrocket.

And will higher prices generate more oil production? Consider this: under the oil-price system prior to the veto, "new oil" was allowed to rise above the controlled price of $5.25 a barrel. It now sells around $13 a barrel.

But the suspicion is that much "new oil" is diverted from old wells or would have been produced at the lower price if the "new oil" price gimmick were not available.

The probability is that under decontrol, total oil production in this country will not increase very much, if at all. The major effect of decontrol will be to mark up all oil to the world level—$13, $14, or whatever OPEC decides it will be—with the U.S. consumer left holding the bag.

According to Sens. Edward M. Kennedy and Ernest F. Hollings, the price tag for decontrol will be $40 billion a year—or $200 for every person in the country. In general terms, this arithmetic is backed by a Library of Congress staff study, one by the Congressional Budget Committees, Charles Schultze of Brookings, and other independent experts.

So why are we plunging into this idiotic situation? For one thing, there is the administration's blind devotion to so-called free market principles, even though the oil market is run by a foreign cartel, which has set a monopoly price and by a powerful, concentrated oil industry at home.

But for another, a Democratic-controlled Congress has not had the guts to produce a meaningful energy conservation program that would reduce reliance on OPEC oil and truly get the nation started—not on independence of foreign oil—but on less dependence, which in turn could weaken OPEC's ability to set prices.

This country hasn't even done as well in conserving oil as several European nations.

It may be okay for Democrats Kennedy and Hollings to blast Mr. Ford for being willing to decontrol oil prices. But neither they nor any other Democrats have shown the leadership necessary to turn this country away from the enormous waste of energy on the highways and in the homes.

There is still time to avoid the inflationary perils of sudden decontrol and to work out some rational conservation program. But the President will have to yield on his stubborn insistence that controls can't be extended for more than 39 months. And a majority of Democrats will have to show some signs that they can buck the big money interests in Detroit and Texas.

FOOD STAMP CONTROL ESSENTIAL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the excellent Oxnard Press Courier editorial entitled: "Food Stamp Control Essential."

Food Stamp Control Essential

The federal food stamp program serves two purposes.

It benefits low-income Americans by allowing them to stretch their food dollars and it has given needed support to the nation's agriculture and food industry.

But with rapid growth in both numbers of eligible recipients and federal funding, increasing controversy centers on abuses of the system. Officials concede that lax controls allow too many ineligible persons to buy stamps, while, paradoxically, red tape keeps many of the deserving needy from participating.

The bureaucratic "error rate" is estimated at 20 per cent. Reports of fraudulent use of the stamps by beneficiaries and store keepers proliferate. Carl B. Williams, deputy U.S. commissioner of welfare, calls the system a "mess" and says the government "is giving away billions of dollars with virtually no controls at all."

Moves to cancel or reduce the program are unlikely to be successful, nor should they be. Reform is essential, however, if the system is to endure its own weight.

With 20 million people expected to be receiving $6 billion in stamp subsidies within the next year, the focus must be on insuring that the assistance goes to those in real need.

OUR TRADE EMBARGO OF INDO-CHINA

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mrs. MEYNER. Mr. Speaker, although our foreign policy toward our erstwhile adversaries is supposed to be characterized by détente, there remains one area of the world where the cold war still rages—Indochina.

The administration imposed the most severe trade embargo possible on South Vietnam and Cambodia soon after the changes of government in those countries. The State Department and the IRS have made it more difficult for American humanitarian agencies to provide assistance in that region now that the war is over.

Clearly, such problems as determining the status of our remaining MIA's and the repatriation of Vietnamese refugees who wish to return to their native country are made more difficult by our complete isolation from these new governments.

Both American business interests and the Vietnamese governments have expressed a willingness to explore the possibility of mutually beneficial commercial contacts. A relaxation of our trade embargo is an idea whose time has come.

I am inserting into the Record at this point a recent New York Times editorial on the subject of American-Indochinese relations. I recommend it to my colleagues:

Indochina in Flux

The Communist bloc's own power struggle for preeminence in Indochina shows signs of intensifying, just three months after the United States abandoned the region in defeat. A complex tangle of ideological and historical rivalries is provoking friction, not only between China and the Soviet Union but between Vietnamese and Cambodians, and among differing factions in their revolutionary regimes.

Long-standing strains between Hanoi and Peking showed up openly in the correct but low-key treatment accorded a North Vietnamese delegation visiting Peking last week. Their rivalry is also evident in the maneuvering of both sides' partisans in the shadowy leadership of Cambodia. When Phnom Penh recently announced the appointment as new Deputy Premiers of two politicians linked to Hanoi's Vietminh movement, Peking radio hastened to reveal that a top-level Cambodian delegation was about to visit the Chinese capital—the first foreign trip by any of the Cambodian leadership since the Khmer Rouge took control last April. On arrival in Peking, the Cambodians were received with warmth and fanfare.

Especially baffling is the status of Prince Norodom Sihanouk, former Cambodian head of state who lived in exile in Peking for five years. Though the rebel forces who nominally recognized his leadership have assumed power, the Prince made no apparent effort to return to his capital; indeed, he even left Peking for a long sojourn in North Korea.

The United States is hardly in position to influence these obscure maneuvers, even if it had an interest in doing so. But increased flexibility in Washington's approach to the new Communist regimes could help them maintain their independence of both Moscow and Peking.

There is no visible logic, for example, in the Ford Administration's attitude toward private economic iniatives that could lessen Vietnamese dependence on Communist aid. A prominent American banker is permitted to visit Hanoi on an exploratory mission, yet American voluntary organizations are explicitly barred from sending economic and development aid to affiliated institutions in Vietnam—aid that they were permitted to supply even while the war was raging!

President Ford himself imposed this ban, reportedly against the recommendation of Secretary of State Kissinger. At least one affected organization, the American Friends Service Committee, intends to keep fighting the decision.

Fishnets and tractors donated by private Americans are not going to change the course of Indochina's Communist politics. But they are symbolic of the change in official American attitudes which will have to occur if the United States ever expects to play a more constructive role in Vietnam's peace than it did in Vietnam's war.

ANNOUNCEMENT OF HEARINGS ON FBI OVERSIGHT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. EDWARDS of California. Mr. Speaker, I wish to announce that the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary will hold 1 day of public hearings on Wednesday, September 24, 1975, on FBI oversight. Testimony will be received from Elmer B. Staats, Comptroller General of the United States, who will discuss findings and conclusions from the General Accounting Office's review of the FBI's domestic intelligence operations. This review was undertaken last year at the request of Representative Peter W. Rodino, Jr., chairman of the House Committee on the Judiciary. The hearing will be held in room 2141 of the Rayburn House Office Building and will commence at 9 a.m.

DÉTENTE WITH EASTERN EUROPE

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. HANNAFORD. Mr. Speaker, I do not think that most people recognize what tremendous progress the United States has made in coming to peaceful terms with the nations of Eastern Europe. It is true that the political systems of such countries as Hungary are vastly different from ours and that in the postwar era they have traditionally been our adversaries. But there are at least two ways to skin a cold war. And one is simply to promote friendship based on mutual self-interest. American business has been instrumental in laying the groundwork for détente in Eastern Europe. An unusually informative and insightful analysis on this was published earlier this year in the January 11 issue of Nation Magazine. I am proud to say that it was written by one of my constituents, Emery Nanasy. I certainly commend it to the attention of my colleagues:

HEREFORDS, HOLSTEINS, AND HUNGARY

(By Emery Hanasy)

The nations of Central and Eastern Europe, whose economies are predominantly Socialist, are nevertheless in many ways coming to resemble the private enterprise countries of Western Europe and America. And the similarities are not only in the size, number and colors of Coca-Cola and Pepsi-Cola signs. Romania manufactures an auto, the Dacia, under a franchise from Renault. In Yugoslavia, plants owned by the government turn out cars under franchises from France (Citroën), England (Morris) and Italy (Fiat). Other popular cars in Eastern Europe are the Polsky Fiat and the Zsiguli (a Fiat-type car made in the USSR).

And while tourism declines in Western Europe, it is on the upswing in Eastern Europe, where prices are lower and the best places are less crowded and more exotic to Western eyes. American-made Chris-Craft houseboats ply Yugoslavian coastal waters of the Adriatic (and rent for $90 and $100 per day). Intercontinental Hotels, partly owned by American interests, are the leading luxury hotels of Prague, Budapest and Bucharest. Hungary's newest international hotel will be the Budapest Hilton, now being built in the Buda part of the Hungarian capital. The Hungarian Government is a partner in that enterprise.

Trade between the United States and Hungary is still small, but it has been growing in recent years, and if Hungary is ever granted favored nation status, in regard to tariffs, it will spurt. Hungary is a desirable trading partner because its stable economy has produced a steady rate of growth for the past decade. Increases of real income have offset the very slight inflation (perhaps 3 to 5 per cent a year), and Hungary has a favorable trade balance even with the USSR, its leading customer and supplier. There is no unemployment; in fact, there is a serious labor shortage. Hungary needs more young people to join the labor force; its population is aging, and new births are not adequate to offset the mass superannuation. At present, Hungarian Government policy regards the three-child family as ideal for rejuvenating the general population and augmenting the work force. Abortion laws have been somewhat tightened, and the government pays bonuses to families having three or more children. For the last five years, the government has been spending an average of $850 million annually on child-support programs.

As part of its economic growth program, Hungary has invested heavily in agricultural development. Since the early 1970s, special emphasis has been placed on the modernization of its beef cattle and dairy farming. The United States has been the supplier, to its considerable profit. Hungary needs a breed of beef cattle that will grow fast, subsist on pasture grass that is not too lush and withstand extremes of weather. The American Hereford Association obliged by shipping 445 head of cattle to Hungary in 1972. These were from Texas and South Dakota; later shipments of Herefords came from Iowa, Nebraska, Colorado and Oklahoma. The beasts caught on so well that 1,050 more went to Hungary in 1973 and 2,000 more in 1974.

On the dairy side, Hungary started in 1972 to receive Holstein cattle exported by the Holstein-Friesian Association of America (HFAA). Two years earlier, the first Holsteins imported from North America had come from Canada. Now the U.S. Holsteins are gaining over their Canadian counterparts (HFAA shipped 4,300 Holsteins to Hungary in 1974), while both North American breeds are displacing the Friesians imported from Holland and the native Hungarian tarka. The Canadian and U.S. Holsteins give more than twice as much milk as the tarka and more than one and a half times as much as the Dutch Friesians. (American Holsteins are enjoying similar successes in Yugoslavia, and the genetic base of the Israeli Friesian breed, the world's top milk producer, is mostly U.S. Holstein, with some Canadian Holstein and Dutch Friesian.)

Those cattle exports to Hungary, which have meant so much to both shippers and receivers, emphasize the folly of the U.S. trade embargo on Cuba. Since 1960, a reported 15,000 to 20,000 head of Holsteins have been exported to Cuba from Canada. That is great for Cuba's dairy industry, and for Canada's agricultural exports, but it leaves U.S. cattle exporters out in the cold. The Holstein-Friesian Association gets about $750 per head, for open (not yet bred) Holstein heifers, so the money involved is not trivial.

While the exports of dairy and beef cattle from the United States to Hungary have been an unqualified success for both countries, another international project under development could prove even more important in the long run, and in the larger world picture. That is the Corn Production System (CPS), a joint U.S.-Hungarian corporation, with headquarters in Chicago and at Bábolna State Farm in north central Hungary. A CPS office in Vienna maintains company data in computers (this will be transferred to Bábolna, when the necessary equipment is installed), and a business office in Zurich handles other foreign contacts. Most of the experimental seed and the ideas come from Chicago, where agronomists have been working with 180 types of hybrid corn.

The CPS scheme originated in Iowa, where it was applied efficiently in that state's cornfields; it was then modified for possible European use, and tried out at Bábolna. By 1970, the test runs had been completed, and farms started to sign up as junior partners in the network. To qualify for a CPS contract, a farm must put a minimum of 790 hectares (nearly 2,000 acres) into corn production and agree to all of the regulations promulgated by the parent body. That means the use of the company's standardized methods of production, including seed, pesticides, fertilizers and farm machines. Before starting production, member farms must have their soils analyzed by CPS agronomists, who advise them as to which types of seeds will work best, and which types of pesticides are best to use.

CPS began operations in 1971, with about 75,000 acres of corn, all on Hungarian farms. By 1974, the CPS corn territory had grown to 565,000 acres, the average production per acre had increased substantially, the quality of corn had improved, and some farms in Yugoslavia, Czechoslovakia, and the Ukraine were added to the company rolls. Each participating farm gets its full complement of farm machinery (along with seed, pesticides and fertilizers) on credit, and pays for the machines with deliveries of corn to CPS over a five-year period, like the amortization of a mortgage. Such corn is sold within Hungary, or abroad, mostly in Western Europe, at world market prices. Originally, most of the farm machines were John Deere; the combines were supplied by Claas, a West German manufacturer. In 1971, International Harvester underbid John Deere by more than a million dollars, and since then has supplied CPS with tractors, harrows, seed planting machines, cultivators, plows and fertilizer spreaders.

Thanks to CPS, Hungary has developed its corn farming program very rapidly, and taken its place among the world's leading corn producing nations. International Harvester is making handsome profits, the American and Hungarian CPS partners are improving their incomes by their exports, and Hungary is in a position to export corn to nations that are desperately short of grain for human consumption. Should the United States need to buy corn, it has a convenient source in a company that is half American.

Another example of American-Hungarian cooperation is to be found in the little village of Rakaca (population 1,139) in northeast Hungary. It was there that John Lebick was born in 1894. In 1907, he left a village that had little to offer, emigrated to the United States, settled in Philadelphia and prospered. When he returned home for a visit in 1964, he saw that his native village was in great need of a library, and proposed to the local community that one be built. To get it started, he promised to pay part of the construction costs: the library was built, and opened in November 1972. John Lebick and his wife, Illona, who was born in a different part of Hungary, attached no strings to their gift. They asked only that a memorial tablet be placed on the library's outside wall, in honor of their son, Ernest, who died in World War II, and to commemorate John's mother, who lived and died in Rakaca.

To appreciate what that building means to Rakaca, one has only to consider that the village first got electricity in 1960, and that its houses still do not have inside plumbing. In such a small and backward community, the library and the activities that it can house are capable of producing fundamental changes in the village's life style. Besides being a library, the building is also a museum of folk art, a cultural center and a clubhouse.

The Rakaca Library is a bridge of understanding that spans an ocean, a large expanse of Europe, and a sea of distrust between nations with differing political and economic systems. It is a cultural bridge, as the Hereford and Holstein exports and the CPS operations are business bridges. Such bonds are good for ailing economies, and they work for lasting peace.

AIRCRAFT NOISE POLLUTION

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. SCHEUER. Mr. Speaker, today I circulated a "Dear Colleague" letter in an effort to obtain support from the House in persuading Department of Transportation Secretary Coleman to promulgate a strong aircraft retrofit rule.

Our efforts to stem noise pollution and especially against aircraft noise pollution largely have been stilled since enactment of the Noise Control Act of 1972. But airport neighbors throughout the Nation still suffer on an hourly basis.

In the next week or so, Department of Transportation Secretary Coleman is expected to approve or disapprove Federal Aviation Administration rulemaking that provides for airline aircraft retrofit. Support for this proposal is strong and widespread especially amongst airport neighbors and environmental groups.

As I am sure you are aware, the problem of aircraft noise has been the subject of a good deal of congressional concern and legislation. The most significant step in curtailing aircraft noise emissions was the implementation of the FAA noise standards for new type aircraft, effective December 1, 1969. At the time, it was believed that those aircraft certified prior to 1969 would slowly but surely come into disuse as newer models were built.

Unfortunately, as of December 1974, according to the FAA, over 80 percent, or 1,969 of the 2,419 turbojet aircraft that make up our domestic fleet, were certified before December 1969 and do not meet Federal aviation regulations part 36 standards. The rate of attrition is astonishingly slow. In fact, 1,300 to 1,400 of these aircraft which do not meet the FAA standards, will remain in service throughout the seventies. Further, American Airlines, according to the FAA, is embarking on a program to extend the life of their pre-1969 707's.

The House Science and Technology Subcommittee on Aeronautics and Space Technology held hearings last year on the subject of retrofitting. In its report to Congress last December, it recommended retrofitting as being both cost effective and promising the quickest relief to airport neighbors.

On Secretary Coleman's impending decision rests the quality of environment that my constituents and neighbors and yours will have to live with for a good many years.

I urge my colleagues to join me in writing a letter to the Secretary insuring that these facts are given high priority in his decision.

BALTIC RESOLUTION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. DERWINSKI. Mr. Speaker, I am introducing today an up-to-date version of my Baltic Resolution, which expresses the sense of Congress that the United States not recognize the illegal annexation of Estonia, Latvia, and Lithuania by the Soviet Union.

I am contacting the more than 100 Members who either cosponsored my original resolution or introduced their own, since my new resolution reflects the changes made necessary by the grand finale of the European Security Conference which took place in Helsinki in July.

PUTTING DOWN THE SCARE STORIES AND FACING THE REALITY IN ENERGY

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the gentleman from Washington (Mr. McCORMACK) has written an excellent article published in the current issue of Nation's Business in which he points out there is no alternative to utilizing nuclear power for electric power production, because other potential new energy sources are years away from successful implementation.

The gentleman from Washington is highly qualified to provide the Nation with his expert opinion on energy research and development as he is chairman of the Subcommittee on Energy Research, Development and Demonstration of the Committee on Science and Technology and is a member of the Joint Committee on Atomic Energy.

In his article, he also deflates the charges and rumors concerning the dangers of nuclear powerplants, pointing out that "some scare stories reach the point of absurdity."

He continues:

> Nuclear energy is the cleanest and cheapest source of energy available with the least impact on the environment. If we did not have nuclear energy available to us for the coming decades, our country's future would be bleak indeed.

Because of the interest of my colleagues and the American people in this subject, I place the article from Nation's Business in the RECORD herewith:

WHAT IS AHEAD FOR ENERGY: PUTTING DOWN THE SCARE STORIES AND FACING REALITY

(By Representative MIKE McCORMACK)

The one certain thing about energy is the confusion that exists almost everywhere.

But one concept has emerged that has almost universal acceptance—namely, that we must reduce waste in our use of energy.

What is not apparent, however, even to many sincere and concerned policymakers, is that the total energy consumption of our nation must continue to increase, even if we establish very successful conservation programs.

Additional energy will be required for new homes, new jobs, upward mobility of low income groups, employment for women, more protection for the environment, and more industry.

This will be true even if we have zero population growth.

PRODUCTION IS DECLINING

Unfortunately, most of the debate on the energy crisis, in spite of the perils, has centered around such subjects as import tariffs, quotas, gas taxes, allocations, regulations, and incentives.

While all of this is important, it is something like wrestling for deck chairs on the Titanic.

The stark realities are that, while this debate goes on, our production of oil and natural gas is down from last year. In fact, we are running out of both. So is the entire world, including the Middle East.

Each nation has its own date with reality, and few lie very far into the next century.

Today we are consuming about six billion barrels of oil a year, about four billion of which come from domestic sources. The National Academy of Sciences reports that our production is peaking at that level. We will be down to 1.5 billion barrels a year, the academy estimates, by the year 2000.

OUTLOOK FOR SOLAR ENERGY

Any energy policy must be based on the best scientific and engineering facts available. We cannot afford the luxury of basing policies on wishful thinking. Assuming that solar or geothermal energy will bail us out, or that we will be lucky enough to find enough natural gas or petroleum to keep us going, is wishful thinking.

So is the hope that the American people will voluntarily slash their consumption of energy at the cost of a much lower standard of living and massive unemployment.

In 1972, this nation consumed the equivalent of 34 million barrels of oil a day. That's the total for all our sources of energy—coal, natural gas, hydroelectric power, nuclear power, as well as petroleum itself.

This year, Americans will consume the equivalent of 37 million barrels a day.

However, since 1972 our domestic natural gas production has dropped the equivalent of one-half million barrels a day and domestic oil production has dropped one million barrels a day.

Coal production has scarcely changed at all in the past three years. It is up from the equivalent of six million barrels a day to 6.5 million. Hydroelectricity has increased a little. In 1972, it was equivalent to 1.4 million barrels a day. Now production is 1.5 million.

Only nuclear energy has shown a big increase. It is up from the equivalent of 300,000 barrels a day to one million.

But the increase is far outstripped by imported oil, which is up from 4.5 million barrels a day in 1972 to seven million now.

What of the future?

We will consume the equivalent of about 48 million barrels a day by 1985. This forecast assumes an extremely aggressive conservation program which would cut our traditional growth rate in energy consumption in half—from 3.6 percent to 1.8 percent.

The forecast also assumes a very aggressive search for oil and gas.

ENERGY AND PRODUCTION

What if we cut consumption below 48 million barrels?

There is a very close relationship between energy consumption, gross national product, and employment. So if we do, we will be reducing employment by an estimated 900,000 jobs for each million barrels.

An equilibrium should exist between energy consumption, a reasonable program for protecting our environment, and maintenance of a stable, responsive economic system.

We cannot expect to have energy production without some impact on the environment, and we can't expect to have jobs for the American people unless we produce more energy.

Thus, we have several environments to protect. Not only are there those we normally think of—air and water—but there is also the economic environment and industrial capacity that will maintain this nation's national security and economic stability.

Finally, there's the environment of our own homes, where we must have enough energy for a decent standard of living.

Our national energy policy must strike a balance between them in a rational manner.

RESEARCH FOR NEW SOURCES

One general misconception is that research and development, generously funded, can solve energy problems in the very near future. Nothing could be further from the truth. Even with a crash program, the time required between successful demonstration in a laboratory and implementation of such technology takes ten to 30 years. Usually, the time lag is closer to 30.

There is no way, for example, that a tidal wave of federal funds could make solar energy or geothermal energy a significant resource for this nation before 1990—or nuclear fusion before the year 2000.

So, while we must support an aggressive research and development program, our nation must rely for the immediate and short-range future on energy sources which are available to us today.

Coal is our greatest resource of fossil fuel. We must rely heavily upon it. We will need to increase dramatically our coal production. To do so, we must allow coal to be surface mined under realistic regulation and responsible reclamation of the land.

USE OF NUCLEAR POWER

One of our greatest strokes of good fortune is that our nuclear industry is as well advanced as it is today. It is ready now to provide much of the energy this nation will need during the next 50 years.

Nuclear energy is the cleanest and cheapest source of energy available with the least impact on the environment. If we did not have nuclear energy available to us for the coming decades, our country's future would be black indeed.

Meanwhile, ill-informed antinuclear activists are clamoring for a moratorium on nuclear energy—our only hope for self-sufficiency during the rest of this century.

Much to-do has been made about the hazards of nuclear power. Many false or flagrantly distorted news stories and TV programs about those dangers have been foisted on the public.

ATOMIC EXPLOSION?

Some scare stories reach the point of absurdity. For example, is it correct to believe that a nuclear power plant might explode like an atomic bomb?

"It is impossible for nuclear power plants to explode like a nuclear weapon," says Dr. Norman C. Rasmussen of the department of nuclear engineering at the Massachusetts Institute of Technology.

"The laws of physics do not permit this," he points out in a study he directed for the U.S. Atomic Energy Commission, "because the fuel contains only a fraction (three to five percent) of the special type of uranium that is used in weapons."

It is essential, of course, that every reasonable safety precaution be taken in the design and operation of nuclear power plants. The nuclear industry, like any other, poses some risks.

But how great are they?

With 100 plants on the line, the report says, the danger of injury to any individual or group will be about the same as their danger of being struck by a meteor.

Predictably, the antinuclear lobby assailed Dr. Rasmussen's report. They charged that the report was too conservative by a factor of ten to 16. Thus, if we take their word for it, the danger of death from an atomic power plant is only ten to 16 times as great as the chance of being killed by a meteor.

This helps put the subject into perspective.

Radiation injury is another bugaboo the report discusses.

Assume that 1,000 nuclear power plants are on the line by the year 2000, it says.

Then the average American will receive the following radiation:

From natural background: 102 millirem per year.

From medical X rays and therapeutic radiation: 73 millirem per year.

From nuclear power plants: 0.4 millirem per year.

RADIATION SAFEGUARDS

"The only way that potentially large amounts of radioactivity can be released is by melting the fuel in the reactor core," the study says. "Not once in some 200 reactor years of commercial operation has there ever been a fuel melting."

Nuclear power plants, of course, have numerous systems to prevent core melting.

Today there are 55 nuclear power plants licensed to operate in the United States. By the end of next year, 72 plants should be operating. Another 149 are under construction or being planned.

If they are on the line by 1985—and they can be if we simply eliminate unnecessary delays and provide capital for construction—then the nation will have a nuclear capacity of about 220 thousand megawatts. That would amount to about 30 percent of our electric generating capacity.

Each nuclear power plant saves us the equivalent of ten to 12 million barrels a year. Thus it would take seven million barrels of oil a day to produce the same amount of electricity as these nuclear plants will generate.

That's the equivalent of all the oil and petroleum products that the United States imports today.

FUSION IN OUR FUTURE

Three future sources of energy which have attracted a great deal of public attention are solar energy, geothermal energy, and nuclear fusion.

Congress has appropriated hundreds of millions of dollars for research and development of all three. However, we can't expect miracles overnight from any of them.

With well-managed, well-funded, aggressive programs, we may be able to provide two percent of our energy from the sun by the year 1990, but not before.

Even with a crash program, it is unlikely that we can produce one percent of our total energy from all geothermal sources before we are into the 1990's.

What about nuclear fusion?

In the past three years, researchers have made great progress in controlling this new source of energy. Now, for the first time, we understand the physics and dynamics of the plasma in which the thermonuclear reaction must take place.

PREDICTION OF SUCCESS

For the first time, we are in a position to predict success. Congress has appropriated this year $192 million to back this research, double what it spent last year.

By the mid-1990's, or a few years later, we should have a commercially feasible fusion electric demonstration plant in operation. If this program is successful, we may be able to look forward to providing unlimited quantities of clean, cheap energy forever.

That means we can look forward to phasing out burning fossil fuels and the use of nuclear fission to produce electricity. But that happy day won't dawn until the 21st century.

Meanwhile, the nation must depend for most of its energy on coal and nuclear fission.

There is no choice.

If we do not develop a comprehensive national energy policy now, we will face a disastrous energy crisis in 1985—far worse than the one we face today.

The result would be equivalent to losing a major war.

The challenge is equivalent to organizing for and fighting one.

AN OUTSTANDING CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. DERWINSKI. Mr. Speaker, an interpretative analysis of the 1975 Captive Nations Week shows that it was the most outstanding one in years. The unique convergence of events prior, during, and after the week was no mere historical accident. The significance of the annual event showed through the whole array of events from Solzhenitsyn's appearance here to Helsinki.

Continuing with our reports on the week, I include, first, the proclamation by Mayor W. J. Bill Thom and the Anaheim City Council; second, the New York Captive Nations Week observance; third, the Unionism Congress Committee of America release on the President's meeting with ethnic leaders; fourth, a letter to the President on Helsinki; and fifth, a Jamaica Plain Citizen letter on the week:

PROCLAMATION

Whereas, the imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence.

Now, therefore, the Anaheim City Council does hereby proclaim the week of July 13–19, 1975, as "Captive Nations Week" and calls upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples the world over.

CAPTIVE NATIONS WEEK, 1975: A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

The history of our Nation reminds us that the traditions of Liberty must be protected and preserved by each generation. Let us, therefore, rededicate ourselves to the ideals of our own democratic heritage.

In so doing, we manifest our belief that all men everywhere have the same inherent right to freedom that we enjoy today. In support of this sentiment, the Eighty-sixth Congress, by a joint resolution approved July 17, 1959 (73 Stat. 212), authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week.

Now, therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the week beginning July 13, 1975, as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the aspirations of all peoples for self-determination and liberty.

In witness whereof, I have hereunto set my hand this twenty-seventh day of June, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD.

Captive Nations Are Allies of the U.S.A.

Today, the Captive Nations' representatives and friends meet again at the Statute of Liberty to raise their voices on behalf of millions of victims, deprived of freedom, terrorized, tortured, starved to death, deported to the concentration camps, and killed under the banners of Leninism-Stalinism; and to reveal more facts to the peoples of the Free World of the atrocities, committed by godless tyrannical regimes of the Communist countries; also to remind the Americans about the subjugated nations both inside and outside of the Soviet Union.

The U.S.S.R. is not a national state, not one nation, not even a union of states, but a PRISON OF NATIONS, existing under Moscow Communist hegemony. Under the banner of internationalism, imperialistic Moscow economically exploits 121 nationalities, persecutes their religions, exterminates their peoples, uproots their families, imprisons and poisons their intellectuals who are confined in mental institutions, abuses their languages, and erases their national identity. There are fifteen republics, each with its homeland and history, traditions, culture, customs, language, and religion, but they are treated as colonies of Communist Moscow.

Although article 17 of the Soviet Constitution grants the rights of self-determination and secession from the U.S.S.R., and even though the Soviet Union signed the United Nations Proclamation that reads: "Everyone has the right to a nationality", and "No one shall be arbitrarily deprived of his nationality . . .", Moscow Communist chauvinists brand every effort to preserve national life, customs and languages by non-Russian nations as "bourgeois nationalism" and "zionism."

The deceptive Lenin's slogan of self-determination and national independence has its conception. At the 1919 Russian Communist Party of Bolsheviks' Congress, the Communist leaders concluded that their policy of self-determination and national independence is "not desirable" and would be tolerated by them "to some extent and for a short time." The purpose of this manoeuvre was to deceive nationalities into accepting the illusion that the Soviet recognize their rights to build up national life in their countries. However, these Communist leaders did favor nationalistic movements of Hottentots, Bushmen, Hindu and others in order to communize them.

The Captive Nations' representatives warn the American people, especially so called "silent majority," that detente with the Soviet Union, subsidized by the American government, not only aids and abets the plight of enslaved nations, political prisoners and dissidents, but it is a grave threat to American security and freedoms. Detente is the Trojan horse. The only difference seems to be that the Americans, aware of their potential deadly enemies inside, hope they will be not so cruel.

Fellow Americans: Remember that the last most powerful despotic colonial empire, the U.S.S.R., is vulnerable because of the Captive Nations' unceasing strife for human rights and national independence. Stand up in defence of the Captive Nations because their cause of Freedom is also the concern of Free America.

Let us unite in this common cause that no nation shall oppress or be oppressed!

The liberation of the subjugated nations will be at the same time the salvation of the Free World!

President Ford Meets With Ethnic Leaders on the Eve of Departure for Helsinki Summit

WASHINGTON, D.C.—On Friday, July 25, 1975, President Ford met in a 40-minute meeting with 17 leaders representing various American organizations and U.S. citizens of Central and Eastern European origin, with whom he discussed his trip to Europe and the Conference on Security and Cooperation in Europe, to be held on July 30, 1975 in Helsinki, Finland.

Attending the meeting were representatives of Armenian, Byelorussian, Czechoslovak, Estonian, German, Hungarian, Latvian, Lithuanian, Polish, Slovak, Slovenian and Ukrainian organizations. Accompanying the group were Congressmen Edward J. Derwinski (Ill.), who played an instrumental role in arranging the meeting; Clement Zablocki (Wis.), Jack Kemp (N.Y.), Dan Rostenkowski (Ill.) and Daniel J. Flood (Pa.). Also, attending the meeting were General Brent Scowcroft of the National Security Council, Donald Rumsfeld, Philip Buchen, Robert Hartmann and John Marsh—all of the White House Staff. Secretary of State Henry A. Kissinger attended the meeting briefly and then went to a press conference.

In his statement, President Ford stated, among other things:

"I would emphasize that the document I will sign is neither a treaty nor is it legally binding on any participating State. The Helsinki documents involve political and moral commitments aimed at lessening tensions and opening further the lines of communication between the peoples of East and West. It is the policy of the United States, and it has been my policy ever since I entered public life, to support the aspirations for freedom and national independence of the peoples of Eastern Europe—with whom we have close ties of culture and blood—by every proper and peaceful means. I believe the outcome of this European Security Conference will be a step—how long a step remains to be tested—in that direction . . ."

President Ford also reiterated the U.S. stand on the Baltic States, stating, "I can assure you as one who has been long interested in this question that the United States has never recognized the Soviet incorporation of Lithuania, Latvia and Estonia and is not doing so now. Our official policy of nonrecognition is not affected by the results of the European Security Conference . . ."

FIRST CONFERENCE IN HISTORY

Congressman Derwinski said it was the first time in American political history that a President met with a cross-section of American ethnic leaders before attending an international conference. Likewise, Congressman Flood pointed out that in his 30 years in Congress, he could not recall any such conference held by the President on the eve of his departure for an historic meeting.

The Ukrainian group at the conference was represented by Prof. Lev E. Dobriansky, President of the Ukrainian Congress Committee of America (UCCA), and Joseph Lesawyer, UCCA Executive Vice President and President of the Ukrainian Nationl Association.

Mr. Lesawyer raised the question regarding the direct request by President Ford to Brezhnev for the release of Valentyn Moroz and Leonid Plyushch in Helsinki. General Scowcroft interjected that Moroz was brought up in Vladivostok.

Prof. Dobriansky said that fears are expressed that Moscow would widely utilize the Helsinki agreement for its psycho-political propaganda and will twist it according to its own interpretative likings. He said that the President's definitive statement to the effect that the U.S. supports the aspiration of the peoples of Eastern Europe to freedom and national independence be widely disseminated by VOA, RFE and RL, so that the adverse psycho-political impact of the Helsinki meeting on Western Europe and on the captive peoples of Eastern Europe be effectively reduced.

There were several other questions on the part of ethnic leaders all dealing with particular aspects of U.S. foreign policy in Central and Eastern Europe.

JAMAICA PLAIN, MASS.,
July 25, 1975.

Hon. GERALD R. FORD,
President of the United States of America,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: On behalf of Ukrainian American Organizations of Greater Boston, Massachusetts, we are imploring you, Mr. President, to intercede with the Soviet leaders in Helsinki for immediate release of imprisoned Ukrainian intellectuals by the Soviet government and for the restoration of national freedom and human liberties in Ukraine.

The Ukrainian people will not be represented by their freely elected delegates at the Helsinki conference. They cannot even present their complaints before the distinguished Heads of States about violations of national and human rights in Ukraine by the Soviet government.

Hundreds of Ukrainian intellectuals who are held in Soviet jails, slave labor camps and psychiatric wards for demanding freedom and civil liberties. Valentyn Moroz, an Ukrainian historian, is held in the Vladimir prison. He is very, very ill. Leonid Plyushch is near insanity in the Dnipropetrivsk psychiatric asylum. Also imprisoned are: Vyacheslav Chornovil, Halyna Didyk, Ivan Hel, Ivan Kandyba, Mykhailo Osadchyi, Yuriy Shukhevych, Svyatoslav Karavanskyi, Kateryna Zarytska, and many others.

Ukrainians cannot pray in their Ukrainian Catholic, Ukrainian Autocephalic Orthodox and Ukrainian Protestant Churches. They are harassed for practicing Ukrainian customs and traditions during Christmas, Easter and other holy days.

We are confident that you, Mr. President, will add your voice of support for the cause of freedom of the Ukrainian and other captive peoples. Thank you very much.

Respectfully yours,
OREST SZCZUDLUK,
Vice President.

[From the Jamaica Plain Citizen, July 17, 1975]

Dukakis Proclaims Captive Nations Week

To the Editor:

In terms of special proclamations by President Gerald R. Ford and Governor Michael S. Dukakis, the week of July 13–19 is observed as "Captive Nations Week." Its purpose is to manifest our support for the aspirations of captive nations under Russian Communist domination to become free and independent states. The first Captive Nations Week Resolution was adopted by Congress in 1959 and it listed the following captive nations: Ukraine, Armenia, Beylorussia, Latvia, Lithuania, Estonia, Georgia Terkestan, Cossackia, North Caucasia, and others. It also listed countries whose liberties have been taken away by Communists: Hungary, Czecho-Slovakia, Poland, Romania, Bulgaria. Since 1959 were added: Cuba, Cambodia, South Vietnam.

Continuous flow of clandestine writings from the Soviet Union and other sources of information attest to the fact that captive nations continue to be the thorn in the Russian Communist empire. Hundreds of Ukrainian, Lithuanian, Latvian, Estonian, Armenian, Jewish and other dissidents have been jailed by the Soviet government for demanding free expression, free speech, free movement of people and other liberties.

In his 1975 "Captive Nations Week Proclamation," President Ford stated: "I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the aspirations of all peoples for self-determination and liberty."

OREST SZCZUDLUK,
Jamaica Plain Vice President, Ukrainian Congress Committee of America, Boston Chapter.

RENEGOTIATING PANAMA

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. OTTINGER. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial from the Westchester Rockland Newspapers of September 9, dealing with the renegotiation of the Panama Canal Treaty. I believe that this editorial states very ably the arguments for allowing the treaty to be renegotiated.

The Westchester Rockland Newspapers represent nine daily newspapers with a circulation of a quarter of a million people in the Westchester County and Rockland County region. The editorial follows:

RENEGOTIATING PANAMA

That resourceful negotiator, Ellsworth Bunker, has managed to get Pentagon support for efforts to renegotiate the Panama Canal treaty. He achieved it by separating consideration of the defense of the canal from operation of the big ditch. That could mean that transfer of canal operations to Panama could be accomplished in a relatively short time without objections from the U.S. military, while our vital stake in the defense of the lifeline could be stretched out, probably into the 21st Century.

There's another "separation" tack that Bunker should take. It's a lot harder to carry out than the one that convinced the Pentagon. But it's the real key to the cause of renegotiation.

We've got to separate the idea many Americans have that we have an unassailable right to own the canal, from the truth that the people we're facing in Latin America today are vastly different from those when we negotiated the original "in perpetuity" canal treaty in 1903.

The fact is that there are people down there now, millions of literate people, who are convinced that Uncle Sam is exploiting them in the same way that colonial powers behaved in underdeveloped lands for years.

These people are ready to follow their own leaders, or to turn to siren-calls from Moscow, Peking or Third World capitals, in order to make it desperately embarrassing or even untenable for us to keep exercising sovereign control over the canal. And they're convinced that they can run the canal as well as we do.

Back in 1903 there was only a self-interested elite class with whom we had to deal—and at that time we signed the pact with a man who wasn't even a Panamanian but a Frenchman.

The message is there for all Americans to heed. We no longer can assume a manifest right to chart unilaterally other people's destinies.

FEDERAL DEFICIT

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. LATTA. Mr. Speaker, I have released figures which indicate the Federal deficit for the current fiscal year could easily exceed $80 billion, by far the greatest deficit in our Nation's history.

These figures have come to my attention as the ranking Republican on the House Budget Committee and point out specifically how such a massive deficit could come about, based on action Congress has already taken in some instances, proposals being actively considered and on related developments.

Such items as extending the tax reduction into calendar year 1976, bigger than expected interest on the national debt, passing appropriation bills larger than budgeted, the Mideast Sinai aid plan, failure to put the President's proposed upper limit on cost-of-living increases for Federal employees, and congressional action or inaction in a number of other areas could add over $25 billion to the deficit. At the present time the deficit for fiscal year 1976, which began July 1, is pegged at $62 billion by the Office of Management and Budget. With the additions which I shall detail below, the total could shoot up to some $88 billion. Previously, the largest national deficit occurred during the wartime year 1943 when the deficit was $54.8 billion.

These figures also indicate that Congress is failing to live up to its responsibility to "bite the bullet" and say "no" to excessive Federal spending. No other conclusion can be reached. Congress has set up a new budget procedure to help control spending and there has been a lot of talk about what needs to be done. But that is about as far as it goes. When it comes right down to the actual voting on legislation which affects the budget, the votes in support of fiscal responsibility just do not seem to be there.

There is little doubt that fiscal discipline has to improve or Congress will be providing the impetus for another vicious cycle of inflation which in turn will inevitably produce another recession. The spending of this Congress could deprive the private sector of badly needed funds for jobs, investment in plants, stores, farms, equipment, inventories, and homes. Nobody wants this to happen, and the way to help stave it off is to vote "no" on appropriation bills above the budget. Congress must say "no" for the good of the country now and for the good of our children's future.

Below are the actions by Congress, items awaiting possible congressional action, and related developments not included in the present deficit forecast which could give us a budget deficit in excess of $80 billion for fiscal year 1976:

1. Increased interest on the national debt (due to higher interest rates), plus $1.5 to $2 million.

2. Extending income tax reduction through last half of fiscal year 1976 (July 1, 1975 to June 30, 1976), plus $4.4 billion.

3. Failure of Congress to place 5% ceiling on cost of living increases for Federal employees, plus $1.6 billion.

4. Increases in so-called entitlement programs, mainly unemployment insurance, plus $2 billion.

5. Override of Education Division Appropriations veto, plus $0.4 billion.

6. Amounts over budget on other appropriation bills on which action has been taken (Labor-HEW, Public Works, others), plus $0.8 billion.

7. Mid-East Sinai Aid Plan FY 76 outlays (estimate), plus $0.5 to $1 billion.

8. Variety of selected bills under active consideration in Congress which would increase spending. Postal Service subsidy ($1.9 billion); unemployed health insurance ($1.6 billion); school lunch increase ($1.3 billion); assistance to States and local governments ($1.4 billion); public works and public service employment ($500 million); decreased military procurement (—$1.3 billion); funding change in naval petroleum reserve ($300 million); others ($3.4 billion). Office of Management and Budget estimates that if enacted such legislation would result in increased outlays amounting to plus $9.1 billion.

9. Failure to act on changes in programs proposed in the Budget, medicare and medicaid reform ($1.77 billion); food stamp reform ($140 million); materials stockpile disposal legislation ($308 million); change Federal rate in social services payments ($300 million); limit on defense and civil service retired pay increase ($343 million); repeal of certain veterans training ($517 million); inland waterway user charges ($80 million); reimbursement by private insurers for veterans medical care ($100 million); naval petroleum reserves, ($375 million); others ($576 million), plus $4.5 billion.

Additions, $24.8 to $25.8 billion.

Present estimate of fiscal year 1976 deficit exclusive of above items, $62 billion.

Total: $86.8 to $87.8 billion.

PETER J. REMMEL, ORANGE COUNTY LABOR MAN OF THE YEAR

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. PATTERSON of California. Mr. Speaker, it is with great pleasure that I take this opportunity to congratulate Peter J. Remmel, who has been selected by organized labor of Orange County, Calif., as Orange County Labor Man of the Year for 1975.

Peter Remmel, an Orange County resident since 1954, has been a full-time union representative for 23 years. He is presently serving as executive secretary-treasurer of the Orange County Labor Council, AFL–CIO, a position he has held since March 1962. His earlier activities with organized labor include terms as president of the Los Angeles Photoengravers Union Local 32 and president of the Los Angeles Allied Printing Trades Council.

Pete Remmel is a man of action, a man who, like the last two recipients of this honor, Lee Kearney and Ray Mendoza, has devoted himself to achieving a better quality of life for the working person. His concern for the trade union movement extends beyond Orange County to all of California, as exemplified by the 12 years that Pete served as chairman of the Trade Advisory Committee of the Department of Corrections for the State of California.

As co-chairman of CEEED, Council on Environment, Employment, Economy and Development, Pete works to carry out the CEEED, motto, "A healthy environment means a strong economy." This coalition of interest groups who come together on their concern for environmentally sound development reflects Pete Remmel's interest in his entire community.

I ask my distinguished colleagues to join me in wishing Peter J. Remmel continuing success in his long and illustrious career. He has served organized labor well by contributing his endeavors to attain just recognition, equality, and financial security for working people. Pete Remmel has truly earned the title Orange County Labor Man of the Year, 1975.

H.R. 7014 PROVISION

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. PRESSLER. Mr. Speaker, I voted "yes" on the amendment yesterday which would have stricken from H.R. 7014 a provision that would require the 28-mile per gallon standard for 1985 automobile fleets. My "yes" vote was not intended to indicate that I wanted to strike a requirement on the automotive industry—but rather it was intended to indicate that a much more stringent standard would be applied. It is my hope that by 1985 the average automobile in United States manufactured fleets will be producing much more efficient mileage than 28 miles to the gallon. I hope that will be closer to 40 miles per gallon. A phenomena in the United States is that very little progress has been made on carburetor research and development since the 1920's. Since that time carburetors have not come to produce much more horsepower per gallon of petroleum.

We have landed a man on the moon, but our diesel and gasoline engines are as wasteful as they were in the 1920's. It is my belief that the energy crisis we face is as serious a crisis as our country has ever faced. I believe that we should have a national crash program on the part of business, industry, labor, and Government to develop much more efficient diesel and gasoline engines and more efficient carburetors. H.R. 7014 gives the automotive industry until 1985 to build an average size car which would produce 28 miles per gallon. I contend that we already have the technology and know-how to build such a car. The affect of this provision in H.R. 7014, in my view, stalemates us until 1985 with a 28-mile per gallon objective. It is my view that we should make that objective for next year or the year after—not 10 years hence. That is the reason I voted "yes" on the amendment that would have stricken the 28-mile per gallon limitation.

SCIENCE FELLOWS IN WASHINGTON

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. BROWN of California. Mr. Speaker, I wish to bring to the attention of my colleagues a recent article from Science magazine about the science fellows programs which have developed in recent years. A few weeks ago my friend and colleague, Mr. MIKE McCORMACK, inserted into the RECORD a sketch of the fellows who have devoted their time and expertise to Government. He quite rightly praised their personal contributions, and the programs which bring these valuable additions of brainpower to Capitol Hill.

We should all be grateful for this influx of intelligent, highly motivated and highly energetic talent. I am especially grateful for the input that I have received from those fellows who have chosen to work for the Office of Technology Assessment, the Committee on Science and Technology and my own personal office.

The following article describes some of the background of the fellows programs, and gives some information about particular fellows. Among those mentioned in this article is Dr. Renee G. Naves, who will be the first American Chemical Society fellow, and who will also be joining the staff of the House Subcommittee on Environment and the Atmosphere, which I chair.

I would recommend the following article to every Member of Congress, because whether you directly interact with fellows, or not, you will be seeing the results of their work during your deliberations in the Congress. The article from the September 12 issue of Science follows:

SCIENCE FELLOWS IN WASHINGTON: FROM LAB WORK TO LEGISLATION

During the past couple of years, about 30 scientists and engineers have been lured out of classrooms, offices, and laboratories and into Washington, D.C., to work behind the scenes of the national political stage. They are the beneficiaries of variously sponsored fellowship programs that appear to be helping scientists and Washington discover a new relationship with each other. A few of the fellows have recently earned their doctorates; most have well-established careers and have seized on the program as a means to expand their professional horizons.

The scientist as guru—who is called on sporadically to render "definitive" judgments on technically related national policy matters—is a familiar figure. The new programs cast scientists not as advisers, but as workers in the political hive.

The decision of various scientific societies to sponsor scientists in Congress was by no means sudden. They have been pondering for years, in their various science-and-society committees, "how to expand the science and engineering presence in Washington," as one official put it. The collapse of the presidential science advisory structure intensified these ponderings, as did, even more so, the increasingly distressing state of federal funding of research. But it may be more accurate to say that the move toward scientists working on the Hill is part of nationwide trends—the growing need felt by "consumers" (in this sense, everyone affected by actions of the federal government) to know what is going on why, and how to take a hand in decisions; as well as the trend toward interdisciplinarity and the recognition that no discipline is an island unto itself.

There are two distinctly different operations afoot. One is a collection of 1-year congressional science fellowship programs sponsored by various societies, most of which are being coordinated and monitored by the AAAS. (This group does not include the program of congressional health fellowships sponsored by the Institute of Medicine and funded by the Robert Wood Johnson Foundation.)

The other involves fellowships awarded by the National Academy of Sciences (NAS) that enable academic scientists to work on in-house projects of the National Academy of Sciences-National Research Council or the Institute of Medicine.

The former casts scientists where few have set foot before—in the machinery of Congress. In fact, the program has at least doubled the number of technical people employed there. The NAS program enables scientists to grapple with science policy within the more academic milieu.

While the programs appear to have been successful from the standpoints of the fellows, their employers, and their sponsors, both endeavors are suffering from financial frustrations. This is particularly true of the NAS program, which got a $250,000 grant from the Alfred P. Sloan Foundation, to be used in diminishing amounts over 3 years and supplemented increasingly by academy funds. Six fellows were supported by the grant the first year and three in the year just ended. But because of the academy's inability to attract money from other sources (several foundations have been approached to no avail), the program is now in limbo, and it is possible that only one fellow will be invited to fulfill the third year of the Sloan contract.

For the congressional science fellowships, money is not such a problem, because the societies themselves are willing to foot most of the bill. The Ford, Rockefeller, and Sloan foundations have kicked in to support the AAAS fellows (all receive stipends of up to $15,000 a year), but program coordinator Richard Scribner says that what is needed is a foundation willing to furnish steady support over a period of several years. Such a commitment is not yet forthcoming, which is one reason why the 1975–1976 program (running from September to August) is sponsoring 12 instead of the hoped-for 15 fellows, the same number as in the year now ended.

The congressional science fellowships are modeled on the congressional fellowships inaugurated by the American Political Science Association in 1953. The chief purpose of the APSA program is to give its fellows (mostly nonscientists) a rich and varied educational experience, so they work in several offices in the course of their year-long stints. Scribner says it was decided that keeping the science fellows in the same place all year would make them more valuable to their employers. Each fellow is assigned either to a committee, the newly created Office of Technology Assessment (OTA).

The first society to get into the act was the American Society for Mechanical Engineers, which does not come under the AAAS umbrella because, a society official explained, its fellowships coincide with the congressional rather than the academic year. Its man Barry Hyman, the first of all the science fellows, came from George Washington University, spent a year at the Senate Commerce Committee, another year acting as a committee consultant, and has now moved to the University of Washington. Six others from the AAAS-coordinated program—one chosen by the Institute of Electrical and Electronics Engineers, two by the American Physical Society, and three by the AAAS—followed Hyman to the Hill in September 1973.

Twelve fellows were selected for the 1974–1975 year, with two additional sponsors: the American Psychological Association and the American Institute of Aeronautics and Astronautics. This year four of the five AAAS fellows were, for the first time, stationed at OTA.

RECEPTION ON CAPITOL HILL

The visitors' reception on the Hill has generally been warm, as might be expected from an employer who is getting the services of a highly trained, handpicked individual free for a year. An OTA official calls the fellows "something of a godsend." He observes that "you have to dream up ways to entertain" the usual summer interns, but "the fellows are thrown right into the firing line." According to a staffer on the House Committee on Science and Technology, which is probably the heaviest user of scientists on the Hill, there have been a few rough spots, but these have been mainly personality-related and do not bespeak basic flaws in the selection or placement procedures. Representative Mike McCormack (D-Wash.), chairman of the committee's subcommittee on energy, took up a page and a half in the *Congressional Record* extolling the fellows as "highly competent," "unique," and "invaluable."

If the success of a program can be gauged by the number of fellows who are brought onto the employers' payrolls after their year is up, the first year was a hit, with five of the six staying for at least an additional year.

Science talked with all but one—Jessica Tuchman, a biochemist who has become a regular staff member for Representative Morris Udall's (D-Ariz.) environment subcommittee and was in Israel doing advance work for a Udall trip. The other five (including the one who didn't stay) were enthusiastic about their experiences. They found the atmosphere exciting and challenging, were pleased that they were having an impact on evolving legislation, and were impressed, even surprised, at how hard-working Capitol Hill staffers are. One of these is Elliot Segal, whose leave of absence from an assistant deanship at Yale Medical School turned into a permanent absence as he became increasingly involved in health policy matters while working for Senator Warren G. Magnuson (D-Wash.), who chairs the health appropriations subcommittee. Segal observes that scientists have not only their expertise but their mode of thought to contribute. The Hill is dominated by lawyers, and everyone tends to think like a lawyer. Scientists have a more cautious, systematic, and time-consuming approach to problems. On the Hill, where, as one fellow observed, the "turnaround time is 24 hours," scientists must drop their plodding ways while maintaining their intellectual integrity, a challenge that most find very stimulating.

Experiences of the second year's crop have not been uniformly rosy, but at least half have decided to stay in Washington, either on the staffs where they were placed or in related activities (one would have stayed but for the offer of an irresistible job at the California Energy Commission, to which he says his Washington experience was the springboard).

Next year's batch of fellows (see *Science*, 5 September) will include for the first time a selection by the Federation of American Societies for Experimental Biology (FASEB). He is Arthur M. Silverstein, a physical chemist who is professor of ophthalmic immunology at Johns Hopkins University. The American Psychological Association has also decided to fund a whole fellowship (last year's fellow was half paid for by the AAAS).

The latest organization to independently bring a fellow to Washington is the American Chemical Society (ACS). The emphasis of the society's chemistry and public affairs program, as it is called, is somewhat different from the other programs: the fellow, paid a stipened of $12,500 for the year, is kept on a shorter leash to ensure that his or her experience will be of benefit to the society, and is expected to participate in ACS affairs as well as government assignments. The first fellow, who started last March, is Renee G. Naves, a chemist from American University. She has been given office space and a secretary at the society. After 3 months of going to various hearings and meetings, she spent 6 weeks evaluating energy proposals at the National Science Foundation. From thence she proceeded to Congressman Gilbert Gude's (R-Md.) office, and after that she will spend 6 months at the House Committee on Science and Technology, Subcommittee on Environment and the Atmosphere. The ACS plans to sponsor one such fellow a year. James Quigley of ACS says the society believes this is the best format for a four-way benefit—to the individual, the government, to his or her home institution (although there is no promise to return), and to the ACS.

The message from societies that have decided to take the fellowship route is that the program is a terrific idea, and that their members are so convinced of its value that they are willing to let part of their dues go for the stipends. The American Physical Society, according to a spokeswoman, has gone on record as being "satisfied, pleased," even "delighted" at the way things are going. From the American Society for Mechanical Engineers we hear it is "the most successful program we ever started. We should have started this 10 years ago." FASEB, which plans to contribute one fellow a year with its own money, says that "this will benefit the biomedical community." Scribner of AAAS says the program has been an "astounding success" except for the part about not being able to get more foundation money.

As for the problem of attracting continuing foundation support, a Sloan Foundation official says that foundations like Sloan (Ford, Rockefeller, and so forth) see themselves as providers of seed money rather than as long-term benefactors. He also says that the Tax Reform Act of 1972 has made them wary of subsidizing any program that might be construed as having a lobbying component. He concedes that the fellowships programs don't fall in this category, but would prefer not to have the matter brought to a test in court. A Ford Foundation officer says that Ford, which is anteing up only for OTA fellows, is not particularly involved in science and that its chief interest in this case is helping a new government agency get off to a propitious start.

It could be asked whether the fellowships are being used for some subtle lobbying in behalf of particular branches of science. But the fellows point out that when they work in Congress they work as staff, and not as society employees. They are there to learn about politics and contribute their expertise, and that is what they want to do.

From the high percentage of fellows staying in Washington, it might also be thought that the societies were acting as recruiting agencies for Congress. But, as one fellow pointed out, it is likely that once Congress, now parched for in-house expertise, has filled the void, more fellows are likely to pass on through Washington and off to where they can spread the benefits of their newly won political sophistication.

The surest thing to be said about the congressional science fellows is that their experiences have significantly affected the careers of all of them, and frequently in ways they never could have predicted. Some planned to go back to teaching and the lab; now that shoe seems to have grown too tight. The complexities and unpredictabilities of politics and policy-making now seem more excting than research. While aware of the perils of becoming a "superficialist," they find being a generalist more interesting than being a specialst. And those who are taken with Washington have found Washington equally eager to have them.

Whereas the congressional science fellows are hurled directly into the Capitol Hill meat grinder, NAS fellows are able to continue a more scholarly mode of life—as one fellow said, they are more concerned with "scientific advice from the scientific point of view," in an atmosphere that is a far remove from congressional pressures. NAS fellows, of which there were six last year (one has taken a permanent position on the staff) and three this year, see themselves as getting a fix on the woods after having labored among the trees. One of this year's fellows is Laurie Hendrickson, formerly a systems engineer with Aeropace Corporation in California, who was encouraged to apply to the program by his former dean, Harvey Brooks of Harvard. Hendickson says he didn't used to think much about science policy, but now finds himself drawn by the complexity of policy analysis in comparison to space systems, where the technical issues are well definable and the means to resolve them identifiable. He is staying on in Washington, having been offered a job as a policy analyst in the Department of State.

Another fellow, Elena Nightingale, who specializes in genetic diseases, has found the NAS position a suitable next step in her career, which has progressed from microbiological research to human genetics to clinical training. Having completed one project in the Division of Medical Sciences, she has started another, on prenatal prevention of genetic disease, and has gotten a 1-year (renewable) appointment to the academy. "Things kept opening up," she says. Lab research now seems too circumscribed, and she welcomes the opportunity to do studies and prepare reports that will influence the whole field by influencing the nature of other peoples' research. The third, Neil Holtzman, is a pediatrician from Johns Hopkins whose special interests revolve around genetic screening. He is the only one going back to his old job.

Almost without exception, the participants in the programs discussed above have been delighted with the network of kindred souls they have been able to plug into; with the influence they believe they have been able to exert in areas they think are important; and, above all, with the new vistas and "options" they see opening before them.

The high quality of the scientists who have been attracted to these opportunities attests to the rarity of the opportunities, for if there already existed encouragements and channels for participation in policy-making, it can be presumed that those interested in such matters would have already found them.

Scribner sees the AAAS-coordinated fellowships as a pump-priming operation, and believes the program will eventually taper off as mutual needs are recognized and better contacts are established directly between scientists and Congress. Meanwhile, judging from the number of other societies—eight, at last count—that have shown interest in joining the trend, it seems likely that the programs will continue to grow.

UDALL CALLS FOR SHIFT AWAY FROM NUCLEAR POWER

HON. PAUL E. TSONGAS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. TSONGAS. Mr. Speaker, for the past 4½ months the Subcommittee on Energy and the Environment of the Committee on Interior and Insular Affairs has been undertaking the first comprehensive review of America's policy toward nuclear generation of electricity.

Last week, the chairman of the subcommittee, our colleague from Arizona, MORRIS K. UDALL, addressed the subject of atomic power in a speech to the Third Annual Illinois Conference on Energy.

In his speech Representative UDALL summed up the findings of our hearings to date. While rejecting the insistence of some on an immediate moratorium on nuclear plants, Representative UDALL pointed up the grave unanswered questions on which the scientific and engineering communities are deeply divided:

> Our inability to forecast accurately the economics of plant construction and operation;
>
> The dangers of international proliferation and terrorist diversion of weapons-grade nuclear material;
>
> The serious problems of handling radioactive materials and disposing of reactor waste products;
>
> And the potential consequences of reactor accidents.

In light of these serious shortcomings, Representative UDALL called for a basic shift in the direction of Federal energy research and development efforts. While recognizing that in the immediate future we must rely on nuclear power for a portion of our energy needs, he urges that we commit more of our resources toward harnessing the unlimited power of the Sun, the Earth's core, the wind, and the sea in the hope that nuclear fission need be only a transitional source of electrical power.

I believe that Representative UDALL's remarks deserve the serious consideration of all Members of Congress as we deal with the fateful problems of future energy production.

The text of Representative UDALL's speech follows:

NUCLEAR ENERGY: IMPLICATIONS FOR THE FUTURE

(Address by Congressman MORRIS K. UDALL, Third Annual Illinois Energy Conference, Chicago, Ill., Sept. 11, 1975)

I am indeed flattered to take part in this distinguished conference on one of the most critical issues before our people. It is not a little humbling to share a program with Nobel laureates, outstanding leaders from the scientific and business communities, and all other contributors to this vital debate on national priorities. My purpose today is not to challenge experts measuring the margins which determine the economics or safety of nuclear reactors. For this I am not qualified. But as much as any other federal official, I have attempted to become versed in the subleties of the nuclear issue, presiding over the first broad public hearings on the subject ever conducted in Congress. For 4½ months we have been listening and studying, Republicans and Democrats, political liberals and political conservatives. Our hearings have been graced with the counsel of many of the nation's greatest minds, no fewer than eight of whom will also address this gathering. The forceful and articulate presentations by Mr. Nemzek, Prof. Rasmussen, Dr. Cochran, Mr. Kouts, Mr. Taylor, Chairman Anders, Dr. Rowe and Prof. Bethe have made these hearings one of the great experiences of my career.

The hearings are not yet over. We must still deal in greater detail with the economics of nuclear energy, the Price-Anderson insurance liability act, and international policies. But we have reached a point where we can put atomic power in the perspective of national energy policy, and begin to make intelligent, informed choices as to the paths which development will follow. So I would like to outline what I perceive as the implications of our hearings—the decisions as well as the agreements, the unknowns as well as the certainties—for America's energy future.

The starting point is the shape of our overarching policy, our basic approach to the entire question of energy scarcity. And, simply but tragically, there isn't one. Our people do not believe there is a shortage, and in a certain sense they are correct. We can, after all, buy as much oil as we wish from the OPEC nations—but at a price that will shatter our already weak economy. We must open our eyes to the fact that the age of cheap fossil fuels has ended. We must take every possible step to ameliorate the effects of this fundamental change, but we must not base national policy on wishful thinking or nostalgia for the boom-town atmosphere of the past three decades.

The Nixon and Ford administrations have failed to provide the kind of leadership the nation deserves and desperately needs. Their approach to this pervasive problem has been piecemeal at best, and often the pieces have been contradictory. They have failed to perceive the inextricable linkage between energy issues and the two other major components of domestic policy—the economy and the environment. Even within the energy field, they have treated each aspect—oil pricing, natural gas, petroleum imports, strip mining, solar development, and nuclear power—as discrete, compartmentalized questions, without reference to their complex interactions. And conservation of energy, the reduction of this profligate use which is the root of the problem, has been a mere afterthought, treated insensitively and irrationally.

I have spoken at length elsewhere outlining a multi-faceted national energy policy. Today I would like to focus on the place of nuclear generation within the context of such a comprehensive program.

The keystone of any sane future energy policy must be energy conservation. Without courageous leadership committed to this goal, we stand in peril of utter destruction of the industrial and social fabric of our nation. Yet, while it is the most vital link in energy policy, it is also the most difficult to achieve, because it involves changing the way we act today rather than directing the choices we will have tomorrow.

I make no apologies for the failures of the Congress, which has reflected the national reaction of selfishness and panic at the thought of change and sacrifice. But, where Congress' failure to lead, however, inevitable is a profound disappointment, the President's failure is a disgrace. He has the concentrated power and prestige to lead. And he has not led. He would not merely leave intact the power of a dozen oil companies who steered us into this mess—he would actually strengthen their ability to tailor our national policy to their own selfish ends. Is there anyone who really believes Exxon wants us to use less of the oil it produces for $8 a barrel and would sell for $13? Is there anyone who really believes that the big coal producers, many of whom are owned by oil companies, want us to burn less of the coal they dig for $7 a ton and sell for $30? But we must conserve, because the $13 oil and $30 coal that enriches a handful of executives and stockholders will impoverish millions of working Americans.

The President's policy is based on business as usual—big business and risky business. He has outlined no major efforts to increase energy efficiency, and plans instead for a continued electrical growth rate of 6 percent per year. That means doubling electrical output every 12 years. For new capacity plus replacement of worn-out plants, it means a capital investment of $800 billion in the next decade—$800 billion that won't be available for houses or schools or health care. Yet, experts agree, as much as one-fourth of our present energy use is waste: rooms overheated, overcooled and overlighted, cars bigger than are needed making unnecessary trips, heat lost through inadequate insulation; airplanes flying far below capacity, electricity priced to encourage ever greater consumption, trucks and trains making roundabout journeys or carrying no cargo because of anticompetitive regulations.

We must undertake a mandatory, comprehensive conservation program that will pinpoint and eliminate these and other wasteful practices rather than raising costs—and hence reducing productivity—of all uses, the needed as well as the superfluous. Such a program could reduce electrical energy growth to 3 percent or less per year without inhibiting a healthy, expanding economy. It would mean that instead of a dozen years, we would have a generation or longer to double generating capacity. It would give us time to make the significant changes in job mix and economic priorities that the new age of resources scarcity must inevitably call forth. It would increase our leverage on the oil producing nations. It would ease the strain on our capital markets. And, to my friends in industry and labor who assume that conservation equals unemployment, let me point out what else it would mean: Instead of $800 billion in the next decade, capital investment in electrical energy need be only $400 billion. Freeing those billions for other uses can produce more, not fewer jobs. It costs only $22,000 in capital investment to create a job in general manufacturing. But the investment needed for a job in oil production is $125,000; in utilities it is $175,000; and on the Alaska Pipeline, it is upwards of $250,000.

Another result of a good, precise conservation program will be to buy time for the development of alternative energy sources—the so-called exotic technologies that would capture the power of the sun, wind, earth and tide. Substantial progress has already been made in some of these areas. Solar means of building heating, for example, are rapidly achieving economic competitiveness. The National Science Foundation recently found that, using present technology, we could install solar heating units in the nation's homes and reduce the fossil energy budget by 15 to 28 percent—and the fuel cost savings would recover the cost of installation in 10 to 12 years. To put that figure in startling focus, compare it with the cost recovery span of a hydroelectric project—not 12 years but 50.

The conventional wisdom is that solar will remain a thermal technology—that major breakthroughs in its use for electrical generation are still in the realm of science fiction. Not so. There are indications that we are closer than has been imagined—indications substantial enough to prompt the House to triple the authorization and double the solar appropriation requested by the Administration for the current fiscal year.

We have reached the point where we should intensify these research and development efforts and move into the demonstration phase as well. I believe it would be a serious mistake to place virtually all our eggs in the nuclear basket, as the Administration and some of the nuclear missionaries in Congress would do.

It is against this background that the questions associated with nuclear generation should be addressed. Too often, complex questions of energy policy have been reduced by many in the public and in government to simple, black-and-white formulations. One is characterized as being "for" rationing or "against" it, "for" solar or "against" it, "for" offshore drilling or "against" it—when in fact there is an infinite number of possible policy emphases and shadings involving any and all of these devices, and many others.

I suspect that, from what I have said so far, many would characterize me as "against" nuclear power. This, too, is simplistic and misleading. The issue is not whether our energy future will involve nuclear plants. It will. We have them today—55 of them, producing 6 percent of our electricity. We will have them in the future, in greater numbers, as those now under construction are completed. The real question for energy policy makers is how nuclear power will fit into our energy and economic future—precisely what role, where and when. The Administration's non-plan would have the effect of mandating a head-long rush into nuclear power at a time when the scientific and engineering communities are still deeply divided over the grave questions of reactor reliability, economy and safety.

In line with the notions of conservation and intensive exploration of alternative sources already described, I believe atomic power is best suited for a transitional role in an evolving energy picture. In saying this, I do not mean to minimize the present need for nuclear energy nor the value of the contributions of the thousands of brilliant and resourceful people working in the nuclear field. But the great costs and unparalleled potential dangers of hasty nuclear expansion demand such a cautious, moderate course. I draw this conclusion from our hearings and my own studies, and it is based on four essential factors:

Our inability to forecast accurately the economics of plant construction and operation;

The dangers of international proliferation and terrorist diversion of weapons-grade nuclear material;

The serious problems of handling radio active materials and disposing of reactor waste products;

And the potential consequences of reactor accidents. Let me spell out these misgivings in greater detail.

Energy is our most capital-intensive industry, and nuclear power is the most capital-intensive form of energy production. Nuclear plants have proven, virtually without exception, far more expensive than the blithe projections of their boosters in government and industry. In 1967, the Atomic Energy Commission projected capital costs of $134 per kilowatt of peak capacity for plants coming on line in 1973; in actual experience, those costs were from 50 to 280 percent greater. Last year, the AEC projected $700 per kilowatt for plants to be completed in the early '80's; utilities already are projecting $1,000 or more, and the Union of Concerned Scientists says the figure will run as high as $2,000. This uncertainty over light water reactors is paralleled by the economics of breeder R&D: cost estimates of the Fast Flux Test Facility rose 500 percent from 1967 to 1974; projections for the Clinch River program are up 150 percent in just three years, and the AEC's successor, the Energy Research and Development Administration, calls the present figure of $1.7 billion "conservative." Persistent underestimation of reliability, construction time, and certainty of design have made AEC and ERDA estimates increasingly unreliable. Just last January, the AEC projected that nuclear power in 1982 would be 25 percent cheaper than power from coal-fired plants. Qualified experts, noting that agency's historic failure to improve its forecasting techniques, estimate that the cost will be, not one-fourth less, but 45 to 150 percent more. Viewed in conjunction with the legally guaranteed rate of return for utilities and the surprising price elasticity of electrical demand revealed in the past 18 months, these disagreement portend insecurity and potentially dire consequence for utilities, the financial community and hard-pressed consumers.

In addition to being expensive, nuclear reactors are prestigious and only a handful of countries have the expertise and resources needed to make them. Hence, for both economic and diplomatic reasons, there are great pressures to export "peaceful" nuclear technology. But, despite years of assurances to the contrary, we have discovered that peaceful nuclear technology can be turned without undue difficulty to military uses. India's atomic bomb was fashioned using the technology and materials granted her for generating. The stability of our planet is further imperiled by the spread of such nuclear technology on non-Test Ban countries, as illustrated by West German plans to sell a complete nuclear fuel cycle to Brazil. Now oil-rich Iran, situated in a particularly volatile region of the globe, is seeking a similar capability. Such proliferation increases the danger of nuclear war geometrically.

Equally menacing is the prospect of terrorist or insurgent capture of fissionable material. Even a crudely-made device, using 10 kilograms of plutonium at an efficiency of one-tenth of one percent, would have a force equal to 200 tons of TNT. The death and suffering inflicted by such a detonation in the heart of a major city are incalculable—and it would remove inhibitions over further nuclear usage. Dr. Fred Ikle, director of the Arms Control and Disarmament Agency, has rightly described such an explosion as "an event that would change the world."

The scare stories of the past few years, though perhaps exaggerated, have pointed up the potentially dangerous inadequacies in our domestic methods for accounting, transportation and plant security. Recently the Nuclear Regulatory Commission—hardly the most vigorous critic of atomic power—ruled that present safeguard standards are inadequate for protecting the enormous quantities of weapons-grade plutonium which would be shipped between reactors and reprocessing plants planned for the next decade. As a result, the "plutonium economy" has been postponed for at least three years.

For these reasons, I find our present emphasis on research and development of the liquid metal fast breeder reactor most disturbing, for it would commit the nation to a plutonium economy when so many grave questions are still unresolved. I concur with Prof. David Rose of MIT, a supporter of a vigorous nuclear program, who concluded that the Clinch River facility should be delayed for one or two years to permit substantial review of its design and costs. The course and magnitude of our commitment to breeder technology urgently need a thorough reassessment lest we find ourselves committed without airtight safeguards to a technology that would produce 30,000 tons of plutonium, requiring 100,000 shipments annually, by the year 2020.

Under present and foreseeable domestic safeguard methods, no prudent policy maker can say that a diversion of the minimal quantities sufficient for a crude bomb is beyond the realm of possibility. The peril is many times greater abroad, outside U.S. control. International efforts, however laudable, can mitigate but not eliminate the potential for government or terrorist diversion. The experience of the past 30 years has shown that real, effective cooperative action on a global scale is far easier to proclaim than to implement. The United States should step up security efforts at home and as a condition of our own exports, and we should encourage stronger international controls, but ultimately I believe we must seek new technologies, not involving fission, for export as well as domestic use.

The military or terrorist potentials of nuclear power represent only one facet of its dangers. There remain many unanswered questions as to the safety of the reactors themselves, and our ability to handle the incredibly toxic and long-lived wastes they will produce. The likelihood of the release of large quantities of radioactivity from sabotage or accidents involving nuclear facilities is highly uncertain. Though we have avoided a major catastrophe, there have been close calls and systems failures which have reduced the overall operating capacity of atomic power plants from the expected 80 percent to somewhat more than 50 percent. Pipe cracks, the recent fire at Brown's Ferry, declining performance of older plants, and unanticipated design and maintenance problems have all been factors in this decline, which has further clouded the economics of nuclear power. I know that many of you are working conscientiously to solve these vexing problems, and I share your hope that safer standardized designs and stringent safety and safeguard standards will improve the viability of nuclear power.

Nevertheless, so long as the probability of a catastrophic nuclear accident is not zero, we must ask ourselves just what the consequences of such an incident might be in terms of human health and property contamination. Projections are of course highly sensitive to various assumptions about the nature of the accident, the kind and quantity of radioactive materials released, prevailing atmospheric conditions, and the downward or downstream population. But a recent study conducted for the American Physical Society pointed up the fearful magnitude of potential long-term consequences—particularly land damage and latent cancers—which could result from a major reactor failure. The number of lives lost could run into the tens of thousands, and the economic cost into the billions.

Most troublesome of all the problems associated with nuclear power, however, may be finding a reliable way to isolate the wastes produced by widespread fission. These highly radioactive materials represent the most frightening product of human endeavor—a peril measured not in years, but in centuries in the case of strontium-90 and cesium-137, and in hundreds of thousands of years for plutonium-239. Can anyone say with confidence that we are capable of devising foolproof methods of isolating from our environment up to 80,000 canisters of high-level reactor wastes that may be generated in the next 25 years alone? Solutions may be found. There is great promise in proposals for permanent storage in salt mines in New Mexico, and growing quantities of waste may be recyclable back into reactors. But I believe the Administration puts the cart before the horse in plunging headlong into nuclear development before we are assured that these byproducts can in fact be contained.

Having laid out these reservations, I want to re-emphasize my belief that nuclear fission can serve a useful role in our energy future. Energy policy-makers must deal with the hard truths of pressing shortages, and the reality of our present partial reliance on nuclear generation. While rapid expansion of this reliance would present unacceptable economic and environmental risks, I believe an immediate moratorium on nuclear plants would be unwise.

There are few certainties in energy planning. The promise of solar and other exotic techniques is so great—and progress to date has been so impressive—that they should be our primary goal, with a moderate reliance on fission under rigorous safeguards as an interim, transitional step. At the same time, however, I believe that research on all phases of nuclear power should go forward. Surely it would be foolish to assume that our scientists and engineers cannot conceivably find solutions to the dilemmas of nuclear electrical power, as the astounding breakthroughs of the past evidence. But just as surely, we have too often failed to consider all the implications of past innovations, at a high cost to today's economy and our environment. The perils associated with nuclear power are immeasurably greater, and mandate a correspondingly high degree of caution.

We must never forget than the choices we make in energy will have enormous implications for humankind—in every part of our planet, and for every future generation. Albert Einstein once observed:

"The unleashed power of the atom has changed everything save the modes of thinking, and we thus drift towards unparalleled catastrophes."

In the years ahead, we as a people—and particularly the intelligent and involved people attending this conference—must face these hazards squarely by looking before leaping, by conserving, and by using our national genius to solve the nuclear questions and develop additional energy forms. And we must demand of our leaders the patience, the wisdom and the courage to assure that these fateful decisions reflect the highest interests of all our people, today and in the future.

BROADENING THE BASE OF CAPITALISM

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. FRENZEL. Mr. Speaker, a distinguished Minnesota senator, George Pillsbury of Wayzata, Minn., has written a 1975 Labor Lay message on expanded ownership by working people who normally own no share of the productive assets with which they work. The message hails employee stock ownership trusts—ESOT—as an effective means by which employees may gain ownership shares in the companies for which they work.

Senator Pillsbury was himself the chief author, promoter, and guiding spirit of the country's only statute giving tax incentives to companies which set up employee stock ownership trusts. The Minnesota law, known as the Pillsbury Act, is beginning to attract attention both in Washington and in State capitols throughout the Nation. It is the basis for my own Accelerated Capital Formation Act of 1975, now pending in Ways and Means.

I invite my colleague's attention to Senator Pillsbury's message, it is an especially appropriate Labor Day theme:

A 1975 Labor Day Message on Expanded Ownership: Why?

(By George S. Pillsbury)

An ancient Greek historian, Diodorus Siculus, declared, "It is absurd to entrust the defense of a country to men who own nothing in it."

Today it is equally absurd for the owners of business to entrust the operation and care of complicated and expensive industrial systems to employees who own no share of the productive assets with which they work. Likewise, it is wishful thinking to expect the electorate and their political leaders, who have no significant personal participation in wealth-producing properties, to defend our free market private ownership system.

As of now, 1% of the wealth holders own 72% of all corporate stock, and only 5% of U.S. families receive more than half of their income from ownership. As late as 1890, 50% of American families had a majority of their income coming from ownership. The growth of corporations, now being extended into agriculture, will further accelerate this equity concentration.

Such concentration is combined with a decline in relative numbers of independent businessmen and professionals in the labor force and a rise to more than 80% of workers receiving wages and salaries.

In other words, we seem to have both a centralization of wealth and an expansion of wage dependency in our economy.

Alexis deTocqueville, in his book, "Democracy in America," observed "Almost all the revolutions that have changed the aspect of nations have been made to consolidate or to destroy social inequality. Remove the secondary causes that have produced the great convulsions of the world and you will almost always find the principle of inequality at the bottom. Either the poor have attempted to plunder the rich, or the rich enslave the poor."

In the early years of this country, we reduced the pressures for such revolution by the most effective redistribution of income of any free society. However, the combination of the late 19th century development of corporate entities and the 20th century technological explosion have made this once effective income redistribution system grossly inadequate.

The concentration of wealth continues, and the gap between the rich and the poor widens at an ever-accelerating rate.

DeTocqueville's prophetic remarks about revolutions are being fulfilled in many countries of the world.

National governments unwilling to tolerate this inequality are expropriating private property throughout the globe. Venezuela offers us a recent example in its nationalization of the oil industry.

In Chile, businesses have been nationalized. In Peru, the fishing industry and others are being nationalized. In Argentina, most foreign bank branches are nationalized. In Libya and Iran, the oil industry is being taken over by the state. And the communistic and most third world countries already have state socialism.

So, unless the wage earners of the United States also become owners, there is no reason to believe that they and their elected political leaders are going to defend a system which, in spite of high income and inheritance taxes, huge welfare and social security payments, distributes over 85% of the wealth to less than 15% of the people.

Three years ago my son, Charles, gave me a book to read called, "The Two-Factor Theory: The Economics of Reality," by Louis Kelso and Patricia Hetter. When I was having difficulty understanding its implications, my eldest daughter remarked, "What Charlie is talking about is the same as land reform in the agrarian countries."

What the authors and my children were telling me was that there was need for "land" reform in today's terms . . . in reality, expanded ownership. In our country there is the same threat of state socialism and the loss of our economic and, ultimately, political freedoms.

Expanded ownership means increasing the ownership, by employees, of the buildings, tools and assets where they are employed and, likewise, encourages those in the professions and government services to achieve a stake in the productive assets of our society.

What steps have been taken to mitigate the present growing income disparity and put workers in control of their machines?

In Minnesota, we can take pride in being the first state in the nation to encourage employee ownership by new tax incentives.

Through the passage of S.F. 1269 during the 1973–74 legislative session, the philosophy behind expanded ownership has become Minnesota law and it now remains for the Federal Congress to take similar action.

The intent of the legislature in securing passage of Chapter 157 of the Minnesota Laws for 1974 is stated in its first section which reads:

"It is the intention of the legislature in defining and allowing for employee stock ownership trusts that the participation in the ownership of industrial, agribusiness, and other commercial businesses by the employes of the enterprises through the use of employee stock ownership trust would benefit all the people of Minnesota by:

(1) Renewing and enlarging a sense of the worth of human effort,

(2) Recognizing the interdependency of human effort and the ownership of the productive assets with which people work,

(3) Providing direct economic advantage to employees from increased productivity,

(4) Reducing differences in the real interests of labor and capital, and

(5) Relieving a primary cause of social tension and alienation."

Briefly, the law facilitates the establishment of employee stock ownership trusts which are treated the same for tax purposes as charitable institutions for individual income, gift and estate tax purposes.

The employer corporation is also encouraged to use an employee stock ownership trust as a means of financing its capital requirements through the sale to the trust of its common stock. The trust can borrow money to pay for this stock and the corporation obligates itself to make annual payments into the trust in amounts at least sufficient to service the debt. Under Minnesota law, such payments are now deductible up to 30% of company payroll.

This income tax deduction makes it possible for the corporation to build greater ownership by employees, and the cost of financing its growth is less than if it conventionally borrowed and repaid as to principal in after-tax dollars.

Fortunately, some political leaders in this country are recognizing this trend. Although there has been no further action by other states, asesmblyman Dan Haley in New York, Frank Hatch in Massachusetts, and Governor Milliken in Michigan are most interested in our efforts here.

On the national scene, Senator Russell Long has been the outspoken leader of the changes in federal law. He has been joined in his efforts by Senators on both sides of the aisle and both Vice President Rockefeller and Governor Reagan have spoken out in favor of employee stock ownership plans.

Further, the House of Representatives now has awaiting consideration by its Ways and Means Committee, the Accelerated Capital Formation Act of 1975, introduced by Congressman Bill Frenzel, and more recently nearly 50 congressmen, led by Representative Kemp of New York, introduced the Job Creation Act of 1975. Both of these bills include proposals to encourage employee stock ownership trusts.

More importantly, Congress has passed four major bills that give encouragement and incentive to businesses to establish Employee Stock Ownership Trusts.

These laws are:

The Regional Rail Reorganization Act of 1973 which mandated a study of employee stock ownership trust financing for the consolidated rail corporation;

The Trade Act of 1974 that directs the Secretary of Commerce to give preference to businesses having employee stock ownership trusts;

The Employee Retirement Income Security Act of 1974 that exempts employee stock ownership trusts from certain of the requirements of pension plans; and

The Tax Reduction Act of 1975 that gives an added 1% investment credit to corporations that establish an employee stock ownership trust which is funded by transfers of employer securities.

It should be noted that in Canada political leaders are *already winning* votes on platforms structured around increasing individual capital ownership in the electorate. Winnet Boyd, a Progressive Conservative candidate, commented in his campaign literature that "the best way to counter the growing power of the Federal Government is to diffuse power; i.e., the ownership of capital among its people." He adds that by encouraging the employee stock ownership trust method of financing in Canadian corporations, a labor inspired movement towards state ownership of industry can be averted.

In the United States it is Congress and the President and business leaders who will make the final determination in this country as to the future of employee stock ownership trusts as a vehicle of corporate financing and social reform. Will the Federal Government add to the four laws already passed some or all of the proposals now before them and will business leaders have the enlightenment to respond to such incentives?

While the United States may appear to be a long way from the nationalization of industry, the prospect is not so remote as to be discounted, especially when one reads the polls of the public's opinion and understanding of business and listens to the speeches by some of our political leaders.

It is in this context that business and political leaders must begin to realize that the labor movement is intensifying in America as the workers and their leaders look for answers to their frustrations over the unemployment, economic inequities, and inflation that are eroding their standard of living. Unless the private sector, encouraged by the Minnesota Employee Stock Ownership Trust Law and the present and proposed federal laws can institute new and meaningful economic reforms that give workers an increased interest in the ownership of productive assets where they work, we shall continue to drift closer to the economic alternative, public ownership and state socialism.

Moreover when we read of the many work stoppages now taking place around the country, with promises of more to come, we should heed the advice of Senator Fannin, who said: "By planning in advance to build a reasonable share of the ownership of the corporate growth into the labor force, management puts the employees in a position where their economic security and future income growth can . . . be enhanced . . . without the historical class conflict approach to labor relations and the problems of productivity."

Expanded ownership has already proven to be a success in those corporations who have had the foresight to use it, even without the benefit of tax incentives granted in the Minnesota law and in any pending federal legislation.

Sears, Roebuck and Company, through a plan whereby corporation shares are purchased by the employees retirement trust, is now 20% owned by that employee fund.

The concept of employee ownership has been utilized in the sale by the owner of a West Coast retail camera company to its employees and more recently an asbestos mine in Vermont.

A manufacturer of large trucks, an insurance brokerage firm and a newspaper chain are among the many companies which have been purchased in whole or in part by employees using employee stock ownership trust financing.

Employee stock ownership trusts represent a new form of capitalism whose widespread acceptance and implementation can truly strengthen the free enterprise system at a time when its methods and goals are under increasing attack from many of those who have traditionally been its beneficiaries.

Unless we can find a way to alleviate the disparity of wealth and income that has resulted from too few owning too much, we may find ourselves headed toward the nationalization of our industries and an economic socialization that creates more problems than it solves. Employee stock ownership plans are one such way.

In pondering their possible effects on our future, we should keep in mind the words of an economist, John Bates Clark, who very succinctly stated: "Productive property owned in undivided shares by laboring men, contention over the division of profits replaced by general fraternity—this is the ideal which humanity has repeatedly approached, abandoned and approached again."

It is time the United States of America once again approached this idealistic goal with what could be a pragmatic salvation of both the private ownership system and our republican form of government.

FINANCIAL DISCLOSURE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. MURTHA. Mr. Speaker, I believe it is very important for the citizens to have confidence in their elected officials and to be certain no conflicts exist between their commitment to represent the people who elected them, or in their use of taxpayer funds placed at their disposal.

Therefore, Mr. Speaker, I would like to place in the CONGRESSIONAL RECORD my second financial disclosure statement.

I believe such statements should be voluntarily made to assure citizens their public funds are being used properly, that no conflict of financial interest exists, and that I am not profiting personally from the position of trust I hold.

This statement will update one I made earlier, and includes all income received after being sworn in February 1974:

PART I: PERSONAL FINANCES

A. Taxes

1974 Federal income tax paid to Dec. 31, 1974	$5,098
1974 Pennsylvania State income tax paid to Dec. 31, 1974	808
1974 Cambria County, Pennsylvania, real estate tax on personal residence (jointly owned) paid to Dec. 31, 1974	458

B. Sources of all income

Salary of U.S. Congressman (total for 1974)	34,944
Wages from Ace Car Wash of Johnstown, of which I am secretary, to Dec. 31, 1974	2,200
Interest received on joint savings account (Dale National Bank)	415
Honorariums received:	
National Education Association	1,000
Bethlehem Steel Corp	250
National Cable T.V. Association	300
Total	1,550

All of the preceding $1,500 was added to the stationery fund and used as needed for the operation of my Washington Office.

Total income for 1974	39,109

C. Holdings and interests

1. *Living Accommodations.* My wife and I jointly own the same house we and our three children have lived since 1961. The house is located at 109 Colgate Avenue in Westmont Borough, Johnstown. In Washington, I rent an apartment within walking distance of the Capitol.

2. *Stocks.* The only stock I own is in the Johnstown Car Wash located on Roosevelt Boulevard. I have served as Secretary of the Car Wash organization since 1966.

3. *Bonds.* The only bonds I own are U.S. Savings Bonds.

4. *Loans.* The only money I owe is to the Dale National Bank where I have been dealing since 1958. The loans are for routine home and family costs.

5. *Transportation.* I own a 1975 Ford and my wife owns a 1973 Ford.

6. *Other Assets.* I have no additional assets to report except for a normal life insurance policy with a cash value and a regular, joint savings account at the Dale National Bank in Johnstown.

PART II: OFFICE REPORT

A. Office supply account

In February of 1974, upon taking office, I received $4,812.50 for the purchase of office supplies, including typewriters, paper, duplication machines and daily office supply needs for the entire year. As a new congressional office, many initial expenses were encountered. This resulted in additional costs which will not repeat in future years. We expended the full allocated amount plus an additional $5,648 to cover the extraordinary costs of starting my office from scratch. The additional $5,648 was paid personally from my income. The only exception I would like to note is the fact that American flags flown over the U.S. Capitol to honor constituents and organizations in our area are purchased through this account. I deposited the three honorariums I received, totalling $1,550 (sources in Part I) in the Office Supply Account, and this money was used to purchase flags for civic and nonprofit groups within our district. I usually ask persons making flag requests to bear the cost themselves; however, I feel the purchase for charitable institutions and outstanding contributions by individuals are a legitimate use of honorariums and office supply funds.

B. Postage

During 1974, the postage allowance for each Congressman was $910; my share for 11 months was $834.13. This allowance is used for official business only and it covers air mail, special delivery, and other non-frankable mail. The entire sum was expended.

C. Transportation

Each Congressman was reimbursed during 1974 for 16.5 trips to and from his district, or a total in my case of $1,131.25. Since I travel by car and return to the district virtually every week, the allocation was used up well before the middle of the year. I spent more than $1,436 of my own money for additional trips to Johnstown. I believe these trips are essential to continue communication with the citizens of the area through the weekly Congressional Workshops held in different parts of the district, office hours, and meetings with citizen groups at functions throughout the area.

D. Staff

In 1974, I was permitted a maximum of 16 staff positions and an annual staff salary of $193,052 (11/12th of the yearly total). Of this amount, $160,669 was used leaving a balance of $32,383 which was returned to the Treasury.

I am pleased to note that the majority of the staff working in my several congressional offices are from the 12th congressional district. Our citizens benefit from the services of professional, career employees with many years of governmental experience. They are all dedicated, talented personnel who can be depended upon to work with enthusiasm and effectiveness to provide necessary service to the constituents of our district.

E. Telephone and telegraph

My allotment of telephone and telegraph messages was 91,633 units (a term equivalent to phone minutes). At the end of 11 months, I had 9,656 units left that were carried over into 1975. All these units are used for official business calls.

F. District offices

All of the district offices are in federal buildings except for one in Indiana. Federal building space is free, so my total rental cost was $1,483. I was allowed $2,200 to cover rentals for three district offices, which means that a total of $717 in tax dollars we returned to the Treasury unspent.

District office expenses cover supplies and other essential daily items. Extra costs encountered in establishing new offices made it necessary for me to spend $2,240 in personal funds over the amount allocated for these expenses.

ALTERNATIVE PAY PROPOSAL FOR FEDERAL EMPLOYEES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. DERWINSKI. Mr. Speaker, the Committee on Post Office and Civil Service unfortunately was unable to act on the President's alternative pay comparability proposal because of a lack of a quorum.

I am frankly surprised at the lack of interest in this matter shown by the Members on the other side of the aisle. Maybe it is an indication, as I suspect, that the strength lies in support of the President's recommendation to limit the October pay adjustments to 5 percent. I believe if the test were made in the House on this issue, that would be the case.

Since we were unsuccessful in reaching a decision on the President's proposal in committee this morning, I hope that the Senate, when it votes this afternoon, will act in support of the President. This, to me, is the natural thing to do if fiscal responsibility has any meaning in this Congress. I am sure that all taxpayers would appreciate the $1.6 billion saving which a vote in favor of the President's position would bring them.

EFTS—BANKING TECHNIQUE OF THE FUTURE

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. ANNUNZIO. Mr. Speaker, every day in the United States, millions upon millions of checks change hands. For years this has been the basis for the entire financial world. Now, for the first time, there is a possible alternative to this way of doing business—the electronic funds transfer system, or EFTS.

This system of paperless checking is currently in operation in 17 States and is being hailed by many as revolutionizing the banking industry. If nothing else, it removes the sheer physical problems connected with carting around that much paper.

The EFT system is based on the use of a small computer terminal at the point of purchase which connects the store electronically with a financial institution. For example, 21 Hinky Dinky Supermarkets in Nebraska now have an EFT system hookup with a savings and loan institution. It is now possible to go into one of these stores, select the items you want, hand the clerk a small plastic card, very similar to a credit card, and have the money to pay for your groceries transferred directly from your account to the store's account, eliminating the need for a check which would require a few days and several more steps to complete the same transaction.

While I realize that there are a great many advantages to this system, in savings of time and paperwork alone, I think we must realize that at the present time the EFT system is rife with questions that must be answered before this system comes into universal use.

Major questions which must be answered concerning the EFT system include: Is the computer terminal at the point of purchase really a branch bank? What will the effect of using savings accounts as demand deposits be? What effect will this system have on smaller financial institutions? Who will determine the proper regulation of this system? So far, regulations concerning the EFT system have been established by such divergent groups as the National Credit Union Administration, the Comptroller of the Currency, the Home Loan Bank Board and State legislatures. A great many problems lie in the path of expanded usage of this system.

Title II of Public Law 93–495 deals specifically with the question of the electronic funds transfer system. The act calls for the establishment of a Commission to study the EFTS in general and the following aspects of the system specifically:

> (1) the need to preserve competition among financial institutions and other enterprises using such a system;
>
> (2) the need to promote competition among financial institutions and to assure Government regulation and involvement or participation in a system competitive with the private sector be kept to a minimum;
>
> (3) the need to prevent unfair or discriminatory practices by any financial institution or business enterprise using or desiring to use such a system;
>
> (4) the need to afford maximum user and consumer convenience;
>
> (5) the need to afford maximum user and consumer rights to privacy and confidentiality;
>
> (6) the impact of such a system on economic and monetary policy;
>
> (7) the implications of such a system on the availability of credit;
>
> (8) the implications of such a system expanding internationally and into other forms of electronic communication; and
>
> (9) the need to protect the legal rights of users and consumers."

The 26 member Commission is to be made up of various Government officials or their delegates and 14 members appointed by the President. The Commission is to make a final report of its findings and recommendations no later than 2 years after the enactment of the act, with at least one interim report to be sent to the President at the end of one year.

The interim report is due on October 28—this October 28—and to date the President has not even bothered to appoint the members of the Commission. This is hardly responsible behavior from the same man that has accused the Congress of the United States of moving too slowly.

I feel strongly that the time has come for us to call for the President to meet his obligations and appoint the Commission that Congress asked for a full year ago so that the great problems facing those people who are trying to deal with this new banking system can be resolved.

NOTICE OF EEO HEARINGS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. HAWKINS. Mr. Speaker, for the benefit of my colleagues and the information of the public, I wish to announce that the Subcommittee on Equal Opportunities will be holding hearings in September in its oversight review of Federal enforcement of equal employment opportunity laws.

The schedule for these hearings is as follows: Monday, September 22, 1975, 9:30 a.m., room 2261, Rayburn House Office Building, Hon. Lowell Perry, Chairman, Equal Employment Opportunity Commission; Thursday, September 25, 1975, 9:30 a.m., room 2175, Rayburn House Office Building, Hon. Arthur Flemming, Chairman, U.S. Commission on Civil Rights; Tuesday, September 30, 1975, 9:30 a.m., room 2175, Rayburn House Office Building, Hon. David Mathews, Secretary, Department of Health, Education, and Welfare.

For further information on these hearings, interested persons should contact the Subcommittee on Equal Opportunities, 619 House Office Building Annex (202) 225-1927.

TRUMPED-UP CASE AGAINST PIKE

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. AMBRO. Mr. Speaker, your decision and that of the House of Representatives to appoint Congressman Otis G. Pike to chair the committee investigating this Nation's intelligence agencies was an extremely wise one. Recently Congressman Pike has undergone severe attack by the President, the Vice President, top CIA officials, and the entire revved-up public relations machinery of the White House. Most of us who have been following Chairman Pike's committee work can clearly say that that which lies behind this attack is an effort to thwart this investigation. One of the central functions of the Congress is to investigate and inform. The previous President attempted by abusive exercise of executive privilege and by false claims of national security classification to thwart this congressional mission. I would hope that that same group that ill advised and consorted with the previous President to make Congress' role less than coequal with that of the two other branches of government have not succeeded in foisting their thinking on this President and this administration.

But, all of this is said far more eloquently than I can in an editorial dated September 15, 1975, in Newsday, one of Long Island's and the Nation's most important dailies.

I would like to take this opportunity to share this interesting and truthful appraisal of my friend and colleague Otis Pike with you and our other colleagues.

The editorial follows:

A Trumped-Up Case Against Pike

It's difficult to imagine a congressman more circumspect and conservative in his official demeanor than Otis Pike (D-Riverhead). Certainly his trustworthiness and dedication were never questioned while he headed the House subcommittee on military appropriations or the congressional investigation of the Pueblo incident. He is a legislative professional in the best sense of the word, and well tested.

Now all of a sudden the White House has precipitated a confrontation with Pike's Committee on Intelligence. The administration accuses Pike and his committee of violating the secrecy of classified documents they subpoenaed for their investigation of the CIA. Specifically, the committee is charged with permitting the public to see four words, so far unspecified, that should have been kept secret. The words figured in a document which revealed that U.S. intelligence agencies were caught unaware by the outbreak of war in the Middle East two years ago.

So an assistant attorney general was sent to Pike Friday accusing the committee of violating the Constitution and demanding return of all classified documents in its hands.

Pike was right to refuse, and to ask how his investigation of the CIA can proceed if classified documents are now withheld. Indeed, how are Americans to judge the outcome of the investigation if past mistakes of the CIA or any other government agency—we emphasize the word *past*—can be covered up by a single bureaucrat's fiat?

Frankly, we find the administration's argument so empty as to cast question on its real motives. Is the White House really so concerned because the public now knows it got bad advice before the Yom Kippur War—or is this the first move to cut off the flow of far more disquieting revelations about government agencies? The kind of news flowing from Washington in the past few days—about drug testing on unsuspecting civilians, blanket interception of phone calls, CIA hoarding of poisons, to cite just three issues—argues heavily for the second interpretation. There's no doubt that the secret operations establishment is deeply embarrassed, and it should be.

If the White House is so concerned about the Constitution, surely its first priority last week would have been knocking heads in the CIA. The CIA, it turns out (according to a release not from Pike's committee but from its more flamboyant counterpart in the Senate) couldn't even be trusted to obey a much-publicized presidential directive against possession of mass poisons. Indeed, it's difficult to avoid the suspicion that the White House move against Pike isn't really directed at those four classified words he permitted the public to see but is rather a way of pulling the intelligence community's wagons into a defensive circle.

Gerald Ford should be the last President to permit such stonewalling by those who serve him. In the first place, he's in no way responsible himself for the deeds or misdeeds being probed by congressional investigators. Secondly, he is personally pledged to an open administration. Finally, he is not an elected President; when push comes to shove, Ford holds no credentials at all for obstructing Congress in its lawful work.

We suspect that Ford would have prevented the confrontation had he been in Washington last week instead of flying about the country politicking. It should be his first order of business now to end it, apologize to Pike and resume the flow of information to the investigators.

HIGH COST OF MEDICAL CARE

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. RYAN. Mr. Speaker, all of us are well aware of the high cost of medical care today. Congress has moved in several ways to help alleviate some of the burdens of medical costs by implementing professional standards review organizations and health systems agencies. But, this is just the tip of the iceberg, so to speak. We must work diligently toward some type of national health care system so that personal illness and hospitalization will not leave a person financially destitute. I insert in the Record the following letter from Robin P. Michelson, M.D., himself a member of the medical profession, relating the high cost of a hospital stay for his uncle. As Dr. Michelson's letter points out, this situation would create an extreme hardship for the average American family.

The letter follows:

Redwood City, Calif.,
June 30, 1975.

Mr. Leo J. Ryan,
Cannon House Office Building,
Washington, D.C.

Dear Congressman Ryan: Enclosed please find a copy of the bill for the care of my uncle who is past 90. He fell in his home resulting in multiple rib fractures and hemorrhage into the pleural space causing compression of the lung. He was hospitalized and treated for this condition with what we call closed drainage which consisted of inserting a tube into the pleural space to draw off the blood and allow the lung to re-expand. He was given several transfusions to replace the blood loss. In addition he had cardiac monitoring in the intensive care unit because he has worn a pace maker for about a year and half to two years. His condition stabilized after developing pneumonia and he was able to return home approximately five weeks later. During his hospitalization, a large tumor was removed under local anesthesia from his back.

The care that he received was excellent, but again, the treatment for this kind of injury in an elderly person is well established and the technology for managing this kind of an injury has been well known for many many years. It did not involve exotic therapies as open heart surgery or open chest surgery or renal dialysis. You will note that the bill he received from the hospital was $12,444.60. Fortunately, he is well off and fully able to pay his bill.

I cite this as an example of what is happening in the health care delivery system. It is hard for me to realize what would happen to a middle class family faced with an expense of this kind, possibly without insurance. I think the answer is obvious. They would be bankrupt.

If the present trend continues, it is my firm belief that the crisis that will result will make the doctors malpractice crisis minuscule in its proportions. While the doctors malpractice crisis is bad enough, this spiraling cost of hospitalization, I think will far outshine it and work an even greater crisis on our health care system on a national basis. I personally do not know what the answers are, but it is my understanding that in San Francisco the private hospitals that have undergone recent plant modernization representing perhaps four hospitals in San Francisco have a total indebtedness to the banks of over a hundred million dollars. The interest alone on this indebtedness must run into the millions.

The work stoppage by the anesthesiologists certainly points up the fact that these institutions are in a very shaky financial condition, and that unless some remediable measures are taken by the federal government, the health care system, as I have indicated above, will face an insurmountable crisis. At present rates, the cost of dying runs into the thousands of dollars, and it is not the physicians fees that cause the major part of this expense.

My uncle was charged full private fees by his physicians, one of them charged him $450.00, the other, I believe, charged something around $350.00. These charges were made with professional consideration to the fact that he was also a physician.

I do not favor a nationalized health care system such as I have recently seen on a visit to London, England, and I cite an example. During my visit to London, I was in contact with the cream of British medicine. I understand from them that it takes up to six or eight or nine months for a national service patient to be examined and treated by a consultant.

Surely we can do something better in America. It does seem to me, however, that the present situation cannot be allowed to continue.

Sincerely yours,
ROBIN P. MICHELSON, M.D.

DR. MIKHAIL SHTERN

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. DOWNEY of New York. Mr. Speaker, discrimination against Jews continues in the Soviet Union, although more than 50 years have passed since the Bolshevik Revolution, which advertised full equality for all citizens. The treatment of Jews in the Soviet Union must be considered within the framework of the Soviet "nationalities" policy. This policy, reflected in Communist Party directives, the Soviet Constitution, and public law, is based on the ideological acceptance of the concept of national self-determination, and on the legal recognition of the right of all nationalities within Soviet borders to cultural freedom. But in acutality, Soviet policy clearly violates these principles by denying ethnic-cultural rights to Jews, generally accorded to other nationalities.

Today is the 58th birthday of Dr. Mikhail Shtern, my district's prisoner of conscience. Dr. Shtern, a noted endocrinologist, served as senior consultant in the Polyclinic of Vinnitsa's Provincial Endocrinological Health Center from 1963 until his arrest in May 1974. Before 1963, Dr. Shtern had been evacuated from Siberia in the beginning of Stalin's infamous "Doctor's Plot" to Vinnitsa, where Dr. Shtern finally managed to organize and operate a sanitorium for orphans. In 1961, a campaign against local Jewish doctors, including Dr. Shtern, began. The local newspapers circulated pamphlets calling Dr. Shtern a "charlatan" and "poisoner." It charged that Dr. Shtern's improper treatment had resulted in the death of a girl. The girl herself wrote to the paper's editor and party officials, denying the false charges. No official retraction was made.

Following this, the municipal procurator attempted to develop a criminal case against Dr. Shtern by searching his home and garden for "gold and jewels." This too failed. In September 1973, the Shtern family received an invitation from Mrs. Shtern's sister to join her in Israel. That November, August, Dr. Shtern's son, applied to emigrate. Thereafter, the entire Shtern family became the target of systematic harassment. Dr. Shtern was called to the Passport Department in April 1974, and asked to forbid August to emigrate. He refused, and on May 29, 1974, was arrested as a result of his refusal. In a desperate attempt to implicate Dr. Shtern, the local procurator's staff interrogated nearly every patient seen by Dr. Shtern in the last 10 years. Pressure was applied to bear false witness, yet almost every prosecution witness recanted during the trial the charge that Dr. Shtern had accepted bribes of 2 chickens, 1 goose, 70 eggs, and 770 rubles were false. In fact, according to Soviet law, only "officials" may be charged with bribery; Dr. Shtern is only a professional. This point was raised early in the trial, but ignored.

However, on December 31, 1974, Dr. Mikhail Shtern was given a verdict of "guilty" of bribery, and sentenced to 8 years in a Soviet labor camp, "strict regime"—a food and clothing parcel and one letter allowed once a year. One visit every year, after half the sentence is served.

Today Dr. Mikhail Shtern is 58 years old. In the prison, he continues to be subject to inhuman treatment and constant harassment. He is physically handicapped; we have received word that he is not allowed to spend more than one night in the same bunk; his eye glasses have been confiscated, and his wife's health is failing. The cruelty is unusual even for the harshest punishment of the most dangerous prisoners. How long will the civilized world allow this treatment to continue? I urge the Soviet Union, in the spirit of Helsinki, to allow Dr. Mikhail Shtern to be reunited with his wife and his family so that he does not have to spend another birthday in a Soviet prison camp under "strict regime."

PROBLEMS WITH PESTICIDE LEGISLATION, H.R. 8841

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. OTTINGER. Mr. Speaker, next week the House is expected to take up H.R. 8841, the amendments to the Federal Insecticide, Fungicide, and Rodenticide Act—FIFRA.

There is a good deal of controversy over action by the Agriculture Committee with respect to the Environmental Protection Agency's implementation of FIFRA since the law was passed by Congress 3 years ago.

Wednesday, the Environmental Study Conference, ESC, which I chair, conducted a briefing to inform members and staff about some of the issues involved and the likely results of some of the amendments adopted by the Agriculture Committee. More than 150 people attended that briefing.

For those of my colleagues who were unable to attend the ESC briefing, I would like to insert several of the information sheets which were handed out at the time, including a letter from EPA Administrator Russell Train to Congressman TOM FOLEY, chairman of the House Agriculture Committee, setting forth certain actions he has taken which obviate the need for these amendments.

The material follows:

FIFRA REAUTHORIZATION AMENDMENTS—SEPTEMBER 17, 1975

I. SUMMARY OF ACTION IN THE HOUSE COMMITTEE

In 1972, Congress recognized that expanding use and misuse of pesticides were creating problems which warranted passage of a comprehensive regulatory framework for control of pesticides. The FIFRA was therefore amended in October 1972 to cover all aspects of pesticide manufacturing, use and disposal. The comprehensive regulatory scheme provides for federal registration of all pesticides, classification of pesticides according to degree of hazard, certification of applicators as competent to apply the more hazardous pesticides, issuance of experimental use permits, the granting of exemptions from registration requirements to government agencies under emergency conditions, enforcement of labeling instructions, a streamlined administrative review process for cancellation, suspension and classification changes; state registration for minor pesticide uses, monitoring for adverse environmental effects, and disposal and storage regulations. Each of these provisions was intended to prevent pesticides from causing "unreasonable adverse effects on the environment."

Reauthorization is standard procedure for new Agencies, and oversight functions have been exercised periodically by relevant Congressional committees. In May 1975, however, some members of the House Agriculture Committee who had opposed the 1972 Amendments to the FIFRA, resumed their fight against pesticide regulation. First they criticized EPA's implementation of the Act, asserting delay and lack of sensitivity to agriculture. Twenty-seven amendments were circulated by mid-summer. Most of them would have the effect of circumscribing EPA's authority. For example, the amendments included compulsory registration of 1080, compulsory granting of emergency exemptions, and 90-day registrations. On July 28 the Poage-Wampler amendment was introduced which would have required EPA to secure the concurrence of the Secretary of Agriculture for cancellation, classification changes, and all future regulation of pesticides.

Thus, what should appropriately have been a review of EPA's progress, or lack of progress, toward implementation of FIFRA developed into a full-scale onslaught against the 1972 Amendments, even though the statutory timetable did not require full implementation to be completed until October 1976. Because of strong reaction to this amendment in the Agriculture Committee and elsewhere, Poage himself urged defeat of it when the Agriculture Committee resumed mark-up on September 4. Poage then threw his support behind the Vigorito compromise amendment which became the basis for the amendments now being reported out of the Committee.

II. THE POAGE-WAMPLER AMENDMENT, AS AMENDED, WITH AMENDMENTS

A. The basic Vigorito amendment contains the following provisions:

(1) 60 days prior to proposing regulations or changes in classification, or issuing a notice of cancellation of a pesticide EPA must notify USDA of the proposed action and provide an analysis of the impact of the proposal on the agricultural economy. USDA is

required to comment within 30 days, and EPA must publish both USDA's comments and EPA's response in the *Federal Register* along with the originally proposed action. For final regulations USDA is to be given 30 days advance notice, and has 15 days in which to comment.

*(2) An authorization for $47,868,000 through Sept. 30, 1976 is provided.

(3) Four deadlines are pushed back a year to 1977 for full implementation of the 1972 amendments including classification, restricted use requirements, and certification of applicators. The deadline for state submission of plans for certification of applicators is moved to 1976.

B. The following amendments were also adopted:

(4) Self-certification of private applicators: The 1972 amendments provided that EPA prescribe standards for certification of applicators, which provide that for certification, an "individual must be determined to be competent with respect to the use and handling of pesticides." The amendment permits a private applicator to certify himself competent, while giving the Administrator the autohrity to "assure that such certification form contains adequate information and affirmations to carry out the intent" of the Act.

(5) The House and Senate Agriculture Committees are to be notified at the same time as USDA of all actions covered by the Vigorito amendment.

(6) Another amendment which requires inspection of every lot of any commodity or product imported from a country or area using pesticides cancelled or refused registration by EPA to determine whether residues are in excess of established U.S. tolerances.

(7) Another amendment which provides for submission of all matters subject to (1) above to an advisory panel composed of 7 members chosen from a slate of 12 nominated by NIH and the National Science Foundation.

(8) Another amendment which requires the Administrator to consult with the Governor and Secretary of Agriculture pursuant to any § 18 request (emergency exemptions for state and federal agencies).

(9) Another amendment which exempts from FIFRA's definition of a pesticide any new animal drug or animal feed within the meaning of the Food, Drug and Cosmetic Act.

(10) Another amendment which provides for the Administrator to issue experimental use permits to any agricultural research agency or educational institution.

III. SIGNIFICANCE OF THE AMENDMENTS

The net result of the House Agriculture Committee's efforts is a bureaucratic nightmare. Passage of the package voted out by the Committee would so encumber EPA's regulatory processes that it would be incapable of functioning effectively in the area of pesticide regulation—which appears to be the Committee's intention. By repeatedly requiring EPA over a period of three months to appear and answer numerous allegations and criticisms of its implementation of FIFRA, the Committee succeeded in attracting the attention of EPA, the public and the media. Although we believe that a simple extension of authority without amendment (section *(2) above) is the only appropriate action at this time, the House did vote out a complicated piece of legislation upon which we hereby comment section by section, as follows:

(1) The statute presently provides for consultation with interested parties. Section 21(a) of FIFRA provides for the Administrator to solicit the views of the Secretary of Agriculture before publishing regulations. Thus, EPA already consults formally with the Department in interagency review of every regulation and final action. EPA has also undertaken additional measures to ensure informal cooperation with USDA and to improve communication. By contrast, it should be pointed out that during the long period when USDA had exclusive jurisdiction over pesticides, despite a requirement that USDA refer DHEW objections to registration to the Secretary of Agriculture, none of DHEW's numerous objections was ever referred. Although DHEW objected to 1,663 proposed registrations or reregistrations between July 1, 1964 and June 30, 1969, USDA "resolved" the issues by permitting the products to be marketed, thereby mooting the issue of referral to the Secretary. As a result of this history of non-regulation, authority over pesticides was taken away from USDA in 1972.

Advance notice to USDA and the House and Senate Agriculture Committees will place the public at an unfair disadvantage. The amendment gives USDA and the two Agriculture Committees an unprecedented opportunity to influence EPA prior to any notice to the public of proposed regulations classification changes or cancellations; and permit political pressures to bear upon EPA before the public is even aware of the proposed action. These amendments are therefore contrary to recent actions by Congress which have sought to open to public scrutiny the manner in which government agencies reach decisions. The proposed consultation scheme will necessarily cause delay in EPA's regulatory process, and will also result in an anomalous situation in which Congress will not only legislate but also execute the laws it passes. Formal consultation with OMB and the President is already required, and a written response to comments by EPA is necessary. Further consultation should therefore not be required.

An economic analysis is unnecessary duplication of effort. On cancellation decisions and major regulatory actions, EPA already must file an environmental impact statement which includes an analysis of the impact on agricultural economy. The Agency must also fulfill the requirements for an inflationary impact statement on major regulatory actions. In light of these two requirements, an additional economic analysis is both burdensome and superfluous.

The amendment would obstruct the suspension process. Despite the statement made on September 11 by Committee counsel that the amendment does not apply to suspension decisions, there is no explicit exclusion. By implication, a suspension action required by a finding of imminent hazard might be delayed the mandatory 60 days, since a notice of cancellation must accompany a notice of suspension.

*(2) This action is all that is necessary.

(3) It is not necessary to extend implementation deadlines at this time. EPA and the states have been using exising deadlines as psycholgical prodding to get the job done.

(4) See separate fact sheets on legislative history and implementation.

(5) See (1) above.

(6) This amendment as voted out has wide-reaching implications. As long as AID permits exports of cancelled pesticides, we can expect residues of some of them back in imports.

(7) This amendment serves to add yet another bureaucratic layer on EPA and will result in an automatic delay of all regulatory efforts. See also (1) above.

(8) and (10) as reported out of committee are both already a part of the 1972 amendments and would therefore appear to be unnecessary.

(9) No position.

CHANGES IN FIFRA

(Amendments proposed by the House Agriculture Committee)

H.R. 8841, as amended, and favorably reported to the House, would make the following changes in existing pesticides law:

1. Establish a procedure for review by Secretary of Agriculture, 60 days prior to public proposal, of all regulations, cancellations, and changes in registration or classification, issued by EPA Administrator. Administrator must provide an analysis on agricultural impacts of such intended actions. Comments of Secretary to accompany publication of Administrator's proposal. Any of above procedures submitted to Secretary 30 days before Administrator makes finally effective, for additional review and comment, and final action is accompanied by agricultural impact statement.

2. On the time schedule laid out for the Secretary, submit cancellations, regulations, registration or classification changes, to a newly created health and environmental advisory panel, which may comment on Administrator's actions. Panel will consist of seven members chosen from six NIH nominees and six National Science Foundation nominees.

3. EPA notifies Agriculture Committees of Congress of intended actions concurrently with Secretary, USDA, and health panel.

4. Private applicators may certify themselves to be competent to use the more dangerous category of pesticides—restricted use—without any test or demonstration of knowledge or ability.

5. Act made effective in all provisions in October 1977 rather than October 1976.

6. Imported agricultural commodities are denied entry from countries or areas using pesticides not permitted in U.S. because of residue health hazards unless and until each lot is examined by EPA, USDA, or FDA, and found to be below permissible domestic residues.

7. Administrator must consult with any state governor and Secretary USDA in determining whether an emergency exists when the former requests an emergency use permit for a pesticide.

8. Excludes from FIFRA any dual use chemical regulated by FDA as a new animal drug.

9. Public or private research agencies may be issued a permit for experimental use of a pesticide subject to conditions and restrictions and for not more than one year. (Makes explicit authority to experiment with cancelled pesticides.)

10. Authorizes appropriations of $47,868,000 for fiscal year ending September 30, 1976.

ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., September 10, 1975.

Hon. THOMAS S. FOLEY,
House of Representatives,
Washington, D.C.

DEAR MR. FOLEY: In recent weeks I have listened to many of those affected by the implementation of FIFRA. Your Committee hearings have provided a helpful forum in which many concerns have been expressed both from those who use pesticides and from those who feel threatened by their use. While it is not possible to accommodate all suggestions, I have taken a series of actions to provide greater access to and participation in Agency decision making by all interested people, particularly the agricultural community, and I believe we have made progress in resolving many of the complex issues which have been raised.

1. I have established a Pesticide Policy Advisory Committee to provide a structured means for the consideration of views from the general public, farm organizations, the pesticide industry, environmental groups, health officials and the States. I would greatly appreciate any recommendations for membership on the Committee which you might care to make.

2. I have formed an EPA Task Force to evaluate EPA's pesticide decision making processes and make recommendations to me.

3. I have directed the Deputy Assistant Administrator of Pesticides Programs, Ed Johnson, to report directly to me for a temporary period to ensure that pesticide issues receive my direct attention.

4. I have met with representatives of the National Association of State Departments of Agriculture and the American Association of Pesticide Control Officials and discussed their concerns for the implementation of the Act. Additional meetings with these and other interested groups are scheduled in the near future.

5. I have instructed EPA's Regional Administrators to seek closer cooperation with State agricultural officials. Most farmer certification issues, including those involving Georgia and Minnesota, have been resolved.

6. I have initiated EPA action to reconsider the registration of sodium cyanide for predator control.

7. I have directed the Pesticide Program to assess alternatives for control of the imported fire ant. An experimental contract has been signed by EPA and Mississippi and is now awaiting signature by USDA.

8. I have formulated EPA policy to permit issuance of experimental use permits to gather new data on canceled registrations under appropriate circumstances.

9. I have directed action to clarify certain practical problems associated with "use inconsistent with the label."

10. As a result of a recent meeting, a Committee of State officials to work with us in implementing FIFRA is fully operational.

While I recognize that these actions do not solve all of the concerns which have been raised, they should provide for significant improvement in EPA's communications with interested groups. I am confident that a fair reading of these actions will demonstrate that EPA is firmly committed to conducting this program in an even-handed manner. Provisions already in the law encourage full cooperation between the U.S. Department of Agriculture and EPA. For my part, I will renew EPA efforts to further improve this cooperative relationship.

Having followed closely the actions of the Committee in recent weeks, I am concerned that continued opportunity for balanced pesticide regulation may be jeopardized by a profusion of diverse legislative changes. FIFRA is a good statute which provides a reasonable framework for pesticide regulation. Consultation with interested groups through the mechanisms I have established and continued Congressional oversight provide the greatest opportunity for sound administration. Accordingly, I support extension of FIFRA authorizations without further amendment; I continue to oppose limiting the effectiveness of applicator certification.

I firmly believe that environmental quality and agricultural production are compatible goals for our society. These goals are foremost in my mind as the Agency proceeds with FIFRA implementation.

Sincerely yours,

RUSSELL E. TRAIN.

A LITTLE DIFFERENT VIEW OF THE MIDDLE EAST

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. McDONALD of Georgia. Mr. Speaker, recently Mr. H. R. Diercks, vice chairman of Cargill, visited the Middle East. He published his report on the trip in the Cargill News for May–June 1975. In this report he examines the certain parts of the Middle East, particularly Egypt, Saudi Arabia, and Iran from the point of view of the ties with and their importance to the United States. The report presents a little different view of that area of the world and, therefore, I commend it to the attention of my colleagues:

DIERCKS REPORTS ON MID-EAST WORLD-TRADE TOUR

Impressions of the Middle East were recently shared by Vice Chairman H. R. Diercks with the World Trade committee and task force of the Minneapolis Chamber of Commerce.

Diercks has been part of a 12-member mission drawn from the National Association of Manufacturers and sponsored by the U.S. State department. His group visited Egypt, Saudi Arabia, Kuwait and Iran.

Diercks told the committee: "I would like to offer a few observations and conclusions that are strictly my own. There was no consensus among the 12 of us, partly because we have not met again since our return."

Diercks continued:

PRIORITIES

It seemed to me that the objectives of these countries were as follows: 1.) to increase their rate of growth; 2.) to develop their manpower; 3.) to develop their managerial skills; 4.) to diversify their economies; 5.) to develop their educational institutions; 6.) to become the world banking and financial center; 7.) to retain the ownership and control of their own natural resources, and 8.) pertinent to all of these, to develop their total human infrastucture.

Their priorities in domestic diversification of their economies runs generally as follows: 1.) petrochemicals, which I presume is obvious; 2.) nuclear power; it is interesting that countries having so much gas and oil would turn to nuclear power to further conserve their gas and oil reserves; 3.) agriculture and food processing; 4.) steel capacity; 5.) machinery manufacturing, with a high degree of dependence on gas and oil; and 6.) development of port facilities. The rank of those varied from place to place, but fundamentally those are the priorities.

Priorities for foreign diversification, that is their interest outside of their own countries, run about like this: 1.) to combine new capital wealth with foreign technology, to develop in other Arab countries and notably the Sudan, the same infrastructure as is needed in the Arab countries themselves; 2.) to buy minority interests in foreign countries to give them access to technology and worldwide economic information; 3.) to loan some of their money at what they would consider to be reasonable interest rates to institutions aiding underdeveloped countries, and they're very serious about this; 4.) to improve their world image and develop a reputation as responsible people in world society; 5.) I just added recently, to avoid expropriation wherever they go.

It may be a wishbone thought on my part, but I came to one conclusion that I felt could be most important. The Arabs, and particularly the oil exporting countries, have taught the world that economics is a powerful political factor. Perhaps politicians in the Western world will learn that good economics are also good politics.

Now these economies are controlled by a handful of very influential and very effective people. They don't want to over-expand any industry. In any new projects they'll make it difficult for the latecomer; those people who are there first will certainly be those to make the most headway. Because of the shortage of skilled labor and certainly a shortage of management ability and techniques, they have a very simple control system; that is, they will simply grant visas to those people who have the skills they need and they will not grant visas to those who do not. It is just that simple.

DIFFERENCES

Now it must be borne in mind, at least in respect to the four countries we visited, that Egypt, Saudi Arabia and Kuwait are Arabic countries and Iran is not. There are some vital differences between Iran and the Arabic countries. There are some conflicts, serious conflicts, between the Arab countries themselves, and it was quite obvious, is that the Egyptians have a much higher work ethic than the other Arab countries. Egypt, incidentally, is supplying most of the labor. They have labor that is willing to work and they are supplying that labor throughout the Arab world. Second, while the people of Iran are fundamentally of the Islam faith, they are tolerant of other religions within Iran, including several hundred thousand Jewish people.

Another major difference in the four countries is that Iran, Kuwait, and Saudi Arabia are major oil producing countries and Egypt is not.

The conflicts even get down to the point that while you are in Arabia you refer to that Gulf as the Arabian Gulf, and if you are in Iran, you had better refer to it as the Persian Gulf. That is serious; they mean it.

SIMILARITIES

While there is a wide difference between these people and some conflicts, you have to recognize the areas of mutual concern and mutual interest that they have among them. These are their relationship with the Israelis, and of most importance, the relationship with the western economic world. Certainly there is mutual solidarity in these oil-producing countries in terms of oil production and oil prices. The OPEC countries are probably one of the most effective cartels the world has ever seen.

Another area in which they have much similarity is the fact that they all subsidize food. The prices of food in these countries are at the same levels they were three or four years ago. I think we all know what has happened to the prices of agricultural raw materials in the meantime, and the government foots the bill.

Inherent in all of their mutual concerns is their solidarity in their mutual religious beliefs.

Looking at its briefly, it was interesting to know that Mohammed was a merchant trader—being one myself. He got his start around 625 A.D. in Mecca, on the crossroads between the two major trade routes in the world at that time. I'm told that he is the person who gave the religion the name of Islam. It is the noun derived from the Arabic verb *aslama* which in one form means to make peace and in another means to submit. Islam implies the peace of God came by submission to his will, and the Moslem is one who makes such submission.

The basic philosophy of their religion, as taught by Mohammed, is unlike the Christian or Jewish beliefs. God is not necessarily a loving, benevolent, forgiving God but an authoritive God to whose will his followers will submit.

As one Arab said to me, "In our religion if a man is rich, it's because God willed him to be rich." So I presume if a man is poor, it's because God willed him to be poor. It will be interesting to see in the coming years of great wealth for Arab nations how strictly they adhere to the philosophy of their religion.

POWER AND PROSPERITY

The atmosphere of economic prosperity and political power is apparent all over. Even in Egypt, which is not an oil producing country, they're expressing cautious optimism, tempered of course with the possible threat of war. The general atmosphere is similar to what I suppose it was in this country during the Gold Rush.

The ministers, the deputy ministers and

the businessmen are knowledgeable, articulate and they're smart. Most of these people have been educated in the United States. They're mostly or relatively young, in their thirties or early forties.

It is interesting to me, and I think a little disturbing, to observe the phenomenon in these countries that the foundation of their political philosophies is good economics and extremely close relationship between government and industries.

The process begins by starting returning college graduates in government jobs. After a few years, the next step is to have a part-time job in the private sector. It is not unusual to have young people in those countries working at a private job in the morning and a government job in the afternoon. Then as more years roll on, they will be 100% involved in private activity.

These college graduates, most of whom are educated in the United States, have in the past wanted to stay in the United States. For the past two years, and I guess for obvious reasons, they prefer to go back home.

You may be interested to know there are 15,000 Iranian students in the United States right now. When I was told this, I questioned it. I said "Don't you mean 1,500?" Absolutely not; it's 15,000, so they have a very close interest in this country.

Certainly their top priority is to develop agricultural and industrial structure of their countries. They have set up several organizations among themselves to determine where in the Arabic world is the most economical location for any particular project.

Their problem is that they just can't move fast enough. They're experiencing the same delays as we have here. In addition their ports are not capable of handling the imports that are necessary to build their economies as fast as they want to build them.

HIGHLIGHTS

I would just like to take a few more minutes to tell you a few of the highlights of each individual country. Egypt had a highly socialized system under Nassar. It would be my observation that President Sadat believes that socialistic centralization accomplished no economic gains. He is moving toward liberalization of the economy and trade and the encouragement of foreign investors. Egypt isn't an oil-producing country, but it's the only Arab state that already has the infrastructure to develop a balanced economy.

Egypt has a good labor situation. For 6,000 years they were the intelligent people of the world and they still are. They have a good market situation. They have a relatively attractive climate. And they have a strategic location as far as transportation of goods is concerned. They have things fairly well under control, and I think they're moving toward a free economy. Still, the major problem of investments there is bureaucracy.

Saudi Arabia is a fascinating place. The capital is in Riyadh. All the ministers and government offices are there, but the foreign embassies are in Jedda which is 700 miles away.

It's really a strange feeling to be in a city like Riyadh or Jedda, of 250,000 people and not to see one woman on the street, in the offices or in the stores. You do see them at the bazaars but, of course, they're completely veiled.

The jobs in Saudi Arabia are performed by the Egyptians and the Yemens, and I'm told the only exception to that are the taxicab drivers and chauffeurs. These are all former camel drivers and, I'm telling you, they're the wildest I've ever seen. Their streets are marked off in lanes just as ours are, but they don't pay attention to them. They step on the gas, blow their horns, and play chicken. There were twelve of us there for three days and we were involved in five automobile accidents.

In Kuwait are the traders and merchants of the area. They are the people who are trying to coordinate the Arab world and I think they're going to do a very good job.

Iran in my book has more potential immediately for American or other investment than others. They are hell-bent to diversify their economy and they prefer to have foreign investors do the job from the top down, i.e. management, labor, the whole works.

WHAT'S RIGHT ABOUT THE WEATHER

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. BAUMAN. Mr. Speaker, more often than not we hear, and sometimes even contribute to the round of joking about weathermen and their alleged bumbling ability to misread the sky in the pursuit of making accurate forecasts. This is not really a serious campaign to criticize anyone, but more a tradition, a basic American custom to poke fun at something which is beyond our control.

In a more serious vein, however, meteorological forecasting is crucial to and will sometimes affect the standard of living of the farmers, watermen, and other professions which depend on accurate information on a day-to-day basis in order to construct the most productive and safe work schedules. The workers of the sea and soil must have the most accurate information in order to estimate seasonal planting, harvesting, fishing yields, and other factors of food production. For this reason, we should not take for granted the service provided by those men and women who perform these vital functions on a voluntary basis, citizens who do so in service to their community.

Most recently, the National Weather Service bestowed two distinguished awards on two of my constituents who deserve some recognition by the public they so effectively and selflessly serve.

Mr. H. Wirt Bouchelle of Elkton, Md., has just received the coveted Thomas Jefferson Award from the National Weather Service in recognition of his 48 years as a dependable and accurate forecaster for his community. He is one of only eight individuals selected from the Nation at large for this honor, and it is the highest award the Service gives in his category. Named after Thomas Jefferson because of the master's unbroken series of weather observations from 1776 to 1816, another illustration of his versatile genius, the award was presented to an individual who has won a reputation as a versatile citizen in his own right. In community and civic affairs, he is as active as he is in scientific circles, and Mr. Bouchelle demonstrates a prolific applied research ability and exhibits the energy characteristic of any project commanding his interest

Also, Franklin D. Nusbaum of Preston, Md., was honored last week for his volunteer weather forecasting, and he was given the John Campanius Award. Named after a Lutheran minister who was the first systematic meteorological observer in the American colonies, the award is presented for outstanding service by volunteers supplying weather information. A successful banker and businessman in his community, Mr. Nusbaum has provided information for 24 years. Considering that the National Weather Service has some 13,000 volunteers, these two awards are noteworthy achievements and deserving honors to both men, and I know that I join with my colleagues in saluting them.

DÉTENTE—ONE HORSE, ONE RABBIT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. CRANE. Mr. Speaker, the current policy of détente being pursued by the Soviet Union and acquiesced in by our own Government has been called a "new" development in East-West relations by many observers. It is, however, far from being either unique or innovative.

In an important new volume, "Détente: Promises and Pitfalls," Dr. Gerald Steibel reminds Western politicians that the Soviets have used the détente technique many, many times before to their advantage. The Lenin détente of 1920, Stalin's détente of 1935, the "devil's détente" of 1941—referring to Winston Churchill's alliance with the "devel" against Nazi Germany—Khrushchev's détente of 1954, Brezhnev's détente of 1968, part one and—because the first was disturbed by the invasion of Czechoslovakia—Brezhnev's détente of 1972, part two.

In his book, Dr. Steibel notes that, in addition to the advantages given to the Soviet Union by the agreements such as SALT I which we have made with them, they have gone beyond what they were permitted to do—they have cheated: "By the fall of 1973, U.S. intelligence was reporting new Russian silos evidently intended to house another generation of missiles. In February 1974, four test-firings of those missiles were detected. Three of the new systems were MIRV carriers. The true impact of the 1972 interim agreement was now clear. With the nearly 2,600 launchers and an estimated 10 to 12 million tons of power protected by the agreement, the U.S.S.R. could, if it decided, put something like 17,000 warheads into the skies, enough to threaten the entire U.S. land-based missile force. Against that, the United States could field about 2 million tons of power in 10,000 warheads."

Yet, our own Government does nothing to investigate charges of Soviet violation of the SALT accords. It is high time that the Congress look into this question.

In an editorial in the September 1975, issue of Air Force magazine, John L. Frisbee, the executive editor, notes that, "The cold war has not ended—only taken new directions; the likelihood of nuclear conflict has, if anything, increased as the strategic balance shifts in favor of the U.S.S.R. As for confrontation, the character of Soviet actions would lead us to believe that they are negotiating now, in order to confront later, and on more favorable terms."

Concerning the Helsinki accords and our other détente-inspired agreements with the Soviet Union, Mr. Frisbee declares that, "events of the past 5 years are more than vaguely reminiscent of the European democracies' attempts to lessen tensions and hostilities between themselves and the Nazi regime prior to World War II. A great deal of quid and very little quo. But that was nearly 40 years ago and historical analogies are inexact at best. Besides, that was not détente. It was called appeasement."

I wish to share with my colleagues the editorial, "Détente—One Horse, One Rabbit," as it appears in the September 1975, issue of Air Force magazine and insert it into the Record at this time:

Détente—One Horse, One Rabbit

(By John L. Frisbee)

There are many Americans who have long held détente as close to their hearts as motherhood. This "lessening of tensions and hostilities" between the US and the USSR, they have told us repeatedly, could spell an end to the cold war, release from the specter of nuclear conflict, the passage of an era of confrontation to one of negotiation.

These are goals devoutly to be sought, but as happens more often than not in the affairs of men, realization has fallen short of expectation. The cold war has not ended—only taken new directions; the likelihood of nuclear conflict has, if anything, increased as the strategic balance shifts in favor of the USSR. As for confrontation, the character of Soviet actions would lead us to believe that they are negotiatiing now, in order to confront later, and on more favorable terms.

We are not alone in this assessment. In recent months, the enthusiasm with which détente was embraced, even by some of its most ardent and articulate supporters outside of government, has waned. But no one can say that two US Administrations have not tried to make it work. In fact, some of the more severe critics of détente hold that in pursuit of the elusive goal of those Administrations have mortgaged at least the lower forty if they haven't given away the farm.

We wouldn't go that far, not yet, anyway. But we wonder if détente is the right word for the supposedly reciprocal process of tension-lowering that has become a cornerstone of US foreign policy. It's beginning to resemble the greasy-spoon recipe for "rabbit" stew: fifty-fifty horse and rabbit—one horse, one rabbit.

Look at the détente record, beginning with SALT I. That agreement, laboriously negotiated but precipitously concluded during Mr. Nixon's 1972 visit to Moscow, has proved to be full of ambiguities and loopholes that had to be patched with protocols, interpretations, and unilateral declarations which, in some cases, created their own ambiguities. The Soviets have been alert to take advantage of the situation and, allegedly, have gone beyond that to the point of cheating on the terms of the agreement itself. That record is examined in much greater detail than can be cited here by retired Adms. Elmo Zumwalt, former Chief of Naval Operations, and Worth Bagley, former Vice CNO, in a hard-hitting article released by New York Times Special Features early in August.

You will recall that in the SALT I Interim Agreement, we conceded the Soviets 804 more ICBMs and SLBMs than the U.S., a numerical superiority supposedly offset by our MIRV capability, which the Soviets did not have in 1972. Both sides were allowed to modernize their missile forces, but no existing light missile was to be replaced by a heavy missile, nor could missile silos be increased in dimension by more than fifteen percent. We have never been able to get the Soviets to agree on the definition of "light" and "heavy." As for silo dimensions, according to the Admirals, "our negotiators made it clear that this meant an increase of fifteen percent in one dimension. . . . [The Soviets] have argued that all silo dimensions can be increased by fifteen percent, which would give them silos fifty percent larger in volume than before." Thus, the USSR is now deploying the SS–19, "a missile fifty percent larger and three to four times heavier in throw weight than the SS–11 it replaces." The SS–19 carries up to six MIRVs in the one- to two-megaton range, in contrast to the SS–11 with its single one-megaton warhead.

Zumwalt and Bagley report other violations "such as the construction of silos in greater numbers than authorized under the treaty . . . [and] testing unauthorized radars in an ABM mode." The Russians have, the Admirals say, "violated the basic contracts of SALT I, the attached protocols, the agreed interpretations, and the unilateral declarations."

Against this record of duplicity, can we trust the Soviets to stick by the provisions of the November 1974 Vladivostok Agreement (the basis for on-going SALT II)? That formula will give them "a fourfold superiority in missile megatonnage . . . and a 2.7-fold superiority in warheads when the Soviets complete deployment of their huge new systems," But without foolproof verification of MIRVing (and the Soviets insist that no real verification is needed) which is to prevent them from further increasing their superiority by MIRVing more than the allowed number of missiles? Soviet integrity? Do we want détente badly enough to rely on that?

You can add to these Soviet contributions toward lessening tensions their massive materiel support of Hanoi in violation of the Vietnam cease-fire, their encouragement of the Arab states to increase oil prices, their buildup of Warsaw Pact forces reported in these pages last month. The wheat deals, though not in quite the same category, have added a pinch of wormwood to our cup of gall.

We could go on, but the clincher is Helsinki. There, on August 1, in the name of détente, the U.S., along with thirty-five other nations, signed the texts of the European Security Conference that sanctified Moscow's control in perpetuity of Eastern Europe. Inevitably, Munich comes to mind.

The détente-associated events of the past five years are, as a matter of fact, more vaguely reminiscent of the European democracies' attempts to lessen tensions and hostilities between themselves and the Nazi regime prior to World War II. A great deal of quid and very little quo. But that was nearly forty years ago and historical analogies are inexact at best. Besides, that wasn't détente. It was called appeasement.

WHEN THE TUBE BRINGS UP KIDS

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. JOHN L. BURTON. Mr. Speaker, the television set has become an increasingly important part of our lives ever since the first experimental pictures were broadcast in 1932.

Today, the television industry is a multimillion-dollar industry, generating hundreds of millions in advertising revenues and occupying at least a daily portion in the lives of nearly every American.

The debate on the effects of television on children continues, as does discussion as to what constitutes proper programing for youngsters.

Mr. Speaker, the nationally syndicated columnist, Sylvia Porter, has written about the issues involved in this debate, and I think it is important enough to call it to the attention of all the Members.

The article, which appeared in the San Francisco Chronicle of July 25, 1975, follows:

When the Tube Brings Up Kids

(By Sylvia Porter)

Arresting statistic: The average U.S. youngster watches more than 22 hours of TV a week. By the time your child reaches 18, he or she will have spent more time gazing at TV programs and commercials than in class.

The economic (not to mention the social and psychological) ramifications are enormous. Over $400 million a year is spent on TV ads aimed at very young consumers—and the expenditure is not wasted. Mothers buy an additional $1.5 billion a year of particular products and brands to satisfy little John or Mary Jane, calculates Mel Helitzer in his book "The Youth Market."

In response to these facts, the federal government and the broadcast industry's own National Association of Broadcasters have in the past few years begun to issue program codes designed to limit the impact of brutal or violent programs on juveniles, curtail certain advertising practices and the quantity of commercials to which youngsters are exposed.

But the codes or guidelines do not carry the force of law. They merely place broadcasters on notice that if they advertise in a way not in conformity, they may be facing a potential lawsuit or at least a complaint from either the Federal Trade Commission or the Federal Communications Commission.

What are these guidelines?

Basically, they establish specific blocks of time as "family viewing" or "children's viewing" time and impose certain restrictions on shows and commercials in those periods.

Beginning next fall, for instance, only shows that are appropriate for "general family audiences"—not containing excessive sex or violence—may be shown between 7 and 9 p.m.

From shows primarily aimed at youngsters under 12, the NAB already has banned commercials for supplemental vitamins and over-the-counter drugs. Advertisers also are no longer permitted to encourage child viewers to seek products through give-away premiums, contests, cut-out boxtop toys and club memberships.

As of Jan. 1, 1976, time allotted to commercials during Saturday and Sunday mornings will drop to 9½ minutes per hour. Youngsters shows once included 16 minutes per hour of commercials; this past year, 10 minutes was the limit; now, it's to be the same as on network commercials during adult prime time.

Sounds reasonable enough. What, then, are the problems?

Segments of the broadcast and advertising industries feel these regulations unduly restrict free enterprise and free speech, resent the NAB's efforts to cooperate on codes with federal regulatory agencies. But consumer groups—such as Action for Children's Television and the Council on Children Media and Merchandising—argue that the broadcast industry's self-regulation efforts are far from adequate.

The NAB guidelines don't apply to "about 90 per cent" of the programs viewed by youngsters, the two protest groups have told the FTC in a petition. Eight of the ten most popular children's shows are aired between 7:30 and 9 p.m. and are thus free from restrictions on ads shown weekend mornings.

It's more than a problem of dollars and cents. According to the Food and Drug Administration's National Clearing House for Poison Control, of the more than 100,000 children under five accidentally poisoned during 1973, over 12,000 were pre-schoolers who swallowed vitamins, household cleaners and disinfectants with which they became familiar through TV commercials.

What might be solutions by the NAB itself, or failing voluntary industry action, by the regulatory agencies?

No dangerous or hazardous products would be advertised to children before 9 p.m.

All ads for potentially hazardous products for children would include written and verbal warnings about misuse.

No ad for over-the-counter drugs would show a child in the picture at any time of day or night.

CONGRESS AND A COED AT WEST POINT

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. TEAGUE. Mr. Speaker, an article in the July 1975 issue of Army magazine recently came to my attention and I would like to share it with other Members of Congress. The magazine is published by the Association of the U.S. Army and was sent to me by Gen. M. B. Ridgway, with whom I have had close official and personal contact. General Ridgway concurs with the article and after reading I also concur with the thoughts presented in it. I have regarded his opinions highly since our associations during the Korean conflict and when he saw service on the Joint Chiefs of Staff.

The issue before the Congress should not be decided, on current national trends, emotionalism or traditionalism. It should be decided without bias toward male or female. Let the Congress debate the real issue, which is not whether females should attend our service academies, but rather whether females should be allowed to serve in combat. That is the issue.

The article follows:

CONGRESS AND A COED AT WEST POINT—THE WAYWARD CART

As everyone with strong opinions knows, there are issues which can earn an outspoken person a bloody head, no matter what side he or she takes. Lorenzo Dow knew about this paradox in 1836 when he wrote: "You will be damned if you do. And you will be damned if you don't."

Such an issue is the question of whether or not women should be admitted to U.S. military academies. Congress has said yes by a wide margin and by the time this is published the President may have made it an actuality by adding his approval as well.

The clash between proponents and opponents of opening the schools to women has created a kind of no-man's land in which the only safe spot is precisely in the middle. To step an inch on either side is to invite risk of being denounced as a male chauvinist by one or a bubble-head by the other.

And yet the issue is worth the bruises because its ramifications go far beyond the mere effects of moving women cadets and midshipmen (persons?) into the most exclusively male of U.S. institutions of higher learning. Indeed, it is apparent at this crucial and advanced stage there has been too little of this ranging, despite the many hours of testimony which preceded the House decision.

The lawmakers are to be commended for their zeal in wanting to further sex equality, but in failing to give adequate consideration to the effects of such a move Congress had handed the Pentagon a king-sized implementation problem. It would have made the job much less formidable if Congress had resolved such related—and far more important—issues as whether women shall be sent into combat. Instead, efforts to settle this aspect before proceeding with debate on the admission amendment were beaten back and denounced by the measure's supporters as a "red herring."

Those who called for resolution of the combat question deserved more attention. If they had received it, perhaps the military academies would not be faced with the prospect of having to assimilate students who are barred by law from serving in combat into a course of study whose primary goal is to produce combat leaders. This contradiction was pointed out repeatedly by such witnesses as Secretary of the Army Howard H. Callaway; Gen. Frederick C. Weyand, Army chief of staff; and Lt. Gen. William A. Knowltop, then superintendent of the U.S. Military Academy.

Gen. Weyand contended that the "military academy has a distinctive and necessary mission: to educate and train officers for combat roles. . . . So long as it is the desire of the people in this country, expressed through the Congress, that women not be employed in a combat role, then it would be a waste of a scarce and costly resource to divert any of the academy's capability and potential to this secondary mission."

Obviously, the lawmakers were not sufficiently impressed with the armed services' arguments or perhaps they were dodging action on a subject which comes very close to being in a class with motherhood and the flag. There are strong pressures on Congress to give women combat assignments and maybe some day this will come about; indeed, the advocates of combat for women have some compelling arguments. In not grappling with this most germane issue, however, Congress has put the cart before the horse in a way that could have serious repercussions on the effectiveness of the academies.

The controversy over admitting women has spawned a long list of arguments and counterarguments. Some are nonsense, like the one that a woman's only function is to bear and raise children. The question of separate living facilities has caused more distress than it is worth. What kind of uniforms will the women cadets wear, and won't the feminine form make the Long Gray Line look like hell during formations? Undoubtedly, some of these kinds of zingers will be causing a great deal of heartburn some day, but for the moment there are much bigger things.

One of these is the question of whether the average woman of cadet caliber can compete with men in meeting the demanding physical standards of those enrolled at the academies. There is no doubt that women cadets would be the equal of men intellectually, but can they (or should they even be permitted) to stand up to men in such contact sports as boxing and wrestling, both required activities in the heavy West Point athletic regimen?

During the more than 2,260 hours of military instruction, which includes summer camp, will she be able to hold her own in such training as bayonet practice, pugil stick drills, weapons familiarization, survival training, 15-kilometer marches with full pack and 40-minute, five-mile runs?

Undoubtedly, there are exceptional women who combine intellectual and physical prowess to the high degree demanded of cadets and midshipmen. No one knows how many such women the country's high schools produce each year, but it seems reasonable to assume that the physical requirements and the relatively low percentage of women who go into military service would make this number small.

Since there has already been considerable congressional quibbling during the admissions debate about the validity of the academies' preoccupation with turning out combat officers, it can be expected that physical standards will be challenged if they prevent the average woman of cadet caliber from entering. There have been glimmerings of this skepticism in testimony questioning how much brawn, boxing and athletic prowess is needed to lead troops in battle.

It is doubtful that the academies will lower their physical standards, nor should they. If not, and in the absence of any positive decision on the combat dilemma, what is left is a "two track" system in which men have one curriculum and women another. The Naval Academy has already said that it is considering this alternative.

Also proposed on the House floor, but trampled in the stampede, was a suggestion that separate academies for women be established.

But such solutions, however unavoidable, would hardly be in the spirit of equality, which is what admission proponents have been seeking.

To some, perhaps, entrée is enough for the moment; they now have a chance to prove themselves and they expect eligibility for combat to come in time. For example, there is some belief that ratification of the equal rights amendment will pave the way for elimination of the exemption.

It is entirely possible that in a short time the academies will have classes made up substantially or possibly even principally of women. It is to be expected that there will be a flood of applications when the bars are lifted and just as surely congressmen and others with the power to appoint will participate enthusiastically in this pioneer movement. What effect this would have on the academies' contribution to combat readiness can only be imagined.

Certainly, with only 13,200 spaces and 2,500 graduates a year, the already relatively small number of combat-qualified officers the academies send to the services would be curtailed considerably.

This aspect was not considered, nor was the effect on a quality called academy mystique, probably because it is such a fragile and ephemeral thing that it could be hooted down with ease. For as long as there have been armies, training has been a monastic or Spartan kind of life, especially in officer academies. Whether the secret is concentration, esprit or other things, the idea works.

Secretary Callaway alluded to this quality when he testified: "Admitting women to West Point will irrevocably change the academy. And all the evidence seems to say that the change could only be for the worse. The Spartan atmosphere—which is so important to producing the final product—would surely be diluted, and would in all probability disappear before long. To modify the curriculum and alter the training so as to permit women to attend would weaken or destroy that intangible but indelible spirit which is the unmistakable hallmark of West Point graduates."

A disturbing note in the arguments preceding adoption of the admission amendment was references to "constitutional rights" and the idea that women are being deprived of a government-financed education. The academies are not free national universities nor is admission a reward for high marks in high school. They are in the very serious business of producing military leaders and if they are not permitted to pick the people with the best potential to fill these vital jobs, it would be best if they did not exist at all. The number of spaces is much too small and the over $70,000 cost-per-student too high to squander appointments on any but the most potentially useful and dedicated people.

(This does not imply that the motives of women applicants would be any less honorable than those of men; indeed, many of our most illustrious soldiers have sought admission with the intention of preparing themselves for careers other than military. However, the right-to-an-education line of reasoning leads to the disquieting conclusion that the congressmen who stressed it misjudged the purpose and importance of the academies.)

Nobody who knows anything about the contributions women have made to the services could have any real zest for joining in a battle to keep them out of the academies. They are fellow soldiers, sailors, airmen and marines who proved their value a long time ago. It is a fact that there are people in the services and outside who scoff at the idea of women doing "men's work," but it would be a mistake for admission proponents to scorn all the arguments against it as manifestations of male chauvinism.

The main ones are reasonable and aimed at preserving institutions which are vital to the excellence of our services—a goal to which any career member of the service, man or woman, should have no difficulty subscribing.

The combat issue aside, supporters of admitting women are right when they point out that the service academies have the best officer training programs in the country, perhaps the world. But how superior this instruction would be if combat-related courses were deleted in a two-track system is debatable.

Moreover, attendance at the academies, which produce only about ten percent of the officers needed every year, is not as important as it once was in attaining high rank. Some 90 percent of U.S. military officers are products of ROTC, OCS and direct appointment and their numbers are reflected in the increasing totals reaching top rank. A case in point is Gen. Weyand, an ROTC graduate of the University of California.

Surely, ineligibility for combat is a considerably bigger impediment to competing successfully with males for star status than lack of a West Point education.

Military expediency has always had a hard time of it in a democracy, especially in peacetime, and on the issue of admitting women to the service academies the people have spoken through their represenatives and senators. The services will comply the best they can, as they always have when given a directive by their civilian superiors.

But damn it all, Congress, you could have made this one infinitely easier by putting the harness on the horse instead of on the cart.

NANHC WORKS FOR BETTER HEALTH CARE

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. HAWKINS. Mr. Speaker, as my distinguished colleagues know, the prompt and effective delivery of needed health care services to individuals and families is a serious problem which affects all regions of our Nation. Recently, the work which is being done by the Western National Association of Neighborhood Health Centers to improve the delivery of these services has been brought to my attention. Because the association endeavors to provide better health care for all Americans, I wish to insert in the Record a copy of a letter from its executive director, Harold Hambrich. At a time when the costs of adequate health care continue to soar beyond the means of many Americans, it is important that we recognize the achievements of organizations like the NANHC. The text of their letter follows:

NANHC Works for Better Health Care

The National Association of Neighborhood Health Centers, Inc. was organized in early 1970 by a coalition of health center administrators, providers, and consumers which developed the NANHC's organizational structure, by-laws and incorporation. The first annual convention was held in October 1970, in Washington, D.C.

The same type of dynamic broad based coalition which established the Association still characterizes the membership today, working through the Association to make quality health care a reality for all Americans.

The NANHC represents programs in all fifty States, Puerto Rico and the Virgin Islands. It is governed by a thirty-five member Board of Directors, consisting of nine elected officers, four area representatives, and twenty-two regional co-chairpersons. For a more effective organization, management and communication, the Association is divided into four areas. East (Area I); South (Area II); Midwest (Area III); and West (Area IV). These areas are further divided into regional structure which corresponds to that of the Department of Health, Education and Welfare (DHEW). DHEW is the major funding agent of many of the neighborhood health centers.

The NANHC is a voice and advocate for the many ambulatory health care programs across the country which provide health services in medically underserved areas. The Association wants to assure the continued growth and development of these programs, represents them in the legislative and professional areas, provide training for their staff and community boards of directors, and develops new programs to enhance and strengthen the health center effort at a time of decreasing federal support.

The Purpose of the NANHC is as follows:

To work for the elimination of the dual system of health care and to develop quality health care delivery systems responsive to the communities being served.

To provide a vehicle whereby neighborhood health centers can unite to meet the challenges to their survival.

To provide education and training opportunities for community board members, administrators and providers of neighborhood health centers to assure the highest professional standards are maintained.

To develop a communications network to gather, compile, and disseminate relevant information to the staff and community boards of neighborhood health centers.

To develop and assist in the implementation of improved management techniques for neighborhood health centers.

To develop methods of permanent and dependent financing for neighborhood health centers.

To develop and implement quality community health education programs.

To maintain liaison with consumer and provider health groups.

SUPPORT FOR HOUSE RESOLUTION 682: A MATTER OF PRINCIPLE

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. BURKE of Florida. Mr. Speaker, I want to reiterate my strong support for House Resolution 682, introduced on August 1 by the distinguished majority leader, Mr. O'Neill, to reaffirm this country's longstanding commitment to one of its most reliable allies, the State of Israel. We should pass this resolution as quickly as possible to put the anti-Israel bloc on notice that we understand what they are about and are prepared to take meaningful action for a change.

I have noted the broad ideological makeup of the resolution's cosponsors, ranging from liberal to middle-of-the-road to conservative. This is as it should be. The issue is clear and cuts across ideological as well as party lines.

The Senate has already passed Senate Resolution 214, introduced by the distinguished minority leader, Senator Scott of Pennsylvania, expressing its own concern "over persistent attempts by some nations among the so-called nonalined nations of the Third World to expel Israel" from the United Nations and resolving that in the event of such expulsion, the Senate will review our commitments to those states responsible "and will consider seriously the implication of continued membership in the United Nations under such circumstances."

Secretary of State Kissinger has also indicated his great concern over attempts "to manipulate U.N. membership by procedural abuse" and has further indicated that the expulsion of Israel could cause the United States to reconsider its financial support of both the U.N. and its specialized agencies.

The root question, as I see it, is whether we as a nation still have the strength of will to stand beind an ally even to the extent of possibly withdrawing support for the United Nations as a gesture of protest should the anti-Israel fanatics succeed in barring Israel from the U.N. during the upcoming session of the General Assembly.

As the official representative from the House to the 30th General Assembly of the United Nations, which convenes September 16, I feel keenly my obligation to speak out forthrightly on this issue. The exclusion of Israel from the United Nations would have far-reaching repercussions that could well leave us permanently weakened in the Middle East and, therefore, at the mercy of the Soviet Union, whose ascendency in that area is most alarming.

If Israel is excluded from the United Nations, especially because of wrongheaded fanaticism and political myopia, the U.N. can only be weakened further in the eyes of the world as a moral and political force in dealing with disputes among nations.

The painful truth is that the United Nations already has suffered as a result of its lack of action in Hungary during 1956 and Czechoslovakia during 1968. True, the U.N. did intervene in the Congo 15 years ago to crush the small, pro-Western secessionist movement of Moise Tshombe in Katanga, an act that really helped only the Communists and other anti-Western extremists; and the U.N., by a highly questionable and devious method, did manage to refuse the credentials of the Republic of South Africa during the last General Assembly.

But there is a disturbing pattern in all this. The United Nations, swollen by postage-stamp countries that constitute a growing and increasingly lopsided anti-Western power bloc in the General Assembly, seems willing enough to take action wherever there is little or no chance of a direct confrontation with the Soviet Union or other Communist states; but paralysis seems to creep in whenever there exists a possibility of direct confrontation with the Communists. An exception, of course, was the U.N. decision to aid South Korea during the Korean war; but that was possible only because the Soviet Union being at the time absent from the Security Council, was unable to use its veto power.

Contrariwise, if U.N. action—such as military intervention against Tshombe in the Congo or bending the rules out of shape to refuse the credentials of the South Africans—serves Soviet interests, it is approved. This is not to say that all such actions are the result of some grand conspiracy; that sort of paranoid theorizing retards rather than helps rational discussion of the problem. It is enough to recognize that, for whatever reasons, the pattern does exist.

We have to face the unpleasant fact that any United Nations action which benefits the Soviets is inevitably an action which hurts our own vital national interests. This is a truism apparently forgotten by too many people as we bask in the euphoria of "détente," naively believing that we can coexist with and survive the machinations of a power that has sworn to destroy us.

What would be the effects of barring Israel from the United Nations as a certain group of countries now are trying to do? One immediate effect would be the collapse of U.N. peacekeeping efforts in the Middle East, but the most far-reaching result would have to be a drastic enhancement of Soviet power throughout the area. The Arab nations, along with the Soviets who are trying so hard these days to cultivate them, even to the extent of providing weapons and training for Arab terrorist groups, would remain in the U.N., with all that means in terms of international prestige. The small State of Israel, however, would be outcast and even more alone than she is already.

Furthermore, Israel has never been branded officially by the United Nations as an aggressor nation, which would, of course, be sufficient under the U.N. Charter to bar her. Communist China, however, has been so branded; and yet, Communist China was not only admitted to the U.N., but also succeeded in gaining Nationalist China's seat in the Security Council in the bargain. One nation which stood—and stands even now—in direct violation of the charter was admitted while another, which was not in violation of that same charter, was, to the accompaniment of a chorus of cheers from the anti-U.S. claque, summarily sacked.

To expel Israel, which has lived up to the provisions and spirit of the Charter, while at the same time giving such deference to Communist China is, to my mind, gross hypocrisy and points up the fundamental problem we face in the U.N.: the ever-growing power of the Communist bloc and so-called Third World or emerging nations in the General Assembly at the expense of the West, which is precisely contrary to how the United Nations was originally meant to function.

Mr. Speaker, we must face the plain fact that the move to bar Israel from the United Nations, if successful, will really redound ultimately to the benefit of the Soviet Union. Not even the extremist elements among the Arabs stand to gain as much as do the Soviets in terms of long-range strategic considerations.

Further isolation of Israel would mean easier access to Suez and the East by the Soviet Navy, a long-sought historic goal. It would mean a much freer hand by the Soviets with respect to oil blackmail in direct proportion to the increase of Soviet influence throughout the entire region. And it would mean an unavoidable weakening of Israel's overall defense capability. After all, how well can one small, encircled nation defend herself when she has been diplomatically anathematized and deprived of any realistic grounds to believe she can rely on support from the outside?

We owe the State of Israel our fidelity. We helped that country come into being; we have aided her through the years with economic, military, and moral support, even at great risk to our relations with the Arab world; and, in return, Israel has stood by the United States as a sincere ally.

Today, especially, Israel stands firm as a bar to further expansion of Soviet imperialism in the Middle East. She stands virtually alone; and if certain countries are allowed to have their way in the U.N. General Assembly this year, she will in fact stand alone. The vital interests of the West cannot survive the achievement of Soviet hegemony in the Middle East. That, as well as our general moral obligation, is why we must not flag in our support for the Israelis, even if it means a drastic reassessment of our support for the General Assembly.

Mr. Speaker, there is a great underlying moral principle here; and we will forget or ignore it only at the gravest possible peril. That is the realization which led me to cosponsor this resolution, and that is the realization I will take with me to the General Assembly as your representative.

HOW TO LIVE WITH THE MONEY YOU HAVE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. GRASSLEY. Mr. Speaker, as my distinguished colleagues in the other body debate the merits of a Federal pay increase of between 5 and 8.6 percent, I would like them to consider the following article that appeared in the September 14, 1975, edition of the Washington Post. I believe Ms. Quinn does an excellent job of pointing out that Americans must be reeducated to ask not "give me more to live on" but rather "give me more ideas of how to live on what I've got":

STAYING AHEAD: HOW TO LIVE WITH THE MONEY YOU HAVE

(By Jane Bryant Quinn)

NEW YORK.—Do you have enough money to live on? Most members of the pinched middle class think not—and that, they say, is the root of their problems. But maybe they've got the question backward. Maybe you should ask yourself, "Given the amount of money I have, how should I live?"

Everyone but the very poor can feed, clothe and shelter himself. Basic subsistence is not the issue. When you say that money is tight, what you really mean is that you haven't enough to live the way you want to.

Looked at this way, the problem assumes a new dimension. You don't really need more cash to get out of the hole you're in. You just have to make different choices. Here are six changes in attitude that must take place before any middle-class family can get their spending under control:

(1) Face the fact that your basic problem is not a shortage of income (except in special cases, such as unemployment). It's a surplus of wants. Hundreds of thousands of people live successfully on less money than you have. How do they do it? They spend less.

(2) Face the fact that your money troubles are self-imposed. You can blame the economy for inflation, but it's not the Secretary of the Treasury who's out there every day charging things to your account. It's true that everything costs more than its used to. But except for basics, who's forcing you to buy anything?

(3) Face the fact that it's also your own fault if you aren't saving any money. People say they can't save because prices are too high or because some emergency always comes up. All that really means is that they decided to spend the money on something else. If your salary were cut by $50 a month, would you end up in bankruptcy court? No? Then you could save $50 a month.

(4) Face the fact that the hallowed American tradition of living beyond one's means doesn't work when earnings fall behind inflation. You used to go into debt knowing that a wage increase eventually would bail you out. Nowadays, a debt can get more onerous

as time goes by, because wages may not go up by enough to cover the higher cost of necessities such as food and fuel.

(5) Face the fact that if your salary hasn't kept up with inflation, you have to adjust your standards of living—downward. It's not pleasant to eliminate things. But no economic system promises people that every year they will do as well, or better, than they did the year before. Cut where you have to now, and wait for better times to return.

(6) Face the fact that you can live rewardingly at a lower level of spending. The person who consumes more is not necessarily better off. Says British economist E. F. Schumacher: "Since consumption is merely a means of human well-being, the aim should be to obtain the maximum of well-being with the minimum of consumption."

A smaller, plainer car still gets you where you want to go. Cheaper vacations can be just as restful. The inventory of possessions that got you through last year should serve just as well next year.

I, of course, do not feel that any pay increase is necessary in this time of high unemployment, deficit spending, and runaway inflation. Providing the 535 Members of Congress and the Senate with a pay increase, whether it be at 5 or 8.6 percent is like tossing a stone into a pond, the ripple effect will spread out to encompass the 20 million public employees who are also going to demand a pay increase.

ECONOMIC DEVELOPMENT AND THE CITIES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. FRASER. Mr. Speaker, one of this country's outstanding municipal leaders, Mayor Albert Hofstede of Minneapolis, appeared today before the House Economic Development Subcommittee. Mayor Hofstede, testifying on behalf of the National League of Cities and the U.S. Conference of Mayors, told the House subcommittee that a major Federal urban economic recovery program is needed to bring the large cities through the recession.

The mayor explained that the Minneapolis-St. Paul metropolitan area is making progress in dealing with local economic problems through a variety of innovative local policies including establishment of a metropolitan area tax base sharing system and the use of tax increment financing for commercial industrial development. Mayor Hofstede went on to say:

> Minneapolis represents one of many cities which has taken steps to avoid some of the more serious problems of the current economic situation. We still have real problems, however, and we feel it is time for the Federal Government to take responsibility for its share of the problems it helped to create.

The mayor urged adoption of an urban recovery program which includes extension of general revenue sharing, expansion of public sector jobs programs, and adoption of legislation to provide emergency fiscal assistance for cities and a more urban oriented economic development program.

I would like to take this opportunity to include Mayor Hofstede's statement in the RECORD:

STATEMENT OF THE HONORABLE ALBERT HOFSTEDE, MAYOR OF MINNEAPOLIS, MINN.

Mr. Chairman, Members of the Committee. I am Albert Hofstede, Mayor of Minneapolis, Minnesota. I welcome this opportunity to comment on the importance of federal economic development assistance for the nation's cities. I am here today representing the United States Conference of Mayors and the National League of Cities, as well as my own city.

The U.S. Conference of Mayors is the national spokesman for Mayors of virtually all cities with population in excess of 30,000. The National League of Cities is the national representtaive for approximately 15,000 municipal governments in all fifty states and Puerto Rico. We have been pleased to work with this Committee over the years on economic development legislation. You will recall that cities were in the vanguard of the proponents of the Area Redevelopment Act, the Accelerated Public Works Act, and the Economic Development Act. We have consistently supported comprehensive economic development assistance to local governments as well as specific aid for the construction of needed public works projects.

Both organizations have policy which calls for a strong federal commitment to urban economic development as one very important ingredient of a national strategy to ensure the vitality of the nation's economy. The continued economic development of our cities is critical to the health of the country. Urban communities offer the potential economic benefits of large labor pools, existing plants and infrastructure, economies of scale, energy-efficient transportation systems and concentrated development which this country cannot afford to waste. However, urban areas have for the past quarter century experienced severe economic distress typified by high unemployment, poverty, shrinking economic bases needed for jobs and revenues, and physical deterioration. Very few of our cities can claim that they are not suffering from at least one of these ills.

I believe we have arrived at this state of affairs because of a series of policies—some inadvertant, some deliberate but all uncoordinated—at the federal, state, and local levels. The Federal government must take the major responsibility for the current state of our cities, marked by severe economic distress and high unemployment. These conditions result in large part from federal economic policies. While the management of our economy is a recognized Federal concern, it must be remembered that the results of Federal policy, and more specifically, the results of Federal mismanagement, are felt first and hardest in our cities and other local governments. In addition, the Federal government has for a long time, supported a set of policies; including tax provisions and mortgage insurance arrangements favoring home ownership, federal highway construction programs, utility expansion programs, and the like; which have sustained and supported the so called flight to the suburbs.

At the State and local level policies which take resources out of the city without replacing them with State aids, regulations which limit local revenue to the property tax, and tax competition between local governments have all worked against the preservation and development of our cities.

Such a set of policies which collectively encourage the dispersal of economic activity, duplication of investment in infrastructure, and allow the deterioration of already existing resources efficient investment in our cities is absurd. The encouragement of misuse and over-consumption and the discouragement of rehabilitation and conservation has never been sound, rational policy even in the best of times. But, in a period of economic scarcity and inflation coupled with recession such as now, such a policy is shameful and must not be tolerated.

Mayors and other local elected officials have been stating this for some time before Congressional committees, Presidents and their administrations, federal agencies, state governments, and a variety of other groups. But, apparently our message has not been clearly received. Of necessity, therefore, our voices have become much more strident because the chronic urban crisis has worsened significantly as a result of the current national recession.

I am sure you are aware that the economic ills of our cities are at intolerable levels. The combined forces of inflation and recession have taken and continue to take a devastating toll on our residents and on local government, itself. Levels of unemployment are well above the national average with pockets of extreme poverty and unemployment—New York—11%, Detroit—21.8%, Los Angeles—11.1%, Phoenix—10.7%, Cleveland—10.0%, Atlanta—13.2%, and my own city of Minneapolis—8.6%. Rates of inflation in the public sector, perhaps at least 50% higher that inflation measured by the Consumer Price Index, have ravaged local city budgets. Energy costs and costs of both labor and materials have soared with no relief in sight while our sources of revenue have remained relatively constant or, in a great many cases, fallen off sharply. City governments are faced with the unpalatable choices of cutting essential city services (primarily through layoffs of personnel), raising local taxes, and/or delaying or eliminating necessary capital improvements in order to balance their budgets. The irony of it all, of course, is that all of these actions we are being forced to take at the local level run counter to and dilute the effects of the recent stimulative actions of the Federal government such as the recent tax cut and the provision of emergency public employment. What payoff is there in decreasing a person's withholding tax when local governments are being forced to add dollars to that very person's property tax bill? Many cities are receiving national public service jobs funds to provide temporary city government employment for the unemployed while, at the same time, they are laying off experienced, permanent civil service workers.

We must all play a part in reversing these policies because we all had a part in creating them. I have heard too many times that it is up to the local governments to deal with these issues—or that we at the local level have not done enough.

I would like to cite a few examples from my own city and state in order to illustrate what has been going on at the local level. Minneapolis has a strong reputation as a progressive, creative city. I think we represent one of the many cities which have taken steps to avoid some of the more serious problems of the current economic situation. We still have real problems, however, and we feel it is time for the Federal government to take responsibility for its share of the problems it helped create.

We found ourselves, particularly after the 1970 HUD moratorium on Urban Renewal funding, with major development programs started for which there were no longer adequate funds. It was at this point that we felt it was necessary to initiate what we believe are innovated local and state actions that not only meet our immediate needs but which, more importantly, create consistent long-range policies for balanced and integrated development at the local level.

Our thrust for local development has involved the following basic programs;

A metropolitan area tax base sharing system which I helped initiate while I was Chairman of our Metropolitan Council.

The use of what we call tax increment financing for industrial commercial development in urban renewal and other low tax base areas.

Increase coordination among the local housing redevelopment authority, the Minneapolis Industrial Development Commission and the City Coordinator's office for marketing vacant industrial land.

The use of industrial development revenue bonds to acquire and market industrial commercial sites.

The limited use of Community Development funds as seed money for Community Development corporations. (While Community Development funds are very limited we have always felt that community development and economic development must be tied together. That is why we have tried to set aside some monies for this purpose each year.)

The successful development of a city-legislative strategy in 1974–75 for property tax relief that will help us stabilize city property taxes.

A local, not federal, housing program involving urban homesteading, low interest loans and grants for rehabilitation, a homeownership program, and a spot renewal program which I might add we have done with the direct support and involvement of our local bank.

Despite all of these efforts we are still experiencing business and residential migration out of the city. This April, the Minneapolis-St. Paul area was added to the Department of Labor's list of areas with substantial unemployment. Inflation has cut into our ability to provide necessary services. In fact, we were forced to cut back on snowplowing operations last winter. In Minneapolis that kind of a curtailment in services is serious business. City budget hearings for 1975 are now going on in Minneapolis. At every hearing we hear the same thing—inflation has forced the cost of city services steadily upward. The prices of most materials which we buy have increased far beyond the national inflation rate—some materials have increased well over 100%.

As a result of these and other problems and because our cities have done and are continuing to do their share, the United States Conference of Mayors and the National League of Cities advocate a Federal urban economic recovery program. Immediate enactment of these measures together with the immediate re-enactment of the general revenue sharing program is necessary to ensure the economic recovery of the nation's cities. The three emergency measures are: accelerated public works together with a more urban-oriented economic development assistance program, emergency fiscal assistance to local governments, and expansion of the public sector jobs program. As you can see, we support economic development assistance—the continuation of which is the issue before us today—as a vital element of a national recovery program. However, it is an element, not a complete program. It is naive to assume that any one of these measures, by itself, could sufficiently stimulate the national economy to turn it around. An effective anti-recession strategy must have in place and operating concurrently a program aimed at mitigating the impact of unemployment on workers, a program aimed at mitigating the impact of inflation and recession on city budgets, and a program aimed at mitigating the impact of the recession on public works and economic development activities.

As I mentioned earlier, cities were early proponents of the Public Works and Economic Development Act of 1965 and have consistently supported comprehensive economic development assistance to local governments. The Economic Development Administration, by targeting assistance to economically depressed areas, has played a major role in supporting local economic development programs. The new elements incorporated in the 1974 Amendments to the Public Works and Economic Development Act provides EDA with additional tools needed to provide the necessary assistance. I am referring to: provision of lease guarantees in Title II; provision of planning funds for localities in Title III; transfer of Title I Redevelopment Areas to Title IV designation; and, the economic adjustment program provided for in Title IX to assist states and localities suffering from severe economic dislocation. The U.S. Conference of Mayors and the National League of Cities strongly support the three-year extension of the program. But, despite the significant role EDA has played in the past in assisting certain depressed areas and despite the fact that it does now possess many of the necessary tools to do battle with the economic ills ravaging this country we have some major criticisms of the program.

The major problem with EDA is that it has been and continues to be grossly underfunded. For FY '75, Congress saw fit to appropriate only in the neighborhood of $330 million, this during a period of severe economic crisis, while other federal programs were funded at much higher levels. This amount is hardly sufficient to meet the needs of the urban areas let alone the entire nation.

In my view, the responsibility rests with Congress to recognize the crucial role that targeted local economic development plays in building and maintaining a sound domestic economy and to meet that responsibility by appropriating sufficient funds to do the job. The tools are there—the resources are not. That is why the U.S. Conference of Mayors, at its 43rd Annual Meeting in July of this year, called for the permanent funding level for EDA to be substantially increased commensurate with its responsibilities, including an appropriation level in FY '76 of at least $1 billion.

A second major problem with the present EDA program is its heavy emphasis on assistance to rural areas. Through FY '74. EDA has allocated approximately three-quarters of its resources to non-SMSA areas and only one-quarter to projects and programs located with SMSAs. The proportion of funding to the economically-destitute central cities is, then, an even smaller proportion. Minneapolis has never been a recipient of EDA assistance. The formula criteria for the designation of an EDA Redevelopment areas excludes Minneapolis despite the relatively high unemployment rate in major portions of our city. For all practical purposes, there are no Federal funds available for business loans, technical assistance, or economic planning in Minneapolis. The SBA has told us they don't have any money, HUD has told us that Community Development funds cannot be used for this purpose and, as I said, EDA assistance is out of reach. No matter the historical reasons for such a maldistribution of funds, it must be pointed out that all depressed areas, including urban centers, need help. More than seven out of every ten persons in this country reside in urban areas. The present recession is an urban recession. The extremely high unemployment levels in this country are those in the urban centers. Economic adjustment problems abound in our cities. Substantial federal investment in urban economic development is not an act of charity but a rational policy to treat the ailments we are suffering.

We earnestly hope the Committee will look carefully at our recommendations for increased appropriations and greater emphasis on assistance to urban areas during its present deliberations on EDA. Public investment in urban economic development is essential to restoring the economic health of our nation.

Before concluding, I should like to briefly highlight the two other anti-recession measures we endorse as essential elements of a recovery strategy. Emergency fiscal assistance to these states and cities hardest hit by recession has been a top priority of the U.S. Conference of Mayors and the National League of Cities this year. We were indeed pleased to see this issue receive the strong support of the Senate when it recently amended S. 1587, the Public Works Employment Act of 1975, to include a title which provides emergency aid to state and local governments which are suffering the most from the recession. This measure meets virtually every criterion of a sound anti-recession policy. First, authorized monies get out into the economy quickly, providing a quick stimulative impact. Second, the program shuts off when the recession has subsided so it would not contribute to a revival of inflationary pressures. Third, the assistance provided is very selectively targeted, reaching only those places severely affected by the recession i.e., those places having rates of unemployment at or above 6 per cent. Finally, and perhaps most importantly, this program strengthens the hand of the Federal government in dealing with the recession, by helping to prevent state and local governments from taking budgetary actions which undercut Federal efforts to stimulate the economy.

The emergency fiscal assistance measure is a logical complement to a public works approach. For that reason, we supported amending the Senate public works measure to include it. Complete recovery from the recession is projected to be slow, with high unemployment persisting well into the second half of the decade. A solid anti-recession program, therefore, should be one with both immediate and long-range impact, aimed at both the private and public sectors. The Public Works Employment Act of 1975, as passed by the Senate, is a splendid example of just such blending of Federal programs.

Finally, the anti-recession package passed by the Senate is within the spending ceiling set by the First Concurrent Budget Resolution for programs of this type. We look forward to this Committee's support, and the support of the rest of the House of Representatives, of this measure as passed by the Senate.

The final element in our anti-recession strategy is a substantially expanded public sector jobs program. As stated often throughout this testimony, unemployment levels have reached crisis proportions in many cities as a result of the recession and they are projected to remain at abnormally high levels for at least the next five years. The current funding for public service employment is woefully inadequate in addressing the unmet public service needs of this country. Both the U.S. Conference of Mayors and the National League of Cities has, for some years, called for 1 million public service jobs. Yet, during this present period of economic crisis, Congress has appropriated only enough funds to create less than half of this number—approximately 350,000 positions. The achievement of a full employment economy should be one of our national objectives. We hope that the Congress and the President undertake such actions as are necessary to achieve this objective over the next ten years.

Let me conclude my remarks today by

again commending the Committee and its Chairman, Congressman Roe, for its outstanding leadership in the areas of economic development assistance and, as recently demonstrated, in the areas of accelerated public works legislation. The issue you have under consideration today has our support as one major component of a Federal economic recovery program. We hope that the Committee will move decisively in the coming weeks to insure speedy enactment of this legislation as well as the public works measure. I sincerely hope that the final legislative packages will reflect the suggestions and recommendations I have expressed today. Thank you.

THROWING THE PHILLIPS CURVE

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. HAWKINS. Mr. Speaker, an editorial in the August 27 edition of the Wall Street Journal confirms the growing disillusionment surrounding the validity of the Phillips Curve in light of present day economics. The adandonment of the inflation-unemployment trade-off theory, which has served as the lifeblood of modern day economics is bound to have serious repercussions with regards to the formulation of economic policy in the future. For this reason, and for the information of my colleagues, I wish to include in the RECORD the complete text of the editorial as it appeared in the Journal:

THROWING THE PHILLIPS CURVE

The continuing argument over whether it is more important to fight recession or fight inflation has at its root a figment of the imagination: the Phillips Curve, named after the chap who drew a magic line for politicians enabling them to choose how much inflation and unemployment they wanted for their economy. The idea was that as one went up, the other went down, and conversely. The trick was to establish some happy balance.

In the 1960s, most American economists ran around with a Phillips Curve in their pockets, just in case they'd be asked to fine tune the economy. Ask them today if they still believe in the Phillips Curve, and those of our acquaintance mumble politely that they have to catch a train. They obviously do not believe any longer that, say, 5% unemployment equates with 3% inflation.

But the influence of the curve lingers on in the mere idea that there is a trade-off between employment and inflation. Anyone who argues that anti-inflationary monetary and federal budget policies are an imperative, as we do here rather often, is charged with a too-easy tolerance for someone else's misery over having lost his job. And yet the argument that there is a trade-off of any kind is no more supportable than the thesis that it can be defined with exact numbers.

A just published Conference Board study of seven industrial nations compares the percentages of the work forces employed with consumer price indices over the last 15 years. Up until the last two years, the trend lines in two countries, the U.S. and Canada, would give the impression there might be a Phillips Curve. But as everyone knows, the Phillips theory broke down in the U.S. last year when both inflation and unemployment shot upward.

Canada continued to show some correlation between the percentage employed and the CPI last year. But in the other five nations there has been almost no correlation at all. In West Germany, Italy and Japan inflation has heightened as employment has declined. In Britain, where the Phillips Curve was invented, the CPI went to an annual growth rate of 18% last year from about 4% a decade earlier and this year inflation is near a 30% rate while employment plummets. Italy's experience was even worse, although it has managed a recovery of sorts, largely through stricter control of its money supply. But with the retirement of Guido Carli, its strong-willed central bank governor, politicians seem bent on undoing the good work.

And in the U.S. there would seem to be even more people who haven't gotten the message. Andrew F. Brimmer, who was a governor of the Fed from 1966 to 1974, asserted in the New York Times the other day that the money supply should be increased at an 8% to 10% annual rate to combat unemployment.

To assuage any inflationary fears, he assures us that "the type of inflation that results from 'too much money chasing too few goods' can be ruled out between now and the middle of 1977." The reason this is true, he adds, is that unemployed resources are goods, and we won't have "too few goods" until 1977. This argument can only blink away the July CPI rise of 14.4% at an annual rate by attributing it to special factors, but this is like saying the CPI actually fell if one ignores all those CPI price components that rose.

With a discarding of the Phillips Curve mythology the implication for policy is obvious. Both inflation and recession are vulnerable to simultaneous attack. And, because what we are experiencing is a world inflation and a world recession, policymakers must necessarily confront the proposition that there is too much world money chasing too few world goods. Given that task, anyone whose "solution" comes down to urging Arthur Burns to print more money cannot be taken seriously.

In hoping to be taken seriously ourselves, we have defended Mr. Burns whenever he has shown restraint in printing dollars and we have encouraged him, Treasury Secretary Simon and President Ford to seek international arrangements that would restrain the growth of world money. We do not think any of this will aggravate unemployment. Quite the contrary, we see it as essential to a sound U.S. and world economy, which means an economy that is generating capital, expanding consistently and creating jobs.

OIL: THERE'S STILL TIME FOR LEADERSHIP

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. MOFFETT. Mr. Speaker, in today's Washington Post, business editor Hobart Rowen gives an inciteful analysis of the present political situation on the oil pricing controversy. I insert his column into the RECORD for the benefit of my colleagues:

[From the Washington Post, Sept. 18, 1975]

OIL: THERE'S STILL TIME FOR LEADERSHIP

(By Hobart Rowen)

With a grand contempt for logic, the same President who vetoed price controls on domestic oil and then cheered Congress' failure to override the veto as "a victory for all Americans," has been jawboning the oil cartel against a price increase on *their* oil.

If you believe President Ford, an increase by the Organization of Petroleum Exporting Countries cannot be justified. But the inevitable increases in domestic oil prices, he says, would merely start America "on the road to energy independence."

This is just so much baloney. Further increases in oil prices—domestic or OPEC—will be inflationary and—coming at a time when economic recovery is fragile at best in the United States, and hasn't really got started elsewhere in the world—should be avoided if possible.

"High oil prices," Treasury Secretary William W. Simon told the World Bank and International Monetary Fund meetings in Washington a few days ago, "lie at the root of much of the world's recent inflation and the recession that followed. Yet now the possibility of another increase in oil prices looms on the horizon."

Simon was talking about the possibility that OPEC later this month will decide on yet another price boost to supplement the 500 per cent increase in the two years since the Yom Kippur war in 1973.

The Secretary is, of course, correct about the impact of the excessive price rise. Only recently have some of the poor nations begun to comprehend how much of their economic woes are traceable to OPEC. A doctoral thesis by a young Bangladesh diplomat, Sheik Rustum Ali, is one evidence of this.

Ali said that unless the oil price situation changes, "Some oil-less countries will go broke. They won't be able to remain independent in an economic sense."

But if another OPEC price boost would hit all oil consumer-nations in the pocketbook, how does the U.S. oil price increase under a decontrolled system differ? The answer is that it doesn't. Moreover, any boost in the U.S. price structure would merely offset some evidence of weakness in world market prices.

"If I signed this bill continuing controls," President Ford said in his veto message, "America's start on the road to energy independence could be delayed indefinitely."

But the harsh reality is that the absence of price controls does not assure a start toward energy independence (which is a phony concept to begin with). It merely assures that prices will go up on gasoline, heating oils, and other products using petroleum—and that the profits of the multinational oil companies will skyrocket.

And will higher prices generate more oil production? Consider this: under the oil-price system prior to the veto, "new oil" was allowed to rise above the controlled price of $5.25 a barrel. It now sells around $13 a barrel.

But the suspicion is that much "new oil" is diverted from old wells or would have been produced at the lower price if the "new oil" price gimmick were not available.

The probability is that under decontrol, total oil production in this country will not increase very much, if at all. The major effect of decontrol will be to mark up all oil to the world level—$13, $14, or whatever OPEC decides it will be—with the U.S. consumer left holding the bag.

According to Sens. Edward M. Kennedy and Ernest F. Hollings, the price tag for decontrol will be $40 billion a year—or $200 for every person in the country. In general terms, this arithmetic is backed by a Library of Congress staff study, one by the Congressional Budget Committees, Charles Schultze of Brookings, and other independent experts.

So why are we plunging into this idiotic situation? For one thing, there is the administration's blind devotion to so-called free market principles, even though the oil market is run by a foreign cartel, which has set a monopoly price and by a powerful, concentrated oil industry at home.

But for another, a Democratic-controlled

Congress has not had the guts to produce a meaningful energy conservation program that would reduce reliance on OPEC oil and truly get the nation started—not on independence of foreign oil—but on less dependence, which in turn could weaken OPEC's ability to set prices.

This country hasn't even done as well in conserving oil as several European nations.

It may be okay for Democrats Kennedy and Hollings to blast Mr. Ford for being willing to decontrol oil prices but neither they nor any other Democrats have shown the leadership necessary to turn this country away from the enormous waste of energy on the highways and in the homes.

There is still time to avoid the inflationary perils of sudden decontrol and to work out some rational conservation program. But the President will have to yield on his stubborn insistence that controls can't be extended for more than 39 months. And a majority of Democrats will have to show some signs that they can buck the big money interests in Detroit and Texas.

ATLANTIC CONVENTION URGENTLY NEEDED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. FINDLEY. Mr. Speaker, there are many reasons why enactment this year of the Atlantic Convention resolution is urgent. I have time to give only the one which seems to me the strongest. It is the danger of another world depression. Perhaps one comparison will suffice to indicate how much the world economic and monetary situation has deteriorated in recent years.

1971 "OMINOUS OMENS" IN 1975

When this proposal was introduced in the House on February 17, 1971, we said:

> There are ominous omens. After we were told that there was no need to expedite this resolution, we saw our greatest railway—the Penn Central—go bankrupt. Now we see the same thing happen in England to Rolls-Royce. Last summer and fall three of the bigger brokerage houses on Wall Street—the largest bearing the name of Dupont—faced failure and were saved only by drastic measures, at the last hour—one, in the last five minutes. Why such drastic measures? On January 24 *The New York Times* Sunday financial section front-paged an interview with Felix Rohatyn, chairman of the "Crisis Committee" the Stock Exchange setup, which it describes as the:
>
> "Pivotal . . . central figure" in the struggle to keep Wall Street afloat, and the "man who carried the ball." It quotes Mr. Rohatyn as saying about his committee: "Everybody seemed to come to a decision that we just couldn't let a major [brokerage] firm go bankrupt. We just had to make the decision that if we did let one go under there would be a panic. * * * If there was a panic, we just couldn't put it back together. I must say that this left me with a sinking feeling in the pit of my stomach."
>
> That is how thin-ice near we came to potentially another 1929 Wall Street crash only a few months after the complacent advice from the State Department to our Foreign Affairs Committee, in the view of the man who grappled with this peril day and night for weeks, even months.
>
> Is it any wonder, Mr. Speaker, that Mr. Rohatyn is a strong supporter of the Atlantic Union resolution?
>
> True, thanks to these drastic measures to shore up those three brokerage firms because of their hundreds of thousands of clients across the country who would have been hard hit by the bankruptcy of even one of them, that crisis passed. True, the market is now again going up and up. But can we be sure that this flush on the Wall Street cheek is the flush of health—not the flush of fever? Can we be sure that it does not reflect fear of greater inflation? Let us hope so—but let us not put all our most precious eggs in that basket.
>
> I spoke a moment ago of how near we came only a few months ago about what might have become another 1929 Wall Street crash. But I am not alone in fearing that a Wall Street panic now would have far worse repercussions than the one of 1929.

Since then, we saw in October 1973 another Mideast war, this time accompanied by a nuclear alert, an oil embargo, and the quadrupling of the price of oil, wreaking havoc not merely in intra-NATO recriminations but in accelerated inflation, widespread unemployment and the worst recession since the world depression.

What do we see now in 1975—only 4 years after the warning I just quoted from my 1971 speech? We recently saw in some headlines in the press statements that "the recession has ended." But we see in much bigger headlines on page 1 of the New York Times that the world's largest and richest city is in imminent danger of defaulting.

To grasp better how serious this would be, suffice it to say that 45 percent of the huge nationwide tax exempt municipal bond market is composed of New York City debts. Its default would be a disastrous blow to confidence in the rest of that market. Its reverberations would affect corporate bonds and securities, in the United States and abroad. According to other reports in the press, London and Rome are in even worse condition than New York City.

It is to be hoped and prayed that the strenuous efforts now being made in New York to stave off the evil day will succeed. Mr. Rohatyn himself has long been among the many who believed that enactment of this Atlantic Convention resolution is the thing that would have the most Atlantic-wide impact in restoring confidence. Both in 1972 and in 1973 this resolution, cosponsored in the Senate by both the majority and minority leaders and many others, was approved without one dissenting vote. There seems little doubt of Senate approval again this year. Surely, it is time for the House to expedite enactment.

TIME FOR LEADERSHIP

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. HARRINGTON. Mr. Speaker, it seems fitting that on the day of yet another energy debate—the latest in a long series, distinguished only by the lack of meaningful or realistic solutions—that we consider an article written by Mr. Hobart Rowen which appeared in the September 18 edition of the Washington Post.

I join with Mr. Rowen in questioning not only the President's policy toward energy conservation, and more specifically oil decontrol, but also our own path in attempting to hammer out a viable and comprehensive energy policy.

The text of Mr. Rowen's insightful article follows:

OIL: THERE'S STILL TIME FOR LEADERSHIP

(By Hobart Rowen)

With a grand contempt for logic, the same President who vetoed price controls on domestic oil and then cheered Congress' failure to override the veto as "a victory for all Americans," has been jawboning the oil cartel against a price increase on *their* oil.

If you believe President Ford, an increase by the Organization of Petroleum Exporting Countries cannot be justified. But the inevitable increases in domestic oil prices, he says, would merely start America "on the road to energy independence."

This is just so much baloney. Further increases in oil prices—domestic or OPEC—will be inflationary and—coming at a time when economic recovery is fragile at best in the United States, and hasn't really got started elsewhere in the world—should be avoided if possible.

"High oil prices," Treasury Secretary William W. Simon told the World Bank and International Monetary Fund meetings in Washington a few days ago, "lie at the root of much of the world's recent inflation and the recession that followed. Yet now the possibility of another increase in oil prices looms on the horizon."

Simon was talking about the possibility that OPEC later this month will decide on yet another price boost to supplement the 500 per cent increase in the two years since the Yom Kippur war in 1973.

The Secretary is, of course, correct about the impact of the excessive price rise. Only recently have some of the poor nations begun to comprehend how much of their economic woes are traceable to OPEC. A doctoral thesis by a young Bangladesh diplomat, Sheik Rustum Ali, is one evidence of this.

Ali said that unless the oil price situation changes, "Some oil-less countries will go broke. They won't be able to remain independent in an economic sense."

But if another OPEC price boost would hit all oil consumer-nations in the pocketbook, how does the U.S. oil price increase under a decontrolled system differ? The answer is that it doesn't. Moreover, any boost in the U.S. price structure would merely offset some evidence of weakness in world market prices.

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But for another, a Democratic-controlled Congress has not had the guts to produce a meaningful energy conservation program that would reduce reliance on OPEC oil and truly get the nation started—not on independence of foreign oil—but on *less* dependence which in turn could weaken OPEC's ability to set prices.

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It may be okay for Democrats Kennedy and Hollings to blast Mr. Ford for being willing to decontrol oil prices but neither they nor any other Democrats have shown the leaderships necessary to turn this country away from the enormous waste of energy on the highways and in the homes.

There is still time to avoid the inflationary perils of sudden decontrol and to work out some rational conservation program. But the President will have to yield on his stubborn insistence that control can't be extended for more than 39 months. And a majority of Democrats will have to show some signs that they can buck the big money interests in Detroit and Texas.

NORTH CAROLINA AND NATURAL GAS

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. HEFNER. Mr. Speaker, I am introducing today with other Members of the North Carolina delegation a bill which can help relieve the disastrous effect that the natural gas shortage threatens to have on industries and their employees in the Middle-Atlantic and some Midwestern States this winter.

This bill would clarify the Natural Gas Act to explicitly exempt from Federal Power Commission price regulation those high priority industrial users of natural gas who are subject to curtailment this winter and who purchase available supplies of natural gas on the intrastate market. It would also explicitly permit interstate pipelines to transport this additional gas to the high priority purchasers, subject to Federal Power Commission jurisdiction.

Legislative clarification of the Natural Gas Act is necessary here because the Federal Power Commission by a rulemaking has already put into effect these emergency measures to deal with the industrial curtailment problem this winter even though there may be legal challenges to its authority to establish such a policy. This legislative clarification has been requested by the Federal Power Commission and similar provisions have been proposed to the Congress by the Federal Energy Administration, with the concurrence of the Office of Management and Budget.

Congressional action is also necessary on this matter because the Federal Power Commission began encouraging industries who faced reduction or elimination of their natural gas supply and who lacked alternative fuel capabilities to explore the possibility of arranging such direct purchase and transportation agreements. A number of industrial users in the position have done this. I believe that we should grant these industries the protection of knowing that their arrangements will be lawful.

In addition, I am cosponsoring with Mr. Preyer and Mr. Broyhill a bill which would permit interstate pipelines who are unable to meet their firm contractual requirements as a result of curtailment plans filed with the Federal Power Commission to purchase unregulated natural gas on the intrastate market and to pass on the increased costs of purchasing additional supplies.

North Carolina has been particularly hard hit by the natural gas shortage for a number of reasons. We are served by only one interstate pipeline. That pipeline is one of the most severely curtailed pipelines in the country. North Carolina has a higher percentage of industrial use of natural gas than many other States. And minimization of industrial unemployment is not an objective of Federal Power Commission curtailment priority plans. Thus, North Carolina faces a 60-percent curtailment of natural gas deliveries this winter and North Carolina industries face a 90-percent curtailment.

The entire North Carolina congressional delegation has long been concerned with this problem and has been working for a solution since the beginning of the 94th Congress.

For example, I joined with the other Members from North Carolina in sponsoring a bill in January to modify the curtailment priorities established by the Federal Power Commission and to provide for interconnections and shared supplies between pipelines. This bill was designed to protect employment in agriculture and industry where alternative fuel capabilities do not exist and to alleviate the severe regional impact of the shortage.

Although this bill has not yet been enacted I believe it shows the early and continued efforts of North Carolina Members to relieve the hardships caused by the natural gas shortage.

I am glad to see that other Members of Congress, and not just those from the most affected States, are now taking an interest in this matter. It is also gratifying to see that the administration, through the Federal Energy Administration, and the Federal Power Commission realize the need for immediate action to avoid a disastrous situation this winter.

These developments emphasize that while the most severe effects of the natural gas shortage will be felt regionally, the real effects of regional economic dislocation will have a nationwide impact. Whatever progress we in the Congress have had in alleviating the economic recession and restoring employment threatens to be undone by the natural gas situation this winter.

We now have a number of alternative proposals before us. I hope that congressional hearings on these proposals will be scheduled as soon as possible. In these hearings we can address the question of which proposals are best and which are most likely to be approved by both the Congress and the President.

These various proposals before us admittedly are only emergency measures. None will prevent curtailments. None will eliminate all of the adverse economic effects of the shortage. They can, however, help minimize these effects and more equitably distribute the curtailments.

We should not confuse the issue of a short term solution to the emergency situation this winter with a long term answer to the problem. While I have my doubts as to whether total deregulation of natural gas will have any effect at all on the immediate shortage and whether price deregulation is an equitable solution to the long range shortage, I am keeping my mind open. I realize that this is a very controversial subject, much more so than the need for action now. I hope that our debate on the latter can proceed without becoming hopelessly entangled in the long debate on deregulation.

This is an issue that cannot wait much longer to be resolved. The time for advance planning for the coming winter is now largely past us. In another month it will be gone. I urge the House to take quick action to deal with this emergency situation.

HOUSE MAJORITY WHIP JOHN McFALL WARNS ABOUT PRESIDENT FORD'S HIGH COST ENERGY POLICIES

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. BRADEMAS. Mr. Speaker, I believe that all Members of the House will read with great interest the text of an interview conducted with the distinguished majority whip of the House, the Honorable John J. McFall of California, by the journal, "The Majority Report."

The interview, which concerns issues facing the country, appears in the September 15, 1975, issue of this publication.

The interview follows:

Interview With Hon. John J. McFall

Mr. Congressman, your colleagues have been back from their August recess for about 10 days. What did they discover politically during their time in their districts? What are their constituents talking about?

Mr. McFall. The issues that worry the American people are unemployment, inflation, and energy. These are the problems that hit them, their pocketbooks and their families directly. Many constituents are angry at "Washington," and both the President and the Congress are being blamed for the nation's troubles. But I believe there is general recognition that the tax reduction which Congress initiated and enacted and the jobs and housing bills have served as brakes against rising unemployment and stimulated an economic rebound. Many constituents are impatient with the failure to bring prices, including the price of gasoline, down more quickly, and they are becoming increasingly aware that the President's high cost energy policies and his veto of oil price controls are fueling the fires of inflation.

MR. Well, what about the vetoes? The President seems convinced its good politics and that Middle America is ready to support anything that resembles a cutback in government or government spending. Have Democrats found their constituents supporting the President's veto record?

Mr. McFall. No, I don't believe so. It's my feeling, as well as the feeling of many of my Democratic colleagues that most of the President's vetoes have been unpopular with constituents generally—particularly the vetoes of the jobs bill, the emergency housing bill, education appropriations, and the oil price control extension.

In each case, however, Congress responded either with an override or new legislation. We passed a new jobs bill after the veto, minus the public works features, which the President signed. We passed housing legislation providing $10 billion for subsidized home purchases and mortgage aid following the veto of the emergency housing bill. We overrode the education veto by an overwhelming margin in the House. And we are at work on new energy proposals in the wake of the oil price control veto.

MR. What are likely to be the major legislative issues for the balance of the first session of the 94th Congress?

McFall. Three major issues: energy, the economy, and tax policy. And I believe there will be Congressional action in all three areas. A consensus will emerge in Congress on a sound and comprehensive national policy in the complex energy field. I believe we will approve further economic stimulus measures, including a major local public works bill. As passed by the House, the measure would provide $5 billion for this purpose and generate some 200,000 jobs. Meanwhile, the House Ways and Means Committee is developing legislation to continue the individual tax cut into next year and to close some of the more glaring loopholes in our tax structure, which now permit the super rich to avoid their fair share of the tax load.

MR. President Ford has elected to follow a very conservative policy on the economy. Are Republican members satisfied with this strategy? What do you hear from across the aisle?

McFall. Republican constituents are hit just as hard by unemployment and inflation as Democrats. And I think many of my Republican friends got that message when they returned home in August.

MR. Just before Congress left town, you summed up a number of legislative accomplishments of the 94th Congress. But I think it's fair to say that much of the general public is unaware of this record. Why?

McFall. Two reasons. First, we simply haven't done a good enough job in making the public aware of our positive accomplishments—in stimulating the economy through the tax cut, in providing jobs and help for home buyers, in helping the elderly cope with inflation through the Social Security benefits increase, and others.

Second, the President's rhetoric and his partisan jibes at Congress have tended to obscure our progress and our achievements not only on energy, but in other areas. The surest way to get our message across is to enact effective legislation that comes to grips with the nation's problems, and that is what we are doing.

MR. In your judgment, what is likely to be the principal legislative accomplishment of the first session?

McFall. The tax cut, most economists agree, has been the single most important action in arresting the recession and setting us on the road to economic recovery.

MR. Why has Congres had such a difficult time putting together a coherent, straightforward energy program? That's a question one hears frequently. What's the answer?

McFall. Well, we are dealing with enormously complex issues that do not lend themselves to instant solutions. Congress has had the political courage to face that fact responsibly. I'm not sure the President has.

There is no single answer to our energy problems, nor is there anything approaching a national consensus or geographical unity. Our solutions must include a mix of conservation measures, development of new energy sources and energy pricing that must be delicately balanced so that it neither penalizes consumers, punishes industry, nor jeopardizes the hard-won beginning of economic recovery.

BIG CITY TRANSIT SERVICE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. FRENZEL. Mr. Speaker, last week the Washington Star carried an editorial by Tom Wicker in which he referred to the fact that a New York Times survey disclosed that—

> Numerous communities—Atlanta, Seattle, and St. Louis, for examples—by combining lowered fares with a small sales tax earmarked to support transit service, have achieved huge increases in ridership while greatly improving the quality and extent of service.

The message of Mr. Wicker's sermon is all we have to do is subsidize all the operating costs of mass transit systems to get people to scrap their automobiles. Unfortunately, Mr. Wicker's opinion is widely held throughout the country by people who react in traditional ways to problems that they know little about. In each city mentioned by Mr. Wicker recently released statistics to show that initial modest increases in ridership have not been maintained.

In Seattle, for example, mass transit ridership has actually decreased over the first 8 months of 1975. Atlanta, after an initial 10-percent rise in 1972 has recorded progressively smaller ridership increases with the first 5 months of 1975 showing a 2-percent rise of a comparable period of 1974. Atlanta's performance is especially disappointing in view of a drastic 25-cent fare reduction.

The St. Louis mass transit system has experienced only moderate increases since the fare was reduced.

Another factor which obscured the significance of decreased transit fares was the Arab boycott. During 1974 the impact of a fuel shortage and spiraling energy costs result in increased utilization of all transit facilities even in cities where fares had been increased. The increases which Mr. Wicker and others would attribute to low fares can be reasonably attributed to factors like the embargo, unrelated to fare reductions. Normally, something given away free will sell better than something with a price on it. Lower prices will command better sales than higher prices. But ridership of mass transit often seems to defy these lessons of the marketplace. In other words, demand for mass transit is remarkably inelastic.

The reason is simple. Existing transit systems are not designed to meet the needs of most Americans. Given any kind of other choice, even with high-priced gasoline and crowded highways, any American who can opts for his or her auto. In the large cities of the East, there is the commuters exception. But there, no choice is available.

The machination of attracting riders by lowering the rates is a strategy that provides at best only temporary improvements in ridership. Not only do low fare ploys fail to sustain increased ridership, they quickly contribute to the growing operating deficits that imperil the fiscal integrity of all of our major cities. These deficits are growing into a financial burden that neither local nor Federal Government can realistically assume.

The answers are not easy. But, we cannot ever find them unless we know some of the problems. The most obvious answer is to provide a transit alternative that people will want to use. Since we already know that existing technologies are unattractive to passengers, it seems to me that we can better apply public funds to the development of new technologies that people will choose to utilize.

In general, and with specific commutation exceptions, only the very old, the very young, the lame, and the disadvantaged ride our transit system. They are neither designed, operated, or promoted to attract ridership. Subsidized rides attract more of the same, but subsidized rides do not lure people out of their cars.

WANT TO PLAY A GAME?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 1975

Mr. McDONALD of Georgia. Mr. Speaker, Mr. Lee Anderson, the editor of the Chattanooga Free Press, has won many awards from the Freedom Foundation at Valley Forge, Pa., for the insight and courage of his writing dealing with the cause of freedom and has recently come up with yet another extremely incisive editorial printed on April 27, 1975.

This concerns the balance sheet of who is winning the ideological struggle in the world, the free people or the Communists. It is an editorial that ought to be read by every thinking American. The free world has lost South Vietnam, Cambodia, and Laos in the last year. Portugal still teeters on the brink of total Marxian disaster. Peru and Panama lean heavily leftward in this hemisphere. The Republic of the Philippines has declared its neutrality. Thailand is sorely weakened and in poor condition to face the coming Red onslaught. Black Africa "has a red shadow" over it. Therefore, this editorial is extremely timely and I wholeheartedly commend it to the attention of my colleagues:

WANT TO PLAY A GAME?

There's a little game we'd like to suggest you play.

Most games are fun. But we'd better warn you in advance that this one isn't. But if it makes a point, it might save your life and your freedom.

All you need is a piece of paper and a pen or pencil. On the left side of the paper, write in a column the names of all the countries that you can think of that have come under Communist control since World War II.

To help you start off, big Poland would be a proper country to put at the top of the list of countries the Reds have taken. Then East Germany is a natural. You probably have already thought of Hungary, because you recall the dramatic pictures of its Freedom Fighters throwing rocks at those Russian tanks. Czechoslovakia naturally comes to mind because of similar circumstances.

We'll guess you might miss Latvia, Lithuania and Estonia. They're little countries along the Baltic Sea that Russia completely gobbled up. And don't forget Yugoslavia, Romania and Bulgaria.

Leave some room on your list here, if you want to keep the European nations together, because before the game is over, there may be some of the Mediterranean countries to add, because there is danger in many of them today.

Now let's jump over to Asia. Red China surely will be the first nation to come to your mind as a major Communist seizure. And Cambodia and Vietnam are fresh in our consciousness. Put a question mark by Laos, if you like, because it is part Red and under a compromise government. Don't forget North Korea. And you had better save some space in your Asian list, too.

How about our own hemisphere? Cuba, of course. Save space for some of the Latin American countries that are current subjects of the exporters of Red revolution.

You'd better save some room for African countries, too.

Can you think of any you've missed?

Now for the next step of this "game," list in a column on the right side of your paper the names of all of the countries that have been under Communist control and have escaped it since World War II?

Can't think of any? Well, maybe Austria ought to be listed, since it was released from Russian post-war occupation. But others?

Have you noticed how long the Red list is and how short the free list is by comparison?

Now, at the top of your paper, you ought to write the name of this game. It could be one of several.

You might call it "detente." Or you could call it "negotiation," or "not standing up," or "surrender," or "looking the other way," or any number of things.

You say you're tired of it and don't want to play this game any more? We agree.

But we're still playing it . . . Guess who's winning.

HOUSE OF REPRESENTATIVES—*Friday, September 19, 1975*

The House met at 12 o'clock noon.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. O'NEILL) laid before the House the following communication from the Speaker:

SEPTEMBER 19, 1975.

I hereby designate the Honorable THOMAS P. O'NEILL, JR., to act as Speaker pro tempore today.

CARL ALBERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let us serve the Lord with gladness, for the Lord is good, His mercy is everlasting and His truth endureth to all generations.—Psalms 100: 3, 5.

Almighty God, whose love is eternal, whose power is infinite, and whose truth endureth forever, have mercy upon this land we love and upon all who live thereon. So guide our leaders and so lead our people that good will may dwell in every heart, justice may be fully established among us, and peace may live in every home, in every state, and in every nation.

To this end give us understanding minds, loving hearts, and gentle spirits that our decisions and our efforts may always be for the best interest of our people. By worshipping Thee may our love be stimulated, by waiting upon Thee may our strength be renewed, and by walking humbly with Thee may we find our way to a greater life together.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and without objection announces to the House his approval thereof.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate failed to agree to the resolution (S. Res. 239) entitled "Resolution disapproving the alternative plan for pay adjustments for Federal employees."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4222) entitled "An act to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition program."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2264. An act to authorize the Public Printer to designate employees to administer oaths.

The message also announced that the Vice President, pursuant to Public Law 84-689, appointed Mr. SPARKMAN to be a delegate, on the part of the Senate, to the North Atlantic Assembly to be held in Copenhagen, Denmark, September 21 to 27, 1975.

OFFICE SPACE FOR HOUSE MEMBERS

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, I call to the attention of my colleagues a column in Roll Call entitled "Ten Years Ago This Week." It relates that we committed ourselves 10 years ago to the construction of the James Madison Library Building on the last remaining open area on Capitol Hill. The building shell is now just about finished. It will house books.

At that time the eminent and revered dean of the Texas delegation who is sitting a few feet from me said to the House:

> This I believe is a serious mistake because the day may come when that space will have to be used for offices for Members of the House.

But no one heeded him. Today we are in an ordeal, because we need the space for offices for Members of the House. I hope we now acquire it.

I thought I would take this opportunity to pay tribute to the gentleman from Texas, the dean of the Texas delegation (Mr. PATMAN), who was so foresighted in this matter.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON H.R. 9600, RESCINDING CERTAIN BUDGET AUTHORITY

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report to accompany the bill H.R. 9600, a bill to rescind certain budget authority recommended in the message of the President of July 26, 1975 (H. Doc. 94-225), transmitted pursuant to the Impoundment Control Act of 1974.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

KING OF CAPITOL HILL CONTEST

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, much has been made recently over the CBS sponsored "King of Capitol Hill" athletic contest to be conducted at the University of Maryland tomorrow. The world should know, that even though the President's Council on Physical Fitness has declared handball the best all-around physical conditioner, at 3: 08 p.m. yesterday the athletic leader of the other body—the junior Senator from Connecticut—declined to accept a challenge from the House to compete in this sport of sports. I know all Members of the House join me in regretting the unwillingness of the other body to match its prowess against the House in an area of obvious national consequence.

A $1.6 BILLION SAVINGS TO TAXPAYERS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the vote in the Senate yesterday voting down the resolution to disapprove the President's recommendation that Federal pay raises be limited to 5 percent will result in the biggest saving to the taxpayers in many a moon—$1.6 billion.

The House could, of course, reverse the action by passing a disapproval resolution, but I cannot imagine any Member who voted against the Members being included in this most recent cost-of-living increase would change his vote, and over and above these Members there are some of us who supporting reasonable raises for Members of Congress and the Judiciary have all along supported the President's suggestion to hold the pending pay raise to 5 percent.

Incidentally, Federal employees, exclusive of Members of Congress, the judiciary, and higher levels of the executive branch, have had seven cost-of-living increases totaling 42 percent since 1969. So, I personally feel one can be consistent in holding to the 5-percent figure for those who have had all these raises since 1969 and still support some reasonable figure in excess of that for those who have been frozen without one increase since 1969.

And I might say in conclusion, Mr. Speaker, I do not like the idea of tying our own salaries to an automatic escalator. I voted to raise my pay in the past when I thought it was justified and prefer it to be a vote open and above board. The folks back home respect you more and appreciate you more if you tell them quite frankly what you feel you are worth rather than apologizing for it.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. pro tempore (Mr. O'NEILL). Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 525]

Andrews, N.C.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Barrett
Bell
Biaggi
Brooks
Broomfield
Brown, Mich.
Burton, Phillip
Casey
Cederberg
Chisholm
Conyers
Danielson
Diggs
Dodd
Early
Edwards, Ala.
Esch
Eshleman
Fary
Ford, Mich.
Fraser
Frenzel
Giaimo
Gibbons
Goldwater
Guyer
Harrington
Hays, Ohio
Hébert
Heckler, Mass.
Jeffords
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kelly
Koch
Landrum
Lehman
Lent
Levitas
Long, La.
Lujan
McClory
McDonald
McHugh
Macdonald
Matsunaga
Metcalfe
Mikva
Mills
Mollohan
Montgomery
Moorhead, Calif
Moorhead, Pa.
Morgan
Moss
Murphy, N.Y.
Nichols
O'Hara
Pattison, N.Y.
Peyser
Price
Randall
Reuss
Rhodes
Risenhoover
Rodino
Rose
Rosenthal
Rousselot
Roybal
Ruppe
Scheuer
Sisk
Stephens
Teague
Udall
Vigorito
Whitehurst
Wilson, Bob
Young, Alaska
Zeferetti

The SPEAKER pro tempore. On this rollcall 340 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF CONFEREES ON H.R. 8561, AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8561) making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and without objection appoints the following conferees: Messrs. WHITTEN, SHIPLEY, EVANS of Colorado, BURLISON of Missouri, BAUCUS, PASSMAN, NATCHER, CASEY, MAHON, ANDREWS of North Dakota, ROBINSON, MYERS of Indiana, and CEDERBERG.

There was no objection.

REFORM OF RULEMAKING PROCEDURES

(Mr. EVANS of Colorado asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Colorado. Mr. Speaker, I am today introducing a bill designed to give the Congress more control over the implementation of laws passed by it.

All too often we have seen the executive branch pervert the intent of Congress by issuing rules and regulations which are not in accord with the theme of the originating legislation.

In order to rectify this situation, I am introducing this bill which will amend the Administrative Procedures Act to include the role of the Congress in the rulemaking process. The bill will also provide for a procedure for consideration of offending rules and regulations in both Houses of the Congress.

The time for this type of reform is here. We have all felt the frustration of passing a law and then standing by helpless while the responsible agency turns it into a creature of their own with no relation to the original act. This bill will allow us to reaffirm our constitutional duty to legislate responsibly and authoritatively.

PROVIDING FOR CONSIDERATION OF S. 584, RETIREMENT CREDIT FOR NATIONAL GUARD TECHNICIAN SERVICE

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 727 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 727

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 584) to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. McFALL). The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 727 makes in order the consideration of S. 584, correcting certain inequities in the crediting of National Guard technician service in connection with civil service retirement.

The resolution is an open rule providing for 1 hour of general debate on S. 584.

This legislation has been under consideration for some time now. It has on several occasions passed one or both Houses of Congress but has never been enacted.

The bill is simply intended to enable National Guard technicians to receive full credit for retirement purposes.

Under current law their service is credited at only 55 percent.

Mr. Speaker, I urge adoption of the resolution so that we can proceed to debate S. 584.

Mr. Speaker, I move the previous question on the resolution.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman has explained this rule, House Resolution 727, which provides for consideration of S. 584, retirement credit for National Guard technician service. The rule is open, allows 1 hour of general debate, and makes the committee substitute in order as an original bill for the purpose of amendment.

Under the National Guard Technicians Act of 1968, credit for technician service performed prior to January 1, 1969, is permitted only in the case of an employee who performs service as a technician on or after January 1, 1969. Thus, if an employee served for 10 years prior to 1969, but left his position before 1969, he is not eligible to receive credit even though he serves in some other position under the civil service retirement system after January 1, 1969.

S. 584, as amended by the committee, provides full credit for pre-1969 National Guard technician service for annuity computation purposes to those employees who have served under the technician program on or after January 1, 1969. The committee, therefore, has amended the bill, as passed by the Senate, to continue in effect the existing limits for credit for pre-1969 service to those persons who perform as a technician on or after January 1, 1969. An individual who does not so serve on or after January 1, 1969, will receive no credit for civil service retirement purposes for pre-1969 technician service under this legislation.

Mr. Speaker, while the enactment of S. 584 will increase the unfunded liability of the civil service retirement and disability fund by approximately $128 million, it will not result in a greater retirement benefit for National Guard technicians than has been provided for other groups of employees brought under the civil service retirement program. I support this rule, and I heartily endorse the passage of this legislation. Its enactment will correct a long-existing inequity in the Federal retirement system.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 6227, RIGHT TO REPRESENTATION DURING QUESTIONING

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 724 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 724

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6227) to amend title 5, United States Code, to provide Federal employees under investigation for misconduct the right to representation during questioning regarding such misconduct. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. McFall). The gentleman from Florida (Mr. Pepper) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 724 provides for an open rule with 1 hour of general debate on H.R. 6227, right to representation during questioning.

H.R. 6227 provides an employee of an executive agency who is under investigation for misconduct which could lead to suspension, removal, or reduction in rank or pay the right to be advised in writing of the investigation and the right to representation during period of questioning regarding such misconduct. Under existing law, an employee's right to representation, in connection with disciplinary proceedings, arises only after a formal charge has been filed against the employee.

H.R. 6227 would provide needed protection for Federal employees similar to that provided private sector employees under the National Labor Relations Act.

Mr. Speaker, I urge the adoption of House Resolution 724 in order that we may discuss and debate H.R. 6227.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as has been noted, this rule provides for 1 hour of general debate for the consideration of H.R. 6227. This bill provides Federal employees under investigation for misconduct the right to representation during questioning regarding such misconduct. The rule provides that this bill will be open to all germane amendments. There are no waivers of points of order in the rule.

While the rule is straightforward, there are some problems in the bill, Mr. Speaker. According to the minority views signed by eight members of the Committee on Post Office and Civil Service, the bill will have serious detrimental effects on personnel-management in the Federal service and on the employee-supervisor relationship. It would establish an adversary relationship long before there is any consideration of adverse action. The minority views further point out that, if enacted, this bill would create an artificial wall between a supervisor and an employee precluding the most elementary inquiries into day-to-day activities.

Mr. Speaker, in light of these problems, I am opposed to this bill.

Mr. Speaker, I have no requests for time.

Mr. PEPPER. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. McFall). The question is on the resolution.

The question was taken and the Speaker pro tempore announced that the ayes appear to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 321, nays 26, not voting 86, as follows:

[Roll No. 526]

YEAS—321

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Archer
AuCoin
Baldus
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Butler
Carney
Carr
Carter
Chappell
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Dickinson
Diggs
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Forsythe
Fountain
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hyde
Howe
Ichord
Jacobs
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Krebs
Krueger
LaFalce
Lagomarsino
Leggett
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Murphy, Ill.

Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roberts

Robinson
Roe
Rogers
Roncalio
Rooney
Rostenkowski
Roush
Runnels
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.

Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thone
Thornton
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—26

Abdnor
Bauman
Broyhill
Burleson, Tex.
Byron
Clawson, Del
Collins, Tex.
Crane
Derwinski

Devine
Duncan, Tenn.
Flynt
Hansen
Hutchinson
Kindness
Latta
Lott
McDonald

Passman
Quillen
Satterfield
Schneebeli
Shuster
Symms
Taylor, Mo.
Waggonner

NOT VOTING—86

Andrews, N.C.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Barrett
Bell
Biaggi
Brooks
Broomfield
Brown, Mich.
Burton, Phillip
Casey
Cederberg
Chisholm
Conyers
Danielson
Dingell
Dodd
Early
Edwards, Ala.
Esch
Eshleman
Fary
Ford, Mich.
Fraser
Frenzel

Gibbons
Goldwater
Guyer
Harrington
Hastings
Hays, Ohio
Hébert
Jeffords
Johnson, Calif.
Jones, N.C.
Karth
Kelly
Koch
Landrum
Lehman
Lent
Levitas
Long, La.
Lujan
McClory
McHugh
Madden
Matsunaga
Metcalfe
Mills
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Morgan

Moss
Murphy, N.Y.
Nichols
O'Hara
Peyser
Randall
Rhodes
Risenhoover
Rodino
Rose
Rosenthal
Rousselot
Roybal
Ruppe
Ryan
Sisk
Stanton, James V.
Stephens
Teague
Thompson
Traxler
Udall
Vigorito
Whitehurst
Wilson, Bob
Young, Alaska
Zeferetti

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Hébert against.

Mr. Zeferetti for, with Mr. Casey against.

Mr. Thompson for, with Mr. Teague against.

Until further notice:

Mr. Rodino with Mr. Montgomery.

Mr. Morgan with Mr. Andrews of North Carolina.

Mr. Biaggi with Mr. Ashley.

Mr. Barrett with Mr. Aspin.

Mr. Koch with Mr. Danielson.

Mr. Lehman with Mr. Early.

Mr. Matsunaga with Mr. Fary.

Mr. Rosenthal with Mr. Harrington.

Mr. Roybal with Mr. Risenhoover.

Mr. Murphy of New York with Mr. Ryan.

Mr. Nichols with Mr. Ruppe.

Mr. Randall with Mr. Rousselot.

Mr. Badillo with Mr. Bell.

Mr. Phillip Burton with Mr. Frenzel.

Mrs. Chisholm with Mr. Dingell.

Mr. Madden with Mr. Bafalis.

Mr. Long of Louisiana with Mr. Goldwater.

Mr. Levitas with Mr. Conyers.

Mr. Metcalfe with Mr. Mills.

Mr. Moss with Mr. Guyer.

Mr. Hays of Ohio with Mr. Eshleman.

Mr. Brooks with Mr. Ashbrook.

Mr. Dodd with Mr. Hastings.

Mr. McHugh with Mr. Jeffords.

Mr. Sisk with Mr. Broomfield.

Mr. Udall with Mr. Kelly.

Mr. Vigorito with Mr. Edwards of Alabama.

Mr. Johnson of California with Mr. Lent.

Mr. Jones of North Carolina with Mr. Brown of Michigan.

Mr. Rose with Mr. Lujan.

Mr. O'Hara with Mr. McClory.

Mr. Gibbons with Mr. Cederberg.

Mr. Landrum with Mr. Esch.

Mr. Ford of Michigan with Mr. Mitchell of New York.

Mr. Fraser with Mr. Moorhead of California.

Mr. Karth with Mr. Peyser.

Mr. James V. Stanton with Mr. Stephens.

Mr. Traxler with Mr. Whitehurst.

Mr. Bob Wilson with Mr. Young of Alaska.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 7222, TO INCREASE THE CONTRIBUTION BY THE FEDERAL GOVERNMENT TO THE COST OF EMPLOYEES GROUP LIFE INSURANCE

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 725 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

The SPEAKER pro tempore (Mr. McFall). The gentleman from New York (Mr. Delaney) is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. Latta), pending which I yield myself such time as I may consume.

H. Res. 725

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the (H.R. 7222) to increase the contribution by the Federal Government to the costs of employees' group life insurance. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, House Resolution 725 makes in order the consideration of H.R. 7222, a bill to increase the contribution by the Federal Government toward the cost of Federal employees' group life insurance.

House Resolution 725 provides for an open rule with 1 hour of general debate.

H.R. 7222 increases from 33⅓ percent to 50 percent the Government's contribution toward the cost of Federal employees' regular life insurance coverage. The current employer-employee contribution rates have remained unchanged since the establishment of the Federal employees' group life insurance program was established in 1954.

H.R. 7222 would not become effective until January 1977.

H.R. 7222 was brought up on suspension during June, and received a vote of 245 ayes, and 145 nays, narrowly missing the required two-thirds majority.

Mr. Speaker, I urge the adoption of House Resolution 725 in order that we may discuss and debate H.R. 7222.

Mr. LATTA. Mr. Speaker, I am opposed to this rule and I am opposed to this bill. I think the Members of Congress ought to be forewarned that there are provisions contained in this legislation for them; that the life insurance premiums for them will be reduced to 50 percent and the Government will pick up 50 percent, as is the case for all Federal employees.

The Government now picks up a third of the tab, and this bill is going to go into the taxpayers' pockets to the tune of $310 million over the next 5 years. If the Members want to know how much they are going to get into the taxpayers' pockets for each year, I will give them those figures. For fiscal year 1977, $70 million; for fiscal year 1978, $75 million; for fiscal year 1979, $80 million; for fiscal year 1980, $85 million.

Mr. Speaker, I believe this is a piece of legislation, in view of the precarious fiscal situation we find ourselves in, which can be passed over. For this reason, I oppose this rule and oppose the bill.

Mr. DELANEY. Mr. Speaker, may I just say that this is not effective until January 1977.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5397, TO AUTHORIZE THE RETIREMENT OF EMPLOYEES AFTER 30 YEARS OF SERVICE

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 723 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 723

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5397) to amend chapter 83 of title 5, United

States Code, to authorize the retirement of employees after thirty years of service. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from New York (Mr. DELANEY) is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 723 provides for an open rule with 1 hour of general debate on H.R. 5397, a bill amending title 5, United States Code, to authorize the retirement of U.S. Government employees after 30 years of service.

The purpose of H.R. 5397 is to authorize the voluntary retirement of a Federal employee under the civil service retirement provisions after completing 30 years of service, without regard to age. However, H.R. 5397 provides that the annuity of an employee who is under age 55 at the time of retirement will be reduced by 2 percent for each full year he is under age 55.

Under present law Federal employees may retire at age 55 with 30 years of service, at age 60 with 20 years of service, or at age 62 with 5 years of service.

It is estimated that the enactment of H.R. 5397 would increase the unfunded liability of the civil service retirement fund by $3.4 billion which would be amortized by 30 equal annual payments of $209.6 million.

Mr. Speaker, I urge the adoption of House Resolution 723 in order that we may discuss and debate H.R. 5397.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just indicated my opposition to H.R. 7222, the bill made in order by the last rule we considered. H.R. 7222 is really peanuts when we consider the cost of this legislation, H.R. 5397, to the taxpayer.

Mr. Speaker, this legislation, if passed, will increase the unfunded liability of the civil service retirement fund by $3.4 billion, requiring an annual payment of $209 million for the next 30, I repeat, 30 years.

Mr. Speaker, when we consider the real cost of this legislation to the Government, including the interest, we are talking about a figure of $6.2 billion.

Mr. Speaker, this rule should not pass. This legislation should not be considered at this time by this House. For that reason, I oppose the rule and I will ask for a vote on the rule.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. FINDLEY. I thank the gentleman for yielding.

Mr. Speaker, the gentleman described this as an unfunded liability. The money is going to have to come from some place. Will the gentleman tell us from where?

Mr. LATTA. The money is going to come from the taxpayers, just like all the rest of it.

Mr. FINDLEY. If the gentleman will yield further, it will come out of the general revenue; is that correct?

Mr. LATTA. Yes.

Mr. FINDLEY. I thank the gentleman.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise in opposition to H.R. 5397, which would permit Federal employees to retire at any age upon completion of 30 years of service.

The civil service retirement program is one of the most progressive in existence. According to a Civil Service Commission study of 1973, only the State of New York has a more liberal retirement program and it is experiencing financial difficulty. In terms of retirement eligibility and benefit payments, the Federal Government is more liberal than those offered in the private sector.

To change to a service-only retirement test, as proposed in this measure, from the more meaningful age and service retirement tests would go considerably beyond the present retirement law, which provides for optional retirement at or after age 55 with at least 30 years of service, age 60 with 20 years of service, and age 62 with 5 years of service.

This bill would have the effect of inducing experienced employees with valuable talents to retire from the Government at the time of their greatest potential, and seek employment in the private sector. Conversely, marginal employees who could not readily find outside employment would continue in Federal service. Therefore, we would have the worst of both worlds—the more competent employee leaving the Government, and the less competent employee staying on board.

Another factor to keep in mind is the increasing percentage of older and retired people in our population. For the economic good of our country, it is important to utilize the skills and experience of our country, it is important to utilize the skills and experience of our older citizens rather than to encourage early retirement.

I believe most people would find it difficult to understand why the Government, as an employer, should encourage its employees to retire at the peak of their productive capacity.

In addition to this waste of our human resources, the outrageous cost of this legislation cannot be justified.

The Civil Service Commission estimates H.R. 5397 would increase the unfunded liability of the civil service retirement fund by $3.4 billion, requiring an annual payment of $209.5 million over a 30-year period.

The President has urged that no new spending initiatives be enacted this year which would require increased Federal spending over the recommended budget amounts. I support the President's recommendations, and I believe that no further liberalizations in the civil service retirement system should be considered until completion of the review of total compensation of Federal employees which is being undertaken by the executive branch.

Mr. Speaker, this is no time to be spending money we do not have to liberalize an already most progressive retirement program.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I want to thank the gentleman for yielding.

I asked the gentleman to yield for this purpose: The question came up as to whether or not there would be any reduction in the retirement benefits of a person who had 30 years in Federal service and who might retire at, say, age 54. Would there be any reduction in benefits in that case under this legislation?

Mr. DERWINSKI. There is under the present law.

Mr. LATTA. Under the present law, that is correct. But under this legislation as written, if one has 30 years of service in, regardless of age, he can retire without a reduction in benefits; is that correct?

Mr. DERWINSKI. The gentleman is correct.

Mr. LATTA. Mr. Speaker, I think we ought to make that clear in the RECORD, because some question has arisen on the subject.

Mr. DELANEY. Mr. Speaker, if the gentleman will yield, that would be 2 percent. The chairman of the subcommittee of the Committee on Post Office and Civil Service could explain that; he has pointed out that we should leave that in until we debate the bill. This is merely discussion on the rule.

Mr. LATTA. Mr. Speaker, if the gentleman from Illinois will yield further, there seems to be some discrepancy here as to what this legislation provides, and I think we ought to know more about it before we even vote on the rule.

Mr. DELANEY. Mr. Speaker, the chairman of the subcommittee will explain that to us if he is given an opportunity.

Mr. LATTA. Regular order, Mr. Speaker. The gentleman from Illinois (Mr. DERWINSKI) has the time.

Mr. DERWINSKI. Mr. Speaker, if the gentleman will permit me, I will attempt to give an answer.

Just taking the gentleman's question, if the question was asked concerning age 55, then the gentleman's statement is correct. Retirement at age 55 and above would not carry any penalty, whereas under present law it does.

The SPEAKER pro tempore (Mr. MCFALL). The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

Mr. LATTA. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, in other words, if the gentleman would ask his theoretical question using the age of 55, my answer would have been correct. At age 54 one year of reduction would have applied.

Mr. LATTA. Even though he has 30 years in?

Mr. DERWINSKI. Thirty years, that is right.

Mr. LATTA. Mr. Speaker, if the gentleman will yield further, I will point out that I believe we should have that correctly stated in the RECORD.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, there are a number of Members on the floor at this time, perhaps more than will be here when the general discussion of the bill occurs in the Committee of the Whole House, and that is why I have asked the gentleman to yield, because I believe this bill raises a very fundamental question that all of us ought to think seriously about.

That question is whether it is good policy for the Congress to encourage early retirement or not.

I have come to the conclusion in recent years that we ought to be moving in the other direction. By public law or by regulation, we ought to encourage people to keep working for their own benefit as well as for the benefit of the Public Treasury and the good of the entire country.

Therefore, I think that fundamental issue is clearly before us in this bill.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I take this time only to observe what we are doing in this instance and in several other instances today from a procedural viewpoint.

The gentleman from Mississippi (Mr. LOTT) earlier in bringing up one of the rules referred to it as a "filler." I assume he meant that this is Friday, and there are a number of Members missing, but still we must keep up appearances of some work.

These rules are lesser matters perhaps, compared to the constellation of legislation to be considered here in the House, and Friday, when some of the Members have to be away, is a good time to bring them up.

But this irregular procedure is a fundamental change from past practice. In the old days, we used to bring up a rule. We would raise substantive questions such as have been raised here today during the consideration of the rule. Following the adoption of the rule there would be the general debate on the same bill, with respect to which the questions could be answered and expanded upon, and then amendments could be considered under the 5-minute rule. Finally, a vote would be taken and the bill disposed of by the House, all in 1 day. We would usually have 1 or 2 days or even 2 weeks for the continuous consideration of more difficult measures.

However, what we have been doing in the House, particularly in the last few months, is to completely drop this orderly procedure for the continuous consideration of a bill. In so doing the House adds another demerit in the eyes of the public, further discrediting the House and the Congress as a whole, which is now noted for its perquisites, pay raises and multiple recesses.

I believe we are embarking on a totally disorderly and disjointed procedure which does not allow Members to legislate or to vote intelligently. Indeed, even though the program for the week is announced each Friday, it is drastically changed from day to day, so that Members cannot rely on what is announced.

For example, I have seen the tentative schedule for next week. I notice that on Monday—I assume because of the Congressional Golf Tournament at Andrews Air Force Base, which apparently takes precedence over the Mideast problem or the energy crisis or anything else, we will just not have any rollcalls. Yet, we will be permitted to have general debate on the bills, the rules of which were adopted today. The schedule appears to indicate that on next Thursday and the balance of the week we will be able to vote on these same bills and amendments, all under totally disjointed procedures. When the roll is called, Members will be walking around the floor saying, "What is this?" And under the majority party whip procedure, they will be given the word, thumbs up or thumbs down, with many of them not even knowing what they are voting on.

I think this new procedure is a fundamental denial of the rights of the membership by the leadership on the Democratic side. It is wrong to handle legislation in this manner, whether it is judged important or not. If the Congress of the United States sees fit to consider any bill it is important and should be treated as such.

Mr. Speaker, I think it is a mistake to deviate from our past orderly practices, and I think the blame has to be placed on those who control the House, the majority party. I would hope that Members of both parties would join me in asking the leadership to abandon this disorderly practice.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 269, nays 72, not voting 92, as follows:

[Roll No. 527]

YEAS—269

Addabbo
Alexander
Anderson, Calif.
Andrews, N. Dak.
AuCoin
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Butler
Carney
Carr
Carter
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Daniel, Dan
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Drinan
du Pont
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Fountain
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goodling
Grassley
Green
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Jacobs
Jenrette
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Krebs
Krueger
LaFalce
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
McCloskey
McCormack
McDade
McFall
McKay
McKinney
Macdonald
Madden
Maguire
Mann
Mathis
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pike
Pressler
Price
Quie
Railsback
Rangel
Regula
Reuss
Richmond
Riegle
Rinaldo
Roe
Roncalio
Rooney
Rostenkowski
Roush
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Skubitz
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thone
Thornton
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—72

Abdnor
Adams
Archer
Bauman
Beard, Tenn.
Bennett
Broyhill
Burleson, Tex.
Byron
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Collins, Tex.
Crane
Daniel, R. W.
Dent
Derrick
Derwinski
Devine
Dickinson
Duncan, Oreg.
Duncan, Tenn.
Erlenborn
Fenwick
Findley
Flynt
Forsythe
Gradison
Hagedorn
Haley
Hicks
Hinshaw
Holt
Hutchinson
Hyde
Ichord
Jarman
Johnson, Pa.
Jones, Okla.
Kasten
Kindness
Lagomarsino
Latta
Lott
McCollister
McDonald
McEwen
Madigan
Mahon
Martin
Michel
Mills
Pickle
Poage
Pritchard
Quillen
Roberts
Robinson
Rogers
Runnels
Satterfield
Schneebeli
Shuster
Slack
Smith, Nebr.
Snyder
Stratton
Symms
Taylor, Mo.
Teague
Waggonner

NOT VOTING—92

Abzug
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Barrett
Bell
Biaggi
Brooks
Broomfield
Brown, Mich.
Burke, Fla.
Burton, Phillip
Casey
Cederberg
Chisholm
Conyers
D'Amours
Danielson
Dodd
Early
Edwards, Ala.
Esch
Eshleman
Fary
Ford, Mich.
Fraser
Frenzel
Gibbons
Goldwater
Gonzalez
Gude
Guyer
Hansen
Harrington
Hastings
Hays, Ohio
Hébert
Howe
Jeffords
Johnson, Calif.
Jones, N.C.
Karth
Kelly
Koch
Landrum
Leggett
Lehman
Lent
Long, La.
Lujan
McClory
McHugh
Matsunaga
Metcalfe
Montgomery
Moorhead, Calif.
Morgan
Moss
Murphy, N.Y.
Nichols
O'Hara
Peyser
Preyer
Randall
Rees
Rhodes
Risenhoover
Rodino
Rose
Rosenthal
Rousselot
Roybal
Ruppe
Sebelius
Sisk
Steed
Stephens
Thompson
Traxler
Udall
Vigorito
Whitehurst
Wilson, Bob
Young, Alaska
Zeferetti

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Hébert.
Mr. Zeferetti with Mr. Casey.
Mr. Koch with Mr. Landrum.
Mr. Rodino with Mr. Philip Burton.
Mr. Morgan with Ms. Abzug.
Mr. Biaggi with Mr. Anderson of Illinois.
Mr. Hays of Ohio with Mr. Ambro.
Mr. Barrett with Mr. Bell.
Mr. Lehman with Mr. Conyers.
Mr. Matsunaga with Mr. Ashley.
Mr. Rosenthal with Mr. Andrews of North Carolina.
Mr. Nichols with Mr. Cederberg.
Mr. Thompson with Mr. D'Amours.
Mr. Randall with Mr. Edwards of Alabama.
Mrs. Chisholm with Mr. Armstrong.
Mr. Leggett with Mr. Fraser.
Mr. Metcalfe with Mr. Early.
Mr. Brooks with Mr. Ashbrook.
Mr. Udall with Mr. Gonzalez.
Mr. Johnson of California with Mr. Bafalis.
Mr. Rose with Mr. Guyer.
Mr. Jones of North Carolina with Mr. Fary.
Mr. Murphy of New York with Mr. Hansen.
Mr. Badillo with Mr. Burke of Florida.
Mr. Danielson with Mr. Jeffords.
Mr. Gibbons with Mr. Esch.
Mr. Howe with Mr. Harrington.
Mr. Karth with Mr. Broomfield.
Mr. Long of Louisiana with Mr. Kelly.
Mr. Sisk with Mr. Eshleman.
Mr. Steed with Mr. Hastings.
Mr. Risenhoover with Mr. Brown of Michigan.
Mr. O'Hara with Mr. Goldwater.
Mr. Moss with Mr. Lent.
Mr. Montgomery with Mr. Lujan.
Mr. Dodd with Mr. Gude.
Mr. Roybal with Mr. Young of Alaska.
Mr. Stephens with Mr. Bob Wilson.
Mr. Vigorito with Mr. Sebelius.
Mr. McHugh with Mr. Whitehurst.
Mr. Traxler with Mr. Ruppe.
Mr. McClory with Mr. Rousselot.
Mr. Preyer with Mr. Rees.
Mr. Ford of Michigan with Mr. Moorhead of California.

The result of the vote was announced as above recorded.

A motion to reconsider was laid upon the table.

PROVIDING FOR CONSIDERATION OF H.R. 8757, RIVER BASIN AUTHORIZATIONS

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 715 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 715

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8757) authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 8757, it shall be in order to take from the Speaker's table the bill S. 2270 and to consider the said Senate bill in the House.

The SPEAKER pro tempore (Mr. McFALL). The gentleman from Georgia (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I ask unanimous consent that the resolution be amended in line 11 on page 1 to read, "Committee on Public Works and Transportation."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from California (Mr. DEL CLAWSON), and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 715 provides for an open rule with 1 hour of debate on H.R. 8757, a bill which authorizes additional appropriations for four river basin projects being constructed by the Corps of Engineers for flood control, navigation, and other purposes. This bill would authorize $186 million to cover the river basin projects in the following areas: The Arkansas River Basin, the Mississippi River Basin, the Susquehanna River Basin, and the Santa Ana River Basin. Basically, the projects which are currently being constructed provide for bank-stabilization, channel-rectification, flood control, the stabilization of channels for navigation, and various other programs which cannot be delayed if we are to properly maintain these areas.

Mr. Speaker, the amount of money to be authorized in H.R. 8757 has already been appropriated in the public works appropriations bill that we passed on June 24. I urge the adoption of House Resolution 715 so that we may discuss, debate and pass H.R. 8757.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides for 1 hour of general debate on H.R. 8757, river basin authorizations. Germane amendments may be offered under the 5-minute rule. There are no waivers of points of order. Upon the adoption of H.R. 8757, it shall be in order to take from the Speaker's table S. 2270 and to consider the Senate bill in the House.

H.R. 8757 authorizes additional appropriations for projects in four river basins that are being constructed by the Corps of Engineers.

Title II of the Water Resources Development Act of 1974 increased basin authorizations needed to continue work through calendar year 1975. However, the authorizations in four instances have proved inadequate. If the authorizations are not increased there will be no authority to continue these projects.

The cost of H.R. 8757 is $186 million, to cover increased authorizations for basin development plans for the Arkansas River, Mississippi River and tributaries, North Branch-Susquehanna and the Santa Ana River.

Mr. Speaker, I propose that we adopt the rule and debate the bill in the allotted time.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Georgia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution as amended was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5620, CONSTRUCTION OF MINT BUILDINGS

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 713 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 713

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5620) to amend the Act of August 20, 1963, as amended, relating to the construction of mint buildings, and all points of order against the provisions on page 2, lines 1 through 4, of said bill are hereby waived for failure to comply with the provisions of clause 5, rule XXI. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. YOUNG of Georgia. Mr. Speaker, I ask unanimous consent that the resolution be amended on page 2, line 1, to read, "Committee on Public Works and Transportation."

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER pro tempore. The gentleman from Georgia is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 713 provides for an open rule with 1 hour of debate on H.R. 5620, a bill which authorizes $60 million for the construction of a new mint building in Denver to replace the present Denver Mint. This bill was reported by voice vote by the Public Works and Transportation Committee which feels that this new mint is essential if we are to meet the increasing need for coins. Currently, the mints in Philadelphia and Denver are capable of meeting the annual demand for 9 billion pieces; however, the demand is expected to rise to an annual rate of 18 billion pieces by 1980. The committee believes that this demand will not be met unless the facility in Denver is constructed.

Mr. Speaker, construction of the new mint was authorized in 1963 and the Congress has already appropriated $3.5 million for site acquisition and architectural and engineering services. In light of the fact that the mint turns over nearly $700 million in income to the Treasury annually, I urge the House to adopt House Resolution 713 in order that we may discuss, debate, and pass H.R. 5620.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides for 1 hour of equally divided general debate on H.R. 5620, construction of mint buildings. All points of order against the provisions on page 2, lines 1 through 4 of H.R. 5620 for failure to comply with provisions of clause 5, rule XXI are waived. Clause 5 of rule XXI states that no bill carrying an appropriation shall be reported by any committee not having jurisdiction to report appropriations. Amendments to the bill may be offered under the 5-minute rule.

The expressed purpose of H.R. 5620 is to permit construction of a new mint in the city of Denver replacing the existing Denver Mint. It will accommodate the national demand for coinage which is expected to double by 1980, rendering existing mint facilities obsolete. This bill amends section 4 of the act of August 20, 1963, which authorizes the Secretary of the Treasury acting through the Administrator of General Services to acquire sites for, and to construct and equip, such buildings as may be necessary in connection with the Bureau of the Mint. It would increase from $45 to $105 million the amount authorized to be appropriated for the building of new mints. The increase of $60 million, along with the remainder of existing authority from the original act, will be used for the construction of the mint facility. The time during which the funds would be appropriated is extended from July 1, 1973, to October 1, 1983.

Mr. Speaker, I propose the adoption of this rule for the consideration of H.R. 5620.

Mr. Speaker, I have no further requests for time.

Mr. YOUNG of Georgia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution as amended was agreed to.

A motion to reconsider was laid on the table.

RIVER BASIN AUTHORIZATIONS

Mr. ROBERTS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8757) authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8757, with Mrs. SCHROEDER in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. ROBERTS) will be recognized for 30 minutes, and the gentleman from California (Mr. DON H. CLAUSEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, it is my privilege to bring to the floor on behalf of the Committee on Public Works and Transportation the bill H.R. 8757, authorizing additional appropriations for projects in four river basin plans authorized for construction by the Corps of Engineers.

Basin monetary authorizations limit the amount of funds which can be appropriated to carry out projects within specified river basins. There are also individual major projects where the amount of funds authorized to be appropriated is less than that needed to complete the project. This practice gives the Congress an opportunity to review and control the rate of accomplishment of these basin plans and major projects. At the present time, there are 29 basin development plans subject to basin monetary authorization limitations.

In title II of the Water Resources Development Act of 1974 we provided increased basin authorizations needed to continue work in the basins through calendar year 1975. However, the authorizations in four instances have turned out to be inadequate. If they are not increased, there will be no authority to continue these projects.

The most immediate and serious deficiency is in the comprehensive Mississippi River and tributaries project. Its monetary authorization expired the first week of August, and construction on it has only been able to continue because of the provisions of Public Law 94-41, the continuing appropriations resolution. The provisions of this law, however, will expire when the public works appropriations bill for fiscal year 1976 becomes law.

The other basins involved are: The Arkansas River Basin, the authorization for which will run out in November 1975; the Santa Ana River Basin in California, the authorization for which is presently exhausted; and the North Branch, Susquehanna River Basin, the authorization for which will run out in March 1976.

The additional amounts authorized to be appropriated are $4 million for the Arkansas River Basin, $158 million for Mississippi River and tributaries, $22 million for North Branch, Susquehanna River, and $2 million for the Santa Ana River Basin.

Madam Chairman, I would like to point out that these are the same amounts as those included in the public works appropriations bill which has passed the House. The purpose of H.R. 8757 is to provide the necessary authority for these appropriations. The House has already agreed that they should be made.

I am, as always, deeply appreciative of the splendid leadership of the chairman of this committee, the gentleman from Alabama (Mr. JONES) and the cooperation given by the ranking minority member of the committee, the gentleman from Ohio (Mr. HARSHA), and the ranking minority member of the Subcommittee on Water Resources, the gentleman from California (Mr. DON H. CLAUSEN).

Madam Chairman, I urge enactment of this legislation so that the construction of needed water resources projects will not be interrupted.

Madam Chairman, I am pleased to yield such time as he may consume to the chairman of the full committee, the gentleman from Alabama (Mr. JONES).

Mr. JONES of Alabama. Madam Chairman, I wish to commend the gentleman from Texas (Mr. ROBERTS) on the excellent job that he has done as chairman of the Subcommittee on Water Resources in bringing H.R. 8757 to the floor. I also wish to commend the entire membership of the subcommittee for the legislation which they recommended to the full committee.

This legislation is needed to allow the continuation of construction of projects in four river basins—the Arkansas; Mississippi River and tributaries; North Branch, Susquehanna; and Santa Ana. These are four of the total of 29 river basin plans which are subject to monetary authorization limitations. Monetary authorizations were first put into effect by the Flood Control Acts of 1936 and 1938. They limit authority to appropriate and expend funds within specified basins or on specified major projects to levels below the total costs of the authorized basin developments or projects. In this way they give the Congress opportunity to review and control the rate of accomplishment of the basin plans and major projects to which they apply.

The monetary authorizations for the four basins in this bill have or will run out sooner than expected when the limits were last raised in the Water Resources Development Act of 1974. The legislation is necessary to provide the authority for the appropriations for these basins included in the public works appropriations bill which passed the House in June. Madam Chairman, I urge the passage of H.R. 8757.

Mr. DON H. CLAUSEN. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I rise in support of H.R. 8757 authorizing additional appropriations for the prosecution of water resource development in four river basins. My distinguished colleague, the gentleman from Texas, has done an excellent job in bringing this legislation to the floor. Mr. ROBERTS has already aptly explained the need for this legislation and I would like to add my support.

I would like to point out that in the hearings before the Subcommittee on Water Resources of the House Committee on Public Works and Transportation, I asked the Corps of Engineers if any additional basin authorizations would expire before December of 1976. They responded that there will be seven basin authorizations that will so expire. However, these additional appropriation authorizations will be taken up in the omnibus legislation in the next session.

The damages caused by tropical storm Agnes in the floods of 1973 and 1974 in the Mississippi Valley demonstrate the need for our flood control and water resource development efforts. In my home State this legislation will also help insure that recreational opportunities will be available in areas where there currently are all too few facilities. In addition to the benefits of flood control, navigation, recreation, and water supply, these projects will provide many employment opportunities. Madam Chairman, I believe I do not have to stress the importance of this latter item to our Nation in today's times. I urge the Members to pass this needed legislation.

Madam Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Madam Chairman, I rise to add my praise to that voiced by the distinguished chairman of the House Public Works and Transportation Committee for the work accomplished by Mr. ROBERTS and his Subcommittee on Water Resources in preparing this legislation. The need for this legislation has already been aptly explained by my distinguished colleagues and I would like to reiterate that although continuing funding is provided in the House-passed fiscal year 1976 public works appropriations, it is contingent on additional authorizations. Therefore it is imperative that the Congress act on H.R. 8757 in a timely fashion so that these invaluable water resource development projects will continue uninterrupted. It is not in the national interest to delay the realization of the benefits of flood control, navigation, water supply, and recreation that will accrue from these projects.

Madam Chairman, I urge passage of H.R. 8757 by the Congress.

Mr. DON H. CLAUSEN. Madam Chairman, I yield such time as he may consume to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Madam Chairman, I rise in support of H.R. 8757, the river basin authorization bill. This legislation insures that the water resource development already underway in these basins will be continued. In my home State this legislation affects 13 major water resource development projects in the Arkansas River basin. Present authority for the basin expires in November of this year. These projects are vital not only to the people of my region but also the Nation. For example, the McClellan-Kerr Arkansas River Navigation System which provides for the improvement of the Arkansas River and its tributaries by the construction of dams and channels, provides navigation, flood control, hydroelectric power, and fish and wildlife mitigation benefits to the people of the basin. The project authorizes a 9-foot navigation channel from the Mississippi River to Catoosa, Okla., near Tulsa, a distance of approximately 450 miles. It affects 15 counties in Arkansas and 6 counties in Oklahoma. I need not point out the national and regional effects on the economy of this undertaking. This bill will insure the completion of lock and dam No. 2 and the Toad Suck Ferry lock and dam.

Also affected by this legislation will be hydropower units at Fort Gibson Lake, Okla., which will provide 11,250 kilowatts of power to the basin. Passage of this legislation will insure that this project continues uninterrupted, an important consideration in today's energy-restricted environment.

In addition, this legislation affects 10 completed water resource projects for which the Congress has recently authorized recreational development. Water-oriented recreation is a valuable resource of the citizens of the Arkansas River Basin. The proximity of major population centers of these projects enables enjoyment of invaluable recreational opportunity.

Madam Chairman, without these projects the welfare and economic well-being of our citizens will be lessened. They provide invaluable protection against catastrophic losses and enhance the quality of our lives. They also provide energy efficient transportation for our commodities, a subject of great importance to this Congress and the Nation. Madam Chairman, I urge expeditious passage by the Congress of H.R. 8757 so that these water resource projects will not be unnecessarily impeded.

Mr. ROBERTS. Madam Chairman, I yield such time as she may consume to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Madam Chairman, I would like to commend the gentleman from Texas (Mr. ROBERTS), as well as the gentleman from California (Mr. DON H. CLAUSEN) for this splendid piece of legislation. It is legislation that meets the needs of our people, particularly in my area of the country.

Mr. COCHRAN. Madam Chairman, I rise in support of H.R. 8757, a bill to authorize additional appropriations for the Mississippi River and tributaries project. Only through this legislation to increase the authorization levels can this necessary project continue to be developed.

I am familiar with it both as a member of the Public Works Committee, and as a Representative of a district in the Lower Mississippi River Valley.

Beginning in 1973 and continuing through the spring of 1975, the Mississippi River Valley, and particularly the lower valley and its many tributaries, experienced three consecutive floods. In 1973, almost 15 million acres were flooded in the lower basin, and estimated damages exceeded $1 billion. Potential damage without existing flood control measures has been estimated at $15 billion with a total of 30 million acres and several cities and towns inundated.

The 1974 flood was particularly heavy in the backwater and tributaries area in the lower valley. Damages exceeded $32 million, with approximately 5½ million acres put under water. Existing flood prevention measures prevented several billion dollars in damages, and kept roughly 11 million acres above water.

This year's flood brought near record crests to the middle river valley, and coupled with additional rainfall in the lower valley, resulted in overbank flow in the main stream and prolonged flooding in the backwater areas. Preliminary estimates point up the seriousness of this most recent flood with over 6 million acres put under water and $100 million in damages. Several billion dollars in additional damages were prevented by the existing flood control measures.

In response to the continuing serious need for more adequate flood protection and navigational improvements in the Mississippi River Valley, the Congress appropriated last year an additional $100 million above the original planned authorization level. Only through this increased authorization level can vital efforts to meet the needs of millions of residents in the Mississippi River Valley for flood protection and navigational improvements continue.

Authorized by the Congress in 1928, the comprehensive Mississippi River and tributaries project is now about 37 percent complete, with a total Federal expenditure through December of 1974 of approximately $1.9 billion. In the Lower Mississippi River Valley alone, it is estimated that the project implementation to date has prevented flood damages in excess of $33 billion.

A second vital concern in the Mississippi River Valley is that of navigational improvements to expand waterborne commerce on the Mississippi River and its tributaries. This commerce has been steadily growing in recent years, and it has brought corresponding growth in economic development to the cities and towns in the valley.

The legislation under consideration today will provide for continued implementation of the long-standing Federal commitment to flood control and navigational development along our inland waterways. The urgency of pursuing both of these crucial goals should be clear to all of us who are concerned for the safety and prosperity of millions of Americans who live and work in the river valleys of this Nation.

Mr. ROBERTS. Madam Chairman, I have no further requests for time.

Mr. DON H. CLAUSEN. Madam Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 8757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in addition to previous authorizations, there is hereby authorized to be appropriated for the prosecution of the comprehensive plan of development of each river basin under the jurisdiction of the Secretary of the Army referred to in first column below, which was basically authorized by the Act referred to by date of enactment in the second column below, an amount not to exceed that shown opposite such river basin in the third column below:

Basin	Act of Congress	Amount
Arkansas River	June 28, 1938	$4,000,000
Mississippi River and tributaries	May 15, 1928	158,000,000
North Branch, Susquehanna River	July 3, 1958	22,000,000
Santa Ana	June 22, 1936	2,000,000

(b) The total amount authorized to be appropriated by this section shall not exceed $186,000,000.

Mr. ROBERTS (during the reading). Madam Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas

There was no objection.

The CHAIRMAN. Are there any amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McFall) having assumed the Chair, Mrs. Schroeder, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8757), authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes, pursuant to House Resolution 715, she reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ROBERTS. Mr. Speaker, pursuant to House Resolution 715, I call up the Senate bill (S. 2270) and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 8757) was laid on the table.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERSONAL EXPLANATION

Mr. LEVITAS. Mr. Speaker, I was not recorded on the vote on House Resolution 724 making in order consideration of H.R. 6227.

Had I been present, I would have voted. The reason for my not having been recorded was that my plane on which I was returning from my home district in Georgia was too late. I arrived just after the vote was taken and therefore was not recorded.

Mr. Speaker, I would have voted "aye" had I been present.

CONSTRUCTION OF MINT BUILDINGS

Mr. RONCALIO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5620) to amend the act of August 20, 1963, as amended, relating to the construction of mint buildings.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wyoming (Mr. Roncalio).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5620), with Mr. Charles H. Wilson of California in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Wyoming (Mr. Roncalio) will be recognized for 30 minutes, and the gentleman from New York (Mr. Walsh) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wyoming (Mr. Roncalio).

Mr. RONCALIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend our distinguished Chairman Bob Jones, for his fine speech on behalf of this needed legislation.

The act of August 20, 1963, as amended, authorized the Secretary of the Treasury, acting through the Administrator of General Services to acquire sites for, and to construct and equip such buildings as may be necessary in connection with the operations of the Bureau of the Mint. H.R. 5620, would amend section 4 of that act to increase from $45 million to $105 million the amount authorized to be appropriated for the building of new mints and would extend the time during which moneys could be appropriated from July 1, 1973, to October 1, 1983. This increase, together with the balance remaining for that previously authorized, will permit construction of a new mint at Denver, Colo., to replace the existing Denver mint.

Construction of a new mint at Denver has been authorized under the general provisions of the act of August 20, 1963. In 1971, Congress appropriated $1.5 million for the acquisition of a construction site, 1974, appropriated an additional $2 million to enable the mint to enter into the contract for architectural and engineering services and appropriated $3.350 million for final design connected with the construction and equipping of the new facility. Funding requirements for a new coinage facility at Denver are estimated to be $65 million. The increase in authorization of $60 million provided under the bill together with amounts previously made available, would enable the mint to construct the new coinage facility.

This legislation was unanimously recommended by the Committee on Public Works and Transportation and is essential to assure production of coins in the volume our Nation will need by the 1980's and beyond. The present facilities of the mint cannot do so. The demand for coins required for business transactions throughout the country has increased very rapidly during the past decade or so. In fiscal year 1960, for example, the mint produced a total number of 2.6 billion pieces. By 1970, production increased to 7.7 billion pieces and during fiscal year 1973, the mint's coin production amounted to 8.6 billion pieces.

In the past year, there was an even more significant upsurge in coin demand, and consequently, the mint's fiscal year 1974 production reached a recordbreaking 10.4 billion pieces. In the current fiscal year 1975, the mint is expected to manufacture over 12 billion pieces, and in fiscal year 1976 the mint anticipates that over 14 billion pieces will be required. By fiscal year 1980 it is estimated that the national coinage demand will rise to the neighborhood of 18 billion coins per year.

At the present time, most of the Nation's coinage requirement is produced by two facilities—the new Philadelphia Mint which began coinage operations in 1969 and the Denver Mint which was completed in 1904. In addition, the Bureau of the Mint produces coins for collectors items and a modest scale of pennies at the San Francisco Assay Office. In 1974, due to the demand for additional coins, the silver depository at West Point, N.Y., was turned into a coinage facility which became operative in March 1975. With these facilities operating at full capacity, including the timely funding of and use of additional equipment being planned for installation in current mint facilities, the Treasury Department will probably be able to meet the Nation's coinage requirements through the 1970's, but with practically no margin for error in coinage demand forecast.

The Bureau of the Mint has completed general criteria and plans for the new mint and is proceeding with design by the selected architect-engineer firm. A site has been selected within the city of Denver and the city plans to convey the title to the Federal Government in the near future. After review of the planning by the Treasury Department, the Public Works and Transportation Committee is satisfied that the $60 million estimate needed in additional authorization is realistic when considering the necessary size and complexity of the proposed project. This will cover all costs of the coinage and administrative facilities, including site acquisition, detailed design, site preparation, and equipment purchase and installation. After thoroughly examining all aspects of this matter, the committee firmly believes that a new mint is needed and that it should have full authorization now, so that the Treasury Department can proceed in an orderly, prudent manner to have the facility in use by 1980.

I urge enactment of H.R. 5620.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I am delighted to yield to the chairman of the full Committee on Public Works and Transportation the gentleman from Alabama (Mr. JONES).

Mr. JONES of Alabama. Mr. Chairman, let me say that I agree wholeheartedly with the gentleman from Wyoming (Mr. RONCALIO) and the gentleman from New York (Mr. WALSH) and appreciate the great lengths to which they have extended themselves in the preparation of this bill and in making the evaluation of the properties to be acquired. I believe that both of these gentlemen, as well as their associates on the subcommittee are to be commended for having worked on a very delicate task leading up to the construction of this very useful building that is indeed a vital requirement for our national use.

Mr. Chairman, I join my colleagues in supporting H.R. 5620, a bill to provide the necessary authorization for constructing a new mint at Denver. It is essential that the Government go forward with the construction of this new facility without further delay so that there will be an adequate supply of coins during the years ahead.

This bill authorizing the appropriation of an additional $60 million comes before Congress at a time when Federal spending is closely examined by the Congress and the administration. The concern with the rate of Federal spending should not, however, deter Congress from acting promptly and favorably on this bill. First of all, the $60 million authorized by this legislation would not be spent all at once, but would be spread over a number of years. Its effect on the annual budget would be subject to review and control by the Congress through the appropriation process. Under this authorization bill, not 1 cent could be spent until the Appropriations Committees of the House and the Senate approve whatever request is made by the administration in its annual budget submission and, of course, until the Congress enacts the annual appropriation legislation for the Treasury.

Lastly, the funds authorized by this legislation will be returned many-fold to our taxpayers in the years ahead. The mint is one of the few Government operations that is essentially profitmaking in nature. In fiscal year 1974, for example, the mint returned $326 million to the general fund in the form of seigniorage—which is the profit our Government makes on our coinage. In fiscal year 1975, the Treasury Department deposited $613 million in the general fund as net seigniorage, with $672 million being projected for fiscal year 1976. This vast increase in seigniorage will at least in part result from the new Bicentennial coinage. The increased production capacity, which the new Denver Mint would provide, likewise would significantly increase the return in seigniorage to the general fund.

I urge enactment of H.R. 5620 and wish to commend the distinguished gentleman and chairman of the Subcommittee on Public Buildings and Grounds, Mr. RONCALIO; the ranking minority member of the subcommittee, Mr. WALSH; and the ranking minority member of the committee, Mr. HARSHA, for their fine efforts in reporting this needed legislation to the floor.

Mr. RONCALIO. Mr. Chairman, I thank the chairman, the gentleman from Alabama (Mr. JONES) very much and appreciate his kind remarks.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 5620, a bill to authorize the construction of a mint facility in Denver, Colo. I join in the recommendation made by my distinguished colleague from Wyoming for its prompt passage. I compliment the gentleman for his fine work in handling the subcommittee in all its endeavors.

There is a pressing need to build the kind of facility that will assure an ample coinage supply for the Nation in the coming decades. The demand for coins has increased at a rate of about 10 percent per year. Even if this rate of increase levels off in the future, the Bureau of the Mint would face serious difficulty in meeting coinage demands by 1980, using present minting facilities. Action must be taken to preclude the occurrence of a coin shortage similar to that experienced in the early 1960's. Such a shortage would naturally hinder retail transactions and the increasingly important vending machine operation throughout the Nation. The logical course of action is to provide the facilities and modern coinage equipment.

In addition to coinage required for circulation, the mint is experiencing growing demands for the production of special coins and medals. Congress passed legislation last session providing for a special design for all quarters, half dollars, and dollars issued after July 4, 1975, commemorating the Bicentennial of the American Revolution. This will require at least 45 million silver-clad coins requiring a major effort by the mint to meet the collectors' demand for these Bicentennial pieces.

The additional $60 million authorized by this legislation would not be spent all at once but would be spread over a number of years, as the report points out. Its effect on the total budget would be subject to review and control by the Congress through the annual appropriation process. Total cost of the project is estimated at $65 million, the additional $5 million will come from authority contained in the original act.

Consideration was given to the possibility of expanding the present Denver Mint. However, this is neither practicable nor desirable. The present mint has been expanded three times since its completion in 1904. Further additions are precluded by the lack of Government-owned land around the present site of downtown Denver, and potential expansion areas already have substantial building developments.

Additionally, a new and modern facility, proposed on a 35-acre plot outside the center city area, is needed to assure continued compliance with all Federal and State programs relative to air and water pollution control, and to provide a safe, adequate environment for production employees.

The Subcommittee on Public Buildings, chaired by the distinguished gentlemen from Wyoming, held hearings and received testimony from Treasury officials as well as the Director of the Mint. All testified in favor of this bill and support its enactment. This bill has bipartisan support on the Committee on Public Works as well as the administration's support. I urge enactment of this legislation.

Mr. RONCALIO. Mr. Chairman, in the report accompanying this legislation on the construction of the mint building, Report 94–279, at page 4 there appears material in accordance with the rules of the House regarding the estimated cost to the United States in carrying out H.R. 5620, as reported. I wish to correct the material contained in this report in the following ways.

Since the report was released we have received new information from the Department of the Treasury which reflects changes in the proposed allocation of experditures, they are as follows:

Fiscal year 1976, $1,850,000.*
Fiscal year 1977, $50,140,000.
Fiscal year 1978, $7,110,000.
Fiscal year 1979, $900,000.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I am sure Members are not at all surprised when I say I rise in support of the bill. I would like to point out a few things about this measure that I think are really very important and have not been emphasized enough.

First of all, the Federal Government has done a marvelous job because it has kept the proposed new building in the core city area but yet it will not be in a congested area.

We must emphasize that the Denver Mint makes money. It makes a great deal of money. It makes money, that is coins for foreign nations, and it will be making the Bicentennial coins, and it makes the regular coins for this country. It made over $700 million by the manufacture of coins last year. With the new efficient facilities I am sure it will do much better.

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*During Fiscal Year 1976, an additional $1,500,000 will be expended. However, this amount will come from previous expenditures.

Also the Denver Mint has been one of the most efficient Government operations. It is incredible that Denverites can maintain this record because the old building is really very difficult to work in. It is cut up into many small pieces on different floors. The new facilities will be much more efficient. It will be possible to take the raw materials and make them into new coins. This will all be done on one floor and there will be a much greater volume and greater efficiency.

The entire Denver community has been delighted with the Federal Government's cooperation. The old mint building will be preserved as an historical monument and it will continue to be a great tourist mecca. The new facilities will be very accessible and still will be in the main city. The new facilities will also be adjacent to the interstate highway and the airport and rail lines which will be able to come directly into the building. This new building is a very good investment monetarily and the Government will reap many benefits from it.

I urge passage of the bill.

Mr. RONCALIO. Mr. Chairman, I reserve the balance of my time.

Mr. WALSH. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, this bill came before the House last year and it came before us under a suspension of the rules. The House very wisely turned down the bill then.

What we are talking about here is spending $105 million for building a new mint. My interest first came up on this subject upon reading a story about it in a newspaper, which is an excellent way to find out what is going on. The UPI wrote in the Dallas Times Herald newspaper and said we were doing strange things in Congress and one of the strangest things we were doing was getting ready to build a new mint and replace the most efficient mint in the United States.

This old mint, dating back to 1904, was in Denver but they said there were three places where coins were minted. They were minted in San Francisco, and I understand they mint coins in Philadelphia and in Denver.

It is also interesting that the Denver Mint is the biggest historical sightseeing attraction in the city. When people come to Denver they come to see the mint. It is said the tourists still will come to see this historical sightseeing attraction. But I ask the Members: How many people will come to see a haunted house? Can the Members imagine anybody wanting to come to see an empty building?

The reason people come to see the mint is that it is an efficient production and it is doing a good job.

It is said we are going to need more and more money. It looks as though Congress is working on a self-fulfilling prophecy basis. We seem to be trying to make that demand come true so that we will need more money. I remind you of the history of the continental dollar. We have used an expression at home: "It ain't worth a continental." The continental dollar dropped to where it was not worth 2 cents, because the Government overspent and kept issuing more new money.

We are going to need not more and more coins but more and more bills. Our problem is not going to be with coins but with bills. Because it will take a 10-dollar bill to buy a hamburger. One thing we must keep in mind on this coinage discussion is that we could take the Philadelphia Mint, which is supposed to be a very modern mint and put it on a three-shift basis and add additional machinery and take care of all the estimates we have projected for 1980

We can do everything they estimate for 1980 just by expanding that Philadelphia Mint.

Incidentally, while we are talking about the Philadelphia Mint, they always say we can make things modern by making them better because they are newer. That old mint in Denver is better than the new mint in Philadelphia. Denver is a much better production mint than the mint in Philadelphia. Why is it? It is not because they built a new plant in Philadelphia, because that is a new one but Philadelphia does not get the job done.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I am glad to yield to my colleague from Texas.

Mr. ROBERTS. Mr. Chairman, is the gentleman somehow of the opinion there is no support for this mint? We had the Secretary of the Treasury, we had the Director of the Mint here. Everybody is saying they have to have the thing.

The gentleman knows that I am not anxious to spend $105 million, but they claim they will make it back in a year, and so I have to disagree with my friend, the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Chairman, I know the gentleman is interested in economy, but what the gentleman points out is interesting. Where they are going to make it back is putting funny money out as coins. My friend, the gentleman from Idaho, discussed that. We are not going to coin real silver money. We are just going to issue funny money.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Alabama, who is the distinguished chairman of the committee.

Mr. JONES of Alabama. Mr. Chairman, the gentleman from Texas is distressed that we are going to spend money for a new enterprise. This project has been under consideration for 13 or 14 years. In the most recent view of the budget, all the people in the Treasury have been dedicated to a study of the project. In this year, here is what the language used in the letter directed to the committee says. I would like to point out to the gentleman from Texas this paragraph:

> I urge early consideration of the draft bill in order that construction of the mint may be begun, thereby enabling the Department to meet the increasing demand for coins.

The gentleman is not suggesting that we cannot make those coins available?

Mr. COLLINS of Texas. Who wrote the letter?

Mr. JONES of Alabama. That is from the Secretary of the Treasury of this year, which is further confirmed by the Bureau of the Budget in approving this bill that we have today; so everybody in the executive branch of the Government, as the gentleman from Texas pointed out, everybody is for the proposal. I do not think the pains of anxiety should be exercised by the gentleman from Texas who is addressing us.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WALSH. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman for yielding.

In response to the distinguished gentleman's comment relative to a letter from the Secretary of the Treasury, as a member of the Committee on Ways and Means we recently had the Secretary of the Treasury appear before us and encourage early action on capital formation bills, but we are not going to see one this year.

Mr. JONES of Alabama. Mr. Chairman, since the gentleman referred to me, I hope the gentleman will not be delinquent in his requirement from the President of the United States.

Mr. COLLINS of Texas. Mr. Chairman, I want to add this about any administration or committee proposed legislation. If we want more coins to go to Philadelphia. Let us run a second and third shift and put the added machinery in that plant. What I had rather see us do is subcontract this out to private industry because private industry has the facilities to do this much better. The statistics by the GAO say that private industry costs run equal. It has been my experience that private enterprise can do a better job than the Government.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would just like to associate myself with the remarks of the gentleman in the well and commend him for bringing these points to the committee. Not only is this an unnecessary Government expenditure, but the basic problem we have is that the only coin we mint that has any intrinsic value left is the copper penny. At the rate we are inflating the money in this country, the copper in the penny will soon be worth more than 1 cent and we will have to change the number to two or else substitute with pot metal. This is exactly as the gentleman in the well says. It is funny money. Counterfeit by Government edict.

The Constitution of the United States, says counterfeiting would be outlawed for any individual in this room to do what they are doing in that mint. They are counterfeiting the American currency and coinage and charging seigniorage on it in order to make a profit. That is a poor way to do it. The only way to do it is to have a monopoly, through legal tender laws which the Government enjoys in this process.

I think we ought to vote this bill down and have the American people make an analysis of what is going on. They would not need so many coins if they had metal in them that was valuable.

I would just like to say that in 1932, before the whole funny money game really got started—and it has never stopped, whether we had Republicans or Democrats in office in this country since that time—one could buy a good four-door Chevrolet sedan for $800. One could still go to the Chevrolet garage today and buy a new Chevy sedan for $800, but one has to have 800 silver dollars. That is what this Congress is doing to the American money and that is my objection to this basic premise of perpetuating fraud upon the American people by continuing the debasement of the American coin and currency. It has to be stopped sometime.

What we may as well be doing is going down and leasing the basement of the Washington Star and letting them print funny money for us, because it is the same principle as having a new mint in Denver. It may look good for some people to build a new building in Denver, but it is certainly not going to do any thing toward solving the real problems in this country.

Mr. Chairman, I thank the gentleman for yielding to me.

Mr. WALSH. Mr. Chairman, I yield such time as he may consume to the distinguished ranking minority member of the Committee on Public Works and Transportation, the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Mr. Chairman, I, of course, would like to comment on a few of the remarks made by the distinguished gentleman from Texas. He pointed out to the committee that this bill was a $105 million bill. It is not a $105 million bill. The authorization contained in this bill is $60 million.

Second, he questioned the feasibility of replacing the most efficient mint we have in our operation of some four mints in this country. Mr. Chairman, the Denver mint is an efficient operation, but everybody there is working in confined quarters. It is very crowded, very congested, and it is only because of the industry and the desire of the people in Denver to continue working under such conditions that this establishment is that efficient.

In addition to that, there is considerable noise generated by the presses, and in order to make any changes in it of any substance, there would be considerable soundproofing required, removing production space now used in the minting process.

The present mint cannot be expanded. Everything around it has been absorbed with new construction, so the question of expanding the present facility is simply out of the question because there is no place to expand. In addition, major alterations cannot be made because it is a building some 70 years of age, and the infrastructure and foundation upon which it is built would have to have major alterations leading to far more expense than the present plan will entail.

In addition to that, money spent for a new mint is not money that will never be recouped, because the U.S. Mint makes money for this Government. For example, last year it made in excess of 600 millions of dollars on seigniorage. If this plant goes into production and the capacity is increased to produce some 16 billion pieces per year, as is estimated, that seigniorage will amount to some 900 millions of dollars in 1 year's time, so that this plant is self-liquidating. This is one of the few operations the U.S. Government maintains where it makes a profit; and is probably the only one, and is certainly going to be a facility that pays its way and provides the Government to meet increased demands for coins.

Surely, we are not going to allow the American public to suffer the inconvenience it suffered in 1960 with the coin shortage, to say nothing of the deleterious effect on retail transactions because of the lack of coins.

Mr. Chairman, on my point of seigniorage, let me give to the committee one or two examples.

It costs the U.S. Government about $5.60 to make a thousand pennies. They are sold at face value to the Federal Reserve. It costs them about $12½, plus or minus a few pennies, to make a thousand nickels. Yet they are sold for $50 to the Federal Reserve. That is where the seigniorage comes in. That is where the profit comes in for the Federal Government.

If we are going to keep up with the demand for coins, we must meet the coinage demand to take care of the Bicentennial request. This plant will not be in operation, but some of the other facilities that are now in operation must be used to make the Bicentennial coins. To meet the long range demand that has been anticipated, we have to have this facility. The administration is 100 percent for it. The Department of the Treasury is 100 percent for it. OMB has no objections to it.

In addition to that, Mr. Chairman, to take the Philadelphia Mint and to restructure it and to take out part of the stripping concerns that are there, it would further affect the production of coins, and demand could not be met.

The Philadelphia has a clad strip facility which provides about 25 percent of the total mint needs to produce nickels, dimes, quarters, half-dollars, and dollars. The remaining 75 percent of the clad strip comes from one commercial source. The mint has attempted to interest other commercial sources in producing clad strip, but to no avail. To remove the clad strip production, by switching to an all press operation in Philadelphia would precipitate a shortage of clad strip. Since this one manufacturer is presently unwilling to expand operations, we would jeopardize the entire press operation by totally relying on one outside source of clad strip. We simply must maintain an in-house capability of producing some clad strip.

The downtime required for removing stripping operations in Philadelphia would strain the production in other mints. Furthermore, Philadelphia Mint is approaching their production limit; by 1979 all mints currently in operation will be at or near production limits.

Mr. Chairman, I urge adoption of this measure. It is economical, it is feasible and it is needed.

Mr. COLLINS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I thank the gentleman for yielding.

Mr. Chairman, it is my understanding that the total appropriation is $105 million. In the language I read, it said the aggregate of sums appropriated under this section shall not exceed $105 million. It refers to the fact that we have already appropriated $45 million. The gentleman is bringing in $60 million. It is just raising the kitty.

Mr. HARSHA. The major portion of the $45 million was used in the construction of the Philadelphia Mint, and add to that $60 million increase over that authorization, together with authority from the original act, it brings this up to about $65 million, for the Denver Mint, not $105 million.

The CHAIRMAN. Does the gentleman from Wyoming (Mr. RONCALIO) have any further requests for time?

Mr. RONCALIO. Yes, Mr. Chairman. I would like to take a few more minutes only for a modest rebuttal.

Mr. Chairman, the official position of the U.S. Mint should be in the RECORD, and it is that the GAO auditing report entitled "Industrial Management Review of U.S. Mint, Philadelphia, Pennsylvania," last year suggested that the mint discontinue all inhouse strip production and convert the space resulting therefrom in Philadelphia to the accommodation of coining presses. In other words, this would eliminate, according to them, the need for a new Denver Mint.

Currently, the mint's Philadelphia facility, the only one which produces strip for coinage, is manufacturing about 25 percent of our clad strip requirements. The remaining 75 percent is purchased commercially from one company. Despite extensive efforts, we have not been able to encourage a second source for this material.

We feel very strongly that abandoning this inhouse capability and becoming totally dependent upon one source would make us far too vulnerable to accidental or intentional conditions which may affect that company's ability to deliver the material to us. It would be unquestionably cataclysmic to be suddenly faced with no capability to produce dimes, quarters, half-dollars and dollars, all of which are fabricated from the clad material.

Mr. Chairman, I would only conclude that if we take away from the Government of the United States of America its constitutional duty to provide the coinage of the realm, then there is no role for us to function at all.

Mr. Chairman, in my opinion, the testimony of the officials involved should be foremost, and that is from the Department of the Treasury itself, the testimony of the Director of the Bureau of the Mint, Mary T. Brooks, who testified, and whose testimony is available to be read, and the testimony of Mr. Frank H. MacDonald, Deputy Director of the Mint, as to the inefficiency of the Denver facility to meet the needs.

If the gentleman wants to turn it over into a contractual obligation, that is his business. I think the position of constructing a new facility is in the best interests of this Nation.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, I would just say, in reference to the comment about the Constitution, it is true that the Constitution gave the Government the responsibility for coinage of the realm, but it also said it was against the law to counterfeit in this country. And the U.S. Government is counterfeiting through the legal tender laws of selling this money to the Federal Reserve for $12.50, and we are destroying this currency. I do not think we should take part in this.

Mr. Chairman, I am sure the gentleman from Wyoming is not in favor of counterfeiting.

Mr. RONCALIO. Mr. Chairman, I do not think that question beggars a reply.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to point out and reiterate the fact that this mint has been expanded three times. It contains 175,000 square feet of space. There is no further room for expansion. I think it is important to remember that.

I think my colleagues should also remember that generally in the construction industry and in business it is considered a factory is good for some time between 35 and 50 years, and the IRS recommends or permits it to be written off in a 50-year period.

Mr. Chairman, I would like to remind my colleagues that this is probably one of the occasions where in order to make money we will have to spend money.

Mr. WALSH. Mr. Chairman, I have no further requests for time.

Mr. RONCALIO. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 5620

Be it enacted by the Senate and House of Representatives of the United States of America assembled, That section 4 of the Act of August 20, 1963, as amended (31 U.S.C. 294), is further amended to read as follows:

"SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for each fiscal year which begin after June 30, 1963, and ends before July 1, 1983, such sums as may be necessary to carry out this Act, except that the aggregate of sums appropriated under this section shall not exceed $105,000,000. Sums appropriated to the Department of the Treasury for the purpose of this Act may be available for transfer to the Administrator of General Services to remain available until expended.".

Mr. RONCALIO (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: On the first page, line 8, strike out "July" and insert in lieu thereof: "October".

On page 2, immediately following line 4, insert the following:

"SEC. 2. No part of any of the increased authorization contained in the amendment made by the first section of this Act shall be available for expenditure except for a project which will be accomplished by advertised competitive bidding through a single lump sum construction contract for each separate building."

The committee amendments were agreed to.

The CHAIRMAN. Are there further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCFALL) having assumed the chair, Mr. CHARLES H. WILSON of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5620) to amend the act of August 20, 1963, as amended, relating to the construction of mint buildings, pursuant to House Resolution 713, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 236, nays 111, answered "present" 1, not voting 85, as follows:

[Roll No. 528]

YEAS—236

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Ashley
AuCoin
Baldus
Beard, R.I.
Bennett
Bergland
Biester
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Carter
Clausen, Don H.
Clawson, Del
Clay
Cochran
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
Daniels, N.J.
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Erlenborn
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flood
Flynt
Foley
Ford, Tenn.
Gaydos
Giaimo
Ginn
Gonzalez
Gradison
Green
Gude
Hagedorn
Hall
Hammerschmidt
Hanley
Hannaford
Harris
Harsha
Hastings
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Howard
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kazen
Keys
Kindness
Krebs
Krueger
LaFalce
Leggett
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Meeds
Melcher
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mosher
Murphy, Ill.
Murtha
Myers, Pa.
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Perkins
Pettis
Pickle
Price
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roberts
Roe
Roncalio
Rooney
Rostenkowski
Roush
Russo
Ryan
St Germain
Sarasin
Sarbanes
Schneebeli
Schroeder
Schulze
Seiberling
Shipley
Shuster
Simon
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Stokes
Studds
Sullivan
Symington
Taylor, Mo.
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Wylie
Yatron
Young, Ga.
Young, Tex.
Zablocki

NAYS—111

Andrews, N.C.
Andrews, N. Dak.
Archer
Baucus
Bauman
Beard, Tenn.
Bedell
Bevill
Blouin
Brinkley
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Chappell
Clancy
Cleveland
Cohen
Collins, Tex.
Conable
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
Devine
Dickinson
Downey, N.Y.
Duncan, Tenn.
Emery
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Florio
Flowers
Forsythe
Fountain
Frey
Fuqua
Gilman
Goodling
Grassley
Haley
Hamilton
Hansen
Harkin
Hayes, Ind.
Hechler, W. Va.
Hefner
Hinshaw
Holt
Hubbard
Hughes
Jenrette
Kasten
Kemp
Ketchum
Lagomarsino
Latta
McDonald
Maguire
Martin
Mazzoli
Mikva
Minish
Mitchell, N.Y.
Moore
Mottl
Myers, Ind.
Natcher
Neal
Obey
Pattison, N.Y.
Pike
Poage
Pressler
Pritchard
Quie
Quillen
Robinson
Rogers
Runnels

Santini
Satterfield
Scheuer
Sebelius
Sharp
Shriver
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Steiger, Ariz.
Stratton
Stuckey
Symms
Talcott
Taylor, N.C.
Thone
Treen
Wampler
Winn
Wolff
Wydler
Yates
Young, Fla.

ANSWERED "PRESENT"—1

Conlan

NOT VOTING—85

Annunzio
Armstrong
Ashbrook
Aspin
Badillo
Bafalis
Barrett
Bell
Biaggi
Brooks
Broomfield
Brown, Mich.
Burton, Phillip
Casey
Cederberg
Chisholm
Conyers
Danielson
Dodd
Early
Edwards, Ala.
Esch
Eshleman
Fary
Ford, Mich.
Fraser
Frenzel
Gibbons
Goldwater
Guyer
Harrington
Hawkins
Hays, Ohio
Hébert
Horton
Howe
Jarman
Jeffords
Johnson, Calif.
Karth
Kastenmeier
Kelly
Koch
Landrum
Lehman
Lent
Long, La.
Lujan
McClory
McHugh
Mathis
Matsunaga
Metcalfe
Montgomery
Moorhead, Calif.
Morgan
Moss
Murphy, N.Y.
Nichols
O'Hara
Pepper
Peyser
Preyer
Randall
Rhodes
Risenhoover
Rodino
Rose
Rosenthal
Rousselot
Roybal
Ruppe
Sisk
Steed
Stephens
Teague
Thompson
Thornton
Traxler
Udall
Vigorito
Whitehurst
Wilson, Bob
Young, Alaska
Zeferetti

So the bill was passed.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Casey.
Mr. Hébert with Mr. Harrington.
Mr. Zeferetti with Mr. Nichols.
Mr. Biaggi with Mr. Morgan.
Mr. Hays of Ohio with Mr. Pepper.
Mr. Rodino with Mr. Gibbons.
Mr. Koch with Mr. Roybal.
Mr. Barrett with Mr. Landrum.
Mr. Lehman with Mr. Teague.
Mr. Matsunaga with Mr. Conyers.
Mr. Rosenthal with Mr. Armstrong.
Mr. Thompson with Mr. Mathis.
Mr. Randall with Mr. Cederberg.
Mrs. Chisholm with Mr. Vigorito.
Mr. Metcalfe with Mr. Eshleman.
Mr. Brooks with Mr. Thornton.
Mr. Udall with Mr. Goldwater.
Mr. Johnson of California with Mr. Ashbrook.
Mr. Rose with Mr. Jarman.
Mr. Murphy of New York with Mr. Kelly.
Mr. Badillo with Mr. Bafalis.
Mr. Danielson with Mr. Lujan.
Mr. Howe with Mr. Edwards of Alabama.
Mr. Karth with Mr. Bell.
Mr. Long of Louisiana with Mr. Stephens.
Mr. Sisk with Mr. Lent.
Mr. Steed with Mr. Guyer.
Mr. Risenhoover with Mr. Traxler.
Mr. O'Hara with Mr. Frenzel.
Mr. Moss with Mr. Broomfield.
Mr. Montgomery with Mr. McClory.
Mr. Dodd with Mr. Jeffords.
Mr. Phillip Burton with Mr. Brown of Michigan.
Mr. Ford of Michigan with Mr. Moorhead of California.
Mr. Fraser with Mr. Esch.
Mr. Hawkins with Mr. Peyser.
Mr. McHugh with Mr. Fary.
Mr. Aspin with Mr. Young of Alaska.
Mr. Early with Mr. Whitehurst.
Mr. Kastenmeier with Mr. Ruppe.
Mr. Preyer with Mr. Bob Wilson.
Mr. Rousselot with Mr. Horton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation (H.R. 5620) just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

LEGISLATIVE PROGRAM FOR WEEK OF SEPTEMBER 22, 1975

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I take this time to inquire of the acting majority leader the program for next week.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, the program for the House of Representatives for the week beginning September 22 is as follows:

On Monday, for District day; there are no bills.

We will have:

S. 584, retirement credit for National Guard technician service, under an open rule, 1 hour of debate, general debate only, on which the rule was previously adopted;

H.R. 6227, right to representation during questioning, under an open rule, 1 hour of debate, general debate only, under a rule previously adopted;

H.R. 7222, Federal employees' group life insurance, under an open rule, 1 hour of debate, general debate only, under a rule previously adopted; and

H.R. 5397, retirement after 30 years of service, under an open rule, 1 hour of debate, general debate only, under a rule previously adopted.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, can the gentleman please explain to me why we will have just general debate only on Monday and there will be no votes?

Mr. BRADEMAS. It is my understanding, if the gentleman will yield, that there is a NATO Parliamentarians' meeting and a number of our Members will be attending that meeting in Denmark.

Mr. SYMMS. At Andrews Air Force Base, did the gentleman say?

Mr. BRADEMAS. I said Denmark.

Mr. SYMMS. They are not using 9-irons in the NATO meeting, are they?

Mr. BRADEMAS. Not that the gentleman from Indiana knows.

Mr. SYMMS. I am sure the gentleman would know about it.

Mr. BRADEMAS. Mr. Speaker, if the gentleman from Illinois will yield further, on Tuesday we will have:

H.R. 7014, Energy Conservation and Oil Policy Act, votes on amendments and bill.

On Wednesday we will have:

H.R. 9600, budget rescission bill, fiscal year 1976;

H.R. 6844, consumer product safety, votes on amendments and bill; and

H.R. 7656, beef research and information, under an open rule, 1 hour of debate, under a rule previously adopted.

On Thursday and the balance of the week we will have:

H.R. 1287, United Nations Participation Act amendment, under an open rule, with 3 hours of debate;

H.R. 8841, Federal Insecticide, Fungicide, and Rodenticide Act amendments, subject to a rule being granted;

S. 584, retirement credit for National Guard technician service, votes on amendments and bill;

H.R. 6227, right to representation during questioning, vote on amendments and bill;

H.R. 7222, Federal employees' group life insurance, votes on amendments and bill; and

H.R. 5397, retirement after 30 years of service, votes on amendments and bill.

Conference reports may be brought up at any time.

Any further program may be announced later.

Mr. MICHEL. Mr. Speaker, I would assume from the length of the program announced for next week, there would be definitely a Friday session and Members ought to plan accordingly.

Mr. BRADEMAS. Members ought to plan for a Friday session.

Mr. MICHEL. I thank the gentleman from Indiana.

ADJOURNMENT TO MONDAY, SEPTEMBER 22, 1975

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS WEDNESDAY NEXT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE 1974 PROFITABILITY OF SELECTED MAJOR OIL COMPANY OPERATIONS

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Illinois (Mr. HYDE) is recognized for 5 minutes.

Mr. HYDE. Mr. Speaker, on September 9, 1975, my colleague, Mr. VANIK, inserted into the CONGRESSIONAL RECORD at page 28034 what was described as a portion of his fourth annual corporate tax study. In his remarks Mr. VANIK expressed great concern that the corporations listed paid

730 percent more taxes to foreign governments than they did to the United States. The source of the data was extracted from reports made to the Securities and Exchange Commission. The clear implication was that U.S. corporations should not pay higher taxes to foreign governments than they do to the U.S. Government even though the income was earned abroad.

It is important to realize that the basic concept of a tax credit system is that the country in which the business activity is carried on has the first right to tax the income from it even though the activity is carried on by a foreigner, in this case by U.S. corporations. The U.S. Government can also tax the income but only to the extent that the tax does not duplicate the tax of the country where the income is earned and in the case of the U.S. tax of foreign source income, this duplication is eliminated by the foreign tax credit. If such were not the case and if the home country of a corporation were to tax the foreign operations of its corporations at its normal rate, it is highly possible that a combination of a foreign income tax plus the home government's tax would result in a tax rate in excess of 100 percent. This would effectively eliminate U.S. competition overseas and would have an adverse effect on the U.S. balance of payments.

Aside from the merits of U.S. taxation of foreign source income, I would like to direct your attention to a study prepared by the Senate Committee on Finance dated June 25, 1975. In that study of 10 major oil companies the average effective tax rate paid was 76.9 percent on a worldwide basis and 44.8 percent on the basis of taxation of U.S. source income. Both the average rates and the individual rates of the U.S. companies on U.S. income for the year 1974 greatly exceed those percentages appearing in my colleague's study. On the basis of the repeal of percentage depletion for a major portion of the petroleum industry in the United States, as of January 1, 1975, the effective U.S. tax rate for the years 1975 and thereafter will be considerably higher even giving consideration to the operation of the foreign tax credit. The subjects of energy and tax reform are too important to play politics with. Oil companies are easy targets for those more interested in scapegoats rather than solutions.

At this point I would like to insert in the RECORD "Table 3, Effective Tax Rates Paid by 10 Major Oil Companies, 1965 to 1974—Includes All Taxes, Other Than Excise Taxes, Paid to Federal, State, Local, and Foreign Governments" of the study entitled "1974 Profitability of Selected Major Oil Company Operations":

[From committee print, Committee on Finance, U.S. Senate]

TABLE 3.—EFFECTIVE TAX RATES PAID BY 10 MAJOR OIL COMPANIES, 1965 TO 1974—INCLUDES ALL TAXES, OTHER THAN EXCISE TAXES, PAID TO FEDERAL, STATE, LOCAL, AND FOREIGN GOVERNMENTS

[In percent]

	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965
Total:										
Exxon	81.8	78.1	79.8	76.9	77.8	76.3	75.5	76.5	76.4	76.4
Gulf	75.2	67.2	70.2	63.7	55.5	50.2	45.3	47.5	46.4	45.0
Mobil	73.9	62.4	63.2	63.9	57.1	55.4	54.1	49.6	48.5	49.1
Phillips [1]	60.8	44.5	51.9	47.5	46.8	42.5	42.2	41.9	42.3	36.2
Shell	43.6	43.6	45.6	43.7	46.0	39.1	36.8	36.1	38.0	38.0
Standard of California	61.9	59.2	65.1	63.6	60.5	55.8	52.9	48.4	32.5	30.6
Standard of Indiana	54.3	46.6	43.0	40.9	41.1	39.7	42.0	40.9	39.8	44.5
Standard of Ohio	41.5	50.1	56.6	35.6	29.2	58.8	47.2	43.8	44.1	50.5
Sun	62.3	54.1	55.4	54.2	57.0	53.0	48.4	NA	NA	NA
Texaco	85.6	74.3	75.3	70.5	66.8	66.6	63.0	61.9	NA	NA
10-company average [2]	76.9	70.3			66.6			62.4		
United States:										
Gulf	40.5	41.0	28.5	30.7	31.6	26.9	19.4	29.6	33.3	30.9
Mobil	42.6	41.5	38.9	45.9	44.1	38.9	34.7	39.7	39.4	42.7
Phillips [1]	46.9	50.0	48.6	52.8	50.5	45.3	45.8	45.1	43.1	38.7
Shell	44.1	44.0	45.7	44.0	46.1	38.3	36.2	35.8	36.9	36.5
Standard of California	44.1	49.2	44.8	45.6	44.6	34.9	36.3	36.5	37.5	34.6
Standard of Indiana	46.5	41.6	46.0	48.1	48.1	44.2	48.3	40.6	39.3	42.0
Standard of Ohio	29.2	48.5	56.2	31.0	26.6	59.4	46.7	43.0	43.0	50.4
Sun	48.4	50.5	47.7	47.5	48.3	42.0	37.7	NA	NA	NA
Texaco	48.3	37.2	35.6	35.3	36.6	30.3	25.7	25.3	NA	NA
Exxon	44.5	42.3	40.8	41.3	43.7	40.2	40.5	39.3	38.5	37.4
10-company average [2]	44.8	42.9			42.4			35.6		
Foreign:										
Exxon	87.2	83.7	87.0	84.4	85.4	85.4	83.1	84.4	83.8	82.7
Gulf	81.7	72.1	88.0	79.1	73.2	69.6	67.0	67.9	63.8	63.4
Mobil	79.8	67.9	71.3	71.3	65.5	67.0	66.4	57.8	54.7	53.7
Phillips [3]	80.3									
Shell [4]	49.8									
Standard of California	67.2	61.4	71.2	69.3	67.4	66.0	61.7	55.6	26.2	25.2
Standard of Indiana [3]	66.9	61.3	22.1	10.1	4.8			57.7	95.7	
Standard of Ohio [4]	73.5									
Sun [2]	79.1	59.2	77.6	77.1	93.0			NA	NA	NA
Texaco	88.8	80.5	84.6	80.5	79.3	79.4	81.6	80.4	NA	NA
10-company average [2]	84.5	77.8			79.4			78.2		

[1] The rates of profitability of taxes for Phillips were recalculated using the tax and income figures supplied by Phillips; however, Phillips points out that the income shown includes earnings of companies accounted for by the equity method, whereas the tax figures do not include taxes paid by such companies. Hence, the taxes are understated.

[2] This average includes total company income and total taxes paid by the companies.

[3] These companies had losses on foreign operations in certain years not shown.

[4] Foreign operations of these companies are, or were, relatively insignificant, i.e., less than 5 percent of net assets.

Note: Data in this table were supplied by the 10 major oil companies in response to a questionnaire from the Senate Finance Committee asking for data from petroleum operations. 5 of the companies reported profits on petroleum operations as requested, 5 companies reported total corporate profit data. 4 of the 5 companies reporting total profit data, Mobil, Gulf, Shell and Standard of California, all indicated that the nonpetroleum portion of their business was relatively insignificant and its inclusion should not therefore create any distortions in the data.

Source: Responses from the 10 major oil companies listed above to a questionnaire from the Senate Finance Committee asking for the rate of profitability to taxes, other than excise taxes. The responses to this question showed net income, taxes (other than excise taxes), and the ratio between net income after tax and the sum of net income after taxes and taxes (other than excise) paid to Federal, State and local governments and to foreign governments. The reciprocal of this ratio is the ratio between total taxes (other than excises), paid to Federal, State and local governments and to foreign governments, and the sum of such taxes and after-tax net income, i.e., the effective overall tax rate paid by the 10 companies to all governments. This reciprocal is shown above in the tables. Caution: This is not the effective tax rate paid to the U.S. Government.

CALIFORNIA FARM LABOR RELATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 5 minutes.

Mr. TALCOTT. Mr. Speaker, the California Legislature recently enacted a farm labor relations law, establishing an agricultural labor relations board to supervise employee elections in order to determine collective bargaining units for farm workers in California. Secret ballots, collective bargaining and democracy were to be guaranteed for the farmworkers.

The first elections pursuant to the new law, and under the supervision of the new board, are being conducted in California fields at this time.

Fifty different farm labor laws in fifty different States will invite chaos in an important basic industry which is clearly interstate in character. National legislation is desperately needed for the protection of the farmworker, the farmer, and the consumer.

We should be watching and evaluating the law and its operation in California to guide and benefit us in developing national agricultural labor relations legislation. Landmark precedents are being established.

Accurate reports of the California elections are rare. One election was conducted at the D'Arrigo Brothers Farms. Enclosed is a report of the conduct of that election. Numerous persons have confirmed the report to me. It was typical of contested election throughout California. I ask unanimous consent to include a copy of the report at this place in the RECORD.

I urge every person who is interested in the new farm labor collective bargaining elections in California to read this report.

The report follows:

REPORT OF CONDUCT OF ELECTION, SEPTEMBER 10, 1975

D'Arrigo Bros. Company took every step possible to try and insure each of its employees would be able to cast an informed vote in a free and fair election. In order to insure that the maximum number of voters would vote, the company voluntarily offered to transport all of its field workers from the fields to a central polling place without any loss of pay to its employees. In addition, the company voluntarily offered to eliminate any suspicion of intimidation or coercion by covering all company identification on the buses and removing any campaign literature. Furthermore, no company supervisors were permitted on the buses or anywhere near the polling area. It was the company's hope and desire that each employee would be able to express his own personal opinion in a secret ballot, free from intimidation and coercion, or even the appearance of intimidation or coercion. However, this was not the case.

The experience of a typical field worker of D'Arrigo Bros. Co. at yesterday's election conducted by the A.L.R.B. was as follows.

A field worker would get on a company bus along with other members of his work crew, to be transported to the polling place. As soon as the bus would begin its journey, which sometimes was as long as 40 miles, the U.F.W. campaigning would start. U.F.W. campaign literature and buttons were handed out among the field workers on the bus and campaign slogans were shouted during the ride to the polls. As the bus reached the ranch entrance where the polling was taking place, the field workers on the bus would be met by a large crowd of well-known U.F.W. fulltime staff members and organizers who would be yelling U.F.W. campaign slogans. The field workers could also observe many cars parked along the side of the road which were covered with U.F.W. campaign material. As the bus worked its way through this mob scene and proceeded approximately 50 yards to the polling area, the field workers would be met by U.F.W. organizers as they got off the bus. More campaign literature and campaign buttons were passed out at this point and campaign slogans continued to be shouted during the time that the field workers were waiting to vote.

When the field worker reached the registration table to obtain his ballot, he was met by the U.F.W. observer with the official government observer badge. This person also usually had U.F.W. campaign buttons prominently displayed and engaged in conversation directly with the field worker. The field worker was then given a ballot to cast and pointed to an area where two polling booths were located adjacent to each other. Neither of these polling booths had curtains in front of them and the prospective voter could observe, if he wanted to, how the persons in the voting booths were marking their ballots. The prospective voter could also observe that there was a large crowd of people in the immediate area who could also see into the voting booths. Thus, the prospective voter upon entering the polling booths, after having been subject to U.F.W. campaigning and pressure tactics, was fully aware that the ballot he was about to cast was not a secret one.

The Agricultural Labor Relations Board made a mockery of the election process in the way it conducted the election.

1. Too few board agents were assigned to an election with 900 potential voters. During the election, board agents repeatedly stated to company observers that they could not control the mob scene or enforce the board's rules of election conduct. They also stated they did not know the election would be so large. However, the company had fully informed the board of the potential number of voters and the possible election problems as early as last Wednesday.

2. The board agents repeatedly did not know how to react to situations which occurred during the election and frequently argued among themselves as to what to do.

3. The stack of blank ballots was left unattended by any board agent on several occasions.

4. The ballot box itself was not attended by any board agent during most of the day.

5. There were constant discussions among prospective voters in the polling booths or next to the polling booths, and this area was unattended by board agents during most of the day.

6. Many people came to vote who were not on the eligibility list supplied by the company. If such persons were wearing U.F.W. campaign literature, they were uniformly given ballots and allowed to vote under challenge. If such persons were not wearing such U.F.W. campaign literature, they were discouraged from voting by the board agents and were told that their ballots would not be counted.

7. Under the act, economic strikers can vote under certain conditions. When an alleged economic striker came to vote and answered questions of the board agent in such a way that it was clear that the person was not eligible, the board agent would suggest the proper answer to the alleged economic striker. If the person did not change his story, the board agent would then suggest to other voters in the area that they talk to the alleged economic striker in order that he could state the proper facts. If this was unsuccessful, the board agent would then fill in the "right answer" even though such facts had never been stated and allow the person to vote.

8. The board agents allowed U.F.W. observers to take notes during the election and did not allow company observers to do so.

9. The board agents allowed U.F.W. observers to wear campaign buttons which is in violation of its rules.

10. The board agents allowed U.F.W. observers to talk among themselves and refused to allow company observers to do so.

11. The board agents allowed U.F.W. observers to continually talk directly to the voters in violation of its rules.

12. The board agents asked voters who were wearing U.F.W. buttons for both their temporary and permanent addresses. Those who were not wearing U.F.W. buttons were asked only for their temporary address. This will make it difficult, if not impossible, to determine the eligibility of those who were not wearing U.F.W. buttons.

13. The group of people who were waiting to vote numbered anywhere from 40 to 100. At no time was there an orderly line waiting to vote. There was constant cheers of "Viva Chavez!" being promoted by U.F.W. organizers who were electioneering in the campaign line. These cheers were met with approving smiles by the employees of the A.L.R.B. who were conducting the election.

14. At least three separate crap games took place in the area immediately adjacent to the line waiting to vote and within view of the voter table. These crap games lasted from 20–25 minutes and a large amount of money changed hands and a great deal of noise and confusion was generated by these games. The single board agent charged with the responsibility of keeping the voting line in an orderly manner expressed fear in trying to control the group of people there.

15. During the entire election which was scheduled from 6:30 a.m. until 7:00 p.m., a mass group of United Farm Workers staff members and organizers stood at the entrance gate to the ranch where the polling was taking place. The presence of the group, whose identity was well known to the field workers, along with all of their campaign literature and their pro-U.F.W. cheers as the buses entered the yard, had an intimidating effect on the field workers who have experienced years of violence and threats of violence by U.F.W. organizers. No attempt was made by board agents to control this mob scene.

16. Those employees who came to vote by individual cars were all stopped and "checked" by the U.F.W. crowd of organizers in front of the gate.

17. On many occasions during the election, large amounts of U.F.W. bumper stickers and campaign buttons were carried from the U.F.W. staff at the gate inside the polling area and distributed among those who were waiting to vote. On at least five or six occasions, handwritten messages from U.F.W. staff members were taken inside to the polling area to board agent in charge of the election who then went out to the ranch entrance and conversed with the U.F.W. organizers.

18. Members of the U.F.W. legal staff, on at least one occasion, left the group at the ranch entrance and went to the polling area and campaigned for 10–15 minutes among those who were waiting to vote.

19. One of the U.F.W. organizers parked his car right next to the voting line. The car was completely covered with U.F.W. campaign stickers. No attempt was made by board agents to have the car removed.

We do not know if there is a conspiracy between the United Farm Workers Union and the Agricultural Labor Relations Board to deprive the field workers of this State of the right to decide union representation in a fair secret ballot election; but we do know that either through such a conspiracy or through the gross incompetence and pro-United Farm Workers union bias of the employees of the Agricultural Labor Relations Board, the field workers at D'Arrigo Bros. were denied a fair secret ballot which the law was designed to guarantee.

THE NATIONAL HEALTH CARE EQUATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MARTIN) is recognized for 5 minutes.

Mr. MARTIN. Mr. Speaker, the Ways and Means Subcommittee on Health has held continuing hearings on the accessibility, quality, and cost of medical and health care in this country. We have received testimony from a wide range of people. We have heard from those who teach medicine, those who practice, finance and support it, and those who enjoy it in this country; as well as witnesses from foreign traditions and experiments.

Some witnesses focused on costs and financing, others on access, and yet others on quality.

Several observations derived from this testimony are: First, that Americans generally enjoy a high level of health and medical care, second, that most Americans have satisfactory access to this and do in fact utilize that access, and third, that higher costs not only result from increased access and increased technological sophistication of health care, but also result in a misallocation of resources geographically and vis a vis specialties.

One overriding relationship between these factors emerged very clearly, first enunciated by Dr. Clinton McGill of Portland, Oreg. Generally, as access is increased to a greater variety of health services—from primary care through advanced diagnostic and surgical procedures—the cost of the national health bill increases, however it is financed. Second, if efforts are applied to holding down the national cost of health delivery, increased access can only be accomplished by reduced quality of the services to which access is gained.

Without suggesting any precise mathematical rigidity, let me offer for the reflection of the Congress the following "National Health Care Equation":

$$A \cdot Q = k \cdot \$$$

"Access times Quality is Proportional to Cost"

This represents in simple form that as access increases—at constant quality—cost will also increase. As access increases—at constant cost—quality declines. As quality increases—at constant access—cost increases.

This balance of components can be juggled simultaneously, as we seek to deal with national policy, but the relationship cannot be avoided.

For example, it may be tempting to propose a new mechanism that will allow increased access at higher quality, but without greater cost. This is the well-intended objective of comprehensive health care legislation, seeking to pay "all our bills for all our ills," with any army of regulators and clerks to insure access, standardize quality, and limit costs. That is a tempting illusion, that would in effect hope to modify "k" the proportionality constant.

While the role of the regulator may indeed be adjustment of the proportionality constant, three further observations must be borne in mind:

First. Regulation can block access, while seeking to open it—as long waiting lines overload the system;

Second. Regulation can lower quality, while trying to raise it—as standardized homogeneity dulls ingenuity;

Third. Regulation can increase cost, while attempting to restrain it—as the nonproductive paperwork burden mounts to feed regulatory curiosity.

The utility of this concept is solely to emphasize the relationship that I have described, so that their simple, underlying, inescapable dependence will not be lost or ignored as we contemplate legislation.

SPINAL CORD INJURY CENTER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 10 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, on September 13, groundbreaking for a new spinal cord injury center took place at the Veterans' Administration hospital at West Roxbury, Mass.

When completed, this center will not only provide the most comprehensive care available for patients with spinal cord injuries, but it also promises to be an internationally recognized facility for the development of even better techniques for dealing with these severe injuries. The Veterans' Administration has been a leader in this field for many years, and their preeminence takes on a new dimension with the addition of Dr. Alain Rossier, the internationally distinguished neurologist, to the staff at West Roxbury.

In his remarks at the groundbreaking ceremony, the Honorable Richard Roudebush, the distinguished Administrator of the Veterans' Administration, observed the vital significance and promise of the spinal cord injury center, and I am pleased to have this opportunity to share his comments with my colleagues:

REMARKS BY THE HONORABLE RICHARD L. ROUDEBUSH

This is a day that will be remembered for a long time.

This is an occasion that gives a symbolic beginning to one of the most important undertakings in the history of the Veterans Administration.

This is the start of a facility that will have importance and provide benefit not only to this locality and this area, not only to VA, not only to veterans, but to all our people and to those in other nations.

This is an event that opens a new era in the care, treatment and training of a category of patients who need our most serious and most concentrated attention.

And it is an event that underscores our determination to do the most we can do for them.

I am glad to be here with you this morning and I am delighted that VA is ready to take this important step.

This is a hospital that has given the most expert and the most compassionate care possible to spinal cord injury patients since it was opened 32 years ago, and it is appropriate that it should be the site of the modern center we break ground for today.

Before I go any further with my remarks, I would like to commend and thank all those who have helped provide this care.

You have what must surely be among the most difficult assignments in the whole field of medical treatment. You are challenged by the severest of injuries and you give your service under the least hopeful circumstances.

Nothing at this hospital comes easy for patients, professional staff, attendants or employees and the results you achieve are never good enough.

You are in a field where success is measured in improvement and in accommodation to something less than cure. It would be easy for you to be discouraged.

But I find you eager, interested, energetic and dedicated. And I find you optimistic.

I thank you personally . . . on behalf of VA . . . on behalf of the patients you help . . . and on behalf of *all* veterans . . . for what you are doing.

And I also join you in your optimism on this most significant day.

To help us understand just how significant this occasion is we have only to look back a few years, to a time prior to the establishment of the West Roxbury Hospital and similar facilities, a time when there was no cause for great hope that patients with spinal cord injuries would survive and improve to lead functional lives.

But we have made great progress and the present estimate is that 90 per cent of all such patients can be employed gainfully and live lives not so very different from those of the rest of us.

We consider the progress that has been made only a good beginning, however. We refuse to believe that there are immutable reasons that a paraplegic cannot enter into an even fuller life than is possible today. We refuse to believe that there is a point beyond which we can go no further in restoring health and body function.

Before this hospital and a few others like it were opened by VA to receive casualties of World War II, those with spinal cord injury lived only a short time and seldom resumed active lives and became productive again.

Now we have both survival and productivity.

Even the most seriously injured are surviving their injuries, adapting to them and leaving the hospital. Quadriplegics are no longer considered hopeless cases.

Nearly 20,000 spinal cord injury patients have come to VA since World War II and VA's care for these special and difficult cases has expanded to 18 centers in all parts of the country.

We are proud of the fact that we have some of the world's outstanding authorities on spinal cord care helping to staff our centers, including, of course, Dr. A. B. Rossier, whose knowledge and leadership are among the greatest resources VA has in this field.

We are proud of the fact that VA has led the way in developing treatment programs and a treatment organization for spinal cord injuries and that our experience is greater than that of any other medical system.

And we are, of course, extremely proud of the close working arrangement between Harvard Medical School and VA that is helping this hospital provide high level care and that makes the new center such an exciting prospect.

I know of no other medical school affiliation that is more valuable to VA and I know of none that is more innovative.

The existence of the unique chair in spinal cord injury medicine and its occupancy by Dr. Rossier effectively combine the resources of Harvard and VA to the benefit of training and research programs and, most important, to the benefit of our patients.

I commend our partners who will work with us at this new center, those at Harvard and those at other affiliated institutions and hospitals, for their professional achievements, for the respect they have earned in this most difficult facet of medicine and for the humanitarian instincts that led them into it.

We are proud to join you and to work at your side, symbolically and actually, in lifting the shovels that break this ground today and in the day-to-day operation of this new and promising facility.

Together it will be our purpose to assist helpless individuals to become productive citizens.

We will tell them there is hope, although they do not feel hopeful.

We will show them that with concerned and expert help they can once again exercise control over their bodies and their lives.

We will assist them through the whole process of healing, rehabilitation, training and entry back into normal existence. We will not forget them after this process, but will be here for the follow-up help they need.

Together, as partners. we will probe the mysteries of the trauma we seek to overcome. We will learn together and we will teach together.

The knowledge we gain will go to all spinal cord injury centers, to all VA hospitals and to those everywhere who can use such knowledge.

Those things we are successful in will benefit all mankind.

So, let us get the construction underway. Let us finish the ceremony and let the builders go to work.

I thank you for your attendance at this event, important to VA and to the Nation's veterans, and I thank you for your attention and hospitality.

NO FEDERAL SUBSIDIES FOR DRAFT DODGERS AND DESERTERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Florida. Mr. Speaker, I am today introducing an amendment to the Comprehensive Employment and Training Act which would prohibit the use of any funds made available under the terms of the act as "allowances or compensation" to any person "who has been convicted of evasion of the draft in violation of the selective service laws, or who has been convicted of desertion in the violation of the Uniform Code of Military Justice."

This amendment to the CETA has been made necessary by a February 12, 1975, directive issued by the U.S. Department of Labor's Manpower Administration. The matter was initially brought to my attention by the Honorable Ray Mattox, a concerned member of the Florida House of Representatives who forwarded to me a copy of the Manpower Administration's directive as sent to all prime sponsors in region IV. I want to take this opportunity publicly to commend Mr. Mattox for his efforts and to express my gratitude to him for raising this issue, which represents, in my opinion, an abuse of the clemency program aimed at showing leniency toward those who ran afoul of the draft or the military during the Vietnam war.

Honest people can and do differ as to the advisability of the clemency program in general; but I hardly think that most people would favor Federal subsidizing of those who, when their country needed them, turned a deaf ear. There has to be a limit to the public's patience with these people, and I think this is definitely it.

Under the Manpower Administration directive, all prime sponsors were informed of the President's clemency program and encouraged to cooperate with Selective Service "in arranging for alternate public service employment for Vietnam-era draft evaders and military deserters under the reconciliation service program."

As we all know, we have been passing through a period of economic recession, although there are now definite signs of recovery. But even though recovery has begun, there is no escaping the hard fact that unemployment remains at an undesirably high level.

Under the President's clemency program as interpreted by the Manpower Administration, draft dodgers and military deserters—or "resisters" and "absentees," as the directive puts it—both convicted and unconvicted, may "clear their records by swearing allegiance to the United States and performing up to 24 months of alternate service in public service employment in either a nonprofit or public agency." In other words, at a time when people with a desire to work—and this includes people who did their duty serving in Vietnam—are looking for jobs, preferential treatment is to be given to those who turned their backs on their country.

Mr. Speaker, I cannot countenance such a policy. Nor, I think, can the average citizen, especially one who stood by his country and needs the sort of job that, under this program as laid down by the Manpower Administration, could well go instead to someone who was a turncoat.

Obviously, I feel strongly about this issue; but I would ask my colleagues to note that my bill applies only to people convicted of draft evasion or military desertion. No matter what my personal feelings might be, I recognize that any attempt to penalize people merely accused of such offenses would probably be struck down by the courts as representing a bill of attainder.

What I have tried to do here is to strike a balance and to see to it that constitutional due process will be observed, even when applied to so emotionally charged an issue as this.

But we must also be fair to our Vietnam veterans—those brave men and women who served in a long and unpopular war, quietly doing their duty. If we are to give any preferential treatment with respect to public service employment, let it be to these people who have demonstrated that they are worthy of it.

If we must adhere to the concept of government as the employer of last resort, which seems to have been one of our operating premises at least since 1933, then at least let us have the decency to give preference to citizens whose record is clean insofar as their loyalty is concerned. Let us not subsidize with taxpayers' money those who, for spurious and frivolous reasons, refused to help their country and even, in some cases, averred their support for the enemy cause.

THE 17TH OBSERVANCE OF CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, it will be some time before the related events of the 17th observance of Captive Nations Week can be forgotten. The extensive observance both here and abroad, the Solzhenitsyn message, the Apollo-Soyuz feat, Kissinger's defense of détente, and the calling of the European Security Conference contributed to a most memorable and successful 1975 Captive Nations Week.

In this continuing report on the week, I submit the following examples of activity as assembled by the National Captive Nations Committee: First, the proclamation of Gov. Michael S. Dukakis of Massachusetts; second, the President's statement explaining his Helsinki trip to ethnic leaders; third, a radio broadcast by Dr. Lev E. Dobriansky of Georgetown University on "The Helsinki Super-Summit"; fourth, a report in America on Captive Nations Week in Baltimore; fifth, a letter to the President on Helsinki; and sixth, Chinese press opinion in the August 10 issue of Free China Weekly:

A PROCLAMATION OF THE COMMONWEALTH OF MASSACHUSETTS

Whereas: The Week of July 13–19, 1975 is observed nationally as "Captive Nations Week" in accordance with Public Law 86–90, and

Whereas: The people of Armenia, Estonia, Latvia, Lithuania and Ukraine have been deprived of their right to national self-determination and independence by forcible incorporation in the Soviet Union, while the peoples of Eastern Europe are denied fundamental civil liberties and political freedoms by their Communist governments, and

Whereas: In 1975, the Commonwealth and the rest of the United States begin the celebration of the 200th anniversary of the American Declaration of Independence, which proclaimed the inalienable rights to life, liberty, and the pursuit of happiness, and

Whereas: The patriots of Lexington and Concord, and the authors of the Declaration of Independence, did by word and by deed affirm the right of a people to resist tyrannical government, and

Whereas: It is especially appropriate during Captive Nations Week, 1975, to give renewed devotion to the just desire of peoples under Soviet domination and Communist rule for the rights proclaimed by the American Founding Fathers and defended at the battles of Lexington and Concord,

Now, therefore, I, Michael S. Dukakis, Governor of the Commonwealth of Massachusetts do hereby proclaim the week of July 13–19, 1975 as Captive Nations Week and urge all citizens of the Commonwealth to take appropriate recognition of this observance.

THE WHITE HOUSE,
July 25, 1975.

STATEMENT BY THE PRESIDENT

I am glad to have this opportunity, before taking off for Europe tomorrow, to discuss with you frankly how I feel about the forthcoming European Security Conference in Helsinki.

I know there are some honest doubts and disagreements among good Americans about this meeting with the leaders of Eastern and Western European countries and Canada—35 nations altogether.

There are those who fear the Conference will put a seal of approval on the political division of Europe that has existed since the Soviet Union incorporated the Baltic nations and set new boundaries elsewhere in Europe by military action in World War II. These critics contend that participation by the United States in the Helsinki understandings amounts to tacit recognition of a status quo which favors the Soviet Union and perpetuates its control over countries allied with it.

On the other extreme there are critics who say the meeting is a meaningless exercise because the Helsinki declarations are merely statements of principles and good intentions which are neither legally binding nor enforceable and cannot be depended upon. They express concern, however, that the result will be to make the free governments of Western Europe and North America less wary and lead to a letting down of NATO's political guard and military defenses.

If I seriously shared these reservations I would not be going, but I certainly understand the historical reasons for them and, especially, the anxiety of Americans whose ancestral homelands, families and friends have been and still are profoundly affected by East-West political developments in Europe.

I would emphasize that the document I will sign is neither a treaty nor is it legally binding on any participating State. The Helsinki documents involve political and moral commitments aimed at lessening tensions and opening further the lines of communication between the peoples of East and West.

It is the policy of the United States, and it has been my policy ever since I entered public life, to support the aspirations for freedom and national independence of the peoples of Eastern Europe—with whom we have close ties of culture and blood—by every proper and peaceful means. I believe the outcome of this European Security Conference will be a step—how long a step remains to be tested—in that direction. I hope my visits to Poland, Romania and Yugoslavia will again demonstrate our continuing friendship and interest in the welfare and progress of the fine people of Eastern Europe.

To keep the Helsinki Conference in perspective, we must remember that it is not simply another summit between the superpowers. On the contrary, it is primarily a political dialogue among the Europeans, East, West, and neutral, with primary emphasis on European relationships rather than global differences. The United States has taken part, along with Canada, to maintain the solidarity of the Atlantic Alliance and because our absence would have caused a serious imbalance for the West.

We have acted in concert with our free and democratic partners to preserve our interests in Berlin and Germany, and have obtained the public commitment of the Warsaw Pact governments to the possibility of peaceful adjustment of frontiers—a major concession which runs quite contrary to the allegation that present borders are being permanently frozen.

The Warsaw Pact nations met important Western preconditions—the Berlin Agreement of 1971, the force reduction talks now underway in Vienna—before our agreement to go to Helsinki.

Specifically addressing the understandable concern about the effect of the Helsinki declarations on the Baltic nations, I can assure you as one who has long been interested in this question that the United States has never recognized the Soviet incorporation of Lithuania, Latvia and Estonia and is not doing so now. Our official policy of non-recognition is not affected by the results of the European Security Conference.

There is included in the declaration of principles on territorial integrity the provision that no occupation or acquisition of territory in violation of international law will be recognized as legal. This is not to raise the hope that there will be any immediate change in the map of Europe, but the United States has not abandoned and will not compromise this long-standing principle.

The question has been asked: What have we given up in these negotiations and what have we obtained in return from the other side? I have studied the negotiations and declarations carefully and will discuss them even more intensely with other leaders in Helsinki. In my judgment, the United States and the open countries of the West already practice what the Helsinki accords preach, and have no intention of doing what they prohibit—such as using force or restricting freedoms. We are not committing ourselves to anything beyond what we are already committed to by our own moral and legal standards and by more formal treaty agreements such as the United Nations Charter and Declaration of Human Rights.

We are getting a public commitment by the leaders of the more closed and controlled countries to a greater measure of freedom and movement for individuals, information and ideas than has existed there in the past, and establishing a yardstick by which the world can measure how well they live up to these stated intentions. It is a step in the direction of a greater degree of European community, of expanding East West contacts, of more normal and healthier relations in an area where we have the closest historic ties. Surely this is the best interest of the United States and of peace in the world.

I think we are all agreed that our world cannot be changed for the better by war; that in the thermonuclear age our primary task is to reduce the danger of unprecedented destruction. This we are doing through continuing Strategic Arms Limitations talks with the Soviet Union and the talks on Mutual and Balanced Force Reductions in Europe. This European Security Conference in Helsinki, while it contains some military understandings such as advance notice of maneuvers, should not be confused with either the SALT or MBFR negotiations. The Helsinki summit is linked with our overall policy of working to reduce East-West tensions and pursuing peace, but it is a much more general and modest undertaking.

Its success or failure depends not alone on the United States and the Soviet Union but primarily upon its 33 European signatories, East, West and Neutral. The fact that each of them, large and small, can have their voices heard is itself a good sign. The fact that these very different governments can agree, even on paper, to such principles as greater human contacts and exchanges improved conditions for journalists, reunification of families and international marriages, a freer flow of information and publications, and increased tourism and travel, seems to me a development well worthy of positive and public encouragement by the United States. If it all fails, Europe will be no worse off than it is now. If even a part of it succeeds, the lot of the people in Eastern Europe will be that much better, and the cause of freedom will advance at least that far.

I saw an editorial the other day entitled: "Jerry, Don't Go."

But I would rather read that than headlines all over Europe saying: "United States Boycotts Peace Hopes".

So I am going, and I hope your support goes with me.

[Washington Report of the Air, (Reporter: Philip C. Clarke with Dr. Lev Dobriansky) European Security, July 31, 1975]

THE HELSINKI SUPER-SUMMIT

The thirty-five nation European Security Conference in Helsinki is being hailed as a super-summit and its treaty as a guarantee of peace. With both President Ford and Soviet leaders affixing their signatures, it is contended that Europe no longer will be a seat of strife and of war.

But there's more than meets the eye, says Professor Lev Dobriansky, of Georgetown University, Director of the Institute on Comparative Political and Economic Systems, and leading authority on Soviet affairs:

Dr. Lev Dobriansky: "Moscow has been pushing this consistently and hoping to make certain gains in connection with the very occurrence of the conference. Initially the Soviets hoped to exclude the United States—that was in the 50's and the beginning of the 60's. So many react as though this is a concession on their part, well, that they are more amenable to American participation and as a consequence, the chance of getting some degree of liberalization in Eastern Europe would result from this type of concession.

"All the advantages will be on the side of the Communist and against the people seeking freedom in Eastern Europe. There's no question in my mind that a signing of a treaty of this sort would, to use the proper term, legitimize the boundaries and in effect, state to the many people within and also without, that this is established territory and nothing is to be done in the future in the way of altering the boundaries."

Dr. Dobriansky says the European Security Treaty will have a profound and far-reaching effect:

Dr. Dobriansky: "The psychological and political impact of that will be enormous among all the capitive peoples, both in Central Europe and also within the USSR. Secondly, will we actually be able to capitalize on this? The saying is that, well, they'll liberalize in the sense of allowing for a freer flow of ideas of peoples and the like. To me this is a repetition of the type of thinking that we had in connection with Czechoslovakia prior to '68, and you saw the results of it. The fact is that those within the Soviet Union, and in Poland, and in Eastern Germany and many others, there's been a very methodical tightening-up process via their major KGB, and then of course, the facsimiles of the KGB throughout the entire Central European sector."

On balance, says Dr. Dobriansky, there can be little question that the Helsinki treaty will benefit Moscow the most by solidifying its hold over the captive nations of Eastern and Central Europe.

[From America, Aug. 14, 1975]

CAPTIVE NATIONS WEEK PROCLAIMED IN BALTIMORE

BALTIMORE, MD.—Through the initiative of the East European Academic Association of Maryland, Captive Nations Week was observed from July 13 through July 19 this year for the first time in the history of the thriving county that surrounds the city of Baltimore.

County Executive Theodore G. Venetoulis in his Proclamation very aptly remembered the peoples of the Captive Nations "in this Bicentennial year of the United States of America when it is significant that the peoples of this planet recognize the principles delineated in the Declaration of Independence, particularly the passage on the right to life, liberty and the pursuit of happiness . . ."

Mr. Venetoulis, of Greek ancestry, commented in presenting the proclamation of Captive Nations Week for Baltimore County that the island of Cyprus might well be added to the list of Captive Nations. His wife is a native of Cyprus and Mr. Venetoulis has recently met with other national and urban leaders of Greek descent to plan endeavors to improve the freedom quests of Greek peoples.

UKRAINIAN CONGRESS COMMITTEE OF AMERICA, INC., BOSTON CHAPTER,
Jamaica Plain, Mass., July 24, 1975.

Hon. GERALD R. FORD,
President of the United States of America,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Ukraine, Byelorussia, Lithuania, Latvia, Estonia, Armenia and other captive countries of Eastern Europe will not be represented as sovereign and independent countries at the Helsinki Summit Conference on July 30, 1975. They will be represented by their captor, the Soviet Union, which has been denying those peoples fundamental national and human rights. It was, indeed, tragic that the free world countries have failed to make a strong stand on captive countries under the Russian Communist domination during the Geneva "negotiations."

In the spirit of your 1975 "Captive Nations Week Proclamation," which urged "rededication to the aspirations of all peoples for self-determination and liberty," Americans of Ukrainian descent in Boston appeal to you, Mr. President, to continue to support the right of the Ukrainian people for national independence.

We also urge you, Mr. President, to press Soviet leaders in Helsinki for meaningful concessions relevant to national and human rights of the Ukrainian and all captive peoples, such as: freedom of expression and religion, release of all political prisoners, free movement of ideas, free practice of Ukrainian language and national traditions.

We thank you for your attention to our plea.

Respectfully yours,

Konrad Husak,
President.

[From Free China Weekly, Aug. 10, 1975]

Chinese Press Opinion: Captive Nations Deserted

The *Chung Kuo Shih Pao* (China Times) of August 5 said President Ford's visit to Romania marked the end of efforts to liberate the enslaved half of the world by political means.

The paper said: "The Romanian welcome for President Ford didn't mean anything. What mattered was that Ford had visited a half-independent country inside the Communist bloc.

"Ford's visits to East European countries are bound to have far-reaching effects on the freedom struggle of captive nations. The Helsinki statement called for noninterference in the internal affairs of European countries.

"In Bucharest, President Ford praised the Romanians for their independence. In theory the new line will be to break through the isolation of differing social systems. A democratic country supposedly will have the right to choose Communism system and a Communist country the freedom to develop democracy.

"The actuality is somewhat different. Closed societies have no freedoms of expression, movement, enterprise or culture.

"Brezhnev's 'limited hegemonism' still gives Russia domination over the East European nations. Can a member of the socialist bloc really be independent?

"President Ford's visit and the granting of most favored nation status to Romania shape up as a desertion of the captive nations."

ANNOUNCEMENT OF WAYS AND MEANS OVERSIGHT SUBCOMMITTEE HEARING ON PROPOSALS FOR CHANGES IN IRS ADMINISTRATIVE PROCEDURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the Oversight Subcommittee of the House Ways and Means will meet on Monday, September 22, 1975, at 9:30 a.m., in the main Ways and Means Committee hearing room to hear from IRS and Department witnesses.

The public hearing will be on various proposals pending before the full Ways and Means Committee on possible administrative changes in IRS procedures. These proposals will be considered by the full Ways and Means Committee in executive markup on September 24 and 25.

ADDRESS OF REPRESENTATIVE LES AuCOIN ON AMERICAN FOREIGN POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. Duncan) is recognized for 5 minutes.

Mr. DUNCAN of Oregon. Mr. Speaker, Oregonians are frequently accused of being inordinately proud of Oregon and other Oregonians. The charge is usually true, but then we have a lot to be proud of.

Recently, our colleague, Les AuCoin—coincidentally of Oregon's First District—addressed the World Affairs Council in Portland on the subject of the law of the sea and particularly the 200-mile economic issue zone.

His speech is significant, both because of his position on the concerned committee and because of its contents. He demonstrates an understanding of history, of the current necessity of conserving—using wisely—natural resources which today are beyond the power of any one nation to control and, finally, a deep perception of how the ultimate solution of this problem could and should contribute to our constant search for the elusive goal of world peace.

In short, it is a work product of an Oregonian in which I can take justifiable pride. I commend its message to the Members of the executive branch of this Government:

[From the Oregonian, Sept. 7, 1975]

AuCoin Says U.S. Must Have 200-Mile Offshore Fishing Limit To Protect Our Own and the World's Dwindling Food Resources

(By Les AuCoin)

If anything seems clear in the world today, it is this: We live in a time of redefinition.

Assumptions that have been the basis of our foreign policy for decades appear to be less and less relevant to a changing world.

New factors have been unleashed which are transforming the world we have known. New technology has given man the ability to unlock more of the earth's resources than we ever thought possible. Nationalism is on the march across most of the Third World. And men everywhere have come to realize that when it comes to the earth's resources, we are dealing with a shrinking pie.

Just what it will add up to is, of course, anyone's guess at the moment. Much depends on what a nation such as the United States does in helping shape and guide those forces. In my judgment, this is the fundamental backdrop and challenge facing future U.S. foreign policy .

Nowhere are those new forces—and challenges—more visible than in the emerging global debate over the future of the seas.

In representing a coastal district of Oregon, which has an economic reliance on fishing, I was quickly drawn into this debate in the Congress. And it's this aspect of foreign affairs I want to talk about.

Congress is about to pass a 200-mile offshore fishing limit. I am a principal co-sponsor of the bill and I serve as a member of the Merchant Marine and Fisheries Committee which has reported the legislation to the full House for action in September.

I believe it is landmark legislation. As with any bill of such enormous magnitude, it already has generated a lot of debate. But in the months to come, as the question develops in Congress and in the United Nations, the American people will increasingly be drawn to the subject.

Let me describe the crossroads the world has reached with respect to the sea. Let me lay out the stakes which the United States and the rest of the world are playing for. And finally, let me tell you why I am convinced that the enactment of a 200-mile coastal fishing limit is vital to the interest of the United States—and in the long run, to the rest of the world.

First, I want to paint a background picture for you . . . to explain why the sea has suddenly begun to command the world's attention.

Much of it has to do with those new forces I've described. Technology has brought us to the threshold of a new age in which mineral wealth of the oceans can be unlocked and exploited for the first time. Nationalism has increased the appetite of smaller nations to reject charity and seek ownership and possession instead—in other words, a direct share of the world's wealth.

And in a world of limited resources and inadequate supplies of food, nations have begun to awaken to the fact that the sea is one of the earth's last untapped treasures.

On that last point, for example, it's estimated that a well-managed 200-mile U.S. fishing limit might produce 10 million tons of food a year. What is more, recent scientific explorations of the deep seabed indicate vast deposits of copper, nickel, magnesium and other vital minerals of enormous economic value.

It should be no surprise then, that the vast riches of the sea have suddenly set loose the intense interest of not only the developing Third World, the "have-not" nations that are determined to claim a piece of the economic pie—but also the industrial world which has been shaken into the realization that it cannot afford to remain vulnerable to cartels formed by foreign states.

These increased demands, resulting from a changing world, have brought to the breaking point pressures in existing laws of the sea.

Change in some form is certain. The only remaining questions are: When? And in what form?

When you look into history, it isn't difficult to see why existing ocean law is so hard-pressed to cope with the demands of today's world.

The sovereign, three-mile territorial sea of each nation is a three-hundred-year-old concept that was originally designed to keep a nation beyond the cannon range of 17th century warships.

In those times, land-based resources were abundant and demands were limited and therefore such a limit was the only restriction deemed to be necessary on the otherwise unbounded high seas. And it made sense too, because the major value of the sea then was its use as an international highway which nations wanted to travel at will without interference from other nations.

Well, in the modern world, the sea has obviously become more than this.

This reception—along with a growing concern for the abuse of resources beneath the sea has led no less than 40 nations to claim expanded offshore jurisdiction. The claims have not been for "sovereignty" in every case, which is a radical step meaning absolute and total ownership, but rather for "jurisdiction," which in essence means national responsibility for those resources.

These nations argued that existing international law, based on the principle of unlimited freedom of the high seas, has meant that no one has taken responsibility for the care of ocean resources. They base their arguments on some alarming facts:

Present policies of sea harvesting are rapidly depleting ocean food stocks. The grand banks of the North Atlantic are now all but devoid of cod and hake. The Mediterranean has been proclaimed a dead sea. Marine experts say that vast areas of the oceans are virtual "deserts," incapable of sustaining significant sealife. American fish stocks have also been over-exploited; some, like haddock, to the point of commercial extinction, and many others are threatened by a similar fate.

And mind you, this has occurred even though in the last 20 years nations already have taken limited responsibility beyond their three-mile territorial seas, such as the United States did in 1945 in asserting jurisdiction over fish stocks for an additional nine miles.

This just proves, I believe, how inadequate the basic structure of international law has become.

With this background, the world has reached a crossroads. I think the moment calls for two immediate steps. First, in order to halt depletion of vital food stocks, nations should take expanded responsibility for management of those stocks up to, say, 200 miles—although there's nothing magic about the number 200. Secondly, as the ultimate answer, the world's nations must negotiate a permanent legal and economic system for the sea.

I believe such a system should (1) respect the legitimate needs of coastal nations for an expansion of their territorial seas to approximately 12 miles, and for an economic zone out to 200 miles and (2) assure land-locked nations, many of which live in abject poverty, of some portion of the dividends that will come from the 200-mile economic zone.

The United Nations Law of the Seas Conference, which has met intermittently for years, is where the second step will be resolved—if it is resolved at all.

The purpose of the conference is to adopt an international treaty to satisfy the needs of the world community. It was conceived by U.N. Ambassador Arvid Pardo of Malta as a method of turning to the sea to solve one of the great tragedies of history—the exploitation and deprivation of the underdeveloped nations of the world.

Pardo's dream was that some form of international agency would receive royalties from economic activities in the high seas—beyond the territorial waters of coastal nations—and distribute the dividends to struggling Third World nations.

That dream remains the only real answer to this issue. It offers a priceless opportunity to head off a complete breakdown of the concept of a "world community."

And it does so because one of the great threats to this sense of community in the world is the feeling of Third World nations that the western concept of community is a one-way street—a concept that means the rich natural resources of poor nations are exploited to sustain a high standard of living by the industrial world. Stated very bluntly, these underdeveloped nations believe the United States and other industrial nations have climbed to prosperity over the backs of poor and uneducated peoples of their own countries.

Until the United States and other industrial nations of the West face up to that issue—as Ambassador Pardo's suggestion permits them to—I am convinced that we will not only lose an opportunity for economic justice but will also continue to force the Third World into the arms of such competitors as Red China and others which, despite "detente," are exploiting these injustices at our expense.

Unfortunately, the prospects of Mr. Pardo's dream being realized soon seem dim at this moment. The consensus of most observers, at best, is that the Law of the Sea Conference will produce a 12-mile territorial sea limit and, beyond that, an "economic zone" extending to 200 miles. If this occurs, a nation would not have the right to restrict passage on the surface of the sea within 200 miles of its shores. Essentially, this would bring uniformity to actions already taken by many nations and contemplated of several others. This, itself, is a worthy goal but it can only be a first step. The second step must be to bring land-locked nations—especially underdeveloped ones—into the economic equation.

Unfortunately, however, the conference may not even be able to produce an agreement on this first step.

This is imminently possible for a number of reasons. One of them, ironically, is that some coastal Third World nations would rather break up the conference than surrender their radical claims to absolute sovereignty over their own 200-mile "territorial" sea.

Another reason is that more advanced nations with sophisticated, wide-ranging fishing fleets have more to gain from existing international law than from a new treaty.

This brings us to the proposed American 200-mile fishing limit. Critics have said the bill would jeopardize the opportunity for an international agreement.

I am convinced the opposite is true.

I say so for two reasons. First, some radical nations such as Chile, Peru, and Ecuador may never be persuaded regardless of what the Congress does. But other nations, such as the Soviet Union and Japan, will be less reluctant about a treaty if they discover they cannot pick clean America's fisheries while the issue remains up in the air at the U.N. Conference.

Secondly, and more importantly, time is running out on our vital offshore fisheries. We must not relent in seeking an international treaty. But we cannot let those resources go down while the world seeks long-range answers. After years of meetings, the Law of the Sea Conference has agreed only to combine all the conflicting issues into a single "negotiating text." In other words, it is barely off the ground. Most observers estimate it will be several years before an agreement it reached and then, if previous sea-law treaties are any indication, it will take six to eight additional years to be fully implemented.

In the meantime, American fisheries are under siege.

Japanese and Russian fleets continue to prowl the waters of the U.S. outer continental shelf, using nets so fine that a grown man's little finger cannot penetrate them. Immature fish are taken along with the mature ones. No attention is paid to sustained yield practices and, consequently, the American offshore fisheries are being depleted.

The proposed U.S. 200-mile limit bill is not a territorial grab. Enactment of the limit also would not slam the door arbitrarily on foreign fishing. Instead, it would require foreign fleets to pay license fees for the privilege of fishing U.S. waters and require that they do so under the same standards of conservation American fishermen live with. The bill also would use those foreign fees, along with American fees, to fund conservation and development programs.

That kind of management would, for the first time in history, halt the serious depletion that has occurred and allow us to turn to the sea in earnest as a major source of food. By thus showing the world that the United States means business, I believe the passage of the bill would expedite the signing of an international treaty, not hinder it.

I'm confident that the Congress will pass the 200-mile fishing limit this year with broad support from both Democrats and Republicans.

Henry Kissinger, I should point out, is opposed to the bill. He does not want any action until the U.N. Conference produces a treaty. He believes the bill, if enacted, would ruin the chances of a treaty. Some people say Mr. Kissinger will use his enormous influence with the President to have this bill vetoed.

If this should happen, I think it would be a colossal mistake.

I say that because what the issue really boils down to is this: How can the United States expedite an early agreement in the U.N. Conference which, hopefully, could set the stage for a comprehensive international agreement that would create a new economic order for the destitute nations of the world? And how can it, in the meantime, insure that our ocean resources last during the interim?

On both counts, I believe logic argues for the passage of the congressional bill. Of the Kissinger option and the congressional option, only the congressional option will provide interim protection for the fisheries. And for the reasons I've already stated, I believe it will hasten, not hinder, the signing of an international treaty.

I think the Congress has faced the issue with intelligence.

For the seas, and for the world itself, it is a time of redefinition.

COVERUP AT THE FEDERAL RESERVE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, since Federal departments, bureaus, and regulatory agencies are routinely audited by the highly respected General Accounting Office, it is very significant that the Federal Reserve is working so hard to block legislation reported by the House Committee on Banking, Currency and Housing to authorize regular GAO audits of Fed operations.

In his radio commentary last month, Nicholas Von Hoffman surmised that perhaps the Fed has something to hide. This does, indeed, seem to be the only logical conclusion and I insert this brief radio commentary, as it was aired over CBS radio on August 18, 1975, to be reprinted at this point in the RECORD:

NICHOLAS VON HOFFMAN'S SPECTRUM

The Federal Reserve Board is more powerful than the CIA and less well known. Over the last several years a number of CIA people have defected over to the side of elemental human decency. No one has ever defected from the Federal Reserve System over to the side of the people.

The Fed is a uniquely scandalous institution of such unnecessary but successfully devious complexity that it takes days even to understand its table of organization. But, boiled down to the essentials, the Fed is controlled by bankers and many of their principal borrowers. It is the Fed which prints up the money that the bankers lend to prop up such dubious enterprises as the Chrysler Corporation, TWA and Penn Central, or so we surmise.

Nobody knows for sure except the Fed. Although the Fed is a government agency, created by act of Congress, it escapes ever having to go to Congress to ask for an annual appropriation. The Fed has never been given an outside audit. That also is unique among government agencies. A bill to require outside auditing is running into heavy lobbying resistance. Congressman Wright Patman of Texas has told the House that officers from such corporations as Boeing, Crown Zellerbach and Dresser Industries are embarked on a furious letter-writing effort to stop the audit.

Even more interesting is the letter opposing the audit that Patman got from Allen P. Stults, former head of the American Bankers Association and now President of the American National Bank and Trust Company of Chicago. Mr. Stults wrote and I quote, "I would be deeply concerned with the possibility of public confidence in our central bank and perhaps in our entire financial system being undermined as a result of more public information being made available than at present." Close quotes.

If the president of my bank said anything like that I'd get my money out of it, but perhaps Mr. Stults is merely unlucky in facility of expression and he really meant something less alarming. In any event it is outrageous that bankers would fight auditing. Not only fight it themselves but get their borrowers to fight it and even mobilize the hack professors they throw consultant fees to to fight it also, so this is Nicholas Von Hoffman with SPECTRUM speculating the Fed must have something to hide.

NATIONAL BIBLE WEEK, 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. Boggs) is recognized for 5 minutes.

Mrs. BOGGS. Mr. Speaker, I am today joining my distinguished colleague, Senator Javits of New York, in introducing a resolution to designate November 23 through 30, 1975, as "National Bible Week." I would like to take this opportunity to request the support of my colleagues in the House of Representatives and urge their cosponsorship.

The 35th National Bible Week as an interfaith project sponsored each year by the National Bible Committee, Inc., in cooperation with a large group of American religious organizations. The aim of the annual observance is to promote and encourage Bible reading and study among all citizens. President Ford will serve as honorary chairman for this year's observance.

The Laymen's National Bible Committee was founded in 1940 as the National Committee for Religious Recovery. It began sponsoring National Bible Week in 1941 and its inaugural network radio program was interrupted with the news that Pearl Harbor had been bombed.

Bible Week coincides each year with Thansksgiving, America's only nonsectarian religious holiday. Largely a mass media campaign from its inception, the observance features magazine and broadcast advertising, newspaper features, cartoons and editorials, exhibits and projects by a wide range of clubs and organizations, libraries, book stores, business firms, labor unions, churches and synagogues, and the Armed Forces.

Cooperating organizations are the Catholic Biblical Apostolate, the Greek Orthodox Archdiocese, the Jewish Committee for National Bible Week, and the National Council of Churches. Representatives from these groups comprise the Advisory Committee for National Bible Week, chaired this year by Father Stephen J. Hartdegen, director of the U.S. Center for the Catholic Biblical Apostolate.

In addition, the Mormons, Christian Scientists, and the American Bible Society have consultant membership on the advisory committee.

HISPANIC HERITAGE WEEK

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the President has proclaimed this week as National Hispanic Heritage Week. I think this is a most fitting gesture toward our country's second largest minority group, and only wish it were accompanied by action to address the problems so widely experienced by this group of unemployment, inadequate housing, inferior education, and inadequate health services.

Estimates of the Spanish-speaking population in this Nation range as high as 15 million persons. In my own congressional district they represent a small but growing and vibrant part of the community. Yet, despite the fact that there are more Spanish-speaking persons in the United States than in most individual Latin American countries where Spanish is the official language, this group has consistently been denied that equality of opportunity which would enable them to share in the riches of our technologically advanced society. Although Spanish-speaking Americans have made great strides in recent years, statistics still show they have a long way to go if they are to enjoy the same levels of educational attainment, employment opportunity, adequate housing, and health care as the average U.S. citizen. It is unfortunate, indeed, that the President has chosen measures addressed to each of these problems as the subject of a veto.

I think it is appropriate that we reflect during Hispanic Heritage Week on the many contributions the Spanish speaking have made to this country. They explored and developed much of the Southwestern portion of the United States; they have served with great honor and dignity in the defense of our Nation—statistics show that there are more Congressional Medal of Honor winners from the Spanish-speaking community than from any other single ethnic group; they have produced many great leaders who have contributed to the overall growth and productivity of the United States, and they have shared with the rest of us a beautiful and unique culture that, together with many others, helps the United States to stand as an example of the progress that can be achieved when different groups work together in harmony.

Mr. Speaker, I hope that during the observance of this special week set aside to honor Spanish-speaking Americans we will all take a moment to rededicate ourselves to the principle of equality of opportunity which characterizes the United States as a country where everyone, regardless of race, color, creed, sex, or national origin has the same right to freedom and prosperity.

At this time, I insert the Presidential proclamation of Hispanic Heritage Week into the Record:

[Proclamation 4385]

NATIONAL HISPANIC HERITAGE WEEK, 1975

By the President of the United States of America

A PROCLAMATION

Men and women of Hispanic origin—Mexican Americans, Puerto Ricans, Cubans and other Spanish Speaking Americans—have contributed significantly to the growth of America. They have served with courage and distinction in our Armed Forces. In endeavors as varied as music, architecture, medicine, law, education, literature and religion, Hispanic-Americans have contributed wisdom, beauty and spiritual strength.

No manner of tribute to our country's Hispanic heritage could be more appropriate in this Bicentennial year than to acknowledge the importance of the Spanish contribution to the success of our own War of Independence. Spanish-led military forces protected the Colonies' southern front and kept the Mississippi River open for navigation and the delivery of supplies to the Americans in the southwest. Don Bernardo de Galvez, Spanish Captain General and Governor of Spanish Louisiana, led these successful campaigns and, in 1781, captured the heavily fortified city of Pensacola from the British.

The assistance to our Revolution from Galvez and the Hispanic troops he commanded has not always received the recognition it deserved in our history books. But the name Galvez has enjoyed commemoration through the Texas city we know as Galveston.

We can look forward to discovering other contributions from the Hispanic civilization so long and well established in our land and from the millions of Americans of Hispanic origin who enrich our society.

The Congress, by a joint resolution approved September 17, 1968 (82 Stat. 848), requested that a period in September be annually designated in recognition of that heritage.

Now, therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the week beginning September 14, 1975, as National Hispanic Heritage Week. I call upon the people of the United States, especially the educational community, to observe that week with appropriate ceremonies and activities.

In witness whereof, I have hereunto set my hand this eighth day of September, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the two hundredth.

Gerald R. Ford.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Broomfield (at the request of Mr. Michel), from September 18, on account of official business.

Mr. Bob Wilson (at the request of Mr. Michel), from September 18, on account of official business.

Mr. Zeferetti, for September 19, on account of official business.

Mr. Hutchinson, for September 22 to 25, on account of personal matters.

Mr. THOMPSON, for September 22 and 23, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KINDNESS) to revise and extend their remarks and include extraneous material:)

Mr. HYDE, for 5 minutes, today.

Mr. TALCOTT, for 5 minutes, today.

Mr. MARTIN, for 5 minutes, today.

Mrs. HECKLER of Massachusetts, for 10 minutes, today.

Mr. BURKE of Florida, for 10 minutes, today.

(The following Members (at the request of Mr. PATTISON of New York) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. DUNCAN of Oregon, for 5 minutes, today.

Mr. PATMAN, for 10 minutes, today.

Mrs. BOGGS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KINDNESS), and to include extraneous matter:)

Mrs. HECKLER of Massachusetts.

Mr. FORSYTHE.

Mr. DERWINSKI in three instances.

Mr. SYMMS.

Mr. DU PONT.

Mr. SEBELIUS.

Mr. MITCHELL of New York.

Mr. CLANCY.

Mr. STEIGER of Arizona.

Mr. BIESTER.

Mr. BELL.

Mr. YOUNG of Florida.

Mr. JOHNSON of Colorado.

Mr. HYDE.

Mr. CRANE.

Mr. BURKE of Florida in three instances.

Mr. MOORE.

Mr. STEIGER of Wisconsin.

(The following Members (at the request of Mr. PATTISON of New York) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. SOLARZ.

Mr. BAUCUS.

Mr. ECKHARDT.

Mr. MATHIS in two instances.

Mr. MURPHY of New York.

Mr. BLOUIN.

Mr. WIRTH.

Mr. ROYBAL.

Mr. HUBBARD.

Mr. LITTON in two instances.

Mr. DAN DANIEL in five instances.

Mr. SIMON in two instances.

Mr. ROSENTHAL.

Mr. BENNETT.

Mr. HALL in two instances.

Mrs. CHISHOLM.

Mr. MCDONALD of Georgia in five instances.

Mr. SYMINGTON.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2264. An act to authorize the Public Printer to designate employees to administer oaths; to the Committee on House Administration.

ADJOURNMENT

Mr. PATTISON of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 47 minutes p.m.), under its previous order, the House adjourned until Monday, September 22, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1766. A letter from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting a report on problems associated with multistate taxation of commercial banks, mutual savings banks, and savings and loan associations, pursuant to section 7(e) of Public Law 93–100; to the Committee on Banking, Currency and Housing.

1767. A letter from the Assistant Secretary of the Interior, transmitting a report covering fiscal year 1975 on disposal of foreign excess property by the Department of the Interior, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949 [40 U.S.C. 514(d)]; to the Committee on Government Operations.

1768. A letter from the Acting Secretary of the Interior, transmitting a report on the feasibility and desirability of designating the Mormon Battalion Trail as a segment of the National Scenic Trails System, pursuant to section 5(b) of Public Law 90–543 (H. Doc. No. 94–258); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

1769. A letter from the Assistant Secretary of the Interior, transmitting the boundary, classification, and development plans for the Lower St. Croix National Scenic Riverway, Minnesota and Wisconsin, pursuant to section 3 of Public Law 92–560; to the Committee on Interior and Insular Affairs.

1770. A letter from the Assistant Secretary of the Interior, transmitting the annual report for fiscal year 1975 on the implementation of the Alaska Native Claims Settlement Act, pursuant to section 23 of the act; to the Committee on Interior and Insular Affairs.

1771. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of an application by the Semitropic Water Storage District on behalf of the Bottonwillow Improvement District of Wasco, Calif., for a supplemental loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

1772. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense services to Saudi Arabia, pursuant to section 36 (b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1773. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Navy to offer to sell certain defense articles and services to Iran, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1774. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of July 31, 1975, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

1775. A letter from the Chairman, Federal Power Commission, transmitting a draft of proposed legislation to provide for the transfer to the Federal Power Commission of all functions and administrative authority now vested in the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935; to the Committee on Interstate and Foreign Commerce.

1776. A letter from the Chairman, Board of Directors, United States Railway Association, transmitting a supplement to the Final System Plan for restructuring railroads in the Northeast and Midwest, pursuant to section 208(a), Public Law 93–236, as amended; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. H.R. 9600. A bill to rescind certain budget authority recommended in the message of the President of July 26, 1975 (H. Doc. 94–225), transmitted pursuant to the Impoundment Control Act of 1974; with amendment (Rept. No. 94–496). Referred to the Committee of the Whole House on the state of the Union.

[*Pursuant to the order of the House on September 17, 1975, the following report was filed on September 19, 1975*]

Mr. FOLEY: Committee on Agriculture. H.R. 8841. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year; with amendments (Rept. No. 94–497). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H.R. 9705. A bill to amend section 2 of the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes; to the Committee on Banking, Currency and Housing.

By Mr. BENNETT:

H.R. 9706. A bill to limit to 5 years the period in which State and local educational agencies may be held accountable to the Federal Government for the use of equipment purchased with funds from programs administered by the Office of Education; to the Committee on Education and Labor.

By Mr. BREAUX:

H.R. 9707. A bill to amend and clarify certain regulatory authorities of the Federal Government over work and activities in navigable waters; to the Committee on Public Works and Transportation.

By Mr. BROWN of Ohio:

H.R. 9708. A bill to provide temporary authority for the President, the Federal Power Commission and the Federal Energy Administration to institute emergency measures to minimize the adverse effects of natural gas shortages, and to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BROYHILL:

H.R. 9709. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BROYHILL (for himself, Mr. Preyer, Mr. Hastings, Mr. Duncan of Tennessee, Mr. Devine, Mr. Schneebeli, Mr. Carter, Mr. Hefner, Mr. Taylor of North Carolina, Mr. Fountain, Mr. Kasten, Mr. Charles Wilson of Texas, Mr. Martin, and Mr. Coughlin):

H.R. 9710. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BURKE of Florida:

H.R. 9711. A bill to amend the Comprehensive Employment and Training Act of 1974 to prohibit the use of funds provided under such act for payment of wages to draft evaders and deserters; to the Committee on Education and Labor.

H.R. 9712. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty; to the Committee on the Judiciary.

By Mr. CLEVELAND:

H.R. 9713. A bill to amend the Food Stamp Act of 1964 to provide that the presence in a household of an otherwise able-bodied adult person shall not make such household ineligible for food stamps if such person is or has been mentally ill and is regularly participating in a treatment and rehabilitation program; to the Committee on Agriculture.

By Mr. D'AMOURS:

H.R. 9714. A bill to amend section 1661 of title 38 of the United States Code in order to entitle veterans to 2½ months of educational assistance for each month of service on active duty and to extend the maximum entitlement to such assistance to 45 months. to the Committee on Veterans' Affairs.

By Mr. DOMINICK V. DANIELS (for himself, Mr. Esch, and Mr. Andrews of North Carolina):

H.R. 9715. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional consultation and education to employers and for other purposes; to the Committee on Education and Labor.

By Mr. DOWNING of Virginia:

H.R. 9716. A bill to provide for a commercial fishing vessel safety certification program and fishermen's benefits for personal injuries, illnesses, and for dependents benefits; to the Committee on Merchant Marine and Fisheries.

By Mr. du PONT for himself and Mrs. Fenwick):

H.R. 9717. A bill to terminate the authorization of the Tocks Island Reservoir project, Pennsylvania, New Jersey, and New York; to the Committee on Public Works and Transportation.

By Mr. EVANS of Colorado:

H.R. 9718. A bill to amend the Administrative Procedures Act and for other purposes; jointly to the Committees on the Judiciary, and Rules.

By Mr. EVANS of Colorado (for himself, Mr. Santini, Mr. Don H. Clausen, Mr. Weaver, Mr. Simon, Mr. McKay, Mr. Howe, Mr. Melcher, and Mr. Hamilton):

H.R. 9719. A bill to provide for certain payments to be made to State or local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such State or locality; to the Committee on Interior and Insular Affairs.

By Mr. FLORIO (for himself, Mr. Forsythe, Mr. Hughes, Mr. Thompson, and Mr. Edgar):

H.R. 9720. A bill to limit civil service disciplinary actions in certain cases involving the failure of an employee to report as directed for the service of process; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H.R. 9721. A bill to provide for increased participation by the United States in the Inter-American Development Bank, to provide for the entry of nonregional members and the Bahamas and Guyana, in the Inter-American Development Bank, to provide for the participation of the United States in the African Development Fund, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. HAMMERSCHMIDT:

H.R. 9722. A bill to amend the Controlled Substances Act to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force and violence, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HECHLER of West Virginia (for himself, Mr. Thornton, and Mr. Wirth):

H.R. 9723. A bill to provide additional assistance to the Energy Research and Development Administration for the advancement of nonnuclear energy research, development and demonstration; to the Committee on Science and Technology.

By Mr. HECHLER of West Virginia (for himself, Mr. Bell, Mr. Krueger, and Mr. Wirth):

H.R. 9724. A bill to authorize a program of energy research, development, and demonstration to assist in the exploration and development of oil and gas on the Outer Continental Shelf, and for other purposes; jointly to the Committees on Science and Technology, and Interior and Insular Affairs.

By Mr. MELCHER (for himself, Mr. Roncalio, Mr. Steelman, Mr. Phillip Burton, Mr. Vigorito, Mr. Weaver, Mr. Miller of California, and Mr. Carr):

H.R. 9725. A bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HELSTOSKI:

H.R. 9726. A bill to amend title II of the Social Security Act to reduce from 20 to 5 years the length of time a divorced women's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record; to the Committee on Ways and Means.

H.R. 9727. A bill to amend title II of the Social Security Act to increase to $3,600 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 9728. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who have attained age 65 or who are disabled a refundable tax credit for property taxes paid by them on their principal residences or for a certain portion of the rent they pay for their principal residences; to the Committee on Ways and Means.

H.R. 9729. A bill to regulate lobbying and related activities; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. HYDE (for himself, Mr. Rhodes, Mr. Anderson of Illinois, Mr. Del Clawson, Mr. Collins of Texas, Mr. Coughlin, Mrs. Fenwick, Mr. Hall, Mr. Howe, Mr. McClory, Mr. Mazzoli, Mr. Michel, Mr. Mikva, Mr. Murphy of Illinois, Mr. Preyer, Mr. J. William Stanton, Mr. Talcott, Mr. Vander Veen, Mr. Whitehurst, Mr. Wiggins, Mr. Charles Wilson of Texas, Mr. Won Pat, Mr. Wydler, and Mr. Yates):

H.R. 9730. A bill to provide that the recently enacted provisions authorizing increases in the salaries of Senators and Representatives be limited only to the increase which will take effect October 1, 1975; to the Committee on Post Office and Civil Service.

By Mr. JONES of Oklahoma:

H.R. 9731. A bill to amend title XX of the Social Security Act to provide that the regulations prescribed by the Secretary of Health, Education, and Welfare to impose staffing standards for day care centers thereunder shall require staff-to-child ratios (except in certain States with higher standards) of one adult for each child under 6 weeks old, one adult for each eight children between 6 weeks and 3 years old, one adult for each 10 children between 3 and 4 years, and one adult for each 12 children between 4 and 6; to the Committee on Ways and Means

By Mr. JONES of Oklahoma (for himself, Mr. Bonker, Mr. Breaux, Mr. Burleson of Texas, Mr. Collins of Texas, Mr. Coughlin, Mr. Dan Daniel, Mr. de Lugo, Mr. English, Mr. Florio, Mr. Fuqua, Mr. Helstoski, Mr. Jarman, Mr. LaFalce, Mr. McCormack, Mr. Ottinger, Mr. Risenhoover, Mr. Rodino, Mr. Steed, Mr. Steiger of Wisconsin, Mr. Waggonner, and Mr. Whitehurst):

H.R. 9732. A bill to amend title XX of the Social Security Act to provide that the regulations prescribed by the Secretary of Health, Education, and Welfare to impose staffing standards for day care centers thereunder shall require staff-to-child ratios of one adult for each child under 6 weeks old and (subject to State action in certain cases) one adult for each eight children between 6 weeks and 3 years old; to the Committee on Ways and Means.

By Mr. KETCHUM (for himself, Mr. Goldwater, and Mr. Dickinson):

H.R. 9733. A bill to amend the Outer Continental Shelf Lands Act to authorize certain revenues from leases on the Outer Continental Shelf to be made available to coastal States; jointly to the Committees on the Judiciary, and Merchant Marine and Fisheries.

By Mr. LaFALCE:

H.R. 9734. A bill to amend the Small Business Act to provide that determinations by the administration of the reasonable assurance of repayment of prospective loans be made on a case-by-case basis and to clarify the eligibility of small business homebuilding firms for assistance under the Small Business Act; to the Committee on Small Business.

By Mr. LITTON:

H.R. 9735. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

By Mr. McKAY (for himself, Mr. Howe, Mr. Santini, and Mr. Evans of Colorado):

H.R. 9736. A bill to amend the Internal Revenue Code of 1954 to exempt from Federal income taxation a trust established by a taxpayer for the purpose of providing care for certain mentally incompetent relatives of the taxpayers; to the Committee on Ways and Means.

By Mr. MYERS of Pennsylvania:

H.R. 9737. A bill to provide for the Federal payment of State unemployment compensation benefits which are paid to individuals who are unemployed because of the natural gas shortage; to the Committee on Ways and Means.

By Mr. NOWAK:

H.R. 9738. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 9739. A bill to repeal the recently enacted provisions authorizing increases in the salaries of Senators and Representatives; to the Committee on Post Office and Civil Service.

H.R. 9740. A bill to provide that the recently enacted provisions authorizing increases in the salaries of Senators and Representatives be limited only to the increase which will take effect October 1, 1975; to the Committee on Post Office and Civil Service.

By Mr. ROSENTHAL:

H.R. 9741. A bill to amend the Internal Revenue Code of 1954 to provide that a cooperative housing corporation, condominium management association, or residential real estate management association, shall not be taxed on the assessments, fees, charges, et cetera, paid to it by its members; to the Committee on Ways and Means.

By Mr. ST GERMAIN (for himself and Mr. Reuss) (by request):

H.R. 9742. A bill to amend the Federal Deposit Insurance Act (12 U.S.C. 1811–31b), and for other purposes; to the Committee on Banking, Currency and Housing.

H.R. 9743. A bill to strengthen the supervisory authority of the Federal banking agencies over financial institutions and their affiliates; to the Committee on Banking, Currency and Housing.

By Mr. SARASIN (for himself, Mr. Mazzoli, Ms. Mink, Mr. Dodd, Mr. Jenrette, Mr. Cederberg, Mr. Cotter, Mr. Blouin, Ms. Spellman, Mr. Hannaford, and Mr. Giaimo):

H.R. 9744. A bill to amend the Occupational Safety and Health Act of 1970 to provide loans to certain local governments required to comply with occupational safety and health standards under State plans approved by the Secretary of Labor; to the Committee on Education and Labor.

By Mr. SCHULZE (for himself and Mrs. Spellman):

H.R. 9745. A bill to authorize and direct the Secretary of the Treasury to coin and issue a 2-cent piece emblematic of the Bicentennial of the American Revolution; to the Committee on Banking, Currency and Housing.

By Mr. SEIBERLING (for himself, Mr. Breckinridge, Mr. Goodling, Mr. Maguire, Mr. Rosenthal, and Mr. Waxman):

H.R. 9746. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods and to require that payment of benefits on approved claims begin promptly; to the Committee on Ways and Means.

By Mr. STEELMAN:

H.R. 9747. A bill to amend the act of October 11, 1974, establishing the Big Thicket National Preserve; to the Committee on Interior and Insular Affairs.

By Mr. STEELMAN (for himself and Mr. Rosenthal):

H.R. 9748. A bill to amend section 552 of title 5 of the United States Code to clarify certain exemptions from its disclosure requirements, to provide guidelines and limitations for classifying official information; to the Committee on Government Operations.

By Mr. TEAGUE (by request):

H.R. 9749. A bill to provide additional assistance to the Energy Research and Development Administration for the advancement of nonnuclear energy research, development and demonstration; to the Committee on Science and Technology.

By Mr. TREEN (for himself, Mr. Ashbrook, Mr. Bauman, Mr. Long of Louisiana, Mr. Hansen, Mr. Spence, Mr. Martin, Mr. Passman, Mr. Beard, of Tennessee, and Mr. Crane):

H.R. 9750. A bill to amend title XX of the Social Security Act to postpone for 6 months the application of certain Federal standards governing the provision of child day care services under the new social services program; to the Committee on Ways and Means.

By Mr. WOLFF (for himself and Mr. Corman):

H.R. 9751. A bill to amend the Noise Control Act of 1972 and the Federal Aviation Act of 1958 to provide that the Administrator of the Environmental Protection Agency shall prescribe standards for the control and abatement of aircraft noise and sonic boom; to the Committee on Public Works and Transportation.

By Mr. BAUCUS (for himself, Mr. Abdnor, Mr. Anderson of California, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bolling, Mr. Brodhead, Mr. Brown of California, Mr. Byron, Mr. Conte, Mr. Eilberg, Mr. Hawkins, Mr. Howard, Mr. Lehman, Mr. Lloyd of California, Mr. McHugh, Mr. Melcher, Mr. Perkins, Mr. Peyser, Mr. Rodino, Mr. Roybal, Mrs. Spellman, Mr. J. William Stanton, Mr. Whitehurst, and Mr. Winn):

H.J. Res. 661. Joint resolution to authorize and request the President to issue a proclamation designating the fourth Sunday in September annually as National Good Neighbor Day; to the Committee on Post Office and Civil Service.

By Mrs. BOGGS:

H.J. Res. 662. Joint resolution to declare November 23 through November 30, 1975, National Bible Week; to the Committee on Post Office and Civil Service.

By Mr. du PONT:

H.J. Res. 663. Joint resolution authorizing the President to proclaim January 17 of each year as National Volunteer Firemen Day; to the Committee on Post Office and Civil Service.

By Mr. STEELMAN:

H.J. Res. 664. Joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools; to the Committee on the Judiciary.

By Mr. HYDE (for himself and Mr. Milford):

H. Res. 728. Resolution creating a Select Committee on Energy; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

263. By the SPEAKER: Memorial of the Legislature of the State of California, relative to supporting proposed legislation to provide for certification of applicators of restricted-use pesticides; to the Committee on Agriculture.

264. Also, memorial of the Legislature of the State of California, relative to federally guaranteed or insured mortgages; to the Committee on Banking, Currency and Housing.

265. Also, memorial* of the Legislature of the State of California, relative to the regulation of televised violence; to the Committee on Interstate and Foreign Commerce.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

233. By the SPEAKER: Petition of Emory Nash, Santa Barbara, Calif., and others, relative to the Middle East; to the Committee on International Relations.

234. Also, petition of Diane Goldsmith, Hartford, Conn., and others, relative to the activities of Representative Michael Harrington; to the Committee on Standards of Official Conduct.

235. Also, petition of the board of directors, Oklahoma Farm Bureau, Oklahoma City, Okla., relative to labor unions; jointly to the Committees on Agriculture, the Judiciary, and Education and Labor.

SENATE—*Friday, September 19, 1975*

(Legislative day of Thursday, September 11, 1975)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. Richard Stone, a Senator from the State of Florida.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, our Father, who alone knowest what lies before us this day, grant that in every hour of it we may keep close to Thee. We cannot escape history nor can we evade our responsibility. Therefore wilt Thou illuminate our minds, direct our thinking, strengthen our wills and so guide us by Thy spirit that our actions may merit Thy blessing. Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the

Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 19, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. RICHARD STONE, a Senator from the State of Florida, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. STONE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, September 18, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSFER OF CERTAIN SUBMARGINAL LAND TO VARIOUS INDIAN TRIBES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 371.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1327) to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made a part of the reservations of said Indians, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That (a) except as hereinafter provided, all of the right, title, and interest of the United States of America in all of the land (including the improvements now thereon) which was acquired under title II of of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of the Act of August 24, 1935 (49 Stat. 750, 781), and which is now administered by the Secretary of the Interior for the use and/or benefit of an Indian tribe identified in section 2 of this Act, together with all minerals underlying any such land however acquired or owned by the United States, is hereby declared to be held by the United States in trust for such tribe, and (except in case of the Cherokee Nation) shall be a part of the reservation established for such tribe.

(b) The property conveyed by this Act in trust for the Oglala Sioux Tribe shall be subject to the appropriation or disposition of any of the lands, or interests therein, within the Pine Ridge Indian Reservation, South Dakota, as authorized by the Act of August 8, 1968 (82 Stat. 663). The property conveyed by this Act in trust for the Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin shall be subject to a reservation in the United States of a right to prohibit or restrict improvements or structures on, and to continuously or intermittently inundate or otherwise use, lands in sections 25 and 26, township 48 north, range 3 west, at Odanah, Wisconsin, in connection with the Bad River flood control project as authorized by section 203 of the Act of July 3, 1958 (72 Stat. 297, 311). This Act shall not convey the title to any part of the lands, or any interest therein, which prior to enactment of this Act has been included in the authorized water resources development projects in the Missouri River basin as authorized by section 203 of the Act of July 3, 1958 (72 Stat. 297, 311), as amended and supplemented.

SEC. 2. The Secretary of the Interior shall publish in the Federal Register the boundaries and descriptions of the lands conveyed by this Act. The lands are generally described as follows:

Tribe	Reservation	Submarginal land project donated to said tribe or group	Approximate acreage
1. Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin	Bad River	Bad River LI–WI–8	13, 149
2. Blackfeet Tribe	Blackfeet	Blackfeet LI–MT–9	9, 037
3. Cherokee Nation of Oklahoma		Delaware LI–OK–4	18, 750
		Adair LI–OK–5	
4. Cheyenne River Sioux Tribe	Cheyenne River	Cheyenne Indian LI–SD–13	3, 739
5. Crow Creek Sioux Tribe	Crow Creek	Crow Creek LI–SD–10	19, 170
6. Lower Brule Sioux Tribe	Lower Brule	Lower Brule LI–SD–10	13, 210
7. Devils Lake Sioux Tribe	Fort Totten	Fort Totten LI–ND–11	1, 425
8. Fort Belknap Indian Community	Fort Belknap	Fort Belknap LI–MT–8	25, 531
9. Assiniboine and Sioux Tribes	Fort Peck	Fort Peck LI–MT–6	85, 836
10. Lac Courte Oreilles Band of Lake Superior Chippewa Indians	Lac Courte Oreilles	Lac Courte LI–WI–9	13, 185
11. Keweenaw Bay Indian Community	L'Anse	L'Anse LI–MI–8	4, 017
12. Minnesota Chippewa Tribe	White Earth	Twin Lakes LI–MN–6	28, 545
		Flat Lake LI–MN–15	
13. Navajo Tribe	Navajo	Gallup-Two Wells LI–MN–18	69, 948
14. Oglala Sioux Tribe	Pine Ridge	Pine Ridge LI–SD–7	18, 065
15. Rosebud Sioux Tribe	Rosebud	Cutmeat LI–SD–9	28, 735
		Antelope LI–SD–8	
16. Shoshone-Bannock Tribes	Fort Hall	Fort Hall LI–ID–2	8, 712
17. Standing Rock Sioux Tribe	Standing Rock	Standing Rock LI–ND–10	10, 256
		Standing Rock LI–SN–10	

SEC. 3. (a) All of the right, title, and interest of the United States in all the minerals, including gas and oil, underlying the submarginal lands declared to be held in trust for the Stockbridge Munsee Indian Community by the Act of October 9, 1972 (86 Stat. 795) are hereby declared to be held by the United States in trust for the Stockbridge Munsee Indian Community.

(b) Section 2 of the Act of October 9, 1972 (86 Stat. 795), is hereby repealed.

(c) Section 5 of the Act of October 13, 1972 (86 Stat. 806), relating to the Burns Indian Colony, is amended by striking the words "conveyed by this Act" and inserting in lieu thereof the words "conveyed by section 2 of this Act".

SEC. 4. (a) Nothing in this Act shall deprive any person of any valid existing right of use, possession, contract right, interest, or title he may have in the land conveyed, or of any existing right of access to public domain lands over and across the land conveyed, as determined by the Secretary of the Interior. All existing mineral leases, including oil and gas leases, which may have been issued or approved pursuant to section 5 of the Mineral Leasing Act for Acquired Lands of August 7, 1947 (61 Stat. 913, 915), or the Mineral Leasing Act of 1920 (41 Stat. 437), as amended, prior to enactment of this Act, shall remain in force and effect in accordance with the provisions thereof. Notwithstanding any other provision of law, all applications for mineral leases, including oil and gas leases, pursuant to such Acts, pending on the date of enactment of this Act and covering any of the minerals conveyed by sections 1 and 3 of this Act shall be rejected and the advance rental payments returned to the applicants.

(b) Subject to the provisions of subsection (a) of this section, the property conveyed by this Act in trust for an Indian tribe shall hereafter be administered in accordance with the laws and regulations applicable to other property held in trust by the United States for such Indian tribe, including, but not limited to, the Act of May 11, 1938 (52 Stat. 347), as amended.

SEC. 5. (a) Any and all gross receipts derived from, or which relate to, the property conveyed by this Act, the Act of July 20, 1956 (70 Stat. 581), the Act of August 2, 1956 (70 Stat. 941), the Act of October 9, 1972 (86 Stat. 795), and section 1 of the Act of October 13, 1972 (86 Stat. 806), which were received by the United States subsequent to its acquisition by the United States under the statutes cited in section 1 of this Act and prior to the conveyance in trust, from whatever source and for whatever purpose, including but not limited to the receipts in the special fund of the Treasury as required by section 6 of the Mineral Leasing Act for Acquired Lands of August 7, 1947 (61 Stat. 913, 915), shall as of the date of enactment of this Act be deposited to the credit of the Indian tribe receiving such land and may be expended by such tribe for such beneficial programs as the tribal governing body of such tribe may determine: *Provided*, That this section shall not apply to any such receipts received prior to enactment of this Act from the leasing of public domain minerals which are subject to the Mineral Act of 1920 (41 Stat. 437), as amended and supplemented.

(b) All gross receipts (including but not limited to bonuses, rents, and royalties) hereafter derived by the United States from any contract, permit or lease referred to in section 4(a) of this Act, or otherwise, shall be administered in accordance with the laws and regulations applicable to receipts from property held in trust by the United States for Indian tribes.

SEC. 6. All property conveyed to tribes pursuant to this Act and all the receipts therefrom referred to in section 5 of this Act, shall be exempt from Federal, State, and local taxation so long as such property is held in trust by the United States. Any distribution of such receipts to tribal members shall neither be considered as income or resources of such members for purposes of any such taxation nor as income, resources, or otherwise utilized as the basis for denying or reducing the financial assistance or other benefits to which such member or his household would otherwise be entitled to under the Social Security Act or any other Federal or federally assisted program.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the tabling motion to reconsider the Curtis amendment occur at 12 o'clock noon. I made that request last night and it was objected to, but it was due to a misunderstanding.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. In the meantime, of course, other amendments will be taken up and voted on.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield my 5 minutes at this time to the distinguished Senator from Alabama (Mr. ALLEN).

Mr. ALLEN. I thank the distinguished Senator.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield, without losing his right to the floor and without any time being charged against him?

Mr. ALLEN. I yield.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of the two leaders or their designees, there be a period for the transaction of routine morning business, of not to exceed 10 minutes, with statements therein limited to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 4222

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business, the conference report on H.R. 4222, the school and child nutrition bill, be called up.

The ACTING PRESIDENT pro tempore. Without objections, it is so ordered.

SENATE RESOLUTION 254, CALLING FOR A SENATE INVESTIGATION OF THE ROLE OF THE UNITED STATES IN THE UNITED NATIONS

Mr. ALLEN. Mr. President, there is a growing body of opinion throughout the United States that believes the best interest of the Nation would be better served if we withdrew from the United Nations organization. The internationalists and their apologists in the news media derisively snort at the slogan, "Get the US out of the UN and the UN out of the US," but the slogan is representative of more than just the rhetoric of the political right wing in American politics. While not so graphically put in other quarters, the thought behind the slogan is spreading, and what is at stake is a realization on the part of many Members of Congress and other Americans that a body of latent resentment against the conduct of our foreign policy is surfacing. Our role vis-a-vis the United Nations is only the most vocal expression by many Americans who are ill at ease with the noticeable trends in our foreign relations.

The country is told that détente is good, that foreign aid is necessary, that SALT is imperative, that we must propup the economies of our adversaries, that we have a "moral obligation" to support peoples and/or regimes whose governmental philosophies are antithetical to ours simply because such nations are "poor," and that the United Nations is the "cornerstone" of our Nation's foreign policy. While all of this highblown rhetoric is falling from the lips of our foreign policy leaders and "experts," the commonsense American citizen sees with his own eyes that the West and, in particular, the United States, is losing influence and prestige in the world and that his country is being vilified and mocked, almost at the drop of a hat, by nations which have everything to gain by being on friendly terms with the United States, but rather, expect the benefits of our society to flow to them as a "matter of right," whether or not they give our country the respect and courtesy it is due. Furthermore, our citizens can see that the security of the country is being damaged whilst that of the U.S.S.R.-led bloc of Communist and so-called, nonalined, third-world countries appears to be growing. Is it any wonder the people of the United States are questioning the future of our role in the world and in the "world" organization?

American expectations about the United Nations as a "force for peace" constitute the most visible example of post-World War II dreams which have turned into nightmares. Because of this, and for other reasons, I believe it is high time that the U.S. Senate go into the range of public policy issues which arise from our membership in the organization. This can only be done if the Senate sets up an investigatory body to plumb the depths of the logical consequences of our membership in the U.N. Naturally, I do not wish to convey the impression that the Senate Committee on Foreign Relations could not perform the task outlined in my resolution—in a sense, it does so everyday in making recommendations to the Senate about a host of international problems inherent in the legislation which comes before this body dealing with our multitudinous foreign commitments.

No, what I am suggesting in the formation of a Select Committee to Investigate and Study the Role of the United States in the United Nations, is an indepth look at the future by a selected and interested body of Senators, not necessarily "experts" in foreign affairs, who, to one degree or another, are concerned about our association with the United Nations. This investigation will take time and a unique concentration of effort on the part of the members of the Select Committee—such time and single-issue orientation is simply not possible under the present requirements and responsibilities of the Standing Committees of the Senate.

Such criteria was advanced as part of the reason behind the creation of the Senate Select Committee on Presidential Campaign Activities and the Select Committee to Study Governmental Operations with Respect to Intelligence Activities. In view of our country's relations now, and in the future, the problem of our involvement in the United Nations is on a par with the just-mentioned investigations because of the vastness, sensitiveness, and importance of the issues under study, to the well-being of the United States. Determining our role with regard to the "new" United Nations which has emerged in the last few years is critically important to the national interest, and indeed, to the Nation's ability to survive in an increasingly hostile world.

As our colleagues know, Mr. President, several resolutions concerning the United Nations have been introduced in this Congress; I am pleased to be a cosponsor of one such resolution (S. Res. 214) which recently passed the Senate. Nevertheless, this measure, and others such as House Resolution 673, House Resolution 635, House Concurrent Resolution 206, S. 2262, and S. 2247, are directed at specific and limited items of U.S. foreign policy as they relate to the United Nations. With one exception, the proposals noted do not go to the heart of the matter which is bothering the American public.

There are many, many questions about our role in the United Nations which need to be answered, and not on a piecemeal basis. The purpose of creating a select committee to investigate and study our role in the United Nations is to answer the fundamental questions which have been raised by the public at large.

Several weeks ago, the Committee on foreign Relations held 7 days of hearings on "the United States and the United Nations" in connection with the nomination of the Honorable Daniel Patrick Moynihan to be U.S. Representative to the United Nations with the rank of Ambassador. While many statements were submitted for that record, and even though many eminent persons appeared before the committee, I think it is fair to say that the title of the hearings is somewhat misleading in that the committee certainly did not have time, nor the mandate, to investigate all the ramifications of our membership in the United Nations. In opening those hearings, Chairman Sparkman said:

> The purpose of these hearings is to put into perspective what our original hopes and aims were, how the U.N. has developed, and what our future policies and attitudes should be.
>
> I think it is fair to predict that recent world developments will focus greater attention on the United Nations. The question is whether the U.N. will be a constructive force in ameliorating difficult situations, such as in the Middle East and Southeast Asia, or whether it will be a destructive force in pitting the developing and third-world nations against the developed, most Western countries, thereby further increasing the polarization evident at the U.N.

I am sure my distinguished senior colleague, the chairman of the committee, will agree that those 7 days of hearings, as informative and as helpful as they were, only scratched the surface of the questions he posed, and did not even do that much in terms of finding answers to the questions.

The "why" of conducting a full-scale investigation of our role in the United Nations can best be summed-up in looking at a few isolated examples of recent U.N-sponsored proposals which could have a serious, long-term impact on all Americans, particularly in light of the factual political situation which exists in the world and in the so-called world body, to wit: the defensive Western democracies aligned against the aggressive, totalitarian states of the world.

At two United Nations meetings last year, the Soviet-led "nonalined," so-called Third World countries, put forth a series of proposals which, if implemented to any degree, would have the profoundest effect on this country.

Their demands included: First, that prices paid for developing nations' commodities should be raised; second, developing nations should be granted preferential tariff treatment on any exported manufactured goods; third, foreign companies and holdings should be subject to nationalization or expropriation on any terms the developing nations decide to set, regardless of international law; fourth, outstanding debts of the poorer nations should be canceled or sharply reduced; fifth, foreign aid should be increased and emergency aid should be paid out to offset rising costs incurred during the past year and a half; and sixth, that the developing nations have a larger voice in the decisions of the World Bank and the International Monetary Fund, regardless of their lack of financial contributions to such organizations.

While not dramatic as I have presented them, the implications of the proposals of those countries, made in conjunction with or led by the two largest single tyrannies in the world, the U.S.S.R. and the People's Republic of China, bode evil days ahead for the United States unless, of course, our national course and national will are firm with respect to our dealings with all countries, whether tyrannies of the left or right. And naturally, implicit in the demands and the problems for our country is the simple fact that the United States is expected to foot the bill. The United States did not, thankfully, accede to these demands, but the Secretary of State, speaking through our Ambassador to the U.N., did outline a program of accommodation to such demands in remarks before the seventh special session of the General Assembly of the United Nations. The implications of that policy statement, wherein the United States would be committed to far-reaching foreign assistance programs, even more extensive than those now in being, not to mention the subtle acceptance of some premises about the conduct of foreign affairs, should give pause to all American citizens.

The point I wish to make here, Mr. President, is that I believe we have reached a point in history when the U.S. Senate should have a hand in the formulation of long term foreign policy goals and commitments and not leave such far-reaching policy-planning to those nonelected bureaucrats in the Department of State and elsewhere who have had such a hand in leading our country down one primrose path after another, in "search of peace" during the past 30, blood-stained, war-filled years.

Should my resolution be accepted by the Senate, and the select committee established as therein proposed, the broad guidelines would be laid out for those whose job it is to protect American interests before and throughout the world. It is, in my opinion, the function and duty of the U.S. Senate to set out such broad policy guidelines, but in order to achieve such a position, we must first take the step to define the problems we face as a nation. We have had recently, much painful national experience of having waited until after the fact to "assess" or "reassess" our broad policy objectives. Perhaps, if we investigate the role of the United States in the United Nations now, we shall discover some of the ways in which we can avoid embarrassing and costly foreign policy errors in the future.

Mr. President, no discussion of our Nation's role now, or in the future, in or out of the United Nations would be complete without some mention of the great public relations myth that the U.N. is a "force for peace" in the world. The United Nations record on the score of "peace keeping" has been in spite of the organization, not as a result of its activities.

During the first 25 years of the U.N.'s existence, 75 armed conflicts were fought between nations. Additional conflicts have been added to this dismal record during the 1970's. Aggression in Korea was stopped under U.N. auspices but it was actually the achievement of American arms with minimal support from other U.N. members. It was, in addition, a war in which the aggressor was temporarily stopped, but not finally defeated. As one consequence, the United States today still maintains substantial armed forces along the Korean armistice line to discourage communist aggression.

When the people of Hungary rose up against Soviet oppression in 1956, the United Nations did nothing. When the Communists built the Berlin wall in violation of international law, the United Nations did nothing. When the people of Czechoslovakia rose up against their oppressive government, the U.N. remained silent. The examples could go on and on, and fill a book, without even discussing the counterproductive-to-peace role the United Nations has played in the Middle East since 1946. One could add the lack of action and misaction of the United Nations with respect to India's takeover of neighboring states; one could cite the terrible example of United Nations' actions in the Belgian Congo/Katanga/Zaire; one could cite the silence of the United Nations on the subject of terrorism throughout the world.

The reason that the U.N. does not condemn terrorism is that many of its current membership support such violent activity. The U.N. has refused to condemn slave-labor camps in the Soviet Union, mass murder in Communist China, denial of religious and political freedom throughout Eastern Europe, terror in Uganda and Tanzania. The U.N. has, however, been frequent and vehement in its condemnation of several states: For example, South Africa, Israel, Rhodesia and until recently, Portugal, and naturally, condemnation of the United States for various, assorted reasons. It defies logical explanation as to how an organization which includes within its ranks those nations which have aggressive designs toward others, can ever be a force for peace. In fact, the United Nations has not been such a force.

The Congress of the United States, in 1972, 1973, and in 1974, finally took steps to scale down the financial commitment of this country to the grand, basically, anti-American programs and projects sponsored by the United Nations. This scaling down did not go far enough, but that is one man's view. Should the select committee be created, one would surely hope for a comprehensive review of our financial support of the United Nations, whatever were the recommendations of the panel with respect to our policy toward the organization. The history of our financial involvement in the support of the U.N. organization are well-known, but a brief résumé is in order at this point.

Since its creation, the U.N. has spent more than $4.7 billion of the U.S. taxpayers' dollars. In 1972, Congress limited U.S. payments to 25 percent of the U.N. budget. Previously, the U.S. payment had been upward of 30 percent. The 25 percent is still the highest paid by any nation. The Soviet Union's is 12.9 percent—when it pays. In 1964, when the Soviet Union had been in default more than 2 years and under the charter was threatened with losing its voting rights, the Soviet leadership promised to pay;

the voting challenge was dropped, but payment has not been made. Of the 138 U.N. members in 1974, 92 are in arrears $204 million. More than one-half of this indebtedness—$110 million—is owed by the Soviet Union and its satellites.

In September of 1974, the U.N. was so strapped for funds that the Secretary General asked the United States to pay its final 1974 installment of $10 million in advance, which we did. The debtors—the Soviet Union, various African countries, India—continued in arrears, but saw fit in that year to expel South Africa, limit the participation of Israel, and invite the Palestine Liberation Organization to address the General Assembly.

If the United States does not decide to withdraw officially from the U.N., or limit its participation to a significant degree, it must at the least, sharply limit its financial contribution to the organization. One critic of the organization has suggested that our withdrawal from the United Nations would be a "meaningless gesture," but a de facto withdrawal, while retaining formal membership, would help to consolidate the Western democracies while demonstrating to the United Nations' "developing" nations majority that it cannot get economically from the Soviet bloc what it loses from the United States.

In conclusion, Mr. President, I believe it is high time for the Senate to investigate the options open to the United States vis-a-vis the United Nations. Perhaps the Select Committee will not arrive at the conclusions about the United Nations which I have suggested, but I am not as worried about the conclusions which might be reached by the Select Committee as I am about the consequences to the U.S. position in the world if the Senate does not undertake to examine all the implications of any and all policies our country may pursue in relation to the United Nations. It would be unwise to predict the outcome of a Senate investigation of the role of the United States in the United Nations; it would be even less wise, as I see it, for our country not to look to the future of that role but simply trust to luck and the "good will" of the "peace-loving" member states of the organization to protect the interests of the United States or even to abide by the spirit of the Charter of the United Nations.

Mr. President, I ask unanimous consent to have the text of my proposed resolution printed in the RECORD at this point.

Mr. President, I submit the resolution and ask that it be received and appropriately referred.

The ACTING PRESIDENT pro tempore. Without objection, the resolution will be received and appropriately referred; and the resolution will be printed in the RECORD.

The resolution, which was referred to the Committee on Foreign Relations, is as follows:

S. RES. 254

Whereas the United Nations has changed in form, composition, and substance since its founding;

Whereas the United States is and has been the primary financial supporter of the United Nations and its related bodies;

Whereas, the United Nations General Assembly voted on December 17, 1974, to establish an ad hoc committee on the Charter of the United Nations and invited governments to submit or update recommendations for improvement of the United Nations Charter;

Whereas the United Nations Charter commits member states to comply with mandates determined by the organization "to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained . . . and to practice tolerance and live together in peace with one another as good neighbors";

Whereas the United States has a national interest in promoting respect for valid principles underlying the professed objectives of the United Nations Charter;

Whereas certain nations have been excluded from the deliberations of the United Nations organization itself or from certain bodies related thereto;

Whereas the United Nations has expelled certain member states in the past and certain member states have threatened to initiate action in the General Assembly of the United Nations to suspend or expel certain other member states from that body, or from the United Nations itself, or from other bodies:

Whereas the people of the United States are justifiably concerned about current voting frauds of the United Nations member states, the future of the United Nations, and the diplomatic, political, and constitutional impact of United Nations' decisions and actions on the United States: Now, therefore, be it

Resolved, That (a) there is hereby established a Select Committee of the Senate to Investigate the Role of the United States in the United Nations (hereinafter referred to as the "select committee"). The purpose of the select committee includes, but is not limited to, a study of the benefits to and burdens on the United States as the result of its participation in that organization together with recommendations as to the future course to be pursued by the United States with respect to the United Nations.

(b) The select committee shall consist of seven members of the Senate, four to be appointed by the President of the Senate from the majority party upon the recommendation of the Majority Leader of the Senate, and three from the minority party to be appointed by the President of the Senate upon the recommendation of the Minority Leader of the Senate.

(c) The majority members of the select committee shall select a chairman and the minority members shall select a vice chairman, and the committee shall adopt rules and procedures to govern its proceedings. The vice chairman shall preside over meetings of the select committee during the absence of the chairman, and discharge such other responsibilities as may be assigned to him by the select committee or the chairman.

(d) Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the select committee and shall be filled in the same manner as original appointments to it are made.

(e) A majority of the members of the select committee shall constitute a quorum for the transaction of business, but the select committee may establish a lesser number as a quorum for the purpose of taking testimony or depositions.

(f) For the purposes of paragraph 6 of Rule XXV of the Standing Rules of the Senate, service of a Senator as a member, chairman, or vice chairman of the select committee shall not be taken into account.

SEC. 2. The select committee shall conduct the study specified in subsection (a) of the first section. Such study shall include, but is not limited to, the following issues:

(1) Whether the United Nations has fulfilled its obligation to keep the peace; whether it has exerted its best efforts to do so; and whether as it is presently constituted it can effectively perform such role.

(2) Whether the best interests of the United States is furthered by its membership in the United Nations and its related bodies.

(3) Whether the United States should submit proposals for changes in the Charter of the United Nations, and, if so, what changes should be recommended.

(4) Whether the voting system in the Security Council and the General Assembly of the United Nations is fair, reasonable, and consistent with the obligations and responsibilities of its member states.

(5) Whether there is a conflict between provisions of the United Nations Charter and the Constitution of the United States of America, and, if such a conflict does exist, how it can best be resolved.

(6) Whether the financial contribution of the United States to the United Nations, or to any organ, commission, or other body of the United Nations, including the specialized agencies of the United Nations, should be reduced or suspended until such time as all member states have paid all dues, fees, or assessments, now in arrears.

(7) Whether the United States should suspend its participation in the United Nations until such time as that organization enforces existing United Nations rules prohibiting member states from voting when their dues, fees, or assessments are in arrears.

(8) Whether, in considering proposals for changes in the United Nations Charter, the United States should advance suggestions regarding proportional voting in the General Assembly of the United Nations, and proportional financial support of the organization, based on a fair and reasonable formula.

(9) Such other related matters as the select committee may deem necessary in order to carry out its duties under provisions of section (a).

SEC. 3. (a) The select committee is authorized (1) to employ personnel and determine their compensation; (2) to hold hearings, to take depositions and other testimony on oath anywhere within the United States, and to receive documentary or physical evidence; (3) to subpena witnesses and documents; (4) to procure the temporary or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 2020(i) of the Legislative Reorganization Act of 1945; (5) to use on a reimbursable basis, with the prior consent of the Senate Committee on Rules and Administration, the services of personnel of any such department or agency; (6) to use on a reimbursable basis or otherwise with the prior consent of the chairman of any subcommittee or any committee of the Senate, the facilities or services of any members of the staffs of such other Senate committees or any subcommittees of such other Senate committees whenever the select committee or its chairman deems that such action is necessary or appropriate to enable the select committee to make the study and investigation authorized by this resolution.

(b) Subpoenas may be issued by the select committee acting through the chairman or any other member designated by him, and may be served anywhere within the borders of the United States by any person designated by the chairman or other member. The chairman of the select committee, or any other member thereof, is hereby authorized to administer oaths to any witnesses appearing before the committee. The select committee shall make recommendations to the Senate regarding any willful failure by a witness to comply with a subpoena or to give testimony when summoned under the authority of this subsection.

SEC. 4. The select committee shall have authority to recommend the enactment of any new legislation, or the amendment of any existing statute, or United Nations Charter provision, which it considers necessary or desirable to protect or to clarify the national interest of the United States and its citizens in connection with its membership in the United Nations.

SEC. 5. The select committee shall make a final report of the results of its study conducted pursuant to this resolution, together with its findings and its recommendations as to proposed legislation or United Nations Charter changes, to the Senate at the earliest practicable date, but no later than June 30, 1976. The select committee may also submit to the Senate such interim reports as it considers appropriate.

SEC. 6. The expenses of the select committee through June 30, 1976, under this resolution shall not exceed $500,000. Such expenses shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee.

SEC. 7. After submission of its final report, the select committe shall have 90 days to close its affairs, and on the expiration of such 90-day period shall cease to exist.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a 10-minute period for routine morning business, with individual statements limited to 5 minutes.

Is there morning business?

THE HOFFA CASE AND ITS IMPLICATIONS

Mr. GRIFFIN. Mr. President, Daniel Seifert was a key Government witness ready to testify in a criminal case charging conspiracy to defraud the Teamsters' Central States Pension Fund. On the morning of September 27, 1974, Seifert entered his office in a Chicago suburb, accompanied by his wife and son. Two men in ski masks, surprised to see the entire family, shoved the wife and son into a lavatory and shot Seifert. But he fled into a hallway. There he encountered another man, with a shotgun, and turned to flee again. A buckshot blast ripped away the back of his head, but Mr. Seifert continued into his plant. The two men in ski masks chased him, firing and yelling to startled employees to "hit the deck." They did. But Mr. Seifert managed to run out a back door. There he encountered another man with a shotgun, who fired at him point blank.

None of the witnesses has ever come forward with a good identification of the killers. An account of this killing appeared in the Wall Street Journal on July 24, 1975. Daniel Seifert was not a man of impeccable character; allegedly he ran a company that helped channel Teamster money to a man identified by the Illinois Crime Investigating Commission as a Mafia loan shark and collector.

On July 30, 1975, James R. Hoffa, former international president of the Teamsters Union disappeared. His automobile was found in the parking lot of a Detroit area restaurant.

After an extensive, nationwide investigation conducted by the FBI, a grand jury was convened in Detroit. The grand jury probe now appears to be winding down, and from all reports law enforcement authorities are no closer to the truth about Jimmy Hoffa's disappearance than when they started.

My sympathy goes out to the Hoffa family. I am not well acquainted with young James Hoffa, but I have met him. I understand that he was a good student and has proved himself to be an able lawyer.

As a U.S. Senator from Michigan, as coauthor of the 1959 Labor-Management Reporting and Disclosure Act—often referred to as the Landrum-Griffin law—and as a citizen concerned about any attempt to abort orderly legal procedures, I am shocked by events that have been unraveling in Michigan.

Allegations that criminal elements are deeply involved in the Teamsters' Union and its financial affairs have been widely circulated. Recently the Wall Street Journal published an investigative series detailing a variety of alleged activities, including speculative loans, fraud, bribery, delinquency of loans, and contract favoritism detrimental to Teamster Union members.

Jimmy Hoffa, in an autobiography published after his disappearance, has raised serious allegations against the current Teamster leadership—charges similar to those once raised against him. In this book, which obviously is self-serving, Hoffa charged that the union has been sold out "to mobsters—and known racketeers."

In the past I have expressed concern and disappointment that the Labor Department, under administrations of both political parties, has been too timid and ineffectual in giving meaning to the Landrum-Griffin Act. Too often departmental decisions and regulations have operated to water down and erode the protection intended for rank and file workers.

Only last year a new and comprehensive law was passed by Congress. The specific goal of the 1974 Employment Retirement Income Security Act was to protect the pension funds of working men and women.

In light of the Hoffa mystery and its possible implications, it is particularly appropriate to ask: What has been done? What will be done to see that union members are not the victims? Such questions have been asked of me by members of the media—and similar questions are being raised across the country.

In 1970, the rank and file of the United Mine Workers and the Nation were stunned by the grotesque murders of Joseph Yablonski and his family. To their credit, the Labor Department as well as the Department of Justice moved effectively in that case. Ultimately the mystery was solved and the murderers were convicted.

Nevertheless, Hoffa's disappearance has raised again some nagging questions: Are existing laws adequate to protect working men and women? To what extent is the mob involved in the control of multimillion-dollar pension funds?

One Teamster fund alone—the Central States—takes in about $100 million in contributions a year. Overdrive, a California-based trucking-magazine, has been investigating that fund for several years. Edward Daly, of the Labor Department, has been quoted as saying:

> There's enough allegations in those Overdrive articles to keep two men (in my office) busy for years.

Daly also complains that his Labor Department staff is too small and overwhelmed with work to do an adequate job.

As a Member of the Senate, I am deeply disturbed by this situation. Congress must assure itself that it has done all in its power to enact adequate laws in this area—and Congress must see that enacted laws are enforced. We cannot allow hard-won benefits earned by honest, decent rank-and-file workers to be stolen or squandered away.

In its final report, the 1957 Select Committee on Improper Activities in the Labor Management Field—the McClellan committee—registered strong concern that the Teamsters Union—by virtue of its size and its influence in the operations of transportation and commerce throughout the Nation—is in a position to exert enormous control over the economic life of our country. If it should be true, as charged, that the mob strongly influences the affairs of that union, it may be asked: To what extent, then, has the mob taken over control of the economic life of our country?

In an editorial, dated August 15, 1975, the Wall Street Journal stated:

> The Teamsters' $1.5 billion main pension fund is one of the major lending agencies in America. As this newspaper pointed out in several recent articles, a sizeable portion of that money has gone into bizarre, risky and perhaps even fraudulent ventures; many investments appear to have been excuses for distributing money for the business convenience of insiders; and the fund has passed millions of dollars to companies identified with Mafia members and their associates.

Such allegations, particularly in light of Hoffa's disappearance, are too serious and too important to be ignored.

One of the most important questions right now is: Who will speak up for the working people in this situation?

The answer to that question, it seems to me, should be clear—the Members of Congress elected by the people have a solemn obligation and duty to do so.

During the last several weeks I have been in close contact with officials of the Justice Department and the Labor Department. I have attempted to gain answers to some of the questions raised here today.

I know that my colleagues must share the deep concern I feel, and I urge them to join in the effort to get to the bottom of this mess.

I ask that a number of recent newspaper articles and editorials bearing on this subject be printed at this print in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Aug. 15, 1975]

Pension Reform and the Teamsters

The disappearance of former Teamsters boss James Hoffa is not only a puzzling mystery but another seeming link in the chain of circumstances that have long associated the Teamsters union with organized crime.

The Hoffa disappearance would seem to be part of a recent wave of violence that has revolved around Teamster Local 299 in Detroit, which is the home base for both Hoffa and the present Teamsters president, Frank Fitzsimmons. A series of bombings, bearing the signs of mobster professionalism, has suggested a union power struggle as one possible element to the disappearance.

All this mystery and strong-arm stuff raises an interesting question of public policy. The U.S. Congress last year passed a bill aimed at "reform" of private pension systems. Without doubt that law will be obeyed by most businesses, at some cost. But will the government be able to use it to any effect to police union pension funds, which along with pension programs managed by governments themselves, have had some of the widest abuses of proprieties and sound practices?

The Teamsters' $1.5 billion main pension fund is one of the major lending agencies in America. As this newspaper pointed out in several recent articles, a sizeable portion of that money has gone into bizarre, risky and perhaps even fraudulent ventures; many investments appear to have been excuses for distributing money for the business convenience of insiders; and the fund has passed millions of dollars to companies identified with Mafia members and their associates.

This pattern of mob involvement in the affairs of the nation's largest and most powerful labor union has defied both internal and external clean-up efforts. Two decades ago the McClellan committee conducted extensive investigation into Teamsters shakedowns, blackmail and ties to organized crime. At that time the committee concluded that a criminal record may be "a prerequisite" for advancement in the Teamsters firmament, and James Hoffa eventually did acquire a prison record—as did his predecessor, Dave Beck, and lesser Teamsters officials.

But all that unfavorable publicity apparently had no more effect on the Teamsters than did its subsequent expulsion from the AFL–CIO. Even the Landrum-Griffin Labor Reform Act of 1959, which grew out of the abuses uncovered in the Teamsters hearings, had little lasting effect. There also has been little rank-and-file dissension, for whatever else may be said about the Teamsters, most of its 2.2 million members have done rather well economically. That is hardly a surprise, of course, given the union's size and readiness to use its muscle to attain organizational and bargaining goals.

The Employe Retirement Income Security Act of 1974 was designed to protect all pension rights in the private sector, not so much to prevent the sort of abuses connected with the Teamsters fund. The act is confusing, all the more so since the government is almost nine months late in issuing the detailed regulations necessary to force compliance. But it does seem to prohibit some of the more questionable activities approved by the Teamsters fund directors. Unfortunately, the government's enforcement staff may be inadequate to investigate charges as complex and extensive as those involving the Teamsters.

Whether any of this financial skulduggery is directly related to the disappearance of James Hoffa is anybody's guess. But it is related in the sense that Hoffa played a major role in helping to solidify the Teamsters economic and political power, which are now very much at issue. And it is directly related to the pension reform bill, to whether it will prove capable of preventing the kinds of abuses connected with the Teamsters pension funds. Its failure to do so could well cast doubt on how serious Congress really was when it attempted to bring about a pension "reform."

[From the Detroit Free Press, Aug. 16, 1975]

As We See It: Union Corruption Needs Investigation by Congress

With the publication of Jimmy Hoffa's autobiography, and with the grand jury investigating Mr. Hoffa's disappearance apparently going nowhere, the case for a full-scale congressional investigation of the Teamsters and their pension fund is growing stronger.

Let us be quite specific. The time is at hand for an investigation on the scale of the McClellan hearings into labor corruption. The apparent intrusion of racketeering into the affairs of the union, and the documented abuses of the Teamsters members' pension funds, should be justification enough for trying to get to the bottom of abuses. Mr. Hoffa's mysterious disappearance and the frustration of the authorities thus far in trying to locate him or explain what happened simply adds urgency to the need for an investigation.

Consider the case for congressional action:

The Wall Street Journal has published a notable investigative series on speculative loans, fraud, bribery, delinquency of loans, favoritism in contract talks to firms that have received union contracts and other instances of possible mismanagement or corruption.

The circumstances of Mr. Hoffa's disappearance certainly point in themselves to the involvement of organized crime in the politics of the Teamsters Union. Mr. Hoffa's own record was something less than unblemished chastity, but he appears to have run afoul of forces more sinister than he was associated with himself.

The Hoffa autobiography itemizes Mr. Hoffa's own charges, some documented, some not, of corruption in the union under Mr. Hoffa's successor, Frank Fitzsimmons.

The fundamental point is that both the thousands of Teamster Union Members whose pensions are subject to the loving care of the pension fund and the public whose welfare is affected by apparent abuses in so important a union have an overriding interest in an investigation and clean-up of the union.

Jimmy Hoffa confessed in his autobiography that one of the two big mistakes of his life as a Teamster boss was tangling with Bobby Kennedy, who was counsel to the McClellan committee in its heyday and who pursued Hoffa relentlessly then and later as attorney general. What the country needs now is a dedicated senator or representative or a committee counsel, who will try to discover what the nation needs to protect itself and the union members from what appears to have been going on within the Teamsters.

The Bobby Kennedy vendetta against Jimmy Hoffa was pursued with a singleness of purpose that was not always salutary. At least though, it was pursued, and it is time now that someone pick up the torch and carry the examination of the Teamsters forward.

[From the Flint (Mich.) Journal, Aug. 17, 1975]

Will Hoffa Case Expose Racketeers?

(By Clark R. Mollenhoff)

Washington.—It can be hoped that the mysterious disappearance of Former Teamsters boss James R. Hoffa will spark another congressional investigation of labor racketeering and the Teamsters union.

The events that have been in the headlines on union-Mafia ties, the loose handling of union pension funds, and the power struggle within the International Brotherhood of Teamsters indicate that conditions are worse than they were 19 years ago when the Senate labor racket investigations were launched.

In 1957 and 1958, the underworld ties of the Teamsters resulted in a report from the Senate Select Committee on Improper Activities in the Labor-Management Field that characterized the Teamsters as "Hoffa's hoodlum empire." It was thoroughly documented that Hoffa had placed former convicts in positions of power in the central conference of Teamsters that he headed.

The Senate Labor Racket Committee expressed shock at the power of the 1.5 million-member union, its alliances with Mafia bigwigs and petty crooks, and its irresponsible handling of what was then the multimillion-dollar pension plans accumulated for the benefit of members.

Although Frank E. Fitzsimmons, Hoffa's handpicked successor as Teamsters' president, operates with a lower profile than did Hoffa, he has taken no effective action against organized crime figures who continue to run local unions and lurk in the shadows on questionable pension fund transactions.

In fact, some of the long-suffering reform elements in the union contend that the gangsters are more satisfied with the loose leadership of Fitzsimmons, who permits them to operate about as they please. The rackets have extended today and there is an arrogant disregard to criticism of loans to mob figures in gambling enterprises, race tracks, and plush motels and hotels in Florida, California and Nevada.

Hoffa grabbed the Teamsters' presidency in 1957 in the face of the revelations of the McClellan Committee, but his audacious power grabs infuriated Congress and the public and the Landrum-Griffin Labor Reform Act, passed in 1959, was heralded as a blow against underworld control of unions and a vehicle for democratic reform.

Although Robert F. Kennedy, as Attorney General, finally convicted Hoffa of jury tampering and pension fund frauds and sent him to federal prison in 1967, the Labor Department administered all of the teeth out of the Landrum-Griffith law.

And, after Kennedy left the Justice Department, there was no aggressive follow-through against underworld influence under the Lyndon B. Johnson or Richard M. Nixon administrations. Likewise, Congress ignored the continuing evidence of labor racketeering and irresponsible handling of union pension funds.

Since Nixon released Hoffa from prison in December, 1971, there has been a continuing battle between Hoffa and Fitzsimmons for control.

Hoffa contended that Fitzsimmons, who Nixon referred to as "my kind of labor leader," had been a factor in Nixon's pardon restriction that barred Hoffa from union office until 1980.

At the time of his disappearance, Hoffa was engaged in litigation to invalidate that restriction so he would be eligible to challenge Fitzsimmons at the convention in Las Vegas next year.

If the court ruled for Hoffa, there was no doubt he would have been an aggressive candidate, and it would have upset underworld figures who prefer the relaxed leadership of Fitzsimmons.

Until the disappearance of Hoffa July 30, Teamsters infighting had not been front-page news and it was possible for Congress to ignore bits of evidence that the Teamsters union was probably worse than ever.

Unless Hoffa returns, the question of whether the U.S. Circuit Court of Appeals in Washington was going to rule for Hoffa will remain a mystery. Whether Hoffa could have regained control of the union will be subject only to speculation if he does not reappear.

But, control of the union and its pension funds will continue to be a prize that will tempt violent men to do their worst. Some aspect of that long, bitter struggle is undoubtedly responsible for Hoffa's disappearance.

When the special Senate labor racket committee concluded its work in the early 1960's, Congress gave the permanent investigations subcommittee, then headed by Sen. John McClellan, D-Ark., the jurisdiction to continue an oversight over labor rackets and misuse of pension funds.

Sen. Henry M. Jackson, D-Wash., now is chairman of that committee with the jurisdiction and the responsibility to do the investigation job, and to recommend effective laws to assure accountability by the trustees who have custody of the pension funds of so many laboring men and women.

If Hoffa's mysterious disappearance can spark such an investigation, it will be worth all of the efforts of local and state police and the FBI, even if Jimmy never is found.

[From Newsweek, Aug. 18, 1975]

TEAMSTERS AND THE MOB

In a way, the International Brotherhood of Teamsters and the mob have grown up together. In the early days, the union legally organized workers in some of the same service industries that were being illegally shaken down by gangsters. Labor skates and mobsters often bumped into each other on the job, and occasionally they found it profitable to do a little business. It was mostly penny-ante stuff at first. But over the past 30 years the union has swollen in size to more than 2 million members, becoming in the process a giant financial cornucopia that spills out hundreds of millions of dollars annually in membership dues and health, welfare and pension money. The bulk of that cash is honestly spent on the members' behalf—but law-enforcement officials believe that millions more have been siphoned off for the enrichment of union officials and their friends in organized crime.

The most dazzling monument to this bond between the Teamsters and organized crime is Rancho La Costa, a $100 million residential country club and health spa north of San Diego. According to reliable estimates by Overdrive magazine, a trucking-industry publication that has investigated the subject extensively, La Costa is financed in large part by a $57 million loan from the Teamsters' Central States pension fund.

TENANT

La Costa is controlled by four men, including Morris (Moe) Dalitz, a gambler and one-time bootlegger who holds a position of prominence in organized crime, and Allard Roen, who pleaded guilty to conspiracy to defraud thirteen years ago in a $5 million stock swindle. One of their most prominent tenants is Teamsters president Frank Fitzsimmons, who often stays in a condominium on the property. "Fitz" also holds Teamster executive board meetings at La Costa and each year sponsors the Frank Fitzsimmons Invitational Golf Tournament, where the pinky-ring and white-on-white set mingles with the likes of Frank Sinatra and Bob Hope.

More than anyone else, it was James Hoffa who forged the link between the Teamsters and the mob. In the mid-1950s, Hoffa was scratching to take over the union from the discredited Dave Beck, who later was convicted of stealing from the union and evading income taxes. In New York, a key battleground, Hoffa was opposed by Thomas (Honest Tom) Hickey, a Teamster old-timer of unsullied reputation who ran the union's joint council. Hoffa set out to replace Hickey with one of his own men, John O'Rourke, and he enlisted the help of hoodlums Johnny Dio and Anthony (Tony Ducks) Corallo.

Dio's credentials as a labor statesman included prison terms for assault and extortion; Corallo had a narcotics record. That hardly bothered Hoffa. He arranged for the chartering of "paper" locals under the control of Dio and Corallo, all pledged to oppose Hickey. The aging Hickey battled valiantly, but Hoffa finally won. A few months later, in 1957, he was elected international president of the Teamsters.

By then the big-money phase of the relationship between the Teamsters and organized crime was well launched. From his early days in Detroit, Hoffa had known members of the city's notorious "Purple Gang" and, through them, gangland associates in other parts of the country. One of those was the late Paul (Red) Dorfman, then head of a corrupt union of waste-handlers in Chicago and the Chicago syndicate's resident expert on labor management.

PIPELINE

Hoffa arranged to place millions of dollars in Teamster health and welfare funds from Michigan with an insurance firm headed by Dorfman's young son, Allen, who had only recently completed preparation for what turned out to be a lucrative insurance career by taking a degree in physical education at the University of Illinois. This arrangement established a pipeline into the Teamsters' vast Central States pension fund, which today holds $1,340,000,000 in assets, and eventually into similar Teamster funds across the country.

Where does the money go? According to the Nevada Gaming Control Board, Teamster pension funds have invested $156 million in Nevada gambling during the last seven years alone. Another favorite investment center is sunny Florida. "Millions upon millions of Teamster pension fund dollars have been funneled into Florida, and one of the chief beneficiaries has been the mob," charges Jack Key, a special agent with the Florida Department of Criminal Law Enforcement. Questionable Teamster loans have helped finance hospitals, apartment buildings, motels, and hotels, condominiums and country clubs in South Florida. "Many millions have been stolen from the Teamster pension fund reserves," Key asserts. "The manipulations have been concerted, repetitive and brazen."

Just how brazen was once illustrated in a deal involving Allen Dorfman, then serving as a highly paid consultant to the Central States pension fund, and an outfit called the Boca Teeca Country Club in Boca Raton, Fla. Beginning in 1968, the fund lent Boca Teeca $5.1 million and at about the same time, Dorfman acquired 25,000 shares of stock in the club. Four years later, Boca Teeca was in default on $4.7 million of its loan—but Dorfman had profited handsomely on the stock. (Dorfman was convicted in 1972 of taking a kickback in the granting of a loan by the fund and is no longer consultant to it.)

HIDEAWAY

On an earlier occasion, Hoffa arranged to help out the late Paul (The Walter) Ricca, a Chicago gangland chief, who was having a cash flow problem in the early 1950s. With the help of his good pal, Owen B. (Bert) Breennan, president of Teamster Local 337 in Detroit. Hoffa came up with $150,000 in union funds and purchased Ricca's lakeside home at Long Beach, Ind. Hoffa told government investigators he had purchased the place for use as a training school for union executives—ignoring the fact that local zoning laws prohibited such an operation. As far as anyone was able to determine, the house was never used for anything other than a hideaway for union officials.

For whatever good it may do, law-enforcement officials are continually investigating the Teamsters. Mobster Anthony (Tony Jack) Giacalone, a long-time associate of Hoffa, recently was indicated by a Federal grand jury in Michigan for allegedly conspiring to receive $12,000 from a firm supplying medical insurance to members of Teamster Local 614. In Chicago, a Federal anti-crime strike force has secured indictments in two cases, involving the Teamsters, and the U.S. attorney's office there has been investigating the Central States pension fund for five years now. Last April, six men were acquitted of conspiring to defraud the fund of $1.4 million. Despite that setback, U.S. attorney Samuel Skinner says that his crusade against corruption in the fund is still on and he hopes to present new evidence to a grand jury this fall.

It is by no means certain that anyone can break the link between the union and the mob. Back in 1958, at the conclusion of the Senate rackets committee investigation of the Teamsters, the committee's chief counsel, the late Robert F. Kennedy, was asked whether Jimmy Hoffa himself could ever clean up the union, should he be so disposed. Replied Kennedy: "He can't say, 'You're out.' He wouldn't live. "That blunt fact of Teamster life is as true today as it ever was—and it just possibly may have had something to do with the disappearance of James Riddle Hoffa.

[From the Washington Star, Aug. 13, 1975]

THE HOFFA BACKGROUND

Whatever the truth behind the disappearance of James R. Hoffa, the event has drawn renewed attention to the continuing problems of corruption and violence in the nation's largest labor union. The Hoffa mystery, because of the directions in which official inquiries and unofficial speculation have naturally led, could be a useful reminder that the cleanup of the huge International Brotherhood of Teamsters is an unfinished task.

The Union's strife-ridden affairs are as troubling as ever, 18 years after the sensational McClellan Committee hearings on crime in the labor field and the Teamsters' expulsion from the AFL–CIO for ethical reasons, and 16 years after the tortuous congressional passage of the Landrum-Griffin Act. This last comprehensive piece of federal labor legislation was designed largely to secure the rights of union members from predatory leaders, and was inspired in significant measure by Teamster abuses. After the reform push of the late 1950s, Hoffa became the second Teamster president in a row to go to prison, in his case for jury-tampering and pension-fund fraud. He gave up his union post, to the supposed caretakership of incumbent President Frank Fitzsimmons, but under terms of his 1971 parole Hoffa was forbidden from resuming his union activity until 1980. He was planning a further legal challenge of this exclusion and was still hoping for a comeback to union power when he slipped from sight—possibly the victim of foul play—on July 30.

It is not known yet, and it may never be known with certainty, whether Hoffa's disappearance had anything to do with the perennial power struggles in the union and its Detroit-area locals, or with Hoffa's and the Teamsters' long history of gangland connections. It should be remembered, too, that there are irreproachable Teamster officials around the country, and that many locals operate honestly and with due regard for the interests of members, employers and the public. The 2.2-million-member union has prospered in part through sound trade-union practices and a reputation for effective bargaining rather than strong-arm methods.

The Teamsters, in fact, enjoyed a highly publicized romance with the former Nixon administration during which it was easy to forget that Republican officeholders traditionally take a jaundiced view of freewheeling unionists. The Teamsters were an important source of hard-hat support for Nixon's Indochina policies. It was Nixon who paroled Hoffa. The Teamsters then backed Nixon's re-election. In August 1972, a Teamster cocktail party drew six members of the Nixon Cabinet, including then-Attorney General Kleindienst.

But at a less exalted level, Teamster affairs have been marked by the same thuggery, misuse and dubious investment of millions of dollars of the members' money and ubiquitous underworld connections that produced the revelations of almost two decades ago. Recent investigations involve the same Central States pension fund that Hoffa was convicted of looting. Beatings, bombings and shootings have characterized recent union feuding in Detroit and environs.

Whether or not the new investigation is successful in determining what happened to the former Teamster chief and, if crime was involved, who was responsible, the fresh airing of questionable doings in and on the fringes of the union should bring cleansing benefits—at least for a while. Prosecutors should be encouraged to pursue evidence of malpractice. And there should be a worthwhile lesson about why the reform effort of the 1950s in the end produced so little reform.

[From the New York Times, Aug. 13, 1975]

TEAMSTER MORASS—IMMUNITY TO LAW?

Two weeks after the disappearance of James R. Hoffa, mystery still shrouds his fate. The deeper the law-enforcement authorities dig into the mare's nest of underworld syndicates that envelops the two-million-member International Brotherhood of Teamsters, the more baffled they seem to become about who or what might have caused the union's former leader to vanish as he started his comeback campaign.

Important as it is to answer that question, another cries out equally insistently for answer. This parallel mystery is why the most expansive of the enterprises established for the supposed protection of the giant truck union's membership—the Central States, Southeast and Southwest Areas Pension Fund—remains after two decades of public exposure a sluiceway for pouring hundreds of millions of dollars into dubious and often disastrous loans to mobsters.

Mr. Hoffa and a half-dozen confederates were convicted in 1964 of defrauding the fund through just such loans and to receiving kickbacks amounting to $1 million for this betrayal of rank-and-file interests. Current reports on ill-secured investments made to underwrite casinos and resorts run by shady operators, many of them associated with past fleecing of the fund, indicate that reform is still a stranger to this biggest of teamster pension funds.

Its listed assets are estimated at close to $1.5 billion, but how much of this is worth and how much water no one can say with assurance. Yet every penny paid into the fund by employers under their collective agreements with the truck union is by law earmarked to assure retirement benefits for the 400,000 drivers, loaders, mechanics and warehousemen it covers in more than twenty states.

Congress has just passed a law establishing tighter rules than ever before to prevent abuse of fiduciary responsibility by the labor-management trustees of all pension funds. The degree to which that law can eradicate the flagrant malpractices in the Central States fund will be a crucial test of its effectiveness.

One helpful factor is that the scandal-stained Teamsters Union no longer enjoys the sacrosanct status it held in the previous Administration, when President Nixon made no secret of his partiality for it over all other unions. This partiality contributed to the Nixon decision to free Mr. Hoffa from prison less than one-third of the way through his thirteen-year term. Hatchet-man Charles Colson, a key figure in that deal, went from the White House to a lucrative post as teamster general counsel before himself ending up in jail.

One sign of a new wind in the Ford Administration is the sharp disapproval expressed recently by Labor Secretary Dunlop and Treasury Secretary Simon of a bill pushed by the building trades, with strong support from the teamsters that would have exempted multiemployer funds like the Central States from policing under the new law. Instead, a top-level steering committee representing the Internal Revenue Service and a new enforcement agency inside the Labor Department is busy writing regulations aimed at sharpening teeth in the law's provisions.

But the corrupt elements in the teamsters have shown enormous vitality in the face of past clean-up drives. On both the economic and political fronts, they retain fearsome power. The Hoffa disappearance and the uninterrupted chicanery in the pension fund raise anew the question of whether that power gives them an immunity to law and community control. Even if the truck union did not have the ability to paralyze the economy at will, such an immunity would be intolerable.

[From the Wall Street Journal, June 22, 1975]

UNION FINANCIERS: QUESTIONS ARE RAISED BY LOANS AND BENEFITS OF TEAMSTERS FUND; MANY INVESTMENTS APPEAR INSIDER AFFAIRS OR RISKY; ARE PENSIONS PAID JUSTLY?—THE BREAK-IN-SERVICE PITFALL

(By Jonathan Kwitny)

Every week, more than half a million North American trucking workers each allow their employers to pay $22 of what could be their salaries into one of about 200 pension funds connected with the teamsters' union, the International Brotherhood of Teamsters. A million more teamster members in trucking and other jobs are covered by varying contributions into the funds.

At the $22 rate—which took effect this month, up from $19.50—the largest of these funds alone now takes in about $400 million in contributions a year. This fund—the Central States, Southeast and Southwest Areas Pension Fund, headquartered in Chicago—has long been accused in lawsuits and press exposés of abusing its members' interests, although neither the fund nor any of its trustees has been convicted of a crime in connection with its operations Lately, however, previously undisclosed details of these operations have become available.

In 1972, Donald Vestal, a disgruntled ex-teamster executive from Dallas, one of many rebels who have tried to overthrow the teamsters' leadership by court action, won the right to a copy of the big pension fund's previously secret ledger of loans. Like most of the other rebels' suits, Mr. Vestal's sank in a sea of legal costs before it neared a verdict, and the fund records he had subpoenaed were sealed by a U.S. district court. Copies eventually were obtained, however, by law-enforcement officials; by a West Coast trucking magazine, Overdrive, which published a series of exposés; and, recently, by this newspaper.

RISKY INVESTMENTS

The records show that the fund—one of the largest investment funds in the country, which declared assets of $1.34 billion in the year ended last Jan. 31—has plowed hundreds of millions of dollars into loans that were, at best, unwise. Some of them apparently involved fraud.

Meanwhile, many teamsters who have retired or would like to retire say the fund refuses to pay them the pensions they believe they're entitled to.

No official of the teamsters' union would talk to this reporter about the loans, or about the pensions or anything else. But a team of auditors from a leading accounting firm, a team experienced at assessing such portfolios, examined the loan records at The Wall Street Journal's request. Even the loans that seemed to hold their value, the team said, were mostly bizarre and risky.

Many of the loans appear to have been excuses to distribute money for the business convenience of insiders. One indication is a concentration of real-estate mortgages to small, speculative businesses, often for much less than $1 million, investments that the consulted auditors called too small to be worth the bookkeeping trouble for so large a fund.

EIGHTY-NINE PERCENT REAL ESTATE

Through such loans, the records reveal, the fund has passed millions of dollars to companies identified with Mafia members and their cronies. It has also lent millions of dollars to employers of teamsters; and according to a number of rank-and-file teamsters, the union has sometimes deserted members' interests in favor of the employer-borrowers.

As of Feb. 29, 1972, the end of the period covered by the detailed records obtained by the Journal, the big pension fund listed total assets of $917.9 million, of which $819 million, or 89%, was either already invested in or firmly committed to real-estate loans—against less than 5% for the average similar fund, according to a survey in 1973 by the Securities and Exchange Commission. The latest and much less detailed figures that the teamster fund reported to the Department of Labor for the year ended last Jan. 31 indicate that of the $1.34 billion in total assets, some $981.6 million, or 73.3%, was invested in real-estate loans; how much more was committed to future real-estate deals wasn't disclosed.

Moreover, in 1972 at least, it wasn't all prime real estate. For one thing, much was invested in second and even third mortgages. For another, as one auditor consulted by the Journal said:

"I've looked at REIT (real estate investment trust) and bank portfolios for a long time and I've never seen a cemetery before. (For the most part) I don't see (in the teamster-fund portfolio) office buildings; I don't see apartment buildings; I don't see good sound investments. I see motels, hospitals, health spas, bowling alleys, cemeteries—all this may come up roses, but I wouldn't bet on it."

HIGH DELINQUENCY RATE

As of 1972 at least, it wasn't coming up roses, not for the half-million teamsters relying on the fund for their retirement income, anyway. The fund records state that real-estate deals accounting for 30% of these mortgage loans were delinquent, not including properties acquired by the fund from borrowers, presumably in lieu of payment. With these properties thrown in, it appears that some 36.5% of the real-estate loans were coming a cropper.

And the actual bad-loan figure could be much higher. Some borrowers on the 1972 list by now have gone into bankruptcy or have had their corporate charters canceled for nonpayment of state tax, an indication they are out of business. What's more, the fund has made some loans apparently secured by the same property that secured previous loans. That could mean that in some cases earlier loans are kept current by the lending of new money to pay them off.

Just how much of the fund's later reported $1.34 billion in assets represents bad IOU's or unmarketable property can't be determined from any records publicly available. Teamster critics frequently charge that the fund is near bankruptcy, but that seems unlikely since the benefits paid out to members in the year ended last Jan. 31 totaled $175.2 million, which was $108 million less than the income from employer contributions; since then, the contribution rates have grown substantially while the benefit rates remain the same.

The catch is that the pension payout is held far below what a lot of teamsters say it should be.

Figures, even rough ones, aren't available on how many teamsters are getting retirement or disability pensions, and how many others are claiming pensions that haven't been paid. But a reporter didn't have any difficulty locating dozens of teamster members and former members who say they are being cheated. Most often, the complainers were victims of one of several technicalities in the fund's regulations. If these loopholes are applied uniformly, tens of thousands or even hundreds of thousands of teamsters will lose their pension benefits.

Teamsters who expect to start collecting a pension on reaching retirement age (57 for minimum benefits, 60 for full benefits, which amount to $550 a month for the trucking jobs covered by the $22-a-week contributions) are often surprised to find that it takes four to six months for the big Central States fund to respond to an application. And then a common response is a form letter stating that the fund doesn't keep records of its members' work histories. This leaves it up to the individual teamster to prove he has 20 years of industry credits for a retirement pension or 15 for a disability pension. Truck drivers, untrained in business, often fail to keep adequate records.

Jerry Hayes, a lawyer for two Ohio teamsters who asked a court to order the fund to pay them pensions, tells how hard it is for men to gather the kind of proof the fund requires: "The worker gets his paycheck indicating X dollars were taken out (for pension-fund contribution), but nobody ever knows whether the companies actually send in the money. Teamsters get no annual report on what's been paid in. They can write and they get no answer."

EFFECT OF JOB-HOPPING

Furthermore, Mr. Hayes says—and case after case bears him out—the nature of trucking work, with its frequent job-hopping among a myriad of small companies, operates against the worker at pension time.

"These trucking companies are very little," Mr. Hayes says. "They go bankrupt; they buy each other out—I doubt that 20% of the trucking companies are still doing business in the same form for 20 years. So records are simply not maintained."

(Mr. Hayes says his clients' suit died when, working without a fee, he couldn't afford to answer the deluge of technical motions filed by teamster lawyers.)

The Central States fund hasn't approved the long-standing pension claim of Michael Talatinick, now retired in Cape Coral, Fla., on the ground that he has insufficient work credits. For one thing, he says, he worked for Eastern Motor Dispatch Inc., an Ohio company now long defunct. In the summer of 1972 Mr. Talatinick submitted an Eastern Motor identification card and a photograph of him driving an Eastern Motor truck, but the Central States fund replied with a form letter saying only, "The attached papers are being returned to you."

After he made some inquiries, the fund answered him the following February. "Kindly be advised," it said, "that affidavits must be submitted from fellow workers, owners or supervisors. These affidavits must include the type of work you did, the number of years you worked and the number of hours worked per year. You may also submit your check stubs."

Mr. Talatinick says he doesn't know where to turn for affidavits or stubs at this late date. One teamster local he says he joined after leaving Eastern Motor Dispatch denied to the Journal that Mr. Talatinick was ever a member, though he shows what appears to be a copy of his membership card and a receipt, dated 1954, for dues.

SOCIAL SECURITY RECORDS

Ultimately, many teamsters turn to the Social Security Administration for evidence, which takes many more months and an $87.50 fee. But even if the Social Security records are complete—and sometimes, teamsters say, they aren't—they don't necessarily prove to the Central States fund's satisfaction that each employer paid the weekly payroll deductions into the fund as he was supposed to.

Robert Maxwell of Akron, Ohio, has shown the Journal Social Security records evidencing work with numerous trucking companies over the past 32 years. But when he inquired to the Central States fund about his pension he was told, after a 10-month delay, that money hadn't been paid into the fund on his behalf during most of those years, depriving him of the necessary pension credits. Years after a trucking company has gone out of business, a teamster is ill-equipped to determine what circumstances may have allowed the company to pay less into the fund it was supposed to.

Constant transfers from one company to another, and from one depot to another within the same trucking company, often cause an additional problem: transfer of workers from one local to another. When both locals are members of the Central States pension plan, the transfer theoretically presents no problems: The fund is supposed to credit the worker with payments made on his behalf while he was with the other local. But when one or both locals have independent plans, they may not recognize each other's plan—or have a reciprocal arrangement with the big fund, either.

Many teamsters don't know about this, and teamsters applying for pensions are often shocked to be told they must have the minimum 20 years' service with one particular plan, or with plans that accord one another recognition, even though they have been members of the same international union for many decades.

One local whose independent plan has caused frequent problems is No. 705 in Chicago, which has a fluid membership now numbering about 20,000. Dorman Vestal joined Local 705 in 1954 after 17 years with an Iowa local. In 1962 he transferred from truck driving to dock work—also as a teamster, but because of the switch he had to transfer into another Chicago local, No. 710, where he stayed until his retirement in 1969 at age 61. Apparently none of the three locals recognized the others' pension plans.

As a result, Mr. Vestal, who died in 1971, didn't receive any pension money, and his widow, who would be entitled to receive it now if her husband had been credited with 20 years' service, says she is living off an unemployment check and is "practically destitute."

(According to Louis Peick, secretary-treasurer, Local 705 has just negotiated a reciprocal agreement with the Central States fund.)

With so many teamsters disgruntled, it's only natural that many of them suspect there are secret agreements between trucking companies and the union to hold down pension-fund payments. They cite specific cases where companies, at least one of which benefited from a large fund loan, transferred scores of workers to jobs that would require them to join a new local with a different pension plan. But none of the teamsters has evidence that there are secret agreements, or that there are ulterior motives for the transfers. The trucking companies deny that there are.

Even if a teamster does build up 20 years' total service with one plan, he may run afoul of so-called break-in-service provisions. Many teamsters say they were unaware of these provisions until it was too late. In required disclosures filed with the Labor Department, the Central States fund has this to say about the mean break-in-service provision:

"If a member did not work under a Teamster collective-bargaining agreement requiring contributions to this pension fund for three consecutive years, he cannot count years of employment before such a break in his total years of service for a pension."

CREDIT WIPED OUT

In other words, a service break eliminates all prior credit. This applies not only to the many teamsters who quit or get laid off during hard times in the trucking business, then take a factory job and several years later go back to trucking. It applies also to members who never leave the teamsters' union but are transferred to jobs not covered or recognized by the Central States plan.

Such a man is Lester Black of Akron, who drove trucks from 1935 to 1957 while a member of locals that are covered now by the Central States fund. Then, after a year in another sort of job, he went to work for another trucking company, but as a mechanic. Although still a teamster member, he was covered under what is called a "miscellaneous contract" and therefore wasn't under the pension program.

In 1965 he went back to work as a driver, but when he applied for his pension in 1971 at age 57, the Central States fund omitted his mechanic duty from his work record and said, "We haven't any alternative but to place your application in our rejection file."

One way that tens of thousands of teamsters apparently have fallen into the break-in-service exclusion is by becoming "owner-operators." Drivers often dream of one day owning their own rigs. So, many companies offer their drivers installment sales contract through which, at least in theory, the dream can come true. But while the driver is paying off his rig, the company usually requires him to work only on assignment from the company, and the company and the teamsters' union require him to remain a member of the union.

After a few years, the assigned work often thins out and the driver's income drops, so he gives up his rig—which is usually far from paid for—and takes a job driving with another company. According to the interviews, such teamsters often remain unaware that their pension fund will count their years as owner-operator as a break in service, even if the driver has paid his own pension-fund contribution from his weekly paycheck.

THREE WIN COURT FIGHT

In 1972, three former owner-operators sued the fund in federal court in St. Louis. The court ruled that company restrictions on owner-operators were so strict that the men were in effect employes, not self-employed as the fund said. But the ruling required pension payments only to the three St. Louis men. Many other teamsters whose cases appear to fall in the same category have been denied pensions and have been unable to finance expensive litigation.

Experts disagree over whether the pension-reform law of 1974 will ease teamsters' pension-collection problems. The law was supposed to take effect Jan. 1, but compliance has largely been postponed pending the issuance of detailed regulations by the government. Critics say the law doesn't attack key problems like breaks in service, portability of rights from one local plan to another, and the owner-operator controversy.

Proponents of the law say workers will be protected by its provision for vesting, or unforfeitability of rights. But under the plan most funds are expected to choose, vesting will require contributions to one fund for 10 years without much interruption. Besides, even proponents concede, as one of them puts it, "The statute is so incredibly complicated that I don't know anybody who understands all of it."

[From the Wall Street Journal, July 23, 1975]

Union Financers: Insiders and Mobsters Benefit From Loans by Teamsters Fund; When an Employer Borrows, Is It the Driver Who Pays? The Allen Dorfman Story—Mr. Lococo and the Cockatoo

(By Jonathan Kwitny)

Of the nearly half-million teamsters who contribute, through their employers, about $400 million a year into the union's Central States, Southeast and Southwest Areas Pension Fund, probably few would be able to say what Allen Dorfman has done for them. But over the years, they have done plenty for him.

Mr. Dorfman's official role as consultant to the fund—a job that paid him as much as $75,000 a year plus expenses but was only a small part of his profitable relationship with the union—was canceled after his 1972 conviction for taking a kickback in the granting of a loan by the fund. (He recently was acquitted on a similar charge regarding another loan.) But at least socially he remains where he has been for many years, at the hub of a circle of insiders that has benefited greatly from the $2 billion or more that the fund has taken in since it was formed 20 years ago.

Mr. Dorfman's father, Paul Dorfman, who died in 1971, was a close associate of Chicago mobsters since the days of Al Capone, according to 1959 testimony before a Senate antiracketeering committee by Robert F. Kennedy, then counsel to the committee, and his staff, Paul Dorfman was secretary-treasurer of the Chicago Waste Material Handlers union until the AFL–CIO forced him out on grounds of misuse of funds. While in that post, according to the 1959 testimony, he entered into private business deals with the employers' representative he negotiated labor contracts with, and helped the mobster John (Johnny Dio) Dioguardi gain control of a union local.

A DEGREE IN PHYSICAL EDUCATION

Paul Dorfman's son, Allen, received a B.A. in physical education from the University of Illinois and soon afterward, in 1949, obtained an Illinois insurance agent's license. Through the efforts of his father, he was appointed general agent for Union Casualty Co., a relatively small firm that handled insurance for Paul Dorfman's waste handlers' union and another Chicago local.

At about that time, James R. Hoffa, long president of the Detroit teamsters' local, was working toward power in the Chicago-based Central Conference of Teamsters and became friendly with Paul Dorfman—because, according to Robert Kennedy, of Mr. Dorfman's helpful contacts in the underworld.

(Paul Dorfman invoked his Fifth Amendment protection against self-incrimination in declining to answer questions at the Senate hearings, including even the question of whether Allen Dorfman was his son. Allen Dorfman also invoked the Fifth Amendment on many questions relating to his insurance business.)

In 1950 the Central Conference, at Mr. Hoffa's direction, threw out the low group-insurance bid of Pacific Mutual Life Insurance Co. That company had assets of $377 million, but the Central Conference said it had a history of financial troubles. (It did, but back in the 1930s.) Instead, the conference awarded its contract for coverage of teamster members to the supposedly more stable Union Casualty, with assets of only $768,000. Teamster business soon constituted more than 80% of young Dorfman's total, with premiums running more than $10 million a year. He and Mr. Hoffa also invested together privately in a lodge in Wisconsin and an oil-exploration company in North Dakota. In 1955, the Central States, Southeast and Southwest Areas Pension Fund was born, and it didn't have to shop far for an agent to buy its insurance from.

CALLED EXPENSIVE

According to Senate testimony by an insurance expert in 1958, Mr. Dorfman charged the fund three or four times the normal rate of commission. Other witnesses said he showed his appreciation by paying, out of his own pocket, the premiums for personal insurance policies he obtained for union officials.

Soon Mr. Dorfman and a few associates were running a complex of insurance agencies, which eventually had their headquarters in the same teamster-owned building that housed the pension fund itself. The fund assigned Mr. Dorfman the task of checking on the insurance coverage of its borrowers, and in March 1967 he was officially appointed consultant to the fund.

One Dorfman company, Union Insurance Agency of Illinois, acquired a Grumman Gulfstream airplane from Frank Sinatra and leased it to the fund, which used it to fly Mr. Dorfman and other insiders around the country. The plane stopped frequently at Rancho La Costa, a Southern California resort and land development where Mr. Dorfman and others acquired property.

La Costa was founded and is run by four men, including convicted stock manipulator Allard Roen and former bootlegging and gambling figure Morris Dalitz. It has been financed since 1964 with some $57 million in loans and commitments from the Central States fund. Fund records produced in federal court and obtained by the Journal show that as of Feb. 29, 1972 (the final date of these records, the only detailed loan records the fund has released), some $12.4 million had been paid back on schedule. Auditors consulted by the Journal say that land-development loans are relatively risky and short-term and normally should be paid off in three to five years.

Mr. Dorfman pops up frequently in connection with such fund-financed business ventures. From 1964 to 1971, for example, some $13 million in pension money was lent to Beverly Ridge Estates, a California land development whose promoters transferred two lots to Mr. Dorfman. The $13 million was still owing when the fund foreclosed on the property in 1972. Two promoters of the project, I. Irving Davidson and Leonard L. Bursten, were convicted of bankruptcy fraud; Mr. Bursten was also convicted of mail fraud and income-tax evasion; and a third promoter, Roy Gene Lewis, was convicted of perjury, all in connection with Beverly Ridge.

Recently the fund, having poured $13 million into Beverly Ridge, sold it for $7 million to 32-year-old Allen R. Glick. That could be called cutting your losses, except that the fund lent Mr. Glick the entire $7 million. That loan was for 25 years at 4% interest, far below what banks have been getting for their money from prime customers. (In the last few years Mr. Glick, who left the army in 1969 and spent the next several years working for housing and real-estate firms in San Diego, has been involved in fund loans totaling $100 million, either as a borrower or as an officer of a borrowing firm.)

Mr. Dorfman also acquired, in 1968 or earlier, 25,000 shares of stock in a corporation that was developing Boca Teeca Country Club Estates in Boca Teeca, Fla. The corporation received $5.1 million in teamster loans starting in 1968. As of February 1972, $4.7 million was still owing on the loans, but Mr. Dorfman had done all right: On his 1968 federal income-tax return, he reported a $49,000 gain from sale of the stock.

Directly or indirectly, Mr. Dorfman acquired interests in three other Florida properties that were financed with millions of fund dollars. As of February 1972, most of the money hadn't been repaid. According to testimony at Mr. Dorfman's trial in federal court in 1972, Mr. Dorfman and four partners took over one property, the Cove of Naples motel in Naples, Fla., without putting up a dime. They merely assumed an unpaid $1,550,000 mortgage that the fund had granted the former owners.

Just when Mr. Dorfman and his four partners acquired the motel isn't clear. Mr. Dorfman says it was before he became the fund's consultant in March 1967. In any case, the five partners sold the motel in 1969 for a $350,000 profit, the fund transferring the mortgage debt to the new buyer. In 1972 the mortgage remained fully unpaid, even as to interest. So the fund was still owed the $1,550,000 principal plus $237,938.56 in interest while its consultant and his partners had gained $350,000.

PARTNERS IN DEAL

One Dorfman partner in the motel deal was Alvin Baron, a Chicago lawyer who has been receiving more than $100,000 a year in legal fees from the fund and who also has acquired land at La Costa. The three other partners in the deal, according to the federal court testimony, were Morton Harris, Ira Burman and Harvey Silets, partners in a Chicago law firm that also collects substantial legal fees from the fund.

In addition, Mr. Harris was an officer, at least in 1972, of an Arizona land-development company that borrowed $615,000 from the fund in July 1970 and had repaid less than $500 of it by February 1972, according to fund records. Mr. Harris, whose firm also represents at least one other major borrower from the fund, told the Journal that his only income from the Arizona company was legal fees. "I feel there's no conflict," he said, "since the fund in this case was represented by other counsel."

Messrs. Baron and Dorfman also have large blocks of stock in Bally Manufacturing Corp. of Chicago, the slot-machine makers. Bally's operations have been helped along by some $12 million in teamster financing. This financing began in 1964 with a $2 million loan to the corporation operating the building that housed Bally, which was then the Lion Manufacturing Co. When Lions went into the slot-machine business that same year, an important hidden owner, according to the Nevada Gaming Control Board, was Mafia boss Gerardo Catena, who, the board says, bowed out in 1965 when his holdings became known.

RECENT STOCKHOLDERS

More recent stockholders, Bally confirms, have included:

Frank Fitzsimmons, the general president of the teamsters' union.

Cal Kovens, a developer whose operations have been heavily financed by the fund and who has served prison time for defrauding the fund.

William Presser, an Ohio teamster leader who was a trustee of the Central States fund until he was forced out early this year after pleading guilty to violations of the Taft-Hartley Act in connection with the misuse of $590,000 in union money (he was fined $12,000 and given a suspended jail term).

Jackie Presser, William's son, who has been appointed fund trustee in his father's place, who now earns about $200,000 a year from various teamster and other union jobs, and who reportedly once was president of a company that borrowed $1.2 million from the fund to open a bowling alley in Cleveland and defaulted on the debt. (A spokesman for Jackie Presser declines to confirm or deny the bowling-alley story, which has been widely published, but did confirm the rest.)

Not all of those who have benefited from fund loans are union officials. Over the years, records show, the fund has lent employers of teamster members at least $45.2 million, of which $35.1 million remained owing as of February 1972. There have been several reports of workers' complaining that the union was deserting their interests in favor of the employer-borrowers.

TERMINAL SOLD

In 1964, for example, the fund lent $1.7 million to finance a terminal for A.C.E. Freight Inc. of Akron, Ohio. In 1969, $4 million in debt, A.C.E. sold its operating routes to Great Lakes Express Co., a transaction that cost about 1,000 jobs. Some 150 former A.C.E. truck drivers filed suit alleging that the sale of routes was in effect a merger, entitling them to retain seniority and, many of them, their jobs. Their lawyer, William Gore of Akron, says he and his clients tried to get support from the teamsters' union but failed. Some of the fired truck drivers assert that the union refused to help them because of its financial commitment to A.C.E. The drivers lost the suit.

When A.C.E. Freight sold its routes to Great Lakes Express, the A.C.E. terminal, with its big pension-fund mortgage, was sold to Spector Motor Freight Corp. of Chicago. Spector is one of the companies whose teamster employes have been transferred from one workplace to another, causing them to switch from one local to another and often costing them pension rights because some locals don't recognize other locals' pension funds.

Some teamsters say in interviews that they blame Spector for the loss of these rights, although they don't have evidence of collusion. Robert Dilley, terminal manager for Spector, says the company has never required an employe to switch locals, and that employes who are transferred from one location to another will switch locals only on their own or the union's volition.

As of February 1972, the 1964 loan of $1.7 million had been paid down to $1.3 million and still was listed on fund records in the name of A.C.E. Freight, which was out of business. Spector says it has been repaying the loan on schedule.

In another case, the fund lent $12.3 million to Valley Steel Products Co. of St. Louis, another employer of teamster members. Valley's president until his death last year was the father of Robert Crancer, a young executive at Valley who married James R. Hoffa's daughter. When the loans were made, from 1963 to 1967, Mr. Hoffa was general president of the teamsters. In 1966 the truck drivers at Valley voted to strike after having rejected a contract the union had negotiated for them. According to Overdrive, a trucking trade publication, the strike was averted by direct pressure on the local from Mr. Hoffa. The current president of Valley, Patrick Gilligan, says there wasn't any outside interference. At any rate, some $6.9 million was still owed on the loan in February 1972.

LOANS TO MOB FIGURES

Some fund loans have gone directly to companies controlled by mobsters and criminals. For example, beginning in 1963, some $1.2 million went to Valley Die Cast Corp. of Detroit, whose president until a few years ago was Michael Santo (Big Mike) Polizzi, identified by federal authorities as an important figure in the Detroit Mafia. In 1972 Mr. Polizzi and Detroit Mafia don Anthony J. Zerelli were convicted of concealing their ownership of a Las Vegas casino as part of a plot to skim casino profits. As of February 1972, some $800,000 was still owing on the fund loan to Valley Die Cast.

In 1971, after the fund foreclosed on a defaulted $1.9 million loan to the lavish Savanah (Ga.) Inn & Country Club, a kind of East Coast La Costa, the fund trustees installed as manager Louis (Lou the Tailor) Rosanova, widely refuted as a Chicago Mafia associate.

Andrew Lococo, another mob associate, who over the years was convicted of burglary, larceny, violation of parole and perjury, was lent $2.5 million from 1969 to 1971. The money was borrowed in the name of the Cockatoo Motel, a Los Angeles nightclub Mr. Lococo owned, but, according to Justice Department sources, much of it went to finance a large fishing boat Mr. Lococo planned to operate. He died last year.

Of course, you don't have to be a mobster or an insider to borrow money from the Central States fund, but if you aren't one, it can help to use an influential intermediary, such as Allen Dorfman. Mr. Dorfman served part of a one-year prison term in 1973 for taking a $55,000 bribe in exchange for recommending to the fund's trustees a $1.5 million loan to a firm operated by George Horvath, a textile manufacturer. Before the bribe was discovered in 1967, Mr. Horvath's various enterprises had borrowed $16,791,850 from the fund over several years. As of February 1972, $16,529,969 was still owed. Mr. Horvath received a suspended sentence and was fined $2,000 for rigging the price of the stock of one of his companies.

THE PENASQUITOS PROJECT

The funds critics also say that its investments are too concentrated in several speculative areas. Most spectacular is the 16,000-acre Penasquitos land-development project in California. By February 1972 the fund had put $116.7 million into Penasquitos—$5.8 million of this had been repaid—and had committed $25.6 million more. A spokesman for a team of auditors that examined the fund's records at the Journal's request said of Penasquitos:

"Never before have I seen a single loan of this magnitude. If that goes bad, you own San Diego. Hell, you own half of California."

Not quite, but the loan did go bad, and since 1973 the fund has owned the 16,000 acres, most of it undeveloped. And if the project ever earns enough to make up for the loss, the fund, under a 1973 agreement, will owe a 20% equity interest to the project's former co-owner, Morris Shenker, a St. Louis lawyer who has spent much of his long career representing James Hoffa.

Mr. Shenker says he introduced the fund to Penasquitos in 1965—possibly, he says under questioning, through Mr. Hoffa. He says his 1973 agreement absolved him of all debts to the fund and also "settled" millions of dollars in loans that Penasquitos had made, with fund money, to other Shenker business interests. Asked if his other interests repaid the money either to Penasquitos or to the fund. Mr. Shenker says the situation is "too complicated" to explain. The man hired by the Central fund to manage Penasquitos declined to disclose the development's current income to the Journal.

Another big concentration of fund loans and commitments—well over $200 million—is in Nevada, primarily in gambling palaces. As with teamster loans in other places, the Nevada deals occasionally involve convicted criminals as either brokers, developers, employes or tenants.

SIXTEEN TRUSTEES RUN FUND

The Central States fund is run by a board of 16 trustees, eight representing union leadership and eight representing employers. Critics have complained that the trustees have thin experience as investment managers, though some do practice up on the side: From about 1967 to at least 1972, three trustees—two management and one union—were partners with Messrs. Baron and Dorfman in a private investment company.

The professional actuary for the fund since its inception has been Maxwell Kunis of New York, who 25 years ago was actuary for Union Casualty Co., the small insurance firm to which Paul and Allen Dorfman steered the heavy business of Chicago unions. According to testimony at 1959 Senate hearings, Mr. Kunis threatened one insurance executive with loss of all teamster business unless huge commissions were funneled to Allen Dorfman, even after New York State had withdrawn Mr. Dorfman's insurance license. (Mr. Kunis recently denied to the Journal that he made such a threat.)

Experts disagree on whether the 1974 federal pension-reform law will curtail abuses by the big fund. The law, which won't take effect until the government issues necessary regulations, does impose on trustees such general requirements as prudence and fiduciary responsibility.

Overdrive, the trucking magazine, which has been investigating the Central States fund for several years, recently reported that the fund hasn't been making loans this year—except those already promised—pending clarification of the new law. But since then has come disclosure of a new $40 million commitment to Mr. Chenker to improve the Dunes hotel in Las Vegas.

Edward Daily, acting assistant director of the Office of Employe Benefits Security, which the Labor Department created to enforce the new law, says his small staff is too overwhelmed with routine work to think about investigation. "There's enough allegations in those Overdrive articles to keep two men busy for years," Mr. Daily says, and he adds, "We haven't got anybody."

[From the Wall Street Journal, July 24, 1975]

Union Financiers—How the United States Failed To Convict Seven for Deals With Teamsters Fund; Tale Has Murder and Intrigue, But From the Jury Box the Plot Had Some Holes—Volleyballs, Toys, and Death

(By Jonathan Kwitny)

A few years ago the U.S. government began investigating a series of unrepaid loans in New Mexico that seemed to strike a recurrent theme in the history of the Central

States, Southeast and Southwest Areas Pension Fund of the teamsters' union.

Seven men were indicted for conspiring to defraud the fund. If the prosecutors could win their case, the government expected further indictments and a change in the fund leadership.

A jury trial began last Feb. 3 in Chicago, where the fund is based. Nine weeks later, on April 10, after the expenditure of millions of dollars and thousands of man-hours, the trial ended. The defendants were acquitted on every count.

This is the story, based on 8,000 pages of trial transcript and numerous interviews, of how the Central States fund lost more than $6 million over 15 years in loans secured by a continually insolvent factory in Deming, N.M.; how the Justice Department charged some of those involved with criminal intent; and how the government's case foundered, largely on the rules of evidence, leaving the fund's administrators firmly in control of $1.3 billion in workers' pension money.

THE START OF THE MATTER

The fund got involved in Deming in 1959 when it put up about $3 million to finance a new plant there for Auburn Rubber Co., formerly of Auburn, Ind., a maker of toys and other products. In 1969, Auburn Rubber folded. By then the loans totaled $4.5 million, all unrepaid. Counting interest, Auburn owed the fund $4.9 million. The fund took over the plant.

This early history wasn't part of the case that the government presented to the jury in Chicago this year. That case was limited to the take-over of the plant by another group in 1971 with pension-fund loans that reached $1.4 million.

Early in 1973, the Justice Department, the Internal Revenue Service and the Postal Service found themselves working coincidentally on a possible fraud in the 1971 loans, and they decided to pool their efforts to make one big case that would spearhead a broad attack on the fund administration. The Deming case appealed to the government partly because two men who ran companies that received some of the loan money had agreed to testify they were part of a scheme to defraud the pension fund.

A BOOKKEEPER FROM THE IRS

One was Harold Lurie, a thrice-convicted long-time business front man for Chicago Mafiosi. Mr. Lurie was trying to avoid further prosecution for tax evasion and had consented to let an IRS agent pose as his bookkeeper for two years, observing his transactions with other alleged conspirators. The second prospective insider witness was Daniel Seifert, who ran a company that helped channel teamster loan money to a man identified by the Illinois Crime Investigating Commission as a Mafia loan shark and collector.

But what made the Deming case even more appealing was the cast of alleged wrongdoers it involved. These are some of the persons who evidence showed benefited from the Deming loan money:

Felix (Milwaukee Phil) Alderisio, the most active Mafia boss in Chicago, who had once been overheard by FBI bugs as he boasted of murder and who was known to police as the "king of scam," scam being the planned bankruptcy of supposedly legitimate businesses. (Mr. Alderisio died in prison in 1972 while serving an extortion sentence, so he never came to trial in the Deming case.)

Allen Dorfman, longtime kingpin of Central States fund activity, was just getting back into circulation after an eight-month prison stay for taking a $55,000 bribe in the award of a fund loan.

FIGURE IN MURDER TRIAL

Anthony (Tough Tony) Spilotro, who Mr. Lurie said had boasted of being Mr. Alderisio's heir, and who at various times had been charged with, and acquitted of, robbery, burglary, gambling and murder. The murder acquittal, in 1973, was especially galling to authorities because a turncoat mobster gave excruciatingly detailed court testimony about how he, Mr. Spilotro and two others—using guns and butcher knife—savagely executed a stolen goods fence who was suspected of cheating on Mob accounts. Mr. Spilotro presented several witnesses to testify that he was buying furniture on the day of the murder.

Joseph (The Clown) Lombardo, the alleged loan-shark racketeer who got teamster money through Mr. Seifert's firm, and who over the years had been charged with, and acquitted of, burglary, loitering and kidnapping.

Ronald DeAngeles, long suspected by authorities of being the syndicate's electronics whiz. In 1970 federal agents burst in on him in a converted minesweeper he was cruising in near the Chicago Police Department's lakefront headquarters. The boat was laden with radio intercept equipment. Unable to prove what they suspected he was doing with this gear, the agents noticed an oil slick behind the boat and obtained an indictment against him for polluting Lake Michigan. The indictment was thrown out of court.

The federal prosecutors also were attracted by evidence that two of the pension fund's 16 trustees had traveled to Deming to see the factory, and therefore could be indicted as part of the alleged conspiracy. They were Albert Matheson, a Detroit labor lawyer, and Jack Sheetz, head of a Dallas-based trucking employers' association.

The indictment came down in February 1974. Messrs. Dorfman, Spilotro, Lombardo, DeAngeles, Matheson and Sheetz were charged with conspiracy to defraud the Central States fund. So was Irwin Weiner, a Chicago bondsman who wrote bonds for the fund's trustees and who, according to testimony, had longstanding business ties with Mr. Lurie and Mr. Alderisio. The big trial was set.

Then, on the morning of Sept. 27, 1974, Mr. Seifert, one of the two key government witnesses, entered his office at International Fiberglass Co. in a Chicago suburb, accompanied by his wife and son. Two men in ski masks, surprised to see the entire family, shoved the wife and son into a lavatory and shot Mr. Seifert. But he fled into a hallway. There he encountered another man, with a shotgun, and turned to flee again. A buckshot blast ripped away the back of his head, but Mr. Seifert continued into the fiber-glass plant. The two men in ski masks chased him, firing and yelling to the startled employes to "Hit the deck!" They did. But Mr. Seifert managed to run out a back door. There he encountered another man with a shotgun, who fired at him point-blank. None of the witnesses has come forward with a good identification of the killers.

Mr. Seifert's death cast a pall over the U.S. Attorney's office. The prosecutors decided to drop the charges against Mr. Lombardo, since Mr. Seifert was to have been the primary witness against him. The other defendants went to trial. Matthias Lydon, chief of the government's three trial attorneys, soon found he had many problems besides the lack of a second insider witness to back up Mr. Lurie.

First, the jury was getting a very different picture of the defendants from the one being published in Chicago newspapers, which the jurors were forbidden to read.. Defense attorneys presented Mr. DeAngeles and Mr. Weiner as independent businessmen who wanted to go into plastics manufacturing in Deming. They presented Mr. Spilotro as a businessman who wanted to borrow money from his friend Mr. DeAngeles.

So long as the three men didn't testify—none of the defendants did—the prosecution couldn't tell the jury of their backgrounds. Says Mr. Lydon now, "Probably the greatest problem of the case was not being able to explain who all these characters are and what they were doing together in the first place."

TRACKS AROUND TOWN

Another prosecution problem was that the IRS and Postal Service investigators had left elephant tracks around Deming since they began looking into the matter in February 1972. They thus tipped off the alleged conspirators that a criminal case was in prospect. Late in 1972, new accountants reorganized the plastics factory's books. Money that the government believed had been stolen was reclassified as loans.

For example, some $15,000 in checks that were issued to Mr. Spilotro or a company of his might have seemed suspicious because Mr. Spilotro never worked for the plant in an official capacity. But the money was reclassified as loans to Mr. DeAngeles, an employe of the plant. It was then explained on the books that Mr. DeAngeles had requested the money for his friend Mr. Spilotro. Many of these newly classified loans were repaid—some by means of a $20,000 salary bonus suddenly given to Mr. DeAngeles and charged off against loans to him and others. This new accounting evidently left the jury with the impression that only a small portion of the pension fund's money wasn't properly accounted for.

Moreover, the jury never learned of the fund's checkered history, including details of its earlier losses at Deming. For the jury, the alleged conspiracy began in the fall of 1970 at Gaylur Mercantile Co., a Chicago salvage firm.

A VISIT TO PRISON

Mr. Lurie was Gaylur's proprietor. He testified that a broker he dealt with told him Gaylur might make some money salvaging an inventory of toys for the Central States fund, toys that had been left at the old Auburn plant in Deming. The broker said both the plant and the inventory belonged to the pension fund, so Mr. Lurie called his friend Mr. Weiner, who he knew was a friend of Mr. Dorfman, special consultant to the fund.

At this point there was an important gap in Mr. Lurie's testimony. The jury didn't learn that Gaylur Mercantile had frequently been used as a "wash" for money going to the late Milwaukee Phil Alderisio, Gaylur's real guiding genius. It didn't learn that Gaylur's payroll had sometimes included Mr. DeAngeles and Mr. Spilotro. And it didn't learn that the Deming deal had been approved, perhaps actually conceived, by Mr. Alderisio when Mr. Lurie visited the Mafia boss in prison.

Before telling his story to the jury, Mr. Lurie testified in the chambers of Judge William J. Bauer at a hearing to determine, under the rules of evidence, what the jury could and couldn't learn. There he engaged in the following exchange with Mr. Weiner's lawyer, Thomas Sullivan:

Q—Do you recall that Mr. Alderisio had sent word from prison that he wanted you to run the operation because he said you were the only one he has outside to run the operation who has any brains?

A—Yes, I remember that.

But Judge Bauer agreed with the defense lawyers that Mr. Alderisio's notoriety might prejudice the jury. So the jurors wouldn't hear any testimony involving the mobster. Nor would they learn that the government had relocated Mr. Lurie with a new identity to protect him, or that Daniel Seifert had been killed, justifying such caution; it was decided that these facts, too, were prejudicial.

The jury was told that in November 1970, Mr. Lurie and Mr. Weiner visited the plant and decided they could make money running it, as well as from selling the toy inventory. So they met with Mr. Dorfman, who told them that obtaining a pension-fund loan to take over the plant "shouldn't be too much of a problem." At the same time, Mr. Lurie testified, the three men agreed to split the projected $30,000 profit from sale of the toy inventory, $10,000 for each of them.

Documents showed that the toys were sold for $31,687.75 and that Mr. Weiner later submitted a check to the fund for $7,169.49 representing sale of the inventory. The defense said that the difference was plowed back into the business.

LOAN WINS APPROVAL

Precisely when Mr. Lurie and Mr. Weiner and their associates took over the plant isn't clear. Evidence showed that Mr. Dorfman promoted the project exuberantly in June 1971 at a meeting of the pension-fund trustees. The trustees then approved a $600,000 loan to a new company, Gaylur Products Inc., headed by Mr. Weiner, to resume production at the Deming plant.

There ensued a strange parade through Mr. Lurie's Gaylur Merchantile warehouse. The participants picked out television sets, tape recorders, refrigerators, freezers, volleyballs—even urinals. Among those who received goods without paying for them, according to undisputed testimony, were Mr. Dorfman, his mother, his lawyer Harvey Silets (whose firm also represents the pension fund itself at times) and a children's charity favored by Mr. Dorfman. Mr. Lurie testified that Mr. Weiner told him to charge everything "to the Deming account," which would be reimbursed from the fund loan.

Meanwhile, Mr. Spilotro convinced Mr. DeAngeles to take charge of cleaning up the Deming plant and converting the machines there to the manufacture of plastic products. Mr. DeAngeles got a $190,000 budget and a salary that reached $500 a week after withholding. He also got a house, an airplane and a Cadillac. The government charged he should have paid income tax on these items, but the defense said he was holding them in trust for the company.

A SECOND LOAN

Soon after starting to work, Mr. DeAngeles reported that the plant needed repairs far more extensive than anticipated, sending Mr. Weiner (with Mr. Dorfman supporting him) back to the trustees for another loan. He obtained an additional $298,000. At the trial, the prosecution contended that most of the necessary repairs were made under supervision of a prior caretaker and, anyway, cost much less than $298,000. This led to literally weeks of arguing before an impatient jury over who made which repairs, when and for how much.

Defense attorney Sullivan seized on this nit-picking to help his cause. "It really is incredible," he told the jury in his summation, "that in Chicago in 1975 we spent about a week on the question of whether a roof leaked down in Deming in 1971, but we did. Well, that's all right. It's the taxpayers' money. . . . We finally decided it only leaked when it rained."

The roof wasn't the only thing accused of leaking. Extensive evidence showed that hundreds of thousands of borrowed dollars were used for purposes other than resurrecting the plant in Deming. Whether these purposes were nefarious or not was hotly debated, and some of the debates never reached the jury. Some of the items:

Before the IRS appeared in Deming in February 1972, Mr. Weiner pledged $149,000 of Gaylur Products' fund money to secure bank loans for his personal business. Some $113,000 of this borrowed collateral was foreclosed on, but later in 1972, after he knew he was under scrutiny, Mr. Weiner repaid the bank the $113,000.

Mr. Weiner sent $33,000 to help Mr. Spilotro and his wife resettle in Las Vegas and open a gift shop. (Judge Bauer wouldn't let the jury hear about $16,000 of this, paid in cash in a briefcase, on the ground that there wasn't proof that the $16,000 came from Gaylur Products' money.)

Gaylur also invested, and lost $42,000 in an unsuccessful venture to market mobile lunch stands called Weenie-Wagons. The Weenie-Wagon firm shared an address and two of its principals with Mr. Weiner's bonding company, and testimony also linked it to Mr. Lombardo and Mr. Dorfman.

Gaylur also bought several dozen trucks, gave them to a firm Mr. DeAngeles ran, and paid the firm to haul goods from Deming. When the Deming operation folded in 1973, the trucks were driven to Mr. DeAngeles's new home in Florida, apparently without payment to Gaylur. (The jury never learned about all this because the government wasn't aware of the truck deal when it drew the indictment and Judge Bauer refused to let prosecutor Lydon "gum this (trial) up with proof of another crime.")

AN OLDSMOBILE AND TAPS

The jury did learn of checks, written on the borrowed money for $6,000 to pay criminal defense fees for Mr. DeAngeles and Sam Battaglia (though the jury didn't learn that this was the notorious mobster Teetz Battaglia or that payment of his fee was ordered by Mr. Alderisio); $1,080 to complete payments on an Oldsmobile for Mr. Battaglia's son; $2,200 for equipment to tap the phones of Mr. Weiner's children, whom he suspected of narcotics involvement (the Defense said the equipment later was used for security at the Deming plant); $15,000 to help a friend of Mr. DeAngeles buy a trucking company (the money was repaid from the trucking company's cash); and $24,000 (later repaid) to one of Mr. Weiner's bonding clients.

Then the jury heard Moe Shapiro, a longtime friend of Mr. Weiner and Mr. DeAngeles, testify that on July 7, 1971, he was chatting with Mr. DeAngeles and said, "Gee, I need $4,500 if some body could borrow it to me." Then, Mr. Shapiro testified, "Ron, my friend, says, 'Moe, I would be happy to borrow it to you.'" The loan was made at once with Gaylur Products money. Mr. Shapiro never repaid it.

But the main issue at the trial wasn't petty chiseling. It was whether Mr. Weiner and his associates willfully misled the fund trustees when they obtained the loans. Their application in 1971 (which Mr. Lurie testified was prepared with Mr. Spilotro's advice) proposed three products for manufacture at the Deming plant: eight-track tape cartridges, five-gallon pails and Melamine dishes. Each would contribute about equally to a projected $1.6 million annual profit.

The government contended that the tape-cartridge proposal was misleading: The expert who Mr. Weiner said would run the operation testified that he had already rejected the Deming plant as "totally inadequate." The dish proposal was based largely on a letter from a Panamanian company promising large purchases; Mr. Lurie testified that he had forged the letter at Mr. Weiner's request. The pail proposal cited a "contract" for purchase of two million pails a year, but the purchaser turned out to be a company owned by Mr. Weiner's cousin, and it went out of business before Gaylur began large-scale production.

Nevertheless, the pail business proved genuine, and jurors have told the Journal in interviews that it was a big factor in their vote for acquittal. With U.S. Gypsum Co. a major customer, pails accounted for most of the $1.5 million in sales that Gaylur (later renamed American Pail Corp.) made from 1971 until it closed in the fall of 1973. (Most other sales were of toy swim masks and fins, a product line Gaylur Products inherited from the old Auburn Rubber Co.)

A THIRD LOAN

When the pail business materialized in late 1972, so little remained of the original $900,000 in fund loans that Mr. Weiner went back to the trustees and obtained $500,000 more to buy material. But even in its supposed boom period in early 1973, Gaylur suffered big operating losses. Each pail cost $1.11 to make (despite Gaylur's paying no rent or debt service to the fund) and sold for only 85 cents to meet competition.

The defense said costs would have dropped had Gaylur been able to maintain production as planned. But in mid-1973 Amoco Chemical Co., one of two main suppliers, cut Gaylur off from the oil-based plastic used to make the pails, causing a slowdown, then a shutdown. The jury wasn't allowed to learn the real reason for the cutoff.

That reason is apparent in internal correspondence from the Amoco credit department. The Journal has obtained copies. One memo was accompanied by articles from the Chicago Tribune about the local crime syndicate; the memo writer cites references in the articles to "our 'friends' in New Mexico" and urges that Amoco take "a hands-off attitude" toward Gaylur. A reply from a superior concurs, "due to their very questionable background."

Judge Bauer refused to allow the memos into evidence on grounds they would prejudice the jury. The defense was allowed to argue in court that the 1973 petroleum shortage was responsible for the cutoff—a seemingly logical explanation. This forced the government to come up with an alternative false explanation. The prosecutors argued that Gaylur hadn't paid its bills on time. But the defense was able to show otherwise, which impressed the jury.

Perhaps the backbone of the defense was a two-day presentation by Arthur Young & Co. of a detailed—but not certified—accounting done by a team of auditors from the noted firm. The team acknowledged that it relied largely on information supplied by previous bookkeepers, who in turn had testified that they relied at least in part on information from Mr. Weiner and Mr. DeAngeles. By refraining from certifying the figures, the Arthur Young team refrained from guaranteeing their accuracy, but the team was able to account in some way for almost every penny of the loan money.

FINANCING OF THE AUDIT

Howard Doherty, a partner, testified that Arthur Young & Co. was receiving $150,000 for its work, to be paid by two law firms representing defendants. But the Journal has obtained a copy of minutes from a meeting of the pension fund's board of trustees last Oct. 4. The minutes show approval of a motion to hire and pay Arthur Young to audit Gaylur Products. Thus, the minutes indicate that the backbone of the defense in the Chicago trial was paid for with money from the fund—which was supposed to be the victim of the alleged fraud. Spokesmen for Arthur Young say that they have no idea why the minutes should read that way, that the firm understood, and still does, that it was being paid by the defense law firms. Spokesmen for the pension fund declined to be interviewed by the Journal.

This confusion between victim and perpetrator dogged the entire trial. According to interviews with jurors, it heavily influenced the verdict. When the prosecution put on the stand as a purported victim Thomas J. Duffey, a trucking-company lawyer and a fund trustee, Mr. Duffey mainly fed the defense. As prosecutor Lydon listened in disbelief, Mr. Duffey on cross-examination said that once the fund made a loan, the borrower could use the money as he saw fit, regardless of the purpose stated in the application.

Mr. Duffey said the trustees had been satisfied with the unaudited financial statements Gaylur turned in. The defense leaned on this testimony in its summation, along with other testimony from the fund that its own accountant and efficiency expert had gone to Deming and approved Gaylur's operation of the plant.

The effect of all this on the outcome of the case is illustrated by one juror's comment:

"For fraud to exist, the person being defrauded must be somewhat naive. These pension-board members weren't that naive."

QUORUM CALL

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. STONE) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:01 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the concurrent resolution (H. Con. Res. 400) relating to the enrollment of the bill (H.R. 4005), in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 9497) to amend the computation of the level of price support for tobacco.

The enrolled bill was subsequently signed by the President pro tempore.

At 2:32 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House disagrees to the amendments of the Senate to the bill (H.R. 8561) making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. WHITTEN, Mr. SHIPLEY, Mr. EVANS of Colorado, Mr. BURLISON of Missouri, Mr. BAUCUS, Mr. PASSMAN, Mr. NATCHER, Mr. CASEY, Mr. MAHON, Mr. ANDREWS of North Dakota, Mr. ROBINSON of Virginia, Mr. MYERS, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

The message also announced that the House has passed without amendment the bill (S. 2270) to authorize an increase in the monetary authorization for certain comprehensive river basin plans previously approved by the Congress, and for other purposes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. STONE) laid before the Senate the following letters, which were referred as indicated:

REPORT BY THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting, pursuant to law, a report of an Anti-Deficiency Act violation by the Alaska Railroad (with an accompanying report); to the Committee on Appropriations.

PROPOSED CONSTRUCTION PROJECTS BY THE ARMY RESERVE

A letter from the Deputy Assistant Secretary of Defense notifying the Congress, pursuant to law, of two proposed construction projects at Pocahontas, Iowa, and Grand Forks, N. Dak.; to the Committee on Armed Services.

1977 BUDGET SUBMISSION BY THE CONSUMER PRODUCT SAFETY COMMISSION

A letter from the Chairman of the Consumer Product Safety Commission transmitting, pursuant to law, a copy of the Consumer Product Safety Commission's 1977 budget submission (with an accompanying report); to the Committee on Commerce.

PUBLICATIONS OF THE FEDERAL POWER COMMISSION

A letter from the Chairman of the Federal Power Commission transmitting copies of two publications entitled "Energy Conservation Task Force Report" and "Principal Natural Gas Pipelines in the United States" (with accompanying publications); to the Committee on Commerce.

STATEMENT OF NATIONAL TRANSPORTATION POLICY

A letter from the Secretary of Transportation transmitting a report entitled "Statement of National Transportation Policy" (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman of the Federal Communications Commission transmitting a draft of proposed legislation to amend the Communications Act of 1934, as amended, with respect to penalties and forfeitures (with accompanying papers); to the Committee on Commerce.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of August 1975 (with accompanying list); to the Committee on Government Operations.

REPORT OF THE U.S. INFORMATION AGENCY

A letter from the Director of the U.S. Information Agency transmitting, pursuant to law, the Agency's report to Congress for the fiscal year 1975 (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Effectiveness of the Financial Disclosure System for Civil Aeronautics Board Employees Needs Improvement" (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONCESSION PERMIT BY THE DEPARTMENT OF THE INTERIOR

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a proposed concession permit for a concession at Swan Tavern, Colonial National Historical Park, Yorktown, Va. (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF THE ADVISORY COUNCIL ON HISTORIC PRESERVATION

A letter from the Chairman of the Advisory Council on Historic Preservation transmitting, pursuant to law, a report of the Council relating to future plans of the Department of the Army at Hunter Liggett Military Reservation, Calif. (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE DEPARTMENT OF STATE

A letter from the Assistant Secretary of State transmitting a draft of proposed legislation to define and discourage certain criminal conduct by U.S. nationals and certain foreign nations in Antarctica (with accompanying report); to the Committee on the Judiciary.

REPORT OF THE NATIONAL MUSIC COUNCIL

A letter from the Executive Secretary of the National Music Council transmitting, pursuant to law, the audit report of the Council for the period ending April 30, 1975 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Administrator of General Services transmitting a copy of an updated second edition of a report entitled "Energy Conservation Design Guidelines for New Office Buildings" (with an accompanying report); to the Committee on Public Works.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the National Flood Insurance Program, Fiscal Year 1974" (with an accompanying report); to the Committee on Government Operations.

PROPOSED LEGISLATION TO AUTHORIZE AN ADDITIONAL ASSISTANT SECRETARY OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to authorize an additional Assistant Secretary of the Department of Housing and Urban Development (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

ANNUAL REPORT ON DISPOSAL OF FOREIGN EXCESS PROPERTY

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, the annual report on the disposal of foreign excess property for the Department of the Interior for fiscal year ending June 30, 1975 (with an accompanying report): to the Committee on Government Operations.

INTERNATIONAL AGREEMENTS ENTERED INTO BY THE UNITED STATES

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States (with accompanying papers); to the Committee on Foreign Relations.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. STONE) laid before the Senate the following petitions which were referred as indicated:

A petition seeking a redress of grievances from two citizens of the State of Oklahoma; to the Committee on Government Operations.

1976 MILITARY PROCUREMENT AUTHORIZATION BILL—H.R. 6674—SUBMISSION OF A CONFERENCE REPORT (REPT. NO. 94-385)

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H.R. 6674, the fiscal year 1976 military procurement authorization bill. I ask unanimous consent that the report be printed as a Senate report.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and by unanimous consent, the second time, and referred as indicated:

By Mr. WILLIAMS:

S. 2379. A bill to amend the Regional Rail Reorganization Act of 1973 to permit the analysis of light density railroad lines on the basis of their costs and benefits, to aid in the transition to the final system plan by assuring the continuation of local freight services and rail passenger and commuter services, to provide assistance and additional time for the States to prepare their State rail plans, and for other purposes. Referred to the Committee on Commerce.

By Mr. WEICKER:

S. 2380. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes. Referred to the Committee on Finance.

By Mr. BENTSEN:

S. 2381. A bill to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BROCK (for himself and Mr. DOMENICI):

S. 2382. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for the amount of employment taxes paid by an employer to certain new employees. Referred to the Committee on Finance.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 2383. A bill to amend the Federal Boat Safety Act of 1971 to extend the authorization of appropriations for financial assistance for State boating safety programs beyond fiscal year 1976, and for other purposes. Referred to the Committee on Commerce.

By Mr. GRAVEL:

S. 2384. A bill pertaining to land conveyances to the regional corporation for the Southeast Alaska Region and the Kodiak Island Region pursuant to the Alaska Native Claims Settlement Act, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. JAVITS:

S.J. Res. 130. A joint resolution to declare November 23 through November 30, 1975, "National Bible Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILLIAMS:

S. 2379. A bill to amend the Regional Rail Reorganization Act of 1973 to permit the analysis of light density railroad lines on the basis of their costs and benefits, to aid in the transition to the final system plan by assuring the continuation of local freight services and rail passenger and commuter services, to provide assistance and additional time for the States to prepare their State rail plans, and for other purposes. Referred to the Committee on Commerce.

LOCAL FREIGHT AND PASSENGER SERVICE AMENDMENTS OF 1975

Mr. WILLIAMS. Mr. President, I am today introducing a bill designed to deal with the major problems concerning branch lines and passenger service which will be affected by the reorganization of the bankrupt railroads in the Northeast and Midwest.

This bill borrows some of the concepts contained in bills which have been previously introduced by several of my colleagues. The bill blends these provisions and other ideas which have surfaced within the last few months into a comprehensive program for the retention of essential freight and passenger service. With regard to branch lines, its major features are:

First, a 1 year delay on the abandonment of all lines which have been designated for exclusion from the Consolidated Rail Corporation by the final system plan;

Second, a 100-percent Federal subsidy for the continuation of service over these lines during the 1-year interim study period;

Third, the transfer of ownership of all local service lines in the system to ConRail, with the exception of out-of-service lines and lines which have previously been abandoned;

Fourth, a State rail planning program which will require State participation in the subsidy program and which is designated to identify, on a cost-benefits basis, those branch lines whose social importance warrant subsidization. Branch lines for which no subsidy offer is made may be expeditiously abandoned by the Corporation.

Fifth, a new information and accounting system, promulgated by RSPO which will accurately identify costs and revenues on branch lines;

Sixth, an 8-year Federal-State subsidy program for those branch lines which are identified in the State planning process as worthy of subsidy;

Seventh, the examination of out-of-service lines to determine whether their costs of rehabilitation justify the reinstitution of service.

The major passenger service provisions are:

First, the promulgation by RSPO of subsidy standards for passenger service to determine "attributable revenues," "avoidable costs," and "return on value";

Second, the requirement that leases and agreements for passenger service which presently encumber rail properties designated for transfer to ConRail and whose terms extend beyond the date of transfer shall continue to bind ConRail after the date of transfer;

Third, the requirement that no passenger service which is being provided over rail properties at the date of their transfer to ConRail shall be discontinued for a period of 180 days. The Secretary of Transportation shall reimburse ConRail for any additional costs incurred during that period as determined by the RSPO regulations;

Fourth, a 3-year, $60 million Federal rail passenger service grant program which will help States subsidize passenger service affected by the final system plan.

The bill also contains several important provisions of a general nature:

First, a provision to facilitate purchase of rail properties by interested persons from the Corporation and the bankrupt railroads by protecting such purchasers from any contingent liability ensuing from any future litigation over the value of the properties;

Second, a provision allowing States and other public agencies to purchase properties from ConRail at a value equivalent to the value for which they were originally transferred to ConRail;

Third, a system of grants to assist States in their rail planning efforts and help them become more involved in the process of continuing rail service on local lines.

Mr. President, I am convinced that there is a pressing need for this legislation. I am seriously concerned that the recommendations made by the U.S. Railway Association for the abandonment of 5,725 miles of active rail lines—over 30 percent of all the bankrupt rail lines in the region—is based on erroneous information and in derogation of intent of Congress to create a rail system that will be responsive to the needs of the region. I am also concerned that the present act will, if left unamended, cause severe confusion and disruption in passenger service currently being provided by the bankrupt railroads.

During the last year, the Rail Services Planning Office of the Interstate Commerce Commission held extensive hearings throughout the region to gather the public's views on issues in the reorganization process. At those hearings, overwhelming concern was expressed regarding the association's recommendation for massive branch line abandonments. As RSPO's report noted:

> The (public) testimony sharply and uniformly criticized the advisability of extensive rail abandonments as a means of providing a restructured rail system with adequate rail service. It would be difficult to overstate the vehemence of public opposition to the method employed by the Association for determining branch line retention or abandonment.

More important than the sheer magnitude of public opposition to abandonment, however, is the fact that the public has produced an enormous amount of data and information which casts serious doubt on almost every fact relied upon by the association in its branch line analysis. One only has to scan the public comment on branch line abandonments in New Jersey to conclude that many miles of sound, viable, or potentially viable track in my State have been unfairly singled out for discontinuance.

I cannot accept a final system plan which bases its recommendations for large scale abandonments on disputed information. I cannot accept a plan which refuses to acknowledge the potential for future industrial expansion along many of these branch lines. I agree wholeheartedly with the recommendation of the Interstate Commerce Commission that—

> (E)rroneous decisions were entered with respect to (in FSP) various light density lines excluded from the ConRail system. We maintain that these erroneous decisions should be corrected.

This bill provides a mechanism for correcting these erroneous decisions. It recognizes that some branch lines can and should be culled from the system. But the procedure for doing so must be based on reliable, current data, and with a full realization of the social costs that would be created by the abandonment of any line.

The essential elements of this bill are a 1-year restudy period for all branch lines and an immediate transfer of the ownership of all these lines to ConRail. The restudy would be conducted primarily by the States to determine the social costs and benefits of branch line retention. During the 1-year restudy period, the Federal Government would fully subsidize ConRail for the continuation of all service, except on lines where there is no shipper demand for such service.

I believe a 100-percent Federal subsidy is essential for the 1-year restudy period because many of the States are not prepared to participate at this time in the subsidy program. I believe that States should eventually become full partners with the Federal Government in a subsidy program for branch lines. However, it is unrealistic to presume that after some 80 years of total Federal regulation of the railroad industry we can expect the State to take charge of their own rail problems without a reasonable transition period. This bill provides for a transition period of 5 years, after which the Federal and State governments will each pay one half of the subsidy cost for essential branch lines.

I also consider it necessary to transfer the ownership of all light density lines to ConRail. If the Federal and State governments are going to embark on an 8-year Federal subsidy program for continuing rail service which is essential to local economies, the rail properties must become part of an ongoing, operating railroad. If branch lines remain in the ownership of the trustees, it is inevitable that they will suffer slow deterioration and neglect. This bill is designed to invigorate essential, but dormant, branch lines, not to consign them to oblivion.

Transfer of the properties will not burden ConRail with any additional costs that will prevent it from becoming a profitable railroad in 1979, if we can believe the association's pro forma financial statements. As a matter of fact, the transfer will help ConRail's financial picture by assuming that it receives a positive rate of return on the value of the transferred branch lines. The bill provides that after the 1-year restudy period, the branch lines which had originally been excluded under the final system plan will be divided into three categories: viable lines, nonviable lines which will be subsidized, and nonviable lines for which no subsidy offer is made. The first two categories of lines are good business investments for ConRail because ConRail is assured a positive rate of return on them. ConRail may quickly abandon those branch lines which do not attract a subsidy and sell the properties for cash. The sales price will constitute their value, and thus discourage future litigation before the special court. ConRail, of course, will have to transfer its securities to the bankrupt estates in payment for the branch lines. But since the lines will, by definition, provide earning power for ConRail, it cannot be said that these properties will enhance the likelihood of a Tucker Act judgment against the United States.

The heart of this bill is the cost-benefit analysis to be performed by the States on branch lines which require subsidization to remain in service. It does not make any difference if a branch line loses $1,000 or $100,000 if the cost of abandonment, as measured by lost jobs, foregone tax revenues, unused capital facilities, environmental damage, and so forth, are greater than the costs of subsidizing the line. Society will pay, in either case, if a line is abandoned or subsidized. This bill creates a planning process which will hopefully allow the States and the Federal Government to identify the least expensive alternative.

The continuation of rail passenger service is of great concern to the citizens of New Jersey, many of whom rely on this form of transportation to get to work. The original RRRA and the final system plan place the continuation of rail passenger service in a very precarious position. According to the association's interpretation of the law, rail passenger service which was not subject to a long-term contract on the date of the enactment of the act may be abandoned, possibly underexpedited procedures, unless the subsidizing body accedes to ConRail's demands for higher payment. The FSP indicates that ConRail plans to increase its passenger subsidy revenues by an extraordinary 61 percent in its first year of operation. I am not at all opposed to the concept of ConRail being fully reimbursed for the cost of operating passenger service.

However, the State and local agencies of New Jersey and other States strongly believe that they already are paying the full cost of passenger service. Unless a mechanism is provided for resolving this dispute, I fear that chaos could result. Therefore, this bill provides that RSPO will establish criteria for the determination of appropriate service subsidies. These criteria must be used by ConRail and the subsidizing entity to arrive at a mutually agreeable subsidy amount. To help States gradually absorb any additional passenger subsidies required by the RSPO rules, the bill provides for a 3-year, $60 million Federal grant program.

An important consideration, especially since the FSP calls for approximately $2 billion in Federal aid, is the cost that this bill would impose on the Federal Treasury. Although it is difficult to estimate the precise cost of the subsidy program, because vital information is lacking in valuation, rehabilitation, and subsidy costs, using available figures it is estimated that the cost to the Federal Government for the entire 8-year subsidy period, including amounts for State rail planning grants and the RSPO budget, would be approximately $220 million. This is based on the assumption that all interim light density lines will be subsidized for the entire 8 years, which may very well not be the case. Using the same set of assumptions, the cost to the Federal Government for the interim study period will be approximately $30 million.

Presently under the RRRA, $180 million is authorized to be appropriated for branch line subsidies for a 2-year period. This bill proposes that that amount be increased to $380 million for an 8-year period. With improved efficiencies in ConRail operations through rehabilitation, the actual funds necessary may be far less.

Mr. President, I believe that Congress must act responsibly to assure that vital and essential rail service is maintained in the Northeast while providing a national process for the elimination of those lines whose economic and social justification has ended. The Regional Rail Reorganization Act is deficient in this respect. The bill I am introducing today seeks to rectify this situation and provide a model for future Federal policies on the role of railroads in a balanced transportation system.

In conclusion, I should like to thank the staff of New Jersey Transportation Commission Alan Sagner for their technical assistance in the preparation of the local freight and passenger services amendments. In addition, I should like to commend the Office of Public Counsel for its invaluable assistance to local shippers and communities. The field work as provided has helped to identify the need for legislation to ease the transition to the final system plan, and these ongoing efforts will be essential to the implementation of the bill I am introducing today.

Mr. President, I ask unanimous consent that the bill and the section-by-section analysis be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2379

A bill to amend the Regional Rail Reorganization Act of 1973 to permit the analysis of light density railroad lines on the basis of their final costs and benefits, to aid in the transition to the final system plan by assuring the continuation of local freight services and rail passenger and commuter services, to provide assistance and additional time for the States to prepare their State rail plans, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Local Freight and Passenger Services Amendments of 1975".

Sec. 2. Section 102 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702) is amended—

(1) by striking out "and" at the end of clause (14);

(2) by striking out the period at the end of clause (15) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new clauses:

"(16) 'interim light density lines' means all rail properties used or useful in providing local rail service in the region, except rail properties (A) designated in the final system plan as profitable lines to be operated by the Corporation or profitable railroads pursuant to section 206 (c); (B) approved for abandonment under section 304 (f) prior to the effective date of the final system plan; or (C) which are out of service as of the effective date of the final system plan; and

"(17) 'interim period' means the one year period following the date of conveyance of rail properties pursuant to section 303(b) of this Act.".

Sec. 3. Section 205(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 715(d)) is amended—

(1) by striking out "and" at the end of clause (3) and striking out clause (4) and inserting in lieu thereof the following:

"(4) within 90 days of the effective date of the final system plan determine and publish criteria to assist States and local and regional transportation authorities in making determinations whether to provide rail service continuation subsidies to maintain in operation particular rail properties pursuant to section 402(c)(1)(E) of this Act, and provide legal and technical assistance to such authorities to implement the criteria developed pursuant to this clause;"; and

(2) by inserting after clause (4) the following new clauses:

"(5) within 180 days after the effective date of the final system plan, issue additional regulations, after conducting a proceeding in accordance with the provisions of section 553 of title 5, United States Code, which—

"(A) contain standards for the computation of subsidies for rail passenger services as provided in section 304(d)(1); and

"(B) require the development of an accounting system which will permit the collection and publication by the Corporation or profitable railroads providing service over interim light density lines of information necessary for an accurate determination of the attributable revenues, avoidable costs, and operations of light density lines as operating and economic units; and

within 450 days following the issuance of the final system plan, revise and republish the standards and regulations required by this clause to incorporate changes made necessary by the accounting system developed pursuant to this clause; and

"(6) within 90 days after the effective date of the final system plan, publish the amount of the annual subsidy to be paid wholly by the United States to the Corporation or profitable railroads for the continuation of rail freight services pursuant to section 305, which payment shall be an obligation of the United States.".

Sec. 4. Section 206(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(d)) is amended—

(1) by adding the words "and supplemental plan" between the words "final system plan" and "shall be made" in the first sentence; and

(2) by amending clause (5) to read as follows:

"(5) All properties.—

"(A) sold by the Corporation pursuant to sections 206(c)(1)(C) and 601(d) of this Act, or

"(B) sold by the Corporation to a State or local or regional transportation authority or other duly authorized public agency pursuant to sections 206(c)(1)(D), 304(c)(2), and 304(d) for public purposes, including conservation, transportation and recreation.

shall be transferred at a value related to the value received for the transfer to the Corporation of such properties.".

Sec. 5. Section 209 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 719) is amended by adding "and supplemental plan" after the words "final system plan" wherever they appear.

Sec. 6. Section 214 (b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724 (b)) is amended by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

Sec. 7. Section 302 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 742) is amended—

(1) in clause (a) by adding the words "and supplemental plan" between the words "final system plan" and "to be transferred"; and

(2) by striking out clause (b) and inserting in lieu thereof the following:

"(b) operate rail service over such rail properties except as provided under section 601 (d) of this Act;".

Sec. 8. Section 303 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743) is amended—

(1) by adding the words "and the supplemental plan" after the words "final system plan" wherever they appear; and

(2) by striking subsection (b)(2) and substituting the following:

"(2) All rail properties conveyed to the Corporation and the respective profitable railroads operating in the region under this section shall be conveyed free and clear of any liens or encumbrances, provided that those rail properties for which financial support from a State, or local or regional transportation authority was being provided at the time of enactment of this Act for the continuance of rail passenger service shall be subject to any leases and agreements for the continuation of passenger services which are in effect at the date of transfer of such properties to the Corporation. All rail properties shall further be subject to any lien or encumbrance of no greater than five years duration which is necessary for the contractual performance by any person of duties related to public health or sanitation. Such conveyance shall not be restrained or enjoined by any court.".

Sec. 9. Section 304 of the Regional Rail Reorganization Act of 1970 (45 U.S.C. 744) is amended—

(1) by striking subsections (a) and (b) and inserting in lieu thereof the following:

"(a) Discontinuance of Rail Freight Service.—Except as provided in subsection (d) of this section, rail freight service on any interim light density line operated by the Corporation or any profitable railroad pursuant to this Act may be discontinued, if—

(1) the interim light density line is not subject to an offer of or an agreement for purchase or subsidy pursuant to section 304 (d);

(2) not sooner than 30 days following the expiration date of a rail service continuation subsidy, the Corporation or profitable railroad gives notice in writing of intent to discontinue such rail service on a date certain, which date is not less than 60 days after the date of such notice, and

(3) the notice required by paragraph (2) of this subsection is sent by certified mail to the Governor and state transportation agencies of each state, to the government of each political subdivision of each state in which such rail properties are located, to each shipper who has used such rail service during the previous 12 months, and to the Office.

"(b) Discontinuance of Rail Passenger Service.—Except as provided in section 601 (d) and except where discontinuance of rail passenger service is precluded by the terms of leases and agreements as provided in section 303(b)(2) of this Act, no rail passenger service being provided as of the effective date of the final system plan over interim light density lines or other rail properties designated for transfer to the Corporation pursuant to the final system plan and supplemental plan may be discontinued by the Corporation within a period of 180 days from the date of conveyance of such rail properties pursuant to section 303(b) of this Act. During such 180 day period, the Corporation shall be bound by such leases or agreements for the provision of passenger service as shall have encumbered such properties immediately prior to the date of their conveyance under section 303(b). Thereafter, except as provided in subsection (d) of this section, rail passenger service over interim light density lines or other rail properties designated for transfer to the Corporation may be discontinued by the Corporation in accordance with the procedures set forth in section 304 (a)(2) and (3) of this Act.";

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) Abandonment.—(1) Interim light density lines over which rail service has been discontinued pursuant to subsections (a) and (b) of this section may not be abandoned sooner than 60 days after the effective date of such discontinuance. Except as provided in subsection (d) of this section, such interim light density lines may be abandoned upon 30 days' notice in writing to all those required to receive notice under subsection (a)(3) of this section.

"(2) In any case in which rail properties proposed to be abandoned under this section are designated by the final system plan as rail properties which are suitable for use for other public purposes (including roads or highways, other forms of mass transportation, conservation, and recreation), such rail properties shall not be sold, leased, exchanged, or otherwise disposed of during the 180-day period beginning on the date of notice of proposed abandonment under this section unless such rail properties have first been offered for acquisition for public purposes at a value related to the value received for the transfer to the Corporation of such properties.

"(d) Limitations.—Rail service may be discontinued and rail properties may be abandoned under subsections (a), (b) and (c) of this section notwithstanding any provision of the Interstate Commerce Act (49 U.S.C. 1 et seq.) or the constitution or law of any State or the decision of any court or administrative agency, of the United States or any State. No rail service may be discontinued and no rail properties may be abandoned pursuant to this section if a shipper, a State, the United States, a local or regional transportation authority, or any other responsible person offers—

"(1) a rail service continuation subsidy which covers the difference between the revenue attributable to such rail properties and the avoidable costs of providing service on such rail properties plus a reasonable return on the value of such rail properties; or

"(2) to purchase, pursuant to subsection (e) of this section, such rail properties in order to operate rail service over such properties.";

(3) by redesignating section 304(d) as 304(e); by adding "(1)" prior to the first sentence; by deleting the words "railroad in reorganization in the region" and substituting the words "the Corporation"; and by adding a new paragraph (2):

"(2) Any person or entity which purchases rail properties from the Corporation or which purchases properties from a railroad in reorganization pursuant to section 206(d) of this Act shall be held harmless by the United States of any liability, contingent or otherwise, occurring as a result of a decision by the Special Court or appellate court pursuant to section 303 of this Act with respect to the valuation of the particular rail properties purchased.";

(4) by redesignating section 304(e) as 304(f), and by amending the first sentence to read as follows: "After the rail system to be operated by the Corporation under the final system plan and supplemental plan has been in operation for two years, the Corporation may petition the Commission for the abandonment of any rail properties (other than interim light density lines) where there is no offer of or an agreement for purchase or subsidy for rail freight or passenger service on such rail properties pursuant to section 304(d)."; and

(5) by redesignating section 304(f) as 304(g).

Sec. 10. Title III of the Regional Rail Reorganization Act of 1973 is amended by inserting at the end thereof the following new sections:

"RAIL FREIGHT SERVICE ON INTERIM LIGHT DENSITY LINES

"Sec. 305. (a) General.—Rail freight service shall be provided over each interim light density line by the Corporation upon receipt of an offer pursuant to section 304(c) (2) or by such other profitable railroad which accepts an offer pursuant to section 304(d). If a rail service continuation subsidy is offered, the government or person offering the subsidy shall enter into an operating agreement with the Corporation, or profitable railroad, under which the Corporation or profitable railroad will operate service over such rail properties and receive the difference between the revenue attributable to such properties and the avoidable costs of providing service on such properties and the Corporation shall receive an amount representing a reasonable rate of return on the value of the rail properties over which service is performed.

"(b) Interim Period.—During the interim period, the Secretary is authorized and directed to reimburse the Corporation or profitable railroad for the cost of providing rail service on all interim light density lines, as computed by the Office pursuant to section 205(d)(5). For the purpose of this subsection, such reimbursement shall constitute an offer of a rail service continuation subsidy pursuant to section 304(d) of this Act. Provided, that if during the interim period a state or local or regional transportation authority certifies to the Secretary that an interim light density line is no longer required for rail service but is suitable for other public purposes, and no shipper or other governmental agency objects thereto within 30 days of notice thereof, such interim light density line may be abandoned by the Corporation or acquired for public purposes pursuant to section 304(c).

"REHABILITATION OF OUT OF SERVICE AND INTERIM LIGHT DENSITY LINES

"Sec. 306. (a) General.—With respect to lines over which service is not being performed on the effective date of the final system plan or over which service was being performed on such date but over which service is discontinued subsequent to such date due to natural disaster or to the failure of the line to meet minimum safety standards established by the Federal Railroad Administration, and with respect to interim light density lines whose operations would be improved by rehabilitation or repair the office shall, upon the request of any user of rail service provided by such a line or a Governor or transportation agency of an affected State, provide the Corporation or other profitable railroad, within ninety days of the receipt of such a request, with an interim report stating its estimate of the cost of acquisition and rehabilitation of such line, the costs of returning such a line to a condition capable of permitting safe train operations, the costs that would be incurred in providing service over such line, and the revenues that would be received from providing such service; and its determination as to whether the line should be rehabilitated and service reinstituted. This determination by the Office may be appealed by any person to the Commission. Such an appeal shall be taken within 30 days of the Office's determination and shall be decided by the Commission within seventy-five days of the issuance of the Office's determination. The Commission's decision on appeal shall be final and shall not be be reviewable in any court.

"(b) Reinstitution of Service.—If it is determined by the Office or by the Commission, under subsection (a) of this section, that service should be reinstituted over an out-of-service line or that rehabilitation should be undertaken on an interim light density line, the Corporation or such other profitable railroad as the Office may designate shall proceed to acquire such lines and/or perform such rehabilitation as may be necessary and shall reinstitute service thereon, and the Secretary shall reimburse the Corporation or such other railroad for the necessary expenditures for acquisition and/or rehabilitation: *Provided* That in no event shall the reimbursement provided by the Secretary exceed the amounts determined by the Office. The Secretary is authorized and directed to provide a rail service continuation subsidy for such line for a period of one year from the date service is reinstated. Thereafter, such line shall be subject to the provisions of section 304 of this Act. To the extent that physical condition is used as a basis for determining the value of properties designated for acquisition by the Corporation or such other profitable railroad, the physical condition of the properties prior to the expenditure of funds for their improvement pursuant to this paragraph shall be used; and in the event that such properties are transferred to an entity other than the Corporation, the owners thereof shall pay or assign to the Secretary that portion of the proceeds of such sale, lease, or transfer which reflects value attributable to the improvements provided pursuant to this paragraph.

"SUPPLEMENTAL PLAN

"Sec. 307. (a) General.—Within 45 days after the effective date of the final system plan, the Association shall issue a supplement to the final system plan which shall:

"(1) provide for the transfer of all interim light density lines to the Corporation; and

(2) designate the value of all interim light density lines and the value of the securities and other benefits to be received for those rail properties transferred to the Corporation in accordance with the supplemental plan.

"(b) Effective Date.—The supplemental plan shall become effective on the date it is issued.".

Sec. 11. Section 402 of the Regional Rail Reorganization Act of 1973 (42 U.S.C. 762) is amended—

(1) by adding the word "freight" between "rail" and "service" in the first sentence of subsection (a); and by striking out the last two sentences and inserting in lieu thereof the following: "The Federal share of a rail freight service continuation subsidy shall be 100 per centum for the interim period. For the purposes of subsections (b)(1) and (b)(2) of this section, the Federal share of a rail service continuation subsidy shall be 90% for the year following the interim period; 80% for the second year; 70% for the third year; 60% for the fourth year; and 50% for the fifth year and each year thereafter.";

(2) by amending subsection (b)(1) by adding at the end thereof the following: "Such entitlement funds may be used for—

"(a) the continuation of rail freight services over interim light density lines in accordance with standards established under section 205(d)(3) of this Act;

"(b) the acquisition, modernization, and rehabilitation of rail properties; or

"(c) providing solutions to loss of rail service which are less expensive than continuing rail service, provided such solutions are in conformance with a State rail plan approved by the Secretary.";

(3) in subsection (b)(2) by deleting all that follows "authority in the region" and inserting in lieu thereof "for the purposes of section 402(b)(1).";

(4) by adding after subsection (b)(2) a new paragraph (3) as follows:

"(3) The Secretary shall provide grants to States in the region to help such States meet the cost of establishing and implementing the State rail plan required by section 402(c)(1) of this Act. Such grants shall be made available by the Secretary during the course of the State rail planning process, and shall be distributed by the Secretary as needed by the States. The amount of State rail planning grants to which each state in the region is entitled shall be computed using the formula set out in this subsection and the State rail planning grant to each state shall be no more than 10 per centum and no less than 3 per centum of the funds appropriated for state rail planning pursuant to section 402(i)(1).";

(5) by amending subsection (c)(1)(A) to add after "established" and before "a State" a comma and the following: "within one year after the effective date of the final system plan";

(6) by striking subsection (c)(2)(A) and substituting the following:

"(A) those rail services provided on interim light density lines;";

(7) by adding at the end of subsection (c) the following:

"(3) For the purpose of paragraph (1) of this subsection, a State plan for rail transportation and local rail services is not suitable unless such plan provides for prompt determination and evaluation of—

"(A) the amount of rail service continuation subsidies required for each interim light density line pursuant to the standards contained in section 205(d)(3) of this Act;

"(B) the total direct and indirect costs of abandonment of interim light density lines or portions thereof, and of any proposed terminations of rail service over any interim light density lines of railroad or portions thereof, in such State, and the total itemized direct and indirect costs of providing affected areas of such state with the same level of transportation services by any other mode of transportation, and such costs shall include any applicable costs attributable to (i) fuel consumption and energy utilization; (ii) operating costs and capital expenditures; (iii) damage to the environment (iv) reduction in the amount of goods and services produced in such areas; (v) reduction in the value of commercial and residential property in such areas; (vi) increased unemployment, welfare, retraining, or relocation benefits for individuals or companies adversely affected thereby; and (vii) reduction in property, sales, and other tax revenues received by governments in such States; and

"(C) the total direct and indirect costs of maintaining any such interim light density lines and of continuing rail service there to such state and affected areas thereof in comparison to the total direct and indirect costs of abandonment and termination of rail service.";

(8) by inserting before the period at the end of section 402(e) a colon and the following: *"Provided,* That after the approval by the Secretary of the State rail plans pursuant to section 402(c) no Federal rail service assistance shall be provided to maintain rail service designated for subsidy by the state rail plan under this section unless (1) the direct and indirect benefits of maintaining such rail service equal or exceed the direct and indirect costs thereof, as determined by the State as provided in subsection (c) of this section; and (2) rail service is, by comparison with other available transportation services, the low cost mode of transportation for the route, area, or transportation need involved, as determined by comparing the costs evaluated by the state in accordance with subsection (c) of this section.";

(9) by striking out subsection (i) and substituting the following:

"(i) AUTHORIZATION FOR APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out the purposes of this title and of section 305 and 306 of this Act (A) such sums as are necessary, not to exceed $55,000,000, for each of the two fiscal years including and immediately following the effective date of the final system plan, and (B) such sums as are necessary, not to exceed $45,000,000, for each of the next six fiscal years. $5,000,000 of such sums is to be made available for state rail planning grants for each of the three fiscal years including and immediately following the final system plan. Such sums as are appropriated shall remain available until expended.

"(2) One-half of the sums appropriated pursuant to the authorization of paragraph (1)(B) of this subsection shall be reserved for allocation to the States under subsection (b)(1) of this section, and one-half of such sums shall be reserved for distribution by the Secretary under subsection (b)(2) of this section.";

(10) in subsection (j) by adding "and section 205(d)(5)" between "205(d)(3)" and "of this Act"; and

(11) by adding a new subsection (k) to read as follows:

"(k) RAIL PASSENGER SERVICE GRANTS.—The Secretary is authorized and directed to make grants to a State or a local or regional transportation authority for the purpose of assisting such entities in paying for additional costs of passenger service resulting from the implementation of the regulations promulgated by the Office pursuant to section 205(d)(3). Such grants shall be supplementary to and not in substitution for financial assistance provided to a State or local or regional transportation authority for rail passenger service pursuant to section 5 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1604). The Secretary is authorized and directed to reimburse the Corporation with respects to rail passenger services provided pursuant to section 304(b) for (1) any additional costs for such service which would have been payable by a State or local or regional transportation authority to the Corporation pursuant to the regulations promulgated by the Office under section 205(d)(3) had such regulations been implemented on the date of conveyance of rail properties pursuant to section 303(b)(1) of this Act, and (2) any operating losses in the provision of such services not otherwise reimbursed by a State or local or regional transportation authority during such period. Within one hundred and eighty days after the effective date of the final system plan, the Secretary shall issue, and may from time to time amend, regulations with respect to rail passenger service grants. There is authorized to be appropriated to carry out the purposes of this subsection for each of the three fiscal years including and following the effective date of the final system plan such sums as are necessary, not to exceed $20,000,000."

SEC. 12. Section 403 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 763) is amended—

(1) in subsection (a) by striking out "304 (c)(2)(C)" and inserting in lieu thereof "304(d)(2)"; and

(2) in subsection (b) by striking out the last sentence.

SECTION-BY-SECTION ANALYSIS OF THE "LOCAL FREIGHT AND PASSENGER SERVICE AMENDMENTS OF 1975"

SECTION 2

This section defines the "interim light density lines" whose ownership will be transferred to ConRail under section 307(a). Basically, interim light density lines are all of those lines not included in the Final System Plan (FSP) except those lines which are out of service or which have been abandoned under section 304(f) prior to the FSP. The "interim period" is also defined as the one year period following the date of transfer of the bankrupt properties to ConRail. (If the FSP goes into effect on November 9, 1975, the properties will be transferred on February 27, 1976.) During this interim period, the States will be required to formulate rail plans which will identify the costs and benefits of subsidizing local rail service. During this same period, the federal government will fully subsidize ConRail for the maintenance of rail service over interim light density lines and pay to ConRail a rate of return on the value of these properties. Both amounts will be determined by the Rail Services Planning Office, utilizing its present regulations for calculating subsidies.

SECTION 3

In order to provide the States, other subsidizing bodies, and ConRail with standardized guidelines for the determination of rail passenger subsidies, this section directs RSPO to issue new regulations within 180 days after the effective date of the FSP for determining the "attributable revenues" and "avoidable costs" of passenger service. These regulations will provide the basis for a rail passenger continuation subsidy which must be offered to ConRail beginning 180 days after the effective date of transfer of properties to ConRail in order to forestall abandonment of passenger service. For a 180-day period after the transfer of the interim light density lines and other properties to ConRail, no rail passenger service may be discontinued. See section 304(b).

Under this Section, RSPO is also directed to develop a new accounting system which must be implemented by ConRail or profitable railroads operating over interim light density lines so that accurate data may be collected to allow the precise determination of any subsidy required on any branch line. This provision will allow standardized subsidy decisions to be made without relying on the vagaries of the separate accounting systems of the various bankrupt railroads that will be amalgamated into ConRail. The data obtained under this new system will most likely require changes in the RSPO subsidy rules. Therefore, RSPO is directed to revise its rules accordingly 450 days after the effective date of the FSP.

This Section also amends the present 205 (d)(4) of the Act to require RSPO to publish, within a time certain, criteria and standards which will assist the State planning agencies in conducting cost-benefit analyses to determine the advisability of subsidizing branch lines.

Because Section 402(e) of these amendments prohibits the Secretary of Transportation from using federal funds for the subsidization of interim light density lines which are not the low-cost mode of transportation in the area and which do not have a positive benefit-cost ratio, the criteria will provide guidelines for all parties to determine the advisability of federal subsidies for particular rail properties. RSPO is also directed to provide legal and technical assistance to the States, if necessary, to assure the kind of comprehensive, balanced transportation planning process required of the States by Section 402(c)(1) of the amendments as a prerequisite for federal subsidy funds.

RSPO will also be responsible for determining the amount of rail freight service continuation subsidy which will be paid wholly by the federal government to ConRail for the one-year interim period. This payment constitutes an "offer" of a rail service continuation subsidy, and thereby precludes the abandonment or discontinuance of service over any interim light density line during the interim period.

SECTION 4

This Section makes some technical amendments regarding the "supplemental plan." The "supplemental plan" will identify all interim light density lines whose ownership will be transferred to ConRail and the value of the securities to be transferred to the estates in consideration.

This Section also provides that if the Corporation subsequently sells any of its rail properties to a State, local or regional transportation authority, Amtrak, or other duly authorized public agency for public purposes, including transportation, conservation, and recreation, these public agencies may purchase such properties at a value related to the value which ConRail originally paid for them. This provision expands the present section 206(d)(5) of the RRRA to assure that ConRail will not garner a windfall profit at public expense from the subsequent sale of its rail properties to public agencies.

SECTION 5

This Section adds technical amendments concerning the supplemental plan and assures that the light density lines identified in the supplemental plan are subject to the same valuation principles and scrutiny by the Special Court as all other properties transferred to the Corporation.

SECTION 6

An additional $5 million authorization is provided to RSPO to fund the extra duties which these amendments place upon it, such as promulgating passenger subsidy standards, a new branch line accounting system, and providing legal and technical assistance to the State planning agencies.

SECTION 7

These are technical amendments clarifying the RRRA to include the properties identified in the supplemental plan as properties which are subject to ConRail ownership and operation.

SECTION 8

Section 303(b)(2) of the RRRA is amended to make clear that leases or agreements for the continuation of passenger service which are in effect upon the date of transfer of the rail properties to ConRail shall remain in effect and shall continue to bind ConRail until their terms expire.

The original language of the Act has been interpreted by USRA to allow ConRail to discontinue most passenger service after the date of the transfer of properties to ConRail. As the Interstate Commerce Commission noted in its evaluation of the FSP, this interpretation could cause "considerable confusion and controversy." This amendment therefore rectifies the ambiguity existing in the original statute.

SECTION 9

This section makes major revisions in Section 304 of the RRRA to clarify the procedures under which both freight and passenger service may be discontinued over interim light density lines and other rail properties owned by ConRail.

With respect to rail freight service, section 304(a) provides that ConRail, or a profitable railroad, may discontinue service on interim light density lines which are not subject to a rail service continuation subsidy offer. Because all interim lines will automatically be subject to a 100% federal subsidy for the one-year interim period, actual discontinuance of rail freight service may begin on interim lines during the second year of operation. The procedures for discontinuance and abandonment of service are covered by sections 304(a)(2) and (3). They are basically similar to the provisions of the present Act and allow for speedy discontinuance and abandonment of properties which are nonviable and for which no subsidy is offered, without recourse to the abandonment procedures of the Interstate Commerce Commission or the States.

With respect to rail passenger service, section 304(b) provides that no rail passenger service may be discontinued by ConRail within a period of 180 days from the date of conveyance of the bankrupt properties to ConRail. This time period will allow RSPO to promulgate its regulations regarding rail passenger service subsidies which will govern the amounts required to be paid by any subsidizer for the continuation of passenger service. After the 180 day period, passenger service may be discontinued by the Corporation over any line pursuant to the expedited procedures if the subsidizing bodies are not willing to offer a rail subsidy computed in accordance with the RSPO regulations. During the 180 day period, ConRail will be required to maintain passenger service on the same terms and conditions as had been obtained on the properties immediately prior to their transfer to ConRail.

Section 304(c) concerns the procedures that must be followed in abandoning interim light density lines after notice of discontinuance has been issued by ConRail or other profitable railroad operating over the line. The procedures are essentially the same as the present Act, and provide that those properties which are identified in the Final System Plan as suitable for public purposes must be offered for acquisition by a public body prior to their abandonment.

Section 304(d) replaces the present section 304(c) and provides that interim light density lines may be abandoned without recourse to the ICC or State agencies provided that no shipper, State, local or regional transportation authority or other responsible person offers to provide a rail service continuation subsidy or to purchase the property. The concept behind this approach is the same as that contained in the RRRA, i.e., the public sector should be responsible for reimbursing ConRail for the social costs of providing rail service over non-viable interim light density lines.

By the same token, if, through restudy and the collection of more reliable data, the attributable revenues of an interim light density line are proven to cover the avoidable costs, then no subsidy will be required and the line does not qualify for the expedited abandonment procedures of section 304(a). (Technically, a subsidy would have to be "offered" to such a line to preclude discontinuance and abandonment. The RSPO regulations provide that an "offer" of the nominal amount of $1 will achieve this purpose.)

Section 304(e) adds an important protection provision for purchasers of properties owned by ConRail or the bankrupt estates. Because there is the possibility that the securities and other benefits which ConRail will pay to the bankrupt estates for the transferred properties may not satisfy constitutional standards, subsequent purchases of these properties may bear some contingent liability for the shortfall. This prospect has prompted the Chessie to declare that without some kind of protection against this liability, they may not be willing to purchase any properties in the bankrupt system. This section provides that the federal government will hold subsequent purchasers of ConRail properties harmless against any contingent liability with respect to the valuation of the properties. Also, profitable railroads which purchase rail properties from the bankrupt railroad prior to the Final System Plan at a price negotiated by USRA will be given similar protection.

Section 304(f) deals with the abandonment by the Corporation of properties which were designated for inclusion in the Final System Plan. After these properties have been in operation for two years, the Corporation may petition the Commission to abandon these properties under normal ICCS procedures. However, no petitions for such properties may be submitted if the properties are subject to an offer for purchase or subsidy.

SECTION 10

Under the RRRA, it is not made explicitly clear who is to provide rail freight service over subsidized interim light density lines. A new Section 305(a) states that ConRail must provide such service unless a profitable railroad voluntarily accepts a rail service continuation subsidy. During the interim period, ConRail will be reimbursed by the Secretary for the losses incurred in providing service over all interim light density lines. ConRail will also be paid a rate of return based on the reasonable value of such properties.

Because some interim light density lines, even though they are currently in service, may have little if any demand for continued operation, a procedure is provided whereby a state or local or regional transportation authority may, during the interim period, certify to the Secretary that a particular interim light density line is no longer required for rail service. If no shipper or other government agency objects within 30 days of notice thereof, the line may be abandoned under the expedited procedures or acquired for public purposes.

Section 306 provides a procedure for the reinstitution of service over out-of-service lines and the rehabilitation of interim light density lines beyond the Class I status which they are currently required to achieve under the RSPO subsidy regulations. Any State or user of rail service may petition RSPO to conduct a study of the cost of rehabilitating an out-of-service or interim light density line. The Office will then study the line to compare the cost of rehabilitation and acquisition against the revenues to be derived from reinstituting service. If RSPO determines that the line should be acquired or rehabilitated, ConRail is required to carry out this directive. RSPO's determination may be appealed to the Commission within 30 days. The Secretary is directed to reimburse ConRail for the cost of acquisition or rehabilitation and the Secretary is directed to provide a 100% subsidy for one year after service is reinstituted on an out-of-service line. It is further provided that if any of these lines are subsequently sold to another person the value of the improvements which were funded at government expense shall be paid to the Secretary.

The value of the interim light density lines which shall be transferred to ConRail was not determined in the Final System Plan. Therefore, Section 307 directs USRA to issue a supplemental plan within 45 days after the effective date of the Final System Plan which places a value on these lines and designates the value of the securities and other benefits to be paid to the estates.

SECTION 11

This Section makes major changes in the present Title IV subsidy program. First, it makes clear that the matching federal state subsidy program is solely for the purpose of continuing rail freight services. The federal share of these subsidies is 100% for the interim period; 90% for the first year thereafter, 80% for the second, 70% for the third, 60% for the fourth, 50% for the fifth, sixth and seventh. Of course, to qualify for these funds, a State must have a State rail plan approved by the Secretary.

Section 402(b)(1) makes it clear that States may use both the entitlement and discretionary funds for the subsidization, acquisition, or rehabilitation of rail properties or for other solutions to the loss of rail service, provided the Secretary approves.

Section 402(b)(3) directs the Secretary to provide grants to the States to assist them in formulating their State rail plans, which must be approved within one year after the date of transfer of rail properties to ConRail in order to qualify for federal subsidy contributions. A total of $15 million is authorized for this purpose for the three years including and immediately following the effective date of the Final System Plan.

Section 402(c)(3) sets out the additional elements that must be included in the State rail plans. Essentially, the States are required to conduct a cost-benefit analysis of all interim light density lines within their jurisdiction to determine whether the social costs of abandonment outweigh the cost of subsidization. To assure that the States do not indiscriminately designate inappropriate lines as worthy of subsidy, the Secretary is prohibited from allocating federal funds to the States for any line which is not cost-benefit justified and which is not the low-cost mode of transportation in the area.

To implement the subsidy and rehabilitation program, $55 million is authorized for the two years including and immediately following the effective date of the Final System Plan. $45 million is authorized for each of the following six years.

To implement the passenger provisions of these amendments, section 402(k) sets forth a program of rail passenger service grants which will be administered by the Secretary. The purpose of the grants is to (1) help States pay the additional costs of subsidizing rail service which is attributable to the RSPO regulations and (2) reimburse ConRail for the mandatory continuation of rail service during the 180 day period after the transfer of properties to ConRail. These grants will assist States in meeting the higher costs of subsidizing rail passenger service during a three year transition period. $20 million is appropriated for each of the three years including and immediately following the Final System Plan.

SECTION 12

This section contains technical amendments to section 403 of the RRRA to remove any ambiguities as to the purpose of that loan program as compared to the subsidy program under section 402.

The cost of this bill

The actual cost to the Federal Treasury of the provisions of this bill is difficult to measure because of the absence of reliable data on the valuation, rehabilitation and subsidization of light density lines. To derive a figure, the following assumptions have been made:

1. The net liquidation value of interim light density lines is $36 million. (This figure is contained in a document supplied by USRA to the Senate Commerce Committee.)

2. Rate of return on interim light density lines is $3 million per year.

3. Subsidy cost per year—$17.5 million. (This figure was calculated by RSPO in its evaluation of 6,200 miles of branch lines in the Preliminary System Plan. The FSP excludes 5,750 miles.)

4. Acquisition and rehabilitation cost of out-of-service and interim light density lines—$3 million per year beyond Class I standards.

5. The cost of rehabilitating all interim light density lines over an eight year period is $7 million per year. (The Final System Plan states that the cost of rehabilitating all light density lines over a ten year period to Class I standards is $51 million.)

If the conservative assumption is made that all interim light density lines will be subsidized by the federal and state governments for the entire eight years, the subsidy figure is approximately $200 million. The cost to be borne by the federal government during the one year interim study period is approximately $30 million dollars.

The cost of the program also includes $15 million dollars for rail planning grants to the states, and $5 million for operating funds for RSPO or its successor, which raises the total expected outlay from the federal treasury for the eight year period to $220 million, if one assumes that all interim light density lines will be subsidized during that period. This total should be compared with the existing provisions of the RRRA, which authorizes up to $180 million dollars of federal funds for branch line subsidization over a two year period. The additional federal funds contemplated by this bill, when prorated over the eight year period, amount to $5 million per year. However, because the precise costs of valuation, rehabilitation, and subsidization are not known, the bill authorizes a total $380 million to be appropriated over the eight year period.

With regard to passenger costs, it is unknown at this time precisely what additional passenger subsidy amounts, if any, will result from the RSPO regulations. However, $60 million is authorized to be appropriated over a three year period to meet these needs.

By Mr. **WEICKER**:

S. 2380. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes. Referred to the Committee on Finance.

FEDERAL TAXPAYER ACT OF 1975

Mr. WEICKER. Mr. President, today I am introducing the Federal Taxpayer Privacy Act of 1975—a bill to protect the confidentiality of tax returns.

On January 17, I introduced, with the support of over one-third of my colleagues, legislation, S. 199, to restrict the disclosure of confidential tax information. The bill I am introducing today reflects improvements in that original proposal based upon the testimony presented before the Senate Finance and House Ways and Means Committee and my continued discussions with experts.

It is my understanding that the House Ways and Means Committee will consider this important question next week in their markup of tax reform legislation. An identical proposal is being offered by my distinguished colleague, Congressman JERRY LITTON.

At this point, I would like to explain the major provisions in the bill.

CONFIDENTIALITY OF TAX RETURNS

All tax returns and tax return information is to be confidential. No Federal employee and no State employee who has access to such information is to disclose this information except as expressly authorized by the Internal Revenue Code. This rule of confidentiality applies to any tax information such employees obtain in connection with their employment, regardless of how they obtain it. For example, if an IRS employee wrongfully obtains tax information by reason of his position, this must still be treated as confidential.

No suit can be brought in any court or administrative body to order the IRS to disclose tax returns, unless disclosure is authorized by the Internal Revenue Code. However, this will not prevent a court from directing—in accordance with any other law—a person before the court to disclose his own tax returns to the court. For example, in a divorce case the court may wish to order the husband to disclose his own tax returns in order to determine an equitable support arrangement.

A taxpayer may direct the IRS to disclose his own return, and this disclosure can be limited to the extent desired by the taxpayer. The Treasury is to prescribe regulations with respect to the extent, time and manner of such disclosure. The Treasury also is to prescribe regulations with respect to who is to be able to direct such disclosure—these regulations are to take into account who is a taxpayer with a material interest, as provided elsewhere in the bill.

The courts have held that private letter rulings and—to some extent—technical advice memoranda are to be disclosed under the Freedom of Information Act. Under the bill, this result would not be changed in any respect. The bill provides that the law in effect on January 1, 1975, is to be used for determining what information is to be disclosed under the Freedom of Information Act. This means that both the law under the Freedom of Information Act and the law under the Internal Revenue Code are to be interpreted as it was in effect at the beginning of this year, for this purpose. Of course, any later court decisions which interpret the statutes as in effect on the beginning of this year are to be given full effect in determining what is available for inspection under the FOIA.

DEFINITION OF TAX RETURN

Under the bill a tax "return" is defined as any tax or information return, declaration of estimated tax, claim for refund, and report or statement filed with the IRS under the Internal Revenue Code. This includes any schedules or attachments supplemental to the return and any amendment of the return. However, special rules as described above are provided for private letter rulings which may be attached to the return and which are open to inspection under present law, under the Freedom of Information Act.

Consequently, all information obtained by the IRS about a taxpayer and all information regarding activities of the IRS—or the lack of activity—with respect to a taxpayer is to be treated as confidential.

TREASURY DEPARTMENT

Tax information may be disclosed to Treasury Department employees only where their official duties require such inspection and only where the information is to be used in administering and enforcing the Internal Revenue Code.

JUSTICE DEPARTMENT, COURTS, ETC.

In tax cases, the return of the taxpayer who is the plaintiff or defendant in the case can be disclosed to the Justice Department, a Federal grand jury, or any court as needed. Where the tax case has been referred to the Department of Justice by the IRS, this information is to be available to the Justice Department without written request. However, in any other tax case, the taxpayer's return is to be provided the Department of Justice only upon the written request of the Attorney General.

Also, in tax cases, the returns of persons other than the taxpayer directly involved in the case may be disclosed to the Department of Justice but only where the case involves a transaction by the taxpayer which is dealt with in the other person's return—and the treatment of the transaction in the other person's return is relevant to the case.

SOCIAL SECURITY ADMINISTRATION AND RAILROAD RETIREMENT BOARD

The Social Security Administration and the Railroad Retirement Board may obtain tax information to the limited extent necessary to administer the laws with which they are charged. Under the bill, the Social Security Administration may obtain information about withholding taxes and FICA taxes, and the Railroad Retirement Board may obtain information about the railroad retirement taxes.

The Social Security Administration now uses tax information to assist applicants to obtain social security and private pension benefits. Under the bill this practice may be continued where the taxpayer gives his consent to the disclosure of his tax return.

DEPARTMENT OF LABOR AND PENSION BENEFIT GUARANTY CORPORATION

The Department of Labor and the Pension Benefit Guaranty Corporation, as under present law, may obtain tax information for the limited purpose of administering titles I and IV of the Employee Retirement Income Security Act of 1974—the pension reform act.

PRESIDENT

The President may personally, and in writing, request a tax return—such a request is to be reported to the Congress. No one in the White House other than the President may inspect such information without the President's personal written direction. Even in this case, only a limited category of people in the White House may inspect such information—this essentially would codify Executive Order 11805, issued by President Ford.

No special provision would be made for so-called "tax checks" on potential appointees in the executive or judicial branch. Under present procedure, these checks occur on the written consent of the person involved. Such a procedure could continue to apply under the bill, since the bill provides that disclosure can be made at the direction of the taxpayer. Additionally, if there is a need to obtain tax information about a possible appointee without his written consent, this may be done on the personal written request of the President, as described above.

STATES

The IRS could provide tax information to a State on the written request of the principal income tax official of the State—and not the Governor. This information is to be used only in administering the State income tax laws and is to be available only to persons engaged in administering those laws. Similar restrictions would apply with respect to Federal estate tax returns which could be used only for administering State inheritance tax laws and could be available only to persons engaged in administering these laws.

Federal tax returns would not be available to local governments.

No tax information could be furnished a State unless the State establishes procedures satisfactory to the IRS for safeguarding the tax information it received. If there were any unauthorized disclosures by State officers or employees then disclosure of Federal tax information to the State must stop until the IRS is satisfied that adequate protective measures have been taken to prevent a repetition of the authorized disclosure.

CONGRESS

Tax returns and tax information could be furnished to the Joint Committee on Internal Revenue Taxation to perform its oversight of the IRS but not to other committees. The joint committee would have to request such information by majority record vote of the Members present and voting, with a quorum being present. As under present law, information which the committee could obtain would also be available to its staff—additionally, information required by the staff in reviewing claims for refund of over $100,000—under section 6405 of the code—would continue to be available to the staff.

The joint committee could submit tax information to the Senate, the House of Representatives, or any committee of these bodies, as long as this information does not disclose the identity of any taxpayer.

STATISTICAL INFORMATION

The IRS may publish or disclose statistics or other information included in or derived from tax information as long as disclosure does not reveal the identity of any taxpayer or any person.

TAXPAYERS WITH A MATERIAL INTEREST

The bill would, to a significant extent, codify the existing regulations providing for disclosure to persons with a material interest in a tax return—this would include providing for disclosure to partners of a partnership, the administrator of an estate, a properly designated officer of a corporation, a trustee in bankruptcy, et cetera. The bill would retain the present rule allowing a holder of 1 percent or more of a corporation's stock to obtain the return of that corporation. "Return information" as opposed to "returns" would be available for inspection only to the extent that the IRS determines disclosure would not seriously impair the administration of the tax laws.

PERSONS FILING INCOME TAX LAWS

The bill would retain present law providing that the IRS is to disclose whether any person has filed an income tax return for the year in question.

MISCELLANEOUS DISCLOSURES

As under present law, tax information of a witness called by the United States in a criminal case may be inspected by the other party to the extent acquired by a court order under 18 U.S.C. 3500. The court, however, is to give due consideration to the policy favoring the confidentiality of tax information.

The bill would retain present law and provide for the disclosure of return information to the extent necessary for the public to inspect accepted offers in compromise—under section 7122 of the code.

PROCEDURES AND RECORDS CONCERNING DISCLOSURE

Disclosure is to take place through procedures established by regulations of the IRS.

The IRS is to maintain a record of all requests for disclosure submitted by the Justice Department for returns by the courts under the Jenks Act, by the President, and by the States. It is expected that the records maintained for disclosure to the States will take into account the fact that much information is transmitted to the States on computer tape, and it would not be practicable to compile a list of all the taxpayers about whom information is disclosed in such circumstances. These records are to be provided to the Joint Committee on Internal Revenue Taxation, and may be disclosed by the Joint Committee by majority record vote of a quorum—as long as the identity of any taxpayer is not disclosed.

SAFEGUARDS

Generally, no tax information is to be furnished another agency unless the agency establishes procedures satisfactory to the IRS for safeguarding the tax information it received. If there are any unauthorized disclosures by employees of the other agency, disclosure of tax information to that agency must be stopped until the IRS is satisfied that adequate protective measures have been taken to prevent a repetition of the unauthorized disclosure. The same safeguards apply with respect to States.

CRIMINAL SANCTIONS

Unauthorized disclosure would become a felony—instead of a misdemeanor as under present law. The penalty for unauthorized disclosure would be raised to a fine of up to $10,000 or imprisonment of up to 5 years or both. The penalty would be explicitly extended to former IRS—and State—employees as well as to current employees. Willful receipt of tax information which the recipient knows is disclosed in violation of the law also is to be a felony punishable in the same manner.

CIVIL PENALTIES

A civil penalty for unauthorized disclosure also would be added. The civil penalty would be $1,000 for each violation, but no more than $25,000 in any calendar year. The civil penalty would be due unless it could be shown that unauthorized disclosure was due to reasonable cause and not due to willful neglect.

EFFECTIVE DATES

Generally, these rules would take effect on the first day of the first month that begins more than 60 days after the date of enactment.

Mr. President, I ask unanimous consent that the full text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2380

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Taxpayer Privacy Act of 1975".

SEC. 2. LIMITATIONS ON INSPECTION OF RETURNS AND DISCLOSURE OF INFORMATION.

(a) Section 6103 of the Internal Revenue Code of 1954 (relating to publicity of returns, etc.) is amended to read as follows:

"SEC. 6103. CONFIDENTIALITY OF RETURNS.

"(a) PROHIBITION ON DISCLOSURE.—

"(1) IN GENERAL.—Returns and return information shall be confidential, and except as authorized by this title—

"(A) no officer or employee of the United States, and

"(B) no officer or employee of any State which has access to returns or return information pursuant to subsection (e),

shall disclose return or return information which was obtained by him in any manner in connection with his service as such an officer or employee. Returns or return information authorized or required by this section to be disclosed by the Secretary or his delegate shall not be disclosed except at the time and in the manner provided by regulations prescribed by the Secretary or his delegate. For purposes of this paragraph, the term 'officer or employee' includes a former officer or employee.

"(2) Proceeding to obtain unauthorized disclosure.—No suit or administrative proceeding for the purpose of requiring the disclosure of return or return information which is prohibited by this section shall be maintained in any court or before any administrative body by any person.

"(3) LIMITATION ON SCOPE OF SECTION.—

"(A) STATISTICS.—Nothing in this section shall preclude the Secretary or his delegate from disclosing statistics or other information included in or derived from returns or return information so long as such disclosure does not reveal the identity of any person.

"(B) Authorized disclosure.—Nothing in this section shall preclude the disclosure of—

"(i) the return of a person, or

"(ii) return information relating to a person, to the extent, at the time, and in the manner authorized in writing, in accordance with regulation prescribed by the Secretary or his delegate, by such person. The person whose authorization is required to authorize such disclosure shall be determined under regulations prescribed by the Secretary or his delegate designed to carry out the purposes of this section.

"(4) Freedom of Information Act.—Nothing in this section shall preclude the disclosure of any document or information to the extent public inspection of such document or information would have been available on January 1, 1975, under this section and section 552 of title V of the United States Code (relating to freedom of information) as such sections were in effect on such date, if the document or information were then in the possession of the Secretary or his delegate.

"(b) Definitions.—For purposes of this section—

"(1) Return.—The term 'return' means a document (and any information contained therein) which is intended by a person to be—

"(A) a tax or information return,

"(B) a declaration of estimated tax,

"(C) a claim for refund, and

"(D) a report or statement,

or any amendment thereof filed with the Secretary or his delegate under the provisions of this title, including any schedules or other attachments which are a part of or supplemental to such document.

"(2) Return information.—The term 'return information' means—

"(A) any other document or information relating to the rights or obligations of a person under this title, for any period, obtained by the Secretary or his delegate in the administration of this title, and

"(B) any information relating to procedures undertaken (or not undertaken) by the Secretary or his delegate under this title with respect to a person, at any time.

"(c) Disclosure to Certain Federal Officers and Employees.—

"(1) Department of the Treasury.—Nothing in this section shall preclude disclosure of a return or return information to an officer or employee of the Department of the Treasury whose official duties require such disclosure for use in the administration or enforcement of this title.

"(2) Department of Justice, courts, etc.—

"(A) In general.—In any case arising under this title, where the liability of a person for any tax or other imposition under this title—

"(i) is under consideration by the Department of Justice or a Federal grand jury, or

"(ii) is being determined by any court,

the Secretary or his delegate is authorized to disclose to the Department of Justice, such court, or such grand jury (as the case may be) relevant returns of such person and return information relating to such person.

"(B) Treatment of item in return of another person.—In any case described in subparagraph (A) involving a transaction between the person whose liability is under consideration or is being determined and another person, if the treatment of such transaction in the return of such other person is relevant in such case, the Secretary or his delegate is authorized to disclose the return of such other person and return information relating to such other person to the court or grand jury referred to in subparagraph (A), or to the Department of Justice (as the case may be).

"(C) Special rule.—In any case in which the Secretary or his delegate is authorized by subparagraph (A) or (B) to disclose a return or return information to the Department of Justice—

"(i) if the Secretary or his delegate has referred the case to the Department of Justice, the Secretary or his delegate may make such disclosure on his own motion, and

"(ii) if the Secretary or his delegate receives a written request of the Attorney General of the United States for a return of, or return information relating to, a person named in such request, and setting forth the need for the disclosure, the Secretary or his delegate shall disclose the information so requested.

"(3) Disclosure to Department of Health, Education, and Welfare and Railroad Retirement Board.—The Secretary or his delegate is authorized to disclose—

"(A) to proper officers and employees of the Department of Health, Education, and Welfare—

"(i) returns and return information with respect to taxes imposed by chapters 2, 21, and 24, and

"(ii) registration statements (as described in section 6057) and information with respect to such statements,

for purposes of its administration of the Social Security Act, and

"(B) returns and return information with respect to taxes imposed by chapter 22, to the Railroad Retirement Board for purposes of its administration of the Railroad Retirement Act.

"(4) Disclosure to Department of Labor and Pension Benefit Guaranty Corporation.—The Secretary or his delegate is authorized to disclose returns and return information to the proper officers and employees of the Department of Labor and the Pension Benefit Guaranty Corporation for purposes of the administration of titles I and IV of the Employee Retirement Income Security Act of 1974.

"(5) Government witness in criminal prosecution.—The return or return information of a witness called by the United States in any criminal prosecution may be disclosed to the extent required by order of a court pursuant to section 3500 of title 18, United States Code, and the court is authorized in the issuance of any such order to give due consideration to congressional policy favoring the confidentiality of returns and return information as set forth in this section.

"(6) Request for inspection by President.—Upon a written request signed by the President personally, the Secretary or his delegate shall deliver to an employee of the White House office designated in the request, such return and return information as is requested by the President. No disclosure of such return or return information shall be made by such employee to anyone other than the President without the written direction of the President. Only an employee who is the holder of a Presidential commission whose annual rate of basic pay equals or exceeds the annual rate of pay prescribed by 5 U.S.C. 5316 shall be designated by the President to receive such return or return information.

"(d) Inspection by States.—Except as otherwise provided in paragraph (2), upon the written request of the principal income tax official of a State, the Secretary or his delegate is authorized to furnish to such official returns and return information with respect to the income taxes imposed by chapter 1, and upon the request of the principal inheritance tax official of the State, the Secretary or his delegate is authorized to furnish to such official returns and return information with respect to the estate tax imposed by chapter 11. Such income tax returns and return information shall be open to inspection by or disclosure to only those officers and employees of the State engaged in the administration of the income tax law of such State, and for use solely in connection with such administration, and such estate tax returns and return information shall be open to inspection by or disclosure to only those officers and employees of the State engaged in the administration of the inheritance or estate tax laws of the State and for use solely in connection with such administration. The returns and return information shall not be disclosed in any court proceeding or in any other manner by which the returns or return information may become a matter of public record; and disclosure cannot be made by State officials or employees to persons described in subsection (g).

"(e) Safeguards.—Returns and return information shall not be furnished by the Secretary or his delegate to any officer or employee of an agency or instrumentality described in subsection(c)(3) or (4), or the Department of Justice, or of a State until the Secretary or his delegate is satisfied that such agency, instrumentality, Department or State has established procedures to prevent unauthorized disclosure of returns and return information. If returns or return information are submitted to such agency, instrumentality, or Department, or to a State, and thereafter the Secretary or his delegate finds that officers or employees of such agency, instrumentality, Department or State have made disclosure of a return or return information to a person unauthorized to receive such information, the Secretary or his delegate shall notify the head of such agency or instrumentality, the Attorney General, or the Governor of the State (as the case may be) that no further returns or return information will be furnished until the Secretary or his delegate is satisfied that such unauthorized disclosures will cease. Until the Secretary or his delegate is so satisfied, no further returns or return information shall be furnished to such agency, instrumentality, Department, or State.

"(f) Accepted Offers-in-Compromise.—Return information shall be disclosed to members of the general public to the extent necessary to permit inspection of any accepted offer-in-compromise under section 7122 (relating to the compromise of the liability for a tax).

"(g) Joint Committee on Internal Revenue Taxation.—The Secretary or his delegate shall furnish to the Joint Committee on Internal Revenue Taxation such returns and return information as the committee deems necessary to perform its oversight of the Internal Revenue Service and the other duties described in section 8022. Any decision of the Joint Committee to request any return or return information shall be determined by a majority record vote of the members present and voting, with a quorum being present. The Joint Committee may submit any relevant or useful information obtained from such returns and return information to the Senate, the House of Representatives, or any committee of the Senate or House, except that such information shall not disclose the identity of any taxpayer.

"(h) Disclosure to Persons Having Substantial Interest.—

"(1) Returns of individuals, partnerships, estates, trusts, and corporations.—The return of a person with respect to whom the return is filed shall, upon written request, be open to disclosure to—

"(A) in the case of the return of an individual, that individual, and, in the case of a joint return under section 6013, either of the individuals with respect to whom the return is filed;

"(B) in the case of the return of a partnership, any person who was a member of such partnership during any part of the period covered by the return;

"(C) in the case of the return of an estate—

"(i) the administrator, executor, or trustee of such estate, and

"(ii) any heir at law, next of kin, or beneficiary under the will, of the decedent but only if the Secretary or his delegate finds that such heir at law, next of kin, or beneficiary has a material interest which will be affected by information contained therein; and

"(D) in the case of the return of a trust—

"(i) the trustee or trustees jointly or separately, and

"(ii) any beneficiary of such trust but only if the Secretary or his delegate finds that such beneficiary has a material interest which will be affected by information contained therein;

"(E) in the case of the return of a corporation—

"(i) any person designated by resolution of its board of directors, or other similar governing body,

"(ii) any officer or employee of such corporation upon written request signed by any principal officer and attested by the secretary or other officer,

"(iii) if the corporation was an electing small business corporation under subchapter S of chapter 1, any person who was a shareholder during any part of the period covered by such return during which an election was in effect,

"(iv) if the corporation has been dissolved, any person authorized by applicable State law to act for the corporation or any person who the Secretary or his delegate finds to have a material interest which will be affected by information contained therein, and

"(v) any bona fide shareholder of record owning one percent or more of the outstanding stock of the corporation. Such shareholder shall also be entitled to inspect the return of any subsidiary of such corporation if at least 80 percent in value of the outstanding stock of the subsidiary is owned by such corporation.

If an individual described in this paragraph is legally incompetent, the applicable return shall be open to inspection by or disclosure to the committee, trustee, conservator or guardian of his estate.

"(2) DEATH OF CERTAIN INDIVIDUALS.—If an individual described in paragraph (1), other than an individual described in subparagraph (C)(i) or (D)(i) of such paragraph, has died, the applicable return may be inspected by or disclosed to—

"(A) the administrator, executor, or trustee of his estate; and

"(B) any heir at law, next of kin, or beneficiary under the will, of such decedent, or a donee of property, but only if the Secretary or his delegate finds that such heir at law, next of kin, beneficiary, or donee has a material interest which will be affected by information contained therein.

"(3) BANKRUPTCY AND RECEIVERSHIP.—If substantially all of the property of the person with respect to whom the return is filed is in the hands of a trustee in bankruptcy or a receiver, such return or returns for prior years of such person shall be open to inspection by or disclosure to such trustee or receiver, but only if the Secretary or his delegate finds that such receiver or trustee has a material interest which will be affected by information contained therein.

"(4) TRANSFEREE.—In any proceeding under chapter 71 for collection from the transferee of property of the tax liability of another person, the returns of such other person shall be open to inspection by or disclosure to such transferee to the extent necessary to enable the transferee to ascertain such tax liability.

"(5) ATTORNEY IN FACT.—Any return to which this subsection applies shall also be open to inspection by or disclosure to the attorney in fact, duly authorized in writing, of any of the persons described in paragraph (1), (2), (3), or (4) to inspect the return or receive the information on his behalf, subject to the conditions provided for in such written authorization.

"(6) RETURN INFORMATION.—Return information with respect to any return shall also be open to disclosure to any person authorized by this subsection to inspect such return but only to the extent that the Secretary or his delegate determines that such disclosure would not seriously impair the administration of Federal tax laws.

"(i) RECORDS OF DISCLOSURE.—

"(1) SEPARATE RECORDS.—The Secretary or his delegate shall maintain a record of all requests for disclosure of returns and requests for return information, and of returns or return information disclosed. Separate records showing such information shall be maintained showing separately requests and disclosures under subsections (c)(2)(B), (c)(2)(C)(ii), (c)(5), (c)(6), and (d) and such records shall be available for examination by the Joint Committee on Internal Revenue Taxation. The Secretary or his delegate shall, at the request of the Chief of Staff of the Joint Committee furnish to him a summary of such records at such time or times and in such form and containing such information as the Chief of Staff may designate in such request.

"(2) DISCLOSURE BY JOINT COMMITTEE.—The Joint Committee on Internal Revenue Taxation may disclose records made available to it under paragraph (1) in a manner which does not disclose the identity of any taxpayer. Any decision of the Joint Committee to disclose such records shall be determined by a majority record vote of the members present and voting, with a quorum then present.

"(j) DISCLOSURE OF INFORMATION AS TO PERSONS FILING INCOME TAX RETURNS.—The Secretary or his delegate shall, upon inquiry as to whether any person has filed an income tax return in a designated internal revenue district for a particular taxable year, furnish to the inquirer, in such manner as the Secretary or his delegate may determine, information showing that such person has, or has not, filed an income tax return in such district for such taxable year."

(b) Section 4424(d) of such Code (relating to inspection of wagering tax information by committees of Congress) is repealed.

(c) Subsection (a) of section 8021 of such Code (relating to powers of the Joint Committee on Internal Revenue Taxation) is amended to read as follows:

"(a) TO OBTAIN DATA AND INSPECT TAX RETURNS.—For powers of the Joint Committee to obtain and inspect tax returns, see section 6103(g)."

SEC. 2. PENALTIES FOR UNAUTHORIZED DISCLOSURE OF INFORMATION.

(a) Section 7213(a) of the Internal Revenue Code of 1954 (relating to unauthorized disclosure of information) is amended to read as follows:

"(a) RETURNS AND RETURN INFORMATION.—

"(1) FEDERAL EMPLOYEES.—It shall be unlawful for any officer or employee of the United States to disclose or make known in any manner whatever to any person, contrary to the provisions of section 6103, any return or return information (as defined in section 6103(b)); and it shall be unlawful for any person who was formerly an officer or an employee of the United States to disclose or make known in any manner whatever to any person, contrary to the provisions of section 6103, any such return or return information entrusted to him, or otherwise obtained by him, while he was such an officer or employee.

"(2) STATE EMPLOYEES.—It shall be unlawful for any officer or employee of a State to disclose or make known in any manner whatever to any person, except as authorized in section 6103(d), any return or return information (as defined in section 6103(b)) furnished to the State pursuant to section 6103(d); and it shall be unlawful for any person who was formerly an officer or employee of a State to disclose or make known in any manner to any person, except as authorized in section 6103(d), any such return or return information entrusted to him, or otherwise obtained by him, while he was such an officer or employee.

"(3) PENALTY.—Any person committing an offense against the provisions of paragraph (1) or (2) shall be guilty of a felony, and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 5 years, or both, together with the costs of prosecution, and if the offender be an officer or employee of the United States, he shall be dismissed from office or discharged from employment."

(b) Section 7213 of such Code is further amended by redesignating subsection (e) as (f) and by inserting after subsection (d) the following new subsection:

"(e) UNAUTHORIZED RECEIPT.—Any person who willfully receives any information or material which he knows is disclosed or furnished to him in violation of the provisions of subsection (a) shall be guilty of a felony and, upon conviction thereof, shall be fined not more than $10,000, or imprisoned for not more than 5 years, or both, together with the costs of prosecution."

(c) Subchapter B of chapter 68 of such Code (relating to assessable penalties) is amended by adding at the end thereof the following new section:

"SEC. 6694. DISCLOSURE OF TAX RETURNS.

In addition to the penalty imposed by section 7213 (relating to unauthorized disclosure of information):

"(1) Any person (described in section 6103(a)(1)) who discloses or makes known in any manner whatsoever to any person contrary to the provisions of section 6103 any return or return information (as defined in section 6103(b)), unless it is shown that such violation was due to reasonable cause and not due to willful neglect, shall pay a penalty of $1,000 for each such violation (but the total amount for all such violations during any calendar year shall not exceed $25,000).

"(2) Any person who receives any information or material which he knows is disclosed or furnished to him in violation of the provisions of paragraph (1), unless it is shown that such disclosure was due to reasonable cause and not due to willful neglect, shall pay a penalty of $1,000 for each such violation (but the total for all such violations during any calendar year shall not exceed $25,000)."

SEC. 3. EFFECTIVE DATES.

The amendments made by sections 1 and 2 shall take effect on the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

By Mr. BENTSEN:

S. 2381. A bill to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards. Referred to the Committee on Banking, Housing and Urban Affairs.

THE WEATHERIZATION ACT OF 1975

Mr. BENTSEN. Mr. President, the cool temperatures of this past weekend in Washington remind us that we are rapidly approaching another winter. Two years have passed since the energy embargo was imposed and Americans for the first time became concerned about the availability of the fuel needed to power their automobiles, run their factories, and heat their homes.

Americans are still experiencing the new realities of energy consumption. They need only to compare their energy and utility bills today with those they paid just a few short years ago. Since October 1972, home heating fuel oil has increased 92 percent. The price of propane gas, used to heat millions of homes in rural America, has doubled. And the price of anthracite coal, used extensively for home heating in Pennsylvania, had risen 88 percent by early 1975.

Higher energy costs have become an economic fact of life for this Nation, and as long as we remain dependent upon foreign energy sources, the real debate before this Nation must focus on how much those prices will rise, over what period of time, and with what supplies will be available.

I am confident that the people of this Nation can and will meet the challenge. I am convinced that energy production in this country can be increased, that new technologies can be developed, and that per capita energy consumption can be reduced without undue hardship or a resultant decline in our people's standard of living. The Nation lacks only the leadership to provide a rational, effective energy policy which balances the need to produce more domestically, to conserve where possible, and to coordinate both with our other major national priority of putting America back to work.

Such decisions will have to affect the amounts of energy consumed in our residential and commercial buildings, which together account for nearly a third of all of the energy consumed in this country. I am convinced that tremendous savings can be made. An estimated 18 million of the Nation's 47 million existing homes are today inadequately insulated. With proper insulation, the amount of energy needed to heat, cool, and provide hot water for those buildings could be greatly reduced.

H.R. 6860, the Energy Conservation and Conversion Act currently before the Committee on Finance, addresses that problem in part. It provides a tax credit to encourage homeowners to improve the insulation of their homes. That is a needed provision which will result in reduced energy consumption in both winter and summer for millions of American households, and I endorse it.

But I am concerned that it will not affect those most in need of such help. Approximately 8 million American households have incomes currently below the poverty line. Many of them pay little or no Federal income tax, and so the tax credit will not be of use to them. And few of those households can, by themselves, afford to retrofit their homes.

These homes are, however, precisely those where the greatest energy savings can be realized. America's poor tend to live in the oldest, least insulated, and most energy consumptive dwellings. During the past 2 years, these poor Americans—the elderly, the handicapped, and all others trying to live on small, fixed incomes—have closed one room after another in an effort to reduce their heating expenses, but a human being requires a minimum amount of heat. Only so much can be cut back.

The winter will soon be upon us, and I fear that in the coldest weeks, many poor households may actually have to decide between heating and eating. That is a decision no human being should have to make, and yet the Congress has received testimony that it has had to be made in thousands of households across this country during the past 2 years.

I believe we have an obligation to help those Americans who have been truly victimized by the energy crisis and the lack of a national energy policy.

I am, therefore, today introducing the Weatherization Act of 1975 which has already been passed by the House as part of the Energy Conservation and Buildings Act. The measure authorizes Federal grants for insulating the dwelling units of low-income Americans. The grants, to be awarded by the Federal Energy Administration, will be made to the States which, in turn, shall distribute them to local agencies undertaking community weatherization programs. The grant can cover the full cost of the insulation, storm windows, caulking, and weather stripping needed to winterize a dwelling, with the average unit expenditure expected to be between $100 and $150.

To the greatest extent possible, installation costs would not be borne by low-income households, but would be absorbed with use of volunteer labor and CETA workers.

The measure authorizes $55 million a year for 3 years. If fully appropriated, that level of funding could provide for the weatherization of about 1.5 million units. FEA estimates that at the end of the 3 years, the equivalent of 35,000 barrels of petroleum a day could be saved and, at today's prices, the fuel bills of low-income households reduced by nearly $200 million. Those are significant savings which can bring long-range relief to the poor and help in the national effort to conserve energy use.

I understand that the Senate Banking Committee is already considering legislation to assist America's low-income households. I know that its members share my deep concern that the Nation begin this weatherization program as quickly as possible. I propose my measure for their consideration and hope that the relief it will provide can soon be realized.

I ask unanimous consent that the text of the Weatherization Act of 1975 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2381

A bill to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Conservation in Buildings Act of 1975".

TITLE I—WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS

SHORT TITLE

SEC. 101. This title may be cited as the "Weatherization Assistance Act of 1975".

FINDINGS

SEC. 102. The Congress finds that—

(a) dwellings owned or occupied by low-income persons frequently are inadequately insulated, and low-income persons can least afford to make the necessary modifications which would reduce their residential energy use;

(b) weatherization of dwellings of low-income persons would save thousands of barrels per day of needed petroleum and would lower utility bills for low-income persons and particularly the low-income elderly and the handicapped;

(c) the States should also be encouraged through Federal assistance to formulate and implement weatherization programs designed to conserve energy as well as to ameliorate the adverse effects of high energy costs of low-income persons particularly the low-income elderly and the handicapped; and

(d) the States are uniquely qualified to determine the appropriate implementation mechanisms for weatherization programs, and the States should be encouraged to make use of existing Community Action Agency efforts where they are effective.

PURPOSE

SEC. 103. The purpose of this title to develop and implement weatherization programs to insulate the dwellings of low-income persons, particularly the low-income elderly and the handicapped, in order to conserve needed energy and aid those persons least able to afford higher energy costs.

DEFINITIONS

SEC. 104. As used in this title the term—

(a) "Administrator" means the Administrator of the Federal Energy Administration;

(b) "Commissioner" means the Commissioner of the Bureau of Indian Affairs;

(e) "elderly" means persons who are sixty-five years of age or older;

(d) "low-income" means income at or below the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget;

(e) "weatherization materials" means items primarily designed to improve the thermal efficiency of a dwelling including, but not limited to, ceiling insulation, storm windows, and caulking and weatherstripping, but not including mechanical equipment;

(f) "State" means the fifty States and the District of Columbia; and

(g) "handicapped" means a person who is under a disability as defined in section 223 of the Social Security Act or in section 102(5) of the Developmental Disabilities Services and Facilities Act of 1970.

WEATHERIZATION PROGRAM

SEC. 105. (a) The Administrator is authorized, in accordance with section 106 and the regulations issued pursuant to this title to provide grants to the Governors of the various States and the Mayor of the District of Columbia and to transfer funds to the Commissioner to assist in carrying out programs designed to provide for weatherization of dwellings of low-income persons, particularly dwellings of the low-income elderly and the handicapped.

(b) The Administrator, after consultation with the Secretaries of Housing and Urban Development; Health, Education, and Welfare; Labor; and other appropriate Federal agencies shall develop and publish within ninety days of enactment criteria to evaluate applications for funds as provided in section 106. These criteria may include but are not limited to the following:

(1) the amount of fuel to be conserved by the weatherization program;

(2) the number of dwellings to be weatherized;

(3) the climatic conditions of the State, which may include consideration of annual degree days;

(4) areas to be served within the State, considering climate, and other factors;

(5) the type of weatherization work to be done;

(6) provision for the use of skilled local work supervisors and foremen to supervise weatherization work;

(7) mechanisms for obtaining services of volunteers;

(8) the priorities established among weatherization recipients, including the extent to which priority will be given to weatherization of dwellings of low-income elderly and the handicapped, and the extent to which priority is given to single-family or other high-energy consumptive dwellings; and

(9) in the case of State applications, the amount of non-Federal resources to be applied to the program.

(c) Regulations adopted by the Administrator shall insure that the benefits of weatherization in leased dwelling units accrue to low-income tenants; the rents not be raised because of the increased value of dwelling units due solely to weatherization assisted under this title; and that no undue or excessive enhancement occur to the property's value.

(d) Regulations prescribed by the Administrator for the purpose of carrying out this Act shall provide that weatherization programs carried out by the Governors or other direct or indirect recipients under this title shall not duplicate any already existing effective weatherization programs being carried on by the Community Services Administration through community action agencies or programs located in the same geographic area.

PROGRAM FUNDING

SEC. 106. (a) A grant or transfer of funds under this section may be made only upon annual application therefor containing such information as may be prescribed by the Administrator.

(b) Funds provided to any person for the purpose of carrying out this title may be utilized only for the purchase of weatherization materials to carry out the program authorized in this section, except that the Governor of a State or of an agency receiving funds, directly or indirectly, from the Administrator may utilize no more than 10 per centum of the grant to administer a weatherization program.

(c) The Administrator may not finally disapprove any weatherization program application without first affording reasonable notice and an opportunity for a hearing.

TECHNICAL ASSISTANCE AND OVERSIGHT

SEC. 107. The Administrator shall monitor the operation of weatherization programs through reports as provided in section 102 or through onsite inspections, or otherwise, in order to assure effective weatherization of low-income dwellings and may provide technical assistance to any program receiving Federal assistance under this title.

SEC. 108. (a) The Comptroller General shall provide for the examination and audit of programs under this title.

(b) The Comptroller General shall include in each examination and audit conducted under subsection (a) of this section an evaluation which describes and measures—

(1) the manner in which policies and programs under this title are being carried out;

(2) the impact of such policies and programs; and

(3) the effectiveness of such policies and programs in achieving stated goals.

(c) The Comptroller General shall develop standards and criteria for the examination and audit of policies and programs under this title.

(d) The Comptroller General shall transmit his report to the Congress no later than July 1, 1977. Such report shall contain a detailed statement and review with respect to the findings and conclusions of each examination and audit conducted under subsection (a) of this section, together with recommendations of the Comptroller General for such legislative or other action as he considers necessary or appropriate.

(e) No later than 90 days after the enactment of this title, the Administrator of the Federal Energy Administration shall submit to the Committee on Banking, Currency and Housing of the House of Representatives, and to the Committee on Banking, Housing and Urban Affairs of the Senate, a plan for evaluating the effectiveness of the weatherization program.

ADMINISTRATIVE PROVISIONS

SEC. 109. (a) The Administrator, by general or special orders, may require any person responsible for the administration of a program receiving Federal assistance under this title to file with the Administrator, in such form as he may prescribe, reports or answers in writing to such specific questions, surveys, or questionnaires as may be necessary to enable the Administrator to carry out his functions under this title.

(b) Each person responsible for the administration of a weatherization program which receives financial assistance under this title shall keep such records as the Administrator may prescribe in order to assure an effective audit of the disposition of the funds provided under this title.

(c) The Administrator and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of any weatherization program which receives financial assistance under this title that are pertinent to the financial assistance received under this ttile.

(d) Payments under this title may be made in installments and in advance or by way of reimbursements, with necessary adjustments on account of overpayments or underpayments.

(e) The Administrator is authorized to develop and publish rules, regulations, and orders necessary or appropriate to carry out the purposes of this title.

FAILURE TO COMPLY

SEC. 110. If the Administrator finds, after notice to any person responsible for the administration of a program receiving Federal assistance under this title, that such program is failing to comply substantially with the provisions of its approved application for any fiscal year, then thereafter during such year and until there is no longer any such failure to comply, no additional Federal funds may be granted.

JUDICIAL REVIEW

SEC. 111. (a) Any applicant for funds dissatisfied with the Administrator's final action under section 106(c) or 110 of this title may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the applicant resides a petition for review of the Administrator's action. A copy of the petition shall be immediately transmitted by the clerk of the court to the Administrator. Thereupon, the Administrator shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(b) The finding of fact by the Administrator, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Administrator to take further evidence, and the Administrator may thereupon make new or modified findings of fact, and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Administrator or to set it aside in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

NONDISCRIMINATION

SEC. 112. (a) No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

(b) Whenever the Administrator determines that a grantee has failed to comply with subsection (a) or an applicable regulation, he shall notify the grantee to secure compliance. If within a reasonable period of time the grantee fails to secure compliance, the Administrator is authorized (1) to refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) to exercise the power and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000D); or (3) to take such action as may be provided by law.

REPORT TO CONGRESS

SEC. 113. The Administrator shall submit, on or before March 31, 1976, and annually through 1979 thereafter, a report to the President and the Congress presenting the results of weatherization programs receiving Federal assistance under this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 114. There are authorized to be appropriated not to exceed $55,000,000 per year for each of fiscal years 1976, 1977, and 1978, to remain available until expended.

TITLE II—ENERGY CONSERVATION BUILDING STANDARDS

SHORT TITLE

SEC. 201. This title may be cited as the "Building Energy Conservation Standards Act of 1975".

FINDINGS AND PURPOSE

SEC. 202. (a) The Congress finds that—

(1) large amounts of fuels and energy are consumed unnecessarily each year in heating, cooling, and ventilating residential and commercial buildings because such buildings lack adequate energy conservation features; and

(2) State and local building codes or similar controls can provide an existing means by which to assure, in coordination with other building requirements and with a minimum of Federal interference in State and local transactions, that newly constructed buildings contain adequate energy conservation features.

(b) It is the purpose of this title to—

(1) assist in the development and implementation as soon as feasible of energy conservation standards for new residential and commercial buildings to achieve the maximum practicable economies in fuels and energy consumption within reasonable cost levels; and

(2) encourage States and local governments to adopt and enforce such standards through their existing building codes and other construction control mechanisms.

DEFINITIONS

SEC. 203. As used in this title, the term—

(1) "Secretary" means the Secretary of Housing and Urban Development;

(2) "Administrator" means the Administrator of the Federal Energy Administration;

(3) "building" means any structure which includes provision for a heating or cooling system;

(4) "residential building" means any building developed for residential occupancy for one or more persons or families;

(5) "commercial building" means any building developed for use other than residential occupancy, including buildings developed for industrial or public use;

(6) "State" includes each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the United States territories and possessions;

(7) "performance standard" means a maximum energy consumption goal for a building to be met in connection with heating, cooling, ventilating, lighting, and providing domestic hot water for the building, without the specification of the methods, materials, and processes to be employed in achieving that goal;

(8) "building code" means a legal instrument which is in effect in a State or unit of general local government, the provisions of which must be adhered to if a building is to be considered to be in conformance with law and suitable for occupancy and use.

PROMULGATION OF PERFORMANCE STANDARDS

SEC. 204. (a) (1) As soon as practicable, but in no event later than eighteen months after enactment of this title, the Secretary, only after consultation with the Administrator, the Secretary of Commerce utilizing the services of the Director of the National Bureau of Standards, and the Administrator of the General Services Administration, shall develop and publish in the Federal Register for public comment proposed performance standards for new commercial buildings. Performance standards shall be developed and promulgated within six months after publication of the proposed standards.

(2) As soon as practicable, but in no event later than three years after enactment of this title, the Secretary, only after consultation with the Administrator and the Secretary of Commerce utilizing the services of the Director of the National Bureau of Standards, shall develop and publish in the Federal Register for public comment proposed performance standards for new residential buildings. Performance standards for such buildings shall be promulgated within six months after publication of the proposed standards.

(3) In the development of performance standards, the Secretary shall utilize the services of the National Institute of Building Sciences, under appropriate contractual arrangements, as soon as practicable after the activation of such Institute.

(b) All standards promulgated pursuant to this section shall take account of, and make such allowance as the Secretary determines appropriate, for climatic variations among the different regions of the country. In addition, the Secretary shall consider the probable effect of any standard promulgated pursuant to this section, on the cost of new residential or commercial buildings and the benefit to be derived therefrom.

(c) The Secretary, in consultation with the Administrator, the Secretary of Commerce, the Administrator of the General Services Administration, the National Institute of Building Sciences, and other Federal officials, as appropriate, shall periodically review and provide for the updating of standards promulgated pursuant to this section.

(d) The Secretary, if he finds that the dates otherwise specified in this section for publication of proposed or promulgation of final performance standards under subsection (a) (1) or (a) (2) cannot practically be met, may extend the time for such publication or promulgation, but no such extension shall result in a delay of more than six months in promulgation.

MONITORING OF STATE AND LOCAL ADOPTION OF ENERGY CONSERVATION STANDARDS

SEC. 205. The Secretary of Housing and Urban Development, with the advice and assistance of the National Institute of Building Sciences, shall—

(1) monitor the progress made by the States and their political subdivisions in adopting and enforcing model energy conservation standards;

(2) identify any procedural obstacles or technical constraints inhibiting implementation of such standards;

(3) evaluate the effectiveness of prevailing energy conservation standards; and

(4) within twelve months of enactment and semiannually thereafter—

(A) report to the Congress the progress of States and units of local government in adopting and implementing model energy conservation standards for new buildings and the effectiveness of such standards;

(B) recommend to the Congress additional initiatives to assist remaining jurisdictions in enforcing such standards for new buildings; and

(C) recommend any other actions the Congress should take to encourage the application of such standards to new buildings.

GRANTS TO STATES

SEC. 206. (a) The Secretary is authorized to provide technical assistance and to make grants to States and to units of general local government to assist them in implementing through State and local building codes, model energy conservation standards approved by the Secretary.

(b) There is hereby authorized to be appropriated for the purpose of this section not to exceed a total of $10,000,000 to remain available until expended.

CONSULTATION WITH INTERESTED AND AFFECTED GROUPS

SEC. 207. In developing and in promulgating performance standards and carrying out his other functions under this title, the Secretary shall consult with appropriate representatives of the building community, including labor, the construction industry, engineers and architects, and with appropriate public officials of both State and local governments, and organizations of public officials, and representatives of consumer groups. For purposes of such consultation, the Secretary shall, to the extent feasible, make use of the National Institute of Building Sciences. The Secretary may also establish one or more advisory committees as may be appropriate. Any advisory committee or committees established pursuant to this section shall be subject to the provisions of the Federal Advisory Committee Act.

RESEARCH

SEC. 208. The Secretary, in cooperation with the Administrator, the Administrator of the Energy Research and Development Administration, the Director of the National Bureau of Standards, and the National Institute of Building Sciences shall carry out such research and demonstration activities as he determines may be necessary to assist in the development of performance standards under this title and to facilitate the implementation of such standards by State and local governments. Such activities shall be designed to assure that standards are adequately analyzed in terms of energy use, institutional resources, habitability, economic cost and benefit, and impact upon affected groups.

By Mr. BROCK (for himself and Mr. DOMENICI):

S. 2382. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for the amount of employment taxes paid by an employer to certain new employees. Referred to the Committee on Finance.

Mr. BROCK. Mr. President, I am today introducing a measure aimed at two very important, and very critical, elements of our society today—unemployment and small business. Perhaps it would be more simply stated that this measure is aimed at helping people.

There can be no question today that we are placing a heavier and heavier burden on the average American taxpayer. Our economic status at this moment is at best shaky. Attention needs to be turned immediately to solving some of the contributing factors. We have an unemployment problem.

What do we do? Under the current approach, we attempt to solve it by providing federally financed public service jobs. In fact, Congress has discussed spending as much as $8 billion to provide temporary employment. These would be Federal jobs, jobs to take men and women off the streets and put them to work for 6 months. But what happens after those 6 months? Do we go back to the beleagured taxpayer and ask him for another $8 billion.

What happens to the men and women who have filled those jobs? After 6 months, are they back on the street? Have they learned a skill which can support them for the rest of their working lives? No. They will be back on the streets, with the same problems, looking for the same solutions. They want to work. They know the pride and value of work. They do not want to rely on Government to sustain them.

Mr. President, for every job we can create in Washington, there are 20, 50, even 100 in the free enterprise system which can help solve our multitude of problems, in particular, the human problem that occurs when there is unemployment. Why not deal with these problems from the strength of our system? Why not give the system a chance to work? Why do we have to constantly approach difficulties from an upside-down fashion rather than using the tools which have sustained us for these 200 years and made us the most productive, prosperous nation in the history of the earth? My measure attempts to do just that.

We have built our economic system through small business, through competition. The ideal behind our free enterprise system is competition, allowing each individual to accomplish, to succeed. In Washington today we are taxing small business so Washington can provide temporary jobs which provide no long-range solutions. In essence, this policy makes life more difficult for all—for those who have to pay out the tax dollars and for those who are looking for jobs. We currently provide big business with an investment tax credit. Under it, they can obtain a tax credit for installing new machines or more equipment. I do not argue that investment should be discouraged. I do argue that employment should be equally encouraged. In so many words we can and should use basically the same device to hire people.

That, then, is the crux of my measure. Whenever an employer hires a new employee, the Federal Government requires the payment of certain employment taxes. The significant employer taxes are social security, medicare, and unemployment compensation taxes. The current rate for social security-medicare taxes are 11.7 percent of annual wages. This tax burden is shared equally by the employer and the employee. The current rate for unemployment compensation taxes is 3.2 percent which is payed by the employee. In real terms, however, any tax imposed on employment, however shared between the employer and the employee, are integral costs of production. These costs are imputed into the prices of goods and services which people pay. Whenever these taxes increase, so do the prices we pay.

My bill will act to remedy some of the burden imposed by these employer taxes. Additionally, it will attack the double tragedy of unemployment and inflation.

Specifically, my bill will offer small business an employment tax credit as an incentive to hire up to seven new employees a year.

If we look at our current unemployment group, the new entrant has an enormous problem in times of recession. Into this category falls the unemployed teenager, women who have just finished rearing a family and seek an additional income, the high school graduate, and so forth. Since these people have little or no working experience, the employer will be entitled to an employment credit of 14.9 percent of total annual wages. This credit includes 11.7 percent of social security taxes and 3.2 percent of unemployment taxes. With this credit, the employer will get a real incentive to hire and train new workers. Part of this credit reflects an incentive to hire an unemployed person while another part will compensate the employer for training costs of unskilled workers.

An employer tax credit equal to 11.7 percent, the annual rate for social security taxes, will be allowed to the employer who hires an experienced unemployed worker.

percent, the anual rate for social secuers to invest in human capital, rather than physical capital. Such a credit allows entrepreneures to invest in people rather than machines. This credit, I believe, is one of the most direct and meaningful ways to combat the tragedy of unemployment. Let us never forget that unemployment is not an abstract statistic. It is one of the most poignant and heart rendering situations a breadwinner and his family can face.

Let us again make business a human oriented concern. Small business can hire people for far less than Government is paying for temporary Federal make-work jobs. My measure would allow small businesses to seek out and employ people and at the same time, increase production and thus tax revenue. Additionally it would tend to help sustain the economic recovery.

In summary, there are eight points which can be readily noted in my measure:

First. It will not cost the taxpayer a cent;

Second. It will not create a single new bureaucratic job;

Third. It will give people meaningful jobs, not public service jobs. People will acquire new skills;

Fourth. It will create an incentive for hiring the unemployed teenager, the unemployed worker, the college graduate, the high school graduate, and women first entering the job market.

Fifth. It will increase productivity;

Sixth. It will lower Federal and State deficits;

Seventh. It will help sustain our uphill battle toward economic recovery; and

Eighth. It will aid the small businessman whose sector has been the most severely affected by the economic recession.

Mr. President, perhaps the argument can be advanced that this measure will create a substantial revenue loss to the Treasury. In fact, there will be roughly $3 saved in unemployment and Federal social welfare costs for every dollar lost to the Treasury. This gives us a 300 percent social rate of return for every dollar used.

By hiring people and producing new jobs, we will create a revenue base from which additional taxes may be generated. Were these people not employed, the Federal Government would not only forgo the additional revenue created by them, but it would have to spend untold billions in social welfare and unemployment costs as some have proposed to do at this time. Additionally, such a program of tax credits would mean that not a single bureaucrat would have to be hired to administer it. We would not be creating another massive Federal program. This program will be maintained by way of the existing facilities of the Internal Revenue Service.

Public service jobs take as long as 6 to 18 months to bear fruit. My measure would be instantaneous. It could begin the moment it is passed.

This measure is one which works from the strength of our system. It will not only sustain it, but could very well be of great benefit to our economic recovery as well as a boon for the competitiveness that can be offered by small business, which could mean lower prices for the consumer.

Mr. President, I ask unanimous consent that the text of this measure be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2382

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by renumbering section 45 as section 45A and by inserting immediately after section 44 the following new section:

"Sec. 45. Employment Incentive

"(a) There shall be allowed as a credit against the tax imposed by this chapter an amount equal to the sum of the employment taxes paid by the taxpayer in connection with wages paid by him during the taxable year to eligible employees.

"(b) Limitations.—

"(1) Certain amounts disregarded.—In determining the amount of the credit allowable under subsection (a) the amount of employment taxes paid by the taxpayer with respect to a particular employee shall be disregarded to the extent that they exceed the amount of tax which the taxpayer is required to deduct and withhold from the wages of such employee during the taxable year under section 3402 (relating to income tax collected at source).

"(2) Number of employees.—In determining the amount of the credit allowable under subsection (a) for the taxable year, employment taxes paid by the taxpayer with respect to more than 7 employees shall be disregarded.

"(3) Liability for tax.—Notwithstanding paragraph (1), the amount of the credit allowed under subsection (a) may not exceed the liability for tax under this chapter of the taxpayer for the taxable year.

"(4) Married individuals.—In the case of a husband or wife who files a separate return, the amount specified in paragraph (1) shall be one-half of the amount of tax withheld under section 3402 with respect to the employment of the individual during the taxable year in lieu of the total amount withheld under such section with respect to such individual. This paragraph shall not apply if there is no credit allowable under subsection (a), or credit carryback or carryover under subsection (e), to the spouse of the taxpayer for the taxable year of such spouse which ends within or with the taxpayer's taxable year.

"(5) Controlled groups.—In the case of a controlled group, within the meaning of section 1563 (a), the amount specified in paragraph (1) shall be reduced for each component member of such group by apportioning such amount among the component members of such group in such manner as the Secretary or his delegate prescribes by regulations.

"(6) Geographical limitation.—No amount shall be taken into account under subsection (a) with respect to the employment of any individual outside the United States or its possession.

"(7) Subchapter S corporations.—In the case of an electing small business corporation (as defined in section 1371)—

"(A) the amount of the credit allowable under subsection (a) for each taxable year shall be apportioned pro-rata among the persons who are shareholders of such corporation on the last day of such taxable year, and

"(B) any person to whom any amount has been apportioned under subparagraph (A) shall be treated (for purposes of this section) as the taxpayer who employed the individual with respect to whom such credit is allowed.

"(8) Estates and trusts.—In the case of an estate or trust—

"(A) amounts allowable as a credit under subsection (a) for any taxable year shall be apportioned between the estate or trust and the beneficiaries thereof on the basis of the income of the estate or trust allocable to each,

"(B) any beneficiary to whom any amount is apportioned under subparagraph (A) shall be treated (for purposes of this section) as the taxpayer who employed the individual with respect to whom such credit is allowed, and

"(C) the amount specified under paragraph (1) applicable to such estate or trust shall be reduced to an amount which bears the same ratio to the amount of taxes withheld under section 3402 with respect to employment of the individual during the taxable year as the amount of the credit allocated to such estate or trust under subparagraph (A) bears to the entire amount of such taxes withheld.

"(c) Definitions.—For purposes of this section—

"(1) Eligible employee.—The term 'eligible employee' means a reemployed individual or a newly employed individual.

"(2) Reemployed individual.—The term 'reemployed individual' means an individual—

"(A) who has been hired by the taxpayer after the date of enactment of this section,

"(B) who has been employed by the taxpayer on a substantially full-time basis in connection with a trade or business of the taxpayer,

"(C) who has not displaced any other individual from employment by the taxpayer, and

"(D) who was unemployed during the 30 consecutive day period immediately preceding the date on which such individual was hired by the taxpayer.

"(3) NEWLY EMPLOYED INDIVIDUAL.—The term 'newly employed individual' means an individual—

"(A) who was hired by the taxpayer after the date of enactment of this section,

"(B) who has been employed by the taxpayer on a substantailly full-time basis in connection with a trade or business of the taxpayer,

"(C) who has not displaced any other individual from employment by the taxpayer, and

"(D) who has never been employed on a substantially full-time basis for a period of time in excess of 3 consecutive months.

"(4) EMPLOYMENT TAXES.—The term 'employment taxes' means—

"(A) in the case of a reemployed individual, the sum of the amount of taxes imposed under section 3101 (relating to tax on employees) plus the amount of taxes imposed under section 3111 (relating to tax on employers) with respect to the employment by the taxpayer of such individual, and

"(B) in the case of a newly employed individual, the sum of the taxes described in subparagraph (A) plus the amount of the tax imposed under section 3301 (relating to Federal Unemployment Tax Act) with respect to the employment by the taxpayer of such individual.

"(d) APPLICATION WITH OTHER CREDITS.—

"(1) SEQUENCE.—In determining the credits allowed under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to retirement income),

"(C) section 38 (relating to investments in certain depreciable property),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to credit for personal exemptions), and

"(G) section 44 (relating to purchase of new principle residence),

the tax imposed by this chapter shall (before any other reductions except the reductions allowed under sections 42 and 43) be reduced by the credit allowed under this section.

"(2) Section 40 credit.—No credit shall be allowed under subsection (a) for the taxable year with respect to the employment of an individual if the taxpayer is allowed a credit under section 40 (relating to expenses of work incentive programs) for work incentive program expenses attributable to such individual for such year.

"(e) CARRYBACK AND CARRYOVER OF UNUSED CREDITS.—

"(1) ALLOWANCE OF CREDIT.—If the amount of the credit determined under subsection (a) for any taxable year exceeds the limitation provided by subsections (b)(1) or (b)(3) for such taxable year (hereinafter in this subsection referred to as the 'unused credit year'), such excess shall be—

"(A) a credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a credit carryover to each of the 7 taxable years following the unused credit year,

and shall be added to the amount allowable to credit by subsection (a) for such years, except that such excess may be a carryback only to a taxable year ending after December 31, 1974. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in paragraph (2), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(2) LIMITATION.—The amount of the unused credit which may be added under paragraph (1) for any preceding of succeeding taxable year shall not exceed the amount by which the limitation provided by subsection (b)(1) for such taxable year exceeds the sum of—

"(A) the credit allowable under subsection (a) for such taxable year, and

"(B) the amounts of which, by reason of this subsection, are added to the amount allowable for such taxable year and attributable to taxable years preceding the unused credit year.

"(f) RECAPTURE OF CREDIT FOR CERTAIN TERMINATIONS OF EMPLOYMENT.—

"(1) GENERAL RULE.—Under regulations prescribed by the Secretary or his delegate, if the employment of any individual with respect to whom amounts are taken into account under subsection (a) is terminated by the taxpayer at any time during the first 12 months of such employment (whether or not consecutive) or before the close of the twelfth calendar month after the calendar month in which such individual completes 12 months of employment with the taxpayer, the tax under this chapter for the taxable year in which such employment is terminated shall be increased by an amount (determined under such regulations) equal to the sum of the amounts allowed under subsection (a) for such taxable year and all prior taxable years attributable to employment of such individual by the taxpayer.

"(2) RECAPTURE NOT TO APPLY IN CERTAIN CASES.—

"(A) IN GENERAL.—Paragraph (1) does not apply to—

"(i) the termination of employment of an individual who voluntarily leaves the employment of the taxpayer,

"(ii) a termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of such employment, unless such disability is removed before the close of such period and taxpayer fails to offer re-employment to such individual, or

"(iii) a termination of employment of an individual, if it is determined under the applicable State unemployment compensation law that the termination was due to the misconduct of such individual.

"(B) CHANGE IN FORM OF BUSINESS, ETC.—For purposes of paragraph (1), the employment relationship between the taxpayer and an individual shall not be treated as terminated—

"(i) by a transaction to which section 381(a) applies, if the individual continues to be employed by the acquiring corporation, or

"(ii) by reason of a mere change in the form of conducting the trade or business of the taxpayer, if the individual continues to be employed in such trade or business and the taxpayer retains a substantial interest in such trade or business.

"(3) BUSINESS CHANGES.—Paragraph (1) does not apply to a termination of employment of an individual in the case of a taxpayer who demonstrates, to the satisfaction of the Secretary or his delegate, that—

"(A) such termination was attributable to a material change in the manner in which the taxpayer's product or service is produced or delivered in his trade or business,

"(B) the termination of employment was due to an alteration of the taxpayer's business in order to achieve economies of scale or volume which eliminated the position,

"(C) the termination of employment was due to a partial liquidation of the taxpayer's business, or

"(D) the termination of employment was due to recession in the trade or business, or the economy generally, which required a reduction in employment.

"(4) SPECIAL RULE.—Any increase in tax under paragraph (1) shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any other credit allowable under this subpart."

(b)(1) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 45. Employment incentive.
"Sec. 45A. Overpayments of tax."

(2) Section 56(a)(2) of such Code (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vi), by striking out the semicolon and "and" at the end of clause (vii) and inserting in lieu thereof a comma and "and", and by inserting after clause (vii) the following new clause:

"(viii) section 45 (relating to credit for employment incentive); and".

(3) Section 56(c)(1) of such Code (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (F), by striking out "exceed" at the end of subparagraph (G) and inserting in lieu thereof "and", and by inserting after subparagraph (G) the following new subparagraph:

"(H) section 45 (relating to credit for employment incentive) exceed".

(4) Section 6096(b) of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44" and inserting in lieu thereof a comma and "44 and 45".

(c) The Secretary of the Treasury shall, after consulting with the Secretary of Labor, the Secretary of Health, Education, and Welfare, and the Administrator of the Small Business Administration, report to the Congress not less often than once each calendar year on the effectiveness of the employment incentive tax credit enacted by this Act in encouraging new employment together with such other information and recommendations as he considers necessary.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 2383. A bill to amend the Federal Boat Safety Act of 1971 to extend the authorization of appropriations for financial assistance for State boating safety programs beyond fiscal year 1976, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Federal Boat Safety Act of 1971 to extend the authorization of appropriations for financial assistance for State boating safety programs beyond fiscal year 1976, and for other purposes, and I ask unanimous consent that the letter of transmittal and changes in existing law be printed in the RECORD with the text of the bill.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 2383

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Boat Safety Act of 1971 (85 Stat. 213, 46 U.S.C. 1451 *et seq.*) is amended as follows:

(1) Section 5(b)(1) is amended by strik-

ing the word "eighteen" and inserting in lieu thereof the words "twenty-four".

(2) Section 8 is amended by redesignating the existing paragraph as (a) and adding at the end thereof a new subsection (b) as follows—

"(b) The Secretary may conduct research, testing, and development necessary to carry out the purposes of this Act, including procuring (by negotiation or otherwise) experimental and other boats or associated equipment for research and testing purposes.

(3) Section 15(g) is amended by striking the period and inserting in lieu thereof the following: ", including procedures to be followed by dealers or distributors to assist manufacturers in obtaining the information required by this section; however, a regulation promulgated hereunder may not relieve a manufacturer of any obligation imposed on him by this section.".

(4) Section 27 is amended—

(A) in the first and second sentences of subsection (c) by adding the word "eligible" between the words "applying" and "States" where they appear therein; and

(B) By adding a new subsection (e) as follows—

"(e) The Secretary may expend funds appropriated for the program of financial assistance to the States under this Act for audit expenses incurred by him in the administration of that program. Expenditures made in any fiscal year under this subsection shall not exceed 1¼ per centum of the total funds appropriated for that fiscal year.".

(5) Section 28(a) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: ", for the transition period of July 1, 1976, to September 30, 1976, and for each of the fiscal years 1977 and 1978.".

(6) Section 30 is amended by striking the phrase "1972, and $7,500,000 for each of the four succeeding fiscal years" and inserting in lieu thereof the phrase "1976, $1,500,000 for the transition period of July 1, 1976, to September 30, 1976, and $7,500,000 for each of the fiscal years 1977 and 1978".

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., August 12, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill,

"To amend the Federal Boat Safety Act of 1971 to extend the authorization of appropriations for financial assistance for State boating safety programs beyond fiscal year 1976, and for other purposes."

Under the Federal Boat Safety Act of 1971, Federal financial assistance to the States for the purpose of encouraging and assisting State boating safety programs will expire at the end of fiscal year 1976. Statistics from the first three years of this program show it has encouraged the States to increase boating safety budgets. The level and quality of boating safety programs has consequently improved.

The Federal Boat Safety Act of 1971 authorized the U.S. Coast Guard to establish safety standards for the construction of recreational boats. In addition, it authorized a program of Federal financial assistance to help States improve existing boat safety programs and to encourage others to develop new programs in this area.

Utilizing the authority granted by this Act, the Coast Guard has made substantial progress in the regulation of boat construction to assure high levels of safety. Moreover, the financial assistance program has had the intended effect of encouraging many states to expand the level and improve the quality of their boat safety programs.

Boating accident statistics show that in 1974, the lowest rate of boating fatalities per 100,000 boats occurred since we began keeping these statistics in 1961. In our view, the improved State boating safety programs have materially contributed to this decline.

When the 1971 Act was enacted, the financial assistance provisions were conceived by the Executive Branch and by the cognizant Congressional Committees as a five-year program designed to induce States to start boat safety programs or to increase activity in this field. This was the basis for providing that the Federal matching share for grants received would be phased down over the five-year authorization period from 75% to 33⅓%.

Because of the phasing of the authorization and budget cycles, the grant program has for practical purposes been in extensive operation for only three years. To provide the full test of this financial assistance concept envisaged by the original Act, the proposed bill authorizes the extension of the Federal financial assistance program for an additional two fiscal years at the currently authorized level of $7,500,000. The present requirement of ⅓ Federal, 2/3 State would also be continued.

During this two year extension, the Coast Guard will assess carefully the results of this program to provide the Executive Branch and the Congress with more complete guidance on appropriate future directions for this effort. In addition, the Department will also continue its efforts to develop a strong and well-defined Federal-State partnership in the execution of a comprehensive boating safety program.

Although the primary purpose of this proposed legislation is to extend the authorization for the Federal financial assistance program, the bill also contains amendments to the Federal Boat Safety Act to clarify ambiguities or resolve problems which have arisen over the last four years. These amendments clarify which States are eligible to receive financial assistance; provide for limited audit expenses, auditing being essential to the proper administration of the financial assistance program; provide the Secretary with increased discretion in establishing the effective date of regulations or standards which require major product redesign, retooling, or change; and authorize the Secretary to require dealers and distributors to assist manufacturers in obtaining first purchaser information to make the defect notification program more effective.

Enactment of the proposed bill would cost $1,500,000 for the transition period of July 1, 1976 to September 30, 1976, and $7,500,000 for fiscal years 1977 and 1978. It is recommended that the proposed legislation be enacted by Congress.

The Office of Management and Budget has advised that this proposed legislation is consistent with the Administration's program.

Sincerely,

WILLIAM T. COLEMAN, Jr.

Enclosures: Draft bill, comparative type.

COMPARATIVE TYPE SHOWING CHANGES IN EXISTING LAW MADE BY THE PROPOSED BILL

(Matter proposed to be omitted is enclosed in brackets; new matter is in italics.)

FEDERAL BOAT SAFETY ACT OF 1971

(85 Stat. 213, 46 U.S.C. 1451)

(SEC. 1. is the title)

SEC. 2.

SEC. 3.

SEC. 4.

SEC. 5. (a)

(b) A regulation or standard issued under this section—

(1) shall specify an effective date which is not earlier than one hundred and eighty days from the date of issuance, except that this period shall be increased in the discretion of the Secretary to not more than [eighteen] *twenty-four* months in any case involving major production design, retooling, or major changes in the manufacturing process, unless the Secretary finds that there exists a boating safety hazard so critical as to require an earlier effective date; what constitutes major production redesign, retooling, or major changes shall be determined by the Secretary;

(2).

(3).

SEC. 6.

SEC. 7.

SEC. 8. (*a*) The Secretary may, subject to such regulations, supervision, and review as he may prescribe, delegate to any person, or private or public agency, or to any employee under the supervision of such person or agency, any work, business, or function respecting the examination, inspection, and testing necessary for compliance enforcement or for the development of data to enable the Secretary to prescribe and to issue regulations and standards, under sections 5 and 6 of this Act.

(*b*) *The Secretary may conduct the research, testing, and development necessary to carry out the purposes of this Act, including procuring (by negotiation or otherwise) experimental and other boats or associated equipment for research and testing purposes.*

SEC. 9.

SEC. 10.

SEC. 11.

SEC. 12.

SEC. 13.

SEC. 14.

SEC. 15. (a).

(b).

(c).

(d).

(e).

(f).

(g) The Secretary is authorized to promulgate regulations defining and establishing procedures and otherwise furthering the purposes of this section [.], *including procedures to be followed by dealers or distributors to assist manufacturers in obtaining the information required by this section; however, a regulation promulgated hereunder may not relieve a manufacturer of any obligation imposed on him by this section.*

SEC. 16.

SEC. 17.

SEC. 18.

SEC. 19.

SEC. 20.

SEC. 21.

SEC. 22.

SEC. 23.

SEC. 24.

SEC. 25.

SEC. 26.

SEC. 27. (a).

(b).

(c) In fiscal years after the third fiscal year for which funds are available under this Act the moneys appropriated shall be allocated among applying *eligible* States. Of the total available funds one-third shall be allocated each year equally among applying *eligible* States. One-third shall be allocated so that the amount each year to each applying eligible State will be in the same ratio as the number of vessels numbered in that State, under a numbering system approved under this Act, bears to the number of such vessels numbered in all applying eligible States. The remaining one-third shall be allocated so that the amount each year to each applying eligible State shall be in the same ratio as the State funds expended or obligated for the State boating safety program during the previous fiscal year by a State bears to the total State funds expended or obligated for that fiscal year by all the applying eligible States.

(d).

(*e*) *The Secretary may expend funds appropriated for the program of financial assistance to the States under this Act for audit expenses incurred by him in the administration of that program. Expenditures made in* *any fiscal year under this subsection shall not exceed 1¼ per centum of the total funds appropriated for that fiscal year.*

Sec. 28. (a) Notwithstanding the allocation ratios prescribed in section 27 of this Act, the Federal share of the total annual cost of a State's boating safety program may not exceed 75 per centum in fiscal year 1972, 66⅔ per centum in fiscal year 1973, 50 per centum in fiscal year 1974, 40 per centum in fiscal year 1975, and 33⅓ per centum in fiscal year 1976 [.], *for the transition period of July 1, 1976, to September 30, 1976, and for each of the fiscal years 1977 and 1978.* No State may receive more than 5 per centum of the Federal funds appropriated or available for allocation in any fiscal year.

(b).

(c).

Sec. 29.

Sec. 30. For the purpose of providing financial assistance for State boating safety programs there is authorized to be appropriated $7,500,000 for the fiscal year ending June 30, [1972, and $7,500,000 for each of the four succeeding fiscal years] *1976, $1,500,000 for the transition period of July 1, 1976, to September 30, 1976, and $7,500,000 for each of the fiscal years 1977 and 1978,* such appropriations to remain available until expended.

Sec. 31.

Sec. 32.

Sec. 33.

Sec. 34.

Sec. 35.

Sec. 36.

Sec. 37.

Sec. 38.

Sec. 39.

Sec. 40.

Sec. 41.

By Mr. GRAVEL:

S. 2384. A bill pertaining to land conveyances to the regional corporation for the Southeast Alaska Region and the Kodiak Island Region pursuant to the Alaska Native Claims Settlement Act, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. GRAVEL. Mr. President, I am today introducing a bill which contains three provisions to amend the Alaska Native Claims Settlement Act.

Two of the provisions in this measure apply to land selection rights of two regional corporations formed pursuant to the Settlement Act—the corporations formed for the southeastern and Kodiak Island regions of Alaska.

While consideration was given to both these measures by the Interior and Insular Affairs Committee in the form they were contained in an earlier bill, the decision was made to defer final consideration of these two amendments until after the August recess at which time a further public hearing before the Interior Committee could be scheduled and a further public hearing before the Interior Committee could be scheduled and a further review of the land use implications of this legislation could be completed by the State of Alaska and Alaska land use groups in consultation with officers of each of the respective regional corporations. That review has now been completed and the structure of the proposed amendments has been modified as a product of discussions between interested parties and the involved corporations. I am therefore pleased to offer this bill which contains provisions reflective of the current posture of the regional corporation involved.

It is my hope and intent that this measure, as presently drafted, will provide the appropriate tool for convenient discussion and review at the public hearing scheduled for September 24 on this matter in the process of subsequent action by the members of the Interior and Insular Affairs Committee.

The third provision in this bill, section 3, addresses one additional problem with respect to completion of land selections authorized pursuant to the Alaska Native Claims Settlement Act. This provision of my bill is designed to strengthen section 14(h) (2) of the Settlement Act with regard to the land selection rights Congress granted to Native groups—those Native communities having less than 25 Native residents. While the Department of Interior has the obligation to design and implement final regulations to guide the implementation of this portion of the act, those final regulations have been slow in coming forth and in fact at this late date have yet to be provided. The exchange of concepts between the Native regions involved and the Department has been a time consuming and reportedly frustrating one. Land selections for groups, which are allowed to receive up to one township of land, must be completed by December of this year, by the 38 Native groups involved. Yet still fair and equitable standards have not yet been finalized.

In fairness to the Natives involved and to bring these proceedings with respect to standards for land selections by Native groups to a conclusion I have included in this bill a provision which would:

First. Require the Secretary of Interior to apply the same criteria—except as to the number of residents involved—to establish eligibility in Native group eligibility determinations as were used in Native village eligibility determinations.

Second. Prohibit the Secretary of Interior from withholding land from otherwise eligible Native groups simply because such land is located in a national wildlife refuge or a national forest, or because the Native group is not located on "eligible land," I am sure it was not the intention of Congress to deny land to a group in any case where a Native village would have received land simply because it turns out that the Native group is located on ineligible land.

Third. Eliminate the necessity for a Native group to go through the time and expense of a second round of hearings and examination on eligibility factors which were determined in its favor in a Native village eligibility proceeding.

Fourth. Not prejudice the rights of any party to pending litigation over village eligibility with respect to whether the criteria applied by the Secretary of Interior in such village eligibility determinations were authorized by the Alaska Native Claims Settlement Act.

Again, Mr. President, let me say I am pleased to introduce this bill which will serve as a useful vehicle for the Interior and Insular Affairs Committee to focus attention on these measures during the forthcoming hearings.

I ask unanimous consent that this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2384

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Section 16(b) of the Settlement Act is amended by adding at the end thereof the following:

"Such allocation as the Regional Corporation for the southeastern Alaska region shall receive under section 14(h) (8) shall be selected and conveyed from lands not selected by such village corporations that were withdrawn by subsection (a) of this section, except lands on Admiralty Island in the Angoon withdrawal area and, without the consent of the Governor of the State of Alaska or his delegate, lands in the Saxman and Yakutat withdrawal areas.

Sec. 2. The Secretary shall convey under sections 12(a) (1) and 14(f) of the Settlement Act to Koniag, Incorporated, a Regional Corporation established pursuant to section 7 of said Act, such of the subsurface estate as is selected by said corporation from lands withdrawn by Public Land Order 5397 for identification for selection by it located in township 36 south, range 52 west; township 37 south, ranges 51 and 52 west; sections 1–4, 9–12, 13–16, 21–24 and 25–28 of township 37 south, range 53 west; sections 1–5, 9, 10, 12, 13, 18, 24 and 25 of township 38 south, range 51 west; township 38 south, range 52 west excluding section 36; sections 1, 12, 13, 24, 25 and 36 of township 38 south, range 53 west; sections 6, 7, 16–21, 28–30, 31–33 and 36 of township 39 south, range 51 west; sections 1, 2, 11, 12, 13–16 and 19–36 of township 39 south, range 52 west; sections 25–27 and 32–36 of township 39 south, range 53 west; section 2 of township 40 south, range 51 west; township 40 south, range 52 west; township 40 south, range 53 west excluding sections 20 and 29–33; township 40 south, range 54 west excluding sections 35 and 36; sections 7–9 and 16–18 of township 41 south, range 52 west; sections 1, 4, 5, 8, 9, 11, 12 and 16 of township 41 south, range 53 west; and section 6 of township 41 south, range 54 west, Seward meridian, Alaska, notwithstanding the withdrawal of such lands by Public Land Order 5179 as amended, pursuant to section 17(d) (2) of the Settlement Act: *Provided,* That notwithstanding the future inclusion in any national monument or other national land system referred to in section 17(d) (2) (A) of the Settlement Act of the surface estate overlying any subsurface estate conveyed as provided in this section, Koniag, Incorporated may use the surface estate, and shall have such right of access thereto, as is reasonably necessary to prospect for and to mine and remove minerals from said subsurface estate, subject to such reasonable regulations by the Secretary as are necessary for the protection of surface values.

Sec. 3. Subparagraph (2) of section 14(h) of ANCSA is redesignated subparagraph (2) (A) and a new subparagraph 2(B) is added, reading as follows:

(B) In determining the eligibility of a Native group, the Secretary shall not apply criteria more stringent than those applied in village eligibility determinations and an otherwise eligible Native group shall not be denied land because such group is not located on available public lands, in which event, the Secretary shall convey to such group, the nearest available lands of a character similar to the lands on which the group is located unless the group, with the concurrence of the regional corporation within whose boundaries such group is located, agrees to accept other land designated by the Secretary; nor shall an otherwise eligible Native group be denied land because such land is located on or adjacent to a National Wildlife Refuge or a National Forest: *Provided,* That where, in a village eligibility proceeding the applicant, though determined to be ineligible, was found by the Administrative Law Judge in an unreversed finding, or by the Alaska Native Claims Appeals Board, to meet one or more of the criteria for village eligibility, in the consideration of an application for Native group status by Natives who were members of such applicant for village eligibility, no further examination shall be had of such criteria; *Provided further*, That nothing in this subdivision shall prejudice the position of any party in any litigation now pending for review of village eligibility determinations heretofore made by the Secretary.

Sec. 4. Except as specifically provided in this Act, (i) the provisions of the Settlement Act are fully applicable to this Act, and (ii) nothing in this Act shall be construed to alter or amend any of such provisions.

By Mr. JAVITS:

Senate Joint Resolution 130. A joint resolution to declare November 23 through November 30, 1975, "National Bible Week." Referred to the Committee on the Judiciary.

Mr. JAVITS. Mr. President, I send to the desk for appropriate reference a resolution authorizing the President to designate the week of November 23–30 as National Bible Week. Identical legislation has been introduced in the House by Representative Lindy Boggs.

This year, Congresswoman Boggs and I have the honor to be Congressional Cochairmen of National Bible Week and we have offered this resolution in order to express congressional support and to focus public interest on this celebration. Each of us was raised with a different version of the Bible but for each of us it has the same meaning. To me, Torah and the entire Old Testament were a guiding principle in my early religious education.

The Laymen's National Bible Committee, the sponsor of National Bible Week, is an organization of professional leaders of all faiths associated in this effort to motivate reading and study of the Holy Scripture. The committee works in close cooperation with the Greek Orthodox Diocese, the Jewish Committee for National Bible Week, the National Council of Churches and the U.S. Catholic Conference. Its National Chairman is Richard I. Fricke, chairman of Mutual of New York, and its supporters and well wishers include a host of Americans.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1985

At the request of Mr. Tower, the Senator from New York (Mr. Javits) was added as a cosponsor of S. 1985, a bill to encourage the direct marketing of agricultural commodities from farmer to consumer.

S. 2131

At the request of Mr. Thurmond, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 2131, a bill to amend title 18, United States Code, relating to the production of false documents or papers of the United States, involving an element of identification.

S. 2135

At the request of Mr. Thurmond, the Senator from Arizona (Mr. Fannin) and the Senator from Kansas (Mr. Dole) were added as cosponsors of S. 2135, a bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, District of Columbia.

S. 2371

At the request of Mr. Metcalf, the Senator from Oregon (Mr. Packwood) was added as a cosponsor of S. 2371, a bill to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System, and for other purposes.

S. 2372

At the request of Mr. Jackson, the Senator from New Jersey (Mr. Williams) was added as a cosponsor of S. 2372, the Fair Financing for Local Government Act of 1975.

SENATE JOINT RESOLUTION 121

At the request of Mr. Humphrey, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S.J. Res. 121, to provide for a quarterly adjustment of milk support levels.

SENATE RESOLUTION 255—SUBMISSION OF A RESOLUTION CONCERNING THE SAFETY AND FREEDOM OF DR. MIKHAIL SHTERN

(Referred to the Committee on Foreign Relations.)

Mr. TAFT submitted the following resolution:

S. Res. 255

Whereas Dr. Mikhail Shtern is currently imprisoned in the Soviet Union on the charges of committing economic crimes; and

Whereas such charges are without basis and amount to eight years in a labor camp for allegedly accepting bribes of two chickens, one goose, some vegetables, 70 eggs and 770 rubles over a twenty-year period; and

Whereas Dr. Shtern is suffering from heart disease and is not receiving proper treatment: Now, therefore, be it

Resolved, That the Senate requests the President to express the concern of the United States Government for the safety and freedom of Dr. Mikhail Shtern and his wife Ida Shtern.

Sec. 2. The Secretary of the Senate shall transmit copies of this resolution to the President and Secretary of State.

Mr. TAFT. Mr. President, today I have submitted legislation to express the concern of the U.S. Government for the safety and freedom of Dr. Mikhail Shtern and his wife, Ida Shtern.

Once again the Congress must address itself to the ruthless policy of the Soviet Government of imprisoning any who dare to dissent. From information provided to me, the facts of the case are set out below.

Dr. Shtern is the former chief of the department of endocrinology at the Vinnitsa Hospital in the Soviet Union. He has dedicated his life to alleviating human suffering. Yet today he is senselessly wasting away in a Soviet prison camp.

The problems for the Shtern family began when Dr. Shtern's son, August Shtern, applied for permission to emigrate to Israel. The entire Shtern family became the target of a harassment campaign by Soviet authorities. At one point, Dr. Shtern was called by the Soviet Passport Office and asked to forbid his son, August, from emigrating. When he refused, he was arrested on May 29, 1974.

In a desperate attempt to implicate Dr. Shtern, the local officials tried to get witnesses to lie about the doctor's activities. They searched for any witness who would state that Dr. Shtern had accepted bribes, but could not find any among his former patients. Dr. Shtern was charged with taking bribes but his supporters pointed out that only "officials" may be charged with bribery under Soviet law, and Dr. Shtern is only a "professional;" but this was ignored by Soviet officials.

The Soviet court found Dr. Shtern guilty of bribery for taking 2 chickens, 1 goose, some vegetables, 70 eggs, and 770 rubles over a 20-year period. For this crime he was sentenced to 8 years in a Russian labor camp.

On March 25, the Ukrainian Supreme Court denied his appeal, and he was forced to the labor camp.

Dr. Shtern is presently in a labor camp in Kharkov. He has been denied the right to practice as the camp doctor and has been forced to work in the camp machine shop. His wife is only allowed to visit once a year, and every 2 nights Dr. Shtern is moved from barrack to barrack, presumably to try to create a mental breakdown. Dr. Shtern suffers from heart disease and is not obtaining proper medical treatment.

In short, the Soviet Government has given Dr. Shtern a death sentence because he disagrees.

The Shtern's two sons have emigrated to Israel, but the family had more bad news when in June Mrs. Shtern's doctor diagnosed that she had a brain tumor.

With the signing of the agreement in Helsinki, great hope was raised for improved relations with the Soviet Government; but I have spoken out in the past about the impossibility of normalization of relations as long as they continue their policy of banishment for all those who dissent.

It is my hope that with the submission of this resolution, the Soviets will realize the indignation of the world community for this type of treatment and Dr. Shtern will be freed. Dr. Shtern's birthday is September 21, and this would be a very appropriate birthday gift from the Soviet Government to return to Dr. Shtern his freedom.

SENATE RESOLUTION 256—SUBMISSION OF A RESOLUTION IN SUPPORT OF THE PEOPLE OF PORTUGAL

(Referred to the Committee on Foreign Relations.)

Mr. KENNEDY (for himself, Mr. Brooke, and Mr. Humphrey) submitted the following resolution:

S. Res. 256

Whereas on April 25, 1975, the Portuguese people overturned a regime that had held that country back politically and economically for nearly fifty years; and

Whereas there has been a rebirth of hope that Portugal would regain its rightful place among the free nations of Europe, as a country truly committed to democratic principles, and

Whereas the new Government has set itself three goals: to end 500 years of colonialism in Africa, to pursue democracy, and to develop Portugal economically, and

Whereas Portugal has aided the process of a major achievement of bringing into being new, independent states in Africa; therefore, be it

Resolved, That it is the sense of the Congress that:

(1) Efforts in Portugal to secure democracy in that country deserve the support of the American people;

(2) The United States should assure the people of Portugal of major and sustained help as they establish a free and open society; and

(3) Tangible support for a democratic Portugal is important as an expression of the ideals on which this Nation was founded, and on which the North Atlantic Treaty is based.

(4) Within sixty days after the date of enactment of this section, the Administration shall submit to Congress its analysis and recommendations with respect to ways in which the United States might provide support to a democratic Portugal.

Sec. 2. The Secretary of the Senate is directed to transmit copies of this resolution to the President and to the Secretary of State.

SUPPORT FOR PORTUGAL

Mr. KENNEDY. Mr. President, I am submitting today, along with my distinguished colleagues the Senator from Massachusetts (Mr. Brooke) and the Senator from Minnesota (Mr. Humphrey), a resolution expressing the sentiment of Congress that the United States should make a major effort to support the people of Portugal as they work to establish a free and open society. This resolution also asks the administration to submit to Congress, within 60 days, its analysis and recommendations with respect to ways in which the United States might provide support to a democratic Portugal.

After the 1974 coup d'etat in Portugal, the new government pledged itself to three goals: a progressive end to 500 years of Portuguese colonial rule in Africa; a restoration of democratic institutions in Portugal; and the rapid economic development of that low-income country.

The first of these goals—decolonization—is nearly completed, although in Angola, a competition for power among rival groups has brought that country to civil war. For its efforts to achieve decolonization in Africa, the Lisbon government deserves the respect of free men everywhere.

The attempt to build democratic institutions in Portugal has proved to be far more difficult. During the months which followed last April's first free election in Portugal in more than a half century, there was a sharp erosion of democratic processes, a virtual end to the free press, increasing pressure on the Catholic Church, and a further concentration of power by some factions that rejected the verdict of the Portuguese people at the polls. There are still elements in Portugal who are trying to turn that country away from its progress toward democracy, and who want a return to authoritarian rule.

But due to resistance on the part of democratic forces in Portugal, the movement toward authoritarian rule has halted for the time being.

Of course, the Portuguese people have the right to decide for themselves the form of government that will prevail in their country. Yet it is still right and proper for us to express our support for the Portuguese democratic experiment. To this end, last year I introduced legislation to provide tangible support for Portugal in the form of aid for its economy. The Congress appropriated $15 million for Portugal in the last fiscal year, along with $10 million for the states in Africa gaining independence. At the same time the European Community pledged foreign assistance of some $125 million over 5 years, then suspended its effect until Portugal returned to the development of a "pluralistic democracy."

Today may not be the time for further foreign aid to Portugal. Yet I believe that both the United States and the European Community must offer real hope to the democratic forces in Portugal, through the promise of major and tangible economic support should they succeed in their efforts. This, I believe, is both a moral and a practical obligation; moral, because of our longstanding opposition both to Portuguese colonialism, and to the authoritarian regime that was overthrown in April 1974; practical, because of our shared interest in Portugal's right to regain its rightful place in Europe, as a nation of freedom with real hope for economic development and progress for its people.

For too long, the administration failed to make clear the willingness of the United States to respond to efforts by democratic forces in Portugal as they seek to restore free institutions in their country. Now is the time for a clear demonstration of our willingness to back the future success of democratic forces with indications of tangible support.

Mario Soares, Secretary General of Portuguese Socialist Party, has noted:

> It is important for the democratic world that there exist in the extreme west of Europe, a free and democratic country with stable institutions capable of cooperating loyally in the democratic development of Europe, and in the service of world peace.

I believe that many of us in this Chamber agree with that view.

SENATE CONCURRENT RESOLUTION 65—SUBMISSION OF A CONCURRENT RESOLUTION WELCOMING THEIR MAJESTIES THE EMPEROR AND EMPRESS OF JAPAN

(Referred to the Committee on Foreign Relations.)

Mr. JAVITS. Mr. President, today I submit a resolution welcoming Their Majesties the Emperor and Empress of Japan, who will be making their unprecedented and historic visit to the United States beginning in Washington on October 2. I believe that this visit comes at a propitious time in Japan-American relations following the end of the struggle in Southeast Asia. Our close cooperative relationship—including our Mutual Security Treaty—is the keystone of U.S. policy in the Pacific area. President Ford's visit to Japan in November of 1974 and this visit of Their Majesties the Emperor and Empress of Japan have an important symbolic significance in reaffirming the bonds of mutual understanding and friendship that constitute the basis of the United States-Japan relationship.

From adversaries in 1941, we have become allies in our struggle for peace and economic development in Asia and the rest of the world. I hope that the entire Senate will join with me in warmly welcoming Their Majesties to the United States and in wishing them a pleasant and productive visit in our country.

Mr. President, I ask unanimous consent that the text of a resolution may be printed in the Record and also a letter to me from the Assistant Secretary for Congressional Relations requesting, on the part of the State Department, the introduction of such a resolution.

There being no objection, the resolution and letter were ordered to be printed in the Record, as follows:

S. Con. Res. 65

Whereas Their Majesties the Emperor and Empress of Japan will soon be visiting the United States of America, and

Whereas their visit will be the first state visit to the United States of America by a reigning Emperor of Japan in the more than one hundred and twenty-year history of American-Japanese relations, and

Whereas our two countries, though coming from diverse cultural backgrounds, have created from this diversity an active and dynamic relationship beneficial to both peoples, and

Whereas the exchange of ideas, cultural and artistic innovation, technological and scientific knowledge, productive enterprise and trade have through the years enhanced mutual understanding and respect between the United States of America and Japan, and

Whereas, during the first visit to Japan by an incumbent American President in November of 1974, Their Majesties and the Japanese Government and people extended a warm and enthusiastic reception to President Gerald R. Ford, and

Whereas the coming visit by Their Majesties will vividly symbolize the ties of friendship and common values to which the American and Japanese people are dedicated,

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby extends to Their Majesties, the Emperor and Empress of Japan, a warm welcome and sincere good wishes from the American people on the occasion of their historic first visit to the United States of America.

Department of State,
Washington, D.C., September 18, 1975.

Hon. Jacob K. Javits,
U.S. Senate,
Washington, D.C.

Dear Senator Javits: Mr. Lakeland of your office has discussed your interest in sponsoring a concurrent resolution welcoming the visit of the Emperor and Empress of Japan with the Department. This is to confirm that the Department supports the passage of a concurrent resolution along the lines of the draft which I am enclosing with this letter.

Sincerely,
Robert J. McCloskey,
Assistant Secretary
for Congressional Relations.

AMENDMENTS SUBMITTED FOR PRINTING

EXTENSION OF FISHERIES MANAGEMENT RESPONSIBILITY—S. 961

AMENDMENT NO. 900

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. BENTSEN. Mr. President, I am today submitting an amendment to S. 961, the so-called 200-mile bill which is currently pending in the Senate Commerce Committee. In view of the Senate's action last year in passing legislation to extend our fisheries zone and in view of continued strong support in this Chamber and in the House of Representatives for such legislation, I believe it is imperative that greater attention be focused on the plight of this country's distant-water fishermen who would be adversely affected by 200-mile legislation, unless certain safeguards are enacted.

If the United States unilaterally extends its contiguous zone, a number of other nations, off whose coasts U.S. vessels fish, can be expected to follow suit in the absence of any real progress towards a multilateral solution at the Law of the Sea Conference.

Since legislation currently in the House and Senate would allow regulated foreign fishing based on sound management conservation practices in our own waters, I believe equity and justice require that foreign nations allow U.S. fishermen adequate and reasonable access to their waters as well.

In spite of growing support in the Congress for an extension of our fishing zone, however, the Department of State has done little towards beginning negotiations with those nations off whose coasts we fish and access to whose waters is essential for the very survival of our distant-water fisheries. Shrimpers in my own State of Texas will be particularly hurt by the enactment of 200-mile legislation since the bulk of Texas shrimping is done off the coasts of Mexico, unless the Government of Mexico is willing to negotiate a fisheries agreement with the United States.

My amendment, Mr. President, would require the Department of State to begin negotiations with those nations in whose waters U.S. vessels fish in order to reach equitable fisheries agreements. If the Secretary of State determines that such a nation refuses to negotiate in good faith, the Secretary of the Treasury is required to impose an embargo against imports of seafood and seafood products from that nation. In addition, my amendment would define a seizure by another country of a U.S. fishing vessel as a refusal by that government to negotiate a fishing agreement in good faith.

Mr. President, my amendment will be an important incentive to the State Department to begin negotiations which have already been too long delayed and which will be of major importance for this Nation's distant-water fishermen. Without this amendment, our tuna and shrimping industries, already hit by increases in operating costs which cannot be recovered by an increase in prices, are facing a deadly struggle for their very existence. This amendment will be an important step toward insuring the survival and well-being of two important segments of this Nation's fishing industry.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1976—H.R. 8069

AMENDMENTS NOS. 904, 905, 906, AND 907

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted four amendments intended to be proposed by him to amendment No. 901, proposed to the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

AMENDMENTS NOS. 908 AND 909

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted two amendments intended to be proposed by him to the bill (H.R. 8069), supra.

PROMOTION OF ENERGY INDUSTRY COMPETITION

AMENDMENT NO. 910

(Ordered to be printed and to lie on the table.)

Mr. GARY W. HART. Mr. President, Senators PHILIP A. HART, GAYLORD NELSON, JAMES ABOUREZK, and I believe the congressional deadlock on the issue of ending regulations of the petroleum and natural gas industry arises, in part, because a critical aspect of the deregulation issue has been virtually ignored in all proposed solutions; namely, the regulation of oil and natural gas should not be ended until those industries become truly competitive.

Without free and fair competition in these industries, deregulation would only be taking the control of prices away from the Government and putting it into the hands of enormous, vertically integrated oil and gas companies.

We are planning to offer the following antitrust measure either as a separate bill or as an amendment to one of the pending petroleum or natural gas proposals. This measure would effect a "vertical divestiture" by separating the production, refining, transportation and marketing activities of the major oil and gas companies. It is based upon extensive hearings conducted over the past 10 years by the Antitrust and Monopoly Subcommittee, chaired by Senator PHILIP A. HART. The record compiled by this subcommittee covers 23 volumes and more than 40,000 pages.

The petroleum industry is dominated by large vertically integrated companies. Fortune magazine's list of the largest corporations shows that seven of the top 20 are oil companies. Last year those 7 companies had sales in excess of $134 billion—an amount larger than the 1974 gross national product of all but 6 nations. The 16 major oil ocmpanies, taken together, have about 72 percent of our domestic crude oil production, 75 percent of our refining capacity, and account for about 70 percent of retail gasoline sales.

These figures do not tell the whole story. The problem in petroleum is not only one of concentration in crude oil and gas production, or concentration in transportation, or concentration in refining and marketing. Rather it is the fact that the major companies are vertically integrated and work closely with each other through a variety of joint ventures in transportation and production. Through their control over production and transportation, they control the entire industry.

In natural gas the situation is equally serious:

As of 1972 the top four companies controlled 81 percent of the Nation's available new natural gas supplies.

We firmly believe that by coupling price decontrol with assurances of a truly competitive market, Congress will be able to reach a sound and reasonable compromise on the decontrol controversy.

EMERGENCY LOAN GUARANTEES TO UNITS OF GOVERNMENT—S. 1833

AMENDMENT NO. 911

(Ordered to be printed and referred to the Committee on Government Operations.)

Mr. JAVITS submitted an amendment intended to be proposed by him to the bill (S. 1833) to authorize emergency loan guarantees to units of Government.

NOTICE OF HEARING RELATING TO REGULATIONS OF THE FEDERAL ELECTION COMMISSION

Mr. PELL. Mr. President, on behalf of Chairman HOWARD W. CANNON, I wish to announce that the Committee on Rules and Administration will hold a public hearing on the Federal Election Commission's proposed regulation relating to office accounts, franking accounts, and excess campaign contributions.

The hearing will be held in room 301, Russell Senate Office Building on Thursday, October 2, 1975, at 2 p.m.

NOTICE OF FURTHER HEARINGS ON GRAIN INSPECTION SYSTEM

Mr. HUMPHREY. Mr. President, two subcommittees of the Committee on Agriculture and Forestry will hear public witnesses next week as our investigation moves forward into the system of inspection of grain under the U.S. Grain Standards Act.

The hearings will involve the Subcommittee on Foreign Agricultural Policy, which I chair, and the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, chaired by the Senator from Kentucky (Mr. HUDDLESTON).

These hearings will begin at 10:30 a.m. on Thursday, September 25, in room 3302 of the Dirksen Senate Office Building, and continue at 10 a.m. on Friday, September 26, in the same room.

Our leadoff witness will be Mr. Gerald Gallinghouse, who as U.S. attorney in

New Orleans, has pursued successfully an investigation of corruption in the grain inspection system in and around the port of New Orleans.

Other witnesses who will appear before the subcommittees will be able to develop in greater detail how the alleged bribery, corruption, false grading, and false weighing of grain in export trade has come about.

The hearings are part of the investigation of our entire grain inspection system which is being conducted by these subcommittees. Persons wishing further information may contact the staff of the Committee on Agriculture and Forestry.

ADDITIONAL STATEMENTS

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS ACT, 1976

SECRETARY MATTHEWS' VIEWS ON LABOR-HEW BILL

Mr. GRIFFIN. Mr. President, I ask unanimous consent that a letter from Secretary of Health, Education, and Welfare Mathews concerning the Labor-HEW appropriation bill be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., September 17, 1975.

Hon. HUGH SCOTT,
Minority Leader, U.S. Senate, Washington, D.C.

DEAR SENATOR SCOTT: I want briefly to provide you with my views on H.R. 8069, the FY 1976 appropriations bill for the Departments of Labor, Health, Education, and Welfare and related agencies. I believe the amount of money in that bill is excessive in today's fiscal times.

The total bill exceeds the President's January budget by more than $1 billion. For HEW, it is more than $900 million over the budget.

These expenditures are proposed at a time when the overall fiscal picture of the nation demands an even greater restraint on spending than in those prior years when the Congress appropriated more for health and welfare than requested by the President.

The President has drawn the line on the budget deficit for FY 1976 at $60 billion.

On May 14, Congress drew its own line at $69 billion.

Congress' own July 21 budget scorekeeping report estimates a possible deficit of over $85 billion.

I recognize that some of the increases over the budget would, on their merits, be money well spent. We must, however, view the work of this Department in the context of the many other legitimate demands on Federal, State, and local funds.

In some instances, moreover, the merits of the additional spending are questionable. For example, I think that there is a consensus among medical researchers that the expenditure of more than $800 million for cancer research is not justified if we are to maintain a balanced biomedical research program. The Senate has added $100 million more for cancer research than is contained in the House bill which is already more than $100 million over the proposed budget.

We are at a point where we believe the fight against inflation can be won. Increased Federal spending such as is contained in H.R. 8069 could well tip the balance in the wrong direction. To do so will hurt the beneficiaries in this Department's program far more than they will be helped by the additional money in this bill.

It is our view, therefore, that the best course of action would be for the Senate to return the bill to the Appropriations Committee with instructions to make significant reductions.

Cordially,

DAVID MATHEWS,
Secretary.

Mr. BELLMON. Mr. President, before us today for consideration and passage is the Labor-HEW appropriations bill for fiscal year 1976. The Senate version of the Labor-HEW appropriations bill as reported from the Appropriations Committee recommends $36.3 billion in budget authority for fiscal year 1976 and an estimated $28.6 billion in outlays. This bill exceeds the President's budget request in both budget authority and outlays—and the bill also exceeds the levels of spending recommended by the House.

Further, while the staffs of the House and Senate Budget Committees have evaluated the spending impact of this bill differently, there is universal agreement that this bill will have impact primarily on three functional areas of the budget which are each in difficulty. These functions are:

First. Function 500—Education, manpower, and social services. This function is currently within the budget but the margin is only about a billion dollars; and over $6 billion of additional spending legislation is still before the committee.

Second. Function 550—Health. This function is already over the budget target by $2 billion in outlays—in part due to reestimated entitlements—and more spending legislation is pending.

Third. Function 600—Income security. This function already over target about $400 million and another $800 million is pending.

Recognizing the dangers implicit in these figures, nevertheless, I am inclined to support the passage of this measure at this time in the expectation that when the conference report comes back for final consideration, the conferees will have arrived at spending figures which are lower. The bill can be and should be more in line with the budget targets as agreed upon in the concurrent resolution on the budget. I urge my colleagues in the Appropriations Committee who will be members of this conference to work with the House in drafting a bill that will be consistent with the budget figures.

REMARKS OF SENATOR MANSFIELD AT THE SOUTHERN GOVERNORS' CONFERENCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD the remarks I made in addressing the 41st annual meeting of the Southern Governors' Conference held at Disney World in Orlando, Fla., on Monday, September 15, 1975, on the subject of today's economic situation and reactions in the Capitol to that situation.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR MIKE MANSFIELD (D., MONTANA)

It is always a pleasure to meet with Governors in Washington but it is a distinct privilege to encounter the Southern Governors' Conference on their own grounds. And to discuss today's economic situation and reactions in the Capitol to that situation, there is no more suitable site than Disney World. Economically speaking, it is that kind of a world—a Disney world—in which we are living today. It is a world where illusion is advanced as reality, where solutions to the nation's economic ills are constructed out of a fabric of make-believe. Is that an exaggerated characterization? I think it is not exaggerated, not to the eight million or more Americans who are out of work and are told over and over again that we have turned the corner. Not to the millions more who are underemployed or have given up looking for jobs. Take this region of the nation. In North Carolina, unemployment is nine percent; in Alabama, 9.1 percent; Georgia, 9.7 percent; South Carolina, 11.2 percent; and Florida, 12.1 percent. Those figures represent a world of shattered hope, interrupted lives, suffering and anxiety.

Inflation is another aspect of contemporary economic reality. It is just as debilitating to the nation as unemployment. The rate of price-rise was twelve percent last year. On an annual basis, inflation is now back into double digits. The price of food and gasoline, heating oil and rent, housing costs and electricity—not the frills and luxuries—but the essential components of life for Americans—the prices of these items are also the components of the price of inflation. They are soaring out of reach of the income of millions of Americans.

New York City tells us something of the state of the American economy. Some will dismiss that tragic situation as not a reflection of the economy but the product of mismanagement and inefficiency. To be sure, that may be involved in the New York predicament just as it is probably involved in other cities and other governmental units in the nation, including Washington. The fact still remains that many cities are on the brink of disaster and financial collapse and much of it has to do with the state of the economy. New York is only the first in what may be a very long line of cities in need of bailout relief. The fact is that the federal government has already had to do the same for Lockheed Aircraft, the Pennsylvania Railroad and other large business enterprises. In a sense, cities, too, are enterprises, caught in similar economic forces. If the nation could not afford the collapse of the Pennsylvania railroad system, can it stand by while cities and, perhaps, state governments go down the drain?

We will not get far in meeting the nation's problems by trying to defect their sting by blame-fixing; much more to the point is the fact that the nation's productive capacity is operating far below its potential. There are factories standing idle although there are idle hands ready to operate them. Production dropped more than nine percent last year; personal income has declined; consumer spending is down twelve percent and the drop is fifteen percent in business investment.

What about housing? Construction is down by well over one million units annually—with unemployment still running at nearly 30 percent throughout the industry. Much the same story applies in automobiles. These are some of today's economic realities with which you are, I am sure, all too familiar. It is in line with these realities, not our wishful thinking, that we must direct our efforts. From the Administration come words of economic hope about flickers of economic hope. However sincere the words and whatever the flickers of hope, the Administration's vetoes have set the stage for further reversals in the nation's economy. Last week's rejection of the Emergency Petroleum Allocation Act Extension was a final straw. It stripped whatever protection was left to the nation against price gouging in petroleum products. I am frank to say that I do not know the exact toll—the specifics of what will happen in the next few months and in the years ahead. But, the door has been opened wide—and unless there is a reasonable compromise—the door to widespread economic hardship and disarray.

There are many views on what is going to happen unless some form of allocation and price control regarding petroleum is restored. The Congress is working on that matter now; both sides in Congress are working on it. The Senate Leadership is under instructions to meet with the President to try to develop some reasonable reconciliation of positions and I will do whatever I can to that end. But, frankly, I am not too sanguine. In the meantime, the OPEC cartel of oil producers which meets in a few days holds a sword over the head of an energy-hungry world. In this nation, prices of imported petroleum will be increased—increased substantially—if the cartel yields to the suggestions of some of its members for a stiff price rise. Prices on domestic oil, freed from control by the President's veto, will follow suit. What is clear in spite of the ifs, and buts, is that the consumer is going to get hurt—whether he depends on fuel oil for his home, gasoline for his car, propane for the farm or any one of the countless other products which come from petroleum. A new wave of inflation, moreover, may be expected to run through the economy. The burden will be borne by your states and all states, by your cities and towns and by all cities and towns across America, by your farmers and all farmers.

The solution? The Administration has its solution. Its solution is to leave the price of petroleum to free market forces. Free market forces? OPEC? Yet, that is where we stand now and that is where we will remain unless the situation produced by the veto can be redressed.

The policy of "free market forces," in effect, has turned over to the foreign OPEC cartel the power to set the price of energy in this nation. If maintained, this policy may well drive the only significant competitive forces in the oil business—the smaller companies—out of the market—leaving a few giants to manipulate energy production, prices and distribution. If maintained, this policy will, it has been estimated, cost the average American family an additional $600 yearly in terms of increased costs for food and fuel, for transportation, clothing, heat and electricity.

The notion of policy-making by excessive use of the veto has become an all too familiar pattern. All it takes is a determined Administration and one-third of each house of Congress ready and willing to go along. Last spring this sort of policymaking was applied to legislation on surface mining. At the end of May it was applied to jobs. The Emergency Employment Act passed by Congress was designed to create nearly one million jobs. It was vetoed on the grounds that it would "damage the economy." On housing, the veto came down in June. To stimulate construction of a million houses and to create two million jobs, Congress passed the Emergency Housing Act. But housing construction and jobs were not a part of the Administration's program. And so it has been, through seven additional Congressional majority efforts to deal with national problems which brought forth seven additional vetoes.

To be sure, there have been areas of cooperation between the Administration and a majority of Congress; too few, however, in my judgment, with too little in the way of results. There was the tax cut, for example, which was designed to induce consumer spending and stimulate recovery. The impact of that action has been offset largely by the Administration's restrictive monetary policy.

Where is the way out of the economic doldrums? We hear talk about the need for a tight federal budget and tight money. Of course we need to keep rein on government expenditures—at all levels—in good times and bad, and especially on the extravagant and the irrelevant. But the Administration proposed a massive deficit of over $50 billion in the federal budget for this fiscal year.

It is said, too, that the fault lies with the American people who ask for too much. Tell that to the grocery shopper who feeds a family on inflation-eroded wages or a fixed income. Tell it to the worker whose job lies 20 to 50 miles from home and there is no way to get to it except by burning gasoline at 60 cents and more a gallon. Tell it to the homeowner trying to keep out the cold.

A hands-off economic policy, in my judgment, has little relevance at this time to the nation's economic ills. We are a massive and complex society. It has long ceased, if it ever did, to operate best on government indifference or disinterest. Indeed, without massive government, it cannot operate at all. We are bound into an economic and social complex that has been built up over decades and we cannot evade it by immersing ourselves in politics as usual. There is no turning back the clock to a time when Main Street was mainland America and simple solutions were the order of the day. Federal policies derived from a sentimental view of how America used to be when most Americans farmed for a living do not respond to the needs of America as it is, today, and as it is going to be tomorrow. At last count, only about five percent of the population lived on farms.

There is no substitute for an intelligent and substantial input from government if the economy is going to be restored. That kind of input can only be achieved if there is cooperation—cooperation between parties, cooperation between branches of government, cooperation between the federal government and state and local government. Out of this interaction can come a more integrated perception of the nation's needs and a more integrated response to those needs.

Any integrated action, today, has to begin with an effective energy policy. It is critical to ending the recession. It is critical to ending the inflation. There are some who would say let the lifting of price-controls take full effect, let this Administration rejoice in the achievement or suffer the consequences of a Pyrrhic victory of the veto. I do not agree. That may be the case, in any event, unless a greater disposition to reconcile positions develops in the Congress and the Administration.

Speaking personally, it is my judgment that the sooner we restore some measure of control over energy prices, the better for all concerned, including the Administration. Above all else, we must get on with the job of putting into effect a comprehensive energy program. We have got to look ahead for twenty-five or fifty years and at the utilization of all sources of energy. That is a far larger and, in the end, far more important question than price-policy. In the Senate, we have passed seven bills which form essential components of such a conservation and development program. The passage of only two or three more bills will complete this program. We are trying, now, to join this initiative with initiatives in the House of Representatives and with any which the Administration sees fit to contribute.

The federal government also has a responsibility without delay, to put a massive dent in the high unemployment figures. The more we do to stimulate employment the faster this nation is going to recover economically and the better the prospects of dealing with the crises in the cities and other jurisdictions. If an expanded public service employment program is not possible, then other work incentive plans should be considered, whether administered by government or industry.

For continued economic stimulus, I think the tax reduction enacted earlier this year should and will be made permanent. I think Congress will insist on such an extension. At the same time, I would hope the Federal Reserve could be made to relax its monetary policy so that the various arms of government become more consistent in the effort to boost the economy. To be sure, the federal budget deserves scrutiny to try to keep nonessential spending in check. The Senate, in fact, has held the line against measures exceeding Congressional budget limits, for example, in accepting the Budget Committee's recommendation in sending back to conference, bills on Defense and school lunches with orders to reduce the amounts in both. Tax reform is another major area of concern; Congress and the Administration must address themselves to the matter of closing off loopholes and providing greater equity of burdens among taxpayers. Tax shelters and tax evasions for the wealthy make a mockery of the concept of the graduate income tax and contribute greatly to the growing cynicism towards all government.

These are but a few of the areas that require attention; there are others.

Events of the past several years have forced us to recognize the inadequacies of existing mechanisms for analyzing, planning and guiding the nation's economy away from the pitfalls of recession and inflation. In its creation of a new budget planning facility and a Commission on Economic Foresight, Congress has recognized this reality. Most of us have also learned, I think, that problems such as the oil crisis or food shortages or whatever are inextricably related to the nation's total economic well-being. Time and again we find ourselves scrambling to respond to economic situations which could have been avoided. If the wrong decision is made—whether minority-produced by the use of the veto or produced in haste by the majority—the consequences can be devastating to all of us. In other instances, we seem to lack effective and efficient bureaucratic structures and tools to implement well-meaning and well-conceived policies. A more selective, better administered and precise application of such programs, as Medicare, public service jobs or public works, for instance, could greatly intensify their economic and social value.

The economic crisis which is not being dealt with adequately by the government is creating divisions within the nation, within the states and cities. The feeling is growing that the sacrifices which are being made and will continue to be made as a result of this crisis are not being borne equitably. That is a challenge to Congress, to the Administration, to governors and mayors. We must see to it that the burdens are more equally distributed. We must see to it that the poor, that those on low incomes, those who labor on the farm or live in the ghetto, are not made to suffer more than their share. I reiterate that that is our paramount responsibility—yours and mine, the responsibility of the President, of the Congress, the governors, the mayors—to insure that the impact of economic recession is minimized and its hardships are fairly distributed. The best way to deal with the situation which confronts us is to speed economic recovery, to "get the country moving again." Together we must work to construct policies designed to meet the needs of the nation today and tomorrow. Yesterday is past.

THE SPIRIT OF FREEDOM: THE TRUE SPIRIT OF '76

Mr. DOLE. Mr. President, with the Bicentennial less than a year away, several articles related to the celebration of our Nation's 200 years of existence have recently been brought to my attention.

I urge my colleagues to take note of an article which appeared in the Compass, a publication of the Topeka Savings Association. The article to which I am referring, "The True Spirit of '76," written by Mr. Jack Lacy, provides an insight into the men and deeds of the last 200 years, a view that is, unfortunately, rarely noticed for the opaqueness of modern society.

I commend Mr. Lacy's contribution to the celebration of this Nation's Bicentennial to the attention of all my colleagues, and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The True Spirit of '76

(By Jack Lacy)

What has happened to the man who braved uncertainty, went out on his own, and, through native wit, devotion and duty, and singleness of purpose, somehow created business and industrial activity where none existed before?

Where is the heroic figure of American folklore who was akin, perhaps, to Davy Crockett and other truly indigenous epic types—stalwart, independents who hewed forests, climbed over the tops of mountains, built new communities, rose from nothing to something, and did all the things American heroes must have done to build a great nation?

He was the enterprising man. Like him or not, he is still fascinating to Americans. The reasons are not hard to find. For one thing all of the great fortunes in America were built through entrepreneurial activity. America's social structure is a product of the milling efforts of thousands who came to these shores seeking their fortunes and hoping Lady Luck would beam on them. Those upon whom she smiled became great figures of power and in many cases established family dynasties persisting through many generations.

But there is considerably more than this behind the allure of the entrepreneur. His values and activities have become a part of the character of America and intimately related to our ideas of personal freedom, success, and, above all, individualism. He represented the rags to riches theme in its purest sense, for he rose on his own by building a soild structure beneath him, not by social climbing. He got there by what he knew, not who he knew. His resources were all inside, not outside. The story of this man is a drama in which the protagonist challenged the established order and forged ahead toward the glowing light called "success" using only native wit, ability, and hard work—with perhaps a bit of luck and Calvinistic fate thrown in for good measure. He was successful because he stuck to the simple and obvious American virtue. He built a better mousetrap or provided a better service and he did these things in the best way he knew.

Today there is a connotation of manipulation, greed and avarice, and grasping acquisitiveness associated with doing business for a profit. We are taught that while it is true the entrepreneurial hero built railroads, canals, communities, industries, and great systems of trade, there is also the implication that in the process he befouled nature, sullied valleys, denuded forests, muddied and contaminated the rivers and streams, scarred Mother Earth, and generally ravished the natural order of things. We are told Nature and God's creatures, including ordinary folk all suffered at the hands of those who sought to impose their will on the natural order.

No one speaks on behalf of the enterprising man. No one says he was more constructive than destructive. No one tells us it is more important to seek opportunity than to languish in security. No one reminds us that each performance of the enterprising man . . . each new business . . . is a renewal of the democratic notion that all men are born equal and that the value of the individual to society does not depend upon family or social class. No longer are we told that America is the only place on earth where a man, through his own efforts, can go out and achieve the status of success.

The deeper traditions of our society, its history, myths and many of its heroic figures are falling into oblivion, buried beneath a plethora of politics that seeks to control rule, regulate and restrict.

The symbolism expressed in the American image of the enterprising man is a profound reflection on our national history and character. We are a people who for nearly twelve generations went through the recurrent process of imposing man's will and men-conceived structures on a wilderness of primeval forests, rugged mountains, mighty rivers, unending plains, and waterless deserts. Though this resurgent effort at the moving edge of the frontier has long since ended, the spirit and the imagery must live on if free enterprise is to survive. It is the spirit of freedom that is truly the spirit of '76.

GEORGE CRONIN: 1934–75

Mr. HASKELL. Mr. President, the unexpected death of George Cronin in Denver, Colo., last Tuesday night was a tragic loss for all those who either knew him on a personal level, worked with him on a professional level, or relied upon his expertise as a gifted compassionate staff member of the Senate Committee on Aging.

His loss, however, holds a special sadness for those of us from Colorado.

George had his roots in Colorado; he was born in Denver, attended East High School and graduated from the University of Denver. Along with the surviving members of his family, he will be sorely missed by his scores of Colorado friends and associates.

It was in Denver that George first demonstrated his dedication for improving the lot of the needy and in pressing for the further democratization of our political system. For he cared about people, and he cared about good government. And what George Cronin cared about, he tried to do something about.

He was an active, reform-minded participant in Denver Democratic politics and served 4 years as a staff member of the Denver Election Commission. His desire to serve his fellow citizens also led him to a post with the Denver Juvenile Court where he supervised VISTA volunteers for nearly 3 years.

George was only 41 when he passed on, and it always seems like such a waste when a talent like his is cut short at such a young age; he had so much to give us. But we can derive a very real satisfaction from the knowledge that he had given much—more than most.

It is not merely for longevity nor even for material accomplishments that we remember those who went before us, more importantly, the things for which they stood and the goals for which they strived. By any such standards, George Cronin long will be remembered with respect and affection.

A BRIGHT CROP FUTURE

Mr. TOWER. Mr. President, Texans are rightly proud of the contribution our farmers make to our Nation's food and fiber system. And it is sometimes easy to think of this contribution in terms of cotton and cattle.

But one of the most enduring contributions which Texas has made to the American agricultural system in recent years is one of leadership.

For the past 2 years, W. B. Tilson, who farms the Texas high plains area, has provided vigorous leadership to the American Soybean Association—the first Texan to hold that post.

In that position he has represented the industry around the world, including the World Soy Protein Conference in Munich in 1973. Mr. President, I know that my colleagues share my concern for the world protein deficiency which constitutes the single most dangerous threat to the lesser developed countries. We can be hopeful that soybean growers in America can continue to make significant contributions to a solution to this problem.

Mr. President, I would like to take this opportunity to congratulate Mr. Tilson at the conclusion of his tenure as president of the American Soybean Association. His very effective leadership is a source of pride to me and to all Texans. Mr. Tilson's efforts reflect the dedication of all Texas farmers to providing for America and for the world.

I must admit, Mr. President, that I am somewhat jealous of Mr. Tilson's being able to return to his farm in Plainview. That is mighty beautiful country, and it is mighty productive farmland, but 2 years is a long time for a farmer to be away from the land, and I know that he will enjoy being a full-time farmer again.

Mr. President, the Southwest Farm Press recently published an interview with Mr. Tilson which reflects his work as a farmer and president of the American Soybean Association. I believe this article, which discusses the role of soybean production as a partial solution to world food needs, will be of interest to my colleagues, and I ask unanimous consent that the text of the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Southwest Farm Press, August 14, 1975]

Retiring ASA President Sees Bright Crop Future

(By Calvin Pigg)

Plainview, Tex.—W. B. Tilson says he remembers clearly how he "liked the looks" of the first soybeans he ever saw growing on the High Plains of Texas. He also recalls the tinge of embarrassment he had trying to find a buyer for the first bean crop he produced back in 1952.

"We took them out behind the elevator

and dumped them on the ground for lack of a better storage place," he said.

On August 12, Tilson, amiable 53-year-old Hale County farmer, completed a two-year term as president of the big American Soybean Association (ASA) during the organization's 55th annual meeting in Memphis, Tenn., the first time a Texan has held top post within the major commodity organization.

"Had I been able to put money together to attend engineering school like I'd planned, I probably wouldn't have made a farmer, but I just couldn't swing it during the Depression of the early 1930s," said Tilson during an interview on his 1,200-acre multi-crop farm located some 13 miles southeast of Plainview.

During the patio visit with Southwest Farm Press the widely known commodity leader spoke of his own soybean production methods, the past, the future for soybeans in the Southwestern United States, as well as some of the advances made by soybean growers across the 25 producing states over the past years.

VERSATILE, STABLE

Soybeans are a versatile and stable crop now among Texas and Oklahoma farmers who grow them, more than a secondary crop, he suggested. Yields on his own farm hit around 45 bushels consistently and he thinks more soybean farmers could do the same.

On the world trade scene, he believes that while the oilseed continues to make solid gains, the government's temporary ban on soybean exports a couple of years took some of the "Cinderella" out of the crop, resulting in the loss of customers for U.S. growers and spurring new competition. But basically, the ASA prexy says he's still as excited as ever over the future for the multi-use agricultural commodity.

Today Tilson's two sons-in-law are at the management helm of the 1,200-acre irrigated sandy loam farming program on the Plains. Crops on the place include 290 acres of soybeans, 300 acres in milo, 260 acres in cotton and 80 acres in sunflowers. Land normally in wheat was turned to flowers this year.

"Our crops—all of them—are looking extremely good right now," said Tilson during an interview and tour of the weed-free farm. "The slow soaking rains in July and cool temperatures are something we seldom have seen here. Our beans are blooming fully and we've not even had to water across the whole farm as yet." Rains continued into August.

EXTENSIVE TRAVEL

The fact that his sons-in-law, LaMarr Ramsey, age 40, and Larry Haydon, 31, have operated the farm since 1972 has let Tilson devote full energies to the ASA presidency, including extensive travel worldwide.

"I knew I had two strikes against me when LaMarr and Larry joined up with the operation in 1965—one, I was a father-in-law, and secondly, I was a landlord," Tilson explained gingerly. "I tried to stay out of the boy's hair but tried to keep them from making any serious mistakes. Now, I couldn't be happier with our family arrangement."

Tilson's oldest daughter, Kaylene, is married to LaMarr while Larry is married to the younger daughter, Karen. Both LaMarr and Larry had not had prior farming experience. The senior Mrs. Tilson is the former Cleo Young.

Tilson himself, following jobs in the oil fields and construction industry, returned to Hale County, and put in his first crop in 1934. Hard Depression times sent him homeward, shattering his hopes of attending Texas A&M College and taking electrical engineering. He rented 256 acres of farmland and later added another 640 acre section. Tilson's major land purchases came during the early part of the 1960's.

FOUR MAJOR CROPS

One of the interesting facets of the Tilson operation is found in its diversity—four major crops, not just soybeans. "I'd hate to think I was limited to being a one-crop farmer," said Tilson. "I've tried through the years to run cotton, soybeans, wheat and sorghum. We've got the soils and the water and the planting of a number of crops spreads your income and limits the risk."

Tilson says he has grown soybeans on the place as part of his rotation system since his first crop in 1952.

"I saw my first crop of soybeans growing on the farm of the late W. E. Burnett near here in '51 and I liked how they looked," Tilson explained, turning back the pages. "They were plain pretty in the field and they looked to me to be adapted to our kind of country."

"We seeded the old Ogden variety then, and you had to get 'um fast before they popped out of the pod. I later got and planted the first Lee variety beans in the county.

NORMALLY PROFITABLE

"At first we had difficulty getting rid of beans (marketing). We took them to Littlefield and then to Lubbock. I remember one year when Roy Davis, the manager of Plains Cooperative Oil Mill at Lubbock, had us dump the soybeans on the ground behind the elevator because there was not enough beans to go into storage.

"Soybeans had been grown before that in the Muleshoe area and yields ran 17 to 18 bushels to the acre. During those early years we were able to harvest up to 30 bushels and at $1 per bushel we could beat wheat," he said.

Currently, there's between 475,000 and 500,000 acres of soybeans planted in Texas' three major growing regions, plus 100,000 acres-plus in Oklahoma. Nationwide, acreage approaches 54 million, with a 1.5-billion-bushel yield potential from farms in the 25-state producing area this year. To be sure, Texas and Oklahoma were not the pioneer soybean growing states.

SINGLE ROWS

Tilson said beans on his farm will yield around 45 bushels per acre, full-season maturity types planted in 38 and 40-inch rows. An increase of from 15 to 20 bushels in the past 15 years is due mainly to the introduction of newer, improved varieties.

Currently, the Tilson farm is planed to four varieties—York, Columbus, Mitchell and Hill.

"You can't say there've been any dramatic breakthroughs in soybean production, except for the higher yields coming from new variety introductions," said Tilson acknowledgingly. "Here in the Southwest we're still using somebody else's soybeans."

The gain of major import for soybeans in Texas and Oklahoma in the ASA president's view is that the crop is now well established as a major crop among farmers who grow them. They've graduated from "catch-crop" status.

PRICE RELATIONSHIPS

As to the future of soybeans, that'll largely depend, believes Tilson, upon the changing price relationships between all the major crops grown in the area.

"This whole country is capable of raising 45 to 50-bushel soybeans consistently where you have ample water from either irrigation or 30 or more inches of rainfall a year," Tilson went on to suggest.

"If a grower on the Plains isn't making these yields, he's doing one of three things wrong in my opinion. He is either using the wrong varieties, using the wrong tillage practices or is watering at the wrong time.

"From our experience different varieties need different tillage practices in terms of row-width. Early maturing varieties should be planted either narrow-row or double-row and irrigated earlier than the standard Category IV or V soybeans in order to get height on the beans and maximum yields.

IRRIGATE AT BLOOM

"The full season varieties may be seeded double or narrow-row fashion, but on our farm we are still planting with a wide single row," continued Tilson, explaining his keys production.

"We will begin irrigating our varieties when they've started full bloom and we never let them stress for water again."

"You must have good rich soils to make yields in the 45-bushel range, of course," said Tilson, citing his experience. "Direct fertilizing of soybeans has not helped, but we prefer to follow milo with beans for sake of providing some plant food to the plants. Some plow-down fertilizer—like an 11–48–0 per acre—is used on the farm for beans, however."

Unlike some areas, insects and disease have posed little problem on the Tilson farm, partly due Tilson thinks to a strong crop rotation.

"We've tried hard to get our fields clean of weeds and to keep them that way," noted Tilson. The farm fields are almost weed-free and crops are uniform, showing expert management at all levels.

RESEARCH EFFORTS

Better adapted soybeans from Southwest-based research is needed badly, he said. On a national scale, ASA is funding research aimed at reducing field harvest losses and at finding ways to better utilize fertilizers. The in-field use of foliar fungicides, which has been pioneered in Texas along the Gulf Coast, as well as in other states, stands to put more money in grower's pockets in the immediate future, the ASA president contends.

As to markets, Tilson quickly refers to what he calls "the tremendous versatility of soybeans," one single commodity that has found itself a useful place in human and animal nutrition and industrial purposes as well.

ASA is putting $200,000 and $300,000 annually into various research projects from funds provided by growers. Most of the organization's efforts at market expansion has been centered on foreign countries, but the retiring president told SWFP he wouldn't be surprised to see soybean products promoted actively within the U.S. someday.

ASA GAINS

Turning to his two years as leader of ASA, Tilson said these two years have been "climatic" both for the organization as a whole and for himself personally. During this time three big soybean producing states—Illinois, Iowa and Minnesota—have voted in the research-promotion check-off program, giving ASA expanded financial muscle.

This move, along with others, has vaulted ASA into the position of becoming the largest single agricultural commodity organization in the U.S. "We enjoy an enviable reputation in many parts of the world where we sell soybeans," suggested Tilson.

This admiration comes mainly from the fact that ASA maintains specialists in many fields of soybean use, such as in animal and human nutrition, who are on call without charge to foreign soybean customers. "We have a quality product and specialists available to service our customers at nearly every point in the world."

EFFECT OF EMBARGO

He called ASA a tremendous force in the world today. "ASA, I feel, has become a viable force," continued Tilson, "because we've had funds to do it with and partly because of the negative impact of the export embargo."

Soybeans will never fully recover their losses as a result of that embargo, he suggested, and in our view it "was all so uncalled for." He noted that other countries, like Brazil, are entering bean production and customers are seeking alternate supplies. Competing oils are making inroads as well.

On balance, however, Tilson said he is as enthusiastic over the potential for soybeans as he's ever been, considering long-range potential, South America, the Middle East and Africa hold great new marketing opportunities for U.S. growers.

"The Middle Eastern nations with their new prosperous situation from oil income are ripe for a move in there right now. The nutritional value for soy products in upgrading the human diet is well-known and proved time and time again," he said.

He noted that substantial sales of soybeans are being made to Mexico today. "We weren't selling a bean in Mexico four years ago."

$4 MILLION BUDGET

ASA basically is funded by three sources—producer funds from grower check-off programs, monies provided by the Foreign Agricultural Service and by third party funds, such as by commercial firms overseas. The total ASA budget was $4,306,000 for 1974.

Ranking at the top of Tilson's two years of leadership for ASA he says must be his participation at the World Soy Protein Conference held in November 1973, at Munich, Germany. He led the U.S. delegation to the conference, attended by 1,100 delegates from 54 nations around the world.

"Delegates showed tremendous interest in soybeans and soybean products for various uses and the 'waves' that have come out of the conference among many nations are serving too upgrade the levels of living in many emerging nations," Tilson went on to explain.

"Leaders of many nations are anxious to upgrade diets among their peoples as a way to maintain law and order in emerging nations. There's outright competition for improved nutritional levels among people's today."

ANOTHER CONFERENCE

He said that ASA would be sponsoring a Food Protein Conference in Mexico City in November of this year.

Last year the West Texan and a soybean delegation penetrated the Iron Curtain via a trip into Eastern Europe. The opening of an ASA Eastern European trade development office in Vienna, Austria, was one immediate result.

ASA's reputation, supported by its leadership and carried out by the Iowa-based ASA headquarters under the head of Ralph Jackson, executive officer at Hudson, Iowa, "is to create a quality product with a reliable supply for our customers, and then service your customers."

NEED GROWER SUPPORT

Turning to the subject of grower-sponsored commodity organizations in general, Tilson noted that there's never been a time when market expansion activities needed the active support of farmers as much as they do now.

"We need members to be able to enhance our resources and our reputation in the eyes of our customers and potential ones. Believe me, there's more going on beyond a farmer's own fencelines today to directly effect the grower's income than ever before in U.S. agricultural history. Commodity groups, particularly, need the tools at hand to strike while the iron's hot."

The ASA convention was held at the Rivermont Hotel in Memphis, Aug. 10, 11, 12 and 13. Tilson, after a successful tenure of representing all U.S. soybean growers, passed the gavel to a new leader on Tuesday. Good job, well done, Berwin.

AGREEMENT REACHED ON SECOND CONFERENCE REPORT FOR THE MILITARY AUTHORIZATION BILL

Mr. STENNIS. Mr. President, I would like to announce that the Senate and House conferees have reached agreement on a second conference report for the military authorization bill (H.R. 6674). This latest conference report totals for fiscal year 1976 $25.5 billion, which is a quarter of a billion dollar reduction from the earlier conference report. Including the 3-month transition period between fiscal year 1976 and fiscal year 1977, the total funds authorized come to $30.9 billion.

The earlier conference report, which had been approved by the House, was rejected by the Senate by a vote of 48 to 42. Although this first conference report represented approximately an even split of the money differences between the House and the Senate. Senate rejection of the report was a clear signal to the Senate conferees that they must further consider the measure.

The conferees accepted the verdict of the Senate, and after more meetings with the House, we have made further reductions. The latest conference report had been reduced by an additional $250 million and the split in the money differences between the House and the Senate is approximately 2 to 1 in favor of the Senate—in other words, the conference report is about $1 billion below the House-passed bill and only $500 million above the Senate-passed bill.

The new conference report, in round numbers, is $3 billion or 10.7 percent less than the administration requested for these purposes in fiscal year 1976. In its present form, the conference report is only 2 percent above the bill as it passed the Senate.

This quarter of a billion dollar cut was spread among five programs.

STRIKE CRUISER

The House had originally authorized $60 million for advance procurement of long-leadtime components for a nuclear powered strike cruiser in fiscal year 1976. The Senate had made no such authorization. After extensive deliberation in the earlier conference and agreement by the House to delete a $368 million nuclear frigate, the Senate conferees yielded to the House by including the long lead funding for the nuclear strike cruiser.

In the recently completed conference, all funding—$60 million—for the nuclear strike cruiser was deleted. Thus the Senate prevailed on the House to eliminate the start of a whole new ship program—the nuclear strike cruiser. And this was a program to which the House conferees were strongly committed.

AWACS

The Senate initially approved the procurement authorizations requested for six AWACS command and control aircraft—$430.5 million in fiscal year 1976. The House voted $215.3 million for three AWACS planes. The first conference authorized all six aircraft but cut the funding request by $40 million to $380.5 million. Based on recent developments in the fiscal year 1975 AWACS program, the second conference cut an additional $30 million for a program total in fiscal year 1976 of $350.5 million. Also, the conference report recommended that AWACS spares be reduced by $30 million.

F–15 AIR FORCE FIGHTER

The House initially approved the $1,400.6 million requested for the F–15 program. The Senate authorized $1,378.3 million. The first conference adopted the House position and authorized the full F–15 program in fiscal year 1976. In the new conference, however, the House receded to the original Senate position and reduced the F–15 program by $22.3 million.

PATROL FRIGATE

The Senate originally voted $617.5 million to authorize 7 of 10 patrol frigates requested at a total cost of $955.5 million. The House voted only $837.1 million, but authorized all 10 ships. The first conference approved the 10 ships at a cost of $887.5 million. The new conference eliminated one patrol frigate costing $85 million, leaving the authorization at 9 patrol frigates totaling $802.5 million.

AIR FORCE AIRCRAFT SPARES

The House initially trimmed $30 million from the $1.1 billion request for Air Force aircraft spare parts in fiscal year 1976. The Senate voted $672.2 million for fiscal year 1976, a reduction of roughly $400 million. The first conference approved $872.2 million for fiscal year 1976.

The new conference further reduced spares, including the AWACS by $52.7 million to a level of $819.5 million.

In all other respects the second conference report is identical to the first conference report. The new reductions, however, did not affect authorizations for the 3-month transition period between fiscal year 1976 and fiscal year 1977. Except for the AWACS each of the adjustments confirmed actions included in the Senate-passed version of the bill.

RELATIONSHIP TO THE CONCURRENT BUDGET RESOLUTION

In the earlier Senate debate, there was some concern that passage of the first conference report would unduly threaten the overall budget target for the "National Defense" category. According to the Budget Reform Act, the "National Defense" category consists of military programs of the Department of Defense and programs outside the Department of Defense such as foreign military assistance, atomic energy defense activities, and stockpile and petroleum transactions. It is of course difficult to assess with precision how an authorization bill, dealing with only a portion of the defense category, will relate to an overall National Defense target. House conferees argued that an authorization conference report sets upper limits on budget authority and is not an appropriations action to be measured against the concurrent budget resolution. They were reluctant to make any further reductions. The Senate conferees had no specific budget target or guidance in terms of dollars from the Senate or the Senate Budget

Committee as to the adjustments that would be required to make the conference report consistent with the budget resolution.

Without going into the details at this time, I can say that this second conference report is a substantial reduction from the initial conference report, both in its dollar amount and its impact on particular programs.

I cannot say, however, that this conference report will guarantee that the budget target suggested for the defense category will be achieved. Ultimate achievement of that budget target depends on congressional treatment of several major costs outside U.S. forces which do not contribute to our real military capability:

Over $2 billion of aid to Israel; as much as $1 million in pay raises to retired military and blue-collar workers; up to $900 million petroleum and stockpile receipts, and so forth.

In that connection recent Senate action sustaining the 5 percent pay cap will make it easier to achieve the goal set by the concurrent budget resolution. Also, the appropriations acts, both as they apply to items covered in the authorization bill and the other items remaining in the defense category, will be the deciding factor on compliance with the budget resolution.

I can say, however, that this military authorization bill carries far more than its proportionate share of the deductions from the President's budget request that will be necessary to reach the congressional budget authority target. Realistically, this second conference report is the final limit to which the House will recede from a bill that passed the House by an overwhelming vote.

Finally, Mr. President, the conference report represents an authorization level which I consider to be an appropriate minimum for national security. I believe the Senate should fully support this conference action. I, therefore, respectfully urge each Member of the Senate to personally consider the conference report, these remarks, and any related materials that they consider appropriate.

I ask unanimous consent that a copy of a letter I have written to each of my colleagues be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Armed Services,
Washington, D.C., September 19, 1975.

Dear Colleague: The conference on H.R. 6674, the Military Authorization Bill, is finished, and I want to give you the results Although no definite amount was established by which the bill should be further reduced, the Senate's vote clearly mandated that some additional reductions be made.

The conferees reduced this bill $250 million below the previous conference bill to a level of $25.5 billion for FY 1976. In its present form the bill is $500 million, or only 2 percent above the bill as it originally passed the Senate. The split in money differences between the House and Senate is two to one in favor of the Senate—in other words, $1 billion below the version as passed by the House and only $500 million above the Senate passed bill.

In terms of the items reduced, the conferees deleted: (a) the $60 million for long lead funds for the nuclear strike cruiser which entirely eliminates the nuclear strike cruiser for FY 1976, (b) approximately $60 million, including spares from the AWACS program, (c) one patrol frigate in the amount of $85 million, (d) $22 million from the F-15 program, consisting of engineering changes, and (e) some additional funds in the Air Force spares account. Except for the AWACS, all of the foregoing reductions were in the bill as previously passed by the Senate.

In summary, the Senate conferees have returned a bill which eliminates all funds for the nuclear strike cruiser and further reduces the bill by $250 million, leaving a total which is only 2 percent above the bill as originally passed by the Senate. The conferees have met the spirit and purpose of the concurrent budget resolution. I respectfully urge your support of the conference report in its present form.

I expect that the conference report will be brought up for action early next week.

With best wishes.

Most cordially yours,

John C. Stennis.

TIME TO QUIT FOOLING AROUND

Mr. PERCY. Mr. President, on September 10, the Senate sustained President Ford's veto of S. 1849, the 6-month extension of the Emergency Petroleum Allocation Act. It was heralded by the media as a victory for the President and a defeat for the Democrats.

I did not at that time, nor do I now perceive that vote as a victory for either side. Such claims miss the point entirely. I consider sustaining the veto as a mandate for compromise. I begin to feel like a broken record when I say that the U.S. Congress simply must stop playing politics with energy and begin to take on the leadership role to which we have been elected. It is frightening to me to see the massive number of letters from constituents who still doubt the reality of our energy crisis. Why? Because there is no indication from the legislative branch of our Government that such a crisis exists. The President's proposals have been blocked repeatedly. The outrage is that these proposals have not been blocked because the Congress has better proposals. The further outrage is that this continual state of inaction is leading our constituency to believe that there is no serious shortage of domestic energy supplies and therefore no need to conserve.

With each passing day we are becoming more and more dependent on expensive foreign oil and moving further and further away from our goal of achieving energy self-reliance.

Two years after the OPEC price explosion, we still have no national energy policy. Other than the 55 miles per hour speed limit legislation that I had sponsored the passage of which was made possible by the leadership of Senator Jennings Randolph, we have not enacted a single mandatory energy conservation measure. The OPEC countries are expected to raise their prices again, and after 9 months of debate, the Congress still has not decided the issue of decontrolling oil prices.

We have enacted unanimously a sense of the Senate resolution recommending conservation measures that can be taken by citizens but its implementation is left to the conscience of each individual. That resolution, Senate Resolution 59, was sponsored by Senator Randolph and cosponsored by myself and 66 others and was passed on February 5 of this year. I commend Senator Randolph for his leadership in encouraging voluntary energy conservation efforts and in the enactment of the 55 mph speed limit.

I am cosponsoring the most recent bipartisan effort at compromise in the nature of a bill providing for a phased decontrol of oil prices over several years. The details of this plan are subject to negotiation. The important thing is to reach agreement on an oil pricing policy so we can move on to other areas of energy conservation.

Mr. President, the impasse with which we are faced cannot continue. The consequences of perpetuating this stalemate are unhealthy for our Nation and the people we represent. In a September 15 editorial, the Chicago Tribune expressed the same frustrations I have expressed and arrived at the same conclusions. The need for action is paramount. The time for action on an oil pricing compromise is now. I ask unanimous consent that the editorial from the Chicago Tribune and the text of Senate Resolution 59 be printed in the Record.

There being no objection, the editorial and the resolution were ordered to be printed in the Record, as follows:

Time To Quit Fooling Around

The Senate's failure to override President Ford's veto of the six month extension of oil price controls should convince the Democratic leaders in Congress that it is time to do something constructive on an energy program—and that means a compromise with the administration.

It is clear that neither the Democrats nor the President and the Republican members of Congress can go it alone. The Democrats can block any administration proposal, but they can't muster enough votes to override a Presidential veto of their own weak-kneed programs.

Instead of prolonging this stalemate, Congress and Mr. Ford should work together toward a program that will allow domestic oil prices to rise gradually to world market levels and thus protect the consumer from a possible price jolt that some fear would trigger a new round of inflation and weaken the already fragile economic recovery.

Let's face it: The Organization of Petroleum Exporting Countries is going to raise its prices for oil on Oct. 1 whether we like it or not. The best guess today is about $1.50 a barrel. That would bring the price of imported oil to about $15 a barrel, including the $2 import fee, or nearly three times the controlled price of "old oil." A spread of this magnitude is bound to cause uneconomic distortions in the market.

President Ford has suggested that he is willing to accept a 45-day extension of controls in order to give Congress time to enact the necessary legislation for an orderly decontrol, presumably accompanied by an end of the import fee. Senate Democrats, however, apparently have rejected the offer. Since many members of Congress are concerned about the huge profits that might then accrue to the oil companies, they should enact a windfall profits tax—provided that it offers incentives to companies that use earnings for new exploration or new production facilities.

Mr. Ford is also willing to protect the farmers [and indirectly the consumer] by means of a rebate to offset their higher fuel cost. And Congress can legislate protection for the independent oil refiners and marketers against arbitrary cutoffs of their supplies by the big companies.

We're not as worried as some politicians and economists about the impact of sudden decontrol; yet it would be naive to expect the OPEC cartel to wait until the next election to maximize its profits at our expense. To this extent, the worriers are thoroughly justified—which is why Congress should have acted long ago to reduce our dependence on OPEC oil. The trouble is that those who worry the loudest about rising prices tend to be the same ones who have dilly-dallied for years about a purposeful energy conservation program. It is time now for Congress to quit fooling around—and if it decides to protect us from the free market with rebates and other gimmicks, let them be as short-lived as possible.

Senate Resolution 59

Resolved, that it is hereby declared to be the sense of the Senate that wasteful energy consumption in the United States must be eliminated at this time when our country is experiencing unprecedented economic and energy problems and is faced with severe shortages of energy, and requests the President to issue a national proclamation calling for a national Energy Conservation Crusade and declaring the period from February 16 to March 15, 1975, as "Energy Conservation Month". In the observation of Energy Conservation Month—

The President is called on to publicize information for government, industry, and consumer use on appropriate energy conservation measures and to direct the Federal establishment to institute all available action to reduce energy consumption without reducing the level of essential services being provided to the American people;

Governors, county executives, mayors, and other responsible officials are called on to examine the activities of State and local government and wherever possible institute comparable measures to those of the Federal government to promote energy conservation;

Business and industry are requested to examine their energy consumption practices and institute measures to eliminate unnecessary energy consumption and improve efficiency of use of available energy supplies, to curtail ornamental lighting and nonessential lighted advertising, to adjust business hours to reduce energy consumption, and to modify building operating and maintenance practices to promote energy conservation; and

The American people are called on to take the initiative in conserving available energy supplies by observing the 55 mile per hour speed limit on highways, by reducing the use of energy to heat and cool homes, offices, schools, and commercial establishments, by increasing the utilization of mass transportation facilities, carpools, compact cars, and stick-shift motor vehicles, and by installing insulation in their homes.

Sec. 2. The President is requested to report to Congress by March 31, 1975, on the steps taken to promote energy conservation and their results and on any recommendations for legislation he believes necessary to implement a continuing program of energy conservation.

Sec. 9. The President is requested to report monthly to the American people and the Congress on the status of energy conservation initiatives and their effectiveness, domestic energy supplies, domestic energy shortages, energy imports, and the impact of available supplies or shortages on the economy of and employment in the United States.

S. 2342—FEDERAL TAXPAYERS' RIGHTS ACT OF 1975

Mr. MAGNUSON. Mr. President, there has been great interest shown in the Taxpayers Bill of Rights Act of 1975. I ask unanimous consent that the text of S. 2342 be printed in the Record at the conclusion of my remarks.

Reform of the Internal Revenue Service is one of the most important issues this Congress must address. I and the other 12 sponsors of the bill would welcome additional cosponsors.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Federal Taxpayers' Rights Act of 1975".

Sec. 2. Amendment of 1954 Code; Meaning of Terms.

(a) 1954 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of any amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(b) Meaning of Terms.—For purposes of this Act—

(1) Return.—The term "return" has the same meaning as when used in section 6103 of the Internal Revenue Code of 1954.

(2) Other terms.—Terms used in this Act which are also used in such Code shall have the same meaning as when so used.

Sec. 3. Disclosure of Rights and Obligations of Taxpayers.

(a) In General.—The Secretary of the Treasury or his delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, prepare brief but comprehensive pamphlets which set forth in simple and nontechnical terms—

(1) the right and obligations of a taxpayer and the Service during an audit;

(2) the procedures by which a taxpayer may appeal any adverse decision of the Service (including administrative and judicial appeals);

(3) the procedures for prosecuting refund claims and filing of taxpayer complaints; and

(4) the procedures which the Service may use in enforcing the internal revenue laws (including assessment, jeopardy assessment, levy and distraint, and enforcement of liens).

(b) Transmission to Committees of Congress.—The Secretary of the Treasury or his delegate shall transmit drafts of the pamphlets required under subsection (a) (or proposed revisions of any such pamphlet) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Internal Revenue Taxation on the same day. Any draft (or any revision of a draft) of a pamphlet may not be distributed under subsection (c) until 90 days have elapsed from the date it was transmitted to such committees.

(c) Distribution.—The pamphlets prepared in accordance with subsections (a) and (b) shall be distributed by the Secretary of the Treasury or his delegate to any taxpayer upon request, and notice of the availability of such pamphlets shall be displayed prominently in all public offices of the Service. Copies of appropriate pamphlets shall be provided to any taxpayer with the first communication from the Service to the taxpayer regarding the taxpayer's liability for tax for a taxable year, if such communication occurs during a meeting or is in writing. If such a communication is by telephone, copies of the appropriate pamphlets shall be mailed to the last known address of such taxpayer within 24 hours after such a communication.

Sec. 4. Assistant Commissioner for Taxpayer Services; Taxpayer Assistance Orders.

(a) Assistant Commissioner for Taxpayer Services.—

(1) In general.—Section 7802 (relating to Commissioner of Internal Revenue) is amended by adding at the end thereof the following new subsection:

"(c) Assistant Commissioner for Taxpayer Services.—There is established within the Internal Revenue Service an office to be known as the Office of Taxpayer Services to be under the supervision and direction of an Assistant Commissioner of Internal Revenue. The Assistant Commissioner shall be responsible for—

"(1) providing to taxpayers—

"(A) assistance in obtaining easily understandable tax information and information on, audits, corrections and appeals procedures (including pamphlets prepared under section 3 of the Federal Taxpayers' Rights Act of 1975);

"(B) assistance in answering questions on tax liability and preparing and filing returns; and

"(C) assistance in locating documents or payments filed with or submitted to the Internal Revenue Service by taxpayers;

"(2) providing personnel in local offices of the Internal Revenue Service to receive and evaluate complaints of improper, abusive, or inefficient service by Internal Revenue Service personnel and, with due regard for the rights of both the taxpayer and the Internal Revenue Service personnel and under regulations prescribed by the Secretary or his delegate, to take action to correct such service;

"(3) surveying taxpayers to obtain their evaluation of the quality of the service provided by the Internal Revenue Service;

"(4) compiling data on the number and type of taxpayer complaints in each internal revenue district and evaluating the actions taken to resolve such complaints;

"(5) issuing Taxpayer Assistance Orders under section 6304; and

"(6) carrying out such other functions which relate to assisting taxpayers as the Secretary or his delegate may prescribe.

The Assistant Commissioner shall submit an annual report to the Ways and Means Committee of the House of Representatives, the Finance Committee of the Senate, and the Joint Committee on Internal Revenue Taxation on the activities of the Office of Taxpayer Services."

(2) Salary.—Section 5109(c) of title 5, United States Code, is amended to read as follows:

"(c) The positions held by employees appointed under subsections (b) and (c) of section 7802 of the Internal Revenue Code of 1954 are classified at GS-18, and are in addition to the number of positions authorized by section 5108(a) of this title."

(b) Taxpayer Assistance Orders.—Subchapter A of chapter 64 (relating to collections) is amended—

(1) by redesignating section 6304 as section 6305, and

(2) by inserting immediately after section 6303 the following new section:

"Sec. 6304. Taxpayer Assistance Orders.

"(a) Authority To Issue.—Upon application filed by a taxpayer with the Office of Taxpayer Services, in such form, manner, and at such time as the Secretary or his delegate shall by regulations prescribe, the

Assistant Commissioner for Taxpayer Services may issue a Taxpayer Assistance Order if, in the determination of the Assistant Commissioner, the taxpayer is suffering from an unusual, unnecessary, or irreparable loss as a result of the manner in which the internal revenue laws are being administered by the Secretary or his delegate.

"(b) Effect of Order.—The Secretary or his delegate may not take any action adverse to such taxpayer under—

"(1) chapter 64 (relating to collection),

"(2) chapter 70 (relating to jeopardy, bankruptcy, and receiverships),

"(3) chapter 78 (relating to discovery of liability and enforcement of title), or

"(4) any other provision of law,

which is specifically described by the Assistant Commissioner in such order during such period (not to exceed 60 days) of time as may be so specified in such order."

(c) Conforming Amendments.—

(1) The section heading for section 7802 is amended to read as follows:

"Sec. 7802. Commissioner of Internal Revenue; Assistant Commissioners."

(2) The table of sections for subchapter A of chapter 80 is amended by striking out the item relating to section 7802 and inserting in lieu thereof the following:

"Sec. 7802. Commissioner of Internal Revenue: Assistant Commissioners."

(3) The table of sections for subchapter A of chapter 64 is amended by striking out the item relating to section 6304 and inserting in lieu thereof the following:

"Sec. 6304. Taxpayers Assistance Orders.
"Sec. 6305. Collection under the Tariff Act."

(d) Effective Date.—The amendments made by this section shall take effect on the 90th day after the date of the enactment of this Act.

Sec. 5. Pilot Project For Legal Representation for Taxpayers

(a) Establishment.—The President of the Legal Services Corporation (established under the Legal Services Corporation Act of 1974) is authorized to establish Taxpayer Representation Offices in four cities selected by such President for purposes of providing legal assistance to individuals in connection with—

(1) any audit by the Service of any return made by or on behalf of the individual with respect to any tax imposed by chapter 1 of the Internal Revenue Code of 1954, or

(2) an assessment or collection from any such individual of any tax imposed by such chapter.

Such legal assistance may include participation by employees of the Corporation as legal representatives of such individuals during all administrative procedures conducted by the Service, and any litigation in any United States court, with respect to taxes imposed by such chapter 1 on such individuals. For purposes of this section, legal assistance does not include assisting an individual in preparing a return.

(b) Information.—The Secretary or his delegate shall notify (in a manner and form approved by the President of the Legal Services' Corporation) all individual taxpayers whose returns of tax imposed by such chapter 1 are audited, or who are subject to any assessment and collection action with respect to any such tax, of the location of a Taxpayer Representation Office, if such office is located within a reasonable distance from the mailing address of such individual, and of the services provided by such office.

(c) Fees.—Individuals who are provided services by Taxpayer Representation Offices shall pay a fee for such services to such office. The amount of such fee shall be determined under regulations prescribed by the President of the Legal Services Corporation and shall be based on the adjusted gross income of the individual and the type of service provided. All amounts received under the provisions of this subsection shall be deposited into the Treasury of the United States as miscellaneous receipts.

(d) Authorization.—There are authorized to be appropriated to the Legal Services Corporation such sums as may be necessary to carry out the provisions of this section for fiscal years 1976, 1977, and 1978, and the 3-month period ending September 30, 1976.

(e) Annual Reports.—The President of the Legal Services Corporation shall prepare and transmit a report to the Congress at the beginning of each calendar year on the effectiveness of the Taxpayer Representation Offices, which shall include such recommendations and other information with respect to such offices as he considers necessary or appropriate.

Sec. 6. Show Cause Hearing With Respect to Jeopardy Assessments and Termination of Taxable Years.

(a) Jeopardy Assessment.—Section 6861 (relating to jeopardy assessments of income, estate, gift, and certain excise taxes) is amended—

(1) by redesignating subsection (h) as subsection (i), and

(2) by inserting immediately after subsection (g) the following new subsection;

"(h) Abatement Under District Court Order.—Within 10 days after the date on which a taxpayer receives notice and demand under subsection (a), the taxpayer may file a petition in any United States district court for the district in which such taxpayer is domiciled, or in which property of such taxpayer is located if such property is subject to levy, requesting a hearing before such court to determine the reasonableness of the belief of the Secretary or his delegate that assessment or collection of a deficiency will be jeopardized by delay. Such district court shall convene such a hearing as soon as practicable (but not later than 10 days after the date on which a petition is filed under this subsection). If the court determines by a preponderance of the evidence that the Secretary or his delegate did not have reasonable cause for making an assessment under subsection (a), or that the Secretary or his delegate made an assessment under subsection (a) which was unreasonable in amount, the court shall, by an appropriate order, require the Secretary or his delegate to abate and release such jeopardy assessment or (if the Tax Court has not rendered a decision in respect of the amount of the deficiency) any portion thereof found to be unreasonable in amount."

(b) Termination of Taxable Year.—Section 6851 (relating to termination of taxable year) is amended by adding at the end thereof the following new subsection:

"(f) Reopening Under District Court Order.—Within 10 days after the date on which a taxpayer receives notice and demand under subsection (a), the taxpayer may file a petition in the United States district court for the district in which such taxpayer is domiciled requesting a hearing before such court to determine the reasonableness of the finding by the Secretary or his delegate under subsection(a). Such district court shall convene such a hearing as soon as practicable (but not later than 10 days after the date on which a petition is filed under this subsection). If, in the determination of the court, the Secretary or his delegate did not by a preponderance of the evidence, have reasonable cause for terminating the taxable period under subsection (a), the court shall, by an appropriate order, require the Secretary or his delegate to reopen such taxable period."

(c) Conforming Amendments.—Subsection (a) of section 7421 (relating to prohibition of suits to restrain assessment or collection) is amended by inserting immediately after "6313(a)," the following "6851(f), 6861(h),".

(d) Effective Date.—The amendments made by this Act shall apply with respect to assessments or terminations of taxable years, as the case may be, which are made after the date of the enactment of this Act.

Sec. 7. Property Exempt From Levy.

(a) In General.—Section 6334(a) (relating to property exempt from levy), is amended—

(1) by striking out "$500" in paragraph (2) and inserting in lieu thereof "$1,500",

(2) by striking out "$250" in paragraph (3) and inserting in lieu thereof "$1,000", and

(3) by striking out paragraph (8) and inserting in lieu thereof the following:

"(8) Salary, wages or other income.—So much of the taxpayer's salary, wages, or other income as is equal to the sum of—

"(A) $100 per week; plus

"(B) if the taxpayer is required by judgment of a court of competent jurisdiction to contribute to the support of his minor children, so much of his income as is necessary to comply with such judgment."

(b) Effective Date.—The amendments made by this Act shall apply with respect to levies made after the 90th day after the date of the enactment of this Act.

Sec. 8. Authorizing, Requiring, or Conducting Certain, Investigations, Etc.

(a) Prohibition, Etc.—Section 7214 (relating to offenses by officers and employees of the United States) is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

"(c) Authorizing, Requiring, or Conducting Certain Investigations, Etc.—

"(1) In general.—Except as provided in paragraph (2), an officer or employee of the United States acting in connection with any revenue law of the United States shall not knowingly authorize, require, or conduct—

"(A) any investigation into or surveillance over, records regarding—the beliefs, associations, or activities of any individual or organization which are not directly related to such revenue laws, or

'(B) the maintenance of any records containing information derived from such an investigation or surveillance.

Any person violating the preceding sentence shall be fined not more than $10,000, or imprisoned not more than 2 years, or both.

"(2) Exception.—The provisions of paragraph (1) shall not apply with respect to any otherwise lawful investigation of any individual who is an applicant for, or who holds, any position in the Internal Revenue Service or any position in the Government the duties of which relate to the administration or enforcement of internal revenue laws of the United States, or who is a contractor, or prospective contractor, with the Internal Revenue Service.

"(3) Definitions.—For purposes of this subsection—

"(A) Investigations.—The term 'investigations' means any oral or written inquiry directed to any person, organization, or governmental agency.

"(B) Surveillance.—The term 'surveillance' means—

"(i) the monitoring of persons, places, or events by means of electronic interception, overt or covert infiltration, overt or covert observation, or photography, and

"(ii) the use of informants.

(b) Civil Remedies.—

(1) In general.—Subchapter E of chapter 76 (relating to judicial proceedings) is amended by inserting immediately before section 7492 the following new section:

"Sec. 7491. Civil Cause of Action for Violation of Section 7214(c).

"(a) Remedies.—

"(1) Damages.—Whoever violates any provision of section 7214(c) (relating to certain offenses by officers and employees of the United States) shall be liable for damages to any individual or organization which, as a result of such violation, has been the subject of a prohibited investigation, surveillance, or recordkeeping, in an amount equal to the sum of—

"(A) any actual damages suffered by plaintiff or $100 per day for each day the prohibited activity was conducted, whichever is greater;

"(B) such punitive damages (not in excess of $1,000) as the court may allow; and

"(C) the costs of any successful action, including reasonable attorney fees.

"(2) Equitable relief.—Any individual or organization which has been the subject of any investigation, surveillance, or recordkeeping in violation of section 7214(c), may bring a civil action against the United States for such equitable relief as the court determines appropriate to enjoin and redress such violation.

"(b) Venue.—An individual or organization may bring a civil action under this chapter in any United States district court for the district in which the violation occurs, or in the United States district court for the district in which such person resides or conducts business, or has his principal place of business, or in the United States District Court for the District of Columbia.

"(c) Jurisdictional Amount.—Any Federal court in which a civil action under this section is brought pursuant to subsection (b) shall have jurisdiction over such action regardless of the pecuniary amount in controversy."

(b) Clerical Amendment.—The table of sections for such subchapter is amended by inserting immediately before the item relating to section 7492 the following new item:

"Sec. 7491. Civil cause of action for violation of section 7214(c).

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to the maintenance of records during the 90-day period beginning on such date of enactment if such records were in existence on such date.

Sec. 9. Restrictions on Access to Tax Returns.

(a) In General.—Section 6103 (relating to publicity of returns and disclosure of information as to persons filing income tax returns) is amended to read as follows:

"Sec. 6103. Publicity of Returns and Disclosure of Information as to Persons Filing Income Tax Returns.

"(a) Returns Open to Inspection.—

"(1) Income, gift, and estate tax returns.—Except as provided in subsections (b), (c), (d), and (f), returns made with respect to taxes imposed by chapters 1, 2, 3, 6, 11, and 12 shall only be open to inspection—

"(A) by the taxpayer who files such return, or his attorney in fact, and

"(B) by an officer or employee of the Department of the Treasury or the Department of Justice, or by the President personally, if such inspection is solely in connection with the administration or enforcement of this title.

"(2) Certain excise tax returns.—All returns made with respect to taxes imposed by chapters 5 and 32, subchapters B and C of chapter 33, subchapter B of chapter 37, and chapter 41 shall be open to public inspection at the time and place and in the manner specified in regulations prescribed by the Secretary or his delegate.

"(b) Inspection by Federal Government for Nontax Purposes.—

"(1) Criminal investigations.—

"(A) Inspection only where search warrant issued.—Returns made with respect to taxes imposed by chapters 1, 2, 3, 6, 11, and 12 shall be open to inspection by officers and employees of the United States in connection with an investigation of any criminal act alleged to have been committed by the taxpayer who filed such return if a search warrant has been issued to such officer or employer by competent judicial authority specifically authorizing the inspection of such return.

"(B) Grounds for issuance of warrant.—A warrant shall not be issued for purposes of subparagraph (A) unless the officer or employee seeking such warrant shows to the satisfaction of the issuing authority that there is probable cause to believe that information contained in the return involved is necessary to an investigation of a criminal act and that no alternative source of the information contained in such return is reasonably available to such officer or employee.

"(2) Civil investigations.—

"(A) Social security and railroad retirement taxes.—Officers and employees of the Social Security Administration and of the Railroad Retirement Board may inspect returns filed with respect to taxes imposed under chapters 2, 21, and 22 in the manner, and at the time and place, specified in regulations prescribed by the Secretary or his delegate for purposes of administering the Social Security Act and the Railroad Retirement Act of 1935 or 1937.

"(B) Pension administration.—In the manner, and at the time and place, specified in regulations prescribed by the Secretary or his delegate—

"(i) returns filed with respect to taxes imposed by this title shall be open to inspection by officers or employees of the Department of Labor and of the Pension Benefit Guaranty Corporation to the extent necessary for the administration of titles I and IV of the Employee Retirement Income Security Act of 1974, and

"(ii) registration statements (as described in section 6057) shall be open to inspection by the officers and employees of the Department of Health, Education, and Welfare for purposes of administration of section 1131 of the Social Security Act.

"(C) Bureau of census.—Returns filed with respect to taxes imposed by this title shall be open to inspection by officers and employees of the Bureau of the Census solely for the purpose of obtaining information which is to be published in statistical form without directly or indirectly disclosing the name or address of any taxpayer.

"(D) General accounting office.—Any return filed with respect to any tax imposed by this title shall be open to inspection by the Comptroller General for purposes of carrying out section 11 (a) or (c) of the Federal Taxpayers' Rights Act of 1975, if the request for such return is in writing and specifies the identity of the taxpayer whose return is to be inspected.

"(c) Inspection by States.—

"(1) State disclosure laws.—A return may not be made available for inspection by any State officer or employee under paragraph (2) or (3) unless such State has enacted a law, including criminal penalties for any violation of such law—

"(A) which limits disclosure of information derived from inspections of Federal tax returns, and

"(B) which, in the determination of the Secretary or his delegates, substantially conforms with the provisions of this section and section 7213.

"(2) Corporate tax returns.—Upon the written request of the Governor of any State, an officer or employee of such State may have access to the returns of any corporation, or to an abstract thereof showing the name and income of any corporation, in the manner, and at the time and place, specified in regulations prescribed by the Secretary or his delegate. The written request of such Governor shall specify—

"(A) the reason for the inspection of such return,

"(B) why the information sought is available solely from such return, and

"(C) that such inspection is necessary to carry out a specified legal duty.

Such access shall be only for purposes of carrying out such specified legal duty.

"(3) State tax enforcement.—Upon the written request of the Governor of any State, all returns filed with respect to taxes imposed by chapters 1, 2, 3, 6, 11, and 12 shall be open to inspection by an officer or employee of any agency or commission lawfully charged with the administration of any State tax law or of any tax law of a local political subdivision of such State, if the inspection is for the purpose of such administration. The written request of such Governor—

"(A) the reason for such inspection,

"(B) why the information sought is available solely from such return, and

"(C) that such inspection is necessary to carry out a specified legal duty.

Inspection of returns under this subsection shall be made in the manner, and at the time and place, provided in regulations prescribed by the Secretary or his delegate.

"(d) Inspection by Committees of Congress.—

"(1) Upon written request from the chairman of the Committee on Ways and Means of the House of Representatives, the chairman of the Committee on Finance of the Senate, the chairman of the Joint Committee on Internal Revenue Taxation, the chairman of any other committee of the Senate or House which is specifically authorized by a resolution of the Senate or House, or the chairman of any other joint committee so authorized by concurrent resolution, the Secretary or his delegate shall furnish to the respective committee sitting in a session which is closed to the public any return or information from a return filed with respect to taxes imposed by this title.

"(2) Any return filed with respect to taxes imposed by this title shall be open to inspection by an agent designated by any committee specified under paragraph (1) at such times and in such manner as such committee may determine.

"(3) Any committee which obtains information under paragraph (1) or (2) may submit such information to the Senate or House sitting in a secret session.

"(e) Disclosure to Persons Having Substantial Interest.—

"(1) In general.—A return filed with respect to taxes imposed under chapter 1, 2, 3, 6, 11, or 12 shall be open to inspection, upon written request, by—

"(A) Partnerships.—In the case of a return filed by a partnership for a taxable year any person who was a partner in such partnership during any part of such taxable year.

"(B) Corporations.—In the case of a return filed by a corporation (or any subsidiary of such corporation)—

"(i) any person designated by a resolution of the board of directors of such corporation.

"(ii) any officer or employee of such corporation upon written request signed by the chief executive officer of such corporation.

"(iii) any person who is a bona fide shareholder of record if a court of competent jurisdiction so orders after making a finding that there is reasonable cause to believe the shareholder has an interest which may be affected by the information contained in such return and the information sought is available solely from such return, and

"(iv) if such corporation has been dissolved, any person authorized by applicable State law to act for such corporation.

"(C) Estates.—In the case of a return filed by an estate—

"(i) the administrator, executor, or trustee of such estate, and

"(ii) any person who is a beneficiary under the will of the decedent with respect to whose estate such return was filed or any person who is an heir at law of such decedent.

"(D) Trust.—In the case of a return filed by a trust—

"(i) a trustee of such trust, and

"(ii) any person who is a beneficiary of such trust.

"(E) Scope of inspections.—Inspections under this paragraph may be made only—

"(i) in the case of any inspection under subparagraph (B) (i) or (B) (ii), to the extent of the authority expressly granted in writing, or

"(ii) in the case of any inspection under subparagraph (A), (B) (iii), (B) (iv), (C), or (D), for purposes directly related to the protection of the interests on which such inspection is based.

"(2) Attorneys.—An attorney who is authorized in writing by any person who is entitled to inspect a return under this paragraph shall be entitled to inspect any return which such person is entitled to inspect under the same terms and conditions applicable to such person.

"(3) Deceased or incompetent individuals.—If an individual who may inspect a return under the provisions of subparagraph (A), (B) (iii), (C) (ii), or (D) (ii) of paragraph (1) dies or becomes legally incompetent, such return may be inspected by—

"(A) in the case of a deceased or incompetent individual, the administrator, executor, trustee, guardian, or committee of the estate of such individual, and

"(B) in the case of a deceased individual, a beneficiary under the will of such individual or any heir at law of such individual, under the same terms and conditions applicable to such individual.

"(4) Report by the Secretary or his delegate.—At the end of the 6-month period which begins on January 1, 1976, and at the end of each 6-month period thereafter, the Secretary or his delegate shall report to the Congress on requests to inspect returns made under the provisions of this subsection and of his disposition of such requests. Such report shall include the number and types of returns which were inspected, the names and titles of the persons who requested such inspection, the disposition of such request, and the date on which such request was received.

"(6) Certain nominees.—In the case of a Presidential nomination to an executive or judicial office, the Secretary or his delegate shall, upon written request from the President or from a committee of the Congress which has jurisdiction over such a nomination, provide to the President or such committee tax-related information with respect to an individual whom the President has nominated. Such information shall be limited to whether such individual—

"(A) has not filed a return for any of the 3 taxable years ending more than 45 days before such nomination,

"(B) has been assessed for a deficiency during the previous 3-year period, or

"(C) has been convicted or is under investigation for any criminal violation of the internal revenue laws."

(b) Technical Amendments.—

(1) Section 6106 (relating to unemployment tax returns) is amended by striking out "paragraph (2) of subsections (a) and (b)" and inserting in lieu thereof "subsection (c)".

(2) Section 7213(a)(2) is amended by striking out "section 6103(b)" and inserting in lieu thereof "section 6103(c)".

(3) Section 7213(a)(3) is amended by striking out "section 6103(c)" and inserting in lieu thereof "section 6103(e)(1)(B)".

(c) Effective Date.—The amendments made by this section shall take effect beginning 90 days after the date of the enactment of this Act.

Sec. 10. Civil Liabilities for Unauthorized Disclosure of Information.

(a) In General.—Subchapter D of chapter 75 (relating to miscellaneous penalty for forfeiture provisions) is amended by adding at the end thereof the following new section:

"Sec. 7345. Civil Liabilities Arising in Connection With Unauthorized Disclosure of Information.

"Any person who knowingly discloses information in violation of the provisions of 7213(a) shall be liable to the person from whose return such information was taken who may sue in any court of competent jurisdiction for damages arising from such disclosure."

(b) Clerical Amendment.—The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 7345. Civil liabilities arising in connection with unauthorized disclosure of information."

(c) Effective Date.—The amendments made by this section shall apply with respect to disclosures occurring after the date of the enactment of this Act.

Sec. 11. General Accounting Office Oversight of the Administration of the Internal Revenue Laws.

(a) Audits and Investigations.—The Comptroller General shall establish a program to provide for a continuing audit and investigation of the efficiency, uniformity, and equity of the administration of the internal revenue laws of the United States.

(b) Annual Reports.—The Comptroller General shall annually prepare and transmit to the Congress a report on the program established under subsection (a), together with such recommendations for legislation as the Comptroller General may consider necessary or appropriate. Such report shall include a statement by the Comptroller General on—

(1) the type and extent of assistance which the Internal Revenue Service (hereinafter in this Act referred to as the "Service") provides to taxpayers in the preparation of returns, and the accuracy and consistency of any advice which the Service provides in connection with such assistance;

(2) the adequacy of the procedures by which the Service responds to taxpayer complaints, and the number and nature of such complaints;

(3) the equity of the procedures by which the Service conducts audits, collections, and taxpayer appeals, the means by which the taxpayer is advised of such procedures, and the adequacy and consistency of such advice;

(4) the uniformity of the Service's administration of the internal revenue laws, including the uniformity of the standards and legal interpretations it employs;

(5) the number and specific circumstances of disclosures, if any, of returns or of information derived from such returns which the Comptroller General determines to be in violation of law;

(6) the investigation and prosecution by the Service and the Department of Justice of alleged civil and criminal violations of the internal revenue laws;

(7) the implementation by the Service of section 552 of title 5, United States Code (relating to freedom of information); and

(8) any other matter which the Comptroller General determines to be necessary or appropriate.

(c) Other Investigations.—The Comptroller General shall conduct any special audit or investigation of the administration of the internal revenue laws requested by any committee of the Congress or any Member of Congress. The Comptroller General may conduct any other audit or investigation of the administration of the internal revenue laws which he considers appropriate.

(d) Disclosure of Information to the Comptroller General.—The Comptroller General, for purposes of conducting any audit or examination under subsection (a) or (c), shall have access to any Federal agency's books, documents, papers, and records on the administration, operations, and effects of the internal revenue laws and to inspect returns. Requests for such inspection of returns must be made in writing and must specify the identity of each taxpayer whose return is to be inspected.

OPIUM POPPIES IN TURKEY

Mr. GARN. Mr. President, with all the discussion in recent weeks of the Greek-Turkish dispute over Cyprus, we have lost sight of another point which has often been in contention between Turkey and the United States. That point is the opium poppy connection. Many of us have been concerned about the careless methods of control over opium poppies in Turkey, and the adverse impact these methods have produced on the citizens of this country. Speaking for myself, my constituents seem to be more concerned about the Turkish contribution to heroin drug abuse in America than they are about who owns Cyprus.

A few months ago a young military attaché stationed in Turkey came to visit me, and I raised the question of the opium poppy. He indicated that he would try to supply me with some information, and I have now received a letter from him, outlining the situation in some detail.

Because this matter may be of interest to other Senators, I ask unanimous consent that the letter from Major Lyttle P. Hughes be printed in the Record. I also ask that the text of two press releases issued by the United Nations Information Office in Turkey be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Embassy,
Defense Attaché Office,
Ankara, Turkey, August 19, 1975.

Hon. Edward J. Garn,
U.S. Senate,
Washington, D.C.

Dear Senator Garn: I am writing on behalf of my wife, who is from Cedar City, and myself. You may recall that we visited with you in your office back in February while we were in Washington preparing for an Attaché position in Ankara, Turkey. We are at our post now and again extend our earlier invitation to visit us here.

The main purpose for this letter is to give you some information regarding poppy-growing in Turkey, information which we hope you will find interesting and useful. Because we were aware of your concern for this issue, one of our first acts upon getting established here in Ankara was to contact the official in the Embassy charged with keeping tabs on this area. We had a long and thorough discussion which left us quite impressed with Turkey's efforts at maintaining control of this and succeeding years' crops of poppies.

Briefly, control in the past consisted of little more than an inspection of a farmer's field early in the growing season to get an estimate of the amount of opium gum that a farmer should be able to produce from his crop. At harvest time the farmer would incise the sap-filled pod, collect the opium gum which oozed out and sell this gum to the Turkish government's Soil Products Office. Under this system fairly large amounts of opium gum were easy to hide, and it was very difficult to prevent a farmer from selling most of his opium gum harvest to the Soil Products Office while hiding some away for sale later directly into illegal channels or for illegal production locally of morphine base which could then be smuggled out. (An excellent account of this entire procedure can be found in a 1973 Pulitzer Prize winner entitled *The Heroin Trail* done by members of the Newsday staff.)

Under the new control system, however, all this has changed. Now inspectors, and there are more of them than formerly, visit the fields once during the growing season and estimate the number of kilos of dried pods that each field should produce at harvest. Once the pods have dried inspectors again visit the fields and insure, through a simple visual inspection, that pods have not been incised. Only after this inspection can a farmer begin to harvest his crop. Under the new harvest procedure the farmer removes the dried pod from the plant, splits it open to remove the seeds (for use on bread, in making poppy-seed oil and for planting next year) and then takes the dried pods to the Soil Products Office. In the dried state the pods are of no value to the farmer since he has no way of processing them.

Furthermore, it is practically impossible for the farmer to hide any appreciable quantity of these pods, and it would be even harder to clandestinely smuggle them out of the country. Finally, once the harvest is in to the Soil Products Office it is sold to firms in Europe which have recently devised a method of extracting morphine base from dried pods, skipping the opium gum phase of the process. I am told that Turkey is the only opium poppy-growing country now employing such stringent control measures.

This new system certainly seems to represent a vast improvement over earlier methods and should to a large degree shut off the supply of raw opium gum and morphine base which had been being smuggled out of Turkey for illicit use. It should also be mentioned here that Turkey's national police and customs officials continue their efforts to reduce narcotics smuggling. In this regard two separate groups were arrested here in the past two days. Both cases involved significant amounts of morphine base which had been produced illegally from past years' harvests (under the old controls). I am convinced that Turkey's current efforts at controlling the poppy crop are based on sound principles, that they will be effective and that the raw poppy product which Turkey produces (with U.N. approval), for pharmaceutical purposes will, with few exceptions, move through legal channels to legitimate drug producers.

Ann and I appreciate greatly your concern for the heroin problem in Utah and throughout the United States. We also appreciate your support for the Turkish-American partnership which today is under such a strain. As we have indicated to you and Mr. Perkins there is a "Turkish side of the story" regarding both the poppy issue and Cyprus which, unfortunately, has not up to now been well presented. If we may assist you any further in this matter we would welcome the opportunity.

It has given us great pleasure to speak of our good visit with you to our Turkish friends here and to our many friends from Utah currently stationed here in Turkey. We send our best wishes for a very successful first year in the Senate.

Lyttle P. Hughes,
Major and GS Assistant U.S. Army Attaché.

Inclosures: 1. Press Release No. 75/7/E, 10Jul75. 2. Press Release No. 75/8/E, 25Jul75.

[Press release, United Nations Information Office in Turkey, No. 75/7/E; July 10, 1975]

Dr. Sten Martens, Director of the U.N. Division of Narcotic Drugs in Geneva Visits Afyon Region and Declares: "No Lanced Poppies in Fields Visited"

The Director of the United Nations Division of Narcotic Drugs, Dr. Sten Martens of Sweden his Assistant Nüzhet Kandemir and Adviser Mervyn Manby paid a visit during the first week of July to the main poppy growing area in Afyon, Turkey, along with Turkish officials Mr. Yüksel Söylemez, Director, International Organizations Department, Ministry of Foreign Affairs and Assistant Halil Dag and TMO Afyon Region Director Numan Baycin.

The group visited the poppy fields in the village of Sülümenli in Afyon, and later in Usak, Civril and Denizli and chatted with many opium poppy farmers. They said they were not lancing their poppy capsules to obtain opium any longer. Some farmers complained of the low price given for the opium poppy capsules and of the small size of the fields per family permitted by the Government for cultivation. As a result of bad winter conditions, coupled with old seeds used in the cultivation, this year's harvest is expected to be in the range of 7.000 tons instead of 16.000 which was previously estimated.

After the first day in the field, Dr. Sten Martens gave the following statement to a reporter of the Anatolian Press Agency:

"As representatives of the United Nations, we have come to Turkey upon the invitation of the Turkish Government. The purpose of our visit to Afyon was to see locally the work being carried out by the Turkish Government in cooperation with the United Nations. The main idea is to see the results of the positive decision taken by the Turkish Government in accordance with the recommendations of the United Nations. The decision of the Turkish Government for "unlanced poppy cultivation" is the most significant action taken as a result of these recommendations. I and the other members of the United Nations Mission have come to Turkey to see how this measure is being implemented, within the framework of the cooperation carried out between the Government and the United Nations. Turkey has made some technical assistance requests which are being met by the Organisation. This technical assistance is directed toward facilitating the control measures adopted and applied by the Turkish authorities.

We would like to see the extent of the use made from our technical assistance activities. We are also closely concerned with the evaluations to be made by the Turkish experts and the determination of the quality and the quantity of any additional assistance that may be requested from the United Nations. It is too early yet to make a final judgment. Tomorrow we shall continue on our trip. However, I can say this much; the attitude of the Turkish farmers has made a most favourable impression on me. I am also convinced that the Turkish authorities concerned have been most efficiently organised.

I have also witnessed that the Turkish people are law abiding. These are all positive indicators for the future and the success of the work being carried out."

In response to a question, Dr. Martens added: "I have not seen any lanced capsules in the poppy fields we have visited".

[Press Release, United Nations Information Office in Turkey, No. 75/8/E, July 25, 1975]

U.N. Narcotic Mission to Turkey Reports Findings

(Following press statement has been issued in Geneva.)

Dr. Sten Martens, Acting Executive Director of the United Nations Fund for Drug Abuse Control and Director of the Division of Narcotic Drugs, accompanied by a consultant to the Fund and an officer of the Division, visited Turkey from 1 to 8 July 1975 at the invitation of the Turkish Government. The purpose of the visit was to examine and exchange information regarding the results of the cooperation between the Turkish Government and the United Nations, initiated by the first United Nations Narcotics Mission which visited Turkey in August–September 1974, in the Turkish programme to produce poppy straw instead of opium from controlled cultivation for processing into alkaloids for essential medical requirement.

The use of the poppy straw process means that the fresh seed capsules of the poppy plant are not lanced and therefore do not exude opium. Instead the opium remains inside the capsule and cannot be extracted after a certain short period. Once the capsules are mature and dry they are harvested and collected. Later by an industrial chemical process their morphine, codeine and other alkaloids are extracted for therapeutic use. This process greatly simplifies the task of controlling production and preventing the start of illicit traffic.

United Nations assistance is supporting the Turkish control system and facilitating the transition to the new process. This is being done through the provision of equipment for the control and law enforcement services, special training, help in the construction of storage facilities for poppy straw pending its export, advice on the construction of a factory in Turkey for the processing of the unlanced poppy capsules into alkaloids, and in other ways. United Nations assistance is expected to continue until the new system is fully established and the alkaloids factory working. It is intended that until the alkaloids factory is in operation the capsules will be exported for processing abroad.

The United Nations Mission visited poppy fields of its own choice in three of the seven provinces in which the Turkish Government has licensed controlled poppy cultivation for the production of poppy straw. It was able to discuss and examine all aspects of the harvest, and to see the results of the decisions taken by the Government and supported by the United Nations. It saw no evidence of the lancing of poppy capsules in contravention of the government prohibition both of landing and production of opium, and was informed by responsible Turkish officials that no single case of lancing had been detected.

Farmers met by the Mission stated that they accepted both the prohibition and the price-scale at which the soil products office, as monopoly buyer, was purchasing their unlanced capsules. They were being paid in full upon delivery of their capsules and appeared to be co-operating well with the authorities.

Some small-scale planting in excess of licensed acreage had been destroyed and the farmer concerned prosecuted, even though his offence might have been committed unwittingly. Elsewhere in Turkey, the Mission was informed, scattered small-scale illicit cultivation had been dealt with in a similarly exemplary fashion. The Mission was well impressed by the attitude of the poppy farmers and by the efficient working of the control system established by the Turkish authorities.

THE FAIR FINANCING FOR LOCAL GOVERNMENT ACT OF 1975

Mr. JACKSON. Mr. President, yesterday, for myself and for Mr. Ribicoff, Mr. Humphrey, and Mr. Magnuson, I introduced S. 2372, the Fair Financing for Local Government Act of 1975. I asked that the bill and, in addition, a factsheet describing the bill, be printed in the RECORD.

Due to an error, only the factsheet was printed in the RECORD. The bill was not.

I, therefore, ask unanimous consent that the text of the bill, S. 2372, and the factsheet be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Financing for Local Government Act of 1975".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that—

(1) Interest rates on local government bonds have now risen to levels at which a significant portion of local tax revenues is consumed servicing debt rather than in improving the delivery and quality of essential public services; and

(2) Capital funds must be available at reasonable rates if the essential services provided by local governments are to be maintained.

(b) It is the purpose of this Act to reduce the cost of government at the local level by lowering interest rates, and to expand the market for municipal securities issued by cities with balanced budget programs.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "State" means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

(2) The term "unit of local government" means any public corporate body, political subdivision, public agency or other instrumentality established under the laws of any one or more States with authority to issue securities.

(3) The term "municipal bond" means any bond issued by a unit of local government or any agency or instrumentality of a unit of local government, but does not include any bond issued in order to raise funds for any industrial or commercial facility for private use, by lease, conditional or installment sales contract, or other means of transfer, where such facility is or will be used primarily for the mining, manufacturing, assembling, fabricating, storing, processing, or sale of articles or commodities.

(4) The term "insurer" means any insurance company, or group of companies under common ownership, or any pool or association of insurance companies, which is authorized to engage in the insurance business under the laws of any State.

(5) The term "State local assistance agency" means any corporation, board, agency or other instrumentality which issues its own obligations and uses the proceeds thereof to purchase bond issues of units of local government within that State, whether or not such State guarantees the payment of the obligations of such State local assistance agency.

TITLE I—FAIR FINANCE INSURANCE BOARD

ESTABLISHMENT OF BOARD

SEC. 101. There is hereby established a Fair Finance Insurance Board (hereinafter "the Board"). The Board shall have its principal offices in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof. The Board may establish offices in such other places as it deems necessary in the conduct of its business.

MEMBERS AND PERSONNEL

SEC. 102. (a) (1) The Board shall consist of a Chairman and four members appointed by the President, by and with the advice and consent of the Senate. The Chairman and the members of the Board shall be persons who, as a result of their training, experience and attainments, in academia, the labor movement, commerce and/or government, are exceptionally well qualified to formulate and carry out the purposes of this Act. Appointments of the Chairman and members pursuant to this subsection shall be made in a manner such that not more than three members of the Board including the Chairman shall be members of the same political party. The Chairman and each member shall serve for a term of five years, except that of the Chairman and members first appointed to the Board; one shall serve for one year, one for two years, one for three years, one for four years, and one for five years, to be designated by the President at the time of appointment.

(2) In addition to the members appointed by the President, the Secretary of the Treasury and the Secretary of Housing and Urban Development shall serve as nonvoting members of the Board ex-officio.

(b) the Board shall meet at the call of the Chairman which shall be not less often than four times per year.

(c) Ex officio members of the Board shall not be compensated for their services.

(d) Subject to such rules as may be adopted by the Board, the Chairman may appoint and fix the salary of such personnel as may be necessary for the conduct of the business of the Board, in accordance with the provisions of title 5, United States Code, governing appointment in the competitive service, and chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates, and to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates for individuals not to exceed the per diem equivalent for GS-18.

(e) The members of the Board, other than ex officio members, shall receive compensation as prescribed for offices and positions at level II of the Executive Schedule (5 U.S.C. 5312). The members of the Board, other than ex officio members, shall not:

(1) have any financial interest or relationship, direct or indirect, with any person engaged in the issuance, sale, distribution or rating of municipal bonds;

(2) after his service on the Board has ended, represent anyone other than the United States in connection with a matter in which the Board is a party or has an interest and in which he participates personally and substantially for the Board; or

(3) receive any emoluments, salary, or supplementation of his Government salary, from a private source as compensation for his services to the Board.

(g) There shall be a General Counsel to the Board who shall be appointed by the Board and who shall receive compensation at the rate prescribed for offices and positions at level III of the Executive Schedule (5 U.S.C. 5314).

GENERAL POWERS OF THE BOARD

SEC. 103. (a) For the purpose of carrying out its functions under this Act, the Board shall have the power—

(1) to have a seal which may be altered at pleasure and to use the same by causing it, or a facsimile thereof, to be imposed or affixed or in any other manner reproduced;

(2) to sue and be sued;

(3) to enter into and perform contracts, leases, cooperative agreements, and other transactions, on such terms as the Board shall deem appropriate, and to consent to modification thereof, without regard to sections 3648 and 3709 of the Revised Statutes, as amended (31 U.S.C. 529; 71 U.S.C. 5), and section 322 of the Act of June 30, 1932, as amended (40 U.S.C. 278a);

(4) to issue such rules and regulations as may be deemed necessary or appropriate to carry out the purposes of this Act;

(5) to exercise all power specifically granted by this Act and such incidental powers as are necessary to carry out the purposes of this Act.

(b) All suits of a civil nature at common law or in equity to which the Board shall be a party shall be deemed to arise under the laws of the United States, except that no attachment, garnishment, or other similar process shall be issued against the Board or its property.

(c) The Board is authorized to secure directly from any executive department or agency information, estimates, statistics, and technical assistance for the purpose of carrying out its functions under this Act. Each such executive department or agency shall furnish the information, estimates, statistics, and technical assistance directly to the Board upon its request.

(d) On request of the Board, the head of any executive department or agency may detail, with or without reimbursement, any of its personnel to assist the Board in carrying out its functions under this section.

FINALITY OF CERTAIN FINANCIAL TRANSACTIONS

SEC. 104. Notwithstanding the provisions of any other law, any financial transaction authorized under this Act shall be final and conclusive upon all officers of the United States.

TAXATION

SEC. 105. The Board, including its reserves, surplus, and income shall be exempt from all taxation now or hereafter imposed by the United States, or by any State, or any subdivision thereof, except any real property acquired by the Board shall be subject to taxation by any State or political subdivision thereof, to the same extent, according to its value as other real property is taxed.

GOVERNMENT CORPORATION CONTROL ACT

SEC. 106. Section 101 of the Government Corporation Control Act is amended by inserting after "Pension Benefit Guarantee Corporation" the following: "Fair Finance Insurance Board."

TITLE II—FUNCTIONS OF THE BOARD

REINSURANCE OF MUNICIPAL BONDS

SEC. 201. The Board is authorized to offer to any insurers, subject to the conditions hereinafter set forth, reinsurance against 75 per centum of losses resulting from the failure of any unit of local government to pay all or any part of scheduled municipal bond principal and interest payments on insured municipal bonds as such payments become due and payable.

SEC. 202. The Board is authorized to enter into any contract, agreement, or other arrangement with any insurer for reinsurance coverage, pursuant to section 201 hereof, in consideration of payment to the Board by the insurer of a premium which shall be determined by the Board, which shall not exceed 1 per centum of the total amount of the interest and principal amounts insured.

CONDITIONS OF REINSURANCE

SEC. 203. The Board shall not enter into any contract or agreement to provide reinsurance to any insurer under this Act unless the Board shall determine that the assets of the insurer are sufficient to meet the obligations incurred by it under its contract with the issuer, pursuant to standards and procedures to be established by the Board of Directors.

GUARANTEE OF STATE LOCAL ASSISTANCE BONDS

SEC. 204. The Board is authorized to offer to the State local assistance agency of any State, subject to the conditions hereinafter set forth, a guarantee of payment of 75 per centum of the total amount of the interest and principal of bonds issued by such agency for the purpose of purchasing municipal bonds issued by a unit of local government within such State.

SEC. 205. The Board is authorized to issue a guarantee of the bonds of a State local assistance agency, pursuant to section 204 hereof, in consideration of payment to the Board, of a fee which shall be determined by the Board, but which shall not exceed 1 per centum of the total amount of the interest and principal of said bonds.

SEC. 206. No guarantee shall be issued by the Board under this Act unless—

(a) The Board determines that the amortization provisions of the bond of the State local assistance agency are not in excess of its debt-paying capacity;

(b) The Board determines that the State local assistance agency:

(1) Prescribes and enforces standards and procedures for accounting and financial control, by units of local government whose bonds are purchased or guaranteed, which are in accordance with generally accepted accounting principles;

(2) Requires that units of local government whose bonds are purchased or guaranteed adopt a sound program for achieving a balanced budget financed by recurring revenues;

(3) Conducts sufficient periodic audit and oversight activities to insure the adherence to prescribed standards, procedures and principles by local governments whose bonds are guaranteed.

TITLE III—SPECIAL STUDY AND ANNUAL REPORTS

LOCAL SECURITIES MARKET STUDY

SEC. 301. The Board shall conduct a study of the market for securities issued by units of local government, and shall include as subjects of concern in such study—

(1) The availability, and present and potential sources of funds for the purchase of such securities;

(2) Influences upon, and developments in, interest rates for such securities;

(3) Suggested reforms in the financial structures and functioning, and in present methods of financing the activities of, units of local government.

(4) Federal and State efforts to assist in the marketing of such securities.

SEC. 302. The Board shall submit such local securities market study to the President for transmission to the Congress no later than one hundred and eighty days subsequent to the enactment of this Act.

SEC. 303. The Board shall submit to the President for transmission to the Congress a comprehensive annual report of its activities under this Act.

TITLE IV—ADVISORY COMMITTEES

LOCAL GOVERNMENT ADVISORY COMMITTEES

SEC. 401. (a) The Board is authorized to establish special advisory committees which shall consult with the Board during the planning and implementation of its functions and shall provide advice and information to the Board concerning all aspects of its activities.

(b) The advisory committees shall provide for the representation of the following interests and such other interests as the Board may deem necessary or desirable:

(1) city, county and State governments;

(2) the labor movement; and

(3) the financial community.

(c) The advisory committees authorized by this section and such other advisory boards, committees, and councils as may be established by the Board shall be subject to the provisions of the Federal Advisory Committee Act (86 Stat. 770, title 5 App. U.S.C.).

TITLE V—FAIR FINANCE INSURANCE FUND

SEC. 501. (a) To carry out the reinsurance and guarantee programs authorized by this Act, there shall be established in the Treasury of the United States a Fair Finance Insurance Fund (hereinafter "the Fund") which shall be available, without fiscal year limitations:

(1) to make such payments as may, from time to time, be required under reinsurance or guarantee agreements entered into under this Act; and

(2) to pay such administrative expenses as may be necessary or appropriate to carry out the purposes of this Act.

(b) The Fund shall be credited with:

(1) Premiums for reinsurance contracts and fees for guarantee contracts which may be collected under the provisions of this Act;

(2) Such funds as may be advanced to the Fund from appropriations in order to maintain the Fund in an operative condition adequate to meet its liabilities;

(3) Interest which may be earned on investments of the Fund pursuant to subsection 401(c);

(4) Receipts from any other source which may, from time to time, be credited to the Fund.

(c) If, after any amounts which may have been advanced from appropriations have been credited to the appropriations from which advanced, the Board determines that the moneys of the Fund are in excess of current needs, it may request the investment by the Secretary of the Treasury of such amounts as it deems advisable in obligations issued or guaranteed by the United States.

APPROPRIATIONS

SEC. 502. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. In the event there are insufficient moneys in the Fund to meet obligations of the Board, the Secretary of the Treasury shall transfer to the Fund such sums as may be necessary to fulfill such obligations. The Secretary of the Treasury may use, for the purpose of making any such transfer, the proceeds from the sale of any securities issued under the Second Liberty Bond Act; and the purposes for which securities may be issued under such act are extended to include the purchase of any such notes or other obligations.

FAIR FINANCING FOR LOCAL GOVERNMENT ACT OF 1975

1. The three key goals are:

(a) To lower interest rates paid by local governments on their bonds.

(b) To enhance the marketability of local government bonds.

(c) To promote sound local government finance without direct federal intervention in local government financial affairs.

2. The Basic Plan

A. A Fair Finance Insurance Board would be established by the federal government. The Board would charge premiums for its services and, like the Federal Deposit Insurance Corporation, is designed to be self-financing.

B. Re-Insurance—Insurance policies are available for some municipal bond issues. The Board would be empowered to reinsure 75% of municipal bond insurance issued to a city by a private insurance company.

C. Guarantees—The Board would also be empowered to guarantee 75% of the bonds issued by any state agency set up to help local governments. (Such agencies already exist in Vermont, Maine, and New York, and some local government bonds are state-guaranteed in California, New Hampshire, Michigan, and Minnesota.)

Sound economic standards for localities would be assured in three ways:

(1) Since 25% of the value of the bonds is not insured, the state would have an incentive to monitor city finances and avoid losses should a city default;

(2) The Board is required by the Act, before issuing a guarantee, to determine that the state agency prescribes and enforces strict accounting standards, financial controls, and balanced budget programs;

(3) Any state agency which failed to comply would be disqualified from the guarantee program.

3. The Fair Finance Insurance Board.

The Board would consist of a Chairman and four members, all appointed by the President with the advice and consent of the Senate.

The Board Chairman and members would be individuals from academia, the labor movement, commerce, or government, who are by their experience well qualified to carry out the purposes of this Act. They shall serve terms of five years.

In addition, the Secretary of the Treasury and the Secretary of Housing and Urban Development will be ex-officio members of the Board.

4. Local Securities Market Study.

The Board will conduct a study of the national market in local government securities, focusing especially on:

(a) The availability, and present and potential sources of funds for the purchase of such securities;

(b) Influence on, and developments in, interest rates for such securities;

(c) Suggested reforms in the financial structures and functioning, and in present methods of financing the activities, of local governments;

(d) Federal and state efforts to assist in the marketing of such securities.

5. Local Government Advisory Committees.

The Board will establish special advisory committees to consult with it and provide it with advice and needed information. These advisory committees will consist of representatives of:

(a) City, county, and state governments;

(b) The labor movement;

(c) The financial community.

AMERICAN CAPITALISM AND THE "THIRD WORLD"

Mr. GOLDWATER. Mr. President, more and more it seems that the purpose of the United Nations has become that of attacking the United States by the so-called new world made up of nations who have either just emerged as nations or countries whose economics have never even gotten started. We cannot ignore these people. However, we cannot support them in their economic loss either. They constitute about 80 percent of all the people on Earth and they rightly or wrongly blame us for their impoverished state.

I offer some thoughts on this subject under the title of "American Capitalism and the Third World." I ask unanimous consent that both this paper and an article written by Mr. Paul Hofmann appearing in the New York Times on the subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN CAPITALISM AND THE "THIRD WORLD"

I would like to talk to you about an important foreign policy issue—American Capitalism and what has come to be called the Third World. It is undeniable that in a material sense this planet is divided. There are a few tiny enclaves, such as the North American Continent and Western Europe, where the production of goods is abundant. Then, there is the rest of the world where, despite such other exceptions as Australasia and South Africa, the great mass of people are largely impoverished. The U.S.S.R., if one accepts the previous categorization, lies somewhere in between, distinguished not so much by what it has achieved in a material sense as it is by being the bearer of an ideology which proclaims that somewhere in the future, through its Marxist prescriptions, material abundance will be at hand for all men. The great impoverished sector of the world, however, is our concern tonight. It is popularly referred to as the "Third World." Now, I dislike such generalized classifications of human beings but for convenience sake, I will accept the nomenclature, The Third World.

This Third World is exceedingly large—about eighty percent of all humanity. It is becoming increasingly bellicose. It blames the West for its impoverished state. It claims that the West owes it a debt. It indicates from time to time through its ideological theorists that it will use force as it seeks to rectify its dilemmas. By and large capitalism, normally referred to as imperialism, is its anathema. The United States of America and its capitalistic system is their chief bugaboo. Therefore I think the United States should respond to the Third World in terms of the way the United States shapes its foreign policy. We should respond with more than sympathy for their sad plight. We should state our position. This is what I wish to do tonight.

I would like to tell the Third World at the outset that if they want to escape from their poverty, they can—and that the best way is through their imaginative use of capitalism. By capitalism I mean the accumulation of capital by borrowing or saving and the exercising of this capital by the energy, enterprise and skills of individuals rather than by state bureaucracies. Now this view will not be very well received. First, our own home-grown liberals will throw up their hands in horror at my suggestion. But our home-grown liberals have a special relationship with the Third World and before I get down to more serious matters, let me deal with this and dispose of yet another liberal mythology. The liberal loves to feel that he is on the side of a vast historical process—a result no doubt arising from the Marxist roots of most current Western liberalism. Thus in the 1930's the notion of a universal proletariat hypnotized the Western liberal. Psychically at least the liberal joined this movement. It took another twenty-five years before the liberal recognized that he had been taken. It was not until the murderous reality of the proletarian movement became unavoidably clear through Krushchev's denouncement of Stalin, along with the Hungarian Revolution of 1956 and other such niceties, that the disillusionment set in and the dream evaporated. But then, along came the Third World. Ah,—here was another universal movement a substitute for the myth of the universal proletariat. Again history was on the march. Here was a vast phalanx of black, brown and yellow people, hitherto oppressed and persecuted, but at last standing upright and demanding justice, liberty and equality. The liberal could see a new world aborning where the past sins of the white man would be expatiated in a new universal brotherhood. The fact that the Third World was an invention mattered not at all. The fact that the Third World was a mass of disjointed, tribalized fragments and would as soon fight each other as march together was ignored. Again myth superceded fact. The Third World myth allowed the liberal to again condemn the West. The liberal embraced the Third World cause as an atonement for the sins of the West. The liberal was in his element. But I do not need to dwell for too long on this myth-making. I mention it only because liberal myths are important in the United States and this one regarding the Third World has had its impact. Liberals are basically in charge of government, education and the media—all important vehicles for the propagation of myths.

And they propagated this one with a vengeance, and they still do. But in this enormous, diverse, fragmented and sadly inept Third World, the real problems remain. The question is—are these states of concern to us? Should they feature in our foreign policy? My answer is that they should, for the following three important reasons.

The first reason is one where I join my liberal friends. For simple humanitarian reasons, these large numbers of people should not, and need not, live in such a miserable material state. But after saying this much, I part company with my liberal friends, especially as regards method of alleviation. The plight of the Third World can only be marginally affected for the better by aid programs brought in from the outside. Indeed in some instances, these external programs actually do harm. Primarily, alleviation of their difficulties can only come from themselves, from their indigenous enterprise, energy and skills. This is why I shall develop my theme of a capitalist solution more fully as this speech progresses. But I am not offering an ideology. Capitalism is a method—a method of producing material wealth based upon free enterprise and it is the freedom of the enterprise which makes it work. Ideology on the other hand, in its modern form, is a collective illusion about the world that demands of its adherents conformity to a present code which, in the Socialist world, is the abnegation of individual enterprise—among other things. An ideology can only be a collective thing. This I oppose. Instead I call for freedom for individual initiative. In the West, where it has been allowed, it is this and this alone that has produced material abundance. I suggest, therefore, to both the Third World and our liberal ideologues at home that if the Third World is to meet the material challenge they had better abandon their espousals of Marxism or, as is more often the case, the Socialist theories learned at the London School of Economics. After nearly sixty years of Socialism and the ownership of the largest and best endowed piece of real estate in the world, the U.S.S.R. is still dependent upon the United States for wheat to avert famine and upon the West in general for industrial methods and machines created in the West by free individual enterprise. I suggest that Marxism in practice is not the road to abundance.

Now let me develop a second reason why we should take note of this Third World. I believe that the United States should in the interest of itself and general peace be a status quo power. I believe that change, if it is to be effective, should come slowly and should be related to the traditions of the past. Yet the Third World seeks rapid and dramatic change. Where change is rapid and dramatic, it promises much that it cannot fulfill in the event. Abrupt and massive change disrupts old patterns that give to culture and to an individual their own particular identity. Such disruption turns both culture and individual adrift as ineffective elements. Such circumstances let loose passions and frustrations which are often seized upon by unscrupulous demagogs and perverted to their base use. In the words of the immortal Edmund Burke, for change to be effective in promoting real and lasting results it must "proceed by insensible degree."

Surely events of say this past decade, if not this century, illustrate this point and this is especially true for the Third World. Thus for such practical reasons as their own economic growth, the nations of the Third World should heed Burke. Neither is "to proceed by insensible degree" necessarily slower than more dramatic means and I think we could all think of many illustrations of this point. But there is yet another factor in supporting a status quo posture. We in the United States and in the West in general wish to trade with many nations of the Third World. Our policy should be to pay market prices for what we buy and expect the same for what we sell. While a blossoming trade does not by itself stop wars and insurrection, it does have significant leverage in promoting moderate policies. In short, except for the professional revolutionists and their fuzzy-headed fellow travellers, most of us believe that we move further and faster by moderation than by excess. But instead of moderation, we see new policies developing. These are primarily those of withholding or artificially increasing the price of commodities that are currently in scarce supply. This is a childish policy. It creates disruption to the well-being of large segments of mankind for petty reasons. The planet can do without this sort of thing. More importantly in the long run it hurts the very nations it is supposed to help. Those who deny this or that commodity to technologically sophisticated states should remember that the history of technology is that of finding better ways to do things—substitutions, if you like. I have no doubt that this will happen again and perhaps rather quickly. I have some advice for those who dream they can grab the world by the tail because geography has been kind to them in providing natural resources. There are two things that you can do with any natural resource you may own. You can use it yourself which means you will not only be increasing your material wealth but probably that of a lot of other folk as well. Or, you can sell the resource to some other party who needs it. If you are capable and wise, you will thereby noticeably increase your material well-being and stature by utilizing the proceeds properly. The time has come for the Third World to learn the virtues of trade and commerce. Colonies are now few and far between. I know however that the Marxist mentor will raise the spectre of neocolonialism, that is, although the Third World may have obtained political independence it is still economically dependent on erstwhile masters of those like them, such as the United States. Well, the question I raise is—"Are you?" Do you not have the sophistication and nerve to take your wares to the marketplace like anyone else and drive a bargain? Or, are there other factors inhibiting you such as corrupt politicians who trade the fruits of the people's labor in their interest—are you so inefficient production-wise that someone else has to do it for you to obtain that leverage upon you—do you have the business ability to market? These are the questions that must be answered. I do not think that the most rapacious Western capitalist as you may see him, is so powerful that he cannot be handled. But you must do it, not I hope by retreating and taking your goods with you, not I hope by threats of withholding which will merely produce counter-products. Instead I would hope that again you can call upon your enterprise, energy and skill to handle your affairs to the best advantage of yourselves and those with whom you trade.

The most significant reason, however, why we in the United States cannot ignore the Third World must be directly related, not so much to the region, as to our adversaries especially in the U.S.S.R. and to a lesser degree in the Peoples' Republic of China. Towards the end of the last century, Lenin analyzed the situation as regards to colonies in his particular way. He proclaimed in his various treatises on imperialism that it was the advent of colonies that provided one last troop, (unforeseen by Marx), that delayed the inevitable collapse of capitalism. Colonies were an accidental reprieve which kept the capitalist system going beyond that time when, according to Marx, the system should have collapsed. But, Lenin went further than this. This reprieve, he said, brought about by the injection of unforeseen wealth from the colonies, would merely delay the collapse but would make the collapse more resounding when it came. In the end the colonies, said Lenin, would add to the capitalists' burden and the subject people would be in the vanguard of the world revolution. "The road to London and Paris," said Lenin, "runs through Delhi and Peking." Remember these words were written before the end of the last century. But it was left to Mao Tse Tung to give the theory flesh and at the same time add yet another dimension. Doctrinaire Communists have always believed that it would be the industrialized workers, whether at home or in the colonies, who could be the only revolutionary force. But Mao said, "No." Instead, in these undeveloped lands such as China (or the Third World) it was the peasant, this enormous mass of humanity, from whence would come the revolutionary army. Mao then went on to prove this development of Lenin's original theory by the practical implementation of his doctrine of "Protracted Limited War." Mao mobilized the peasants of China. Slowly but methodically he then surrounded the urban centers of China by this enormous host, reducing the urban centers' capacity to resist to a stage where each crumbled under a massive frontal attack. It was by this means that Mao conquered China. We faced variations on the theme in Vietnam. And now in our own time the theory of Lenin and the practice of Mao has been carried to a further stage. If one looks at the planet, the new revolutionary theorists are saying, one will see that most of the world's peoples are in thrall to a few great capitalist enclaves, the urban centers of the world located in Western Europe and in North America. About these centers, say the theorists, is a great peasant mass, what we today call the Third World. If this mass can be organized, say the revolutionaries, we can surround urban centers and reduce them. Neither should it be difficult to reduce the great centers of capitalism to nullify if the planetary peasant mass can be organized. Here is Protracted Limited War practiced upon a global scale. By pure circumstance both Chinese and Russian attempts to organize accordingly have so far failed. They have failed in part because of the Sino-Soviet split but primarily because the Third World has proven to be so fragmented as to make any kind of unity all but impossible. But the idea remains. And whose downfall is desired? Why yours and mine! I cannot predict what will happen. I think the concept as a fact to be beyond the capability of its architects but we should be aware of the concept. A dramatic change in world economics—the rise of new meglomaniac leaders (a constant problem in history) could, however, bring the idea to life again. We should remember this especially as we reflect upon those nice folk who have given us detente.

Thus it is that we of the technological cultures cannot ignore the Third World. We cannot ignore it for reasons of practical humanitarianism; we cannot ignore it because of world economics; and, we cannot ignore it because of the theoretical potential the Third World holds for world revolution. But can we make a response beyond that of mere interest if not apprehension? The liberal response has been to give economic aid to the Third World which has become nothing more than a modern form of tribute. I have had something to say about this in previous speeches. Suffice for me to say tonight that the money we have given or loaned and which now runs into tens of billions has failed abjectly to do anything more than to make the situation worse. Is there another response? Let me take a flight of fancy here and see if I can stimulate your imaginative minds. Let me make a free enterprise response. Incidentally imagination is now in short supply in our country and without it we can do little that is new. Bertrand Russell once said when asked about Einstein's theories, "O, there is nothing too difficult about them—except it calls upon one to re-order his imaginative mind." Can you and I do the same?

Laos, which as a result of our failure in Vietnam, has now become a North Vietnamese colony, is possibly one of the most economically under-developed countries in the world. At the same time the people are delightful. Most are rice farmers. They are relaxed; they love to sing and dance; they are religious, being devout Buddhists; just plain leisure is valued as is dressing up, gambling, courtship and just chatting with friends. I have often reflected that the Laotians would be ideal candidates for the acceptance of a totally automated industrial production system. The Laotians have the capacity to feel guiltless about doing nothing. Perhaps they are better equipped than we are to handle the ultimate ends of automated technology. But how to do it—here is the challenge. My good colleague, Senator Russell Long, has become enthusiastic about the economic concepts of Mr. Louis Kelso of San Francisco. Mr. Kelso's idea, now receiving more and more attention, is that the way to preserve capitalism is to make every man a capitalist. He has enunciated his methods in several books, numerous articles and innumerable speeches and other public appearances. Very simply, Kelso says that it is not labor which is the basis of contemporary economics but machines and the significance of machines constantly increases up until that time where they will ultimately provide the bulk of the labor. To preserve capitalism, or should I say individual freedom, under these conditions, says Kelso, everyone should participate in the ownership of the machines. Otherwise, should the machines be owned by a few cartels as tends to be the case, or worse, by the State then the individual becomes mere useless appendage. Could we then return to Laos as well as putting those Laotian peasants forward as candidates for automated technology? Could we also offer them as candidates for a more advanced capitalism, to become owners of that technology? We have one excellent example of peasant cooperatives in action in the Republic of China in Taiwan to support farming. Why not a similar concept to support individual and partnership in an industrial system? This is not only a stimulus to your imaginative minds, it is also, is it not, big business.

I am not sure my ideas would work—or even that Laotians would like them. What I am primarily endeavoring to do is to stimulate and challenge those of us who believe that the individual is the epicenter and that it is by using our individual enterprise that we conquer difficulties. Would you join me in exercising your imaginative minds? As individuals in a free society, you may do this. I think you could be surprised at the results and the challenge is certainly there.

But equally as important as to what we can offer to Laos or indeed the entire Third World is also how we structure foreign policy relative to that Third World. Again, I would offer you some ideas based upon what I have expounded tonight.

The most important one is that just enunciated, the exercising of your imagination. You at once can offer solutions and at the same time challenge the tired, old liberal and Socialist dogmas. We as free persons need not be constrained by dogma as are the ideologues. As we look at this impoverished, restless and potentially dangerous Third World, let our imaginations run free and let us challenge others to do likewise, including the Third World.

We should also proclaim as a national policy that our two hundred years of experience tells us that only by the exercise of free enterprise by individuals can the issue of poverty be coped with. Again we are not offering the manacles of an ideology but a free, ever-evolving methodology arising from the free flowering of many individual capacities. Here is another challenge not only to the Third World but to ourselves.

We should also proclaim that we do not advocate any particular lifestyle for any country other than our own. How each individual state shapes its lifestyle and towards what ends is their business. This is true nation-building, if I can borrow a phrase from my liberal friends. When I ask the Third World to create wealth by the exercise of individual initiative, I am not asking him to Americanize: the greatest progress will come when each culture unlocks its own particular methodologies for dealing with their problems. Let us have diversity. It is the essence of freedom.

As another step we should base any United States aid project upon the above premises besides those I have given you in other speeches which, in brief summary, is using banking criteria to determine the worthiness of any assistance as we also insist that funds must be lent and paid back.

As yet another step, we should be prepared to remind the Third World as I recently did in a speech on food production, that in finding solutions of their own, they should consider that perhaps the real barriers are not what has been done in the past under colonization or today by the other capitalists but their own external politics, their internal politics, their bureaucracies, often their culture and always their ideology. These are greater barriers than are anything else. Again these barriers cannot be removed other than by the individual nation concerned.

Finally, we should no longer participate in such forums as the United Nations where the majority is now Third World nations and where that majority sees fit to blame us for their predicament while they turn their backs upon solutions to those predicaments, to be brought about only by their own energy, enterprise and skill.

I believe what I am suggesting is a little more realistic than the vague do-goodism we have followed with such little success to date. I further believe that if we make our case clearly and concisely to the world, we will earn respect and perhaps here and there a nation or two may listen.

[From the New York Times, Sept. 4, 1975]

U.N. DEBATE: GROPING FOR NEW RELATIONSHIPS

(By Paul Hofmann)

UNITED NATIONS, N.Y., September 3.—The United Nations seems destined to become the principal arena where the United States and the other industrial powers grope for a new relationship with the countries that describe themselves as nonaligned.

Most of these countries are poor, some desperately so, and a few are newly rich through the windfall of enormous earnings from oil. But their mood is similar—a deep-seated feeling of grave injustice that 70 per cent of mankind has to get along on 30 per cent of the world's income.

The resulting frustration and anger, not unlike the climate of class struggle in the early industrial societies of the last century, has produced a particular brand of third-world rhetoric that sounds jarring to rich nations. But now the oratory seems to have abated somewhat and talk about specifics is starting.

The General Assembly's present Special Session on Development and Economic Cooperation is being held because the third-world countries, a majority of the United Nations membership, wanted it.

PRAGMATISM PREVAILING

An earlier special session on basically the same themes was held in the spring of last year, and it ended in mutual exasperation. Since then, pragmatic forces in the third world have asserted themselves, and even the fire-eaters in the group have somewhat tuned down their rhetoric.

On the other hand, the Ford Administration has in the last few months conducted a thorough review of its policies toward the third world and has concluded that the developing countries may have some points here and there.

Since last year's 29th General Assembly, during which the United States was repeatedly isolated by a broad majority of third-world and Communist countries, American officials have complained about an "automatic bloc vote" in the United Nations.

But is there really a third-world bloc? United States policy planners and analysts appear to have come to the conclusion that there is a bundle of conflicting interests in the third world, as in all coalitions, while there also are centrifugal forces in the grouping that seem to become stronger.

In a recent hard-fought vote in the United Nations Decolonization Committee on the status of the small movement that seeks independence of Puerto Rico, the third-world group split down the middle. China, a country that consistently proclaims itself the champion of that coalition, did not participate in the vote, expressly drawing attention to the third-world disagreement.

NOT A "BLOC" BUT A "CAUCUS"

At last week's conference of the nonaligned movement in Lima, Peru, a European diplomat who followed the proceedings and spoke to many participants, observed: "This isn't a bloc; it's a caucus."

Others have compared the third-world coalition with a trade union, commenting that the weak stick together because collective bargaining gets better results than individual haggling with the rich and powerful.

Peru's Foreign Minister, Miguel A. de la Flor Valle, who presided at the Lima meetings, noted that the third world included capitalist, socialist and semifeudal societies. He might have added that almost all members of the nonaligned movement had authoritarian or military regimes, many dabbled in socialist experiments and some—Cuba, the two Vietnams, Cambodia and North Korea—were well aligned with either Moscow or Peking.

The Lima parley was marked by the insistent lobbying of Arabs from Syria, Iraq and the Palestinian guerrilla front who argued for a preemptory third-world demand that Israel be ousted from the United Nations.

The drive to ostracize Israel failed because less militant Arabs and delegations from Yugoslavia, black Africa and elsewhere disagreed. They feared that if the hard-line Arabs had their way, an all-out drive against Israel would wreck the United Nations. Almost all third-world countries attach utmost importance to the world organization because it gives them some influence in world affairs that they would otherwise lack.

FEW COMMON INTERESTS

The dispute over Israel was not the only disagreement in Lima. What indeed do Argentina and Zambia, both members of the "nonaligned" coalition, really have in common? Little more than the realization that membership in a United Nations pressure group gives them some advantages, such as support for pet grievances and projects.

Thus, the host Government could triumphantly announce that the third world was backing the Peruvian claim to sovereignty over a 200-mile offshore strip of the Pacific Ocean with all its fish.

But while it is easy to reach third-world consensus on such issues, agreement on more complex international problems has proved much more difficult, as the Lima debates on the Middle East proved.

As the nonaligned movement grows—it now has 82 full members, almost three-fifths of the United Nations roster—it is increasingly compelled to seek compromises between conflicting tendencies in its midst.

As in every big coalition, caucus or trade union, there are rivalries and tensions within the third world. Yugoslavs clash with Algerians, Marxist governments with non-Marxist ones, Arabs with black Africans, oil producers with consumers.

NEW U.S. AWARENESS

Secretary of State Kissinger's weighty message to the Special Session on Monday proved Washington's new awareness that the globe's proletariat of Southern Hemisphere nations indeed has problems.

Mr. Kissinger's message clearly showed also that the United States intended to deal with the strains within the third world, and to encourage the centrifugal tendencies.

The Special Session is tackling specific grievances raised by the needy countries. The poor nations resent their vulnerability to the fluctuations of demand and prices in industrial markets, and having to pay inflated prices for the manufactured products they must buy abroad. They want more investment capital, more industry and more technology.

Before the energy crisis of 1973–74, the advanced nations tended to patronize the poor countries, or to ignore them. The Arab oil embargo, which caused so much disarray in the world economy, doubtless marked a turning point in the fortunes of the third world.

The oil embargo and the quadrupled prices paid to the oil exporters provided the political and financial muscle for the so-called nonaligned group to build large majorities in the United Nations.

CONTINUED CONFLICT SEEN

The present, still inchoate, give-and-take of ideas, criticisms, complaints and proposals between the industrial nations with market economies and the countries of the third world may last several years before a common language is found and firm international agreements are written, diplomats from various parts of the world say.

The current United Nations debate is proving, as did the Lima conference, that the third world speaks with many voices. Some of them continue to be shrill. Equatorial Guinea keeps accusing the West of diabolical plots, Algeria charges the industrial powers with exploitation, the Cubans keep indulging in anti-American declamations and Arab extremists picture the United States as a pawn of the Zionists.

But voices of moderation and pragmatism are increasingly heard, too.

COLLEGE OF CHARLESTON

Mr. HOLLINGS. Mr. President, at a time when communities across the Nation are feeling the impact of sprawling university building programs, when neighborhoods are being dislocated to make room for new science facilities, engineering schools and dormitory space, and when major upheavals in lifestyle are being wrought in the name of "progress," I think it is refreshing to consider an example in another direction in my hometown of Charleston, S.C.

The College of Charleston, one of the oldest institutions of higher learning in America, has experienced the same growing pains encountered in recent years by larger colleges and universities. Its student body has grown rapidly in size. Its role in serving the community and the State has also grown in importance. It has had to increase the size of its physical plant. These problems have been compounded by the fact that the College of Charleston is located in one of the city's most historic areas. The small physical size of its campus is further heightened by the fact that it is bounded by narrow streets and lanes and closely-located housing.

But the College of Charleston has never surrendered to the urge to expand pellmell across its surrounding community. Rather, under the leadership of its president, Theodore S. Stern, the college has adapted itself to the area and has actively sought to preserve the historic buildings there.

The success it has achieved in doing this is amply reflected in the fact that the college recently was given a special award by the National Trust for Historic Preservation. The award recognizes the institution's outstanding achievement in historic preservation. It notes the fact that the college has expanded from a small, tree-shaded campus center to adapt about 75 old structures and construct several new ones intended to blend with the old in an area covering more than 21 acres. Noted architect Hugh Newel Jacobsen termed the restoration work performed by the college "a triumph."

The National Trust noted in a recent publication that "through its all-encompassing preservation program, the college has succeeded in retaining the character of the area while meeting the needs of a rapidly expanding student body." In short, there have been no massive upheavals in the lifestyle of the area. There has been no "campus sprawl" so endemic to most American universities. There is no evidence today of an abrupt difference in the architectural appearance of the area of the campus.

To be sure, Charleston is one of the nation's primary historic areas, and it might be argued that the College of Charleston's historic preservation efforts occurred because of the circumstance of its location. But I do not think that argument detracts for a moment from the obvious fact that President Stern, the student body, and administration of the college and the community around the institution joined hands in a tremendously successful effort to preserve and protect while making room for growth and progress. Its distinguished President Theodore S. Stern, and everyone involved in this project is to be congratulated, not only for what they have done for Charleston but for the example they have set for the rest of the country.

I ask unanimous consent that the article which appeared in the July–September Historic Preservation Issue regarding the College of Charleston be printed in the Record.

There being no objection, the article was ordered to be printed to the Record, as follows:

COLLEGE OF CHARLESTON

This year the College of Charleston, Charleston, S.C., was given a Special Award by the National Trust for Historic Preservation in recognition of outstanding achievement in historic preservation. Located in a charming area of brick-paved sidewalks, quiet streets and 18th and 19th-century houses, the college has expanded from a small, tree-shaded campus center to adapt about 75 old structures and construct several new ones intended to blend with the old in an area covering more than 21 acres. Many of the house restorations have won awards from the Preservation Society of Charleston, and architect Hugh Newell Jacobsen terms the restoration work "a triumph."

Through its all-encompassing preservation program, the college has succeeded in retaining the character of the area while meeting the needs of a rapidly expanding student body. Theodore S. Stern, president of the college since 1968, has directed much of the restoration and new construction. In an interview, Mr. Stern talked with Historic Preservation editor Wendy Adler about the College of Charleston expansion program, its goals, implementation and effect.

Ms. Adler: Could you tell something about the history of the College of Charleston as it acquired land and buildings?

Mr. STERN. In the mid-18th century, when the college was authorized, land was provided, and we are currently occupying that land in addition to surrounding property. An area of approximately eight square blocks (10 acres) was given by the Crown in 1707 to establish a college. The College of Charleston was founded in 1770 and chartered in 1785; it is the oldest municipal college and the 12th oldest college in the nation.

Classes began in the home of the college president, Dr. Robert Smith, who was also the first Episcopal Bishop of South Carolina. In 1790 classes were first held in the main building constructed on the campus.

After the Revolutionary War the college ran into bad times and divested itself of quite a bit of the land to pay its debts. In 1968 our land was limited to about one square block, including the Roman Revival red stucco Main Building (1827) originally designed by architect William Strickland, the Classical Revival library (1854–56) designed by architect George Edward Walker near the site of the old barracks earlier occupied by the college, the brick Gate Lodge (1852) designed by architect Edward Brickell White and the 1857 cistern. It was necessary that the college reacquire the original property, and it has done so in a systematic manner. It did not merely destroy houses and other structures on the land to provide for new buildings, but rather it evaluated the buildings that were there and decided to retain in situ those that were of any architectural value and use them for faculty offices, classrooms, music practice rooms and things of that type. We planned to build new buildings that would complement the old and be in harmony with them. This was all done under a master plan.

Ms. ADLER. I understand that the college had another master plan before this one. Would you explain the differences?

Mr. STERN. The initial master plan was devised back in the 1960s when the college was a private institution with a small student body—at that time the student body was around 300–400. I was appointed president of the college in 1968. At that time a study conducted by the state had determined that a general-purpose college was needed in the Charleston area, the largest metropolitan area of the state. The college board of trustees had to decide whether to compete with a state-supported general-purpose college in the Charleston area or turn over the college to the state. The trustees chose to offer the college to the state to serve as the state-supported institution. In 1970 the state accepted the college. So you have the master plan from the 1960s for a private college with a small student body and a new master plan prepared after 1970 to accommodate a state-supported college with a student body now estimated at 5,000.

Ms. ADLER. Did the new plan call for purchase of more old buildings in the area or building more new ones?

Mr. STERN. It required both. The Historic Charleston Foundation and the Preservation Society of Charleston classified the buildings in the area according to their historical value. A decision was made to retain and restore all historical structures. Some buildings were moved to accommodate the newer buildings. But all the buildings of any historical value were retained, and restored or renovated.

Ms. ADLER. A President's Advisory Committee on Area Preservation was organized in 1971. What role does that group play?

Mr. STERN. It plays a vital role. It was recommended initially that a citizens group serve as my principal adviser on preservation, to assure citizen input and support in the acquisition of property and the preparation of plans, so that the college would not operate in a vacuum. I asked various individuals representing preservation and historical organizations to advise me on the best way for the college to preserve the buildings of value or restore them to keep all the buildings in harmony with the college rather than in discord. Among the members of the advisory committee are Charleston residents who are active in the National Trust as well as the various societies and organizations.

I've always favored close community relations and citizen input; this has been attained. From the beginning the college has not been in conflict with any of the preservation groups. We work together in harmony. The committee discusses the selection of the colors of the various buildings (and has selected earth tones). We discussed the type of brick to be used in the buildings, the color or the tint of mortar and what type of mortar joints to use. We took months to review samples and finally made firm recommendations.

In making a determination of how the streets should be surfaced we decided to use brick pavers. The question came up of what type of brick pavers, in mortar or in sand? In what pattern? After lengthy study it was agreed that the bricks should be in a herringbone pattern, placed in sand mixed with a little cement.

Shortly after that decision was made, renovation of the Main Building commenced. This building has been designated a National Historic Landmark and is one of the oldest college buildings in continuous use in the United States; the original portion dates back to the early 19th century, but it's been added to many times—the last addition occuring in 1920. As a result of past renovations, the ground was uneven; this required leveling the floor. The original basement floor, which had been covered with concrete and "beautified" with carpeting had to be removed. We uncovered the original brick on the ground floor of that old building. Believe it or not, the brick was in a herringbone pattern placed in sand mixed with cement. We have retained these bricks. They demonstrated that if you get the right advice and enough advice, you should come out with the right decision.

Ms. ADLER. The advice of the committee is based on both the history and the characteristic architectural styles of this area?

Mr. STERN. That's correct. We've spent a great deal of time on the scale of buildings. We did not want to overshadow the old buildings with massive new ones. The Physicians Memorial Auditorium (1973) is low and the Science Center (1973) behind it, though larger, does not overwhelm the surrounding old buildings.

One of our rules in designing the several new campus buildings has been that all must be lower than the Main Building, so that the Main Building will remain the dominant and central feature of the campus.

Form has meant a great deal too. The various types of archwork on the arcade of the new Physicians Memorial Auditorium are patterned on the archways in the old library. In addition, the new library, which opened in 1972, has the same design as the old library, even though the old library was built to house about 20,000 volumes and the new one will house about half a million books and periodicals.

We did not try to reproduce the old buildings, but we wanted certain features of them to exist in the new ones as well. The relation of old and new does not hit you, but you can feel it.

Ms. ADLER. What is the old library used for now?

Mr. STERN. It contains the most modern equipment on the campus. It is a learning resources center with nine miles of electronic cable in it for audio and visual aids. The library bays have been adapted as soundproof carrels. We have renovated the inside to conform to the period with colonial fixtures.

Ms. ADLER. Perhaps because the main building is being renovated now, the square seemed deserted. Is the campus center shifting away from there?

Mr. STERN. No, it will again be the center once renovation of the building is complete.

The cistern in the campus square has always been the center of the campus. We have always held our commencement exercises and founders day exercises on the cistern, and will continue to do so.

Ms. ADLER. The college is in the Harleston Village area of Charleston. Would you describe the area in terms of the vintage and style of its architecture?

Mr. STERN. The area of historic Charleston known as Harleston Village is bounded by Calhoun Street, Broad Street, St. Philip, Archdale and the Ashley River. In the 18th century the area was owned by Mrs. Affra Coming and after her death it descended to her nephew.

Harleston Village is a blend of 18th and 19th-century houses. As the original boundaries of Charleston expanded, Harleston became a fashionable suburban area for wealthy merchants and planters. As a result there are numerous classic examples of antebellum architecture dating from 1830–50. Many of the streets are named after Revolutionary War heroes. Today Harleston Village is a residential area of Charleston containing some of the oldest houses still privately owned.

Ms. ADLER. What was the condition of the area before you started purchasing the buildings?

Mr. STERN. I guess you could say that it was run-down. Little renovation had been done. Buildings were without paint, and it used to be said that in Harleston the people were too poor to paint and too proud to whitewash. The masonry buildings were in great disrepair, and some of them were actually safety hazards.

One of our first tasks was to convince the state inspectors and auditors and the college board of trustees that it would be more economical to restore and use an old building than to construct a new building.

We provided figures showing that to purchase, renovate or restore an old building would cost approximately $17 to $20 a square foot, whereas new buildings cost from $35 to $45 a square foot. The state auditor reviewed our figures and reported officially that it would be economically beneficial for the College of Charleston to renovate.

So we have been able to preserve and utilize Harleston Village buildings, which has been an economic advantage for us and certainly a cultural advantage for both the college and the community.

Ms. ADLER. Could you describe the variety of buildings you have taken over and the new uses to which you have put them?

Mr. STERN. We have purchased more than 120 properties and have restored about 75 buildings up to this time. No more than 20 buildings (not of historical significance) have been demolished. The old structures have been used for a variety of purposes, which include faculty offices (and I must say that the faculty love to have their offices in a restored building), classrooms, music practice rooms, administrative offices and, one of the most interesting uses, dormitories and living spaces for more than 150 resident students. For example, the Seattle House, a good example of Victorian architecture, now houses 21 women. Such dormitory or residential facilities as these are the ones most sought.

Some of the buildings are rented as faculty housing. We have also restored many buildings to provide residence facilities on the upper floors. Fraternities and sororities rent the downstairs meeting rooms from the college, and usually members of the sororities or the fraternities live upstairs. If not, other students live in those facilities. So I think we have the full spectrum of use.

Ms. ADLER. In addition to the Bishop Smith house, which structures are particularly valuable?

Mr. STERN. We have quite a few great houses, particularly the Blacklock House, a Federal-style "double house" built around 1800 by a wealthy merchant which has been designated a National Historic Landmark. There is the brick Rivers House (c. 1851) constructed by author and teacher William James Rivers, the Victorian Sottile House (1891), the Knox-Lesesne (1846)—all of them are distinguished houses rated in the top two categories of restoration in Charleston.

Ms. ADLER. Were most of the college buildings houses originally?

Mr. STERN. Yes, and on each building there is a plaque giving a little bit of its history so that visitors can learn what its initial purpose was and what its present use is.

Ms. ADLER. Have you tried to retain the interior structures in restoration?

Mr. STERN. What we have not done is to create what was not there before. For example, my office is in what was known as the Governor Aiken tenements (1841). It has been restored to its original appearance. It has no fancy molding or anything of that sort; we tried to select chandeliers of the appropriate period. We have retained what we could and where we knew the use of a structural element, but we have not modified.

Now there are some structures of less historical value that we are modernizing. We have purchased, for example, a grocery store which has a nondescript look at the present time. The architects have drawn a plan to modernize the interior for use as 20 faculty offices. This is the most practical use for it, and, frankly, we are pleased to be getting 20 offices for a cost of $16 a square foot. This compares with the $35 per square foot cost in the Maybank classroom and faculty office buildings constructed in 1973.

Ms. ADLER. Was it a house originally?

Mr. STERN. It apparently was a house, but all the original interior structure is gone now. We are going to retain the outside, however, and make it into an exciting and interesting building. It's on a corner and we have paid particular attention to corners.

Ms. ADLER. The plaques on the houses say, "Placed by the College of Charleston Foundation." Did the foundation also do the historical research?

Mr. STERN. Yes, although it used to be done by the Preservation Society of Charleston. In fact, the Bishop Smith House (now used as the president's house) and the Blacklock House (now used as the College of Charleston alumni and faculty club) both have plaques placed by the preservation society. We decided to assist them by doing the research and putting up the plaques on other houses ourselves, since we are involved in preservation.

Ms. ADLER. Did the students help research the history?

Mr. STERN. In our history and archaeology courses they do research. In fact, some digs are in progress here and students have found many things in the old privy sites.

Ms. ADLER. Anything valuable?

Mr. STERN. Oh, yes. Several round stones that served as Indian money have been found, and when they have dug a little deeper, they have found sharks' teeth dating back several thousand centuries.

Ms. ADLER. Does the college also offer courses or majors in preservation or architectural history?

Mr. STERN. We have courses in architecture, architectural history and interior design. This is one of the exciting things about our fine arts program. A seminar on architecture and preservation was held this spring with Wolf Von Eckardt, the architectural critic for the *Washington Post*, architect Hugh Newell Jacobsen and our Professor Frank Hardis.

Ms. ADLER. Do the students actually participate in the preservation and restoration work?

Mr. STERN. At the present time, no students are doing this, except on their own in special studies programs.

Ms. ADLER. What about community members, other than those on the advisory committee?

Mr. STERN. The community gets much involved in college activities. Right now about 1,500 members of the community are taking courses in the college continuing education program, and I think this is primarily because the college has become such an integral part of the community. We believe too that it is not a one-way street. People say, "Gosh, what you've done for the community." On the other hand, I think the community has done a great deal for the college. I think that if we support the community, the community will support us. It's been a happy marriage.

Ms. ADLER. I was wondering about the low-income people who were here before their housing was taken over. Did the college help to relocate those people?

Mr. STERN. This has been a sensitive area, as one can recognize. When we started to purchase buildings, there were no relocation laws or regulations. But we were sensitive to the problem; of the more than 120 properties the college has acquired, we have never gone to condemnation except to clear a title. We've always had relationships in which there was a willing seller along with a willing buyer.

While a few people now are complaining that they should have gotten relocation allowances, in fact they did because we would say, "All right. This house has been appraised at $15,000, but you're going to have to relocate, so we think a fair price might be $20–$21,000. Will that be agreeable?" They always said, "Oh, that is fine." Then we signed contracts and made the arrangements.

Sometimes we said, "Why don't you live here rent free for six months until your new house is ready?" Or we assisted them in getting a contractor to do work on the new house. We provided various advantages to them, and our relationship with the total community has been one of mutual confidence and support.

In many cases there were not families but businesses occupying the buildings and, with the downtown area being as run-down as it was, they were pleased to relocate. But now they would like to come back. We've noticed too that our neighbors are sprucing up. Harleston Village has a different look. Even those areas that used to be as rundown as the college was a few years ago are trying to spruce up. They're all painting. And it's looking much better.

Ms. ADLER. Do you think this is because of the college?

Mr. STERN. I think it's just the general atmosphere of Charlestown and a general confidence. The Charleston community has restored, for one reason or another, more houses than have been restored in most other places in the country. I think people are recognizing their houses as jewels and gems in a crown and the more they recognize this, the more they appreciate it and the more they want to be a part of the action.

Ms. ADLER. How has the restoration work of the college affected property values in the area?

Mr. STERN. Property values in Harleston Village have certainly risen. The faculty has increased from approximately 35 to 175 in about four years. Many of these people live near the campus, as do many other staff people. With more demand for nearby housing by citizens more affluent than those who previously lived in the neighborhood, it seems safe to say that inflation is not the only factor influencing the price of property in Harleston Village.

Ms. ADLER. I read that you have managed to earn the approval of both preservationists and bulldozer operators. Could you explain how you accomplished that?

Mr. STERN. I'm proud of the relationship, though I think it might be a little rough to say that. Perhaps we've given the contractors and the bulldozer operators an understanding and appreciation of what can be done and they've taken pride in their work. We're all part of the community, and I think all of us working together have accomplished a great deal that none of us could have done alone, whether it be the bulldozers or the preservationists or the college.

Ms. ADLER. How much more acquisition of old buildings or construction of new ones will there be?

Mr. STERN. Our master plan calls for acquisition of about 30 more buildings, only three of which will be demolished. There are definite purposes for each acquisition. The buildings will be used for faculty offices, residence halls, administrative services, residence hall annexes and the improving of other properties in the area. In addition to those buildings there will be perhaps 20 more at a maximum before the college completes implementation of its master plan by about 1980. We have approved construction of a physical education and athletic center. After expansion has been completed, the college will fill an area of about 21 acres.

In the long-range plan, but not yet funded, are a new classroom building and student residence facility and an addition to the science center. One of the most attractive areas after it is developed will be the botanical garden area in the rear garden of the historic William Blacklock House. We also have plans for a continuing education center, the site of which has not yet been determined. We think it is unnecessary for it to be here but it should be in a place that is accessible to the public and has adequate parking area.

We do not have a great deal of parking for our 5,000 students (80 percent of whom commute). I was concerned that we not build a concrete plaza around the college to provide parking. Accordingly, we initiated a plan several years ago to have off-campus student parking and provide free shuttle bus service from there to the campus. This has been favorably received by the community as well as the students. Now, the students park their cars at the municipal auditorium parking area, and shuttle bus service running to the campus takes three to five minutes. It's a nice walk, too. We're hoping to develop more off-campus parking facilities.

Ms. ADLER. I noticed that a municipal parking garage is being built next to the college. Were you opposed to that?

Mr. Stern. No, the college favored this, and its design will blend with the college surroundings. On that site there used to be a large parking lot with some older buildings which have been moved to other locations in the Charleston area and will be renovated as residences. Now there will be a parking garage with about 600 spaces that college faculty, staff and students may use. It should work well because the students will use those parking facilities at hours when the shoppers don't—the shoppers will use them mostly between noon and 6 p.m. and the students will use them from 7:30 a.m. until noon and then in the evening for our continuing education program and evening school.

Ms. Adler. Do you find that the students are much aware of the college preservation program, and are they attracted to the school because of it?

Mr. Stern. There is no question about it. I think students are naturally attracted to Charleston, but they take a tremendous amount of pride in the old buildings and the buildings that we have restored. I can remember when we started renovation of the Main Building. Students came up to me and said, "Please don't do away with the classrooms in that building." We're not only preserving the classrooms, but the original desks are going back in.

The students take great pride in the beauty of their college, and we share in that pride.

Ms. Adler. What are some of the problems you've encountered, such as technical complications or community opposition?

Mr. Stern. We have only had opposition in one area. That was the proposed closing of one of the streets, and the street has not been closed. I think some day it will be closed, but right now it is not to the advantage of the community to close it. We like to consider whether our plans are advantageous to the community first and to the college second.

We have had some serious problems in renovating the Main Building. All of the plumbing had to be replaced. The electrical wiring could not handle the increased load and also had to be replaced. Yet since classrooms were originally in that building and there will be classrooms and faculty offices in it after it is renovated, we can say that it has been in continuous use.

One of the construction problems that we have here in Charleston is that all of the buildings must be supported by pilings. Also, we are on a fault, so all of our buildings have to be earthquake-proof as well, although most of them, particularly the old buildings, have been through a couple of earthquakes and it did not seem to bother them. There are quite a few earthquake rods in some of the buildings. We have put the telephone wiring underground, our electrical systems underground, our heating and air conditioning systems are all underground.

We have devoted a great deal of time to investigating the type of outdoor lighting to install on campus. Ours give the appearance of oil lamps but are actually bright lights. Even our trash receptacles have been specially designed for the area. We think our landscaping will fit in beautifully with the decor of the buildings.

Ms. Adler. Has any of this been done to meet zoning or design standards of the city?

Mr. Stern. We have complied with all the design standards of the city, although we did not have to, because the college is a state institution. But we believe that we are so much a part of the community that we want to conform to these things. I think one of the reasons we have had complete support from the mayor, from the aldermen, from the community at large is that they know we are trying to do the same thing they are trying to do. It's been a cooperative community of action.

Ms. Adler. In restoring the old Charleston houses, have you learned anything new?

Mr. Stern. I think we have become experts. In fact, people come around and ask us how we did this and how we did that and why we did this and why we did that. The old houses didn't have air conditioning and we've learned how to install central air conditioning so that it does not mar the inside or the outside of the houses. We know how to hide the compressors and fans and things of that sort.

We've learned a great deal about the economics of restoration. We've learned a great deal about history itself in the buildings.

Ms. Adler. George D. Grice, who was president of the College of Charleston from 1945 to 1966, was also interested in preservation. Could you explain what he accomplished and what new direction things took when you came?

Mr. Stern. The Aiken House and the Sottile House were acquired when Dr. Grice was president. The major restoration effort during his term was the Bishop Smith House at 6 Glebe Street, which is historically notable in every respect. In 1965, it was completely restored as the residence of the president; unfortunately Dr. Grice was never able to live in it. My immediate predecessor was the first occupant. Another major restoration accomplished by Dr. Grice was the moving and restoration of the Marshlands Plantation house from the area of the naval base to Fort Johnson on James Island.

Ms. Adler. What was left after the big earthquake in 1886?

Mr. Stern. The three original buildings—the Main Building, now known as Harrison Randolph Hall, the old library, now known as the Edward E. Towell library, and the gate lodge located to the south of the main quadrangle—all were left intact. There was some damage and, after essential repairs, additions were made to the Main Building. But the college survived, and there weren't even any bricks lost from the cistern.

Ms. Adler. When do you think the college became interested in preservation? Was it when it was trying to stabilize the buildings after the earthquake?

Mr. Stern. I think the college has always been interested because it is part of the community of Charleston, which has been interested. We have only been able to make progress since we became a state institution and received the financial support that is essential to do a good job.

Ms. Adler. Does the college plan to publish a guide to its restored buildings?

Mr. Stern. Yes, after the restoration of Randolph Hall has been completed.

Ms. Adler. How can other colleges—especially those located in places where citizens are less attuned to preservation than in Charleston—apply the experience of the College of Charleston?

Mr. Stern. For a college to prosper in a community, a close relationship must exist. The college and the community must accentuate the positive. They must build in those areas where there are mutual benefits. They must reduce areas of conflict. There must be a recognition that both will benefit through the development of each. Mutual support is the key to mutual benefits. The community, and particularly the business community, is impressed with the economic advantages to be gained; and it can be proven that the restoration of historic structures and their productive use is less costly than the construction of new facilities. To respond succinctly to the question "How do you impress the community with the desirability of preservation?" I would respond, "Through mutual trust and respect."

ATTITUDES OF COLLEGE STUDENTS

Mr. BARTLETT. Mr. President, a recent Gallup public opinion survey was conducted concerning the attitude of American college students. The survey compares the opinions of Oklahoma Christian College students with those of an Ivy League school. The contrast is most enlightening and interesting.

I ask unanimous consent that the report be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Attitudes of College Students on Political, Social, and Economic Issues, 1975

(By George Gallup)

(The proceedings of this survey were released at the Oklahoma City Chamber of Commerce Friday Forum luncheon held on the campus of Oklahoma Christian College, April 18, 1975.)

PURPOSE OF THIS STUDY

The survey reported in the following pages sought to discover the attitudes of college students on political, social and economic issues.

The sample embraced an approximately equal number of college freshmen, sophomores, juniors, and seniors, with the goal in mind of comparing the changes that take place in viewpoints between freshman and senior years.

Aside from charting the shift in attitudes, questions were added to see if some light could be shed on the reasons for these changes.

Finally, some questions were included to discover how much college students know about the free market system, and whether knowledge in this area improves as students advance from one class level to the next.

RESEARCH PROCEDURES

The Sample. The sample on which this survey was based embraced a total of 904 interviews with students enrolled in 57 colleges and universities across the nation. These colleges were selected by a scientific process which gave all the junior and senior colleges in the nation an equal chance of being drawn and included in the sample. This selection process insures that large universities as well as smaller colleges are properly represented.

On each campus an attempt was made to select at random students from each of the four classes in approximately equal numbers. This was done in order to have a sufficient number of cases in each class to make comparisons meaningful. It should be pointed out that a sample of all college students would have included more freshmen and sophomores than upperclassmen, since some students attend college for one year or two and then drop out.

By weighing each class according to the proper number of students enrolled in the nation's colleges and universities, a national figure could be arrived at. However, in the present study, the primary purpose was to compare one class with another.

Two special samples were studied for comparison purposes; Oklahoma Christian College where a total of 100 students were interviewed, and an Ivy League University, where the sample will embrace 100 students. Since neither of these colleges fell within the basic sample, survey results for these two institutions have not been included in the main sample, but are given separately.

The sample includes an approximately equal number of men and women students representing each class. By weighting, these results, also, can be made to fit the national total of men and women students.

The Questions. The questions asked were subject to a number of pre-tests on college campuses in New Jersey and in the Interviewing Center maintained by The Gallup Organization, Inc. in Hopewell, New Jersey.

The completed questionnaire embraced some 60 questions including those asked for control purposes.

Time of the Field Work. The actual interviewing for this study was conducted during the period beginning January 28, 1975 and extending to February 18, 1975.

The Stapel Scalometer. A non-verbal attitude scale, devised by Jan Stapel of the Netherlands Institute of Public Opinion, was employed in measuring sentiment regarding some 50 items ranging from political personalities to areas of American life. The scale has been widely used throughout the world for measuring attitudes on a wide variety of subjects.

Comment. Both the interviewers in the field and our own staff regard this as one of the most interesting survey projects that we have carried out. This accurately reflects my own feelings.

THE FINDINGS IN BRIEF

The chief aim of the present survey was to discover the changes that occur in attitudes as students advance from freshman to senior year in college. Since the kind of changes that might take place on the typical campus are not necessarily true in the case of all colleges, two special studies, one at Oklahoma Christian College, the other at an Ivy League University, were undertaken to see what possible differences might exist. Obviously the smaller samples taken on both these campuses require that greater statistical allowance be made for variations due to samples size. The differences found, however, are great enough on many key issues to indicate that they are statistically significant.

Political Attitudes. College students identify themselves as "Independents" far more than the adult population of the nation. Exactly half of those interviewed put themselves in this category. Of those who align themselves with either major party, the ratio of Democrats to Republicans is approximately two-to-one (32% to 15%).

Even at the beginning of their college careers, students have moved sightly towards the Democrats—as judged by their father's typical voting behavior.

Because of the large number who identify themselves as Independents, a more accurate measure of political orientation is to be found by the use of the conservative-liberal scale. This reveals a rather strong shift towards the left during the four college years. At the freshman level, 30% place themselves left of center or far left, compared to 24% who describe themselves as right of center or far right. By the senior year those who place themselves left of center or far left adds to 53% compared with 20% who say they are right of center or far right. A difference of 6 percentage points in favor of the far left thus becomes a lead of 33 percentage points in the senior year.

Strangely enough, the question included in this survey about the death penalty for murder has always been a good indicator of right-left political sentiment, and in the present study it performs this function perfectly. Students at the Ivy League University oppose the death penalty 80% to 13%; the total college sample opposes the death penalty 59% to 35%; but the students at OCC favor the death penalty 62% to 36%.

As might be expected, fear of communism follows the same pattern. Those who believe the Communist Party constitutes a "considerable" or a "very great danger" range from 65% in the case of OCC students, to 33% in the case of the total college sample, to 4% in the case of the Ivy League University students.

Religious Beliefs. When freshmen are asked about their religious beliefs, a total of 79% reply that they are "very important" or "fairly important." By the senior year the percentage choosing either of these two responses falls to 66%.

Church attendance follows the same pattern. Weekly attendance at church services declines from freshman to senior year. In the case of the freshmen interviewed, 40% say they attend weekly, 37% of the sophomores, 29% of the juniors and 23% of the seniors. At the Ivy League University the figure was 18%; at OCC, 100%.

Belief in life after death also follows the same pattern, with 93% of the students at OCC holding this belief, 65% of the total college sample, and 47% of those interviewed on the Ivy League University campus. And again, belief in God or a universal spirit shows the same differences: 100% of the OCC students hold this belief, 88% of the total college sample, 68% of the Ivy League University students.

Moral Attitudes. The great change in morals as they concern sex is evidenced by the sizeable majority of college students who do not believe it to be wrong to have sexual relations before marriage. Only 18% of the national sample believes this to be wrong; only 9% of those interviewed on the Ivy League University campus. On the other hand, 83% of the OCC students say it is wrong.

Legalizing of marijuana is approved by a small majority of all college students (54% to 41%); by a large majority of the Ivy League University students (68% to 32%); but opposed 90% to 10% on the Oklahoma Christian College campus.

Use of alcoholic beverages is reported by 77% of all college students; 82% of the Ivy League University students; 5% of OCC students.

Smoking cigarettes is actually lower in the case of the Ivy League University students interviewed than for the all-college sample—25% opposed to 33%. In the case of OCC students the figure is 6%.

Those in favor of abortion under all circumstances ranges from 24% at Oklahoma Christian College to 65% of the all-college sample, to 83% at the Ivy League Institution.

Attitudes Toward Business. When asked to rate the honesty and ethical standards of some 11 different professions, including business executives, only 19% gave this group a "high" or "very high" rating. By way of contrast, college teachers are given a rating by the same scale of 69%.

Business executives rate more highly with OCC students; their rating of this group is 30% (high and very high). The Ivy League students give this group a top rating of 11%.

Ralph Nader wins a higher rating than either Henry Kissinger, President Ford, or Ted Kennedy with all college students and with the Ivy League University students. He gets a low rating with OCC students—far below President Ford, Ronald Reagan, or Edward Kennedy.

A majority (slight in the case of OCC) believes that the government should place stricter controls on business. And a majority of about the same dimension (except in the case of the Ivy League University) believes that the government should likewise place greater restriction on labor.

The all-college sample voted in favor of breaking up big business companies of the nation into smaller companies by a margin of 53% to 39%. OCC students vote 52% to 44% against such action.

Students in all three samples believe that business is too much concerned with profits and not enough with public responsibility.

Greater government intervention into the free market system is approved by 60% of those on the Ivy League University campus, and by 56% of those in the all-college sample. Only on the OCC campus is a majority opposed (53%).

Knowledge of the Free Enterprise System. While a strong anti-business mood prevails in most of our colleges and universities, lack of knowledge of the free market system is shocking.

College juniors and seniors have a more distorted idea of the profits of business than high school juniors and seniors. In a study conducted in the spring of 1974, it was found that high school students guess that the profit made by a typical large national corporation is approximately 30%. College juniors and seniors place the figure at 45%. They believe a fair profit would be about 25%.

College students have an equally distorted idea of the dollars that go to labor, represented in the purchase price of such products as refrigerators and automobiles. They give estimates in the 30% to 40% range, while the Ivy League University students guess 49%.

At the same time that college students overestimate the profits of business and underestimate the share of all dollars taken in for such items as refrigerators and automobiles, they grossly underestimate the Federal income taxes paid by corporations. Their guesses average about one-fourth the true figure in the case of corporations making a net profit of $1,000,000, and less than one-half in the case of corporations making $100,000 net profit.

Why Do Students Turn to the Left. It is difficult to pin-point the reasons why students tend toward the liberal viewpoint during their four years in college. Events, and particularly the kind experienced in the U.S. during the last few years—Vietnam, Watergate, the energy crisis, the recession-depression—have obviously influenced many.

Great influence is exerted by the professors. About one-third of the college students interviewed said that their teachers had influenced their political views. And when asked to describe the political views of these teachers who had influenced them, those left of center (except in the case of OCC students) had far more impact on their thinking than those right of center. In the case of the all-college sample the political left had roughly three times the converts as the political right.

Individual Hopes and Expectations. Patterns of thinking clearly emerge in this survey. Those at the left side of the political spectrum are discouraged about the future of the U.S. They hold in low esteem almost all of America's institutions including business. They have few heroes on the current political scene. They are the least happy with the nation and with themselves. They even give lower ratings to their own fathers and mothers. They are the most skeptical about religion and God's omniscience. They have the lowest morals.

Whether this is a mood that will change remains to be seen. But one conclusion can be drawn. The students who have the greatest confidence in the nation and its institutions, respect for religion, and their own family life, tend to take a center or right position, politically, on most issues.

Finally, this survey presents cogent evidence that the four years that typical students spend in typical colleges and universities tend to disillusion them about their country and to increase their alienation with its institutions.

GOVERNMENT HAS FORGOTTEN THE CRIME VICTIM

Mr. PELL. Mr. President, I rise to pay tribute to an imaginative and dedicated Rhode Islander, Raymond J. Morrisette, Jr., of Johnston. Through his leadership an organization known as Victim Alert, Inc., has been formed to protect the rights and promote the interests of a group long ignored by society, the victims of crime.

The statistics on crime in Rhode Island and the Nation are staggering, Mr. President. Over the years 1970 to 1973 the likelihood of a Rhode Islander being the victim of a serious crime increased more than 50 percent. A recent U.S. Justice Department report indicates that in 1973, 37 million Americans were victimized by such crimes.

Here in Congress, in the various State legislatures, and on the local level, public officials are daily grappling with ways to reduce the disrespect for lawfulness that recently has swept over our society. Now private citizens, such as those who formed Victim Alert, are organizing, not to take the law into their own hands, but to assist Government in making the criminal justice system more responsive.

I applaud Mr. Morrissette for his efforts and ask unanimous consent that the article entitled "Government Has Forgotten the Crime Victim" which appeared in the Pawtucket Times on July 10, 1975, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Pawtucket (R.I.) Times, July 10, 1975]

Government Has Forgotten the Crime Victim

(By Bob McNamee)

It's a dark night on a lonely street. You're knocked unconscious by the butt end of a revolver and your wallet is stolen.

After your skull is repaired at the hospital you go to the police station and, if the mugger is found, you go to court. If your assailant is found guilty and goes to jail, he'll probably be paroled before his sentence is completed. Maybe he doesn't even go to jail but is placed on probation.

Raymond J. Morissette Jr. of Johnston says he was sick of hearing about these things happening. So he's doing something about it. He's formed a group called "Victim Alert" to aid and counsel victims of crimes and work in the legislature to swing the emphasis of the criminal justice system back toward what he says are the "forgotten" victims.

"The criminal knows that before, during and after trial there are laws that can obscure the verdict whether he is guilty or not," said Mr. Morissette, a son of the former mayor of Central Falls. Mr. Morissette works for the state Department of Health where he prepares workshops on various health aspects.

"The government has preoccupied itself with criminals and has forgotten the victim," he said. "Three things characterize victims: 1) It is uncertain who they are going to be. It is reported that one in 25 persons will be a victim of a serious crime. 2) Victims go unnamed. You remember the Specks and the Mansons, but who remembers their victims? 3) Nobody represents victims in court. They can seek the services of Legal Aid, but usually the defendant has the smarter lawyers."

Mr. Morissette said that if asked Victim Alert will visit victims of crimes with a lawyer and psychiatric social worker to explain rights and laws and help in any way possible. "And we will stand by them and be withthem during court proceedings," he said.

Presiding Justice Joseph R. Weisberger of Superior Court called the concept of Victim Alert a "fine idea."

"We tend, because of our adversary system, to have great preoccupation with the defendant," Judge Weisberger said. "As an individual the victim is seldom featured, except as a witness. He is seldom consulted and part of the process."

One relatively untried avenue a victim does have is bringing a civil suit against his assailant. Mr. Morissette said that a policeman in Arlington, Va., has brought a $1 million suit against a man who was charged with shooting him during an incident at a market. The defendant was given 20 years in jail, but probably will be eligible for parole in half that time. To make him think twice about seeking parole, the policeman is hoping to get the suit to stand for twenty years, making the defendant liable if he came out of jail before he had served his time.

Besides attempting to bring suits against defendants on behalf of victims, Mr. Morissette said Victim Alert will lobby in the legislature to have bailable offenses such as attempted murder and assault with a deadly weapon become non-bailable, and for mandatory sentences for "repeaters" using a gun in a crime and for rapists.

"I was about as bleeding heart liberal as anybody could get until a few years ago," Mr. Morissette said. "I kept seeing these guys get out of jail and I put two and two together and saw that something was wrong."

What put his thoughts into clearer perspective, he said, was an attempt by two men to rob him in Providence two years ago. They failed, he said, but the incident deeply affected him.

Mr. Morissette said that Victim Alert is not a "vigilante" group. He said, in fact, that he is trying for a "middle ground" and is afraid that if a group such as his isn't started, some people who have been victimized by crime might try to take the law into their own hands.

"I have sympathy for the first-time offender who might be out of work and have a few drinks and rob a store, but with repeaters I say throw the key away and keep them away from society," he said.

Mr. Morissette is a member of the American Civil Liberties Union, but said he is resigning because he has become disillusioned with the liberal ACLU stand on the rights of criminals.

Victim Alert will have an organizational meeting Tuesday at 8 p.m. at Mr. Morissette's residence at 28 Harding St. off Route 6 in Johnston. About 15 people are involved so far, he said, including Edmond DiSandro, a Providence lawyer, and Anthony Incollingo, a Providence psychiatric social worker. Anyone interested in Victim Alert is invited, Mr. Morissette said.

PAPERWORK TYRANNY

Mr. FANNIN. Mr. President, the most common complaint made about Government regulation is that the paperwork burden has become oppressive. The report filing requirements substantially raise the costs of operating a business and conducting Government affairs which, in turn, increases the costs of goods and services the public needs.

In attempting to improve the regulatory system, the Congress must try to alleviate the paperwork problem involved in Government regulation. To accomplish that, something will have to be done about the bloated Federal bureaucracy. As the Arizona Republic recently editorialized:

> Despite the Ford Administration's vow to trim the size and power of bureaucracy, the tenured federal bureaucrats seem unshaken. They expand and impose their paperwork tyranny without pause.

If regulatory reform is to succeed, the Congress will have to change not only the laws governing the agencies and the regulatory process, but the impulse and practice of bureaucrats to demand more paperwork.

The experience of those who must meet the paperwork requirements is both expensive and exasperating. The frustration has led businessmen to throw up their hands and some small town public officials to throw in the towel.

I call the attention of my Senate colleagues to an editorial which appeared in the September 9 Republic, and I ask unanimous consent that the text of this article be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Paper Work Tyranny

Outside of Guthrie County, Iowa, the name of Ken Robinson won't register with many people. But his plight and exasperation will draw knowing and sympathetic nods from public officials all across the country.

Ken Robinson is the mayor of Bayard, Iowa, population 628. After 18 years in office in the tiny town, Robinson is resigning in exhaustion.

He cannot, he says, fight bureaucrats in Washington any more, or endure their mindless demands. Neither can the mayors of seven other small towns in the county, all of whom also have decided to throw in the towel.

"The mayor doesn't run a small town anymore," Robinson said on the day he decided not to run for re-election. "The federal and state governments run it."

Robinson cites the running battle he's had with a federal agency over federal flood insurance.

"There's no creek in this town, not even a ditch. Yet they say we are flood prone."

Mayor Jack Shelker in nearby Jamaica, also not running for re-election, complained about the clerical time and cost to his town of 300 persons to get $800 in federal revenue sharing funds or about $3 per capita.

Despite the Ford Administration's vow to trim the size and power of bureaucracy, the tenured federal bureaucrats seem unshaken. They expand and impose their paperwork tyranny without pause.

The Department of Health, Education and Welfare last week made several new contributions. It informed the nation's 16,000 school systems that they now must:

1—Keep detailed discipline records involving students so HEW can determine whether minority students are punished more than white children.

2—Determine what language is spoken in the homes of minority students to see whether they are being discriminated against in classrooms.

It is futile to argue with the federal bureaucrats about this make-work nonsense. Logic is not involved. Federal agencies disburse orders as quickly as they dream up new way of justifying their existence, and then figure out later what to do with the mountain of new reports required.

These two latest HEW mandates obviously will require more tax funds, not only for the bureaucrats who'll monitor reports flowing into Washington, but also administrative systems and personnel in local schools required to amass the data. What earthly influence this will have on Johnny and Jane's education escapes rational examination.

But heaven help the school administrator whose reports to HEW show any substantial disciplining of minority students, regardless of the reason. An HEW investigator will show up on the scene to ask for explanations of the per se discrimination involved.

Of course, HEW's man will have to stand in line behind inspectors of the Affirmative Action hiring program, lunch program, busing program, and remedial reading program.

It will be a grand day when the feds run out of social ideas, and quota plans, and concentrate on letting school systems find a way of bringing high school seniors up to a 12th grade reading level.

GOVERNMENT BUREAUCRACY: A BUM STEREOTYPE

Mr. HUMPHREY. Mr. President, I wish to call to the attention of my colleagues an article by Marianne Means entitled, "Citizens Cling To Bum Stereotype." Ms. Means points out that it is generally thought that people are virtually disgusted with Government institutions and are cynical about the honesty and efficiency of its officials. It came, therefore, as a pleasant surprise to her and to me that, according to a recent article in the magazine, Psychology Today, two-thirds of those who use the Government services available to them were reportedly completely satisfied with the treatment they received and the way in which the particular office handled their problems. More than four in 10 were very satisfied and only 14 percent were very dissatisfied with the service they received.

The survey indicated that 88 percent of those receiving social security were satisfied with the way they were treated. The majority of the citizens described the handling of their problems by Government offices as quick and efficient and only 13 percent believed they had been treated unfairly.

In spite of what people say in general about the Government, the majority of people seem quite satisfied with the way they are treated themselves in their own dealings with the Government.

Mr. President, I ask unanimous consent that this encouraging article by Marianne Means be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CITIZENS CLING TO BUM STEREOTYPE

(By Marianne Means)

WASHINGTON.—By now, everybody knows that the population as a whole is disgusted with its government and institutions and cynical about the honesty and efficiency of its officials.

President Ford has said repeatedly he believes one of his major tasks is to restore public confidence in the White House. Pollster Lou Harris told the annual Conference of Mayors that a majority of people have more faith in their garbage collectors than in either local or Federal government. A survey by the University of Michigan Institute for Social Research indicated that over half of those queried believe that "quite a few" of the men running the government are crooked.

SURPRISE SATISFACTION

Therefore, a recent study by the magazine "Psychology Today" comes as something of a welcome surprise. The survey found that a majority of Americans use the government services available to them; two-thirds of them reported complete satisfaction with the way the office involved handled their problems; and more than four in 10 said they were very satisfied, thank you. Only 14 percent were very dissatisfied with the service they got.

The magazine asked a representative sample of 1,431 citizens to describe their experiences with seven common problems that government bureaucracies service—employment, job training, compensation for accidents and injuries at work, unemployment compensation, medical and hospital care, public assistance, and retirement benefits.

The survey concluded that citizens are happiest about Social Security, since 88 percent said they were satisfied with the way their retirement problems are handled. The worst marks were given to the quality of medical and hospital care; only 58 percent had positive experiences.

Some 57 percent surveyed thought the bureaucrats who helped them made the right amount of effort, 16 percent said they helped more than they had to, only 12 percent said the agency officials expended less effort than they should have and 9 percent said no effort at all.

The great majority said their problems were handled quickly and efficiently, and just one in 10 found the agency dealt with to be very inefficient. Only 13 percent believed they had been treated unfairly or discriminatorily.

STEREOTYPE HARD TO LOSE

What does all this mean? The survey suggested that citizens cling to the stereotype of a bum bureaucracy despite their own experiences rather than because of them. Significantly, it found that the respondents consistently described their own encounters more positively than what they thought everyone else was getting. Although 71 percent of all those asked said their own problems were taken care of, only 39 percent thought that government agencies do well at taking care of problems.

The authors of the survey, four psychologists, were disturbed by the lack of connection. "If people do not link their own experiences with governmental services to their ideas of public bureaucracies, they can be supportive at one level and destructive at another," they warned.

This apparent inconsistency in attitude, however, does indicate that perhaps government isn't as bad as the current post-Watergate mood portrays it.

REGULATORY REFORM CONFERENCE

Mr. FANNIN. Mr. President, on September 10–11, the American Enterprise Institute for Public Policy Research and the Hoover Institution jointly sponsored a conference on regulatory reform. As my colleagues know, AEI is a publicly supported, nonpartisan research and educational organization, established in 1943, "to assist policymakers, scholars, businessmen, the press, and the public by providing objective analysis of national and international issues." The Hoover Institution is one of our country's greatest intellectual centers and best "think tanks" located on the campus of Stanford University, my alma mater and, I say humbly, America's finest institution of higher learning.

The purpose of the AEI-Hoover Institution conference was to examine some of the important policy issues related to regulatory reform. The 2 days' discussions concentrated on four areas in which changes in regulation are especially controversial. By providing a variety of viewpoints, the participants provided new insights into the issues of deregulation, changes in regulation and structural reform.

Here is a list of the session topics and panelists which may be of interest to my colleagues:

1. First Session: Power-Energy Regulation:

Chairman: Professor Warren Nutter, University of Virginia.

Papers: "Federal Regulation of Electric Utilities via Taxation and Litigation," Professor Robert Spann, Virginia Polytechnic Institute; "Regulatory Overkill," Charles J. DiBona, Executive Vice-President, American Petroleum Institute.

Discussants: Lee White, former Chairman, Federal Power Commission.

William Springer, Commissoner, Federal Power Commission.

Representative John Dingell (D-Michigan).

Representative Clarence Brown (R-Ohio).

2. Second Session: Health Regulation:

Chairman: Dr. Robert Helms, American Enterprise Institute.

Papers: "Regulatory Reform: The Case of the Medical Care History," Professor H. E. Frech III, University of California, Santa Barbara; "Regulating the Price of Hospital Services," Professor Paul Ginsburg, Michigan State University.

Discussants: Dr. Rita R. Campbell, Senior Fellow, Hoover Institution; Dr. Stuart Altman, Department of Health, Education and Welfare; Dr. Joseph Newhouse, Rand Corporation; Dr. Philip Caper, M.D., Senate Health Subcommittee.

3. Third Session: Transportation Regulation:

Chairman: Professor Ann Friedlaender, Massachusetts Institute of Technology.

Papers: "The Proposed 'Railroad Revitalization' Act," Dr. Thomas Gale Moore, Senior Fellow, Hoover Institution; "Major Issues and Recent Developments in the Airline Deregulation Debate," Dr. James C. Miller III, Senior Staff Economist, Council of Economic Advisers.

Discussants: Robert Binder, Department of Transportation; Dr. George W. James, Air Transport Association; Daniel O'Neal, Vice Chairman, Interstate Commerce Commission; Paul Cunningham, Senate Surface Transportation Subcommittee.

4. Fourth Session: Agency for Consumer Advocacy:

Chairman: Antonin Scalia, Assistant Attorney General.

Papers: "The Dilemma of Consumer Protection," Professor Roger Noll, California Institute of Technology; "What Is In A Name?" Professor Ralph Winter, Yale Law School.

Discussants: Senator Carl Curtis (R-Nebraska); Representative Benjamin Rosenthal (D-New York); Representative John Erlenborn (R-Illinois); Mark Green, Corporate Accountability Research Group.

5. Fifth Session: Regulatory Reform:

Moderator: Eileen Shanahan, New York Times.

Panel: Ronald Reagan, former Governor of California; Senator Hubert Humphrey (D-Minnesota); Hendrik Houthakker, Professor of Economics, Harvard; Ralph Nader, Center for Study of Responsive Law.

In addition, luncheon speakers were Dr. Paul MacAvoy, of the President's Council of Economic Advisers, and Dr. Gary Seevers, member of the Commodity Futures Trading Commission.

It should be noted that the fifth session, the very lively debate between Governor Reagan, Senator HUMPHREY, Ralph Nader, and Professor Houthakker as videotaped and will be broadcast locally by station WETA-TV, channel 26, on September 28, at 1 p.m.

AEI and the Hoover Institution are to be commended for offering this important conference with such well-informed discussants. For those Members who missed this timely conference, it is my intention to insert into the RECORD the texts of several representative papers concerning various subject matters and different aspects of regulatory reform. In my opinion, these discussions and informed views will be of considerable assistance to the Congress as we consider the problems of and approaches to comprehensive, meaningful reform of the Federal regulatory system.

NEW YORK FINANCIAL CRISIS

Mr. HUMPHREY. Mr. President, it is time that we all recognize that the ramifications of New York City's financial crisis now extend far beyond the boundaries of the city and the State. They extend into the banking system, to the finances of other cities and into the credit market as a whole. In fact, New York City's default could quite possibly weaken the strength of the nationwide economic recovery.

In addition, it is time that we recognize that the city and the State are making sincere and significant efforts to correct the problems that the city faces. Certainly more needs to be done. The first steps are definitely in the right direction.

We must realize that there is absolutely no gain to be made in trying to find a villain for New York City's problems or in gloating in its demise while the majority of its citizens are working overtime to get the city back on its feet. Their rewards should not be payless paydays, discontinued services and worthless assistance checks.

Clearly the default crisis has not been resolved yet. It has merely been delayed 3 months. In December, New York will be facing the same fate that it narrowly escaped last week. It is my hope that Congress and the administration in cooperation with New York City and New York State, will use the intervening 3 months to develop a positive program for averting default and the dire consequences that would ensue.

As part of this effort, the Joint Economic Committee will examine in greater detail the economic consequences of default and the impact of various proposals to avert default. This examination will be accomplished through committee hearings and staff studies.

As the initial portion of this effort, I have written to Chairman Burns of the Federal Reserve System and to Secretary of the Treasury Simon to solicit their opinions concerning the economic impact of default. We have now received responses to these inquiries and in addition, both Secretary Simon and Chairman Burns will testify before the Joint Economic Committee within the next 3 weeks.

Secretary Simon's letter does not deal with the credit problems that the New York situation has created for other cities, particularly large cities and those in the Northeast region. These cities have not been profligate or fiscally irresponsible, but the spectre of a New York City default has affected them as surely as it has affected New York City itself. These are the cities who will be shut out of the bond market should New York default. These are the cities that are already paying usurious interest rates. These cities have merely been victimized by the shadow that New York has cast over all our credit markets.

Mr. President, I am disappointed that the Secretary did not respond in his letter to the committee's request that he discuss and evaluate the various alternatives available for preventing a default. Hopefully, this unfortunate omission is not an indication that the Treasury has dismissed, seemingly without substantive analysis, any attempt to avert a default. I hope that the Secretary's testimony before the Joint Economic Committee next week will include a more substantive assessment of the economic impact of default, as well as a detailed discussion of the alternative Federal assistance mechanisms that are available.

In Dr. Burns' response to my inquiry, he detailed the Federal Reserve Board's contingency plans in the event that New York City defaults on its securities. The broad scope of the Federal Reserve Board's contingency plans is a clear indication of the magnitude of the financial chaos that would result from a New York City default. Extending unlimited funds through the discount window to both member and nonmember banks and permitting banks to alter, for extended periods of time, the valuation of default in securities, are steps that are necessary only in the most dire circumstances.

Unfortunately, Chairman Burns stopped short of endorsing any proposals which would have averted the financial crisis that the Federal Reserve Board's contingency plans seek to minimize. The measures that Chairman Burns has suggested indicate to me that the national financial and economic consequences of default are so significant that we should immediately explore the possibility of implementing programs to prevent a default. We will discuss the impact of a New York City default and methods to deal with it with Dr. Burns when he testifies before the Joint Economic Committee on the subject.

Mr. President, since this is an issue of such great national concern, I ask unanimous consent to have printed in the RECORD my letters to Secretary Simon and Chairman Burns and their responses to me.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
Washington, D.C., September 5, 1975.

Hon. WILLIAM E. SIMON,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: As Chairman of the Joint Committee I have become increasingly concerned that New York City's deepening financial crisis will have profound adverse implications for other major cities and quite possibly for other major sectors of our economy. However, I have seen no significant and thorough analysis assessing the full economic impact of a default either to allay my suspicions or to confirm my fears.

In response to this gap in information, I have asked the staff of the Joint Economic Committee to examine in greater detail the economic implications of a default by New York City and also to review the efficacy of various proposals to lessen the adverse economic impact. As part of this effort the Committee and its staff will discuss these important issues with experts around the country.

In order to provide the Congress with an accurate and complete description of this problem, it is essential that the Committee receive the Administration's assessment of the economic impact of a New York City default and any analysis of this situation that has been prepared by the Department of Treasury staff. Specifically we would like you to assess, in as analytical terms as possible the impact of a full or "partial" default on the market for tax exempt securities issued by other municipalities, particularly large cities; the impact of a full or partial default on the market for tax exempt securities issued by states, particularly New York State; the impact of a full or partial default on bank liquidity and the financial stability of the banking system; the impact of a full or partial default on the strength of economic recovery, focusing particularly on the economic impact of declines in investor confidence and on caution by lending institutions; and the impact of a full or partial default on other money markets, particularly the corporate bond market, and on the stock market.

It would also be helpful if you could supply the Committee with any contingency plans that the Administraiton is prepared to undertake to either ameliorate the possibility of default or to minimize the economic impact of default. If specific actions have been rejected, either to prevent default or to minimize its impact, it would be helpful if you could provide an explanation for the rejection.

Since the financial situation of New York City is becoming more serious by the day, the Committee would appreciate as prompt a response as is possible. I hope that you will be able to provide us with your assessment of this situation by Friday September 12.

I greatly appreciate your efforts in responding to the Committee's request.

Sincerely,

HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee.

U.S. CONGRESS,
Washington, D.C., September 5, 1975.

Hon. ARTHUR F. BURNS,
Board Of Governors Of The Federal Reserve System, Federal Reserve Building, Washington, D.C.

DEAR DR. BURNS: As Chairman of the Joint Economic Committee I have become increasingly concerned that New York City's deepening financial crisis will have profound adverse implications for other major cities and quite possibly for other major sectors of our economy. However, I have seen no significant and thorough analysis assessing the full economic impact of a default either to allay my suspicions or to confirm my fears.

In response to this gap in information, I have asked the staff of the Joint Economic Committee to examine in greater detail the economic implications of a defualt by New York City and also to review the efficacy of various proposals to lessen the adverse economic impact. As part of this effort the Committee and its staff will discuss these important issues with experts around the country.

In order to provide the Congress with an accurate and complete description of this problem, it is essential that the Committee receive the Federal Reserve Board's assessment of the economic impact of a New York City default and any analysis of this situation that has been prepared by the Federal Reserve Board staff. Specifically we would like you to assess, in as analytical terms as possible—the impact of a full or "partial" default on the market for tax exempt securities issued by other municipalities, particularly large cities; the impact of a full or partial default on the market for tax exempt securities issued by states, particularly New York State; the impact of a full or partial default on bank liquidity and the financial stability of the bank system; the impact of a full or partial default on the strength of economic recovery, focussing particularly on the economic impact of declines in investor confidence and on caution by lending institutions; and the impact of a full or partial default on other money markets, particularly the corporate bond market, and on the stock market.

It would also be helpful if you could supply the Committee with any contingency plans that the Federal Reserve Board is prepared to undertake to either emeliorate the possibility of default or to minimize the economic impact of default. If specific actions have been rejected, either to prevent default or to minimize its impact, it would be helpful if you could provide an explanation for the rejection.

Since the financial situation of New York

City is becoming more serious by the day, the Committee would appreciate as prompt a response as is possible. I hope that you will be able to provide us with your assessment of this situation by Friday, September 12.

I greatly appreciate your efforts in responding to the Committee's request.

Sincerely,

HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee.

FEDERAL RESERVE SYSTEM,
Washington, D.C., September 10, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee, U.S. Congress, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of September 5, 1975 raised several important questions relating to the financial problems of New York City. Fortunately, since receipt of your letter, the urgency of these problems has been considerably lessened as a result of the aid package enacted by the New York State legislature. The municipal market has reacted favorably to this development, and prices of bonds issued by the Municipal Assistance Corporation have risen.

The improvement in the outlook for New York City's finances is heartening. Nevertheless, the Federal Reserve would not have fulfilled its responsibilities if we had not developed contingency plans that would be applicable in the event of a default.

The Federal Reserve is the nation's lender of last resort. I and other members of the Board have given repeated assurances that the Federal Reserve will act promptly to relieve liquidity strains on the banking system, whatever the cause of those strains may be. Thus, a bank that is in a basically sound condition would be eligible for prompt assistance from the Federal Reserve in the case of a temporary liquidity problem. And, as you are aware, the System also has broad powers to stabilize markets through open market purchases of U.S. Government securities.

The Board has carefully considered the implementation of contingency plans for lending to banks through the discount window in case financial strains develop as a result of default by a major municipality. The Board has agreed that funds would be made available on whatever scale is deemed necessary to assure an orderly financial environment. The credit thus extended to member banks would supplement normal borrowings at the discount window. Credit at a higher discount rate could also be extended to nonmember banks that find it impossible to obtain necessary assistance elsewhere.

The Board recognizes that sizable extensions of Federal Reserve credit run the risk of leading for a time to a greater expansion in bank reserves and money supply than is consistent with longer-run monetary objectives. Clearly, any such expansion must be only temporary. Growth in bank reserves would soon be reduced to a moderate rate, either as a result of offsetting open market operations or as temporary bank borrowing was repaid.

There are also certain supervisory and examination questions that may arise with respect to banks in the event of a possible municipal default. In this connection, the Board and other bank regulatory agencies have plans to revise procedures that would apply to the valuation of defaulted securities. so that some time would be available for the market for such securities to stabilize and to permit the issuer to develop a fiscal program that may eliminate the default.

Our long-standing contingency plans have been adapted in light of emerging conditions. The municipal as well as other markets have long been aware of the New York City problem. Last week—when expectations of a New York City default were widespread—yields on state and local government securities reached, on the average, a record high.

Investors have also become increasingly selective. Since the beginning of the year, yields on lower-rated municipal bonds have risen substantially more than on higher-quality issues. Reflecting the problems of New York City, bonds issued by the Municipal Assistance Corporation have been trading at much higher yields than other comparably rated issues. Recent yields on high and lower quality municipal securities, as well as on the Municipal Assistance Corporation bonds, are displayed in the attached tables. The widening yield spread suggests that the market probably had to a significant extent discounted the possibility of a default by New York City.

Moreover, many cities and states have already taken strong measures to reduce spending and increase taxes. These developments suggest that the disciplines of the market place have already been working to limit potential disturbances from a default.

In view of their responsibilities in the banking area, I am sending copies of this letter to the Chairmen and ranking minority members of the House and Senate banking committees.

Sincerely yours,

ARTHUR F. BURNS.

YIELDS ON MUNICIPAL ASSISTANCE CORPORATION BONDS

[In percent]

	Issuod July 2[1] Maturing 1985[2]	Issuod July 2[1] Maturing 1990[3]	Issued Aug. 15—Maturing 1983[4]
Aug. 18	10.74	10.85	11.05
Aug. 19	10.74	10.82	10.76
Aug. 20	10.74	10.85	10.76
Aug. 21	10.87	10.89	10.80
Aug. 22	11.01	11.00	10.95
Aug. 25	10.90	11.00	10.95
Aug. 26	10.90	11.04	11.00
Aug. 27	10.90	11.00	10.86
Aug. 28	11.29	11.28	11.05
Aug. 29	11.19	11.32	11.05
Sept. 1 (holiday).			
Sept. 2	11.57	11.60	11.19
Sept. 3	11.76	11.76	11.25
Sept. 4	11.67	11.76	11.34
Sept. 5	11.10	11.36	10.90
Sept. 8	11.01	11.17	10.86
Sept. 9	10.65	10.97	10.72
For week ending:[5]			
July 25	10.44	10.70	
Aug. 1	10.26	10.65	
Aug. 8	10.22	10.52	
Aug. 15	10.67	10.82	
Aug. 22	10.82	10.88	10.86
Aug. 29	11.04	11.13	10.98
Sept. 5	11.53	11.62	11.17

[1] Yields shown are based on bid price quotations in the secondary market. Bonds issued on July 2 began trading in the secondary market on July 21.
[2] Initial offering yield—9 percent; coupon—9 percent.
[3] Initial offering yield—9.50 percent; coupon—9.25 percent.
[4] Initial offering yield—11 percent; coupon—11 percent.
[5] Weekly average of daily figures.
Source: Daily Bond Buyer.

MOODY'S MUNICIPAL BOND YIELDS

[Monthly average of weekly data, in percent]

	Aaa	A	A less Aaa
1975:			
January	6.39	7.13	0.74
February	5.96	6.53	.60
March	6.28	6.79	.51
April	6.36	7.09	.63
May	6.42	7.13	.70
June	6.28	7.36	1.08
July	6.39	7.50	1.11
August	6.40	7.55	1.15
For week ending:			
1975:			
May 1	6.40	7.15	.75
May 8	6.35	7.05	.70
May 15	6.35	7.05	.70
May 22	6.50	7.20	.70
May 29	6.50	7.20	.70
June 5	6.35	7.33	.98
June 12	6.15	7.25	1.10
June 19	6.30	7.40	1.10
June 26	6.30	7.45	1.15
July 3	6.30	7.45	1.15
July 10	6.33	7.47	1.14
July 17	6.40	7.50	1.10
July 24	6.50	7.58	1.08
July 31	6.40	7.48	1.08
Aug. 7	6.40	7.55	1.15
Aug. 14	6.40	7.55	1.15
Aug. 21	6.40	7.55	1.15
Aug. 28	6.40	7.55	1.15
Sept. 4	6.60	7.70	1.10

SECRETARY OF THE TREASURY,
Washington, D.C., September 16, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: I am writing in response to your letter of September 5, 1975, requesting an analysis of the potential impact of an inability by New York City to meet its obligations as they mature. It is clearly appropriate that we fully evaluate the potential consequences of such an event and the methods available for dealing with them.

As you know, I shall be testifying before your Committee on the 24th of September on many of the questions that you have raised, and in that testimony I plan to cover these issues in full detail. In the meantime, in order to be responsive to your needs as well as those of your colleagues, I would like to offer brief comments on each of the points that you have mentioned.

FINANCIAL MARKETS

As I have said many times in commenting upon the possible impact of a default by New York City upon our financial system, we are dealing in the realm of personal judgments; absolute certainty is simply not possible. Based upon past experience, however, I have great faith in the resiliency of our financial markets and, subject to the willingness of most market professionals to view the situation objectively, I believe those markets are capable of handling a default with no more than moderate and relatively short-lived disruption. I must add that to some extent, the possibility of a New York City default has already been discounted in the marketplace. Although a variety of complex factors have contributed to the current high levels of tax-exempt yields, one element is the expectation of a New York City default. Accordingly, if default were to occur, we would expect only a moderate degree of further adjustment.

OTHER ISSUERS OF TAX-EXEMPTS

New York City's well publicized difficulties have clearly resulted in more intensive scrutiny of the underlying soundness of all tax-exempt credits, a healthy development in our view. We would expect the levels of care employed in analyzing potential tax-exempt investments to rise even further in the event of a default, in effect rewarding issuers whose financial affairs are entirely in order. We do not believe, however, that any other issuer will default as a direct consequence of a default by New York City.

BANKING SYSTEMS

As the Committee is aware, the Treasury Department along with the bank regulatory agencies has reviewed the exposure of the banking system in the event of a default by New York City. Based upon that review, we have concluded that a default would not cause solvency problems for any major bank. We have identified certain smaller banks which may face material capital reductions as a result of a default. These few banks are being carefully watched by the appropriate regulatory agencies, which will take the necessary steps to insure that no innocent parties are adversely affected by the impact of a New York City default on certain banks.

OVERALL ECONOMIC OUTLOOK

As a result of widespread publicity, the nation is fully aware of the financial situation in New York City and is particularly sensitive to the unique aspects of the situation: specifically, the city's massive deficit spending. Given these levels of awareness, we do not believe a default would undermine fundamental confidence in our economy or cause financial institutions to adopt unnecessarily restrictive credit policies.

Indeed, just the contrary may be true. If the Federal government were to act to prevent default—by guaranteeing New York City or MAC debt, for example—there is a serious risk that the capital and the credit markets would react adversely. The expansion of the Federal credit involved would have a measurable impact on borrowing costs throughout the capital markets, and would exacerbate the market access problems of marginal issuers. And any attempt to compensate through a relaxation of monetary policy would fuel expectations of future inflation, strengthening investor reluctance to commit funds for the long term.

In recent weeks, many prominent figures, including a number of leaders of the financial community, have predicted that a default could place an intolerable degree of strain upon our financial system, and possibly upon the whole of our society. As I indicated earlier, absolute certainty with regard to the possible repercussions of a default is simply not possible. Nonetheless,there would appear to be little objective evidence to support such conclusions. Indeed, I am deeply concerned about some of these statements because I believe they increase the element of risk to our financial system. Accordingly, as we work together in seeking the best possible outcomes to this matter, it is essential that all parties concerned exercise restraint and sound judgment with due regard to the importance of the issues at stake.

Until we meet on the 24th, my staff stands ready to continue working with the Members and staff of the Joint Economic Committee in exchanging factual and other information.

Sincerely yours,

WILLIAM E. SIMON.

CHANGES AT THE DRUG ENFORCEMENT ADMINISTRATION

Mr. PERCY. Mr. President, on June 9, 1975, the Permanent Subcommittee on Investigations began a series of hearings concerning the efficiency and effectiveness of Federal drug law enforcement. These hearings, which were held irregularly over approximately 5 weeks due to the Senate's consideration of the New Hampshire Senate election dispute, dealt specifically with whether the Federal narcotics law enforcement effort has operated as promised since the creation of the Drug Enforcement Administration—DEA—by Reorganization Plan No. 2 on July 1, 1973.

In the course of its inquiry, the subcommittee has investigated allegations of mismanagement and possible corruption within DEA. With the resignation of DEA Administrator John R. Bartels, Jr., on May 31, 1975, and the many changes in key supervisory positions that have occurred since that time, it seems to me that DEA and the Department of Justice are taking strong and effective action to focus the attention of the agency and all 4,000 of its employees on its primary function: the elimination of illicit drug trafficking in the United States. I especially want to commend Acting DEA Administator Henry S. Dogin and Attorney General Levi for having chosen Charles Ruff, an individual of unquestioned integrity and ability, to direct DEA's Office of Inspection which was the focal point of much of the subcommittee's attention.

On September 10, 1975, the Wall Street Journal published the first part of a series of articles by Mitchell C. Lynch concerning the current status of the "war on drugs" and the effect of the hearings held by the Permanent Subcommittee on Investigations. This outstanding article reviews the various proposals now under consideration for improvement of Federal drug law enforcement programs and suggests fruitful areas for future inquiry by the subcommittee.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 10, 1975]

DESPITE SOME VICTORIES, WAR ON DRUGS SEEMS TO BE A LOSING FIGHT; BUT FEDERAL REPORT IS LIKELY TO SHOW USAGE BELOW 60S; TURKISH HEROIN REAPPEARS—A NEED TO WEED THE GARDEN

(By Mitchell C. Lynch)

WASHINGTON.—As a federal narcotics agent, Joey J. understandably spends a lot of time nervously looking over his shoulder.

His job is to walk on the wild side of life, mixing freely—and clandestinely—with mobsters, pushers, pimps, hoods and the other seamy characters who make up the street drug scene in America. If he is able to hoodwink those people into thinking he is one of them, he stands to gather enough evidence to put them in prison. If he blows his cover, he stands to get killed.

Already, five attempts have been made on his life, and not long ago he returned to find his apartment ransacked, obviously by suspicious narcotics dealers. "Oh, yeah, this job can be nerve-racking," says Joey J. (obviously, that isn't his real name). "This whole business can be nerve-racking."

His bosses at the Drug Enforcement Administration in Washington have been finding that out, too—for other reasons. And they, like Joey J., are beginning to look nervously over their shoulders. For, despite some heady successes by the more than 2,000 Drug Enforcement Administration agents in this country and abroad, an increasing number of critics are wondering aloud whether the total federal narcotics-control effort is working effectively.

A GROWING PROBLEM

They see growing evidence that, after a few years of decline, big amounts of illicit drugs again are being shipped into this country, that more people again are using such hard drugs as heroin—and that many of these people are dying from overdoses.

Hence the critics wonder whether the nation is losing the much-ballyhooed "war on drugs" declared by President Nixon in 1973.

"Not only have we not turned the corner in the so-called war on drugs," asserts Sen. Charles Percy, the Illinois Republican, who is a member of the Senate Investigations Subcommittee probing federal narcotics enforcement. "But mounting evidence from public and private sources indicates that we are being waylaid by a series of minor skirmishes."

Sen. Henry Jackson, chairman of that subcommittee, has cut Joey J. and his fellow agents to the quick. "I see a threat of lack of professionalism running through this operation," the Washington Democrat and presidential candidate has said.

A TASK-FORCE REPORT

President Ford himself wants the situation cleared up. At the urging of Vice President Nelson Rockefeller, he has ordered a special task made up of representatives of certain federal departments and the Domestic Council to come up with a report on just where the war on drugs stands. If that war is going as badly as crlitcs claim, then the President wants recommendations on how to make it go better.

The task-force report, due within the next few days, is expected to say that:

While it is evident more illicit drugs are being moved into the U.S., the influx and the usage aren't nearly as heavy as in the late 1960s, when the use of narcotics spread like wildfire from the inner cities to the more affluent suburbs;

The U.S. effort to get the cooperation of other countries in the drug fight has made major strides but still has a long way to go. Though Turkey's temporary ban on growing poppies and the breakup of processing and shipping operations in France sharply cut the amount of so-called "white" heroin reaching U.S. shores, much of the loss has been made up by the less-appealing but equally dangerous "brown" heroin from Mexico; the government estimates that nowadays more than 75% of the heroin in this country comes from Mexican poppy fields.

BALANCING ENFORCEMENT

The lesson seen: The State Department and the Drug Enforcement Administration, which is called the DEA, must try harder not to let one source of supply flow freely while they are plugging up another.

The DEA, a combine of federal narcotics agencies, on the domestic side, has been concentrating too much on apprehending small-time pushers. Instead, the agency should focus more on developing conspiracy cases against the big-time traffickers who run the smuggling and selling networks a few protective layers above the low-level smugglers and pushers.

The now-headless DEA needs an injection of strong leadership and a general reshuffling of its hierarchy to quell damaging internal bickering. These problems surfaced earlier this year with the firing of administrator John R. Bartels Jr., just as the Jackson subcommittee was probing allegations that he quashed an in-house investigation of certain DEA staff members.

(Attorney General Edward H. Levi already is moving to straighten out that situation. He named Henry S. Dogin, who formerly headed the department's strike forces against organized crime, as acting administrator. Mr. Dogin, who appears to be a top candidate to get the job on a permanent basis, named Charles Ruff, formerly with the Watergate Special Prosecutor's Office, to tighten internal controls in the agency. Further, Attorney General Levi this month will appoint Rudolph Giuliani, experienced in narcotics enforcement with the U.S. attorney's office in New York, to be an associate deputy attorney general charged with overseeing the DEA.)

And while putting its own house in order, the DEA also must begin repairing its broken lines of communications with the Customs Service. That break-off, which started when the DEA was formed in 1973, has put a severe crimp in the effort to intercept illicit drugs at U.S. ports and borders.

Of course measuring the amount of illicit drugs entering this country is like measuring smoke from a forest fire. The lack of precise data is one reason some federal officials pooh-pooh all the talk about a massive resumption in drug smuggling and use.

"There has been no increase in the availability of hard drugs in this country," says Jerry N. Jenson, deputy administrator of the DEA. Mr. Jenson uses a generally accepted standards—price and purity. When the availability of narcotics is low, the price naturally rises and the purity of the product sold on the streets declines. In the final quarter of 1974, Mr. Jenson says, the average street price of a milligram of heroin was $1.32 at 5.6% purity, compared with, say, 80 cents for 6.8% in the first quarter of 1972—a period when experts say the drug inflow to this country was at its lowest level in years.

(When heroin is smuggled into this country, it is nearly 100% pure. However, the street pushers "cut" the purity by mixing in such ingredients as milk-sugar, which is white and easily dissolves in water, and quinine, which tastes like heroin to the buyer who "taste-tests" the product.)

By other vague measurements, though, narcotics availability clearly is rising. Dr. Dominic DeMaio, chief medical examiner in New York Cty, reports that the number of deaths caused by heroin overdose in that city last year rose to 150 from 100 in 1973. Dr. DeMaio says 100 of last year's deaths occurred in the second half of that year—matching the number for all 1973. "The figures will be higher this year," Dr. DeMaio predicts.

"ALL OVER THE PLACE"

A narcotics officer in the Los Angeles police department, convinced that no accurate measurement exists, says all he knows is that "heroin right now is all over the place" in that city. A counterpart in Chicago adds, "Anybody who wants it can get it, there's so much of the stuff around."

Dr. Vernon D. Patch, head of Boston's drug addiction-treatment program, says that in 1972 his treatment centers were operating at about 80% of capacity, whereas now "we have hundreds of persons who can't even get in here because we're overpacked." (DEA officials, though, say that measurement can be turned around; it's during a shortage that most addicts seek treatment.)

One phenomenon disconcerting to enforcement authorities is the recent reappearance of white heroin made from Turkish poppies. The reason: When Turkey banned poppy growing, European dealers stockpiled their heroin; now that the ban has been lifted, dealers are unloading.

"IT'S THEIR PROBLEM, TOO"

Complicating life for narcotics agents, too, is the added sophistication of smugglers. A new technique frequently used outside New York harbor is to toss from incoming ships tightly sealed containers of heroin attached to floating markers. Scuba divers later travel in light boats to the site to retrieve the package. Consequently, both the DEA and the Customs Service have formed their own scuba teams.

Many authorities believe that part of the answer to this nation's drug problem is more emphasis on preventing narcotics from leaving the country of origin. "Our biggest job is to persuade other countries that the drug problem isn't an 'American problem,' it's their problem too," says the State Department's Sheldon Vance, executive director of a Cabinet-level committee on international narcotics control.

The U.S. already spends about $40 million a year providing other governments with training in enforcement, special equipment such as helicopters, and know-how on drug rehabilitation. So far, more than 50 nations have joined the U.S. drug fight—and for a clear reason: In many countries drug abuse is moving upward from the peasantry to the middle and upper classes, directly affecting "the children of the educated leadership," Mr. Vance says.

But the American attempt to help has its pitfalls. The General Accounting Office, Congress's investigative arm, says one of the potential dangers is nationalistic reaction to "U.S. meddling," Mr. Vance himself concedes that a big reason why Turkey allowed poppy growing to resume this year was Ankara's concern that the Turkish people viewed the ban as merely bowing to American wishes.

What particularly worries the GAO is that more than 200 DEA agents are actively operating in foreign countries, mostly gathering intelligence on incoming shipments. Some countries, a GAO report says, view this kind of work as "infringements upon their sovereignty."

THE "BUY AND BUST"

Equally irksome to some critics is the way DEA agents such as Joey J. operate in this country. According to one of the working papers used by President Ford's task force, "The DEA is far too absorbed in the quick 'buy and bust,' the process of having agents purchase illicit drugs from low-level peddlers and making arrests on the spot." The government currently spends about $10 million a year on buying drugs and paying off informants, up sharply from less than $1 million in 1970.

Other agents work closely with local law-enforcement officials—too closely, critics assert, leading to duplicated work costing millions of dollars. Among the recommendations to President Ford, a source on the task force says, will be to change the DEA's "reward system," taking the pressure off agents to pile up impressive arrest statistics and instead putting the accent on the slower, more painstaking process of gathering detailed conspiracy evidence to implicate big-time mobsters. Even New York City narcotics police concede that this is something federal agents are far better equipped to do than are local police. "Anybody can bust a pusher," a New York police official says.

One of the DEA's sharpest critics is Vernon D. Acree, head of the Customs Service, who complains that the 1973 reorganization forming the DEA "dropped us a few steps backward." About 500 customs agents were transferred to the new agency, and the Customs Service lost its authority to gather foreign intelligence on incoming drug shipments.

THE JURISDICTIONAL DISPUTE

Because of his jurisdictional conflict, Mr. Acree says, "we simply aren't getting the kind of information we need to interdict illicit drugs." Further, he contends that about 98% of the seizures made at the borders by customs are "cold,"—made without any warning by DEA's foreign intelligence agents that drugs were about to cross the border. Nonsense, retorts the DEA's Mr. Jenson. "What gives me concern is the wasted effort by us correcting the record Customs makes," he says. 'Obviously, all they want to do is regain their authority they lost in 1973."

Either way, the conflict between the DEA and the Customs Service is expected to be a focal point of both the task-force report to the President and of the continuing hearings by the Jackson Senate subcommittee. "We can't stand back and look at this as just another intergovernmental squabble," a Jackson staff man says.

Can the U.S. make a dent in the inflow of illicit drugs? The coming task-force report is expected to sound an upbeat note: Get rid of some of the enforcement trouble and chances are good the situation will turn around. At any rate, Washington can hardly abandon the effort. The State Department's Mr. Vance muses: "You know, controlling drugs is a little like weeding the garden. The weeds always grow back, but if you don't keep weeding, they'll ruin your garden."

PROPOSED ARMS SALES

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Alabama (Mr. Sparkman), and the material attached thereto.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Sparkman

Section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the Chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the Record at the conclusion of this statement the two notifications I have just received. A portion of one notification has been deleted for this public record.

The proposed sale covers the planning, design and construction of a two-brigade cantonment at Al Batin in Saudi Arabia. The U.S. Army Corps of Engineers was responsible for the construction earlier of a one-brigade cantonment at the same place. The work now proposed will be done by a civilian contractor. Facilities will include two brigade headquarters buildings, 18 battalion headquarters buildings, troop dining facilities and quarters, a 400-bed hospital, firing ranges, 5,000 family housing units, and maintenance and support facilities. The Saudi Arabian government will finance the project fully.

The material ordered to be printed in the Record is as follows:

Office of the Director, Defense
Security Assistance Agency
and Deputy Assistant Secretary
(Security Assistance), OASD/
ISA,

Washington, D.C., September 19, 1975.

Hon. John J. Sparkman,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 75–37, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for planning, design and construction of a two brigade addition to the Al Batin Cantonment estimated to cost $1,450.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. Fish,
Lieutenant General, USAF.

Transmittal No. 75–37

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Saudi Arabia.

b. Total Estimated Value: $1450.0 million.

c. Description of Articles or Services Offered: Planning, design and commercial contract construction of a two brigade addition to the Al Batin Cantonment, to include headquarters buildings, troop quarters, family housing, hospital and maintenance and support facilities.

d. Military Department: Army.

e. Date Delivered to Congress: September 19, 1975.

Office of the Director Defense
Security Assistance Agency
Deputy Assistant Secretary
and (Security Assistance)
OASD/ISA.

Washington, D.C., Sept. 19, 1975.

Hon. John J. Sparkman,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmital No. 76–9, concerning the Department of the Navy proposed Letter of Offer to Iran for aircraft, spare parts, support equipment and technical services estimated to cost $33.0 million.

Sincerely,

H. M. Fish,
Lieutenant General, USAF.

Transmittal No. 76-9

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Iran.

b. Total Estimated Value: $33.0 million.

c. Description of Articles or Services Offered [deleted] aircraft, spare parts, support equipment and technical services.

d. Military Department: Navy.

e. Date Report Delivered to Congress: Sept. 19, 1975.

SECRETARY KISSINGER SAYS UNITED STATES "MUST MAINTAIN THE RIGHT, UNILATERALLY, TO DEFEND PANAMA CANAL"

Mr. HARRY F. BYRD, JR. Mr. President, Secretary of State Kissinger's reply to a question at the Southern Governors' Conference this week is highly significant.

Governor Wallace asked the Secretary of State this question:

> After the Indochina debacle, how can the United States afford to give up control of the Panama Canal?

In a lengthy reply, Secretary Kissinger said at the outset that:

> The United States must maintain the right, unilaterally, to defend the Panama Canal for an indefinite future, or for a long future. On the other hand, the United States can ease some of the other conditions in the Canal Zone.

For some time now, many of us in the Senate, particularly the Senator from South Carolina (Mr. Thurmond) and the Senator from Arkansas (Mr. McClellan) have been trying to get the Secretary of State to recognize that he must not give away the Panama Canal in his effort to appease the Panamanians.

Mr. Kissinger's spontaneous reply to Governor Wallace makes clear that he recognizes the validity of the views of many of us in the Senate.

I concur in his view that "the United States must maintain the right, unilaterally, to defend the Panama Canal for an indefinite future, or for a long future."

I also agree with his subsequent sentence in which he said "on the other hand, the United States can ease some of the other conditions in the canal zone."

At long last, Mr. Kissinger is taking a realistic view, not only as to the importance of the Panama Canal to the United States, but also the overwhelming sentiment which exists in this country for maintaining U.S. sovereignty over the canal.

I believe that I can state categorically that the Senate will not this year or next year approve any treaty which would cede U.S. rights and responsibilities in the Panama Canal Zone.

I prefer to work with Secretary Kissinger, rather than against him, so I welcome his statement to the Governors' Conference.

MINNEAPOLIS—LEADERSHIP IN URBAN PROGRESS

Mr. HUMPHREY. Mr. President, it is customary for those of us involved in politics to speak very highly, and even brag just a bit, about our States—the beautiful country, the rich resources, the opportune business climate, the friendly people, the quality of life. I have been known to speak in such glowing terms of my Minnesota and the marvelous city of Minneapolis, where I served as mayor from 1945 to 1948, that some might be tempted to accuse me of slight exaggeration. And so, I am pleased indeed when an independent source, an unbiased individual, recognizes that what I have been saying is indeed true and shares his discovery with the rest of the country. Such is the case with Mr. William E. Farrell's article in the New York Times on September 16 entitled "Minneapolis Enjoying Heyday as Up-Beat Metropolis."

At a time when responsible public officials are recognizing and dealing with numerous crises in our Nation's cities and even, in some cases, negotiating for their basic survival, it is a special pleasure to bring to my colleagues' attention Mr. Farrell's article regarding Minneapolis, illustrating that peaceful, progressive, people-oriented cities still exist and can yet be fashioned through effective leadership, enlightened planning, and participation of interested citizens.

Mr. President, I ask unanimous consent that Mr. Farrell's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Sept. 16, 1975]

Minneapolis Enjoying Heyday as Up-Beat Metropolis

(By William E. Farrell)

Minneapolis.—On aging but still elegant Summit Avenue in St. Paul, where F. Scott Fitzgerald once resided at number 599, they still like to call Minneapolis "Mill City."

It is a tart reminder of Minneapolis's modest days as a leading flour miller around the turn of the century when, just across the Mississippi River, St. Paul was flourishing as a railroad hub.

For there is a sibling rivalry between the not always fraternal Twin Cities. Viewing the downtown of both metropolises is a bit like seeing disparate twin sisters at a dance. One, Minneapolis, is cavorting in a ball gown. The other, St. Paul, is a wallflower in rags. One lively; the other quiescent. Mill City vs. Milltown.

Since the nineteen fifties, Minneapolitans (a term residents use although it sounds as if it was concocted by Jonathan Swift) have worked hard to make their city attractive, up-to-date, livable and cultivated.

Their gains have been impressive as residents of Minneapolis are quick to point out in terms that usually convey pride, and a minimum of boosterish braggadocio.

While older, multiracial and polyglot Eastern cities, of which New York is the outstanding example, are wrestling with bill collectors, truculent employes, overcrowding, eroding facilities and other urban woes, Minneapolis exemplifies what it is like to be young, Midwestern, uncrowded, solvent, essentially homogenous, and a bit bland—like a bouillabaisse made with only one kind of fish.

The latest population figures for Minneapolis put the total at 416,864. Ninety-four per cent is white, mostly of Swedish, Norwegian, German, Polish and Finnish stock. "It's a pretty good stock for seeing eye to eye," one businessman said. The remaining 6 per cent include blacks, Indians, Spanish-speaking persons and Orientals.

The ethnic and racial tensions that prevail in other cities are not now a major factor in Minneapolis.

Back in the late nineteen-sixties when black discontent erupted in the ghettos of many urban centers there were also disruptions in Minneapolis, mostly along Plymouth Avenue, where many of the city's blacks live.

REACTION TO RIOTING

But viewed against the outburst in a city like Detroit, the rioting was minor. Still it stunned many whites in a place where the normal cacophony and tensions of a big city are minimal. The city's voters deserted the liberal Democratic fold in the 1969 Mayoralty race, electing Charles S. Stenvig, a former burglary detective who campaigned as a champion of law and order and conservation.

Two years ago, as the memories of black unrest and student protest at the University of Minnesota receded, they once again elected a liberal Democrat, Albert J. Hofsteda.

There is a question of whether Minneapolis, the city settled in by Mary Richards, the role played by Mary Tyler Moore on her television show, is a large small town or a small big city.

Probably it is both as it continues to enthusiastically cover up the raw traces of its flour-milling past in a burst of architectural innovation and civic commitment.

For city of its size, it has an unusual array of cultural attraction—a new symphony hall that has been hailed by music critics for its fine acoustics, a well-known symphony orchestra, the Tyrone Guthrie Repertory Theater, a widely acclaimed children's theater, the Walker Art Center, the Minneapolis Institute of Art, the Swedish Art Institute and the University of Minnesota Gallery.

"HEADQUARTERS CITY"

Curtis L. Carlson, a self-made millionaire and native of Minneapolis, says the main reason for the cultural emphasis is "because we are a headquarters city."

"When you have the executives living in the city, there's more of an inclination to help with the higher things in life," Mr. Carlson said in an interview at the Minneapolis Club, a refuge for business and civic leaders amid worn Oriental carpets, dark paneled walls, smiling retainers and large overstuffed chairs to sleep or make deals in.

The city serves as home base for such corporations as Pillsbury; Minnesota Mining and Manufacturing; Investor Diversified Service, a mutual fund conglomerate; and for computer companies such as Honeywell, Control Data and Univac.

Mr. Carlson, who founded the Gold Bond Trading Stamp Company and owns a wide variety of other concerns, is typical of the * * * successful Minneapolis entrepreneur.

He is enthusiastic about the city, avid for continued growth and, like many of his counterparts, feels that the leaders of the business community have an obligation to be involved in civic affairs.

DOWNTOWN RESURGENCE

The resurgence of the downtown area, particularly the shopping district around Nicollet Mall, resulted, in large measure, because city business leaders banded together in the nineteen-fifties when General Mills, a major economic mainstay, decided to move to the suburbs.

New taxes were levied with the businessmen's consent so long as the money was used to transform Nicollet Avenue.

"We willingly voted these things on ourselves, and it's paid off," Mr. Carlson said, adding that he owned large suburban tracts and was convinced that "the strength of the suburb is dependent on the strength of the inner city."

The Nicollet Mall, which nas won praise from architecture critics, is one of the city's liveliest areas. It has a system of glass-enclosed skyways that provide all-weather indoor links between large and small stores, restaurants, banks, and a wide variety of specialty shops.

In Minneapolis, weather is a problem. The winters are long and freezing cold. The snow is measured in feet not inches. In the summer, stunning winds can flail pedestrians with the oppressive hot force of a Libyan sirocco.

So the honeycomb of skyways and heated or air-conditioned accesses has proved a boon and eventually it is hoped they will connect 64 blocks downtown.

NEVER FRENETIC

Businessmen, many of them wearing the de rigeur Midwestern attire of maroon slacks and white slip-on shoes, greet each other on luncheon strolls in the mall area. There are crowds but they are not jostling. Their pace is purposeful, but never frenetic.

Downtown St. Paul, the state capital, is a bit dowdy by comparison although efforts are under way to rejuvenate the core of the city and a few skyways, similar to Minneapolis's, have been built.

There is an ambitious redevelopment plan underway that is expected to create a shopping center covering a 12-block area in downtown St. Paul.

Community leaders in St. Paul, population 309,988, appear to move more slowly and cautiously than their counterparts in Minneapolis, perhaps reflecting the city's preference for a more laconic pace.

Residents of St. Paul also have to bear something that those who live in Minneapolis do not—the fustian and bombast that emanate from the handsome state Capitol when the Legislature is in session.

BIG DIFFERENCE

Responding recently to a local reporter who was comparing the two cities, Mayor Lawrence Cohen of St. Paul said:

"One of the big differences between the cities is that Minneapolis isn't mentioned in either of the Old or the New Testaments."

Not far from the mall area in Minneapolis is Hennepin Avenue, which has a different character from that of the mall. It is glittery, tacky. At night prostitutes work the streets while pimps sit in parked cars. There are fast eating joints, movie houses, porno bookstores, bars both homosexual and straight.

A lot of civic-minded Minneapolitians do not like the area and want to transform it with a new rebuilding plan that is currently stalled. But to others it has a big-city quality bespeaking the existence of exceptions to the straight-laced homogeneity that abounds in other areas.

The city has a tradition of clean politics. There are minor outbreaks of cupidity now and then by public servants, but nothing on the scale of the triflings with the public purse endemic to a city like Chicago.

A 17-member Metropolitan Council, appointed by the Governor, is the coordinating agency of government for the Twin Cities metropolitan area, which encompasses seven counties and contains about 1.8 million people.

REGIONAL LEADERSHIP

Its job is to deal with problems that transcend the boundaries or capabilties of other units of local government. The council has its own tax base and has power of review over Federal aid projects. It also supervises such things as the developments of facilities dealing with sewerage, transit, airports and parks.

One of the city's major attributes is its system of parks and waterways. Within the city limits, there are 23 lakes and 153 parks, which abut on residential areas and in some cases are threaded through these areas by a system of parkways.

There are decent places to eat and drink in the city and a few restaurants that are described as "classy" although the cuisine does not match that of a good expensive New York restaurant.

People tell visitors that the city is fine for rearing families. They say the high school dropout rate is one of the lowest in the country, around 8 per cent. School integration began quietly in 1971 under Federal court order.

The city fathers tell of the enthusiasm and power of citizens' lobbying groups and speak warmly of Minneapolis's triple-A credit rating. Businessmen like Mr. Carlson speak proudly of the plans for the future of downtown; of the new businesses to be lured to the city; of how easy it is to attract executive talent because of the city's amenities.

No one says there are no problems. But no one is saying that they are insoluble, Minneapolis is in its heyday.

GEORGE CRONIN: A TRAGIC LOSS

Mr. WILLIAMS. Mr. President, as former chairman of the Senate Committee on Aging and as present chairman of its Subcommitte on Housing for the Elderly, I have been impressed often by a strong sense of commitment to aging on the part of committee staff members.

One of the most hard-working, talented, dedicated of those staff persons was George Cronin. It was with great sadness, therefore, that I learned of his totally unexpected death this week in his home city of Denver, Colo.

George had worked with the committee for less than 2 years, but he had already impressed many people—here in the Senate and in the field of aging—with his sensitivity to human needs and his professional skill in interpreting those needs in terms of public policy and action.

That was certainly the case in the work George did in helping to arrange for hearings recently in New Jersey on the cost of living as it affects older Americans. He was instrumental in finding witnesses who made very forceful and informative statements. More than that, he seemed to become a friend to each and every one of them. At one point at a hearing in Newark, George held the microphone while an elderly woman in a wheelchair gave a gripping description of making ends meet while costs of necessities keep going up and up.

At a hearing in Toms River, just a few days ago, I took a few moments to commend George publicly. I said that he had been very effective in putting together a full and complete and memorable hearing.

Those sentiments were heartfelt, and I am glad that George heard them. I am sure that others who knew him from other work he did for the committee would find similar reasons for paying tribute to him. I am proud that I could consider myself one of them.

A SERIOUS SOLUTION FOR ALASKA'S FISHERIES

Mr. GRAVEL. Mr. President, the desire of all of us in Alaska is to get a 200-mile fisheries zone. This justified desire has been so great as to trap both politicians and fishermen in the conventional wisdom that a unilateral claim of 200 miles by the United States will solve our fishing problems. This belief now fuels the efforts in Congress to secure immediate passage of the Magnuson-Studds legislation which brings about such unilateral U.S. action.

The entrapment which I speak of lies not in the 200-mile coastal fisheries concept. We have all accepted that as an answer to our fisheries problem for some time. But we have lost sight of the question "how do we secure the law, the rights and the power to bring that concept to full realization."

Passing a law based solely upon appeals to national sovereignty will not secure for us our long-sought-after goal. However, by agreeing to an international ocean's charter, we can secure the international rights and power necessary to bring the 200-mile limit to its full potential. Unilateral action will lead us into a decade of bilateral quarrels and high-seas fisheries retaliations. But international action will bring about immediate law and order to our fisheries and our oceans—something that has never before been achieved.

Let us look back and analyze why we have directed our efforts toward a temporary and inadequate goal of unilateral national action, which will, I believe, doom a final and effective international oceans and fisheries law to interminable delays.

One of the most contentious issues during the preparatory and initial attempts to reach a consensus on the Law of the Sea was the proposal from the underdeveloped world that there be established a 200-mile exclusive economic zone. This proposal was strongly resisted by most of the Western industrialized nations, especially the United States, the Soviet Union, many European countries, and Japan.

Efforts in this country concentrated on changing the U.S. position on this issue at the Law of the Sea Conference at its initial meeting in Caracas, Venezuela. The major achievement of the Conference in Caracas during the summer of 1974 was the acceptance of the 200-mile economic zone concept.

In order to "lock-in" the U.S. commitment to the 200-mile zone concept, the Senate passed, in the fall of 1974, a bill asserting unilateral U.S. fishing jurisdiction out to 200 miles. This bill was presented to many in the U.S. Senate who did not previously support unilateral U.S. action, as a means of strengthening our own Government's recent commitment to the 200-mile economic zone concept.

The wisdom of such a strategy was fully vindicated at the spring meeting of the Law of the Sea Conference in Geneva during 1975. The concept of a 200-mile zone became the assumed point of departure in our fisheries negotiations. From this significant gain, we moved to even greater success, especially with respect to Alaska's anadromous fish—salmon. The Conference produced a single negotiating text which contained an article giving the host country complete control over their anadromous fish stocks wherever they may go in the oceans.

The chief success of the conference was the adoption of a single negotiating text for the law of the sea. This text represents 80-percent consensus on the issues before the conference, a consensus which has brought us preciously close to a final international agreement.

At this point, the major problems with regard to fisheries appear to be solved. The task at hand is to push for prompt resolution of the remaining areas of contention, and in particular, the problems with respect to the deep sea bed and ocean mining.

However, the momentum in the U.S. Congress, rather than focusing on the remaining problem areas at the International Law of the Sea Conference, has turned narrowly and nationalistically inward in its actions. Rather than adding greater pressure on the international political community for passage of a genuine international oceans law, the Congress and some elements of industry are going off in another direction unrelated to our real goals. This new direction is embodied in the Magnuson-Studds legislation about to pass in the House of Representatives. The passage of this bill by the House would do no harm; in fact, it could help our international efforts. But subsequent passage of this legislation by the U.S. Senate, and its becoming law, would be disastrous for our real goals. We would be making the mistake of confusing a good tactic with that of preserving our fish resources. This error and its resultant impact upon the law of the sea negotiations would be regretted for years.

Let me assess the liabilities associated with unilateral national action on a 200-mile limit. This action would result in a host of bilateral disputes between the United States and nations fishing off our coasts, who would challenge U.S. actions as being contrary to international law. Unilateral action on our part will create limitless international disputes, resulting in international commercial warfare. Other nations, reacting to U.S. action, would take similar unilateral steps which could threaten a whole host of U.S. interests.

We would be inviting severe retaliation, as we seize vessels, arrest crews, and halt other countries fishing in our 200-mile zone. Unilateral action would greatly increase the pressure on foreign fishing vessels to increase their already excessive fish catches as they struggle to get as large a share of the pie as they could before enforcement efforts took place and before necessary bilateral agreements had been secured to reduce foreign fishing in the 200-mile zone we claim for ourselves.

Unilateral action would vastly increase pressures on our anadromous species of fish because a 200-mile fishing zone would leave salmon stocks unprotected and foreign nations would greatly increase their catches of such species of fish as other fishing stocks were denied them.

A unilaterally passed 200-mile fishing zone would also dramatically increase the costs of enforcement and the attendant budgetary problems. And a unilaterally passed 200-mile fishing zone would also increase the chances of commercial warfare as various nations try to sell their fish stocks. Trade and import barriers would be erected, further depressing the U.S. domestic fishing industry. These protective and selfish measures, based on narrow national concerns, would become part of a syndrome for unilateral actions to solve world fishing problems, and would in turn further reduce the chances of securing sound and workable international solutions.

A unilaterally passed 200-mile limit would cause many other countries to follow suit, particularly those in the underdeveloped world. Since these countries originated the concept of a 200-mile economic zone as a means of protecting themselves from the industrialized nations of the world, and since these same nations were most contentious at the Geneva Conference over the deep seabed, unilateral action on our own part would remove the incentive they would have for completing a Law of the Sea Agreement. We would be granting the underdeveloped nations their long-sought goal without receiving any reciprocal benefits. It would be a sad mistake. It would guarantee delay—who knows how long—of a sound Law of the Sea Agreement.

Unilateral action would be clearly counterproductive. Congressional action is a tactic to help solve our fisheries problems, not a solution in and of itself. We should clearly make this distinction.

As Canadian Prime Minister Trudeau noted recently:

> Canadians at large should realize that we have very large stakes indeed in the Law of the Sea Conference and we would be fools to give up those stakes by an action that would be purely a temporary, paper success.

In this light, we in the United States should understand that, as Secretary of State Kissinger has said:

> The current negotiations may thus be the world's last chance. Unilateral claims to fishing zones and territorial seas extending from fifty to two hundred miles have already resulted in seizures of fishing vessels and constant disputes over rights to ocean space. The breakdown of the current negotiations, a failure to reach a legal consensus, will lead to unrestrained military and commercial rivalry and mounting political turmoil.

On the other hand, the Law of the Sea negotiations promise to secure agreement not only on fisheries problems, but on an entire range of ocean issues. This linkage between various issues provides the single greatest impetus and incentive for nations to reach agreement, and is primarily responsible for the increasing international recognition that such agreement is necessary.

However, merely from a fisheries point of view, the gains already are immense. There is a broad consensus on the fisheries text, which not only gives us a 200-mile economic zone, but also secures host country control over anadromous species of fish, so important to Alaska's future. We, thereby, secure control of all fishing within the 200-mile zone, and all fishing for our salmon stocks within, as well as outside, the 200-mile limit.

The guiding principle for this host country control and authority is the rule of "maximum sustainable yield." This moral and conservation principle is fundamentally in line with our national ideals and attitudes and poses no problem in its interpretation or practice.

We will have the power to license foreign fishing vessels within our 200 miles even if we choose not to harvest the fish ourselves. However, if we choose to expand our fleets and harvest the fish we customarily have not, we can take all the fish we want up to the point of maximum sustainable yield levels.

The same holds true for our salmon stocks regardless of where they roam. They would be subject to our control and licensing, giving ourselves preference in the right of taking the salmon stocks up to the point of maximum sustainable yield.

Recognition of the economic dislocation problem with respect to Japan's historical fishing activity merely recognizes their preferential right to the exclusion of all other nations in fishing for salmon stocks within host country jurisdiction. It does not alter our control over our salmon stocks inside or outside the 200-mile limit.

An additional benefit of the Law of the Sea Agreement which can never be realized through unilateral action, is rehabilitation of fish stocks. An international agreement permits serious efforts at rehabilitation of depleted and regionally extinct fishing stocks. In Alaska's case, there is little sense in making the capital investment needed for stocking our streams when foreign fishing never permits our fish to return for harvest or future propagation. The safeguard of an international agreement would assure Alaskans of the benefits of such investment. In fact, there would be an incentive for foreign capital investment in the areas of rehabilitation and propagation in order to secure preference in licensing. This would certainly accelerate the rehabilitation process.

Another benefit would be the dramatic reduction in the costs of policing and enforcement, compared to the costs of policing a unilaterally declared 200-mile zone. Since most nations will be party to the international Law of the Sea Agreement, enforcement will have the weight of all nations behind it, not just the United States. This will apply inside and outside the 200-mile limit. All nations will have an incentive to observe the rights of other nations' fish resources off their coasts. This reciprocal self-interest will work to the benefit of Alaska's entire fishing community.

Furthermore, the power of host countries to license foreign vessels could be used to give the greatest degree of incentive for such vessels to abide by the host country regulations and insure that fish resources are maximized and not overutilized and depleted. Unilateral action would not provide this mutuality of benefits.

In the case of salmon stocks, the advantage to an international agreement is even more pronounced. Under unilateral action, we would not have control over salmon as they migrate beyond a 200-mile zone. The cold fact is that 80 percent of our salmon are beyond 200 miles at any one time. These fish are obviously hostage to any unilateral action we might take. Even if we could establish viable enforcement procedures within the 200-mile zone, nothing could be done to stop foreign fishing fleets from fishing just outside the 200-mile zone and continue to overfish and ravage our fish resources. In fact, in pushing them out of the 200-mile zone, by force, we would encourage them to retaliate and increase their catch of salmon just beyond the 200-mile zone. This would seriously undermine our efforts in Alaska to secure the best possible benefits to Alaskan fishermen.

Any disputes arising as to the meaning or intent of the Law of the Sea would be mandatorily settled before an international oceans tribunal. This would provide a clear and universally agreed upon mechanism for resolving disputes, doing away with the cumbersome and difficult problems associated with bilateral dispute settlements.

When one deals in a world of over 140 nations, in which there are great problems and conflicts over the use of the oceans' resources, there is really only one way in which we in Alaska can secure those rights that properly belong to us. Being in a minority position, we must heed Thomas Jefferson's dictate that while the majority protects itself by its numbers, a minority can only protect itself by law. And it is law, international law, that can provide Alaska with the greatest protection for its precious resources and give Alaska the right to be master over her own destiny. I cannot, as a representative of the people of Alaska, give up this great opportunity. It is unfortunate that there are those who claim that I have changed my position. Nothing could be farther from the truth. The fact is that I am working for, and will continue to work for, an effective 200-mile fisheries zone—which is now possible through the framework of international law. I will continue my efforts in seeking an international agreement that satisfies Alaska's great need for both a global oceans' contract and a 200-mile fisheries zone.

I understand that a long history of failure in bilateral negotiations has bred so much impatience with regard to our fishing problems. This impatience has now led us to believe that a quick, unilateral passage of a 200-mile fisheries zone will be a solution to our problems. But it will not solve our problems, especially with regard to salmon. In fact, it will serve to exacerbate them by requiring additional lengthy bilateral negotiations.

I can readily understand that there exists great cynicism as to the feasibility of reaching agreement at the Law of the Sea Conference. I can well appreciate that the years of frustration with bilateral negotiations and years of economic difficulty have made Alaska's fishing community unsympathetic to anything other than unilateral national action.

However, recent implementation of the Continental Shelf agreement, which gives protection to our bottom dwelling species of fish, and the securing of a single text consensus at the Law of the Sea negotiations in Geneva last spring, are very helpful signs that the international community has reached a level of maturity and wisdom that will soon lead to an oceans' charter.

Yes, the promoters of the Law of the Sea Conference, in their eagerness, have indeed underestimated the time within which agreement could be secured. This has led to impatience. However, if one carefully examines the Law of the Sea processes, one begins to understand the fact that remarkable progress has been made.

For example, such issues as medicare, social security, or even the Alaska Native Claims Settlement Act took years of legislative and public preparation to secure passage. If the Law of the Sea negotiations are completed in 1976, they will have taken considerably less time to resolve than most major domestic issues.

It is important to keep in mind that the Law of the Sea Conference is the largest convocation in the history of humankind and that the problems at issue are some of the most complex ever to be dealt with. The fact is, trying to write an ocean's charter, with over 140 nations, dealing with complex issues, involves tremendous difficulties. But, after all this effort and after substantial achievement, it seems unwise to jeopardize such an historic undertaking to gain a short-term cosmetic political victory by passing a unilateral 200-mile limit in the U.S. Congress.

The proper forum for such action is the Law of the Sea Conference. Past unilateral action has resulted in international anarchy and the exacerbation of the very problems we are attempting to solve. The reality of modern international politics is that we are one planet, very much interdependent for our food, energy, and economic well-being. We thus must solve our problems cooperatively and internationally.

If I find after the March meeting that a Law of the Sea Agreement cannot be promptly concluded, I will vigorously support action by the U.S. Congress to unilaterally declare a 200-mile limit. However, I feel confident that the nations of the world will achieve the necessary level of maturity and bring forth a Law of the Sea for the benefit of mankind and especially for Alaskans.

THE IMPACT OF AUTO EMISSION CONTROLS

Mr. HUMPHREY. Mr. President, not too long ago a very thoughtful letter from Mr. Logan, president and chairman of the board of Universal Oil Products, crossed my desk. The letter concerned the economic and energy impacts of alternative auto emission policies. I would like to share this letter with my colleagues today, as I believe that it presents one point of view which we will want to take into account in the coming months as we debate renewal and revision of the auto emission controls contained in the Clean Air Act.

I ask unanimous consent that Mr. Logan's letter to me be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

September 12, 1975.

Hon. Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: On Wednesday, September 3, 1975, an advertisement appeared in most of the newspapers across the country alerting the pubic to two major alternatives now being considered by Congress. This advertisement narrowed the complex problem of the recommendation of an automotive emission control policy to two over-simplified alternatives: a moratorium on present standards and statutory standards for 1977–1978 model automobiles. The readers were asked to communicate their choice to their U.S. Senators and Representatives. While we, as a company, agree that the public should be aware of the complicated issues of automotive emission control, we cannot allow the assumed results (quoted below) given in the advertisement for each choice to remain unchallenged.

CHOICE 1—MORATORIUM ON EXISTING STANDARDS

"There will be continued improvement of air quality as new cars replace old cars."

An Environmental Protection Agency (EPA) document, "Automobile Emission Control nad Enforcement Strategy" clearly states that the automobile industry has not built cars which meet the current emissions standards either when brand new or after having been driven. The report states that the emissions of as many as 90% of new 1974 vehicles in some engine categories exceeded standards. Faced with the requirement to reduce hydrocarbon and carbon monoxide emissions by 61% and 62% respectively, over pre-1968 levels, 1974 models, in fact, achieved only 15% and 22% reductions, according to this report. Lenient standards will only magnify this problem. Statutory standards and inspection/maintenance programs can only *improve* the situation.

"Working with current standards, automakers can . . ., and improve industry-wide gas mileage between 1974 and 1980 by an average of at least 40%."

Emissions standards and fuel economy are not mutually exclusive. The June 5, 1975 National Research Council (NRC) report states that a significant improvement in fuel economy can be achieved by changes that are independent of emissions levels.

CHOICE—2 STATUTORY STANDARDS

"Stricter standards would add only marginal improvement to air quality."

This statement is unclear. However, if we consider that the automobiles are a significant source of pollution and that the statutory standards will require a reduction of hydrocarbon and carbon monoxide of over 70% and oxides of nitrogen (NOx) of over 30% from each automobile, we can hardly see where this improvement could be called "marginal."

". . . no automobile manufacturer yet knows how to meet the 1978 standards on a mass production basis."

The June 5th National Academy of Science (NAS) report concluded that it is feasible and worthwhile to attain 1978 statutory standards. Strict HC and CO standards can be met with catalyst technology in 1977 with fuel economy equal to, or better than, 1970 model autos. Statutory NOx standards can be met by 1978, according to the Committee on Motor Vehicle Emissions.

". . . gas mileage could be reduced by 5% to as much as 30% . . ."

Department of Transportation/EPA and NAS reports state that an impressive gain in fuel economy is possible with the future use of catalyst combinations to meet statutory standards. One NAS report indicates that a 2% penalty *may* be realized through the use of three component control catalyst. However, this penalty is compared to a *1975* auto which realized a 13% average economy improvement over 1974 cars. It is interesting to note that a major auto firm recently made claims that its 1976 model cars will be 25% more fuel efficient than their 1975 models because all will be catalyst equipped.

Spark plug fouling, plug gap growth, and combustion chamber deposits are greatly reduced by the use of unleaded fuel necessary for catalyst equipped cars. This all serves to improve mileage. In a recent 20,-

000 mile test comparing leaded and unleaded gasoline, relative to mileage, it was found that a 3% improvement over the 20,000 miles was realized.

"The cost of your car could increase by an estimated $150 to $400 . . ."

The upper limits on this broad range are clearly refuted by the June 5th NAS report which reflects costs considerably lower than $300 when comparing costs of dual and three component catalysts to the cost of catalysts on conventional 1975 cars.

We hope that we have clarified some of the major issues involved in comparing automobile emission control with economic and energy goals. We believe, from a wealth of data at hand, that an improved environment is compatible with energy conservation and the economic needs of the public. Further, these mutually supportive goals are achievable with today's technology. Our choice is the second alternative (statutory standards).

Thank you for your consideration.

Sincerely,

JOHN O. LOGAN,
President and Chairman of the Board.

INDIAN EDUCATION

Mr. KENNEDY. Mr. President, this month, children all over the world are starting or returning to school. Whether that school is private or Government operated, each child should have the benefit from the very best his school system can offer.

For the past several years I have monitored and endeavored to improve the quality of education available to American Indian and Alaska Native children. In large part the education of Indian children has been and continues to be primarily the responsibility of the Federal Government. Whether explicitly through treaty, or implicitly through the relationship of trust assumed by our Government over Indian reservations, it has fallen to the Congress and the Executive to insure to these children the best education our Federal Government can offer. For no other people is the obligation of our National Government so clear, the responsibility so direct, the capacity to respond so immediate. Yet in few tasks has our Government historically failed so miserably.

The magnitude of this failure was documented in the exhaustive hearings and studies and reports of the Special Subcommittee on Indian Education, which I chaired in 1969. Our final report contained most distressing conclusions:

> We have concluded that our national policies for educating American Indians are a failure of major proportions. They have not offered Indian children—either in years past or today—an educational opportunity anywhere near equal to that offered the great bulk of American children. Past generations of lawmakers and administrators have failed the American Indian.

As it characterized Indian education as a "national tragedy," so also did the special subcommittee view it as a "national challenge." Thus we concluded:

> Our own generation thus faces a challenge—we can continue the unacceptable policies and programs of the past or we can recognize our failures, renew our commitments, and reinvest our efforts with new energy.

Mr. President, Congress has taken that challenge and has responded in many important and effective ways. Both the Labor and Public Welfare Committee and the Interior Committee have participated in the process. Indian communities have formed organizations to increase their participation in and control over the educational processes affecting their children. Indian education funding has been significantly increased. A National Advisory Council has been established. And the Government agencies charged with administering Indian education programs have become more sensitive and responsive to Indian needs and desires.

Congress over the past 5 years has directed legislation toward changing the thrust of Indian education at the local, State, and national level. We have begun the movement away from making the Indian child fit the school system, and toward making the school system conform to the Indian child's needs.

The Indian Education Act of 1972, which I authored, mandated Indian involvement in grants made under the provisions of the act and provided the means for Indian parents to have, for the first time, a voice in the direction of their children's education. Indian professionals from a large number of tribes have had the opportunity to serve as field readers to evaluate title IV proposals.

Title IV has also set a precedent for other important efforts in Indian education. For example, some States have taken a greater interest and more active role in Indian education by setting up Indian desks in their education departments. Through various programs initiated by title IV, the BIA and OE have been forced to work together, resulting in a long needed close interaction and communication. Problems do still exist, but at least they are being heard and considered by those best qualified to judge the development of these children.

A 1974 report of progress of the Indian Education Act of 1972, made by OE, shows that the most effective projects are those which invest the largest dollar amounts on special staff. The additional training of Indian professionals was considered imperative if continued progress is to be made in Indian education.

Congress responded to this recommendation in the Education Amendments of 1974, which I sponsored. These added a new, additional funding provision for grants to institutions of higher education, Indian organizations and tribes for inservice training, and for teachers and administrators in programs meeting the special educational needs of Indian children. Also, in 1974, the Commissioner of Education appointed his Deputy Commissioner for Indian Education. Although late in coming, this appointment provided the attention and leadership within the Office of Education needed to insure the success of Indian programs administered by that office.

In 1973 there was a reform of the original 1967 Bilingual Education Act. One of the most decisive achievements of the reform was to provide a 5-year authorization for expanded bilingual programs. This insures school districts, teacher training programs and parents the ability to plan bilingual education programs with the knowledge that Federal support is not an on-again off-again proposition. For this school year there is a one-third increase over the last year in bilingual programs.

This year with the passage of Senator JACKSON's Indian Self-Determination and Education Act, Indian communities are given a greater control over the expenditure of BIA education funds. An Indian Education Commission will be set up at each school district and will have veto power over new and continuing programs. The law also directs the Secretary of Interior to enter into contracts with Indian organizations to operate their own schools. But the gap—especially between congressional intent and national objectives, on the one hand, and performance of the bureaucracy, on the other—remains great. And there is still a long way to go.

In December 1973 and again in August 1974, my Subcommittee on Administrative Practice and Procedure held oversight hearings on Indian education programs administered by the Bureau of Indian Affairs and the Office of Education. These hearings provide a benchmark for measuring progress along the road that began with the hearings and report of the Special Subcommittee on Indian Education and continued through passage of the 1972 Indian Education Act.

Our first focus in the 1973–74 hearings was fiscal accountability in Indian education programs. Statistics revealed that funds had been misappropriated, unaccounted for, and even lost in the path from the Federal Treasury to the Indian child. Government officials—the trustees—not only allowed Indian education funds to be diverted into areas unrelated to education, but did not, in testimony before the subcommittee, seem to realize where or how things went wrong.

For too long the Federal Government neglected the education of Indian children. Our hearings revealed that even as Congress began to wake up to trust responsibilities to Indians and set aside special funds for the education of Indian children, maladministration at the BIA, and not-so-benign neglect at the Office of Education prevented these funds from accomplishing their intended purpose.

Our hearings also focused on the quality of education programs and the continuing gap between the education of Indian children and the national standards: Dropout rates of Indians remain double the national average, and few Indian children receive more than 6 years of formal education.

The absence of accountability in the Bureau of Indian Affairs and the Office of Indian Education—accountability to Indian tribes, communities, parents, and ultimately children—locked Indian children into unnecessarily substandard educational surroundings and programs.

Congress has provided Indian tribes, groups, and communities with the keys to open the shackles constraining the achievement of quality Indian education programs in the past. The bureaucracy must make sure that those keys are handed over to Indian people—on their timetable, and on their conditions.

In September 1974, there were 12 BIA

schools being run by Indian tribes or communities by contract. This fall there should be 16. The progress has been too slow in the past, but with the Self-Determination Act and the Indian Education Act, it should accelerate each year in the future.

For despite the past failures of Indian education programs, time and time again we have seen that success is linked to Indian control and adequate funding. Congress now understands this lesson. The Office of Education has learned it. The BIA is still being educated.

In 1969, I chaired hearings of the Special Subcommittee on Indian Education. In 1971 I chaired Education Subcommittee hearings on the Indian Education Act. In 1973 and 1974, I chaired administrative practice and procedure oversight hearings on Indian education programs. I will continue to follow the progress of Indian education in the future. For it will take the efforts of all of us—of Indian parents, of teachers, of tribal governments, of the executive branch, and of various committees on both sides of Congress—to meet the challenge of providing Indian children with an exemplary, not a substandard, education.

MINNESOTA DAIRY HEARINGS

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues a hearing which was held on September 11 at Little Falls, Minn., regarding the dairy situation in our State.

This hearing was conducted by the Dairy and Poultry Subcommittee of the Committee on Agriculture of the U.S. House of Representatives.

This hearing is part of a series of hearings to be held to develop a detailed picture of the dairy situation throughout the Nation.

I was grateful for the opportunity to participate in this event, but I was deeply disturbed at what the testimony revealed. The Minnesota Commissioner of Agriculture, Mr. Jon Wefald had an extremely informative statement pointing out how Minnesota dairy farmers are being forced out of production with milk production decreasing sharply.

His figures indicated that Minnesota lost another 2,000 dairy farming operations during fiscal 1975 which means that over 5,000 have gone out of business during the past 2 years. This means that Minnesota is down to an all time low of 32,000 dairy farms.

Minnesota's milk production for the first 7 months of this year was the lowest in over 20 years.

The average production per cow has been steadily on the increase in recent years. However, the recently forced reduction in feed rations have resulted in declines in average production per cow of 16.8 gallons in comparison to 1974.

Our dairy farmers have reached the point of being discouraged over their long hours on a 7-day workweek and on the job 52 weeks a year and with a return of as little as 22½ cents an hour.

Milk production costs have increased by 15 to 20 percent this year, but milk prices are below what they were a year ago.

In August 1973, the value of an average Minnesota milk cow was $590 with the total State milk cow inventory worth $535.7 million. Two years later, an average dairy cow was worth $355, and the worth of the State dairy herd was $310.6 million. In other words, in 2 years the depreciation in the value of the herd had decreased by 42 percent.

Minnesota dairy farmers indicate that their production costs are now about 69 cents per gallon which does not include labor and investment overhead. In July they were actually receiving on the average 63 cents per gallon for their raw milk.

University of Minnesota economists have indicated that dairy farmers should receive at least 85 cents per gallon for their milk in order to derive a reasonable return above production costs. It is interesting that the Canadian Government provides its dairy farmers with full parity, and they receive $1 a gallon for their milk.

Another witness at this session was Jim Hill of the Dairy Federation of Minnesota which represents processors and distributors of milk, ice cream, and cultured products.

Mr. Hill's testimony expressed the concern of processors and distributors regarding the state of the dairy industry.

He indicated the importance of the $6 billion dairy industry and the importance of a total healthy dairy economy.

Mr. Hill's testimony also dealt with an important area for dairy farmers, and this is the area of import quotas. It was suggested that the Department of Agriculture, in setting import quotas, consider: First, projected domestic production; second, projected annual consumption; and third, the minimum price needed by dairy farmers to stay in production above cost.

This latter concern was written into our farm legislation, but the Department of Agriculture has not been responsive to this requirement.

It is my belief that American consumers are not aware of the serious state of the dairy industry. I am sure that they would be prepared to pay a small amount extra in order to avoid becoming dependent on imported dairy products. The possibility that this may happen is not a remote possibility. Unfortunately, the administration and the Department have been unresponsive to the problems faced by our dairy farmers.

I am especially concerned over the discouragement faced by our dairy farmers in light of their continuing cost-price squeeze which is well documented but largely ignored by this administration. I hope that my colleagues will give careful attention to these two statements by Commissioner Wefald and Mr. Hill.

Mr. President, I ask unanimous consent that these two statements and the hearing agenda be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A POSITION PAPER ON THE AMERICAN DAIRY SITUATION TODAY

(Prepared by the Minnesota Department of Agriculture)

As the Commission of Agriculture for Minnesota, the nation's fourth most important dairy state, I am grateful to the members of the Dairy and Poultry Subcommittee of the U.S. House of Representatives Committee on Agriculture, for this opportunity to testify on a matter of urgent and mutual concern, the current dairy situation.

Frankly, the situation borders on economic and social heartbreak if not tragedy.

Dairy farming, one of the most demanding of all occupations, continues to be one of the most disastrous family business enterprises in Minnesota.

Now Minnesota dairy farmers are finding themselves entering a new stage of crisis, a new extension of three of the worst years that industry has ever experienced.

Dairy farmers are again quitting in numbers and at an accelerating pace that is extremely alarming to their cooperatives, to the other processors, and to the Minnesota Department of Agriculture.

Preliminary mid-year figures indicate that Minnesota lost another 2,000 dairy farming operations during fiscal 1975. That's over 5,000 lost and gone in the past two years.

Importantly, and sadly, we are down to a new all time low of about 32,000 dairy farms in Minnesota.

Minnesota has lost more dairy farms in just the past decade than it did in the previous half century. In 1965 we had 65,000 dairy farms. Since 1965, some 33,000 Minnesota farm families have quit the dairy industry.

Milk production is dropping sharply.

Minnesota's milk production for the first seven months this year was the lowest in over 20 years. January-July milk production was 22-million gallons below the output for the same period last year.

Nearly half of that cutback occurred in June and July.

Official milk production estimates for August were not available at the date this testimony was prepared. But industry spokesmen advised that they were shocked by a 15% drop in milk receipts for the first three weeks of that month.

A 15% cut in August milk production for Minnesota would represent the loss of nearly 9-million gallons and boost the cutback for the first eight months of the year to 31-million gallons.

Not only are Minnesota families quitting dairy farming, but those still trying to stick it out against increasingly heavy odds are being forced to curtail their herds, feeding programs, and milk production.

In addition to the record low in Minnesota dairy farms this July, we hit a new all time low in the number of milk cows on Minnesota dairy farms. The July total was 875,000 milk cows. That revealed the loss of 3,000 in one month and a loss of 13,000 compared to last year.

During the past decade in which 33,000 Minnesota farm families quit dairying, we have cut our milk cow inventory by 355,000, or 29%.

Average production per cow also reveals the tremendous economic stress on our dairy industry. The historical record, month by month, shows the steady increase in average milk output per cow until this year. During the first seven months this year, average production per cow is down by 16.8 gallons compared to 1974.

Forced reduction in feed rations, for the most efficient dairy cow inventory that Minnesota has ever had, has cut milk production by 1.5-million gallons, at the minimum, during the first seven months this year.

Disastrous crop losses in 1974 and again in 1975 are a contributing factor to the dismantling of our important dairy industry.

To be sure, many of our dairy farmers now joining the sellout stampede frankly admit, "We're not going to try to survive another losing winter like the last one, short of feed, money, credit and now even the desire to try to stick it out."

Ironically, many dairy farmers are hopelessly trapped by the same weather and crop disasters that have triggered the stepup of sellouts. Chopping destroyed corn for silage to feed the cows this winter is the only cash income potential for many of our most destitute and heavily mortgaged dairy farm families.

Why are Minnesota dairy farmers culling herds, sending even promising young replacement heifers to slaughter, cutting back on feed rations that reduces milk production? Further why are many getting out of the dairy business entirely?

Do you know anybody foolish enough to invest upwards of $100,000 in a family business that requires a 15-hour, 7-day week, 52-week work year for a return of as little as 22.5 cents an hour and a maximum for a very few of less than $4 per hour? . . . And the investment is depreciating precipitously!

Milk production costs are up 15 to 20 per cent, but milk prices are below last year.

Prices received by Minnesota farmers for their milk have had the tightest spread among all commodities reported in the monthly farm price index. In the past 30 months, the price of raw farm milk has fluctuated only 2.6 cents a pound or 22.4 cents a gallon between the high of 8.2 cents a pound or 70.7 cents a gallon in January-March 1974 and the low of 5.6 cents a pound or 48.3 cents a gallon in February 1973.

Minnesota's mid-July farm milk price was a small 7.4 cents a pound or less than 64 cents a gallon, nearly seven cents a gallon or 10% less than farmers were receiving for their milk a year and a half ago.

During the first seven months of 1975 the estimated cash receipts of Minnesota dairy farmers fell nearly $80-million short of the milk sales receipts for the same period last year.

But that was only the tip of the economic iceberg for our dairymen.

Many have had their credit rating foreclosed by the drastic depreciation of their livestock herds, even though the herds today are more efficient and have a much higher milk production potential.

Two years ago when dairy farmers experienced the most favorable prices and outlook in over a quarter century, many borrowed heavily to expand their herds and improve their facilities for top quality milk production.

In August, 1973, the value of Minnesota's total milk cow inventory, at $590 for the average cow, was $535.7-million.

This August Minnesota's dairy herd, valued at only $355 per cow, was worth $310.6-million. In two years, despite an improved herd, it was depreciated by over $225.1-million in book or loan value, a 42% loss. In just the past year, the dairy herd value dropped $115.6-million.

These losses demonstrate part of the devastating impact on our dairy industry and upon our entire livestock and poultry industry by this nation's gaslight era concept of a cheap food economic policy—an economic policy that has been practiced by all the administrations in the past 25 years.

Even the farm family that still clings to its desire to make a living in dairying no longer has, in too many cases, the financial ability or commercial credit availability because of the actual income losses and capital erosion.

Every contact we made in the industry expressed concern for these new developments and indicated that the second straight year of disastrous crop damage is probably the final straw that will break the hopes of many struggling dairy farmers.

But the real root of the problems eroding our dairy industry continues to be the bad federal policy actions that placed and have kept milk producers on the economic ropes. . . . . a penny-wise, pound-foolish "cheap food" policy.

Dairy farmers are caught in the most prolonged and one of the most severe cost-price squeezes experienced by any commodity segment of agriculture.

The members of this Committee are familiar, I am sure, with some of the bad federal policy actions that have produced this growing problem that has serious implications not merely for the future of dairying, but for the rural community, for consumers and for the state and national economy. . . .

First, we experienced two years of record dairy and meat imports of questionable quality that flooded the domestic market and destroyed the first favorable cost-price experience our essential livestock, dairy and poultry farming industry had enjoyed in more than a quarter century.

That alone was a massive ripoff of the American farmer.

It was, moreover, completely counter to a shocking lesson that the nation was just learning from our high degree of dependency upon imported oil and we are continuing to learn in nearly every other sector of the economy . . . autos, clothing, electronics, plastics, wood products, ad infinitum . . . imports taking American jobs, draining ever more of our dollars into overseas treasuries.

In the spring of 1974, with dairy and meat imports still stockpiled at record levels, the federal government threw another left hook at the dairy farmer, a disastrous rollback in federal milk marketing order prices.

In just four months the prices paid Minnesota farmers for their milk last year dropped 15 cents a gallon, at the same time their production costs soared to ever new record highs.

Farm milk prices have never recovered from that price rollback, and cannot as long as the present administration continues to veto every Congressional attempt to reasonably adjust farm milk price formulas of the federal government.

Minnesota farmers in mid-July received an average of 63 cents a gallon for their raw milk. That was only 64% of the national milk parity price of 98 cents announced by the U.S. Department of Agriculture. It was 8 cents less per gallon than Minnesota dairy farmers had received for their milk for the first three months of 1974.

By federal law, dairy farmers are guaranteed 75 percent of parity price for their milk. According to the official USDA figures, this July a Minnesota dairy farmer received 11 cents a gallon less than the legal minimum.

But even the existing federal milk price support law, as well as its administration, are inadequate. It needs to be increased to at least 90% of parity, and the federal agency ordered to implement the law. And it has to include quarterly adjustments.

We're talking only about pennies a gallon. But these are important pennies, the difference between profit and loss for the dairy farmer . . . the difference between poverty and progress for the rural community . . . the difference between a reliable domestic supplier or increased import dependency that can only result in ultimate ripoff of the consumer.

Minnesota dairy farmers report their actual production costs right now are about 69 cents a gallon, not including labor and investment overhead . . . that is a break-even point for the average production.

Farm prices and food prices have been unfairly made a scapegoat for the nation's inflation and recession problems.

Hardly a day passes without a Washington agency pronouncement on those same farm and food prices.

Many of these are outright distortions.

How often do we hear and read of cost of living increases attributed to "skyrocketing food prices" and find in small print that the food price increase was a fraction of one per cent, and one of the smallest increases raising the index?

The same terminology is rarely if ever used to describe the impact of other price and wage increases ranging from 6% to as much as 18%. I didn't see federal comment from the White House, the Cost of Living Council, the Economic Advisors, or the Agriculture, Commerce and Labor Departments describing the recent General Motors 7.3% increase in 1976 auto prices. With any degree of impatience these agencies nearly always use only the most miniscule increase in any food item.

At the same time, because there has been little of the same heat applied to other products . . . particularly imports . . . consumers think nothing of paying double and triple the normal price for competitive beverages such as coffee, tea, cocoa, pop, beer, or liquor, all of which have far less food value than milk.

Farm prices are the only prices in our economy that go up and down. All other prices only go up, up, up and stay up. Farmers are the only persons in all the world who continually provide more of a better quality product for ever less of our personal disposable income. Only farmers produce food, an essential of life itself.

University of Minnesota economists have reported that dairy farmers should be paid at least 85 cents per gallon for their milk to experience a reasonable return over the total production costs.

University of Minnesota economists have reported that dairy farmers should be paid at least 85 cents per gallon for their milk to experience a reasonable return over the total production costs.

A more recent recommendation from the University of Wisconsin pegs the reasonable return over cost-price at nearly $1 per gallon.

There is a differential between the average prices for farm milk in Minnesota and Wisconsin. In July, Wisconsin dairy farmers received 73 cents per gallon, or 10 cents more than the Minnesota average. So the University recommendations aren't really that far apart . . . again a few pennies.

I can't believe that the American consumer, for a few pennies, or perhaps at any price, would willingly be a participant in any policy to negate the dairy industry or any other segment of our nation's agriculture.

The issue really is one of fair prices that assures the hand that feeds all of us—the American farmer—the recovery of his production costs and a reasonable return for his investment and family labor. Nothing more, nothing less.

Neighboring Canada has been the wisdom of safeguarding its equally essential farming industry with fair price guarantees.

Canada guarantees its dairy farmers full parity, not just a Potomac toss short of 75% of parity. Canadian dairy farmers receive $1 a gallon for their milk, not the U.S. minimum average of 74 cents or the mere 63 cents that Minnesota farmers averaged this July.

If federal policy continues to force increasing domestic consumer dependence upon imported dairy products, Canada might be the only alternate source for fresh fluid milk.

Of course, with a present $1 per gallon cost for milk at the farm in Canada, already 25 to 35 cents more than Minnesota dairy farmers are receiving, at least that amount of increase plus the extra transportation costs would have to be added to the ultimate American consumer price.

Will the American consumer pay close to $2 a gallon for imported milk?

It will come to that unless we can swiftly terminate the forced dismantling of our own domestic dairy farming industry.

We may be closer to increased import dependency than we might like to think.

Rigid—perhaps stubborn is a better term—federal milk price policies and diminished milk supplies have already resulted in new price pressures on production, processing and marketing decisions that can affect the quality achievement and consumer selectivity programs that it took decades to achieve.

Right now Grade A fluid milk production and consumer supplies are endangered by the bidding up of prices for manufacturing grade milk. One major Minnesota cooperative reports that thus far this year it is short nearly 2 million gallons of Grade A fluid milk production to meet consumer needs for fresh liquid milk.

Trade publications indicate that this closing of the traditional price gap at the farm level between Grade A and manufacturing milk is not limited to Minnesota but is a serious new national problem.

Continued, it can set the Grade A milk quality program back years and ultimately result in shortages and skyrocketing prices for fluid milk products.

It need not happen.

All it takes is the few cents difference between present disaster level farm milk prices and a fair price level.

The experts in the administration also are wrong in their insistence that American consumers must depend increasingly upon imported dairy products. That is pure but bad Keynesian economic rhetoric.

America's dairy industry has the capacity to meet this nation's total domestic milk and dairy product requirements, assured a fair price.

The problem is, it has been rarely and too briefly tried.

An industry that has increased its production efficiency by 31% in the last 10 years and by 68% in the past 20 years, deserves a chance to prove what it can do, for agriculture, for Minnesota, for consumers, and for the national economy.

Grant dairy farmers a fair price for their milk and America will enjoy self-sufficiency in dairy products, in rural and urban jobs and in the important economic contributions to the state and the nation essential to peace, progress and prosperity.

STATEMENT ON BEHALF OF THE DAIRIES FEDERATION OF MINNESOTA

(Presented by Jim Hill, President, before the Subcommittee on Dairy and Poultry, U.S. House of Representatives)

Mr. Chairman, members of the committee, my name is Jim Hill, President of Dairies Federation of Minnesota. This organization represents the processors and distributors of milk, ice cream, and cultured products in this state. While we have only twenty-four members they do represent the majority of the processing and distributing of dairy products in this area.

Our processors and distributors are deeply concerned over the economic situation of the entire industry. The reasons are very clear. Forty percent of Minnesota's total economy is represented by agriculture and ag-business. Of the agriculture and ag-business portion the largest single segment is the dairy industry representing about 6-billion dollars annually. We also export eighty-five percent of our total production which means that any legislative activity on the national scene reflects immediately in our economy. If any portion of the production, processing, or distribution and even retail sales is economically depressed it has its immediate reflections on the entire industry. The same is true of the national scene. Nationally the dairy industry is number two in dollar sales of food products. Only the meat industry is larger. Nationally, in terms of quantity of product consumed, we are the largest commodity. In fact, the total sales of all dairy products in this nation ranks fifth when compared to sales in all other industry.

Because of the above situation our comments must necessarily address themselves to many subjects most of which deal with the federal level.

I might add that Dairies Federation of Minnesota is a member of the Milk Industry Foundation and the International Association of Ice Cream Manufacturers officed in Washington, D.C. I know Mr. Tipton has or will present to you the same economic factors and problems which affect us in the state. We are totally supportive of the position taken by MIF and IAICM.

Actually there are five subjects we are deeply concerned with and respectfully ask this committee to consider them:

(1) Milk Production and consumption balance.

(2) Amendments to the Agriculture Act of 1948 regarding the support program for manufacturing milk.

(3) Imports of dairy products.

(4) Amendments to the Agricultural Marketing Agreement Act of 1937.

(5) The questionable information of certain statistical reports issued by the United States Department of Agriculture regarding farm to retail price spreads.

On the subject of milk production and consumption balance, notable and reliable economists have analyzed the year of 1973 which while temporarily a good year for dairy farmers who remained in dairying caused dairy prices to accelerate very rapidly and in turn triggered consumer resistance and at the same time additional imports which had a devastating effect on the market in 1974. The effect of the drop in production, the increase in consumption, the high beef prices, the high feed prices and the resultant drop in demand compounded by a substantial increase in dairy imports all were factors to cause economic chaos in the industry. While overtures have been made that the chaos was caused exclusively by imports, we believe the imports were only one of the many factors.

On the subject of a change in the support program for manufacturing milk and the suggested quarterly adjustments which may on the surface appear to dairy farmers as a necessary solution to their economic problem, we believe quite strongly that such quarterly adjustments could be very disruptive and in the long term not be in the interests of dairy farmers. I hasten to add here that we in the processing and distribution area are as concerned with the production economics as we are with the processing and distribution. It should be quite obvious that if dairy farmers do not have an economically stable market and continue to produce milk, we in the processing and distribution system face millions of dollars in losses of plant investment and jobs.

Thus we believe it is imperative that, while attempts are made to improve economic conditions of farmers, equal attempts must be made to improve those same conditions for processors and distributors. One cannot succeed without the other. While reportedly inflation is being somewhat contained, production, processing and distributions costs continue to rise and the cost increases must be passed along to the consumers. Data clearly shows that consumption declines subsequent to a price increase. I hasten to admit that we have recovered from the consumption lost in late 1973 and early 1974 since consumers have accepted that the price increases were necessary. However, when prices change more frequently, as suggested in quarterly adjustments, the loss of consumption could be compounded.

Let us consider the mechanics involved in announcing a quarterly adjustment. New parity data is available from the USDA on the last day of each month. If, at the end of a quarter, prices for raw milk would be increased immediately, it would create severe hardship on processors, manufacturers, retailers and consumers since it takes a considerable amount of time to affect price changes at the retail level. The mechanics of changing price lists, computer programs, marking prices at retail, etc., require a reasonable notice, in advance, before they can become effective. We in the processing and distribution system cannot carry a price increase load unless we can immediately pass on those price increases.

The proposals for quarterly adjustments as we have seen them do not relate to this problem. If this committee, at the end of these hearings in reviewing the testimony believes that some mid-year adjustment in parity is necessary, we would recommend that it be done semi-annually. Further, we recommend that the formula used to establish support prices which assign specific values to butter, powder, and cheese be established at the beginning of the marketing year, namely April 1st, and that formula not be changed when making a mid-year adjustment. The reasons for this suggestion are very clear. If the formula values are changed at mid-year those processors or manufacturers who have inventories of butter, powder, and cheese could be seriously affected, if a mid-year change in the formula is made.

For instance, if either butter, powder, or cheese is lowered in value, the inventory value of that product would be lower and economic loss would occur. So, if the decision for mid-year adjustment in party is found to be necessary it would seem prudent not to change the formula values and cause further economic chaos. In summary on this subject we have these two concerns. (1) A compounded consumer resistance to frequently changing prices. (2) The economic and mechanical problems without advance notice of at least fifteen days. (3) The possible economic losses of inventory values if the product formulas are changed.

On the subject of imports of dairy products, it is our feeling that the USDA should consider several factors before changing the import quotas. Those factors are (1) projected domestic production, (2) projected annual consumption, and (3) the minimum price needed by dairy farmers to continue production above costs. Only after those factors have been established should import quotas be established in the best interests of producers, processors, distributors, and consumers.

Further, there have been several suggestions that those farmers who produce products in foreign countries be required to accept the same minimum quality control standards as dairy farmers in the United States. We are unalterably opposed to the establishment of a foreign inspection service. It would be costly because of a trade relations problem with foreign governments and impossible to enforce.

We do agree that the Food and Drug Administration and/or any other federal agency involved in food inspection be intensified to determine that the products coming in do meet the standards we require in the best interests of the health of this nation. Since we do have those facilities already established we see no reason for additional bureaucracy to move into foreign countries.

In addition there is no federal standard for such inspections of our own produced products and farm production conditions vary across the United States to a degree that those same standards would not necessarily be appropriate or needed in the case of foreign suppliers. The United States would immediately be accused by foreign countries of establishing unnecessary tariff barriers. In view of the upcoming trade negotiations it would seem unwise to pursue a foreign inspection program.

On our fourth subject relating to the Agricultural Marketing Agreement Act of 1937 and with the passage of the new Administrative Procedures Act which is to apply to all confrontations with federal agencies by private industry, we strongly urge that Section 15B of the Act of 1937 be amended and that the new Administrative Procedures Act apply. Under the present situation for a handler to appeal a decision concerning the Federal Milk Orders the appeal goes to an administrative law judge who holds hearings, issues a decision which is then reviewed by a judicial officer who may reverse the administrative law judge and it is only at that point that a handler may ask review in the District Courts.

There have been several cases that regardless of the legal strength of the challenge to departmental action these cases have languished for years in the Department. But a handler is restricted from a review by the District Court until the Department action is satisfied. Just recently a case started in 1966 was settled after the District Court reversed the USDA Judicial Officer's earlier ruling. In January of this year a case started in 1969 was settled in District Court. Again the District Court reversed the Judicial Officer's decision and the handler was exonerated. I respectfully suggest that these are two cases where justice delayed is justice denied. We recommend that Section 15 A and B be amended to incorporate the newly passed Administrative Procedures Act and thus provide for a prompt disposition of these cases.

On the subject of the United States Department of Agriculture farm to retail price studies, we respectfully urge this committee to have their research staff investigate the USDA statistics which show a larger spread between farm and retail prices than actually exists. It appears to us that USDA is using the farm value of milk based on Federal Market Orders which is in many cases lower than the actual prices we processors pay for that milk by as much as 10 cents per gallon. We believe USDA has a responsibility to be accurate and not unfairly jeopardize the image of processors, distributors, and retailers.

A recent publication by the Federal Trade Commission has exonerated the oft referred to "middleman" by stating unequivocally that there was no "rip off" by middlemen and that the margins were in fact well in keeping with general business margins. Yet if one follows the USDA statistical procedure the inference is that our margins are too high. We believe this is irresponsible action by a federal agency and unnecessarily builds consumer reaction on less than factual information. There is one other area in which this committee ought to be involved as regards the Federal Marketing Order System. As you know there are some sixty-seven Federal Orders in the United States in which the minimum Class I prices are established and which processors must pay for Class I milk.

When these Orders were originally established differentials were fixed for each Order over and above the price established by the Minnesota-Wisconsin Series which as you know is the basis for pricing milk in the United States. While those differentials may not be as accurate today as they were when they were originally established, the intent was to prevent the flow of milk from a low Price Order to a higher Price Order and not cause shortages in any order.

However, there has been established by various milk suppliers varying over-order premiums ranking from $1.00 to reportedly $2.00 per hundredweight. The question must be raised, what is the economic impact on the dairy industry due to these over-order premiums and is it causing unnecessary movement of milk from one Order to another? We as processors have no quarrel with the needs of dairy farmers in the prices they must receive to remain in production but we do believe that if the Federal Marketing Order System and this organization's intent is to be perpetuated then a look at the differentials between Orders, which were to reflect transportation charges, must be reviewed and a method established whereby all dairy farmers producing Class I milk share equally in the market.

The present system tends to create unfair competition in the processing and distribution system. As processors and distributors we will remain intensively competitive on quality and service but we cannot be competitive with those processors in one Order who buy their raw product at substantially less prices and sell in an area where processors pay substantially more for the raw product.

On behalf of the processors and distributors of milk, ice cream, and cultured products of Minnesota, we respectfully urge this committee to weigh the entire spectrum and the economic conditions which afflict producers, processors and distributors and hopefully find a solution for equity for all.

We sincerely appreciate the opportunity to present this evidence to this committee.

NATIONAL DAIRY HEARINGS

(Held at Little Falls, Minn., Community High School. U.S. House of Representatives, Agriculture Subcommittee on Dairy Poultry)

8:30 a.m.—Breakfast, Pine Edge Inn.

Minnesota Legislators: Senator Roger Moe, chairman, Senate Agriculture Committee; Senator Myrton Wegener, Senate Agriculture Committee; Representative Willis Eken, House Agriculture Committee; Representative Stephen Wenzel, Little Falls, Minn.

U.S. Representative Ed Jones, Chairman, Subcommittee on Dairy and Poultry.

U.S. Representatives Matthew McHugh, Bob Bergland, Richard Nolan, Members, Subcommittee on Dairy and Poultry.

U.S. Representative James Oberstar.

9:30 a.m.—Senator Myrton Wegener; Representative Willis Eken.

(Wrap-up of State legislative history regarding dairy problems in state of Minnesota.)

9:45 a.m.—Senator Hubert H. Humphrey, U.S. Senate.

10:00 a.m.—Jon Wefald, Commissioner, Minnesota Department of Agriculture.

10:15 a.m.—Representative James Oberstar, U.S. House of Representatives; Mahtowa, Minnesota dairy farmer, Dave Gilberg.

10:35 a.m.—Hon. Stephen Wenzel, State Representative.

10:45 a.m.—Minnesota Holstein Association, Conrad Kvamme, Director, Little Falls, Minn.

Minnesota Holstein Association, James Beckstrand, member, Litchfield, Minn.

11:00 a.m.—Minnesota Agri-Growth Council, Inc., Jim Hill.

11:15 a.m.—Minnesota Farm Bureau, Vern Ingvalson, manager, Legislative Division.

11:30 a.m.—Minnesota Food Retailers Association, Hugh R. Cosgrove, Executive Director.

11:45 a.m.—Minnesota Public Interest Research Group, John Gostovich.

12:00 noon—Lunch, Little Falls Chamber of Commerce.

1:10 p.m.—Associated Milk Producers, Inc., Charles Schell, President, North Central Regional Board, Minneiska, Minn.

1:15 p.m.—National Farmers Organization, Gene Paul, Dairy Director; Evansville, Minn., Dairy Farmer, Don Henneman; Echo, Minn. Dairy Farmer, Leander Wagner.

1:40 p.m.—Land O' Lakes, Director, Henry Franz, Bingham Lake, Minn., Paul McAlpine, Maple Lake, Minn.

1:55 p.m.—Land O' Lakes, Blackduck, Minnesota Dairy Farmer, Murl Nord.

2:05 p.m.—Land O' Lakes, St. Michael, Minnesota Dairy Farmer, Wayne Kessler.

2:15 p.m.—Minnesota Farmers Union, F. B. Daniel, Milk Marketing Division.

2:27 p.m.—Minnesota Farmers Union, Dennis Forsell.

2:40 p.m.—Associated Milk Producers, Inc., Audubon, Minn. Dairy Farmer, Grant Lage.

2:52 p.m.—Associated Milk Producers, Inc., Paynesville, Minn. Dairy Farmer, Melvin Kunstleben.

3:05 p.m.—Mid-America Dairymen, Inc., Dick Hinkle, Elk River, Minn.

3:20 p.m.—Mid-America Dairymen, Inc., Roger Wacker, Frazee, Minn.

3:35 p.m.—Browerville, Minn. Dairy Farmer, Don Carlson.

3:45 p.m.—Melrose State Bank, Donald Stalboerger, President; 1st National Bank, Long Prairie, R. W. Knopp, 1st Vice President; William R. Raschke, Assistant Cashier.

UNITED STATES-CUBA RELATIONS

Mr. STONE. Mr. President, I want to correct a mistake which appeared due to secretarial error in my September 17, 1975, insert. The three Cuban trained agents who were transported to the Dominican Republic by three Puerto Rican members of the Puerto Rican Socialist Party landed on Dominican shores on June 2, 1975, not on July 2. The three guerrillas have as yet not been captured by Dominican authorities.

POSITION ON VOTE ON CURTIS AMENDMENT TO H.R. 8069

Mr. STEVENS. Mr. President, yesterday when the Senate voted on the Curtis amendment to H.R. 8069, the Labor-HEW appropriations bill, I was recorded as voting "yea." This was an error. I should have been recorded as voting "nay."

SEMIANNUAL REPORT BY THE DEPARTMENT OF DEFENSE ON CHEMICAL AND BIOLOGICAL WARFARE ACTIVITIES

Mr. McINTYRE. Mr. President, in keeping with the past practice of the Armed Services Committee to advise the Senate and the public of the activities of the Department of Defense in chemical and biological warfare—CBW—I ask unanimous consent to have printed in the RECORD the semiannual report on funds obligated for CBW research during the second half of fiscal year 1975.

This is a Department of Defense report submitted semiannually pursuant to section 409, Public Law 91–121. However, as provided under section 2(4), Public Law 93–608, the frequency for future submission of the report has changed from semiannual to annual.

The report also includes Department of Defense explanatory comments on the purposes for which the funds provided have been used.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., August 19, 1975.

HON. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with the requirements of Section 409, Public Law 91–121, the semiannual report on funds obligated in the chemical warfare and biological defense research programs during the second half of fiscal year 1975 is attached. In accordance with Section 2(4) of Public Law 93–608, this will be the last semiannual report. We advised the cognizant Committees of Congress of our plans to implement the change in reporting frequency to an annual report on 14 March 1975. The next report will cover a 15 month period and will be submitted by the end of November 1976.

This report provides actual obligations through 30 June 1975. Only the Department of the Air Force segment of the report contains an adjustment summary for the first half of fiscal year 1975. The Department of the Army and the Department of the Navy reported no adjustments to their segments of the first half fiscal year 1975 report.

The attached report has also been sent to the Speaker of the House of Representatives.

Sincerely,

W. P. CLEMENTS, Jr.,
Deputy.

DEPARTMENT OF DEFENSE—SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS FOR THE PERIOD JAN. 1 TO JUNE 30, 1975, RCS DD-D.R. & E. (SA) 1065, (ACTUAL DOLLARS)

	Army	Navy and Marine Corps	Air Force	Tota
Chemical warfare program	$27,817,000	$284,000	$190,000	$28,291,000
R.D.T. & E.	(4,968,000)	(284,000)	(190,000)	(5,442,000)
Procurement	(22,849,000)	(0)	(0)	(22,849,000)
Biological research program	4,888,000	0	0	4,888,000
R.D.T. & E.	(4,888,000)	(0)	(0)	(4,888,000)
Procurement	(0)	(0)	(0)	(0)
Ordnance program	12,403,000	0	0	12,403,000
R.D.T. & E.	(1,446,000)	(0)	(0)	(1,446,000)
Procurement	(10,957,000)	(0)	(0)	(10,957,000)
Total program	45,108,000	284,000	190,000	45,582,000
R.D.T. & E.	(11,302,000)	(284,000)	(190,000)	(11,776,000)
Procurement	(33,806,000)	(0)	(0)	(33,806,000)

DEPARTMENT OF THE ARMY, SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JAN. 1–JUNE 30, 1975), RCS DD–D.R. & E.(SA) 1065

[In conducting the research described in this report, the investigators adhered to the "Guide for Laboratory Animal Facilities and Care" as promulgated by the Committee on the Guide for Laboratory Animal Resources, National Academy of Sciences—National Research Council]

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JAN. 1–JUNE 30, 1975, DEPARTMENT OF THE ARMY, RCS DD–D.R. & E.(SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, REPORTING SERVICE: DEPARTMENT OF THE ARMY, DATE OF REPORT: JUNE 30, 1975, RCS: DD-D.R. & E. (SA) 1065

Description ot R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
Chemical warfare program	−0.033 5.001	3.221 1.747	During the 2d half fiscal year 1975, the Department of the Army obligated $4,968,000 for general research investigations, development and test of chemical warfare agents, weapons systems, and defensive equipment. These obligations primarily represent adjustments to the $17,680,000 obligations reported for first half fiscal year 1975, and new funds received during the 2d half of the fiscal year. Program areas of effort concerned with these obligations were as follows:
Chemical research	.000 .268	.189 .079	
(a) Basic research in life sciences.	(.000) (.170)	(.140) (.030)	Life sciences basic research in support of chemical materiel:

	2d half fiscal year 1975	1st half fiscal year 1975 (previous report)	Total fiscal year 1975
Chemical research:			
Basic research in life sciences	$170,000	$520,000	$690,000
Exploratory development	98,000	4,793,000	4,891,000
Total chemical research	268,000	5,313,000	5,581,000
Lethal chemical program:			
Exploratory development	22,000	1,098,000	1,120,000
Advanced development	−15,000	293,000	278,000
Engineering development	−250,000	2,312,000	2,062,000
Testing	485,000	371,000	856,000
Total lethal chemical	242,000	4,074,000	4,316,000
Incapacitating chemical program: Exploratory development total incapacitating chemical	32,000	266,000	298,000
Defensive Equipment Program:			
Exploratory development	$3,256,000	$4,521,000	$7,777,000
Advanced development	599,000	2,154,000	2,753,000
Engineering development	376,000	1,100,000	1,476,000
Testing	195,000	228,000	423,000
Total defensive equipment	4,426,000	8,003,000	12,429,000
Simulant test support		24,000	24,000

Life sciences basic research in support of chemical materiel:

1. A soil microorganism has been successfully cultured with thiodiglycol which paves the way toward development of an enzymatic detector for mustard agent. Evaporation rates and dynamics of liquid agent droplets have been studied to better understand performance characteristics under a variety of conditions. Predictive equations have been developed to show the effect of temperature increases on the loss of gas adsorptivity by carbon filter beds so that the effective life of protective filters can be determined and improved. The data base for a quantitative structure-activity relationship study of piperidinol and oripavine analgesics has been established. Several other studies have been initiated. Enzyme induction studies will continue in fiscal year 1976 for the development of chemical agent detection systems. An evaluation of imbiber beads for evaporation retardation will be undertaken. Basic mechanisms of ion-clustering reactions will be determined for a series of compounds related to environmental contaminants. A study will be made of carbon particle size on the adsorption rate constant for carbon filter beds, and the effects of high velocity gas flows will be investigated. Rheological studies will be performed on selected thickened agent simulants to better understand the fluid dynamics of these materials. Development will proceed on the neutron generator to determine the effects of radiation on chemical agents and related materials.
2. Efforts have continued to develop a polyacrylamide affinity chromatographic column packing which will separate and hold red blood cells bearing active acetylcholinesterase (AChE), but pass red blood cells whose AChE is inactivated by an organophosphate inhibitor. A number of test columns have been made up and tried but none so far has shown the capacity to produce a good enough separation of the uninhibited AChE.
3. The isolation and characterization of the cholinergic receptor protein has progressed and it is now possible to state that the molecule has at least 1 binding site for acetylcholine and at least 2 for neurotoxin. The isolation of the protein was accomplished by utilization of the neurotoxin binding sites, which accepted the iodinated toxin of a snake (the banded krait), thereby being marked by the radioiodine. In fiscal year 1976 the chemical reactivity of the receptor will be studied and its relation to the functions of the synaptic membrane will be defined.
4. Current investigations with refractory anti-ChE agents have confirmed the shift in control from the primary inspiratory center of the brain stem to the primary expiratory center during poisoning. Lethality results from paralysis of the expiratory center. It has been further shown that lethal poisoning is associated with loss of consciousness and that drugs which combat this loss are the most effective antidotes. Fiscal year 1976 efforts will concern further exploration of this effect, using other drugs to preserve consciousness.

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JAN. 1–JUNE 30, 1975, DEPARTMENT OF THE ARMY. RCS DD–D.R. & E.(SA) 1065—Con.

DEPARTMENT OF THE ARMY, SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JAN. 1–JUNE 30, 1975), RCS DD–D.R. & E.(SA) 1065—Continued

[In conducting the research described in this report, the investigators adhered to the "Guide for Laboratory Animal Facilities and Care" as promulgated by the Committee on the Guide for Laboratory Animal Resources, National Academy of Sciences—National Research Council]

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, REPORTING SERVICE: DEPARTMENT OF THE ARMY, DATE OF REPORT: JUNE 30, 1975, RCS: DD–D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year	In-house	
	Current fiscal year	Contract	
			5. Scopolamine and glycolates have been found to possess antinociceptive properties in the primate. Experiments, utilizing the shock titration paradigm, are underway to evaluate the antinociceptive properties of benzodiazepines such as Valium and combinations of Valium and anticholinergics. Experiments indicate that lesions of the posterior midbrain central gray area potentiate an antinociceptive action of morphine. Lesions in other midbrain and diencephalic areas did not produce this affect even anatomically related to the effective lesion sites. The results of experiments in which other lesion placements were tested awaits histological analysis for interpretation. From these studies it should be possible to identify some of the anatomical structures which, when lesioned, potentiate morphine antinociception. 6. Various neural pathways in the brain are known to be cholinergic in nature. It was of interest to learn whether some neural pathways which mediate pain sensation are also of a cholinergic nature. Laboratory tests to date indicate that the system is not cholinergic. 7. The amino acid serine has been identified in the active site of cholinesterase. There is reason to believe that the amino acid histidine is also a part of the active site. It is known that 3-bromo acetonyl trimethyl ammonium bromide (BAT) reacts with histidine residues in the enzyme protein, including that in the active site. The concept is to block the serine-histidine in the active site with phospholine (an organophosphorus inhibitor), then to block other histidine sites with BAT. The serine-histidine region in the active site is now unblocked by use of an oxime, but the other histidine sites remain blocked by BAT. Presently labeled BAT is placed in the serine-histidine region of the active site; the protein is then degraded and analyzed; and the finding of the label will identify the active site and will instruct whether, and in what sequence, the histidine of the active site occurs. 8. When AChE is inhibited, reactivated and inhibited repeatedly, progressively larger amounts of the enzyme have been found to reactivate spontaneously. The evidence shows that the AChE becomes modified so that the rate of reactivation is greater than that of aging. In fiscal year 1976 the possibility of so modifying AChE in vivo will be investigated. 9. A mathematical model of the cardiorespiratory system has been constructed using inputs such as blood loss or loss of pulmonary function, such as would result from hemo-orpneumothorax. The critical value affected is blood supply to the brain which correlates to level of brain function from normal, to unconscious, to death. The model has been programed for simulation on a high speed digital computer. Eventually, the model will be used to simulate human trauma. 10. Adenosine 3:5′—cyclic monophosphate (cAMP) mediates the synthesis of enzyme proteins, including AChE. It is also involved in synaptic transmission of nerve impulses. Recent work shows that anticholinesterase poisons increase the brain level of cAMP, thereby increasing sensitivity to such poisons. In fiscal year 1976, the investigations will center on the role of cAMP in repeated (chronic) poisoning and on the interactions of cAMP, dopamine and ACh. 11. Adenovirus has been alkylated using monofunctional sulfur mustard. We are presently examining the 1-step growth curve of alkylated virus in KB (human naso-pharyngeal carcinoma) cells as a means of determining the kinetics of growth of alkylated adenovirus. During fiscal year 1976, work will continue on the kinetics of repair of alkylated DNA in mammalian systems by attempting to isolate mutants of KB cells which are unable to repair damage due to alkylation of DNA.
b. General chemical investigations.	(.000) (.098)	(.049) (.049)	Exploratory development effort: 1. Search for potential agents: Primary toxicity screening revealed several compounds worthy of detailed evaluation and possible inclusion in the agents program. Additional members of a new class of bicyclic organophosphorous compounds were prepared which are extremely toxic, but have a different physiological mechanism than that of other known organophosphorous agents. Preparation was begun on a data bank which characterizes potential chemical agents, their intermediates and breakdown products, and which will serve as an important aid in maximizing future research efforts. Analytical, physiochemical, and toxicological screening studies will be conducted on potential chemical agents, their precursors and decomposition products, with much of the information being incorporated into the data bank. 2. Evaluating effects of chemicals: Preliminary experiments indicate that Valium has potent antiaggressive properties. Experiments are underway to evaluate the effects of other benzodiazepines and benzodiazepine-anticholinergic mixtures on aggressive behavior. The primary influence of scopolamine on memory appears to be in the impairment of acquiring new material. 3. Medical effects of chemical agents: Improvements in the sensitivity and specificity of tests to detect mutagenicity in chemical compounds have continued. Work continued on the evaluation of toxicity and mutagenicity of compounds and intermediates. Further study of glycolate effects will include percutaneous action, skin sensitization, effects on visual systems and behavior. 4. Chemical dissemination and dispersion technology: (a) Projectile aeroballistic studies were conducted, including graphical display of each flight dynamic parameter. Effects of initial launch conditions upon flight stability characteristics were simulated. Studies were conducted on dispersion of unconventional submunitions which could be used with either chemical or ordnance warheads. (b) Chamber tests were conducted to compare the flashing behavior of simulants with their oxygen index values. Modifications were made to the oxygen index instrumentation to permit use with toxic chemicals. The evaluation of plant and binary product GB (a standard United States nerve agent) was initiated. Expolsive firings of binary GB were conducted in the chamber under progressively more severe conditions. It was established that this agent does not flash under these test circumstances. Additional compounds will be evaluated to establish their flash ranking in terms of oxygen index. A contract program will be started to investigate the effects of high pressure on the physical properties of liquid simulants. (c) Modifications to the test chamber were completed for classifying and characterizing aerosols using light scattering and attenuation techniques. The automation study on chamber sampling and analysis will continue. The explosive firing circuit will be modified to comply with the latest techniques for safe handling of explosives. 5. Test and assessment technology: Chamber tests were conducted to investigate the relationship between simulant properties and explosive dissemination. A new agent simulant, bromoethanol, has been shown superior to the current simulant, trichloropropane. Some bulk liquid breakup mechanisms have been analyzed and structured. Theoretical model estimations indicate that, to achieve optimum drop size, thickened agents and simulants should be considered. A unique method of forming uniform, discrete, drops of thickened liquids has been developed. The spinning cup experimental device for generating stable, centrifugally cast liquid sheets will be tested and improved to use thickened fluids. Studies of a simple sampling device will be conducted in order to incorporate physical and chemical mechanisms affecting chemical agent transfer from contaminated terrain and equipment to humans. 6. Systems analysis: Theoretical work to describe and program methodology for a multiple finite line source of agent was completed. Efforts to improve munition effectiveness criteria were initiated. A model to describe the hazard posed by the evaporation of liquid droplets was developed. Long-range efforts in the development of transport and diffusion models will continue. Special techniques for risk analysis of new offensive and defensive material will be developed. 7. Evaluation of foreign chemical warfare potential: (a) Data obtained from the 1st rocket sled test series were completely reduced and an interpretive analysis initiated. Estimates of the particle size distribution and spatial distribution of the liquid droplets derived from these data were used to modify existing dissemination models for the delivery systems. An algorithm was formulated to obtain a more precise model. A generalized mathematical function was derived which addresses specific parameters associated with the mechanics of droplet breakup. The ongoing laboratory work is providing associative mechanics data and when combined with the empirical modeling will then provide a more realistic breakup model. The mechanics are required to determine effects associated with changing variables within the model structure. A 2d series of rocket sled tests will be conducted. Effort associated with characterizing the fluid parameters will continue. These tests are identified as (1) shock tube, (2) gun, (3) rheogoniometer, (4) high pressure capillary viscometer, and (5) mechanical detonation. (b) Studies of temperature/humidity have been concluded which described environmental effects on resulting droplets for the purpose of consistent data analysis. Results of these temperature/humidity tests will be incorporated in all future data analysis.

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JAN. 1-JUNE 30, 1975, DEPARTMENT OF THE ARMY, RCS DD-D.R. & F.(SA) 1065—Con.

DEPARTMENT OF THE ARMY, SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JAN. 1-JUNE 30, 1975), RCS DD-D.R. & E.(SA) 1065—Continued.

[In conducting the research described in this report, the investigators adhered to the "Guide for Laboratory Animal Facilities and Care" as promulgated by the Committee on the Guide for Laboratory Animal Resources, National Academy of Sciences—National Research Council]

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, REPORTING SERVICE: DEPARTMENT OF THE ARMY, DATE OF REPORT: JUNE 30, 1975, RCS: DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
			(c) A literature study and a computer analysis based upon scattering/absorption theory were conducted. Field tests are planned for several remote sensors to validate computer projections and to assess performance of techniques not covered in the earlier analysis. 8. Chemical training agents and equipment investigations: (a) Development is underway on a method of synthesis for large scale production of a new volatile liquid irritant to be used as a training agent. Various thickeners have been investigated and show promise in controlling the rate of evaporation of the agent droplets from contaminated surfaces. Dimethylmorpholinophosphoramidate (DMMPA) will be evaluated for its potential usefulness as a training agent. (b) Analytical and physiocochemical studies were conducted on riot control agents. Reports of Canadian and British developments in training devices were reviewed. During fiscal year 1976 work will continue on developing suitable formulations for riot control agents. (c) The present design concept for training devices will be evaluated for conformance with the approved and revised training device requirement (TDR). Further testing and development will be conducted to improve dissemination characteristics. Tests will be conducted to determine optimum elevation of the launch tube to obtain maximum range with air burst at the desired height. 9. Chemical safety investigations: (a) Modifications have been made to high volume sampling equipment to extend the sensitivity to lower ranges of chemical agent concentration while monitoring the safety of the work area and the environment. An improved, remotely controlled, retractable spray device has been designed for decontaminating test chambers following toxic chemical operations. Trace quantities of chemical agents have been detected from high pressure water crushing of concrete-encapsulated agent drums. High volume samplers will be used to collect chemical agent vapors on filter-like absorbents followed by desorption directly into a gas chromatograph (GC) for rapid identification and quantification. Sensitive analytical procedures will be developed for agent degradation products in order to develop defensive measures and deterrents. (b) The study of seasonal movements of the spotted turtle has been completed by submission and acceptance of a paper by the journal Herpatologica. This study was important to the use of the turtle as an indicator of environmental damage, if any, because these turtles are easy to mark for identification and tend to remain in definite areas. Waste disposal studies will continue in fiscal year 1976.
2. Lethal chemical program	−.021 .263	.248 −.006	
(a) Agent investigations and weapons concepts	(.000) (.022)	(.022) (.000)	Exploratory development effort: 1. Lethal chemical agent investigations: (a) New procedures for improved synthesis of intermediates of a binary lethal agent have been developed and a recommendation prepared for consideration of this compound in the development program. Analytical and physicochemical studies have been conducted with a variety of nerve agents and their intermediates for a better understanding of their reactivity and effect. A suitable thickener has been found for 1 agent. New organophosphorous compounds will be screened as potential agents. (b) Tests have shown that at given conditions of temperature and wind speed, the more volatile G-agents are as effective in penetrating multilayer clothing as they are through 2 layers of cloth. Less volatile V-agents are less effective as the number of cloth layers to penetrate increases. Lowering air temperature and increasing wind speed reduce the effectiveness of most agents regardless of volatility. Experimental procedures are being developed to allow evaluation of drop size effectiveness at lower environmental temperatures. 2. Lethal chemical weapons technology: (a) Effort continued on the evaluation of methods for practical generation of an intermediate volatility agent. Experimentation to optimize the liquid-liquid binary VX were continued, including evaluation of modified forms of one of the reactants. These latter forms were investigated as a means of improving low-temperature properties ot the liquid. Modification of binary agent physical properties were investigated and successful techniques were demonstrated for both G-agents and VX. Reactive simulants were developed for field evaluation of the modified binary agents. Preliminary investigation were conducted on the synthesis of a highly persistent agent. Efforts will continue to evolve binary reactions for intermediate and highly persistent percutaneous agents; to exploit modification techniques of physical properties of binary agent to achieve better dissemination characteristics; to optimize existing binary processes; and to develop and improve binary simulant/simulation techniques. (b) Weaponization studies to demonstrate the feasibility of a binary munition concept, involving the 155 mm projectile and either intermediate volatility or persistent agents, were continued. Dissemination flight trials were performed in which ballistic performance was analyzed via radar traces and cloud formation, and dissemination characteristics were assessed from photographic film and forward looking infrared (FLIR) recordings. A firing program will be conducted to evaluate both improved fabrication techniques and the expulsive dissemination of binary simulants at ambient and elevated temperatures. Further progress was made on studies concerned with improving diaphragm functioning reliability, screening of materials for compatibility with proposed reactants, and in computer analysis of the effects on ballistic stability of internal design changes to accommodate different binary agent systems. (c) Exploratory development of the binary warhead for the air-to-ground rocket was continued. A diaphragm technique for accomplishing in-flight mixing of binary reactants was developed. Optimization studies to determine diaphragm functioning requirements were begun using experimental components in a laboratory device modified to simulate the rocket spin rate. Exploratory development efforts will continue on the binary chemical warhead for the proposed air-to-ground rocket to determine candidate design concepts for advanced development. 3. Chemical agent process technology. Bench scale quantities of binary intermediates continue to be made to obtain process data for pilot scale production and for use in other programs. A laboratory study on the incineration of binary intermediates has been successful and the combustion products continued. Alternate methods of producing a binary intermediate are being developed which will be followed by an engineering appraisal of the process technology. Synthesis refinement studies were conducted to evaluate processes for superior yields of compounds. Laboratory scale runs for the preparation of source material will be conducted to gather data in preparation of pilot scale quantities. Analytical techniques involving the GC mass spectrometer will be developed.
b. Agent pilot plant investigations.	(−.003) (.006)	(.003) (.000)	Advanced Development effort: 1. (a) Batches of a binary intermediate continue to be produced to obtain pilot plant data for process scaleup; commercial source material was used. The pilot plant will be operated through a series of runs planned to generate data for process and equipment scaleup. (b) Treatment methods of waste disposal of binary intermediates have been initiated. Studies on how to handle and reduce the large quantities of aqueous waste solutions have been initiated. Subpilot studies of waste disposal methods will be initiated. 2. Projectile, 155mm, lethal binary, GB-2, XM687: Efforts continued to determine the best methods of inserting helium (tracer gas) into the XM687 binary containers. The approach to add a cover hole results in an acceptable level of helium, however, the small hole is difficult to close. At the completion of the study appropriate changes will be made to the technical data package (TDP). 3. Projectile, 8 inch, binary, VX, XM736: A modular fill and close line has been assembled. This line includes an inertial welder, filling machines, helium leak detection equipment, and helium insertion equipment. This line will be used to fill engineering development requirements for binary intermediate canisters. Data collected during this run will be evaluated and utilized in the assembly of a semi-automated line which will be designed during fiscal year 1976. A prototype fill and close line as well as a load, assemble, and pack (LAP) facility will be designed, fabricated, and installed. The design studies and testing of the pilot filling line for the XM736 projectile canister will be completed, and establishment of design criterion will be initiated. Filling and closingt studies will be continued on secondary binary munition systems. Basic engineering data will be generated for design of pilo fillers for these munitions.

Description of R.D.T. & E. effort	Funds obligated (millions of dollars): Prior year Current fiscal year	In-house Contract	Explanation of obligation
(c) Tactical weapons systems:			
(1) Advanced development.	(−.018) (.000)	(−.012) (−.006)	Prior year advanced development deobligation resulted from withdrawal of residual funds following completion of effort.
(2) Engineering develment.	(.000) (−.250)	(−.250) (.000)	Deobligation of $250,000 resulted from transfer of obligations to Army material development tests (paragraph 2d).

Engineering development effort:

1. Projectile, 155mm, lethal binary, GB-2, XM687: The engineering phase of the development test II (DT II) effort has been completed except for the final chemical (simulant) dissemination testing which is scheduled for fiscal year 1976. Planning was initiated for the operational test II (OT II) program which will be implemented during fiscal year 1976. Special test programs were accomplished to demonstrate ballistic stability under adverse conditions, validate design changes to enhance mass productibility and minimize cost, and to investigate potential problems bearing on the weapon-munition-propellant interface. A combined XM687/M483 projectile range firing program will be conducted to ascertain ballistic similitude of the 2 projectiles as a basis for evaluating the XM687 with respect to military requirements. Supplementary development activities, engineering studies, and investigations will continue in areas related to storage life, munition performance and effectiveness, mass producibility, and cost reduction.
2. Projectile, 8 in, binary, VX, XM736:
   The full-scale (engineering) development of the XM736 projectile was continued. Test hardware and chemicals were produced concurrently with the implementation of engineer-design test (EDT) phases. The EDT effort encompassed limited simulant dissemination testing. In addition, development efforts were continued to improve munition performance, establish storage life, estimate effectiveness via the use of simulants, study fabrication techniques, and modify packaging. Fabrication of projectiles for the EDT phases will continue in fiscal year 1976, concurrently with the implementation of the test program. Developmental prototypes will be subjected to in-flight mixing, safety, unpackaged rough handling, vulnerability, air drop, ballistic similitude and operational performance tests.

Description of R.D.T. & E. effort	Funds obligated (millions of dollars): Prior year Current fiscal year	In-house Contract	Explanation of obligation
(d) Army materiel development tests.	(.000) (.485)	(.485) (.000)	

Efforts were directed toward the testing of binary weapon systems, 7 specific test programs were conducted. Major emphasis was on the XM687 DT II test. Physical testing in the area of rough handling, safety, transportation, and storage were completed. Range table and reliability firings were completed. An interim report for the physical testing of the XM687 was published. The remaining simulant dissemination trials associated with the DT II testing will be conducted in fiscal year 1976. Tests with the XM736 evaluating mechanized functioning, ballistic stability, fuze reliability, accuracy, and dissemination characteristics were conducted. Simulant dissemination trials with the XM736 were conducted and data on area coverage and liquid recovery estimates were obtained. Simulant dissemination trials with the XM687 were conducted to evaluate droplet spectra and to select the most promising simulant for future test programs. Test efforts with the XM687 and XM736 will continue in fiscal year 1976.

Description of R.D.T. & E. effort	Funds obligated (millions of dollars): Prior year Current fiscal year	In-house Contract	Explanation of obligation
3. Incapacitating chemical' program.	.000 .032	.032 .000	
(a) Agent investigations and weapon concepts.	(.000) (.032)	(.032) (.000)	Exploratory Development effort:

1. Incapacitating chemical agent investigations: Several new potential incapacitants have been synthesized and are under study to determine their safety and effectiveness. The application of a binary concept to a candidate incapacitant is being investigated but will require more study if it is to become practical. A sensitive analytical method has been developed for the identification of an incapacitating glycolate in the environment or a work area, such as a manufacturing or filling plant. Analytical and physicochemical studies to characterize incapacitating chemicals will be performed on various compounds.
2. Incapacitating chemical weapons technology: The mathematical model for the 2 compartment generator is being compared to the entire data base generated to determine if the model is adequate to describe the experimental phenomena occurring. The new analytical equipment, a liquid chromatograph, was debugged during this period. Its subsequent analytical performance for other programs indicates that it will be useful to obtain fast analysis of chamber data. Design studies were continued on the proposed concepts using a 2.75-inch rocket warhead and the SUU-30-B dispenser with the counter-ejection modules. A review of potentially acceptable designs for the counterejection module was effected and a selection of materials and soft luting for prototype fabrication determined. Functioning and dissemination tests were conducted in the explosive test chamber on submunitions loaded with an incapacitating agent pyrotechnic mix. Weaponization concepts were reviewed for artillery mortar ammunition with suggested new compounds to determine feasibility. Investigations will continue with primary emphasis on components, materials, and interface relationships. Of prime concern is the individual submunition fuzing system required to permit delivery of all the available agent at ground level.

Description of R.D.T. & E. effort	Funds obligated (millions of dollars): Prior year Current fiscal year	In-house Contract	Explanation of obligation
4. Defense equipment program	−.012 4.438	2.752 1.674	Deobligation of prior year funds resulted from withdrawal of residual funds.
(a) Physical protection investigations.	(−.012) (1.145)	(.343) (.790)	Exploratory Development effort:

1. Chemical agent alarm technology.
   (a) Studies on the conductivity paint formulation for the automatic liquid agent detector (ALAD) have continued with experimental data indicating binder swelling as the mechanism of agent detection. Studies in progress are now aimed at isolating the constituent(s) effecting swelling so that the paint may be optimized. Completion of fundamental formulation studies with confirmatory agent testing is planned to lead to the initiation of a complete feasibility study of ALAD, including a critical systems study of the utility and effectiveness of such a device in the field.
1. (b) Performance tests were conducted on prototypes of the ionization detector to determine agent sensitivity and respons time. These tests will continue in order to better define all performance parameters.
   (c) Work on enzyme immobilization continued to look promising. Progress was made on improving enzyme alarm performance against interferences. Studies will be performed to improve interference rejection by electronic signal handling technique.
   (d) The Remote Raman system was completely realigned, including the telescope. It has been reset for field testing and a new sample cell designed and fabricated for remote field measurements. Efforts on upgrading electronics to permit real-time readout will be completed. Terrain contamination detection studies, using the Remote Raman phenomenon, will be resumed. Efforts will be initiated on design and fabrication of the fieldable isotopic CO_2 laser instrument, and on applying the spectral simulation/optimization program to laser detection techniques.
   (e) A number of techniques are being studied which may be used to detect leaking munitions in plants and storage areas. One approach uses a lucite plug with chemical coating which would change color if agent vapors are present. Sampling methods for lead detection are also being studied.
2. Chemical detection and identification technology:
   (a) Research on an ion cluster mass spectrometer has demonstrated that sensitivities of less than 0.1 parts per billion for diisopropylmethylphosphonate can be achieved. Fundamental chemistry studies have been carried out to find direct detection and identification methods. Micellar oximes have shown a 30–40 percent increase in reactivity over other materials against such organophosphorous compounds as diisopropylphosphorofluoridate. Efforts will be made to enhance the sensitivity of the fluorometric detection of nerve and mustard agents. Synthesis of new reagents for use in the M-8 alarm will continue. Work will continue to devise new high volume sampling and concentrating techniques.
   (b) Methods of stabilizing eel cholinesterase are being studies for improved nerve agent detection. Literature studies have been initiated on detection of refractory nerve agents. These studies will be completed in fiscal year 1976. Dutch nerve agent detection devices are being evaluated for possible incorporation into the inlet air openings of the M17AI mass. Initial exploration studies have been completed on approaches to be used for the new chemical agents in water detector kit. Additional studies will be conducted on detection methods for agents in water. Exploration of new physical principles for chemical agent detection will be initiated during fiscal year 1976.

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JAN. 1-JUNE 30, 1975, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E.(SA) 1065—Con.

DEPARTMENT OF THE ARMY, SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JAN. 1-JUNE 30. 1975), RCS DD-D.R. & E.(SA) 1065—Continued

[In conducting the research described in this report, the investigators adhered to the "Guide for Laboratory Animal Facilities and Care" as promulgated by the Committee on the Guide for Laboratory Animal Resources, National Academy of Sciences—National Research Council]

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, REPORTING SERVICE: DEPARTMENT OF THE ARMY, DATE OF REPORT: JUNE 30, 1975, RCS: DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current fiscal year	In-house	Contract	
					3. Chemical decontamination investigations: (a) The principle of micellar catalysis as a means for the development of potentially better field decontaminants of organophosphorous agents has been established. 9 micellar type compounds were synthesized into which an active chemical group for interaction by a nucleophilic displacement reaction with organophosphorous compounds was incorporated. Additional nicellar type compounds are planned for synthesis into which more active chemical groups (ketooximes and hydroxamic acids) will be incorporated for fast interaction with G and V simulants. Ratio of solution of these agents will be established and reaction rates with actual G and V agents will be determined. Micellar catalysis as applied to mustard simulants will be evaluated. (b) Weathering studies continued on agent-resistant urethane paint and standard alkyd enamels and lacquers. These studies include extended exposure to outdoor weather conditions and will continue in fiscal year 1976. Work continued on the supplemental coating which is to be used over agentsorbing paints and materials to provide agent resistance. This work involved improving adhesion and evaluating various application techniques. Infrared (IR) transmission of polyvinly alcohol (PVA) was determined. If camouflaged equipment is coated, the visual and IR properties must be maintained so that the camouflage capability is not degraded. The PVA films tested are all transparent to IR in the range of interest. Development of a new personal decontamination kit was continued. The development is aimed at providing a single decontaminant for use by the soldier on his skin, clothing, equipment and footwear. Agent decontamination efficiencies of the materials under investigation will be initiated. Decontamination of agent resistant surfaces by physical means will be studied to aid in development of new field decontamination methods and equipment. Studies into the development of a design requirements handbook will be resumed in fiscal year 1976. 4. Physical protection against chemical agents: (a) Basic mechanisms of air purification and pollution abatement were studied. The optimum relative humidity was determined for maximum protection from cyanogen chloride by a whetlerite carbon filter bed. An improved test procedure was developed for monitoring gas exiting from test filter beds by use of sensitive chromatographic columns. An elucidation of the cyanogen chloride protection mechanism suggests that a substitution of a borate for a chromate in the activated carbon could improve the performance. Efforts will be made to determine the optimum impreganation for activated carbon filters which will not be subject to storage degradation. Studies will continue on the mechanisms and kinetics of aerosol filtration, and the adsorption-desorption isotherms of several gases on activated and impregnated carbons will be completed. (b) A comprehensive test plan has been prepared and will be implemented to evaluate the use of carbon monoxide as a means for measuring residual cyanogen chloride gas life in charcoal beds. Charcoal used for modular collective protection equipment gas filters showed drum to drum variability in cyanogen chloride gas life and particle size distribution. Action is being taken to insure improved uniformity in this material prior to acceptance. Studies of the effects of pore size distribution of base charcoals on the reactivity of their corresponding whetlerites were continued. The magnetic and electrical properties of sorbent materials are again being considered as nondestructive measurable indicators of residual life. Some measurements of the electrical conductivity of whetlerite after agent exposure and aging have been made to establish an effect which may be exploited as an indicator. Efforts to improve the capacity, activity, and stability of whetlerized charcoal will continue. Emphasis will be placed on the evaluation of promising methods for estimating the residual gas life of carbon filters. Efforts to improve testing methods for gas sorbents and collective protection equipment will continue. Feasibility studies will be conducted on new and improved collective protection equipment which is responsive to field army needs. (c) Laboratory studies have demonstrated that modified starting materials along with vacuum impregnation techniques will result in improved whetlerite. The transition to production of larger quantities of the improved whetlerite has started. The 1st sample of charcoal has been received and is undergoing exhaustive testing to determine the extent of its reactivity toward cyanogen chloride. Whetlerite studies will emphasize optimization of the approaches to more active charcoals produced. (d) 7 mathematical models characterizing the effect of the respiratory protective mask on the wearer have been evaluated. The models treat the mask as an intrusive disturbance on the respiratory system, and use work rate, respiratory system parameters, and mask data to predict performance. Good fit was obtained with the data for 4 of the models through computer-aided numerical solutions. Compatibility studies, anthropometric analyses and fitting trials will be continued to identify potential design problem areas and the facial characteristics of the current military population which must be fitted with protective masks. Study will continue to determine the effect of high exhalation resistance on degradation of the work performance of mask wearers. Efforts will focus on heat reduction mechanisms which will lead to improvements in respiratory protective systems. (e) Design of a dilution apparatus for controlled exposure of sorbent materials to gases will be undertaken. Such design will incorporate the most recent advances for apparatus of this kind reported in the open literature. Use of the apparatus will allow analysis of the mechanisms of adsorption. (f) The question of how sweat poisoning of materials is measured was reexamined and a new approach for testing taken which should give reproducible results. Testing of modified charcoals was continued to improve the testing capability and to check the increase in resistance to degradation by perspiration. Investigation into a new approach to overcome the perspiration degradation of sorbents was initiated. This approach consisted of modification of the sweat itself by use of an ion-exchange mechanism. Those approaches to preventing sweat degradation found promising in earlier studies will be carefully and completely pursued using the new techniques developed. An attempt will be made to determine what sweat components result in the greatest sweat poisoning so that appropriate modification can be made to the charcoals.
(b) Advanced development of defensive systems..	(.000)	(.599)	(.103)	(.496)	Advanced development effort: 1. Remote sensing alarm: The design phase of the advanced development contract for the remote sensing alarm was completed with the recommendation that 2 major system approaches be fabricated and evaluated to provide the best system design for engineering development. 12 advanced development systems will be evaluated, 4 of which will be circular variable filter design and 8 of the interferometer design. Spectral data on terrain backgrounds and atmospheric transmission characteristics will be obtained which will bear on the performance of the passive lopair (long path infrared) system. Evaluation testing of retrofitted exploratory development hardware will also contribute required input data for design requirements for spatial and terrain scanning. Side-by-side field tests of the lopair and Navy FLIR are planned to determine which system is better for chemical agent detection in an Army environment. 2. New protective mask: (a) Type classification of the new protective mask is programmed for fiscal year 1979 under the recently approved accelerated development schedule. Conversion of the Army approved required operational Capability (ROC) to a joint service operational requirement (JSOR) is anticipated. A memorandum of understanding between the United States and Canada is being formulated on a plan for cooperative (collaborative) development of the new mask. (b) An operational evaluation of prototypes of the new mask was conducted at the Arctic Test Center, and it was determined that the basic design concept was satisfactory. Upgraded mask models have been fabricated using improved lens molds, elastomerc and fabrication techniques. Design and evaluation of prototypes will be continued in fiscal year 1976. Emphasis will be to quantify operational characteristics and to specify test procedures and performance criteria. A new face-blank mold incorporating the latest design changes will be fabricated. High temperature and humidity evaluation of prototypes will be conducted at the Tropic Test Center. A new lens mold will be fabricated. Quantitative parameters for the small and large size masks will be generated. Studies to optimize the molding processes of silicone rubber will be completed. Coordination with the other services will continue to insure that their technical requirements are reflected in the mask design.
(c) Collective protection systems.	(.000)	(.083)	(.016)	(.067)	Engineering development effort: Modular collective protection equipment (MCPE)—The DT II program is approximately 90 percent complete. The testing accomplished to date indicates that the equipment meets the criteria in the MCPE system specification. The engineering development contract has been modified to include refurbishment of 81 gas filters in the filter storage program. During fiscal year 1976, DT II will be completed and the formal development acquisition in process review (DEVA IPR) will be conducted, leading to type classification.

	Funds obligated (millions of dollars)		
Description of R.D.T. & E. effort	Prior year Current fiscal year	In-house Contract	Explanation of obligation
(d) Warning and detection Equipment.	(.000) (.293)	(.100) (.193)	Engineering development effort: 1. Chemical agent detector Kit, XM256: Engineering design tests were initiated on test hardware to evaluate the selected campler design. Human factor studies were conducted with military personnel to establish optimum wording for instruction cards to be included in the kits. During fiscal year 1976, engineering design testing will be completed and the data evaluated to determine conformance with requirements. A prototype system technical review (PSTR) will be held. The DT II/OT hardware will be fabricated. 2. Paper, chemical agent detector, XM9: Data from field tests at Dugway Proving Ground using thickened and unthickened simulants are being compiled and used to determine the relationship between ground and mannikin contamination as a function of particle size and contamination density. Engineering design studies were initiated and fabrication of detectors was begun for testing to prove out the preliminary technical data package. Long term aggravated storage testing was completed. Engineering design studies will continue in fiscal year 1976 and will be used in determining the best item to fabricate the OT/DT II testing. Test items will be fabricated. Data will continue to be obtained for the system shelf life storage plan.
(e) Medical defense against chemical agents.	(.000) (2.123)	(1.995) (.128)	Exploratory development effort: A large-scale program to develop more effective therapy and new types of prophylaxis for anti-ChE poisoning has been inaugurated. Under some conditions, empirical mixtures of drugs have shown better results against G agents than former standard therapeutic drugs, especially when combined with effective skin decontamination and/or prophylaxis. New combinations of drugs for therapy are being tested. 3-drug combinations of (a) atropine, (b) an oxime, and (c) various adjuvants comprising a variety of drug classes are being tested. About 130 such combinations are being compared and the best combinations will be evaluated. More therapeutic drugs will be examined and new prophylactic mixtures will also be run. Simultaneously, some new types of skin decontaminants are being evaluated. Vaccine prophylaxis is being continued, as are basic studies in therapy for mustard burns. A first-line definitive mixture for therapy and a drug or drug combination for prophylaxis will be chosen as early as possible so that preclinical evaluation can be started.
(f) Materiel tests in support of joint operational plans and/or service requirements.	(.000) (.102)	(.102) (.000)	Efforts were directed toward the field testing of programs as follows: 1. U.S. Air Force, alarm set, chemical agent, automatic, A/E 23D-1(V): Test is designed to evaluate the functional capability of the A/E 23D-1(V) ionization detector system to detect and provide alarm to threshold and higher concentrations of chemical nerve agents, to evaluate the functional suitability of the surface contamination module, and to determine the suitability of the system for standardization and operational deployment at U.S. Air Force bases. During this period a test plan was prepared, staffed with the U.S. Air Force, and published. Testing will be conducted at Edgewood Arsenal. 2. U.S. Air Force CB modification kit, structures—KMU—450/F: Test is designed to determine the adequacy and reliability of the CB modification kit system to provide protection against penetration of chemical-biological (CB) agents. During this period test plan was prepared and published. Testing will be initiated in July 1975. 3. Decontamination capabilities of chemical units and teams (decapachute): A troop test was conducted to evaluate the effective uses of current U.S. Army organizations and their decontamination procedures in counteracting a thickened chemical agent attack. The results of this test will provide data wherein current Army chemical decontamination doctrine will be revised where necessary to insure maximum efficiency of all units and techniques. During this period, a test plan was prepared, coordinated and published. Testing will be initiated in fiscal year 1977.
(g) Army material development tests.	(.000) (.093)	(.093) (.000)	Tests were conducted on the U.S. Army's defensive equipment and material and in the long-term environmental storage and surveillance testing. Test efforts were as follows: 1. 200 CFM MCPE: This test effort is designed to perform a DT II test and to determine the capability of the MCPE to meet system specifications requirements. For this period, testing in the areas of chemical and biological challenge, vibration, exit/entry procedures, CB field decontamination, systems reliability and high and low temperature were in progress. Test is scheduled for completion in fiscal year 1976. 2. CB protective clothing for EOD personnel: Test was designed to determine if the suit meets the approved small development requirements. For this period, high temperature wearing trials were conducted at Natick Laboratories. Final report for the test has been published. 3. Shelter system—Collective protection, CB M51: Test was designed to determine adequacy and reliability of production item following corrective action and design changes made as a result of DT II. During this period, testing was completed and the final report was published. 4. M10 collective protection equipment (MCPE) for Hawk: Test was designed to verify the adequacy and quality of the M10 CPE production item. During this period, testing was completed and a final report was published. 5. Toxic agent patching kit: Test is designed to determine if various designs of patching kits will safely contain and confine agent leakers. During this period, testing was completed and a safety evaluation performed. Report will be published in July 1975. 6. Protective overgarment suit: Test is designed to obtain comparative data on each of the tripartite chemical protective suits with regard to the level of protection afforded after specified intervals of wear, durability, and the degree to which suits meet the essential characteristics of the U.S. revised military and technical characteristics. During this period, test planning and coordination was accomplished. Testing is scheduled for initiation in fiscal year 1976. 7. CB test for AN/TSQ-73: Test is designed to determine the adequacy and reliability of the MCPE-AN/TSQ-73 shelter system to provide protection against the penetration of the CB agents and to determine if system components outside collective protection can be successfully decontaminated without damage to the system. During this period the test plan was prepared, coordinated, and published. Testing is scheduled for fiscal year 1976. 8. CB Test for the shelter related to the stinger guided missile system (XF1M-92A): This effort is designed to perform a DT II test and to determine the systems conformance to the design requirements and performance standards and characteristics contained in the materiel need (MN). During this period a test plan was prepared, coordinated, and published. Testing is scheduled for initiation in fiscal year 1976. 9. CB Test in support of detector, radar signal (MIRID) A/PSS-10: Test is designed to determine if system components can be successfully decontaminated without damage to the system. During this period, test plan was published. Testing is to be initiated in fiscal year 1976. 10. Environmental surveillance: The long term environmental storage and surveillance program had a total of 4 items undergoing some phase of testing at 1 or more of the test sites. Items consisted of masks, chemical detectors and chemical alarm unit. 11. Decontamination vehicle TMS-65: Test is designed to determine the feasibility of decontaminating military equipment using the principals adapted in the TMS-65 decontamination vehicle. For this period, test planning and coordination efforts were achieved. Testing is scheduled to be initiated in fiscal year 1976.
5. Simulant test support	.000 .000	.000 000	No simulant test support effort was performed during the 2d half fiscal year 1975.
Chemical warfare program	4.170 18.679	8.586 14.263	During the 2d half of fiscal year 1975, the Department of the Army obligated $22,849,000 for procurement activities associated with chemical warfare agents, weapons systems, defensive equipment, and production base projects. Program areas of effort concerned with these obligations were as follows:

Lethal chemical program:	
Material procurement	0
Production base projects	$7,897,000
Total lethal chemical	7,897,000
Incapacitating chemical program:	
Materiel procurement	0
Production base projects	0
Total incapacitating chemical	0
Defensive equipment program:	
Materiel procurement	14,952,000
Production base projects	0
Total defensive equipment	14,952,000

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM, FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, DEPARTMENT OF THE ARMY, RCS DD–D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, REPORTING SERVICE: DEPARTMENT OF THE ARMY, DATE OF REPORT: JUNE 30, 1975, RCS: DD–D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars): Prior year Current fiscal year	Funds obligated (millions of dollars): In-house Contract	Explanation of obligation
Biological research program	−.003 4.891	4.521 .367	During the second half fiscal year 1975, the Department of the Army obligated $4,888,000 for general biological research investigations and the development and test of physical and medical defensive systems. Program areas of effort were as follows: Biological research: Basic research in life sciences $50,000 Exploratory development 000 Total, biological research 50,000 Defensive systems: Exploratory development 4,122,000 Advanced development 285,000 Engineering development 428,000 Testing 3,000 Total, defensive systems 4,838,000 Simulant test support 000
1. Biological research	.000 .050	.010 .040	
(a) Basic research in life sciences.	(.000) (.050)	(.010) (0.40)	Life sciences basic research in support of biological defense materiel: The use of fluorescence properties to remotely detect biological materials has been shown practical and research requirements have been established to further disclose the magnitude of the Lidar-induced fluorescence approach. Field ionization mass spectrometry has been shown feasible for the analysis of purine and pyrimidine content of microbial nucleic acids for the detection and identification of airborne pathogens. Investigations have begun on the disinfection of a biological cloud. Studies will continue to extend the techniques of air sampling and detecting of microorganisms by their nucleic acids and by chemiluminescence response profiles. A determination will be made for different types of microorganisms, the effect of aerosol particle size and dissemination, as wet or dry material, for the disinfection of a biological agent cloud with lactic acid.
2. Defensive equipment program	.003 4.841	4.511 .327	
(a) Physical defense against biological agents	(.000) (.203)	(.095) (.108)	Exploratory development effort: 1. Chemical aerosol decontaminants were studied to replace the potentially carcinogenic formaldehyde as decontaminant of choice. The decontaminant screening program has demonstrated t-butyl chloride and analogs to be a promising substitute decontaminant for enclosed areas. Testing facilities have been prepared and developed to evaluate effectiveness of individual protective devices. Lactic acid clouds used against Serratia marcescens aerosols have shown significant decreases in the biological aerosol viability within 2 minutes of exposure thereby indicating its potential use as a protective blanket counter cloud biological defense. The study of lactic acid and other decontamination agents using various combinations of temperature and humidity will continue to develop an antibiological cloud decontaminant. The determination and findings for a 3-year prime contract dealing with personnel decontaminants and decontaminant screening for replacement of formaldehyde will be prepared and forwarded for approval in fiscal year 1976. Leakage testing for the new protective mask program will be conducted. 2. The time rate chemiluminescent device has been developed to the point of being able to discriminate between metallic ions, gram positive and gram negative organisms and tissue. Data indicate that intergroup separation is feasible. Studies of the use of premixed luminol-peroxide solutions showed advantages with respect to reagent noise levels and the effect of solution aging when used with the XM19 biologicaljdetector. The feasibility of using the luminol reaction in a biological detection system has been investigated. The reaction with gram negative bacteria can be assayed in 5 to 10 minutes by using a spectrophotometric technique. Decreased false alarm rates in the pattern acquisition/correlation technique (PACT) have been demonstrated. Digital logic has been developed for the PACT system as well as optimization of threshold and pattern circuitry for improved detection capability in the presence of ambient background. Investigation continued for developing a new methodology for preparation of group reactive antibodies for bacterial diagnostic procedures and reactive antibodies to tissue culture. Multivalent high titer antisera have been developed for group specific recognition. The study of fluorescence and excitation spectra of bacteria and nutrients in a modified spectrofluorometer was continued using aerosols and hydrosols of organisms flowing in a quartz tube.
(b) Biological defense materiel concepts.	(−.003) (.288)	(.091) (.194)	Advanced development effort: 1. In March 1975, the biological defense warning system, consisting of the XM 19 alarm and the XM2 sampler, successfully completed the validation In Process Review (IPR). Full scale (engineering) development was initiated in April 1975. 2. Deployment and modeling were examined for the Biological Defense Warning System. Computer programs for assessment of test data and various aerosol cloud models were successfully developed. The results of these studies were incorporated into the concept formulation package and the revised development plan for the system as part of the validation IPR package.
(c) Biological defense materiel.	(.000) (.428)	(.428) (.000)	Engineerin g development effort: Full scale engineering development of the biological detection and warning system (XM19/XM2) was initiated. 2 reaction rate cells employing different instrumental concepts have been assembled and initial testing performed. The data obtained have demonstrated striking similarities, indicating that lower reaction temperatures may provide different reaction rate profiles for dust, egg materials and bacteria, allowing for potentially improved specificity. A control baseline premix formulation has been adopted. The redesign of the XM19 physical configuration using the reaction rate cell, slit concentrator, cassette loading of the tape, pump and premix reagent concept was initiated. Extensive field testing will be conducted in fiscal year 1976 and data analyzed to determine ambient air background levels and to provide improved response specificity and alarm logic information. Design studies will continue on the collector-concentrator, reaction system and logic of the XM19 and the concentrator-wet collector of the XM2. The engineering development prime contract will be awarded.
(d) Medical defense against biological agents.	(.000) (3.762)	(3.762) (.000)	The experimental program of the U.S. Army Medical Research Institute of Infectious Diseases is targeted toward: (a) infectious illnesses which pose special problems to our military forces; (b) medical defense against biological warfare; and (c) the safe study of infectious, highly dangerous microorganisms in the unique and special containment facilities of the Institute. Significant progress has been made during fiscal year 1975 in each of these broad categories of research as illustrated by the following examples: 1. A new Rocky Mountain spotted fever vaccine has been developed that is more effective than the commercially available vaccine. Testing of this new vaccine should begin in the immediate future. 2. Laboratory development of a new killed Venezuelan equine encephalomyelitis (VEE) vaccine was completed and an Army Investigation Drug Review Board (AIDRB) application was submitted in February 1975. The new killed vaccine may prove safe enough for use in children, pregnant females and in other unique situations where the live vaccine is contraindicated. 3. A new Western equine encephalitis (WEE) vaccine was prepared and an AIDRB application was submitted in February 1975. This new product should provide better immunity and less adverse reactions in "at risk" military and civilian personnel. 4. Studies with the live, attenuated strain of Q fever (M–44) have produced negative, but important information. It seems reasonable to conclude that the M–44 strain should not replace the current killed Q fever vaccine. This experimental work is nearly completed. 5. A rhesus monkey diploid cell (FRhL–2) was determined to be a satisfactory substrate for the growth of dengue–2 virus. The development of the necessary growth techniques, methods of purification, and related methodology have resulted in a new, experimental attenuated vaccine which is now about 95-percent complete. 6. 2 new assay procedures were developed for evaluating the function of key cellular components of the human immune system. The tests were standardized after various immunizations or infectious illnesses. An active rosette forming cell assay, referred to as the A–RFC test, was used to measure successfully T-cell lymphocyte subpopulations. The other assay, the total lymphocyte rosette forming cell assay (referred to as T–RFC test), was used to successfully measure the total T-cell population. 7. In the program for screening promising drugs for antiviral activity, test procedures were standardized and tilorone-HCl and its analogs were shown to provide some protection against VEE. Moreover, lysine-stabilized poly I:C provides protection against yellow fever.

DEPARTMENT OF THE ARMY, SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JAN 1–JUNE 30, 1975), RCS DD–D.R. & E.(SA) 1065—Continued

[In conducting the research described in this report, the investigators adhered to the "Guide for Laboratory Animal Facilities and Care" as promulgated by the Committee on the Guide for Laboratory Animal Resources, National Academy of Sciences—National Research Council]

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM, FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, DEPARTMENT OF THE ARMY, RCS DD–D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars) Prior year Current fiscal year	 In-house Contract	Explanation of obligation
			8. An effective treatment was developed for Bolivian hemorrhagic fever, using high titer immune gamma globulin. These data led to the collection and preparation of 220 units of immune plasma. This plasma was obtained in Bolivia. The disease has been characterized in the rhesus monkey and a chronic form of Bolivian hemorrhagic fever was found to occur in these primates. Vaccine development studies are in progress. 9. Sophisticated and complex procedures were developed for purifying and characterizing the molecular structure of staphylococcal enterotoxin B. An antigenic but nontoxic peptide fragment has been isolated and identified; this peptide will be tested as an immunizing antigen in protection studies. 10. Leukocytic endogenous mediator (LEM) was previously shown to initiate infection-related metabolic changes and to be an early and significant force in marshalling the generalized or nonspecific host response to infection. Recent studies indicated that LEM stimulates the liver to increase its rate of nuclear chromatin template synthesis which, in turn, stimulates the production and release of "acute phase" glycoglobulins into serum. 11. A major breakthrough was made in the study of respiratory infections, particularly influenza virus and pneumococcal infections. This breakthrough should result in significant progress during fiscal year 1976 in the vital areas of respiratory disease. 12. The microprecipitation test using acetate electrophoresis was developed and refined in conjunction with the fluorescent antibody technique for the rapid identification of viruses from clinical specimens. With these procedures, arboviruses such as VEE, Eastern equine encephalitis and WEE could be identified from clinical samples within 48 hours.
(e) Foreign biological threat	(.000) (.157)	(.132) (.025)	Operations research studies were conducted to evaluate and assess the biological threat to the United States and to U.S. military forces throughout the world. During this period, 6 studies were in progress: 1. Study 1: Target vulnerability assessment: This study will assess the vulnerability of U.S. military forces to a biological attack for selected environmental areas of Western Europe. During this period, a general assessment of environmental characteristics of West Germany has been accomplished. Environmental assessment for other selected European areas are in progress. Scenarios for Western Europe are being reviewed. Study will be completed in fiscal year 1976. 2. Study 2: Effectiveness of interim and/or improvised defensive measures: This study will investigate the effectiveness of various defensive measures that could best be employed by the United States against a biological warfare (BW) attack in the absence of an adequate detector system. During this period the study was finalized and published. 3. Study 3: Response protocol: This defense protocol study will assess the current defensive posture of U.S. forces in terms of current defense policies, doctrine, training capabilities and equipment availability. Posture will be evaluated in terms of the assessed level of threat of a BW attack against the U.S. forces in Western Europe. The study will develop recommendations for a more realistic and effective defensive posture in terms of the level of threat, and the priorities of availability of manpower and resources. During this period, information in chemical, biological and radiological (CBR) programs of instruction from various training centers and service schools were evaluated. Questionnaires were prepared and staffed to obtain information from active Army divisions in the United States and Europe. Study completion is scheduled for fiscal year 1976. 4. Study 4: Literature review of covert biological weapons: This study assessed the level of technical competence required for the successful use of biological materials against U.S. targets by subversive organizations. During this period an evaluation of the literature was completed and the study published. 5. Study 5: Target vulnerability analog definition: This study effort will specify agent properties, attack modes, target characteristics, geographical locations and environmental regions. Parameters will be selected to be used in the environmental analogs for future target vulnerability prediction. During this period, a review of the existing data on those environmental parameters most likely to control the effectiveness of biological attack as well as defensive measures is in progress. Study is scheduled for completion in fiscal year 1976. 6. Study 6: Biological detector effectiveness for bomblet attack; This study effort will examine target areas, delivery systems, agents properties and agent cloud patterns. During this period an evaluation of the target areas and delivery modes is in progress. Study is scheduled for completion in early fiscal year 1977.
(f) Army materiel development tests.	(.000) (.003)	(.003) (.000)	An operations research study to perform a theoretical analysis of the concept of deploying biological detectors along parallel lines running throughout a defense zone was conducted. Various parallel line configurations for deployment of the detectors were examined for their effectiveness. Study was published in June 1975.
3. Simulant test support	.000 .000	.000 .000	No simulant test support effort was performed during the 2d half fiscal year 1975.

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE SEMIANNUAL PERIOD JAN. 1, 1976 THROUGH JUNE 30, 1975, REPORTING SERVICE: DEPARTMENT OF THE ARMY, DATE OF REPORT: JUNE 30, 1975, RSC DD–D.R. & E. (SA) 1065

Biological research program	.000 .000	.000 .000	During the 2d half fiscal year 1975, the Department of the Army obligated $0 for procurement activities associated with biological defensive equipment and production base projects.

SEC. 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, DEPARTMENT OF THE ARMY, RCS DD–D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, REPORTING SERVICE: DEPARTMENT OF THE ARMY, DATE OF REPORT: JUNE 30, 1975, RCS: DD–D.R. & E. (SA) 1065

Ordnance program	.182 1.264	1.024 .422	During the 2d half fiscal year 1975, the Department of the Army obligated $1,446,000 for general research investigations, development and test of smoke, flame, incendiary, herbicide, riot control agents, and weapons systems, and other support equipment. Program areas of effort concerned with these obligations were as follows: Smoke, flame, and incendiary program: $476,000 Herbicide program[1]: 233,000 Riot control program: 234,000 Other support equipment program: 350,000 Test support: 153,000 Total ordnance program: $1,446,000

[1] Department of the Army research on the herbicide program has been phased out.

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE SEMIANNUAL PERIOD JAN. 1, 1975 THROUGH JUNE 30, 1975 REPORTING SERVICE: DEPARTMENT OF THE ARMY, DATE OF REPORT: JUNE 30, 1975, RCS DD–D.R. & E. (SA) 1065

Ordnance program	2.301 8.656	8.774 2.183	During the second half of fiscal year 1975, the Department of the Army obligated $10,957,000 for procurement activities associated with smoke, flame, incendiary, herbicide, riot control agents, weapons systems and other support equipment. Program areas of effort concerned with these obligations were as follows: Smoke, flame, and incendiary program: $6,420,000 Herbicide program: 0 Riot control program: 93,000 Other support equipment: 4,444,000

OBLIGATION REPORT ON CHEMICAL WARFARE—BIOLOGICAL RESEARCH PROGRAM FOR THE SEMIANNUAL PERIOD JAN. 1 THROUGH JUNE 30, 1975, DEPARTMENT OF THE NAVY, RCS: DD–D.R. & E. (SA) 1065

SEC. 1—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JAN. 1. THROUGH JUNE 30, 1975, DEPARTMENT OF THE NAVY, RCS: DD–D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars) Prior year Current fiscal year	In-house Contract	Explanation of obligation
Chemical warfare program	0 .284	0.284 0	During the 2d half fiscal year 1975, the Department of the Navy obligated $284,000 for research and development efforts related to detection systems, a personnel protective mask and shipboard protection systems.
1. Defensive equipment program:			
(a) Detection systems	0 .256	.256 0	Defense requirements analyses, and development of automated chemical/biological detection systems.
(b) Protective clothing	0 .010	.010 0	Development of a new personnel protective mask.
(c) Shipboard protection systems.	0 .018	.018 0	Studies regarding shipboard protection for new type ships.

DEPARTMENT OF THE AIR FORCE, SEMIANNUAL REPORT ON CHEMICAL WARFARE, AND BIOLOGICAL RESEARCH PROGRAMS (JAN. 1 TO JUNE 30, 1975) RCS: DD–D.R. & E. (SA) 1065, JUNE 30, 1975

SEC. 1—OBLIGATION REPORT OF CHEMICAL WARFARE LETHAL AND INCAPACITATING AND DEFENSIVE EQUIPMENT PROGRAMS FOR THE SEMIANNUAL PERIOD JAN. 1 THROUGH JUNE 30, 1975, RCS: DD–D.R. & E. (SA) 1065, DEPARTMENT OF THE AIR FORCE, JUNE 30, 1975

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST & EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JAN. 1 THROUGH JUNE 30, 1975, REPORTING SERVICE: DEPARTMENT OF THE AIR FORCE, RCS: DD–D.R. & E. 1065, FUNDS OBLIGATED

[Thousands of dollars]

Description of R.D.T. & E. effort	Prior year Current year	In-house Contract	Explanation of obligations
Defensive equipment program:			
Exploratory development	0 0	0 0	
Engineering development	–1 190	0 189	Development and testing of agent detection devices and further development of modification kits for structures.
Total defensive	–1 190	0 189	
Total R.D.T. & E. obligations.	–1 190	0 189	

SEC. 2—BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, DEPARTMENT OF THE AIR FORCE, RCS: DD–D.R. & E.(SA) 1065, JUNE 30, 1975.

Negative.

SEC. 3—R.D.T. & E. AND PROCUREMENT OBLIGATIONS FOR FLAME, SMOKE, INCENDIARY, RIOT CONTROL AND HERBICIDE AGENT/MUNITION SYSTEMS FOR THE SEMIANNUAL PERIOD JAN 1, THROUGH JUNE 30, 1975, DEPARTMENT OF THE AIR FORCE, RCS: DD–D.R. & E.(SA) 1065, JUNE 30, 1975

Negative.

SEC. 4—OBLIGATION REPORT OF CHEMICAL WARFARE LETHAL AND INCAPACITATING AND DEFENSIVE EQUIPMENT PROGRAMS, ADJUSTMENT SUMMARY, TO REPORT FOR THE SEMIANNUAL PERIOD JULY 1, THROUGH DEC. 31, 1974, DEPARTMENT OF THE AIR FORCE, RCS: DD–D.R. & E.(SA) 1065

SEC. 4—ADJUSTMENT SUMMARY

The following adjustments are to be made to the report for the period July 1 through Dec. 31, 1974:

SEC. 1—CHEMICAL WERFARE LETHAL AND INCAPACITATING AND DEFENSIVE EQUIPMENT PROGRAMS

Page 2—R.D.T. & E. EFFORT

[thousands of dollars]

	FROM			TO		
Engineering development	*500.0 460.0	and	499.0 461.0	0 460.0	and	0 460.0
Total defensive	*500.0 460.0	and	499.0 461.0	0 460.0	and	0 460.0
Total R.D.T. & E. obligations	*500.0 460.0	and	499.0 461.0	0 460.0	and	0 460.0

* The total program for the prior year was reported ($500,000). There were no obligation adjustments for the prior year during the report period of 1 July 1974 through 31 December 1974.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of the conference report on H.R. 4222.

NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT AMENDMENTS OF 1975—CONFERENCE REPORT

Mr. TALMADGE. Mr. President, I submit a report of the committee of conference on H.R. 4222, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of September 15, 1975, at p. 28791.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the following staff members of the Committe on Agriculture and Forestry and the Select Committee on Nutrition and Human Needs be permitted to be present on the floor during consideration of the conference report on H.R. 4222: Carl P. Rose, James E. Thornton, Alan Stone, Kim Wells, and Forest Reece.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I ask unanimous consent that Bob Boyd of the Budget Committee be granted privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, on September 5, the Senate recommitted H.R. 4222 to conference by a vote of 76 to 0. This recommittal action resulted from the fact that the bill was in excess of the Senate's budgetary goals and the President's revised budget for fiscal year 1976.

Mr. President, H.R. 4222—as originally passed by the Senate by a vote of 80 to 8—would have added $205 million in authorizations in excess of the President's revised budget request for fiscal year 1976. As originally agreed to in conference, the bill would have added $336 million. This amount was $99 million below the cost of the House-passed version, but $131 million higher than the Senate-passed version.

However, the bill—in its present form—is only $216 million over the President's revised budget in terms of fiscal year 1976 "budget authority" and $201 million over in terms of "outlays." This means, Mr. President, that the excess authorization cost of H.R. 4222 has now been reduced almost exactly to the level originally passed by the Senate.

Mr. President, we were able to achieve these reductions in costs by persuading the House conferees to delete from the bill the provision which would have provided a new 3-cent reimbursement payment for lunches served to students who do not qualify for free or reduced price lunches, and by reaching an agreement to delay the effective date of implementing the new mandatory reduced price lunch provision in the bill until January 1, 1976. The deletion of the 3-cent provision cuts $75 million from the cost of the bill and the delay in implementing the reduced price lunch provision will reduce the cost by approximately another $54 million.

Mr. President, I believe that the Senate conferees have achieved what the Senate intended when recommitting this bill to conference on September 5. I also believe we have satisfied the objections raised earlier on this bill by the Senate Budget Committee and some of the House and Senate Republican conferees on this bill. While none of the House or Senate Republican conferees signed the first conference report on this bill, all of them save one have signed the conference report now before us

Also, Mr. President, I am pleased to report that this conference bill passed the House of Representatives on Thursday by the overwhelming vote of 380 to 7. In my judgment, the bill, in its present form, deserves the full support of the Senate and the President. I urge prompt Senate passage of H.R. 4222 and prompt approval of the bill by the President.

This bill provides, among other things, for the extension of several important child nutrition programs which are now operating on an interim basis pursuant to legislation passed by the Congress. And with that in mind, Mr. President, I hope that no further delay will be encountered in getting this bill to the President. I move the adoption of the conference report.

In summary, Mr. President, the bill as adopted by the conference committee now—

First, makes permanent the school breakfast program.

Second, extends through September 30, 1977, the Secretary's authority to purchase agricultural commodities for donation to the child nutrition programs when acquisitions under other agricultural authorities are not available. States which phased out their commodity distribution facilities prior to July 1, 1974, could elect to receive cash in lieu of donated foods.

Third, revises the special food service program for children to extend the summer food program through September 30, 1977.

Fourth, revises the year-round phase of the special food service program for children to establish a child care food program to be effective through September 30, 1978.

Fifth, extends through September 30, 1978, the special supplemental food program for women, infants, and children—WIC—at an annual authorization level of $250 million. Under the bill, about $62.5 million would be authorized for the 1976 July–September budgetary transition period.

Sixth, expands the definition of "school" under the school lunch program and the school breakfast program to include any public or licensed nonprofit private residential child care institution, including, but not limited to, orphanages and homes for the mentally retarded.

Seventh, deletes the State's option to serve reduced price lunches. State education agencies are to establish income guidelines for reduced price lunches at levels which are 95 percent above those in the income poverty guidelines prescribed by the Secretary of Agriculture. The new guidelines are to be implemented as of January 1, 1976. Any child who is eligible for reduced price lunches under the State's income guidelines is to be served a reduced price lunch.

Eighth, provides that any child whose parent or guardian—providing that child's principal support—is unemployed shall be served a free or reduced price lunch if the existing family income eligibility guidelines for free or reduced price lunches are met.

Mr. DOLE. Mr. President, I rise in support of the conference report on H.R. 4222, the School Lunch and Child Nutrition Act Amendments of 1975.

As indicated, the earlier report was not signed by the Senator from Kansas because of many things the distinguished Senator from Georgia just pointed out.

It is still above the budget, but as one of the conferees and as a member of the Budget Committee, it does seem to this Senator we have made about as much progress as we can with the House conferees.

While I still have reservations about the budgetary implications of the bill, I believe that this is essentially a sound bill, one that will help insure the nutritional well-being of millions of young American chidren.

Because the Senate unanimously voted to recommit the original conference report as stated by the Senator from Georgia, we were able to cut expenditures by about $75 million by eliminating a costly addition to the subsidy for school lunches of nonneedy students—a provision hardly justifiable in a year of a $70 billion budget deficit.

I did not believe this was justifiable in the first instance when it was part of the bill and part of the conference.

The new conference report, though still $300 million over the budget resolution, is at about the same level as the bill which overwhelmingly passed the Senate. It is unfortunate that we could not keep the cost of the bill more in line with the original budget target. Nevertheless, it is clear that without the intervention of the budget committee, the bill would have cost an additional $60–$80 million.

We also will have recommitted the military procurement bill to the conference and it has been reduced $250 million. And surely many of us must make the same judgment on that bill as we make on this conference report.

It would seem to me in each case there has been some progress after the actions by the Budget Committee and the Senate in sending these back to conference.

I believe every Member of the Senate should welcome the Budget Committee's role in the appropriations and authorization process. For we must all take the budget process seriously. Lip service will not longer suffice. The huge deficit will not allow it. We must scrutinize all new legislation—from school lunches to weapons bill—for priorities. We must cut back those increases in spending which help those persons least in need, or represent the least long range benefit to the Nation.

In light of the vastly more expensive House version of H.R. 4222, I believe this new conference report represents the best possible compromise on child nutrition legislation which could be achieved this year. Thus, because of the importance of the Nation's commitment to proper child nutrition, I urge my colleagues to support the new conference report.

I yield the floor, Mr. President.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, during recent weeks the Senate has sent back to conference two reports which included spending in excess of the budget that the Congress and the Senate earlier adopted. In both cases, Senate conferees have been successful in obtaining substantial cuts.

I believe the entire Senate should applaud the efforts of the two committees for the success they have achieved in bringing these bills back closer to the target levels. I am sure many in the Senate would have liked to have obtained bigger cuts. Some were more interested in one bill than the other, but the fact is that we have, in my opinion, before us conference reports that do reflect a very substantial reduction and that will be, probably, the best that can be done under the circumstances.

The fact is that the House conferees, at least on the child nutrition bill where I was a conferee, were extremely obstinate and it was difficult to achieve even the reduction that is in the bill reported to the Senate.

In the child nutrition bill, as Chairman Talmadge has already pointed out, the conference cut $75 million from both budget authority and outlays. While the bill is still within the target, the original is only about $287 million in outlays, and it represents a cut of about 3 percent of the total amount of the budget that had originally been approved.

Mr. President, I ask unanimous consent that a table showing how much was cut from the budget be printed in the Record at this time.

There being no objection, the table was ordered to be printed in the Record, as follows:

The specific dollars involved are as follows (millions of dollars):

	Budget Authority	Outlays
Budget Target	$2,441	$2,378
Original Senate Bill (amount over target—306 in budget authority and 291 in outlays)	2,747	2,669
Original Conference Report (amount over target—392 in budget authority and 362 in outlays)	2,833	2,740
Latest Conference Report (amount over target—317 in budget authority and 287 in outlays)	2,758	2,665

Mr. BELLMON. There has been considerable interest on the part of many Senators in comparing the cuts in the child nutrition bill with the cuts that have been reported in the military procurement bill. The fact is that on a percentage basis, the cuts in child nutrition compare very favorably with the cuts in military procurement. The military procurement bill is a much larger bill, involving some $25 billion, whereas the child nutrition bill involves roughly $2.7 billion. Therefore, when the two bills are compared in size, the cuts appear to be very comparable. Therefore, Mr. President, I am happy to support the conference report on child nutrition and intend, when it is timely, to also support the report that has come from the conference committee on military procurement.

I compliment the chairman of the Committee on Agriculture and Forestry (Mr. Talmadge) for the very excellent job he did in the negotiations with the House. I believe that his leadership made it possible for us to come in with the bill at this lower figure. I believe he has rendered a real service to the Senate in the work that he did.

Mr. DOLE. Will the Senator yield?

Mr. BELLMON. I am happy to yield to my friend from Kansas.

Mr. DOLE. The Senator touched on what may be a critical question. That is, whether or not, based on the initiative and support of the Budget Committee that we now accept the conference report on the school lunch program with a reduction of about 3 percent, will he be prepared to accept the military procurement conference report? The Senator from Kansas believes that herein lies the destiny of both bills. Is the Senator prepared to accept the military procurement bill based on a cut of $250 million, and prepared to accept this bill based upon a reduction of $75 million? As the Senator may have pointed out, notwithstanding the "Dear Colleague" letter being circulated, the signers of that letter originally voted for a bill in excess of the amount we are now considering. Will the Senator from Oklahoma respond again to the question of whether or not he feels, as the ranking minority member of the Budget Committee, that we have made adequate progress insofar as military procurement is concerned and if he intends to support it?

Mr. BELLMON. I am very happy to respond. The facts are that the military procurement bill was a total of $58.4 billion as it originally came to the Senate. Of that, $25 billion was hardware and $33.4 billion was the cost of manpower. That bill was reduced by $250 million, which certainly is a substantial cut. It was reduced by $250 million in authority and $25 million in outlays. That reduction amounts to a 1 percent cut in budget authority and one-third of 1 percent in outlays. So even though the $250 million is a higher figure than the amount taken from the child nutrition bill, it represents only 1 percent, whereas the $75 million cut in the child nutrition bill, which is a $2.7 billion bill, represents over 3 percent.

So I say to the Senator from Kansas that those who feel that the Budget Committee or the Conference Committee have cut more from military procurement need to compare the size of the bills. They will find that the cut in child nutrition is roughly three times, on a percentage basis, as great as the cut made in military procurement.

Mr. DOLE. I thank the Senator from Oklahoma. Would the Senator from Maine, the chairman of the Budget Committee, comment on that same general area? The Senator from Kansas does believe that if some controversy should erupt over this conference report, it may be based on what may happen down the road to military procurement.

Mr. BELLMON. Mr. President, I ask unanimous consent that a table showing the cuts in military procurement be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

Military procurement

(In billions of dollars)

	Budget authority	Outlays
Original Senate bill (deemed to be equivalent to target):		
Hardware	25.0	8.3
People (est.)	33.4	33.4
Total	58.4	41.7
Original conference report:		
Hardware	25.8	8.4
People (est.)	33.6	33.6
Total	59.4	42.0
(Amount over Target: $900 million in BA, $300 million in O).		
Latest conference report:		
Hardware	25.5	8.3
People (est.)	33.6	33.6
Total	59.1	42.4
(Amount over Target: about $650 million in BA, $275 in O).		

	Budget authority	*Outlays*
Amount cut	$250,000,000	$25,000,000
Percenatge of bill cut	1	⅓ of 1
Percentage of overage cut	30	10

Mr. BELLMON. I realize the Senate is not considering the military procurement bill, but because these two bills have moved along together there does seem to be some interest in the way the cuts compare.

Mr. President, in conclusion, I would like to point out to the Senate that even though the budget process is still in its infancy, it seems to be working very well. If the Senate approves these two conference reports, the Senate will effect a savings of $250 million in military procurement and $75 million in child nutrition. Yesterday, as we all know, there was a reduction of about $1.5 billion in the cost of Government pay when we approved the 5-percent pay increase

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, before referring to the conference report, I would like to present a few comments on another subject concerning the budget process.

On September 17, on page 29093, I had printed in the Record a column which appeared in the Washington Post that morning authored by Evans and Novak, giving their description of the Budget Committee and the budget process. This morning in the Washington Post there is another column by Stephen Rosenfeld which comments on the Evans and Novak column.

Mr. Rosenfeld, I believe, has a healthier perspective on the Budget Committee, its intentions and results than the Evans and Novak column. I ask unanimous consent that the Rosenfeld column be printed in the Record at this point. It speaks for itself and requires no editorializing by me.

There being no objection, the article was ordered to be printed in the Record, as follows:

BUDGET DISCIPLINE AND DEFENSE

(By Stephen S. Rosenfeld)

In declaring the other day that the new congressional budgetary process is "really a Senate shell game to fleece the Pentagon," the Evans and Novak column was doing a good deal more than relaying the Pentagon's jitters that its budget is under the knife.

The column was displaying an unhappy lack of understanding of a fledgling process whose improvement and support as time goes on are surely a good deal more important to the country than whether the Defense Department gets a few billion dollars more or less in any given year. Since there may be some people in the Pentagon or elsewhere who thought the column described the budget process correctly, it seems worthwhile to point out a few things. If I can understand it, so can you.

First, Congress' purpose last May in deciding to set targets to guide individual committees as they consider federal spending was not to fleece the Pentagon or the school lunch program, as supporters of *both* now profess to believe, but to gain more control over the budget. The thrust, in brief, was fiscal responsibility, a neutral if painful concept as far as programs go.

Once the size of the pie was set by Congress—at $367 billion—a brisk argument was bound to break out over how the slices should be distributed. Not surprisingly in this city of tough issues, strongly held views and political people, the Democratic Congress wanted to spend something less on defense than did the Republican President, and it is so indicated in the conference report on the budget resolution passed last May. Both houses, of course, accepted that action.

What happened then is extremely interesting. The budget committees decided to take their charge seriously and actually to do what the reform mandated them to do: to keep congressional spending deliberations within the limits agreed on by . . . Congress.

The approach of Senate Budget Committee chairman Edmund Muskie (D-Maine) is easy enough to understand. He had an interest not only in establishing the viability and integrity of the new budgeting process but in using it to support the programs he favored—in this instance, reduced defense spending. One notes, however, that he failed to win the funding he sought for his pet domestic project, counter-cyclical revenue sharing.

The approach of ranking minority member Henry Bellmon (R-Okla.) deserves special note, for he was in the position of having his interest in the budgetary process go in one direction and his interest in certain programs go in the other. I asked him how he handled that one and he said: "I defended the higher defense figure in debate but once it was decided, I went along. I don't count myself as pro-defense or anti-defense, although I want the country to be strong. We can spend ourselves as poor in defense as in any other area, you know."

This, then, is the basis of the bipartisan pro-reform stand of the Senate Budget Committee in asking the Senate Appropriations Committee last month to bring its defense outlay figure down to the level that the Congress as a whole had suggested in the spring. A budget committee that did not make this request would not be worthy of the name.

The alternative, which Congress also provided for itself in its resolution last May, is to cut other programs in order to permit higher defense spending. The vehicle for this is a second resolution (binding, not advisory as was the first) due to be taken up later this fall.

To say that the Senate stand results from a "shell game" run by "liberal . . . anti-defense" Ed Muskie, or from the sly machinations of "soft-line" staffer Andrew Hamilton, is to miss quite completely the import of Congress' historic decision to try to impose upon itself the fiscal discipline so conspicuous by its absence in the past "Muskie's tactics" constitute in fact the extremely promising, if tentative, new habit of legislative self-control.

As for the Evans and Novak charge that the budget committee's use of a certain $27 billion housing item involved "figure juggling . . . a clever anti-Pentagon operation" intended to conceal a damning rise in non-defense spending, a clear and conscientious footnote indicates precisely the opposite—not concealment of a rise but disclosure of a shortfall.

Where does that leave defense spending? It leaves it right where housing, school lunches and a host of other programs already are: competing with each other for slices of the budget pie. Frustrating as it may be for the Pentagon to have to make its case on substantive grounds, the Congress has given it no choice.

Mr. MUSKIE. Mr. President, turning to the conference report, I believe my comments can be very brief.

First of all, I would like to make the point that the distinguished chairman of the Committee on Agriculture and Forestry (Mr. Talmadge), Senator Dole and Senator Bellmon can hardly be described as big spenders. They have undertaken to do a responsible job on this conference report and they all support it. I believe their support, in the context of their record for budgetary prudence, is a strong argument for the conference report.

Mr. TALMADGE. Will the Senator yield?

Mr. MUSKIE. I yield.

Mr. TALMADGE. I am grateful for the Senator's comments. I point out that this conference report is only about $11 million above the original Senate bill which passed this body 80 to 8.

Mr. MUSKIE. That was the second point that I was going to make. I am happy to have the distinguished Senator from Georgia underline it. That is important. As a matter of fact, our figures show that the conference report may be a little bit under the number that the Senate sent to the conference in the first instance. To demand today that the Senate insist upon a figure substantially below its own figure when the bill went to conference I think is to be unrealistic indeed. So I would like to express my appreciation and to extend my commendation to the distinguished Senator from Georgia and his colleagues for the cut they were able to make in this program's cost in conference.

Mr. TALMADGE. Will the Senator yield?

Mr. MUSKIE. I yield.

Mr. TALMADGE. I also want to congratulate the distinguished chairman of the Committee on the Budget in the Senate and the ranking minority member, the Senator from Oklahoma, for the vigilance with which they have been watching these appropriations bills. I hope that continues.

Mr. MUSKIE. I thank the distinguished Senator from Georgia.

As we look at the budget across the board, I am sure there are many places at which some of us would make greater cuts if we could work our own will, and other places where we would support increases if we could work our own will.

That is understandable. We all have our own sets of priorities. But with respect to the budget process, the responsibility of the Budget Committee is to try to hold the line at the level set in the first concurrent resolution by Congress early this spring, and that is what we are trying to do.

So the question of whether or not we should try to send this bill back to conference really revolves about practical questions. Those are:

First, that this bill is at about the figure the Senate originally sent to conference.

Second, that the House feels very strongly about its position. The original vote on the House bill was overwhelming, and the House vote yesterday on this conference report was 380 to 7, indicating that we have probably reached the end of the line insofar as further cuts in conference are concerned.

The third point I would make that has not been emphasized this morning thus far is that the budget process is not completed. Some of the programs found in this bill are still subject to the appropriations process, and second, they all are still subject to the reconciliation process, which is the last stage in the budgetary process mandated by Congress last year. So the amounts in this bill can still be weighed against expenditures in other functions of the budget and the appropriations processes, and in that reconciliation process, and we can then decide whether, over all, the total expenditures authorized by Congress exceed what would be prudent and what steps need to be taken to meet that condition, whatever we decide that it is.

On those practical grounds, Mr. President, Congress having had an opportunity to work its will with full understanding of the facts, I support this conference report, and repeat my commendation of the distinguished Senator from Georgia and his colleagues on bringing back a conference report which is close to the original figure that the Senate sent to conference. The Senate cannot reasonably ask for more than that.

Mr. TALMADGE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement by the distinguished Senator from South Dakota (Mr. McGOVERN) concerning the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR McGOVERN

I am extremely pleased that H.R. 4222, the School Lunch and Child Nutrition Act Amendments of 1975, has emerged from Conference with the changes which the Senate requested.

As you recall, we voted 76–0 to recommit this bill to Conference because we believed it was in excess of our budgetary goals. We asked as a body that the Conferees go back to Conference and return with a program that was absent the 3-cent additional reimbursement provision. This has been accomplished with all other provisions remaining intact.

Senator Muskie, Chairman of the Senate Budget Committee, was the first to recommend a new Conference for H.R. 4222. He is a strong supporter of child nutrition programs, but could not endorse the original bill because it substantially over-ran the funding level established by the Congressional Budget Resolution.

However, by endorsing this new bill, Senator Muskie has left no doubt that he continues to support legislation designed to help the children of America. The Senator has exhibited a willingness to work closely with all the concerned parties and a dedication to a fiscally sound yet progressive package of nutrition legislation. His efforts have helped produce this bill which is now supported by a substantial bipartisan majority. It will provide a reasonable and responsible foundation for program growth in the years to come.

With this change the bill's cost is reduced by $75 million and is approximately the same as the version which I sponsored that originally passed the Senate by a vote of 80–8. My appreciation is extended to the Conferees and their staffs for working in a spirit of good will and cooperation. This bill is an excellent one. Its passage will ensure a continuation of purpose to the child nutrition programs which the members of Congress have provided for the children of America.

These amendments originally came as a reaction to a proposal made by the Administration which would have virtually destroyed thirty years of progress in the child nutrition field. The proposed "bloc-grant" approach was budgeted to reduce overall child nutrition funding by about $600 million. Had the White House been successful in passing this ill-advised disaster, over three million children a day would have lost the benefits they are now receiving. This figure does not include the between 5 to 10 million youngsters who would have been driven from the program by the high prices which would have followed the decrease in Federal support.

As Chairman of the Select Committee on Nutrition and Human Needs, I have become increasingly aware of the importance of nutrition and its role in the education of our children. We would not think of sending children to school without providing books for them to read. Yet, for many years we sent these children off to school with empty stomachs had precluded them from effectively utilizing the books which they had. Again and again school administrators, teachers, and doctors have testified before the Nutrition Committee as to the necessity of a balanced and nutritious diet, not only for short-term achievement in school, but for long-term accomplishments in life as well.

Fortunately, we now have a school lunch program which protects the health and well-being of the 31 million American school children who participate. H.R. 4222 makes no radical reformation of a program which has proven effectively over 50 years. It merely seeks to extend and improve the previous legislation, especially those programs other than school lunch which have not had the legislative scrutiny given to the school lunch program.

For example, the School Breakfast Program, which is just as important for our children as the lunch program, is vastly underutilized. This bill is intended to remedy this problem, by making this program permanent, and by putting the Breakfast Program into more schools, especially those attended by a large number of children from low-income families. I expect substantive planning and outreach by the Department of Agriculture to effect this change.

In addition, the conference acted to require the Secretary of Agriculture to report to the Congress within four months after enactment of the legislation on his plans to carry out the expansion of the breakfast program mandated by the bill. The regulations to carry out this mandate (under which the Secretary must require the implementation of the breakfast program in needy schools, including all Title I schools and all schools where at least one-fourth of attending children are eligible for free or reduced-price school meals) must also be promulgated within this four month period.

This mandate to expand the breakfast program is quite necessary. We already have a legal situation in the school lunch program whereby if a school district offers a lunch program in one school in a district, it must offer free lunches and therefore a school lunch program in all schools in the district. But up until now, we have had no legal requirement to get breakfasts to all needy schools.

The bill also improves dramatically, with very little additional cost, the Summer Food Program. This program has been redesigned, updated, and simplified. The end result should be a program that is easier to administer, and one that will reach more children.

This bill provides for regular adjustment of summer feeding reimbursement rates, advance payments, payment for start-up costs, the eligibility of summer camps for poor children, and a number of other program improvements. It also requires the Secretary to provide states with funds for administering the summer feeding program, with these funds coming from monies appropriated each fiscal year pursuant to the summer feeding authorization contained in Section 13 of the National School Lunch Act. These funds for state expenses in administering the summer program would be separate and distinct from money customarily appropriated for "State administrative expenses" in running the child nutrition programs.

H.R. 4222 also extends commodity support programs for school lunches. In the absence of this support, most schools would be unable to keep their lunch prices down to reasonable levels. We know from experience that when the cost of a meal goes up, the number of paid participants goes down. We can ill-afford such consequences. By extending this section, we are helping to insure a nutritional base for school lunches, a moderate cost to students, and an important outlet for agricultural products.

One of the most valuable additions in this year's bill is the inclusion in the lunch and breakfast programs of orphanages, homes for the mentally retarded, homes for the handicapped, and so forth. Nutrition Committee research indicates that the children who are institutionalized are receiving significantly fewer nutrition benefits than those children attending schools. It seems about time to extend the benefits of a proven program to those for whom the program will have even greater meaning. Any residential institution, or wing of a hospital or similar facility, that serves 50 percent or more persons under 21 years of age, qualifies for nutrition aid under this part of the bill. This provision, then, will add many youngsters to our federal feeding programs.

For the first time, those nutrition programs which have been part of the Special Food Service Program will be divided into two distinct categories. The Summer Food Program as mentioned, will be a separate section. The Day Care and Head Start Nutrition Programs will be contained in a new section entitled Child Care Nutrition Programs. For the first time the primary characteristics of the national school lunch program will be extended to these programs. They will receive fixed reimbursement rate with the automatic escalator adjustment and money for non-food assistance. Their funding will now be based on total participation which should more effectively encourage these programs to reach more children. They will receive money for equipment. Again, these improvements are very important and long overdue.

The reduced price lunch program is made mandatory in this bill, and the income guidelines are increased to 195% of the income poverty levels. This means that children from families of four with an income of approximately $9,500 per year will be eligible for a reduced price lunch, and that their school must offer this program. Reduced price lunches cannot cost the student more than 20¢. This provision should help retain in the program children from working class families, who we are now losing as a result of increased lunch costs.

The Conferees intend that the reduced price lunch program be in operation at the state and local level no later than January 1, 1976. The Department and the state educational agencies shall use the period between enactment of this law and that date to prepare for implementation of the mandatory reduced price program at that time.

I should note that federal reimbursements for reduced-price school lunches now are set at 44.5 cents per meal, and must always be 10 cents less than the federal reimbursement for free lunches.

Perhaps most rewarding of all, H.R. 4222 improves, extends and moderately expends the WIC Program. Though the program is in need of revision, it is a program which is now beginning to show results from the valiant efforts of health professionals, administrators, and recipients who have given it their total support. The Select Committee on Nutrition and Human Needs has held extensive hearings on the area of diet supplementation for high-risk persons. Recommendations made before the Committee plus the knowledge gained from observation of local WIC projects and the written response to a telegram survey of all State WIC Directors have been incorporated into this bill.

I am most gratified that the House accepted the Senate provision that uses Section 32 funding for the WIC program in FY 1976, next summer's transition period, and FY 1977. Under this provision, if the Congress appropriates less than $250 million each year for the WIC program, USDA must take enough money from its section 32 fund so that the combined total of the appropriated money and this section 32 money is $250 million. In addition, if there is any "carry-over" money from the prior fiscal year, this money must be added to the $250 million. Thus, in fiscal year 1976, we will have $250 million plus about $40 million in carry-over money, from FY 1975, for a total of $290 million that must be spent.

If any of the $290 million is not used in FY 1976, it gets carried over into the "transition period" and added to the $62.5 million for this period. If any of this money goes unspent, it must be carried over and added to the $250 million for FY 1977. Finally, if any of this money is not spent in FY 1977, it is to be carried over and added to the $250 million authorization ceiling for FY 1978. The underlying principle here, as set forth in the Senate Agriculture Committee report on H.R. 4222, is that unused funds from section 32—as with funds from other sources that are used for child nutrition purposes—remain available until expended and are added on to the $250 million provided by the bill for each of the next three fiscal years. This should insure adequate funding levels for this valuable program.

WIC is based on the premise that it makes best sense to supplement peoples' diets during those periods of greatest growth and vulnerability. This idea is still as logical today. It is also an obviously cost-effective means of saving money in the long-run. The cost of providing nutrition in the formative years and stages of growth is minimal when contrasted to the ill-effects of inadequate nutrition over a long period.

We spend considerable time and effort debating the relative merits of a variety of vital and sometimes not so vital issues and programs. It is a rare and notable occasion when we are presented with a vital program which has been proven by history and not merely by the assertions of its advocates. I am proud to be identified with this bill. The health of millions of young children bears witness to the wisdom inherent in these programs. Congress has acted responsibly and wisely, and this bill should be quickly enacted into law.

ADDITIONAL STATEMENTS SUBMITTED RELATING TO CONFERENCE REPORT ON H.R. 4222

Mr. **WILLIAMS.** Mr. President, as a cosponsor of the Senate version of H.R. 4222, the National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975, I am pleased to have this opportunity to express my support of the conference report on this vital legislation.

Many years of study in the field of child health and nutrition have shown that when a child is properly nourished, his chances of becoming a healthy, productive member of society are significantly increased. We know that malnutrition can have devastating effects on all aspects of a child's growth and development, including weight gain, maturation of bone structure and the nervous system, and intelligence. It can also threaten his life.

Even before birth, nutrition plays a key role in child health. Women who are malnourished during pregnancy bear a disproportionate number of underweight babies. These infants suffer three times more birth defects than do those whose mothers enjoyed an adequate diet. They are also less likely to survive their first year of life.

The adequacy of a child's diet closely relates to success in school. Dr. Donald Pinkel, medical director for St. Jude's Hospital in Memphis, Tenn., clearly outlined this problem when he said that—

> Adequate diet is more important than compulsory education. For if the brain cells do not develop in the first 6 months of life, they never will. And without enough brain cells you can not learn. If you are anemic, as almost all malnourished children are, you do not even have the energy to try.

With the enactment of the National School Lunch Act in 1946, Congress first affirmed its deep commitment to securing an adequate diet for each American child. Since then, Congress has renewed and strengthened this commitment by the expansion and revision of this program and the enactment of additional child nutrition programs which meet more completely the nutritional needs of our children. In 1966, Congress established the school breakfast program, which provides nutritious breakfasts to needy school children, and together with the school lunch program furnishes two-thirds of the daily food requirement for many children across the country. Congress also enacted the special food services program in 1968. As presently constituted, this program furnishes meals to low-income children during the summer months, and extends cash and commodities to such year-round facilities as Head Start programs and day care centers serving primarily low-income children or children whose mothers work. In an effort to assist expectant and nursing mothers, infants, and young children considered to be a special nutritional risk, Congress enacted in 1972 the special supplemental food program for women, infants, and children—WIC. Through the WIC program, these individuals receive special high protein and fortified food supplements. For millions, these programs mean the difference between a balanced diet and malnutrition.

Yet while we have made great strides toward the goal of good nutrition for all American children, there is much left to do. For example, although over 10 million school children receive free or reduced price lunches daily, only 1.7 million receive this kind of assistance during their summer vacation, and only 1.9 million youngsters participate in the school breakfast program. About 4.6 million women and children are eligible for the WIC program, but the current authorized caseload is only about 750,000. Of the 300,000 American children who live in residential institutions, just a tiny portion take part in federally assisted nutrition programs.

Early this year, the Ford administration responded to the urgent task before us with a catastrophic proposal to dismantle the existing child nutrition programs that have served us so well for so long, and then to substitute a block grant program that would effectively erase the progress of the last 30 years in the area of child health and nutrition. With the kind of callous disregard for critical social needs that we have routinely come to expect from the Ford administration and its predecessor, President Ford and his advisors have recommended a course that would spell disaster for child nutrition in this country. According to the U.S. Department of Agriculture, the President's plan could force up school lunch prices so sharply that seven million or more children could be forced from the program. In addition, millions who depend on the school breakfast program, the current special food services program, and the WIC program would go hungry, and up to 120,000 school food service workers would lose their jobs. For low and middle income families, the President's block grant approach to child nutrition would mean even greater financial burdens at a time when their budgets are already stretched to the limit.

When the Senate and the House passed their respective versions of H.R. 4222, Congress demonstrated its firm opposition to the administration's approach. The conference committee has resolved the differences between the two bills and has put forth a sound, responsible, and thoroughly reasonable measure to guarantee continued progress toward assuring that all of our children receive adequate nutrition and proper diets.

Among its major provisions, the conference report authorized several additional nutritional services specifically designed to relieve the financial strain that thousands of families suffer as prices soar and as the number of people out of work reach record levels. Other sections of H.R. 4222 would correct inequities in present law, as well as reauthorize and revise a variety of programs central to our effort to combat hunger and malnutrition.

H.R. 4222 would increase the eligibility for reduced price lunches for children whose families earn 95 percent above the poverty line. The legislation would also assist those children whose parents are unemployed by basing eligibility for free or reduced price lunches on the family's income during the period of unemployment rather than on annual earnings. For States like New Jersey, which has an unemployment rate of 13.1 percent, these provisions would mean that no one need drop from the school lunch program because of unemployment.

The legislation would also bring child-caring residential institutions under the National School Lunch Act for the first time.

The 300,000 children who live in over 4,000 institutions across the country are often America's forgotten children—the mentally retarded, the disabled, and the abandoned. It has been estimated that 70 percent of them would be eligible for federally assisted breakfasts and lunches if they lived at home, but their residence in institutions prevents their participation. H.R. 4222 would correct this long-standing inequity.

The school breakfast, summer feeding, child care center, and WIC programs would all receive new authorizations under H.R. 4222. In addition, important improvements would be made in these programs to enable them to reach more children and to operate more efficiently. The summer feeding program would undergo major revision. It would be made separate from the nonresidential child care center program, and would receive advanced funding and startup money to allow more efficient planning. Federal financial assistance would be automatically readjusted to reflect changes in the Consumer Price Index.

The feeding program for nonresidential child care institutions would also be made a separate program. Under H.R. 4222 greater numbers of facilities would be eligible for participation and the program would be administered in the same manner as the school lunch program.

The WIC program would be expanded to include nursing women up to 1 year post partum, nonnursing women up to 6 months post partum, and children up to 5 years of age. Present time and age limitations are considerably less. Startup funds, immediate funds for eligible WIC applicants, and the establishment of a National WIC Advisory Council to make a continuing study of the program's progress are some of the other important new features in the WIC program.

In short, H.R. 4222 responds dynamically to the growing nutritional demands of a nation in deep economic trouble, by building upon existing programs that have proven their cost-effectiveness through years of successful operation.

Several of the new nutritional services and program revisions included in H.R. 4222 would involve initial budget excesses, a fact which has drawn sharp criticism from some in light of the desire of Congress to hold Federal spending to a minimum. Therefore, the Senate recommitted the bill to conference and the 3 cents per paid lunch increase in Federal subsidies has been dropped, cutting $75 million from the overall cost of the bill. I believe that the conference committee has made a sincere effort to keep the spending authorizations in the bill as low as possible without doing harm to our child-nutrition effort. Furthermore, the bill's authors built into the original legislation several sections that would go far toward cutting waste and inefficiency in administering the child-nutrition programs. High school students would no longer be required to accept food that they do not intend to eat, thereby reducing food waste. Also, school authorities would be empowered to seek verification of the information supplied on applications for free and reduced price lunches to eliminate any abuses of the school lunch program.

But there are still those who insist that this bill is too expensive. I am sure that all will agree that the goal of adequate nutrition for each child will not be obtained cheaply. The expenditure parallels the need. Yet compared to the enormous social and economic price of this bill's defeat, the amount authorized in the conference report is indeed modest. Disapproval of the second conference report would have many of the same disastrous consequences as would clearly signal that this Nation is prepared to slam the door in the face of hungry children at a time of urgent need.

The human costs would far exceed any possible short-term savings that could possibly result from the bill's defeat. Millions who now look to their Government for nutritional assistance would find that the mainstays of their diets have been suddenly withdrawn as a variety of child nutrition programs come to an abrupt end on September 30.

My home State of New Jersey would suffer badly if H.R. 4222 does not pass. The school breakfast program in New Jersey reaches 52,724 children. The summer feeding program served about 85,000 this past summer. The nonresidential child care feeding program now reaches 12,898 and the WIC program in New Jersey provides special food supplements to 15,183 women and children. The overwhelming number of these persons have nowhere else to turn for the nourishment that they secure from these programs.

Across the country, millions more who would be brought into child nutrition programs because of H.R. 4222 would continue to face hunger and malnutrition on a daily basis without this legislation. For New Jersey, this would mean that 80,000 children who would be added to the summer feeding program would go hungry during the summer months. Another 27,300 who could participate in the expanded child care institution program would also be denied the assistance that H.R. 4222 is ready to extend to them. Defeat would mean that thousands of children from unemployed families will not be eligible for the special provisions of H.R. 4222 which were set into the bill to relieve their special financial problems. Also, 4,262 children living in institutions will continue to be ineligible for the school lunch program.

Higher infant mortality rates, increased incidence of birth defects, and greater numbers of children who slip further and further behind in school because they are too hungry or too anemic to concentrate on their lessons are all part of the painful personal consequences that would occur without this legislation. The programs whose futures hang in the balance are time-tested. The pennies spent each day on those enrolled in such programs as WIC cost us far less than the hundreds of dollars per day to institutionalize and care for a brain-damaged or physically-handicapped child, and certainly far less than the loss to society of individuals who otherwise might make important contributions to the progress of their communities. Of course, no one can place a dollar value on the anguish caused by such tragedies.

America is an abundant nation, blessed with the resources to assure that no child need be without enough food or a proper diet. Unless we remain determined to apply these resources as fully as possible, we risk undermining the health of a whole generation of children and the quality of life in this country in the years ahead. Good health and adequate nutrition underlie all we do and all we hope to do. As the United States enters its third century, our people face a bewildering array of new and enormously complex problems. The child nutrition legislation before us today would help to insure that our children develop into the kind of citizens mentally and physically equipped to meet the challenge that these problems pose.

MAJOR IMPROVEMENTS MADE IN CHILD NUTRITION LEGISLATION

Mr. HUMPHREY. Mr. President, I urge my colleagues to support the child nutrition bill, H.R. 4222, which is before us today.

I would like to point out that the Senate and House conferees have spent a great deal of time resolving the outstanding issues between the Senate and House versions of this legislation. The Senate voted to return the original conference report to conference for further action and reduce the program costs.

Mr. President, I would hope that the major improvements which have been brought in this legislation are not lost sight of in a discussion over cost estimates.

The administration, as we all know, earlier this year sent up its recommendation for a so-called block grant. At that time I referred to this administration proposal as a block buster rather than a block grant.

The administration's budget estimates were unrealistically low with totally inadequate funding allowed for the child nutrition programs. Since that time, there have been a number of misunderstandings regarding the budget requirements for this program which have hampered a rational discussion of the program costs.

The conferees have reached a compromise which does call for some modest cost increases over the President's revised budget, but these improvements are well worth the cost involved.

Mr. President, I ask unanimous consent that a brief table, summarizing the cost figures on this bill, appear in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Table

(1) Estimated total cost of H.R. 4222 as passed by the House: $2.987 billion.

Increase over President's revised budget: $435 million.

(2) Estimated total cost of H.R. 4222 as passed by the Senate: $2.757 billion.

Increase over President's revised budget: $205 million.

(3) Estimated total cost of H.R. 4222 as agreed to in conference: $2.843 billion.

Increase over President's revised budget: $291 million.

(4) Revision in H.R. 4222 total costs as agreed to in second conference: $2.768 billion.

Increase over President's revised budget: $216 million.

Mr. HUMPHREY. Mr. President, this table indicates that the bill as passed by the House was $435 million over the President's revised budget. The Senate version of H.R. 4222, was $205 million over the President's revised budget. The initial conference agreement on this bill called for a cost level that would have been $291 million over the President's revised budget. The latest conference action has reduced that figure to $216 million.

The second conference on September 11 agreed to drop the 3-cent subsidy for each full-price lunch. This change will result in a reduction of approximately $75 million in total program costs. This item had been debated at great length and dropped reluctantly by the conferees in order to reduce the program costs.

In addition, clarifying language was adopted permitting high school students to refuse portions of a school lunch.

I would hope that the Senate would accept this conference report as a major improvement over our existing child nutrition legislation. It would provide a number of important improvements which I will elaborate a bit later in my statement.

I believe that this bill should be adopted, and it is not unduly expensive. It addresses some of the highest priority needs which are often overlooked in this country.

At this point, I would like to call attention to some of the most important compromises in the conference bill. In so doing, I first would like to focus upon some of the most difficult issues that we had to resolve.

The so-called Chisholm amendment—which requires the provision of reduced price lunches to the working poor and near-poor—was debated at length in the conference. The conferees decided upon a compromise under which reduced price lunches must be served, on a mandatory and permanent basis, in every school, to all of the children coming from families whose incomes fall between each school district's free lunch standards and 195 percent of the Agriculture Secretary's "income poverty guidelines."

This amendment to the School Lunch Act must be implemented in every school district around the country by no later than January 1, 1976. Each school district should send out notices to the parents of all of the children attending school, informing such parents of the new right to reduced-price lunches for everyone who qualifies. USDA should require all of the school districts to take quick and effective steps to inform all parents about the new reduced-price lunch requirement that will be implemented on a mandatory, nationwide basis.

The conferees resolved the difficult funding situation of the WIC program. For fiscal years 1976 and 1977, the conferees adopted the Senate's bill under which $250 million per year, plus all carryover funds from unspent moneys of the previous fiscal year, must be spent out of section 32. Thus, as an example, the approximate $40 million from unspent fiscal 1975 funds must be spent during fiscal year 1976 in addition to the new $250 million authorized and mandated for expenditure during this fiscal year. As we indicated in the Senate report, all unused section 32 funds authorized for the WIC program must be carried over into the next fiscal year until expended.

In addition to the funding section, the House's so-called entitlement provision will be implemented. Under that section of the bill, every eligible "local health or welfare agency or private nonprofit agency" will be funded immediately, upon filing an appropriate WIC application, with the full amount of funds that it seeks and demonstrates it can spend for the provision of food to eligible mothers, infants, and children. This amount of funds, of course, would include the administrative and startup funds newly authorized under the bill.

The entitlement provision must be fully implemented up to the annual authorization level in addition to carryover funds; thus, during fiscal year 1978, the entitlement provision would fully operate up to the $250 million authorization ceiling plus the section 32 carryover funds from fiscal year 1977.

The Senate-House conferees also devised a compromise on the Agriculture Department's report to the Congress on expanding the school breakfast program. The Senate bill required the Agriculture Secretary to promulgate his regulations—requiring local school districts to implement the breakfast program in all title I schools and in all schools in which more than 25 percent of the children are eligible for free and reduced-price lunches—and submit his report to Congress within 6 months.

The House required the regulations to be promulgated, and the subsequent report to Congress, within 3 months. We compromised somewhere in between, requiring the regulations and subsequent report within 4 months.

The school breakfast program expansion mandate is similar in content, though dissimilar in operation, to the School Lunch Amendments of 1970. The 1970 school lunch program expansion directive requires all schools, in a school district that participates in the lunch program, to provide each needy child with a free lunch. In other words, no school district can receive Federal subsidies for any of its schools' lunch programs without serving all needy children, in the entire school district, with free mid-day meals.

With our new legislation, I am sure that the breakfast and lunch programs will be expanded to most, if not virtually all, impoverished children.

The Morgan amendment on the school lunch program was adopted by the conference. Under that provision, a school district may, "for cause," seek verification of the data contained in applications for free and reduced price lunches. This amendment should not substantially alter the administrative operation of the free and reduced price lunch determination.

Specifically, all children will continue to be served free and reduced-price lunches immediately after they file application forms indicating, on the face of the application form, that they are eligible for such free and reduced price meals. The Morgan amendment merely permits school districts to go beyond the application form, while the free and reduced price lunches are being served, to verify the application answers of children who, "for cause," seem to have submitted proper application.

Thus, school districts are not provided with a license to verify applications across the board; this would engender too much paperwork and would convert the school lunch program into a welfare operation. Only the applications of children, whose application responses are believed to be untrue based on concrete information, will have their application answers verified while they are receiving free lunches.

I am particularly satisfied with the conference bill's provisions on the day care and summer feeding programs. With regard to the day care feeding program, one Senate provision that prevailed in conference requires a brief explanation. The House authorized monthly advance payments to States for their operation of the day care feeding program; the Senate struck that provision and the Senate version on that difference prevailed in conference.

It should be noted, however, that while we dropped the advance payment provision in conference, we do require that letters of credit be issued to States—as in the school food service programs. This clearly permits such States to draw on these letters of credit in advance pursuant to procedures promulgated by the Agriculture Secretary. As a result, day care centers and State agencies throughout the country will be assured of adequate funding in a timely and on a reliable basis.

The Senate bill indicated that the day care feeding sections in this bill must become effective within 90 days. The House bill had no comparable provision. In conference, we adopted the Senate provision but we modified it so that the reimbursement rates set forth in the bill become effective immediately. Thus, while the substantive day care feeding sections in this bill may be implemented in 90 days after enactment, day care centers will receive the new, higher reimbursement and commodity rates upon enactment of this bill.

The conference bill extends food services, for the first time, to family day care centers and to residential institutions that serve half or more individuals under 21 years of age. The latter provision will extend aid to orphanages, institutions for the physically and mentally handicapped, shelters for abused children, hospital wings serving a clientele that is composed of 50 percent or more youngsters, and other similar institutions. The former provision will give day care food services to small centers located primarily in impoverished areas. Since our conference bill seeks to liberalize the chances for participation in the day care feeding program, it is our expectation that USDA will not impose impediments to program participation. Thus, USDA will not be permitted to require the purchase of additional equipment—such as refrigerators, cooking and storage facilities, and the like—as a condition to participate in the program; facilities used by the family will be sufficient if they do the job of properly feeding the children.

Finally, with regard to the summer feeding program, I am delighted to say that the conference bill incorporates essentially all of the Senate's provisions. This will substantially improve and expand our summer feeding operations. In addition to improved reimbursement structures, each State will be able to use funds from the summer feeding program appropriations for State administrative expenses. The funds provided for these summer feeding program administrative costs are not to be taken out of the general administrative expenses of the other child feeding programs but should come out of the summer program's appropriations.

In short, this conference bill is one that the Senate should be most pleased with. We not only retained most of the Senate provisions in the conference bill, but our final bill makes substantial improvements in all of the child feeding programs. I urge that the Senate agree to the conference report.

Mr. CASE. Mr. President, throughout my service in the Senate I have worked hard in support of proposals to give our children an opportunity to receive the kind of diet that will make them grow, both mentally and physically, into healthy adults.

Therefore, I am particularly pleased whenever we are able to make improvements in the national school lunch program as well as the newer programs such as the school breakfast and special supplemental food programs.

One of these improvements came when we were successful in enacting an amendment I sponsored to make permanent the optional reduced-price lunch.

Now we have the opportunity to make this program mandatory, and raise the income eligibility criteria for it from 175 to 195 percent of the poverty income guidelines. In New Jersey, estimates are that this would result in a substantial increase in the number of schools that would be required to establish reduced-price lunch programs.

This new bill also redefines "school" so that children in residential child care institutions are eligible to participate in the school lunch program. Included are children in homes for the mentally retarded or emotionally disturbed, orphanages, temporary shelters for runaway and abused children, hospitals for chronically ill children, and juvenile detention centers.

Another important provision in this legislation will make it possible for children in day care centers to be eligible for the school breakfast and lunch programs just as they would be if they were in the public schools. Over 27,000 New Jersey children will be made eligible for these programs through this provision.

New Jersey has had a consistently high rate of unemployment in the recent past. This bill provides—for 1 year only—immediate eligibility for free or reduced-price lunches for children in households where the person who is the source of support has become employed.

In addition the program that provides supplemental food assistance to pregnant women, infants, and children—WIC—is extended through September 1978, and the school breakfast program is made permanent.

The summer special food program is extended through the summer of 1977.

Unfortunately, the conference committee deleted most of the provisions of my amendment to restore to the Department of Agriculture the authority to regulate what may be sold in vending machines in schools participating in the lunch and breakfast programs.

The committee retained the section of my amendment, however, that provides for $1 million annually to the States for the purpose of helping them set up programs to teach children the nutritional value of foods and the relationship of nutrition to human health.

There have been some criticisms of waste in our school food programs, and I am glad to see that the bill authorizes a study to be undertaken by the Department of Agriculture on the degree and cause of plate waste in the school lunch program.

A tremendous amount of effort has gone into this bill, in committee and on the floor, and I firmly believe it is a good one.

Mr. TALMADGE. Mr. President, if no other Senator wishes to address the Chair, I move the adoption of the conference report.

The PRESIDING OFFICER (Mr. HUDDLESTON). The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO MAKE TECHNICAL AND CLERICAL CORRECTIONS IN THE ENGROSSMENT OF S. 2264

Mr. TALMADGE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 2264, a bill to authorize the Public Printer to designate employees to administer oaths, which was passed by the Senate yesterday.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS ACT, 1976

The PRESIDING OFFICER laid before the Senate the unfinished business, a bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 8069.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, yesterday the Senate passed the Biden amendment to the 1976 Labor-HEW appropriations bill. The amendment provides that:

> None of the funds appropriated under this Act shall be used to require any school, school system, or other educational institution, as a condition for receiving funds, grants, or other benefits from the Federal Government, to assign teachers or students to schools, classes, or courses for reasons of race.

Mr. President, this is an unfortunate and, I believe, an unconstitutional amendment. It is described as an "antibusing" amendment. But it goes far, far beyond busing. This amendment effectively emasculates the enforcement provisions of title VI of the 1964 Civil Rights Act.

By forbidding HEW from using the sanctions provided by title VI, this amendment precludes HEW from ordering any desegregation remedy. If we intend to repeal title VI of the 1964 Civil Rights Act we should do it directly. We should not repeal the major civil rights measure of this century by an amendment to an appropriations bill.

Mr. President, I will send to the desk an amendment to the Labor-HEW bill to clarify the intent and narrow the scope of the Biden amendment. The amendment provides that:

> None of the funds contained in this Act shall be used in a manner inconsistent with the enforcement of the fifth and fourteenth amendments to the Constitution of the United States and Title VI of the Civil Rights Act of 1964.

This amendment is not a probusing or an antibusing amendment. It has nothing to do with busing. This amendment will only insure that the U.S. Senate in 1975, 21 years after the historic Supreme Court decision, Brown against Board of Education, is committed to upholding the Constitution of the United States and maintaining our national commitments.

AMENDMENT NO. 901

Mr. President, I send my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 45, after line 26, insert the following new section:
>
> SEC. 209. None of the funds contained in this Act shall be used in a manner inconsistent with the enforcement of the fifth and fourteenth amendments to the Constitution of the United States and title VI of the Civil Rights Act of 1964.

AMENDMENT NO. 902

Mr. HELMS. Mr. President, I have a substitute amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The substitute amendment will be stated.

The legislative clerk read as follows:

> In lieu of the language proposed to be inserted, insert the following:
>
> SEC. ( ). None of the funds appropriated under this Act shall be used to require any school, school system, or any educational in-

stitution, as a condition for receiving funds, grants, or other benefits from the Federal Government, to treat teachers or students differently for reasons of the race, of such teachers or students; or to classify teachers or students by race with respect to school, class, or course assignments.

Mr. HELMS. Mr. President, I have a perfecting amendment at the desk which I call up and ask for its immediate consideration.

The PRESIDING OFFICER. The perfecting amendment will be stated.

The legislative clerk read as follows:

Before the phrase "None of the funds", insert the following:

"Except as otherwise provided in this Act,"

Mr. HELMS. Mr. President, I ask unanimous consent that the Senator from Texas (Mr. TOWER) be added as a cosponsor of my substitute amendment and my perfecting amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the amendment of the Senator from North Carolina.

Mr. HELMS. Mr. President, I raise the point of order that the original amendment is legislation.

Mr. HUMPHREY. Mr. President, under the rules, I raise the question of germaneness.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. The Chair will advise that under rule XVI, the germaneness of amendments is required in the case of general appropriation bills and under this rule, when raised, the question shall be submitted to the Senate and be decided without debate.

Mr. HUMPHREY. Mr. President, the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HUMPHREY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. The issue, as I understand it, is on germaneness of the Scott-Humphrey amendment.

The PRESIDING OFFICER. The question is: Is the amendment of the Senator from Pennsylvania germane?

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Nevada (Mr. CANNON), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Alabama (Mr. SPARKMAN), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), and the Senator from New York (Mr. JAVITS) are necessarily absent.

The yeas and nays resulted—yeas 47, nays 37, as follows:

[Rollcall Vote No. 402 Leg.]

YEAS—47

Abourezk
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Durkin
Fong
Glenn
Hart, Gary W.
Hartke
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McIntyre
Metcalf
Mondale
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Talmadge
Weicker
Williams

NAYS—37

Allen
Bartlett
Bellmon
Bentsen
Biden
Brock
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Haskell
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
McClellan
McClure
Morgan
Nunn
Proxmire
Roth
Scott, William L.
Stennis
Stone
Thurmond
Tower
Young

NOT VOTING—16

Baker
Bayh
Beall
Buckley
Cannon
Eagleton
Gravel
Hart, Philip A.
Javits
McGee
McGovern
Montoya
Moss
Sparkman
Symington
Tunney

The PRESIDING OFFICER (Mr. FORD). On this vote, the yeas are 47 and the nays are 37. Therefore, the amendment is germane.

Mr. BROOKE. Mr. President, I move to reconsider the vote by which the amendment was ruled germane.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BROOKE. Mr. President, I move to table the perfecting amendment of the Senator from North Carolina.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the perfecting amendment of the Senator from North Carolina.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. HELMS. Regular order, Mr. President.

The PRESIDING OFFICER. Regular order is called for.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Nevada (Mr. CANNON), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. GARY W. HART), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART) is absent because of illness.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Colorado (Mr. GARY W. HART) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New York (Mr. BUCKLEY), and the Senator from New York (Mr. JAVITS) are necessarily absent.

The result was announced—yeas 41, nays 43, as follows:

[Rollcall Vote No. 403 Leg.]

YEAS—41

Abourezk
Bellmon
Brooke
Burdick
Case
Church
Clark
Cranston
Culver
Durkin
Fong
Glenn
Haskell
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Leahy
Magnuson
Mansfield
Mathias
McIntyre
Metcalf
Mondale
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NAYS—43

Allen
Bartlett
Beall
Bentsen
Biden
Brock
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hartke
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Long
McClellan
McClure
Morgan
Nunn
Pastore
Proxmire
Randolph
Roth
Scott, William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NOT VOTING—16

Baker
Bayh
Buckley
Cannon
Eagleton
Gravel
Hart, Gary W.
Hart, Philip A.
Javits
Kennedy
McGee
McGovern
Montoya
Moss
Sparkman
Symington

So the motion to table was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I move to table. I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I move to table the motion to reconsider and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Nevada (Mr.

Cannon), the Senator from Missouri (Mr. Eagleton), the Senator from Alaska (Mr. Gravel), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from Alabama (Mr. Sparkman), and the Senator from Missouri (Mr. Symington), are necessarily absent.

I also announce that the Senator from Michigan (Mr. Philip A. Hart), is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from New York (Mr. Buckley), and the Senator from New York (Mr. Javits), are necessarily absent.

The result was announced—yeas 42, nays 44, as follows:

[Rollcall Vote No. 404 Leg.]

YEAS—42

Allen
Bartlett
Beall
Bentsen
Biden
Brock
Bumpers
Byrd,
  Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin

Ford
Garn
Goldwater
Griffin
Hansen
Hartke
Haskell
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Long
McClellan

McClure
Morgan
Nunn
Proxmire
Randolph
Roth
Scott,
  William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NAYS—44

Abourezk
Bellmon
Brooke
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Durkin
Fong
Glenn
Hart, Gary W.
Hatfield

Hathaway
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McIntyre
Metcalf
Mondale
Muskie
Nelson
Packwood

Pastore
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NOT VOTING—14

Baker
Bayh
Buckley
Cannon
Eagleton

Gravel
Hart, Philip A.
Javits
McGee
McGovern

Montoya
Moss
Sparkman
Symington

So the motion to lay on the table the motion to reconsider the vote by which the motion to table Mr. Helmss' perfecting amendment was rejected.

Mr. HELMS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. What is the pending business?

The PRESIDING OFFICER. The pending business is the motion by the Senator from Rhode Island to reconsider the vote. The yeas and nays have been ordered.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The clerk will suspend. The Chair requests that those Senators who are present please to recognize the call of your name by the clerk and respond.

The clerk may proceed.

The assistant legislative clerk resumed calling the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. HELMS. I object.

The PRESIDING OFFICER. Objection is heard. The clerk may proceed.

The assistant legislative clerk resumed calling the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. What will be the pending business at 12 o'clock noon?

The PRESIDING OFFICER. If the Senate is not in a vote or a quorum call, it will be on the motion to table the motion to reconsider the vote by which the Curtis amendment was rejected. The yeas and nays have been ordered.

Mr. CURTIS. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Can that vote be delayed by continuous quorum calls?

The PRESIDING OFFICER. The Senator is correct, it can be.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. PASTORE. Is the motion to reconsider debatable?

The PRESIDING OFFICER. No, it is not.

Mr. PASTORE. Then we are ready for a vote.

The PRESIDING OFFICER. In this case. The yeas and nays have been ordered.

QUORUM CALL

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. PASTORE. I object.

The PRESIDING OFFICER. Objection is heard.

The second assistant legislative clerk resumed the call of the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 70 Leg.]

Allen
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke

Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church

Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eastland

Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary W.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston

Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McIntyre
Metcalf
Mondale
Morgan
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy

Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

A quorum is present.

The PRESIDING OFFICER. The hour of 12 o'clock having arrived, the pending question is on the motion to table the motion to reconsider the vote by which the Curtis amendment was rejected. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. Leahy). May we have order?

Mr. CURTIS. Mr. President, regular order.

The PRESIDING OFFICER. Senators will clear the well.

The legislative clerk resumed the call of the roll.

Mr. CURTIS. Regular order, Mr. President.

The PRESIDING OFFICER. Time has expired. Will the Senators clear the well?

Mr. CURTIS. Regular order, Mr. President. Regular order.

The Chair has announced the time has expired.

Mr. ABOUREZK. Mr. President, I want to announce a pair on this vote. If Senator Bayh were present and voting, he would vote "aye." If I were permitted to vote I would vote "no." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Nevada (Mr. Cannon), the Senator from Missouri (Mr. Eagleton), the Senator from Alaska (Mr. Gravel), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Utah (Mr. Moss), the Senator from Alabama (Mr. Sparkman), the Senator from Missouri (Mr. Symington), and the Senator from New Mexico (Mr. Montoya) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Philip A. Hart) is absent because of illness.

I further announce that, if present and voting, the Senator from Missouri (Mr. Symington) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from New York (Mr. Buckley), and the Senator from New York (Mr. Javits) are necessarily absent.

On this vote, the Senator from New York (Mr. Javits) is paired with the Senator from New York (Mr. Buckley).

If present and voting, the Senator from New York would vote "yea" and the Senator from New York would vote "nay."

The result was announced—yeas 41, nays 44, as follows:

[Rollcall Vote No. 405 Leg.]

YEAS—41

Beall
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Culver
Durkin
Ford
Glenn
Hart, Gary W.
Hartke
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mathias
Metcalf
Mondale
Muskie
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NAYS—44

Allen
Bartlett
Bellmon
Bentsen
Biden
Brock
Byrd, Harry F., Jr.
Chiles
Church
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Haskell
Helms
Hollings
Hruska
Johnston
Laxalt
Long
Mansfield
McClellan
McClure
McIntyre
Morgan
Nelson
Nunn
Packwood
Pearson
Randolph
Roth
Scott, William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

PRESENT AND GIVING A LIVE PAIR—1

Abourezk, against.

NOT VOTING—14

Baker
Bayh
Buckley
Cannon
Eagleton
Gravel
Hart, Philip A.
Javits
McGee
McGovern
Montoya
Moss
Sparkman
Symington

So the motion to lay on the table was rejected.

Mr. BROOKE. Mr. President, I ask for the yeas and nays on the motion to reconsider.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. Leahy). The question is on agreeing to the motion to reconsider the vote by which the amendment of the Senator from Nebraska (Mr. Curtis) was rejected. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. MUSKIE (when his name was called). On this vote I have a pair with the distinguished Senator from Indiana (Mr. Bayh). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "aye." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Nevada (Mr. Cannon), the Senator from Missouri (Mr. Eagleton), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from Alabama (Mr. Sparkman), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Philip A. Hart) is absent because of illness.

I further announce that, if present and voting, the Senator from Missouri (Mr. Symington) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from New York (Mr. Buckley), and the Senator from New York (Mr. Javits) are necessarily absent.

On this vote, the Senator from New York (Mr. Buckley) is paired with the Senator from New York (Mr. Javits).

If present and voting, the Senator from New York would vote "yea" and the Senator from New York would vote "nay."

The result was announced—yeas 43, nays 43, as follows:

[Rollcall Vote No. 406 Leg.]

YEAS—43

Abourezk
Allen
Bartlett
Bellmon
Bentsen
Brock
Byrd, Harry F., Jr.
Chiles
Church
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Haskell
Helms
Hollings
Hruska
Johnston
Laxalt
Long
Mansfield
McClellan
McClure
McIntyre
Morgan
Nelson
Nunn
Packwood
Pearson
Roth
Scott, William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NAYS—43

Beall
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Culver
Durkin
Ford
Glenn
Gravel
Hart, Gary W.
Hartke
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mathias
Metcalf
Mondale
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Muskie, for.

NOT VOTING—13

Baker
Bayh
Buckley
Cannon
Eagleton
Hart, Philip A.
Javits
McGee
McGovern
Montoya
Moss
Sparkman
Symington

So the motion to reconsider the vote, by which Mr. Curtis' amendment was rejected, was rejected.

The PRESIDING OFFICER. The question recurs on the motion to reconsider the vote by which the amendment of the Senator from North Carolina was not tabled. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ALLEN. Mr. President, I move to table the Scott (Pa.) amendment, or the amendment in the first degree, by whatever name it has been offered.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BROOKE. Regular order, Mr. President.

The PRESIDING OFFICER. Regular order is called for.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Nevada (Mr. Cannon), the Senator from Missouri (Mr. Eagleton), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from Alabama (Mr. Sparkman), the Senator from Missouri (Mr. Symington), and the Senator from New Hampshire (Mr. Durkin) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Philip A. Hart) is absent because of illness.

I further announce that if present and voting, the Senator from New Hampshire (Mr. Durkin) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from New York (Mr. Buckley), and the Senator from New York (Mr. Javits) are necessarily absent.

The result was announced—yeas 42, nays 44, as follows:

[Rollcall Vote No. 407 Leg.]

YEAS—42

Allen
Bartlett
Beall
Bentsen
Biden
Brock
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hartke
Haskell
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Long
McClellan
McClure
Morgan
Nunn
Proxmire
Randolph
Roth
Scott, William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NAYS—44

Abourezk
Bellmon
Brooke
Bumpers
Burdick
Case
Church
Clark
Cranston
Culver
Fong
Glenn
Gravel
Hart, Gary W.
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McIntyre
Metcalf
Mondale
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NOT VOTING—14

Baker
Bayh
Buckley
Cannon
Durkin
Eagleton
Hart, Philip A.
Javits
McGee
McGovern
Montoya
Moss
Sparkman
Symington

So Mr. Allen's motion to lay on the table Mr. Hugh Scott's amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the motion to reconsider the vote by which the amendment of the Senator from North Carolina was not tabled. The yeas and nays are ordered and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. May we have order in the Senate. Senators will return to their seats. Those Senators having important matters to converse about I would appreciate it if they could do it in the cloakroom.

The clerk will continue.

The second assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Nevada (Mr. Cannon), the Senator from Missouri (Mr. Eagleton), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from Alabama (Mr. Sparkman), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Philip A. Hart) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from New York (Mr. Buckley), and the Senator from New York (Mr. Javits) are necessarily absent.

The result was announced—yeas 47, nays 40, as follows:

[Rollcall Vote No. 408 Leg.]

YEAS—47

Abourezk
Bellmon
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Durkin
Fong
Glenn
Gravel
Hart, Gary W.
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McIntyre
Metcalf
Mondale
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NAYS—40

Allen
Bartlett
Beall
Bentsen
Biden
Brock
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hartke
Haskell
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Long
McClellan
McClure
Morgan
Nunn
Proxmire
Roth
Scott, William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NOT VOTING—13

Baker
Bayh
Buckley
Cannon
Eagleton
Hart, Philip A.
Javits
McGee
McGovern
Montoya
Moss
Sparkman
Symington

So the motion to reconsider the vote by which the amendment of the Senator from North Carolina was not tabled was agreed to.

The PRESIDING OFFICER (Mr. Gary Hart). The question recurs on the motion to table the perfecting amendment of the Senator from North Carolina.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Nevada (Mr. Cannon), the Senator from Missouri (Mr. Eagleton), the Senator from Hawaii (Mr. Inouye), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from Alabama (Mr. Sparkman), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Philip A. Hart) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from New York (Mr. Buckley), and the Senator from Nebraska (Mr. Hruska) are necessarily absent.

The result was announced—yeas 45, nays 41, as follows:

[Rollcall Vote No. 409 Leg.]

YEAS—45

Abourezk
Bellmon
Brooke
Bumpers
Burdick
Case
Church
Clark
Cranston
Culver
Durkin
Fong
Glenn
Gravel
Hart, Gary W.
Hatfield
Hathaway
Humphrey
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McIntyre
Metcalf
Mondale
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NAYS—41

Allen
Bartlett
Beall
Bentsen
Biden
Brock
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Hartke
Haskell
Helms
Hollings
Huddleston
Johnston
Laxalt
Long
McClellan
McClure
Morgan
Nunn
Proxmire
Randolph
Roth
Scott, William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NOT VOTING—14

Baker
Bayh
Buckley
Cannon
Eagleton
Hart, Philip A.
Hruska
Inouye
McGee
McGovern
Montoya
Moss
Sparkman
Symington

So the motion to lay on the table Senator Helms' perfecting amendment was agreed to.

Mr. HELMS. Mr. President——

Mr. HUMPHREY. Mr. President——

Mr. HELMS. Mr. President, I first sought recognition.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I might say that if Senators want to go to their offices, either in their home States or here in Washington, they will have plenty of time to do so. I very much doubt that there will be another vote today.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield without losing his right to the floor——

Mr. HELMS. I yield under those conditions.

Mr. ROBERT C. BYRD. I hope he would not suggest that Senators go beyond their offices at this time.

Mr. HELMS. That, of course, is up to them, I was merely stating the situation as I see it. Mr. President, I wish to point out that the Senator from North Carolina was not allowed to speak one syllable in support of his amendment. The moment the amendment was called up, the motion to lay on the table was made. The Senate has just approved that kind of legislative activity, and it may be that some will regret their votes in that connection.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from North Carolina yield for a parliamentary inquiry?

Mr. HELMS. I will yield for a parliamentary inquiry, provided I do not lose my right to the floor.

The PRESIDING OFFICER. Is there objection? The Senator will state his parliamentary inquiry.

Mr. MAGNUSON. I wonder if it would be all right for the Senator from Washington and the Senator from Massachusetts, at this stage, to talk about the $39 billion that is in this bill. Would that be permissible under the rules?

The PRESIDING OFFICER. The Senator from North Carolina has the floor, and yielded only for a parliamentary inquiry.

Mr. MAGNUSON. I was hoping he would get to the $39 billion in the bill sooner or later.

Mr. HELMS. Mr. President, we can proceed to the consideration of the matter referred to by the able Senator from Washington, and all other business, on the calendar and elsewhere, if the Senate will face up to the facts on this busing controversy. The Senator from North Carolina has no wish to delay the Senate. The Senate has already voted its will this past Wendesday. Now there is a power play in progress to nullify that vote.

If the Senator from Pennsylvania and the Senator from Minnesota wish to withdraw their amendment, this ball game is over. There will be no delay, no dispute. It is as simple as that. But we have been on this floor month after month, year after year, talking about this absurdity, this insanity of forced busing, which every Member of the Senate knows in his heart is a demonstrable disaster for the United States; and the time has come for the U.S. Senate to face up to a very clear threat to the survival of the public school system.

My amendment which was just tabled without one syllable being allowed to be spoken in its behalf was very simple. It attempted to insure that the will of the Senate as exhibited in its vote on Wednesday agreeing to the amendment offered by the distinguished Senator from Delaware (Mr. Biden) would not be altered or subverted.

My amendment provided simply that the prohibition contained in the amendment pending in the first degree would be in full force and effect "except as otherwise provided in this Act." All I was asking the Senate to do was to preserve the provisions now in the bill.

Then, after doing that, if the Senate wished to place certain additional limitations on the bill, that would have been fine with me. I certainly uphold the right of the Senate to limit the use of appropriated funds.

However, Mr. President, I do believe that there should be no attempt to reverse the decision of the Senate this past Wednesday regarding forced busing. By agreeing to the antibusing amendment that day—and it was a watered-down version of the original amendment submitted by the Senator from North Carolina, and cosponsored by many Senators, including the distinguished senior Senator from Delaware (Mr. ROTH), who has been such a leader in opposition to forced busing—the Senate was admitting at long last that forced busing has been a disaster.

Remember the eloquent comment on Wednesday by the distinguished Senator from Delaware (Mr. BIDEN) in that regard. JOE BIDEN is a Senator who heretofore has voted in opposition to efforts to do away with forced busing. On Wednesday, the Senator from Delaware joined his colleague (Mr. ROTH) and others of us who have been fighting forced busing. We were delighted to welcome Senator BIDEN to our ranks.

The Senate decided to take that first step to stop forced busing. Therefore, I had hoped that our colleagues would today agree with us, at least listen to an appeal, that an agreement be reached, not to alter the present provisions of the bill, that we would continue in our present direction and attempt to get down to the real job ahead, the job of providing quality education. That was the purpose of my amendment which was just summarily tabled without one word of debate.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. HELMS. I am delighted to yield to the distinguished Senator.

Mr. BIDEN. It is my understanding that yesterday or Wednesday when the so-called busing amendment was offered by the Senator from North Carolina and then later, as the Senator so eloquently puts it, the watered down one from the Senator from Delaware was offered the thrust of both amendments and the debate in the Chamber was that we in fact take out of the hands of a bureaucracy the power to determine whether or not a school district need bus students in order to qualify for Federal funding. As a consequence, there was an attempt by the Senator from Delaware to water down the amendment of the Senator from North Carolina, because the Senator from Delaware felt that it went too far. It went beyond busing. The Senator from Delaware left in a couple of phrases that had been in in the amendment of the Senator from North Carolina, and they dealt with words such as "teachers," "classes," and "courses."

It has been argued, since that amendment passed—and it startled everyone that it did—by civil rights groups, with whom I up to this point thought I was very much in line, that my real intent in that amendment and the real effect of that amendment was to emasculate the Civil Rights Act of 1964. When that was stated, I very shortly thereafter went to some of these various civil rights groups and to the distinguished Senator from Massachusetts, and to others, and said: "Fellows, I don't think you are right. You may be right. But what I am willing to do as the author of that bill is to take out all those phrases. I am sure my southern friends won't like it very much, but I am willing to take it out." My intent was only to stop busing, not to stop interclassroom assignments, not to prevent HEW from being able to enforce title VI, in any other way with regard to busing. I received some candid responses I would like you all to know, and quite frankly for the first time I had a little bit of sympathy for the southern position.

I was told, "No, Joe, we are going to keep it as obnoxious as we can so that we can defeat it all," and I said, "Well, would you not want to clean it up?" They said, "No, we do not want to clean it up. We want to keep it as obnoxious as we can."

Then I started to look around and watch some of my liberal colleagues, who had supported me and who, like me, think that busing is a bankrupt concept. I think that HEW should not have the power to be able to determine whether or not there should be busing.

I found that they were put between the old rock and the hard spot. They were able to be beaten over the head with the argument that "you are eliminating the Civil Rights Act of 1964," which is clearly not the Senator's intent and clearly not the intent of those so-called liberals who voted with me.

The Senator from North Carolina I think will find this amusing. Today I went up to the managers of the pending amendment, and I said, "Fellows, give me a moment to talk against the Helms' amendment." I was told no, I cannot even talk against it because there is going to be an immediate move to table it.

If I was incorrect as to that, I would like the Senator from Massachusetts to correct me.

Mr. BROOKE. Mr. President, if the Senator will yield, the Senator is absolutely incorrect. He was not told no, he could not talk against it. He was told it was our intention——

The PRESIDING OFFICER. The Senator from North Carolina has the floor. Does he yield to the Senator from Massachusetts?

Mr. BROOKE. I asked the Senator from Delaware to yield.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. I thank the Chair.

Mr. HUMPHREY addressed the Chair.

Mr. HELMS. I will be glad to yield to the Senator on the condition I do not lose my right to the floor.

Mr. BROOKE. I have no intention to have him lose his right to the floor.

Mr. HELMS. I understand.

Mr. HUMPHREY. Mr. President, I am going to raise a point of order about releasing time to Senators for purposes other than a question. Under the rules, the Senator from North Carolina can yield for purposes of a question, or under the rules, the Senator from North Carolina can be interrupted for purposes of filing a cloture petition.

The PRESIDING OFFICER. Under the precedents of the Senate a Senator may yield——

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. May the Chair finish the ruling? The question has been raised. May the Chair finish its ruling?

Mr. HELMS. Did the Senator from Minnesota obtain the floor to make his parliamentary inquiry?

The PRESIDING OFFICER. No; he did not obtain the floor.

Mr. HELMS. In that case, Mr. President, is that inquiry in order?

The PRESIDING OFFICER. Under the precedents of the Senate, the Senator has the right to raise the issue raised by the Senator.

Mr. HELMS. He need not obtain the floor to do it?

The PRESIDING OFFICER. No; he does not.

Mr. HUMPHREY. He does not on a point of order.

The PRESIDING OFFICER. It is not a point of order, not on this issue. On the issue of a Senator yielding, other than for a question, he does not need to obtain recognition of the Chair. The precedents of the Senate are such that the Chair warns the Senator who has the floor once, and if thereafter he yields for other than a question, he loses his right to the floor.

Mr. HELMS. Very well.

Mr. HUMPHREY. Mr. President, it is possible——

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. BIDEN. My question to the Senator from North Carolina is that——

The PRESIDING OFFICER. Does the Senator from North Carolina yield and if so to whom?

Mr. HELMS. Mr. President, I ask unanimous consent that I be permited to yield 5 minutes to the Senator from Delaware without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Delaware.

Mr. BIDEN. Now, what I would like to do is give the Senator from Massachusetts an opportunity to continue his statement with regard to my statement that I requested an opportunity to be able to argue against the Helms amendment and was told that no, there would be an immediate move to table which would immediately preclude me from being able to say anything about the Helms amendment, and the Senator from Delaware saying then, "You fellows play hard ball, don't you," and some response came back "We sure do." Maybe the Senator could clarify that for me, if he in fact states he would have given me an opportunity to speak on this amendment.

Mr. BROOKE. Mr. President, in response to the Senator from Delaware, I was not privy to that conversation that the Senator recited. I did say to the Senator, however, that it was my intention to move to table the perfecting amendment offered by the Senator from North Carolina and, in fact, I did make such a motion and such a motion was defeated and subsequently did carry.

Mr. BIDEN. If that is the case, the Senator from Delaware apparently did not enunciate his words clearly enough, and I apologize, but the Senator from Delaware did say, even if no one heard it, that he wanted to argue against the Helms amendment, that is, that substance of the amendment to the present amendment, if I am using the correct terminology, because I thought it broadened my amendment. The present Helms amendment includes a prohibition against classification which I think is broader than need be, and I know the Senator from North Carolina and I have a healthy disagreement on this subject. The purpose of the so-called Biden amendment was designed specifically to deal with busing of children by order of or under threat of HEW withholding funds. So, I in fact would have and I will, when the appropriate time comes, vote against the Helms amendment.

I also will vote against the amendment of the Senator from Massachusetts and the Senator from Minnesota, which is pending before the Senate today, because the effect of that amendment, as I understand it, would be to eliminate totally the impact of my amendment.

The pending amendment of the Senator from Massachusetts and others, as I understand it, says that none of the funds contained in this act shall be used in a manner inconsistent with the enforcement of the 5th or 14th amendments to the Constitution of the United States and title IV of the Civil Rights Act of 1964.

I understand that I am not going to get a chance to do what I wanted to do, parliamentarily, not that anybody is conspiring. It is just that I do not know the parliamentary rules well enough. I want to add a section saying:

> Provided none of the funds contained in this act shall be used to require the transportation of students for reason of race only, unless specifically ordered by a Federal court.

Everybody knows what I am trying to do. The opponents of this proposal know what I am trying to do. My Southern friends, who would like to go further, know what I am trying to do. The only thing is that we are not going to get a chance to vote on what I am trying to do. Yet, the whole reason for all this fuss is that the Biden amendment was agreed to.

Let us lay it on the line. The only reason the Biden amendment was agreed to, I suspect, is that BIDEN convinced some of those who are labeled moderate to liberal Senators that they could support this proposal without violating the Constitution or the 14th amendment and without doing away with the Civil Rights Act of 1964—which, although I was only in college at the time, I strongly supported, and which each of the Senators who voted on this amendment of Wednesday also supported, in this very Chamber.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. BIDEN. I yield.

Mr. BROOKE. I am happy to hear that the Senator from Delaware supports the 1964 Civil Rights Act. But does the Senator from Delaware recognize that by his amendment, he has rendered ineffective title VI of the 1964 Civil Rights Act, which is essential if the 1964 Civil Rights Act is to be effective?

Mr. BIDEN. The Senator from Delaware does not believe that. The Senator from Delaware does not think that is a compelling argument—that, in effect, it does render it ineffective. But because the Senator from Delaware is concerned about not doing so and because there is a reasonable point to what the Senator from Massachusetts has raised, the Senator from Delaware is willing to assure that title VI, without a question of doubt, in fact is not in any way rendered inoperative, except with regard to the single issue of busing.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. BIDEN. I yield.

Mr. BROOKE. I do not like to say, "I told you so," but I did tell the Senator so yesterday, when I told him that the effect of his amendment would be to render ineffective the Civil Rights Act of 1964 and title VI pertaining thereto.

The PRESIDING OFFICER. The 5 minutes of the Senator from Delaware have expired.

Mr. BIDEN. Mr. President, will the Senator yield me 2 additional minutes.

Mr. HELMS. Mr. President, I ask unanimous consent that, without losing my right to the floor or it being counted as a second speech, I may yield 5 additional minutes to the Senator from Delaware, so that he may engage in colloquy with the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BROOKE. I understand and respect the position of the Senator from Delaware. The Senator from Delaware now has got religion, and he wants to change his mind, and I applaud him for doing so.

Mr. BIDEN. That is not correct.

Mr. BROOKE. He wants to salvage title VI of the Civil Rights Act of 1964. I understand that. But I also pointed out to the Senator from Delaware that his amendment was not a busing amendment, because only the courts can order forced busing. I am sure that I said that to the Senator from Delaware time and time again. What the Senator from Delaware's amendment has done, however, is to remove from HEW the authority to do other things which would avoid the necessity for forced busing, such as the assignment of pupils, the assignment of schools, magnet schools, and all that is contained in the Esch amendment of 1974.

So, that, in effect, the amendment of the Senator was self-defeating. It was counterproductive. It did not do what the Senator wanted to do. But, all right, the Senator did not listen to that sage counsel and advice—

Mr. BIDEN. I assume that I am going to get a response as to how that was sage counsel.

Mr. BROOKE. Despite that sage counsel and advise, the amendment was carried to a vote and, to the shame of the U.S. Senate, the amendment was agree to. Now I think many Senators have second thoughts. They now recognize that title VI is in jeopardy, that the 1964 Civil Rights Act is in jeopardy. The amendment does much more than the Senator stated it did, and I think the Senator wants to correct it. That, I applaud. But the Senator cannot correct it with the perfecting or the Helms amendment. He cannot correct it, I believe, unless we have the Scott-Humphrey amendment or language similar thereto.

Mr. BIDEN. Would not the Scott-Humphrey amendment, if it were to be agreed to, allow HEW to require school districts to bus; if, in fact, they do not, then they would withhold Federal funds? Is that not the case?

Mr. BROOKE. HEW cannot force busing.

Mr. BIDEN. But it can withhold funds, can it not?

Mr. BROOKE. As I interpret the Scott-Humphrey language, of which I am a cosponsor, it only says that nothing in this act practically would be in violation of the Constitution of the United States of America. That is what it says.

Mr. BIDEN. The Senator from Massachusetts is extremely skillful; and because he is skillful, I want to make sure that I do not miss any points here. I want to make sure we get this stuff in the RECORD.

There is a little school district in Delaware—and I know the national press is going to say, "BIDEN mentioned Delaware, and therefore he must have a parochial reason for offering this amendment." I mention Delaware because that is the only district about which I know. It is called the DeLaWar School District. It is my understanding that there was one school within that district which the Department of Health, Education, and Welfare believed, after taking a look at it, was a segregated school within a school district. They went to the school and said, "Unless you figure out a way to desegregate that school, we're going to withhold all your Federal funds." They came back and said, "The only way we can do what you want us to do is if we bus." They said, "You're right. If you don't bus, Jack, you're not going to get any money."

The thrust of my entire argument yesterday, and I suspect that it is the reason why I was able to convince 12 people to change their votes, is that I do not believe that such a sophisticated, constitutional argument as to what constitutes de jure and de facto segregation, such a sophisticated argument as to what constitutes segregation under the Constitution, should be in the hands of a bureaucrat downtown.

For example, every administrative agency has some quasi-judicial power, and I give this example. An administrative agency can determine whether or not an employee of the Federal Government stole a coffee pot.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BIDEN. Mr. President, will the Senator yield me 2 more minutes? I will not make any more requests for time.

Mr. HELMS. Mr. President, under the previously stated conditions, I yield 2 additional minutes to the Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BIDEN. That administrative agency can determine that an employee should be fired because he stole a coffee pot, but that agency cannot turn around and find that person guilty of a criminal offense and therefore subject to the penalties under the law. We have said that that is too serious. What we have to do—only a court of law can make that decision. Only a court of law can do that.

What I am saying to the Senator is that, in 1975, busing has become such a drastic measure and has such sociological implications, its implications are so broad and arouse the emotions so severely, that everyone, both the proponents and the opponents of busing, agrees that it should be a last-ditch thing that is ordered, that is the final weapon, that that is it, because it causes so much turmoil.

What I am saying to the Senator is that I do not want to take away the jurisdiction of the Office of Civil Rights to enforce the law. I do not want an administrative agency to be divested of every ability to determine, in a quasi-judicial sense, whether or not there are violations of the law. But I want to take away the one, single, ultimate weapon, and that is the order to bus or the threat of withholding funds unless they do bus. I think that is analogous to taking away the power of an administrative agency to find someone guilty under the criminal code. In this instance, it is a very, very tricky, very, very difficult, and very complicated constitutional question.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. BIDEN. I have only 2 minutes. The Senator from North Carolina may yield to the Senator from Massachusetts.

Mr. BROOKE. He asked for 2 minutes to ask me a question and then he used his 2 minutes.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HASKELL. I ask the Senator from North Carolina if he will yield to me for 2 minutes under the same conditions he yielded to the distinguished Senator from Delaware.

Mr. HELMS. I shall yield in just a moment, if I may first yield to the assistant majority leader.

Mr. ROBERT C. BYRD. Does the Senator yield his right to the floor?

Mr. HELMS. I think so.

AMENDMENT NO. 903

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a perfecting amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 1, line 2, strike all after the word "used" and insert in lieu thereof the following: "to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with Title VI of the Civil Rights Act of 1964."

Mr. ROBERT C. BYRD. Mr. President, this amendment is a perfecting amendment to the Humphrey-Scott amendment. I shall be very glad to agree to a time to vote on his perfecting amendment. The vote on it would come before the vote on the substitute by Mr. HELMS.

I shall be very glad to agree to a time limitation on the amendment, voting today or voting Monday or voting Tuesday of next week—whatever the Senators desire. I therefore, ask unanimous consent that a vote occur on my perfecting amendment at the hour of 3 p.m. today.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. I object.

Mr. BROCK. Reserving the right to object.

The PRESIDING OFFICER. The objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without losing my right to the floor, that the vote occur on the perfection amendment not later than 5 p.m. today.

Mr. BROOKE. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote occur on my perfecting amendment at the hour of 4 p.m. on Monday next.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. ROBERT C. BYRD. Mr. President, without losing my right to the floor, I ask unanimous consent that a vote occur on my perfecting amendment at the hour of 2 p.m. on Tuesday next.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. CHILES. Will the Senator yield?

Mr. ROBERT C. BYRD. I shall yield for a question only.

Mr. CHILES. We were asking earlier of the Senator from Massachusetts and the Senator from Washington when we are going to get to the $39 billion bill we are dealing with. I guess we are not going to get to it before—I think the Senator has gone through Tuesday now.

Mr. ROBERT C. BYRD. I say to my distinguished friend that I am not holding up the Senate. I shall be glad to vote on this amendment at any time within the next 10 minutes or from there on, with the understanding that no tabling motion be in order.

Mr. NUNN. Will the Senator yield for a brief comment?

Mr. ROBERT C. BYRD. I yield only for a question.

Mr. NUNN. I congratulate the distinguished assistant majority leader, because I think he has made it abundantly clear here who is delaying what and for what reason. I think it is very obvious that there are people in this Chamber who do not want this question to be voted on, nor do they want it to be resolved.

Mr. HASKELL. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield for a question only.

Mr. HASKELL. I have a question to ask the distinguished majority leader, who was in the Chamber during the colloquy between the distinguished Senator from Delaware and the distinguished Senator from Massachusetts. The issue in that colloquy is that the Senator from Delaware whom I support, desires to eliminate the leverage power of HEW to cause busing. Is it the purpose of the distinguished Senator from West Virginia, in offering this perfecting amendment, to circumscribe only the power of HEW to employ leverage to cause busing as opposed to leverage they might have, for example, to assign teachers?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. HASKELL. I thank the Senator. If I may, I compliment the Senator——

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator with the understanding that I not lose my right to the floor, and for that purpose only.

Mr. HASKELL. I thank the Senator.

I wish to compliment the Senator from West Virgina for zeroing in on a very difficult national problem. All sides have been articulated at great length on the floor. Those of us who voted with the Senator from Delaware believed, as did the Senator from Delaware, that his amendment affected busing and busing only. Outside groups have construed the Senator's amendment more broadly. Whether they are right or wrong, I do not know. In any event, the distinguished Senator from West Virginia has drawn the line very sharply and very clearly. The intent is to preclude HEW's authority to require busing to achieve racial balance, without impeding their other tools in enforcing the civil rights laws. I hope that the opponents will permit an early vote on it.

I thank the Senator.

Mr. STONE. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Florida for a question only.

Mr. STONE. Does the distinguished assistant majority leader's amendment still allow the Department of HEW to enforce busing orders when a court has ordered the busing?

Mr. ROBERT C. BYRD. I shall read the amendment. The amendment, when coupled with the amendment which it seeks to perfect, will read as follows:

> None of the funds appropriated by this act shall be expended to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with Title VI of the Civil Rights Act of 1964.

Mr. STONE. Nevertheless, would that still allow HEW to respond to an instruction of a Federal court of appropriate jurisdiction?

Mr. ROBERT C. BYRD. The amendment would not allow the funds that are appropriated by this bill to be used, directly or indirectly, to transport any student to a school other than the school nearest his home and which offers the courses of study that are pursued by that student.

Mr. STONE. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I can assure Senators that there will not be any vote on any tabling motion to this amendment today. I am perfectly willing to have an up or down vote at any time today or later and let the Senate express its will on the substantive issue involved in this amendment but not on a procedural motion to table.

Mr. President, without losing my right to the floor, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection——

Mr. BROOKE. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. ROBERT C. BYRD. Mr. President, I do not yield for another purpose.

Mr. HUGH SCOTT. He does not have to. It is a cloture motion.

CLOTURE MOTION

Mr. BROOKE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 8069, the Labor-HEW Appropriation Bill for 1976.

Edward W. Brooke, Hubert H. Humphrey, Mike Mansfield, Hugh Scott, Alan Cranston, Charles McC. Mathias, Jr., Gary Hart, Edward M. Kennedy, Charles H. Percy, Robert T. Stafford, Walter F. Mondale, Lee Metcalf, Abraham Ribicoff, Lowell P. Weicker, Jr., Clifford P. Case, Mark O. Hatfield, Jennings Randolph, Warren G. Magnuson, Jacob K. Javits.

Mr. ROBERT C. BYRD. Mr. President, under the rules, a Senator may offer a cloture motion at any time the matter to which such motion is offered is before the Senate—and without the permission of any Senator who may be holding the floor. I did not know, when I said I did not yield, that the distinguished Senator was offering a cloture motion. I beg his pardon.

Mr. BROOKE. I understand.

ORDER FOR RECESS UNTIL 12 NOON ON MONDAY, SEPTEMBER 22, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, Senators may now go to their offices or go home or go anywhere they wish, because there will not be a vote on any motion to table my perfecting amendment today. A cloture motion has been introduced and, under that motion, there will be a vote on Tuesday next on the motion to invoke cloture.

Mr. HUGH SCOTT. Mr. President, will the distinguished Senator yield?

Mr. ROBERT C. BYRD. Mr. President, I yield——

Mr. HUGH SCOTT. Without losing his right to the floor.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Pennsylvania, the distinguished minority leader, for the purpose only of his making a statement, not for the purpose of any motion being made, and without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUGH SCOTT. I thank the distinguished Senator. I have no motion in mind. I do not even have in mind a motion to table. I already have a motion and I want action on it. I do want to make the point though that the inferences which have been left that the distinguished Senator from Massachusetts and others are delaying the consideration of the bill, I cannot agree to that. It is a $39 billion bill, and the sooner we talk about the substance, the better. I am anxious to do that right away. I am anxious to do that and report it and get on with it.

What is delaying here is the action of the distinguished Senator from Delaware, who is well within his rights in proposing and securing the passage of the Biden amendment.

What has been done since has been defensive action on both sides, of those who favor and those who oppose the impact of the Biden amendment. But I do not think we ought to engage in an assumption that any particular person is or group of persons are delaying the action of the Senate. Every step taken here is in line with Senate procedure, and a cloture motion has been sent to the desk for the precise purpose of shortening not lengthening the action of the Senate.

Mr. BROOKE. Mr. President, will the Senator from West Virginia yield for the same purpose that he has already stated?

Mr. ROBERT C. BYRD. For those same purposes only, and I would ask the Chair to protect the Senator from West Virginia.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BROOKE. I would like to ask the Senator from West Virginia, if I understand the import of what he said, I believe he said Senators can go back to their offices because there would not be a vote today on a motion to table his perfecting amendment.

Does that carry forth to any other vote, say a vote on the Helms amendment or a vote on the Scott amendment or a vote on any other amendment on this bill today?

Mr. ROBERT C. BYRD. Well, as the Senator knows, my perfecting amendment has priority over the substitute offered by Mr. HELMS; it has priority over the amendment offered by the distinguished minority leader and Mr. HUMPHREY.

I only want to vote up or down on my perfecting amendment—which has priority under the rules.

Mr. BROOKE. Mr. President, if the Senator will yield further——

Mr. ROBERT C. BYRD. Yes, under those same conditions.

Mr. BROOKE. A motion to table is always in order, is it not?

Mr. ROBERT C. BYRD. If a Senator can get the floor to so move.

Mr. BROOKE. Is the Senator saying that so far as his amendment is concerned he is not going to yield the floor for any possible motion to table his amendment? My question pertains to other amendments because I think Senators would like to know if there are going to be further votes today on any other amendments on motions to table.

Mr. ROBERT C. BYRD. No. I simply want to follow the Senate rules and have first things first.

My perfecting amendment has precedence both over the substitute offered by Mr. HELMS and the amendment offered jointly by Mr. HUMPHREY and Mr. SCOTT. My amendment is not subject to further perfecting amendments. So, there will not be any votes today on other amendments unless this perfecting amendment is first disposed of, and there will be no tabling amendment today.

Mr. NUNN. Mr. President, will the Senator yield at this point just for a question?

Mr. ROBERT C. BYRD. For a question only.

Mr. NUNN. The Senator from Georgia is a little bit puzzled by the move to file a cloture motion. The Senator is only asking for an up or down vote on the substance of his perfecting amendment; is that correct?

Mr. ROBERT C. BYRD. That is correct.

Mr. NUNN. Even if there is going to be a vote, which the Senator from Georgia finds very unlikely based on the votes so far, that would not preclude the Senator from West Virginia having a vote on his perfecting amendment.

Mr. ROBERT C. BYRD. Of course, if cloture is invoked—and I have my doubts on that in this instance—a Senator who gets the floor once cloture is invoked could move to table my amendment, so the opportunity may come down the road for someone to move to table, but it will not come today.

Mr. NUNN. Unless cloture is invoked then the Byrd amendment will be voted on up or down at some time in the near future, will it not?

Mr. ROBERT C. BYRD. I would hope so.

Mr. NUNN. If those who want to speak up for passage of the HEW bill really have that for their true purpose, they would only have to ask for a unanimous consent request to vote on the Byrd amendment at some time this afternoon, Monday, or Tuesday.

Mr. ROBERT C. BYRD. The able Senator has stated the situation most succinctly.

Mr. NUNN. So what we have is the posture that those who filed the cloture motion simply did not want any vote on the Byrd amendment.

Mr. ROBERT C. BYRD. I would take that to be the case, and we will have to see what happens next week because unless we vote up or down on my amendment today nothing more is going to happen today.

Mr. NUNN. The Senator from Georgia——

Mr. ROBERT C. BYRD. Is the Senator propounding a question?

Mr. NUNN. I am propounding a question. I ask the Senator if he found it puzzling that the people who filed the cloture motion think they have enough votes for cloture and yet they feel they do not have enough votes to vote up or down on the perfecting amendment?

Mr. ROBERT C. BYRD. I believe that is puzzling.

May I say in recent years I have voted to invoke cloture on almost every measure that has been under extensive debate in the Senate, but I will not vote to invoke cloture on this bill unless I can first get a vote up or down on this amendment.

Mr. NUNN. The Senator from Georgia certainly shares that position. I certainly share——

Mr. ROBERT C. BYRD. Further, I am going to try to persuade other Senators not to vote for cloture until a vote occurs in this Senate on the substantive issue in my amendment. I think the Senate ought to be willing to face this matter once and for all. If it is the will of the people—as I believe it is—that children not be bused from one end of town to the other and to be used as guinea pigs to carry out a social experiment that is nothing but a fallacy, then I would say that Senators are not willing to stand up and vote on an issue which is troubling the people's minds, and not willing to vote in accordance with the wishes of the people of this country, black and white.

Mr. NUNN. I congratulate the Senator from West Virginia for that. I think——

Mr. ROBERT C. BYRD. Mr. President, is the Senator getting ready to ask a question?

Mr. NUNN. I am going to ask a question. Does the Senator from West Virginia really think it is necessary to put the Senator from Georgia on the list as to which way he is going to vote on this matter?

Mr. ROBERT C. BYRD. Well, I would not presume to say how any other Senator would vote on this or any other matter. But I think I know how the able Senator from Georgia would vote.

Mr. HUGH SCOTT. Mr. President, will the Senator from West Virginia yield to the Senator from Pennsylvania on the same basis that he does not lose his right to the floor and that the Senator from Pennsylvania is motion-less?

Mr. ROBERT C. BYRD. Emotionless?

Mr. HUGH SCOTT. Motion-less.

The PRESIDING OFFICER (Mr. THURMOND). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield for not to exceed 30 minutes under that restriction.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. The Senator, it has appeared to me, has spoken of desiring a vote on his amendment. He has also told Senators to go home because there will be no vote on his amendment. Now this——

Mr. ROBERT C. BYRD. I have not said that, may I say. I said they may go home because there will not be any vote on a motion to table this amendment today. I am still willing to have a vote on the amendment up or down, willing to enter into any kind of unanimous-consent request that will provide for such a vote—now or at any other time.

Mr. HUGH SCOTT. Does the Senator intend, while his motion is pending, to prevent anyone else from having the floor for the purpose of response or rebuttal or does the Senator want to conduct a monolog until he reaches a point at which he thinks the Senate should be ready to vote on the merits, thereby denying Senators the right to move to table?

Mr. ROBERT C. BYRD. Mr. President, the Senator from West Virginia is not in the habit of conducting monologs on the floor or anywhere else, and I am not going to do that today. I will be glad to yield to any Senator to talk on this amendment as long as my rights are fully protected, and also with the understanding that no motions would be in order.

I will be glad to yield the floor to any Senator today to talk as long as he wishes under those conditions.

Mr. HUGH SCOTT. Now, some Senators, I assume, have other plans, this being Friday afternoon. Is the Senator now, in his position as the assistant majority leader, prepared to advise his colleagues whether or not there are going to be any more votes today or not, since this is matter of fairness to all of those who have various train or plane schedules? They would like to know, and a number of them have asked. Can we find out?

Mr. ROBERT C. BYRD. Yes.

Mr. HUGH SCOTT. I thank the Senator.

Mr. ROBERT C. BYRD. Unless there is a willingness to vote on my amendment up or down today, there will be no more rollcall votes today unless, of course, there is a rollcall demanded on the motion to recess at the end of the day. With the exception of those two possibilities, there will not be any more rollcall votes today.

Mr. HUGH SCOTT. I thank the Senator and I think we have established who is delaying the bill.

Mr. CHILES. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield, Mr. President, with the understanding that I do not lose my right to the floor and for the purpose of the Senator making a statement only or asking a question.

Mr. CHILES. It is to ask a question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. The Senator from West Virginia did propound some unanimous-consent agreements, did he not?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. CHILES. He did propound one or several for today?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. CHILES. One for Monday?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. CHILES. One for Tuesday?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. CHILES. There were objections heard to those propoundments; as I understand it, the Senator is willing to propound other unanimous-consent agreements for an up-or-down vote on his amendment today or at any other time anyone might suggest?

Mr. ROBERT C. BYRD. The Senator is correct.

Like Job I have the utmost patience and am willing to continue to propound unanimous-consent requests as long as I feel there is some usefulness in making such requests.

Does any other Senator wish me to yield at this time?

Mr. President, in recent days, the noted columnist, George Will, writing on the rites of fall, quoted the poet Shelley to the effect that the sound of autumn was——

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senators for aiding me in retaining the floor because as long as the Senate is out of order, I do not have to talk; yet, I will hold the floor.

The PRESIDING OFFICER. The Senators will take their seats. We must have order in the Senate.

The Senator may proceed.

Mr. ROBERT C. BYRD. Mr. President, in recent days noted columnist George Will writing on the rites of fall quoted the Poet Shelley to the effect that the sound of autumn was "leaves like light footfalls/Of spirits passing through the streets"—the Washington Post, Wednesday, September 10, 1975, A23. This verbal picture of seasonal harmony was quickly dispelled by Will's fellow columnist William Raspberry's observation that perhaps to many Americans the sounds of autumn were the sounds of angry antibusing sentiments which are threatening the public peace in various sections of the country. (Ibid.)

The ugly headlines coming from Boston and Louisville remind us that autumn 1975, like not a few of its recent predecessors, is marked by violence. Where once this season ushered in the joys that accompanied a bountiful harvest, it now marks the anguish occasioned by the emptiness of simplistic remedies to complex human problems. Massive forced busing, the radical panacea, the unworkable panacea, the costly panacea, the foolish panacea, for desegregating the Nation's public schools, is again pitting government against the people whom it is intended to serve. Notwithstanding its conspicuous failure in righting past wrongs, it is a fallacy which a diminishing circle of supporters cannot let go. In truth—

> Busing is . . . the Vietnam of 1970's. It is a quagmire; a lost cause; taxation without representation; a policy of massive social engineering with little clear prospect of benefit; a mistake; a tragedy; breeder of endless demonstrations, riots, and dissent. (Novak, the Boston Globe, Thursday, August 28, 1975, 27.)

These are not the fierce reactions of an unthinking and unreasoning minority, but the overwhelming sentiments of an overwhelming number of Americans, today, both white and black. A Gallop poll reports that a majority of the American people continue to favor school integration—and I include myself in that majority—but few—black or white—believe that forced busing of students away from their own neighborhood schools is the best way to do it. Only 9 percent of blacks and 4 percent of the whites favor such busing—Fritchey, the Washington Post, Saturday, June 14, 1975, A13. In an accurate, if somewhat acid description of the small coterie of fanatical busing supporters, Michael Novak states that—

> Only "the best and the brightest," it seems, as in Boston, favor it. They designed it, and they will never suffer their children to experience it." (*The Boston Globe, supra.*)

The reasons school desegregation continues to be the Nation's major unsolved domestic problem are neither particularly obscure nor particularly complex. The reasons can be boiled down to a near-total and unquestionably tragic disregard for the principles of the school desegregation cases. To begin with, race first, last, and always is, or should be, a constitutionally impermissible standard irrespective of motives or ends to be served. As fully attested by events of the recent past, remedial relief which subsumes racial distinctions is inconsistent with that principle and, manifestly, does not conduce the solution of racially based problems.

Another major tenet of the Brown decision is that quality education must be secured for all our young people. In the words of Chief Justice Warren:

> Today, education is perhaps the most important function of the state and local governments. Compulsory school attendance laws and the great expenditures for education both demonstrate our recognition of the importance of education to our democratic society. It is required in the performance of our most basic public responsibilities, even services in the armed forces. It is the very foundation of good citizenship. Today it is a principal instrument in awakening the child to cultural values, in preparing him for later professional training, and in helping him to adjust to his environment. In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied *the opportunity of an education. Such opportunity, where the state has undertaken to provide it, is a right which must be made available to all on equal terms. Brown v. Board of Education*, 347 U.S. 483, 493 (1954). (Emphasis added.)

In the 21 years since that landmark decision—21 years during which an American dilemma has been transformed into an American tragedy—we have come full circle.

The racial criterion—supposedly once and for all eliminated as a factor in the admission of children to the public schools—seems now to be the principal factor in the admission of many children to the public schools.

In other words, in many school districts today white children are assigned to public schools purely on the basis of their color, and black children today in many school districts are assigned to the public schools—to this school or to that school or to some other school—purely because that child is black and for no other reason. In my judgment, that flies in the face of the 1954 Supreme Court decision.

The hoped-for promised land of equal educational opportunity has been, in large measure, supplanted by educational mediocrity.

Mr. ALLEN. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I have been very much interested in the points being raised by the distinguished Senator from West Virginia. I would like to inquire if it is correct, as he states the law, that the 1954 Brown case decision that the Senator referred to that, as the Senator from Alabama understands the Senator from West Virginia, in effect, said that the State school districts could not assign students on the basis of race. That was the decision that was applauded throughout much of the country.

Mr. ROBERT C. BYRD. In essence that is correct.

Mr. ALLEN. And yet at the present time, the Supreme Court is holding that it is necessary now for the State school districts to assign students on the basis of race in order to desegregate the public school system. Is that correct?

Mr. ROBERT C. BYRD. That is the main criterion being used by some Federal judges in some Federal courts, and that is the main criterion that has been used by HEW in times past.

Mr. ALLEN. That is just opposite from the decision of 21 years ago that was so much applauded throughout the country.

Mr. ROBERT C. BYRD. That is 180 degrees opposite that decision.

Mr. ALLEN. Is it not correct in the judgment of the Senator from West Virginia that throughout the areas that at one time did not approve of the original Supreme Court decision—shall I say the South—that that decision would be well accepted now if it were followed?

Mr. ROBERT C. BYRD. The Senator is correct, in my judgment.

Mr. ALLEN. Is it correct that they have reversed their course 180 degrees?

Mr. ROBERT C. BYRD. The able Senator is correct.

Mr. ALLEN. As I understand the thrust of the pending amendment by the distinguished Senator from West Virginia, all he is trying to do is to get an up-and-down vote on the principle of the neighborhood school and not requiring the busing of students beyond the neighborhood school. Is that correct?

Mr. ROBERT C. BYRD. The Senator is correct, except in those instances in which the student desires to pursue courses of study that are not provided for in that nearest neighborhood school.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. If the Senate wants to vote my amendment down, that is the Senate's business. All I want is an up-and-down vote on the amendment.

Mr. ALLEN. I think the Senator's request is most reasonable. I really wonder why objection has been made to an up-and-down vote on this most important issue, an issue that is regarded as being of utmost importance throughout the country, and why some would have to resort to parliamentary tactics to prevent a vote up and down on this amendment. That is something the Senator from Alabama does not understand.

It is the understanding of the Senator from Alabama that the distinguished Senator from West Virginia offered to vote 1 hour from now or——

Mr. ROBERT C. BYRD (continuing). Or these 30 minutes from now.

Mr. ALLEN (continuing). Or next week or any appointed time.

Mr. ROBERT C. BYRD. Indeed, yes.

Mr. ALLEN. Unanimous consent has not been granted for the Senator's request.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. ALLEN. I ask the distinguished Senator from West Virginia if the Senator, then, would agree with the Senator from Alabama that this request is entirely reasonable and fair, and that this is the method that best could be used to decide this important substantive issue.

Mr. ROBERT C. BYRD. The Senator is correct. The only reason that I can ascribe to those who would object to such a unanimous-consent request—and I respect them for their viewpoint, even though I may disagree with them—is that they are afraid for the Senate to express its will on the substantive issue contained in this amendment.

I do not denigrate them for that. They have a right to their viewpoint. I think they are wrong, but they evidently do not want the Senate to vote on this amendment because they apparently fear the outcome. If they have the votes, and can reject my amendment other than by tabling it, I should think they would be glad to vote on the merits of the amendment—up or down.

Mr. ALLEN. As I recall, the Scott amendment says that none of the funds shall be used in a manner contrary to the provisions of the 5th and 14th amendments to the Constitution, or contrary to title VI of the 1964 Civil Rights Act.

The Senator's amendment does not disturb that language at all, does it? It adds an additional phrase to that, having to do with the prohibition against the use of funds to force transportation beyond the neighborhood school or the nearest school at which the course of studies that the student is pursuing is taught; is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. ALLEN. It is an addition rather than a substitution, is it not?

Mr. ROBERT C. BYRD. Indeed it is.

Mr. ALLEN. I thank the Senator for his explanation. I believe I understand the point.

Mr. ROBERT C. BYRD. I thank the distinguished Senator for his inquiry.

Mr. President, with increasing frequency our newspapers talk of declining math test scores, declining English test scores, declining test scores in the subjects of reading, spelling, grammar, and other subjects at all levels. Our newspapers tell us with increasing frequency of the continuing declines in the aptitudes of entering college freshmen. This trend has been going steadily downward for several years. While these trends are the result—let me say to any Senator who wishes me to yield for a statement or a question without losing my right to the floor, I will be glad to accommodate him; otherwise, I will not yield for the purpose of another Senator putting in a quorum call, or anything like that.

Mr. JAVITS. I thank the Senator.

Mr. ROBERT C. BYRD. While these trends are the result of various causes, the fixation with racial balance, an arbitrary racial balance, and the massive use of forced busing to achieve an arbitrary racial balance in the public schools is clearly a prime cause of this—our long season of national discontent.

This remarkable state of affairs is the product of nothing other than judicial and bureaucratic dissembling, in hard cases, on the basis of half-baked sociological surveys. Most of the annual heartache—and it is an annual heartache, as we see year after year the same effort made, at tremendous cost to the taxpayers, with tremendous expenditures of energy—the people of this country are subjected to this same heartache year after year.

Mr. CHILES. Mr. President, I wonder if the Senator from West Virginia will yield for a sort of observation and colloquy with me at this point, without losing his right to the floor.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Florida for the purpose only of his asking a question or making observations, statements, et cetera, with the understanding that he cannot yield the floor to any other Senator, and with the further understanding that I do not lose my own right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. I just wanted to echo what the Senator from West Virginia has been saying about the effect of what busing has done, really, in the country. I think that many of us have wrestled with the problem from its inception. When we first saw busing used as a device to mix the schools, it appeared to me that really the reason why people were even attached to busing at all was the feeling on the part of the blacks and of the disadvantaged that maybe through the device of busing they could get some kind of quality education. I think it is obvious and all of us have to admit that in the past history of the situation, they have not had as good schools. Under the old separate but equal doctrine, it was separate but it was not equal. It was never equal, and we stand indicted for that.

I think we do not want to go back to that. I do not find any people in my State who want to go back to it. In fact, we had an interesting referendum or straw vote in my State on the ballot. There were two questions.

One had to do with whether people favored forced busing. But another question was, "Do you want to go back to or would you favor separate but equal schools?"

It is interesting that 73 percent of the people said they were against busing, but more than 76 percent—I think it was 80 percent, or in the high seventies, or even more—said that they did not want to go back to the separate but equal schools, and did not feel that there should be a segregated school system.

I wrestle with this problem, like everyone else. I have felt that busing was not the answer. But from the time that I first came to the Senate, I did not feel comfortable in just voting against busing, because that really, again, did not get to the root of the problem.

The root of the problem as to why we had busing to start with was because we had children not getting a quality education; not always black children, often other disadvantaged children. Because of the tax structure, because of their neighborhood and how it was set with a tax structure—many States, like Florida, have real property as a tax basis—the schools in the deprived neighborhoods were not as good as the schools in the more affluent neighborhoods, and I think that was one of the great problems that was pressing for any kind of solution, and busing just happened to be the one that came out of the hat.

So we began to see that busing go along, and many people, I think, embraced it because they felt this was a way of making the schools better, and providing that quality education. "We know it is wrong for kids to go out of their neighborhoods, to be torn away from having a perennial kind of effect in the neighborhood, at the PTA, and having no sports program or intramural program in the afternoon, because they had to bus those children long distances to get them back and seeing families broken up really with the kids going some place else."

But in spite of all that, I think some people, the blacks and disadvantaged, embraced it, because they thought, "Maybe this is going to bring some kind of an equal education for my children."

Now we are seeing, as the test scores come in, as the studies are made, as we see even those sociologists who believed to start with and were for busing these people now reversing themselves and seeing that it is not the answer. Before they embraced it and saw it was not the answer, the parents were already figuring out it was not the answer, because they knew their kids were not getting any better education than they received to start with.

I have always felt we are really talking about the wrong thing when we are talking about busing, that we really ought to be talking about quality education.

I know that the President is talking about that now, and I am delighted to see that.

The Senator from Florida introduced a bill, I think 3 years ago now, that I called the prize school bill. It was an effort to go in another direction. It was an effort to look and see where there is a disadvantaged neighborhood and where it meets the criteria of being a disadvantaged neighborhood. Whether it is a black ghetto, because of a poverty program, or whites or blacks, we will go in, and we will not close the school in that neighborhood and bus the kids out, as the Senators saw us do all over the country. We will make a prize school in that neighborhood. We will add extra money. We will have a lower pupil-teacher ratio. We will have better equipment. A school in a disadvantaged neighborhood is not just the seat of learning, and it never has been. It is the community center. It is the seat of the community center. What we did when we closed those, we in effect closed their community center.

If we make a prize school out of that school, there is an opportunity to build from that to improve that neighborhood and not to have it be a black school, and not to have it be something out of which they bus people.

It is interesting. The Senator from Florida introduced this bill, and it has not gone anywhere in the Committee on Labor and Public Welfare. I cannot get any hearings on the bill. I did get a one day hearing, when I found a school in Sarasota, Fla., that did what I was trying to do with my bill. I did not know that at the time I drafted the bill.

But there was a school in Sarasota, Fla., that was closed under court order. It was a black school. It was in a predominantly black neighborhood. The easiest solution was to close that school and bus the kids out because there was going to be so much turmoil to bus white kids into that school, and this has happened in thousands of instances. When we go look at the schools that are closed, we will find they are the black schools. We find they are in the black neighborhoods. They are the ones that have been deprived of their schools in the disadvantaged neighborhoods. They were the schools that were closed. So this school was closed. They closed the grammar school. They closed the high school. This was a middle school, and it was the last one to be closed. Finally the people, black and some of the whites who were in that school, went to the court and said: "Do not close our schools. Please let us have a chance."

It was interesting because in this instance the black leadership even went to the court and said, "Do not close this school."

The school board said: "We will not close this school. We are going to put a Montessori class in the lower grades. We are going to put in a lower pupil-teacher ratio."

We are going to add to the gym facilities, and we are going to go add to the other facilities in this class. We are going to see if we can make this thing work." And they said, "Now, enforce the neighborhood boundaries."

But here is the way they enforced the neighborhood boundaries: "When they went out into the neighborhood boundaries, where there were some very affluent white neighborhoods, they said, "We are going to require you to go to this school, but only for a couple of months. Then if you want to transfer you can transfer."

They said to everyone else who attended this school, including the blacks that lived in that neighborhood: "It is going to be on a voluntary basis. If you want to leave this school, if you want to get bused out, we will provide the buses, and we will send you out of here, but we are going to try it for a couple of months."

The interesting thing is at the end of that couple of months the affluent whites did not want to be transferred, the blacks that were in that neighborhood did not want to be transferred, and that school has become now a school that has a waiting list of pupils who would like to attend that school because it is a prize school. It has the Montessori classes in the lower grades, and it has the highest grade of teachers. Now that is a growing school.

If we really wanted to face this question, and if we think of all of the money that we are spending on busing, these mathematical ratios, the extra gasoline money, the extra buses that we have to buy, the extra hardship on everyone, and if we took that kind of money and said we are going to transfer it to making prize schools, then, we could see a real reverse of this, and I think you would see an inverse integration.

I have a feeling that a mama, whether she is white or black, wants her kids to go to the best school that she can find for them. The minute they find that there is a better school here, they are going to say: "How about letting my kids go to that school? I want to get into that school."

When we look at this, anywhere we have it, we find what do people do when they start to move and what do they look for when they go into a neighborhood? The first question any mother asks is about the schools, before she looks at the houses, or how far they are going to drive to work, and before she allows her husband to look at anything else, she wants to know about the schools. Daddy is just as interested in that, too. That is why people have located where they have.

If we can reverse that trend by having a prize school in a neighborhood, then we give that neighborhood a chance to start to rebuild and we give the people in that neighborhood a chance to start to move out and succeed. We give that community center, which that school becomes, an opportunity to flourish.

So if we could somehow transfer this debate from busing or not busing, to quality education, to trying to have a prize school for the disadvantaged, wherever they are in this country, that is the way to change the situation. That is the way to give a young person, who starts off because his grandfather was poor, his father was poor, and he never has an opportunity or a chance. Education is the only way that he has out. If we could go in this kind of direction, I think we would be better off.

How do we put this idea forward? I do not know. I have tried to put it forward. I would rather see it tried. I think somehow if we could combine it, it would be good, but I find that most of our colleagues, who are talking about voting against busing, do not want to go backwards, to the separate but equal, and to where a portion of the people in this country are given nonquality education, as they have today. They do know that busing has not been any solution, has not been any answer and is not going to be an answer.

Somehow, if we could combine those things and get back to trying to determine the answer and be willing to spend the money, if necessary, to commit the resources, if necessary, to go in the direction of a prize school it would be worthwhile. The interesting thing is because of busing and the turmoil, maybe that could be a good thing, because we now have the attention of the affluent white. We have the attention of the affluent people who are willing to understand we cannot have the separate and unequal situation anymore. We need to pay if necessary, we need to get back to a neighborhood school concept, and in the prize school bill, of course, it would allow that any child could elect to stay in the school in his neighborhood, which the Senator from West Virginia is putting in his amendment, but, if he were in a racial minority within that neighborhood in which he lived, then he could elect to transfer, and transportation would have to be provided for him to take him to a school of his choice.

But, in addition to that, again, we would provide the impetus by providing the extra money and the extra input for the disadvantaged neighborhood, the disadvantaged school, and we would create these series of prize schools. I am convinced that while it would take some resources of this country, we would not be wasting the money that we are wasting now. If we could somehow take the wasted money and the wasted hours and the wasted lives and the wasted education opportunity——

Mr. ROBERT C. BYRD. And the wasted energy.

Mr. CHILES. And the wasted energy that we are now into, and transfer it to something that was positive, that was going forward, not backward; that was positive, not negative; not tearing people up, but putting people together, that is the direction in which we should move.

I applaud the efforts of the Senator from West Virginia. I think we have to work for something more than just stopping busing. We have to work for something that is going to provide that equal quality education.

Mr. ROBERT C. BYRD. Equal opportunity for quality education.

Mr. CHILES. That is right—for every young person in this country, regardless of color, regardless of where they live, regardless of any other thing they find beyond their circumstances.

I wish we could get to a vote on the issue with which we are dealing, because I believe it would help us in that regard. While we were on the subject, I just wanted to express myself in regard not only to the neighborhood school concept but also the prize school concept.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, I ask unanimous consent that upon the resumption of the business now before the Senate on Monday, I be recognized, without my speech counting as a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STONE. Mr. President, will the Senator yield briefly, for one or two questions?

Mr. ROBERT C. BYRD. I am glad to yield for a question. Will the distinguished Senator withhold his question, with the understanding that I will yield at a later time?

Mr. STONE. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield to the distinguished majority leader, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I thank the distinguished assistant majority leader for yielding.

CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. MANSFIELD. Mr. President, I send to the desk some resolutions, and I ask unanimous consent for their immediate consideration. This matter has been discussed with the Republicans.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION AMENDING RULE XXV OF THE STANDING RULES OF THE SENATE

The resolution (S. Res. 257) was read, considered, and agreed to, as follows:

S. Res. 257

Resolved, That paragraph 2 of Rule XXV of the Standing Rules of the Senate is amended—

(1) by striking out of the item relating to Aeronautical and Space Sciences, the

number "11" and inserting in lieu thereof "10".

(2) by striking out of the item relating to Commerce, the number "18" and inserting in lieu thereof "20".

(3) by striking out of the item relating to Foreign Relations, the number "17" and inserting in lieu thereof "16".

(4) by striking out of the item relating to Labor and Public Welfare, the number "15" and inserting in lieu thereof "16".

RESOLUTION INCREASING THE MEMBERSHIP OF THE SPECIAL COMMITTEE ON AGING

The resolution (S. Res. 258) was read, considered, and agreed to, as follows:

S. Res. 258

Resolved, That the Special Committee on Aging, established by S. Res. 33, Eighty-seventh Congress, agreed to on February 13, 1961, as amended and supplemented, shall hereafter consist of twenty-three members, fourteen of whom shall be appointed from the majority party and nine of whom shall be appointed from the minority party.

RESOLUTION ASSIGNING SENATOR DURKIN TO VARIOUS COMMITTEES

The resolution (S. Res. 259) was read, considered, and agreed to, as follows:

S. Res. 259

Resolved, That Senator Durkin of New Hampshire be, and he is hereby, assigned to service on the Committee on Commerce, the Committee on Labor and Public Welfare, and the Committee on Veterans Affairs to fill vacancies on those Committees.

RESOLUTION EXCUSING SENATOR CLARK FROM SERVICE ON SELECT COMMITTEE ON SMALL BUSINESS

The resolution (S. Res. 260) was read, considered, and agreed to, as follows:

S. Res. 260

Resolved, That Mr. Clark of Iowa is hereby excused from further service on the Select Committee on Small Business as of September 19, 1975.

RESOLUTION CONCERNING COMMITTEE ASSIGNMENTS

The resolution (S. Res. 261) was read, considered, and agreed to, as follows:

S. Res. 261

Resolved, That Mr. Clark of Iowa be, and he is hereby, assigned to service on the Committee on Rules and Administration, to fill a vacancy on that committee.

Resolved further, That Mr. Leahy of Vermont be, and he is hereby, assigned to service on the Committee on Post Office and Civil Service, to fill a vacancy on that committee.

RESOLUTION NAMING SENATOR CULVER TO THE SELECT COMMITTEE ON SMALL BUSINESS

The resolution (S. Res. 262) was read, considered, and agreed to, as follows:

S. Res 262

Resolved, That Mr. Culver of Iowa be, and he is hereby assigned to service on the Select Committee on Small Business, to fill a vacancy on that Committee.

COMMITTEE APPOINTMENT

The PRESIDING OFFICER. On behalf of the majority leader, the Chair announces the appointment of Mr. DURKIN to the Special Committee on Aging.

APPOINTMENTS TO THE DEMOCRATIC STEERING COMMITTEE

Mr. MANSFIELD. Mr. President, in addition, the Democratic leadership wishes to announce new additions to the Steering Committee.

The Senator from Rhode Island (Mr. PELL) and the Senator from Kentucky (Mr. FORD) have been appointed to those posts.

REPUBLICAN COMMITTEE ASSIGNMENTS

Mr. JAVITS. Mr. President, on behalf of the minority leader, Senator SCOTT, of Pennsylvania, I send a resolution to the desk and ask unanimous consent for its immediate consideration. The resolution concerns committee assignments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The resolution will be stated.

The assistant legislative clerk read as follows:

S. Res. 263

Resolved, That the Senator from Tennessee (Mr. BAKER) is hereby excused from service on the Committee on Foreign Relations and assigned to the Committee on Commerce, and the Senator from Kansas (Mr. DOLE) is hereby excused from service on the Committee on Post Office and Civil Service, and the Senator from Virginia (Mr. SCOTT) is hereby excused from service on the Committee on Veterans Affairs.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 263) was agreed to.

COAL CONVERSION ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT AMENDMENTS OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be permitted to call up a measure on the calendar which has been cleared on both sides of the aisle—calendar No. 366, S. 2337, to extend the Energy Supply and Environmental Coordination Act of 1974. This is a measure introduced by my colleague, Senator RANDOLPH.

I ask unanimous consent that I may be permitted to do this, without losing my right to the floor, and that I be recognized immediately upon the disposition of the calendar measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2337) to extend the Energy Supply and Environmental Coordination Act of 1974.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. Has this been cleared on this side of the aisle?

Mr. ROBERT C. BYRD. It has been cleared on both sides of the aisle.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

SENATOR RANDOLPH'S MEASURE TO EXTEND FEDERAL COAL CONVERSION PROGRAMS

Mr. RANDOLPH. Mr. President, this measure is one of very real importance to the future of Federal programs to promote greater coal utilization.

On two occasions the Senate has approved a 6-month extension of Federal coal conversion programs which expired on June 30, 1975. When this body considered the Standby Energy Authorities Act, S. 622, on April 9, 1975, such an extension was adopted. The amendment, which I offered and the Senate approved, provided the Administrator of the Federal Energy Administration with 6 months additional time under the Energy Supply and Environmental Coordination Act of 1974 to issue coal conversion orders.

At that time I noted the support for this program from President Ford who, in his 1975 State of the Union message, said:

> Under the Energy Supply and Environmental Coordination Act of 1974, the Federal Energy Administration now has authority to order the conversion of some oil and gas fired electric power plants and major industrial users to coal with minimum compromise of compliance schedules for clean air requirements. Thus I am disturbed by reports that additional authority will be sought to ease environmental rules, when this Act has yet to be implemented. National policies to protect public health, as contained in the Clean Air Act, must not be compromised although our country is faced with energy supply problems.

A month later, on May 5, 1975, I reviewed with this body the progress of the Federal Energy Administration under the Coal Conversion Act. Some 80 electric powerplants had been identified that were utilizing oil or natural gas, but had a coal-burning capability. Although conversion of all these facilities was not deemed practicable, the potential savings were estimated at about 500,000 to 550,000 barrels of oil each day. Realization of these savings was constrained by such factors as air pollution control requirements, availability of coal supplies, practicality, and reliability of service.

Nevertheless, Mr. President, when coal conversion orders were finally issued by Administrator Zarb on June 30, 1975—1 year after enactment of this measure—on the day the authority expired—orders were issued for 75 electric powerplants. Affected were 32 generating stations, owned by 25 electric utility companies. These units were ordered to cease the use of oil or natural gas for the generation of electric power, and to convert to the use of coal, which they had the capability to use.

The FEA's estimate of the annual energy savings is approximately 64 million barrels of oil, and more than 88 million cubic feet of natural gas.

At the time, the Federal Energy Administration also issued construction orders to 41 electric utility companies. Under these orders 47 new electric generating stations are required to be constructed to use coal, rather than oil or natural gas. Affected are 74 powerplants in 25 States.

This progress was reviewed at length for the benefit of my colleagues by this Senator on July 14, 1975. The occasion was Senate consideration of S. 1849, the Mandatory Petroleum Allocation Extension Act of 1975. Once again this body approved my amendment extending this program for 6 months. By this action, the Federal Energy Administration was to be provided additional time to issue orders to other electric powerplants, but, more importantly, to major industrial installations, which were not included in the first round of orders.

I offered the amendment with the full advocated not just a 6-month extension, but a 2-year extension of this coal conversion authority. Federal Energy Administrator Frank Zarb wrote me urging me to use my influence to obtain the extension. And I repeat, the proposal was adopted by this body and later approved by the Congress.

We all know the fate of S. 1849; it was vetoed by the President, because it also extended oil price controls. By our failure last week to override the President's veto, we also failed to extend Federal coal conversion programs.

There is no question that this program has bipartisan support. Besides the two measures passed by the Senate, an extension is contained in S. 594, the Energy Independence Act of 1975, as proposed by the administration. A similar 6-month extension is provided for by S. 1996, which is currently pending before the Senate Committee on Interior and Insular Affairs.

The Senate also has under consideration S. 1777, the Natural Gas Conservation and Coal Substitution Act of 1975. Extensive hearings have been held on this longer term measure by the Committee on Public Works, in conjunction with the Senate Interior Committee's national fuels and energy policy study. Current plans call for release of a staff working paper early next week for comment, prior to committee markup early next month.

But that is not all, Mr. President. Amendments to the Energy Supply and Environmental Coordination Act are contained in S. 2310, the Natural Gas Emergency Act of 1975. This measure was introduced only last week by Senators HOLLINGS, GLENN, and TALMADGE on Tuesday, September 9, 1975. However, it is scheduled for Senate consideration this week.

Extensive amendments to the Energy Supply and Environmental Coordination Act also are contained in S. 2330, the Natural Gas Emergency Standby Act of 1975, which was introduced by Senator PEARSON last week on behalf of the administration on Wednesday, September 10, 1975.

Mr. President, this program is too important to our country's energy future to remain embroiled in the continuing debate on oil price decontrol and natural gas deregulation. The authority of the Federal Energy Administration to conduct this program is vital to our National quest for greater energy self-sufficiency. It must be allowed to continue uninterrupted by the vagaries of congressional and administration policies on energy pricing issues. Moreover, Congress, and my colleagues, should be afforded the opportunity to consider the pending amendments to the Energy Supply and Environmental Coordination Act.

For this reason, Mr. President, I propose to separate this issue from the debate surrounding the formulation of a national petroleum policy. I, therefore, have brought to the floor, as a separate measure, S. 2337, for expedited consideration. It provides a 6-month extension of Federal coal conversion programs under the Energy Supply and Environmental Coordination Act of 1974. I urge its approval by my colleagues, who on two previous occasions have approved an identical measure.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coal Conversion Energy Supply and Environmental Coordination Act Amendments of 1975".

SEC. 2. Section 2(f) (1) of the Energy Supply and Environmental Coordination Act of 1974 (Public Law 93-319, 88 Stat. 246) is amended by striking "June 30, 1975" and inserting in lieu thereof "December 31, 1975."

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Florida (Mr. STONE), with the understanding that I do not lose my right to the floor and that he not be permitted to yield to other Senators.

Mr. JAVITS. Before I consent to that, may I know from Senator STONE what his purpose is in seeking the floor?

Mr. STONE. I am going to ask several questions about the amendment of the Senator from West Virginia.

Mr. ROBERT C. BYRD. I am glad to yield for questions.

Mr. STONE. Does the Senator think that the tactic and the device and the procedure of equalizing members of different races based on their general proportions in the general community, by court order or by compulsion of Government agency, has produced any educational opportunities for the members of any race?

Mr. ROBERT C. BYRD. I do not think so. I think that just the contrary has been the result.

Mr. STONE. Does the Senator believe that the use of the device of busing a child past the nearest school having the curriculum sought by that pupil to other schools, farther out or in different areas, has reduced the feelings of hostility or increased the feelings of friendship between the members of different races in many or even any of the communities of our Nation?

Mr. ROBERT C. BYRD. Conversely, I think that it has created hostility. It has caused race relations to deteriorate, and it has not resulted in a higher quality of education for either blacks or whites. As a matter of fact, the results will show just the opposite.

Mr. STONE. Does the Senator feel that by appropriating funds for the accomplishment of desegregation by all other devices and procedures except for cross-busing, the Senate can accomplish the constitutional mandate of assisting the end of segregation in school systems or dual systems by better procedures than were the Senator's amendment not to pass and the agencies to continue to utilize compulsory busing as their device?

Mr. ROBERT C. BYRD. I would say that, in my judgment, there are better ways, to bring about an equal opportunity for quality education for both black and white students, than the costly medium of forced busing.

Mr. STONE. Does the Senator believe that by taking administrative officers, appointed, not elected, out of the business of requiring cross-busing, the Senate will enhance both the educational opportunities, and the social tranquility and upward mobility of minority races?

Mr. ROBERT C. BYRD. I certainly agree insofar as Government bureaucrats are concerned. I make specific reference to some of the bureaucrats that we have had in past years in the Department of Health, Education, and Welfare.

Mr. STONE. In effect, the Senator's amendment will render to Caesar; that is, the courts—that which is the courts' domain, and will take administrative appointed officers out of the business of that type of enforcement most natural to a court?

Mr. ROBERT C. BYRD. It will remove bureaucratic officials in the executive branch of the Government from that process.

Mr. STONE. I thank the Senator very much.

Mr. ROBERT C. BYRD. I thank the able Senator for his questions.

Mr. President, I ask unanimous consent that on Monday, after the conclusion of routine morning business, the Senate resume consideration of the HEW appropriation bill. I make this request with the understanding that I not lose my right to the floor in making the request.

Mr. JAVITS. Mr. President, reserving the right to object, may I ask the Senator, as a gracious courtesy, to allow me to consult with Senator BROOKE, because he is in charge of the bill? I really do not know his desire on this.

Mr. ROBERT C. BYRD. Yes, I shall.

Mr. JAVITS. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I withdraw that request for the time being.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, SEPTEMBER 22, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 1 hour, with statements limited therein to 10 minutes each. I make this request with the understanding that I not lose my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business on Monday be for the purpose only of introduction of statements, petitions, memorials, bills, and resolutions, and so on.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS ON MONDAY, SEPTEMBER 22, 1975, TO 11 A.M. ON TUESDAY, SEPTEMBER 23, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Monday next, it stand in recess until the hour of 11 a.m. on Tuesday next. I make this request without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, most of the annual heartache that attends the beginning of the school year has largely come about in the second decade following the Brown decision. In the first decade, the courts, high and low, adhered fairly consistently to that decision's overriding principles. Although there was much criticism at the time about much deliberation and little speed, the Supreme Court churned out a number of significant rulings defining the nature of the basic right in question. Thus, in a series of cases the Supreme Court held that black children initially assigned to schools on a racial basis could not be required to transfer where their race was in a minority to a school where their race was in the majority, *Goss* v. *Board of Education,* 370 U.S. 683 (1963); that black children had a right to attend nonracially segregated schools without having to exhaust State administrative remedies, *McNeese* v. *Board of Education,* 373 U.S. 668 (1963); that there was a right to have the public school kept open in one county if all other schools in the State were open, *Griffin* v. *County School Board,* 377 U.S. 218 (1964); that there was a right to a racially desegregated public school faculty, *Rogers* v. *Paul,* 382 U.S. 198 (1965); that there was a right to have that plan of desegregation that would affirmatively undo the effects of prior discrimination, *Green* v. *County School Board,* 391 U.S. 430 (1968); that "continued operations of segregated schools under a standard of allowing 'all deliberate speed' for desegregation: was no longer constitutionally permissible," *Alexander* v. *Holmes County Board of Education,* 396 U.S. 19 (1969).

By the way, may I say to the distinguished Senator from New York (Mr. JAVITS), it has just occurred to me that, in view of the fact that the Senate will be recessing over until Monday next, the resumption of the pending business before the Senate immediately after the conclusion of routine morning business on Monday would be automatic and would not require his consultation with Senator BROOKE.

Mr. President, with the understanding that I do not lose my right to the floor, I ask unanimous consent that I be permitted to yield at this time to the distinguished senior Senator from New York for not to exceed 10 minutes, for the purpose only of dealing with other matters than those pertaining to the HEW appropriations bill; and with the understanding that no intervening motion of any kind can be made by the distinguished Senator from New York with reference to the HEW appropriation bill or amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, may I ask the Senator from West Virginia if he will allow me to do a minute's morning business having nothing to do with the pending business.

Mr. ROBERT C. BYRD. Yes, I yield for that purpose.

If the Chair will indulge me momentarily——

The PRESIDING OFFICER (Mr. MCCLURE). The Senator from West Virginia.

Mr. ROBERT C. BYRD. Under the order previously entered, am I to be recognized on Monday on the resumption of consideration of the pending measure?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Without losing my right to the floor, I ask unanimous consent that that recognition pass from me to Senator ALLEN on Monday.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. Reserving the right to object, could the Senator from West Virginia state as to what Senator ALLEN seeks recognition for at that time?

Mr. ROBERT C. BYRD. Yes, the purpose being that I have a speech scheduled in Cooperstown, N.Y., on Monday. If I cannot get this request agreed to, I will cancel that speech and will be here to be recognized in my own right on Monday. But if I could get my request agreed to, Senator ALLEN will be recognized in my stead on Monday, and I could keep my engagement in Cooperstown, N.Y., which has been scheduled for quite some time.

Mr. BROOKE. Mr. President, I certainly would not want the Senator to have to cancel the speech, and I certainly would raise no objection to Senator ALLEN in his place having recognition at that time. I just want to be sure whether we can expect additional amendments to be raised or will it still be the Senator's amendment?

Mr. ROBERT C. BYRD. It will still be my amendment. There will be no additional amendments offered nor could they be offered—except by unanimous consent—until the pending amendment is disposed of one way or the other.

Mr. BROOKE. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the able Senator from Massachusetts.

PRIVILEGE OF THE FLOOR

Mr. JAVITS. Mr. President, will the Senator yield just so I can get an assistant on the floor?

Mr. ROBERT C. BYRD. May I say to the distinguished Senator from New York I am now prepared to recess.

Mr. JAVITS. I have a little piece of business.

Mr. ROBERT C. BYRD. I yield for that purpose only.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that Charles Warren of my office may have the privilege of the floor during the debate on the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. If the Senator wishes to have the floor again at this time——

Mr. JAVITS. Just 1 minute.

Mr. ROBERT C. BYRD. I ask unanimous consent that the distinguished Senator from New York—that I may yield to him, and I ask this consent with the understanding that making this request does not take me off the floor. I ask unanimous consent that I may yield to the distinguished Senator from New York for not to exceed 15 minutes or more if he likes.

Mr. JAVITS. No, just 10 minutes.

Mr. ROBERT C. BYRD. With the understanding that I not lose my right to the floor, and with the further understanding that the Senator from New York may not be permitted to yield to other Senators or to make any motion pertaining in anyway whatsoever to the pending matter now before the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from New York is recognized.

THE FINANCIAL CRISIS OF NEW YORK CITY

AMENDMENT NO. 911

Mr. JAVITS. Mr. President, everybody is, unhappily for us, too well aware of the problems of New York City. This morning I spent the morning with Senator BUCKLEY in New York in the organization and announcement of a major citizens committee representing the vast interests of New York in every field, business, professional, cultural, labor, across-the-board, in order to fortify by self-help and the lateral support of the people in cities having comparable troubles everywhere, the efforts of New York to meet the issue, and also to concern itself with the degree of cooperation which exists between the administration in New York, our State administration, under the Governor, and the United States, represented by the President and Congress.

Mr. President, I am submitting amendments to the bill to provide Federal loan guarantees for units of local government in severe financial crisis (S. 1833), introduced on May 22 with Senators JAMES L. BUCKLEY, PHILIP A. HART, and HARRISON A. WILLIAMS, JR. We have heard much in these past months of how New York City's profligacy brought on this crisis.

I ask that the amendments may be printed and referred to the committee to which the original bill was referred, S. 1833.

The PRESIDING OFFICER. Without objection, the amendments will be printed and appropriately referred.

Mr. JAVITS. I wish today to set things in a somewhat different perspective. For I believe that New York City's financial difficulties are closely related to the desire to provide to the people those municipal services that we associate with the values of the American way of life. Nevertheless, Mr. President, there is no sense in denying the fact that our aspirations and our will to do justice to our citizens have outrun our ability to pay the bills. When the jolting reality of the financial gimmickry the city had slipped into became apparent, I believe that New York City has responded quickly and effectively, backed by New York State, to restore fiscal stability to what remains the "Capital" city of the world. As Eric Sevareid pointed out the other evening, New York is not broke, it is its governing instrument that has lost its financial way. But the actions taken in recent months give us strong hope and reason to believe that when New York comes out of its current crisis, it will be better off and a sounder investment than ever before in its long and creative history.

Let me itemize for you the steps that have already been taken to restore the city's credit:

First. A freeze has been placed on the wages of municipal employees;

Second. Over $2 billion has been raised in the Nation's capital markets with the help of the State-created municipal assistance corporation. These bonds are tax exempt and they pay up to 10-percent interest. They are secured by an earmarked fund into which all sales tax and stock transfer revenues flow—these taxes raised $1.125 billion in 1975.

Third. A State-created emergency financial control board has begun to impose on New York City a system of tight audit controls. The board is headed by one of our most distinguished businessmen, William Ellinghaus, the president of the New York Telephone Co.;

Fourth. As the chairman of the mayor's new management advisory board, Richard Shinn, the president of the Metropolitan Life Insurance Co., has begun an in-depth evaluation of the city employees' productivity;

Fifth. Our city's leading real estate operators have made voluntarily, anticipatory payment of $362 million of their real estate taxes in order to help tide New York City over these crucial months;

Sixth. Many city agencies have been streamlined and combined with others in an effort to assure an increase in efficiency;

Seventh. The City University, in which New Yorkers take just pride, has suffered a budget cut of $32 million, drastically reducing the services offered to its 265,000 students;

Eighth. The State of New York has taken considerable risk to itself in backing the city with the following:

> To meet the City's $900 million cash shortage for September (in addition to the $250 million from the State):
>
> State and City pension funds will buy $250 million of MAC bonds, with maturities and interest to be negotiated. Of that total, $100 million was paid earlier to meet welfare and payrolls last Friday.
>
> Early payment of real estate taxes to the City will provide $150 million.
>
> New York's major banks will invest $100 million in MAC bonds.
>
> City sinking funds, used for early redemption of City bonds, will buy $80 million in MAC bonds and will extend maturities on some City notes.
>
> The state insurance fund will invest $25 million in the agency's bonds.

Ninth. A Citizen's Committee To Save New York has been formed under the aegis of my colleagues Senator BUCKLEY, Governor Carey, Mayor Beame, Congressman DELANEY, and I. This group, representing a broad spectrum of New York's people, are committed to take whatever voluntary actions are necessary to improve the city's financial situation and to enable New Yorkers to do what is necessary to maintain the quality of life during this time of financial crisis. New Yorkers are proud of its city and its rich history. The Committee To Save the City is a manifestation of that pride, and it will serve as a rallying point for the millions of other New Yorkers who want to help get through these difficult times.

These are hard and specific methods whereby New York City has demonstrated its determination to tighten up and to replace wastefulness with prudent expenditure closely correlated with the ability to pay.

Mr. President, the citizens committee to which I refer has been formed under the aegis of Governor Carey, Mayor Beame, Congressman DELANEY, who is the chairman of the New York delegation in the House, the other body, and Arthur Levitt, the very well known comptroller of the State of New York.

The people organized in this citizens committee represent a broad spectrum of our people and are committed to take whatever voluntary action is necessary to impove the city's financial situation and to enable New Yorkers to do what is necessary to maintain the quality of life during this time of financial crisis.

The citizens committee for our city is a manifestation of our determination, as well as of our pride.

Mr. President, it is popularly known or properly talked about that New York City has not the support of the country and, therefore, it is critically important in its present troubles to note that a poll by the Gannett News Service, a very important and large newspaper chain in New York State, has revealed the fact that 31 percent of those polled opposed Federal aid, but 51 percent support Federal intervention on behalf of New York unconditionally, and that 5 percent favor Federal aid coupled with controls.

Mr. President, it is the latter category that my bill and that of Senators PHILIP A. HART, WILLIAMS, and BUCKLEY falls into. So it is fair to say that 60 percent of the American people recognize the impact that New York City's fortunes have on their own.

One of the great fallacies, Mr. President, here in Washington is that a default by New York is going to be a good lesson to New York and everybody else. Well, Mr. President, New York has had its lesson and is paying for it right now, but a default now is going to mean a real beating for the financial system of the country, for all the municipalities and States of the country who are forced to go out into the market in order to get public credit.

Mr. President, it is to be noted that the city of Detroit was forced to pay 8.86 percent on a new tax free bond issue and that only one underwriting group did make a bid on this issue and that the New York City crisis was cited as a major cause for the situation.

Mr. President, the country is waking up to the fact that to let New York default now, we have to move Heaven and Earth to avoid the need for it and we are doing so and will continue to do even more.

That is the reason for our citizens committee, but nonetheless, to let it happen because the Federal Government will not lend a hand is one of the most regressive and unwise strategies which could be adopted.

I say that directly in the face of the fact that there are great advocates of this in Washington, including the Secretary of the Treasury, with whom I thoroughly disagree, and it would be disaster to follow that counsel.

Mr. President, the amendments which I propose relate to the aggregate amount of guarantees which shall be outstanding and to accommodate the admirable technique adopted by the State of New York to help the city through the so-called Big Mac, the Municipal Assistance Corporation, which earmarked certain revenues to pay bond issues for which a State agency is responsible.

That, it seems to me, means that the Federal Government is dealing with the States and it has often worked with States in guarantees in the way I described.

It is very interesting in respect to guarantees, Mr. President, that the United States makes money on guarantees and insurance and does not lose it.

Yes, there has been waste, but, in the main, New York City's problems have been the result of a serious attempt to cope with the social problems of today, during a time when we have been confronted by recession and inflation. Unemployment, welfare, the skyrocketing cost of housing, medical care, and senior citizens care are the very same problems which confront every city which attempts to grapple with the human needs of an increasingly urban society.

I suggest, Mr. President, that the problems New York City faces today may well be faced by other cities tomorrow. Indeed, I suggest, Mr. President, that many cities already confront the huge social costs that must be paid in a period of diminishing tax returns and a decrease in the income base of the city's residents.

New York City's problems, in other words, are America's problems. And I think it would be wise to recognize that most Americans appear to be way out in front of their leaders on the issue of support for New York City. On August 25, the New York Times published the results of a nationwide survey. A poll, commissioned by Gannet News Service, revealed the following: 31 percent of those polled opposed Federal aid; 13 percent had no opinion, but 51 percent of Americans polled support Federal intervention on behalf of New York City unconditionally, and 5 percent favored Federal aid coupled with controls. In other words, almost 60 percent of the American people recognize the impact that New York City's fortunes have on their own.

The American people understand the nature of the real world; they understand interdependence, they understand that all of us have subscribed to a great compact and that our obligations are mutual. The people of New York are determined to see this crisis through. They are on the right track, and I believe that they will emerge stronger and more vigorous tomorrow than seems possible today.

I also believe that it is essential for the U.S. Congress and for the administration itself to understand and respond fully to the fact that what happens to New York City will have a major effect on what happens to other cities and other States.

The truth is, there is a Federal interest involved here, and that interest is the viability of local governments generally. A default by New York City would have very severe repercussions for cities and other local governments across the country. As early as last May, for example, the city of Detroit was forced to pay an extraordinary price of 8.86 percent on a new bond issue. Only one underwriting group dared to make a bid on this issue, and the emerging New York City crisis was cited as a major cause for this situation. Even as early as last May, bond specialists were quoted as saying that activity was almost at a standstill in the municipal bond market, a market that raises $22 million annually in new money for State and local governments.

Also, last May the situation among local governments generally was serious enough to prompt the president of Standard and Poors, one of the Nation's major rating services, to state that at least eight cities besides New York faced the threat of having their credit ratings suspended because of cash flow problems.

Surely, investors are aware of those facts in the current environment which can only be described as far worse than it was last May. In fact, the State of New Jersey, the State of Massachusetts, and the city of Buffalo, N.Y., all received lower credit ratings last June from another major rating service, in an action which can only be described as the tip of an iceberg for many similarly hard-pressed units of government. A recent article in the Wall Street Journal quotes municipal bond experts to the effect that investors have substantially held back from all kinds of tax exempt obligations because of the New York situation. The article continually points out that the impact is nationwide, and not just local. Cities such as St. Louis and Cleveland are already paying higher interest rates as a direct result of New York City. Cleveland taxpayers, in fact, are estimated to be in the red to an additional $450,000 because of increased interest charges directly attributable to the New York crisis.

My colleagues will remember that last May the situation, although grave, was not nearly so grave as it is now. My amendments have been made necessary not only by the fact of this increasingly grave situation, but also because of the steps which New Yorkers have taken and which, thus, change the legislative picture somewhat. For example, some weeks after my bill was introduced last May, the New York State Legislature passed the enabling act for the Municipal Assistance Corporation. My first amendment extends the loan guarantee provisions of my bill to any such corporation which may be formed under State law. As in my original bill, this amendment contains several safeguards, so that the extension of the Federal guarantee to this type of corporation cannot be done foolishly.

This amendment also raises the aggregate amount of guarantees which can be outstanding at any one time from $5 billion, the figure in my original bill, to $10 billion. I have raised this figure on the advice of experts familiar with the National crisis in municipal finance, because I am firmly convinced that $10 billion is the minimum which Congress should commit the Federal Government to by way of restoring confidence in the municipal bond markets and putting investors on notice that Washington intends to stand behind our Nation's ailing cities.

The second aspect of the bill which I am amending is to provide a Federal insurance facility very much like the Federal Deposit Insurance Corporation and the insurance which is now given federally to protect brokerage accounts, which will hold individuals harmless up to $50,000 in return for a premium paid, for loans incurred, from investing in municipal security where a governmental unit defaults in its payments.

This will encourage small holdings, Mr. President, among people everywhere of municipal and State securities and it is high time that this be done.

The purpose of this amendment is not only to improve the market for local government securities, but also to widen the market substantially, so that smaller investors will be encouraged to participate in the kinds of investments traditionally engaged in by more wealthy taxpayers and institutions. As in my first amendment, this second amendment contains many safeguards which protect the public's money from being used to shore up units of government which might have been unable to obtain insurance if a similar facility had existed in the private market. However, I emphasize that this insurance facility is a new institution, designed to encourage smaller investors into the market of tax exempt obligations.

Mr. President, I close as follows, the bill and the amendment I introduce now were obviously triggered by the crisis in my native city, but they are the outgrowth of that all American cities must have, some last resort protection to the extent possible and with tight safeguards from the agony of financial crisis and the potential of default on cities' obligations.

If we feel an obligation to assist a corporation or a railroad with national significance when it is in trouble, as a result of bad management or decreased earnings or unfortunate market conditions, how much greater is our obligation to stand behind the cities in which our men, women, and children live their lives?

If Lockheed has an effect on the American economy that requires assistance from National Government, then certainly the finances of New York, Detroit, or Denver have a comparable effect.

It is because I believe our order of priorities requires us to recognize that municipal governments are part and parcel of the American system and must be treated as such that we offer this bill to assist municipalities who are threatened with bankruptcy.

I thank the Senator.

Mr. ALLEN. Will the Senator yield?

Mr. JAVITS. Of course.

Mr. ALLEN. As a matter of information, I have been noticing in the press accounts of municipalities offering bonds——

The PRESIDING OFFICER. They are.

Mr. ROBERT C. BYRD. Mr. President, I am sorry to interrupt the Senator, but are my rights fully protected during this colloquy?

The PRESIDING OFFICER. They are.

Mr. ROBERT C. BYRD. I thank the Chair and I thank the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator.

I notice where a number of municipalities have availed themselves of the services of private insurance companies. I notice four such companies have gone together to form a group to insure the bonds of municipalities, and as a result of that private insurance these municipalities which possibly would not be entitled to even an A rating have received AAA ratings.

I am just wondering if it might not be possible for this type of financing to be handled at the private enterprise level.

Mr. JAVITS. Mr. President, the Senator is extremely well informed, and I am quite prepared to answer that question.

It is a very good idea for smaller cities because the amount of exposure which these insurance companies can have, obviously, is limited to issues in the area of $20 million, while with prices what they are, that does not go very far in terms of credit with major cities.

However, I believe in it so much that I have joined with Senator Jackson in a bill which seeks to establish the United States as a reinsurance agent for that purpose, again proceeding on the theory that insurance has generally been financially profitable, rather than unprofitable, and that goes for FHA and many other programs.

I lend myself to that, but it does have a limitation which is considerably below the problems, not only of New York, but other cities which are in very grave trouble.

But certainly it should be cranked into anything which we may do on the subject, and I fully recognize that.

Mr. ALLEN. What would be the Government limit, to start with, shall I say?

Mr. JAVITS. Well, I cannot say that because I am unaware standing on my feet here as to the limit of the Jackson bill.

Mr. ALLEN. I see.

Mr. JAVITS. But that certainly should be a material factor in whatever we crank in to encourage private insurance in this field.

Mr. ALLEN. I thank the Senator.

Mr. JAVITS. I thank my colleague.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from New York and I thank the Chair.

Mr. HELMS. Mr. President, with the understanding that the Senator's rights are fully protected, would he yield to me for 1 minute?

Mr. ROBERT C. BYRD. Yes, with that understanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I commend the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) for the amendment which he submitted earlier this afternoon.

I fully support the amendment and I obviously hope it will be approved by the Senate quickly. If this action is taken by the Senate, there will be no prolonged discussion insofar as the Senator from North Carolina is concerned on the pending bill.

I simply want to commend the Senator and if he is accepting cosponsors to his amendment, the Senator from North Carolina would certainly like to be one of them.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, I ask unanimous consent that the Senator from North Carolina (Mr. HELMS), and any other Senators who wish to add their names as a cosponsor to my amendment, may be permitted to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that the names of Senators FORD, CHILES, HUDDLESTON, NUNN, STONE, HARRY F. BYRD, JR., and TALMADGE may be added as cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate on Monday will convene at the hour of 12 o'clock noon.

After the two leaders or their designees have been recognized under the standing order there will be a period for the transaction of routine morning business for the purpose only of the introduction of statements, petitions, memorials, bills and resolutions, such period not to extend beyond 1 hour, with statements limited therein to 10 minutes each.

At the conclusion of routine morning business on Monday, the Senate will resume consideration of the bill H.R. 8069. The pending question at that time will be on the perfecting amendment by ROBERT C. BYRD to the amendment offered by Senators HUGH SCOTT and HUMPHREY.

At that time under the order previously entered, on the resumption of the HEW appropriation bill, Senator ALLEN, of Alabama, will be recognized.

For the RECORD, may I say that it was my intention, and an order had been entered heretofore to that effect, that I be recognized on Monday to continue my remarks in connection with the amendment which I have offered today.

In view of the fact, however, that I do have a longstanding engagement in Cooperstown, N.Y., I have asked and been given consent of the Senate that Mr. ALLEN may be recognized on Monday in my stead upon the resumption of the consideration of the pending measure.

I asked that Mr. ALLEN be recognized in this regard because I know he supports my amendment and I know of no protect my rights in this matter, and the man in the Senate who can more ably rights of those who seek to have an up and down vote on the pending perfecting amendment, than the distinguished junior Senator from Alabama (Mr. ALLEN). I know of no Senator who has greater conversancy with the Senate rules or who is more able to utilize those rules in the protection of his own position than is Mr. ALLEN. So it was for such reasons that I asked consent that Mr. ALLEN be recognized in my stead on Monday.

Mr. President, may I say that if the Senate wishes to reject the pending perfecting amendment, I will have no quarrel with the Senate or with any Senator who votes to reject the amendment. I simply want an up and down vote on the amendment and do not want to see it rejected by way of a tabling motion. I feel that the long suffering people of this country are entitled to a decision—up or down—by their elected representatives on this question which is troubling the people of this country and which has resulted in violence, which has resulted in inordinate expenditures of energy at a time when this country is confronted with an energy problem, and which has resulted in the unwise expenditure of untold millions of dollars in the pursuance of what at least this Senator believes is a foolish social experiment.

In saying this I believe that I would represent the views of the great majority of white and black parents throughout this country, as well as the majority of white and black students throughout the country.

This experiment has been tried. It has not worked and it will not work. It will not provide quality education for black students or white students. It will continue to provide only an atmosphere of tension and potential violence, an atmosphere in which students cannot study and achieve the potential that is within themselves to achieve in a calm atmosphere conducive to reflection, concentration, and study.

When we remember that the National Guard and the other law enforcement officers in the city of Boston have been maintained there at a cost of $220,000 a day; when we consider the fact that the Boston and Louisville situations are but repetitions of what has happened throughout the country, time and time again, year after year, with needless expenditure of time and money, with a waste of talent to the students who are there to learn, Mr. President, I believe that the Senate can perform a great service to the people of this country if it will vote up or down on this amendment. And I think the Senate has a duty to face this issue—up or down.

If the amendment then fails, I will have no more to say and I will accept that decision of the Senate. But I would like to see the Senate vote up or down, one way or the other, on this amendment.

Time and time again I have seen the headlines, "The Buses Are Rolling," or I have seen the headlines, quoting someone as saying, "Busing Is Working." Mr. President, that is not the whole story. The buses may be rolling, and busing, as such, may be working. If that is an end in itself, if it is an end in itself that the buses get through to the schools when the buses are half filled or less than half filled with students, and that the students march into schools between lines of helmeted policemen, and at the end of the day the black students march out first, or the white students march out first and the black students then march out second, or the white students then march out behind them—marching between those same two lines of helmeted policemen or National Guard officers, if that is all we are seeking to achieve, of course, that is another matter. But if we are seeking to provide the opportunity for quality education for both black and white students in this country, that is not the way to do it; that is not the way to achieve it, and that will not be the way to achieve it in the future.

I am perfectly willing to appropriate whatever moneys are necessary if such funds can be feasibly and effectively utilized to upgrade the equipment, the facilities, the buildings, and to pay the teachers in any school in this country and if it will help to establish the opportunity for quality education for black students and white students. But I am dead set against the continuance of this foolish experiment of running scores of thousands of buses up and down the highways of this country, wasting huge sums of money, endangering the safety of children, wasting tremendous amounts of gasoline, in an experiment which does not and cannot provide an opportunity for quality education for both black and white students—but which, in fact, penalizes both black and white children and prevents them from getting the best education.

I think, Mr. President, that the President of the United States has taken the position recently—I am not attempting to correctly quote the President, but, as I understand him, I think he has arrived at the conclusion, and may long ago have arrived at it, that this business of forced busing to bring about an arbitrary racial balance in the schools has nothing whatsoever to do with quality education.

When I was a boy I rode a bus to school, but it was the nearest school. It was 7 miles from my home. I walked 3 miles and got on the bus and rode 4 miles, and in the late afternoons I rode 4 miles, got off the bus, and walked 3 miles. I have no objection to busing where it is necessary to bus students to get to the nearest school, or where it is necessary to bus students in order that they may pursue the courses of study that they desire to pursue if those courses of study are not available at the nearest school.

My amendment embraces the neighborhood school concept, and it is one which, if it becomes law, would certainly be a step in the right direction of removing this annual headache of tensions and potential violence, and wasteful expenditures of moneys for the stationing of law enforcement officers and National Guardsmen at the doors and on the steps of the public schools of this country; and it would obviate the continuing wasteful foolish expenditure of energy, at a time when this country needs to conserve gasoline.

I hope that my colleagues will think about this amendment over the weekend, and that next week we can reach some agreement whereby the Senate will put itself on record one way or another, up or down, on the perfecting amendment which I have today offered.

RECESS UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon on Monday next.

The motion was agreed to; and at 3:43 p.m., the Senate recessed until Monday, September 22, 1975, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate September 19, 1975:

THE JUDICIARY

Eugene E. Siler, Jr., of Kentucky to be U.S. district judge for the eastern and western districts of Kentucky, vice Mac Swinford, deceased.

DEPARTMENT OF TRANSPORTATION

Hamilton Herman, of Connecticut, to be an Assistant Secretary of Transportation, vice Robert H. Cannon, Jr., resigned.

FEDERAL MARITIME COMMISSION

Karl E. Bakke, of Virginia, to be a Federal Maritime Commissioner for the term expiring June 30, 1980, vice Helen Delich Bentley, resigned.

EXTENSIONS OF REMARKS

"VEGETABLE SOUP" NEW TV SHOW

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mrs. CHISHOLM. Mr. Speaker, it is my pleasure to announce the premiere of a new television show for children which deals with the variety of racial and ethnic characteristics of our society.

"Vegetable Soup," produced by the New York State Education Department, is funded through money from the Emergency School Assistance Act—ESSA—in order to facilitate better communication on the subject of cross-cultural understanding. This is indeed an important program, and I urge my colleagues to view the first of 39 installments of "Vegetable Soup" Monday evening on WETA, Channel 26. In addition the show will be presented on educational television networks throughout the country, and will be seen on NBC beginning November 2.

I would like to include in today's RECORD a description of "Vegetable Soup" prepared by the New York State Education Department:

VEGETABLE SOUP, NEW CHILDREN'S TV SHOW ABOUT RACE SET FOR FALL AIRING

"Vegetable Soup," a lively fun-filled series of 39 half-hour television programs for children, designed to counter the negative effects of racial prejudice, will begin to air September 22 on public television stations across the country and will appear nationally on NBC–TV beginning November 2.

The series, is produced by the New York State Education Department, with a HEW grant made possible by the Emergency School Aid Act.

Executive producer of "Vegetable Soup" is Yanna Kroyt Brandt, who has been producing, directing and writing for television for 20 years. She has won four Emmy Awards, a Robert E. Sherwood Award and a Peabody Award, the last for the WNET–Channel 13 special, "U.N. Day Concert with Pablo Casals."

Intended for children of elementary school age, "Vegetable Soup" is presented in a magazine format and features a large cast of real people, puppets and animated characters. One of the highlights of the series is Outerscope I, an adventure serial with puppet children of mixed ethnicity travelling into space and encountering a variety of situations that are parables of prejudice. The puppet children experience prejudice, exploitation and verbal abuse. They learn to solve problems and to convince others to work together toward common goals.

A series of dramas involving basic emotions are also serialized. These segments revolve around real children in real life situations with which the viewer can easily identify. All of the stories have racial and ethnic overtones, but deal with universal problems such as peer pressure, cliques, cheating, stealing, the use of epithets, making fun of others, being bullied.

There are also segments on children's questions about race, children's art and poetry, ethnic heroes and heroines, career development vignettes, ethnic foods, crafts, games and folk tales.

RESEARCH AND EVALUATION

A complete formative evaluation of the series was undertaken by Harvard University and the University of Massachusetts. The encouraging results of this study aided in the strengthening of both content and technique. The final report states, "a new programming that fills a gap in existing materials. Children do not have many examples of television materials which present positive portrayals of diverse racial and ethnic groups . . . The series also introduces young children to cultural diversity in an entertaining and education way."

Summative evaluation is being conducted on the series by the Research Foundation of the City University of New York in cooperation with Medgar Evers College. The total thrust of the summative research is to measure the affective results of the series on the target audience, the first through fourth grade student. Specifically, the evaluation will be concerned with the reduction of negative attitudes toward ethnic groups, particularly ethnic groups other than one's own.

"Perhaps the most important achievement of 'Vegetable Soup'," says Dr. Luberta Mays, a veteran specialist in early childhood education who heads this research team to test the effectiveness of the series on elementary children, "is that it prepares children for the day-to-day events which call for problem solving. When we tested children after they had viewed the shows, we found that the majority of them had thought through the problems and ideas, and had come up with their own solutions to the problems."

EDUCATIONAL GOALS OF "VEGETABLE SOUP"

Stated broadly, the objective of "Vegetable Soup" is to produce programming for children of elementary school age that will relieve some of the adverse effects of racial isolation. Underlying this goal is an assumption that knowing something about the culture and background and contributions of other groups will help lessen fear and anxiety about them.

In other words, the aims are:

To teach positive acceptance of individual and group differences.

To foster the development of positive identification with the child's own ethnic group.

To teach appreciation of differences in point of view.

To teach children to reject the use of epithets and name-calling as strategies for dealing with conflict situations.

To teach children to understand that cooperation with those of different racial and ethnic groups can help to solve common problems and bring desired rewards.

To teach that role-stereotyping is misleading; to open the range of options children can see for themselves and, at the same time, to teach respect and esteem for people who perform necessary, if not prestigious, roles in society.

To teach children about the contributions of minority groups in American history and the development of American culture.

To teach recognition of justice and equitableness so that children will learn to perceive and reject preferential or unfair treatment meted out on the basis of ethnic or racial identification.

TALENT

Viewing children will meet prominent personalities as well as other children from a wide variety of ethnic backgrounds. Among them are Ricardo Montalban, the Mexican-American actor, Paul Russell of the Dance Theatre of Harlem, Black ventriloquist Willie Tyler, folk singer Bill Withers, native American ballet star Maria Tallchief, Asian-American dancer and singer Pat Suzuki and Puerto Rican jockey Angel Cordero.

The voices of actor James Earl Jones and singer Bette Midler are featured in the series, with Ms. Midler as the voice of Woody, an animated spoon which helps the viewing youngsters cook up some tasty, easy-to-follow ethnic recipes. Actor Jones is heard as Long John Spoilsport in the game segments of "Vegetable Soup."

Two years in the making, "Vegetable Soup" represents the work of a large group of talented and dedicated people on and off camera, and of special significance, the majority of the artists, writers, performers, technicians, producers, directors, animators and consultants come from minority backgrounds. An outstanding example is that of James A. Simon, president and creative director of Wantu Animation, and Peter Link, composer of the rock-opera, "Salvation", who combined their talents to create the opening theme and the introductory animation segments of "Vegetable Soup" and then went on to win seven of the top awards at the 1975 ASIFA-East Festival (International Association of Film Animators.)

NEW YORK STATE EDUCATION DEPARTMENT

Dr. Bernard Cooper, chief of the Bureau of Mass Communications, New York State Education Department, is project administrator. William Hetzer, also of the Bureau of Mass Communications, is project director. Among the Bureau's notable projects has been the award-winning PBS series, "Man Builds, Man Destroys".

In addition to the television version, there is a 78-part 15-minute program for school broadcast. Also available from the New York State Education Department, free of charge are a curriculum guide for teachers, two teacher in-service films, two parent consiousness raising films and a 30-minute general interest introductory film, *How Do You See Me*, starring James Earl Jones, Pat Suzuki, Ricardo Montalban, Maria Tallchief and Angel Cordero, which is designed to give the adult viewer a comprehensive overview of "Vegetable Soup."

SHIFT REVENUE SHARING FROM STATE GOVERNMENTS TO CITIES AND LOCAL GOVERNMENTAL UNITS

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. LITTON. Mr. Speaker, a virtual avalanche of bills has been introduced in the 94th Congress regarding an extension and modification of the State and Local Fiscal Assistance Act which expires at the end of 1976. I have added to the revenue sharing legislative quantum with the bill I have introduced today—the Local Revenue Assistance Act.

I am offering this legislation, not to merely add my personal proposal to a popular financial assistance concept, but to advance a unique solution to the current criticisms of Federal revenue sharing. The ideals embodied in the present State and Local Fiscal Assistance Act are generally regarded highly by local government officials, Federal lawmakers, and the U.S. citizenry. It is now time to add the fine edges. The major provisions of the Local Revenue Assistance Act I have introduced do this while returning to the basic philosophies of Federal revenue sharing.

The legislation I have introduced will change the formula for Federal revenue sharing, shifting benefits from State governments who can raise their own revenues to cities, counties, municipalities, and other local units of government which are suffering from chronic problems in raising adequate revenue to support important local services. This bill shifts some of the tax burden away from inequitable local property taxes and regressive city sales taxes.

I have always felt the Federal Government exists to do for the States what they cannot do for themselves, the States exist to do for the cities what they cannot do for themselves, and the cities exist to do for individuals what they cannot do for themsleves. States have adequate revenues and taxing authorities to provide the services required by the people of the State. The local units, however, find real difficulty these days in providing even minimum social services—road and street maintenance, fire and police protection, educational facilities, recreation and youth centers, ad infinitum for their populations. If we do not address ourselves to the problems of cities and local governments raising revenues, we force them to become increasingly dependent on complicated Federal and State programs which bog down in a bureaucratic quagmire. They are often not responsive at the local levels to the people we represent and frequently involve considerable waste of the taxpayers' money.

Specifically, my bill changes the distribution ratio for revenue sharing funds from the usual two-thirds fraction to local governmental units and one-third fraction to State governments for each State to a three-fourths proportion to local units—a substantive increase—and a one-fourth share distributed among the cities with populations of 500,000 or more. Those States which have no cities over 500,000 in population will have their entire revenue sharing allotments distributed through local units of government. State entitlements are eliminated entirely; local prerogative is held in the highest esteem.

Revenue sharing moneys were intended to be targeted to those governmental units most in need of Federal assistance. State and local units have been included in the distribution in the 5-year period that will soon conclude. State governments are not in the fiscal crisis that some anticipated. Quoting from the "Comprehensive Study of State and Local Governmental Finances" by the Joint Economic Committee:

> Most states finish their fiscal years with surpluses remaining in their general fund accounts after all revenues have been collected and all expenditures have been made.

The States in the past few years have been able to hold the line on taxation, with many even cutting their taxes. In fact, the Governors of 30 States indicated that State tax reductions were made possible by general revenue sharing funds. Governors of 10 States stated that general revenue sharing funds forestalled new taxes. This information comes from the February 1975, Office of Revenue Sharing, Department of the Treasury "Reported Use 1973–74, A Tabulation and Analysis of Data from Actual Use Report 4." Many programs previously financed by the States have been turned over to general Federal revenue sharing financing. This is counter to the Federal revenue sharing concept of adding new programs and services to governmental units. In aggregate, the State governments had a combined surplus of $6.5 billion at the beginning of the 1975 fiscal year. This certainly does not reflect a financial crisis at the State level.

The heart of fiscal dilemmas in this country can be found in local units of government, especially the large metropolitan centers. Here is where one encounters rampant property tax escalations, sales taxes to finance urgently needed transit systems, frantic municipal bond marketing, decreasing necessary social services, and other fiscal crises "New York City style."

The recent study by the Urban Affairs Subcommittee of the Joint Economic displays the seriousness of the local governments' fiscal problems: "Unencumbered Surpluses: Unencumbered surpluses are much less significant for local government budgets than for State governments. Local governments tend to operate as near to a balanced budget as possible, with surpluses generally returned to citizens through tax reductions or service improvements.

Nevertheless, 122 of the 140 local governments surveyed entered the current fiscal year with a combined surplus of approximately $340 million, or slightly above 1 percent of their total budgets. This surplus is being totally depleted and is expected to be a deficit of approximately $10 million by July 1, 1975. Of these 122 governments, 82 are drawing down their surpluses in the course of the current fiscal year. Seventeen will experience little change in the size of their unencumbered surplus and 23 will add to their surpluses during the course of the year. The most significant deterioration in the size of the unencumbered surplus occurred in large jurisdictions with high unemployment—unemployment rates above the national average. Fifteen of the 21 high unemployment jurisdictions with populations in excess of 500,000 reported accurate data on the size of their unencumbered surplus. All 15 of these jurisdictions—combined budget of $17.8 billion— reduced their surpluses during the course of the fiscal year. They entered the fiscal year with a combined surplus of $89 million and project a combined deficit of $183 million by July 1, 1975.

By contrast, the 17—17 out of 22 reported accurate data—large jurisdictions—combined budgets of $4.9 billion—with unemployment rates below the national average entered the fiscal year with a combined surplus of $80 million and project a surplus of $53 million on July 1, 1975. Eleven of these jurisdictions are drawing down their surpluses during the course of the fiscal year, two expect no change, and four expect their surpluses to increase.

Expenditures: Expenditure reductions by the surveyed local governments followed almost exactly the same pattern as revenue adjustments. Fifty-six of the 140 surveyed governments reported that significant cuts had been made in current service levels. The total value of the expenditure cuts is $855 million, or approximately 2.7 percent of the combined budget of the 140 communities.

Eleven of the 21 large jurisdictions—500,000 plus population—with high unemployment have been forced to reduce service levels to keep their budgets in balance. The total value of these service cuts is $740 million, or approximately 3.6 percent of the combined budget for the 21 communities. Nine of the 22 low-unemployment large jurisdictions have reduced current service levels. The total value of these reductions is $45 million, or approximately 0.8 percent of the combined budget of the 22 jurisdictions. For large jurisdictions, the service cuts enacted by high-unemployment jurisdictions are 4.5 times larger than the service cuts enacted by low-unemployment jurisdictions. Comparison is of the dollar size of the reductions, as a percentage of the respective budgets.

The beauty of the new distribution formula of my bill is that money critical to the survival of the big cities is instilled into their treasuries, while all other local governmental units' treasuries are concurrently enhanced.

It is not a sweeping loss for the State governments at all. Obviously, if the local units of government receive more Federal revenue sharing money, then their needs for State assistance will be lessened. Thus, there will be an indirect savings for the State governments.

The other major aspect of my bill deals with the appropriation level, with the main purpose being to tie the total yearly appropriation into a formula that is responsive to the changes in the economic growth pattern of the country. My bill establishes a 6-percent net amount of the Federal individual income taxes as the yearly determination for total dollar appropriation for local revenue assistance from the Federal Government. The total Federal revenue sharing fund would then be in harmony with the fluctuations of the economy. This is congruous with the original conception of revenue sharing, whereby Federal revenue sharing developed from the prospects of revenue excesses that result from a growing economy. As the excess levels oscillated, so would the revenue sharing funds. The fixed appropriation levels for the 5-year period covered under the present act have not reflected economic growth or recession. This is counter to Federal revenue sharing philosophy and economic reality. My bill addresses this failing.

My presentation here has been lengthy. Federal revenue sharing is not a concise topic. My attempt has been to conscientiously outline the principles of my bill, because I feel quite strongly about this legislation. I hope my colleagues will offer their support nad cosponsorship to this unique approach to Federal revenue sharing to our most basic personal units of government.

PUBLIC SAFETY OFFICERS BENEFITS ACT OF 1975

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. BURKE of Florida. Mr. Speaker, a police officer is viciously gunned down by some thug and dies, leaving behind a wife and small children. A fireman tries to enter a troubled urban area and is brutally pelted with rocks and other objects or even killed by some hate-crazed sniper, again leaving behind a family without adequate support. These are just hypothetical cases, of course, but we have all read about tragically similar instances of violence against public safety officers more times than we can remember.

I have been personally concerned about this situation for many years now. During the 93d Congress, I strongly supported H.R. 11321, a bill to provide death benefit compensation to families of slain public safety officers. Unfortunately, though the bill was passed by the House, the Senate failed to act, despite my personal appeal to Senate Majority Leader MIKE MANSFIELD. I also supported similar legislation during the 92d Congress.

Today I am reintroducing this legislation as the "Public Safety Officers Benefits Act of 1975" because I recognize that the need for such a bill is more pressing than ever before.

The law-abiding citizen of this republic relies for his safety on a veritable army of public safety personnel: policemen; people engaged in work for correctional, probation, and parole authorities; people involved in programs to fight juvenile crime and drug addiction; and people who serve us as firemen, including legally organized volunteer fire departments.

I think all of us tend to take these servants of the people a bit for granted, but this does not stop them from doing their sworn duty, putting their lives on the line day after day so that we can rest more easily and go about our business in greater safety and in less fear of our lives.

Their jobs are often thankless ones. If a policeman makes a routine arrest, he is bound to offend someone and may even, without realizing it, sow the seed to hate in some unstable mind that will ultimately lead to his own senseless murder—or "execution" as today's motley collections of terrorists call it.

On March 11 of this year, Clarence Kelley, Director of the Federal Bureau of Investigation, appeared before the House Appropriations Committee. During his comprehensive presentation, Director Kelley told the committee of the frightening statistics on the killing of law enforcement officers.

According to Bureau figures, 132 law enforcement officers were killed during 1974 in the United States and Puerto Rico, with an additional 12 slain during January of this year. Including the 12 killed in January, the total number of law enforcement officers killed in the United States and Puerto Rico from 1965 through January 1975 is 959; however, the number is in all likelihood actually far greater, because the Bureau chart states that statistics on Federal officers are unavailable for the years prior to 1972.

This is a truly appalling figure and reflects the increasing trend toward lawlessness in our more permissive society. Also, remember that many law enforcement officers today are being murdered by revolutionary terrorists, not just in what is casually described as "the line of duty" as we normally understand it. This means that in certain situations, they actually meet violent death under combat conditions not unlike those faced by the military.

The tragedy of this problem is, of course, one that confronts all of us. My own congressional district certainly has not been immune to it. Late in 1973, I presented to the Chairman of the House Judiciary Committee, the Honorable PETER RODINO, petitions signed by more than 20,000 citizens from my district asking for passage of legislation to provide death benefits to the families of public safety officers killed in the performance of their duty.

Unfortunately, as I noted earlier, despite strong bipartisan support and despite my own best efforts, which included my personal appeal to Senator MANSFIELD, such legislation was not passed because of inaction by the Senate. Had it been passed and signed into law, as it should have been, families of men like Fort Lauderdale policeman Walter D. Ilyankoff, Lauderdale Lakes officer Jerry Genova, and Hollywood policemen Henry

Minard, Byron Riley, and Philip C. Yourman—only a few from my home State of the many that could be named—would at least have received the admittedly small consolation of needed financial assistance to help them through what almost certainly must be the most traumatic expreience they can ever face.

I remember these cases and so many others like them, and it is because of such tragic situations as these that I have introduced once again a proposal to provide benefits to the families of slain public safety personnel.

We compensate our veterans and their families, and rightly so, for they have rendered the Nation brave service. I think our public safety officers render every bit as brave a service, however, and that we owe them and their families the assurance of decent death benefit compensation. It seems little enough when you stop to realize that these people earn a living, as do our military personnel, by risking their lives to protect us.

As my colleagues and constituents well know, I have always been a consistent advocate of fiscal restraint, unlike some politicians who believe that the taxpayer's pocket is some sort of bottomless pit. But despite my fiscal conservatism, I feel that the least we can provide for these families is a death benefit of $50,000 when an officer has died in the line of duty, which really means he or she has died to make us safer and more secure in our homes.

Mr. Speaker, I ask my colleagues to support this bill, the "Public Safety Officers Benefit Act of 1975," and to join me in seeing to it that it is enacted into law during this Congress. This time, let us finish the job. To that end, I pledge to do all in my power to hasten the passage of this legislation, and I ask my friends in the House to do the same.

CONCERN FOR NEEDY STILL VIBRANT

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. RINALDO. Mr. Speaker, in a materialistic age when human problems are too often shunted aside, it is encouraging to know that a voluntary willingness to help the needy is still vibrant in our country.

The point was brought home to me today when I read a letter from Edward J. Dailey, Jr., director of Muhlenberg Hospital in Plainfield, N.J., which appeared in a New Jersey newspaper, the Courier-News.

The letter, Mr. Speaker, tells its own satisfying story of enduring voluntary concern over humanitarian needs. And the conclusion it leaves has to be one of pride in America and American traditions.

The letter, Mr. Speaker, runs:

[From the Somerville (N.J.) Courier-News, Sept. 17, 1975]

CAP WINS PRAISE OF MUHLENBERG

It isn't often that we have the opportunity to witness an act of humanitarian service. We at Muhlenberg Hospital have recently had such an opportunity and would like to publicly offer our thanks to the participants for their assistance.

No problem in our society is more troubling than that of the care of the aged and infirm. Frequently there is no solution for this problem other than resort to public facilities and institutions. When other solutions are possible, we must make every attempt to bring them to fruition.

This summer we had in our care at Muhlenberg an elderly gentleman who was in need of personal care after hospitalization. This man had staunchly refused institutional placement, so other avenues of extended care were investigated. A family member in Alabama was willing to provide a home for the patient but how were we to transport him there? The long automobile trip would have been impossible for a man in his condition and other forms of transportation were beyond his means.

It was then that we became aware of the services of the Civil Air Patrol. This voluntary organization provides air transport in situations of medical necessity when no other means of transportation is feasible. We contacted the Civil Air Patrol Aero-Medical Senior Squadron 108 and explained our problem to Dep. Comdr. Lt. Irving J. Tecker. Through the efforts of Tecker arrangements were made for the flight, and on Aug. 19 transportation was completed by the patrol.

Both the patient and his family are pleased with this resolution. It would not have been possible without the assistance of the members of the Civil Air Patrol. They donated their time, equipment and expertise and were extremely cooperative throughout the situation. We at Muhlenberg, as well as the patient and his family, are grateful to CAP for their help and wish them well in their future endeavors.

EDWARD J. DAILEY, Jr.,
Director, Muhlenberg Hospital.

PLAINFIELD.

WALL STREET JOURNAL APPRAISES WEAKNESSES IN U.S. POSTAL SERVICE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. CRANE. Mr. Speaker, the Wall Street Journal of September 18, 1975, included an editorial on the U.S. Postal Service which accurately appraised many of the numerous weaknesses inherent to the postal system as it is presently constituted.

Indeed, the Wall Street Journal recommends a solution to these difficulties which echoes my own proposals for private carriage of first-class mail. The editorial concludes:

> True reform would consist not of dubious computerized efficiencies but of repealing the "private express" statutes that give the Postal Service a monopoly on first-class mail. All that's needed for efficient competitors to emerge is for Congress to remove the monopoly status with which it has cloaked the postal operation. Surely it isn't asking too much that Congress have this simple step in mind pending the next crisis or the next appeal for massive operating subsidies.

As I will be asking the Congress to consider just such a step next week during consideration of the Postal Reorganization Act Amendments of 1975, I would like to share the Wall Street Journal's cogent assessment with my colleagues:

POSTAL SERVICE EFFICIENCY

When the Postal Service was established under the 1970 Postal Reorganization Act, it was targeted to break even in 1984. But eventual self-sufficiency appears further away than ever. The postal deficit last year was about $850 million and is expected to reach $2.5 billion by the end of the year. Postmaster General Benjamin Bailar recently appealed for a doubling of the current $1 billion annual subsidy for at least two or three years.

But even if the proposed 13-cent first-class postage rate goes into effect around the end of the year, the implication that the doubled subsidy will be necessary for only a few years should be viewed with suspicion. The rampant inefficiency of the Postal Service operation is unlikely to disappear by 1978, 1980 or any other time soon and this inefficiency is ultimately what drives up costs and widens the postal deficit. That plus whatever validity there may be in the recent charge by Robert Myers, publisher of the liberal New Republic magazine, that the postal system hierarchy has "raised top salaries and headquarters administrative costs to shocking heights and come to a sweetheart agreement with the four postal unions. . . ."

The wage settlement reached in recent labor contracts at the Postal Service, providing for wage increases of about 11% over three years plus cost-of-living adjustments, is probably reasonable enough. But continuation of a no-lay-offs clause is bound to hamper efforts to improve efficiency. That and work rules arbitration are likely to thwart any lasting benefits that might otherwise accrue from the present management's technological improvements.

The proposal to restructure carrier routes to produce more equal and efficient distribution of work may help a little. But the National Association of Letter Carriers strongly objects and there is little the Postal Service can do to push through reforms that its unions oppose.

More fundamentally, though, we wonder if the sought-after "business-like efficiency" can be achieved simply by hiring better managers and so on. Efficiency results not from some inborn virtue of businessmen but from the spur of competition that disciplines managers and, indirectly, labor unions. Since monopolies are inherently inefficient, we would expect no automatic gains from changing the Postal Service from a public monopoly to a semi-public or even a private monopoly.

True reform would consist not of dubious computerized efficiencies but of repealing the "private express" statutes that give the Postal Service a monopoly on first-class mail. All that's needed for efficient competitors to emerge is for Congress to remove the monopoly status with which it has cloaked the postal operation. Surely it isn't asking too much that Congress have this simple step in mind pending the next crisis or the next appeal for massive operating subsidies.

EMISSION STANDARDS—A CALL FOR REASON

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. MITCHELL of New York. Mr. Speaker, we all value highly expressions of opinions from the people back home on the important issues before Congress and the Nation. Consequently, I am always glad when an editorial in one of my district papers speaks out on an issue and urges the readers to convey their opinion to me on that and all other issues of importance.

On September 5, the Little Falls Evening Times, Ralph F. Weir, editor, carried an editorial pertaining to the current discussion on auto emission standards. The editorial is short and to the point. I view it as a call to reason and wish to share it with my colleagues:

In an unprecedented move, the four leading automotive manufacturers of the country joined the past Wednesday in sponsoring advertisements in every daily newspaper of the nation, urging letters to U.S. Senators and Congressmen on the auto emissions standards.

We endorse "Choice 1" as set forth by the auto makers. The President and his administration have recommended that the standards for today's care be extended for five years.

There may be areas in the country—California, in particular—in need of more stringent standards now. But present standards certainly are sufficient, possibly more than sufficient, for this section and most of the country.

New restrictions would certainly reduce gasoline economy and increase the prices of autos, at a time when emphasis should be on greater fuel economy and the least possible boost in the price of cars.

The auto makers suggest that all motorists write to their Representatives in Washington and make their feelings known. To save fuel, and to help hold down the price of new automobiles, motorists would do well to make known their approval of the President's recommendations for extending present standards.

Senators James L. Buckley and Jacob K. Javits may be addressed at the United States Senate Office Building, Washington, D.C. 20510; Congressman Donald J. Mitchell may be reached at the House Office Building, Washington, D.C. 20515.

THE WHEAT GROWERS' SIDE OF THE STORY

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. JOHNSON of Colorado. Mr. Speaker, the question of grain sales to the Soviets continues to draw the comments of Members of Congress, voicing the producer and consumer-oriented concerns of their constituents.

I would direct my colleagues' attention to an opinion that appeared in the Sterling Journal-Advocate on Thursday, August 28, 1975. Mr. Glenn E. Bunnell articulates a position that should be heard without the emotion and rhetoric that often accompanies this discussion.

The article follows:

THE WHEAT GROWERS' SIDE OF THE STORY

(By Glenn E. Bunnell)

The sale of wheat to Russia has stirred up a tempest of opinion both pro and con. The biggest argument against the sale is that it will increase the cost of bread to consumers and further inflate the cost of food.

People from eastern states which are consumers rather than producers of wheat and the labor unions are the loudest voices protesting the sale.

The fear that the sale of wheat to Russia, or any foreign power, will increase the price of bread and other products produced from wheat is groundless. If the exporters sell the grain abroad at the same price they charge local millers and similar volume buyers, it is a sale that gives the wheat grower the market he needs to sell his crop profitably. It is estimated that less than 20 per cent of a normal American wheat crop is consumed in the United States.

Actually the farmers share of the price of a loaf of bread is very small. The addition of one or two dollars to the wheat price would actually, in itself, add very little to the bread price. According to a local baker the amount of flour in a pound loaf of bread is about 10 ounces. This will vary slightly from bakery to bakery. Checking his costs he estimated that the cost for the total ingredients in a pound loaf of bread is less than ten cents. The rest goes for rent, gas, electricity, packaging materials, labor and his profit.

Now let us look at labor's position on the wheat sale and the elements of inflation that increase the price of bread. Labor's share of the price of a loaf of bread is probably greater than that of the wheat farmer. The price increase spiral in the price of steel, automobiles, transpotration, etc. most often starts with labor demand for increased wages and fringe benefits. These increases are passed along to all of the various steps in the price of bread, not to mention the increases to the farmer for equipment, fuel, taxes and labor.

Since the domestic consumption of wheat is far less than the annual production, even on poor crop years, the farmer needs the foreign market to dispose of the surplus and get a profitable price for his crop. The wheat farmer must sell his crop on the basis of supply and demand, and if the demand is reduced by stopping foreign sales, the farmer has to take less for his crop without reducing his cost of production.

Another factor to consider in the foreign sale of wheat, whether to Russia or some other country, is the advantage gained in our balance of trade. In spite of America's standing as an industrial and food producing nation, imports often exceed exports in value. This puts a drain on our cash reserves and credit that puts us at a disadvantage in the world's markets.

Because the voices of labor unions in the industrial east are far louder and exert greater political pressure, and if the farmer cannot make his voice heard and understood; he is apt to get the "shaft" to use a slang expression.

When you examine the facts it is NOT hard to see that the sale of wheat to Russia, or any other country, will have very little impact on the average American's food budget, but it will greatly enhance the economy of Colorado and neighboring wheat producing states.

NATIONAL GOOD NEIGHBOR DAY

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. BAUCUS. Mr. Speaker, I rise to urge support of House Joint Resolution 532, proclaiming the fourth Sunday of each September as National Good Neighbor Day. I am introducing the resolution today with 24 cosponsors. The resolution reads as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and required to issue a proclamation designating the fourth Sunday in September annually as "National Good Neighbor Day," and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

I understand my distinguished colleague, the majority leader of the Senate, Senator MIKE MANSFIELD recently introduced an identical resolution which passed unanimously in the Senate last Wednesday. There is good reason for its success in the Senate. A constituent of mine, Mrs. Becky Mattson from Lakeside, Mont., has put forth a diligent effort in both Houses of Congress to establish National Good Neighbor Day. Over the years her work and dedication have prompted considerable support from many leading educators, university officials, State legislators, Governors, and Senators. The thousands of letters, telegrams, and calls she has received are testimony to the strong support throughout the Nation for National Good Neighbor Day.

Because our country gathers strength, influence, and courage through the cooperation of its people and their dedication to human friendship, I strongly urge my distinguished colleagues to support National Good Neighbor Day as an indication that Congress has not failed to realize the impact that individual endeavor and respect for our neighbors can have on national legislation.

Thank you.

THE GUNS OF AUTUMN

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. MATHIS. Mr. Speaker, I have voiced my outrage at the CBS Television Network for its documentary "The Guns of Autumn" in other remarks placed in the RECORD. I have such a strong feeling about this issue that I feel compelled to share another letter from a constituent regarding the same program:

RIVERVIEW PLANTATION,
Camilla, Ga., September 12, 1975.

Mr. BILL LEONARD,
CBS News, New York, N.Y.

DEAR MR. LEONARD: How would you feel if CBS aired a 90 minute documentary on corporate executives, and then proceeded to highlight only the most contemptible and corrupt facets of these men's lives. I imagine you would feel the same way that I did after watching the "Guns of Autumn" except that you would have the power to refute my program whereas I have no recourse other than this letter of frustration.

As an avid sportsman, I have nothing but disgust for the type of hunting displayed in the "Guns of Autumn" which depicted only the smallest minority of shooters, not sportsmen. If you will research your subject, you will find points worthy of criticism in hunting as anything else, but these points would in no way resemble the slanted, biased account aired during prime time television.

Has anyone ever explained the balance of nature to you folks or the effect of overcrowding and diseased wildlife? Did you know that the funds from hunting license sales have brought many fish, fowl, and other wildlife back from the brink of extinction. Either you knew these and other facts and

were guilty of biased reporting or did not know and were guilty of incompetent research.

Sincerely,

Cader B. Cox, III.

CONGRESSIONAL PAY INCREASES

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. HYDE. Mr. Speaker, we all know the story about the young man who murdered his parents and then asked the judge for mercy because he was an orphan. Well, Congress is in the same position by voting itself an automatic cost-of-living salary increase in the midst of spiraling inflation. Congress bears a large share of responsibility for the Nation's inflation because, time after time, Congress has enacted programs which have forced extensive deficit spending. Thus, it is particularly inappropriate for us to insulate ourselves from the unpleasant effects of our own activities. Yet, Congress did exactly that when it agreed to an amendment placing Congressmen, as well as top Federal executives and judges, on a cost-of-living escalator.

Last week, I introduced legislation to remove Members of the House and Senate from that escalator. I was joined in that action by the distinguished minority leader, Mr. Rhodes. Now, I am pleased to report that we have been formally joined by 22 additional Members. Today, I am reintroducing the Hyde-Rhodes bill for: Mr. Anderson of Illinois, Mr. Del Clawson, Mr. Collins of Texas, Mr. Coughlin, Mrs. Fenwick, Mr. Hall, Mr. Howe, Mr. McClory, Mr. Mazzoli, Mr. Michel, Mr. Mikva, Mr. Murphy of Illinois, Mr. Preyer, Mr. J. William Stanton, Mr. Vander Veen, Mr. Whitehurst, Mr. Wiggins, Mr. Wilson of Texas, Mr. Won Pat, Mr. Wydler, Mr. Yates, and Mr. Talcott.

Mr. Speaker, here in the House we did not have a clear-cut opportunity to vote strictly on the issue of whether Congressman should enjoy the benefits of a cost-of-living escalator. Originally, the House passed H.R. 2559, a bill designed only to bring Postal Service employes under section 19 of the Occupational Safety and Health Act of 1970. But the Senate amended this bill to add a second title which placed high-level personnel in all three branches of the Federal Government on a cost-of-living escalator. This included not only ourselves, but also Federal judges and upper echelon executives.

The salaries of all these positions had been frozen since March of 1969. Since then, the cost-of-living had risen 48 percent. Even so, under the bill we passed, the first increment, which takes effect October 1 will amount to only 5 percent. This single pay increment is fair and warranted. In fact, with regard to Government executives and judicial talent, we must increase compensation if Government is to adequately compete with private employment opportunities. Executive talent in private business enjoyed a 40 percent salary increase over the same period of time that Federal salaries were frozen. Good government requires good people working in government and the best interests of our country demand that we attract to public service a proper share of the very best minds and talent.

The point is, that while there was an urgent need to raise the salaries of Federal judges and executives, to accomplish this the House had no choice but to vote "yeas" or "no" on an amendment which covered congressional salaries as well. I have strenuously objected to this action. A small increase in congressional salaries on October 1 is reasonable. But the Congress should not immunize itself from the inflation it has helped create.

My bill severs congressional salaries from this cost-of-living escalator at the end of this year. I hope this matter will come before the whole House before that time so our bewildered and beleaguered constituents will know that Congress is capable of responsive and responsible action.

SIGMUND ARYWITZ A LOSS TO THE COMMUNITY AND THE LABOR MOVEMENT

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. ROYBAL. Mr. Speaker, I rise to join my colleagues in honoring the memory of Sigmund Arywitz who passed away suddenly on September 9, 1975. The death of this longtime friend came as a surprise to all of us who had the privilege to know this strong and robust man.

Over the years I have come to know Sig as a hardworking, dedicated champion of human and civil rights. As our friendship grew, so did my deep respect for the man and his ideals. His passing is a very personal loss and a great loss to the community and to the labor movement. There will be no replacing this dear friend who has brought exceptional knowledge and expertise to his field.

Sig moved up quickly in the ranks. When he came to Los Angeles, his first position was as a newspaper man. From there he went on to organized labor, which was to become his career and lifeblood. My colleagues have already outlined the positions which Sig held over the years in the labor movement, most recent of course, being executive secretary of the Los Angeles County AFL-CIO Federation of Labor. In all of his capacities he clearly demonstrated the knowledge, concern, insight, enthusiasm and integrity which made him a great benefactor of the working man.

No words can adequately express the loss to those of us who knew and loved him. One thing is certain, though, Sig will be missed—both personally and professionally.

COMMON SITUS PICKETING

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. MOORE. Mr. Speaker, the question of common situs picketing in the construction industry is a very serious one and it demands thorough consideration of the impact of H.R. 5900 authorizing such picketing. Opposition to this bill must not be construed by anyone to mean opposition to organized labor. I am not opposed to organized labor and I intend to remain steadfast in my defense of the interests of the workingman while opposing this bill.

The prohibition against common situs picketing developed as a result of a 1949 Supreme Court decision relative to the Denver Building Trades Council case, thereby clarifying certain provisions of the Taft-Hartley Act enacted 2 years earlier. The 1949 decision stated that, at a construction site, a general contractor and a subcontractor were legally independent entities and thus picketing of the subcontractor and the general contractor was secondary and illegal under the Taft-Hartley Act.

Mr. Speaker, I have read a survey conducted by the Opinion Research Corp. of Princeton, N.J., pointing to the fact that 57 percent of union members agree with me that a union should only be allowed to picket the work of a contractor with whom it had a dispute. Only 36 percent of the workers polled favored picketing of an entire construction site. This is far from a blanket endorsement of common situs picketing on the part of those who would be directly affected by it. The results of this poll indicate to me that by and large the individual worker has been satisfied with his employment and his pay without common situs picketing.

Proponents of H.R. 5900 also admit to me that the bill is not really designed to improve labor negotiations over economic grievances, but it will serve as a vehicle to increase a union's organizational abilities. I do not believe at this point in time the perils of inflation and unemployment in the construction industry should be made secondary to union organizational power. I want to do all I can to increase the number of jobs in the construction industry and insure that those workers presently on the job will be able to work tomorrow. It is my belief that the Federal Government should assist the worker by providing for the creation of new jobs and I have introduced legislation to that end. Construction workers recall all too easily the dormant 1973 and 1974 construction seasons and I want no part of any legislative action that would encourage a return to that bleak period of little new construction.

Present evidence clearly indicates that we have not solved the problem of inflation. It is with us now and with the current deficit spending prospects, it will be worse in 1976. Creating the possibility of more than the usual number or more extensive than usual strikes as this bill would do only worsens measurably the inflation problem by increasing construction costs through disruptive organizational strikes.

Beyond objections to the bill based on a historical perspective, labor organizational power, inflation, and loss of jobs, H.R. 5900 should not be enacted as a simple matter of practical fact. It proposes to allow picketing of construction and other multiple employer sites to force third parties, not connected with the dispute, into the settlement process. Such action could easily cause a skyrocketing increase in job sites shut down for long periods of time, disrupt employment schedules, and cause forfeiture of contracts, thereby increasing construction costs and inflation. In short, it could reduce the number of jobs available in the construction marketplace at the very point in time Congress is asked to create more jobs, stimulate a stagnant economy, and bridle inflation. Clearly, common situs picketing works to aggravate the very problems that plague this country's economy.

During House consideration of H.R. 5900 on July 25, I offered two amendments to the measure in an effort to remove flaws that would work an undue hardship upon both the employee and the employer. The first amendment I introduced would prohibit picketing in instances when a resultant reduction in work force would place an employer in violation of equal employment laws of a Federal, State, or local origin. If an employer has a large concentration of minority workers at a jobsite where secondary boycotts occur and he cannot relocate them at another one of his sites, that employer could easily find himself in noncompliance with appropriate equal employment requirements. Dr. George Travers, Director of the Division of Program Policy and Planning of the Office of Federal Contract Compliance expressed this same fear and notified me that any affirmative action program policies that set minority goals relate to a contractor's entire work force without regard to the number of minority workers an employer has at any given work site. Unfortunately, the House failed to provide this protection for minority workers by rejecting my amendment.

The second amendment I offered would prohibit picketing of a neutral employer in a dispute over an economic matter when that employer's employees have a lower wage scale than that involved in the labor dispute. For example, if a skilled tradesman is striking for a wage of $14 an hour, a worker who receives less than that amount should not be compelled to give up his hard-earned paycheck for the benefit of that already well-paid tradesman. However, those who have the economic comfort of wages above the disputed amount would remain free to strike. This amendment to protect the common worker was also rejected. I feel strongly that it is not fair to force all to strike for the benefit of a few.

Mr. Speaker, at this time of serious unemployment and inflation, I cannot support any legislation that would further threaten the job security of the construction worker and subject a neutral contractor or subcontractor to labor negotiations in which they play no part. Due to the failure of the House to accept my amendments and in the presence of numerous flaws in the provisions of H.R. 5900, I voted against the bill.

PRESSING PROBLEM OF THE ENERGY CRISIS

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. FORSYTHE. Mr. Speaker, almost everyone agrees that the major problem facing this 1st session of the 94th Congress is the energy crisis. Almost everyone also agrees that Congress has been unable thus far to cope with this pressing problem. Our continuing dismal performance in considering H.R. 7014, the Energy Conservation and Oil Policy Act, confirms that judgment. At a time when the House has once again affirmed its commitment to oil price controls and yet has once again been unable to produce a viable energy policy, I would like to bring the following editorial to the attention of my colleagues. I fully agree with its conclusion that, "The people are a lot smarter than Congress thinks," in relation to establishing a national energy policy.

The following editorial appeared in the Wednesday, September 10, 1975, edition of the Burlington County Times, Willingboro, N.J.

The article follows:

ANYONE REMEMBER WE'VE GOT A CRISIS?

The days are gone when any wildcat prospector and a down-on-their-luck crew of rowdies can stick a hole in the ground and have oil come gushing up to cover them all with riches. Such was the grist for the movies of the thirties.

All of the easy to find oil has been found. Now oil exploration is done by giant corporations with multi-million dollar rigs plopped down in isolated, hard to reach places such as the Gulf of Mexico, the Alaska north slope, and the Atlantic North Sea.

Our Congress appears to have been watching a lot of thirties movies lately. Maybe they've been taking a look at what the depression of the thirties did to this country. They don't want it to happen again and they seem to feel the way to prevent another depression is to crack down on the big oil companies by keeping their prices and profits down through price controls.

We believe that Congress is absolutely right in tying our economic prosperity to oil, but trying to solve the oil problem through price controls is all wrong.

It is no coincidence that the economic decline of this country began the same month the OPEC countries decided to embargo oil shipments. That was November, 1973. That was when this country suddenly realized it no longer had enough of its own energy sources to continue to live in the style to which it had become accustomed.

The problem in this country is not only the cost of energy, it is also the availability of energy at any price. The economy of South Jersey and the nation may take another severe jolt this winter because a shortage of natural gas is threatening to close many factories and put many people out of work.

Do we want this to happen with oil also? The oil companies tell us that if they don't have enough money to continue exploration that soon there will not be any oil available at any price. We believe them.

Price control is not the way to solve our economic and energy problems. If the oil companies make "obscene" profits when price controls are lifted then those profits should be taxed away as President Ford has suggested through a windfall profits tax.

Despite tax cuts, massive deficit spending, and huge welfare outlays, we continue to suffer from the worst economic conditions since the depression. There are signs of a feeble recovery, but a strong recovery is nowhere to be felt. In other words, the usual remedies which have brought nations out of economic slumps in the past, are not working today, even when administered in gigantic doses.

We believe this is because this recession has been caused by a factor that was not present in any other recession . . . an energy crisis.

Our Congress has proved remarkably unconcerned about solving the energy problem. Technically, it is a fairly easy problem to solve. Economically, it is one of the greatest challenges this nation has ever faced.

The people are a lot smarter than Congress thinks. They are not going to be very happy that the official price of gasoline is 58 cents or so a gallon, when they are unable to buy it at all.

SCHOOL VERSUS EDUCATION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. SIMON. Mr. Speaker, Russell Baker recently had a column in the New York Times. It contained a great deal of truth.

They are like all of his articles; they exaggerate to make an effective point. But the point is one I do not think we should ignore.

His column follows:

SCHOOL VERSUS EDUCATION

(By Russell Baker)

By the age of six the average child will have completed the basic American education and be ready to enter school. If the child has been attentive in these pre-school years, he or she will already have mastered many skills.

From television, the child will have learned how to pick a lock, commit a fairly elaborate bank holdup, prevent wetness all day long, get the laundry twice as white and kill people with a variety of sophisticated armaments.

From watching his parents, the child, in many cases, will already know how to smoke, how much soda to mix with whisky, what kind of language to use when angry and how to violate the speed laws without being caught.

At this stage, the child is ready for the second stage of education which occurs in school. There, a variety of lessons may be learned in the very first days.

The teacher may illustrate the economic importance of belonging to a strong union by closing down the school before the child arrives. Fathers and mothers may demonstrate to the child the social cohesion that can be built on shared hatred by demonstrating their dislike for children whose pigmentation displeases them. In the latter event, the child may receive visual instruction in techniques of stoning buses, cracking skulls with a nightstick and subduing mobs with teargas. Formal education has begun.

During formal education, the child learns that life is for testing. This stage lists twelve years, a period during which the child learns that success comes from telling testers what they want to hear.

Early in this stage, the child learns that he is either dumb or smart. If the teacher puts intelligent demands upon the child, the child learns he is smart. If the teacher expects little of the child, the child learns he is dumb and soon quits bothering to tell the testers what they want to hear.

At this point, education becomes more subtle. The child taught by school that he is dumb observes that neither he, she, nor any of the many children who are even dumber ever failed to be promoted to the next grade. From this, the child learns that while everybody talks a lot about the virtue of being smart, there is very little incentive to stop being dumb.

What is the point of school, besides attendance? the child wonders. As the end of the first formal stage of education approaches, school answers this question. The point is to equip the child to enter college.

Children who have been taught they are smart have no difficulty. They have been happily telling testers what they want to hear for twelve years. Being artists at telling testers what they want to hear, they are admitted to college joyously, where they promptly learn that they are the hope of America.

Children whose education has been limited to adjusting themselves to their schools' low estimates of them are admitted to less joyous colleges which, in some cases, may teach them to read.

At this stage of education, a fresh question arises for everyone. If the point of lower education was to get into college, what is the point of college? The answer is soon learned. The point of college is to prepare the student—no longer a child now—to get into graduate school. In college, the student learns that it is no longer enough simply to tell the testers what they want to hear. Many are tested for graduate school; few are admitted.

Those excluded may be denied valuable certificates to prosper in medicine, at the bar, in the corporate boardroom. The student learns that the race is to the cunning and often, alas, to the unprincipled.

Thus, the student learns the importance of destroying competitors and emerges richly prepared to play his role in the great simmering melodrama of American life.

Afterwards, the former student's destiny fulfilled, his life rich with oriental carpets, rare porcelain and full bank accounts, he may one day find himself with the leisure and the inclination to open a book with a curious mind, and start to become educated.

PERSONAL STATEMENT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. SIMON. Mr. Speaker, unfortunately I was on the telephone when the vote on the Carter-Perkins amendment was called. I had received the whip phone call that the House would be adjourning at 6 p.m. so that when I got tied up on the phone after 6 p.m., I assumed the House had adjourned.

This Nation must move ahead on coal gasification, and I applaud the leadership of the two gentlemen from Kentucky (Mr. CARTER and Mr. PERKINS). Had I been present I would have supported their amendment.

CLEAN MEAT STANDARDS SAFE—FOR NOW

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. SMITH of Iowa. Mr. Speaker, the U.S. Department of Agriculture has dropped, at least for the time being, plans which would have undermined the consumer protection standards afforded by the Wholesome Meat Act.

The Department's plan also would have weakened confidence in meat at a time when persons are buying less of it.

The dangers of the Department's proposal, as I see them, are explained in detail in remarks I placed in the CONGRESSIONAL RECORD for September 5, starting at page 27802, and in the RECORD for September 10, beginning at page 28522.

In the New York Times of September 18, Assistant Secretary of Agriculture Feltner is quoted as saying that the Department will not be implementing the plan "at least for now."

I sincerely hope that phrase—"at least for now"—does not mean that the Department has merely postponed action on the plan and hopes to put it into effect later. There will be as much opposition to it then as now.

Interested Members of Congress understand that the Department will at least not again attempt to make such a change without first consulting with Congress and the appropriate committees.

In addition to the recent proposal, some other serious questions exist as to how USDA has been administering the Federal meat and poultry inspection programs.

I have asked the General Accounting Office for a full and complete investigation. I will continue to press for that.

To complete the public record on the current situation, I am placing in the CONGRESSIONAL RECORD articles from the New York Times of September 15 and September 16, both written by Mr. William Robbins.

Mr. Robbins is the author, incidentally, of a book, "The American Food Scandal," which includes a chapter on the Wholesome Meat Act. His September 15 article provides an excellent explanation of the Department's plan and its implications.

The articles follow:

THREE GROUPS CRITICIZE PLAN TO BLOCK U.S. MEAT INSPECTION TAKEOVER

(By William Robbins)

WASHINGTON.—A quietly developed plan that would enable thousands of state-inspected slaughtering plants to begin shipping meat in interstate commerce, under consideration in the Department of Agriculture, has been attacked by a combination of Congressional consumer and packing industry forces.

Critics say that the plan, using as its legal basis a little-known Federal statute passed in 1962, is an attempt to circumvent the intent of the Wholesome Meat Act of 1967.

The plan is an effort to block a trend toward Federal takeovers of state meat inspection systems, which has resulted from the 1967 measure, Richard L. Feltner, Assistant Secretary, acknowledged in a recent interview.

"It's something we intend to do," he said after Secretary of Agriculture Earl L. Butz advised Congress that such a plan was under consideration.

Passage of the Wholesome Meat Act followed disclosures of widespread unsanitary conditions in meat plants under state jurisdiction. State-inspected plants are forbidden by law to ship across state lines.

The Wholesome Meat Act gave the states three years to bring their inspection systems up to Federal standards or allow the inspection responsibility to be pre-empted by the Federal Government. Under the act, the United States pays half the cost of state inspectors' salaries.

Puerto Rico and 13 states, including New York and New Jersey, have submitted to the Federal take-over rather than meet the cost of upgrading their inspection systems and expanding their staffs. Connecticut and Tennessee are scheduled to go over to Federal inspection next month.

In 1968, the Department of Agriculture began using the 1962 law, known as the Talmadge-Aiken Act, to enter into cooperative agreements under which a few state-inspected plants gained Federal status.

Under the agreements, the state-employed inspectors are required to work under supervision of Federal officials, and the Federal Government pays half the inspectors' salaries.

LIMIT ON STAFF SIZE

The agreements gave the plants involved the advantage of being able to ship in interstate commerce because the Department of Agriculture treated the Federal supervision system as the equivalent of Federal inspection. Meanwhile, the Department of Agriculture has been able to limit expansion of its inspection staff.

The Talmadge-Aiken act makes no mention of meat inspection, but it does provide for agreements under which state employers can perform unspecified Federal administrative and enforcement duties.

It does not authorize the department to spend money for the prescribed purpose.

"But is doesn't say we can't do it either," Mr. Feltner said. He said the department's legal experts had advised that the act provided a legal basis for the meat inspection agreements.

A total of 6,292 meat plants are now under Federal inspection and 5,835 plants are under state inspection, while 287 are under the quasi-Federal systems up under Talmadge-Aiken agreements.

ORIGIN OF CONTROVERSY

What generated the current controversy was an agriculture Department plan to increase the Federal contribution to the state inspector's salaries to 80 per cent and, thus, to encourage states to adopt Talmadge-Aiken system rather than turn their plants over to local Federal inspection.

It has led Representative Neal Smith, Democrat of Iowa, and others to attack the legality of the entire Federal-State system.

"This would, in effect, bribe the states to shift to the so-called Talmadge-Aiken approach," Mr. Smith said in a letter to Secretary Butz. "That act was never intended to be a vehicle to replace uniform Federal meat inspection or to be used in this manner."

"The Wholesome Meat Act of 1967, which I sponsored, was passed in large part because states were not enforcing effective meat inspection programs," Mr. Smith wrote. He noted that he had also been a House sponsor of the Talmadge-Aiken act.

LEGALITY QUESTIONED

He said that the plan was an effort to accomplish administratively what Congress had rejected in 1972, when it refused to increase the Federal share of state inspectors' salaries under the Wholesome Meat Act to 80 per cent.

"It is questionable," he wrote, "whether the department has been within the law in making any payments to states under the Talmadge-Aiken act."

But the principal concern of Mr. Smith and others is the possible effect on meat-inspection standards.

'The Proposal would undoubtedly lower the inspection standards for federally inspected meat," he wrote. "In 1970, the General Accounting Office made a survey of 32 regular federally inspected plants and eight so-called Talmadge-Aiken plants. In seven out of eight categories, the sanitation standards ta the Talmadge-Aiken plants were below those at the federally inspected plants.

69 SUPERVISORS, 287 PLANTS

He noted later, in a statement published in the Congressional Record, that only 69 Federal officials attempt to supervise the 287 plants.

Similar concerns have been expressed by Senator Dick Clark, Democrat of Iowa, and Senator Philip A. Hart, Democrat of Michigan, as well as by the American Meat Institute, an industry organization whose membership includes the largest meat packers, and by consumer groups such as the Consumer Federation of America.

Senator Herman E. Talmadge, Democrat of Georgia, who is chairman of the Senate Agriculture Committee, after first appearing to assent to the plan when it was mentioned by Dr. Butz at a hearing, wrote the Secretary last week and asked him to hold up any action pending a further hearing by the committee.

Representative Thomas S. Foley, Democrat of Washington, who is chairman of the House Agriculture Committee, said in a telephone interview last week that he would avoid taking a position until he could discuss the plan with Mr. Feltner next week. Mr. Foley, along with Mr. Smith, sponsored the Wholesome Meat Act.

PLAN ON MEAT PLANT INSPECTIONS DROPPED BY THE ADMINISTRATION

(By William Robbins)

WASHINGTON, Sept. 17.—The Department of Agriculture has backed away from a controversial plan that would have enabled thousands of state-inspected slaughtering plants to begin shipping meat in interstate commerce.

The plan had been attacked by Congressional, consumer and industry critics as an attempt to circumvent the intent of the Wholesome Meat Act of 1967.

Reports on the decision were given informally today to Representative Neal Smith, Democrat of Iowa, as one of the leading Congressional opponents of the plan, and in a letter to Senator James B. Allen, Democrat of Alabama, who is chairman of the Senate Agricultural Research and General Legislation.

Senator Allen had scheduled hearings next week on the department's plan, which would have encouraged states, through increased Federal aid, to enter into agreements with the Agriculture Department that would have the effect of giving Federal status to state-inspected plants. Only plants designated as federally inspected are permitted by law to ship in interstate commerce.

"We have not gone forward with plans to implement any changes," Assistant Secretary of Agriculture Richard L. Feltner said in the letter to Senator Allen. "Therefore, it is our belief that hearings on this subject are not required."

The Senator canceled the hearing, which was scheduled for next Tuesday.

In a telephone interview, Mr. Feltner said: "At least for now, it seems this is not the right way to go. It would not be a prudent thing to do."

In explanation, he added: "Frankly the opposition is quite intense at the moment. It would not be good for the meat industry and it wouldn't be good for us to go ahead with this."

The plan had reportedly been cleared earlier by the department through the Office of Management and Budget.

EXPAND SURFACE COAL MINING USAGE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. SYMMS. Mr. Speaker, many of my constituents have written to me expressing a deep concern over the spiralling costs of home heating fuels, farm equipment oils, and automotive gasolines, and asking what can be done to still the forces propelling petroleum costs upward.

A penetrating analysis of this burning issue was presented by the editor of Mining Engineering, Mr. Eugene Guccione, in a June 16 speech, and later published in the Freeman.

Mr. Guccione correctly concluded that the Government planted the seed of the energy crisis in the 1930's by forcing price controls on natural gas, which kept natural gas prices low. This caused shrinking profits in the gas business, thus reducing the capital available for exploration and development of new gas fields, culminating in today's natural gas shortage. Coupled with this regulation was the Federal Government's selling the Atomic Energy Commission's theme: "Nuclear energy is just around the corner." This seduced electrical utilities from contracting for long-range coal fuel supplies, resulting in decreased demand for coal and thereby less coal production, and as in the case of natural gas, less coal exploration and development.

With low prices and negligible profit from natural gas production, petroleum companies drastically reduced their production of residual oil in order to produce more gasoline to keep up with the demands of automobiles, which by law now had to be equipped with antipollution devices which lowered gas mileage by about 20 percent.

As environmentalists delayed atomic powerplant construction, and along with the Mine Health and Safety Act, by 1970 public demand for various forms of gas, oil and coal energy finally surpassed available supplies.

Mr. Speaker, after Government policies limiting natural gas and coal production resulted in our developing a 94 percent dependency on residual oil from the Arab countries it should not surprise us that we "discovered" an energy crisis, when the Arabs increased their oil prices.

With the Government placing us into an energy folly, we can little expect the Government to get us out of its regulatory tarbaby. Confirming this is the expected passage of the Clean Air Act, which according to the President's Project Independence report, will cause in the next 12 months a 200-million-ton coal deficit, the loss of 50,000 domestic mining jobs, and an additional $5.5 to $11 billion deficit in the balance of payments. Furthermore, it will create atrocious land use problems for the disposal of solid waste from sulfur dioxide scrubbers, and to top it all off, a 25-percent increase in the cost of electricity.

Mr. Guccione proposes that one solution to our energy production problem is to expand surface coal mining usage, and support his position as follows:

REMARKS BY MR. GUCCIONE

In the first place, compared to underground mining, surface mining is much safer: it is 20 times less likely to result in the death of a miner.

Surface mining is more efficient: it recovers 80 per cent of the coal; and in thick Western seams, recovery rates can exceed 95 per cent. Underground mining instead recovers approximately 50 per cent of the coal. Why, you ask? Because you've got to leave some of that coal in underground pillars to hold the roof up.

Surface mining is more productive. In the same amount of time it takes for an underground miner to produce *one* ton of coal, a surface miner can produce up to 20 tons of coal. (Surface mining averages about 35 tons per man per day; and in the Western United States, it can average up to 200 tons. Underground mining instead averages about 11 tons per man per day.)

Surface mining is the only way to produce coal from many of the vast Western deposits, which are near the surface and cannot be mined by underground methods.

Coal in the Western states is clean, it contains from a half to one-tenth the amount of sulfur present in Eastern coal. (Western coal, on the average, contains 0.5 to 0.7 per cent of sulfur. In the Eastern underground coal deposits, the average sulfur content is from two to ten times greater.)

Strip mining in the Western states would disturb much less land than strip mining in the East. "How much less?" you ask. At least 90 per cent less.

For instance: to produce 30 million tons of coal in the Powder River Basin of Wyoming, in any given year only 300 acres of land would be temporarily disturbed. To strip mine 30 million tons of coal in a heavily populated state like Illinois, would disturb 4,500 to 7,500 acres of land instead of a mere 300. (*Mining Engineering*, May 1975, p. 35).

Everybody agrees it would be nice to double coal production by 1985. If half of the anticipated increase in coal production by 1985 comes from the West, it will require the surface mining of only 130,000 acres of land. To put this acreage in perspective, please notice that surface mining represents only a temporary use of land—and the 130,000 acres that will be mined and reclaimed over the next ten years is less than the amount of land covered by parking lots in one year. Yet, the Surface Mining Bill also granted to the surface tenant of land on federally owned coal a veto power over whether or not the coal will be mined, and the bill also placed a ceiling upon compensation—thus removing any incentive for ranchers to grant you their consent. This alone would have effectively prevented the mining of most of our Western coal.

Finally. The average selling price of surface-mined coal f.o.b. mine is $5 to $10 per ton—and that of underground coal f.o.b. mine is $10 to $20 per ton.

Mr. Speaker, as Guccione points out so well, our present energy difficulties have resulted from the cumulative implementation of Government regulations which curtail the incentive to produce fuel. Such regulations will foster even higher energy prices in the future unless we begin to immediately repeal these asphyxiating restrictions on this Nation's energy producers.

WORLD POPULATION CRISIS

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. du PONT. Mr. Speaker, despite our own good fortune in stabilizing the national population growth, the world must still witness 213,000 births a day. While the developing nations are taking steps to meet the population challenge, as is evidenced by the 100-percent increase in population aid requests to the United Nations this year, the burden of overpopulation knows no national boundaries.

Lest we forget the increasingly serious problems here on our own continent, I would like to share with my colleagues the comments of New York Times columnist James Reston on his recent trip to Mexico:

Mexico's Hundred Million

(By James Reston)

Mexico City.—There are so many immediate and urgent problems in the world these days that it seems almost cruel to think about the problems of the future, but the steep rise in the population of this magnificent country may be the most alarming fact in the relations between the United States and Latin America.

At the end of the last World War, the population of Mexico was just under 20 million. It is now about 60 million. The other day, a member of President Echeverria's staff, concerned about the future, said to me: "The parents of the 100-millionth Mexican are already born and are probably running around the streets of Mexico City."

And when I asked the Mexican President about this, he replied that it was an understatement. He estimated that the population of Mexico would be over 125 million by the end of the century.

The population problem, of course, is more serious in some parts of Asia and Africa, and the tendency here in Mexico City is to say that Mexico's population is none of our business, but this is not exactly true. Despite Mexico's remarkable industrial and agricultural growth in the last generation, she has been producing more people than jobs, and has been exporting her unemployed people to the United States.

This is not a result of the policy of the Mexican Government. As a matter of fact, when President Ford and President Echeverria of Mexico met at the border on October 22 last year, Mr. Echeverria recognized this problem and did not insist on new regulations for the protection of the Mexican workers in the United States.

But the pressure of unemployment in Mexico, and the attraction of better wages and a higher standard of living the United States have created one of the most spectacular immigrations in United States history. It has happened not because of policy here in Mexico City or in Washington, but in spite of it, and most of it is illegal, and almost uncontrollable.

The land border between the two countries measures over two thousand miles, and the sea frontiers are even longer. Like the U.S.-Canadian frontiers, they are too long to be patrolled effectively, but unlike Canada, with its high standard of living, Mexico is underdeveloped, under-employed, over-populated, and her people are willing to take the job in the United States and do the work for less money than unemployed U.S. citizens are willing to accept.

The result now is serious enough. With over eight million U.S. citizens out of work, and around eight million illegal immigrants in the United States, most of them Mexicans, George Meany of the A.F.L.-C.I.O. is now calling for legal controls on immigration and on foreign labor employed by U.S. multinational corporations operating abroad, and for new laws to protect U.S. jobs at home.

So far, serious as it is now, the problem has been manageable, but when the Mexican population doubles in the next generation, what to do? This is what thoughtful people here, let alone in Washington, wonder about in the night.

Regarding the past, Mexican officials are proud of their record. They have improved the condition of their people. They have made substantial progress in wiping out illiteracy. They have rediscovered new sources of petroleum, and are now self-sufficient in energy. They are increasing their agricultural production by irrigation, and are beginning to use atomic energy to de-salinate the seas, but their population is out-running their production of jobs and capital, and when they look to the future, they don't quite know what to do about it.

President Echeverria's answer to all this seems to be that there must be a new international economic order in the world, in which the rich nations should share their wealth with the poor nations, but at home he has a problem.

He needs foreign investment in Mexico to increase the industrial growth and jobs of his country, and lately he has been blaming the United States and the other rich nations for his predicaments. But over 70 per cent of all foreign investment in Mexico comes from the United States. Last year, Mexican exports to the United States amounted to $3.4 billion, much larger than to any other country, but as he points out, U.S. exports to Mexico totaled $4.8 billion, leaving him with a trade deficit of $1 billion, even though U.S. tourism to Mexico netted almost $1 billion.

These figures, however troubling as they are to Mexico officials here, are merely a symbol of the deficits to come.

President Echeverria of Mexico is now coming to the end of his term. He will be the key figure in choosing, in October, his successor who will preside over the Mexican Government for the next six years. And his successor's major challenge will be the population problem, for no matter how much Mexico increases its industrial production, the increase in its population will be decisive.

Here in Mexico City, as elsewhere in the developing world, the fertility of the people is the critical question.

NICK PELLETTIER—CHEF

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. STEIGER of Arizona. Mr. Speaker, Mr. Nick Pellettier of Prescott, Ariz., is an excellent example of an immigrant who came to America, and through hard work and long hours, built a successful business in the hotel and restaurant industry.

Mr. Pellettier's interesting and colorful history was described in an article written by Jonne Markham in The Paper, of Prescott. This article is a tribute to a man who worked hard to achieve the American dream.

I insert at this time the article in the Record:

Thirty Years in Prescott: Nick Pellettier—Chef

(By Jonne Markham)

Nick Pellettier worked in hotels from New York to Canada, Long Island to Florida; he's worked in Allentown, Penn., and San Francisco. But once he got to Prescott, he stayed forty years, running the two hotels in town.

Nick arrived in the United States when he was 14—straight from Potenza, Italy, which is near Salerno. His father, Dominick, was French, but settled in Italy near his wife Geraldine's family.

Nick began working right away in hotel kitchens, and in answer to the question, did you start out washing dishes, or pearl diving, as it's known in the kitchen, Nick said, "When I started out at the Waldorf in New York, if there was nothing doing I would blanch the french fries and bread the oysters. Those native oysters were great, but breading oysters and blanching french fries would take you all day."

Didn't that get kind of boring, Nick?

"Well, it was a start . . . you see, I didn't speak the language, but there were quite a few there like me, that spoke my language and they coached me and, at different places, I was learning all the way along. I never went to school in this country at all—my learning was just by practical experience."

What other hotels did you work, Nick?

"I worked the Bradley, the shore dinner house, at Port Washington, Long Island, and the Thousand Island House in Alexander Bay, New York. The same company that had the Thousand Island hotel had the Oaks Hotel in Barto, Florida. In the winter, we'd go to Florida and in the summer we'd go up to the St. Lawrence."

In 1922, Nick came out west and worked for awhile in San Francisco. He just worked banquets, then, at hotels like the St. Francis and the Palace, but he got tired of San Francisco, and one day, on the association billboard, he saw an ad for a cook at the Ingleside Inn, Phoenix, Arizona. The Ingleside Inn was at the north end of Central Ave., north of Northern, and preceded the Phoenix Country Club.

George Thompson hired Nick and he was there from 1922 until 1925. This was at a time when Scottsdale had only one store, one street, and 200 residents. Nick remembers the Ingleside Inn fondly.

"We had 160 acres there, 20 acres in olives, 20 acres in citrus and the rest in alfalfa. We used to raise our own turkeys, and we called them Ingleside Olive Fat Turkeys on the menu. We always had a thousand turkeys there. We were very exclusive, the only two resorts in the valley then were the Ingleside Inn and the San Marcos in Chandler."

Nick worked the resorts for awhile, Santa Fe, New Mexico's Bishop's Lodge and the Napa Soda Springs in California. He also worked at the Jokake Inn in Scottsdale, and it was while he was running the Mountain Club here in Prescott that he hired Jack Stewart, who eventually owned the Camelback in Scottsdale. Nick told Mr. Litchfield about Stewart. who hired him for his Wigwam resort in Litchfield Park.

By this time, Nick knew about Prescott and in 1935, jumped at the chance to take over the Hassayampa Hotel to run. However, Nick was on a contract at the Wigwam, so he took his second cook to Prescott, and commuted back and forth, until the contract ran out.

Nick says that there was a lot of social life then, more than there is now, and much of it went on at the hotel. People seemed to eat out more, or maybe it was because there weren't many places to go. There was the old Yavapai Club, The Dells, and two hotels. And no television.

In 1943, Nick bought everything, the lease, the dining room and the bar from Ralph Hooker. Nick had an assistant, Edgar Buscher, who ran the hotel and the upstairs.

In those days, the Hassayampa Hotel was quite a gathering place. Originally built by stock subscription by local businessmen who wanted Prescott to grow, the hotel attracted many famous people. Fiorello La Guardia, Tom Mix, Spencer Tracy, Walter Brennan, who used to own a quarry up on the other side of Drake, and Clark Gable, who put away a lot of Nick's pancakes in the Hassayampa coffee shop.

In fact, Clark Gable was about to buy into the ranch in Peeples Valley now owned by Jim Coughlin, but his wife's death in an airplane crash ended that. Gable was staying at the Hassayampa when the news came in about the dreadful crash in which his wife, Carole Lombard, died.

The nicest people Nick remembers were a group of soldiers who came from Kingman in 1942 or 1943, fellows from General Patton's division. "They were sure a nice bunch of fellows, spent the weekend singing and laughing. There were 189 of them I remember, because some of them had to sleep on the tables after we cleared away, we were so crowded."

In 1955, Nick sold the hotel and spent three years with his wife, Helen, traveling around Europe, visiting Spain, Canada, and coming home to work hard in his garden and greenhouse.

But in 1958, Nick gave up on retirement and bought the St. Michael Hotel. Ed Locklear, his lawyer, came in with Nick, as did Esther Anderson and Harold Eisberg.

Why did you leave your retirement?

"It was more of a challenge. Everybody said, well, old Nick Pellettier, he'll never make it down there—six months and he'll go broke!"

That made Nick mad. He put every cent he had into the hotel, refurbished the lobby, completely remodeled the coffee shop, and stayed for seventeen years.

"I should have had my head examined," Nick says ruefully.

So, for 17 more years, Nick arose at 4:45 a.m., went to the hotel, set the bread and rolls, made the pies, sometimes cinnamon rolls, and worked until lunch was over. Then he'd go home until 4 or 4:30 p.m., come back and get ready for dinner. A good 15 hour day, winter and summer. The hotel averaged 46 employees during those years.

Nick says that the only way to make it in the restaurant business is make your own soup, every day; cut your own meat and make your own bread.

"I made my own french bread every day, my rolls and pies—no cakes—there's no money in cake."

All those years, Nick tried to keep the prices down. He served banquets, the Rotary, Kiwanis, Lions, the Democrats and the Republicans. He put on dinners for Barry and lunches with Mo Udall. There were style shows, lectures, breakfasts and weddings. And always, there were the Westerners.

But, finally, Nick began to get tired. He turned down banquets and closed at 1 p.m. He closed the coffee shop. He just couldn't do it any more. The man was 75, working years after most men have retired for good.

"The last two years, I didn't do justice to the people, they really deserved more than that. I heard people say that I was getting too independent . . . that hurt me. I tried to do the best I could, but I just couldn't handle it, I had to sell."

Nick can sleep in a little later, now. He still sets his french bread, and is teaching his nephew the secret of rising the bread. He could even spend a little time with his Elks brothers or go down to the Moose Lodge. He's got time for gardening now, and is raising some vegetables again. He's learning to relax, but it's not easy, after you've worked 12 and 15 hour days since you were 14.

Charlie Comfort wrote a nice long story about Nick back in 1965, and one phrase of his stuck in my mind. He spoke of Nick as a "chef minus temperament," and said that "Nickolas Pellettier is THE chef."

I have to go along with Charlie.

THE DIALECTICS OF DÉTENTE

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. BURKE of Florida. Mr. Speaker, the August 29, 1975, issue of the respected journal National Review carries an excellent and thought-provoking article by James Burnham, one of the Nation's most astute analysts of international affairs. Mr. Burnham, long a student of Soviet foreign policy and the world Communist movement, has produced a masterful exposition of what the policy of détente means as construed by the Communists.

While many may not agree with all of Mr. Burnham's conclusions, I feel that his analysis is most provocative and that it should be read by all, both those who support and those who question our current détente policy. For this reason, I am pleased to include the article at this point in the Record for the information of my colleagues:

The Dialectics of Détente

In NR's last issue I discussed the logic of detente as conceived by the United States. Our rulers think of detente as a diplomatic equivalent of a business deal. Each party to the deal is an independent agent with its own specal interests, but both function within the rules of the market. In negotiating the deal, each aims to get something it wants and each assumes it will have to give something in return. Both believe that the net result of the give and take process will be of mutual benefit. The mutual benefit (=profit) in this case is assumed to be, as a starter, assurance against nuclear war, to be followed up by trade and cultural exchanges leading toward cooperation and, in time, friendship. The underlying equation of the deal is the simplest sort of algebra. Through the negotiations, the quids and quos on the two sides of the equation will be adjusted to bring about a simple equality.

This mode of conceiving detente is what Communists call bourgeois, Aristotelian, abstract, and static. The Communist mode is (they say) proletarian, dialectical, concrete, and dynamic.

History is a dialetical process through time. In the historical dialectic, two "opposites" clash, and become ultimately fused into a synthesis "on a higher plane." In our epoch the primary clash is between imperialist finance capitalists and revolutionary workers (and peasants); the synthesis is the proletarian dictatorship led by the Communists. All Communist strategy and tactics are conceived dynamically, against the background of the dialectical pattern: their objective is always to weaken the imperialist side and to strengthen the revolutionary side of the dialectical opposition, and thereby to advance toward the revolutionary synthesis.

The Communist conception of detente can be comprehended only within this dialectical frame of reference. Detente—like War Communism, the New Economic Policy, Socialism in One Country, the Popular Front, the Patriotic War, the Cold War, Peaceful Coexistence—is a tactical variation within a fixed Grand Strategy. For the Communist side, detente is not a "step toward peace," not a prelude to cooperation and friendship, but a mode of conducting the revolutionary struggle. It is not an effort to achieve an evenly balanced equation, but a maneuver to weight the equation more heavily against the West.

LEADING FROM STRENGTH

According to the Communist analysis, the tactical phase designated "detente" expresses the deterioration of the imperialists' strategic situation. In a recent article, Gus Hall, leader of the Communist Party U.S.A., sums up: "Detente expresses a qualitative change in the international class relations." The Draft Program for the 21st convention of the CPUSA explains: "On the scales that measure which force determines the main content of this epoch, the balance has tipped against world imperialism. . . . The struggle for detente arises from this new relationship." The imperialists (in particular the U.S.) have been *compelled*—by their weakness—to accept detente on, essentially, the Communists' terms. The Communists have no trouble compiling a catalogue of the evidence: retreat of the U.S. from Indochina; retreat of the West from Mozambique and Angola; Marxification of Portugal; collapsing U.S.-NATO position in Turkey and Greece; relative strengthening of the Soviet navy as against the U.S. Navy; oil squeeze on the West; inability of the Western nations to cope with increased terrorism; growing disunity among NATO states; dominance of leftist ideology in mass media of non-Communist nations; increased influence of Communism in France, Italy, and Great Britain; combined inflation and recession in non-Communist nations.

Because of the strategic ascendancy of Communism, it is "no accident" that in the successive detente episodes the Communist side invariably comes out ahead. SALT I turns out to be a green light for Soviet development of MIRV warheads and a stop sign for U.S. deployment of anti-missile defenses. The Vietnam peace accord turns out to be a program for completion of the Revolution along the Mekong; the big Soviet grain purchase, a ripoff of U.S. farmers and consumers. The Helsinki accord becomes a guarantee against Western influence in Eastern Europe and a permit for Soviet-backed Communist operations in Western nations. Detente-blessed trade shapes up as the transfer of Western technology (and food) to make good the failures of Communist technology in exchange for promissory notes and an occasional gold shipment.

For the Communists, detente is a No Can Lose proposition. And detente has the special merit of providing an attractive packaging for Communist aggression. Who can be "against detente"?—against the lowering of tensions and the progress toward cooperation and friendship? Only obsolescent Cold Warriors or outright warmongers and fascists. Even if we did get a bit screwed at Geneva, Seoul, or Helsinki, all hearts are in the right place, and by nourishing the spirit of detente everything will turn out for the best in the long run.

NO CAN LOSE

Detente is not only useful to the Communists as a cover for their fundamental strategy of aggression. It is useful also for

Western diplomats, politicians, and businessmen. For the businessmen it is a respectable cover for their greed. The Western diplomats can make good use of it to plaster over their mistakes and to hide their lack of a coherent policy. And it enables the Western politicians to obscure their renunciation of genuine leadership, their failure of nerve, and their reduction of governing to the study of opinion polls.

Some of the diplomats and politicians, perhaps even a few businessmen, understand the underlying meaning of detente, but persuade themselves that the demoralization of public opinion and legislative bodies makes it necessary to go along with the illusion, hoping that something will somehow turn up sometime. (I.e., you combat demoralization by yielding to it.) The others, finding the truth too unpalatable, prefer to kid themselves into accepting detente at face value. Either way, it doesn't make much difference from the No Can Lose perspective of the dialectical opposite.

PRUDENTIAL INSURANCE OFFERS HELPFUL BOOKLET ON VOCATIONAL EDUCATION

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. HALL. Mr. Speaker, the Prudential Insurance Co. has just released a very informative 32-page booklet dealing with vocational education. It is an excellent guide for high school students, their counselors, and parents.

Mr. Speaker, as a member of the Subcommittee on Elementary, Secondary, and Vocational Education, I have been involved in hearings now being held on amendments to the Vocational Education Act. Nearly 60 percent of high school graduates, as Prudential's booklet points out, will not be going on to college. It is important to all of us that these students be prepared for the world of work. This booklet can help to do that. It concentrates on the specific steps a young person can take to decide on a career, locate institutions that train for it, and find ways to pay the costs.

Mr. Speaker, the booklet is available from Prudential, Box No. 36, Newark, N.J. I think it is deserving of the widest possible attention. I am, therefore, inserting the preface and first chapter of this seven-chapter booklet:

FACING FACTS ABOUT VOCATIONAL EDUCATION FOR YOUR CAREER

PREFACE

You will probably live at least another 50 years. And you will probably work for nearly 40 of those 50 years. Anything that occupies that big a place in life deserves thought and careful preparation.

The importance of work was recently underlined by Dr. Ewald B. Nyquist, Commissioner of Education in New York State: "For nearly every person, work, or the inability or failure to work, is a prime determinant of standard of living, family relationships, friendships, life-style, community service, citizenship, and leisure time. Each individual's occupation is a major factor in his sense of control over his own destiny. In our complex, technological, affluent society, this sense of control is remote if not unattainable without economic well-being, and without the knowledge that one is using his own powers to accomplish something of value to himself and others."

Important as work is, preparation for it has not, until recently, been given the attention it deserves. Every year, 850,000 students drop out of school and another 750,000 who graduate from high school have no preparation for work. Added to that 1,600,000, are 350,000 young men and women who leave college each year—they probably shouldn't have gone to college in the first place—without completing either a baccalaureate program or learning an occupation. It is small wonder that unemployment among youth is as high as 30% in some cities.

While those nearly 2 million unskilled, untrained young people are out looking for work, there are more than 2 million jobs going begging. A chief reason, says the National Advisory Council on Vocational Education, is that "the educational treadmill continues to turn out students who are untrained, unskilled and unemployable."

Whatever kind of vocational preparation you may have received so far, there is still much you can do to fit yourself for a satisfying career. The chief ingredients needed are attitude, information, and skills training. This booklet has been written to help provide insights into these essentials.

1. CHANGING PATTERNS

In the past decade, there have been enormous changes in attitudes toward work, and toward education. Here is a true story that illustrates the changes.

Greg was always a good student, as well as a good athlete and active in extracurricular activities in high school. In his last two years, he made the honor roll every time. His older brother and sister had gone to college, and it was assumed by the rest of the family that Greg would follow them to the nearby university.

When the subject of college came up, he never said anything. Actually, he had been thinking a great deal about what kind of career he might want. He liked to fix things around the house and he got an after-school janitorial job in the local school. There he worked closely with the custodian who taught Greg how to maintain the equipment, including the boiler system and the electrical wiring. Working on these job projects was as much fun to him as building complicated model cars had been when he was younger.

One day when the subject of college came up, Greg announced that he wanted to be an electrician. The best place to prepare for that career, he had discovered through talking with the high school counselor and reading pamphlets in his office, was at a two-year technical institute to which Greg could commute. Everyone in the family was shocked. They pointed out how good he was in academic subjects, how he had made the honor roll, how English and history were among his best subjects. Didn't he want to go to college?

Although Greg hated to disappoint his parents, and although they made him feel as if he were aiming too low, he stuck to his decision. The two-year course was hard, especially the first year which was largely physics, math, and theory. But he did not wash out, as so many did, and during the second year, which was mainly practical work, he was near the top of the class.

After graduation, the institute helped him find a job as apprentice to an electrician who was in business for himself. Starting pay was nearly $10,000 a year, with overtime work adding more. More important to Greg, however, was his love of the work. After a few years, he will be able to become a fully licensed electrician and his hope is to go into business for himself some day.

Is failure the opposite of college?

The attitude of Greg's family is rapidly going out of date. Statistics tell part of the story. Instead of each year seeing an increase in the percentage of youth going to college, the line on the graph is beginning to go the other way. In 1968 and 1969, for instance, half of the 18 and 19 year-olds enrolled in college. In 1972, the percentage had dropped to 46% and a year later to 43%. Admittedly, the draft had been a factor in the enrollment of many young men. But there are other reasons for declining college enrollments.

College educators themselves have been among the first to suggest that not everybody needs to or should go to college.

Dr. William J. McGill, president of Columbia University in New York City, recently said, "Our earlier successes in higher education have bred some curious ideas in the United States. Most middle-class parents believe that their children will be failures unless they complete a four-year college degree. So many four-year institutions have been built that corporate and government personnel officers believe it necessary to demand a college degree for occupational entry in areas where college training clearly makes no sense."

Frank L. White, a professor of industrial education at Temple University in Philadelphia, put it another way: "I've seen entirely too many students enter academic studies because their parents did not understand the value of a vocational education. Parents should understand that it isn't at all necessary for a man to be in the professions to achieve a full, happy, productive life." And he added, "Tradesmen and artisans are doing better today than they've ever done before, not only financially but socially."

As long ago as 1969, the National Advisory Council on Vocational Education summed up the matter quite eloquently: "At the very heart of our problem is a national attitude that says vocational education is designed for somebody else's children. This attitude is shared by businessmen, labor leaders, administrators, teachers, parents, students. We are all guilty. We have promoted the idea that the only good education is an education capped by four years of college. This idea, transmitted by our values, our aspirations and our silent support, is snobbish, undemocratic, and a revelation of why schools fail so many students."

It appears that students, more quickly than their parents, are changing attitudes in this regard. While it is understandable that a laborer or a coal miner would want "something better" for their sons, and that mothers who did not go to college would want their daughters to have the opportunity they missed, apparently young people today have little aversion to working with their hands. In the middle 1960s, about 13% of the community college students were enrolled in vocational education courses. Today the figure is between 40% and 50%, with some of the two-year colleges reporting over half of their students in career courses. Another statistic is even more startling: In the six years between 1966 and 1972, student enrollment in vocational education nearly doubled, from 6,070,059 to 11,602,144.

But it is not always easy for the student who decides against going for a college degree. Larry Allen, a recent Searcy, Arkansas high school graduate, who also served as national president of the Vocational Industrial Clubs of America, an organization of students going into trade, industrial, health, and technical fields, described the attitude such a student is likely to encounter. "First, he discovers that his worth as a human being seems to be measured by his desire (or lack of desire) to go to college. If he is one of the chosen few (approximately one-third of all high school students) who qualify to take college preparatory courses, he is immediately made to understand that somehow he is better than his less 'bright' classmates. He learns that a student who take a business course is inferior to one who takes a college preparatory course and that someone who is put in remedial courses or chooses auto mechanics, shop, or home economics is regarded as a loser . . . American society believes in a myth—the myth that you have to have a college education to succeed."

The myth is being shattered not only by student preferences, but by harsh economic facts. Richard B. Ogilvie, former governor of Illinois, spoke of the myth that "a university degree somehow becomes a magic key which guarantees entry into a world of economic well-being and endows the holder with a cloak of respectability otherwise unattainable. If it were ever true, it no longer is," he said. "The long period of economic boom nurtured the myth for many years, but it has been rudely shattered on the rocks of an economic downturn and the simple law of supply and demand. We have more history teachers than our schools can absorb, but we haven't enough nurses to care for the sick. Nuclear physicists are out of work, but we have trouble finding a competent mechanic to repair the mysterious rattle in the family car."

Again to quote the National Advisory Council on Vocational Education, "The number of jobs which the unskilled can fill is declining rapidly. The number requiring a liberal arts college education, while growing, is increasing far less rapidly than the number demanding a technical skill. In the 1980s it will still be true that fewer than 20% of our job opportunities will require a four-year college degree. In America every child must be educated to his highest potential, and the height of the potential is not measured by the color of the collar. Plumbers, carpenters and electricians make more than many school superintendents and college presidents; only the arrogant will allow themselves to feel that one is more worthy than the other."

Work is changing

Only a few years ago, economists were predicting that automation would take over much of the work and that the labor market would shrink accordingly. That has not happened, however. The labor force in this country grew from 62 million in 1950 to 83 million in 1971, and the unemployment rate generally has hovered around the 5.5% mark throughout the period.

What automation did change was the need for more and more people to sell and deliver the increased production that automation has made possible. Furthermore, every automated machine brought about a need for increased numbers of technicians to service the machines. The feeding and caring of automated machinery and electronic equipment have created the need for a new kind of labor.

Increased demand for social services has also resulted in increased demand for new and different kinds of workers. In the health field, for instance, there are thousands of job categories that literally did not exist in the recent past. Also, employment in government at all levels; federal, state, and local, offers new career opportunities.

Another basic change in employment is the full-fledged entry of women into the world of work. Right now, women represent about 40% of the number employed, and economists say that percentage will be up to 50% in just a few years. Already, half of the mothers whose children are betwen six and 17 work.

Perhaps the greatest change in the world of work, though, lies in the way people now view their life's work. The old way was to get a job, learn to be expert at it, and stick to it. The old adage that shoemakers should stick to their last no longer applies. (Shoemakers who did have very nearly been wiped out by foreign competition.)

Instead of becoming narrow specialists, people are now seeing their life work in "clusters." Gus Tyler, the assistant president of the International Ladies Garment Workers Union, offers this advice: ". . . a man or woman would do best to learn many skills, develop wide interests, and—above all—learn how to learn."

In the cluster way of looking at one's career, a young person is more apt to select a field of interest, acquire the necessary skills to enter the field, and then combine increased experience with further education to move around and up in that field. For instance, a person might have the interests and aptitudes for the health field, which could be entered, with fairly short training, at the level of licensed practical nurse, laboratory technician, or other paraprofessional. Then, by taking advantage of on-the-job training and educational opportunities at nearby colleges or institutes, become further qualified for promotion on the nursing or laboratory staffs or move in other aspects of the health field, such as administration or teaching. Similar examples could be drawn from such fields as local government, the construction industry, police work, or the whole area of persuasion which involves sales, advertising, and public relations.

Attitudes toward work are changing

In the example of Greg given at the beginning of this chapter, his family thought he was aiming too "low" when he chose not to go to college. The idea that working with your hands is somehow lower than working with your head is an attitude that is dying out. There is also a more realistic recognition that the person who works with his hands also has to use his head. Electricians, nurses, mechanics, typists, and other people in "nonintellectual" fields have just as much need to think clearly and know what they are doing as teachers, lawyers, or senators.

But even more important than the kind of work one does has become the need to get satisfaction from work. Doing a job well, no matter what the job, is now seen as a source of pride and dignity.

A recent study of American youth by Daniel Yankelovich revealed some interesting trends in how young people today view work. Here are a few of the more pertinent findings:

"While a majority (57%) of noncollege youth state that economic security and providing for their family will come first in planning their future, a substantial minority (42%) agree with the following statement: 'In thinking about the future, I'm really not that concerned with economic security. I guess I take it for granted. I'm more concerned with doing things that will give me a sense of self-fulfillment.' "

"Among young blue collar workers "interesting work' is just as important a desired job attribute as money."

"Today three out of four noncollege youth as well as college youth call for more emphasis on self-expression and self-fulfillment as personal values."

"Among blue collar workers, job security (51%) is 15 percentage points below interesting work as a job criterion."

"Out of a list of 35 possible job criteria, the chance to make a lot of money ranks among the bottom ten on the list."

The study also shows that young people are ready and willing to work hard. "They do not shirk from physical hard work and they are not worried about being asked to do more than they now do." But they are not totally convinced that hard work will pay off, either psychologically or economically.

When asked what they felt held them back most from getting the kind of work they wanted, 45% of the blue collar workers said their poor educational background was the greatest hindrance, and 37% regard their lack of vocational training as an impediment to the kind of job they wanted. When they were asked if they would take advantage of an opportunity for a six-month training or education program that would lead to promotion or better job, 68% said "they would welcome the chance even if it meant taking a 20% pay cut while taking the course."

In summary

So the changing patterns of thinking and acting about work show several major threads:

Four-year colleges are not the only path to successful, satisfying careers.

The employment picture is changing, with new opportunities in new fields, especially to trained technicians.

A career now means not just a job, but a field in which there are clusters of occupations.

Interesting, self-fulfilling work is more important to young people than money.

Training and education are essential, say young workers, both to get satisfying work and advance.

What does this mean to you?

With anything as personal as work, which involves your abilities, your tastes, your life goals, generalizations are not meaningful until you translate them into how they apply to you.

Ask yourself these questions:

Does my family assume I'm going to college?

Is their assumption right?

Would I go to college (or not go) just to please them?

Of all the adult work I know anything about, which kinds appeal to me most? What is there about these jobs that appeals to me?

What kind of preparation do I need for the work I might like to do?

What do I want most from work?

BIESTER ISSUES QUESTIONNAIRE RESULTS

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. BIESTER. Mr. Speaker, I am pleased to share with my colleagues the results of my ninth annual survey of constituent opinion.

The questionnaire was mailed postal patron in early July to approximately 180,000 households in the Eighth Congressional District of Pennsylvania, comprised of Bucks County and the northeast portion of Montgomery County. By mid-September over 16,000 individual responses had been received.

The 39 questions asked cover energy and the environment, the economy, gun regulation, international relations and mass transportation. I attempted to pose tough, realistic questions and choices, and I think the returns reflect the fact there is closley divided thought on what actions should be taken by Congress on several major issues.

As in the past, I have found such an

undertaking of immense value in gaining a deeper appreciation of how my constituents are reacting to current events and concerns. While we must take care to recognize the limitations this kind of survey does have—in the way the questions are drawn and interpreted and which residents take the time to respond—I do believe that such a reading of my district provides much helpful insight into the thinking of the people I have the privilege to represent.

Mr. Speaker, I submit the results at this time for the possible interest of my colleagues:

RESULTS OF THE 1975 CONGRESSIONAL QUESTIONNAIRE—8TH DISTRICT OF PENNSYLVANIA, EDWARD G. BIESTER, JR., M.C.

[In percent]

	Strong no	No	Uncertain	Yes	Strong yes
Energy/environment:					
1. In helping to reduce petroleum use, would you favor:					
(a) Gasoline rationing	44	15	6	18	17
(b) Gasoline allocation to service stations	49	25	11	12	3
(c) Increased gasoline tax with tax credit for average use	29	14	13	28	16
(d) Tariff on all imported petroleum	26	17	19	25	13
(e) Petroleum import quotas	22	17	20	26	15
2 Of the following energy-related measures, would you favor:					
(a) Excise tax on new car purchases based on car's fuel efficiency	17	7	6	31	39
(b) Relaxation of air quality standards	38	20	10	18	14
(c) Deregulation of domestic oil and natural gas prices	38	20	16	15	11
(d) Tax credits for commuters using mass transportation	18	12	10	32	28
(e) No Sunday gas sales	44	21	7	16	12
(f) Mandatory energy efficiency standards for appliances and new buildings	6	3	5	29	57
3. Large quantities of oil and gas may exist on the Atlantic Outer Continental Shelf. Do you favor development of these resources?	8	4	9	30	49
4. After completion of a congressionally-mandated study, Congress will vote whether to proceed with construction of the Tocks Island Dam/Reservoir project north of the Delaware Water Gap. Do you favor this project?	28	7	25	19	21
The economy:					
5. Several ideas have been proposed by which Congress might help improve our economic situation. Would you favor:					
(a) Creation of additional public service jobs	33	15	10	24	18
(b) Stimulation of economy with budget deficit of $60,000,000 to $70,000,000	45	21	19	11	4
(c) Special tax advantages to industries most affected by the recession	24	17	16	29	
Gun regulation:					
6. Regarding firearms, what is your opinion of the following:					
(a) Citizens have a constitutional right to own firearms	13	6	7	29	45
(b) No further legislation is needed; present laws only need enforcement	22	15	11	18	34
(c) Impose mandatory minimum sentences on those who commit Federal crimes with firearms	4	2	4	18	72
(d) Prohibit the manufacture and sale of cheap, unsafe handguns (so-called Saturday Night Specials)	6	3	3	15	73
(e) Limit the ownership of guns to those persons licensed to own them	27	11	7	17	38
(f) Require that all firearms be registered	24	7	4	15	50
(g) Prohibit the private ownership of handguns	51	20	7	7	15
International relations:					
7. The extent to which another nation's political ideology should be a factor in determining our economic relations with that nation is a source of controversy. What is your opinion of the following:					
(a) The United States should extend financial credits to Communist nations to promote sales of nonmilitary American products there	35	18	11	26	10
(b) The United States should remove tariffs and duties which descriminate against imports from most Communist nations	35	20	15	21	9
(c) The United States should end all trade with Communist nations	44	34	9	5	8
(d) The emigration policies of other nations should influence our trade policies with them	28	24	16	18	14
8. Should the United States sell arms to any non-Communist nation which can pay for them?	28	17	12	26	17
9. Events in Southeast Asia have forced the United States to reexamine its policies toward the nations of that region. What is your opinion of the following:					
(a) The United States should establish diplomatic relations with Cambodia and North Vietnam	25	14	14	32	15
(b) The United States should establish diplomatic relations with South Vietnam	21	13	14	36	16
(c) The United States should continue its present economic embargo against trade with Cambodia and North and South Vietnam	16	22	17	22	23
10. Should the CIA be limited in its foreign covert activities to the gathering of intelligence information?	24	16	8	20	32
11. The United States considers various criteria when giving economic assistance to a particular nation. Rank the following in their order of importance, 1 being most important and 5 least.					

	1st[1]	2d	3d	4th	5th[2]
(a) American economic interests	25	27	15	17	16
(b) American security interests	40	21	16	16	7
(c) That nation's form of government or ideology	9	9	18	19	45
(d) That nation's observance of basic human rights	24	21	20	26	9
(e) That nation's need for aid	26	18	22	14	20

	No	Yes	Uncertain
Mass transit:			
12. Do you commute to work by car more than 10 miles each way?	57	43	
If yes, would you make use of bus and rail service if it were expanded and more accessible?	27	71	2

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[1] Most important.

[2] Least important.

HIGHWAYS—OUR LIFE'S BLOOD

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. SEBELIUS. Mr. Speaker, as I continue to make my way in and about the various detours throughout our Nation's Capital due to the ongoing construction of Metro, several thoughts come to mind.

First, I am reminded the scene is totally different from the one I and the folks I am privileged to represent are used to in western Kansas.

Second, although our transportation needs are totally different, the need is acute, nevertheless. Last, I feel it is most unfair and wrong to take user taxes from folks in Kansas that we desperately need and utilize these funds for mass transit projects most Kansans will never see or use.

Mr. Speaker, I make mention of these thoughts in that my colleague and good friend, the Honorable BUD SHUSTER, Congressman from Pennsylvania recently wrote a letter to the editor to one of my district's leading newspapers, the Salina Journal, on this very subject. I believe his letter and the Journal's editorial comments sum up very well the concern of many of my colleagues who represent rural and small community areas and commend it to the attention of all of our colleagues.

[From the Salina (Kans.) Journal, Aug. 18, 1975]

OUR LIFE'S BLOOD

Out here in the hinterlands, highways—good highways—are our life's blood.

Distances are vast and automobiles are, basically, our only means of transportation. Sure, it would be nice, and would save gasoline, if we had subway systems, frequent bus service between cities, etc. But, out here in the hinterlands, we're never going to get such amenities.

The U.S. Highway Trust Fund has helped us develop most of our major highways, such as the fine Interstate 70, Interstate 35W routes and the new section of US81, which serve the Salina area so well.

The Trust is maintained by a gasoline user's tax.

If we want to maintain and improve our highways, it is important that we defend the Trust, which now is being eyed covetously by big city congressmen who would like to get their hands on the money for in-city transit projects.

Accordingly, the following excerpt from a letter to The Journal from Rep. Bud Shuster of Pennsylvania's 9th district should be of interest:

"A few weeks ago I commented on 'The Rape of The Highway Trust Fund' by saying, 'It's a different decade and a different Ford, but the Administration's plan to destroy the Highway Trust Fund has all the makings of Edsel II.'

"While I was a bit flippant, what I said is true.

"Legislation proposed by the Administration and now before the Public Works Committee of the House of Representatives would gut the Highway Trust Fund by taking two cents of the four cents per gallon gasoline user tax and dropping it into the General Treasury (where it could wind up paying for Federal spending programs totally unrelated to transportation); transferring the collection of one cent to the states, to be spent on whatever programs they choose; and keeping the last cent for the Interstate system. Under this plan highway funds, if any, would come out of the General Treasury!

"It is easy to understand how urban dwellers might feel that their world is one enormous concrete slab, covered with bumper-to-bumper pollution, but venting our spleen on the Highway Trust Fund will not solve the real transportation problems facing America.

"What we need to consider is the strong possibility that America needs the Highway Trust Fund and a Mass Transit Trust Fund.

"Because the Highway Trust Fund is a key ingredient to a sound national transportation policy I intend to take the case for its retention to those who make it possible—the 100,000,000 gasoline-consuming Americans who pay four cents a gallon to build the roads they use.

"Stated another way, they (the Fund opponents) propose to destroy the fairest form of taxation yet devised—the user tax, which, in this case provides that those who use the roads pay for them. It is morally wrong to take user taxes and syphon them off into government's bottomless pit to pay for unrelated spending programs."

THE PEOPLE'S VIEW

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. SOLARZ. Mr. Speaker, in the last few months we have had a barrage of articles and statements from political pundits telling us that most Americans have an anti-New York City bias and are opposed to any Federal efforts to help the country's largest city solve its financial problems. During the same period we have witnessed the spectacle of the President, the Secretary of the Treasury, and the Senate Republican Leader trying to make political hay by catering to the anti-New York City prejudices that they perceive.

However, once again the American people have proven themselves more enlightened than those who claim to speak for them. A recently conducted Harris poll reports that by over a 5-to-1 margin Americans felt New York City must be kept from going bankrupt. The results of the survey were so overwhelming the Harris survey concluded that:

> The message from the public seems clear. Aware of the magnitude of the problem, people want to see New York City saved from financial disaster and preserved as an important business and cultural center.

If we are to act wisely about New York City, we will have to judge the problem on its merits, not on the basis of some mythical political prejudices. Accordingly, I am placing in the RECORD a copy of the New York Times' article of September 10, 1975 reporting the results of the poll.

SIXTY-FIVE PERCENT IN UNITED STATES REPORTED TO BACK AID TO CITY

While believing that New York City has been mismanaged, 65 per cent of the American people feel that it must be kept from going bankrupt, the Harris poll reported yesterday. The sample also showed that 12 per cent did not believe in saving the city from bankruptcy, and 23 per cent had no opinion.

A sizable majority of 1,403 adults polled by the Harris organization said there were too many political hacks on the city's payroll, too much graft and corruption, and too much expended on municipal unions.

However, a slim 35 to 39 per cent plurality agreed that the city paid more in Federal taxes than any other area and deserved more money from the Federal Government in its current financial crisis.

"The message from the public seems clear," the Harris survey concluded. "Aware of the magnitude of the problem people want to see New York City saved from financial disaster and preserved as an important business and cultural center."

PREVENTING 12,000 DEATHS

HON. DONALD D. CLANCY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. CLANCY. Mr. Speaker, each year, nearly 12,000 Americans die needlessly, according to the National Fire Protection Association. It is appropriate that we should be aware of this tragic estimate at this time because, in just another month, we will be observing another annual Fire Prevention Week.

If Fire Prevention Week were transformed into Fire Prevention Month, this Nation might put into practice plans and tactics which could save those thousands who are doomed to suffer and die from the consequences of fire.

During Fire Prevention Week, there will be displays in fire departments, clinics to describe ways to prevent and survive fires, and programs, many conducted in schools, to impress upon our young people the necessity for prevention. Too often in years past, the lessons taught during Fire Prevention Week have been forgotten once it has passed into history.

Is the week necessary? Should it really be extended to last a month?

Yes! On an average day in America, 1,541 homes are destroyed by fire; 299 apartment buildings; 61 school and college buildings; 211 stores and offices; 11 churches; 59 restaurants; 131 plants or factories, and 91 farm buildings. Much of this loss could be obviated if those persons involved would put into practice the lessons learned in a few minutes.

Fire Prevention Week is observed every year on the anniversary of October 9, 1871 when the Chicago fire killed 250 persons and destroyed 17,430 buildings costing $168 million.

The lessons of fire prevention and safety must be learned and practiced in our homes where 76.1 percent of all fires occur. The most vulnerable casualties of home fires are the elderly. More than 18 percent of the persons killed in home fires are persons from 75 to 84 years old. Next most vulnerable are the very young. This is particularly tragic when you realize that a 7½-minute drill would teach most of those potential victims to save themselves.

There is no way to estimate how many people have died because they awakened in a smoke-filling room and opened their bedroom doors to inhale the flame-laden inferno raging in the hallway. So many children's bodies have been found in closets and corners where they sought refuge. Each room in a house should have two exits—but a window used for an exit is equally dangerous if it is high above the ground and there has been no preplanned rope- or exist-ladder in place.

While fires in the night are often tragic, many of the 2 million persons who will suffer injurious burns this year will get them from flammable liquids, like gasoline kept in an unventilated room near a water heater or furnace. The Shriners Burns Institute in Cincinnati, Ohio, said 38 percent of the 638 patients treated from 1964 to 1973 were burned by volatile liquids. Of that number, 73 died. The Bureau of Product Safety has estimated that 60,000 injuries result annually from flammable liquids.

There are few, if any, agonies more excruciating than burns. We here in Congress can prevent untold pain, and even death, if we can in any way influence people to be aware of the dangers of fire at home, at work and at play. We should all observe Fire Prevention Week the year around.

NAVAL WATCHING IN THE INDIAN OCEAN

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. TEAGUE. Mr. Speaker, a most interesting article regarding our naval strengths was written by Mr. George C. McGhee in Science Review magazine during August. I think the contents of the article would be most informative to every Member of Congress.

The article follows:

[From the Science Review magazine, July 26, 1975]

NAVAL WATCHING IN THE INDIAN OCEAN

(By George C. McGhee)

In recent years there has been much concern about Soviet naval strength in the Indian Ocean. One frequently hears expressions of alarm from Indian Ocean "naval watchers" that at a given time there were more Soviet ship-days in a month than those of U.S. naval forces. One also reads about an impending naval race between the United States and the Soviets in the Indian Ocean. The recent visit of a U.S. aircraft carrier to the Persian Gulf was highly publicized. There was a reluctance to see the Suez Canal opened because it would provide more direct access to the Indian Ocean for Soviet naval forces coming out of the Black Sea. Now Congress is expected to appropriate funds for our first naval "facility" in the Indian Ocean on Diego Garcia Island, owned by Great Britain and 1,000 miles southwest of the south tip of India.

The role of the United States Navy is to keep the sea lanes open for U.S. ships and those of our allies in time of war. Why have people come to be so concerned about naval superiority or sufficiency or just plain parity within specific ocean areas in time of peace? Does this lead one to conclude that at all times we need parity anywhere and everywhere? Should we, for example, be concerned about parity in the Mozambique Channel? Where does such reasoning end?

Much of the imagery of naval strength affecting our current thinking is, I believe, a heritage from the past. For the British, during their period of world supremacy, the Mediterranean, the Suez Canal, the Red Sea, and the Indian Ocean were indispensable. They could not rule from Egypt to Hong Kong or settle Australia and New Zealand without keeping this route secure. They needed Gilbraltar, Malta, Cyprus, Port Said, Aden, Sri Lanka, and all the other steppingstones along the way. With the disintegration of their empire, however, the Indian Ocean became for the British simply one of a number of bodies of water that their ships must traverse. What basis for concern, then, does the United States have about naval parity in the Indian Ocean with the Soviets, with whom we are engaged in détente efforts elsewhere? Is the Soviet threat there real?

The Indian Ocean, which is bordered on the south by the peaceful Antarctic and flecked by a few sleepy islands, extends on the north for 10,000 miles along a broad arc from Capetown to Perth. We have no naval rights in the Republic of South Africa; however, Australia is an ally under the Anzus Treaty, and the present Labor government there staunchly defends the peacetime tracking and fleet-radio facilities granted us on her west coast. However, for most of the rest of the Indian Ocean littoral stretching from Lourenço Marque to Timor, only recently liberated from colonial rule, warships represent instruments of oppression. Any attempt on our part to assume a "policeman's role" in the Indian Ocean against a theoretical Soviet naval threat would be like trying to "assist the old lady who didn't want to cross the street."

The Indian Ocean states, as one would expect, are against any naval buildup or confrontation between the United States and the Soviets in the Indian Ocean. In the United Nations, Sri Lanka, strongly supported by India, has proposed a zone of peace for the Indian Ocean. The Shah of Iran, encouraged by his new oil wealth, has visions of Iran as a world power and the guardian of the entire Indian Ocean area. During his recent visit to Southeast Asia, Australia, and New Zealand, he proclaimed what may someday be called the "Pahlavi Doctrine" of the Indian Ocean area for the Indian Ocean states. He foresees both economic and security pacts linking these states together under his leadership—and calls on us and the Soviet Union to avoid a power confrontation there. In the ebb of our tide as world guardian—after the Nixon Doctrine—do we really want the security burdens of an area so remote from our shores?

Moreover, we have, I believe, discovered in recent years that in peacetime, when the sea lanes are open, naval strength provides us limited leverage to influence the states of the adjacent land areas. Let us take our post-war experience in the Mediterranean as an example. Only in Lebanon in 1958 have U.S. naval forces in the Mediterranean been used to land troops for combat. It has never been quite clear, however, that even this action or what it achieved was necessary. It is also difficult to prove whether the mere presence of the Sixth Fleet, as some have suggested, contributed to the preservation of Jordan during its brief 1970 civil war. Despite the fact that our aircraft carriers, submarines, cruisers, and destroyers have steamed up and down the Mediterranean shores since 1946, we lost our dominant influence in the Middle East even before the introduction of the Soviet fleet following the Cuban missile crisis in 1962.

Why has our navy had so little impact on the Middle Eastern states? The answer is, I believe, that they know full well that in the world of today we would not dare use our navy in peacetime to coerce them. As a consequence, they thumb their noses at us, even with our fleet offshore, and do just as they please. The ill-fated Anglo-French invasion of Egypt in 1956 demonstrated not only the impotence of their fleets but also of ours to deter them. Our fleet did not prevent Faisal's oil embargo. Does anyone pretend that Turkey was influenced in its recent action in Cyprus by the presence of the Sixth Fleet, even when the warships converged on the island for the ostensible reason of taking out Americans? Not at all—the Turks knew that we were impotent to use our dreadnoughts to stop them.

Indeed, the mere presence of our fleet units often creates with the states they visit problems that would not otherwise exist. Many states do not want our ships to visit them. Port calls to provide our sailors shore leave often arouse nationalist reactions leading to protest and street fights. Fleet visits appear to place the countries concerned back in the colonial era, when foreign gunboats really meant business. Occasionally, one of our vessels is embarrassingly involved in somebody else's war, as when the Israelis sunk one of our ships in 1967.

Why does it matter, moreover, from the standpoint of our overall rivalry with the Soviet Union, whether, within limits, they have in peacetime more or fewer naval vessels than we have in the Indian Ocean during any particular time span? We must, of course, always maintain naval representation in the area. If the Soviets persisted in a buildup greatly in excess of ours over a period of time, we would have to redress the balance. I doubt, however, that anyone really believes that our fleets are going to square off someday, as an isolated action in the absence of general war, and see which can sink the other or drive it out of the Indian Ocean. A Soviet submarine, on its lonely patrol of the vast Indian Ocean waters, is not likely, in time of peace, to try to torpedo a plodding tanker. Such an action would hardly seem compatible with recent progress made by the United States and Western Europe in increasing trade and other cooperative relations with the Soviets. If hostilities broke out in the Indian Ocean by accident, say by a chance naval encounter, either they would be stopped forthwith by orders from Washington and Moscow—or there would be general war.

I want to make it clear that I am not downgrading our need for naval forces generally or the necessity to match overall Soviet naval capabilities. In wartime it becomes immensely important to have a strong navy, including the whole panoply of submarines, destroyers, cruisers, and aircraft carriers. But this, I contend, is a global matter. It is not a question of who has the largest forces in the Indian Ocean in peacetime. A global rivalry of naval forces is less provocative in an era of détente than a naval confrontation in a particular area like the Indian Ocean. In such an explosive area a slight miscalculation could create the danger the presence of our forces seeks to avoid.

We are not going to turn the Indian Ocean over to the Soviets. We must continue to plan routine visits by our naval units there when a specific occasion demands, including showing the flag and shows of strength. There is, on the other hand, I believe, no justification for the permanent earmarking of substantial U.S. naval forces to the Indian Ocean, and pressures to this end should be resisted. Our priority wartime objective there would be to get the oil we and our allies need out of the Persian Gulf and around the Cape. We do not, however, have to keep substantial naval units there indefinitely in peacetime for this purpose. Although armchair strategists often propose this, I doubt that our Chief of Naval Operations has it in mind. In time of war India, Bangladesh, Pakistan, and Sri Lanka would be military liabilities, and any obligation to supply them would be particularly disadvantageous. No raw materials of consequence nor useful manpower nor steppingstones to invasion lie through southern Asia. Access to the oil and rubber and tin from Southeast Asia depends on control of the Pacific, as does access to the supplies of Japan, Australia, New Zealand, and our Pacific allies.

It would be highly desirable to have a base in the Indian Ocean area in the event of war. However, this problem is worldwide. Only in the western Pacific do we have adequate naval bases outside of the approaches to our own coasts and those facilities that are or will in war be available from our NATO allies. Any attempt to establish in peacetime the bases that we might need for war would probably start a war. In most cases we have no choice but to exercise restraint, remembering that in time of war a great power takes what it needs. We must recall how quickly the Seabees built the B-29 bases in the Marianas in the last war. In war we can bring in the naval forces required to maintain access to the Persian Gulf. If necessary, they can be supplied by sea. The South Africans, who also need Persian Gulf oil and are tied inextricably to the United Kingdom and the West, will obviously make available their excellent naval facilities at Simonstown.

In analyzing the value of naval forces in the Indian Ocean in peacetime, we might find it instructive to review the naval situation during the Indo-Pakistan War initiated December 3, 1971, as analyzed for the Institute for Strategic Studies. At that time the United States had two destroyers and a seaplane tender in Bahrain, and the Soviets had in the entire Indian Ocean a destroyer, an attack submarine, a minesweeper, and a tank-loading ship. All were on routine duty. A larger British contingent, which happened to be passing through, played no role. Apparently as a gesture of our "tilt" toward Pakistan, since the evacuation of U.S. citizens had already been accomplished, the United States on December 14 sent Task Force 74, built around the carrier *Enterprise*, into the Andaman Sea. A routine Soviet relief force arrived on December 5, augmenting their existing units. A similar second force, which arrived December 18, three days after the end of the war, was presumably sent in reaction to our task force, which the Soviet forces steamed toward and sighted off Sri Lanka.

It is difficult for me to see, however, what was or could have been accomplished by either side. It was not feasible for either to intervene effectively in what was essentially a land war in East Pakistan. The only result of our initiative appears to have been to antagonize India further and to produce an unnecessary and potentially dangerous United States—Soviet confrontation. The presumed psychological-warfare pluses and minuses in the various steps involved seem scarcely worth the risks entailed. The actors were dwarfed by the enormity of the stage. The signals they were attempting to give were coming through much more clearly from Washington and Moscow.

Any increased presence of our fleet units in the Indian Ocean would only dilute further our worldwide naval strength, now seriously curtailed by limited budgets and mounting costs. As recently pointed out by Marquis Childs, it would also undoubtedly provoke the Soviets to engage in a race with us, leading to a confrontation in the Indian Ocean—which does not now exist. Unless the Soviets were so challenged, I doubt that they would consider the Indian Ocean important enough to justify a buildup there. Except for the brief visit of Soviet forces during military exercises earlier this year, the number of Soviet combat vessels and naval support craft ship-days in the Indian Ocean has been constant in recent years. In 1972 these aggregated 6,404; in 1973, 6,478; in 1974, 7,662; and for the first five months of 1975, 3,048 projected to an annual 7,368. Ship-days for U.S. combat vessels and naval support units ranged from 1,448 in 1972, 2,154 in 1973, 2,619 in 1974, 1,023 for the first five months of 1975, and project to a total in 1975 of 2,473. Soviet frequency does not, moreover, appear excessive in light of the greater number of Soviet merchant ships transiting the area during 1973—850 compared with our 250. The Soviets will probably continue to rotate a few naval units there, as I believe we should, and they must therefore make arrangements to supply them. The Soviets denied President Ford's recent allegation that they have naval operating bases in the Indian Ocean; however, this is largely a question of semantics, since it is known that they have shore as well as berthing facilities in Iraq and Somalia.

The issue of the expansion of our naval facilities in Diego Garcia itself is believed to have been greatly exaggerated in importance. Reactions of the Indian Ocean littoral states have been mixed, the Department of State reporting unfavorable official reactions of varying degree only from Malagasy, Bangladesh, India, Sri Lanka, Malaysia, and, at least initially, Australia. The proposed facility is not new, and it will, when completed, not really constitute a base. Our sharing of the island is pursuant to an agreement made with the British in 1966, the basic purpose of which was to provide an alternative to our communication facilities in Asmara, which had long been a bone of contention.

We now seek to lengthen the airstrip at Diego Garcia to 12,000 feet, deepen the channel, and provide limited refueling facilities. Because of its remote location, it will be of limited value, and in light of the adverse political reaction referred to, we might have been better off to have delayed the expansion. The air-strip has, however, now been virtually approved by the Congress, and there appears to be no overriding reason not to proceed. It will, however, prove a mistake if it leads to a Soviet reaction to improve their own base position—or leads either the Soviets or us to augment our forces in the Indian Ocean. Progress toward détente will have been set back, and an entirely unnecessary confrontation will have been created where none exists. We can only hope that both side will be sensible enough to see that this does not take place.

Khrushchev, in the second volume of his memoirs, recalls that he proposed to his military chiefs that they attempt to attain naval parity with the United States in certain critical areas. They advised him against attempting this—rightly so, he later thought. Let's develop détente with the Soviets by preventing a new naval confrontation in the Indian Ocean. Let's relieve our foreign policy of the risks of accidental naval encounters with the Soviets and aggravations to third countries. Let's assure flexibility in the assignment of our naval forces by not pinning them down to specific ocean areas but by keeping them mobile and ready for their task anywhere on short notice.

TAX JUSTICE FOR CO-OP AND CONDOMINIUM OWNERS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. ROSENTHAL. Mr. Speaker, I am today introducing legislation to provide tax relief for cooperative housing corporations, condominium management associations, and residential real estate associations. My bill will exempt from Federal income taxation those funds these associations receive as assessments or dues from their members.

This legislation, the Homeowners Association Tax Equity Act, would overcome serious problems created for homeowner associations by recent IRS rulings which held that such associations are corporations under the law and should be taxed at corporate rates. These rulings severely hamper the development of such promising concepts in housing by imposing tax penalties on the associations' accumulation of reserve funds, thereby forcing organizations to assess their members heavily whenever major repairs or other capital investments are needed. This tax is in direct conflict with the reserve fund requirements of the Government, most private businesses, and good financial sense.

Condominiums and cooperatives are the only alternatives to individual homes for people who wish to own their residences but cannot afford the expense or risk of a private home. They are also frequently the preferred dwellings of the elderly or the infirm who cannot maintain a private lot and who require close neighbors and convenient community facilities. These people are least able to pay high monthly assessments swollen by unjustifiable Federal income taxes levied against their associations.

It has been predicted that within the next 20 years, half the population may be living in condominiums. The shift to condominiums is particularly acute in New York City and other urban and suburban areas where new condominium building and conversion of rental units are rapidly displacing multifamily rental apartments. According to the National Association of Home Builders and the U.S. Census Bureau, more new condominium units were built in 1973 and 1974—461,000—than were built in the entire period from 1950 to 1970.

Yet, condominiums and co-ops may soon be taken out of the reach of all but the wealthy. Monthly carrying or maintenance charges have shown marked increases recently due to the general inflation and the rise in the cost of energy. A survey of over 180 senior citizens living in cooperatives in my district in Queens, N.Y., revealed an average increase of 40.72 percent in these charges in the period between October 1969 to April 1974. Costs have continued to skyrocket since that date, and the resources of the senior citizens cannot expand to accommodate the increase.

One attraction of homeowners associations is that although owners are responsible for maintenance of their own units, the association bears the responsibility for the common areas which are maintained through the assessment of a monthly charge for all members. The bulk of this fund is used for current expenses such as utilities and building maintenance and repair. A small portion is set aside for future capital replacement, such as new roofing or sidewalks. It is these funds that presently are taxed—unfairly—at the corporate rate.

This money is being taxed twice: First, when it is earned by the member of the homeowners association; and second, when it goes into the association's reserve fund. If individual homeowners put the same money, to be used for the same purpose, into joint savings accounts, it would not be subject to such double taxation.

The bill I am introducing today would end this discriminatory treatment by exempting those amounts the homeowners associations receive as membership dues, fees or assessments from owners or occupants of association property from the associations' taxable income. Such legislation is essential if we are to provide adequate housing for our citizens and tax justice for owners of residences. The text of the bill follows:

H.R. 9741

A bill to amend the Internal Revenue Code of 1954 to provide that a cooperative housing corporation, condominium management association, or residential real estate management association, shall not be taxed on the assessments, fees, charge, etc., paid to it by its members

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter F of chapter 1 of the Internal Revenue Code of 1954 (relating to exempt organizations) is amended by adding at the end thereof the following new part:

"PART VII—CERTAIN COOPERATIVE HOUSING ASSOCIATIONS

"Sec. 528. Certain cooperative housing associations.

"SEC. 528. CERTAIN COOPERATIVE HOUSING ASSOCIATIONS.

"(a) GENERAL RULE.—A cooperative housing association (as defined in subsection (c)) shall be subject to taxation under this subtitle only to the extent provided in this section. A cooperative housing association shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes.

"(b) TAX IMPOSED.—

"(1) In general.—A tax is hereby imposed for each taxable year on the cooperative housing association taxable income of every cooperative housing association. Such tax shall consist of a normal tax and surtax computed as provided in section 11 as though the cooperative housing association were a corporation and as though the cooperative housing association taxable income were the taxable income referred to in section 11.

"(2) Alternative tax in case of capital gains.—If for any taxable year the net long-term capital gain of any cooperative housing association exceeds its net short-term capital los, then, in lieu of the tax imposed by paragraph (1), there is hereby imposed a tax (if such tax is les than the tax imposed by paragraph (1)) which shall consist of the sum of—

"(A) a partial tax, computed as provided by paragraph (1), on the cooperative housing association taxable income determined by reducing such income by the amount of such excess, and

"(B) a tax of 30 percent of such excess.

"(c) Cooperative Housing Association Defined.—For purposes of this section—

"(1) Cooperative housing association.—The term 'cooperative housing association' means an organization which is a cooperative housing corporation, condominium management association, or residential real estate management association if—

"(A) such organization is organized and operated to provide for the management, maintenance, and care of association property,

"(B) 80 percent or more of the gross income of such organization for the taxable year consists solely of amoutns received as membership dues, fees, or assessments from organization members,

"(C) 80 percent or more of the expenditures of the organization for the taxable year are expenditures for providing management, maintenance, and care of association property.

"(D) no part of the net earnings of such organization inures (other than by providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private shareholder or individual, and

"(E) such organization elects (at such time and in such manner as the Secretary or his delegate by regulations prescribes) to have this section apply for the taxable year.

"(2) Cooperative housing corporation.—The term 'cooperative housing corporation' has the meaning given to such term by section 216(b)(1).

"(3) Condominium management association.—The term 'condominium management association' means any organization meeting the requirement of subparagraph (A) of paragraph (1) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) Residential real estate management association.—The term 'residential real estate management association' means any organization meeting the requirements of subparagraph (A) of paragraph (1) with respect to a subdivision, development, or similar area substantially all the lots or units in buildings of which may only be used by individuals ar residences.

"(5) Association property.—The term 'association property' means—

"(A) property held by the organization,

"(B) property commonly held by the members of the organization, and

"(C) property within the organization privately held by the members of the organization.

"(6) Organization members.—The term 'organization members' means—

"(A) tenant-shareholders or occupants in the case of a cooperative housing corporation,

"(B) owners or occupants of condominium housing units in the case of a condominium management association, or

"(C) owners or occupants of real property in the case of a residential real estate management association.

except that such term does not mean any occupant of any unit title to which is held by the organization.

"(d) Cooperative Housing Association Taxable Income Defined.—

"(1) Taxable income defined.—For purposes of this section, the cooperative housing association taxable income of any organization for any taxable year is an amount equal to the excess (if any) of—

"(A) the gross income for the taxable year (excluding any exempt function income), over

"(B) the deductions allowed by this chapter which are directly connected with the production of the gross income (excluding exempt function income), computed with the modifications provided in paragraph (2).

"(2) Modifications.—For purposes of this subsection—

"(A) the net operating loss deduction provided in section 172 shall be allowed, except that—

"(i) the net operating loss for any taxable year, the amount of the net operating loss carryback or carryover to any taxable year, and the net operating loss deduction for any taxable year shall be determined under section 172 without taking into account any amount of income or deduction which is excluded under this subsection in computing the cooperative housing association taxable income, and

"(ii) the terms 'preceding taxable year' and 'preceding taxable years' as used in section 172 shall not include any taxable year for which the organization was not subject to the provisions of this part, and

"(B) no deduction shall be allowed under part VIII of subchapter B of this chapter (relating to special deductions for corporations).

"(3) Exempt function income.—For purposes of this subsection, the term 'exempt function income' means any amount received as membership dues, fees, or assessments from organization members."

(b) Section 6012(a) of the Internal Revenue Code of 1954 (relating to persons required to make returns of income) is amended by striking out "and" at the end of paragraph (5), by inserting "and" at the end of paragraph (6), and by inserting after paragraph (6) the following new paragraph:

"(7) Every cooperative housing association (within the meaning of section 528(c)(1)) which has cooperative housing association taxable income (within the meaning of section 528(d)(1)) for the taxable year;".

(c) The table of parts for such subchapter F is amended by adding at the end thereof the following new item:

"Part VII. Certain cooperative housing associations."

Sec. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1974.

THE NEXT CHAPTER IN THE HISTORY OF AMERICA

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. DAN DANIEL. Mr. Speaker, on May 23 of this year, Kermit V. Rooke, judge of the juvenile and domestic relations district court, in the city of Richmond, Va., made a statement so perceptive in its content and so instructive in its message that I would like to insert it in the Record.

There are no words I can add to the judge's own, save to point out that he has left no segment of society unchallenged. I recommend the reading to my colleagues:

The Next Chapter in the History of America

(Remarks of Judge Kermit V. Rooke to the Lodge of Strict Observance on May 23, 1975)

It is a great honor to be a Mason and a special privilege to speak to my Brothers from this sacred area of the Temple.

Tonight I want to talk with you about a book which is now being written. It is a story in which all of us here are personally involved, a drama in which each one of us has a role to play, I want to talk about the next chapter in the History of America.

In but a short time we shall come to the year 1976, when we will commemorate the 200th anniversary of the birth of our Nation. As is proper, we will during the year review the pages and the events of our history, enjoying the satisfaction and sensing the pride which are justified by the beautiful and glorious story of America, from its beginning to this 200th year.

We will honor and pay tribute to our forefathers, their courage and their strength, their devotion and their love of independence and freedom. Many speakers will recall how these noble founders of America, with little but their bare hands and a determination to be free, literally pushed back a wilderness and built a great Nation. Some will express thanks to God that this great, new, strong and mighty Nation, surely the crowning achievement of human history, was given to us, to you and to me, to have and to hold, as our very own.

The anniversary will come and it will go, and excepting those who in the meantime are called to join the Supreme architect, life will go on, and we will be composing the story which will constitute the next chapter in the history of our Nation. It is as yet undetermined whether it will be the final chapter. We do not know how the story will end, whether it will continue to be a story of success and strength, or whether it will end as perhaps the most profound tragedy ever composed by mortal man.

We presume here to discuss this next episode of our history not as a literary or intelligent exercise, but in the hope that someone here, or perhaps all of us together, may be able to influence the way the story is to go. Granting it may not be easy to influence the course of history, but surely we cannot know that in this sizeable assembly of men who believe in God, many of whom are doubtless on intimate, personal, speaking terms with Him who holds us in the hollow of his mighty hand, surely we should not suppose that there is no one here who can influence the course the story will follow in the chapter we are called upon now to compose. It is better to assume that we can control that direction and, if necessary, convert a foreseeable tragedy into a continuation of the pride and glory which are our heritage.

In the opinion of many thinking Americans, there never was a greater need for a change of direction, a greater need for those who love America to take personal charge of its destiny and assume a personal responsibility for the way its history is to be written. Let us now, for these precious moments we share here in the Temple, think together of a few of the problems which confront America, and reflect upon how they will develop and be recorded in the next chapter of our history.

Let us begin these mediations with a problem with which I am familiar, the matter of crime. How will this problem look in retrospect? How important will it be as our history continues to develop?

Crime in America has more than developed in the past ten years. Throughout our beloved America there is a spreading wave of disrespect for the law, for life, for security in our homes, a destructive malignancy eating away upon the right of Americans to be free and to live in peace.

The Attorney General of the United States, the top low-enforcement official of our Nation maintains an efficient and expensive network of sources of information and statistics on crime. The current Attorney General and the one who preceded him in that office both have publicly stated that, with the existing rate of increase in crime our Nation cannot survive ten more years. Hence, unless we are prepared to disprove these opinions we must assume that our next chapter is the end of the book, that it will be a short chapter, and at its end a great Nation will die.

In respect to this problem, I suggest that little effort has been made in recent years to avert this tragic end to our history. We have made heroes of criminals. We have made crime easy and profitable, statistically involving less risk than legitimate investments. A recent survey in which I have confidence reveals that 66 per cent of the crimes committed in this country are never reported to the police, because our people have reached the conclusion that it isn't worth the trouble. The survey continues that of those reported, arrested and convicted, less than two percent ever spend as much as one day in jail. Is it to be our national policy, the will of Americans, to surrender in these circumstances, or must we, with God's help, dedicate ourselves to changing the course of history? Think about it.

There are other problems which cast a disturbing shadow over the future of America, as we mediate about the next chapter of its history. A problem of major significance is the quality of public officials, the character of those to whom we entrust the management of our country. Previous chapters tell us that in the formative years of our national development we were blessed with honest, dedicated, courageous men in the higher offices of our central government. America did not blossom forth, as a mythological Phoenix, great and powerful at the moment of its birth 200 years ago. It grew and prospered because it was blessed with the leadership of good men, honest, courageous men who, as they stated when they declared their independence, "pledged their lives, their fortunes and their sacred honor." The next chapter must state that men of this kind and quality have been succeeded, in the main, by politicians, who have lost and betrayed the confidence of most Americans, and forfeited the trust of most of the rest of the world. Statesmen have degenerated to politicians, of both political parties, whose stock explanation of every failure is to blame the other political party; by politicians who cater to the irresponsibility of the unproductive, enticing their votes by dangling before them a slice of the heart of a dying Nation. If leadership of this kind and character, who survive politically through subsidizing failure and penalizing success, if the script continues to be written by men of this quality, may God forgive us all for the next chapter of the History of America.

We should ponder, too, as to what the next episode of this drama will reflect respecting the financial affairs of our Nation. Our central government now owes approximately 500 billion dollars. It begins its current year of operation with a known deficit of 69 billion. That is to say, it proposes to spend 69 billion dollars more than the most optimistic estimate of its income. Twenty years ago, the year I was elevated to my present position, the total budget was by chance about equal to this year's beginning deficit. This year the total budget is 367 billion, 69 billion over estimated income. This, to state it plainly, can only be described as total, disgraceful, shameless irresponsibility, draining the last of life's blood from America. We should ponder how this will develop in the next chapter.

There are other factors which will be hard to write into the script if we are to reach a happy conclusion. Judges selected as kings are selected, holding office for life, accountable to no one, free to change the law from day to day as they may choose. A school system which is a national calamity, a national disgrace.

This week in a single day in court I had three rape cases and two attempted murder cases which were stated to have occurred in one of our schools. In one of the rape cases and one attempted murder case, the victims were teachers, and in all the cases the defendants were students in the school. This week in court I dealt with children in the 10th grade who could neither read nor write. How will this condition find expression in the next chapter of our history? What will this do to a great Nation, whose history we celebrate in the months to come?

Let me humbly suggest, also, that America survived the ordeals of its infancy, and grew and prospered when its leaders and its people recognized the true and only source of their blessings. They directed their supplications and their praise, not to Washington, D.C., or to politicians, but to the Supreme Master of us all. The proud history of our Nation, its success and its beauty, reflects nothing so clearly as the fact that its leaders and its people deserved to be sustained by the divine will of God. If the chapter we now compose is the final chapter, if the story ends in failure, chaos, destruction, this too will reflect His will.

Let us now reflect upon the fact that the script for the next performance has not been written, in its final form, and there is yet a little time for us to have a part in its composition. One step at a time, let us now resolve how it should be done. You may have other suggestions, but to begin let us deal with some of the issues which we consider of primary and urgent importance.

First, let us make it clear to those who lead us and to those who aspire to be our leaders that we will not surrender America to criminals and others who manifest disrespect for the rules by which we live, the constitution and the law. Hear us clearly when we say that the sociologists and bleeding hearts have had their day and they have struck out. We want them off the payroll and out of the picture.

Second, let us clarify the distinction between the statesmen and politicians. Those who would lead us now take note that America is fed up with politics and politicians, that the device of both political parties of blaming gross and growing failures upon the opposite party is a plain, transparent sham and we want these creatures out of our lives. They disgrace the memory of statesmen and defile the pages of our history.

Third, let us announce in clear and convincing language that a central government which squanders tax money as is now being done is irresponsible, inexcusable, bordering in our judgement very closely upon a criminal fraud upon those who produce the revenues and pay the bills of America. Let us challenge those who question that this is our view to submit to us a constitutional amendment requiring a balanced budget and the orderly reduction of our national debt.

Fourth, let us reduce the terms of office of all judges, and make it clear to all others who are paid by public taxation that they are the servants of those who sustain them and accountable to the sovereign will of the people of America.

Fifth, let us make it very clear that the national fiscal policy of penalizing the success of those who produce and subsidizing the failures of those who do not produce is contrary to the national will and must be stopped.

Finally, and most profoundly, let each one of use closely examine our own lives, thinking clearly and speaking plainly, remembering that our future and the destiny of our Nation must conform to the will of the Master. He will decide how we deserve the chapter to be written and when and how the story will end.

I am grateful to you, my Brothers, May God bless you all.

BOULDER LAB STUDIES OZONE

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. WIRTH. Mr. Speaker, in the last few months there has been a great deal of discussion about the depletion of ozone in the upper atmosphere due to the use of spray cans of various sorts. This is an issue about which I felt it important that the Congress and the public have more information. Since I am fortunate to have located in my district the National Center for Atmospheric Research, which has done excellent research in this area, I wanted to call the work of the Center to the attention of the Congress and other interested parties, and would like to insert into the RECORD a copy of a letter I mailed today to all Members of the House which describes NCAR's research:

SEPTEMBER 19, 1975.

DEAR COLLEAGUE: You have no doubt heard reports that manmade chemicals used in some spray cans and refrigerants may be moving to the high atmosphere and there depleting the ozone shield which protects people, crops and plant life from excessive, harmful ultraviolet radiation.

Recently, a federal interagency task force recommended that we be prepared to ban or restrict the use of these chemicals as early as 1978, if further research confirms theories and findings thus far reported. A National Academy of Science report is due in April, and could suggest that agencies ban or restrict the use of these chemicals even earlier. While many highly reputable scientists believe the risks are real, there is still a good deal of controversy on this subject.

A National Science Foundation-sponsored, university-based laboratory in my district, the National Center for Atmospheric Research (NCAR) in Boulder, Colorado, is one of the leading institutions doing research in this area. NCAR scientists have recently made the first measurements of fluorocarbons in those layers of the stratosphere where most of the ozone interactions occur. These measurements are in agreement with ozone-destruction theories. The remainder of the information in this letter was given me by NCAR and may be of use to you in reviewing the problem and the interagency task force report, and in answering questions from constituents. If any of you wishes further information on this subject, please let me know, or contact Dr. Francis P. Bretherton, Director of NCAR, or Dr. John W. Firor, Executive Director, at P.O. Box 3000, Boulder, Colorado 80303.

The federal task force report (by the Interagency Task Force on Inadvertant Modification of the Stratosphere) explored the possibility that fluorocarbons (which are gases that do not occur in nature) are depleting stratospheric ozone, a form of oxygen which filters out part of the ultraviolet radiation emitted by the sun. Fluorocarbons are inert and non-toxic, and therefore harmless when released in the atmosphere near the ground. They do not break down chemically in the lower atmosphere, but they eventually migrate upward to the stratosphere. There, under the influence of sunlight, they appear to break down and produce chlorine which reacts with the stratospheric ozone layer that blocks off part of the ultraviolet radiation from the sun. This process could result in less ozone in the stratosphere, and more ultiaviolet radiation at the earth's surface.

The task force report and a number of other scientific studies have discussed possible hazards of increased ultraviolet radiation, including:

An increase in cases of skin cancer;

Changes in plant growth and the effectiveness of agricultural chemicals;

Reduction in agricultural yields and harm to livestock; and

Changes in climate and disturbanes in ecological balances.

Some state legislatures have already acted on the basis of this preliminary information. Oregon has banned fluorocarbons as spray-can propellants, effective in 1977, and the New York legislature has been considering similar legislation.

The work of F. Sherwood Rowland and Mario Molina of the University of California and Michael McElroy at Harvard on fluorocarbons and ozone has contributed substantially to recognition of the serious possibilities of ozone depletion. Researchers at several federally supported laboratories, including NCAR, the NOAA Environmental Research Laboratories, the Naval Research Laboratory, and the Los Alamos Scientific Laboratory, have also contributed to a growing understanding of the problem. Research efforts are now underway, under both government and industry sponsorship, to obtain more evidence about the possible dangers of ozone depletion by fluorocarbons and a resulting increase in ultraviolet radiation.

There is, in effect, an informally organized national effort which, with appropriate impetus and support from the Congress and the Executive Branch, could give us, within three or four years, the answers we need to make policy decisions on the issues raised in the interagency report.

The research currently underway is of four kinds;

Measurements of various chemicals in the stratosphere by balloon flights and special aircraft flights and remote observations from satellites and from the ground;

Improvements in our knowledge of chemical reaction rates through laboratory work;

Further development of mathematical models of the atmosphere that can be used to predict the full effect of fluorocarbons in the stratosphere; and

Further research on the effects of increased ultraviolet radiation on people, crops, other plant life, and animals.

Because this is potentially a most serious problem, I wanted to share this information with you. I hope you find it useful. I'm very fortunate to have a resource like the National Center for Atmospheric Research located in my district. The people there are quite anxious to help out on questions such as the ozone layer deterioration, so let me know if I may be of help in obtaining additional information for you.

Sincerely yours,

Timothy E. Wirth.

"THE GUNS OF AUTUMN"

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. MATHIS. Mr. Speaker, the CBS television network's documentary "The Guns of Autumn" has attained new heights in the adroit use of broadcast journalism as a propaganda medium under the guise of the "documentary." Many of my constituents have expressed anger and disgust over CBS's vicious and distorted portrayal of the sport of hunting, and no one has expressed this any better than Mr. R. C. Cross of Valdosta, Ga., who complained to me about the "Guns of Autumn" and sent me a copy of a letter he had written to CBS protesting this outrageous program. Although CBS has an established record for irresponsible news reporting and editorials, seldom has any network aired a program any less objective, less factual or so full or misinformation and half-truths. I am requesting that Mr. Cross' letter be inserted in the Record so that my colleagues will have a better understanding of what many people are now saying about abuses in network television programing:

Echos of Guns of Autumn

Gentlemen: Like you, I do not condone the "slaughterhouse" type of "hunting" displayed on your network TV last week. I dislike, even more, the bias and prejudice, which your type of "special" promotes! With shrewd deliberation you set out to influence every viewer's mind against all hunters, and hunting in general. Controlled, sportsmanlike hunting is not bad as you depicted, and contrary to what you eluded to as "factual", can be beneficial.

Obviously, you are not concerned with hunting, per se; your primary concern must be with the private use of guns of any kind. Were you concerned with the killing of animals, then you would start with the thousands of slaughterhouses or abattoirs across the nation whose ability to kill animals cannot be approached by the nation's hunters. Also, I'm quite confident that none of CBS' staff are complete vegetarians. The hunter, and hunting, is merely a pawn for your anti-gun attack; and as a result, an old way of life in our nation could be abolished—needlessly—by an influential media that has the ability to poison the minds of its viewers and listeners with half-truths and carefully extracted excerpts from people who—in this latest attack by CBS—appear to approach senility or retardation!

I formed a hunting club some five years ago. I have served as President of the Club for these five years. I also served as President of this District's Bow-hunters' Assn. for several years. Obviously, I am pro-hunting. But, I would like to acquaint you with the ByLaws of our Club and invite you to point out any area which you consider to even remotely approach the scenes you depicted on National TV last week. (Even though our ByLaws make provision for hunting from horse back, it has never been done in the existence of the Club). We have stopped the illegal poaching and night hunting that used to be prevalent in the area we are leasing (4400 acres), and we plant food crops recommended by the State Game Management people (twice yearly), at Members' expense. In many cases, our Club's rules are more strict than the State's hunting regulations.

If you are against the use of guns, why don't you just come out and admit it, and discuss it openly, and honestly—or is that another "old way of life" that has already been abolished at CBS?

Why don't you show the type of hunting, and hunters, which is representative of the huge majority of hunters across the nation—and then I feel sure that this majority would even join you in opposing the type of "hunting" depicted by you this past week!

Sincerely,

R. C. Cross.

EXPLANATION OF THE LITTON-WEICKER BILL

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. LITTON. Mr. Speaker, today I am introducing the "Federal Taxpayer Privacy Act of 1975"—a bill to protect the confidentiality of tax returns.

On January 17, I introduced, with the support of over 240 of my colleagues as cosponsors, legislation, H.R. 616, to restrict the disclosure of confidential tax information. The bill I am introducing today reflects improvements in that original proposal based upon the testimony presented before the Senate Finance and House Ways and Means Committees and my continued discussions with experts.

It is my understanding that the House Ways and Means Committee will consider this important question next week in their markup of tax reform legislation. An identical proposal is being offered by my distinguished colleague, Senator Lowell Weicker, Jr.

At this point, I would like to explain the major provisions and insert, for Members' consideration, the text of this bill:

Explanation of the Litton-Weicker Bill

CONFIDENTIALITY OF TAX RETURNS

All tax returns and tax return information is to be confidential. No Federal employee and no State employee who has access to such information is to disclose this information except as expressly authorized by the Internal Revenue Code. This rule of confidentiality applies to any tax information such employees obtain in connection with their employment, regardless of how they obtain it. (For example, if an IRS employee wrongfully obtains tax information by reason of his position, this must still be treated as confidential.)

No suit can be brought in any court or administrative body to order the IRS to disclose tax returns, unless disclosure is authorized by the Internal Revenue Code. However, this will not prevent a court from directing (in accordance with any other law) a person before the court to disclose his own tax returns to the court. For example, in a divorce case the court may wish to order the husband to disclose his own tax returns in order to determine an equitable support arrangement.

A taxpayer may direct the IRS to disclose his own return, and this disclosure can be limited to the extent desired by the taxpayer. The Treasury is to prescribe regulations with respect to the extent, time and manner of such disclosure. The Treasury also is to prescribe regulations with respect to who is to be able to direct such disclosure (these regulations are to take into account who is a taxpayer with a material interest, as provided elsewhere in the bill).

The courts have held that private letter rulings and (to some extent) technical advice memoranda are to be disclosed under the Freedom of Information Act. Under the bill, this result would not be changed in any respect. The bill provides that the law in effect on January 1, 1975, is to be used for determining what information is to be disclosed under the Freedom of Information Act. This means that both the law under the Freedom of Information Act and the law under the Internal Revenue Code are to be interpreted as it was in effect at the beginning of this year, for this purpose. (Of course, any later court decisions which interpret the statutes as in effect on the beginning of this year are to be given full effect in determining what is available for inspection under the FOIA.)

DEFINITION OF TAX RETURN

Under the bill a tax "return" is defined as any tax or information return, declaration of estimated tax, claim for refund, and report or statement filed with the IRS under the Internal Revenue Code. This includes any schedules or attachments supplemental to the return and any amendment of the return. (However, special rules as described above are provided for private letter rulings which may be attached to the return and which are open to inspection under present law, under the Freedom of Information Act.)

Consequently, all information obtained by the IRS about a taxpayer and all information regarding activities of the IRS (or the lack of activity) with respect to a taxpayer is to be treated as confidential.

TREASURY DEPARTMENT

Tax information may be disclosed to Treasury Department employees only where their official duties require such inspection and only where the information is to be used in administering and enforcing the Internal Revenue Code.

JUSTICE DEPARTMENT, COURTS, ETC.

In tax cases, the return of the taxpayer who is the plaintiff or defendant in the case can be disclosed to the Justice Department, a Federal Grand Jury, or any court as needed. Where the tax case has been referred to the Department of Justice by the IRS, this information is to be available to the Justice Department without written request. However, in any other tax case, the taxpayer's return is to be provided the Department of Justice only upon the written request of the Attorney General.

Also, in tax cases, the returns of persons other than the taxpayer directly involved in the case may be disclosed to the Department of Justice but only where the case involves a transaction by the taxpayer which is dealt with in the other person's return (and the treatment of the transaction in the other person's return is relevant to the case).

SOCIAL SECURITY ADMINISTRATION AND RAILROAD RETIREMENT BOARD

The Social Security Administration and the Railroad Retirement Board may obtain tax information to the limited extent necessary to administer the laws with which they are charged. Under the bill, the Social Security Administration may obtain information about withholding taxes and FICA taxes, and the Railroad Retirement Board may obtain information about the railroad retirement taxes.

The Social Security Administration now uses tax information to assist applicants to obtain Social Security and private pension benefits. Under the bill this practice may be continued where the taxpayer gives his consent to the disclosure of his tax return.

DEPARTMENT OF LABOR AND PENSION BENEFIT GUARANTY CORPORATION

The Department of Labor and the Pension Benefit Guaranty Corporation, as under present law, may obtain tax information for the limited purpose of administering titles I and IV of the Employee Retirement Income Security Act of 1974 (the pension reform act).

PRESIDENT

The President may personally, and in writing, request a tax return. (Such a request is to be reported to the Congress.) No one in the White House other than the President may inspect such information without the President's personal written direction. Even in this case, only a limited category of people in the White House may inspect such information. (This essentially would codify Executive Order 11805, issued by President Ford.)

No special provision would be made for so-called "tax checks" on potential appointees in the Executive or Judicial Branch. Under present procedure, these checks occur on the written consent of the person involved. Such a procedure could continue to apply under the bill, since the bill provides that disclosure can be made at the direction of the taxpayer. Additionally, if there is a need to obtain tax information about a possible appointee without his written consent, this may be done on the personal written request of the President, as described above.

STATES

The IRS could provide tax information to a State on the written request of the principal income tax official of the State (and not the Governor). This information is to be used only in administering the State income tax laws and is to be available only to persons engaged in administering those laws. Similar restrictions would apply with respect to Federal estate tax returns which could be used only for administering State inheritance tax laws and could be available only to persons engaged in administering these laws.

Federal tax returns would not be available to local governments.

No tax information could be furnished a State unless the State establishes procedures satisfactory to the IRS for safeguarding the tax information it received. If there were any unauthorized disclosures by State officers or employees then disclosure of Federal tax information to the State must stop until the IRS is satisfied that adequate protective measures have been taken to prevent a repetition of the authorized disclosure.

CONGRESS

Tax returns and tax information could be furnished to the Joint Committe on Internal Revenue Taxation to perfrom its oversight of the IRS but not to other committees. The Joint Committee would have to request such informaion by majority record vote of the Members present and voting, with a quorum being present. As under present law, information which the committee could obtain would also be available to its staff. (Additionally, information required by the staff in reviewing claims for refund of over $100,000 (under sec. 6405 of the Code) would continue to be available to the staff.)

The Joint Committee could submit tax information to the Senate, the House of Representatives, or any committee of these bodies, as long as this information does not disclose the identity of any taxpayer.

STATISTICAL INFORMATION

The IRS may publish or disclose statistics or other information included in or derived from tax information as long as disclosure does not reveal the identity of any taxpayer or any person.

TAXPAYERS WITH A MATERIAL INTEREST

The bill would, to a significant extent, codify the existing regulations providing for disclosure to persons with a material interest in a tax return. (This would include providing for disclosure to partners of a partnership, the administrator of an estate, a properly designated officer of a corporation, a trustee in bankruptcy, etc.) The bill would retain the present rule allowing a holder of 1 percent or more of a corporation's stock to obtain the return of that corporation. ("Return information" as opposed to "returns" would be available for inspection only to the extent that the IRS determines disclosure would not seriously impair the administration of the tax laws.)

PERSONS FILING INCOME TAX RETURNS

The bill would retain present law providing that the IRS is to disclose whether any person has filed an income tax return for the year in question.

MISCELLANEOUS DISCLOSURES

As under present law, tax information of a witness called by the United States in a criminal case may be inspected by the other party to the extent acquired by a court order under 18 U.S.C. § 3500. The court, however, is to give due consideration to the policy favoring the confidentiality of tax information.

The bill would retain present law and provide for the disclosure of return information to the extent necessary for the public to inspect accepted offers in compromise (under sec. 7122 of the code).

PROCEDURES AND RECORDS CONCERNING DISCLOSURE

Disclosure is to take place through procedures established by regulations of the IRS.

The IRS is to maintain a record of all requests for disclosure submitted by the Justice Department for returns by the courts under the Jenks Act, by the President, and by the States. It is expected that the records maintained for disclosure to the States will take into account the fact that much information is transmitted to the States on computer tape, and it would not be practicable to compile a list of all the taxpayer about whom information is disclosed in such circumstances. These records are to be provided to the Joint Committee on Internal Revenue Taxation, and may be disclosed by the Joint Committee by majority record vote of a quorum (as long as the identity of any taxpayer is not disclosed).

SAFEGUARDS

Generally, no tax information is to be furnished another agency unless the agency establishes procedures satisfactory to the IRS for safeguarding the tax information it received. If there are any unauthorized disclosures by employees of the other agency, disclosure of tax information to that agency must be stopped until the IRS is satisfied that adequate protective measures have been taken to prevent a repetition of the unauthorized disclosure. The same safeguards apply with respect to States.

CRIMINAL SANCTIONS

Unauthorized disclosure would become a felony (instead of a misdemeanor as under present law). The penalty for unauthorized disclosure would be raised to a fine of up to $10,000 or imprisonment of up to 5 years or both. The penalty would be explicitly extended to former IRS (and State) employees as well as to current employees. Willful receipt of tax information which the recipient knows is disclosed in violation of the law also is to be a felony punishable in the same manner.

CIVIL PENALTIES

A civil penalty for unauthorized disclosure also would be added. The civil penalty would be $1,000 for each violation, but no more than $25,000 in any calendar year. The civil penalty would be due unless it could be shown that unauthorized disclosure was due to reasonable cause and not due to willful neglect.

EFFECTIVE DATES

Generally, these rules would take effect on the first day of the first month that begins more than 60 days after the date of enactment.

JUSTICE DOUGLAS SHOULD RESIGN

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. HUBBARD. Mr. Speaker, I want to share with my colleagues and others an editorial with which I am in agreement and I believe others in Congress are in agreement.

The editorial appeared on September 15, 1975, in the Sun-Democrat, Paducah, Ky. The president of the Paducah daily newspaper is Fred Paxton, the editor is E. J. Paxton and the executive editor is Preston Kennedy. The editorial is as follows:

Justice Douglas Should Resign

Nobody who saw the arrival on television the other night of Supreme Court Justice William O. Douglas in Yakima, Wash., to conduct a hearing can have much doubt that it's time for Mr. Douglas to resign.

An Associated Press story about the hearing itself, which revealed a confused and remote man sitting on the bench, confirms the television impression.

Justice Douglas, now 76 years old, suffered a stroke last Dec. 31. He has spent most of the time since then in hospitals and rehabilitation centers.

What television viewers saw was Justice Douglas getting out of his car. He pivoted in the passenger seat, wrapped his arms around his son's neck and then was lifted out of the car and into a wheel chair. He took a moment to answer reporter's questions about his health in the high-pitched voice of an aged man. There was none of the familiar humor and badinage, no elaboration of answers. Just a sharp "no" to the question whether he was thinking of resigning and a vow to continue on the court "as long as the work remains interesting and challenging."

But it was later in the courtroom that Justice Douglas's condition became painfully evident. At the conclusion of the testimony the courtroom was silent for 9½ minutes while Mr. Douglas shuffled papers and stared at his hands.

Reporters and spectators waited for Mr. Douglas to say something. "Some fidgeted nervously in the second-floor courtroom," said the AP writer," . . . while Douglas sat almost motionless for the 9½ minutes. Anxious glances were exchanged."

Finally, he broke the silence by granting the motion which was the subject of the hearing.

There had been an earlier embarrassing moment when Mr. Douglas appeared confused about what time it was.

"I'm going to propose that we recess for lunch at 12:30," he said.

One of the attorneys rose and pointed out that it was already 1 p.m. and suggested that the court recess for one hour. Mr. Douglas agreed.

It doesn't detract from the great service Mr. Douglas has rendered this nation to note that the time has now come for him to step down from the position he has occupied longer than anyone in our history. Even if the evidence of senility and debilitation is not conclusive, it could not be argued that Mr. Douglas is in a condition to give to his work the mental power it demands.

Continuing to cling to the post in the face of the needs of the nation for the highest quality work on the bench of its highest court is bound to cast a shadow over the entire career of Justice Douglas. To remain true to his own principle, he should resign so that all the tough legal problems that lie just ahead for the court and for the nation may be dealt with by a court of the greatest possible strength.

BE LIKE EVEL

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. MURPHY of New York. Mr. Speaker, I have over the years maintained a continuing battle with the television broadcasting industry in an attempt to remove, or at least reduce, the increasing amounts of violence appearing in our living rooms. I have taken particular issue with the broadcasts which portray daredevil Evel Knievel as a "hero", worthy of emulation by American youngsters.

Following his infamous Snake River Canyon jump, the children's hospitals of the Nation were inundated with the broken and bleeding bodies of youngsters who attempted to, as one child with a broken arm put it, "be just like Evel."

Just recently, the American Broadcasting Co. aired yet another hour on the life of Knievel, depicting among other things, the death and maiming of others in imitation of Knievel's madness. And contrary to Knievel's promise to quit jumping, ABC intends to once again broadcast his "return from retirement" on October 25 when he will attempt once again to kill himself on nationwide television. I have objected strongly to the ABC network. I believe the following exchange of correspondence speaks for itself:

September 6, 1975.

Mr. Elton H. Rule,
President, ABC–TV, 1330 Avenue of the Americas, New York, N.Y.

I saw the ABC program on Evel Knievel last night, and my personal view is that it is an act of sheer irresponsibility. Last Spring, the networks proudly announced that the evening hours between 8 and 9 would be reserved for family viewing. The family hour was designed to eliminate violence from the screen at a time when so many impressionable young people were viewing. The Evel Knievel program makes a mockery of the concept. In the guise of a documentary, the program glorifies the life of a dare-devil as an excuse for serving up a series of violent crashes and the blood and broken bones that go with them. A large number of children will now be inspired to imitate Knievel and will end up in a hospital as they did after ABC showed his Snake River jump. At a time when we should all be striving to reduce the level of violence in American life, ABC has held up a program clearly devoted to violence as a model for use. It did so to get ratings and to advertise a future ABC program covering the next Evel Knievel dare-devil stunt.

The Evel Knievel program is simply further proof that the networks are incapable of regulating themselves. For years, the networks have violated the provisions of the NAB Television Code to which they all subscribe. In the same way, ABC is now making the idea of a family hour meaningless.

I recognize that the First Amendment gives the networks wide latitude in programming but there are surely ways of limiting network control over American television that lie within constitutional limits. I think the time has come for me to ask for Congress to develop these ways so that the American public may be protected against the unending pervasion of network violence.

John M. Murphy,
Member of Congress.

September 6, 1975.

Mr. Richard E. Wiley,
Chairman, Federal Communications Commission.

I am sending you a copy of a telegram on the American Broadcasting Company's Evel Knievel program that I dispatched earlier today to Elton Rule the President of ABC–TV. It is obvious that the time has come for the FCC to develop forceful ways of eliminating network violence. The Surgeon General's report has made it abundantly clear that the continuous depiction of violence in American television has harmful effects on large numbers of our young people. If further proof is needed, there are hospital statistics that follow every Knievel television program because children are inspired to imitate him.

The Evel Knievel program is one more indication that self-regulation by the industry will never eliminate violence from the home screen. For years the networks have violated the NAB Television Code and the family hour is now suffering the same fate. I am very conscious that the First Amendment and the Communications Act circumscribe the FCC's power to deal with program content.

But I do not think the FCC is completely powerless.

I think that wholly-constitutional methods can be devised to provide American parents with protection for their children. Unfortunately, the history of FCC regulation indicates that your agency lacks the wit to devise ways of limiting television violence. In my view, the time has come for the Congress to do the job for you. And at the same time, the Congress should overhaul the institutional structure of the FCC.

John Murphy,
Member of Congress.

September 11, 1975.

Hon. John M. Murphy,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman Murphy: Mr. Rule has asked me to respond to your wire of September 5th concerning ABC's Thursday evening telecast of the program, "Evel Knievel: Portrait of a Daredevil". Although this program was produced under the aegis of ABC Sports as a portrait-documentary and, accordingly, is accorded quasi journalistic review, nevertheless ABC's Department of Broadcast Standards and Practices did screen the program. As I know you are aware, ABC's Department of Broadcast Standards and Practices, which reports to me, reviews all ABC Television Network entertainment programs prior to telecast for compliance with internal policies, as well as those of the National Association of Broadcasters Television Code.

We especially viewed this program because we shared a similar concern as to its appropriateness for family viewing time.

I regret that I must respectfully disagree with your conclusion and characterization of the program. The entire treatment of the program was, in our opinion, pro-social in nature and served as a warning to the family and the child as to the extreme physical dangers inherent in the activities of Evel Knievel.

The show treated Evel Knievel's personal history from the days of his youth through his early days as a hockey player and rodeo participant, to his military service and finally to his decision to pursue the life of a daredevil. Throughout the program the dangers and serious consequences of Evel Knievel's career were stressed. Although he considered the rewards to be considerable, the price he has paid more often than not has been extremely high. The viewer was informed that during the course of his career, Evel Knievel suffered in excess of fifty bone fractures, many of which could have residual effects in later life. Through the use of X-rays, the appearance of his doctor and the entire thrust of the program, emphasis was placed on the exceptional abnormality of his career.

I am enclosing a transcript of a segment of the program which was specifically devoted to showing the tragic consequences which befell riders who did not possess Evel Knievel's specific unique skills and which included strenuous caveats against emulation, as well as Frank Gifford's closing comments. Frank Gifford goes to great lengths during this portion of the program to discuss the effect upon children of Evel Knievel's career. Knievel describes himself as a "professional life-risker" and advised against jumping. He made several statements throughout the program cautioning the young viewer in terms of similar cautions given his own sons.

Indeed, the care and responsibility taken by the Sports Department speaks to the firm commitment we have made to honestly carry out the family viewing hour concept.

Let me comment on two other aspects of the program which you mentioned in your wire. Evel Knievel does comment once during the program on an aspect of his next event, which will be covered on a future ABC program. From a promotional point of view we permitted only one mention, video only, at the end of the program, calling attention to such a future program event consistent with industry practice and not violative of the Code.

Our motivation was to provide responsible entertainment on a subject of interest to and suitable for the entire family. Parenthically, the program did not achieve top ratings for either the 8:00 PM nor the 8:30 PM time period.

Let me assure you that we are making every effort to act responsibly and meaningfully in implementing the very difficult family viewing hour concept. As you know, we review each entertainment program from script stage through rough cut, through final production and editing. Every effort is being made to insure that portrayals of violence for its own sake, or unnecessary depictions of gratuitous or excessive force are excluded from our presentations. Whether it be consultations, workshops for our editors, resubmission of our feature films for reclassification under the MPAA ratings, the placement, after careful deliberation, of audio and video advisories in certain programs, dialogue with our affiliated station management, continued research in the area of the effects of violence on children, we are striving to achieve the fair balance contained in the subjective evaluations necessary to maintain responsible broadcasting without the chilling effect of a heavy hand of censorship over the integrity of those who create for the broadcasting medium.

We take your comments seriously, and you can be assured that production as well as management members of our company are aware of your concerns. We expect that you would similarly respect the motivation and intentions with which we regard our responsibility.

I appreciate this opportunity to explain the background of the presentation to which you have taken exception.

Sincerely yours,

ALFRED R. SCHNEIDER,
Vice President.

EVEL KNIEVEL—PORTRAIT OF A DAREDEVIL

GIFFORD (V.O.): Some of the consequences of that fame in just a minute. (com'l. break)

GIFFORD (V.O.): Evel Knievel is certainly not the first daredevil. He just happens to be the most celebrated of our time. Others throughout the course of history may have also risked their lives for whatever reasons compel them. Some of their efforts were tragic, but in most cases they were just plain comical. (This is over old film footage of various early attempts at flying in heavier-than-air devices).

Unlike his predecessors, Evel Knievel's fame and resulting wealth has stimulated others to attempt to duplicate his feats or even surpass them. Many have tried, some have succeeded, and others tragically have failed. (Film follows) This is Debbie Lawler attempting a typical Evel Knievel jump at the Ontario Motor Speedway last year. Debbie had made successful jumps before. This was not to be one of them. Debbie fractured her back in three places. She has since recovered and it could be said she was fortunate. Certainly more fortunate than Bob Pleso, who last year, without the benefit of a landing ramp, attempted to jump 30 cars. Bob Pleso died during surgery two hours later.

Those are only a couple of the documented attempts to emulate this master, Evel Knievel. What about the others that have not been documented?

Evel Knievel is a super hero to many youngsters. And if their master can do it, why can't they? The reasons, unfortunately, have been made painfully clear to some!

(To Knievel) You've broken over 50 bones and there's no way that a youngster who idolizes you is not going to want to try to do what his hero does. How do you feel about this, Evel? You know you hear about it and it's happened many times.

KNIEVEL: I don't think there is anything wrong with a kid wanting to be an Evel Knievel any more than he'd want to be an O. J. Simpson or a Frank Gifford or be any kind of professional athlete. I'm saying that he should not go out and jump—I don't want my own sons jumping a motorcycle without the proper supervision. I don't want them jumping or riding on the rear wheel without the proper supervision, in the proper place, at the proper time.

The same as a boy playing football without a helmet on, shouldn't ride a motorcycle without a helmet on. As far as jumping the cars, I am a professional life-risker. There are very few professional life-riskers in the world. I'm in a different position. However, there are a lot of kids that identify with me, riding motorcycles, just riding the motorcycles, enjoying riding the motorcycles, thinking maybe about me and not jumping. They all are not necessarily jumpers but—it is a risky business, and I don't advise kids or anybody else to jump cars, jump motorcycles, jump buses, jump canyons. It takes a lot of money. It takes a lot of experience and you have to pay the price for success and I think you know what price I have paid for that success.

GIFFORD: Evel, I know that you are well aware of and quite sensitive to the criticism by many that youngsters might imitate you and be injured, some of them quite seriously, trying to do what you do. But I know there are some rewarding things that happened too. For instance, this letter I found in your file from Jimmy Clark of San Francisco. He was paralyzed from the waist down when he fell out of a tree and you have sort of become his hero, your ability to continue on and particularly he mentioned Wembley Stadium.

Here, let me just read a part of it: "I saw you jump in London on television. I am sorry it happened, but you broke your back and walked away from it. I want to tell you to keep on jumping. You keep on jumping and I'll keep on fighting. Someday I shall stand tall as a king and I'll walk."

That really is touching . . .

KNIEVEL: Yeah, he's quite a little guy. I like the last couple of sentences in his letter. It says "if you ever come to San Francisco you'll always be welcome in my house. We can go for a short walk together". And here's a young boy who wants to fight to try and walk when the doctors have told him that he can't. To him there's no such word as "can't." I wrote Jimmy a letter and told him that being not able to walk wasn't really one of the worst things in life. A lot of the leaders of our country are paralysed from the waist up, not from the waist down. And being a good human being, being something to other people is what really counts in life. And this boy, you can tell from this letter, like a lot of them that I receive, are kids who maybe have lost the thrill in life of running and jumping and doing what they love to do most but from the letter you can tell that they haven't lost their heart and their desire to go on and their ability to keep fighting even when the medical profession says they can't.

GIFFORD: Fear, Evel, let's talk about that. I was in London with you, and I had the chance to be in your van just before the jump and we haven't talked about it, but I sensed in your apprehension your concern about that jump over the 13 buses that you know you weren't going to make it. And yet right there, 20 minutes before you made the jump, you went to sleep.

KNIEVEL: I don't know, I've kinda trained myself to do that just to lay down and go to sleep before a jump. It relaxes me and if you're nervous before you go out it helps if you can relax and sleep. I know I wasn't positively gonna make it because when I jumped in Toronto over the 13 trucks those trucks were not as wide as those buses. And, when we got the whole jump set up we found out that it was another seven feet further. Now the motorcycles were geared on the rear wheel to run a certain speed. I had the same Harley Davidson that I had jumped the trucks with in Canada. And it was too late for me to make a phone call to the United States and get the proper gearing over from London for that motorcycle because they made me set up right after the England-Scotland soccer game. I didn't have a chance. So when I went out of that dressing room I knew that my chances of landing on top of that last bus were better than 50–50. That's really one thing though that contributed to my life really not being lost, was because I hung onto the handle bars of that motorcycle all the way to the bottom of that ramp, I know that I could not let go. And even though it knocked me off and it was flying through the air, I still hung on until I was almost turned completely over, because I know if it came off up on top I'd probably break my neck and kill myself. But, having the knowledge of that, being able to fall like I can fall, helped save my life.

GIFFORD. Then there is no fear?

KNIEVEL. If there is any fear I'm not going to tell you about it. You might say I've been concerned a couple of times, though.

GIFFORD. How about death, Evel? You know every time you jump on that thing, you know that you're flirting with it, all of its ramifications, all of this, Linda, the three kids.

KNIEVEL. Yeah, but Frank that's all part of living. Death is a part of life. And we're just gonna go into another world. And if you're a so-called Christian, which I am, and you're a God-fearing person, you live with that one final hope that you have to cling to and it helps you get through life. And in my case it helps me get over buses.

CLOSING STATEMENT

GIFFORD. When you walk away from the world of Evel Knievel you leave with perhaps more questions than when you arrived. The overriding question of course is "why?" Why does Evel Knievel continue to risk his obviously beloved possessions, his body, and his life in a continuing escalation of "daredeviltry". One has to wonder for Evel Knievel will the canyons ever be wide enough, the jumps big enough, the risk great enough? I doubt it.

Evel Knievel has found his place in the sun. He has world-wide fame. He has instant recognition. And he loves it.

There are many other questions . . . there are many and they are complex. What about a society that has created a super-hero like Evel Knievel whose one basic talent he has to offer is risking the ultimate, his life. They've created a super-hero for their own entertainment, their amusement, their own morbid curiosity. What about the youngsters who idolize this man from out of the west? With idolatry goes emulation and in this case the possibility of serious crippling injury or even death!

Throughout all this, however, throughout all the questions, one has to admire this man, Evel Knievel, who in a society that seeks more and more conformity and the elimination of risk, remains a free spirit. Perhaps we all have a little Evel Knievel inside of us. But unlike Robert Craig Knievel, that's where it stays—inside of us.

SEPTEMBER 17, 1975.

Mr. ALFRED R. SCHNEIDER,
Vice President, American Broadcasting Co's., Inc., New York, N.Y.

DEAR MR. SCHNEIDER: Since Mr. Rule has delegated to you the responsibilty of a response regarding the Evel Knievel program of September 5, 1975, perhaps you will also accept the responsibility for those hundreds of children nationwide, who have broken their arms, legs, necks and backs in the wake of the "hero" ABC has given them. I share your concern for the program's appropriateness during family viewing time, but I was under the impression that death and dismemberment as family fun went the way of bear baiting and the Christian/Lion matches. I would suggest that ABC's Department of Broadcast Standards and Practices might review its policies and standards of family fare.

As you point out, the viewer was informed that ". . . Knievel suffered over 50 broken bones during his career." The rest of that very same sentence in the script reads, ". . . and there's no way that a youngster who idolizes you is not going to want to try to do what his hero does." I agree with that assessment, Mr. Schneider, there is absolutely no way.

The colloquy between Gifford and Knievel, as well as Gifford's pre and post show commentary, continually negates any caveats against limitation:

"Some efforts were tragic, but most were just plain comical."

"Knievel's fame and resulting wealth has stimulated others to attempt to duplicate his feats or surpass them. Many have tried, some have succeeded . . ."

"Debbie has made successful jumps before . . ."

"Evel is a super hero to many youngsters. And if their master can do it, why can't they?"

"I don't think there is anything wrong with a kid wanting to be an Evel Knievel . . ."

". . . many youngsters might imitate you and be injured . . . quite seriously . . . but there are some rewarding things that happened too."

And finally, in the closing comments, the network concedes that "with idolatry goes emulation and in this case the possibility of serious crippling injury or even death." This is precisely my point. Perhaps there are a few psychopaths who would enjoy the sight of broken bones and instant death. The fact that the program, as you point out, did not "achieve top ratings for the time period" speaks well for the good sense of the non-viewing parents, not the wit of the ABC Programming Department, Sports Department (if, indeed, self-destruction can be considered a sport), or the ABC administrative decision makers. In this case, the fact is that the Knievel program had a Neilsen rating of 16, with an audience share of 30 during the first half hour, running approximately even with CBS' cartoon special (15 rating, 29 share) especially designed for children, and NBC's "Montefuscos" (15.7 rating, 31 share). During the second half hour, the Knievel program beat the popular "Waltons", and was second only to the premier pilot show of "Fay". In other words, during the hour program, almost a third of the television sets in the United States were beaming Knievel's lunacy into the American living room.

Your efforts to "act responsibly and meaningfully" have fallen prey to do-or-die race for top ratings. The very fact that the ratings for this show were less than "top" should indicate that the viewing public was not interested, and that other avenues of entertainment should be explored. How else can you characterize your deliberate selection of film footage for its depiction of the death of cyclist Bob Pleso, than as you state in your letter, "violence for its own sake?"

Where is the "fair balance" for the death of a child? With what "motivations and intentions" do you show your own 9-year-old how to impale himself on his handlebars, or to sever his spine and remain paralyzed for life. It is not censorship which removes such fare from television . . . it is common sense.

I invite you and the ABC Department of Broadcast Standards and Practices to review my files on Knievel-related incidents at your convenience prior to the next scheduled airing of Mr. Knievel's particular talent. I would also refer you to the emergency room records of Staten Island Hospital, Columbia Presbyterian Center, St. John's Hospital in Brooklyn, Kings' County Hospital, Mary Immaculate Hospital in Queens, to name a few in your own city, as well as the National Association of Children's Hospitals.

Leading these children to self-inflicted maiming cannot be, as you claim your program to be, "pro-social." Without such depictions of violence, children will have no blueprint to copy. What finite number of gory "emulations" must the networks tally before they decide that what they see as an American thirst for blood is quenched?

Sincerely,

JOHN M. MURPHY,
Member of Congress.

COMMUNICATIONS WORKERS OF AMERICA ENDORSE CONSUMER PRODUCT SAFETY COMMISSION IMPROVEMENTS ACT OF 1975

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. ECKHARDT. Mr. Speaker, on September 19, the House is scheduled to complete consideration of H.R. 6844, the Consumer Product Safety Commission Improvements Act of 1975. In their recent 37th annual convention, the Communications Workers of America adopted a resolution supporting enactment of this highly important consumer legislation. The convention, attended by more than 3,000 delegates from all across the country, adopted the resolution after an informed and instructive discussion of the need for the legislation. I think my colleagues would find the convention's discussion and resolution on this issue of great interest, and I submit it for inclusion in the RECORD.

I would particularly like to call my colleague's attention to the strong support expressed for that provision in H.R. 6844 which gives the Consumer Product Safety Commission its own litigation authority. This provision is one of the most important provisions in H.R. 6844, and I hope my colleagues will, like the delegates to the CWA Convention, recognize its importance and resist any efforts to remove the section from the bill.

Following is the CWA Convention debate and resolution regarding H.R. 6844:

CONSUMER PRODUCT SAFETY COMMISSION

Three years ago, the Congress passed the Act which established the Consumer Product Safety Commission, charged with coordinating Federal efforts to analyze and regulate consumer products from the safe-use standpoint.

This independent 5-member Commission was given the authority to make mandatory safety standards to prevent or reduce unreasonable risk of injury from consumer products, specifically in performance, composition, content, design, construction, finish or packaging. The Commission also was directed to establish an injury information clearinghouse to collect and analyze data on causes of death, injury or illness associated with consumer products. In situations where consumer products pose great risk, the Commission was authorized to ban them from the market upon a finding that no safety standard could be devised to protect the public.

The 1972 Consumer Product Safety Act specifically allowed the individual citizen to petition the Commission directly to issue, amend, or revoke any consumer product safety standard, with direct appeal to a Federal District Court on Commission denial of such petition. This provision takes effect in October 1975.

In the 1972 legislation, the Commission was given enforcement powers of these other consumer-oriented laws: Flammable Fabric Act, Federal Hazardous Substances Act, Poison Prevention Packaging Act, and Refrigerator Safety Act, each of which was enacted to answer a particular type of safety problem.

The initial years of operation have shown the need for refinements in the legal authority. The Commission has proposed the "Consumer Product Safety Commission Improvements Act of 1975," to tighten the powers of enforcement and eliminate several overlaps of jurisdiction.

The 1975 amendments would transfer the jurisdiction over pesticides and other "economic poisons" from the Commission to the Environmental Protection Agency, which has been sharing enforcement powers, under the Poison Prevention Packaging Act. A questionable aspect of the 1975 proposal, which needs clarification, is the provision to relinquish all Commission authority over firearms safety programs and tobacco products.

In order to enhance the independence of this Commission, budget and policy-making employee matters are to be decided by the entire Commission, instead of the Chairman, as in the present statute. The proposed legislation would keep the Commission's authority to submit its proposed budget concurrently to the Congress and the Office of Management and Budget, a situation enhancing the Commission's independence. The 1975 amendments also would prohibit political clearance of personnel, including the non-career appointees.

The performance of the Commission has shown that the time period for development of safety standards—150 days after invitations for bids—has proven too short, because "the clock starts running" on the date of invitation, continuing through the time the Commission uses for evaluation proposals. The 1975 amendments provide that the 150-day period shall begin on the date of Commission acceptance of a proposal for standards development. Without the time subtracted from the beginning of the period, standards development should be improved.

Under the present law, the Commission must notify manufacturers in advance of public release of information on "substantial product hazards," with an opportunity for comment and potentially long delay. The 1975 amendments provide for concurrent notification of manufacturers and public release, in cases of clear, imminent hazards associated with the use of a consumer product.

A final improvement in the Commission's legislation is language to strike the requirement that the Attorney General take part in judicial actions for enforcement of product safety laws. The shabby performance of several previous Attorneys General and of many divisions of the Department of Justice—exposed in the Watergate and related investigations—illustrates the need to allow the Commission to make its own decisions on court action.

Be it resolved: That this 37th Annual Convention of the Communications Workers of America support enactment of the "Consumer Product Safety Commission Improvements Act of 1975" in a version that will foster sound enforcement of product safety laws and that will encourage the Commission to move with dispatch in reducing hazards that may exist in consumer goods.

Mr. Chairman, the Resolutions Committee moves the adoption of this Resolution No. 37A-75-20, Consumer Product Safety Commission.

President WATTS. You have heard the motion to adopt.

Is there a second?

President WATTS. A second is heard from the floor.

At Microphone No. 3, Delegate Thomas, Local 3217.

Delegate NELL S. THAMES (Local 3217). I rise to speak in favor of this resolution.

The Congress has posed the Consumer Product Commission of 1975 in order that they can be more effective and by this we, as consumers, will benefit.

As you know, the sole purpose of this Commission is to watch out for us, for us the consumer, so it stands to reason the stronger and more effective that they are, the more participation we have. And in times like these, it certainly is a good feeling to know that someone, somewhere is watching out for us.

I urge your support of this resolution with a yes vote.

Thank you. (Applause)

President WATTS. At Microphone No. 5 the Chair recognizes Delegate Shafer, of Local 8500.

Delegate W. D. SHAFER (Local 8500). Glenn, is this the same Commission that is encouraging the Federal Government to stop the sale of small arms ammunition for hand guns?

President WATTS. I am informed that the answer to that question is, yes.

Delegate SHAFER. Then if we adopt this resolution we are, in a sense, saying that we are encouraging these people to go on in that effort?

President WATTS. No, I would not interpret that to be the thrust of this resolution.

I think the thrust of the resolution is to encourage the Commission to work in the area of product safety and to the extent that we may disagree with any particular activities that they engage in we are free to bring that to their attention and urge them not to do so, if we disagree with what they consider to be safety.

At Microphone No. 3, Delegate Anderson, Local 5090.

Delegate R. H. ANDERSON (Local 5090). Mr. Chairman and Fellow Delegates, this resolution—although I am sure it will pass—is typical of the 22 Resolutions that you see in your Resolutions recommendations.

This is a good law, passed originally in '72. It needs new teeth in it. These amendments make it more enforcible, particularly the last amendment, which will help to implement and to enforce omissions and the many violations which occur in product safety.

I think you can all imagine what would have, or could have happened under our former Attorney General, John Mitchell, who may, or may not, have enforced violations of this Act.

This is also, I think, a timely point to remind you that these resolutions that are passing out of this Convention must be followed up by you when you return home with letters to your Congressmen, to your Senators, expressing the action you have taken at this Convention and your desires on this legislation.

And I urge your support of this Resolution.

Thank you. (Applause)

President WATTS. I would like to give a further amplification on the answer that I gave to the question a few minutes ago about this Commission's relationship to firearms and ammunition.

My answer was correct as far as it went. The Commission apparently has been required to give consideration to whether or not ammunition is, in fact, a dangerous product, as a result of that question being posed by citizens who have a right to make suggestions to them as to what they can consider.

However, the Commission itself has taken the view that only the Congress of the United States can act upon the safety of tobacco and the safety of ammunition, and the safety of guns.

At Microphone No. 5, the Chair recognizes Delegate Tiernan of Local 5850.

Delegate DONALD E. TREINEN (Local 5850). Thank you, Mr. Chairman; that is Treinen.

Relative to what you just referred to, as I understand the lines having to do with the transfer of jurisdiction from the Commission to the Environmental Protection Agency, and immediately following that, the questionable aspects of the '75 proposal, which needs clarification relative to the authority over firearms and firearms safety program, what, in your opinion, sir, is going to be the method that our Union will seek clarification? And do you anticipate that we will specifically do so?

President WATTS. Until the question has been raised in this fashion I would not have anticipated that.

However, to the extent as a result of reviewing the record of the discussion on this particular question, and considering the questions that have been asked of the Chair, we will look at the matter carefully and then make a determination as to what we should do in this regard.

The Delegate is entitled to a second question.

Delegate TREINEN. Thank you. I have none.

President WATTS. There appearing to be no further Delegates desiring to speak on the motion to adopt this resolution the Chair will put the question.

Will all those in favor of the motion to adopt signify by raising their right hand; down hands; opposed by a like sign; down hands; the resolution is adopted.

ON THE ATTEMPT BY THE ROTHSCHILDS INTERESTS TO TAKE OVER COPPERWELD CORP.

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. GAYDOS. Mr. Speaker, I would like to report to the Members of this House the latest developments in the attempted takeover of Copperweld Corp. of Pittsburgh, Pa., by the Rothschild-controlled Societe Imetal of Paris, France.

Last Friday and Saturday, September 12 and 13, Chairman JOHN H. DENT of the Subcommittee on Labor Standards conducted hearings on this matter at Glassport, Pa., Shelby, Ohio, and Warren, Ohio.

As a member of the Subcommittee on Labor Standards, I attended the hearings along with Chairman DENT and our colleagues CHARLES J. CARNEY, JOHN P. MURTHA, JAMES V. STANTON, JOHN M. ASHBROOK, J. WILLIAM STANTON, and H. JOHN HEINZ.

What the subcommittee witnessed at all three locations was a dramatic demonstration of solidarity among business, labor, and local government officials. All adamantly opposed the takeover of Copperweld by Societe Imetal. The reason for this opposition is the very real threat that such a takeover could have an adverse effect on Copperweld's operations and result in the unemployment of Copperweld's existing work force.

With our current unemployment rate at a totally unacceptable level nearing 9 percent, we cannot afford the risk of additional unemployment caused by foreign takeovers of American business.

In the case of the Copperweld matter, I think the fears of all the witnesses who testified at the hearings last Friday and Saturday are well-founded. First of all, if the Rothschilds really think it necessary to enter the specialty steel industry in this country, they could easily have done so by starting up a new plant in the

United States. Such an investment would take only small change out of the Rothschilds' billions.

Second, we must view the activities of Societe Imetal against the background of the current policy, which is designed to solve France's economic problems. A series of articles by officials of the French Government which appeared in the June 23, 1975 edition of Business Week clearly spell out the message that France must further increase her exports by expanding its industrial plant. In fact, the French Government "offers substantial incentives to enterprises that are willing to set up operations in one of the priority regions in conformance with the national territorial development policy."

When we consider the long-time, intimate relationship between the Rothschilds and the French Government, it is obvious that a successful takeover of Copperweld would be in the interest of the French Government. Clearly, the continued employment of 5,000 Americans in Copperweld plants in Pennsylvania, Ohio, New York, and Illinois would not help solve France's manpower surplus. But a transfer of Copperweld's operations to France certainly would provide jobs for at least 5,000 or more French workers.

What is Societe Imetal really after? It is not American plants nor American workers, but the technical know-how of Copperweld.

As of this moment, the only hope that this takeover attempt will not succeed depends on court proceedings. These were instituted by Copperweld alleging Federal antitrust and securities laws violations by Societe Imetal. If Copperweld does not prevail and Societe Imetal takes over Copperweld, then the future of 5,000 American workers will be in serious jeopardy. Even if Copperweld should prevail and prevent the takeover, it will have been forced to undertake substantial legal expenses.

This clearly demonstrates the glaring omission in our laws which allows foreign investors to acquire American corporations through "blitzkrieg" tactics by using the tender-offer procedure to hoodwink American stockholders into selling their securities at a price slightly higher than the current, very depressed market value. The fact that such a takeover could adversely affect several communities and result in substantial unemployment is of no significance under existing law.

For years I have been concerned with the problem of foreign takeovers of American corporations and have introduced legislation both in 1973 as well as in January 1975 to prevent it. The Foreign Investors Limitation Act would allow foreign interests to invest in American corporations, but would limit such investment to 5 percent of voting and 35 percent of nonvoting securities. This would prevent foreign investors from obtaining control of existing American corporations and transferring their operations outside the United States with the resultant unemployment of American workers.

How many American workers will have to lose their jobs due to foreign takeover of American companies before the Congress finally passes legislation prohibiting such takeovers? For those of us who have constituents involved in the attempted takeover of Copperweld, we have heard the message loud and clear—"Don't let foreign takeovers take away our jobs."

OPPOSITION TO FORCED BUSING

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. YOUNG of Florida. Mr. Speaker, as a new school year commences we are once again faced with the sheer folly of court decisions mandating forced busing for the purpose of creating artificial racial balances in our schools. I have opposed such busing ever since it reared its ugly head, and have introduced legislation and proposed constitutional amendments to prohibit it. While we in the House have adopted antibusing amendments to every possible piece of legislation, busing which affects the lives of so many American school children still rolls on.

Recent protests in Louisville, Ky., and Boston, Mass., have once again dramatically driven home the message that American parents do not want their children bused miles away from their neighborhood schools in the court-ordered pursuit of creating artificial racial balances. As President Ford has stated, we would do much better by our children by upgrading local schools and providing quality education in them.

I would like to commend to my colleagues' attention the following column by Dr. W. A. Leavell, who sets forth most cogent arguments against forced busing:

School Busing A Lost Cause—Overwhelmingly Opposed By Blacks and Whites

Did you know that only 4 percent of whites and 9 percent of blacks favor busing? In light of this, how in the world can the pro-busing forces keep forced busing going?

Well, the 4 percent of the whites and the 9 percent of the blacks backing busing are the ones who designed it but will never suffer their children to experience it. With the "best and the brightest" of the do-gooders still untouched by the tragedy, they will continue to force their will on the vast majority of the country as long as they can.

It is time the 96 percent of the whites and the 91 percent of the blacks who oppose forced busing stood up and demanded the nation face the truth. We have allowed a handful of misguided individuals to ruin our school systems. We have let this elite flock of do-gooders lead us down the road to race hatred.

Busing has become the lost cause. It is a massive social engineering experiment that did not work and will not work. It is a tragic mistake and it has caused endless demonstrations, riots and fostered dissent. The damage done so far will take years and years to overcome, if it can ever be overcome.

The basic assumption behind forced busing is false. Blacks DO NOT NEED an infusion of "White magic" or association with whites or any other race in order to learn. This preposterous assumption has been disproved again and again by the excellent black schools who continue to turn out well educated black students.

The important question in busing is "Does it Work?" The clear answer is "NO!" Busing goes against the basic social principles of American life, against the family, the neighborhood and even educational realities.

Whites who are bused have too much to lose and blacks who are bused have too little to gain. In addition, the cultural segregation within the integrated schools can be embittering and cause lasting scars on both blacks and whites.

Human beings are not parts of a giant machine who can be fitted into anonymously marked slots. People approach each other from complicated past histories, backgrounds and diverse personal experiences. They often do not perceive each other accurately. They do not find it easy to share honest transactions and relationships.

To ride roughshod over such histories and truths is to exhibit gross human arrogance. Such actions invite human disaster. Forced busing has all but destroyed the hope of integration in the name of saving it.

Forced busing has already set back the advances in civil rights made during the past 20 years. We will have at least a generation who will be embittered by the effects of this tragic mistake.

Busing is to black equality and meaningful integration what prohibition was to the moral crisis of the Great Depression. It is the flaming moral issue of a mistake in social judgment. The very least we can do now is to undo this mistake and try to get back to the job of educating our children.

For a change, lets be honest with ourselves. Blacks do not need forced busing. They need the same thing whites and other races need. They need jobs. They need solid, well paying jobs. A means of turning their knowledge and labor into financial success, once they have an economic base they will be liberated from poverty. School will become meaningful and a means of self improvement.

Under improved economic conditions blacks, just like the other minority groups who have made America their home, will find their place in our society. They will work up the ladder from poor to middle class and then to as high up the economic scale as their ability will take them. This is the way to achieve economic, social, cultural and educational equality.

Economics first, education second. This has long been a cardinal principle of our system of capitalism. It has worked for a long time and it will continue to work if the handfull of do-gooders will just let the majority of us alone. It is time to stand up and face the hard facts. Busing has done more harm than good. It has not worked and it should be abandoned now!

CONGRESS SEEKS SPEEDUP ON NEW ENERGY TECHNOLOGIES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. TEAGUE. Mr. Speaker, the September issue of Science and Government Report printed an article regarding recent measures passed by the House of Representatives on the subject of energy. I think every Member of Congress should be aware of the article and I would like to have it reprinted in the Record for their information.

The article follows:

Congress Seeks Speedup on New Energy Technologies

Virtually unnoted amid the recent high-decibel dispute between Congress and the

Ford Administration over various aspects of energy policy is a growing difference of opinion on the scope and timing of federal efforts to speed up commercial application of such technologies as solar heating and cooling and battery-powered vehicles.

The matter has not received much attention so far because it has yet to come to a head, but evidence of a conflict surfaced earlier this month when the House passed a bill designed to provide $160 million over the next five years for R&D on electric vehicles. Office of Management and Budget (OMB) and Energy Research and Development Administration (ERDA) officials have spoken out against the bill and there are indications that Ford may be advised to veto the measure if it survives the rest of the Congressional mill intact.

The nub of the dispute is a difference in philosophy between OMB and various key Congressional energy leaders on the extent to which the federal government should underwrite the costs of building and using demonstration electric vehicles. And similar differences of opinion are also coming to light over implementation of a bill, passed by Congress last year, which established a program of federal support for the production and installation of a number of solar heating and cooling units.

In brief, the philosophy incorporated in the bills is that the provision of government funds for the production of a large number of demonstration units will provide a great incentive for commercial introduction of the technologies. For one thing, it will directly stimulate research and development, and for another, it will encourage private industry to establish production lines which will later expand into full-scale mass production.

But OMB is wary of moving too hastily into large-scale production of demonstration units until R&D projects have run their course. The reason is that the demonstration plants may become rapidly outdated and taxpayers will end up financing a lot of obsolete technology.

The history of the Solar Heating and Cooling Demonstration Act, a measure sponsored chiefly by Rep. Mike McCormack (D-Wash.), provides a good illustration of the matter. Passed by Congress late last year, the act sets up a program, administered by ERDA, through which the federal government will underwrite the costs of building and installing a large number of solar heating and cooling units in government buildings, private homes and offices.

The bill does not specify how many such units should be installed, though the report on the measure by the House Science and Technology Committee suggests that about 4000 would be an appropriate number, ERDA is now conducting a study to evaluate the potential benefits of demonstration programs of various sizes, and there are indications that OMB is thinking in terms of program stretching to only about 400 units—a figure which emerged from several studies performed last year for NSF—as necessary to determine the feasibility of various concepts. OMB officials insist, however, that they have not settled on any particular number and are waiting for ERDA's analysis.

Meanwhile, the energy subcommittee of the House Science and Technology Committee, chaired by McCormack, is beginning to chafe about Administration foot dragging, and some staff aides there are mentioning the possibility of a public confrontation on the matter.

Be that as it may, the subcommittee has decided that in the future it will try to force OMB to meet rigid timetables for similar programs. Consequently, when the subcommittee considered a measure to stimulate commercial interest in battery-driven vehicles, it specified how many individual units the federal government should purchase as part of a demonstration program over the next five years.

The bill, which was passed by the House on September 5, instructs the Administrator of ERDA to enter into contracts with industry within 15 months of enactment to supply at least 2500 electric vehicles with present-day batteries, and within 42 months contracts should be let for the production of at least 500 vehicles with advanced batteries. Present battery-driven cars have a range of about 50 miles between recharging, while advanced batteries, are expected to have a range of more than 100 miles. They have yet to be produced, however.

OMB has objected to the bill because of the rigid timetable, but in spite of some Administration lobbying to get it defeated, it was passed by 308 votes to 60. The Senate Commerce Committee is planning hearings early in October on a companion measure introduced by Senator Frank Moss (D-Utah) and Hubert Humphrey (D-Minn.), and the Administration's objections can be expected to come into the open at those hearings.

THE SCHOOL LUNCH BILL: STEP FORWARD FOR THE YOUNG

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. BLOUIN. Mr. Speaker, the conference bill—H.R. 4222, the school lunch bill—which we passed yesterday in the House by an overwhelming margin of 380 to 7 will vastly improve the day care feeding program, the summer feeding program, the supplemental food program for women, infants and children, and the school lunch and breakfast programs. In addition, this legislation, for the first time, will implement Federal feeding programs in residential institutions serving 50 percent or more children, including special sections of hospitals or institutions primarily serving persons under 21 years of age. The bill now before us, therefore, deserves our strongest support.

For the sake of brevity, I will focus my comments on the school breakfast program and WIC provisions in the bill. I believe that those provisions are very good and I would like to emphasize their importance.

The legislation approved in conference establishes the breakfast program on a permanent basis. Also, we emphatically state that "it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance." This policy is to be carried out through two specific directives.

First, the Agriculture Secretary must develop an informational program in conjunction with State educational agencies. This informational program should be designed and implemented in a manner that encourages maximum participation in the breakfast program. Publicity about the benefits of the breakfast program, and outreach activities with school boards and other school officials, should be included in the informational efforts.

Second, the Agriculture Secretary is required to formulate plans and regulations for the mandatory expansion of the program. Thereafter, but within 4 months after the enactment of this legislation, the Secretary must report, to the committees of jurisdiction in the Congress, about his plans and regulations requiring program expansion by States and local school districts to every needy school—particularly the schools that are eligible for title I assistance under the Elementary and Secondary Eduaction Act and the schools wherein 25 percent or more of the children qualify for free or reduced-price lunches. The Secretary's report should set forth, with particularity, his plans for monitoring the States and local school districts actions in purported compliance with the Federal expansion directive.

The Secretary's mandatory implementation regulations, of course, must first focus upon the needy schools. His regulations should require the immediate implementation of the breakfast program in the title I schools and the schools in which one-quarter or more of the children qualify for free or reduced-price lunches, and the less needy schools should implement the program sometime thereafter. By complying with our intentions in this manner, the Secretary will accomplish an orderly expansion of the breakfast program.

Current law in this area is inadequate. We now require the State educational agencies to draft plans of child feeding operations every January 1. These plans must detail how the breakfast program is to be expanded to needy children to the maximum extent practicable. In so doing, States must devise explicit plans to get the breakfast program implemented in specific schools within specific dates; these plans, then, must be followed.

To our regret, however, our current legislative scheme is not causing a substantial expansion of the breakfast program. Thus, this legislation, which mandates breakfast program expansion to all needy schools, is vitally necessary.

In addition to this critical legislation in the school breakfast program area, the conference bill includes many important provisions relating to the WIC program. The conference bill authorizes the use of section 32 funds during fiscal years 1976 and 1977. The bill requires the Agriculture Secretary to spend $250 million in section 32 funds, plus all funds carried over from the previous fiscal year, in fiscal years 1976 and 1977. If any section 32 funds are left unspent at the end of fiscal 1977, those funds must be carried over into fiscal year 1978.

The conference bill also includes the WIC "entitlement" provision that was originally proposed and passed in the House. That provision requires that every "local health or welfare agency or private nonprofit agency" be determined eligible or ineligible for WIC operations immediately upon filing an application. If eligible, such an agency must be funded immediately in an amount that permits the agency to provide food aid and ancillary services to all of the pregnant mothers and infants it is capable of serving.

This "entitlement" provision will operate within the authorization plus carry-over amounts. Consequently, in fiscal 1976, the entitlement provision will operate within a $290 million ceiling—the $250 million contained in the fiscal 1976 section 32 appropriations plus the $40 million carried over from fiscal 1975. During the last year authorized under the bill, fiscal 1978, the entitlement provision will operate within the $250 million authorization level plus funds carried over from fiscal 1977.

Thus, the conference bill will take great strides in improving the nutritional well-being of our Nation's youngsters. I was grateful to see the overwhelming support which this bill gained in the House yesterday. I am hopeful that the administration will be sufficiently impressed with that margin of support to sign this bill into law.

THE 1975 CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 1975

Mr. DERWINSKI. Mr. Speaker, the manifest significance of the 1975 Captive Nations Week was shown by the array of events that highlighted that third week of July. As the pages of the Record disclose, the week, its observances across the country and abroad, Solzhenitsyn, the timing of the Apollo-Soyuz orbit and the announcement of the European Security Conference—these and other events were interwoven. On this basis of historical convergence, one can hardly wait for the 18th Captive Nations Week observance in July 1976.

The following, additional examples of the week's activities have been collected by the National Captive Nations Committee: First, the program and resolutions of the Detroit Captive Nations Week event; second, a report in the July 18, The Pilot; third a broadcast excerpt by Dr. Lev E. Dobrinsky of Georgetown University on "Helsinki and East Europe"; fourth, China's President Yen on the week and editorial comments in July 20 Free China Weekly; and fifth, a letter to the editor in the Boston Globe, July 19:

Commemorative Program—Captive Nations Week 1975 In Detroit

SUNDAY, JULY 13, 1975

4:00 p.m.—Commemorative program.

Opening remarks—Mr. Sigurds Rudzitis, President Captive Nations Committee.

Presentation of the flags.

Interdenominational Prayer Service.

American National Anthem.

Reading of the Captive Nations Week Proclamations by: Governor W. G. Milliken, Mayor C. A. Young.

Address by Honorable Marvin Esch, MC, U.S. House of Representatives.

Adoption of resolutions.

Closing remarks.

Master of ceremonies: Grzegorz Rej, Vice President. Polish American Congress.

ENTERTAINMENT PROGRAM—CAPTIVE NATIONS FESTIVAL JULY 11, 12, 13

Friday, July 11

6:30 PM—Opening of Festival.

8:00—Latvian Dance Group "Ause".

8:30—Dancers of the Hungarian Reformed Church.

9:30—Ukrainian Girls Bandurist Choir Octet, Petro Potapenko, Conductor.

11:00—Closing of Festival.

Saturday, July 12

12:00—Opening of Festival.

5:30—Estonian Folk Songs, R. Traila, Emilie Kalkun Byelorussian Dance Group.

6:30—Polish Dance Group "Wisza".

7:00—Latvian Dance Group.

8:00—Ukrainian Girls Bandurist Choir Octet, Petro Potapenko, Conductor.

8:30—Dancers of the Hungarian Reformed Church.

9:00—Albanian Musical Group.

9:30—Slovak Dance Group "Siarisan".

11:00—Closing of Festival.

Sunday, July 13

12:00—Opening of Festival.

2:00—Estonian Folk Songs, R. Traila, Emilie Kalkun.

2:30-5:00—Commemorative Program.

5:00—Byelorussian Dance Group.

5:30—Ukrainian Dance Group "Echo of Ukraine" under the direction of Miss Joan Von Draginda Kulchesky.

6:00—Lithuanian Dance Group.

6:30—Dancers "Hungaria".

7:00—Oakland University Slavic Dance Group.

7:30—Lithuanian Dance Group.

8:00—Dancers of Hungarian Reformed Church.

8:30—Lithuanian Dance Group.

9:00—Croatian Dance Group.

9:30—Ukrainian Girls Bandurist Choir, Petro Potapenko, Conductor.

10:00—Ukrainian Dance Group "Echo of Ukraine" under the direction of Miss Joan Von Draginda Kulchesky.

11:00—Closing of Festival.

Resolutions

The week of July 13–19, 1975 is the 17th consecutive observance of "Captive Nations Week" in the United States. On July 17, 1959, the United States Congress enacted the "Captive Nations Week Resolution" which, upon signature by President Dwight D. Eisenhower, became Public Law 86–90. Each year during the "Week" the President of the United States issues a special Presidential Proclamation, uring the American people to rededicate themselves to the cause of universal freedom and the liberation of all capitive nations. The Resolution enumerated 22 captive nations of Europe and Asia.

This year's observance of the "Week" are held in the aftermath of the Communist conquest of South Vietnam and Cambodia.

Soviet Russian Diplomacy, triumphant and arrogant as ever, is doing everything possible to take advantage of general confusion and loss of U.S. prestige and influence in the world.

Leonid Breshnev, is busier than ever in preparing for a 35-nation East-West summit "Conference on Security and Cooperation in Europe", which he wants to start on July 22, 1975.

The overall purposes of the summit meeting—sought by the Kremlin for two decades—is to ratify a new European security pact that for all practical purposes would put a stamp of approval on all Soviet Russian territorial conquest in East and Central Europe.

Moreover, this action would confer formal recognition on the Soviet Union's absorption of Estonia, Latvia and Lithuania, and all the captive nations, for which the U.S. Congress expressed great solicitude in the "Captive Nations Week Resolution". Public Law 86–90.

Therefore, we, present at this Commemorative Program of the Capitive Nations Week in Detroit, Michigan on this date of July 13, 1975, call upon our President and the Congress to:

1. declare forthrightly now that it will not accept any permanent Russian hegemony over Eastern Europe resulting from a European Security Conference;

2. in furtherance of a realistic detente and popular enlightenment, initiate studies of the earliest captive nations now in the USSR; and

3. review all the international treaties relevant to national and human rights signed by the USSR and its associates, determining for an informed public opinion the degree of their fulfillment.

[From the Pilot, Official Organ of the Archdiocese of Boston, Mass., Friday, July 18, 1975]

Priest Complains—Captive Nations Forgotten

New York.—A Lithuanian Catholic priest has urged the U.S. bishops to "be concerned about those who cannot help themselves in the struggle for religious freedom and human rights," the people of the communist countries of the world.

The priest, Msgr. John Balkunas, president of the Lithuanian Roman Catholic Priests' League of America, gave the sermon at a Mass in St. Patrick's Cathedral here July 13 for the 17th annual observance of Captive Nations Week.

Msgr. Balkunas said that those concerned about the captive nations asked that:

The Catholic bishops of the United States and their counterparts in other confessions place the cause of the captive nations on the agenda of their peace and justice commissions;

The church press "give more than token attention to the massive injustice being perpetrated on the captive nations";

"The Holy See, in seeking the greatest good for the greatest number, not sacrifice the religious freedom of millions who are most loyal to the Church, in exchange for some chimera of 'modus vivendi' ";

The Holy See's diplomatic representatives throughout the world and its observer at the United Nations "raise the question of the captive nations and of the Church of Silence at every opportunity."

"The cause of the captive nations is not a popular cause in certain circles these days," Msgr. Balkunas said. "There are those who seem to believe that there is a kind of 'statute of limitations' on national sovereignty and on self-determination for millions of our people who are enslaved."

The Lithuanian priest praised the Nobel Prize-winning novelist Alexandr Solzhenitsyn for bringing the cause of the captive nations to the world's attention and proclaiming, "The salvation of mankind lies in making everything the concern of all."

He continued: "The cause of the captive nations is not 'in' with the Establishment these days. When was the last time you saw a substantive report or comment in the Catholic or Protestant press about the persecution of Christians in the captive nations?

"There were tons of newsprint weekly on Vietnam just before the collapse; now one hardly hears anything about the plight of the people there. Those who seem to be so concerned with the suffering of the Vietnamese people then are strangely silent now. Can we be so selective in our moral indignation?"

Among instances of persecution in captive nations, Msgr. Balkunas cited:

"In 1945 North Korea had 1,500 Protestant churches; today there are none. During the Korean war, communists killed 1,650 ministers. In 1950, 250 more pastors were killed."

More than 5 million Eastern-rite Catholics in communist-dominated countries are suffering more for their faith today than they did a decade ago, according to the Vatican Congregation for Eastern-rite Catholics, in a report published May, 1975."

[From Washington Report of the Air, August 14, 1975]

HELSINKI AND EAST EUROPE

Reporter: Philip C. Clarke, with Dr. Lev Dobriansky.

Before departing on his ten-day visit to the Helsinki summit and to Poland, Rumania and Yugoslavia, President Ford went to some pains to reassure East and Central European ethnic leaders in the US that their aspirations for national independence would not be sacrificed.

Among those called to the White House on the eve of the President's departure was Professor Lev E. Dobriansky of Georgetown University, who is Chairman of the annual Captive Nations Week observances and serves as Economics Editor of the American Security Council's Washington Report. Despite the President's reassurances, Dr. Dobriansky says the net effect of the European Security agreement signed in Helsinki is psychological:

Dr. LEV E. DOBRIANSKY. "We look to the future. We know what Moscow is going to do next February when it holds the twenty-fifth Congress of the Communist Party in the Soviet Union. They're going to try to impress upon the peoples behind the iron curtain that we have given a stamp of approval to Russian hegemony over the peoples in this area. And they're going to exploit this psycho-politically."

Professor Dobriansky says by holding off the Helsinki summit, the West might have obtained greater concessions for freedom in the Soviet satellite nations:

Dr. DOBRIANSKY. "If we had waited, especially in view of the intense pressure that has been mounting since the beginning of this year—from Moscow in particular, Mr. Brehznev above all—I think that we could have been in a better position to exact a little more in the way of concessions—certainly, to point out, that the conference itself was predicated initially on the mutual reduced forces agreement and that conference in Vienna has been stalled up to this time."

In the wake of Helsinki, Professor Dobriansky says it's up to the US and its Western allies to keep alive the spirit of freedom in the captive nations:

Dr. DOBRIANSKY. "If we don't adopt measures to counteract the psycho-political effects of this, coupled with the known tightening-up of measures—particularly in the Soviet Union, to some extent in Eastern Germany and Hungary and elsewhere—this tendency to consolidate within and under the reins of the KGB, which operates not only in the Soviet Union, but in Poland, Rumania and elsewhere, that they will actually realize a net gain on this, which means that the third basket of the accord will have been, to all intents and purposes, nullified. And that the third basket is the matter of having a freer flow of people and also of ideas across the borders, right into the Soviet Union."

Professor Lev Dobriansky of Georgetown University.

[From the Taipei, Taiwan, Free China Weekly, July 20, 1975]

PRESIDENT YEN WARNS FREE WORLD BEWARE OF DETENTE WITH REDS

President Yen Chia-kan urged the free world July 14 to consolidate its forces and recognize the pitfalls of detente.

In a message to a mass rally supporting the Captive Nations in Taipei, the President said the world of today is filled with turbulence and confusion, which have grown worse since the fall of South Vietnam and Cambodia.

He added: "Bewildered by this situation, some free world countries harbor the illusion that compromise and detente can be reached with the brute force of Communism. They are even prepared to depart from their principles and yield to Communist demands."

President Yen proposed that the rally choose "Consolidate the Freedom Camp" and "Recognize the Pitfalls of Detente" as its theme and slogan in "the attempt to enlarge the influence of this just cause."

This year's Captive Nations Week activities was highlighted by a mass rally at Dr. Sum Yatsen Memorial Hall in Taipei with more than 3,000 representatives from all walks of life participating.

Dr. Ku Cheng-kang, honorary chairman of the World Anti-Communist League, presided.

Besides President Yen's keynote address, U.S. Congressman Steven D. Symms (R-Idaho) also delivered a speech and read President Gerald R. Ford's 1975 Captive Nations Week message.

Other speakers included Osamu Kuboki, chairman of the Japan chapter of the World Anti-Communist League, and J. Naro, deputy speaker of the Indonesian House of Representatives.

[From the Taipei, Taiwan, Free China Weekly, July 20, 1975]

PRESIDENT YEN'S MESSAGE TO THE 1975 CAPTIVE NATIONS WEEK RALLY

The movement to support the Captive Nations was initiated by the U.S. Congress in 1959. The third week of each July is devoted to this cause. Not until the Captive Nations of the world become free and independent can this movement be brought to a close. This noble demonstration of support for peoples who seek freedom to live and freedom from the terror of enslavement has won acclaim throughout the free world and provided boundless encouragement to those shut behind the Iron Curtain.

The world of today is filled with turbulence and confusion which have grown worse since the fall of South Vietnam and Cambodia. Bewildered by this situation, some free world countries harbor the illusion that compromise and detente can be reached with the brute force of Communism. They are even prepared to depart from their principles and yield to Communist demands. It is immensely significant that today's Mass Rally Supporting the Captive Nations here in the Republic of China should have chosen "Consolidate the Freedom Camp! Recognize the Pitfalls of Detente!" as its theme and slogan in the attempt to enlarge the influence of this just cause.

Freedom and slavery, and democracy and totalitarianism, are incompatible and irreconcilable. All Communist regimes rely on the line of violence and the means of terror. To them, "peace" is another form of war—a means to pull the wool over the eyes of their enemies and undermine the psychological preparations of the opposition. To expect the Communists to change their nature is as foolish as to look for pie in the sky. This is a ruse of the Communists to divide the free world, to enable them to defeat the free nations one by one, and to create opportunties for infiltration and subversion.

The present reality of a world "half slave and half free" is evil Communism's challenge to the human conscience and a tragedy of mankind. The goal of the Captive Nations movement is not limited to the liberation of enslaved people so they can regain the right and the freedom to live. It is also an all-out undertaking to terminate Communism expansion and assure that the Communists will enslave and persecute no more free peoples. In order to succeed, we must help the free world recognize the wicked nature of Communism, distinguish friend from foe and differentiate right from wrong. The pursuit of peace is one of humankind's highest aspirations. But we can never seek and attain this goal by sacrificing the freedom of some people, by forcing those who are struggling for freedom to accept slavery, or by extinguishing the torch of hope for freedom among those who are oppressed by the Communists.

People who understand Communist tactics are aware that the Communists are not sincere in seeking peace. They know that appeasement can never bring peace but will only encourage new flames of Communist aggression. The recent programs ordered by the Vietnamese and Cambodian Communists have taken the lives of countless innocent people. Neither orphans nor nuns were spared. The bloody lesson attests that the Communist trap of détente conceals a slaughterhouse for large numbers of people, and that seeking détente with the Communists can only deepen human tragedy and enslave additional people.

The Republic of China will continue to adhere to its policy of anti-Communism and remain in the camp of the democracies. Despite the repeated buffetings of adverse international currents and amidst the turmoils of Asia, we have not been frustrated and have not changed our course. We shall not be influenced by any unfavorable development that is beyond our control. Rather, we shall remain firm with dignity and move forward toward our goal. We shall always stand firm on the side of democracy and struggle determinedly for freedom and against slavery. At this historical moment so critical for the future of humankind, we must alert all peace-loving people to the peril of the Communists' pitfall of détente. We shall urge them to join hands to enhance moral courage based on human fraternity, reassert the embodiment of justice as the spirit of the times, and strengthen their conviction that freedom will prevail and slavery will fail. We can then march courageously and in unison along the shining broad highway that leads to our goal of human freedom.

[From the Taipei, Taiwan, Free China Weekly, July 20, 1975]

CHINESE PRESS OPINION

REVIEW DETENTE POLICY

The Hsin Sheng Pao (New Life Daily News) of July 15, commemorating Captive Nations Week, urged the free world nations to review their policy of detente with the Communists.

The paper said: "The U.S.-initiated Captive Nations Week movement has won acclaim throughout the free world and provided encouragement to many people shut behind the Iron Curtain. But in recent years, the 'negotiation instead of confrontation' policy of some democratic countries has abetted Communist aggression. On the surface, the fall of Cambodia and South Vietnam was regarded as military victory for the Communists. In reality, the two were lost through negotiation. The free world nations should know by now that 'detente' is a dead end.

"In the long run, the 'half slave and half free' world that emerged after World War II cannot endure. The Communist aim is to communize the world. So the struggle for freedom must be the current of the times and confrontation is unavoidable.

"Unfortunately, the appeasement of some democratic countries has divided the free world. The Communists are using peaceful co-existence to enlarge their holdings.

"Red China is the source of all Asian troubles. Peiping is taking advantage of the democratic nations' dream of detente to step up their united front tactics. They are trying to win over the Second and Third Worlds and freeze out the U.S. and Russia. Their opposition to the hegemony of others is a bid for their own hegemony in the Asian and Pacific region.

"Only through the shortsighted detente policy of the free world can the Chinese Communists reach their goal."

KNOW THE COMMUNISTS

The Chung Kuo Shih Pao (China Times) of July 16 said the free world should keep a close watch on the Communists and not be deceived by superficial appearances.

The paper said: "Indochina has fallen. Communism is advancing in Portugal and Italy. The Captive Nations Week activities throughout the free world are significant. The free world should step up vigilance.

"Appeasement and detente will not work. Misunderstanding of the Communists is responsible for erroneous belief that:

"One Communist power can be played off against another.

"Communist expansion can be stopped by supplying food and economic aid to countries behind the Iron Curtain.

"Maoist aggression can be prevented by 'normalization of relations.'

"Communist regimes are powerful because they have big populations.

"Free world understanding of the nature and intentions of the Communists is essential in foiling their conspiracies."

[From the Boston Globe, July 19, 1975]

LETTERS TO THE EDITOR—22 "CAPTIVES"

The universal forces of freedom and national independence were strengthened by the recent independence of Mozambique. Whereas the western empires have been slowly, decolonized, the Russian Communist empire, the Soviet Union, has remained untouched. Moreover, it continues to expand.

Russian communist colonialism came to focus recently during "Captive Nations Week." Established in 1959, the Captive Nations Week Resolution enumerated 22 nations, which fell victims of direct and indirect Russian communist aggression: Ukraine, Armenia, Byelorussia, Latvia, Lithuania, Estonia, Cossackia, Turkestan, Azerbaijan, North Korea, North Vietnam. It also listed countries whose liberties have been taken away by Communists: Hungary, Poland, Czech-Slovakia, Romania, Bulgaria, Since 1959 were added: Cuba, Cambodia, South Vietnam. Portugal is on the verge of becoming another communist state.

The purpose of the "Captive Nations Week" is to restate our support for the freedom and independence of captive nations. This support is especially needed this year in view of the pending "Conference on Security and Cooperation in Europe," which is being held in Geneva. The Soviet government wants the free world to legitimize Soviet Russian hegemony over Central and Eastern Europe. The Soviet government wants to insure its colonialism over the captive nations.

The US government must not only reject Moscow's "proposals," but demand that the Soviet government adhere to all international principles and treaties relevant to national and human rights, such as self-determination of captive nations, free movement of people, free movement of ideas between West and East, release of all political dissidents.

OREST SZCZUDLUK,
Vice President, Ukrainian Congress Comm. of America, Boston Chapter.
JAMAICA PLAIN.

HOUSE OF REPRESENTATIVES—*Monday, September 22, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward S. Latch, D.D., offered the following prayer:

He that abideth in Me, and I in him, the same bringeth forth much fruit.—John 15: 5.

Eternal Father of our spirits, we thank Thee for the beginning of a new week and for the glory of a new day. Facing these decisive times we would use this hallowed moment of prayer to be assured of Thy presence and to tap the resources we need to do our work as well as we can do it.

May we be led by Thy Spirit as we make our decisions. May we possess Thy power as we steady ourselves amid the pressures of persistent problems. May our faith in Thee deliver us from tensions that tear us apart and from worries that wear us out. All this day and through this week may we do our best, our very best, and leave the results to Thee.

Hasten the day when justice and love shall dwell in the hearts of people and rule in the affairs of nations. Through Jesus Christ, our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1327. An act to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made a part of the reservations of said Indians, and for other purposes; and

S. 2337. An act to extend the Energy Supply and Environmental Coordination Act of 1974.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SPEAKS UP FOR THE CHICKENS

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, fellow Members of the House, fellow chickens—when the President of the United States calls the Congress chicken, I cry foul. President Ford owes a lot more to this Congress than he admits, as the New York Daily News pointed out.

Things would be pretty bad today if Congress had given the President what he asked for—a 5-percent income tax increase, full decontrol of oil prices last April, and on top of that a $3-a-barrel tariff on imported oil.

We would have economic calamity today. Gasoline would be at least 75 cents a gallon; total family fuel costs would have jumped at least $350 a year; unemployment would be up at least another 500,000. We would have more inflation, recession, and shortages.

Our economic rebound today is due almost entirely to the tax cut of last March that Congress insisted on. When the President finally agreed to a tax cut—instead of an increase, he wanted to give it all to the rich. Congress had to make sure that the bulk of the benefits went to the middle- and lower-income people.

Our action has righted the Republic from the rut of ruination.

If we had not acted, the President would not be calling Congress chicken. He would be eating crow.

AMERICAN PEOPLE OPPOSE BIG GOVERNMENT SCHOOLBUSING POLICIES

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, the huge majority of parents in this country, black and white, know what they want for their children.

They want safe, tranquil schools identifiable with their own communities and producing sound, basic education.

The public schools these days are not responding to this demand, and the quality of education has been steadily deteriorating for a dozen years.

The question is whether the public schools will ever be able to concentrate on their primary mission if they are harassed and belabored by courts and bureaucrats imposing the turmoil of racial quotas.

The people are angry, Mr. Speaker. Their children are being pushed around by big government. They do not understand why a Congress elected to represent them has failed to stop the Federal policy of forced busing for racial balance in schools.

Because the House Judiciary Committee has failed to act, I have filed discharge petition No. 4 to bring H.R. 2818 to the House floor for action.

I urge you to sign this petition, my colleagues. It is time for this Congress to respond to the will of the American people.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 529]

Abzug
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Armstrong
Aspin

Badillo
Barrett
Bell
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Brooks
Broomfield
Brown, Mich.
Broyhill
Burke, Fla.
Burton, Phillip
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collins, Ill.
Conlan
Conyers
Cotter
Crane
D'Amours
Daniel, Dan
Davis
Dellums
Dent
Derrick
Devine
Diggs
Downing, Va.
Drinan
Duncan, Oreg.
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Ind.
Fary
Fascell
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Giaimo
Gibbons
Goldwater
Gonzalez
Gude
Hagedorn
Hanley
Harrington
Harsha
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Holland
Holtzman
Howard
Howe
Hughes
Hutchinson
Jarman
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Karth
Ketchum
Koch
LaFalce
Lehman
McCloskey
McDade
McDonald
McFall
McKinney
Macdonald
Mann
Meeds
Metcalfe
Michel
Mikva
Milford
Mills
Minish
Moakley
Montgomery
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Nix
Obey
O'Brien
Ottinger
Patman, Tex.
Patten, N.J.
Pettis
Peyser
Poage
Pressler
Pritchard
Quillen
Railsback
Randall
Riegle
Rinaldo
Risenhoover
Rodino
Roncalio
Rose
Rostenkowski
Rousselot
Ruppe
Russo
Ryan
Scheuer
Schulze
Shipley
Shuster
Simon
Sisk
Slack
Snyder
Spellman
Staggers
Stanton, James V.
Stephens
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Traxler
Treen
Udall
Van Deerlin
Vigorito
Walsh
Wampler
Waxman
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Wylie
Yates
Zeferetti

The SPEAKER. On this rollcall 264 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RIGHT TO REPRESENTATION DURING QUESTIONING

Mr. WHITE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6227 to amend title 5, United States Code, to provide Federal employees under investigation for misconduct the right to representation during questioning regarding such misconduct.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6227, with Miss JORDAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. WHITE) will be recognized for 30 minutes, and the gentleman from Tennessee (Mr. BEARD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. WHITE. Madam Chairman, I yield 3 minutes to the gentleman from California (Mr. MINETA).

Mr. MINETA. Madam Chairman, I rise in support of H.R. 6227, which, to state it simply, would afford Federal employees the same protection, no more nor no less, than that provided private sector employees under the National Labor Act as interpreted in the recent Supreme Court decision of NLRB against Weingarten.

This protection would be twofold:

First, the bill would require that an employee of an executive agency who is under investigation for misconduct which could lead to suspension, removal, or reduction in rank or pay be advised in writing of the investigation and his or her right to representation during questioning regarding such misconduct.

Second, H.R. 6227 would provide an appeals process for employees suspended, removed, or reduced in rank or pay where the right to representation was violated, and would prohibit the admissibility in any subsequent disciplinary action of any statement or evidence obtained during questioning in the event that an employee was not informed of their right to representation.

The most often-heard charge against H.R. 6227 is that it would have a negative effect on routine day-to-day relations between supervisors and employees. This charge, I believe, is neither valid nor based on the actual provisions of this bill, for section 7171(a) specifically applies the right to representation to Federal employees under investigation for misconduct which could lead to suspension, removal, or reduction in rank or pay—or simply, when the questioning pertains to serious misconduct, not the daily responsibilities or activities of the employee.

In short, the bill would provide Federal employees with the same rights as employees in the private sector—the same rights afforded to other Americans, not employed by the Federal Government, under the due process clause of the Constitution.

Your concurrence in the extension of this basic constitutional right to Federal employees is mandatory.

Thank you, Madam Chairman.

Mr. WHITE. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, as Mr. MINETA has described, the purpose of this legislation is to provide an employee of an executive agency, not the Post Office—as defined in section 105 of title 5, United States Code—who is under investigation for such serious misconduct which could lead to suspension, removal, or reduction in rank or pay, the right to be advised in writing of such investigation and the right to obtain representation during periods of questioning regarding such misconduct.

Under existing law, an employee's right to representation in connection with disciplinary proceedings, arises only after a formal charge has been filed against the employee.

The committee believes that this legislation would provide needed protection for Federal employees similar to that provided private sector employees under the National Labor Relations as interpreted in the recent Supreme Court decision of NLRB against Weingarten, decided February 19, 1975. In that decision, the court recognized the right of an employee in private industry to have a representative present during investigatory interviews which the employee reasonably believes might lead to disciplinary action. The questioning of the employee is often a critical stage in the process of determining whether disciplinary action will be taken and as the Supreme Court noted in Weingarten.

> A single employee confronted by an employer investigating whether certain conduct deserves discipline may be too fearful or inarticulate to relate accurately the incident being investigated, or too ignorant to raise extenuating facts.

The committee believes that the enactment of this legislation would have limited application to, and effect upon, the day-to-day supervisor-employee relationship, the right to representation would arise only when the questioning pertains to misconduct which could lead to suspension, removal, or reduction in rank or pay, or in other words, when the questioning pertains to serious misconduct. If the employer realizes that the misconduct under investigation is of a minor nature and would not lead to suspension, removal, or reduction in rank or pay, or even if the misconduct could warrant such disciplinary action, that the employer does not intend to initiate such an action, then the employee need not be advised of his right to have a representative present. Further, in such an instance, the employee could not base a refusal to answer questions on the provisions of this legislation. It should be noted that the sole sanction against an employer for failing to accord the right to representation, is the inadmissibility of any statements or evidence obtained from the employee during the questioning in the course of any action for suspension, removal, or reduction in rank or pay subsequently taken against the employee.

Madam Chairman, the issue of whether or not to include the FBI, CIA, and NSA received considerable scrutiny by both the subcommittee and the full committee, a compromise was struck and the committee believes that while employees of these agencies may be restricted with regard to their choices of representatives and their appeals, the legislation appropriately balances employee protection and national security concerns.

I refer the Members to a reading of the bill, which is self-explanatory. It gives full protection for the security of this country.

As to the cost which would be incurred if this legislation passes, the committee received no information on which to base a reliable estimate of the cost of administering the provisions of this bill, but believes such costs to be insignificant.

Madam Chairman, the subcommittee and committee concluded that the law should be amended in the manner provided under this legislation, and I strongly urge that all Members of the House support this important issue and implement by legislation the dictates of the Supreme Court as set out in the Weingarten case, which applies to private industry, to make these Federal employees on a par with employees in private industry.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee.

Mr. BEARD of Tennessee. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I rise in opposition to H.R. 6227—the so-called right to counsel bill—because there is no demonstrable need to enact such legislation.

I do not know the genesis of this legislation, but I can assure you testimony before our committee did not produce much evidence to show that Federal employees were being denied due process under the law.

In fact, Federal employees enjoy elaborate procedural and appellate rights, not available to employees in the private sector.

For example, Federal employees are subject to the following procedures:

An employee cannot be removed or suspended except for such cause as will promote the efficiency of the service;

An employee is entitled to receive written notice of a proposed adverse action at least 30 days before the action is effected;

The employee may review all the evidence relied upon by the agency in proposing the action;

The employee must be given an opportunity to reply orally and in writing to the proposed charges;

Although it is not mandatory, most agencies allow an employee representation in the preparation and submission of the reply to a proposed action;

An employee is entitled to a written decision made by a higher level official than the official who proposed the action;

If the action is effected, the employee has a right to appeal both the merit and procedures of the adverse action to the Federal Employee Appeals Authority which affords him a right to representation and to produce and cross-examine witnesses in a full hearing; and

Finally, the employee is allowed access to the Federal Courts.

Enactment of this legislation would, I am afraid, create great mischief with personnel management in the Federal Government.

The wording of this measure is so ambiguous and vague that it precludes, to a large extent, normal, day-to-day, employee-supervisor communications. The undefined expression "under investigation" could mean just about anything. When is an employee under investigation?

If a supervisor asks an employee why he has been repeatedly late for work or why his work performance has been lacking the past few weeks, is the employee then "under investigation?"

If so, then the supervisor would be required, under the law, to inform the employee of his right to representation.

Another example—what happens if a supervisor asks an employee the whereabouts of a missing typewriter. And, the employee replies, he took it. Under the bill, this information could not be used against the employee because he was not told of his right to representation.

One could go on and on reciting instance after instance where legislation of this nature would create havoc with the normal supervisor-employee relationship which presently exists.

I know it may be difficult for some Members to consider voting against a bill labeled, "right to counsel," but I can assure you that to do otherwise is inviting unnecessary personnel problems in the Federal Government.

I strongly support a system which assures Federal employees of fair and proper grievance procedures, which I believe presently exists in statutory and regulatory laws. However, I refuse to accept this legislation which will, in effect, allow certain employees the right not to cooperate with management. Also, this legislation could give certain "milk toasty" Federal managers, who already claim there are now too many protections for Federal employees, added encouragement not to manage.

Madam Chairman, if we want to require Federal managers to operate on the same basis as law enforcement officers are prescribed to do in criminal cases, then we should pass this legislation.

However, if we do so, I think we will be establishing an adversarial situation at high procedural cost and at the risk of being unable ever to solve what may prove to be a simple matter which merits no charges.

Mr. WHITE. Madam Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. DOMINICK V. DANIELS), the author of the amendment.

Mr. DOMINICK V. DANIELS. Madam Chairman, I rise in support of H.R. 6227 providing civil service employees with the right to representation during disciplinary proceedings. This is a most important piece of legislation. It provides Federal employees with the most basic of 20th century employee rights—the right to counsel.

Government employees have been the victims of a patriarchal and paternalistic system which leaves them no protection whatever from disciplinary actions, the effects of which are as harsh or even more harsh than the sanctions imposed by our criminal laws. Nevertheless, and in spite of complicated civil service regulations governing employee actions, Federal employees often face agency investigators without assistance or advice from counsel or any other representative.

The only opposition to this bill is a parade of horrors alleging that it will cripple a supervisor's right to discuss an employee's work with him, that it will cripple an agency's ability to discipline an employee, that it will result in employees doing whatever they want, whenever they want. That argument is sheer drivel.

This bill merely provides an employee with the assistance of a representative of his choice during a disciplinary proceeding which could lead to his dismissal, suspension, or reduction in pay or rank. It does not cover the ordinary work place discussion between supervisor and employee about the employee's work.

The public record is replete with instances of employees having been disciplined for frequenting establishments or being seen in the company of persons their superiors did not approve of. We have learned of cases in which the interrogation process itself, the threat of publicity, and the threat of prolonged litigation and costly attorneys' fees have been used to arbitrarily coerce employees into resigning from the Federal service regardless of the quality of their work.

In many instances employees have been suspended from work after signing statements made after long interrogations without benefit of counsel or other assistance. Such suspensions, as has been already noted, are no different than fines levied by a criminal court—with one exception. In the case of the courts, the law provides the protections of due process, the most basic of which are lacking in civil service interrogations.

I see little difference between the disciplinary proceedings of the Civil Service Commission and the Star Chamber proceedings of 16th- and 17th-century England. Like the Star Chamber procedures, the Civil Service Commission's procedures are secret, they are arbitrary, and they are often harsh.

This bill simply provides a Federal employee with the most basic rights now provided to employees in the private sector who are fortunate enough to be protected by a collective bargaining agreement, not to mention persons under investigation by the police. Considering the Civil Service Commission's attitude on employee-management relations, I believe that Congress should expedite action on this legislation guaranteeing to Federal employees the same basic rights enjoyed by private sector employees under the National Labor Relations Act.

I would include among protected employees, Madam Chairman, those who work for the Federal Bureau of Investigation, the Central Intelligence Agency, and the National Security Agency. It was my original opinion that the national security functions of these agencies demanded their exclusion. That opinion was based on the faith that, because of their special responsibility, these agencies would act with responsible self-restraint. Events and disclosures have proven my faith poorly placed.

Over the years, these agecnies have been given too much power to administer themselves. I believe now that no agency of Government, especially those which have control of the police power can be exempt from or above the law. That is simply too much power among too few men. The temptations, whatever the motives or good intentions, lead to abuse.

I am, as you must be, reminded of the advice that "power tends to corrupt, and absolute power tends to corrupt, absolutely." I believe that to be good advice. The FBI, the CIA, and NSA have been specially treated in this bill by a provision that the "employee's representative must have the clearance of the agency." This is a reasonable compromise which protects national security and employee rights.

Both the National Labor Relations Board, a body with four decades of experience and expertise in the field of labor relations, as well as the Supreme Court of the United States, a branch of Government with almost 200 years of experience concerned with individual liberties, have held that where there is a collective bargaining agreement, the right to representation is a right to which employees are entitled and may be exercised at the reasonable discretion of the employee. It is reasonable and proper that we extend those same rights to all Federal employees.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. WHITE. Madam Chairman, I yield 3 additional minutes to the gentleman from New Jersey (Mr. DOMINICK V. DANIELS).

Madam Chairman, will the gentleman yield?

Mr. DOMINICK V. DANIELS. I am happy to yield to the gentleman from Texas.

Mr. WHITE. Madam Chairman, first I want to commend the gentleman in the well for his initiative in bringing this very important legislation before the House so that we may act upon it.

I will ask the gentleman from New Jersey if it is not true that the committee worked meticulously over this measure in detail to bring out the most feasible legislation, considering all factors, in both administration and employees' rights.

Mr. DOMINICK V. DANIELS. Madam Chairman, I want to say that the gentleman from Texas worked very, very hard, and that he was very fair and very reasonable in giving everybody an opportunity who desired to express his views on this legislation, the opportunity to do so. They were welcome to come to our hearings, and it is sad to note that some agencies failed to accept this invitation.

Mr. WHITE. Madam Chairman, in response to the statement by the gentleman from Tennessee (Mr. BEARD), I would like to speak about the situation he recited to us. Under the measure as it is before the House presently, is it not true that if an indiviudal comes in who has been late, and his employer or supervisor goes to him and asks him at that moment, "Why are you late," under this bill he is not prevented from asking that man or woman, "Why are you late"?

The bill only says that if the employee is sought to be disciplined for that, then he should be advised of his right to counsel. If he is not advised of his right to counsel, the employer or supervisor may continue his questioning, but whatever he elicits directly from the employee cannot be used against the employee.

Mr. DOMINICK V. DANIELS. The gentleman's statement is absolutely correct.

Mr. WHITE. But, that does not prevent corroborative evidence or ancillary evidence from being brought in as far as disciplinary action is concerned.

Mr. DOMINICK V. DANIELS. Correct.

Mr. WHITE. What we are doing here is merely assuring an employee, if a disciplinary action is serious enough to affect his career, that he should be given the right to counsel, and that if evidence comes forth possibly without his understanding the effect of his statement, then he should at least not have that statement used against him.

Mr. DOMINICK V. DANIELS. Usually, an employer knows whether or not he is going to bring disciplinary proceedings against an employee, and also his intent is known to himself whether he is going to fire him, discharge him, or reduce him in rank or pay, so that with that thought in mind, this bill gives the employee nothing more than an additional right to protect his interests.

Mr. WHITE. Present law states that he has the right to appeal after the charge is brought, but that is too late for someone who does not understand the law or the implications of it. What we are doing, then, from the inception, is allowing him the right of counsel and the understanding of the full implications of any of his statements.

Mr. DOMINICK V. DANIELS. I think it is a fair and reasonable step, and all employees ought to enjoy that benefit.

Mr. WHITE. I thank the gentleman very much.

Mr. BEARD of Tennessee. Madam Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Madam Chairman, I urge the defeat of H.R. 6227. This bill would place unreasonable restrictions on the supervision of Federal employees.

Under current practices an employee has the right to counsel during formal proceedings. This is certainly an important and necessary right.

H.R. 6227, however, would extend the right to representation to include the most informal and routine day-to-day confrontations between supervisors and employees. Even a minor discussion of possible employee misconduct could be elevated to the status of major controversy.

The effect of such a change in procedure would be very undesirable, impairing the ability of the Government to function. It would have an extremely detrimental impact on personnel management in the Federal service and the entire employee-supervisor relationship. Rather than fostering communication and counseling between a supervisor and an employee on job responsibilities it would establish an adversary relationship.

Whatever value H.R. 6227 may have is heavily outweighed by the negative effect it would have on personnel management. I urge its defeat.

Mr. BEARD of Tennessee. Madam Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Madam Chairman, I strongly oppose the passage of H.R. 6227.

This bill is known as the right to counsel bill. That is quite a misnomer.

This bill, if enacted, would have serious effects on personnel management in the Federal service and on the employee-supervisor relationship.

The provisions of the so-called right to counsel bill impose on Federal agency officials requirements similar to those required of law enforcement officers in criminal cases in which an individual has become an accused person.

By the bill's ambiguous and general language it would apply to day-by-day, face-to-face discussions in which employees are questioned about any misconduct, however minor, if there is a possibility that such misconduct could lead, by itself or in conjunction with other conduct, to a suspension of as little as 1 day.

Such activities might include asking an employee about his leave or attendance record or his work performance.

As pointed out in the minority views on this bill, Federal employees now enjoy statutory and regulatory rights which protect them against unwarranted or capricious action.

These rights and protections enjoyed by Federal employees are not common to non-Federal employees. Furthermore, testimony before our committee produced no evidence that this legislation is needed.

Madam Chairman, this legislation will have a detrimental effect on the ability of Federal agencies to economically and efficiently perform the functions for which they are established.

I urge my colleagues to join with me in defeating this measure.

Madam Chairman, let me refer to the minority views in emphasizing in a positive manner the rights now held by Federal employees.

> An employee cannot be removed or suspended except for such cause as will promote the efficiency of the service;
>
> An employee is entitled to receive written notice of a proposed adverse action at least 30 days before the action is effected;
>
> The employee may review all the evidence relied upon by the agency in proposing the action;
>
> The employee must be given an opportunity to reply orally and in writing to the proposed charges;
>
> Although it is not mandatory, most agencies allow an employee representation in the preparation and submission of the reply to a proposed action;
>
> An employee is entitled to a written decision made by a higher level official than the official who proposed the action;
>
> If the action is effected, the employee has a right to appeal both the merit and procedures of the adverse action to the Federal Employee Appeals Authority which affords him a right to representation and to produce and cross-examine witnesses in a full hearing; and
>
> Finally, the employee is allowed access to the Federal Courts.

Madam Chairman, I regret that the circumstances that prevail today require that we debate this bill with less than full attendance of the Members. I also point out that we face the difficulty of getting Members to concentrate on this subject, since we took up the rule Friday and we are limiting the general debate at this point, votes on amendments will not be coming until Thursday, and the final passage will not be called for until Thursday. It is my understanding that minority members of the subcommittee feel that it is not amendable, so I presume we will not be offering amendments.

We have a bill affecting over 2 million civilian Federal employees that has been brought to the attention of the House in three segments, over an 8-day calendar period, and that is hardly a procedure that guarantees the kind of attention and proper review that a measure of this kind requires.

Madam Chairman, I would also point out that, in opposing this bill and the others that are on the calendar from the Committee on Post Office and Civil Service this afternoon, I do not in any way imply that I am not especially mindful of the very hard work, dedication, and persistence of the gentleman from Texas, the chairman of the subcommittee which has produced most of these measures. The gentleman is probably as hard a working subcommittee chairman as we have had during my service, and I would emphasize that the differences in opinion here are philosophical.

Mr. WHITE. Madam Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Madam Chairman, as a cosponsor of H.R. 6227, I rise in full support of this bill, legislation which guarantees to all Federal civilian employees of Executive agencies the right to be represented by a person of his or her own choice when under questioning for misconduct.

By supporting this legislation, I am not pointing my finger at the officials of our Federal Government. This bill is not a knee-jerk response to alleged incidents of unjust disciplinary actions or suspensions by Federal officials. This bill is before us because it is needed.

By approving H.R. 6227, we will merely be giving to our civil servants a right enjoyed by all other employees in the private sector. We are all familiar with the U.S. Supreme Court's decision in Miranda against United States in which the Court concluded that the presence of an attorney during criminal interrogations is a basic due process right that "enhances the integrity of the factfinding process." Though this decision is not exactly parallel to the situation of those affected by the bill before us today, I believe that this decision established a principle which applies, with equal force, to Federal employees. Similarly, earlier this year, in National Labor Relations Board against J. Weingarten, Inc., the Supreme Court held that the National Labor Relations Act requires that private sector employees be permitted representation during investigatory interviews when they "reasonably fear" disciplinary action and request such assistance. Another U.S. Supreme Court decision has a bearing on this bill; in Arnett against Kennedy, the Court recognized that certain Federal employees have a property interest in their employment and that, therefore, such employees may not be deprived of their employment without due process of law. Thus, I believe, the law is clear and with this bill we will close a gap by covering our civil servants and giving them a right enjoyed by their fellow workers in the private sector.

The Subcommittee on Retirement and Employee Benefits heard many witnesses and gave careful attention to the wording of this bill. We made certain that the employee be able to choose the representative of his or her choice, be it friend, coworker, attorney, or union representative. We also—keeping the interest of the Government and the public in mind—have clearly stated that employees have the right to representation when under investigation for misconduct which could lead to their suspension, removal, or reduction in rank or pay. Thus, the committee believes, as explained in the Committee's report, "that the enactment of this legislation would have limited application to, and effect upon, the day-to-day supervisor-employee relationship.

Investigations of any kind are often unsettling experiences for all of us. Frequently, a person under investigation may become upset, afraid or confused—merely because an investigation is being conducted for whatever purpose. I believe that this bill will go a long way toward helping that employee relay accurate facts. Equally important, this legislation will be beneficial to the employer. Justice William Brennan, writing for the court in the Weingarten case, explained that representation can help both employer and employee since—

> A single employee confronted by an employer investigating whether certain conduct deserves discipline may be too fearful or inarticulate to relate accurately the incident being investigated, or too ignorant to raise extending factors. A knowledgeable representative could assist the employer by eliciting favorable facts, and save the employee production time by getting to the bottom of the incident occasioning the interview. Certainly his presence need not transfer the interview into an adversary contest.

H.R. 6227 will insure fair treatment of our 2.8 million civil servants and will in the long run improve the morale of employees and thus the effectiveness of our Federal Government. I urge my colleagues to join me in voting "aye."

Mr. BEARD of Tennessee. Madam Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Madam Chairman, I wonder if the distinguished gentleman from Texas (Mr. WHITE) would answer a question for me.

In this bill there is no contemplation on the part of the committee that the U.S. Government will in any way underwrite the cost of the representation of these employees?

Mr. WHITE. No. Madam Chairman, if the gentleman will yield. According to the legislative history of this bill before the Rules Committee, it is the intention of the Retirement and Employee Benefits Subcommittee that the cost of the representation will be paid for by the employees.

Mr. FRENZEL. Madam Chairman, I thank the gentleman. I have another question.

I notice the committee included in the report letters from the OMB, the Civil Service Commission, HEW, Treasury, the FBI, CIA, and TVA, and all of them, as I gather from reading them, seem to be rather uncomplimentary to the committee bill.

Did the committee take into account the views of these agencies, or did it deem them totally without merit?

Mr. WHITE. Madam Chairman, if the gentleman will yield further, some of those agencies came before the committee. In the instance of the CIA and in the instance of the FBI, we did boil down the measure as far as representation is concerned, and here is the way the legislation would work as to those agencies:

Whenever disciplinary action would be brought within those agencies, the person applying for representation must choose a representative from within that agency who has clearance with respect to the subject matter.

As far as appeal goes, whatever the FBI, CIA or NSA does, the appeal goes directly to the President or to his designee. In other words, the security is maintained, and the matter is kept strictly within the agency of the Federal Government.

Mr. FRENZEL. Madam Chairman, did the gentleman not say there was a judicial review and the employee had access to that?

Mr. WHITE. That is as to all others. But the security agencies must go through the mechanism of appeal to the President or his designee.

Mr. FRENZEL. If the security agency has an employee that it feels may be a security leak, during the appeal process does that employee have to stay within the agency and remain at work?

Mr. WHITE. Madam Chairman, the employee can be dismissed immediately, according to counsel, under the legislative intent and the wording of the bill.

Mr. FRENZEL. It is the legislative intent of the committee, under the terms of this bill, that if there is a security risk within one of the intelligence agencies, appeal or grievance notwithstanding, that employee can be discharged and removed from his sensitive work immediately?

Mr. WHITE. The gentleman is correct.

Mr. FRENZEL. Madam Chairman, I thank the gentleman.

Mr. BEARD of Tennessee. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would like to ask the distinguished chairman of the subcommittee, the gentleman from Texas (Mr. WHITE) a couple of questions for the record. We went over these matters in the subcommittee, and I feel it would be necessary to ask these questions again for the record here.

Will the gentleman define for me exactly what the phrase, "under investigation for misconduct," means? What is the definition of that?

When does "under investigation for misconduct" begin?

Mr. WHITE. Madam Chairman, if the gentleman will yield, I will attempt to define that term by discussing the issue. However, first, before I forget it, for the information of the gentleman from Tennessee and for the gentleman from Minnesota (Mr. FRENZEL), the National Security Act is still in being, and that would control whatever action is taken in the security agencies; it is not the Committee's intent to amend that act in any way.

As to the question of investigation, it is a question of, What is the intention of the employer or the supervisor?

If the employer or the supervisor intends to bring an action that would lead to disciplinary measures, a reduction in pay, or suspension, whatever that might be, that is the investigation.

Please understand this: An employer is not prohibited from questioning any employee that he wants to. The only caveat is that if he intends to use that direct evidence against that employee, he must first give him an opportunity to have counsel, but he can question, within a broad scope, anything that he wants to, providing that he understands that what he elicits directly cannot be used in evidence.

Mr. BEARD of Tennessee. If the gentleman will permit another question, in so many cases, when management begins, and there seems to be something astray or a problem, and one does not even have any idea, whether it be John, Bill, Mary, or whatever, and one says, "There is a typewriter missing," how does anyone have any idea as to what will happen? It has apparently been stolen.

Could the gentleman give me some indication as to this: What if that employee says, "I am sorry. I got kind of caught up and a little behind. I have been wrong, and I am sorry"? What does a supervisor do then when, all of a sudden, that employee realizes the real seriousness of it and then gets legal counsel after what he or she has admitted to?

Mr. WHITE. It would not be admissible, but whatever that would lead to could be used against the employee. In other words, once having confessed to what was done, to a detrimental matter or detrimental fact, detrimental to the employee himself, the employer could follow it up and get corroboration that could stick the employee. That does not prohibit him from going further in the investigation.

What we are doing is giving protection to the individual that is less than that in private industry, because under the Weingarten case in private industry, if the employee reasonably feels that he is going to be suspended or will have some kind of disciplinary action brought against him, he has a right to counsel.

We are not saying that here. We are placing the matter in the hands of the employer, and if the employer intends to bring a disciplinary action, then he has to advise the employee and give him the right to counsel. Therefore, we are giving the Federal employee less than what the employee in private industry has in this instance.

Mr. BEARD of Tennessee. I seriously question that, but I appreciate the gentleman's answer as to whether this is really a needed situation.

With all the other rules and regulations that we have set up for the protection of Federal employees, we are getting to the point where it is very difficult to have a supervisor or anyone concerned with good management take any real action.

Why were not the employees of the Postal Service included in this much-needed legislation?

Mr. WHITE. Because their grievances and their actions are usually covered under their negotiated contract.

Mr. BEARD of Tennessee. In other words, their union representatives did not want to be brought into this legislation?

Mr. WHITE. They have their own contracts. We would not want to duplicate what they have. This is purely for the Civil Service employee, outside the postal employee area.

Mr. BEARD of Tennessee. I thank the gentleman from Texas.

Mr. WHITE. Madam Chairman, I have no further requests for time.

Mr. BEARD of Tennessee. Madam Chairman, I have no further requests for time and yield back the balance of my time.

Mr. WHITE. Madam Chairman, I yield back the balance of my time and I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. McFALL, having assumed the chair, Miss JORDAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6277, to amend title 5, United States Code, to provide Federal employees under investigation for misconduct the right to representation during questioning regarding such misconduct, had come to no resolution thereon.

REQUEST FOR CALL OF THE HOUSE

Mr. BEARD of Tennessee. Mr. Speaker, I raise the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair would inquire of the gentleman from Tennessee, Is the gentleman seeking a straight quorum since there is no vote pending?

Mr. BEARD of Tennessee. I am just raising the point of order that a quorum is not present.

The SPEAKER pro tempore. Will the gentleman please withhold his request momentarily?

Mr. BEARD of Tennessee. I will, Mr. Speaker.

PERSONAL EXPLANATION

Mr. OTTINGER. Mr. Speaker, on the quorum call No. 529 this morning I am recorded as not being present. I would like the record to show that I was in the Capitol Building engaged in questioning Rogers C. B. Morton, Secretary of the Interior, at a meeting of the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce.

PARLIAMENTARY INQUIRY

Mr. WHITE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. WHITE. Mr. Speaker, I would like to inquire whether the gentleman from Tennessee (Mr. BEARD) can be assured that there will be a vote on this measure on the appropriate day, without the need for calling for a quorum at this time.

The SPEAKER pro tempore. (Mr. McFALL). The Chair will state that in the opinion of the Chair, the gentleman from Texas has not stated a parliamentary inquiry.

GENERAL LEAVE

Mr. WHITE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD concerning the legislation just under discussion, H.R. 6227.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CALL OF THE HOUSE

The SPEAKER pro tempore. Does the gentleman from Tennessee renew his point of order that a quorum is not present?

Mr. BEARD of Tennessee. Mr. Speaker, I do. I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. STRATTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 530]

Abzug
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
Badillo
Barrett
Bell
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Brooks
Broomfield
Brown, Mich.
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Burlison, Mo.
Burton, Phillip
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collins, Ill.
Conlan
Conte
Conyers
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Davis
Derrick
Devine
Dickinson
Diggs
Downing, Va.
Drinan
Duncan, Oreg.
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Ind.
Fary
Fithian
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frey
Giaimo
Gibbons
Hagedorn
Hanley
Harrington
Harsha
Hastings
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hutchinson
Jarman
Johnson, Pa.
Jones, Tenn.
Karth
Kemp
Ketchum
Koch
LaFalce
Landrum
Leggett
Lehman
McCloskey
McCormack
McDade
McDonald
McKinney
Mann
Meeds
Metcalfe
Michel
Mikva
Milford
Minish
Moakley
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.

Nix
Obey
O'Brien
O'Neill
Patman, Tex.
Peyser
Pickle
Poage
Pressler
Preyer
Quillen
Railsback
Rangel
Rees
Rhodes
Riegle
Risenhoover
Rodino
Roncalio
Rose
Rostenkowski

Rousselot
Runnels
Russo
Scheuer
Schulze
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Slack
Snyder
Staggers
Stanton,
James V.
Steed
Stephens
Stokes
Stuckey
Talcott

Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vigorito
Walsh
Wampler
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Wylie
Yates
Zeferetti

The SPEAKER. On this rollcall 257 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FEDERAL EMPLOYEES' GROUP LIFE INSURANCE

Mr. WHITE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7222) to increase the contribution by the Federal Government to the costs of employee's group life insurance.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. WHITE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7222, with Miss JORDAN in the Chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. WHITE) will be recognized for 30 minutes, and the gentleman from Tennessee (Mr. BEARD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. WHITE. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, and Members of the House, the Federal employees' group life insurance program, known as FEGLI, was established by Public Law 83–598, approved August 17, 1954.

Since its inception on August 17, 1954, to date, there have been no changes in the employer-employee contribution rates to the cost of group life insurance. Thus, the ratio of cost, two-thirds from the employee and one-third from the Government, has remained unchanged for the past 21 years. For this reason, the Members of this committee became concerned as to whether the Federal employees group life insurance program currently is competitive with similar programs offered by other large public and private employers. Pertinent to this issue is a report issued by the Civil Service Commission in 1973, which contains comparisons between certain employee benefits offered by the Federal Government and benefits offered by 25 large private and public employers. The commission's report was reprinted by the Post Office and Civil Service Committee and appears in committee print No. 93–19. The objective of the commissions' report was to determine how the Federal Government compares with other large employers with respect to benefits offered to employees. With respect to life insurance plans, the commission's report reads, in pertinent parts, as follows—and I believe this will be important to the members in their deliberations on this matter:

> Financing—Federal employees pay about 59 cents a month for each $1,000 of coverage. This is more than the employee cost under all but one of the plans studied. Twelve of the plans offer regular insurance on an employer-payall basis and seven charge between 17 and 54 cents per $1,000 of coverage. The remaining plan charges a flat 0.50 percent of monthly compensation, which for the coverage offered is generally less than the FEGLI rate. It should be noted that the Federal employees' group life insurance system is financially sound and has no deficit.
>
> Evaluation—Civil service regular life insurance benefits for active employees are not as liberal—

And this is a quotation—

> not as liberal as those for workers under many of the plans studied. Coverage is comparable to the amount provided by the average employer in the group or even better for lower salaried workers, but Federal employees pay a larger share of the premium than almost all of the other workers surveyed.
>
> It should be noted that the Commission's report was based on benefits offered as of June 1973. It is not unreasonable to assume that, in the life insurance area, the Federal Government has fallen further behind other large employers during the past 2 years. Also, it is important to note that since July 20, 1974, the Postal Service has been paying the full costs of life insurance for its employees.
>
> The committee concedes that now is not the appropriate time to require the Federal Government to assume the full cost of Federal employees' life insurance. However, the committee believes that the modest increase proposed by this legislation—less than 17 percent—is fully justified. While some opponents of this legislation may state that we must look at the entire benefit package rather than each individual aspect, this totally ignores the fact that a chain is only as strong as its weakest link.

There can be little doubt that the life insurance program is a significant factor in the Government's ability to attract and retain qualified employees. That the current life insurance program is becoming less and less attractive to Federal employees is evidenced by the fact that fewer than 10 percent of newly hired employees under the age of 30 are electing group life insurance coverage.

The committee believes that Congress must act now to make the Federal employees' group life insurance program more competitive with programs offered by other large employers and to make the Federal program more attractive to younger Federal employees.

Accordingly, the committee unanimously supports the enactment of H.R. 7222.

Mr. BEARD of Tennessee. Madam Chairman, I reserve the balance of my time.

Mr. WHITE. Madam Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Madam Chairman, the bill before us today, H.R. 7222, to increase the Federal Government's contribution to employees' life insurance programs, represents to me a minimum effort on the part of this Congress on behalf of the Nation's Federal employees. In this bill, we are only increasing the Government's contribution by 18 percent, at a time when we are faced with many hard decisions to cut Federal employee benefits and salaries and clamp the fiscal lid on them in many other ways. This can be one small sign that this Congress will not go along with an administration that singles out Federal employees for the failures of its economic policies.

I support this bill for several reasons. First, the present program, which has not been changed since 1954, is antiquated. Testimony before the Subcommittee on Retirement and Employee Benefits, on which I serve, indicated that in private industry the employer is paying from 75 to 100 percent of the total cost. Thomas A. Tinsley, Director of the Civil Service Commission's Bureau of Retirement, Insurance, and Occupational Health, stated on May 12, "The trend today is toward employer pay all in the life insurance field." Thus, we must today bring the Government's program up to date to more closely parallel programs in the private sector.

Improving the program in this way will be one small way of better recruiting and retaining Federal employees. The current life insurance program is becoming less and less attractive, as evidenced by the fact that fewer than 10 percent of newly hired employees under the age of 30 are electing group life insurance coverage. Also, we are hearing too frequently—from the President in July and from the Chairman of the Civil Service Commission—that because of the executive "pay freeze" the Federal Government is losing many top executives at a fast pace. Top positions are going unfilled and the Federal Government's recruitment effort is stymied by the freeze. Increasing the Government's contribution to the life insurance program will be one small "plum" to help reverse that trend.

I am disappointed that this legislation will not take effect until 1977. By that time, the Government's program will be even further behind private industry. However, with an administration that is showing less and less appreciation of our civil servants and their difficult role, I believe it is incumbent on this Congress to act now on this minimal but most important measure. This bill represents a compromise over the original bill the subcommittee considered; it is literally "bare bones" legislation. The original bill also would have increased the Government's share of Federal employees' health benefits. I was very disappointed when on June 16 the House, on a 245 to 145 vote, failed to muster the required two-thirds vote to pass this bill under suspension of the rules and I call on my colleagues to join me in support of H.R. 7222.

Mr. WHITE. Madam Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. DOMINICK V. DANIELS).

Mr. DOMINICK V. DANIELS. Madam Chairman, I rise in strong support of H.R. 7222, and commend the chairman and my distinguished colleagues on the House Committee on Post Office and Civil Service for their efforts on behalf of this legislation.

The bill before us has a single purpose—to increase the contribution made by the Federal Government to the costs of employees' group life insurance from 33⅓ to 50 percent.

Madam Chairman, the Government's share of this program has not increased since the Federal employees' group life insurance program was established in 1954.

At the same time, private industry has been moving ahead in increasing the amount of company contributions to employees' life insurance premiums.

A report issued by the Civil Service Commission in 1973 contained comparisons between certain employee benefits offered by the Federal Government and benefits offered by 25 large private and public employers.

The report revealed that Federal employees paid more than their counterparts in all but one of the plans studied. Twelve of the 25 plans studied offered regular insurance on an employer-pay-all basis; 7 of the plans studied paid between 17 and 54 cents per $1,000 of coverage. At that time, Federal employees were paying about 59 cents a month for each $1,000 of coverage.

It is likely that in the 2 years since the Civil Service report was issued, the Federal Government has fallen even further behind in this important benefits area.

In fact, on March 3, Mr. Thomas A. Tinsley, Director of the Civil Service Commission's Bureau of Retirement, Insurance and Occupational Health, appeared before the Subcommittee on Retirement and Employee Benefits and stated that the Federal life insurance program had fallen behind in both coverage available to employees and premium sharing costs. Coverage available to employees in the private sector is, in most cases, higher than that available to Federal employees, and there is an increasing trend toward employer-pay-all life insurance programs among private and public employers.

Madam Chairman, the committee recognizes that now is not an appropriate time for the Federal Government to assume all the costs of employee life insurance coverage. However, the committee believes that a modest increase of 17 percent proposed in H.R. 7222 is in order. Bear in mind that this share of the Federal Government's contribution has not increased in 21 years.

Madam Chairman, my colleagues are all aware of the importance of "fringe benefits" in labor contract negotiations. Recent trends indicate a growing importance that will be attached to benefits during labor contract renewals. These benefits are no less important to the men and women who work for the Federal Government.

If the Government hopes to attract and retain talented men and women, it must be prepared to offer benefits that are at least comparable to the private sector and public employers.

At the present time, the Federal life insurance program is attracting less than 10 percent of newly hired employees under age 30. This can probably best be explained by the fact that these new employees can obtain better coverage at lower cost through private insurance plans.

Madam Chairman, H.R. 7222 is a sensible piece of legislation that will bring an important Federal Government employee benefits program more into line with programs being offered in the private sector.

Madam Chairman, the Federal employees group life insurance program has now been in effect for 21 years. If the Federal Government's share had been increased by just 1 percent each year to take into account such factors as the increasing cost of living, it would now be paying 4 percent more than is contemplated under the legislation before us.

I believe this is a modest step in the right direction, and I urge my colleagues to join me in supporting H.R. 7222.

Mr. WHITE. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. BEARD of Tennessee. Madam Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Madam Chairman, I would like to direct a question to the gentleman from Texas (Mr. WHITE).

As the gentleman knows, the Congress has come under increasing criticism for multiple increases in our prerequisites, benefits, and our salary, and some of us have opposed those unwarranted increases.

Exactly how much more money will this pending bill require in spending in order to finance Congressmen's life insurance policies over the present figure, and what is the present figure?

Mr. WHITE. Madam Chairman, if the gentleman will yield, I thank the gentleman for asking the question.

Madam Chairman, over a 5-year period this cost will be $293 million.

Mr. BAUMAN. The question addressed, specifically, is how much more cost to the taxpayers will be caused by benefits contained in this bill for Senators and Members of the House of Representatives.

Mr. WHITE. If the gentleman will yield further, I do not have any idea. There are only 535 Members, and that is a very small part of the 3.5 million employees we are speaking of in this instance. I am afraid I do not have a specific answer for the gentleman on that.

Mr. BAUMAN. Madam Chairman, I have a figure here that indicates that if the Government pays half of the life insurance contributions for Members of Congress at the revised salary of $45,000, it would equal an increase of roughly $56,000 anually, for a total annual cost of $168,000.

Is that a correct figure? While that may be considered by some a very small matter, did the gentleman's committee consider at all exempting Congressmen from this increase?

Mr. WHITE. Madam Chairman, I thank the gentleman for his contribution.

No, we did not consider exempting Congressmen from this increase. We took the entire package of all Government employees, except the postal employees who have their own program.

Mr. BAUMAN. If a Member votes for this bill, whenever it finally comes up for a rollcall, he is in fact voting to increase his own benefits; is he not?

Mr. WHITE. He is voting to increase his own insurance benefits by 17 percent.

Mr. BAUMAN. I thank the gentleman for giving me this information.

Madam Chairman, the gentleman thanked me for my contribution, but I think it will be the taxpayers who will probably be making the larger contribution.

Mr. BEARD of Tennessee. Madam Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Madam Chairman, I would like to direct a question to the chairman of the subcommittee, the gentleman from Texas (Mr. WHITE).

I note in the committee report that it indicates that Federal employees under 35 years of age are purchasing private insurance because they have discovered they can obtain coverage at lower rates. My question is this:

Was there testimony before the committee as to why the Federal employees group life insurance program is costing more for equal coverage, as compared to private coverage?

Mr. WHITE. Madam Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Texas.

Mr. WHITE. Madam Chairman, there was testimony indicating that at the present time the cost is too great for those under age 30 or 35 and, therefore, they are buying private industry insurance. It was found that the insurance program of the U.S. Government for Government employees is weighted heavily toward the higher risks, and that raises the premiums even more.

It is hoped that by a 50–50 contribution we can, in fact, lower the total premiums and bring in many of those employees in the age group below 30 and 35, and by bringing them in we hope we can bring the premiums down and possibly even lower the cost to everybody, including the Government. That is conceivable, according to one of the witnesses.

Mr. REGULA. Madam Chairman, what evidence was offered to the committee as to the reason why the Federal program costs more than a private program?

Mr. WHITE. Madam Chairman, if the gentleman will yield further, let me say this:

The committee has a continuing investigation underway to determine whether the Government employees do or do not get a good deal. These inquiries will continue over the balance of this year and next year.

At the same time, as I stated earlier, we have most of the higher risk employees in the program. That is why the premiums are higher, and that is why the cost is greater.

Mr. REGULA. Madam Chairman, I will ask this further question:

Mr. WHITE, does the Federal program have to take all applicants, as opposed to a private program being selective in the risks it will assume?

Mr. WHITE. Madam Chairman, as a group program for Government employees, all Government employees must be included in the program.

Incidentally, there are some 300-plus insurance companies operating as consortiums in this program, and they do have to insure all employees.

Mr. BEARD of Tennessee. Madam Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Madam Chairman, I just want to make a few observations. I think it is timely that we do so, and I am sorry the House is not full.

I am taking this time, and I will be grateful for it. However, I thought there was an hour provided for this, and yet the Members are just yielding back their time. The rule was voted on last Friday, and there were few Members in the House at that time. There are very few Members in the House today.

In 10 minutes of debate we are going to vote on a very important issue, and I refer especially to the issue as raised by the gentleman from Maryland (Mr. BAUMAN). This applies to 435 Members of Congress and 2½ million public employees, and, of course, the gentleman from Maryland very cleverly arranges it so that all the blame and all the inward feelings of our constituents will be directed against anything Congress might pick up along the way and will be aimed at the 435 Members of Congress.

At my age, this does not mean a fiddler's damn; it does not matter whether we do it or do not do it. I have paid in for many years, and it is already paid for.

But I can understand that for those who are younger and who have families and have seen increasing expenses, after 9 years for some of them without a pay raise, it is just a difficult time. The cost of living has gone up for everybody.

I am being very serious about this. The reasons are very simple as to why the costs are higher for the Federal Government for an insurance policy than they are for private enterprise, and that is because we do not get out into the market and get the higher increased income from investments for the fund. We loan money at the Treasury rates, which are usually low. This is one way of reloaning the money to the Government and letting the Government use it at a lower rate of interest than what they would pay in the open market.

If this committee has felt that this situation is one that needs remedying, they are doing it because of the very reason that the gentleman from Texas has expressed. It is because the greater number of the participants in the fund are older participants, like myself, older policymakers.

The younger people can do better out in the open market. If it is wrong for the gentleman from Texas and his colleagues to bring it out to help the younger Members come in under the total body of the whole Federal system, then maybe we should not even bring legislation like this out that really benefits no one. If we kept raising entitlements there will not be any pension plans, except social security.

We are getting to the point where we are degrading the Members of Congress as members of a body that was once respected. Today I believe it is an injury not alone to the Members of Congress here and with respect to their personal lives at home, considering the criticism they get from everybody, but really it is a serious matter because it is degrading the whole foundation of the democracy. Many persons whom I know would make fine members.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. DENT) has expired.

Mr. BEARD of Tennessee. Madam Chairman, I yield 3 additional minutes to the gentleman from Pennsylvania.

Mr. DENT. To continue, Madam Chairman, many fine citizens refuse to run for Congress because they do not want their reputations destroyed. We end up with many who have spent a lifetime in the legislative field and are now ashamed of being Members of the body that we are in today.

I just cannot understand what kind of kick a person gets out of riding the Congress. Every time there is something up here which looks as though it might give more worth of stamps in addition or one trip home to serve their constituents, there is criticism.

If we are talking about comparability with private enterprise, then let us compare it with private enterprise, as opposed to Congress, or vice versa, and see what the difference is.

I have been in private enterprise. I have never had too much trouble getting along on the allowances of $35 or $40 a day because the costs were much lower. However, when we go on trips, I know many members of my committee who have families and do not want to go out on trips in the States.

Holding hearings, on site, where problems are called to our attention now costs the individual much more than some of the members with families can afford.

While we are discussing this matter serious dangers are appearing on the scene.

There are companies in industry that do not want to sell the stockholders short, they do not want to sell the operators short; and the people in the community do not want to sell anybody short, but there is nothing they can do about it. Any predatory company that has the money can come in under our system and take over a company that does not want to be taken over and is a going concern.

Congress cannot be aroused to do something about this problem. We are tied up in things that can wait.

This is what is happening to us today. We are losing the character that made this body great?

How many of us are going to be proud, when we leave this body, that we have served in a body such as this?

Madam Chairman, I say to the Members, take time at night and consider what is happening to this body of men and women today in the running of this great country of ours.

Are we going to degrade this body to the point where only ne'er-do-wells, inheritors of wealth, and the ultrarich will belong to this body? Are we going to allow the ordinary citizen to come in from the mills and the farms and serve our country as they have been doing since the beginning of the Republic?

Madam Chairman, I do not want to chastise anybody, but I hope the gentleman from Maryland (Mr. BAUMAN) will consider that he is also a Member of this Congress. If he can get by with what is necessary for him and his family, I say to him, do not deprive other Members who may have a struggle with children in school and other problems. It is not fair to say that they know what the salary was. That is true in all jobs, but we still have strikes and negotiations for more to meet needs.

We have many problems, requests for free flags and free this and free that, from one organization after another every day. There is always a problem. One can have a 1,000-percent record in this body, but if he turns down some organization for a free flag or a contribution of $100 for a page in some kind of ad book that is going to be distributed to 1,400 people, 400, or 40 people, there is always somebody who is going to come by and say, "He did not help us."

I remember years ago when I did not buy two dance tickets. They passed a resolution against me during the next election, which was all right.

This is very true as to all of us as candidates, so let us not always be kicking Congressmen around. If someone wants to kick himself around, he can get up and do it. He can reach that stature, and I would not blame him for doing it, but let us not do it to others who are sincere and want to serve this country and not be obligated to anybody but his constituents and his judgments.

Mr. BEARD of Tennessee. Madam Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Madam Chairman, the gentleman from Pennsylvania (Mr. DENT) has made a very interesting analysis of parts of my prior remarks, but he ranged far afield in what he had to say.

I think he missed the point, and apparently he has missed it on a number of occasions. Those of us who are concerned about the manner in which the Congress conducts its own internal affairs find that whenever we comment on this, the gentleman from Pennsylvania apparently misses the point.

I was making a very valid and I think a very relevant point that in this particular bill we are raising our own life insurance benefits and this was not mentioned by any Member here until I raised the point. This will cost the taxpayers roughtly $168,000 annually as calculated by the Civil Service Commission and that is an increase of $56,000. This is not a great amount of money, merely a sneeze in the wind tunnel that is conducted here insofar as wasting the taxpayers' dollars every day, and I fully admit this. But this is part and parcel of what has been happening in this Congress in recent months and years. For example the House refuses to function properly because the gentleman's Committee on House Administration has the sole power to vote on these matters and not to bring them to the floor for a rollcall. This was done recently when there were increases in our travel allowances, our staff allowances, and various other exexpense allowances. And then, of course, a majority raised congressional salaries recently. I think that if that vote were taken over again today, that it would be defeated.

But Madame Chairman, I believe that when there exists the serious situation facing this country with 8-percent unemployment—and the district the gentleman from Pennsylvania represents suffers as much as mine, and perhaps more than other districts—and when we are facing an $80 billion deficit this year as well as inflation; and when the people all across the country read about things like the National Science Foundation throwing away hundreds of thousands of the taxpayers' dollars on useless grants, on foreign aid, then our actions do raise a question about the conduct of the Congress of the United States and what it is doing with the taxpayers' dollars.

I personally am exceedingly proud to be a Member of this body. I never expected to become a Member. I do not know how long I will be here, but ever since I have been a Member, and for as long as I remain a Member, I will try as best I can to point out what I think is wrong in the internal operations of the Congress and in any of the decisions we make.

I do think that the taxpayers have every right to hold us in the very low esteem at this point, and I understand at this time that in most of the opinion polls only about 15 or 16 percent approve of what Congress as a whole has done.

I also recognize that sometimes individual Members may be unfairly treated by the press, but there is no need to chastise the gentleman from Maryland because he feels an obligation to object to these things. I will continue to do so.

Mr. DENT. Madam Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Pennsylvania.

Mr. DENT. Madam Chairman, I do think it is a fact that the gentleman from Maryland makes his headlines for all of us, and he is the one that makes the decision on that matter.

When the gentleman from Maryland raises a question as to certain of the increments that we are getting above the line, and the increase for this insurance, then people forget about other things. I can assure the gentleman that the headlines in my district reflect that I have fought and I have argued for a great big raise for the Congress. Let me tell my friend from Maryland something, that was for $25,000. But also let me tell the gentleman that I have been a Member of this Congress for pretty near 20 years, and let me say that during all this time that I have turned back funds that have been allocated to me to run my office, so that it has cost my people and the taxpayers of this great Nation less than $2,000 a year in order to put me in as a Member of the Congress. But, I will not deny these benefits to those who need them and require them and who must have them.

How much has the gentleman from Maryland turned back since he has been a Member of the Congress and how much will the gentleman from Maryland turn back?

Mr. BAUMAN. Madam Chairman, permit me to say to the gentleman from Pennsylvania that I have turned back some excess in my staff allowance every month since I have been in office. I have not appointed the extra staff people I am permitted to appoint, I have not taken the money allotted for newsletters, and I have tried to economize on other things. Permit me to also say that I have no other income except what I earn here, an admittedly precarious position in which to be.

All I am asking is that the Congress try to set an example to the people of this country, to show that we are willing to be extremely cautious in handling the money that belongs to the people and not to us.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BEARD of Tennessee. Madam Chairman, I yield back the balance of my time.

Mr. WHITE. Madam Chairman, I have no further requests for time and I yield back the balance of my time.

Madam Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Miss JORDAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7222) to increase the contribution by the Federal Government to the costs of employees' group life insurance, had come to no resolution thereon.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO FILE REPORT ON S. 2230, AUTHORIZING APPROPRIATIONS FOR BOARD FOR INTERNATIONAL BROADCASTING, 1976; AND PROMOTING IMPROVED RELATIONS BETWEEN UNITED STATES, GREECE, AND TURKEY, ASSISTING IN SOLUTION OF REFUGEE PROBLEM ON CYPRUS, AND STRENGTHENING NORTH ATLANTIC ALLIANCE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations may have until midnight tonight to file a report on the Senate bill S. 2230, to authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to issue in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MORGAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 531]

Abzug
Addabbo
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
Badillo
Barrett
Bell
Biaggi
Bingham
Blouin
Boggs
Bonker
Brooks
Broomfield
Brown, Mich.
Broyhill
Burgener
Burke, Fla.
Burlison, Mo.
Burton, Phillip
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Ill.
Conlan
Conte
Conyers
Cotter
Crane
D'Amours
Daniel, Dan
Davis
Derrick
Devine
Diggs
Downing, Va.
Drinan
Duncan, Oreg.
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fary
Fish
Fithian
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frey
Giaimo
Gibbons
Hagedorn
Hanley
Harrington
Harsha
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Holland
Holtzman
Howard
Howe
Hughes
Hutchinson
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Tenn.
Karth
Ketchum
Koch
LaFalce
Leggett
Lehman
McCloskey
McDade
McDonald
McKinney
Macdonald
Mann
Mathis
Meeds
Metcalfe
Michel
Mikva
Milford
Minish
Moakley
Montgomery
Mottl
Murphy, Ill.
Nix
Obey
O'Brien
O'Neill
Pepper
Patman, Tex.
Pressler
Preyer
Pickle
Price
Quillen

Railsback
Rees
Rhodes
Riegle
Risenhoover
Rodino
Roncalio
Rose
Rostenkowski
Rousselot
Runnels
Russo
Schulze
Shipley
Shuster
Simon
Sisk
Skubitz
Slack
Snyder
Staggers
Stanton,
James V.
Steed
Stephens
Stokes
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vigorito
Walsh
Wampler
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Wylie
Yates
Zeferetti

The SPEAKER. On this rollcall 266 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RETIREMENT AFTER 30 YEARS OF SERVICE

Mr. WHITE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5397) to amend chapter 83 of title 5, United States Code, to authorize the retirement of employees after 30 years of service.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5397, with Mr. ROBERTS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. WHITE) will be recognized for 30 minutes, and the gentleman from Tennessee (Mr. BEARD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the sole purpose of this legislation is to amend the civil service retirement provisions of section 8336(a) of title V, United States Code, so as to authorize the voluntary retirement of a Federal employee after completing 30 years of service, regardless of age. This bill does not apply to Congressmen.

Many Federal employees contend that 30 years of service constitute a full career, which justifies retirement, and that present law discriminates against employees who come into Federal service at an early age. Under present law, Federal employees may retire at age 55 with 30 years of service, at age 60 with 20 years of service, or at age 62 with 5 years of service.

As the pace of production accelerates in Federal agencies, increasing physical and mental effort is required of employees; particularly where individuals are assigned jobs involving a large degree of physical activity, their conditions are likely to deteriorate more quickly. Even in sedentary occupations, where a great deal of mental concentration is required, people undergo stress which tends to shorten their careers. In each of these instances, physical or mental impairment may not be sufficient to warrant disability retirement, but the employee may wish to retire at an early age so as to preserve his health.

It is important to note that while H.R. 5397 permits a Federal employee to retire voluntary at any age after completing 30 years of service, it would require a 2-percent reduction in annuity for each year the employee is under the age of 55 at the time of retirement. The committee found through testimony that this legislation, if passed into law, has the possibility of creating up to 104,000 new jobs, but that in the first year perhaps, 25 percent of those eligible would take advantage of the change. Also elicited was the fact that both the private and public sectors are recognizing the value of allowing workers to retire at earlier ages and that, in fact, the trend in industry and municipal governments today is toward early retirement.

For instance, it was reported that all four major auto manufacturers in the United States recently negotiated a 30-year retirement provision in their union contracts.

As for municipalities, it was pointed out that many presently have retirement provisions that are more liberal than that proposed by H.R. 5397.

Mr. Chairman, by passing this act, we hope to bring younger people into the civil service and allow them the opportunity to advance; also, we hope to retain these younger people during the first 5 years of service, which is the period during which attrition is greatest.

According to estimates received from the Civil Service Commission, the cost in unfunded liability of this bill, if enacted, would be approximately $3.38 billion.

Mr. Chairman, both a majority of the subcommittee, as well as the full committee, have reviewed the provisions of law relating to retirement benefits for Federal employees and concluded that the law should be amended in the manner provided under this legislation. I, therefore, strongly urge that Members of the House support this important legislation which would affect not only many thousands of Federal employees, but also help to curb this Nation's high unemployment rate by opening up more jobs at the lower grades.

Mr. BEARD of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to H.R. 5397, a bill to permit Federal employees to retire at the completion of 30 years of service, regardless of age.

A gleaning of the committee report would lead us to believe that there is not only a trend in industry and municipal governments toward early retirement, but that benefits and requirements under these retirement systems are comparable to those benefits of the Federal Government.

It is true that the companies listed in the report do permit their employees to retire upon completion of 30 years of service. However, in almost all cases, this is where those companies or municipal governments cease to be able to compare favorably with the Federal Government regarding annuity adjustment benefits, disability and vesting requirements.

The minority staff sent questionnaires to those employers listed in the committee report, in order to compare their retirement systems with the Federal Government's. Those surveyed included: Baton Rouge, La., County of San Diego, Detroit, Mich., Los Angeles, Calif., Miami, Fla., State of Hawaii, Western Electric, and John Deere Tractor Works.

For example, the survey shows that on the question of disability, 5 of 8 employers required 10 to 15 years of service to qualify for disability retirement. The other 3 employers had no service or 1-day service requirement for service-connected disability and 5 to 10 years for non-service-connected disability. The civil service retirement system requires 5 years of service.

With the exception of the State of Hawaii, which requires 5 years of service for vesting rights—the same as the civil service retirement system—all others require anywhere from a low of 10 years of service—John Deere Tractor Works—to 20 years of service—city of Los Angeles.

Only one employer—city of Los Angeles—provided for an annuity adjustment in recognition of the rise in the cost of living.

The civil service retirement system provides for an automatic annuity adjustment whenever the CPI goes up 3 percent over the base month and stays at the level for 3 consecutive months. One percent is added to the highest percentage rise reached in the 3-month period.

To illustrate the progressive nature of this fringe benefit, there have been 11 annuity adjustments since 1969. The percentage increase for this period of time totals 59.7 percent. In other words, an annuitant receiving an annuity of $10,000 in 1969 is now receiving $15,970. And that is without compounding the increases.

Mr. Chairman, that is a fringe benefit many a retiree in this country would like to have.

My point in bringing this information to the attention of the House is to illustrate that the civil service retirement system is more or as liberal as any of the other retirement systems discussed.

This survey complements the one taken by the Civil Service Commission in 1973, which showed that of all the major employers surveyed, and these included IBM and the State of California, the civil service retirement system was the most liberal. The sole exception was the State of New York, which is in serious financial difficulty.

The cost of this legislation will increase the unfunded liability of the civil service retirement fund by $3.4 billion, requiring an annual payment of $209 million over 30 years. However, the real cost to the Government is the amount of money—principal and interest paid over 30 years, which is $6.2 billion.

At a time when our country is facing an estimated $86 billion plus deficit for fiscal year 1976, there seems to be little justification for an expenditure of this magnitude.

Mr. Chairman, to ask the citizens of the United States, who are suffering under an onerous economic climate, to finance $209 million over the next 30 years for a liberalization of the Government's retirement system, is unconscionable.

This legislation should be rejected.

Mr. WHITE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Chairman, first I want the record to show that I am very seriously worried about the way in which we are taking this legislation up today. Last Friday I noted that we had little or no debate on the rule, and today we are having little or no debate, and we have very few Members in the Chamber. I think this is very serious.

I think one of the criticisms that could be aimed at the Congress and should be aimed at Congress is that we do not stay on the floor to learn what is in a bill. Tomorrow or next day we will come in here and vote on the bill, and very few Members will know what is in this bill; I am sure of that.

The gentleman who spoke earlier put his finger on the most important item in this whole issue, and that is past service liabilities that go unfunded, which are the cause of the bankruptcy of most of the pension funds that have gone down the drain.

For the last 10 years my committee has listened to hundreds of hours of testimony on pension funds. Last week we started our first hearings on public pension funds. In the consideration of private pension funds it took us 7 years to arrive at some kind of a formula whereby we could save the pension plans for those who participated in them, but by doing so we insisted that there be funding of past service liabilities and funding over an immediate 5-year period of all the new increments that might be added to the entitlements of the established pension entitlements and the newer members of the fund.

We are talking here about a wide-open road that will lead us straight down to a bankrupt pension system. We are talking about employees who have 30 years of service, 35 years of service, and some of them are still in the system. Some have 20 years in, and some have 15 years. Every year that they get for themselves a cost-of-living increase in the index, it immediately puts a burden on past service liabilities, because their pension is figured on the last highest 3 years of their service, while in the lower years of their service, the lower income years, they only pay the same percentage against the payroll.

There is no way we can survive under this.

I hope tomorrow to have some material ready that I am going to put in the RECORD on this subject. This is about the only way we can reach some Members who are never here. This material relates to the story of Denmark. All parties concerned in Denmark have agreed right now in principle at least that they have reached beyond what they started out to do in liberalizing pensions, and other public aids, that includes kindergarten education, pre-school education, double-dip on unemployment. There are 4 different pension systems in Denmark and every person is entitled to one and the others are available.

There is one from the Government where everybody participates, such as in the case of social security. There is another one in which the individual can make tax-exempt contributions. There is another one where the employer negotiates with employees, which is a third plan. A fourth plan is a negotiated plan, separate, on top of the rest, by the employer alone. It just cannot generate money that fast to pay that particular pension when it comes due. That is why the social programs in Denmark may get reduced drastically, soon.

I know that the gentleman from Texas (Mr. WHITE) has worked hard, and the arguments that he has put forth are, of course, convincing; but the civil servants of today are not underpaid. They are not overworked, and they certainly get fair treatment on their pensions because their increments increase or their entitlements increase every time there is an increase in their pay.

That has been the situation since I have been here, year in and year out. I know of two occasions in which they got two cost of living increases in 1 year.

Mr. Chairman, the present Members cannot do it. This bill will pass hands down this week unless we can get a delay, because there will not be anybody here who has heard it. However, I am not worried about giving them too much money. I am worried about what can happen.

I would not be so worried about it if I had not had so many years of study. On the matter there has only been one day of hearings.

Mr. Chairman, I say to the Members right now that the public pension systems in the United States, the great majority of them, are going to fall flat on their faces and their participants are not going to get anything, unless we stop, look and particularly, listen. If we do not, it is going to be at a reduced rate for their entitlements.

I went through the depression as a member of a legislative body. I remember when we cut pensions during the depression of public employees.

Rather than do that, why do we not study this whole problem so as to give us an opportunity to hold hearings?

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. DENT) has expired.

Mr. WHITE. Mr. Chairman, I yield 3 additional minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Chairman, to continue, we want to try to develop just what the condition is in the public realm.

Whom will it include? It will include the school teachers. We have a system—I will not mention the town; I do not want to try to rap anybody—but I know of a place where after 20 years, a public employee gets full entitlement based upon the salary of the last 3 or 5 years. In this particular position, they start somewhere between 22 and 25 years of age.

They can, under this act return at a 10-percent discount at under 50 years of age.

What happens is that they take it at 20 years, and then immediately they go back into the market for a job.

We know—and every Member here who has any knowledge of the Federal Government knows—that thousands upon thousands of employees of the Federal Government are already drawing a pension on the Federal Treasury and are back at work on their own. Many military personnel are double dipping and many drive for two careers and two pensions plus social security.

We do not have the jobs, I say to the gentleman from Texas (Mr. WHITE). There is no way that this country can generate dual lifetime jobs for one individual plus all of the members of the family.

The people who are out of work deserve better than that. If a person has worked 20 years in the Federal Government, there is not any reason in the world that he cannot go on to a standard 65 years for retirement. A person who has worked 30 years can also do that. I have worked 43 years in the Government myself, not counting my 4 years in the Marines, but I am still at it. I am not the oldest man in the House, although sometimes I feel like it.

At least we should bar any pensioner from the Government, in any branch, Federal, local or State from again joining another pension system with tax payers contributions.

This is not a popular position but it is a realistic one.

That is, if we want to have a sound job economy in the Nation.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. DENT. Yes, I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, what the gentleman said has a great deal of validity.

I want to point out for the RECORD certain matters.

In the first place, I think it would be interesting for the House to know that this amount of money, this deficiency that we spoke of, is to be paid off in 30 years in annual increments. In other words, there is a plan for its repayment.

Furthermore I think it would be valid to say that interest is received on the fund. These funds will be invested, and of course, it would not be accurate to say that all this fund will be costing interest during that period of time.

I want to point out further to the gentleman in the well that this bill is a compromise. The original effort was to make it a "high 80." In other words, retirement would be permitted when the age of the individual plus his years of service equalled 80. The committee instead came forth with this 30-year retirement program. I might add that this is the trend in industry, and the program in the military is for 20-year retirement. Many other retirement programs that we studied have 25- and 30-year periods. All we want to do is permit an individual to retire after he reaches the time in his life when his children have grown up and moved away. Possibly an employee might be jeopardizing his life unless he were to move to a more salubrious climate; this would take care of such a situation.

Mr. DENT. Does this mean that the employees will not receive this benefit after their 30 years but it will only affect the new employees coming in?

Mr. WHITE. No; all of the employees would have the opportunity for this but presently they do not have a 30-year entitlement. This would take place after 30 years. But, in addition, if they retire prior to age 55, then there is a penalty of a 2-percent-per-year reduction in the annuity.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITE. Mr. Chairman, I yield 3 additional minutes to the gentleman from Pennsylvania.

Mr. DENT. But, the gentleman must understand that he is talking about funding for those who come in now as new employees, but what about those who have been here for 29 years? If we pass this bill, where do we get the money to pay for them?

Pensions are based on the number of young people who are able to pay in for 25, 30 or 35 years to build up the fund for those who come into the plan later.

The funding of pensions cannot be figured out in a committee overnight. We have to consider not only the funding of the individual who is coming into the market or into the pension plan, but also those that have been in for 20 years or 30 years or 25 years.

Let me ask the gentleman one thing further, the gentleman said that industry was moving into these kind of programs

Mr. WHITE. That is right, 30-year programs.

Mr. DENT. All right, let us see how we do this. We have already given one cost of living increasing back in the early part of the year, and also last year in October sometime. But now, with labor negotiations, insofar as the cost of living increase, whatever increase they are going to get, they are told, "This is how much you are going to get. How do you want it split up?"

Then we say we will take so much in our welfare fund, so much in our vacation fund, so much in our pension fund to give us a shorter span in our work years, to give us a greater entitlement. But they get it out of what they have agreed to insofar as a raise is concerned.

But, not here, in this instance because they get the entire amount of increase for their pay. Then we come along and increase their benefits insofar as increments on pensions are concerned.

As the gentleman just explained a while ago, they have 59 percent increase since 1967, but actually it comes out on the basis of the cost of living added to the pensions to 73 percent. So, in actual pay, the person receiving $10,000 is now getting $17,300. Every person in the Federal Government at that level are receiving that. Those who were getting $15,000 are now getting 73 percent on top of that.

A minute ago that is why the gentleman from Maryland thought I was making a personal accusation out of this. I was not. I was telling the gentleman that I had no objection to what they do on sharing the costs of insurance in the previous bill.

Let me say this, why do we not pin it where it belongs. The gentleman said something tabout separating the Congress from this. But, no, the thing is that we have got to examine the whole situation, we have to look at the whole picture and in the whole picture we are just a very small part of the whole.

Mr. WHITE. If the gentleman will yield, I merely want to say this, that this is a voluntary program. We felt that in order for an individual to take advantage of this bill he would have to have service of at least 30 years. The committee thought that we should find out what is really in the best interest of the country and of the Government and that we should not try to liberalize the retirement program to the point of giving special privileges to individual employees.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITE. I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. DENT. I thank the gentleman for yielding.

Does the gentleman think anybody in the Federal Government is going to quit if we do not pass this bill? I think not, nor do I think they are fully aware of the dangers posed by this bill.

Mr. BEARD of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all, I would like to commend the gentleman from Pennsylvania on his concern—and I think it is a very objective concern—about where is this fiscal insanity going to end. I feel at times that people might question my objectivity toward Federal employees. They do a wonderful service for us, a very necessary service. I think a lot of times they are made the scapegoats. But, unfortunately, when I find myself standing up here and saying we cannot afford it now, this is costing too much money, it may be taken in the light that the Federal employees do not deserve anything.

I think the main point when one starts to be embarrassed is one who feels he has to explain, and all he can do is ask, Where is the money coming from? Do the Members realize that we have at this time, a $90 billion unfunded liability for the civil service pension fund—$90 billion. Here the point is made that we are going to pay it in increments. If one would come to me or would come to the House and say, It is going to cost $209 million a year, or with interest over a 30-year period $6.3 billion to the Treasury, but we have another bill over here that shows where the revenue is coming from, then I would find it more acceptable. But now no one is saying where the money is coming from. They say the General Treasury.

Our General Treasury right now is facing the most fantastic deficit it has ever seen. The point is made in response to the gentleman from Pennsylvania the pension fund is not mandatory. It may not be mandatory on the Hill, but if I am correct, Federal employees under the Civil Service Commission have got to participate in the pension program; is this not correct?

Mr. WHITE. If the gentleman will yield, they have to participate, but they do not have to retire in 30 years.

Mr. BEARD of Tennessee. I am sorry, but I was under the impression by the statements made here by the gentleman from Texas that they did not have to participate in the pension program.

Mr. WHITE. I am advised by counsel that in the civil service community they must participate in the retirement program, but they do not have to retire within 30 years under this bill.

Mr. BEARD of Tennessee. I thank the gentleman for clearing that point up.

Mr. WHITE. The mandatory retirement is 70 years of age.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Pennsylvania.

Mr. DENT. I thank the gentleman for yielding.

In fairness, it must be said it is because of the manner in which the Federal Government and State governments and some of the local governments fund and invest their funds. That is the reason that we find ourselves so many billions of dollars in arrears, because if it is based upon an actuarial program, the funding would be based upon the amount of income with a very level median in this base, instead of a top high or low. But we are borrowing money, as for social security, at 2½ percent or 2¼ percent. That is one error that ought to be corrected and that we ought to do something about.

However, I would like to ask the House—and I do not want the work; I have got all that I can handle now—to give us an opportunity, some time, a couple of months, to delve into this matter so that we can come before the House with some kind of a picture of what the whole public realm is doing in the matter of pensions.

New York has been mentioned. Right here in the city of Washington, D.C., there is no specific kind of charge made that the money is put into a fund of any kind; it goes into the general treasury. It comes out of taxes. They are going to find themselves by 1985 in the city of

Washington, D.C., where their pension payments will take so much out of the general income, they will have hardly any money for anything else, especially for any improvements in government.

I think it has to be studied by a committee that has a task force, has the foundation, has the money to do it. That is all I want to say.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I want to inform the House that starting Thursday the subcommittee which I chair will be holding hearings to look into the funding of the retirement system.

Mr. BEARD of Tennessee. But this is exactly the point I have been making. Thursday is not the time to be having the subcommittee investigate the funding of this legislation. Now is the time, before we even begin the general debate on a bill that is going to cost the taxpayers $6.3 billion added to an already $90 billion unfunded liability in our pension program.

We have to stop this.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I found when I was in my district in August for a few weeks that the people were saying: "Go slow on expanding old programs and try to refrain from initiating new programs because we understand the national debt may go up this year by $100 billion and the deficit may be as much as $80 billion or $90 billion." I fully agreed with this sentiment.

I had made such statements as that myself before my return to the district.

It does disturb me that every week here we tend to bring in new legislation expanding old programs or initiating new programs and talking about cutting taxes. This does concern me.

I want to say I am pleased to see that a note of caution is being expressed in the House today.

I have the greatest admiration for the committee sponsoring this legislation. We do want to be fair and helpful to the Federal employees and to people generally, but it seems to me if there ever was a time to advance with caution in expanding old programs and initiating new programs, the time is now. I hope we will seriously think about those matters when we consider these bills later in the week under the 5-minute rule and during the amendment period.

Mr. Chairman, it is time to speak out in regard to these matters. Inevitably expenses are very great for the operation of the Government at all levels but we cannot go on pell-mell, charging forward with higher and higher spending programs. Either we must reduce the programs or provide the revenues.

I thank the gentleman for yielding.

Mr. BEARD of Tennessee. I thank the gentleman for his remarks.

I would like to ask the chairman of the subcommittee whether these funds for this expenditure under this legislation are included presently in the House budget or the Senate budget.

Mr.WHITE. I do not believe they are included in either, to answer the question of the gentleman.

Mr. BEARD of Tennessee. This once again brings to bear my point on the problem we are facing inasmuch as we cannot run an accounting procedure or hope for financial stability as far as I am concerned when we continue to come up with such bills as we have today. I think it would be interesting to point out—and my distinguished colleague, the gentleman from Pennsylvania, has mentioned his concern and his dismay over the fact that we have only a handful of Members on the floor today—and total up the amount of money we are debating today on legislation which could very well be passed without any problem. We would find the total amount of money on these bills, which would seem on the surface to be insignificant, would be absolutely shocking and horrifying to the taxpayers and even some Members who do not know really what they are voting for. It is in the billions and billions of dollars. I know people in my district and people throughout the country, the little man or whoever it may be, cannot afford to have another dollar come out of his pay check for a program perpetuated by the Federal Government that we cannot afford.

We have a responsibility to these people. I wonder about my young children, and this may sound corny, but I wonder what the world will be like when my son, who is now 9 years old, becomes 25 and he wants to borrow money perhaps for a home and he will find he cannot afford it because the Government or the Congress does not now have the courage to stand up and halt the rate of expenditures. When my son will be trying to buy a home he will find the Government has borrowed all the money from the private sector because we did not have the courage or the foresight to stop and say: "No more." That is where I feel we are letting our country down.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. Yes, I will yield.

Mr. WHITE. Mr. Chairman, I wish to advise the gentleman in listening to this debate, it occurs to me there is a way to help allay the fears of the gentleman and others that have expressed similar ideas. When the 5-minute rule comes up Thursday or Friday, whenever it is, I hope we will have some language that will be received happily by the gentleman and will put at rest some of the concerns expressed here.

Mr. BEARD of Tennessee. I would rather hope that the gentleman would just withdraw the bill.

Mr. WHITE. Oh, no; but we can certainly help in considering it.

Mr. BEARD of Tennessee. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I would like to ask some questions and hopefully get some answers. I have certainly not reached any conclusions of my own as yet on this bill.

I think there is a great deal of justification to the arguments that have been advanced about moving with caution and not committing ourselves without knowing what we are doing.

Under the present bill, and these are some estimated figures that we just put together, if we had a person who was age 55 under the present legislation, not the new legislation——

Mr. WHITE. The gentleman is talking about the present law?

Mr. PEYSER. The present law. At age 55, and let us say he was earning $20,000 a year, according to the estimates I have based on the present law, he would be able to retire at approximately $13,000 a year. Under the new law, the individual in the proposed new legislation at age 48 earning $20,000 a year, subtracting the 2 percent a year differential, would be able to retire at approximately $10,000 a year.

When the person retires say at age 48, he gets out of the civil service, at that time if the job is to be refilled, would it not normally be refilled by a younger person? We would not have another gentleman of age 48 coming in to take a 48-year-old's job. So we assume it would be a younger person, perhaps in their 20's, that would come into that job. Am I correct in assuming that when a younger person of that nature comes into replace the 30-year man, he would not come in at that $20,000 level?

Mr. WHITE. He probably would come in at a different level.

Mr. PEYSER. What I am getting at, I want to be clear on that myself, if the gentleman is saying an individual now 25 is coming in to replace this man, if he comes in at the same salary level as that older individual, there is no saving reflected, as there would be in other jobs in private industry where they bring a man in to do the same job and they would not bring him in at the same level as the person retiring.

Mr. WHITE. If the person comes in new on the job, normally he is put in the lowest grade position in industry and in Government.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BEARD of Tennessee. Mr. Chairman, I yield the gentleman from New York 3 additional minutes.

Mr. PEYSER. Mr. Chairman, would it be safe to assume that the individual that comes into the system, assuming the same number of people involved in the system, there would be a total lower salary created by the older individual retiring?

Mr. WHITE. No. Theoretically, everyone would be moved up and the lowest spot would be taken by the new man.

Mr. PEYSER. So there would be no salary differential. I was hoping it would be that way, because I was going to use that as a device to support a change such as is being suggested, because if it is true there is no salary differential, then the only change in the economics of this is the fact that the man getting $10,000 a year at age 48, which means for 7 years he will be getting that money; whereas under the other system he would not be getting that amount, but from age 55 on under the present law he will get $3,000 a year more.

Mr. WHITE. Yes.

Mr. PEYSER. So then we have to apply the figure say from age 55 on. What does that $3,000 a year extra mean in cost to the Government? Has that been computed?

Mr. WHITE. I assume when they determine the unfunded liability that the Civil Service Commission did compute on that basis; but I do not know the mathematical formula that they used and I am taking their figures on faith.

Mr. PEYSER. I am saying that it may very well be that the savings may exist, by having a person come in at an earlier age rather than pay the commitment out of a higher amount at the older age. This is what I am trying to get clear.

Mr. WHITE. Let me say this: We must remember that certain agencies of the Government and the administration object to this bill, so that therefore it is fair to assume that the figure given to us is the very highest possible figure. It is conceivable that there could be lower figures when we consider all the other factors and imponderables such as how many will retire upon enactment of this measure, and so on and so forth. These are uncertainties that would affect the figures.

Mr. PEYSER. One way I think the gentleman could find broad support for this is that, if it is the aim of the Federal Government to reduce the number of Federal employees now working in various jobs and bureaucracies in Washington, if it were the aim to reduce that number, this then would serve the purpose by accelerating that reduction.

Mr. WHITE. Of course, this is one possibility. Another possibility is the bringing in of younger individuals to get more progressive government. We have older persons not wanting to rock the boat as they near retirement age, this works against any forward government. We really improve the caliber of government if we allow new blood to come into government, and there is a savings through efficiency.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, the point has been made, referring to this 48-year-old man, that he automatically can start receiving a $10,000 or $12,000 or $13,000 annuity. What is that man going to do who is retired from the Federal Government at age 48?

Mr. PEYSER. I imagine he is going to get another job and pay taxes.

Mr. BEARD of Tennessee. He will be able to go out and get a job while we are paying a fantastic annuity, but as it is set up now, the average we pay per year, or the average number of years we pay annuities to retired Federal employees, is approximately 13 years. The average under this new bill would be 21 or 22 or 23 years. So, that is a 10, 11 or 12-year increase right there.

Mr. PEYSER. But at a lower rate. If we use the 48-year-old man, he would be retiring, let us say, at nearly 30 percent less than if he stayed in to age 55.

Mr. BEARD of Tennessee. But that will not compensate for the additional years we are paying him for, plus the fact that he will be that much more qualified at age 48 to go out and take up a job in the private employment market. Also, the man who replaces him, as far as trying to find any criteria that it will be cheaper because we will not bring that man in to replace him at the same salary, is not a valid point.

Mr. PEYSER. That is not a good point. That is why I asked the question, but would the gentleman not agree that if it were the aim of the Federal Government to cut down on its total number of employees due to cutting back on the bureaucratic excesses that we are in right today, if that were an aim of the Government, it would then be economically in our favor to allow people or even to stimulate people, perhaps, to retire earlier because then we have a position that does not have to be filled and we are no longer paying that hypothetical $20,000 salary we are talking about.

Mr. BEARD of Tennessee. The gentleman from New York has been here a lot longer than I have, but in the short time I have been here I do not think I will ever live to see the day that the aim of the Government or the aim of Congress is to eliminate or cut down on Federal employees. As a matter of fact, it has been exactly the opposite. We have continued to grow and grow and grow, and we have no real direction at all in trying to cut down, so let us look at the positive fact that the measure we have before us, putting aside the conjecture that we might want to cut down, look at the fact that we are talking about $6.3 billion cost to the taxpayers of this country.

Mr. PEYSER. I thank the gentleman, it is obvious that we are going to have to give more consideration to this proposal.

Mr. WHITE. Mr. Chairman, I yield 8 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I share the concern of the gentleman from Pennsylvania about the fact that not only are there not very many Members on the floor, but, looking in the press gallery, I see almost no press representatives either. For a considerable amount of time there has been nobody at all in the writing press section. Occasionally one or two would drop in. And this is, as the gentleman from Tennessee (Mr. BEARD) has already said, a very important bill, with massive fiscal implications for the United States of America.

This is really the same sort of thing that led New York City to the situation it is in now. Each one of these costly settlements, each one of these ideas, was very appealing at the time; they had big appeal to the employees of the city, and somebody said, "Well, let us put it through, let us yield to the pressure, and let us worry later on about what the consequences of this policy are going to be." And now we see that the State of New York is trying to bail out the city of New York and the State's credit rating has already dropped and they may be in trouble. We in Congress are now being called upon to bail out both the city and the State of New York. And if this kind of fiscal squeeze should finally happen to the United States, who is going to bail us out? The U.N.?

I take the floor, Mr. Chairman, to speak on this subject with some concern, because I happen, for the last 3 years, to have been the chairman of the Military Compensation Subcommittee of the House Armed Services Committee. We have been dealing directly with the problems of retirement in the military. Military retirement is a very good example of what could happen with retirement in the civilian sector of our Government, except that there are more civilians than there are military people; so when the impact comes, it is going to come much more heavily.

Mr. Chairman, let me tell the committee what has happened to military retirement. Back in 1953, the cost of military retired pay was 5 percent of the amount we pay out annually for active duty pay. Today it is 42 percent. We are paying roughly $15 billion in fiscal 1975 for pay for active duty personnel. We are paying out about $6.9 billion for retired pay. So it has gone up to the 42 percent figure between 1953 and 1975.

Mr. Chairman, this is a development that has caused great concern in the military. Many Members, I imagine, have been pressed at one time or another by retired military officers or, perhaps, enlisted personnel—although it does not help them so much—to come out in favor of what is known as recomputation. It sounds like a great idea. And some Members may have responded, "Of course, I am going to support that."

But, Mr. Chairman, we in the Armed Services Committee have been fighting recomputation because what recomputation does is provide that every time active duty pay goes up, the retired pay, which is a percentage of that active duty pay, goes up by the same percentage.

In 1958, the Armed Services Committee and the Department of Defense recognized that they could no longer go on, on this basis, because the tail had began to wag the dog. We were approaching a situation where we were paying almost more for retired personnel than we were paying to active duty personnel. And we found we could not afford to give a captain or a major on active duty an increase in military pay to encourage him to stay in the armed services as a career because the cost in retired pay that would result would be just too much. And so we eliminated recomputation and, instead, put in a cost-of-living increase, and every time the cost of living goes up 3 percent, retirees get a 4-percent increase in their retired pay.

Do Members know how much the retired pay has gone up since then, as a result of just this simple cost-of-living factor? One hundred and twelve percent increase since 1958.

Mr. Chairman, the gentleman from Texas (Mr. WHITE) said this is a great bill for the civilian side of the Government because it will attract new, young personnel. Well, this is the same basis on which the Armed Forces have been operating too, since 1949. It is up or out. They want a young force, and as a result, Admiral Zumwalt, a four-star admiral, retired, for example, at the age of 54.

We see that happening today over and over again. Officers and enlisted personnel are getting out of the Armed Services at the age of 40, 41, or 42, after 20 years of service; and then they draw very substantial retired pay for the rest of their lives.

This is the arrangement. Anyone can retire with pay after 20 years. They have to get out after 30 years. It is this up or out principle, designed to maintain a young military force, that has been driving up this fantastic increase in military retired pay. Today, as I have already said, we spend about $7 billion a year for military retired pay. By 2000 it will be around $20 billion a year.

So today we have before our committee a new plan from the Defense Department, which is bound to be very painful to us as politicians—just as voting against this bill would probably be painful if a Member has many Government employees in his district.

This new proposal would reduce the retired pay of those who get out before the normal retirement age of 65, so that the Government is not forced to continue paying these huge amounts while people are able to find other kinds of employment.

Mr. Chairman, the gentleman from Pennsylvania (Mr. DENT) has already referred to the situation that exists today in the District of Columbia. Jerry Wilson, the former Chief of Police, retired at the age of 47. They still have this recomputation practice I have referred to in the District of Columbia, and they also have disability retirement, too.

I understand Chief Wilson got all those things, and so he is now, having been out for just 2 or 3 years, getting almost as much money today in retirement as he got when he was on active duty as chief. And the press reported the other day that if he lives until the age of 80, he will have drawn over a million dollars from the District of Columbia government in retirement pay. So we want to duplicate that for every Federal employee?

We simply cannot let this kind of thing go on. Obviously this is what this bill would do, because it is based on the idea that we have got to encourage people to get out at an early age.

What has happend to all of our professed concern about improved productivity during our recession? What kind of productivity will we have if we pay our Government employees to get out at 50 or at 47?

If we are really going to get this country out of the morass it is in now, somehow we have got to move toward encouraging people to keep going until their normal retirement age instead of encouraging them to retire early and have the Federal Government undertake the burden of maintaining them thereafter.

I am appalled to think the committee has reported this bill out without any detailed report from the Committee on the Budget. Over in the Senate the Committee on the Budget has recently been responsible for making some massive cuts in our Defense budget; and yet this bill comes before us with only the excuse that the Committee on the Budget has not reported on its budget impact over the years.

What about the impact on the budget for this year? What about the impact on the budget next year as the cost of living goes up another 6 or 7 percent? This information should be in front of us before we vote on this bill. So I am going to join with the gentleman from Texas (Mr. MAHON) and the gentleman from Pennsylvania (Mr. DENT) and urge, when we get to the 5-minute rule, that we send this bill back to committee and take a little more time to understand its full fiscal implications.

Mr. Chairman, let us not get into the situation that New York City has found itself in while we still have the ability, and I hope the willingness, to vote "no."

Mr. WHITE. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. HICKS).

Mr. HICKS. Mr. Chairman, I thank the chairman of the subcommittee for yielding time to me.

I wonder if I might ask the gentleman a question or two. I will say, first, that the House will do well to pay heed to the remarks of the gentleman from New York (Mr. STRATTON), who just spoke in the well, and who has had so much experience on pensions in the Armed Services Committee.

I will ask first, where did the thrust or the pressure for this bill come from? Did it come from Government agencies, or did it come from employee groups?

Mr. WHITE. Mr. Chairman, if the gentleman will yield, it came from employee groups. Of course, what they were interested in was the high age. As I mentioned earlier, they wanted to combine the service and age requirements.

Mr. HICKS. Mr. Chairman, what they are interested in is getting out earlier; is that not correct? That is the thrust of it.

The gentleman from New York (Mr. PEYSER) raised a point when he spoke in the well and asked the question: Well, if they get out at 48, is that going to save money in any way by their getting a lesser pension? In actual fact, to use his example of getting a $10,000 pension for the 7-year period to age 55 the present retirement age, that will mean that for the period until this fellow or this individual could have retired, it will just be costing the Government $10,000 per year additional for that slot, will it not?

Mr. WHITE. Mr. Chairman, may I respond to both of those?

In the first place, it is not entirely true that a man or woman who is about 48 years of age is going to take a 14-percent cut in his or her annuity. That is No. 1.

No. 2, I think there is some validity to what the gentleman from New York (Mr. PEYSER) is presenting because there has been a move on the part of the present administration, through attrition, to reduce the size of Government. This is their principal theme at the present time. If one moves out numbers of people from Government, there is no mandate that they have to refill those jobs.

Mr. HICKS. Does the gentleman say that under this bill, if anybody does retire early, his slot would not be refilled? Would you make that a provision of this bill?

Mr. WHITE. We do not have that jurisdiction. I think the gentleman's committee does.

Mr. HICKS. Of course, that would not happen; and if it did happen, the employee groups would be in here screaming to the high heavens, and they would fight the bill not seek its passage.

All they are looking for is the opportunity for their own individual members to get out and frequently, get a job some place else. They are not in most instances looking at the best interests of the Government when they retire before age 55 but in most instances the individual retiring is considering his own personal interest as paramount.

The CHAIRMAN. The time of the gentleman from Washington (Mr. HICKS) has expired.

Mr. WHITE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Washington (Mr. HICKS).

Mr. HICKS. Mr. Chairman, it does not seem to me that the employee groups are really looking at the best interests of the Government when they support early retirement and when they press for this bill. It is for their individual member's best interests, certainly. It can very well be for any individual member's best interest to retire early, but when one looks at the group as a whole, it does not seem to me that it is in the Government's best interest that we should go into this optional retirement after 30 years without regard to age.

We should be extending the work life. Look at social security. Experts are saying that really we should not be going backward and making the retirement age less, although I introduced legislation to that effect because people come around and talk to me and say, "Let us fix it so that we can get out of the work force earlier and let new people come in."

However, as we get more and more and more people retired, they must live on those remaining who are still in the work force.

Mr. WHITE. Let me say this to the gentleman: There has been evidence of great concern on the part of the entire House, and we will not be taking this matter up for amendment until Thursday or Friday. The committee would welcome any ideas of any Member who wishes to present them to us for consideration prior to the time of the final deliberations on this bill.

Mr. HICKS. Mr. Chairman, I certainly commend the chairman, whom I know to be a great Member of this body and more conscientious than most who are here.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HICKS. I will be happy to yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, I think the point that the distinguished subcommittee chairman made should be underscored. He stated that it is going to be a rare exception in which a man will take a 14-percent reduction and retire at that age of 47 or 48. However, I think it should be pointed out that if he retired at 48, and, let us say, there is that 7-year difference between 48 and 55, he is still going to be receiving his cost of living increases, which in the last 3 years have averaged approximately 6 percent. Threfore, he is going to be getting more. He is not really going to be taking that much of a reduction. He is still going to be getting a 6 percent increase or whatever the average cost of living is.

Therefore, Mr. Chairman, I would want to make mention of this, that it is going to cost that much more money.

Mr. DERWINSKI. Mr. Chairman, I strongly oppose this legislation and suggest that anyone who has even a passing interest in fiscal responsibility and in improving Federal Government efficiency will vote to reject H.R. 5397.

The evident purpose of the legislation, according to the majority report, is to stimulate Federal employees to retire when they have accumulated 30 years of service regardless of age, thereby opening the doors to new hires in the Government.

The majority report estimates that some 104,500 employees will immediately become eligible for retirement from the Federal service if this bill is enacted, which they claim will help curb the Nation's high unemployment rate.

Mr. Chairman, I suggest the resultant effect of this legislation will be just the opposite. In the first place, the price tag on this bill is exorbitant. The estimated unfunded liability of the civil service retirement fund currently is $90.4 billion. This legislation increases that unfunded liability by $3.4 billion, which must be paid in annual installments over the next 30 years, with interest. The total cost to the American taxpayer at the end of the 30-year period will be $6.2 billion. Mr. Chairman, we simply cannot afford to burden the American public with that kind of debt.

In addition to its fiscal shortcomings, this legislation embraces a policy that is fallacious.

Rather than opening job opportunities and relieving unemployment, the bill actually will have just the opposite effect.

What will happen is that experienced employees in their early fifties, with valuable talents, will retire from the Government and seek employment in the private sector. Conversely, marginal employees who could not readily find outside employment would continue in the Federal service, thereby diminishing the productivity and efficiency of the service.

I would also point out, that by inducing employees to retire early, the annuity rolls of the civil service retirement system would be unnecessarily increased, adding a further element of unfunded liability costs.

For example, the Civil Service Commission estimates that each 1-percent increase in annuities due to the automatic cost-of-living adjustments adds $527 million to the unfunded liability. Since the minimum increase provided by the system is 4 percent, it can be concluded that each time annuities are adjusted due to a rise in the Consumer Price Index, an estimated $2.1 billion is added to the unfunded liability. Under the retirement law, the interest on this unfunded liability is transferred from the general fund to the civil service retirement fund.

If we encourage employees to shift from active employment to early retirement, we are unnecessarily adding a burden to the civil service retirement fund and are unnecessarily adding to the liability that naturally follows a cost-of-living annuity increase.

Mr. Chairman, there really is no justification for this legislation since it will deprive us of the talents of employees who would be put out to early pasture. From a practical standpoint, that will be the end result of this ill-conceived bill. It will induce some of our most talented employees to look to the private sector for many, many years of gainful and productive employment.

This is bad legislation and should be rejected.

Mr. WHITE. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. BEARD of Tennessee. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. WHITE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROBERTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5397) to amend chapter 83 of title 5, United States Code, to authorize the retirement of employees after 30 years of service, had come to no resolution thereon.

CALL OF THE HOUSE

Mr. GRASSLEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ROBERTS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 532]

Abzug
Addabbo
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
Badillo
Barrett
Bell
Biaggi
Bingham
Blouin
Brooks
Broomfield
Brown, Mich.
Broyhill
Burgener
Burke, Fla.
Burlison, Mo.
Burton, John
Burton, Phillip
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Ill.
Conlan
Conte
Conyers
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Davis
Dellums
Derrick
Devine
Diggs
Dingell
Dodd
Drinan
Duncan, Oreg.
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fary
Fenwick
Fish
Fithian
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frey
Giaimo
Gibbons
Hagedorn
Hanley
Harrington
Harsha
Hastings
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hutchinson
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Karth
Kastenmeier
Ketchum
Koch
LaFalce
Lehman
Lloyd, Calif.
McCloskey
McDade
McKinney
Macdonald
Maguire
Mann
Mathis
Meeds
Metcalfe
Michel
Mikva
Milford
Minish
Moakley
Moffett
Mottl
Murphy, Ill.
Nix
Obey
O'Brien
O'Neill
Patman, Tex.
Patten, N.J.
Pepper
Pickle
Pike
Pressler
Preyer
Quillen
Railsback
Rees
Rhodes
Riegle
Risenhoover
Rodino
Roncalio
Rose
Rosenthal
Rostenkowski
Rousselot
Runnels
Russo
Scheuer
Schulze
Shipley
Shuster
Simon
Sisk
Skubitz
Slack
Snyder
Staggers
Stanton, James V.
Steed
Stephens
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vigorito
Walsh
Wampler
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wright
Wydler
Wylie
Yates
Zeferetti

The SPEAKER. On this rollcall 255 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RETIREMENT CREDIT FOR NATIONAL GUARD TECHNICIAN SERVICE

Mr. WHITE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 584) to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 584) with Mr. ROBERTS in the chair.

The Clerk read the title of the Senate bill.

By unanimous consent, the first reading of the Senate bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. WHITE) will be recognized for 30 minutes, and the gentleman from Texas (Mr. COLLINS) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the purpose of this legislation (S. 584) is to amend the National Guard Technician Act of 1968, to grant full retirement credit for pre-1969 National Guard technician service. Presently, these employees only receive 55 percent retirement credit for annuity computation purposes for their pre-1969 service.

The committee was unable to establish any serious justification for the discriminatory provisions within title V, United States Code, limiting the civil service retirement credit for National Guard technicians to 55 percent for pre-1969 service.

The subcommittee held 4 years of hearings on this subject matter using H.R. 100 as a representative bill sponsored by the gentleman from Mississippi (Mr. MONTGOMERY) as a representative bill for all 20 House bills. However, subsequent to the commencement of the subcommittee's hearings, the Senate passed S. 584, which was identical in substance to H.R. 100.

The committee received testimony time and time again showing that the provisions relating to civil service retirement credit for National Guard technicians differ significantly from the provisions for retirement credit granted groups of employees outside the Federal Establishment who have been brought under the civil service retirement program. In fact, the Retirement Act when established in 1920 granted 100-percent credit for all Federal service performed prior to the effective date of the law. Since that law was enacted, other groups have been brought under the provisions of the retirement program and the general policy applicable to the inclusion of such groups within the system has been to grant full credit for all previous service of the kind made creditable.

On July 28, 1975, the subcommittee approved H.R. 100, with an amendment, for full consideration.

Mr. Chairman, under S. 584 as amended by the committee, only full credit for pre-1969 National Guard technician service is granted for annuity computation purposes to those employees who have served under the technician program on or after January 1, 1969. As is the case under existing law, no credit for pre-1969 technican service is granted to individuals who have not served, or do not serve, under the technician program on or after January 1, 1969. The additional service credit will apply to both active and retired eligible technicians. In the case of retired technicians, any additional annuity benefits will commence after the date of enactment of the legislation.

The enactment of S. 584, as amended, would increase the unfunded liability of the Civil Service Retirement and Disability Fund by approximately $128 million, according to estimates furnished by the Civil Service Commission.

Mr. Chairman, based on the amount of material received, both by the subcommittee and the full committee, and the extensive deliberations held on this subject matter, the committee has concluded that the law should be revised in the manner provided under this legislation. Therefore, I strongly urge all the members of the committee favorably consider this issue, and finally lay to rest another inequity within our retirement system.

Mr. Chairman, I would point out to the members of the committee that this is a Senate bill which we amended to make more conservative, to save more money for the taxpayers. We feel it is equitable, and we hope that the members will favorably consider it.

Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I believe it must be pointed out that the bill we have before us is preferable to the Senate version. The bill which the gentleman from Texas (Mr. WHITE) brought from his subcommittee and now brings to the floor applies only to former technicians who were serving on January 1, 1969. The Senate-passed bill included those who had retired and would provide for recomputation of their equity, so this bill before us is a positive refinement of the measure passed by the Senate.

I do think, however, if I may digress just slightly, that what we have to keep in mind is that these four bills we have had up this afternoon are really a package, and include a number of other measures; for example, H.R. 6251, a bill to provide annuity designation after remarriage; H.R. 4260; and then the Customs Inspectors' bill, H.R. 4986.

The total, if all these bills were passed and became law, the total unfunded liability involved in this package of legislation would be $3.6 billion. The largest, of course, is the 30-year retirement bill, but if we add these other bills into that, the total amount of unfunded liability we are approving would be $3.6 billion. That, to me, is something that should sober us up. I would hope that when we start taking these votes on Thursday that we would not just isolate these bills and look at some positive element in them, but that we would take a look at the total package. If we do, I think they would be subject to far sharper scrutiny than we have had Friday under the rule or this afternoon under this general debate.

Mr. WHITE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I commend the gentleman from Texas and the gentleman from Missouri (Mr. TAYLOR) for bringing S. 584 out of the subcommittee and then passed by the full committee to give us this opportunity to vote on this legislation. The bill under consideration, the National Guard Technician Act, would give deserving men and women the retirement benefits to which they are entitled. S. 584 would provide 100-percent credit for National Guard technicians for service before January 1, 1969. This would be in lieu of the 55-percent credit provided by the National Guard Technician Act of 1968. Twenty bills, all similar in content, were submitted to the Post Office and Civil Service Committee, indicating that there is much interest in correcting the present inequity.

A short history of the legislation may be helpful. Technicians have served as full-time employees of the National Guard since 1924. They are civilian employees under the adjutants general of the individual States and are paid by the Federal Government. When the Technician Act of 1968 was passed, technicians were granted full Federal employee status for most purposes.

The act specifically made them employees of the Federal Government and made them subject to the civil service retirement law. Up until this time, the Federal Government treated them as Federal employees for retirement purposes. They were not allowed to participate in the Federal employee retirement program.

However, the one major exception under the 1968 act was that technicians were credited for only part of the time that they had spent as a technician prior to 1969.

In other words, from the date of enactment, January 1, 1969, the individual who was a technician would be covered under civil service and would receive full credit in terms of years of service. However, in determining the value of that service in computing his annuity, he would receive 55 percent for each year of pre-1969 technician service. The House of Representatives, the Department of Defense, the Civil Service Commission, and the Office of Management and Budget all endorsed the concept of providing 100-percent credit for prior service. However, the Senate disagreed and devised the formula of 55 percent, which became part of the 1968 law.

Since that time, the Senate has several times sent bills over to the House which included the 100-percent credit. However, the House has not acted favorably on these bills.

Again, this year the Senate has acted favorably on a similar measure, S. 584 and now it is up to the House to delete the 55-percent credit allowance now granted to technicians and bring it up to a full 100-percent credit for annuity computation.

The main justification for enacting this legislation is the simple fact that National Guard technicians are deprived of treatment granted to other civil service employees and denied credit for service which they contributed. All other groups brought under civil service have been given equal credit for equal service and I believe that National Guard technicians should be treated accordingly.

I share the concern of the Members of the House over the increasing size of our Federal budget. However, I want to stress that this is the amount of money which is due the technicians and must be expended if we are to follow the keystone of the Federal service system—"equal pay for equal work."

I strongly urge you to correct an injustice which the current law insures.

Mr. COLLINS of Texas. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I rise in support of S. 584. This bill would repeal the current 55 percent service credit limitation and provide 100 percent credit to National Guard technicians for their previous service.

Passage of S. 584 is necessary to correct an existing inequity in the law. Under a 1968 act of Congress, National Guard technicians were made Federal employees. At that time they were brought under most of the same laws relating to pay, fringe benefits, and retirement that were enjoyed by other Federal employees.

An important exception, however, was made in the method of computing service. For service prior to January 1, 1969, National Guard technicians were allowed only a 55 percent credit for annuity computation. Consequently a technician with 20 years of service between January 1, 1949, and January 1, 1969, could only count 11 years of service for annuity computation purposes.

It has been the policy of the Congress to grant full credit for past service when bringing new employees into the civil service retirement system. This was the policy followed for employees of such diverse groups as the U.S. Capital Guide Service and the County Committee offices of the Agricultural Stabilization and Conservation Service. We should not penalize National Guard technicians by denying them the full retirement credit benefits that as a general policy we have extended to other groups.

It is time that the Congress corrected this inequity in the law. I strongly urge the passage of S. 584. It would be an important step in maintaining a strong and active National Guard.

Mr. COLLINS of Texas. Mr. Chairman, I yield 6 minutes to the gentleman from New York (Mr. Gilman).

Mr. GILMAN. Mr. Chairman, I rise in support of S. 584, which provides 100 percent retirement credit for pre-January 1, 1969, service as a National Guard technician for purposes of annuity computation.

Under the National Guard Technician Act of 1968, technicians receive 55 percent credit for their pre-1969 service. Mr. Chairman, this 55 percent credit limitation unfairly penalizes these technicians and deprives them of treatment equal to that accorded other Federal employees.

The National Guard technicians is the only group ever brought in under the Civil Service Retirement Act who have not been given full credit for prior service.

When the cooperative agricultural extension employees were brought under Federal Civil Service in 1945 by administrative ruling, they received full credit for all past service and no reduction in annuity, although they had previously been covered under State retirement systems with the Federal Government paying the employer's share into those systems.

The 45 percent reduction in retirement annuities presently prescribed for National Guard technicians in the 1968 act was applied indiscriminately, across the board, for all past technician service even though the Federal Government had been contributing to social security in their behalf only since 1954. Many technicians have been on board as far back as 1924.

Prior to passage of the Technician Act of 1968, the Federal Government made contributions to the retirement systems of 20 States on behalf of technicians of those States. On that basis, 100 percent for Federal retirement was perceived as a windfall and retirement credit was reduced to 55 percent. The technicians of the 31 States for which no Federal payment to retirement systems was made also suffered the 45-percent reduction, although no windfall occurred or was perceived.

Seventy-five percent of the technicians covered by local retirement systems do not have the service necessary to acquire vested interest in State systems, and will never become entitled to State annuities.

In the National Guard program, approximately 95 percent of the technician work force is required to maintain military membership. This requirement precludes employment past age 60. However, the current 55 percent credit restriction makes it economically unfeasible for technicians to retire before age 60. Therefore, we have the undesirable situation whereby a technician, by law, cannot work beyond age 60, yet is not financially able to retire before age 60 because of the statutory limitation placed on his pre-1969 technician service. Another paradox to consider is that the majority of National Guard technicians will be mandatorily separated—age 60—before they can begin to draw social security at age 62 to 65; thus they will be forced to retire on seriously limited annuities.

Mr. Chairman, this legislation is long overdue and deserves prompt approval. Accordingly, I urge my colleagues to fully support this worthy measure.

Mr. WHITE. Mr. Chairman, I yield such time as he may consume to the gentleman from Hawaii (Mr. Matsunaga).

Mr. MATSUNAGA. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of S. 584. I congratulate and commend the gentleman from Texas (Mr. White) for the great effort he has exerted in bringing this bill to the floor. Without his leadership and guidance the measure would be dead. I wish also to thank the chairman for the full committee, the gentleman from North Carolina (Mr. Henderson) for his part in this legislation.

The pending bill is one which has been long overdue. Its passage will make many deserving people happy because of the long sought equity it will bring to a segment of long neglected public servants.

Mr. Chairman, S. 584, will provide full retirement credit for certain national guard technician service. It is a worthy bill, and I urge the House to approve it overwhelmingly. As one who has sponsored virtually identical bills for several Congresses, I am pleased to lend my full support to S. 584.

Mr. Chairman, the effect of this bill would be simple: To give 100 percent credit, for purposes of computing retirement annuities, for service as a National Guard technician prior to 1969. As my colleagues know, present law gives only 55 percent credit for such service, and this credit is given only to those who were employed as technicians on or after January 1, 1969.

As the Post Office and Civil Service Committee points out in its thoughtful and persuasive report on this legislation, the policy of granting full retirement credit has been followed—where other employees were brought under the Federal retirement program—regardless of the number of employees involved or the pay system applicable to such employees.

It has been argued by some opponents of the pending bill that the 55 percent credit represents a 1968 "compromise" between those who wanted full credit for technicians prior service and those who wanted no credit at all. But the truth of the matter is that the National Guard technicians themselves were never a party to this "compromise."

Mr. Chairman, full credit is consistent with recommendations of the Cabinet Committee on Federal Staff Retirement Systems made in 1966 and with the House version of the 1968 bill which was enacted into law. The House bill provided for full 100 percent credit, but the Senate held out for the reduced figure of 55 percent, which prevailed. Only in recent years has the Senate seen the wisdom of the House's original position, and passed legislation like the bill before us on three occasions.

Mr. Chairman, when our National Guard technicians served to maintain our country's readiness and strength during World War II, the Korean war, the Berlin crisis, and the Vietnam war, they served with 100 percent dedication, 100 percent loyalty, 100 percent attention, and 100 percent effort. Such a record deserves not 55 percent recognition, but 100 percent recognition.

One major step in reaching that level of recognition would be to permit 100 percent credit for service prior to 1969. To that end, I urge the House to approve S. 584.

Mr. WHITE. Mr. Chairman, I yield 5 minutes to the chairman of the full committee, the Committee on Post Office and Civil Service, the gentleman from North Carolina (Mr. Henderson).

Mr. HENDERSON. Mr. Chairman, I rise in support of the bill S. 584, as amended, by the Committee on Post Office and Civil Service.

This legislation will remove an inequity in the law that has existed since 1968.

The National Guard Technicians Act of 1968 granted Federal employee status to National Guard technicians and brought them under the civil service retirement provisions.

For annuity computation purposes, however, eligible technicians received only 55 percent credit for technician service performed prior to January 1, 1969, the effective date of the 1968 act.

The 55 percent credit limitation is reported to have resulted from a "compromise" between the legislative and executive branches of the Government.

Although it is not entirely clear as to

who actually participated in this compromise, it is clear that neither the National Guard technicians nor their organized representatives participated in such an agreement.

Therefore, I can find no significance in the argument advanced by the opponents of this bill that this legislation will serve to nullify the agreement reached in 1968.

Since the enactment of the Civil Service Retirement Act of 1920, numerous individuals have been brought under this retirement system and have been granted full retirement credit for their previous service.

To my knowledge, no other group of employees has been subjected to a limitation on creditable service such as imposed on the National Guard technicians under the 1968 act.

I think it is important to note that while the 55 percent limitation originated in the Senate, that body, on three occasions, has approved legislation to repeal the limitation and grant full retirement credit for pre-1969 technician service.

It is time for the House to follow suit and remove this inequity from existing law.

Therefore, I urge the passage of this legislation.

Mr. COLLINS of Texas. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding this time to me.

I rise on this particular legislation with a background of having served 11 years in the National Guard after my Federal service, and I wish to express strong support for the passage of this bill.

The men and women who are affected by this legislation are in many cases really the backbone of the National Guard. They do much of the work and provide much of the maintenance of the whole organizational setup and its involvement.

Mr. Chairman, I would like to add that this just seems to me to be fair—and fairness is all we are talking about here—in the treatment of these categories of people so that they may have the same benefits other employees have received in the past. So I urge that we enthusiastically endorse this bill.

I think the men and women in the National Guard who are affected are entitled to these benefits, and I think this will be a wise expenditure. I wish that all our expenditures were as well justified.

Mr. COLLINS of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I can well understand the position of the advocates of this bill. All of us have a great admiration for the National Guard. I realize that I was the only committee member who signed a minority opinion. I feel that there is much that should be discussed with regard to what we are legislating concerning pension plans in our country.

Mr. Chairman, I rise in opposition to S. 584, which is another attempt to grant Federal civil service retirement credit to National Guard technicians for service performed as employees of State governments.

National Guard technician legislation had been under joint consideration by the Armed Services Committees of the Congress and the executive branch for an extended period, beginning with proposals in the 87th Congress. The National Guard Technician Act of 1968 (Public Law 90-486) was the culmination of that effort. The 55 percent credit for pre-1969 technician service was, in the view of the committees that reported the legislation in 1968, a most generous compromise with respect to the extent non-Federal service would be creditable toward civil service retirement.

Congress considered many possible alternatives regarding the degree to which past technician service should be creditable. These choices ranged from a recommendation of no credit for past service as technicians were similar to any other non-Federal employee who would accrue retirement credit only from the period he was a statutory Federal employee to the extreme of 100 percent recognition for civil service retirement purposes.

Another factor considered in setting the 55-percent formula was that from fiscal year 1955 to 1969 the Federal Government contributed as the employers' share approximately $78 million to the State retirement funds and the social security fund. Since the Government's contribution to the civil service retirement fund for the same period of service would have amounted to $142 million, it can be stated that the Federal Government contributed 54.59 percent of the amount that would have been contributed to the civil service retirement fund during this period. This contribution left a remainder of 45.41 percent. Therefore, in light of these figures, the compromise of 55 percent credit for prior 1969 technician service is, indeed, most generous.

Everyone should be aware of the fact that if this legislation is enacted into law, certain National Guard technicians will receive not only 100 percent civil service retirement credit for pre-1969 technician service, but credit for State retirement and social security purposes for the same periods of service. Our present law is most fair. It provides that all technicians will become eligible for Reserve retirement pay at age 60 if they complete the required 20 years of satisfactory Reserve service.

According to the Senate Armed Service Report of 1968, 20,000 of the technicians have already acquired a vested interest in future social security payments since they already have completed 40 quarters or 10 years of coverage as a result of their technician employment. Another 4,450 of the technicians have acquired a vested interest in a future annuity under one of the State retirement systems based on past service.

I am not aware of any new developments since the passage of the 1968 act which would make its compromise provisions for crediting pre-1969 technician service less acceptable today. No reasons have been advanced for liberalizing the present benefit provisions and incurring the additional costs involved which were not fully considered before the approval of the 1968 law. This proposed liberalization will increase the unfunded liability of the civil service retirement fund by $128 million. This amount would be amortized by 30 equal annual installments of $7.9 million, bringing the total cost of this legislation, which includes principal and interest over 30 years, to $237 million.

Mr. Chairman, recently the press and the public have rightfully criticized the Congress for voting themselves a pay raise at a time when inflation continues to distort our economy. Also, the civil retirement system is under attack for the 1 percent cost-of-living boost to civil service retirees which is estimated to cost the Government $1 billion by 1990.

In light of these two stories, plus other equally critical news accounts on the generous fringe benefit programs enjoyed by Federal employees, it seems unconscionable that this body would even consider a bill to further liberalize retirement benefits for a group of employees who already enjoy more than a fair share of benefits for the work they performed.

Mr. Chairman, I include my minority views:

MINORITY VIEWS TO S. 584

S. 584 is an unjustified liberalization of the retirement law benefitting only National Guard Technicians, and should be rejected by the House.

The National Guard Technician Act of 1968, which became effective on January 1, 1969, federalized National Guard Technicians who previously were state employees, and among other things brought them under the Civil Service Retirement law. At the same time, this law granted these employees certain benefits for their pre-1969 state service.

In particular, it allows a technician who was serving on or after January 1, 1969, to receive credit for 55 percent of his pre-1969 technician service toward Civil Service Retirement. This represents, in the view of the Committees that reported the legislation in 1968, a generous compromise with respect to the extent non-Federal service would be creditable toward civil service retirement.

Under the Law, a technician may pay 55 percent of the amount otherwise owed as a deposit for prior technician service during which no retirement deductions were made; if this payment is not made, his annuity is reduced by 10 percent of the outstanding 55-percent deposit.

S. 584 would make the following changes in the crediting of pre-1969 National Guard Technician service:

(1) It would allow credit to technicians on board on or after January 1, 1969 for 100 percent of pre-1969 technician service for annuity computation purposes.

(2) It would permit eligible technicians to pay the full amount rather than 55 percent of the sum otherwise owed as a deposit for pre-1969 technician service.

This liberalization would increase the unfunded liability of the Civil Service Retirement Fund by $128 million. This amount would be amortized by 30 equal annual installments of $7.9 million, bringing the total cost of this legislation to $237 million.

It is particularly inappropriate at this time to impose these additional costs on the taxpayers for the sole purpose of liberalizing retirement benefits for one category of employees.

In addition to cost considerations, I oppose enactment of S. 584 for another reason. The National Guard Technician Act of 1968 represented a compromise among the alternatives which were available to the Congress concerning the people who would benefit from the 1968 Act, and the extent to which pre-1969 non-Federal technician service would be creditable toward civil service retirement. The legislative background of the National Guard Technician Act makes this clear.

Quoting from the July 1968 Report of the Senate Committee on Armed Services:

"The Committee had a wide range of choices in considering the degree to which past technician service (which is considered State service except for the District of Columbia) should be creditable for future civil service retirement. It could have recommended no credit for past service on the premise that the technicians were similar to any other non-Federal employee and as such would accrue retirement credit only from the period in which he was a statutory Federal employee covered under the civil service retirement system. The other extreme would have been to recognize past technician service to the extent of 100 percent for civil service retirement purposes. The Committee, after long and careful examination of all aspects of this matter, has unanimously concluded that the 55-percent credit represents a fair, equitable, and generous treatment of this matter, In determining the appropriate percentage for crediting past technician service, the Committee had a dual obligation. There is the duty to exercise restraint in terms of causing additional financial obligations on the part of the U.S. Government, in view of the problems of financial soundness with which the Federal Government is being confronted. At the same time there is the necessity for recognizing the need of an adequate retirement and fringe benefit program for the National Guard Technicians. The Committee realizes that there is no formula for achieving exact justice for every individual technician in view of the many complexities and the different retirement systems under which the program now operates. At the same time the Committee is of the firm opinion that the recommended legislation provides for a generous and equitable retirement and fringe benefit program for the technicians within the 55-percent formula. In support of this conclusion, the Committee would cite the following:

"(a) Approximately 20,000 of the technicians have already acquired a vested interest in future social security payments since they have completed the 40 quarters or 10 years of coverage as a result of their technician employment. Others may complete the 40 quarters and add to their social security credits through the annual Reserve training duty as Federal civilian employees. It should be observed that Federal employees are not covered under social security as a result of their Federal employment.

"(b) Approximately 4,450 of the technicians have acquired a vested interest in a future annuity under one of the State retirement systems based on past service.

"(c) All of the technicians will become eligible for Reserve retirement pay at age 60 if they complete the required 20 years of satisfactory Reserve service. All reservists whether or not they are Federal employees are eligible for this pay upon meeting the requirement. Since the Reserve retired pay program, however, is in effect part of the employment program for technicians, the Reserve retired pay matter should not be ignored."

Another factor considered in setting the 55-percent formula was that from 1955 to 1969 the Federal Government contributed, as the employers' share, approximately $78 million to the State retirement funds and the Social Security fund. Since the government's contribution to the Civil Service Retirement Fund for the same period of service would have amounted to $142 million, it can be stated that the Federal Government contributed 54.59 percent of the amount that would have been contributed to the Civil Service Retirement Fund during this period. This contribution left a remainder of 45.41 percent. Therefore, in light of these figures, the compromise of 55-percent credit for prior 1969 technician service is fair.

I am not aware of any new developments since passage of the National Guard Technician Act of 1968 which make the compromise provisions for crediting pre-1969 technician service less acceptable today than they were when it was enacted. No reasons have been advanced for liberalizing the benefit provisions and incurring the additional costs involved which were not fully considered before approval of the 1968 law.

James M. Collins,
Member of Congress.

I want to add some more about this bill because I realize that I am the only one speaking in opposition.

Is there anybody else over here who plans to speak in opposition? I see no hands.

I had better sum it all up because as far as I can see I am the only Member speaking in opposition to the legislation and all the rest are speaking in support of S. 584.

For 25 years before I came to the Congress I worked in the financial planning business. I worked with pensions and let me emphasize that what we are doing to the pensions of America in this Congress and in the past few Congresses is a crying shame.

We should be worrying about people who are on pensions in America today. If you are going to be on pension tomorrow, you had better start worrying about the funding to meet pension commitments.

I want to remind all of the Members where we stand with America's pension plans and how we are going down the wrong road. What we are doing is that we are cutting the throat of the poor old man and the poor old lady who are counting on a pension for their old age.

Let us review first the social security of America. Everyone knows that social security today is a 6-month, cash flow, pass through system. Social security is busted. It does not have enough money to finance it, they are living from month to month. Yet people are depending upon it, and yet we keep providing more and more benefits and providing more and more eligible people. We simply have got to draw the line and protect the people who have qualified for social security.

Take Government military pensions. If you are working in the military after 20 years we give you a retirement at one-half of your salary, even if you are only 40. This pension will go to you for the rest of your life. But there is no money in the military reserve fund, there is no pension reserve. This is an annual cash from the U.S. budget for the military pension plan. As a result we may leave them out on a limb when they get to be 70 years of age because where will the money be to pay for the pension plans.

Take railroad retirement. The Members I am sure know what a disaster railroad retirement is. Last year we reached down into the bottom of the barrel and pulled out $1 billion because the railroad retirement plan was busted. For the past few years we had increased pension benefit payouts by 68 percent and yet we did not increase their pay-in share one nickel. What is going to keep the railroad retirement pension plan from being a permanent disaster?

The civil service pension plan is probably the best pension plan that we have with the Government today. It has been maintained in the past on a sounder actuarial basis. But what good is that going to do insofar as protecting that plan when each time any special group wants to be included that they are included. We are doing the same thing to the civil service retirement plan as we have done to all the rest of them.

Last year we passed a pension bill that was supposed to be the salvation of America. I am the only Member in Congress who voted against it. Believe me, the people in my district last November asked me for my reasons on why I was against it. Well, as I look back, that was probably the best vote I cast in the last Congress. Because that bill took all of the private pension plans and grouped those private pension plans and let the Government supervise them. These private plans were strong with $200 billion of excellent asset reserves.

Every pension plan the Government has supervised in the past is busted, and yet we turned around and placed these private pension funds under the Government. We let the Government get its greedy hands on them.

If we do not start thinking in serious actuarial terms about these pension plans we are going to cause a major disaster to the American people. This will be the greatest disaster and disservice that this Congress could ever do.

We have to start thinking of the pensions for all of our people. The folks who have earned them, the retirees who have paid for their pensions, must be able to depend on them.

Let us sum it all up, what we are doing here today, we are taking another step to ruin the pension plans.

The first thing we should know is that these people in the National Guard are part time employees, and they also may have a private pension they get from private companies, and most of them are qualified for social security so most of them can get the social security pension. Many of them were in situations where they have a retirement plan. Now we are going to come along and give them a national plan.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for yielding to me, and I am sure the gentleman from Texas would wish to be corrected in the fact that they are not part-time employees, they are full-time employees.

Mr. COLLINS of Texas. Mr. Chairman, folks work in business. They come to the National Guard on the weekends.

Mr. MONTGOMERY. Mr. Chairman, I would repeat that they are full time employees. They work from 7 o'clock in the morning to 4 o'clock in the afternoon. I would add that they do go to drills on the weekends, of course.

Mr. COLLINS of Texas. Do these people work for the Government as the National Guard?

Mr. MONTGOMERY. The technicians are National Guardsmen, but they are full-time employees. I do not think the gentleman meant to say that they were not full-time employees in the National Guard.

Mr. COLLINS of Texas. They are full-time in the National Guard? Is this their full-time occupation?

Mr. MONTGOMERY. That is correct.

Mr. COLLINS of Texas. I appreciate the gentleman's correcting me because I did not understand that. They do not draw four pensions; they only draw three. All they will draw will be social security, plus cases where they are on State plans in certain States. The other they will draw is as National Guardsmen. I am appreciative of being corrected. As full-time National Guard people. I stand corrected.

What my concern is is that I overstated the case, and I appreciate my good friend's, the gentleman from Mississippi's, getting the record straight. I am concerned about our enthusiasm for all the fine folks pensions at home. We are going to do so much that we are going to break old Uncle Sam's back. Instead of getting a pension folks can count on, all they are going to get is paper money. We have a responsibility up here to think about this future responsibility and to develop definite fiscal planning. We must plan for old people more than for any other group in America. We have got to make these pension plans sound.

Mr. WHITE. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina (Mr. JENRETTE), a member of the committee.

Mr. JENRETTE. Mr. Chairman, by favorably concluding action on the retirement credit legislation for National Guard technician service, we are simply instituting the principle of "equal pay for equal work." With passage of the title V amendments, there will exist for the first time a policy of equitable retirement credit for the technicians.

The system under operation prior to this legislation is not only discriminatory, but frankly absurd. That only 55 percent of retirement credit was authorized is merely the most obvious distortion. A more serious disparity existed whereby the Federal Government made contributions to the retirement systems of only 20 States, while technicians in Massachusetts, Ohio, and Nevada were never included in the social security program. South Carolina was but one of the States where civilian retirement was nonexistent.

The gentleman from Texas (Mr. COLLINS) referred to the technicians as being part-time employees. I served in the National Guard for a number of years and had the pleasure of employing a number of technicians before they were federalized and after they were were federalized, and I assure the gentleman that everyone who worked in my unit worked from 7 o'clock a.m. to 4:30 p.m., as well as drilled on the weekends is being done a grave injustice by being referred to as "part time."

I would like to generally remind my colleagues that the Guard provides 16 percent of the Nation's total organized military manpower for only 2.6 percent of the overall defense budget, and that in 1974 alone, some 5,804 guardsmen were called out in 24 States to save lives, protect property and conduct recovery operations during fires, floods, storms, and other emergencies. The importance of the guardsmen in our national defense structure is without dispute. This additional support by Washington to indicate an interest in their behalf is a demonstration of appreciation for those efforts.

I do not look upon the bill S. 584 as a bill that would liberalize, but as one that would equalize. Mr. Chairman, this legislation is long overdue. I urge final passage at this time.

Mr. WHITE. Mr. Chairman, at this time I yield 3 minutes to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Chairman, I have listened to the testimony here and read the report, and I have certain questions about the bill which I would like to direct to the distinguished chairman of the committee.

Is it true that there will be technicians who will retire without any retirement benefits to show for the years of service because they were unlucky enough to retire before January 1 of 1969?

Mr. WHITE. Those who have retired prior to January 1, 1969, do not come under this program, and the reason that the committee did this in the first place is with the unfunded liability of $128 million that will be amortized over the years, if we had increased that by including those prior to January 1, 1969, we faced a sure veto. We were trying to save money. The objective of the bill was to try to encourage young men to stay in the service who were already in.

Mr. EDGAR. Is not the date that was selected as the cutoff for eligibility for retirement benefits arbitrary?

Mr. WHITE. That was the breaking point under the previous law. Yes.

Mr. EDGAR. I understand that. My concern is for the National Guard technician who retired perhaps a year before the deadline was set, and who is still working for the Federal Government, but who finds that the 10 years of service that he gave as a National Guard technician will not qualify him for retirement benefits.

Mr. WHITE. Is the gentleman speaking of a man who was a National Guard technician prior to 1969 and then who comes back to work for the Government?

Mr. EDGAR. I am talking about a man who worked for the National Guard prior to 1969 and then comes back and works for another Government agency. Would he qualify?

Mr. WHITE. The gentleman is not talking about a Government agency as such?

Mr. EDGAR. Suppose it is a Government agency.

Mr. WHITE. I am advised as far as that technicality goes that if the gentleman comes back in and works for a Government agency he does not get his title to his previous service but if he goes back into the National Guard he does tie in with his service prior to 1969.

Mr. EDGAR. My concern is that a National Guard technician under these circumstances would be effectively losing 10 years of service for the Government even though he may have moved into another field of service with the Federal Government. It seems a little inequitable to me to have this arbitrary date cutoff where those who were unlucky enough to retire before January 1, 1969, would receive no retirement credit, while those who retired after that date will receive 100 percent credit.

Mr. WHITE. The committee was faced with the same question that has been the subject matter of discussion today, that is, where we stop, and we picked that date.

Mr. EDGAR. Does the gentleman have any figures on the additional money it would cost if we moved back the cutoff date 5 years or 10 years earlier?

Mr. WHITE. We had asked for those figures prior to 1969 but we did not receive them and that is why it is not in the report. The Senate did go back prior to 1969, but the House committee decided 1969 was the best to use as a cutoff date.

Mr. EDGAR. I appreciate the chairman answering these questions. I still have some questions about the bill because it does cut off a significant number of citizens who contributed a significant part of their lives in service to the National Guard and who have been eliminated, from receiving retirement credit if the committee amendment is approved.

Mr. WHITE. Those who have been with the National Guard prior to 1969 and who have come back to the Government in another capacity probably are not very large in numbers but I understand there are inequities in most of these decisions in the past.

Mr. EDGAR. Does the gentleman believe any amendment will be offered to this legislation?

Mr. WHITE. The bill is open to amendment from the floor. We do not know of any amendment of that nature at this time.

Mr. EDGAR. I thank the gentleman. I have no further questions.

Mr. COLLINS of Texas. Mr. Chairman, I wonder if I might ask the chairman of the committee to straighten me out with some details. I heard a person could be eligible to receive four different pensions or retirements. It is said that if he is in a State that gave State credit on National Guard for his retirement, it would also be possible for him to get social security and National Guard military retirement and also civil service retirement credit. Is it possible he could get the National Guard military pension plus this civil service civilian pension?

Mr. WHITE. In some instances an individual could be drawing two retirement pensions as well as under this program, but there are a number of States that did not have retirement programs for these technicians, and a greater number did not have any retirement program as such for the National Guard technicians.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, we have the same thing in all the Federal Government. We have people who work on the Hill and they are in the Reserve and they are drawing retirement after 20 years of good service. They are drawing their retirement from the Reserve plus their Federal service. The technicians are not in that good shape and I would like the gentleman to see the problem. When we took them out of the State retirement, in most cases they lost their State retirement. There are only about 3,000 of them who will draw State retirement of the total 55,000 we are considering. Only about 24,000 of these persons will be eligible for social security retirement. Most of them, I will say to the gentleman from Texas, have only about 44 percent and they will draw the minimum. So we are not talking about a great deal of retirement that they will get. I know for a fact some of these technicians have retired with 55 percent, who are eligible for food stamps.

They do not want to be on food stamps. I think they are entitled to get this 100 percent. Did the gentleman vote on the bill in 1967?

Mr. COLLINS of Texas. In 1968.

Mr. MONTGOMERY. But only four Members voted against the 100 percent retirement passed in 1967.

Mr. COLLINS of Texas. To get back, we are in agreement that under this bill the National Guard technicians will draw full civil retirement under the civil service retirement. They will also draw under the military retirement if they put in 20 years, so they will be drawing two classes of Federal pension for their military service.

Mr. MONTGOMERY. That is correct. There are many types of Federal service like that. There are many people today that draw two Federal retirement checks, one of which is their Reserve obligation. Our country has always said a person in military service should not be restricted from further Federal service if he wants to. I am one of them. At age 60 I will be eligible to draw two pensions. We have Members of the House of Representatives now that are drawing two checks, a congressional paycheck and they are drawing their retirement reserve after 20 years of creditable service.

Mr. PICKLE. Mr. Chairman, I rise in support of the bill that would grant full credit for pre-1969 National Guard technician service for annuity computation purposes to those employees who have served under the technician program on or after January 1, 1969. While I have been extremely budget conscious, it seems to me that this is one item that our Office of the Budget tells me will only cost $161,000 in 1976, we should include.

As I understand this bill, it will not result in a greater retirement benefit for National Guard technicians than has been provided for other groups of employees brought under the civil service retirement program. Each employee must elect if he has performed creditable service under another program. He makes a deposit equal to the amount which would have been withheld from his pay had his former service been subject to the retirement system, or if he elects not to make such a deposit but wants his former service included, his annuity is reduced.

This bill seems to me to be a fair retirement system for our National Guard technician service members. The 55 percent service credit limitation that presently exists does not seem to me to be fair. I think they should receive full credit for such service in the computation of their annuities, if the retired employee so notifies the Civil Service Commission.

Mr. COLLINS of Texas. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. WHITE. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

Mr. CHAIRMAN. I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROBERTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 584) to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. WHITE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bills S. 584, H.R. 6227, H.R. 7222 and H.R. 5397.

The SPEAKER. Is there objection to the request of the gentleman from Texas Texas?

There was no objection.

CALL OF THE HOUSE

Mr. MILLER of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 533]

Abzug
Addabbo
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
Badillo
Barrett
Bell
Bergland
Bingham
Blouin
Brademas
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Burgener
Burke, Fla.
Burlison, Mo.
Burton, John
Burton, Phillip
Carr
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Collins, Ill.
Conlan
Conte
Conyers
Cotter
Crane
D'Armours
Daniel, Dan
Davis
Dellums
Derrick
Devine
Diggs
Drinan
Duncan, Oreg.
du Pont
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fary
Fenwick
Fish
Fithian
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Giaimo
Gibbons
Hagedorn
Hanley
Harrington
Harsha
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Hillis
Holland
Holtzman
Howard
Howe
Hutchinson
Jarman
Johnson, Pa.
Jones, Tenn.
Karth
Ketchum
Koch
LaFalce
Lehman
McCloskey
McCormack
McDade
McKinney
Macdonald
Mann
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Mikva
Milford
Minish
Mitchell, Md.
Moakley
Mosher
Mottl
Murphy, Ill.
Nix
Obey
O'Brien
O'Neill
Patman, Tex.
Pepper
Pickle
Pike
Pressler
Preyer
Quillen
Railsback
Rangel
Rees
Rhodes
Risenhoover
Rodino
Rose
Rostenkowski
Rousselot
Runnels
Russo
Scheuer
Schneebeli
Schulze
Seiberling
Shipley
Shuster
Simon
Sisk
Slack
Snyder
Staggers
Stanton, James V.
Steed
Steiger, Ariz.
Stephens
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Traxler
Treen
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Walsh
Wampler
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wright
Wydler
Yates
Zeferetti

The SPEAKER. On this rollcall 257 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LEGISLATIVE PROGRAM FOR TOMORROW

(Mr. McFALL asked and was given permission to address the House for 1 minute.)

Mr. McFALL. Mr. Speaker, I would like the Members of the House to know that the Speaker has asked me to announce that we will start tomorrow with further consideration of H.R. 7014. Even if it takes until tomorrow night to finish it, we will continue right on with H.R. 7014.

FEDERAL FIREARMS ACT OF 1975 INTRODUCED

(Mr. McCLORY asked and was given permission to address the House for 1 minutes, to revise and extend his remarks and include extraneous matter.)

Mr. McCLORY. Mr. Speaker, after several months of hearings by the Subcommittee on Crime on the important issue of handgun control, I am today introducing a comprehensive measure which would impose strict but reasonable controls on handguns and other firearms used in crime. The bill represents more than 8 months of study and reflection on the terrible problems of the escalating use of handguns by violent criminals. The bill is patterned in many respects after the proposal of the President which was submitted to Congress a few weeks ago. Indeed, the proposal which I introduce today incorporates almost every important provision contained in the President's proposal.

Of course, I recognize that any gun control proposal will be subject to much close and detailed scrutiny. Within the Congress, and certainly within the House, the views on this issue are divergent and strongly held. Therefore, I recognize from the outset that the views of other members must be taken into account before the bill is passed by the House and the Senate.

However, it is my strong conviction that this proposal represents a moderate approach to the troublesome and emotional issue of gun control. The concept on which this proposal was built is to permit law-abiding citizens to own and use handguns for lawful purposes but to deny weapons to the criminal class for whom firearms have become an indispensable tool for crime. The bill is intended to drastically decrease the availability of such weapons to criminals without infringing on the privileges of the vast majority of handgun owners. Thus, I feel that this bill deserves the support of all persons interested in lowering the terrible rate of firearms crime in America. It deserves the support of gun owners and nongun owners; it deserves the support of sportsmen and nonsportsmen; it deserves the support of law enforcement officials and everyday citizens.

Now that I have introduced this comprehensive proposal, I would hope that the House would move swiftly to its consideration. The first step in this process would be prompt consideration by the Subcommittee on Crime. It is my hope that the subcommittee will promptly schedule a hearing and markup on this proposal so that the legislative process might finally be applied to the terrible problem of handgun abuse. I look forward to a favorable vote by the subcommittee, an intelligent and reasonable debate in the full committee and final passage by the House.

This additional explanation should enable the members to intelligently understand my bill.

Mr. Speaker, the bill would enact the Federal Firearms Act of 1975. It is divided into six titles: Title I states the congressional findings and declarations related to the role of handguns and other firearms in crime. Title II contains several important provisions intended to close the loopholes in the Gun Control Act of 1968. Most significantly, title II would ban the domestic manufacture and sale of inexpensive, poorly constructed, easily concealable handguns known as "Saturday night specials." Title III would establish a Federal system of handgun owner identification and national standards by which the States would be required to implement handgun registration systems. Title III also contains stringent mandatory penalties for offenders who commit Federal felonies using or carrying firearms. Title IV establishes the "Federal Firearms Enforcement Policy Coordinating Council," a Council of the appropriate Federal, State, and local officials involved in the enforcement of firearms control laws, which shall coordinate a national effort directed against misuse of firearms. Title V establishes a mechanism within the Law Enforcement Assistance Administration to provide funding for the development of firearms misuse prevention systems by the States. Title V also encourages the States to enact their own mandatory sentencing provision for the use of firearms in violent crime. Title VI adds a flat rate excise tax of $25 on the sale of handguns by manufacturers and importers.

The bill contains virtually all the provisions of the gun control proposal which were recently submitted to the Congress by the President. With only two exceptions, the President's bill contains important proposals to improve the Gun Control Act, and they have been changed slightly in their form and included in this bill.

TITLE I—CONGRESSIONAL FINDINGS

Section 101 sets forth the congressional findings and declarations. It is stated that violent crime has been increasingly uncontrollable and that the handgun has become the principle instrument of violent crime threatening the peace and domestic tranquility of the citizens of the United States, the security and general welfare of this Nation, general law enforcement and the integrity of State and local firearms control laws. A finding is stated concerning the threat of the safety of Federal officials who are subjected to the danger of assassination by handguns and other firearms. Further, subsection (4) describes the substantial illicit interstate traffic in handguns and the unrestricted access to, and possession of, handguns by persons disqualified from firearm possession and ownership. An important finding is made as to the effect on interstate commerce of intrastate handgun acquisition and possession.

Findings are included on the need to supervise control and limit the activities of persons obtaining federal firearms licenses. An important finding is made as to the threat of inexpensive, low quality and easily concealable handguns, commonly known as "Saturday night specials." Critical findings are made concerning the need to prevent the acquisition, possession and use of handguns by prohibited persons. Finally, critical findings are made concerning the need for better enforcement of current law, and the need for Federal assistance to the States for the development of State firearm misuse prevention systems.

TITLE II—AMENDMENTS TO THE GUN CONTROL ACT OF 1968

Section 201 amends the definition of interstate commerce by striking certain limiting language which inappropriately excludes transportation of firearms across State lines which is traditionally considered to be interstate commerce.

Section 202 deals generally with the qualifications for Federal firearms licenses and the authority of the Secretary of the Treasury to regulate the holders of such licenses.

License qualifications. Under current law virtually any citizen can receive a Federal firearms dealer license from the Department of the Treasury. This license costs only $10 and is issued after only a cursory investigation. The standards for the issuance of this license are so lax that there are approximately 156,000 Federal licenses throughout the country. Of these, only about 16 percent, or about 25,000, are actually involved in the full-time business of dealing in firearms. The remaining 131,000 have obtained licenses primarily to enable them to acquire 1 or 2 firearms a year; they operate not from an office or a store, but from their living rooms and basements. This great number of licensees spreads the enforcement resources of ATF so thin that it now visits and inspects each licensee at a frequency of only once every 10 years. Section 202 would remedy this intolerable situation by stiffening license qualifications so that only bona fide dealers can be licensed.

The new licensing standards of section 202 would first increase the license fees for firearms manufacturers, importers and dealers. As in the President's gun control proposal, separate license categories, with significant differences in fees, are established for persons manufacturing, importing, or dealing in handguns alone, or in firearms other than handguns. Based on the findings of the Subcommittee on Crime, that pawnbrokers are the source of a large proportion of handguns used in crime, pawnbrokers are prohibited from dealing in handguns. Furthermore, new license categories, with low fees requirements, are established for "gunsmiths" and "ammunition retailers." The new "ammunition retailers" category is designed to permit, for example, rural grocery stores to sell ammunition to hunters during hunting season.

New qualifications for licenses are imposed including requirements that an applicant for a license be, by reason of his business experience, financial standing, or trade connections, likely to commence his business within a reasonable period of time, and to maintain his business in conformity with applicable law. Section 202 also grants the Secretary of the Treasury more flexible authority to regulate Federal firearms licensees. The Secretary is given new authority to suspend licenses and to impose civil penalties for violations of the Gun Control Act. The provisions of section 202 have, for the most part, been recommended, in principle, by the Treasury Department and are similar to those in the President's bill.

Section 203 is a lengthy but essentially simple provision which alters the recordkeeping and reporting requirements imposed on Federal firearms licensees. Section 203 would merely expand the recordkeeping responsibilities of Federal licenses and impose new requirements of reporting certain information to the Secretary of the Treasury on a quarterly basis. These changes were suggested by testimony received by the Subcommittee on Crime which demonstrated that firearms flow through legitimate streams of commerce and pass through the hands of legally licensed dealers before they are acquired by "criminals" and used in crime.

As these weapons are transferred from manufacturer to wholesaler to retailer, a chain of transaction records is created which tracks and evidences the commerce in weapons. Unfortunately, under current practice these records repose unused in the files of licensees until after a particular firearm is used in a crime and then traced from manufacturer to dealer. If the information in these records were centrally compiled, ATF would have a detailed picture of the flow of the commerce in firearms throughout the United States. This would enable the Bureau to identify the sources from which, and the places at which, criminals acquire firearms as those sources develop rather than after a weapon is used in crime and recovered. As Rex Davis, the Director of ATF, testified, such centrally compiled information would be a tremendously valuable tool in fighting the illicit trafficking in firearms.

Section 203 of title I of the bill would implement these purposes by amending the section of current law, section 923(g), which imposes recordkeeping requirements on Federal firearms licensees. The most important new provision is proposed subsection 923(g)(2) which would require licensees to submit quarterly reports to the Secretary as to the number, types, caliber models, and serial numbers of firearms imported or manufactured, or sold, delivered or otherwise transferred to other licensees. Additional duties are imposed on the Secretary of the Treasury to compile the information in a usable form and to submit annual summaries of the information to Congress.

Another new provision in the bill is proposed section 923(g)(5) which would require the Secretary to compile a listing of all local jurisdictions requiring licenses or permits to purchase handguns, waiting periods or registration. This section is intended to assist in the implementation of a new unlawful acts section directed at persons who leave the jurisdiction of their residence to avoid strict gun control laws, by purchasing firearms in other localities within the same State.

Finally, proposed section 923(g)(6) would require federally licensed firearms dealers to report the loss or theft of firearms or ammunition to the Secretary.

Section 204 deals with inexpensive, poorly constructed, easily concealable handguns, which have come to be known as "Saturday night specials."

The 1968 Gun Control Act authorized the Secretary of the Treasury to prohibit the importation of firearms not "generally recognized as particultarly suitable for or readily adaptable to sporting purposes." As the act was drafted, the importation of only such completely assembled handguns or their frames or receivers was prohibited. The act did not prohibit the importation of the remaining parts of these firearms. Nor did the act prohibit the domestic manufacture of handguns that did not satisfy the "sporting purpose" test. Therefore, since 1969, domestic manufacturers have been assembling inexpensive, poorly constructed handguns both from imported and domestically manufactured parts.

Section 204 of the proposal is intended to eliminate the manufacture and sale of such handguns. First, section 204 amends the Gun Control Act by including a detailed definition of these weapons. This definition establishes detailed standards—called "Factoring criteria"—by which all handguns are to be tested. Handguns which do not satisfy these standards are then prohibited from importation, manufacture and sale. To insure that the evaluation of handguns is accomplished expeditiously and fairly, evaluation procedures are included in the bill.

The "Saturday night special" factoring criteria of this bill differs significantly from that contained in the administration's proposal. This bill, with one important exception, merely extends the definition of current law applicable to imported handguns. The administration's proposal, on the other hand, would modify the definition to one which would be less stringent than that of current law. Certainly there can be no valid justification for easing the prohibitions against cheap handguns currently in force. Moreover, while it is unclear how the administration's proposal will affect the handguns domestically manufactured, the effect of the bill's "Saturday night special" definition has already been demonstrated. The Director of ATF has informed the subcommittee, of the 1.8 million handguns manufactured in the United States during 1974, some 1.02 million or 53.9 percent would have been prohibited from importation by the definition of existing law, which is basically the definition adopted by this bill. Thus, this bill can be predicted to effect a significant proportion of domestically made weapons either by prevent their manufacture or by causing them to be substantially modified.

One important change from the existing factoring criteria is the increase of the prohibited barrel length of revolvers. Current law absolutely forbids the importation of handguns with barrels of less than 3 inches. The bill would prohibit importation, manufacture and sale of handguns with barrels of less than 4 inches. Since barrel length is an important determinant of the concealability of a handgun, the increase in barrel length standards will make an important on weapons used in crime.

Section 205 of the bill would impose stricter regulations on carriers of firearms in interstate and foreign commerce. As the hearings of the Subcommittee on Crime have shown, the theft of firearms from interstate shipments is increasingly becoming a source of supply of firearms for the criminal underworld. The 1968 act has no standards for safe and secure shipment of firearms, and imposes no requirement on shippers to notify ATF of any loss or theft of firearms. Although one manufacturer has voluntarily begun to ship its firearms in secure containers, and although ATF has instituted a voluntary notice program with the Nation's shippers, the requirements of secure shipment and notice of loss or theft should be mandatory. Moreover, a firearms regulation cuts off the sources of criminal handguns, criminals will turn to other methods of acquisition, primarily, theft from interstate shipments. Thus, it is imperative that strict controls be imposed on interstate carriers of firearms to make thefts that much more difficult as accomplished by section 205 of the bill.

Section 206 carries forward, consolidates, and amends provisions of current law dealing with persons disqualified to possess firearms under Federal law. First, section 206 modernizes the language and references dealing with persons addicted to narcotics, and persons adjudicated mentally incompetent. Second, the receipt, possession, transfer and shipment of firearms or ammunition by disqualified persons—felons, illegal aliens, et cetera—would be consolidated and carried forward. The requirement of showing a nexus between a weapon and interstate or foreign commerce has been eliminated from these provisions to overcome the effect of the Supreme Court's decision in the *United States* v. *Bass*, 404 U.S. 336 (1971) which construed 18 U.S.C. App. 1202(a). By reason of the amendments contained in section 206 of the bill the provisions of 18 U.S.C. App. 1201–1203, as enacted by title VII of the Omnibus Crime Control and Safe Streets Act of 1968, are made unnecessary and are, therefore, repealed by this section 206.

Section 207 would accomplish a variety of purposes by amending the unlawful acts section 922 of chapter 44 of title 18. First, a new subsection is added to section 922 which imposes limitations of sales, or purchases of two or more handguns within a 30-day period. The new subsection would require prior approval by the Secretary of such sales or purchases. The purpose of this simple provision is to eliminate the large scale gunrunning operations in the Southeast in which large numbers of handguns are purchased from licensed dealers for illegal transportation across State lines and illegal sale in large urban areas. This provision is a simple but effective one which will prohibit multiple purchases from licensed dealers unless prior approval of the Secretary is obtained.

Section 207 would also enact a new subsection 922(o) to prohibit resale of weapons to persons prohibited from purchasing and possessing such weapons. This is aimed at the "go between" who will buy a firearm on behalf of a prohibited person for a small fee.

The proposed subsection (p) is directed at imitations of firearms which in recent years have been imported into the United States in large numbers. These imitations are so realistic in appearance and weight that firearms experts have difficulty in distinguishing them from real weapons. Such imitations of handguns, long guns, and such weapons as Thompson submachine guns, have been increasingly used in assaults and robberies. Even though these imitations are inoperable, and are not easily converted into functioning weapons, they constitute a real hazard and should be subject to some Federal controls. Section 103 of the proposed bill deals with this problem by allowing the Secretary of the Treasury to establish regulations for the clear marking of such imitations.

Proposed subsection (q) is intended to prevent repair of handguns unless the handgun owner can prove his lawful possession of the weapon.

Proposed subsection (r) will prevent evasion of gun control laws of local jurisdictions. Currently, by crossing city lines a person can purchase a weapon without complying with the strict laws of the jurisdiction of his residence. The new subsection would eliminate such tactics of evasion which are not unlawful under current Federal law.

Section 208 of the bill would require standardization of handgun serial number in aid of the tracing of weapons used in crime.

Section 209 provides effective dates for the various provisions of title I.

TITLE III—FEDERAL HANDGUN OWNER'S IDENTIFICATION CARD AND NATIONAL HANDGUN REGISTRATION STANDARDS

Title III would establish interrelated systems of handgun owner identification and handgun registration. The system of handgun owner identification would simply create a mechanism whereby all handgun purchasers and owners could be prechecked to determine if they should be disqualified from such purchase and ownership. The system of handgun registration of this bill would promulgate national standards requiring the States to establish handgun registration systems governing handguns within their jurisdiction. The theory of these systems is simply that an efficient handgun control mechanism to reduce criminal acquisition of handguns can be established without interfering with the right and ability of the law-abiding citizen to purchase and own a handgun for lawful purposes. The bill is based on the undeniable fact of life that the handgun is a part of the American heritage and way of life. The registration and identification systems are therefore drafted to encourage compliance by the vast majority of responsible American handgun owners who do not misuse their weapons. Indeed, the bill is meant to implement the desires of an overwhelming majority of Americans, gun owners and nongun owners alike, who call for firm but fair handgun regulation.

FEDERAL HANDGUN OWNER'S IDENTIFICATION CARD

The bill creates a system of prechecking handgun purchasers and owners to determine if they should be disqualified from handgun ownership. This system, to be administered by the Secretary of the Treasury presumably through the Bureau of Alcohol, Tobacco, and Firearms, will require each handgun purchaser and owner to apply for a Federal handgun owner's identification card. Prior to issuing the card, the Secretary will be required to investigate the applicant to determine if he is a convicted felon or mental incompetent, or if he is otherwise disqualified from acquiring and owning handguns.

The operative provision is section 924 (a) which permits the sale or other transfer, or receipt, possession or ownership of a handgun only if the purchaser/owner has obtained, and displays, a valid Federal handgun owner's identification card. The card shall contain the name and address of the purchaser/owner, his physical description, and a recent photograph—subsection 924(b). The card shall not be issued to anyone who is under 18, is a convicted felon or a fugitive from justice, or who falls into any of six other categories of persons prohibited from handgun purchase or ownership—subsection 924(d). So that the issuance of the card is not a matter of unlimited discretion, subsection 924(d) also requires that the card shall be issued unless the person is within a prohibited class. The fee for the card is $15. The card will be valid for a period of 5 years. Thus, the handgun owner identification will be largely self-supporting and will not unduly burden either taxpayers or the gun owners.

Subsection 924(e) establishes an elaborate appeal procedure to protect those persons whose applications for identification cards are denied. Subsection 924(f) permits the suspension or revocation of the card if a cardholder becomes disqualified from handgun ownership by reason of a felony conviction or other disqualification. Subsection 924(g) requires notification to the Secretary upon a change of name or address of the cardholder.

The thrust of the handgun owner's identification system is to prevent handgun acquisition and ownership by certain limited classes of persons. Without the card no handgun transfers to such persons are permitted. However, as provided in subsection 924(c) the card itself does not entitle its holder to purchase, own or possess a handgun if such purchase, ownership or possession would be in violation of any other Federal, State, or local law.

NATIONAL HANDGUN REGISTRATION STANDARDS

Of course, any system of the control of handgun owners would be ineffective unless a related system was imposed to make each handgun owner accountable for his weapons. Without such accountability, enforcement of the limitations of the Federal handgun owner identification system would be impossible. Proposed sections 925 through 928 would establish national handgun registration standards to implement such a system. The registration system of the bill attempts to successfully balance two important and competing interests: On the one hand, the need for a system of handgun registration, and, on the other, the need to avoid a master list of gun owners held by the Federal Government.

The proposal accommodates these two interests by creating a system by which the States, rather than the Federal Government, would administer the registration system applicable to its citizens. Such a structure is proposed for two important reasons: First, many handgun owners are fearful that a federally maintained registration list of firearms will inevitably lead to confiscation of those firearms by use of the lists. Administration of a registration system by State governments would put custody and control in the hands of State officials most responsive of the electorate of a State, and would thus operate as a political and administrative impediment to confiscation. Second, administration of a registration system within a State is desirable because with the elimination of the illicit interstate firearms traffic as contemplated by this act, misuse of handguns will become a local prenomenon. Thus it makes the most sense to have State officials control and administer local registration information for local offenses, much as motor vehicle registration is handled.

Section 925 of the bill sets forth the general requirements for the registration of handguns. The operative subsection, 925(a), prohibits the ownership or purchase of a handgun without prior registration with the appropriate registration agency. Subsection 925(b) provides that the registration agency shall issue a certificate of registration to any person unless that person does not hold a valid Federal handgun owner's identification card. This simple provision implements the first important purpose of registration which is to ensure that handgun purchasers are authorized to purchase such handguns. Many of the registration and licensing bills before the Congress provide for two checks on the firearms purchaser—one at the time of licensing and another at the time of registration. This bill somewhat streamlines this procedure by eliminating the registration check and substituting merely a verification of the check conducted at the time of the issuance of the owner's identification card. Thus, the State registration agency need not establish an elaborate investigative apparatus; it can rely on the Secretary's issuance of the card.

Subsections 925 (c) and (g) set forth the registration requirements when handguns are transferred. As Figure 1 indicates there are basically three types of handgun transfers possible: From a retail dealer to a private person, the first retail purchaser; from a private person to another private person; and from a private person back to a retail dealer.

FIGURE 1.—*Types of handgun transfers*

Licensed Dealer (Transfer 1) First Retail Purchaser (Transfer 2) Secondary Transferee (Transfer 3) Licensed Dealer.

Since the second important goal of a registration system is the ability to trace a handgun used in crime through all its owners, each of these transfers must be subject to slightly different regulation. The first transfer between the dealer and first retail purchaser is the easiest to regulate. Subsection 925(c)(1) requires that the dealer obtain the registration application from the purchaser and that the dealer submit it to the registration agency. If the application is not approved, and the certificate not issued, the sale may not be completed. By this means, the multitude of illegal first retail sales will be prevented.

Subsection 925(c)(1) also is intended to regulate secondary transfers between private persons. Whereas in the case of the first retail sale it is reasonable to expect a dealer to process a purchaser's registration application, such a requirement could not reasonably be imposed on the private transferor of the weapon. Instead, in the case of secondary transfers, it makes more sense to require the transferee to process his own application. To insure that the transfer is not made unless approved by the registration agency, it cannot be completed until the transferee receives his registration certificate. To verify that the transfer did occur, the transferor will be required under subsection 925(f) to return his registration certificate with a description of the purchaser. Thus, a burden is placed on both the transferor and the transferee which insures that no illegal transfers are completed, and once the transfer is completed it is swiftly communicated to the registration agency. If this provision is violated a simple and easily prosecutable offense is presented against both parties to the transfer.

Subsection 925(g) governs transfers from private persons back to licensed dealers. In such a situation, there is no need to require the dealer to register the gun to himself. The registration scheme is directed toward the regulation of private handgun owners, and dealers are already covered by the traditional recordkeeping requirements of the Gun Control Act. Thus, when a handgun is transferred back to a licensed dealer, there is no requirement of prior approval by the registration agency, since presumably all licensed dealers will be authorized to purchase firearms. However, although no need of a precheck exists, there remains the need to be able to trace the handgun once it leaves private ownership. Therefore, subsection 925(g) requires the licensee to insure that the private transferor notifies the registration agency of the transfer. Subsections 925 (d) and (e) govern the form of the registration application.

Subsections 925 (h) and (i) are administrative provisions governing the change of a registrant's address, and the disposition of handguns in the estates of deceased handgun owners.

Subsection 925(j) is an important one which requires any person whose weapon is lost or stolen to report that loss or theft to the registration agency. When a handgun used in crime is traced back to a first retail purchaser, that purchaser often claims that the weapon was lost or stolen. The requirement of reporting this fact will impose an additional increment of responsibility on firearms owners to care for their weapons, and hopefully, the ruse of theft which, in fact, hides an illegal transfer will be eliminated. The requirement of making such a report also will aid handgun owners whose guns are recovered after a true loss or theft.

Sections 927 and 928 deal with the administration of the registration agency by the State or Federal Government. These sections are drafted to strongly encourage the States to enact their own registration statutes within 2 years of the passage of this bill. Subsection 927 (a) permits two or more States to join together in creating and administering a registration agency where the similar situations of the States justify it. Under subsection 927(a) all State registration schemes must be in accordance with the requirements of the general registration provisions of section 925. In addition, the State systems must satisfy certain standards, enumerated in subsection 927(b), containing the confidentiality of information, the prevention of interstate handgun migration and other matters. Under subsection 927 (c) through (e), the adequacy of State systems is to be determined by the Secretary of the Treasury, who upon finding a State system in conformance with Federal standards can enter into agreements with the State to fund that State's handgun registration system. It should be noted at this point that each registration agency is authorized under subsection 925(d) to establish its own fees for registration. This is meant to permit a State to require such fees as would make the registration system self-supporting.

Section 927 of the bill deals with those States which do not enact their own registration systems. The provision is simple: If no State system is enacted, the handgun owners of that State are required to register their weapons with the Federal Government.

Proposed section 928, "Use and disclosure information," which prohibits the use of information against the person who submits it, implements the protection of the fifth amendment as made applicable to firearms registration systems. *See United States* v. *Freed,* 401 U.S. 601 (1971); and *Haynes* v. *United States,* 390 U.S. 85 (1968). The proposed section is a use and derivative-use immunity provision applicable to Federal, State, and local governments. *See Kastigar* v. *United States,* 405 U.S. 441 (1972); *Murphy* v. *Waterfront Comm'n,* 378 U.S. 52 (1964); and *Malloy* v. *Hogan,* 378 U.S. 1 (1964). It protects citizens from use of the information received in proceedings involving prior or concurrent offenses, but also provides a limited protection against use of the information prospectively in attempted confiscation. *See Marchetti* v. *United States,* 390 U.S. 39, 53–54 (1968); *Grosso* v. *United States,* 378 U.S. 62, 67 (1968); and *United States* v. *Freed, supra,* at 611 (concurring opinion of Justice Brennan).

However, this provision does not prevent the use of the information to trace and identify handguns used in crime after the date of lawful registration, the use for which the information is part intended. Such an intolerable limitation on the use of registration information would assume "the existence of a periphery of the self-incrimination clause which protects a person against incrimination not only against past or present transgressions, but which supplies insulation for a career of crime about to be launched. We [the Supreme Court of the United States] cannot give the self-incrimination clause such an expansive interpretation." *United States* v. *Freed, supra,* at 606–607 (see also concurring opinion of Justice Brennan at 611).

Thus, title III of the revised draft is carefully drawn to accomplish its purposes without necessarily infringing the rights of citizens.

Sections 929 and 930 authorize the Secretary to receive handguns and to declare periods of amnesty for the registration of handguns.

A regulatory scheme to eliminate the criminal misuse of firearms would be incomplete without severe penalties for the use of firearms in the commisison of felonies. Section 302 of title II of the proposal provides for such penalties. The mandatory penalties provision of the bill is divided into two new subsections. Proposed subsection 93(1)(d) would impose escalatoring penalties on persons who knowingly violate the handgun owner identification or handgun registration provisions. For the first such offense the penalty is $100; for the second the penalty is $500 and imprisonment for not less than 30 days nor more than 6 months; for third and subsequent offenses the penalty is $1,000 and imprisonment for not less than 1 year nor more than 3 years. The subsection also prohibits suspension of the sentencing, granting of probation, concurrent sentencing, parole, or good time credit.

The second mandatory penalties provision deals with persons using or carrying firearms to commit or during the commission of Federal felonies. This provision is taken almost entirely from the President's gun control bill. The theory behind it is to swiftly and harshly punish any person using a firearm to commit violent offenses. Generally, the concept of mandatory penalty has harsh practical applications because it entirely removes the discretion of the judge to tailor punishment to the offender. However, the problem of violent firearms crimes has become so serious that drastic remedies are called for. This includes drastic mandatory penalties. By this provision the Congress shall declare that firearms crimes are so heinous that their perpetrators should be locked away.

Section 303 of title II preempts State laws which would prevent the establishment or administration of State handgun registration systems. This is necessary because there are constitutional and statutory impediments in some States to reasonable gun control. Section 304 authorizes appropriations. Section 305 amends the table of sections for chapter 44 of title 18. Section 306 establishes effective dates for various provisions of title II.

TITLE IV—FEDERAL FIREARMS ENFORCEMENT POLICY COORDINATION COUNCIL

The subcommittee's hearings have revealed that one of the most serious deficiencies in the firearms misuse prevention effort has been the lack of a coordinated Federal policy. The executive branch has not committed sufficient resources to, nor is it sufficiently concerned about, the fight against criminal misuse of firearms and the illicit interstate traffic in firearms. Nor has there been any coordination of the Federal effort with State and local law enforcement efforts.

Title IV of the revised draft seeks to eliminate these administrative deficiencies by the creation, within the executive branch of the Federal Government, of a council composed of the primary Federal officers charged with the enforcement of Federal firearms laws. This Council would be charged with the responsibility of beginning a concerted effort to eliminate violent crimes with firearms.

TITLE V—DEVELOPMENT OF STATE FIREARMS MISUSE PREVENTION PROGRAMS

Another obvious deficiency in the fight against firearms misuse has been the ineffectual administration and enforcement by the States of their firearms laws. The subcommittee has found that State agencies—especially prosecutors' offices and courts—have neither committed sufficient resources, nor evinced sufficient concern about, the effort to stop the escalating rate of firearms violence. To change this, title V would authorize the Law Enforcement Assistance Administration to fund State activities directed against firearms misuse.

Title V hinges this finding on the adoption by a State of a model firearms misuse statute which provides in part for mandatory sentencing of firearms offenders. In his crime message the President indicated that the Federal Government was limited in its ability to induce the States to enact criminal statutes. As the President said, however, the Federal criminal laws should be a model upon which State and local governments can pattern their own laws. Title V develops this concept somewhat, if not fully, by requiring that any State desiring to receive funds from LEAA for firearms misuse prevention must enact a statute similar to the model firearms misuse statute set forth in section 507 of title V. This model statute is a mandatory penalties provision drafted in the style of the proposed Federal criminal code.

TITLE VI—AMENDMENTS TO THE INTERNAL REVENUE CODE

Title VI would impose a flat rate excise tax on each sale of a pistol or a revolver by manufacturers and importers. This tax is imposed to increase the price of handguns as a disincentive to the purchase of cheap, poorly constructed, easily concealable weapons known as "Saturday night specials." It is well known that "Saturday night specials" are sold by retail dealers for $15 or $20. The low price of these weapons make it easy for traffickers to buy handguns in large lots and transport them into other jurisdictions for sale on the streets at great profit. The additional $25 tax will serve to make such gunrunning less profitable. Coupled with the stringent provisions of title I, gunrunning will, hopefully, be completely eliminated. The $25 tax will also discourage the individual sale of cheap handguns by pushing their prices into the range of higher quality weapons used by sportsmen and hunters. Thus, any weapon which was easily available and of low cost will be removed from the marketplace.

ANNOUNCEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I missed Rollcalls Nos. 485, 513, 515, 516, 517, 518, 519, 520, 523, 524, 526, 527 and 528. I wish the RECORD to show how I would have voted on each of these questions had I been present.

FRIDAY, AUGUST 1, 1975

Rollcall No. 485: A motion to limit further debate on an amendment on H.R. 7014 which provided that equitable price application on different petroleum products be maintained on the basis of the proportional costs in 1972 of those products except by order of the President. I would have voted "aye."

WEDNESDAY, SEPTEMBER 17, 1975

Rollcall No. 512. An amendment to H.R. 7014 that sought to strike sections 301, 302, and 303. Section 301 is the STAGGER's pricing amendment which called for gradual decontrol of oil prices. Section 302 is the Wright amendment which related to marginal wells. Section 303 is concerning the future limitation of Presidential powers regarding oil pricing. I would have voted "no."

Rollcall 513. An amendment to H.R. 7014 that sought to strike language providing for a mandatory gasoline allocation savings program. I would have voted "no."

Rollcall No. 515. An amendment to H.R. 7014 that sought to strike part B of title 4, dealing with industrial energy conservation. I would have voted "no."

Rollcall No. 516. An amendment to H.R. 7014 that sought to strike the section providing supplemental authorities to assure reasonableness of petroleum prices. I would have voted "no."

Rollcall No. 517. An amendment to H.R. 7014 that sought to strike the requirement for a 1985 automobile efficiency standard of 28 miles per gallon. I would have voted "no" and was paired against.

Rollcall No. 518. An amendment to H.R. 7014 that sought to require the issuance of regulations to require Government-owned or leased vehicles to use fuels that would be a blend of gasoline and certain petroleum substitutes. I would have voted "no."

THURSDAY, SEPTEMBER 18, 1975

Rollcall No. 519. A conference report on H.R. 4222, the National School Lunch and Child Nutrition Act amendments. I would have voted "yea."

Rollcall No. 520. An amendment to H.R. 7014 that transfers the authority to specify rules and standards of appliances from Secretary of Commerce to the Administrator of the Federal Trade Commission. I would have voted "aye."

Rollcall No. 521. An amendment to H.R. 7014 that sought to strike the section on energy efficiency standards. I would have voted "no."

Rollcall No. 523. An amendment to H.R. 7014 that sought to strike language authorizing the Federal Energy Administrator to prohibit the use of natural gas as boiler fuel. I would have voted "no."

Rollcall No. 524. An amendment to H.R. 7014 that sought to add a new title to aid industrial development of coal gasification and liquefaction. I would have voted "no."

FRIDAY, SEPTEMBER 19, 1975

Rollcall No. 526. House Resolution 724 providing for the consideration of, and 1 hour general debate on H.R. 6227, to provide Federal employees under investigation for misconduct the right to representation during questioning regarding such misconduct. I would have voted "yea."

Rollcall No. 527. House Resolution 723, providing for the consideration of, and 1 hour general debate on H.R. 5397, to authorize the retirement of employees after 30 years of service. I would have voted "yea."

Rollcall No. 528. The final passage of H.R. 5620 which relates to the construction of mint buildings. I would have voted "yea."

PROBLEMS WITH PESTICIDE LEGISLATION. H.R. 8841

(Mr. OTTINGER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, last Thursday I inserted in the RECORD some evaluation materials concerning H.R. 8841, the proposed amendments to the Federal Insecticide, Fungicide and Rodenticide—FIFRA—which is scheduled for House consideration later this week.

Among the information I inserted last week was a letter from Environmental Protection Agency Administrator Russell Train to Chairman TOM FOLEY and the Agriculture Committee. Mr. Train has written again to detail EPA's interest and concern about this important legislation. EPA makes it clear that it intends to seek greater participation by the agricultural community "in the evolution of administrative policy and procedure" for FIFRA, but Mr. Train also states that the Agency opposes the committee bill which will be considered later this week.

For the benefit of my colleagues who are concerned about this important question, I am inserting Mr. Train's September 19 letter to Congressman FOLEY as well as his comments on many features of the committee bill:

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C., September 10, 1975.

Hon. THOMAS S. FOLEY,
Chairman, Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I appreciate this further opportunity to provide the views of the Environmental Protection Agency on legislation to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended. The Committee's extensive hearings and numerous business meetings which have been attended by senior Agency officials have made a profound impression upon EPA. I am keenly aware of concerns within the agricultural community which require my personal attention, just as I am conscious of the need to expand upon the dialogue which has been renewed with your Committee in recent months. I still believe that the comprehensive pesticide program (which was enacted by the 92nd Congress) provides a sound basis for regulating pesticide use in a way that gives proper recognition to the divergent interests of all Americans who have a stake in the way pesticides are used. The many interrelated features incorporated in the 1972 amendments were devised over a period of many months by the executive and legislative branches in close cooperation and in response to serious needs which are no less real today than then.

Mr. Quarles, EPA Deputy Administrator stated in his initial testimony before the Committe, and emphasized in his three subsequent appearances, Congress provided an appropriate phase in period to accommodate adjustments to the changes required by the new program. Some provisions of the Act which were the subject of great controversy in your hearings are not yet effective under the statute, and will not be fully effective until October 21, 1976. As a result, the Committee could not judge the impact of these provisions on agriculture on the basis of the Agency's record in administering the Act. The Committee considered and passed certain amendments which addressed the concerns of the regulated industry and agricultural organizations about possible future impacts. The Committee responded to these concerns by adopting the amendments now before the House. I would point out that I have recognized these concerns and have taken action to provide greater participation by the agricultural community in the evolution of EPA administrative procedure and policy. This action is discussed in detail in my letter to you of September 10 and reflects my commitment to cooperative action while at the same time avoiding undesirable dilution of accountability. In view of the actions taken in response to expressed concern, there is no reason to include cumbersome or duplicative procedures in an already complex statutory scheme.

Accordingly, I must now oppose the Committee bill, as I have previously stated opposition to many of its separate features. I am confident that many of the difficulties predicted by critics of EPA's administration of FIFRA can be avoided through the Agency's adherence to the objectives mandated by Congress in 1972 and the continuing constructive oversight role which your Committee has assumed in recent months. We all recognize and the statute makes explicit that pesticides have substantial benefits for the public at large, as well as for agriculture, and EPA is firmly committed to assuring that Americans continue to enjoy the benefits of pesticides without unreasonable risk to human health and welfare. I continue to urge that the Congress adopt the simple extension of authorities requested by the Administration in February 1975.

I have attached detailed comments on many features of the Committee bill.

Sincerely yours,

RUSSELL E. TRAIN.

DETAILED COMMENTS ON COMMITTEE BILL

Section 6: This procedure is analogous to the well established executive branch "Quality of Life Review" procedure, which affords all interested departments and agencies an opportunity for review of EPA regulations. The procedure in the bill has the disadvantage, however, of requiring that a rigid time schedule be followed even for routine matters. This necessarily results in further delays of the administrative process. Moreover, the Agency is fully committed to developing greater participation from the Department of Agriculture in early stages of pesticide decision-making, including actions which may lead to cancellation or reclassification of pesticides. The Department of Agriculture has consistently participated in cancellation hearings as an active party in the presentation of evidence, in cross-examination and in the filing of briefs before the Administrator. The Department's views and scientific evidence have become a part of the formal record upon which the ultimate decision is made.

I am gravely concerned that this section may preclude suspension of a registration involving emergency threats to public health until the 60 day notice requirement has been satisfied. Though apparently not intended, this result would seem to be the effect of the language. The plain language of section 6(c)(1), which is unchanged by the Committee bill, reads as follows:

"No order of suspension may be issued unless the Administrator has issued or at the same time issues notice of his intention to cancel the registration or change the classification of the pesticide."

If a safety hazard came to our attention which required immediate action to protect against serious human hazards, the bill would require adherence to the 60 day notification procedures of section 1 and may prohibit emergency action to avert the hazard.

While we recognize the legitimate interest of the Department of Agriculture in EPA's pesticide program, it is significant that less than half the pesticide products registered with this Agency under the statute are for agricultural use. The majority of pesticide products registered are intended for industrial, household and institutional use.

Section 6: Requires an assessment of the impact of cancellation on the agricultural economy. Such a requirement is already imposed by the current law, which provides that a pesticide registration cannot be cancelled unless it causes unreasonable adverse effects on the environment. This standard is defined in the Act to require a balancing of the risks and benefits of pesticide use. "Unreasonable adverse effect" is defined by FIFRA to mean "any unreasonable risk to man or the environment, taking into account the economic, social and environmental costs and benefits of the use of any pesticide." The impact on the agricultural economy is a key consideration in this balancing process.

Section 25(3)(d): Congress provided for extensive public hearings to consider the scientific facts relating to potential cancellation of registrations. Our experience shows that these hearings provide interested parties with the opportunity to submit all relevant scientific data and expert opinions on the issues.

In addition, the authors of the 1972 amendments wisely provided that when a question of scientific fact arises in a section 6 hearing, the Administrative Law Judge may refer it to the National Academy of Science for review when he finds such referral to be necessary or desirable in the context of the case. I also have available to me a highly regarded body of scientists and health experts along the permanent staff of the Agency as well as outside expert consultants. Moreover, a permanent panel of distinguished scientists headed by Dr. Emil Mrak has been assembled since January 1974 as a Science Advisory Board to advise me on technical and scientific matters. This Board continues and enlarges greatly the scope of scientific capabilities and disciplines represented on its predecessor the Hazardous Materials Advisory Committee established in 1971. The Hazardous Materials Advisory Committee had over the years looked extensively at the conduct of the pesticide programs.

I have recently announced the establishment of a more broadly based Pesticide Advisory Committee to bring outside talent from many disciplines and backgrounds to bear on FIFRA matters. Its membership will include specialists in environmental health, medicine, and other scientific disciplines, as well as representatives of industry, farm organizations, other user organizations, and public interest organizations.

During recent months a State-Federal Implementation Committee on FIFRA has been organized to participate in the resolution of many important technical issues posed by provisions of the 1972 Act to be implemented in coming months. I have met with this group and believe it will make valuable contributions toward furthering Federal-State cooperation in mentating FIFRA.

With these established provisions for scientific advice and review presently available to me, the utility of Section 2 is questionable. As a practical matter, requiring a meaningful review of complex scientific questions within 30 days by a body of intermittent consultants, appears to be an impossible task for even a most expert group of individuals.

Section 25(3): Whether or not the section is enacted, it is our intention to notify and consult with the appropriate Committees in a timely fashion on all significant future actions taken under the amended FIFRA. I therefore believe this section is unnecessary.

Section 4(a)(1): I strongly object to the self-certification provision contained in this section. It removes from the Act the requirement for even the most minimal demonstration of competence by private applicators, and thus raises serious questions about the utility of classifying pesticides for use by this group. When the Administration proposed certification procedures, it was generally recognized that a few negligence or inexperienced persons were responsible for most accidents, overuse, and resulting environmental damage involving pesticides. The concept of private applicator certification was introduced so as not to deprive the vast majority of responsible farmers of highly effective pesticides. If this provision of the bill becomes law, any person, however, unskilled, may purchase and use a restricted use pesticide by merely signing a form. Authorization of such a procedure would make it very difficult to justify the registration of certain particularly hazardous pesticides for use by private applicators, because the Agency would be unable to assure private applicators possessed adequate knowledge and skills to use such pesticides without injuring themselves or others.

Section 4(a): Since the Agency first opposed extending the lengthy implementation schedule of the amended FIFRA, it has become clear that some states will not have submitted certification plans to EPA by this October. While there is no sanction for states failing to comply with this deadline, a six-month extension of the date for submission of state applicator certification, rather than the 12 months provided, would provide ample additional time for states to satisfy this requirement.

The effective date of the requirement that an applicator be certified to purchase and use restricted pesticides has been a subject of considerable discussion with the Committee. Because the Agency has been unable to utilize additional funds in the first quarter of this fiscal year to accelerate state applicator training activities, this could suggest to some a basis for extending this date for one year (until October 1977). However, an extension at this time will have the effects of slowing the considerable momentum toward implementation of certification programs that has been generated. I am advised that many states share this concern and oppose these extensions.

Section 17(d): Since the inspection of agricutural commodities is currently the responsibility of other agencies, EPA is unable to estimate accurately the resources which would be required to implement a program for lot-by-lot inspection of imported foodstuffs. In any event, the Agency would oppose taking on these additional responsibilities without additional authorization of appropriations to fund increased resource requirements. In addition, the Agency has serious misgivings concerning the appropriateness of its undertaking responsibilities in this area in view of the existing involvement of other agencies and the fact that no lot-by-lot inspection is provided for domestic food supplies.

PANAMA CANAL: STATE DEPARTMENT APPROPRIATION BILL CONFERENCE REPORT MUST BE REVISED

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, I take this time to alert the House to a very important situation that may develop tomorrow, if not tomorrow, very soon thereafter. The Appropriations Subcommittee for the Departments of State, Justice, and Commerce is going to file its conference report.

The Members will remember the Snyder amendment which passed the House overwhelmingly, having to do with the Panama Canal negotiation.

The House took a most formidable position with reference to that subject.

The Senate, the other body, however, did not adopt the Snyder amendment.

The CONGRESSIONAL RECORD shows that the subcommittee for the House will propose additional, substitute, or other language, and thereby hangs the tale.

I will not dwell on that matter now, but I am sure that the House will insist upon its original position. Any effort made by the Subcommittee on the Departments of State, Justice, and Commerce to take any action which would substitute any language for the Snyder amendment, I gathered, will be again not acceptable to the Members of the House.

I am going to revise and extend my remarks, Mr. Speaker, and for the benefit of the House, to refresh their memory, I will include a copy of the Snyder amendment and a copy of the language that I am advised will be proposed by the Subcommittee for the Departments of State, Justice, and Commerce. I take it for granted that the House, I repeat for the purpose of emphasis, will insist upon the original House position as expressed in the Snyder amendment.

Mr. Speaker, the conference report on H.R. 8121 making appropriations for the Departments of State, Justice, and Commerce, the Judiciary and related agencies for fiscal year 1976 contained a recommendation of the managers for a new amendment to replace the Snyder amendment that was adopted by the House on June 26, 1975. I propose to oppose the recommended revision and to insist on the original House position.

In considering the matter before us, it is essential that the following be understood:

First. In a joint statement on February 7, 1974, the U.S. Secretary of State and the Foreign Minister of Panama signed the nefarious 8-point "Agreement on Principles" to govern the negotiation for a new Panama Canal Treaty. Its points included surrender of U.S. sovereign control over the U.S.-owned Canal Zone territory and U.S. property of immense value in it to the Republic of Panama, all without a cent of reimbursement and without prior congressional authorization for such disposal.

Second. As repeatedly asserted by State Department officials, the purpose of the current negotiations is the "protection" of the "vital interests" of the United States and at the same time the fulfillment of Panamanian national aspirations, which, as will be shown, is an intrinsic impossibility.

Third. Panamanian aspirations, as summarized on March 19, 1963, by former Panamanian Secretary of Commerce Gilberto Arias, are:

> That the Panama Canal be the property of Panamanians, under full and absolute jurisdiction of the Republic of Panama, maintained by Panamanians, operated by Panamanians, sanitated by Panamanians and protected by Panamanians. (Ho. Doc. 474, 89th Congress, p. 203.)

Additional information on the stand of Panama and its allies is provided in a recent address by Dr. Romulo Escobar Bethancourt, rector of the University of Panama, member of the Panamanian Negotiating Team, and alleged to be a member of the Directorate of the Communist Party in Panama.

Mr. Speaker, as one associated with the canal security and operating efficiency for a long time, I can state that there are many Panamanians who recognize the current dangers, understand the service of the United States for the freedom of their country, and wish our Nation to remain on the isthmus as the sovereign of the Canal Zone. They recognize that the welfare and independence of Panama are directly linked with the U.S. presence as sovereign of zone territory.

Fourth. Since January 17, 1975, some 130 Members of the House of Representatives have cosponsored resolutions calling upon the U.S. Government to maintain and protect its sovereign rights and jurisdiction over the Canal Zone and canal and opposing any relinquishment or surrender—House Resolution 75, 94th Congress.

Fifth. Later, in the Senate, 38 Members, including important leaders of both parties, have cosponsored an identical resolution showing the strength of the opposition in that body to the projected surrender of U.S. sovereignty over the Canal Zone—Senate Resolution 97, 94th Congress.

Sixth. On June 26, the House after extensive debate, adopted the Snyder amendment to the State Department appropriation bill to prohibit the use of the funds appropriated for the purpose of negotiating the surrender or relinquishment of any U.S. rights in the Canal Zone by the decisive vote of 246 to 164—CONGRESSIONAL RECORD, June 26, 1975, pages 20945 and 20956. The Secretary of State has no more authority to negotiate for the surrender of U.S. territory and property in the Canal Zone to Panama than he has to negotiate for the cession of the State of Maine to Canada or the Gadsden Purchase to Mexico.

Seventh. In the Senate, the Snyder amendment was stricken out by that body's Committee on Appropriations.

Eighth. As reported by Ambassador Sol M. Linowitz, chairman of the so-called Commission on United States-Latin American Relations of New York, "only vigorous efforts" prevented the Senate from adopting the Snyder amendment. It is most significant that the U.S. Ambassador to Panama was recalled to Washington to assist in that lobbying. Other organizations have boasted of getting out "action alerts" in opposition to the Snyder amendment; and the bill was passed by the Senate without the amendment.

Ninth. The conference report on H.R. 8121 stated that the managers on the part of the House would move to substitute for the matter striken out in the Senate the following highly objectionable language:

> SEC. 104. It is the sense of the Congress that any new Panama Canal Treaty or agreement must protect the vital interests of the United States in the operating, maintenance, property and defense of the Panama Canal. (Congressional Record, September 18, 1975, p. 29378.)

Mr. Speaker, though the proposed amendment may appear plausible, it has serious defects:

First, it is not law but merely an inadequate expression of the sense of the Congress:

Second, it ignores the basic sovereignty provisions in articles II and III of the 103 treaty granting full sovereign rights, power and authority over the Canal Zone and canal to the United States to the entire exclusion of the exercise by Panama of any such sovereign rights, power, or authority, which rights were reaffirmed in the 1936 and 1955 treaties;

Third, it conforms to the State Department's program for surrender of the Canal Zone to Panama under the often repeated specious argument that the new canal treaty is necessary to protect the vital interests of the United States—an action that would subject the canal to nationalization and expropriation by Panama as occurred in Egypt for the Suez Canal;

Fourth, it constitutes a trap that would place the Congress in the ridiculous situation of supporting the State Department's plan to surrender the Canal Zone against the wishes of 246 Members of the House who supported the Snyder amendment, the 130 Members who cosponsored the Canal Zone sovereignty resolutions, and the 38 Senators who cosponsored Senate Resolution 97 in the Senate; and

Fifth, national polls indicate the overwhelming opposition of the American people to the projected surrender at Panama.

The conferees' amendment, which reflects State Department practice and terminology, furnishes an effective smoke screen to cover its long time objective for surrendering U.S. sovereign control over the Canal Zone and on which it is working strenuously. As such, it amounts to a subtle, attempted usurpation of authority by semantic interpretation and is a challenge to the Congress.

The belief on the part of some of our officials that U.S. operation and defense of the canal under treaty provisions rather than under sovereign authority would eliminate friction is not only naive but also a calamitious misjudgment of the actual situation. Friction would inevitably mount and our position on the isthmus would become intolerable, compelling the United States to use force again Panama or to withdraw and allow the canal to be operated and defended by the U.S.S.R. or Castro Cuba. In addition to not being authorized, this is a prospect that no administration, no Secretary of State, and no President should impose on their country or successors in office—Strategic Review, winter 1974, page 4.

The Panama Canal, with its indispensable protective frame of the Canal Zone, is an advantageously located waterway of world importance, forming part of the coastline of the United States and providing the gateway to the Pacific. As such, it is a crucial element in American seapower and a focal point for conquest in the global struggle for the control of interoceanic waterways. In a strategic sense, the surrender of its sovereign control would provide Red power its greatest victory since Stalingrad.

Mr. Speaker, I denounce the proposed amendment which is to be offered by the managers of the House after action on the conference has been completed. I oppose it because it is a semantic fraud and shall offer an amendment at that time in harmony with that adopted on June 26 by the House.

The language of the Snyder amendment and the proposed committee language in place of the Snyder amendment follow:

AMENDMENT OFFERED BY MR. SNYDER

Amendment offered by Mr. SNYDER: On page 16, after line 14, add the following new section:

"SEC. 104. None of the funds appropriated in this title shall be used for the purposes of negotiating the surrender or relinquishment of any U.S. rights in the Panama Canal Zone."

GENERAL PROVISIONS—DEPARTMENT OF STATE

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion as follows:

Restore the matter stricken by said amendment amended to read as follows:

Sec. 104. It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

A STATEMENT OF NATIONAL TRANSPORTATION POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. SHUSTER) is recognized for 5 minutes.

Mr. SHUSTER. Mr. Speaker, On September 17, Secretary of Transportation William T. Coleman, Jr., released "a statement of national transportation policy," the first such statement in the history of the Transportation Department. He is to be commended for his Herculean effort in producing this document.

Secretary Coleman deserves enormous credit for doing, after 6 months on the job, what his predecessors could not do in 6 years. It is incredible that we have never had a statement of national transportation policy before, and Bill Coleman is demonstrating his leadership capacity in a most positive fashion.

There will be healthy debate on the specifics of the policy, and we can expect substantial disagreement, but this statement is the essential prerequisite to hammering out a coherent national transportation policy.

I am particularly pleased with the Secretary's emphasis on revitalizing America's railroads and his acknowledgment that America's highways will continue to be the primary people movers in the years ahead. His recognition that transportation should be paid for, where possible, by "user charges" is reassuring. The trust fund concept has been the historical mechanism for collecting and disbursing user charges, so I sense a broadened perception on the part of the Department.

I am disappointed by the strong tilt in favor of big urban areas over the rest of America. We cannot solve the transportation problem of our big cities at the expense of other areas without exacerbating already serious transportation deficiencies. A "robbing Peter to pay Paul" transportation policy will not work.

As the ranking minority member of the Surface Transportation Subcommittee of Public Works, I welcome the Secretary's invitation for criticism and comments, and commend him for his apparent willingness to moderate his positions based on a rational interchange of divergent views.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, in the CONGRESSIONAL RECORD of Thursday, July 18, on rollcall No. 519, I was inadvertently recorded as voting "present." I had intended to vote "yea." I would, therefore, request that the permanent RECORD reflect that it was my intention to vote in the affirmative.

THREE PROPOSALS TO BREAK THE IMPASSE ON THE EMIGRATION OF SOVIET JEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 30 minutes.

Mr. DRINAN. Mr. Speaker, some basic decisions about the total number of Soviet Jews able to emigrate from Russia will have to be made in the relatively near future both by the Kremlin and by those groups in America and elsewhere who have brought about circumstances which have permitted 115,000 Soviet Jews to emigrate to Israel since 1970. Substantially fewer than 10,000 Soviet Jews will be able to leave the U.S.S.R. in calendar 1975. There are about 80 known Refuseniks in Leningrad and about 190 in Moscow. There is an estimated 2,500 Soviet Jews who have, in fact, applied and have been denied an exit visa.

Russian officials continue to deny—sometimes very vehemently—the truth of the estimated 100,000 Soviet Jews who desire to emigrate. This figure has been arrived at in part by the 150,000 Russian Jews who have asked for invitations from residents of Israel to come to that nation.

I spent well over an hour with the top OVIR official—the Commissioner of Emigration—in Moscow. Aside from the customary contention that there is no problem with Soviet Jews who desire to emigrate, this authority had no explanation for the precipitous decline in the number of emigres from 33,000 in 1973 to probably 9,000 in 1975. When asked whether or not the presence of the frequently prominent Refuseniks constituted an inhibition to further applications to emigrate, this bureaucrat shrugged and indicated that he and his associates knew nothing except about those persons who actually filed an application.

There are several hypotheses to explain what has happened in Russia with regard to the sharp diminution in the number of Soviet Jews leaving that nation. After examining all possible hypotheses, my mind has come to the conclusion that the most plausible explanation is that Soviet officials, at a relatively high level, have decided to terminate virtually all emigration and thereby bury the issue which, contrary to all of the Kremlin's expectations, turned their trade agreement with the United States into ashes.

I am inclined to think, however, that the very top officials of the Politburo have not come to the conclusion that their only hope to get trade advantages with the United States is to extinguish the emigration issue. Rather, they hope to defuse the issue by directing the middle and top bureaucracies to perpetuate the long delay in granting visas to prominent individuals while simultaneously inventing specious reasons for withholding visas from other individuals—particularly if they are well known. Such a policy is not inconsistent with permitting a few applicants to leave—especially if these applicants are capable of creating some international incident or of stirring up trouble within the U.S.S.R.

The most common reason for the denial of a visa is, of course, the contention that the individual was employed in a place where he or she had access to classified material. If the American system of classifying millions of documents each year as top secret seems irrational, the Russian practice is even more absurd. There are, of course, no regulations by which the key term of "access" to classified documents is defined nor is there any appeal from the decision which is made, not by some regional or national independent board but by the superiors of an individual at a local plant or office.

The cruel present practice of denying any definitions or procedures for the hundreds who have been denied an exit visa on the allegation that they were privy to secret material appears to be working successfully for the Soviets. Their position has a certain plausibility, and in most cases the individual involved was at least remotely associated with work which at least indirectly had something to do with classified materials.

But for individuals who cannot be placed in this category the Soviets have developed patterns of harassment which, once again, unfortunately have a certain plausibility. If, for example, a couple with a teenage son or two desires to emigrate, the Soviet Union will deny permission on the contention that the sons must do their military service. If, as in one case I became familiar with in Moscow, one son is 18 and another 14, the parents and the sons can be denied visas until at least 5 years after both boys have served in the military.

Another familiar technique is to draft students who apply, with or without their families, to emigrate. This was the case with Anatoly Malkin. He chose to take his chances on a trial for evading the draft where the sentence might be 3 years. He presumably felt that this would be less unsatisfactory than serving in the military and then being immobilized for at least 5 years. Malkin's appeal from his conviction in Moscow will be heard this week.

Forms of harassment inflicted on those who desire to emigrate include the familiar termination of one's position, the disconnecting of telephone service, humiliation of one's children in school and surveillance over mail and phone calls to and from Israel and the United States. The latter practice is, of course, a violation of international law. Several persons have suggested that the U.S. Congress investigate these violations. Although it would be most difficult to assemble evidence adequate for a judicially provable case, hearings on these practices would, in any event, build pressure and sympathy for Russian Jews who are victimized in this way.

Some highly placed Soviet officials with whom I talked expressed sincere astonishment that the concerns of the tiny minority of Jews in Russia and in the United States had endangered if not nullified the long-sought trade agreement between the two superpowers. One bureaucrat pulled out of his desk drawer a copy of a recent issue of the International Herald Tribune with an article from the New York Times on the Israeli lobby in Washington. This man expressed his conviction or at least his hope that the forces behind the Jackson-Vanik amendment constitute a transitory phenomenon associated with the new claim by Congress to have a direct role in the formulation of foreign policy.

This official and others also indicated that they were almost personally aggrieved at the exodus of 115,000 Soviet Jews during the last 4 years. One official, reputedly a close adviser to Brezhnev, stated to me that there have only been two great migrations in all of Russian history, both of which were prior to 1917. He admitted quite honestly that he could not understand why any Russian would want to go to Israel. I am sure that this man could not possibly understand the sentiment of a beautiful 72-year-old woman in Leningrad who stated to me simply—

> In this nation I can neither be a good Russian nor a good Jew.

During my several days in Russia I set down all of the explanations given to me by Soviet officials concerning the emigration of Soviet Jews. The various explanations were inconsistent and incoherent. The standard answer was that there is no problem. Some 98.5 percent of all Soviet Jews who have applied to emigrate have received permission. Apparently this figure is obtained by subtracting the 2,500 acknowledged Refuseniks from the 115,000 who have left Russia. This "statistic" obviously does not take into account the additional thousands who would apply if they could have some assurance that they would not lose their livelihood or see themselves and their families subjected to unbelievable indignities.

The second most frequent answer is that the applicant had access to "secrets." One woman so-barred told me that she was at least indirectly involved in the printing of maps and that maps of a particular size of designated sections of Russia are "secret."

Another explanation why emigration is not really permitted is the alleged rate of disaffection among Soviet Jews who go to Israel. Much is made of the handful of people who are unable or unwilling to accommodate themselves to Israel.

When an applicant urges the reunification of his family as a reason for emigration, Soviet officials sometimes point to the fact that he may join his wife in Israel but that he separates himself from his parents and his siblings.

I sometimes asked Soviet officials why they did not let all Jews and others migrate freely as they wished. After one individual offered an incomprehensible answer to that question, I asked him, rather pointedly, whether he and others believed in "dominoes." He paused for a good moment, then smiled and replied—with a vehemence that eroded his credibility—that even if all of the 3 million Jews in Russia left, not a single other ethnic or language minority would even think of leaving the Soviet Union.

THREE SUGGESTED METHODS OF APPROACH TO BREAK THE PRESENT IMPASSE

On the assumption suggested above that the highest officials of Russia have not yet finalized a decision to cut off all Jewish emigration, what action by Western nations can induce Russia not to take the final step? I would suggest here: First, a widespread appeal to the principles of the Helsinki Declaration agreed to by Russia and 34 other nations in August, 1975; second, an open, unprecedented and dramatic appeal by the Jewish community to all Christian bodies in America and elsewhere to act at this moment of crisis for Soviet Jewry; and third, a reconsideration of the Stevenson-Packwood amendment to the Export-Import Bank which restricted credits to Russia to $300 million.

I. THE IMPLICATIONS OF THE HELSINKI AGREEMENT

The signature of Mr. Brezhnev was hardly dry on the multination Helsinki agreement when I began to remind Soviet leaders in Russia of the implications of the commitments which their nation had made in the final chapters of this 30,000-word document. Officials in the U.S.S.R. were undoubtedly aware of the reaction and resentment in the United States that Russia, in the name of détente, had initiated a successful movement to have all European nations and also the United States initial a statement which in fact institutionalized the boundaries of those countries which in cold war rhetoric we used to call the "captive nations" or the "satellites." The language by which these boundaries were agreed to had been softened by the negotiators over a period of several months.

Presumably, in return for acquiescence in the borders of Eastern European nations decided by force on the part of the U.S.S.R., the contracting nations had managed to insert into the Helsinki document several agreements about universal copyright, multination visas for journalists, the diffusion of trade journals across national boundaries and the simultaneous publication of books in several countries.

As a part of this entire section of the Helsinki document on social and humanitarian concerns there are a number of agreements about the right of citizens to cross national boundaries—particularly for the reunification of families. The language is cautious, and qualifying phrases such as "whenever possible" abound. But the underlying meaning is that Russia and 34 other nations have committed themselves to permit the temporary and in some cases the permanent departure of a citizen to another country.

At first one is inclined to think that the wording of the Helsinki agreement is so constructed that it actually might operate as a qualification or limitation on the right to emigrate as subscribed to by Russia in 1948 in the Universal Declaration of Human Rights of the U.N. The Helsinki language, for example, affirms that if a person is denied the right to emigrate, he should receive a prompt answer to his application and be permitted to reapply within a reasonably short period.

It may well be that negotiators representing Russia and its sister socialist republics may well have worked this language in with a view to eroding the unqualified right to emigrate in the U.N. declaration. At the same time, Russia committed itself, to some specifics such as, for example, the categorical assertion in the Helsinki document that there should be no fee whatsoever for a second application for an exist visa.

I pointed this provision out to the Commissioner of Emigration in Moscow. He paused for a long period, consulted with his associates and admitted quite openly that perhaps Russia would have to change its policy of charging 40 rubles—$55—for each and every application to emigrate.

It would be my recommendation that a team of international legal experts study the Helsinki document, analyze the legislative history of its provisions regarding emigration and issue a comprehensive analysis of those things to which Russia certainly committed itself along with those provisions to which the U.S.S.R. could arguably be committed.

When I was in Russia from August 13–21, the journalists had already initiated a wide variety of actions to obtain the multiple visa guaranteed in the Helsinki agreement. The Kremlin sought to evade, avoid and delay any answer. But the unfavorable wire stories out of Moscow created world opinion which within a few days induced Russia to begin the process of granting multination visas for newsmen.

Those who desire to assist Soviet Jews should be no less zealous in exploiting every single implication of the commitments and promises which the U.S.S.R. made in the Helsinki document.

II. THE JEWISH COMMUNITY MUST APPEAL OPENLY FOR CHRISTIAN ASSISTANCE IN RUSSIA

I know of no situation in this entire century similar to that of Russia where perhaps 500,000 Jews out of a total of almost 3 million feel so oppressed that they would go through the extraordinary upheaval of migrating in adult life to another nation.

If there were a nation in which some 500,000 Christians, whether Protestant or Catholic, were the victims of cultural and religious genocide, we could hope that all Christians and certainly all Jews throughout the world would focus their attention on such a deplorable situation.

Why then are so few Christians anywhere concerned about the desperate and deepening plight of Russian Jews? It was the hope of many people 4 years ago that the establishment at that time of the national Interreligious Task Force on Soviet Jewry would involve Christians in helping Soviet Jews toward that exodus for which they long and pray. The task force has done very significant work—especially in the person of Sister Ann Gillen, who is admired and beloved in Russia and Israel as well as in America.

But the impasse about Soviet emigration at this time is so fraught with tragic possibilities that I would recommend that the Jewish community in America make a conscious and deliberate decision to ask for a once in a lifetime commitment from Catholics and Protestants to do something specific, generous and unprecedented. I think of full page ads in Catholic diocesan weeklies, talks by rabbis and others at Catholic and Protestant churches, and appeals to millions of American Christians to write to President Ford to demand leadership on this subject.

Why not ask American Christians to devote Advent of 1975—the 4 weeks before Christmas—to prayers and works for Soviet Jews? During Advent Christians recall and praise the work of the Hebrew prophets and the Jewish people who were the first ones to whom God revealed himself when He intervened in human history. Could there be a more appropriate time for Christians to remember those Soviet Jews who, like their forefathers in Egypt, cry out to the modern pharaohs "let my people go."

The Advent of 1975 might be the last Advent when Christians can do anything effective about liberating Soviet Jews. If the Christians of America forget the Jews of Russia in the season of Advent in 1975, Russia may well return to the total ban on emigration which it maintained until 1971. Russia could induct more dissident Jews into the army, send activist "Refuseniks" to Siberia and abolish completely whatever process now exists for Soviet Jews to apply for an exit visa. The Soviet Union could, furthermore, punish the Jewish community in Russia in any number of ways for having frustrated the Kremlin's hope for profitable trade and easy credit from the United States.

In a conversation which I had with Dr. Andrei Sakharov in Moscow, he stated repeatedly and vigorously his conviction that it was only Christians in America that could liberate the Jews of Russia. I tend to agree with that conclusion more every single day. As a result, I hope that Christians in the United States will be invited and induced to make the season of Advent in 1975 a month of praying, giving, communicating, and working for the emancipation of those believers in Russia who also adore the God of Abraham, Isaac, and Jacob.

III. SHOULD THE STEVENSON-PACKWOOD AMENDMENT BE REPEALED OR SUSPENDED?

Political and business leaders in the U.S.S.R. almost invariably point to the Stevenson-Packwood amendment as the reason why the trade bill, with the Jackson-Vanik amendment, is not operational. The Stevenson-Packwood amendment to the Eximbank pact, signed into law on January 4, 1975, provides for a ceiling of $300 million in new Eximbank credits to the Soviet Union unless the President seeks additional congressional approval. This particular amendment has now become so important—at least in the minds of the Soviets—that its legislative history is important.

Following the signing by the United States of the trade agreement with the Soviets in 1972, the United States furnished the Soviet Union with almost $500 million in Eximbank credits. When Congress, in 1974, was required to revise the legislation regulating the Export-Import Bank, there was inevitably a reaction against the largesse extended to the Soviet Union in the name of détente. With the United States, reeling under inflation, unemployment, and recession, Congress wondered whether the American taxpayer should subsidize 6-percent Eximbank credits like those which suddenly flowed to the Soviet Union after the Nixon trip to Moscow in 1972.

Senator ADLAI STEVENSON, the chairman of a subcommittee of the Senate Banking Committee, proposed a bill in June 1974, S. 3660, with a $300 million ceiling on the amount of additional credits available to the Soviet Union. The provision expressly stipulated, however, that the $300 million ceiling was not for any period of time and could be increased or even eliminated by a request from the President and action by the Congress.

The Stevenson subcommittee eliminated completely the $300 million ceiling. It was returned to the bill on the floor of the Senate because of the efforts of Senator STEVENSON and Senator PACKWOOD, the ranking minority member of the subcommittee.

No ceiling was contained in the House bill, and the $300 million limitation was at least twice dropped in conference committees. The unprecedented $300 million ceiling emerged in the final version of the conference report ratified on December 20, 1974 by both the House and the Senate.

During the enactment of the Eximbank bill the State Department and the administration did not protest vehemently against the inclusion of the $300 million ceiling, although they made it clear that they would much prefer a bill without such a restriction. It was not until after the Congress had finalized its action on December 20, 1974, that Dr. Kissinger termed the restriction as an "insult" to Russia or, "if it is not an insult, it is an absurdity."

Unfortunately, the enactment of the Stevenson amendment occurred during a time when the administration had been less than candid with the Congress. On December 18, 1974, the devastating letter of October 26, 1974, of Mr. Gromyko was revealed in Moscow. This message, delivered to Secretary Kissinger 8 days after the Jackson-Kissinger exchange of letters, categorically denied that Moscow had given any assurances or commitments regarding emigration. Gromyko stated bluntly that—

> The correspondence between you and Senator Jackson creates a distorted picture of our position. . . .

When this letter, for reasons which are still mysterious, was released on December 18 in Moscow, the Congress was quite literally in the final hours of its deliberations on both the Eximbank bill and the trade bill; both were finalized by the Congress on December 20.

If Secretary Kissinger had promptly released the contents of the letter which he received from Mr. Gromyko on October 26, the Congress might well have taken an entirely different route in its attempts to enact a law which would streamline Eximbank, update American trade laws and guarantee emigration from the U.S.S.R.

Now the much flaunted trade agreement of 1972 is dead. Russia is not even applying for credits from the Export-Import Bank, and the number of Soviet Jews who this year will be permitted to leave Russia will be substantially under 10,000 persons.

WOULD THE STATUS OF SOVIET JEWS WHO DESIRE TO EMIGRATE BE IMPROVED BY THE REPEAL OF THE STEVENSON-PACKWOOD AMENDMENT?

One answer to that difficult question is that it is difficult to imagine a further deterioration in the conditions which confront Russian Jews who desire to leave that nation.

A second reason that suggests the repeal of the Stevenson amendment is that this particular provision is undoubtedly discriminatory against Russia. The Congress has never imposed any ceiling of any nature on credits available to foreign nations who desire credits from the Export-Import Bank. Obviously the Stevenson-Packwood amendment was well intended; it was designed to supplement, support and even to substitute for the Jackson-Vanik amendment. But unfortunately it has not made possible the objectives of that amendment—namely the emigration of Jews from the U.S.S.R.

While it is not clear that the repeal of the Stevenson amendment would break the present impasse on trade and emigration, its repeal or suspension would at least permit some forward movement by both the United States and the U.S.S.R.

It might not take the actual repeal of the $300 million ceiling to achieve a break in the impasse. The Stevenson amendment permits the President to request additional credits for any reason he deems valid—even if, as is the present case, Russia has not utilized any of the $300 million available.

The Export-Import Bank Act is not up for review until 1978. Under the act, however, Congress by concurrent resolution may authorize credit to the U.S.S.R. in excess of the ceiling. There is some chance that such an action might change the minds of those high officials in the Soviet Union who have virtually closed the door to the 100,000 Soviet Jews who desire to emigrate. In view of this the repeal or suspension of the Stevenson-Packwood amendment is worthy of the fullest consideration.

A TRULY REMARKABLE WOMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, last Friday, one of Chicago's most beloved and respected citizens, Mrs. Serafina Ferrara passed away, in an Oak Park, Ill., hospital.

Born in Salerno, Italy, she came to America when she was 14 years old and eventually became known as "The Angel of Halsted Street" because of her many philanthropic and charitable works.

Mrs. Ferrara was a board member of the Chicago Foundling Home, the Cancer Prevention Society, the Villa Scalabrini Old People's Home, and was a guarantor of the Lyric Opera.

In 1956, Mrs. Ferrara received the National Grandmother of the Year Award. Besides having 10 grandchildren of her own, this amazing woman was the godmother of more than 90 children. Each year, she gave her famous Christmas party for the needy youngsters of the Halsted-Taylor community.

The Italian Government decorated her in 1968 with the Star of Solidarity for her philanthropy and in 1970 she was selected Chicago's Citizen of the Year.

She was perhaps one of the most genuine people that I have ever known. Chicago will not be the same without her.

THE FORGOTTEN MAN—THE AMERICAN FARMER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, for the past several months we have heard much discussion about our grain trade with the Soviet Union. This has been a somewhat controversial issue which has at times been marked by heated emotionalism and misrepresentation of fact. Unfortunately, the forgotten man in the midst of this controversy has been the American farmer. We are confronted by a case where the American farmer has become hostage to political forces over which he has no control.

Let us look for a moment at the facts. Four months ago, in justifying his veto of the emergency farm bill and while urging all-out production, President Ford promised the American agricultural producer free access to world markets. In fact, in his veto message, the President said, and I quote:

> Our farm products must have unfettered access to world markets. This administration is determined to act in support of the American farmer and his best interests. It will not act to distort his market.

The farmers of America, without the reasonable insurance policy which the vetoed farm bill would have provided, responded to the President's plea for expanded output by producing the largest wheat and corn crop in history. And they did so at a time when wholesale prices for grains are nearly 15 percent less than a year ago and when the cost of producing grains and other farm products has risen by more than 8 percent over the same period.

The farmers of America took the President at his word; but the President has not honored his commitment to them.

On August 11, 1975, fearing rising food costs should production fall short of anticipated levels and sensitive to the demands of organized labor, President Ford proclaimed a moratorium on further grain sales to the Soviet Union. The stated purpose of this moratorium was to buy time until the September 11 crop forecast when it could be determined whether this year's crops would indeed meet domestic needs in addition to foreign demands.

The September 11 crop forecast indicated, in the words of Secretary of Agriculture Earl Butz, "record production and a new all time high in productivity for American agriculture." With a crop forecast of 5.6 billion bushels of corn and 2.1 billion bushels of wheat, and with domestic needs estimated at 3.8 to 4.1 billion bushels of corn and 686 to 736 million bushels of wheat, it is evident that the farmers of America have produced more than enough grains to cover export demands which have been projected at 1.3 to 1.5 billion bushels of corn and 1.1 to 1.3 billion bushels of wheat.

In an appearance before the House Agriculture Committee last Thursday, Secretary Butz expounded on the implications of the harvest. Consider the Secretary's remarks:

> Overseas sales of agricultural products have been important to America for over three centuries. Today, they are more important than ever. Our farmers have built a large and efficient agriculture based in considerable part on export markets. They were asked this year to produce all-out—to meet the needs of overseas markets as well as domestic requirements and an increased level of concessional sales. They have responded with record or near record crops. They need markets for this production, and that means exports. If they are not allowed to make full use of overseas marketing opportunities, they will not have the incentive—and the financial ability—to produce big crops next year.

In light of the results of the September 11 crop forecast and mindful of the Secretary of Agriculture's testimony before the House Agriculture Committee, it is reasonable to ask why the moratorium on grain sales to the Soviet Union has not been lifted. I fear that one powerful segment of society; namely, the International Longshoremen's Association, has exerted sufficient pressure on the administration to force an extension of the embargo on further grain sales to Russia against the best interests of society as a whole. If this is true, the administration is playing a dangerous game of chance with the economic future of our Nation.

In my view, there can be little question about the desirability of stabilizing our grain purchase agreements with the Soviet Union. In the past, large and often unexpected Soviet intervention in our market has contributed to price instability and disruption of our commercial relationships with more regular customers, foreign and domestic, and I wish Mr. Robinson and his negotiating team every success in their meetings with their Soviet counterparts.

At the same time, however, I feel very strongly that greater attention must be given to the innocent victim of the great grain debate—the domestic producer.

The American farmer is being kicked around like a political football, and for no justifiable reason. This must stop now.

Last Friday, I wrote to President Ford to urge immediate removal of the embargo on further grain sales to the Soviet Union. In view of current economic realities and in the interest of equity, I hope that my colleagues in the House will relay a similar message to the President.

RECENT DEVELOPMENTS IN BINARY CHEMICAL MUNITIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. HICKS) is recognized for 5 minutes.

Mr. HICKS. Mr. Speaker, this is the time of year when there is a great deal of legislative activity concerning defense issues. The House is about to act on conference reports for the military construction bill and the defense authorization bill; in a short period of time we will consider the defense appropriations bill.

One of the issues which has been of recurring interest throughout all of these bills has been the binary chemical munitions program. The Department of Defense proposes to add to our chemical warfare inventory with binary munitions beginning in fiscal year 1978. These shells would utilize the same nerve agents currently in the inventory. The House has twice deleted production-related requests for binaries—in the fiscal year 1975 defense appropriations bill, and in the fiscal year 1976 military construction bill.

The reasons put forward for denying production-related requests for binary agents are many and varied. To summarize them:

Binaries would be added to stockpiled munitions which have close to half of their 20-year useful shelf-life remaining. Thus there is no pressing need to produce 155-millimeter and 8-inch binary shells at this time.

Chemical weapons stockpiled in the United States are of little value, and at the present time, we have no assurances that such stockpiles will be permitted elsewhere in meaningful amounts.

The United States already has a supply of nerve agent weapons. We do not have sufficient chemical warfare defensive equipment nor the training to use such equipment. According to the Army, we will not have such equipment until fiscal year 1981. And without the proper equipment and training, we cannot defend our troops against chemical attack, nor can we use our own offensive stockpile in retaliation. To go forward with binaries at this point while we lag behind in the defensive area is to reverse our priorities.

The binary program will be expensive: It is estimated that the entire panoply of binary weapons will cost between $750 million and $1 billion. There are many other ways in which these funds can be utilized to increase our national security.

There are negotiations now underway with the Soviet Union and other countries to ban production and stockpiling of lethal chemical weapons. The Director of the Arms Control and Disarmament Agency has testified that a production decision on binaries will harm, not help these negotiations.

The House may well be faced with another production decision regarding binaries when we consider the fiscal year 1976 defense appropriations bill. The administration has requested $8.8 million for a binary chemical munitions manufacturing facility and assembly line. It remains to be seen if the Appropriations Committee will approve this request.

Given the recent press of legislative business concerning the binary program, I believe it would be useful to summarize congressional action in this area over the last 2 years.

A summary follows:

RECENT LEGISLATIVE HISTORY OF BINARY CHEMICAL MUNITIONS

May 10, 1974: House Armed Services Committee reports out FY75 Authorization Bill which includes $4 million for research and development in lethal chemicals, or binaries. The amount reported out of committee is $1.9M less than the Administration's request. The Research and Development Subcommittee makes the cut to keep the binary program at a funding level similar to that of the previous year.

May 22, 1974: House passes the FY75 Defense Authorization Bill.

May 29, 1974: Senate Armed Services Committee report for FY75 Authorization Bill includes $4M for binary R&D. In agreeing with HASC reduction of $1.9M from the Administration's request, the report states that chemical warfare recommendations should be reviewed within a larger diplomatic and military context.

June 11, 1974: Senate passes the FY75 Defense Authorization Bill.

August 1, 1974: House Appropriations Committee report on FY75 Defense Appropriations Bill includes $4M for binary R&D, and $5.8M for a binary production line to be located at Pine Bluff Arsenal.

August 5, 1974: FY75 Defense Authorization Bill becomes Public Law.

August 6, 1974: By Floor amendment (214–186), the House deletes funds for the binary production line, before approving the FY75 Defense Appropriations Bill.

August 16, 1974: Senate Appropriations Committee reports out FY75 Defense Appropriations Bill, including $4M for binary R&D, but deletes funds for a binary production line.

August 21, 1974: Senate passes the FY75 Defense Appropriations Bill.

September 8, 1974: FY75 Defense Appropriations Bill become Public Law.

May 10, 1975: HASC reports out FY76 Authorization Bill including the entire Administration request for binary R&D—$6.1M for FY76 and $2.8M for FY7T. Committee report expresses concern over lack of effort in developing better CW defensive capabilities, especially by the Navy and Air Force.

May 19, 1975: SASC reports out FY76 Authorization Bill. Full Committee accepts R&D Subcommittee's decision to delete $9.7M from CW programs (lethal chemicals and chemical munitions technology), thereby eliminating all funds for binaries. Authorization Bill contains language prohibiting production or preproduction of binaries without a Presidential certification. Report calls for CW expenditures "only for basic chemical research and for programs oriented toward defensive and protective materiel". The Committee report also calls for stepped-up activity in CW defensive and protective equipment.

May 20, 1975: House passes FY76 Defense Authorization Bill.

May 22, 1975: SASC reports out FY76 Military Construction Authorization Bill. In light of the Authorization Bill recently reported out of Committee, the Administration's request for $562,000 for Pine Bluff Arsenal is denied. These funds would provide for the renovation of a building to house the binary production line.

June 6, 1975: Senate passes FY76 Defense Authorization Bill.

June 9, 1975: Senate passes FY76 Military Construction Authorization Bill.

June 13, 1975: HASC reports out FY76 Military Construction Authorization Bill, approving the Administration's request for $562,000 for Pine Bluff Arsenal.

July 28, 1975: By a vote of 219–185, the House deletes $562,000 for the Pine Bluff Arsenal production facility. As amended, the House passes the FY76 Military Construction Authorization Bill.

September 18, 1975: Conferees release report on FY76 Authorization Bill. Conferees restore $9.7M in binary research and development funds deleted by the Senate, adding that no funds can be authorized for production of binaries unless the President certifies that it is in the national interest.

THE TOWN OF SECAUCUS, N.J., CELEBRATES ITS 75TH ANNIVERSARY

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, the town of Secaucus, N.J., this week celebrates its 75th anniversary. Located in one of the most urbanized areas in the United States, Secaucus' residents have refused to give in to the urban sprawl that characterizes so much of our landscape. Very carefully, they have taken responsibility for the character of their community and have sought to combine industrial growth and comfortable residential areas which work together for everyone who lives and works in the community. They are creating a community which combines turn of the century charm with modern commercial growth.

Until 1964, Secaucus was a rural and residential mixture of suburban homes and farms. No single commercial building was under construction. In that year, however, Secaucus and Hartz Mountain industries created a 700-acre commercial park on both sides of the New Jersey Turnpike with quick access for warehouses and offices to New York and all of northern New Jersey. Today there is a $100-million investment by such firms as Nestle, Montgomery Ward, Mikasa, Woolco, Wedgewood, Vera, Lyle Stuart and, of course, Hartz Mountain, in 44 commercial structures. The largest structure is being developed by Panasonic Manufacturing and will be equal in size to 12 city blocks.

Secaucus is also building a new $13 million hospital, the first ever to serve Secaucus. The town recently completed a new modern primary school and has developed a modern housing facility for older persons with 100 efficiency and studio apartments.

Secaucus, which I once represented as part of the 14th Congressional District and is now in the neighboring 9th District, is a community about which I am very proud. Its residents have taken responsibility for how they want to live and have carefully planned their environment. Mayor Paul Amico, who has directed the extraordinary effort over the last few years deserves much praise for his work in carrying out Secaucus' plan. Mayor Amico is the first of Secaucus' "modern" mayors, and it has fallen to him to take Secaucus through the transition from a rural economy to a balanced community that can support itself by attracting and keeping industry and residents.

THE U.S. POSTAL SERVICE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am introducing legislation today, together with my colleague from West Virginia (Mr. Hechler), to abolish the U.S. Postal Service Corporation, repeal the Postal Reorganization Act and reestablish the former Post Office Department as an executive department of the Federal Government.

Four years ago, when Congress eliminated the old Post Office Department and replaced it with a new, quasi-independent corporation, I was among those who believed that we were doing the right thing. I hoped that taking the post office out of politics would result in improved service and more efficient operation.

Today, like many other Americans, I am appalled at the status of mail delivery under the new Corporation. Rates have soared for slower and more unreliable service. Subsidies required from the Federal Government continue and grow.

The new Corporation seems to have forgotten that the principal reason for its existence is service. At one point after the U.S. Postal Service came into existence, 50,000 postal employees were laid off their jobs at a time when mail volume was at an all-time high, resulting in serious service disruption. Service is being seriously curtailed. Collections are now less frequent; mail delivery to businesses has in many areas been reduced to once a day—compared to three daily deliveries in 1971; and there is no Saturday delivery to many businesses throughout the country. The morale of the employees in this type of atmosphere is understandably low.

In a desperate attempt to try to get their messages delivered promptly, many private businesses are turning to companies such as Greyhound, United Parcel Service, and the airlines for help. Some utility companies have even initiated partial delivery of their own monthly bills. Whereas in 1967 the Post Office Department handled twice the number of packages as United Parcel Service, by 1971 United Parcel had already surpassed the Postal Service in volume of packages handled and earned a $30 million profit that year.

Even in the area of economy, the Postal Corporation has been a dismal failure, despite all the inefficiencies the Service has introduced in the name of saving money. In the early days of its existence it did appear that the U.S. Postal Service would eventually be able to break even. The deficit shrank from $175 million in 1971 to only $13 million in 1973. But then in 1974 the deficit jumped to an alarming $438 million, went on to an incredible $869 million in fiscal 1975, and now is projected at $1.6 billion for 1975. The net result of the corporation's activities is disastrous deterioration of service, unjustifiable rate increases, and a shocking deficit.

The recent announcement of a rate increase to 13 cents on first class mail, coupled with a Postal Service request for a $2 billion annual Federal subsidy is "the straw that breaks the camel's back," convincing me that the corporation must be abolished. The American people will not continue to tolerate rising postal rates and deteriorating service, especially at a time when the cost of living is so high in other areas. For low-income groups and the elderly, higher rates impose a special hardship, and we may soon see the day when these people cannot even afford the price of a first class stamp.

It is incumbent on the Congress that we act to alleviate the present crisis by restoring mail delivery to its rightful place as a public service administered by the Federal Government. The text of our bill follows:

H.R. 9766

A bill to abolish the United States Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the United States Postal Service is hereby abolished.

(b) The Postal Reorganization Act is hereby repealed.

(c) The provisions of title 39, United States Code, as in effect immediately before the enactment of the Postal Reorganization Act are hereby reenacted and made effective.

(d) The former Post Office Department is hereby reestablished as an executive department of the Federal Government.

PROPOSED AMENDMENT TO THE ENERGY CONSERVATION AND OIL POLICY ACT BY MR. CARTER

(Mr. CARTER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. CARTER. Mr. Speaker, last Thursday, an amendment to the Energy Conservation and Oil Policy Act, which Congressman Perkins and I had prepared, in the interest of seeing to it that this country goes into commercial scale coal liquefaction and coal gasification without any further delay, was defeated by a vote of 154 to 211, with 67 Members not voting and 1 voting "present."

Mr. Speaker, the vote was the last one in a day which saw more than a dozen amendments to H.R. 7014 considered, the subject is somewhat complex to those unfamiliar with development in synthetic fuel technology, and time was short. A review of the debate which took place, short as it was, convinces me that this amendment, or a similar one, would be adopted by the House if our colleagues can be given another opportunity to consider it.

Therefore, another amendment, which I have included with my remarks, has been prepared, and will be offered on Tuesday as title IX.

New language was prepared to clarify points which appeared to be in confusion during the Thursday debate.

Mr. Speaker, during that debate one very significant aspect of this amendment to bring about commercial scale coal liquefaction and coal gasification never became clear.

It is the wording of section 901(2) which states that when it comes to making loans or guarantees to firms which would construct a liquefaction or a gasification plant, the Federal Energy Administration Administrator "is to give preference to projects which would provide additional employment opportunities in depressed areas and increase competition with the coal industry and the petroleum industry."

That language was inserted in the original legislation so that beyond a shadow of a doubt it would be clear that the giants of the energy business should not and would not be entitled to a loan, or guarantee, or assistance under this act. These firms can finance coal liquefaction and coal gasification plants on a commercial scale today, but they choose not to for reasons which they do not share with the fuel buying public. Logically, an analysis of their motives could lead to the belief that they feel they would be competing only with themselves if they went into coal liquefaction and coal gasification.

Therefore, we have a great opportunity to act on behalf of the people, and go ahead with legislation which will insure that smaller, but capable business entities can go ahead with construction of coal gasification and coal liquefaction plants on a commercial scale, and create competition in the energy business.

Also, adoption of the amendment would would be a certain way of showing the oil exporting nations that the United States is serious about ending the extortion they practiced and continue to practice through exorbitant prices for their crude oil. It is one sure and definite way of showing these exporting nations that Americans are serious about energy independence, and that they will not be able to destroy our economy at their whim.

Mr. Speaker, this amendment in no way conflicts with legislation involving the Energy Research and Development Administration's efforts at developing additional techniques for producing synthetic fuel from coal. Such research should go on, but for years and years and years, efficient coal conversion technology has been available to us.

Researchers have a tendency to never want to say that they have completed their work, and that a project is finished. There is always one more thing to check out and refine. But when it comes to converting coal to liquid fuel or to gas, nobody can question the fact that the techniques have been known, and have been used commercially, for years and years.

Unfortunately, commercial scale use has been in other countries, and not the

United States. But we can end that, and end Middle East dominance over our economy, by approving this amendment to bring about commercial scale coal liquefaction and coal gasification.

The amendment basically consists of two parts. The first part authorizes the FEA administrator to make loans and guarantees to firms which would build commercial scale liquefaction and gasification plants.

The second part would allow the administrator to build these plants and then lease and sell them to private industry, with the firm operating the plant having to beat out any other firm wanting to bid in a public auction.

Mr. Speaker, during the debate last week, a question was asked which, in summary, was whether firms already in gasification could receive a loan. Mr. Speaker, the intent of the amendment is to bring new competition into the fuel business, and so the Administrator should be guided by that fact. Therefore, while he might want to make a loan to a firm which has developed some expertise and technical know-how through involvement in demonstration plants, he should not want to make a loan to a firm which is now a big gas producer, with extensive wells.

Also, during the debate, Mr. Speaker, a question arose over whether the amendment exempts gasification and liquefaction from existing anti-pollution legislation. It specifically states that the Administrator of the Environmental Protection Agency will review construction plans and the construction of any facility, but because the question came up last week, the language has been made even more specific by the addition of the words "To insure compliance with air and water pollution laws. . . ."

This question, plus several others arose during the part of the debate confined to the point of order, but I would like to point out that additional clarifying language has been inserted to eliminate objections which were raised.

Mr. Speaker, there is a question of hearings on the subject of liquefaction and gasification, on a commercial scale. Just last December, two subcommittees of the Committee on Science and Technology held a day of hearings on liquefaction and gasification legislation which Congressman **PERKINS** introduced. But, Mr. Speaker, this subject has been studied and debated in the Congress since long before many of us ever got here. Now is the time to act.

Mr. Speaker, last Thursday a question was raised about the method involved in financing construction of these plants, with the point being why not use tax credits.

Of course, that is a possibility, but we are going through a revision of the tax code in Ways and Means at this time to see if we should not eliminate some of the loopholes in the law.

To my way of thinking, we ought to move in a direct route, knowing what we are doing and what it may cost, rather than going in an indirect route.

Mr. Speaker, a question was raised implying that the thrust of the legislation would be to buy up coal company property and then lease it back to the coal companies. That is an erroneous impression. The Federal Energy Administrator would be authorized to buy coal but only for use in a liquefaction operation—not to be leased back to a coal company. I do not see coal companies going into the liquefaction or gasification business. That is not within their technology, at the present time. The firms going into this would be those with some scientific ability in the area of gasification or liquefaction, but without the giant economic resources necessary to establish a liquefaction or gasification plant.

An erroneous impression was also left regarding the disposal of plants the Government might build. They would be sold under bids, and there would be public bidding.

Mr. Speaker, I hope the Members will look at this amendment carefully. It gives us as a Nation two significant opportunities. We can show the oil exporters that we are serious about ending our dependence on them. And we can create the beginnings of real competition in the energy business. We should not pass up those opportunities.

The amendment follows:

Amendment offered by Mr. **CARTER**: On page 365, line 19, add the following new Title:

TITLE IX—COMMERCIAL COAL GASIFICATION AND LIQUEFACTION

SEC. 901. (a) The Administrator shall establish a program of assistance to private industry for the construction and operation of one or more facilities for the liquefaction and gasification of coal. In order to effectuate such program, the Administrator may make loans and issue guarantees to any person for the purpose of engaging in the commercial operation of facilities designed for the liquefaction or gasification of coal.

(b) (1) For the purpose of making loans or issuing guarantees under this section, the Administrator shall consider (A) the technology to be used by the person to whom the loan or guarantee is made or issued, (B) the production expected, (C) reasonable prospect for repayment of the loans.

(2) In making such determination, the Administrator is to give preference to projects which would provide additional employment opportunities in depressed areas and increase competition within the coal industry and the petroleum industry.

(3) The Administrator shall not make any loan or issue any guarantee to any person which is owned or controlled directly or indirectly, by any foreign government or instrumentality of such government, including any national oil company of such foreign government, unless the President finds that such loan or guarantee is in the national interest and authorizes the Administrator to make such loan or issue such guarantee.

(c) (1) The Administrator may enter into purchase agreements to assure a market for the output of such facilities when the cost of production exceeds current market prices.

(2) The Administrator shall, in order to assure adequate supplies of material, equipment, and market outlets for the output of such facilities, guarantee performance of contracts by persons receiving loans from the Administrator for the purchase, construction, or other acquisition of equipment and supplies necessary to develop, construct, and operate any such facility.

(d) To ensure compliance with air and water pollution laws, the construction plans and actual construction of any facility (including any exploration) financed, in whole or in part, under this section shall be reviewed from time to time by the Administrator of the Environmental Protection Agency who is authorized to require the use in such facility of the most thorough pollution control devices then available. The cost of such devices shall be included in the total cost of each such facility and shall be taken into consideration by the Administrator in granting any loan or entering into any guarantee agreement or purchase or price support agreement under this section.

PURCHASES OF SITES, RESERVES AND CONSTRUCTION OF FACILITIES

SEC. 902. (a) The Administrator is authorized—

(1) to acquire necessary sites by purchase except by condemnation, and to construct facilities deemed necessary by him to carry out the gasification and liquefaction of coal under section 901 of this Act.

(2) with respect to each such project, to acquire, by purchase, except by condemnation, such reserves of coal as he may deem necessary to assure supplies of raw materials adequate for the attainment of the objectives of such project, and

(3) to acquire, except by condemnation, from private interests such facilities as may have therefore been constructed or acquired by such interests, whether in whole or in part, in connection with any project for the liquefaction or gasification of coal at prices to be negotiated by the Administrator with such private interests: *Provided, however,* That in connection with any such acquisition the private interests shall be granted an option to lease such facilities upon the terms and conditions provided for in subsection (b) of this section, such option to be exercised within six months from the date on which the facilities were transferred to the Administrator, if complete, or within six months from the date when such facilities are completed by the Administrator.

(b) (1) Facilities acquired or constructed under this section shall be leased to any person at such rentals and upon such terms and conditions as shall be agreed to by the parties, under regulations which shall ensure the protection of the public interest.

(2) Each such lease shall provide that the lessee may sell at prevailing market prices or acquire for its own account at such prices, the output of such facilities.

(3) Each lease shall further provide that the lessee shall have options to purchase the facilities at any time within ten years after the date of the respective lease at a price to be agreed upon by the parties. Each option shall be conditioned, however, upon the right of the Administrator within the ten-year term to offer the facilities for sale at public auction and the lessee shall be entitled to purchase the facilities if he meets the highest bona fide offer in excess of the agreed option price. In order that an offer may be considered bona fide, it shall be offered by a bidder who shall have been determined by the Administrator to be financially and technically qualified to purchase and operate the facilities.

(4) No private interest shall be permitted to lease or purchase any facility covered by this section if such interest is a person who is owned or controlled directly or indirectly by any foreign government or instrumentality of such government, including any national oil company, unless the President finds that such sale or lease is in the national interest and specifically authorizes such lease or purchase.

DEFINITIONS

SEC. 903. As used in sections 901 and 902—

(1) the term "facilities" means land, mineral rights, mines, water rights, rights-of-way, easements, and other interests in land, pipelines, machinery and equipment, and all other property, real, personal, or mixed, used or to be used in connection with any

project for the liquefaction or gasification of coal.

(2) The term "person" does not include Federal, State or local governments or any subdivision or agency thereof.

AUTHORIZATION OF APPROPRIATIONS

Sec. 904. (a) There are authorized to be appropriated sums not to exceed $750,000,000 for fiscal year 1976 to carry out section 901.

(b) There are authorized to be appropriated sums not to exceed $750,000 for fiscal year 1976 to carry out section 902.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Alexander (at the request of Mr. O'Neill) for today, on account of illness in the family.

Mr. Foley (at the request of Mr. O'Neill), until further notice, on account of a necessary absence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Flood for 30 minutes today.

(The following Members (at the request of Mr. Jeffords) and to revise and extend their remarks and include therein extraneous matter:)

Mr. Shuster, for 5 minutes, today.

Mr. Steelman, for 5 minutes, today.

Mr. Ashbrook, for 30 minutes, today.

(The following Members (at the request of Mr. Miller of California) and to revise and extend their remarks and include therein extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Drinan, for 30 minutes, today.

Mr. Rostenkowski, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Hicks, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Bennett and to include extraneous matter.

Mr. Jenrette, to revise and extend his remarks, following the remarks of Mr. Collins of Texas.

(The following Members (at the request of Mr. Jeffords) and to include extraneous matter:)

Mr. Carter.

Mr. Ashbrook in three instances.

Mr. Whitehurst in two instances.

Mr. Crane.

Mr. Symms in two instances.

Mr. Frenzel in three instances.

Mr. Bell.

Mr. Jeffords.

Mr. Martin.

Mr. Spence.

Mr. Lujan.

Mr. Hansen in two instances.

Mr. Abdnor.

Mr. Gilman.

Mr. Peyser.

Mr. Steiger of Arizona.

(The following Members (at the request of Mr. Miller of California), and to include extraneous matter:)

Ms. Abzug.

Mr. Dan Daniel.

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Rangel in eight instances.

Mr. James V. Stanton in two instances.

Mr. Hubbard.

Mr. Evins of Tennessee in four instances.

Mr. Hawkins.

Mr. Teague.

Mr. Ford of Tennessee.

Mr. Wirth.

Mr. Reuss.

Mr. Symington.

Mr. Richmond.

Mr. Brown of California.

Mr. Murtha.

Mr. Oberstar.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2337. An act to extend the Energy Supply and Environmental Coordination Act of 1974; to the Committee on Interstate and Foreign Commerce.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2270. An act to authorize an increase in the monetary authorization for certain comprehensive river basin plans previously approved by the Congress, and for other purposes.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4222. An act to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval a bill of the House of the following title:

H.R. 9497. An act to amend the computation of the level of price support for tobacco.

ADJOURNMENT

Mr. MILLER of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 20 minutes p.m.) the House adjourned until tomorrow, Tuesday, September 23, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1777. A letter from the Acting Director, Defense Civil Preparedness Agency, transmitting a report on Federal contributions to States for civil defense equipment and facilities during fiscal year 1975, pursuant to section 201(i) of the Federal Civil Defense Act of 1950, as amended [50 U.S.C. App. 2281(i)]; to the Committee on Armed Services.

1778. A letter from the Assistant Secretary of the Interior, transmitting the annual report for calendar year 1974 on the administration of the Federal Metal and Nonmetallic Mine Safety Act, pursuant to section 20 of the act (Public Law 89–577); to the Committee on Education and Labor.

1779. A letter from the Chairman and the Executive Director, National Commission on Libraries and Information Science, transmitting the Commission's long-range program entitled "Toward a National Program for Library and Information Services: Goals for Action," pursuant to section 5(a)(1) of Public Law 91–345; to the Committee on Education and Labor.

1780. A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the divestiture from the United States of ownership of the Mar-A-Lago National Historic Site, Fla., and for other purposes; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce, H.R. 7988. A bill to amend the Public Health Service Act to revise and extend the program under the National Health and Lung Institute, to revise and extend the program of National Research Service Awards, and to establish a national program with respect to genetic diseases; and to require a study and report on the release of research information; with amendment (Rept. No. 94–498). Referred to the Committee of the Whole House on the state of the Union.

Mr. RODINO: Committee on the Judiciary. H.R. 8532. A bill to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes; with amendment (Rept. No. 94–499). Referred to the Committee of the Whole House on the state of the Union.

Mr. MORGAN: Committee on International Relations. S. 2230. An act to authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance; (Rept. No. 94–500). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHN L. BURTON:

H.R. 9752. A bill to amend title XIX of the Social Security Act to provide that all future social security benefit increases shall be disregarded in determining the eligibility of an individual for medical assistance or the status or extent of coverage of an individual under the medicaid program; to the Committee on Interstate and Foreign Commerce.

H.R. 9753. A bill to amend the Social Security Act to establish a guaranteed minimum annual income, based on the level of the prevailing statutory minimum wage, for all residents of the United States who are age 60 or over; to the Committee on Ways and Means.

By Mr. CLAY (for himself, Mr. Hechler of West Virginia, and Mr. Hungate):

H.R. 9754. A bill to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DEVINE (for himself, Mr. Brown of Ohio and Mr. Broyhill):

H.R. 9755. A bill to provide temporary authority for the President, the Federal Power Commission and the Federal Energy Administration to institute emergency measures to minimize the adverse effects of natural gas shortages; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKINSON:

H.R. 9756. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Hr. HOWARD:

H.R. 9757. A bill to stabilize labor-management relations in the construction industry, and for other purposes; to the Committee on Education and Labor.

By Mr. JONES of Alabama (for himself, Mr. Harsha, Mr. Roberts, Mr. Don H. Clausen, Mr. Myers of Pennsylvania, Mr. Holland, Mr. Howe, Mr. Nowak, Mrs. Lloyd of Tennessee, and Mr. Fary):

H.R. 9758. A bill to amend the Federal Water Pollution Control Act to provide for additional authorizations, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JONES of Alabama (for himself, Mr. Harsha, Mr. Roberts, Mr. Don H. Clausen, Mr. Wright, Mr. Cleveland, Mr. Johnson of California, Mr. Snyder, Mr. Henderson, Mr. Hammerschmidt, Mr. Howard, Mr. Shuster, Mr. Anderson of California, Mr. Walsh, Mr. Roe, Mr. Cochran, Mr. Roncalio, Mr. Abdnor, Mr. McCormack, Mr. Taylor of Missouri, Mr. James V. Stanton, Mr. Goldwater, Mr. Studds, Mr. Hagedorn, and Mr. Ginn):

H.R. 9759. A bill to amend the Federal Water Pollution Control Act to provide for additional authorizations, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. KARTH (for himself and Mr. Waggonner):

H.R. 9760. A bill to amend the Internal Revenue Code of 1954 to provide that the gross income of an employee shall not include amounts directly or indirectly received as payment or reimbursement for legal services under group legal services plans, the value of legal services rendered under such plans, or contributions by employers to such plans; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. John L. Burton, Mr. Carr, Mr. Edgar, Mr. Fraser, Mr. Hannaford, Mr. Hawkins, Mr. Leggett, Mr. Moffett, Mr. Pattison of New York, and Mr. Solarz):

H.R. 9761. A bill to amend title 18 of the United States Code to provide a code of accountability and liability for Government officials engaged in making and implementing national security policy; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 9762. A bill to amend section 427(a) (2) (A) of the Higher Education Act to provide that federally insured student loans may be made with endorsement, but shall not be required by eligible lenders to be made with endorsement; to the Committee on Education and Labor.

By Mr. McCLORY:

H.R. 9763. A bill to amend title 18 of the United States Code to reduce violent crime by providing stricter handgun control, and for other purposes; to the Committee on the Judiciary.

By Mr. MOSHER (for himself, Mr. Anderson of Illinois, Mr. Bauman, Mr. Bedell, Mr. Burgener, Mr. Carr, Mr. Downey of New York, Mr. Duncan of Oregon, Mr. du Pont, Mr. Edgar, Mr. Edwards of California, Mr. Eshleman, Mr. Forsythe, and Mr. Fuqua):

H.R. 9764. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. MOSHER (for himself, Mr. Gradison, Mr. Gude, Mr. Hannaford, Mr. Hechler of West Virginia, Mr. Howe, Mr. Kastenmeier, Mr. Litton, Mr. Martin, Mrs. Meyner, Mr. Mikva, Mr. Miller of California, Mrs. Pettis, Mr. Santini, Mr. Stephens, Mr. Stuckey, Mr. Talcott, Mr. Van Deerlin, Mr. Walsh, Mr. Winn, Mr. Wydler, and Mr. Young of Florida):

H.R. 9765. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER (for himself, and Mr. Hechler of West Virginia):

H.R. 9766. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 9767. A bill to provide for additional income for the U.S. Soldiers' and Airmen's Home by authorizing the Board of Commissioners of the Home to collect a fee from the members of the Home; by appropriating nonjudicial forfeitures for support of the Home; and by increasing the deductions from pay of enlisted men and warrant officers; to the Committee on Armed Services.

H.R. 9768. A bill to amend title 32, United States Code, to authorize the Secretary concerned to prescribe the frequency of inspections, and for other purposes; to the Committee on Armed Services.

By Mr. WHALEN:

H.R. 9769. A bill to amend title 10 of the United States Code in order to provide that no veteran may be denied care or treatment under the CHAMPUS program for any service-connected disability solely because care or treatment for such disability is available at Veterans' Administration medical facilities; to the Committee on Armed Services.

By Mr. YATRON:

H.R. 9770. A bill to reduce for a 2-year period the duty on vanadium pentoxide (anhydride) to 6 percent ad valorem; to the Committee on Ways and Means.

By Mr. JONES of Alabama (for himself, Mr. Harsha, Mr. Anderson of California, Mr. Snyder, Mr. Johnson of California, Mr. Hammerschmidt, Mr. Henderson, Mr. Cochran, Mr. James V. Stanton, Mr. Abdnor, Mr. Studds, Mr. Taylor of Missouri, Mr. Ginn, Mr. Mineta, Mr. Howe, Mr. Levitas, Mrs. Lloyd of Tennessee, and Mr. Fary):

H.R. 9771. A bill to amend the Airport and Airway Development Act of 1970; to the Committee on Public Works and Transportation.

By Mr. JONES of Alabama (for himself, Mr. Harsha, Mr. Anderson of California, Mr. Snyder, Mr. Roberts, Mr. Cleveland, Mr. Howard, Mr. Don H. Clausen, Mr. Roe, Mr. Walsh, Ms. Abzug, Mr. Hagedorn, Mr. Holland, Mr. Ambro, and Mr. Nowak):

H.R. 9772. A bill to amend the Airport and Airway Development Act of 1970; to the Committee on Public Works and Transportation.

By Mr. OBERSTAR (for himself, Mr. Udall, Mr. Baucus, Mr. Bevill, and Mr. Simon):

H.R. 9773. A bill to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes; to the Committee on Education and Labor.

By Mr. WAXMAN:

H.R. 9774. A bill to amend the Federal Coal Mine Health and Safety Act of 1969; to the Committee on Education and Labor.

By Mr. KEMP:

H.J. Res. 665. Joint resolution proposing an amendment to the Constitution of the United States relative to freedom from forced assignment to schools or jobs because of race, creed, or color; to the Committee on the Judiciary.

By Mr. FINDLEY:

H. Con. Res. 402. Concurrent resolution welcoming their Majesties the Emperor and Empress of Japan; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

266. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Kentucky, requesting Congress to call a convention for the purpose of proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of the rule XXII,

Mr. JOHN L. BURTON introduced a bill (H.R. 9775) for the relief of Carmen Cecilia Blanquicett, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

236. The SPEAKER introduced a petition of George Bennett, Detroit, Mich.; relative to regulations of the Federal Communications Commission; to the Committee on Interstate and Foreign Commerce.

SENATE—*Monday, September 22, 1975*

(Legislative day of Thursday, September 11, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, in whom is the strength of our hearts and the hope of the world, in this noontide moment of prayer we open our lives to Thy spirit. In Thee do we trust. Thou hast bidden us to "Seek the Lord while He may be found" and "to call upon Him while He is near." We desire Thy presence and power not only in this reverent pause but in every working hour. Grant us purity of heart and steadfast trust in Thee that we may follow faithfully the truths of Thy word and ways of Thy kingdom. Let the spirit of Him who was the light of men rule within our hearts and guide our judgments until our work is done and the evening comes. Then may we rest in the peace of those who love Thee and keep Thy commandments. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., September 22, 1975.*
>
> *To the Senate:*
>
> Being temporarily absent from the Senate on official duties, I appoint Hon. DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair during my absence.
>
> JAMES O. EASTLAND,
> *President pro tempore.*

Mr. BUMPERS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, September 19, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 374 and 377.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REHABILITATION AND BETTERMENT ACT EXPANSION

The bill (H.R. 543) to expand coverage of the Rehabilitation and Betterment Act (act of October 7, 1949, 63 Stat. 724), was considered, ordered to a third reading, read the third time, and passed.

ROBERT M. JOHNSTON

The bill (H.R. 1401) for the relief of Robert M. Johnston was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT TO PARAGRAPH 3 OF RULE XXV OF THE STANDING RULES OF THE SENATE

Mr. MANSFIELD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The resolution (S. Res. 264) was read, considered by unanimous consent, and agreed to as follows:

> *Resolved,* That paragraph 3 of rule XXV of the Standing Rules of the Senate is modified to read as follows:
>
> "3" Except as otherwise provided by paragraph 6 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

"Committee	*Members*
"Rules and Administration	9"

THE LAST 100 DAYS

Mr. HUGH SCOTT. Mr. President, there are exactly 100 days remaining in 1975. We used to speak of what Congress could do in the first hundred days. I would wish to see what they can do in the last hundred.

We still do not have an energy bill, and I wish to know when we are going to get one. I think the greatest priority is an extension of controls for a reasonable period of time which ought to be done, as the House of Representatives has proposed, and enacted. They have a 60-day bill which is on our desk. I wish to see action on that.

I wish to see Congress enact a constructive compromise. We have gone through all but the last 100 days of the year blaming each other, which is no way to legislate. I do not see why the members of the Committee on Interior and Insular Affairs do not get their collective heads together to see if they cannot work out something which has a chance of being signed, enacted and not vetoed or veto sustained. But the way to do that is first to extend the controls because there are no controls now. The oil companies could, if they wanted to, blow the prices through the roof. They have been urged by the Executive to restrain themselves, and so far they have done it. But rising costs would increase their pressures and temptations to pass through these costs in the near future. Yet there is no point in passing an extension if we are going to squander the extension by mutual accusations.

I think the country is pretty fed up with the present situation. The country feels it is entitled to know what is going to be done about energy. A great many plans are being withheld because no one knows what the price of fuel oil will be. There are going to be drastic shortages in many of the Eastern States of natural gas this winter. It is going to get pretty cold. Boilers are going to get pretty hot. It seems to me we ought to do something, and we ought to be willing to do it in the spirit of compromise.

I have indicated my support of compromise, and I am willing to go as far as the parties can bring themselves to go on both sides to meet somewhere on a spot which might be called the people's interest. If they will meet in that plaza of the people sometime, maybe we can work something out.

It is a pity to have a situation where the only proposals we can get out of Congress are those which, ostensibly, roll back prices and which, actually, do not do anything of the sort. It is a cruel deception on the people to tell them that we are going to put the price of oil back where it was several years ago when everyone knows that that will not produce a barrel of oil and everyone knows it will not happen, because people simply are not going to sell at prices below cost, anymore, as I illustrated the other day, than farmers would sell eggs at 25 cents a dozen if Congress by fiat provided that all eggs shall be 25 cents a dozen. What we would have would be a vast hegira of hens into the unknown, and without the hens there would be no eggs. Without logic and reason, there will be no legislation.

All of us in the Senate, indeed all of us in the Congress, share a number of common goals as far as the Nation's energy future is concerned. I believe we all want to decrease our dependence on foreign oil sources. And I believe we all want to encourage energy conservation wherever possible and encourage increasing reliance on production of energy from our own massive domestic resource base, consistent with sound environmental safeguards.

Our major differences, it seems to me, are ones of degree and not of substance. And our disagreements are over methodology, rather than basic aims.

I have been thoroughly convinced for some time that one of the most important and effective ways to accomplish the dual aims of decreasing energy consumption and increasing domestic energy exploration and production is to remove, on a gradual phaseout basis, price controls on oil produced in this country.

I have been joined in that opinion by most of the respected economists in this country.

However, moving from a situation of stringent controls to a state of no controls at all can have a sizable impact on the economy of the United States, particularly when the controls are being removed on a commodity as basic to our needs as oil, and particularly when the economy in general is gradually emerging from a prolonged recession.

The blame for the fact that the Nation now finds itself with no controls on the price of petroleum produced domestically lies squarely here on Capitol Hill. By default, we have allowed the Emergency Petroleum Allocation Act to expire as scheduled on August 31 of this year, without accepting any of the four compromises proposed to us by the President before the act terminated.

Today there are 100 days left in 1975—100 days in which we can either continue to do nothing, and let our energy problems grow worse, or take speedy and decisive action to begin the massive job of solving those problems.

Now the responsibility is ours to act quickly to reach a compromise which will allow the Nation to accomplish conservation and production, but removing controls gradually, so that the recovery of the economy will be protected and encouraged.

The President has made it clear that he will accept a 60-day extension. Now it is up to us in the Senate to follow suit and pass a similar bill which can be sent to the President as quickly as possible.

Each day we delay increases the dependence of this country on unstable and expensive foreign sources of oil. Each hour we delay another $3 million flows out of this country to pay for imported oil.

The conservation and production incentives which would result from a phased decontrol program would begin the job of cutting back on imports and the tremendous financial drain they place on this country's resources.

Before we recessed for the month of August, there was widespread support for the President's phased decontrol proposal among the news media of the Nation, leading economists, businessmen, educators, and civic leaders. They continue to recognize that gradual decontrol is a sound compromise between the economic dangers of precipitous price increases and the impossible dream of doing nothing—between attempts to legislate lower prices that defy economic logic, and hopes for some miracle to provide us with energy in the future.

Economic projections by both Government and independent experts have shown that the immediate price effect of a gradual decontrol program on petroleum product prices throughout the country would be minimal—and might even result in lower prices for gasoline, heating oil, and residual fuel prices by the end of this year.

Furthermore, a gradual removal of oil price controls would result in gradual price increases to the consumer over the next several years at a rate considerably lower than the current inflation rate and even lower than the decreased rate of inflation we all hope to achieve within the next year.

It has been nearly 2 years since the Arab oil embargo taught us the bitter lesson that over dependence on insecure foreign energy sources can have a sudden and devastatingly high price tag when sources beyond our control are abruptly shut off.

And it has been more than 9 months since President Ford proposed to us the first comprehensive energy program for the Nation ever put forth by any President.

Yet, to date, Congress has not produced any major, meaningful legislation which would chart clear paths toward energy invulnerability.

If Congress wishes to regain its leadership role in dealing with the energy problems which face the Nation, we can act now—today—to reach agreement on a 60-day extension of oil price controls, and then get down to the vitally important task of reaching an effective compromise to phase out those controls gradually.

The economic and energy future of the United States depends in great measure on how well we deal with the energy situation confronting us—and on how quickly we take the difficult and far-reaching actions needed.

We have delayed far too long, and the Nation can afford no further delays. I urge my colleagues to support compromise now on an extension of oil price controls, and compromise within that 60 days on a sound phased decontrol plan.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 1 hour with statements therein limited to 10 minutes.

OIL PRICES

Mr. TAFT. Mr. President, I commend the minority leader for the statement he has made calling for some type of a compromise being worked out to at least effect a temporary hold of oil prices while the Senate and the House of Representatives have a chance to further consider some kind of a schedule for a deregulation bill, or whatever type of legislation might seem to be wise. It was in this spirit that I wrote to the President on September 19 and urged that he agree to a 60-day extension of the Emergency Petroleum Act, and to agree at the same time not to use section 4(g) (2) of the emergency bill during the 45-day period requested. If the President will do that, which I certainly hope he will—and I believe it is being considered seriously—the Senate should accept that and move as quickly as possible to put some type of emergency bill into effect.

It seems to me that we are taking a great risk, with the rather precarious state of the economy, to take any step other than that. I do not know that we are going to see a sudden surge of oil prices. But even if we do not, the thing that is bothering me today—and I think it is bothering the economy—is the fact that there is a great deal of uncertainty in the mind of the public on all aspects of the private sector of our economy, as to what is going to happen.

For the benefit of the well-being of our economy generally, continuing on the recovery from the recession we have been engaged in, it seems to me that the sooner the Senate and the House can act on both an emergency measure and some long-range measure, giving a degree of predictability to the entire situation, the better off we all will be.

Mr. President, I ask unanimous consent to have printed in the RECORD my letter to the President to which I referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR MR. PRESIDENT: As one who has supported your efforts to develop a national energy policy, including the support I gave to your veto of the six month postponement of action by the Democratic leadership in Congress, I am today urging you to agree to a 60 day extension of the Emergency Petroleum Act. I am also urging you to agree not to use section 4(g) (2) of the Emergency bill during the 45 day period requested.

I believe that this action will place the energy ball squarely in the court of the Congressional leadership.

During the long debate over oil pricing policy I have advocated phased reregulation. I have written to you in the past that I do not feel that immediate deregulation is in the best interest of our economy, as we come out of the recession and try to combat inflation.

In candor, I have severe doubts that the Congress can agree on a phased deregulation in 45 days. As you know, the record of the Congress is not good on the issue.

The Democratic Policy Committee has asked for a 60 day extension with no use of section 4(g) (2). This section permits you to submit a deregulation plan subject to Congressional disapproval. I would urge you to accept their proposal, to go the extra mile, and to agree not to use the 4(g) (2) power for the 45 days, and to have the 60 day period begin on day of enactment, if enactment comes before September 26, next Friday.

After spending time recently traveling in many parts of Ohio, I am convinced that the people are tired of confrontation and want compromise on the issue.

While I am not convinced that this good faith effort on your part will be accepted, it can do no harm and might resolve the issue.

I look forward to continuing to work with you on the passage of a national energy program.

Sincerely,

BOB TAFT, Jr.

THE EMERGENCY PETROLEUM ALLOCATION ACT

Mr. ALLEN. Mr. President, I was very interested in the remarks of the distinguished minority leader, Mr. HUGH SCOTT, and the distinguished Senator from Ohio (Mr. TAFT) with respect to the Emergency Petroleum Allocation Act and controls generally on domestic oil prices.

H.R. 9524 has been the pending business in the Senate. The week before last, it was the pending business; and at that time an amendment was offered on the floor that could have resolved the matter, in the opinion of the Senator from Alabama. The House passed this bill, H.R. 9524, providing an extension of controls for 60 days from the expiration of controls on August 31.

The issue then, as it was presented in the Senate, was whether to accept the 60-day extension from the beginning of controls or to have a 60-day extension from the date of enactment of a bill extending controls. A further issue was whether the President, during the period of controls, would have the right to submit a decontrol plan under the provisions of section 4(g)(2) of the act, requiring acceptance or rejection of the plan within 5 legislative days. To have extended controls for only 60 days from the expiration of controls would not have given Congress sufficient time to work out a plan of its own.

So the amendment that was proposed on the floor of the Senate would have provided that during the first 45 days of this 60-day extension, the President would have no authority to submit a decontrol plan requiring acceptance or rejection within 5 legislative days. There was nothing whatsoever to prevent him from suggesting legislative action—the enactment of bills. But this peculiar situation that permitted this under the control authority—it is no longer in existence—did permit the President to submit a decontrol plan that had to be accepted or rejected within 5 legislative days. He could submit a legislative program but not this take-it-or-leave-it provision for the first 45 days, leaving Congress free to act in this area.

The Senate had an opportunity to accept that amendment; but because of discussion on the other side of the aisle, it did not come to a vote. Although it was the pending business then, by a motion passed by voice vote, the bill went back to the calendar and may never be brought up again. So an opportunity was presented for the Senate to act in this area.

In the Democratic conference that approved this substitute plan, as introduced on the floor, I was able to get the 45-day provision included, prohibiting the President from submitting a take-it-or-leave-it decontrol plan for the first 45 days, giving him the opportunity of submitting such a plan for the last 15 days of the period.

I believe it is important that there be just one more extension of controls; because if we just pass legislation extending controls for a given number of days and prohibiting the President from moving during any of that period, we are going to come to the end of that period with nothing having been accomplished and the time having expired. If the President did have authority at all to submit a plan, we would have to reenact controls, and I do not think it is the proper procedure to continue with a piecemeal extension of controls.

So, actually, as I see it—I wish the Republican leader were in the Chamber—it is to be laid at the door of the Senators on the other side of the aisle that we have not moved in this area. I believe we already would have the extension by now and that the conference with the House would have resulted in legislation by this time.

The President now does not have authority to submit a take-it-or-leave-it decontrol plan. He can submit all the suggested legislation he wishes, but he no longer has this peculiar power that he had under control. So until controls are reenacted in similar fashion to the way they existed before, he is deprived of that authority, and we are stuck—the Nation is stuck—without any controls on the price of domestic oil.

I believe this is fraught with a great danger to the American public. True there has not been any rapid acceleration of prices; but the reason for that is that the oil companies fear that Congress might make the imposition of controls retroactive to the expiration of controls.

Until it becomes apparent that that will not be done, then restraint may be exercised. But when they realize that Congress is powerless to act in this area, or unwilling to act, then I think we can look for controls.

Mr. President, I feel that we need to bring up for early consideration this control bill, H.R. 9524. On the floor of the Senate, I have urged the joint leadership to bring the bill up, bring it before the Senate. We brought it before the Senate once and it was allowed to go back. At that time, I recommended very strongly that this substitute be accepted by the Senate. If it had been accepted, I believe we would have controls reinstated and Congress then would have the exclusive right to enact legislation for a period of 45 days. Frankly, I do not believe Congress should act for 45 days or twice that much time. But it gives Congress an opportunity to act for a period of 45 days. At the end of that 45 days, the President will have authority to submit a gradual decontrol plan.

Before the recess, he submitted a 10-month decontrol plan that was vetoed by the House. He then submitted a 39-month decontrol plan and that was vetoed by the House. I am frank to say that I would support a 39-month gradual decontrol plan. It is a whole lot better than what we have now. We have immediate decontrol now, immediate, precipitate end of controls. I would much rather space it out over a 39-month period, as suggested by the President. I hope that we will pass this reimposition of controls for a period of 60-days from the date of enactment, giving Congress 45 days in which to act in this area, reserving to the President the right to submit a take-it-or-leave-it decontrol plan at the end of that 45 days. I am hopeful that compromise can be worked out in this area.

This bill on the calendar is the vehicle on which action can be taken whereby controls can be reimposed, effective back at the expiration of the controls. Congress would have a right to move within 45 days, acting on the President's plans, congressional plans, the plans of House committees, Senate committees—anything. The President could not move in that period and the right would be preserved to Congress for the first 45 days.

I am hopeful that the leadership will bring up this bill. I should like to be considering that, rather than the HEW bill that we are going to be considering as soon as morning business has been concluded.

I say again that those who filibustered—though it was not a filibuster—those who engaged in extended debate against the compromise plan offered by the distinguished majority leader (Mr. MANSFIELD) may well have disserved their own interest in this area, because now, the President has no authority to submit a gradual decontrol plan. All he can do is suggest legislation, which Congress may or may not accept. So they have cut this power away from the President, whereas, under the majority leader's plan, he would have the last 15 days in which to submit a plan. So there he is, stuck with no control. Maybe that is what he wanted, but I believe he would prefer a gradual decontrol plan. I am hopeful that this bill will be brought up for early consideration; that the controls will be extended for 60 days; that Congress will be given the first 45 days in which to act in this area. Failing to act, the President then would have the last 15 days in which to submit a plan under section 4(g)(2) of the bill.

Mr. President, I yield the floor.

A NATURAL GAS SITUATION REPORT: MARYLAND AND THE NATION

Mr. BEALL. Mr. President, I am presenting to the Senate today a natural gas study, prepared in my office, that details the impact that this year's natural gas shortage will have on our Nation in general, but the Maryland economy in particular. The report contains important findings that also have implications for the national economy, as Maryland was one of 10 States identified by the Federal Energy Administration as facing severe natural gas shortages this winter.

The picture presented here is a grim one. For the Nation as a whole, shortfalls of natural gas will exceed last year's deficiency by 50 percent; for the State of Maryland, the increase is closer to 130 percent over last year's shortfall.

These are disturbing statistics, but even more worrisome is the fact that Congress, in spite of these grim figures, has refused to take action to alleviate this worsening situation. Specifically, I mean doing something about price controls and the deleterious effect that the FPC's price ceilings have had on the supplies of natural gas reaching the interstate market.

Under the two-tiered pricing system that exists today, intrastate natural gas commands a price three times higher than that of gas bound for the interstate market. The impact of this pricing scheme has moved production and consumption further away from the goals of efficiency and equity in distributing our energy resources. Two effects are immediately apparent. For those high-priority users in States undergoing curtailments, FPC's cheap energy policy has led to waste and inefficiency. Residential and commercial users who purchase natural gas at one-tenth the equivalent price for electricity have no incentive for conservation. Add to this the end-use priority system endorsed by FPC and what we have is a system which encourages consumption and discourages production. This is just economic absurdity.

Unfortunately, many citizens and Members of Congress view this situation as some sort of solution instead of what it really is—a primary cause of the problem. For my own State of Maryland, industrial users facing curtailment will have to pay an additional $62 million during the upcoming year for alternate fuels needed to replace their normal natural gas usage. This does not include any technical costs of conversion nor does it account for the unemployment that might result from firms forced to lay off employees.

For those here today who believe that the current regulatory system benefits the consumer, let me point out that natural gas curtailments will cost hospitals and nursing homes in Maryland an additional $3.1 million in alternate fuel needs for the year beginning November 1. For schools and universities the figure is even higher, $4.5 million. Moreover, consumers will eventually have to absorb the costs of curtailment—whether in the form of unemployment or the additional costs imposed on industry, including the gas distribution system itself. Those who favor price controls seldom mention the loss of economies of scale for pipelines and distribution companies that accompanies reduced gas volume. When per unit costs increase as a result of declining gas volumes, residential and commercial users must eventually bear the burden of higher utility bills to replace diminishing economies of scale. Our figures show this added cost for Maryland to be $24 million.

For short run emergency relief, I recommend support for the FPC proposal which would permit industrial users to purchase natural gas at the source. As a longer run solution, I feel that action must be taken toward elimination of the existing system of price controls which has brought about the serious economic situation as indicated in this report.

Mr. President, I submit this report in the hope that the Maryland example will enlighten Members of Congress as to the costs imposed through natural gas curtailments.

Our concern for the Nation's continued growth dictates that Congress act soon and, I hope, this week, in averting what could become an economic catastrophe.

Mr. President, I ask unanimous consent that this report entitled "A Natural Gas Situation Report: Maryland and the Nation" prepared in my office be printed in the RECORD at the conclusion of my remarks today.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

A NATURAL GAS SITUATION REPORT: MARYLAND AND THE NATION

(Office of Senator J. GLENN BEALL, Sept. 22, 1975)

FOREWORD

Undoubtedly the most important issue facing the Congress today is that of insuring that sufficient energy resources are available to meet residential demands and to enable industry to operate at full capacity. Most people tend to think of the energy crisis in terms of oil only: higher oil prices, reduced domestic oil production, increased dependence on foreign oil. Indeed these and related issues surrounding the availability of oil are most important, yet it must be stressed that natural gas is an equally important energy resource. Presently, natural gas supplies 40 percent of the nation's energy needs and delivers heat to 160 million Americans through a network of one million miles of pipe line. US industry has been and continues to be heavily dependent upon natural gas for all types of production processes. Clearly the existence of adequate natural gas supplies is essential if the United States is to obtain, as well as maintain, a sound stable economy.

This report details what has become over the past few years a serious deterioration in natural gas supplies for a sizeable portion of the country. The first section of the report looks at the natural gas picture for the entire nation. Attention is directed toward the issues of declining natural gas production and reserves, trends in pricing and costs, with particular focus on the scope and economic implications of growing natural gas curtailments.

The second section of the report concentrates on the natural gas outlook for Maryland over the next year. The extent of curtailments in Maryland is detailed by both distributors and users within the State. The report looks at the higher cost of alternate fuels which must be borne by Maryland users due to natural gas curtailments, detailing these added fuel costs by major user type.

In summary, this report has found that:

For the Nation

* The price ceiling imposed on interstate natural gas (which comprises approximately 60 percent of total production) discourages production while encouraging wasteful consumption. As a consequence, production in 1974 declined for the first time. Curtailments, on the other hand, have increased at an alarming rate, up 50 percent within the past year.

* The two-tiered pricing system has resulted in a lopsided allocation of natural resources. To the primary gas producing states—Texas, Oklahoma and Louisiana—the system has provided a comparatively inexpensive source of abundant energy. To non-gas producing states, natural gas has been supplied at a low price, but only to the dwindling numbers of consumers who are fortunate enough to receive it.

*Curtailments result in an increased cost to the economy through several channels. First, businesses have to resort to alternate fuels, frequently priced 2 to 3 times higher than the Btu equivalent of natural gas. For the period April 1975, to March 1976, it has been estimated that businesses, primarily industries, will spend an additional $4 billion on alternate fuels. This assumes that the curtailment or expense is not so great as to cause work slowdowns or stoppages. In that case, additional costs would be measured in unemployment figures rather than dollars. A final cost of natural gas shortages stems from the loss of economies of scale associated with reduced volumes. Both pipelines and distribution companies experience higher unit costs as a result of lower volumes and high fixed costs. Ultimately this additional cost, estimated at $1 billion for 1975/1976, will be borne by the consumer. Combined, the cost to the U.S. economy for the year beginning April 1, 1975 will come close to $5 billion.

For Maryland

*The impact of curtailments is expected to be more severe for Maryland than for the national average. Maryland, along with Virginia, is one of 10 states identified by the White House as expected to suffer severe curtailments this winter. The economic cost of these curtailments will be high. Industry will bear the brunt of $75 million in additional fuel costs for alternate fuels. Another $24 million will result from the higher fuel costs which will run from reduced economies of scale in transmission and distribution.

*Because of the end-use priority system endorsed by FPC, distributors with large industrial loads, such as Columbia Gas of Maryland, will have the most serious natural gas cutbacks. Distributors who service primarily to residential users, such as Washington Gas, will be less severely impacted.

I. NATURAL GAS SHORTAGES: OUTLOOK FOR THE NATION

On a nationwide basis, proven reserves reached their highest level in 1967 and have since declined to 237 trillion cubic feet (tcf) by year end 1974, down almost 29% from 7 years earlier. During that same time period, reserves dedicated to the interstate market have declined even faster, down about 39.2% from their 1967 peak.

Concomitant with reserve depletion has been the delayed but steadily increasing slowdown in production. Historically, natural gas production has grown at about 6 or 7 percent (See Table 1) a year, but beginning in the early '70's, growth in production came to a standstill. In 1974 production actually declined for the first time—down to 21.3 tcf from 22.5 tcf a year earlier. This reversal marked a trend that had been a long time in coming. As Table 1 clearly indicates, reserve additions fell short of replacing production in 1968, and as a consequence, the reserve/production ratio fell to new lows. In essence, this means that current production is largely confined to extraction of natural gas from previously discovered wells, and that unless measures are taken to encourage further exploration and drilling, available supplies will continue to shrink.

TABLE 1.—U.S. NATURAL GAS SUPPLY[1] 1946–74

[All volumes in trillions of cubic feet at 14.73 psia and 60° F.]

(1) Year	(2) Production (tcf)	(3) Reserve additions (tcf)	(4) Proven reserves (tcf)	(5) R/P ratio (4) divided by (2)	(6) F/P ratio (3) divided by (2)
1946..	4.9	17.6	159.7	32.5	3.9
1947..	5.6	10.9	165.0	29.5	1.3
1948..	6.0	13.8	172.9	28.9	2.0
1949..	6.2	12.6	179.4	28.9	2.7
1950..	6.9	12.0	184.6	26.9	1.0
1951..	7.9	16.0	192.8	24.3	2.6

(1) Year	(2) Production (tcf)	(3) Reserve additions (tcf)	(4) Proven reserves (tcf)	(5) R/P ratio (4) divided by (2)	(6) F/P ratio (3) divided by (2)
1952	8.6	14.3	198.6	23.1	1.7
1953	9.2	20.3	210.3	22.9	2.2
1954	9.4	9.6	210.6	22.5	1.0
1955	10.1	21.9	222.5	22.1	2.2
1956	10.9	24.7	236.5	21.8	2.3
1957	11.4	20.0	245.2	21.4	1.7
1958	11.4	18.9	252.8	22.1	1.7
1959	12.4	20.6	261.2	21.1	1.7
1960	13.0	13.9	262.3	20.1	1.1
1961	13.5	17.2	266.3	19.9	1.3
1962	13.6	19.5	272.3	20.0	1.4
1963	14.5	18.2	276.2	19.0	1.3
1964	15.3	20.3	281.3	18.3	1.3
1965	16.3	21.3	286.5	17.6	1.3
1966	17.5	20.2	289.3	16.5	1.2
1967	18.4	21.8	292.9	15.9	1.2
1968	19.4	13.7	287.4	14.8	.7
1969	20.7	8.4	275.1	13.3	.4
1970	22.0	37.2	290.7	13.2	1.7
1971	22.1	9.8	278.8	12.6	.4
1972	22.5	9.6	266.1	11.8	.4
1973	22.6	6.8	250.0	11.1	.3
1974	21.3	8.7	237.1	11.1	.4

[1] Source: American Gas Association. As found in testimony of John N. Nassikas, Chairman of the Federal Power Commission, before Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce, U.S. House of Representatives, July 14, 1975.

What has caused this downturn in production? Available data indicate it to be a matter of pricing and profits. Energy is no longer an abundant resource, and the costs of production associated with it have risen dramatically in recent years. Even the Federal Power Commission, the agency responsible for regulating the price of natural gas bound for the interstate market, has divided over what price guarantees a reasonable rate of return.[1] The Office of Economics, FPC, has recommended that "based on cost estimates of 46.22¢ to 52.98¢ exclusive of offshore lease acquisition costs, the base rate of 51¢ specified in Opinion No. 699-H should be continued for the current biennium," [2] in order to insure a 15% return.

However, the Bureau of Natural Gas, FPC has found that depending upon the tax rate applicable to natural gas producers, the current costs per thousand cubic feet (mcf) range from $1.04 to $1.63 (see Table 2). These calculations used average productivity for the 9 year period 1966–1974 with costs trended to 1975. According to comments submitted by the Bureau of Natural Gas, "these dramatic increases from 51¢ prescribed by Opinion No. 699–H are caused primarily by four factors:

1. Declining natural gas productivity
2. A continuation of increasing costs
3. The Tax Reduction Act of 1975 which basically eliminated percentage depletion
4. Elimination of the negative income tax calculation in Opinion No. 699–H.[3]

Two points need to be stressed. First, there is no assured method of fixing prices at a level which would guarantee a specified rate of return. The two estimates emanating from the Federal Power Commission typify the confusion which surrounds forecasting production costs. Projections have been or could be made which would justify almost any pricing policy. The second point is that these calculations are generally based on an average production situation and do not take into account the wide range of production techniques.

Footnotes at end of article.

TABLE 2.—ESTIMATED COST OF FINDING AND PRODUCING NEW SUPPLIES OF NATURAL GAS [1]

	Using average productivity for—			
	12 yr, 1963–74 with costs trended to—		9 yr, 1966–74 with costs trended to—	
	1975	1976	1975	1976
Productivity (Mcf/ft) [2]	454	454	375	375
Total cost per Mcf, including royalty at 16 percent; assuming Federal income tax rates of (in cents):				
0 percent	85.32	88.73	104.31	108.64
24 percent	102.05	106.07	124.50	129.63
48 percent	134.23	139.44	163.35	169.99

[1] Source: "Comments of the Bureau of Natural Gas", FPC Docket No. RM 75-14, Aug. 4, 1975.

[2] Mcf/ft=thousand cubic feet per foot of drilling.

Ideally, the price of natural gas should cover all production costs and allow for a rate of return on both successful and unsuccessful drilling sufficient to induce further recovery and exploratory efforts. Several problems crop up, however, in determining a suitable price ceiling. The calculations made by the FPC in establishing its rate ceiling are founded on historical costs and have resulted in two faulty approaches to determining the cost of producing natural gas.

The first is that actual production costs for natural gas have risen in recent years. This is particularly true with respect to exploratory and allocated unsuccessful lease costs. Part of the higher costs are directly attributable to inflation, the remainder resulting from increasing costs associated with a diminishing reserve.

This last point relates to the second pricing fallacy employed by FPC. When natural gas reserves were first being discovered, the larger fields were the first to be found. But as reserves have depleted, new finds generally are smaller and less numerous. To demonstrate this fact, Tables 3 and 4 present a time series of new natural gas discoveries in terms of the number of new fields and average productivity. The first table reveals a steadily decreasing number of discoveries, particularly for significant gas fields (i.e., those with more than six billion cubic feet of ultimately recoverable proved gas per year)[4].

Approaching reserve additions from a different angle, Table 4 shows the declining productivity for newly found reserves. Clearly, productivity, as expressed in mcf discovered per successful gas well footage, has declined to less than half its level 8 or 9 years ago. This trend confirms the contention that natural gas is becoming more difficult and costly to find. However, these figures actually understate the reduction in productivity, as price ceilings have to some degree confined drilling activity to the low-cost, more mature geologic provinces.

TABLE 3.—NEW INTERSTATE SOURCES CONTRACTED [1]

[Volumes in billions of cubic feet—Bcf]

Year	Number of new sources	New reserves contracted (Bcf)	Average new source size (Bcf)
1964	193	4,634	24
1965	158	9,485	60
1966	252	9,564	38
1967	207	8,614	42
1968	155	6,288	41
1969	188	6,216	33
1970	148	3,659	25
1971	164	2,225	14
1972	257	5,040	20
1973	184	1,713	9
Total	1,906	57,436	30

[1] Source: Federal Power Commission—As found in: Wm. Ogden, editor, "Factors Critical to Wellhead Prices for New Natural Gas Supplies" (Washington, D.C.: H. Zinder & Associates, May 1975).

TABLE 4.—PRODUCTIVITY OF NONASSOCIATED GAS RESERVES [1]

[Total United States excluding Alaska]

Year	Reserves additions excluding revisions (Bcf) (1)	Successful gas well footage (M feet) (2)	Productivity factor (Mcf/ft) (1) ÷ (2) (3)
1966	13,079	24,390	536
1967	13,571	20,789	653
1968	8,299	20,119	412
1969	8,315	24,064	346
1970	9,641	22,852	422
1971	10,037	22,609	444
1972	9,508	26,762	355
1973	9,064	35,587	255

[1] Source: Reserves—American Gas Association; Footage—American Association of Petroleum Geologists; as found in: Wm. Ogden, editor, "Factors Critical to Wellhead Prices for New Natural Gas Supplies" (Washington, D.C.; H. Zinder & Associates, May 1975).

Current natural gas prices

For natural gas committed to the interstate market during the past 4 years, prices have moved up sharply. As Table 5 indicates, recently contracted natural gas has been selling right up to the 51 cent limit. The estimated total annual sales, i.e. all but that purchased through emergency sales, has seen an increase in average price per mcf of 130 percent between first quarters 1971 and 1975. This figure applies only to new gas contracted. At the same time, government and industry studies have placed the total average cost of discovering and producing new natural gas at between $1.25 and $1.40, implying that the current ceiling renders much of the potential production unprofitable. Indeed, declining interstate dedications bear out this conclusion. Since 1971, interstate deliveries of new natural gas have declined, reaching their lowest level in 1974. Emergency sales [5], on the other hand, have come in at an average price of 83 cents/mcf, well below the $1.25 to $1.50/mcf that prevails on the intrastate market.

TABLE 5.—NATURAL GAS SALES COMMITTED TO THE INTERSTATE MARKET, 1971–75 (1ST QUARTER)

	Long-term contracts												Emergency sales [1]			
	National rate ceiling		Area rate ceilings [2]		Optional procedures [3]		Limited-term sales [4]		Small producer sales [5]		Estimated total annual		60-day sales		180-day sales [1]	
	Deliveries [7] (000,000 Mcf)	Average price [8] cents per Mcf)	Deliveries [8] (000,000 Mcf)	Average price [9] (cents per Mcf)	Deliveries [9] (000,000 Mcf)	Average price [3] (cents per Mcf)	Deliveries (000,000 Mcf)	Average price [3] (cents per Mcf)	Deliveries [9] (000,000 Mcf)	Average price [3] (cents per Mcf)	Deliveries (000,000 Mcf)	Average price (cents per Mcf)	Deliveries [7] (000,000 Mcf)	Average price [8] (cents per Mcf)	Deliveries [7] (000,000 Mcf)	Average price [8] (cents per Mcf)
1971:																
1st quarter			37	22.79							37	22.79	79	31.74		
2d quarter			65	21.77			41	33.46			107	26.29	39	34.08		
3d quarter			132	22.51			104	32.83			236	27.06	36	34.33		
4th quarter			172	24.21			61	34.97			233	27.03	18	33.05		
Total			406	23.87			206	33.59			612	27.14	172	32.94		

Footnotes at end of table.

TABLE 5.—NATURAL GAS SALES COMMITTED TO THE INTERSTATE MARKET, 1971–75 (1ST QUARTER)—Continued

	Long-term contracts						Limited-term sales[4]		Small producer sales[5]		Estimated total annual		Emergency sales[1]			
	National rate ceiling		Area rate ceilings[2]		Optional procedures[3]								60-day sales		180-day sales[1]	
	Deliveries[7] (000,000 Mcf)	Average price[6] (cents per Mcf)	Deliveries[9] (000,000 Mcf)	Average price[9] (cents per Mcf)	Deliveries[9] (000,000 Mcf)	Average price[3] (cents per Mcf)	Deliveries (000,000 Mcf)	Average price[3] (cents per Mcf)	Deliveries[9] (000,000 Mcf)	Average price[3] (cents per Mcf)	Deliveries (000,000 Mcf)	Average price (cents per Mcf)	Deliveries[7] (000,000 Mcf)	Average price[6] (cents per Mcf)	Deliveries[7] (000,000 Mcf)	Average price[3] (cents per Mcf)
1972:																
1st quarter			117	24.29			50	34.23	22	25.95	189	27.11	19	35.36		
2d quarter			295	24.61			51	34.89	87	29.06	433	26.17	28	34.64		
3d quarter			66	24.99			138	33.30	63	34.02	267	31.42	24	34.78		
4th quarter			49	24.03	1	26.50	121	35.59	58	38.67	229	33.86	17	32.58		
Total			527	24.54	1	26.50	360	34.39	230	32.53	1,118	29.36	88	34.43		
1973:																
1st quarter			124	23.38			113	37.07	36	41.07	273	31.38	35	41.34		
2d quarter			71	25.18	36	45.00	74	40.99	37	42.29	218	36.72	36	47.97		
3d quarter			50	25.68	42	35.00	76	41.76	53	45.67	221	37.77	45	48.34	21	50.66
4th quarter			21	27.46	9	40 42	77	45.83	55	48.79	162	44.15			87	53.77
Total			266	24.63	87	39.93	340	40.85	181	45.01	874	36.68	116	46.11	108	53.15
1974:																
1st quarter			25	24.52	29	41.77	53	41.21	38	51.54	145	41.15			88	61.85
2d quarter	40	26.78	22	26.78			41	41.73	42	51.07	145	38.33	16	58.84		
3d quarter	177	51.55			13	45.00			42	57.47	232	52.25	11	74.72		
4th quarter	51	49.02	1	25.41	12	45.00	13	56.00	32	58.70	109	58.04	38	79.26		
Total	268	42.37	48	25.57	54	43.27	107	43.68	154	54.42	631	46.46	65	73.46	88	61.85
1975: 1st quarter	194	52.31	6	24.72			1	63.53	19	63.54	220	52.58	16	83.40		
1971: 1975 (1st quarter)																
Total	462	49.45	1,253	24.38	142	41.10	1,014	37.39	584	43.20	3,455	35.60	457	44.10	196	57.08

[1] The procedures for emergency and limited term sales were discontinued on June 21, 1974, by Opinion No. 699 and reinstated on Sept. 9, 1974, by Opinion No. 699B.

[2] Area rate ceilings established in commission orders issued as follows: Hugoton-Anadarko (Op. 586), Sept. 18, 1970; Appalachia (Order 411), Oct. 2, 1970; Texas Gulf Coast (Op. 595), May 5, 1971; Rocky Mountain (Order 435), July 15, 1971; Southern Louisiana (Op. 598), July 16, 1971; Other Southwest (Op. 607), Oct. 29, 1971; Permian Basin (Op. 662), Aug. 7, 1973. Also includes sales in Permian Basin under paragraph 12, Docket No. R-389A, issued July 17, 1970.

[3] Order No. 445, issued Aug. 3, 1972.

[4] Order No. 431, issued Apr. 15, 1971.

[5] Order No. 428-C, issued Apr. 10, 1972.

[6] Order No. 418 (60-day sales) issued Dec. 10, 1970.

[7] Anticipated deliveries during indicated period.

[8] Initial prices weighted by anticipated annual sales volumes (or by total deliveries during period of emergency sales).

[9] Anticipated annual sales volumes.

Note: Data are rounded and do not always add to totals shown. Volumes estimated by multiplying anticipated monthly or daily quantities by term. Actuals used where available.

Source: Federal Power Commission, 1975.

When compared to the prices of substitute fuels, natural gas because of controls has lagged behind both residual fuel oil and No. 2 heating oil, despite a lower Btu equivalent price during 1967, the first year of the comparison (see Table 6). Looked at from a different perspective, the average monthly cost for heating a typical Maryland residence in 1974 was nearly 9 times greater for electricity than for natural gas. For residual oil, the comparable price was three times higher. Consequently, residential users in Maryland rely on natural gas for about three quarters of their heating needs. The comparisons are much the same for other areas. In New York City, heating by electricity costs 11 times more than gas; for Chicago, it is 9 times higher. Elsewhere around the country, prices tell the same story—natural gas has been kept at artifically low prices, far below the energy equivalent prices of other fuels.

Thus, what this comes down to is a system of price controls which inequitably promotes consumption of scarce natural gas while at the same time discouraging further production of that resource.

Effects of pricing policy

By examining the nature of the interstate and intrastate markets, the effects of pricing policy are clearly demonstrated. One market, the interstate, is regulated with most prices subject to the established rate ceiling. The other market, pertaining to gas sold within state of origin, contains freedom of interaction between buyers and sellers. It cannot be labeled competitive, however, as producers endowed with low cost gas have the opportunity to earn an above average rate of return.

TABLE 6.—WHOLESALE PRICE INDEX AND COMPONENT-INDEXES FOR FUELS[1]

[1967=100]

Year	All commodities	Fuel and power	Natural gas	Residual fuel oil	Diesel fuel and No. 2	Bituminus coal
1967	100.0	100.0	100.0	100.0	100.0	100.0
1968	102.5	98.9	101.6	95.7	101.9	103.4
1969	106.5	100.9	103.2	93.3	102.4	112.3
1970	110.4	106.2	106.1	125.5	106.5	151.9
1971	114.0	114.2	112.2	166.0	110.0	184.9
1972	119.1	118.6	121.0	158.8	111.3	197.4
1973	134.7	134.3	131.3	190.4	139.7	222.5
1974	150.1	208.3	155.1	485.4	272.0	339.5
May 1975	173.2	238.8	222.0	491.3	296.1	389.6

[1] Source: Federal Power Commission.

Putting aside the matter of windfall profits, it is useful to investigate the production characteristics of both the interstate and intrastate markets. Effective December 4, 1974, FPC Opinion No. 699–H established a price ceiling of 51¢ mcf on the interstate sale of natural gas. At the same time, intrastate prices have reached $1.50/mcf, and scattered reports had prices as high as $2.00/mcf. As a result of the price differential, natural gas reserves not under contract have increasingly been absorbed by the intrastate market, primarily Texas, Louisiana, and Oklahoma. New natural gas commitments to the interstate market have declined by almost 70% in the last five years. In terms of delivery volumes, new gas commitments directed an average 560 billion cubic feet per year into the interstate market during 1969–1972. By 1974, this figure had declined to less than 200 billion cubic feet. Because of contract commitments, the figure for actual deliveries of natural gas has not shown as dramatic a downturn; nonetheless, reserves bound for the interstate market (shown previously in Table 3) have declined since 1968.

In contrast, the intrastate market has absorbed an increasing share of domestic production. For 1974, intrastate sales of natural gas accounted for close to 40% of the 21.3 tcf produced in this country. Even at $2.00 an mcf, natural gas is far less expensive than other fuels when compared on a Btu basis.

Information concerning the entire intrastate market is not readily available because of the absence of a central regulatory body. However, information collected by agencies in Texas and Oklahoma reveal how pricing policies have affected production incentives. Information gathered by the Oklahoma Tax Commission gives some idea what the trend has been for intrastate prices and dedications for wells which commenced in the three year period, 1972–1974. Clearly prices have risen. On a volumetric basis, the median contract price in 1972 was between 30 and 40 cents. For 1973, the comparable price had increased to 60–70 cents, and by last year the median price was somewhere between 80 and 90 cents per mcf. During that same period, however, production increased from just over 2.8 bcf to 7.6 bcf, a jump of more than 170 percent. Three conclusions characterize this data. First, unregulated pricing induced substantially greater production for the intrastate market. Second, the two-tiered pricing system undoubtedly steered some supplies away from the interstate market. Third, with natural gas selling at a marginal price of $1.50/mcf, producers with low cost drilling operations (i.e., those who opened shallower and larger reserves) enjoyed an above normal profit.

Comparable data for Texas leads to the same conclusions (see Table 8). Prices were generally higher, the median having risen from 30-40 cents in 1972 to 70-80 cents in 1974. And while volumetric increases were not as large as for Oklahoma, 1974, saw a reversal of the decline in production that was experienced between 1972 and 1973.

TABLE 7.—INTRASTATE PRICES OF NATURAL GAS AT POINT OF ORIGIN, FOR SALES DURING NOVEMBER 1974, OKLAHOMA

Price range (cents per Mcf)	Wells from which sales commenced in 1972		Wells from which sales commenced in 1973		Wells from which sales commenced in 1974	
	Volume (Mcf)	Percent of total	Volume (Mcf)	Percent of total	Volume (Mcf)	Percent of total
0 to 9.99 cents	0	0	0	0	0	0
10 to 19.99 cents	34, 678	1. 23	32, 508	. 81	13, 489	. 18
20 to 29.99 cents	862, 852	30. 64	135, 494	3. 39	1, 268	. 02
30 to 39.99 cents	626, 625	22. 25	327, 643	8. 20	29, 155	. 38
40 to 49.99 cents	404, 752	14. 37	416, 343	10. 43	255, 992	3. 35
50 to 59.99 cents	540, 448	19. 19	718, 933	18. 00	349, 295	4. 57
60 to 69.99 cents	185, 716	6. 60	1, 289, 884	32. 30	1, 231, 722	16. 12
70 to 79.99 cents	35, 442	1. 26	330, 445	8. 27	1, 545, 753	20. 23
80 to 89.99 cents	11, 821	. 42	434, 978	10. 89	1, 848, 401	24. 19
90 to 99.99 cents	46, 746	1. 66	271, 064	6. 79	2, 135, 135	27. 94
100 to 109.99 cents	66, 695	2. 37	36, 278	. 91	227, 564	2. 98
110 to 119.99 cents	0	0	0	0	4, 439	. 06
Total	2, 815, 775		3, 993, 570		7, 642, 213	

Source: Oklahoma Tax Commission. As found in Wm. Ogden, editor, "Factors Critical to Wellhead Prices for New Natural Gas Supplies" (Washington, D.C.: H. Zinder & Associates, May 1975).

Curtailments

Prior to the 1970's, curtailments were virtually non-existant. There were no effective price controls at the wellhead, and as a consequence, the market was in "so-called" equilibrium—with quantity demanded equaling quantity supplied at a price well below the 51 cents dictated by FPC's 1974 ruling.

TABLE 8.—INTRASTATE PRICES OF NATURAL GAS AT POINT OF ORIGIN [1]

FOR SALES DURING NOVEMBER 1974, TEXAS

Price range amount per Mcf	Wells from which sales commenced in 1972		Wells from which sales commenced in 1973		Wells from which sales commenced in 1974 [2]	
	Volume [3]	Percent of volume	Volume [3]	Percent of volume	Volume [3]	Percent of volume
0 to $0.09	0	0	0	0	0	0
$0.10 to $0.19	356, 156	4. 68	721, 008	12. 12	283, 705	4. 12
$0.20 to $0.29	3, 435, 692	45. 18	645, 874	10. 86	948, 132	13. 76
$0.30 to $0.39	528, 322	6. 94	176, 469	2. 96	921, 810	13. 38
$0.40 to $0.49	1, 013, 978	13. 33	318, 646	5. 35	144, 238	2. 09
$0.50 to $0.59	189, 303	2. 48	153, 171	2. 57	178, 840	2. 59
$0.60 to $0.69	168, 340	2. 21	241, 320	4. 05	919, 307	13. 25
$0.70 to $0.79	612, 038	8. 04	207, 101	3. 48	158, 127	2. 29
$0.80 to $0.89	88, 069	1. 15	2, 245, 421	37. 75	284, 875	4. 13
$0.90 to $0.99	71, 973	. 94	50, 925	. 85	482, 204	7. 00
$1 to $1.09	161, 632	2. 12	259, 338	4. 36	215, 463	3. 12
$1.10 to $1.19	86, 049	1. 13	237, 733	3. 99	895, 355	13. 00
$1.20 to $1.29	667, 607	8. 77	312, 572	5. 25	356, 964	5. 18
$1.30 to $1.39	52, 441	. 68	234, 776	3. 94	465, 843	6. 76
$1.40 to $1.49	149, 374	1. 96	79, 405	1. 33	482, 244	7. 00
$1.50 to $1.59	23, 266	. 30	218	0	50, 875	. 73
$1.60 to $1.69	0	0	0	0	69, 141	1. 00
$1.70 to $1.79	0	0	62, 757	1. 05	28, 920	. 42
Total	7, 604, 240	100. 00	5, 946, 734	100. 00	6, 886, 043	100. 00

[1] Does not include purchases by interstate pipelines or company-to-company transactions.
[2] Through November 1974.
[3] Thousand cubic feet.

Source: Based on data obtained from Texas Railroad Commission and the State Comptroller. As found in: Wm. Ogden, editor, "Factors Critical to Wellhead Prices for New Natural Gas Supplies" (Washington, D.C.: H. Zinder & Associates, May 1975).

Since 1971 when deficiencies first became a recurring problem, pipe lines have had to cut back their deliveries by an ever increasing amount. Between 1971 and the year beginning April 1, 1975, curtailments to firm customers [6] have increased tenfold, standing at 2.9 tcf during 1975/76 (see Table 9). This does not include curtailments of interruptible customers. For 1975/76, curtailments to this group adds another 300 bcf, bringing the combined total of nationwide curtailments to 3.2 trillion cubic feet. (see Table 10)

TABLE 9.—*Natural gas curtailments to firm users, 1971–75/76*

[Billion cubit feet]

Year:	*Volume of Curtailment*
1971	286
1972	649
1973	1, 131
1974	1, 679
1975	2, 435
1975/76 (April to March)	2, 917

Source: Federal Power Commission; curtailments refer only to interstate shortages of natural gas.

Footnotes at end of article.

TABLE 10.—NATIONWIDE NATURAL GAS CURTAILMENTS [1]

	Requirements	Curtailment (MCf)	Percent
April 1975—March 1976:			
Firm	15, 042, 061	2, 916, 965	19. 4
Interruptible	503, 277	283, 348	56. 3
Combined	15, 545, 338	3, 200, 313	20. 6
April 1974—March 1975:			
Firm	14, 825, 477	2, 013, 132	13. 6
Interruptible	535, 000	195, 870	36. 6
Combined	15, 360, 477	2, 209, 002	14. 4
1975/76 (Heating Season: November—March):			
Firm	8, 965, 302	1, 326, 733	14. 8
Interruptible	195, 467	139, 833	71. 5
Combined	9, 160, 769	1, 466, 566	16. 0
1974/75 (Heating season: November—March):			
Firm	8, 664, 570	1, 019, 203	11. 8
Interruptible	194, 208	101, 272	52. 2
Combined	8, 858, 778	1, 120, 475	12. 7

[1] Source: Federal Power Commission, news release Nos. 21454, 21465, June 6 and 11, 1975.

As these shortages continue to mount, so do the costs to the nation's economy. Even at current levels, our office calculates the added cost of alternate fuels needed to replace the current level of national curtailments to be in excess of $4 billion. Add to this the increased unit costs of transportation and distribution which will eventually be passed on to non-curtailed users, and the cost to the nation for 1975/76 approaches $5 billion.

Indeed, this scenario is an optimistic one for it does not include the likely possibility that industries in hard-hit states will have to slow down and/or layoff employees. A study recently released by the Department of Commerce [7] shows that of twenty-five industries which consume 70% of the Nation's industrial gas needs, only three—petroleum refining, steel, and automobile industries—are properly equipped to switch to alternate fuels. Information received by this office seems to indicate that this situation has changed somewhat from the 1971 data upon which this survey was based. Many firms, reacting for fear that no natural gas will be available to them in the future, have begun the costly process of converting.[8]

Nonetheless, many industries will face extremely high costs, either in the form of high priced alternate fuels and the accompanying conversions, or worse, in the form of operational slowdowns and employee layoffs.

To give a broader perspective of the industrial picture as it relates to natural gas requirements, Table 11 looks at six of the twenty-one two-digit SIC industries[9] which as a group purchases 85% of the natural gas used by all industry in 1971. These six industries account for 40% of value-added in the manufacturing sector, and employ 30% of the workers in manufacturing industries. Obviously, severe natural gas deficiencies would have serious consequences for these industries and for the entire economy.

TABLE 11.—NATURAL GAS PURCHASES BY MAJOR MANUFACTURING INDUSTRIES[1] 1971

SIC and industry	Gas purchases[2] Trillion Btu's	Gas purchases[2] Billion cubic feet
Consuming industries:		
28—Chemicals and allied products	1,473.1	1,427.4
29—Petroleum and coal products	1,363.7	1,321.4
33—Primary metal industries	1,137.2	1,101.9
32—Stone, clay, and glass products	726.4	703.9
20—Food and kindred products	493.8	478.5
26—Paper and allied products	492.2	476.9
Total—all manufacturing	6,660.2	6,454.4
6 industries usage as percent of total	85.4	

[1] Source: "Impact of Prospective Natural Gas Curtailments on U.S. Industry," Bureau of Domestic Commerce, Department of Commerce, September, 1974.

[2] Purchases for heat and power uses. Figures do not include gas used as chemical feedstocks nor captive supplies.

An overview

Numerous studies have emanated from both the Government and private sectors which attempt to establish actual costs of production, quantities that would be produced if the current regulatory structure is kept intact, and prices and quantities which would accompany decontrol. Few have reached identical conclusions, but most have agreed on certain identifiable trends. As this brief summary has documented, there is no 'one' cost of production. Because of the geologic mix of resources, mainly differentiated by depth and size, production costs vary over a wide range. For the small amount of natural gas contracted in Texas in 1974 at 0–10¢ an mcf, production costs were quite low. At the other extreme, gas extracted from deeper reserves is more costly to drill. A study by H. Zinder and Associates indicates that for average-cost reserves, a guaranteed 15% rate of return on new gas would require $1.40/mcf. The Bureau of Natural Gas, FPC, has estimated that given an effective 24% tax rate, the cost of finding and producing new supplies of natural gas is close to $1.25/mcf.

A second point to consider in policy deliberations is the level of profits necessary to induce the production requirements for the future. Most officials and industry leaders have indicated that a 15% rate of return would provide sufficient incentives. But, as indicated previously, these rates of return directly reflect costs of production, whereas price in most cases, reflects only the costs of production for the marginal well; i.e., the one producing at the high-cost level of production. As a consequence, producers finding and producing from low-cost reserves would enjoy profits which are substantially above 15 percent. Accordingly, some form of temporary windfall profits tax on low-cost wells may be mandated under decontrol of natural gas prices.

II. NATURAL GAS SITUATION FOR MARYLAND

Requirements

Natural gas requirements, as termed here, refer to the level of demand existing in 1972, the year that the Maryland Public Service Commission imposed a moratorium on new customer connections. Consequently, the base requirement for Maryland, 180,197,000 mcf (see Table 12), actually represents the nattural gas supplies demanded by consumers who expect (or hope in the case of interruptible users) to receive their entire allotment.[10]

Baltimore Gas and Electric supplies over sixty percent of the Maryland natural gas requirement. Next largest is Washington Gas Light Company which, together with its Frederick affiliate, supplies nearly 30 percent of total demand. Columbia Gas of Maryland, supplying most of western Maryland's needs, is the only other major supplier in the State.

TABLE 12. *Natural gas required by Maryland, by distributor* [a]

DISTRIBUTOR:	*Thousand cubic feet*
Baltimore Gas & Electric (Columbia)[b]	112,156,000
Columbia Gas of Maryland (Columbia)[b]	14,557,000
Washington Gas (Columbia)[b]	47,953,000
Frederick Gas (Div. of Wash. Gas) (Columbia)[b]	2,151,000
All others (primary Eastern Shore)[b]	1,690,000
	180,197,000

[a] Source: Office of Senator J. Glenn Beall, Jr., 1975. These figures represent the requirements of customers for the 1972 base year when the Maryland Public Service Commission ordered a moratorium on any new customer hook-up.

[b] Name in parenthesis refers to pipeline company.

Table 13 isolates statewide sector usage, showing residential consumption to be about one-half of the State's requirement. A further breakdown by distributor is given in Appendix A, but suffice it to say that there exist wide ranging differences in the percent required by each sector for the five major Maryland distributors. The importance of this fact is that statewide curtailments are divided among distributors according to a nine priority end-use system, which gives the highest priority to residential users, and the lowest to certain industrial and large commercial users. As a result, distributors such as Columbia Gas of Maryland which have a heavy industrial load face drastic curtailments—in this case, an annual shortfall of nearly 50 percent.

TABLE 13.—*Natural gas usage in Maryland*[1]

Sector:	*Percent of total*
Residential	50.2
Commercial and small industrial	27.7
Large industrial	22.1
Total	100.0

[1] Source: Office of Senator J. Glenn Beall, Jr., 1975; calculated using 1972 base year requirements.

On an aggregate basis, residential demand for natural gas taps in at 50 percent. Commercial and small industrial users account for another 28 percent, with large industrials making up the remaining 22 percent. Looked at from a regional perspective, western Maryland has the largest concentration of industrial users—51 percent for the counties supplied by Columbia Gas of Maryland. On an absolute level, Baltimore Gas provides the largest amount, 30 million mcf out of a total large industrial usage of 40 million mcf. Washington Gas Light, serving the Maryland suburbs of Washington, directs three quarters of its basic allocation to homes and apartments. Percentage-wise, Baltimore Gas is next with 43 percent, although as was the case with industrial bound gas, B.G. & E. provides well over half of all residential requirements for the State.

Natural gas curtailments

Natural gas curtailments for Maryland, just as those for the Nation, have increased dramatically in recent years. Between April 1, 1974/75 and April 1, 1975/76, Maryland experienced a rise in curtailment levels of 133 percent, compared to a nationwide curtailment increase of about 50 percent (see Table 14). In terms of natural gas requirements, this constitutes a 22-5 percent curtailment for the 1975/76 period, up from 9.7 percent in 1974/75.

TABLE 14.—NATURAL GAS CURTAILMENTS FOR MARYLAND[1]

Year	(1) Requirement (mcf)	(2) Curtailment (mcf)	(3) Percent (2÷1)
November 1975 to October 1976	180,197,000	48,987,000	27.2
April 1975 to March 1976[2]	180.197,000	40,550,000	22.5
April 1974 to March 1975[2]	180,197,000	17,397,000	9.7

[1] Source: Office of Senator J. Glenn Beall, Jr.; 1975.

[2] A comparison of the April to March curtailment figures indicates that the projected shortfall for 1975–76 will exceed last year's deficiency by 133 percent. This compares to a nationwide curtailment of about 50 percent. For the period November 1975 to October 1976, estimated curtailments again show a dramatic increase. This curtailment figure is based on a survey conducted by this office. The FPC has issued a forecast that, when adjusted, indicated a shortfall of 43,900,000 mcf (see table 15).

More recent data which forecasts curtailments for November, 1975 to October, 1976, indicate a further rise in natural gas deficiencies, this time up to 27.7 percent of requirements.[11] Data required by the Federal Energy Office and compiled by the Maryland Energy Policy Office indicate that this 27–28 percent statewide curtailment for Maryland will hit interruptible industrial users the hardest. Translated into a natural gas equivalence, industrial users will absorb approximately 80% of the curtailment.

Curtailments can be viewed as an additional cost to natural gas users, whether such costs stem from the purchase of alternate fuels[12] or, as in more severe cases, industrial slowdowns and stoppages. Table 17 depicts the additional costs arising from the need for alternate fuels that will accrue to industrial and non-industrial users during the upcoming 1975–76 winter season. To make this calculation, the cost of the previously calculated natural gas equivalence was subtracted from alternate fuel costs which, in most cases, are about three times greater than for natural gas. The sum of these costs for all natural gas users comes to $75 million with industrial firms accounting for 78 percent of these added fuel costs brought on by curtailments.

When compared to the amount that would have been spent by Marylanders on natural gas requirements, additional expenditures associated with alternate fuel requirements represent an increased cost of about 40 percent.

TABLE 15.—*FPC curtailment schedule, 1975/1976 April, 1975–March, 1976*[a]

Pipeline:	*Projected curtailment (mcf)*
Columbia Gas Transmission Corp	36,300,000
Eastern Shore Natural Gas Co	200,000
Transcontinental Gas Pipeline Corp	2,000,000
Total	38,500,000

Footnotes at end of article.

Adjustment for Washington Gas[b] [c]	5,400,000
Adjusted total	43,900,000

[a] Source: Federal Power Commission, 1975.

[b] Source: Office of Senator J. Glenn Beall, Jr., 1975.

[c] FPC estimates of curtailments for Maryland do not include natural gas supplied by distributors located outside of Maryland.

TABLE 16.—PROJECTED CURTAILMENTS, BY DISTRIBUTOR,[1] 1975–76—NOVEMBER 1975–OCTOBER 1976

Distributor	Projected curtailments (mcf)	Percent
Baltimore Gas & Electric	35,080,000	31.3
Columbia Gas of Maryland	6,814,000	46.9
Washington Gas	6,709,000	14.0
Frederick Gas	384,000	17.9
Total	48,987,000	27.2

[1] Source: Office of Senator J. Glenn Beall, Jr., 1975.

TABLE 17.—ALTERNATE FUELS REQUIRED TO REPLACE NATURAL GAS CURTAILMENTS IN MARYLAND;[1] NOVEMBER 1975 TO OCTOBER 1976

Fuel	Alternate fuel needs[2]	Additional cost[3]
NONINDUSTRIAL USERS		
Hospitals and nursing homes:		
No. 2 heating	14,661,000	$3,137,000
No. 5–6 residual	514,000	61,000
Total		3,198,000
Schools and universities:		
No. 2 heating	17,130,000	3,666,000
No. 4 residual	182,000	33,000
No. 5–6 residual	6,874,000	815,000
Total		4,514,000
Commercial:		
No. 2 heating	5,561,000	1,190,000
No. 4 residual	688,000	125,000
Propane	568,000	161,000
Total		1,476,000
Multifamily dwellings (apartments and condominiums):		
No. 2 heating	14,784,000	3,164,000
No. 4 residual	861,000	158,000
No. 5–6 residual	125,000	15,000
Propane	319,000	91,000
Total		3,428,000
INDUSTRIAL USERS		
No. 2 heating	50,377,000	13,870,000
No. 5–6 residual	232,667,000	42,947,000
Propane	17,209,981	5,597,000
Total		62,414,000
COMBINED USERS		
No. 2 heating	102,513,000	25,027,000
No. 4 residual	1,731,000	316,000
No. 5–6 residual	240,180,000	43,818,000
Propane	18,079,000	5,849,000
Total		75,010,000

[1] Adapted from information provided by Maryland Energy Policy Office, 1975.

[2] Expressed in gallons.

[3] Cost over equivalent natural gas costs.

Curtailments impose a direct cost on those firms forced to replace natural gas with more expensive alternatives. Often overlooked are the indirect costs to residential and small commercial users who eventually must absorb higher unit costs stemming from lower volumes. Pipelines operate under significant economies of scale. Accordingly, curtailments, by reducing the scale of operation, increase unit costs of transportation. Based on current year curtailment estimates, the average mcf cost of transporting natural gas from wellhead to distributor stands at 34 cents as contrasted with 28.5 cents when full requirements are met.[13] Similarly, distributors face an even greater loss of efficiency due to curtailments. As a result, they must pass on increased costs of both transportation and operation to offset diminishing profits caused by higher unit costs. The end result is substantially higher prices for non-curtailed users of nautral gas. For residential consumers, prices increase 19.9 cents, while for commercial users the relevant increase is 15.4 cents. When multiplied by sales volume for non-curtailed users in Maryland, the additional costs of reduced efficiency can be seen as $17.7 million and $6.5 million for residential and commercial users respectively.

Table 18 aggregates the additional costs arising from both loss of economies of scale and conversion to alternate fuels. The combined effect approaches $100 million for the year November, 1975, to October, 1976.

TABLE 18.—*Estimated costs of curtailments to Maryland*[a] *(November, 1975–October, 1976)*

Higher prices from reduction in economies of scale

Residential Users, 88,709,000 × 19.9¢	$17,653,000
Commercial & Industrial (Firm) 42,501,000 × 15.4¢	6,545,000
Additional Costs of Alternate Fuels	75,010,000
Combined Costs of Curtailment	99,208,000

[a] Source: Office of Senator J. Glenn Beall, Jr., 1975.

Summary and conclusions

Natural gas curtailments continue to increase and as they do, the economic impact becomes increasingly more severe. In brief, this report has found that:

For the Nation

*The price ceiling imposed on interstate natural gas (which comprises approximately 60 percent of total production) discourages production while encourging wasteful consumption. As a consequence, production in 1974 declined for the first time. Curtailments, on the other hand, have increased at an alarming rate, up 50 percent within the past year.

*The two-tiered pricing system has resulted in a lopsided allocation of natural resources. To the primary gas producing states—Texas, Oklahoma, and Louisiana—the system has provided a comparatively inexpensive source of abundant energy. To non-gas producing states, natural gas has been supplied at a low price, but only to the dwindling numbers of consumers who are fortunate enough to receive it.

*Curtailments result in an increased cost to the economy through several channels. First, businesses have to resort to alternate fuels, frequently priced 2 to 3 times higher than the Btu equivalent of natural gas. For the period April 1975 to March 1976, it has been estimated that businesses, primarily industries, will spend an additional $4 billion on alternate fuels. This assumes that the curtailment or expense is not so great as to cause work slowdowns or stoppages. In that case, costs would be measured in unemployment figures rather than dollars. A final cost of natural gas shortages stems from the loss of economies of scale associated with reduced volumes. Both pipelines and distribution companies experience higher unit costs as a result of lower volumes and high fixed costs. Ultimately this cost estimated at $1 billion for 1975/1976, will be borne by the consumer. Combined, the cost to the U.S. economy for the year beginning April 1, 1975 will come close to $5 billion.

For Maryland

*The impact of curtailments is expected to be more severe for Maryland than for the national average. Maryland, along with Virginia, is one of 10 states identified by the White House as expected to suffer severe curtailments this winter. The economic cost of these curtailments will be high. Industry will bear the brunt of $75 million in additional fuel costs. For alternate fuels, another $24 million will result from the high fuel costs which will arise from reduced economies of scale in transmission and distribution.

*Because of the end-use priority system endorsed by FPC, distributors such as Columbia Gas of Maryland with large industrial loads will have the most serious natural gas cutbacks. Distributors such as Washington Gas who primarily service residential users will be less severely impacted.

APPENDIX A[14]

Pipelines allocate natural gas shortages based on a nine priority plan that distributes solely according to end-use. Under this plan, interruptible and firm industrial customers are the first to be curtailed, and residential users are the last. As a result, distribution companies receive varying allotments from their suppliers, the actual amount being determined by their customer composition. As Tables A-1 to A-4 show, Columbia Gas of Maryland serves the highest percentage of industrial users, 50.9 percent. Referring back to Table 16, it can be seen that their 46.9 percent curtailment for 1975/76 reflects the priorities established through the FPC plan.

Baltimore Gas and Electric

Approximately 20 percent of the gas supplied by B.G. & E. goes to interruptible users who are classified into two groups—Interruptible and Automatic Interruptible Service (AIS). Interruptible customers are cutback for a specified time period, while alternate interruptible customers are curtailed when the temperature reaches 35 degrees, service being restored at 39 degrees. Presently, B.G. & E. supplies 74 interruptible and 109 AIS customers. The percentage breakdown of these firms according to alternate fuel use is as follows:

	Percent
Alternate fuels:	
No. 2 Heating	72
Propane	16
No. 4 Residual	1
No. 5–6 Residual	10
No. 3 Residual	1
Total	100

Columbia Gas of Maryland

As previously noted, half of the gas supplied by Columbia Gas of Maryland goes to industrial users, most of whom supply customers on an interruptible basis. Last winter, Columbia's 10 interruptible users were notified of an 18.5 percent curtailment. But because Pittsburgh Plate Glass, a substantial natural gas user, had been closed down, no firms actually experienced cutbacks. Nine of Columbia's ten interruptible firms plan to replace natural gas with the following alternate fuels:

	Number of Interruptible Users
Alternate fuels:	
No. 2 Heating	5
Propane	1
No. 4 Residual	1
No. 5–6 Residual	2

Although this winter's curtailment schedules is far worse than last year's, the impact will again hinge on the status of Pittsburgh Plate Glass. Indications are that the plant is in the process of reactivating and will call back up to 250 of its employees. As a consequence, the natural gas curtailment for west-

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Footnotes at end of article.

ern Maryland will be more acute than it was last season—both from increased curtailments and increased economic activity.

Washington Gas Light Company

Because it supplies primarily residential and small industrial users, Washington Gas will experience the smallest percentage curtailment among Maryland distributors. This year's anticipated 14 percent shortfall will to split among its 147 interruptible customers who will utilize alternate fuels as follows:

Alternate fuels:	*Number of Interruptible Users*
No. 2 Heating	107
No. 4 Residual	31
Propane	4
No. 5–6 Residual	5

TABLE A–1. *Baltimore Gas and Electric* [1] [2]

Category:	*mcf*	%
Residential	48, 390, 000	43. 2
Commercial & small industrial	33, 226, 000	29. 6
firm (29,617,000)		
interruptible (3.609,000)		
Large industrial users	30, 540, 000	27. 2
firm (11,883,000)		
interruptible (18,657,000)		
Total	112, 156, 000	100. 0

[1] Source: Baltimore Gas and Electric Co., 1975.

[2] Based on 1972 base year requirements.

TABLE A–2. *Columbia Gas of Maryland* [1]

Category:	*mcf*	%
Residential	4, 092, 000	28. 1
Commercial & small industrial	3, 062, 000	21. 0
firm (3,062,000)		
Large industrial users	7, 403, 000	50. 9
firm (3,215,000)		
interruptible (4,188,000)		
Total	14, 557, 000	100. 0

[1] Source: Columbia Gas Transmission Corp., 1975.

[2] Based on 1972 base year requirements.

TABLE A–3.—*Washington Gas* [1] [2]

Category:	*M ft³*	*Percent*
Residential	35, 465, 000	74. 0
Commercial and small industrial	11, 855, 000	24. 7
Firm (5,472,000)		
Interruptible (6,383,000)		
Large industrial users	633, 000	1. 3
Firm (307,000)		
Interruptible (326,000)		
Total	47, 953, 000	100. 0

[1] Source: Washington Gas Co., 1975.

[2] Based on 1972 base year requirements.

TABLE A–4.—*Frederick Gas* [1] [2]

Category:	*M ft³*	*Percent*
Residential	762, 000	35. 4
Commercial and small industrial	720, 000	33. 5
Firm (336,000)		
Interruptible (384,000)		
Large industrial users	669, 000	31. 1
Firm (699,000)		
Total	2, 151, 000	100. 0

[1] Source: Frederick Gas Co., 1975.

[2] Based on 1972 base year requirements.

APPENDIX B [1]

TABLE B–1

Residential sales:	*mcf*
B. G. & E	48, 390, 000
Columbia Gas	4, 092, 000
Washington Gas	35, 465, 000
Frederick	762, 000
Total	88, 709, 000
	(50.2% of total usage)

[1] Source: Tables A–1 to A–4

TABLE B–2.—*Commercial and small industrial users (interruptible)*

	mcf
B.G. & E	3, 609, 000
Columbia Gas	----------
Washington Gas	6, 383, 000
Frederick	384, 000
Total	10, 376, 000
	(5.9% of total usage)

Commercial and small industrial users (firm)

	mcf
B.G. & E	29, 617, 000
Columbia Gas	3, 062, 000
Washington Gas	5, 472, 000
Frederick	336, 000
Total	38, 487, 000
	(21.8% of total usage)

Commercial and small industrial users (total)

	mcf
B.G. & E	33, 226, 000
Columbia Gas	3, 062, 000
Washington Gas	11, 855, 000
Frederick	720, 000
Total	48, 863, 000
	(27.7% of total usage)

TABLE B–3—*Large industrial users (interruptible)*

	mcf
B.G. & E	18, 657, 000
Columbia	381, 000
Washington Gas	326, 000
Frederick	----------
Total	19, 364, 000
	(11.0% of total requirement)

Large industrial users (firm)

	mcf
B.G. & E	11, 883, 000
Columbia	7, 022, 000
Washington Gas	307, 000
Frederick	669, 000
Total	19,881, 000
	(11.2% of total requirement)

Large industrial users (total)

	mcf
B.G. & E	30, 540, 000
Columbia Gas	7, 403, 000
Washington Gas	633, 000
Frederick	669, 000
Total	39, 245, 000
	(22.2% of total requirement)

APPENDIX C

Alternate fuel supplies for Maryland

Currently, four fuels can be substituted for natural gas by interruptible users. They are: #2 Heating Oil, #4 Residual Fuel, #5–6 Residual Fuel, and Propane. Of these, propane is likely to be in short supply, but fortunately it comprises only 3.3% of the alternate energy requirement stimulated by curtailments. The degree and impact of a possible propane shortage is not yet known. As previously mentioned, the prices for alternate fuels are significantly higher than for natural gas, generally about 3 times as much when compared on a Btu equivalent. Table C–1 gives these prices, both on a volumetric and Btu equivalency basis.

Synthetic gas, once considered infeasible because of its high production cost, now can be produced for a price which is competitive with the Btu prices of other decontrolled fuels. The first synthetic gasification plant in Maryland is scheduled to start operation on September 1, 1976, in time for winter, 1976–1977. Financed by Baltimore Gas and Electric, the plant will produce up to 60 million cubic feet of gas per day, or a maximum of 10 percent of BG&E's requirement for a heavy usage day. Anticipated start-up costs have risen from the initial 1973 estimate of $25,000,000 to an anticipated $30,000,000. The plant will be located at Soller's Point on the Patapsco River in eastern Baltimore County and will utilize an already-existing pipe line that runs from BG&E's Riverside Powerplant to the Eastpoint gas holder.

TABLE C–1.—AVERAGE PRICE FOR FUELS SUPPLIED TO MARYLAND INDUSTRIAL USERS, SPRING, 1975

Fuel	Dollars per unit	Dollars per mmbtu
Natural gas (mcf)	0. 67	0. 63
No. 4 residual (gallon)	. 34	2. 28
No. 5–6 residual (gallon)	. 28	1. 86
Propane (gallon)	. 39	4. 05
No. 2 heating (gallon)	. 36	2. 61

FOOTNOTES

[1] Used in this context, it is generally agreed by industry and government specialists that 15% represents a reasonable rate of return.

[2] Office of Economics, Federal Power Commission, Docket No. PM 75–14, August 4, 1975.

[3] Ibid.

[4] Evaluation of reserve potential takes several years so that publication of new natural gas discoveries is delayed six years after actual discovery.

[5] Short-term emergency purchases can be made by pipelines at prices exceeding the national price ceiling on interstate sales. Upon FPC approval, the additional cost of 60-day purchases may be passed through to consumers.

[6] Firm customers are those who contracted for natural gas without interruption.

[7] "Impact of Prospective Natural Gas Curtailments on U.S. Industry", Bureau of Domestic Commerce, Department of Commerce, September 1974.

[8] As an example, one firm in Maryland recently completed a $15 million conversion from natural gas to alternate fuel capacity.

[9] Standard Industrial Classification.

[10] To the extent that the price of natural gas relative to other fuels has remained low, these figures understate the quantity demanded at the prevailing price.

[11] Where applicable, all other Maryland data refer to this time interval.

[12] At present, it appears that most of Maryland's alternate fuel requirements can be met, but not without a high cost.

[13] This figure assumes a 17% nationwide curtailment. Estimates were derived from: Robert Ross Cahal, Jr., "The Cost to the Consumer of Inadequate Gas Service As Compared to the Cost to the Consumer of Additional Gas Supplies at Higher Wellhead Prices of New Gas", in *Factors Critical to Wellhead Prices for New Natural Gas Supplies* (Washington, D.C.: H. Zinder and Associates, May, 1975).

[14] Information concerning alternate fuel capacities provided by Maryland Energy Policy Office.

Mr. BEALL. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 5620) to amend the act of August 20, 1963, as amended, relating to the construction of mint buildings, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. BUMPERS).

At 2:50 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the enrolled bill (S. 2270) to authorize an increase in the monetary authorization for certain comprehensive river basin plans previously approved by the Congress, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. PASTORE, from the Joint Committee on Atomic Energy:

The following-named persons to be the Representatives and Alternate Representatives of the United States of America to the 19th Session of the General Conference of the International Atomic Energy Agency:

To be Representative:

Robert C. Seamans, Jr., of Massachusetts.

To be Alternate Representatives:

Richard T. Kennedy, of the District of Columbia.

Myron B. Kratzer, of the District of Columbia.

Marcus A. Rowden, of Maryland.

Nelson F. Sievering, Jr., of Maryland.

Gerald F. Tape, of Maryland.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILL REFERRED

The bill (H.R. 5620) to amend the act of August 20, 1963, as amended, relating to the construction of mint buildings, was read twice by its title and referred to the Committee on Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. LONG (for himself and Mr. JOHNSTON:)

S. 2385. A bill to amend the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 with regard to the rice programs established in those acts. Referred to the Committee on Agriculture and Forestry.

By Mr. TAFT (for himself and Mr. WEICKER):

S. 2386. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress. Referred to the Committee on Post Office and Civil Service.

By Mr. BAYH (for himself, Mr. PHILIP A. HART, Mr. ABOUREZK, Mr. TUNNEY, and Mr. PACKWOOD):

S. 2387. A bill to restore and promote competition in the petroleum industry, and for other purposes. Referred to the Committee on the Judiciary.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LONG (for himself and Mr. JOHNSTON):

S. 2385. A bill to amend the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 with regard to the rice programs established in those acts. Referred to the Committee on Agriculture and Forestry.

RICE ACT OF 1975

Mr. LONG. Mr. President, it is my feeling that the existing rice program has well served all segments of the rice industry, as well as the consumers in this country. It has, over a long period of time, provided us with an abundant supply of rice, at reasonable price, and with a minimum of expenses to the U.S. Government and the taxpayer.

There has been neither a shortage nor an unmanageable surplus of rice. We have had ample supplies to meet our international commitments as well as to keep our domestic prices reasonable. At the same time, production has been sufficiently limited so that there was not the sort of overproduction which knocks the bottom out of the market and drives small and medium-sized producers out of the market.

The magnificent success and stability of the current program was well described in hearings last year by Mr. Grant Link of the National Rice Growers Association:

> The present Legislation affecting rice has been in effect for approximately twenty years. This program has operated at a minimum cost to the United State Department of Agriculture, provided the cost of P.L. 480 would have been charged to the proper Federal Agencies, which benefits from the provisions of this program. The present program has kept supply and demand in better balance for rice than any other program designed or attempted for any other commodity. The only year the rice program was in trouble is when the U.S.D.A. asked us to plant more rice than was needed and the the Labor Department could not settle a dockworkers strike.

Similarly, Mr. President, Mr. Leonard Hensgens testified in behalf of the Louisiana Farm Bureau, pointing out several reasons why the present program has worked well and why if any change is to be made it should be in the form of the bill I am introducing today. I point out that the views expressed by Mr. Hensgens in behalf of the Louisana Farm Bureau are also shared by the American Farm Bureau Federation:

> First, let me say that Louisiana rice producers are strongly in favor of retaining our present rice program. We feel the legislation has served the industry, consumers, and others well. It provides the necessary mechanisms for increased production when additional supplies are needed. Also, production restrictions are authorized if supplies become excessive and act as depressing factors to the market.
>
> We must be realists. There is a concerted effort by the administration, certain Members of Congress, and others to develop a new rice program. This being the case, producers feel it is important that any proposal contain our views. We feel that H.R. 4741 does contain features that are generally acceptable to our producers and must be in support of the proposed bill. The fact that Congressman John Breaux of Louisiana is author of this bill and the cosponsors come from major rice producing areas should be an indication to you, who sit on this subcommittee, that the proposal is satisfactory to rice producers.
>
> Basically, we support H.R. 4741 for reasons similar to those expressed to you in the statement presented by the American Farm Bureau Federation.
>
> However, I feel an obligation to express what we consider to be the objectives of H.R. 4741:
>
> 1. Allow more farmers to enter rice farming to satisfy expanding world needs for food;
> 2. Keep U.S. rice viably competitive in world markets;
> 3. Assume reasonable domestic prices, while at the same time providing checks to gross overproduction;
> 4. Create more stability from year to year in acreage levels;
> 5. Assure U.S. consumers an abundant supply of rice at the lowest possible price on a dependable basis;
> 6. The milling and processing industry will have an adequate supply of rice to meet expanding markets reasonably priced;
> 7. As a bonus, the industry, through expanding the normal carryover level to 20 percent, will provide a reserve of rice to meet unexpected domestic and foreign contingencies;
> 8. No subsidies, direct payments, nor other assurances are asked by rice farmers other than the minimum assistance of the U.S. government to protect, at cost of production, a base of rice production.
>
> We understand that certain parties are still favoring target price legislation. We must express strong opposition to any target price concept for rice. Our major points of objections are: the proposed legislation is temporary; it provides for direct payments to producers which we feel is unsound; and it provides for uncontrolled production which would be disastrous for our industry. With regard to direct payments, it is naive to think that any legislation will be approved by Congress without payment limitations. Further, the best we could expect would be a $20,000 limitation and possibly a limitation as low as $9,400, such as was the case in the proposed sugar legislation.

In short, our rice program has worked well, and I do not believe that we should be quick to change a program that has proven itself. My earnest recommendation would be that no changes whatever be made in the rice program at the present time.

Nonetheless, it may be the wisdom of Congress that now is the time to legislate certain changes in this program, and I am aware that several of my esteemed colleagues have introduced bills which, in my opinion, would work severe changes on our rice law.

The evidence, as I see it, appears to indicate that the proposed relaxation of production controls runs a strong risk of destabilizing many segments of the industry, particularly in those areas where smaller farms predominate. Though the intentions of those who have introduced S. 2260 and S. 1645 are good, I feel that there must be a better alternative by which production can be modestly increased without undue risk of the kind of costly surpluses which would put the Government in the position of having to make massive direct payments to thousands of farmers when the market crashes.

The general support for the current program and for the Houston plan as the only feasible alternative was well expressed in hearings before the House Agriculture Committee early this year by Mr. F. E. Guthrie, president, American Rice Growers Cooperative. The views expressed by Mr. Guthrie, in my opinion, represent the overwhelming consensus among rice producers in the States of Louisiana, Texas and California, and are shared by what I believe to be a majority of rice producers in the State of Arkansas:

> We like the present rice legislation. It has worked satisfactorily, has cost our Government only nominal amounts of money, has provided adequate supplies of rice to our domestic market, our dollar export markets, and for our Government's requirements at level, stable prices for 20 years prior to the worldwide shortage of all good grains last year and year before last. Prices are again stabilizing and, if Government figures are accurate, supplies are more than adequate with a projected carryover of around 25 million hundredweights—about 2½ times a normal carryover.
>
> We are convinced, however, that some changes must be made in present legislation. For this reason, producer representatives of the major producing States met in Houston, Tex., on January 22 of this year and unanimously agreed on modifications of present legislation that would make substantial progress in the direction pointed to by the administration and still leave as a program we could live with and stay in business.
>
> These changes are embodied in H.R. 4741 presented by Congressmen Breaux, Sisk, Johnson of California, Leggett, and Young of Texas.

In these same hearings, Louisiana Congressman JOHN BREAUX, whose district produces more rice than any other in the Nation, spoke eloquently of the long-term success of the current program and warned soberly of the dangers of overproduction:

> I've consistently been a strong defender of the present program—explaining how it's served the rice industry for some 30 years, supplying adequate stocks for domestic and export use, while still maintaining a strong economy at the producer level. Recognizing that change appears inevitable. I've introduced a bill in the House—H.R. 4741—on behalf of producers in at least four of the major production States. I'll explain the details of this bill in a moment, but I'd like to say at this point that my bill does not call for changes as drastic as those contained in other legislation before Congress. My reason for that is simple; if we must have change, I firmly believe it should be gradual and not disruptive. H.R. 4741 is designed to institute a gradual change to new concepts of rice production.

With these significant concerns in mind, I am today introducing the Rice Act of 1975.

This bill is essentially the same as the so-called Houston plan, which was worked out and agreed upon last year at a meeting of representatives from each of the five major rice-producing States. This same bill has been introduced in the House by Louisiana Congressman JOHN BREAUX and HENSON MOORE.

Unlike S. 2260 and S. 1645, the Houston plan provides no direct payments to rice farmers in the form of target pricing mechanisms. Yet, it provides for an increase in production while, at the same time, retaining authority for the Agriculture Department to make adjustments in production to meet market demands but to prevent uncontrolled expansion and costly surplus.

According to the most recent USDA estimates, the carryover of rice for this marketing year will be somewhere between 13 and 20 million hundredweight. A level of only about half this amount—7 to 10 million hundredweight—is considered appropriate and adequate by the Department of Agriculture.

The official carryover last year was an adequate 7.1 million hundredweight but would have been double that amount except for a large, unexpected purchase of about 7 million hundredweight late in the year by Korea.

Mr. President, if there is a 13–20 million hundredweight carryover this year, it would be folly and disaster to add many millions of additional hundredweight to next year's carryover by deliberately expanding production far beyond our means of either consuming or exporting the surplus. Total exports, incidentally, are expected to be about the same as last year, with Public Law 480 shipments slightly lower.

Even under the present program, production has risen as follows during the last 5 years:

[Million hundredweights]

1971–72	85.8
1972–73	85.4
1973–74	92.8
1974–75	114.1
1975–76 (projected)	124.8

Because of this healthy increase in production, average price for medium grain rice in Louisiana—and it is similar in other States—has fallen to only 48 cents above the loan support level, with indications showing that it will probably drop much lower when the huge rice crop in Arkansas comes on the market.

Translated, these statistics indicate to me that now is not the time to allow an uncontrolled increase in production. Rather they indicate that our rice farmers are already providing a more than adequate supply of rice at a reasonable price.

Mr. President, we must retain the ability to increase or decrease the production of rice according to world supply and demand, and we must do so at a price that is fair to the consumer, the U.S. Government and the farmer.

I believe that the current program is achieving these goals in a fashion that could hardly be improved upon. If, however, the Congress feels that it absolutely must legislate on the subject, I believe that the bill which I am introducing today contains the provisions which will, at least, avoid the risk of major disruption to the industry, and particularly to those thousands of small and medium-sized producers who are most severely affected by market instability.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2385

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 352 of the Agricultural Adjustment Act of 1938 is amended to read as follows:

"NATIONAL ACREAGE ALLOTMENT

"SEC. 352. (a) The national acreage allotment of rice for the 1976 and subsequent crops of rice shall be two million acres, unless the Secretary determines, prior to December 31 of the calendar year preceding the beginning of the crop year for which the allotment is to be made, that the difference between the total supply of rice for the marketing year beginning in the calendar year preceding such crop year and the normal supply of rice for such marketing year is greater than 20 per centum of such normal supply.

"(b) If the Secretary makes the determination described in subsection (a), the national acreage allotment of rice for the crop year beginning after the determination is made shall be established at a level which will adjust the supply of rice so that a quantity of marketable rice will be on hand in the United States at the end of the marketing year beginning August 1 of the calendar year in which the rice for which the acreage allotment is being determined is to be produced (not including rice produced in the calendar year in which such marketing year ends) which is less than 20 per centum of the estimated amount of rice which will be utilized in exports and domestic consumption during such marketing year, except that the national acreage allotment for rice for any crop of rice may not be less than one million six hundred fifty-two thousand five hundred and ninety-six acres.

"(c) For purposes of this part, the term 'normal supply' means, with respect to any marketing year—

"(1) the estimated domestic consumption of rice during the marketing year for which normal supply is being determined, plus

"(2) the estimated exports of rice during such marketing year.".

SEC. 2. (a) Section 353 (b) of the Agricultural Adjustment Act of 1938 is amended—

(1) by striking out the second sentence; and

(2) by striking out "an old producer" and all that follows through "second sentence of this subsection," in the third sentence and inserting in lieu thereof "a producer or farm under the first sentence of this subsection,".

(b) Section 353 of such Act is amended by adding at the end thereof the following new subsection:

"(h) The Secretary shall permit the owner and operator of any farm for which a farm acreage allotment has been established to sell or lease all or any part, or the right to all or any part of such allotment, to any other owner or operator of a farm in the same

State, or to transfer all or any part of such allotment to any other farm owned or controlled by him in the same State. The Secretary shall also permit the person for whom a producer allotment has been established to sell or lease all or any part of such allotment to any other person in the same State.".

SEC. 3. Section 354 (a) of the Agricultural Adjustment Act of 1938 is amended to read as follows:

"(a) Whenever in any calendar year the Secretary determines the national acreage allotment under section 352 (b), he shall, not later than December 31 of such calendar year, proclaim such facts and marketing quotas shall be in effect, subject to subsection (b) of this section, for the crop of rice produced in the next calendar year.".

SEC. 4. Section 356(a) of the Agricultural Adjustment Act of 1938 is amended to read as follows:

"(a) Whenever marketing quotas are in effect with respect to any crop of rice, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound which is equal to the cost of production, as defined by section 108 of the Agricultural Act of 1949, per pound of rice for the crop with regard to which the penalty is imposed.".

SEC. 5. Section 301(b)(10)(A) of the Agricultural Adjustment Act of 1938 is amended by striking out "rice," in the first sentence and by striking out "10 per centum in the case of rice;" in the second sentence.

SEC. 6. Section 101 of the Agricultural Act of 1949 is amended—

(1) by striking out the undesignated paragraph in subsection (a) dealing with rice;

(2) by inserting, "except for rice," immediately after "price support" the first time it appears in subsection (d)(5); and

(3) by inserting "and rice" immediately after, "except tobacco" in subsection (d)(3).

SEC. 7. Title I of the Agricultural Act of 1949 is amended by adding at the end thereof the following new section:

"PRICE SUPPORT FOR 1976 AND SUBSEQUENT CROPS OF RICE

"SEC. 108. (a) The Secretary shall make available nonrecourse loans and purchases for the 1976 and subsequent crops of rice. These nonrecourse loans and purchases shall be available only to persons producing rice on acres allocated under section 353 of the Agricultural Adjustment Act of 1938.

"(b) The amount of the loans and purchases available shall be based on the following:

"(1) the farm yield base, as determined by the Secretary, of the person receiving the loan, multiplied by

"(2) the amount of acres of rice produced by such person on acres allocated to him under section 353 of the Agricultural Act of 1938, multiplied by

"(3) the cost of production, as determined under subsection (c), of the rice produced on the acres described in paragraph (2).

"(c) For purposes of this section, the term 'cost of production' shall mean—

"(1) with regard to the 1976 crop of rice, $8 per hundredweight of rice or 60 per centum of the parity price for rice, whichever is higher; and

"(2) with regard to crops of rice subsequent to the 1976 crop, the cost of production for the 1976 crop of rice adjusted each year to reflect changes in a cost-of-production index for rice;

except that such term shall mean 50 per centum of the parity price for rice with regard to any crop of rice for which marketing quotas have been disapproved by producers.".

SEC. 8. The amendments made by this Act shall become effective with the 1976 crop of rice.

Mr. JOHNSTON. Mr. President, it is indeed a privilege for me today to join with my dear friend and colleague from Louisiana, Senator LONG, in introducing a bill which I feel is almost unique in the annals of agricultural legislation. I do not feel that I am overstating the merits of this proposal by labeling it as unique, for what we have here is legislation which truly harmonizes the interest of farmers and consumers in rice production. In these days of rising food prices and declining farm incomes, it seems that all we hear is talk of how the American farmer and the consumer are at each other's throats. If the farmer is to get an equitable price for his product, so the argument goes, the consumer must suffer and vice versa. I have always felt that these arguments grossly distort reality, are unfair to the American farmer and that, in fact, the interests of our farmers in receiving a good income and the consumers in paying a fair price are far from being antagonistic. Our bill, Mr. President, embodies this concept and will make it a reality in the rice industry.

Those who paint this picture of irreconcilable hostility between farmer and consumer stand on a rather flimsy, unsophisticated view of the agricultural marketplace. If we simply remove all restrictions on production, so the argument goes, our rice supplies will expand and the price the consumer pays for rice will inevitably drop. It cannot be denied that this analysis has a certain simplistic elegance, but that is about all that can be said for it. In the first place, supply, as has been demonstrated in the case of wheat, is subject to wild fluctuations and is determined largely by the uncertain factor of weather conditions around the world. In an open production situation the farmer, who is about as good at weather predictions as I am, simply cannot know how much to plant, will err on the side of safety and plant as much as he can, and will take a severe beating if worldwide weather conditions are good. We have seen this time and time again. The small farmer takes a financial licking and is forced out of business. The agricultural history of this country in the 20th century is one of the virtual elimination of the small farmer, Mr. President. He is virtually an extinct species.

The rice consumer is indeed fortunate that the small rice farmer still exists. Whatever competition exists in the agriculture industry exists because of him and competition, in the long run, is the consumer's ultimate salvation. In an open production situation, it will not be very long before the small rice farmer is eliminated and, along with him, the last vestiges of competitive market. When that happens, Mr. President, it will be the consumer who pays. Rather than subject themselves to the uncertainties of full production, large farming operations will cut back production to maintain price. Should supplies fall into surplus, we shall not see prices fall on the grocery shelves.

An oligopolistic rice industry will keep them high. All of us have to eat, after all. No, Mr. President, open production is not the consumer's salvation, it is his curse. If we succeed in driving the small farmer from his land, we all will suffer.

The legislation we offer today will save the small farmer and ultimately the rice consumer. By permitting expanded production up to a realistic level, this legislation will let our farmers and consumers enjoy the obvious benefits of expanded production, yet at the same time will prevent the specter of unforeseen and demonstrably harmful oversupply. This legislation features a realistic triggering mechanism to assure that this does not happen.

By Mr. TAFT (for himself and Mr. WEICKER):

S. 2386. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress. Referred to the Committee on Post Office and Civil Service.

Mr. TAFT. Mr. President, this bill is identical to H.R. 9336 in the House of Representatives, introduced by Congressman MOSHER of Ohio. It provides that a general election must fall between the time when a congressional pay increase is voted upon and the time when it goes into effect.

The Ohio State Constitution has for many years prohibited State legislators from receiving pay increases in the same session in which they are voted. Several other States have comparable provisions in their laws. This bill would eliminate a serious procedural problem and conflict of interest because no Member of Congress could receive a pay raise in the Congress in which the pay raise was enacted.

The legislation does not address the merits of any specific increase, just the timing of any future increases.

By Mr. BAYH (for himself, Mr. PHILIP A. HART, Mr. ABOUREZK, Mr. TUNNEY, and Mr. PACKWOOD):

S. 2387. A bill to restore and promote competition in the petroleum industry, and for other purposes. Referred to the Committee on the Judiciary.

PETROLEUM INDUSTRY COMPETITION ACT OF 1975

Mr. BAYH. Mr. President, I am today introducing for myself, the distinguished chairman of the Subcommittee on Antitrust and Monopoly (Mr. PHILIP A. HART), two of our colleagues on the subcommittee (Mr. TUNNEY and Mr. ABOUREZK), and the Senator from Oregon (Mr. PACKWOOD), legislation to require the breakup of major, vertically integrated oil companies.

As a member of the Antitrust and Monopoly Subcommittee I look forward, with the consent of the chairman, to conducting hearings on this and similar legislation. Indeed, we are moving quickly with hearings tomorrow and again on Friday.

Our goal is to provide and to sustain competition in the domestic oil industry. This Nation cannot and will not be able to solve our massive energy problems, nor provide lasting cures to the serious recession and inflation that can be traced directly to oil prices, unless we recognize that the oil industry is fundamentally noncompetitive. Moreover, only a major step—such as requiring vertical divestiture—can bring competition to the oil industry.

The lack of competition in the oil industry is the result of the unique convergence of two factors: intense concentration and vertical integration. Neither of these economic phenomena is automatically anticompetitive; however, in concert they provide a small number of companies with extensive control over an essential commodity.

The intensity of the concentration in the oil industry can be demonstrated by an unadorned recitation of the industry's vital statistics:

PRODUCTION

In 1973 the 20 largest oil companies accounted for 76.3 percent of the crude oil production in the United States. Moreover, the Federal Trade Commission has estimated that in 1970 those same 20 companies accounted for 93.5 percent of this Nation's reserves of crude oil.

TRANSPORTATION

In 1973 the 16 largest oil companies controlled pipelines that received 92 percent of the crude oil accounted for in all pipelines reporting to the Interstate Commerce Commission.

REFINING

Also in 1973, the 20 largest oil companies maintained 82.9 percent of the total U.S. refinery capacity.

MARKETING

One again using 1973 figures, those same 20 companies accounted for 77.2 percent of the total U.S. gasoline market.

For those who hasten to point out, correctly, that there are other U.S. industries that are more concentrated than the oil industry, two key points must be emphasized:

First, as we have learned painfully in recent years, there is no other commodity that has the same impact on our economy as oil. There is irrefutable evidence that the sharp rise in oil prices, at home and abroad, was the single greatest cause of the soaring inflation and deep recession we have experienced in the past 2 years. Thus, the concentration in the oil industry must not be weighed against concentration in other industries. Rather is must be weighed in the context of its own impact on our economic well being. And that impact is not only substantial, it has tended to be highly negative.

Second, the effect of concentration in the oil industry is aggravated by the extensive vertical integration that permeates the industry.

Not only do a small number of companies dominate the oil industry; those same companies are deeply involved in all four key segments of the industry: production, transportation, refining and marketing. Indeed, the eight largest oil companies have by any definition of the term "major" interests in all those segments.

Our crude oil is discovered, produced, transported in crude pipelines, refined, transported in product pipelines, trucked, distributed and sold to the consumer by these vertically integrated companies. From the time the drill bit enters the ground to develop a new oil well until the oil from that well is pumped into the consumer's gasoline tank it is controlled by a single company.

No other U.S. industry is so vital to the Nation's economy, and yet no other industry is so completely vertically integrated. In the place where we can least afford it, we find American consumers at the mercy of a small number of companies that maintain effective control over an essential commodity.

This market control works in many ways. Before the Federal Government stepped in last year to end the practice, it enabled the major companies to retain lower priced "controlled" oil for its own operations while forcing independent refineries and marketers to make do with higher priced domestic and foreign oil. Had the majors been left free to continue this practice, independent refineries would have been at a severe competitive disadvantage. That, in turn, may well have put some of the independents out of business, increasing the dominance of majors, and thus enabling them to raise prices even more.

That same market control was used in the past, and is still being used today, to drive independent service station operators out of business. It is used today as a club over the head of branded retailers, tens of thousands of small businessmen, whose very existence is subject to every whim and fancy of the major oil companies. Competition is lacking when a retailer abides by the pricing dictates of a major oil company, and markets products selected by that company, out of a justifiable fear of losing his franchise and being put out of business.

Market control enables the major oil companies to engage in "swapping" practices unique to the oil industry; practices that include sharing crude oil and refined products and even markets. When companies that are supposed to be competing exchange their products, the absence of competition is self-evident. It is little wonder that the Federal Trade Commission has charged the eight major oil companies with engaging in anticompetitive practices. Regrettably, resolution of that complaint in the so-called Exxon case, begun more than two years ago, is many years in the future.

The American people were both witness and victim to the consequences of the absence of competition in the oil industry this summer when gasoline prices rose significantly during the first week of July. While the price increases were legal the oil companies were able to prevent competition from holding the increases in check by limiting refinery operations during May and June and thus creating a supply-demand imbalance for gasoline immediately prior to the peak driving season. If the same companies did not control the flow of crude, the refinery operations and the retailing of gasoline, such a legal but highly anticompetitive maneuver would not have been possible.

As I indicated earlier, Mr. President, the lack of competition in the oil industry is especially injurious to our economic well-being because of the essential nature of this commodity. It is axiomatic that the absence of competition opens the door for artificially high prices. When this happens in an industry as basic as the oil industry the consequences are disastrous.

Unnecessarily high oil prices promote serious inflation, not only by raising the price of gasoline and home heating oil for which the demand is relatively inelastic, but also by raising the price of thousands of other products for which petroleum is an essential ingredient. This includes such varied consumer goods as drugs and synthetic fabrics. It effects municipalities that must use plastics. It is all pervasive.

At the same time, the administration of prices in the noncompetitive oil industry breeds recession. It puts people out of work. It does this by robbing consumers and industry of valuable purchasing power, diminishing the demand for other goods and services, and thus limiting potential economic growth.

Mr. President, the lack of competition in the oil industry runs directly against the valid and longstanding commitment of this Nation to a free market economy. The undermining of that free market economy by any industry is unfortunate. In the case of the oil industry it is an evil of such magnitude and seriousness that it cries out for a firm solution.

The legislation we are introducing today offers such a solution.

Basically, the Petroleum Industry Competition Act looks at the four segments of the industry—production, transportation, refining, and marketing—and requires any company with a major interest in production, refining, or marketing, measured by volume of crude or product handled, to divest itself within 3 years of all interests in the other three segments of the industry. An exception is provided for major marketers which would be permitted to retain or to acquire refining operations as an incentive to expand our grossly inadequate refining capacity. Because oil pipelines provide such an essential link in the industry's structure, and should be common carriers, all oil pipeline companies, without regard to size, would be required to divest themselves of all other interests in the industry. In the case of those companies that have a major interest in more than one segment of the oil industry—and the eight largest companies have major interests in all four segments—the company would have to select that segment of the industry in which it wanted to continue doing business and then divest itself of all interests in the other three segments.

While the legislation is simple in design, it is sweeping in scope. I hold no illusions about the seriousness of this undertaking, nor about the compelling need to convince our colleagues that this is the proper course of action. However, introduction of this legislation is no idle gesture. It is a serious endeavor on which action will be pursued vigorously, in the face of what one can obviously anticipate will be fierce industry opposition.

No doubt that opposition will take the position that we are somehow trying to thwart free enterprise. That is plain nonsense. What we are trying to do is open the door for the operation of free enterprise in the oil industry.

We are reasserting the basic commitment of this Nation to fight monopoly and to create an atmosphere in which competition—the essence of our economic order—can thrive. Let no one make this mistake, Mr. President, it is those of us who want to bring competition to the oil industry that are defending the principles on which our economy was built. On the other side of the coin, the major oil companies' desire to restrict competition and to protect monopoly runs counter to the free enterprise system to which the industry pays only lip service.

There is little doubt, Mr. President, that the industry will attempt to assert that this action is punitive. In recent months the oil industry has attempted to claim the role of underdog, to argue that it is a political whipping boy.

Poppycock.

If the major oil companies are developing a case of paranoia it is because the industry is being called to account for years of misconduct and abuse of power. For too long the American people have been the helpless victims of the strength of the oil giants.

We are seeking to redress that wrong; not by punishing the major oil companies but by asking them to live by the principles of competition and free enterprise that are deeply embedded in the philosophy of the American people. We are not playing unfairly, rather we are demanding fair play from the major oil companies.

When we succeed in restoring that missing element of fairness to the U.S. oil industry we will have moved far along the road of economic justice. In doing so we will fulfill an unmet obligation to American consumers, businessmen, and industry.

Mr. President, I request unanimous consent to include in the Record at this point a summary and analysis and the full text of the Petroleum Industry Competition Act of 1975.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 2387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Petroleum Industry Competition Act of 1975."

DECLARATION OF POLICY

Sec. 2(a) Findings.—The Congress finds and declares that—

(1) this Nation is committed to a private enterprise system and a free market economy, in the belief that competition spurs innovation, promotes productivity, prevents undue concentration of economic, social, and political power, and helps preserve a democratic society;

(2) the decline of competition in industries in which oligopoly or monopoly power exists, and the decline of competition caused by State and Federal regulatory policies, have contributed significantly to unemployment, inflation, inefficiency, underutilization of economic capacity, reduction in exports, and an adverse effect on the balance of payments;

(3) vigorous and effective enforcement of the antitrust laws, and reduction of monopoly and oligopoly power in the economy, can contribute significantly to reducing prices, unemployment, and inflation; and

(4) existing antitrust laws have been inadequate to maintain and restore effective competition in the petroleum industry.

(b) Policy.—It is the purpose of the Congress in this Act to facilitate the creation and maintenance of competition in the petroleum industry, and to require the separation and divestment of assets and interests by vertically-integrated major petroleum companies.

DEFINITIONS

Sec. 3. As used in this Act—

(a) "affiliate" means a person controlled by, controlling, or under or subject to common control with respect to any other person;

(b) "asset" means any property (tangible or intangible, real, personal, or mixed) and includes stock in any corporation;

(c) "commerce" means commerce among the several States, with the Indian tribes, or with foreign nations; or commerce in any State which affects commerce among or between any state and foreign nation;

(d) "energy resource" means crude oil, natural gas or any gas artifically separated therefrom, natural gas liquids and condensate.

(e) "marketing asset" mean any asset used in the distribution or marketing of a refined product or natural gas;

(f) "refined product" means any product, whether liquid or gas, which is produced by a petroleum refinery.

(g) "transportation asset" mean any asset used in the transportation by pipeline, or gathering line of crude oil or refined product;

(h) "refinery asset" means any asset used in the refining of an energy resource;

(i) "major refiner" means any person which, during the calendar year 1974 or in any subsequent calendar year, alone or with affiliates, refined within the United States 75,000,000 barrels of product, including that refined by another refiner under a processing agreement;

(j) "major marketer" means any person which, during the calendar year 1974 or in any subsequent year, alone or with affiliates marketed or distributed 110,000,000 barrels of refined product;

(k) "petroleum transporter" means any person which transports crude oil or refined product by pipeline in commerce;

(l) "state" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands, and the Outer Continental Shelf;

(m) "control" means direct or indirect legal or beneficial interest in or legal power or influence over another person, directly or indirectly, arising through direct, indirect, or interlocking ownership or capital stock, interlocking directorates or officers, substantial or long-term contractual relations, loans, agency agreements, or leasing arrangements;

(n) "person" means an individual person or a corporation, partnership, joint-stock company, trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group whether or not incorporated. It does not include the Government of the United States or any branch, department, office, or agency thereof;

(o) "major producer" means any person which, during the calendar year 1974, or in any subsequent calendar year, alone or with affiliates produced within the United States either a total of 36,500,000 barrels of crude oil, condensate and natural gas liquids or whose interest in crude oil, condensate and natural gas liquid production totalled 36,500,000 barrels; or which alone or with affiliates, produced or sold of what it produced 200 million cubic feet or more of natural gas; or whose interest in natural gas production amounted to 200 million cubic feet;

(p) "production asset" means (i) natural deposits of crude oil, natural gas, or condensate, natural gas liquids, and (ii) any asset used primarily in the exploration for, development of or production of an energy resource product, including, but not limited to, an interest in land, whether or not the land is developed or undeveloped, geological and geophysical information, any interest in an energy resource produced by others; and

(q) "refinery asset" means any asset used in the refining of an energy resource product including, but not limited to, a refinery, tanks, and any interest in land.

UNLAWFUL RETENTION

Sec. 4. (a) Notwithstanding any other provision of law, three years after enactment of this Act, it shall be unlawful:

(1) for any major petroleum producer to own, or control any interest, direct, indirect, or through an affiliate, in any refinery, transportation or marketing asset; and

(2) for any petroleum transporter to own or control any interest, direct, indirect, or through an affiliate, in any production, refinery or marketing asset;

(3) for any major refiner or major marketer to own or control any interest, direct, indirect, or through an affiliate, in any production or transportation asset; and

(4) for any major refiner to own or control any interest, direct, indirect, or through an affiliate, in any marketing asset.

(b) Three years after enactment of this Act, it shall be unlawful for any person who owns any interest affecting commerce in any refining or production or marketing asset to transport any crude oil or refined product in which he has an interest by means of any transportation asset in which he has any interest.

REPORTS

Sec. 5. Each person to whom Section 4 does or will apply and any other persons as may be designated by the Federal Trade Commission, shall within one hundred and twenty days and at other times as the Commission may designate, file with the Commission the information and report about the assets as the Commission may request.

ENFORCEMENT

Sec. 6. (a) The Federal Trade Commission, in accordance with the rules, regulations, or orders it deems appropriate to carry out the purposes of this Act, shall require each person covered by Section 4 to submit within one year of enactment of this statute a plan or plans for divestment of the prohibited assets. If, after notice and opportunity for hearings, the Commission shall find the plan, as submitted or as modified by Commission order, necessary or appropriate to effectuate the provisions of this Act and fair and equitable to affected persons, the Commission shall approve the plan by order and shall take all necessary actions to enforce the plan: Provided that no plan shall be approved which will not substantially accomplish divestment on or before three years from enactment of this Act.

(b) The Federal Trade Commission shall institute suits in the district courts of the United States requesting the issuance of such relief as is appropriate to assure compliance with this Act, including orders of divestiture, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, the appointment of temporary or permanent receivers or trustees, civil penalties, and punitive damages for willful failure to comply with lawful Commission orders.

(c) In carrying out the provisions of this Act, the Federal Trade Commission is authorized to utilize all powers conferred upon it, and all sanctions associated therewith, by other provisions of law.

PENALTIES

Sec. 7 (a) Any person who knowingly or willfully violates any provision of this Act shall, upon conviction, be punished, in the case of an individual, by a fine not to exceed $500,000 or by imprisonment for a period not to exceed ten years, or both, or in the case of a corporation, by a fine not to exceed $5,000,000 or by suspension of the right to do business in interstate commerce for a period not to exceed ten years, or both. A violation by a corporation shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part, or who shall have omitted to authorize, order, or do any acts which would terminate, prevent, or correct conduct violative of this Act. Failure to obey any order of a court pursuant to this Act shall be punishable by such court as a contempt of court.

(b) Any person who violates a lawful order of the Federal Trade Commission issued pursuant to this Act shall forfeit and pay to the United States for each violation a civil penalty of not more than $100,000 which shall accrue to the United States and may be recovered in a civil action brought by the Commission. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey an order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

SUMMARY AND ANALYSIS OF THE PETROLEUM INDUSTRY COMPETITION ACT OF 1975

Section 2—Findings and Policy—Restates this nation's commitment to private enterprise and a free market in which competition can thrive. Declares the policy of the Congress to create and to maintain competition in the petroleum industry by requiring vertical divestiture by major oil companies.

Section 3—Definitions—Defines major producer as a company producing 36.5 million barrels of crude oil or 200 billion cubic feet of natural gas a year. Defines major refiner as a company that refines 75 million barrels of oil a year. Defines major marketer as a company that markets 110 million barrels of refined petroleum product a year. Defines petroleum transporter as a company that transports crude oil or refined petroleum products by pipeline.

Section 4—Unlawful Retention—Prohibits any major producer from owning any interest in transportation, refining or marketing three years after enactment. Prohibits any petroleum transporter from owning any interest in production, refining or marketing three years after enactment. Prohibits any major refiner from owning any interest in production, transportation or marketing three years after enactment. Prohibits any major marketer from owning any interest in production or transportation three years after enactment. A major marketer would be permitted to retain or to acquire refining interests to help alleviate the nation's serious shortage of refining capacity.

Section 5—Reports—Permits the Federal Trade Commission to secure all appropriate information from affected companies.

Section 6—Enforcement—Empowers the FTC to enforce the Act by requiring the submission of divestiture plans by affected companies. The Commission may pass on the adequacy of such plans and take appropriate action to see that the Act is complied with by all affected companies.

Section 7—Penalties—Provides penalties for violation of the Act. For individuals penalties include fines up to $500,000 and/or imprisonment up to ten years. For corporations penalties include fines up to $5 million and/or suspension to do business in interstate commerce for up to ten years.

Major producers, refiners and marketers as defined in Section 2:

Exxon, 1, 2, 3.
Shell, 1, 2, 3.
Texaco, 1, 2, 3.
Standard Oil of Indiana, 1, 2, 3.
Standard Oil of California, 1, 2, 3.
Mobil, 1, 2, 3.
Gulf, 1, 2, 3.
Atlantic Richfield, 1, 2, 3.
Phillips, 1, 2, 3.
Sun, 1, 2, 3.
Amerada Hess, 2, 3.
Union, 1, 2, 3.
Standard Oil of Ohio, 2, 3.
Ashland, 2, 3.
Continental, 1, 2, 3.
Marathon, 1, 2.
Cities Service, 1, 2, 3.
Getty, 1, 2.
Tenneco, 1.
Pennzoil, 1.
Superior Oil, 1.
El Paso, 1.

1—Major Producer, 2—Major Refiner, 3—Major Marketer.

Because of the crucial role of pipelines in the structure of the industry, and because pipelines should be common carrier, any transporter would be required to divest itself of all interests in production, refining and marketing. In this way oil pipelines would be treated in the same fashion as other common carriers.

Mr. PHILIP A. HART. Mr. President, on July 9, 1957, Senator Estes Kefauver opened the first set of Antitrust and Monopoly Subcommittee hearings on administered prices, saying:

> We are trying to come to grips with what is probably the nation's current number one domestic economic problem—the problem of inflation. We are concerned particularly with the extent to which administered prices in concentrated industries may contribute to this problem.

The administered price hearings ran 6 years, filling 26 volumes. Senator Kefauver died in 1963. The next year, the subcommittee returned to the question with economic concentration hearings. Those ran 6 years and filled 11 volumes.

The question Senator Kefauver posed in 1957 has been answered—at least to my satisfaction—several times over.

Yet, here we are—18 years later—with inflation, if not the No. 1 problem, certainly No. 2.

If we have defined the problem, a fair question is why do we not do something to eliminate it?

Why, indeed? I suggest it is because we know restructuring is the only cure, and we have been terrified to undertake it. Instead, we have temporized with jawboning, price controls—and a great deal of looking the other way.

Now the administration wants us to treat one industry that they call competitive like a "competitive" industry. But there is a question if even they really believe the oil industry is a competitive one.

When the first plea for eliminating oil price controls came, the administration promised to attach a windfall profits tax to the decontrol so no company would profit excessively. Seems like a strange thing to fear in a competitive market. For competition in a market should force companies to do one of two things under decontrol: invest the new income in finding new production so they could earn more fat prices or keep prices at a level where there is no excessive gain to tax away.

Now, after independent refiners and retailers have had a chance to explain to the administration just what decontrol will mean to them—that is, their supplies will either be cut off as before the allocation program, or they will buy at noncompetitive high prices—the Administration promises to take care of that problem, too, administratively.

There is talk of doing something to make sure independent refineries get crude and retailers get gasoline—all at reasonable prices. In other words, we are ready to embrace a new allocation program of some sort. Now, I was, and am, a strong supporter of allocation—until we get a competitive market. But the truth is that no government program can ever do the job of making a market work that competition can.

The irony is that the solutions themselves demonstrate that the administration which proposes them recognizes this is not a competitive market. In a competititve market, no company—or group of companies—has the power to control price or supply. The power to do so, any economist will quickly tell you, is monopoly power.

If we fail to face that truth, then, we will once more temporize.

And, while all this temporizing has been going on, the overall concentration problem in this Nation has been growing worse.

When Senator Kefauver began his study, the inflation rate was 3 percent and unemployment stood at 4.3 percent. Today, we have an inflation rate three times as high and double the unemployment. In 1957, 200 corporations controlled 54 percent of all manufacturing assets, and, today, they have more than two-thirds.

Mr. President, for three Congresses, I have proposed legislation which would eliminate this concentration by restructuring major segments of our economy. It is my belief today that such legislation is sorely needed, and the Congress will act on it soon.

But the situation in the petroleum area is of crisis—crisis both of supply and price. And I do not think it wise to leave the petroleum industry solution until the Industrial Reorganization Act is passed.

Therefore, today, I am cosponsoring a bill which would eliminate vertical integration for the top 20 major oil companies. Under the bill, each firm would engage in only one of four facets of the industry: Production, transportation, refining, or marketing.

Mr. President, vertical integration, in and of itself, is not good or bad. At its best, it can add efficencies and economies which can enable a company to offer competitive prices to its customers. At its worse, it can be a strong anticompetitive weapon. Each industry demonstrating vertical integration must be judged on its performance. Rather than going on at great length here today as to why the vertical integration in the oil industry is anticompetitive, I ask unanimous consent that a memorandum prepared at my request by the Antitrust and Monopoly Subcommittee staff be inserted in the record at the conclusion of my remarks.

But there are a few points in that

memorandum that I would like to underline.

First, this industry is unlike all others in the degree of open cooperation and coordination between the participants. Through joint production, joint transportation, and joint bidding, the companies in the industry pull together much more than they engage in toe-to-toe competition. Add to that exchange, agreements and now the joint negotiations with foreign governments—at the request of our Government—and we get the picture of an "old boys" industry.

But the power of the cozy club even extends beyond this.

As the memorandum points out, ownership and control of gathering lines, product lines, and crude lines by the major oil companies pretty effectively foreclose these transportation avenues to new entrants and make sure the smaller companies in the business stay in line.

Mr. President, the Federal Trade Commission 2 years ago filed a major antitrust case against the eight major oil companies. The complaint charges monopolization, and the staff has announced it will seek divestiture. A realistic estimate is that the case may be finally resolved between 1983 and 1988.

If we who support divestiture in the petroleum industry—and if the Federal Trade Commission staff which already has gathered 30,000 documents just to begin the investigation is right, it seems silly to wait that long for resolution of the problem.

In truth, it is more than silly. It is dangerous.

We do face a shortage of supply and high prices—two problems traditionally cured in any industry by a good dose of competition. This bill suggests that we take the legislative steps to instill that competition. The alternatives are not pleasant.

Mr. President, I ask unanimous consent that a memorandum to me from the staff of the Antitrust and Monopoly Subcommittee, dealing with the competitive effects of vertical integration in the domestic petroleum industry, be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

This memorandum deals with the competitive effects of vertical integration in the domestic petroleum industry. Basic premises should be made clear at the start. First is that an industry's performance is far more a matter of its structure than of the morals or even intentions of its management. The obvious corollary is that basic, long run improvement in performance (i.e., lower prices, greater efficiency) must come from reform of industry structure.

The second premise is that there exists no general body of economic knowledge or theory that supports a conclusion that vertical integration itself restrains competition. There is no short way around having to look at the effects of vertical integration in the context of a specific industry.

Vertical integration usually refers to the conduct of a firm when it either reaches back to control some part of its raw material supply or moves forward to control distribution of its products. The petroleum industry is referred to as vertically integrated because it is dominated by totally integrated firms. They are substantially involved at each of the industry's five levels: (1) crude exploration, development and production; (2) crude transportation; (3) refinery; (4) product transportation; (5) product distribution and marketing.

There are, however, more than 20 integrated petroleum companies operating in the United States. And, at least under conventional economic theory, there is a question as to how an industry can be "dominated" by 20 firms. The question is particularly troubling since, as we have admitted, vertical integration of itself does not create monopoly power.

To resolve this problem one must first study crude oil production. This level is important not only because it determines in many ways the structure of the rest of the industry, but it also illustrates principles that are applicable throughout the industry.

In 1969, 70.2 percent of our domestic crude oil was produced by the 20 largest integrated firms. The eight largest accounted for about 50.5 percent. This probably understates the direct control of crude since the more important measure is not production but ownership of reserves. The Federal Trade Commission estimates that in 1970 the 20 largest firms accounted for 93.5 percent of crude reserves and the eight largest, 63.9 percent. It is also worth noting that concentration in crude production has been increasing rather dramatically. In 1960 the eight major firms accounted for only 43.7 percent of domestic production.

Unfortunately, these numbers by themselves tell us little. Under conventional economic theory, the level of competition in an industry is to a considerable extent indicated by the number and relative size of the firms in the market. The absence of competition is monopoly, and a monopolist is able to restrict output in order to raise prices. The fewer firms which account for a greater share of a market, the easier it is for the firms to recognize a community of interest and act like a monopolist. Hence, the significance that economic theory generally gives to market shares and concentration ratios. But the numbers themselves are merely a rough index to the ability of firms to engage in tacit collusion. And in an industry where cooperative or interdependent behavior is singularly conspicuous, the rough index provided by the concentration ratios is of very minor relevance. The direct evidence of the industry's recognition of a community of interest is far more important.

Like every other level of this industry, crude production is not an activity undertaken by independently operating companies competing in an impersonal market. All aspects of crude production are characterized by cooperative behavior. Offshore exploration and production in particular are characterized by very large joint ventures which are for the most part dominated by the major companies. The joint activity begins with joint bids for offshore leases which leads to joint production by the successful bidders. One economist has described the joint bidding thusly:

"In any given sale, it is obvious that when four firms such as the CATC group, each able to bid independently, combine to submit a single bid, three interested, potential bidders have been eliminated; i.e., the combination has restrained trade. This situation does not differ materially from one of explicit collusion in which four firms meet in advance of a given sale and decide who among them should bid (which three should refrain from bidding) for specific leases and instead of competing among themselves, attempt to rotate the winning bids. The principal difference is that explicit collusion is illegal."

Of course the same logic could be applied to a subsequent joint production arrangement.

The following table which was presented in hearings before the Subcommittee gives some indication of the amount of joint bidding:

JOINT BIDDING IN FEDERAL OFFSHORE LEASE SALES (1970–72)

Company	Number of independent bids	Bidding partners	Number of joint bids with each
Amerada-Hess	0	Signal	50
		Louisiana Land	51
		Marathon	51
		Texas Eastern	16
Amoco	6	Texas Eastern	117
		Union	96
		CNG	79
		Transco	15
		Shell	14
Atlantic-Richfield	12	Cities	106
		Getty	73
		Continental	114
Chevron	79	Mobil	25
		Murphy	17
		General American	17
		Pennzoil	12
		Pelto	13
		Superior	9
		Gulf	7
		Burmah	4
		Mesa	4
Cities Service	7	Atlantic	106
		Getty	100
		Continental	163
		Tenneco	3
Continental	27	Atlantic	114
		Cities	163
		Getty	102
		Tenneco	5
Exxon	80		
Getty	0	Atlantic	73
		Cities	100
		Continental	102
		Placid	4
		Superior	2
Gulf	17	Mobil	17
		Pennzoil	8
		Standard Oil of California (Chevron).	7
Marathon	24	Signal	65
		Louisiana Land	69
		Amerada	51
		Texas Eastern	29
Mobil	8	Pennzoil	30
		Standard Oil of California (Chevron).	25
		Mesa	16
		Burmah	13
		Gulf	17
		Ashland	2

JOINT BIDDING IN FEDERAL OFFSHORE LEASE SALES (1971-72)—Continued

Company	Number of independent bids	Bidding partners	Number of joint bids with each
Phillips	0	Skelly (Getty)	69
		Allied Chemicals	66
		American Petrofina	34
Shell	59	Transco	47
		CNG	15
		Standard Oil of Indiana (Amoco)	14
		Florida Gas	17
Sun	115	Pennzoil	2
Texaco	15	Tenneco	32
Union	0	Amoco	96
		Texas Eastern	96
		Texas Gas	48
		Florida Gas	5

Even onshore drilling is usually done under some kind of joint arrangement. The most frequently used arrangement is the "farm-out." A firm holding a lease will "farm" it out to one or more firms who will drill, and if successful, operate the well. The firm holding the lease receives a share of what is produced. Frequently the farm-out agreement provides that the leaseholder has first call on the oil produced.

Farm-out arrangements are very important to smaller independents who depend upon them as a source of drilling prospects. But whatever justifications there may be for the system in terms of risk sharing and letting smaller firms share in preliminary geology, there is no doubt that the system contributes one more element towards the creation of the very cooperative atmosphere that pervades the industry.

It is also important to recognize here that it is almost impossible to assess in isolation the degree of competition at any one level of the petroleum industry. The extent of cooperation or interdependence at any one level is affected by the community of interest that exists at the other levels. Regardless of the apparent structure at any one level, the dominance of the industry by the vertically integrated firms, reduces competition at all levels to a sort of lowest common denominator. Each cooperative device at each level adds to the total effect. Which brings us to the subject of crude pipelines.

Probably the most important fact about petroleum is the most obvious. It is a liquid. It is also an exceptionally difficult liquid. Crude oil and most of its derivatives are smelly, toxic and volatile. From the time they are taken out of the ground until they are burned, or otherwise put to use, they are a costly nuisance. All of this puts an enormous premium on being able to handle them quickly in large volumes. This means pipelines.

Crude oil can be moved by truck from the wellhead to a trunk line, and this is done in the case of a new well where there has not been time to lay gathering lines or in the case of a well whose production is not sufficient to justify the cost of laying gathering lines. But trucking is a costly operation compared with gathering crude by pipeline.

The usual pattern in an efficient producing field is for the purchaser of the crude oil to lay in gathering lines which will move it to crude trunk lines. Once established, the relationship between the gathering line operator and the producer is almost never disrupted. Since pipeline owners are most often major companies (or in the case of trunk lines, group of major companies) this system places under effective control of the major integrated firms a substantial percentage of independent production.

What this means is that a great part of the crude produced by independent producers cannot be purchased or even bid for by independent or nonintegrated refiners simply because of the physical control major integrated firms have because of their control of the pipeline system.

In 1948 the economics department of a major oil company stated the matter to its management very succinctly: "Ownership of a pipeline outlet from a producing region is second only to ownership of proven and developed acreage as a means of assuring a supply of crude . . ." Recently in hearings before the Subcommittee on Integrated Oil Operations the president of the company which owns the largest independent gathering system claimed that the statement was as true now as it was in 1948.

It must be remembered that, whatever their other advantages, pipelines are the least flexible means of transportation. And their physical rigidity adds to their owner's control over the crude oil once placed in the lines. In spite of their legal status as commoncarriers these lines are basically constructed to serve the purposes of their owners. Gathering lines are designed to move oil to specific trunk lines and these in turn are designed to serve specific refineries or refinery complexes.

For an independent producer to "break connection" with a purchaser who owns the gathering lines in its field and sell to another refiner is extremely difficult. The 1967 Attorney General's Report on the Interstate Compact to Conserve Oil and Gas concluded that—

". . . the field market for crude oil displays all of the indicia of a monopoly market . . . once installed the expensive physical connections and the complex legal arrangements are long enduring, not easily responsive to supply-demand fluctuations or to price behavior."

The same report also concluded that this pipeline system was controlled by the major integrated firms:

". . . the pipeline network of gathering and trunklines is overwhelmingly a system constructed, owned, operated and used by the integrated companies for their immediate purposes, carrying almost entirely oil owned by the operating companies. By virtue of this, nearly all crude oil passes through the hands of the integrated companies either in the gathering lines or on trunkline movement."

These conclusions were borne out by an FTC survey of independent producers which confirmed the stability of the producer-purchaser relationship.

The difficulties an independent refiner has in trying to use the gathering lines of another refiner as a common carrier were described in considerable detail before this Subcommittee by the President of Apco Refining Company, Charles Siess. Apco, which had not previously purchased crude in West Texas, approached General Crude Corporation. By offering 40 cents a barrel over the posted price, Apco made a contract to purchase approximately 22,000 barrels of crude a day from General Crude. The difficulty arose because at this time the crude was being purchased by Sun Oil who owned the gathering lines into the field.

At the hearings Mr. Siess described what happened in a dialogue with Senator Tunney:

Senator TUNNEY. After you purchased the crude from General Crude did you have any difficulty moving that crude from the point of the wellhead to your refinery?

Mr. SIESS. Yes, sir, we did. We were initially advised by Sun Pipeline, after we had General Crude send telegrams to all the prior purchasers about the amendment on such and such a date, that Apco Oil would be the purchaser of crude and we in turn then advised Sun Pipeline that we would move that crude for our account—that they could not move the crude for us.

This was their intrastate gathering line in west Texas.

Senator TUNNEY. This was their common carrier line?

Mr. SIESS. It is an intrastate common carrier, I believe, sir. I think that in the State of Texas common carriers are almost any lines. The restrictions are pretty severe with respect to common carriers. So I am sure that it was a common carrier.

Senator TUNNEY. What reason did they give you that they could not move your crude?

Mr. SIESS. They said that it didn't meet the vapor specifications for their system.

Senator TUNNEY. But they had been moving that same crude with the same vapor characteristics up until that point; is that correct?

Mr. SIESS. Yes, sir; they certainly had, and we discussed that point with them for several days. And very honestly we got down to the point where we were advised that—I believe it was 1 o'clock on Saturday morning—the tanks would be full and they would have to advise General Crude that they were going to shut the leases in.

And of course, our deal with General Crude was such that we would have had to pay for the crude even though the leases were shut in, if we expected to keep it.

So we, on a Friday morning very early, contacted the president of Sun Pipeline Co. in Tulsa, advising him that we had reviewed the situation in depth, and indeed had spent the night reviewing it, and that if they did not advise us by noon that they were going to move the crude we were going to file suit.

About 10:30 that morning, they called back and said that they would move the crude.

* * * * *

Senator TUNNEY. If you had not been able to move that crude on the Sun pipeline, what would that have meant to your company?

Mr. SIESS. Well, we would have had to, if we wanted to keep that crude, continue to purchase 23,000 barrels of crude at $3.90 a barrel, which roughly, I believe, turns into about $100,000 a day, approximately, for whatever period of time we couldn't move the crude—if we expected to keep it.

And with our balance sheet we would not have lasted very long.

It is difficult to avoid sharing the conclusion of the 1967 Attorney General's report as to the effects of the system:

"The entire crude oil pipeline system is so dominated by the integrated companies that virtually all shipments, even if handled at origin or near destination by one of the few independent lines, must have intermediate access to an integrated company line. And outsiders simply are unable to use these lines as they could other types of common carriers. This is probably due less to direct refusal to accept outside shipment as to the multiple inconveniences which an outsider would encounter in attempting shipment over a line designed and geared entirely to handle the refiner-owner's own shipments."

It must be kept in mind that the crude trunk line system is not just owned by the major companies, but is owned by them primarily in joint ventures. Regardless of the legality of any specific line the total effect must contribute substantially to restraining competition. The construction and operation of such lines inevitably involves a sharing of information about the partner's intentions and capabilities in crude production. The following table sets out some of the major pipelines joint ventures, both crude and product:

Joint ventures in the oil pipeline industry

Pipeline Company and Coowners and	Percent held by each
Badger Pipeline Co. (assets=$12,400,000):	
Atlantic-Richfield	34
Cities Service	32
Texaco	22
Union Oil	12
Amoco	12.1
Dixie Pipeline Co. (assets=$46,400,000):	
Atlantic-Richfield	7.4
Cities Service	5.0
Continental	4.1
Exxon	11.1
Mobil	5.0
Phillips	14.5
Shell	5.5
Texaco	5.0
Gulf	18.2
Transco	3.6
Allied Chemical	8.6
Laurel Pipeline Co. (assets=$35,900,000):	
Gulf	49.1
Texaco	33.9
Sohio	17.0
Colonial Pipeline Co. (assets=$480,200,000):	
Amoco	14.3
Atlantic-Richfield	1.6
Cities-Service	14.0
Continental	7.5
Phillips	7.1
Texaco	14.3
Gulf	16.8
Sohio	9.0
Mobil	11.5
Union Oil	4.0
Plantation Pipeline Co. (assets=$176,100,000):	
Exxon	48.8
Shell	24.0
Refiners Oil Corp	27.1
Four Corners Pipeline Co. (assets =$20,900,000):	
Shell	25
Chevron	25
Gulf	20
Continental	10
Atlantic-Richfield	10
Superior	10
Olympic Pipeline Co. (assets=$30,700,000):	
Shell	43.5
Mobil	29.5
Texaco	27.0
Wolverine Pipeline Co. (assets=$21,800,000):	
Union Oil	26
Mobil	21
Texaco	17
Clark	11
Marathon	10
Cities Service	8
Shell	7
Platte Pipeline Co. (assets=$33,000,000):	
Continental	20
Marathon	25
Union Oil	15
Atlantic-Richfield	25
Gulf	15
West Shore Pipeline Co. (assets=$17,600,000):	
Shell	20
Amoco	16.5
Mobil	14
Texaco	9
Marathon	9
Clark	8
Cities Service	8
Continental	6.5
Union Oil	5.5
Exxon	3.5
Wyco Pipeline Co. (assets=$14,100,000):	
Amoco	40
Texaco	40
Mobil	20
Yellowstone Pipeline Co. (assets=$16,000,000):	
Continental	40
Exxon	40
Husky	6
Union Oil	14
West Texas Gulf Pipeline Co. (assets= $19,800,000):	
Gulf	57.7
Cities Service	11.4
Sun	12.6
Union Oil	9.0
Sohio	9.2
Chicap Pipeline Co. (assets=$25,600,000):	
Union Oil	43.4
Clark	33.2
Amoco	23.4
Cook Inlet Pipeline Co.:	
Atlantic-Richfield	20
Marathon	30
Union Oil	30
Mobil	20
Texas-New Mexico Pipeline Co. (assets= $30,500,000):	
Texaco	45
Atlantic-Richfield	35
Cities Service	10
Getty	10

A question must be asked here as to why there are not more independent pipelines. There are several such lines which are quite successful. They are, however, only a small factor in the total industry. The primary barrier to the development of independent pipeline capacity is their inability to obtain "through put" agreements. Despite very strong evidence to the contrary the integrated companies contend that pipeline operation is a very risky business. In order to obtain financing for a pipeline the general credit of the firm building the line is not enough. A firm who proposes to build a pipeline is required by the financial institutions to produce, as security, throughput agreements. These are essential agreements from shippers that they will ship certain volumes over the line and if they fail to meet the obligation, they will purchase credits towards future shipping. It is not at all clear why these devices, as opposed to other types of security, are required, but their effect is clear. The only companies who can build pipelines are those who have petroleum. Pipelines are effectively kept in the hands of the integrated companies.

Before leaving the subject of crude production some mention should be made of the pervasive government regulation which affects this level of the industry. This is not the place to revive the debate over prorationing, import quotas, depletion, and other oil industry tax preferences, but the basic effects that these devices had are important to recognize. The first is that they tended to stabilize the market, or to put it another way, dampen either the effects of competition or limit competition itself. The second effect, which is really an aspect of the first, was to create an institutional environment that encouraged cooperation rather than competition. This was particularly true of the prorationing system which until recent years restricted supply to the level of anticipated demand at, of course, the prevailing price.

As with crude production, the market share data alone do not tell us much about competition at the refining level. The FTC reported that in 1970 the top four firms accounted for 32.93% of domestic crude refining capacity, the top eight had 58.07% and the top twenty had 86.15%. The percentages were slightly higher when gasoline refining capacity was measured. One obvious problem with these numbers is that there is no national market for refined product. Refiners compete in regions largely determined by the shape of the pipeline system. Product refined in PAD District I (the East Coast) is marketed and consumed there. Product refined in District III (the Gulf Coast) is either marketed there or on the East Coast. Very little District III product moves into the Midwest (District II) which is a relatively self-contained refinery market, as are the Rocky Mountain (District IV) and the West Coast (District V) areas.

Concentration varies between these regions. In the Midwest, it is somewhat low because of the role played by independent refiners. On the East Coast and West Coast independents refiners are only a small factor and consequently concentration is higher than the national average.

At first glance refining does not appear to be characterized by the joint activity that prevails at other levels of the industry. In spite of the enormous capital costs and the fact that refining, if anything, is at least as risky as the rest of the industry, refineries are built and operated by single companies. But this is a bit deceiving for there is a great deal of joint activity involved in the operation of a refinery. Some of this activity is clearly cooperative and probably quite anticompetitive in nature. Processing agreements are an example of this. Usually under such agreement an independent refiner receives crude from a major and returns back finished product receiving a fee for the processing. Probably more common is a subtle version of this whereby without formal agreement the major sells the crude and buys back the product but there is little direct information on the practice.

The most important cooperative device in refinery operation is the exchange agreement. An exchange agreement consists of two or more companies agreeing to make approximately equal quantities of either crude or product available to each other at mutually convenient locations. This is not the place to debate the legality of these agreements or even their competitive effects as isolated devices. For our purposes, they must be considered in the context of several facts. The first is the control over crude exercised by the major integrated companies. The second is the control these companies exercise over crude and product pipelines. The net effect of these factors taken together is the elimination of any kind of real free market either for raw materials going into the refineries or for product coming out.

Exchange agreements are usually justified as a device to avoid cross-hauling. The companies contend if they could not exchange petroleum in an undesirable location for equivalent amounts where they need it, they would then be required to engage in a great deal of wasteful and unnecessary shipping. This is a "straw man" argument. The alternative to exchange agreements is not cross-hauling, but buying and selling on open markets.

Exchange agreements have a stabilizing effect on both prices and market share. It is difficult to imagine Exxon taking product which it has received by exchange from Mobil and using it to take market share away from Mobil, or vice versa. The barrel for barrel terms of the exchange agreements tend to limit the outbreak of any regional price competition. As one noted expert put it, "The exchange agreement is the ultimate price fix; it eliminates price altogether."

It is at the refining level that the suppression of market has its most important effect. The chief entry barrier into refining is the inability of a new entrant to procure crude, or even for that matter to have access to a crude market. The effect has been particularly drastic on the East and Gulf Coasts where, as the FTC complaint *In re Exxon*, Docket No. 8934 charged, there has been a doubling of demand over a 20 year period and yet no substantial new entry into refining. Now the East Coast in particular is suffering from a serious shortage of refining capacity.

The exchange agreement system also has an effect on the degree of competition that can be expected from existing independent refiners. These refiners, even absent exchanges, depend upon the major companies for just less than half of their crude supply. Given this dependence plus the exchange system, it is small wonder that these refiners frequently behave in a manner quite acceptable to the major companies. One is reminded of one of Henry Fielding's better lines: "But for her timely compliance, he would have ravished her."

A great deal has been said and written about the exclusionary practices of the major joint venture product lines. A considerable amount of evidence has been put forward as to how such devices as minimum tender offers and discriminatory access to storage and other essential facilities have been used to exclude nonowners. There is no question but what these are important factors. But they should not be overemphasized. The fundamental problems with product pipelines are the same as the problems discussed with regard to crude pipelines. These problems are inherent in shipper ownership and in particular joint ownership by major integrated companies. As the FTC has charged in the *Exxon* case, the joint venture product pipeline because of the way it is organized, financed, and designed, inherently has a strong element of market sharing involved in it. Like the crude pipeline, it is designed for the common purposes of its owners. Determining and working out these purposes together inevitably involves a substantial understanding as to each firm's future marketing plans. This element coupled with the product exchange system works to preclude the development of any real product market between the refining and retailing levels.

At the marketing level major oil companies have developed an outrageously inefficient style of marketing gasoline. Its primary emphasis has been on the avoidance of price competition. What competition there is has been manifested by massive amounts of advertising directed at trying to differentiate basically identical products or by market saturation techniques which have concentrated on building excessive numbers of inefficient service stations.

What real price competition there is in the marketing of petroleum comes primarily from the nonbranded independent marketer. In gasoline marketing, these firms have pioneered in the development of more efficient techniques such as multipump and self-service stations. They have consistently undersold the major companies. And as long as they could obtain product at reasonable prices, their share of the market was expanding.

The primary problem of the nonbranded independent has obviously been supply. There being no real free market for refined product between the refining and marketing levels, the independent marketer must depend almost exclusively upon the independent refiner for his supply. This refiner unfortunately is also the same one who is deprived access to a competitive crude market by the pipeline and exchange agreement system.

Whether the disaster that fell on the independent marketer during the past year was the result of an intentional effort to destroy competition by the majors is a question that the law courts may take decades to decide. But it is clear that intentional or not, the major companies had, and used, the power to shift a disproportionate share of the shortage on to the independent marketer. It was the independent and smaller integrated refiners who were first cut off from their crude supplies and these, of course, were the chief suppliers of product to independent marketers. As a result, in many areas of the country the consumer is confronted with a market in which independents have either been eliminated or rendered less aggressive. Needless to say, prices have become far more "stable."

In sum, the evidence is quite persuasive that vertical integration in the petroleum industry has fostered a lack of competition, facilitated nonconspiratorial collusion, created serious entry barriers to refining, encouraged wasteful and inefficient practices at the market level and caused the consumer to pay substantially more for petroleum products than was necessary. Moreover, there is no evidence that vertical integration has made any significant contribution to efficiency. Vertical integration in the petroleum industry is more a matter of legal contract than physical connection. For example, the crude produced by an integrated petroleum company is quite unlikely to be the crude which that firm runs through its refinery. Likewise, frequently the product sold through the firm's marketing system is not the product which came from its refinery. A great deal of both product and crude passing through its hands was obtained by exchange with other companies. But perhaps more important than the fact that these companies are integrated by contract is the fact that they are integrated by contract with their horizontal competitors. At the marketing level an integrated company sells product which it obtained from another integrated company who also competes at the marketing level. And the two may well share an interest in a product pipeline which serves their marketing area. The crude which an integrated company refines may well have come from a competing refiner's crude field. And that crude probably came from a pipeline jointly operated with the competing refiner. In short, vertical integration in the petroleum industry is more a matter of legal contract and informal arrangement than a physical connection. The efficiencies which can be attributed to such an elaborate managerial system are hardly entitled to the presumptions which we give to free markets.

Although this memorandum has centered on the crude oil side of the petroleum industry, an almost identical picture can be painted of the natural gas side of the industry. For example, eight companies control 92 percent or more of the uncommitted natural gas reserves in the Permian Basin, onshore Louisiana and onshore Texas—three of the richest sources of natural gas. Every major natural gas pipeline is now into production and concentration is likely to continue since in federal lease sales in 1970 through 1972, the top eight companies acquired between 69 and 82 percent of the leases.

The proper solution to the vertical integration problem is along the lines set out in the attached proposed bill. Simply put, this approach would sever the relationship between production and refining for those companies which produce 36,500,000 barrels or more of crude a year or which sell 200 billion cubic feet or more of natural gas in a year. The bill would also require these firms to divest their ownership in pipelines and would prohibit all producers and refiners from shipping their petroleum on pipelines in which they have an interest.

Vertical divorcement is not a drastic measure. If vertical integration is largely a matter of contract then divorcement is little more than a restructuring of the corporate organizations and a reorganization of contractual relationships. Such measures will not dislocate people or eliminate jobs. The nature of the relationship between the various units of the industry will change. Rather than using joint ventures, exchange agreements and intracorporate transfers, the major firms will purchase petroleum and services in arms-length transactions with firms which, for the most part, will not be direct competitors. The net effect should be a serious outbreak of competition.

In the area of pipeline operations, divorcement should make some particularly noticeable improvements in performance. There has been considerable evidence developed that independent pipeline companies are considerably more aggressive in providing facilities in order to attract new business. They simply do not have to restrain their expansion for fear of affecting competition at other levels.

We have not proposed divorcing refining from marketing. This link by itself does not seem to have the market foreclosing effect that is inherent in the production-refining relationship. Independent marketers can be expected to create fiercely competitive markets as they can get product. And they can be expected to get product as long as independent refiners can get crude and access to pipelines.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1906

At the request of Mr. CHURCH, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 1906, a bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program.

S. 1992

At the request of Mr. CHURCH, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 1992, a bill to amend title II of the Social Security Act to revise the provisions relating to the automatic cost-of-living increases in benefits, and for other purposes.

S. 2020

At the request of Mr. RIBICOFF, the Senator from Tennessee (Mr. BROCK), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. McGOVERN), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 2020, a bill to amend title XVIII of the Social Security Act to provide vision care services to older Americans.

S. 2356

At the request of Mr. BUCKLEY, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2356, a bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by a taxpayer for tuition to provide an education for himself or for another individual.

SENATE JOINT RESOLUTION 127

At the request of Mr. BAYH, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of Senate Joint Resolution 127, a joint resolution to posthumously grant full rights of citizenship to Eugene Victor Debs.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 903

At the request of Mr. ALLEN, the Senator from Delaware (Mr. BIDEN) and the Senator from Alabama (Mr. ALLEN) were added as cosponsors of amendment No. 903, proposed to the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

AMENDMENTS NOS. 908 AND 909

At his own request, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of amendments Nos. 908 and 909, intended to be proposed to the bill (H.R. 8069), supra.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

September 23—Full committee, 10 a.m., room 3110, hearing, nomination of Thomas S. Kleppe to be Secretary of the Interior.

September 24—Full committee, 10 a.m., room 3110, hearing, S. 1824, to amend the Alaska Native Claims Settlement Act.

September 25—Full committee, 10 a.m., room 3110, hearing, nomination of Thomas S. Kleppe to be Secretary of the Interior.

September 26—Indian Affairs subcommittee, 9:30 a.m., room 3110, hearing S. 1334, Cowlitz Judgment Funds, and S. 1649, Grand River Band of Ottawa Indian Judgment Funds.

September 30—Environment and Land Resources subcommittee, 10 a.m., room 3110, hearing S. 75, Kaiser Ridge Wilderness Study, California.

October 1—Full committee, 10 a.m., room 3110, business meeting; Pending Calendar business.

October 4—Environment and Land Resources subcommittee 9:30 a.m.—Field Hearing, Aspen Institute, Aspen, Colorado, re Forest Service Ski Permit Policy.

October 6—Environment and Land Resources subcommittee 9 a.m., field hearing, Denver Post Office Auditorium, Denver, Colo., re Forest Service Ski Permit policy.

October 7—Minerals, Materials and Fuels subcommittee 10 a.m., room 3110—hearing S. 152, S. 154, S. 190, S. 656, S. 2220, various private relief bills; and S. 2371, to provide for regulation of mining activity within areas of the National Park System.

NOTICE OF GOVERNMENT OPERATIONS COMMITTEE HEARINGS ON PROPOSALS FOR PERMANENT INTELLIGENCE OVERSIGHT COMMITTEES

Mr. RIBICOFF. Mr. President, on July 31 the Senate approved Senate Resolution 231 establishing a March 1, 1976, deadline for Senate consideration of proposals to increase congressional oversight over the intelligence functions of the Government. This deadline will give the Select Committee on Intelligence Operations time to make its recommendations before the Senate acts.

Three resolutions or bills proposing establishment of a joint or select committee to oversee the intelligence functions of the Government, S. 189, S. 317, and Senate Concurrent Resolution 4, have been referred to the Government Operations Committee. The committee intends to fully review these proposals and any other similar ones that may subsequently be referred to the committee. In doing so, it will work closely with the Select Committee on Intelligence Oversight and the other committees with special interest in the area.

The committee's review of these proposals will build on the thoughtful hearings Senator MUSKIE's Subcommittee on Intergovernmental Relations held last year on similar proposals. The committee is fortunate that the work of a number of its members have made them particularly familiar with the requirements or operations of the intelligence gathering agencies of the Government.

In compliance with the timetable established by S. 231 the committee has scheduled hearings on S. 189, S. 317, and Senate Concurrent Resolution 4 to start on Tuesday, December 2 at 10 p.m., room 330, Dirksen Senate Office Building. I expect these hearings will last, at least initially, about a week, and to include both Government officials and outside experts.

Any member of the public interested in testifying or submitting comments should contact the Government Operations Committee.

SEPTEMBER 24 HEARING ON ALASKA NATIVE CLAIMS SETTLEMENT ACT

Mr. JACKSON. Mr. President, several weeks ago I announced a second day of hearings before the Committee on Interior and Insular Affairs concerning issues arising from the implementation of the Alaska Native Claims Settlement Act. The hearing is scheduled for this Wednesday, September 24, 1975, at 10 a.m., room 3110, Dirksen Senate Office Building. As there has been some confusion as to the specific subject matter of this hearing, I would like to summarize the items to be discussed.

In the morning, we will concentrate on specific problems related to the implementation of the Settlement Act. Chief among these are the land selection problems of three Native regional corporations—Cook Inlet, Koniag, and Sealaska. The discussion will include, but not be limited to, consideration of sections 12 and 14 of S. 1824 and all of S. 2384.

In the afternoon, we will focus on issues surrounding the 1973 decision of the Federal district court, District of Columbia, in *Edwardsen* v. *Morton* (369 F. Supp. 1359, 1973). One suggested legislative responses to this decision is contained in section 15 of S. 1824. There are, however, numerous alternative approaches to these issues ranging from the section 15 purpose of largely mooting the decision to no legislative action at all and allowing the judicial process to proceed to its conclusion. We hope and expect that all alternative approaches will be fully analyzed by the witnesses.

NOTICE OF RESCHEDULING OF HEARING DATES

Mr. ABOUREZK. Mr. President, I wish to announce a rescheduling of the dates which the Subcommittee on Separation of Powers, of the Senate Judiciary Committee, announced on September 18, 1975, for hearings on Justice Department policies affecting the independence of Congress. Instead of September 24 and 30, and October 2, the hearings will now begin on October 8 at 9:30 a.m. in room 154, Russell Senate Office Building. Representing the Justice Department on that date will be the Solicitor General, Robert H. Bork. The remaining 2 days are scheduled for October 9, at 10 a.m. in room 154, Russell Senate Office Building and October 10, at 10 a.m. in room 1114, Dirksen Senate Office Building.

Any person wishing to appear and testify or to submit a statement should contact the subcommittee staff in room 1418, Dirksen Senate Office Building, telephone (202) 224-4434.

ADDITIONAL STATEMENTS

DISRUPTION OF LOCAL EDUCATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. BUCKLEY. Mr. President, today's debate is not about school integration. On the contrary, it is about HEW's usurption of the legislative powers of the Congress. And for the people of Buffalo, N.Y., for the schoolchildren and their teachers and the taxpayers of that city, our final disposition of the matter under debate will be crucial.

I had planned to be in Buffalo today, to hold hearings there on this very problem. The rulewriters within HEW, whose regulations have assumed the power of law, are now attempting to deny to Buffalo $1½ million in Federal funds for education. HEW does not charge that the city has committed acts of discrimination against any individual. Buffalo's sin, for which the city is to be financially punished, is that her school board has been colorblind. Her publicly elected officials refuse to label their teachers by race. They have defied HEW's orders to reassign one-tenth of the city's teachers through a system of racial quotas. Much to their credit, they have determined to defend their principles even at the cost of Federal assistance. I applaud the city of Buffalo for the stand it has taken.

I had hoped that the hearings planned for today in Buffalo could provide a forum for the very issue which the Congress is now forced to address: Will we allow a department of the Federal Government to enforce, through its administrative regulations, policies that were never adopted by the Congress of the United States? Will we permit HEW to put racial labels on every student and every teacher in the country? Will we give to the least disciplined bureaucracy in the Federal Government our permission to enforce racial quotas at its whim?

We have already amended the Labor-HEW appropriations bill to forbid HEW to cutoff Federal funds in order to enforce student or teacher assignments not ordered by a court. Let us have the courage to stick with that decision. The Biden amendment effectively bars what can only be described as a de facto act of discrimination on the part of Federal functionaires that is sanctioned neither by law nor by any theory of civil rights that respects the rights and dignity of the individual. It strips HEW of the ability to use the denial of funds collected from the taxpayers as a weapon with which to bludgeon those same taxpayers into accepting policies that ought to be condemned as inherently racist. Any attempt to water it down, to open loopholes for quota-minded bureaucrats, will betray not only our principles, but also the schoolchildren and teachers of America.

Speaking for the people of Buffalo, I assure my colleagues that our countrymen will not stand for more evasion by the Congress on this issue. Let no one in this body believe that our countrymen are easily fooled. The average citizen knows that officials within HEW can exercise only such power as we allow them. If the Senate refuses to take away from HEW its arrogated power to use Federal funds as a weapon against local school districts, then the Senate will be as culpable as the person who gives to an irresponsible child a deadly weapon with which to maim his playmates.

I urge the Members of the Senate to stand with the people of Buffalo and of all the other cities and towns throughout America who are similarly victimized; to stand with them in defense of local school districts threatened by big-brother government, in defiance of government by bureaucratic whim, and in the determined belief that no agency of Government should make decisions affecting education on the basis of a child's color or a teacher's race.

REPEAL THE FEDERAL REQUIREMENT FOR MANDATORY MOTORCYCLE HELMET LAWS

Mr. CRANSTON. Mr. President, I have asked that my name be added as a cosponsor to S. 2293, legislation to repeal the mandatory motorcycle helmet requirement as a condition for receiving Federal highway funds.

California is one of two States not having a mandatory motorcycle helmet law. Because of the consistent refusal of the California Legislature to enact such a law, the State stands to lose $50 million in Federal highway funds plus all of the State's share of Federal highway safety funds. I believe that the action of the Secretary of Transportation under section 402 of title 23, United States Code, in requiring States to enact mandatory motorcycle helmet laws, bears little direct relation to the legislative purposes of the Federal highway safety standards program, which are to protect the general public against accidents caused by traffic hazards and vehicle defects.

The threat to terminate Federal financial assistance, because of noncompliance with federally imposed standards is a severe sanction. It should be invoked only on behalf of such overriding interests as the protection of constitutional rights, the integrity of Federal programs and funds, and other paramount interests such as the public health, safety, and welfare in situations when reliance on individual initiatives by States and localities is likely to prove fruitless or self-defeating.

We should do everything possible to improve the safety of motorcyclists on our highways. But Federal highway safety standards must be reasonably related to those situations which may endanger others. Motorcycle helmets do not raise such considerations.

A helmet may or may not protect its wearer, but there is no evidence that a helmet alone will prevent accidents. Some experienced riders suggest the contrary—that a helmet reduces the rider's ability to hear and see; that heat and fatigue from its use create a greater risk of accident.

I make no judgment about how much protection a motorcycle helmet provides the wearer. The California Highway Patrol and other California law enforcement agencies require motorcycle officers to wear helmets. A California Highway Patrol survey this summer revealed that 60 percent of motorcycle riders on California highways wear helmets. Many cyclists who have written to me opposing the federally imposed helmet standard say that as a matter of personal preference they wear a helmet.

Californians, however, are capable of deciding for themselves whether or not to mandate motorcycle helmets. The only legitimate Federal interest is whether California's refusal to enact a motorcycle helmet law is endangering irresponsibly the lives and safety of the highway users of California and the Nation, which clearly is not the case.

The California Office of Traffic Safety, instead of seeking mandatory helmet legislation, has channeled its accident reduction efforts into motorcycle safety education, licensing operators and upgrading equipment standards. Motorcycle safety is included in the driver education program and each motorcycle operator must take a written and a driving test before being granted a license.

Under the California program, the public is protected and the purposes of the Federal highway safety standards program are being carried out. The safety of the general driving public is not enhanced by a mandatory motorcycle helmet law. The public safety is far better served by the State's strong licensing program for motorcyclists, motorcycle driver education courses in schools, the continuing safety programs of motorcycle clubs, and enforcement of State and local traffic regulations.

This program has been effective. California's motorcyle death date compares favorably with the rate for the Nation as a whole. The California Office of Traffic Safety reports:

> In 1973, the California motorcycle registration death rate showed 7.78 motorcyclists killed for every 10,000 registered motorcycles. That compared favorably to the national average of 8.16 for the 27 helmet law states giving data [to the Office of Traffic Safety.]

In view of these results, to penalize the State of California for refusing to enact a mandatory motorcycle helmet law would be unfair and in addition would be detrimental to the overall safety efforts of the State. Therefore I support repeal of the Federal Highway Traffic Safety Administration's mandatory helmet standard.

OF CUBA AND OUR SHORT MEMORIES

Mr. HARRY F. BYRD, JR. Mr. President, recently there has been a growing interest in a possible normalization of relations between the United States and Cuba. But few critics of our present policy seem willing to ask what, if anything, the United States stands to gain from a resumption of relations with Cuba.

In a recent letter to the editor of the New York Times, a former U.S. Ambassador to Cuba, the Honorable Earl E. T. Smith, raises some important points, which I believe should not be overlooked as we discuss a possible normalization of relations between the two countries.

I ask unanimous consent that his letter to the editor of the New York Times be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OF CUBA AND OUR "SHORT MEMORIES"

To the Editor:

Because we have initiated a détente with Russia and China (far off in different hemispheres), many people think it is logical to do the same with Cuba. No matter what coloration is put on it, the fact remains Communism has establish a base ninety miles from our shores, from which it has been organizing against the United States throughout Latin America.

At the time of the missile crisis it was agreed upon between Soviet Premier Nikita Khrushchev and President John F. Kennedy that the United States would not invade Cuba and that the United States would be permitted to have "on-site" inspection of the caves in Cuba for hidden missiles. The inspection was to be under the auspices of the United Nations. Not only has there been no "on-site" inspection but since then the Russians have established a navai base in Ceinfuegos in Las Villas Province, where missile-bearing submarines obviously may be harbored.

The following points need clarification:

What is Castro going to do regarding the release of the political prisoners who have been in jail since Batista fled Cuba on Jan. 1, 1959?

Have we forgotten the Cuban patriots who have been in jail since April 1961, when they were captured during the Bay of Pigs invasion? The invasion force, under complete American control, was known as Brigade 2506 and was composed of 1,443 men. They were trained and equipped by specialists of the United States Army. What will be the fate of our naval base at Guantanamo Bay, which protects the Panama Canal? Castro has always insisted that the base be given to the Government of Cuba.

Are we going to ignore claims for approximately $2 billion of American assets illegally expropriated when Fidel Castro took over the Government of Cuba?

We have short memories. Today, rapprochement is being discussed. The trade embargo which the United States imposed upon Cuba will soon terminate. Cuba needs our spare parts for all its equipment; understandably, American manufacturers want to take advantage of the available market.

Yet there is so very much to be resolved before the United States considers the resumption of diplomatic relations with Cuba while it is being governed by a ruthless Communist dictator who hates the United States and has abolished all personal freedom and human rights.

Earl E. T. Smith.

NERVE GAS STORES

Mr. GARY HART. Mr. President, in an August 9, 1975, editorial, the St. Louis Post-Dispatch pointed out the incongruities in U.S. policy toward the use of lethal gases as weapons of war. Despite our sponsorship of the Geneva Protocol in 1925, the treaty resulting from this prohibition of use of these particularly indiscriminate and inhumane weapons was only ratified this year. The reason for 50 years of hesitation on the part of the United States has been the desire of the military and the several Presidents to maintain an "option" to use lethal or disabling gases either in retaliation or on our own initiative.

Ratification of the Geneva Protocol does not mean, however, that the Nation is now firmly committed to do away with poison gas stocks or even that the Pentagon will hereafter be satisfied with the enormous stockpiles on hand. On the contrary, the Department of Defense is well down the road toward making an entire new generation of nerve gas weapons. These have the feature of being more safely transportable, but they remain indiscriminate and inhumane. Furthermore, the very portability of these weapons argues that their use is more likely, not to mention that a new arms race will likely be started if the Pentagon's plans are allowed to proceed.

Congress has in past years attempted to put some limits on the nerve gas modernization plans, but these efforts have been regularly frustrated when this body gave in to Pentagon and White House pressures. This year, however, the Senate passed firm restrictions in the fiscal 1976 authorization bill. Now that that legislation has been returned to conference, we have a new opportunity to insist on our position against development and production of a new generation of poison gases. I call upon the conferees to hold firm on the position the Senate has taken because it makes no military sense to proceed with proliferation of new terror weapons.

I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Nerve Gas Stores

The Army is storing bombs of a nerve gas known as BZ at its Pine Bluff, Ark. arsenal, which is a reminder of the confusing situation in which the United States finds itself as to chemical and biological warfare.

In 1969 former President Nixon renounced all use of biological weapons and first use of chemical weapons, and stocks of biological weapons and toxins at Pine Bluff were to be destroyed. The Nixon order still left room for use of nonlethal, incapacitating agents such as tear gas and the new BX nerve gas, as well as for continuation of a "defensive" chemical warfare program that had cost 2.5 billion dollars in the 1960s alone.

Early this year the Senate and President Ford finally completed the process of ratifying the Geneva Protocol against poisonous gas or bacterial warfare. The United States had sponsored the protocol 50 years earlier and was the last major nation to ratify it. Even so, the ratification left room for use of deadly nerve gases in retaliation if they were first used against the United States, and the Army has since sought "modernization" of nerve gas stocks.

So, in view of all the loopholes left, where does this country stand? It no longer has any need or excuse for biological weapons. It can stockpile nonlethal gases such as those at Pine Bluff but these cannot be used without presidential approval. It can also stockpile other chemical weapons and, indeed, the Pine Bluff arsenal is said to contain both white phosphorous and mustard gas, but the United States is committed not to use them unless they are used against it.

That has been an unlikely prospect ever since World War I, and it should seem even less likely today when the ultimate weapons are nuclear and not chemical. Still the United States remains involved in the costly preparation for a kind of warfare it said it wanted to renounce in 1925.

KIWANIS CLUBS

Mr. FANNIN. Mr. President, our Nation is blessed with a number of outstanding organizations which perform public service, and none does any greater job than the Kiwanis.

I am especially proud that the Kiwanis clubs in my own State of Arizona are extremely active and the projects they undertake are of tremendous benefit to people who need aid.

Mr. President, the Kiwanis magazine in its September 1975 edition features the work of division 6 of the Southwest district in southern Arizona and of the Valley of the Sun club in the Phoenix area. I ask unanimous consent that these articles be printed in the Record so that my colleagues will have an opportunity to know what is being accomplished by these dedicated members of the Kiwanis in Arizona.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Project Ark

The scene is right out of Sesame Street. The Cookie Monster stalks his favorite treat, Big Bird is his usual stumbling, witty self, and Oscar the Grouch snarls from inside his trash-can home. But the colorful characters are not on a television scene. They adorn a ten by thirty foot trailer and serve as silent, larger than life greeters to the preschoolers who come to the trailer for learning disabilities testing.

The traveling testing center, a joint project of the ten Kiwanis clubs of Division 6 of the Southwest District, spends a few days each week at different spots in the division and tests three to five year old children for vision, hearing, and coordination development. Dubbed Project ARK (Assessment and Referral through Kiwanis), the trailer is an effort to provide the best possible testing and to avoid duplication of work. Lieutenant Governor Bob Preble and project chairman Lou Cate, of the Tucson Sunshine club, feel Project ARK could serve as a model for other divisions seeking learning disability projects. The clubs participating in the sunny southwest are Sunshine, Conquistador, Desert Palo Verde, Roadrunner, Rincon, San Xavier, and Tucson, all in the Tucson area; and Green Valley and Ambos Nogales, just this side of the Mexican border.

The trailer is designed to be a pleasant, efficient testing center with paneled walls, tiled floors, heating and cooling apparatus, and fluorescent lighting. The reception area consists of a small, clay box play space in the same room where vision is tested. The Kiwanians use the standard "E" vision examination chart. A small room houses a sound booth large enough for a tester and a child. A glass window allows the child to see his parents during the testing so that he will feel at ease. A third room contains facilities for testing coordination in two parts: gross and fine motor, concept and comprehension.

Following the tests the parents receive a letter that explains the examination and its results. In effect the letter states: "Your child was given several tests designed to detect any possible problems in the areas of vision and hearing and to see that he or she is developing normally in all respects." The letter goes on to list the results. If normal reactions occur during all the tests the letter so states and explains that the testing was not comprehensive but is designed only to discover major difficulties. If serious problems are revealed, the parents are urged to contact a learning disabilities expert.

Project ARK began with an exploratory meeting held in conjunction with the local chapter of the Association for Children with Learning Disabilities and three professional educators from the University of Arizona: Dr. Jeanne McRae McCarthy, professor of special education and director of the Leadership Training Institute in Learning Disabilities; Cissie Dietz, education specialist; and Dr. Michael W. Cohen, assistant professor and director of the AMC Pediatric Clinic at the University's College of Medicine. This panel soon became active advisors to the project.

After outlining the plan and receiving help from the advisory panel, Kiwanians approached other service organizations such as the Junior Women's Club and the Junior League of Tucson to serve as volunteers and help the trailer reach more kids. Other volunteers have included teachers, retired persons, and Kiwanians.

The better staffed the trailer is, the more days a week it can operate and the more good it will do, says Allen Simpson, president of Sunshine Kiwanis and a prime mover in the project.

Yet to be solved are the problems of testing children on the Papago Indian Reservation, for which bilingual personnel will be needed. The Papago dialect became a written language only twenty years ago.

But the eight Tucson clubs, along with Green Valley and Ambos Nogales, report great interest in the screening operation and feel a tremendous responsibility to fill the gap in learning disabilities testing that existed before Kiwanis stepped in.

The gap is now closing thanks to the strong desire of Division 6 Kiwanians to serve and their belief that all children are special.

Phoenix's Big Feed

They call it the big feed, and they come in droves to the annual Kiwanis Bar-B-Q in Phoenix to eat and drink beneath the hot Arizona sun. And eat they do: five thousand pounds of beef, two thousands pounds of chicken, forty-eight gallons of barbecue sauce, nineteen hundred pounds of cole slaw, four thousand sliced onions, nine thousand biscuits, nine thousand pies. And drink they do: more than one hundred gallons of "six-shooter" coffee, two hundred gallons of tea, and seven hundred gallons of lemonade.

Put on each year by the Kiwanis Club of the Valley of the Sun, the massive picnic draws nine thousand hungry townspeople at

$4 a head ($3 for children) to the Arizona State Fairgrounds and is the only source of funds for the club's far-reaching service activities. Designed nine years ago to replace the many and scattered fund-raising events that sapped the Kiwanians' time and energy throughout the year, the Bar-B-Q has been a huge success. During the past three years the event has raised $11,000, $17,000, the $19,500 for the club and has evolved into an eagerly awaited spring tradition. More than $100,000 has been raised by the club through this one activity over the past nine years.

"Advance ticket sales are the key to the Bar-B-Q's success," explains this year's project chairman Bob Trehearne. "No-shows among the advance sales are responsible for 80 to 90 percent of the profits." The 1975 version, for example, took in money from thirteen thousand tickets sold, but only nine thousand people actually came to the Bar-B-Q. "Advance ticket sales also avoid competition with other events that might fall on the same day," says Bob.

The feast is catered by Walter Jetton of Fort Worth, Texas, the man who made the LBJ Ranch barbecues famous. Jetton supplies the food and cooks it according to his own secret recipe with the help of five or six assistants. Kiwanians man the serving lines and drink stands, collect tickets, and clean up afterward. Twenty-five Key Clubbers from North and Central high schools in Phoenix also assist on the big day. The event runs from 11 am to 4 pm.

About eight weeks before the Bar-B-Q ticket-selling teams are set up and spirited competition among the Kiwanians ensues. Weekly prizes are given for ticket sales, and the members and wives who sell one hundred tickets are awarded free dinners. "Recognition is a key motivator for good ticket sales," says Bob.

Publicity includes radio spots giving details of time and place, a "dinner bell" contest by one radio station in which the first caller following the ring of the bell gets two free tickets to the feast and his name on the air waves, and announcements in newspapers and local magazines. A publicity plus this year came from the Goodyear blimp, which was in Phoenix about a week before the Bar-B-Q. The blimp carried aloft a free, lighted advertisement for the Kiwanians two nights in a row.

Money accumulated from the Bar-B-Q has gone to many community activities over the years: the juvenile rehabilitation fund ($5000), the juvenile detention facility ($5000), the Boys Scouts ($6500), Dope Stop ($7300), the Salvation Army ($5900), and Junior Achievement ($5900). Most recently the club helped finance the Australian Bush Country Exhibit for kangaroos and emus at the Phoenix Zoo with a $15,000 donation.

SHOULD S. 1 BE JUNKED?

Mr. CRANSTON. Mr. President, it is expected that the Committee on the Judiciary will take up S. 1, the Criminal Justice Reform Act of 1975, for consideration sometime this fall. As many know, S. 1 recodifies and systematizes the present hodgepodge of Federal criminal statutes.

I have been very much concerned with those provisions of S. 1 which I believe threaten first amendment rights and give to the Federal Government too much power over what information will be made known to the American people. I have outlined the case against these provisions in appearances before the American Society of Newspaper Editors, the Newspaper Guild, and other press organizations. I have urged that these provisions be eliminated or totally revised.

The threats to freedom of information are not the only problems with S. 1, but these have been the subject of my direct concern with the bill.

Other critics of S. 1 argue that the bill should not pass even with amendments. They say that it is incapable of being improved by amendment and should be junked in toto.

The Los Angeles Times, in its lead editorial for September 15, has urged that S. 1 be thrown out. I ask unanimous consent that this editorial be printed in full at this point in my remarks.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

PUTTING FREEDOM AGAINST THE WALL

Legislation now pending in Congress to revise the federal criminal code should be junked.

Senate Bill 1, a massive and complicated measure 753 pages long, is so pervasively and fatally flawed that it lies beyond the scope of any rational amending process.

Known as the Criminal Justice Reform Act of 1975, the bill, and companion legislation in the House, purports to standardize federal criminal law. It does that to an extent—but far more. It proposes revolutionary change that would vastly enhance the power of government and sharply decrease the freedom of the American people.

Federal law is a hodgepodge of discrepancies that need revision and codification. That was the purpose of the National Commission on Reform of Criminal Laws appointed in 1966, with former Gov. Edmund G. Brown as chairman. After five years of study, the commission presented its report to President Nixon and Congress in 1971.

In the next two years, the bipartisan commission's effort was undercut. The three Senate members of the commission, often dissenting from its recommendations, embodied their views in a bill (S 1) introduced in 1973. They were John L. McClellan (D-Ark.), Roman L. Hruska (R-Neb.) and Sam J. Ervin Jr. (D-N.C.) Even this did not satisfy Nixon, who had the Brown commission report thoroughly revised and presented as the administration-backed Criminal Code Reform Act of 1973 (S 1400). McClellan and Hruska held hearings to consolidate both bills, and what emerged was the present legislation, which far exceeds the goal of the Brown commission.

The American Bar Assn. house of delegates recognized this last month by voting nearly unanimously that codification should not go beyond present law. And the board of governors of the Society of American Law Teachers concluded recently that 'the bill is so riddled with defects" that it is doubtful whether it is "amenable to piecemeal improvements."

Its most drastic provisions would virtually give ownership to the government of all public information. The legislation would accomplish this by creating a new felony: unauthorized disclosure of "classified" official data. With some 15,000 government employes authorized to classify documents, this provision, with its severe penalties, would permit the government to engage in unprecedented suppression of information.

The sections dealing with "national defense information" would make government employes and news reporters vulnerable to prosecution that would be limited only by the imagination of the prosecutor.

One section would make it a crime to collect or communicate "national defense information" with the "knowledge that it may be used to the advantage of a foreign power . . ." Is there any information, defined as a prosecutor may want to define it, that could not be "used" by a foreign power or would not be related in some way to national defense?

Government employes who revealed information and reporters who received and published it would be liable under the law. Only the official version of events would be available to the public. The government would be able to operate behind a screen of secrecy.

This attempt to scuttle the First Amendment is the most dangerous aspect of S 1, and naturally has drawn the most fire from the press. As a result, some modifications of sections relating to control of government information may be accepted by the bill's sponsors. Even so, the legislation should be rejected, because freedom is not a commodity to be parceled out in varying degrees to the American people, and S 1 contains a long array of hazards to a free society. The bill would:

Protect federal officials from criminal prosecution for illegal acts as long as they believed "the conduct charged was required or authorized by law"; this clause, dubbed the "Watergate defense," would provide a rationale for almost any kind of abuse of authority.

Reaffirm authorization of domestic wiretapping for 48 hours without court order and require landlords and companies to cooperate "forthwith" and "unobtrusively" with government agents.

Impose restrictions on demonstrations by making the picketing of government buildings illegal; also illegal would be interstate travel to assemble 10 or more persons who "create a grave danger of imminently causing" damage to property.

Outlaw demonstrations that would take place adjacent to wherever authorities say is the "temporary residence" of a President.

Receive in part the Smith Act by making it a crime to incite others to engage in conduct that then or at some future time would facilitate the destruction of the government.

Define sabotage broadly as activity that "damages" or "tampers with" almost any property, facility or service "that is or might be used" in the national defense of this country or "an associate nation."

Permit entrapment by government agents, and place the burden on a defendant to prove he was "not predisposed" to commit the crime.

Broaden the conspiracy law by eliminating the requirement of proof of an "overt act"; substituted is "any conduct" that shows intent to effect a criminal agreement.

Reaffirm limited "use" immunity in criminal proceedings and congressional hearings—a procedure that weakens the Fifth Amendment protections against self-incrimination.

These provisions do not by any means exhaust the list; worse, the legislation is marked throughout by a chronic vagueness of definition that would insure decades of battles in the courts.

Whatever this bill is, it is not simply an effort to pull together and rationalize existing federal law. It is, rather, a reflection of an authoritarian view of the way government should function, and a radical departure from the letter and spirit of the Constitution.

In this bicentennial year, Congress could honor the founding fathers in no more effective way than by throwing out this legislation in its entirety.

Mr. CRANSTON. Mr. President, the American Civil Liberties Union of southern California states that S. 1 "is so riddled with defects" as to be "unamenable to piecemeal improvements; many provisions must be redrawn from scratch."

Prof. Louis B. Schwartz, however, who was the draftsman for the Brown Commission report, on which S. 1 is based, has said that S. 1 can be amended to cure the defects spelled out by the ACLU. I ask unanimous consent that the ACLU memorandum furnished me be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. CRANSTON. Mr. President, certainly we should not pass S. 1 in its present form. As to whether it should be approved in any form at this time, I suggest we wait to see if the Judiciary Committee accepts much-needed improvements to the bill and succeeds in reporting to the Senate, with solid committee support, a bill which mitigates the unnecessary harshness of our present Federal criminal statutes and reduces, rather than enhances, the power of government over our lives. If it turns out that the bill is not improved substantially in committee and if there are only slim prospects for improving the bill on the floor, then I will oppose S. 1 outright.

Exhibit 2

American Civil Liberties Union of Southern California—Position Paper on S. 1

S. 1 purports to provide a more rational, uniform, and precisely stated federal criminal law. The ACLU believes that the federal criminal code requires such revision. Criminal legislation has proliferated in an unsystematic fashion over the past several decades. Court decisions necessary to fill in substantive gaps have not been standardized by the Supreme Court. Nevertheless, the ACLU finds serious fault with the codification offered in S. 1. The bill disregards many of the sound recommendations of legal experts embodied in the Report of the National Commission of Reform of Criminal Laws (Brown Commission), particularly those relating to the structure of criminal sentences, the availability of defenses, and the crime of conspiracy. Moreover, since S. 1 was drafted by high-placed members of the Nixon Administration, it reflects that Administration's now-discredited philosophy of mistrust for expressions by the American press and people, particularly in those sections concerned with national security, classified information, rioting, and wire-tapping. The bill is so riddled with defects, that the ACLU of Southern California finds it unamenable to piecemeal improvements; many of the provisions must be redrawn from scratch. Some of the worst problems concern:

SENTENCING STRUCTURE

(a) Length of sentences: According to the Brown Commission, existing maximum sentences are much too high for the ordinary offender, and produce unnecessarily long sentences that destroy any hope of rehabilitation. The Commission therefore recommended lower maxima, accompanied by a "mandatory parole component" within the maximum, and reservation of the upper ranges within the ordinary maximum for "dangerous special offenders." By contrast, S. 1 provides for maxima higher than current penalties in some cases and higher than the Brown Commission's in all, a parole component in addition to the prison maxima, and extended terms that add to the regular maxima. In addition, for minor offenses S. 1 ignores the Brown Commission's preference for jail terms just long enough to accomplish deterrence (since rehabilitation is impossible), and for categorization of the most minor offenses (including possession of small quantities of marijuana) as "nonjailable infractions". Misdemeanor sentences can be for as long as one year under § 2301 of S. 1, and "infractions" are punishable by five days in jail.

(b) Consecutive sentences: The Brown Commission attempted to confine imposition of consecutive sentences for the same transaction to a few exceptional situations and to limit the length of such sentences even in those cases. Nevertheless, S. 1 permits cumulation wherever the criteria for imposing a sentence rather than granting probation are satisfied, and imposes a high ceiling on such sentences (as high as the maximum for offenses one grade higher than the most serious offense of which the defendant is found guilty).

(c) Death penalty: In an attempt to satisfy the requirements for imposition of capital punishment set forth in *Furman v. Georgia*, 408 U.S. 238 (1972), S. 1 mandates the death penalty for certain classes of treason, sabotage, espionage, and murder. Apart from moral and political objections to imposition of this form of punishment, it is vulnerable as authorized in S. 1 on grounds of vagueness and irrationality in the delineation of suitable offenses. Murder, for example, is a capital offense if committed in the course of espionage, kidnapping or arson, but not in the course of robbery, burglary, or rape. It is also capital if committed in a "specially heinous, cruel, or depraved manner," a category which allows unfettered exercise of discretion. Finally, like all mandatory sentences, a mandatory death sentence vests prosecutors with excessive behind-the-scenes control in the course of drawing up and bargaining over charges.

(d) Mandatory Minima and Probation Discretion: Whereas the Brown Commission advocated availability of probation for all offenders unless the judge specifically found there were sound reasons for choosing incarceration, S. 1 excludes all Class A felonies and certain other offenses from probation (including any offense in which a gun or simulated gun is possessed), and makes it much less clear that probation ought to be granted unless prison is the better alternative. The exclusion of probation contradicts expert opinion that mandatory minima interfere with judicial discretion vital to fairness in our criminal justice system, and inordinately disadvantage the defendant in the plea-bargaining process.

(e) Discretion to Grant Parole: Just as the Brown Commission recommended probation rather than incarceration unless the judge finds that some specific purpose (e.g. deterrence, rehabilitation, protection of society) will be served by sending the offender to prison, so it also recommended mandatory grant of parole for almost all offenders after a year has passed unless the judge finds that specific risks are involved or release would unduly depreciate the seriousness of his crime. Although S. 1 establishes parole eligibility for almost all offenders after six months, the parole may only be granted if the judge finds that certain risks do *not* exist (much more difficult to demonstrate). By making parole much harder to obtain and more discretionary that the Brown Commission would authorize, S. 1 exacerbates the problems resulting from its high maximum sentences.

(f) Appellate Review of Sentences: This innovation has substantial support among judges and legal scholars. and the Brown Commission favored its institutions. S. 1 does provide for appellate review of sentences, but the procedure would be greatly improved if it 1) included the guidance of judicial discretion in a general policy statement that actual sentences be related to specific goals (e.g. deterrence, rehabilitation, incapacitation); 2) required judges to state findings and reasons for the record; 3) allowed such review of *all* sentences longer than a minimal length, without S. 1's exclusion of all drug and gun cases, all misdemeanors, and all sentences where the sentence is less than one-fifth of the authorized maximum (making some sentences of six or more years unreviewable); 4) eliminated the provision for appeal of certain sentences and all probation awards by the government, with the possibility of a higher sentence if the government succeeds. The provision for higher sentences upon a successful appeal by the government may well violate the constitutional guaranty against double jeopardy.

DEFENSES

(a) Insanity: S. 1 would allow a defense of insanity only where insanity caused by an absence of "the state of mind required as an element of the offense charged." This standard is more restrictive than existing law, the Brown Commission's recommendations, and the ALI model code's insanity provision, in that it denies the defense to individuals who "lacked substantial capacity to appreciate the character of his conduct or to control his conduct." Given the purposes and moral underpinnings of the criminal law, S. 1's refusal to afford such individuals the insanity defense makes no sense at all.

(b) Entrapment: S. 1 reaffirms existing law on this subject, but rejects the thinking of the Brown Commission, by allowing this defense only where the defendant was not "predisposed" to commit the offense charged. This standard improperly focuses on the character and past misconduct of the defendant rather than on the propriety of the police behavior. An objective test, focusing on whether the police activity would be likely to cause normally law-abiding persons to commit the offense, "would permit law enforcement officers to set up the opportunity to commit the offense, without making the propriety of police behavior vary according to the past criminality of the suspect."

(c) Public Duty: S. 1 allows a new defense for illegal acts by a federal official if he or she "believed . . . that the conduct charged was required or authorized," unless his or her belief was reckless or negligent. § 544(b) This provision will dilute individual responsibility for public actions, and encourage federal officials to perceive themselves as accountable first to their superiors, and only second to the American public. It is startling, so soon after the rejection of such defenses in Watergate-related prosecutions, that Congress might introduce such a justification for otherwise patently illegal acts.

CRIME OF CONSPIRACY

The Brown Commission proposed to alter current laws of conspiracy by making it more difficult to establish the commission or an "overt act," tailoring the penalty to the target offense, and barring consecutive sentences for conspiracy and the target offense. These alterations were responses to severe and widespread scholarly criticism of conspiracy laws on first amendment grounds and on grounds of susceptibility to abuse. Nevertheless, under § 1002 of S. 1 an "omission" or "possession" suffices to establish that the plotting has gone beyond the talking stage, even if it does not satisfy the Brown Commission's requirement of being "a substantial step . . . strongly corroborative of the actor's intent to complete commission of the crime." Furthermore, the sentence for conspiracy can run as high as 30 years (compared with a maximum under Brown Commission recommendations of 15 years in some cases, and five years under existing law); and the sentence under S. 1 can be consecutive with the target offense sentence.

OFFENSES DIRECTED AT NATIONAL SECURITY AND GOVERNMENTAL EFFICIENCY WHICH JEOPARDIZE FREE SPEECH AND PRESS

S. 1 contains a collection of laws that threaten beneficial dissemination of information to the American public, all in the name of an inflated view of the requirements of national security and governmental efficiency. While not all of these provisions are innovations, they all step boldly into realms of speech and publication clearly protected by the first amendment. They must be completely rewritten with greater sensitivity to the need—so painfully reaffirmed in recent years—for vigorous public scrutiny of governmental activity. The most objectionable of these provisions in S. 1 relate to:

(a) Espionage: Section 1121 penalizes the knowing collection or communication of "national defense information" with the "knowledge that it may be used, to the prejudice of the safety or interest of the United States, or to the advantage of a foreign power. . . ." The absence of any requirement of specific intent to injure the interests of the United States or any likelihood of such injury, coupled with the extremely broad definition of "national defense information" and the vague reference to the "safety or interest of the United States", takes this section far into protected first amendment territory. "National defense information", for example, includes "any . . . matter involving the security of the United States that *might* be useful to the enemy." An effective espionage law can be drafted which reaches only the narrow class of conduct which genuinely endangers the public welfare, such as communication to hostile governments of information about weapons development or military contingency plans. Similar objections are appropriate to the sections of the act forbidding disclosure of "national defense information" to anyone who is known not to be authorized to receive it by Act of Congress or Executive Order, and requiring any unauthorized person who receives it to deliver it promptly to a federal public servant who is entitled to receive it §§ 1122–23).

(b) Disclosing Classified Information: Section 1124 makes communication of classified information to "unauthorized" persons a felony, even if the individual has neither the purpose nor the capacity to harm real national defense interests. Under the original version of the bill, it was no defense that the information was improperly classified unless the individual had exhausted elaborate, potentially time-consuming administrative proceedings seeking declassification.

Recently agreed upon amendments improve the section somewhat by barring prosecution where the information was not lawfully subject to declassification or no administrative procedures for securing declassification or no administrative procedures for securing declassification exist. Especially if the words "lawfully subject to classification" are interpreted broadly, enactment of this provision will put Congress in the position of sanctioning an unfortunate bureaucratic tendency to excessive secrecy, as well as restricting the ability of news reporters to provide the American public with anything other than what the government decides they should know. Since official and unofficial "leaks" are a news-gathering fact of life, it is likely that this provision will be used selectively to harass independent-minded, public-spirited officials. Certainly there are other actions the government could take (e.g. dismissal) if an official disclosed properly classified information recklessly, with culpable intent, or for personal gain.

(c) Sedition: Recent United States Supreme Court precedent permits the government to proscribe advocacy of force or of law violation only when such advocacy "is directed to inciting or producing imminent lawless action and is likely to incite or produce such action." (*Brandenburg v. Ohio*, 395 U.S. 444, 447 (1969)). By contrast, § 1103 of S. 1 (as amended in Committee) punishes one who "with intent to bring about the forcible overthrow or destriction of the government of the United States or of any state," "incites other persons to engage in imminent lawless conduct that would facilitate the forcible overthrow or destruction of such government." By penalizing words that incite conduct which merely "facilitates" forcible overthrow of the government and by failing to require a substantial likelihood that the incitement will result in such conduct, this section flouts the protection granted by the First Amendment. This disregard for rights of free speech is even more glaring when the sections prohibiting conspiracy and solicitation are linked with the anti-sedition law itself: for agreeing with or persuading another to engage in seditious incitement at some time in the indefinite future would be a crime. The substantive offense should be rewritten to conform with Supreme Court doctrine, and a bar on cumulative inchoate offense should be imposed.

(d) Obstruction Government Functions and Impairing Military Effectiveness: Sections 1301 and 1302, prohibiting obstruction of government functions through fraud or physical interference, and §§ 1112 and 1114, penalizing impairment of military effectiveness through false statements and otherwise, all provide heavy penalties for broadly and vaguely defined categories of conduct. They could be used against public officials and media organizations whose aim is to inform the American people about unlawful actions such as the My Lai massacre, as well as against large but peaceful demonstrations that interfere with the free flow of traffic to and from government buildings. As such, they obstruct and impair vigorous debate in the press and on the streets. Unless such sections are amended to require specific intent to interfere with governmental or military effectiveness and to single out the most serious functions and military activities that might be impaired, these sections should be dropped, and reliance placed in other crimes such as sabotage, rioting and espionage.

(e) Rioting: While S. 1's anti-rioting provisions are more precise than current law in defining a riot, they are deficient in several respects. First, they penalize urging participation in a riot during the riot (§ 1831(a)(2)). Given that a riot is defined as "a public disturbance . . . that involves violent and tumultuous conduct . . . and . . . creates a grave danger of imminently causing injury or damage to person and property" (§ 1934), and given that there is no requirement that the defendant's "urging" be likely to produce activity in furtherance of the riot, the sections do not satisfy the Supreme Court's criteria for appropriate punishment of "mere speech" (see discussion of "Sedition"). Second, when the definition of a riot to include any disturbance of ten (recently amended from five) or more persons is considered in conjunction with jurisdictional provisions encompassing situations where any government function is obstructed, it becomes apparent that the federal government is intruding into areas more properly of local concern. The Brown Commission strenuously endeavored to avoid just such over-extensions of federal power.

(f) Wire-tapping: S. 1 largely restates the controversial and much abused wire-tapping provisions of the Omnibus Crime Control and Safe Streets Act of 1968. In view of the most recent Supreme Court and Circuit Court of Appeals decisions restricting Congress's power to authorize warrantless searches in domestic national security matters (*United States* v. *United States District Court*, 407 U.S. 297 (1972); *Zweibon* v. *Mitchell* (No. 73–1847, D.C. Cir., June 23, 1975)), the provisions in S. 1 authorizing taps without a court order whenever a law enforcement officer "reasonably determines that an emergency situation exists with respect to conspiratorial activities threatening the national security" (§ 3104(b)(2)) and exempting the President from all liability for wire-tapping instituted, *inter alia*, "to protect the United States against the overthrow of the govenment by force or other unlawful means," (§ 3108) are wholly inappropriate. Inherent in these sections is a potential for abusive surveillance of political dissidents or other disfavored groups.

FEDERAL RECORDKEEPING REQUIREMENTS

Mr. RIBICOFF. Mr. President, the Federal Government has attempted to cope with the ever-increasing growth of Government records of personal data by the use of computers and related technology. Because of the mounds of records maintained by the Federal Government, it becomes even more difficult to make sure that security and confidentiality standards for personal records apply.

Congress has examined and demonstrated the need for better control of technology and the overall management of automated record systems of the Federal Government by its enactment of the Privacy Act of 1974. The act is designed to provide safeguards to insure individual privacy against the misuse of Federal records. Provisions of the act which require changes in agency recordkeeping—disclosure, collection, maintenance, access, dissemination, et cetera—become effective September 27. Agencies will also be required to notify Congress of their intention to establish or alter systems of personal records as required by the Privacy Act.

The Washington Post, in an editorial published Friday discusses some of the ramifications of the recordkeeping requirements. I ask unanimous consent that it be printed in the Record for the interest of my colleagues.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, Sept. 19, 1975]

Focusing on Federal Files

A new era in federal record-keeping will officially begin Sept. 27 when the Privacy Act of 1974 goes into effect. The law gives citizens the right to inspect many kinds of government files about themselves, and sets down strict rules for the collection, use and exchange of information about individuals. The principles involved—accuracy, relevance, fairness and need-to-know—are elementary. But applying them to the great volume and variety of federal records has proved to be, as expected, quite a monumental task.

The part of the law that has generated the most work and grumbling in many agencies is the requirement for full disclosure of the nature of all files involving individuals. This provision, in effect an annual public inventory of the government's information stock, was enacted because Congress found that nobody knew the full extent of federal record-keeping about citizens. Some agencies were maintaining secret files and concealing some abusive practices from Congress and the public. The broader difficulty, however, was simply that the government's data demands had grown so fast, and had been answered in so many uncoordinated ways, that not even the agencies themselves had a firm grasp of all their information practices.

The inventory is now nearing completion. The results are staggering, to put it mildly, even to those who have long suspected that the government has a file on everything. So far, over 8,000 records systems have been summarized in fat volumes of the Federal Register totaling 3,100 pages and more. The entries range from the controversial to the commonplace. There are listings for the sensitive files of the Defense Investigative Service; for records of the participants in National Security Council meetings since Jan. 20, 1969 (classified "SECRET"); for HEW's roster of licensed dental hygienists; for the

Agriculture Department's list of people interested in forestry news, and for the Export-Import Bank's roster of employees who want parking spaces. There are outlines of huge computerized networks such as the Air Force's Advanced Personnel Data System, summarized in 11 columns of small print; there are earnest entries for little lists such as the key personnel telephone directory of the Administrative Office, Assistant Secretary of Defense (Intelligence)—a roster kept, according to the Aug. 18 Federal Register (Part II, section 1, page 35379), on "8 x 10½ Xerox plain bond sheets."

The huge pile of records and lists of lists may seem to reach new heights of regulatory overkill. Indeed, there are bound to be jokes and complaints about the agencies that keep so many files—and about the Congress that required such detailed, indiscriminate reports. But such an inventory, however tedious to prepare—and however trivial parts of it may be—is a useful and necessary step. For the first time, the awesome range of government records has been catalogued. For the first time, all agencies have been compelled to define what they collect on individuals, how the materials are used, who has responsibility for what, and which records, primarily in law enforcement fields, are so sensitive that they should be withheld from inspection by the citizens involved.

The catalogs and related agency regulations merit scrutiny on a number of grounds. Many citizens will no doubt want to inspect various records on themselves. Congressional committees and interested groups in many fields may wish to challenge some uses of data and some exceptions from disclosure, notably the extensive withholding proposed by the Justice Department on law enforcement grounds. Congress may now be able to sharpen the focus of the Privacy Act and modify the reporting requirements for mundane records systems such as internal telephone lists. And federal administrators, given some time to review their reports, may well start questioning some of their offices' data-collecting practices and weeding out their files. Indeed, it is quite possible that some bureaucrats, faced with the chore of cataloguing marginal or redundant files, may have already employed a very unbureaucratic strategy: throwing some records out. If that has happened even in one agency, the Privacy Act has already done some good.

"HATCHING" SECOND-CLASS NONSENSE

Mr. FANNIN. Mr. President, several bills have been introduced this year in both the Senate and House, including S. 372 and H.R. 8617, which would repeal the Hatch Act.

As my colleagues know, Federal civil service employees are "hatched," that is, they are prevented by law from engaging in political activities or making political contributions in election campaigns. The purpose of the Hatch Act is to prevent the use of Federal bureaucrats in political election campaigns at taxpayers' expense, without their approval. In addition, the law is designed to preserve the political independence of civil servants so that political pressures will not keep them from acting in the public interest. It would also prevent a situation where elected officials would be beholden to Government employees for support. In light of the recent lobbying efforts of many bureaucrats and public employee unions in behalf of Government pay raises, I can foresee tremendous problems for the public if the Hatch Act is repealed.

The Supreme Court, in its opinion upholding the constitutionality of the Hatch Act, stated that—

> Its decision would no more than confirm the judgment of history, a judgment made by this country over the last century that it is in the best interest of the country, indeed essential, that federal service should depend on meritorious performance rather than political service.

This statement, expressed more eloquently, sums up my position against repeal or relaxation of the Hatch Act.

Those who would change the law contend that Federal civil servants are being treated as second-class citizens because they cannot engage in politicking to the same extent as private employees. As Howard Pfliger demonstrates in the U.S. News & World Report of September 22, this argument is "second-class nonsense."

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordred to be printed in the Record, as follows:

[From U.S. News & World Report,
Sept. 22, 1975]

Second-Class Nonsense

(By Howard Flieger)

As often occurs before a presidential election campaign, Congress is being asked to repeal, or soften, the Hatch Act.

In case you've forgotten, that is a law making it illegal for Government employes to take an active role in political campaigns, to ring doorbells, raise money or rally support for any party or candidate.

Advocates of repeal—they include politically active unions—claim now, as they have in the past, that the Act, which dates back to 1939, puts strictures on the freedom of federal employees; that it relegates them to the status of second-class citizens.

This is plain nonsense.

Government workers have the same right to register and vote as anyone else has.

They are free to express their political preferences and to support the candidate of their choice with cash if they want.

They can be—and usually are—as politically minded and outspoken as the next person. Their franchise is unfettered. Anyone who thinks there is no politicking among Civil Service employes is naive.

Nobody argues that the Hatch Act is perfect. But it does effectively prevent that which it was designed to prevent: It makes certain that no candidate or party can convert the huge federal bureaucracy into a political machine.

The Act has sheltered the rank and file from any spoils system of patronage rewards for the party faithful. No officeholder can go through the Government hiring and firing at will on the basis of politics. No one can tell Civil Service employes how to vote and keep them in line with threats of payday reprisals.

They cannot be coerced into party work. They cannot perform the nuts-and-bolts jobs of a campaign such as soliciting funds, manning headquarters telephones or serving as chauffeurs to ferry the voters to the polls on behalf of any ticket.

Does this make them second-class citizens? Hardly. The odds are that those public servants who are sincerely interested in Government performance—and that means the vast majority of them—welcome the shield that stands between them and party affairs.

It was a fear the federal payrolls would be used to perpetuate political control that produced the law in the first place.

The U.S. Supreme Court, in upholding the constitutionality of the Hatch Act two years ago, said Congress had concluded when it passed the original "that the rapidly expanding Government work force should not be employed to build a powerful, invincible and perhaps corrupt political machine.

"The experience of the 1936 and 1938 campaigns convinced Congress that these dangers were sufficiently real that substantial barriers should be raised against the party in power—or the party out of power, for that matter—using the thousands or hundreds of thousands of federal employes, paid for at public expense, to man its political structure and political campaigns.

"A related concern, and this remains as important as any other, was to further serve the goal that employment and advancement in the Government service not dependent on political performance, and at the same time to make sure that Government employes would be free from pressure and from express or tacit invitation to vote in a certain way or perform political chores in order to curry favor with their superiors rather than to act out of their own beliefs."

Congress felt safeguards against politicizing the bureaucracy were prudent back when federal employes were counted in "the hundreds of thousands."

It is difficult to follow the reasoning of those who argue such insurance is no longer needed—now that the number of Government workers (not counting the military) has grown to more than 2.5 million.

A FARMER'S CREED

Mr. McGEE. Mr. President, as I have said so many times before, we can ill afford to have isolationist attitudes regarding the industry of agriculture in America. It is not to be separated from the mainstream of life in the United States nor from the role it plays in relationships with other countries.

Sometimes, however, we fail to realize both the economic and humanitarian contributions the farmer makes. Lately, his contributions have been greater than what he makes, but what the farmer is made of, Mr. President, is best expressed in what is called the Farmer's Creed as was published recently in Wyoming Rural Electric News.

I ask unanimous consent that the Farmer's Creed be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Wyoming Rural Electric News]

A Farmer's Creed

I believe a man's greatest possession is his dignity and that no calling bestows this more abundantly than farming.

I believe hard work and honest sweat are the building blocks of a person's character.

I believe that farming, despite its hardships and disappointments, is the most honest and honorable way a man can spend his days on this earth.

I believe farming nutures the close family ties that make life rich in ways money can't buy.

I believe my children are learning values that will last a lifetime and can be learned in no other way.

I believe farming provides education for life and that no other occupation teaches so much about birth, growth and maturity in such a variety of ways.

I believe many of the best things in life are indeed free; the spendor of a sunrise, the rapture of wide open spaces, the exhilarating sight of your land greening each spring.

I believe true happiness comes from

watching your crops ripen in the field, your children grow tall in the sun, your whole family feel the pride that springs from their shared experience.

I believe that by my toil I am giving more to the world than I am taking from it, an honor that does not come to all men.

I believe my life will be measured ultimately by what I have done for my fellowman, and by this standard I fear no judgment.

I believe when a man grows old and sums up his days, he should be able to stand tall and feel pride in the life he's lived.

I believe in farming because it makes all things possible.

CONCORDE TRAFFIC PROBLEM SEEN

Mr. BAYH. Mr. President, nearly 2 months ago, on July 25, this Chamber rejected by only two votes a measure to prohibit commercial supersonic aircraft from using U.S. airports until they could comply with existing Federal Aviation Administration noise standards which apply to current-generation subsonic commercial airplanes.

The purpose of that measure, which I introduced along with Senator Proxmire and Senator Case, was primarily to protect the healthy, safety, and comfort of the people living in the vicinity of airports which—in the near or more distant future—would be used by SST's.

Much of the debate revolved around the noise issue, and I continue to believe that this Congress has a responsibility to protect citizens from excessive noise levels, and that that responsibility is not lessened by the fact that a regulatory agency may be proceeding on a different course toward a different conclusion. I refer here to the FAA's consideration of applications by foreign SST's to utilize two U.S. airports despite the fact that these planes generate ear-splitting noise and low-frequency vibrations sufficient to rattle windows and dishes in nearby dwellings.

Another issue in the debate was the inequity of a double standard which required U.S. planes to comply with noise regulations while permitting an exception for the foreign-made SST.

Several other disadvantages of SST use of American airports were cited, notably the aircraft's inefficient uses of fuel compared to other planes and the high cost of SST travel.

Today, I would like to call the attention of the Senate to an article which appeared in the Washington Post on September 15 regarding yet another aspect of the SST problem: the traffic control problem. The article, based on internal FAA document, indicates that the proposed Concorde landings at Dulles and John F. Kennedy International Airports may well require adjustment in air taffic control procedures some of which could cause delay of other flights.

This position is in contradiction to the draft environmental impact statement prepared by the FAA in March 1975. On page 52 of that statement, the following paragraph occurs.

> The Concorde does not require any unique air traffic procedures in which to operate in the approach, cruise or departure phases of flight or in ground maneuvering. The air traffic control procedures currently applied to susbsonic aircraft are generally applicable to the Concorde.

Mr. President, I ask unanimous consent that the Washington Post article by Douglas Feaver be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Sept. 15, 1975]

Concorde Traffic Problem Seen

(By Douglas B. Feaver)

The Federal Aviation Administration's claim that the Concorde supersonic jet transport would not require "unique" air traffic control procedures *if introduced* in the United States "is not completely accurate," according to an internal FAA document.

The document, obtained by the nonprofit Environmental Defense Fund, cites five specific situations that could require at least an adjustment in air traffic control procedures, some of which could create delays for other flights. An FAA official said yesterday he was confident the Concorde could fly "within the system."

The Concorde, a joint Anglo-French venture, will be flying regularly scheduled service to Dulles International Airport here and JFK Airport in New York in early 1976 if current FAA recommendation stands.

That recommendation was contained in a draft environmental impact statement. The FAA has been holding public hearings and taking written testimony on that draft, and is expected to issue a final recommendation and impact statement within the next few weeks. Six Concorde fligts a day—four into New York and two here—would begin early next year.

According to the draft statement, "The Concorde does not require any unique air traffic procedures in which to operate in the approach, cruise, or departure phases of flight or in ground maneuvering . . ."

But a memorandum signed by Walter D. Kies, the chief of the planning staff for the FAA's eastern region says: "The statement made [in] the subject draft . . . is not completely accurate."

The memo was, in part, a report on a meeting with British Airways officials at FAA headquarters to discuss operating characteristics of the Concorde, which would cut Transatlantic travel time from about 7 hours to about 3½ hours.

The most important point appears to concern the amount of fuel reserve the Concorde will have. "Special procedures must be set up if delays of 30 minutes or more are expected at destination airport," the memo said.

The memo also said operation of the Concorde would require that broad bands of airspace be assigned exclusively to the plane as it climbed or descended, and that a band of altitudes from 43,000 to 48,000 feet would have to be reserved for it while cruising. Top speed would be about 1,400 miles per hour.

Further, the memo questioned whether the Concorde could fly a holding pattern in existing airspace reserved for that purpose and suggested that changes in takeoff and departure sequence with other aircraft might be necessary because of Concorde's higher speeds.

William M. Flener, the FAA's associate administrator for air traffic and air facilities, confirmed the authenticity of the memorandum yesterday, but said, "As far as I'm concerned, the aircraft is going to fit in with other traffic."

Concerning the fuel question Flener said, "If he gets into a critical fuel situation, he gets priority—but so does anybody else. If it happens time after time, however, then we would have to re-examine it."

He stressed that a final decision to permit the Concorde to land in the United States has not been made.

Most of the attacks against the Concorde have been mounted for environmental reasons. At public hearings here and elsewhere, persons have primarily complained about the superjet's noise, and of possible damage to the stratosphere because of the high altitudes it flies.

The Federal Energy Administration has said that the Concorde will not be fuel efficient, because it will use as much petroleum to carry 120 people across the Atlantic as a slowed Boeing 747 would use to carry 340.

THE PROPOSED FEDERAL ENERGY CORPORATION

Mr. HARRY F. BYRD, JR. Mr. President, President Ford announced today that he is recommending the establishment of a $100 billion Federal Energy Corporation.

In the plan, the Federal Government would borrow money, and then loan it to private business.

Before making a firm decision on the President's proposal, I will want to study it carefully.

But I fear that it may be a device similar to those that helped get New York State into such grave financial difficulties.

In this connection, William M. Ringle, chief Washington correspondent for the Gannett News Service, developed a highly informative article on the creation of public authorities in New York by then Gov. Nelson A. Rockefeller, now Vice President of the United States.

Mr. Ringle has an intimate association with the subject, as he covered the Rockefeller administration from Albany for many years.

I ask unanimous consent to have printed in the Record, an article by William Ringle published in the Washington Star, captioned "How Rockefeller's Midas-Touch Trick Went Sour."

There being no objection, the article was ordered to be printed in the Record, as follows:

How Rockefeller's Midas-Touch Trick Went Sour

(By William Ringle)

In Nelson A. Rockefeller's baggage when he came to Washington was a formula for his equivalent of the philosopher's stone and the universal solvent rolled into one.

Like the philosopher's stone, this wonder-working device seemed to turn baser substances (in Rockefeller's case, paper bonds) into gold, or at least money.

Like the universal solvent, it seemed to dissolve obstacles—especially public debt, the need for more taxes, troublesome legislators, recalcitrant voters, reluctant union bosses and political liabilities.

This magic device was called the public authority.

Almost any time Rockefeller had a major money problem in New York of how to provide university or mental hospital buildings, housing for those of low and middle incomes, or commuter railroad cars—he created a public authority.

Last spring, the public authority turned out to have still another, political advantage: If it goes belly up, it does so after the creator is long gone and it gives big trouble to his opposition.

In April one of Rockefeller's pet authorities, the Urban Development Corporation, became the first major public agency in New York State ever to declare itself unable to meet its debts. "The Impossible Happens: UDC Goes Broke," said a *New York Times* headline. By that time Rockefeller was comfortably ensconced far away in Washington. His Democratic successor, Gov. Hugh Carey, who by then had scarcely had time to learn the way to his office, was forced to pick up the pieces.

Republicans in New York have yet another bonus in prospect. The UDC was bailed out, to the tune of a half billion dollars, but only temporarily (until Nov. 1, 1976): The odds are that Carey next year again will be forced into the time-consuming, distracting and embarrassing business of cleaning up another UDC mess.

In addition, New York State's Housing Finance Agency, still another Rockefeller public authority (it is the agency that markets bonds for public authorities) which needs to borrow $100 million a month just to tread water, served notice on the state just last week that it has no reliable source of funds in sight.

Yet, with the smoke from UDC still on the horizon and the HFA troubles looming, Vice President Rockefeller—whose sense of timing in the past has been less than exquisite—has been pushing for the same general kind of answer to the nation's energy problems: a public authority that would float bonds and raise up to $100 billion.

Rockefeller's idea was to create a "new government corporation" that would:

Guarantee loans for private industry, or

Raise money by selling its own government-guaranteed bonds and then make direct loans in industry.

"Theoretically," explained *The Wall Street Journal*, which first revealed the scheme, "Washington would be able to steer great quantities of private money into vital areas without tying up great quantities of public money."

Because this is almost exactly the language Rockefeller used in promoting his authorities in New York State, it may be worthwhile to look at how and why these developed and what has happened to them.

The public authority—sometimes called the "public benefit corporation"—in its pristine form is simply a means of letting the users of public projects pay for them.

For example, an authority might be set up to build and operate an expressway or a bridge. To raise the money, it would sell bonds. Over the years, to pay off the bonds with interest, and to pay for operating the road or bridge, it would charge tolls. The project successfully financed by an authority would literally pay for itself—be "self liquidating," in the government lingo.

The authority classically is used to do a job that has an extra dimension or is not in the state's usual line of work. For example, an authority might operate power plants to generate and sell electricity in partnership with a foreign government. Or it might provide a facility that transcends ordinary political boundaries (such as building and operating a sports stadium to serve two counties, or a farmer's market serving a vast region of many cities and counties; or a seaport or airport serving a wide region).

The members of an authority, often three to six in number, operate as a kind of freewheeling board of directors. They combine the flexibility and independence of a private business with the power of government.

In any narrative of Rockefeller's enchantment with public authorities, two men loom large. One is his former all-purpose brain truster, William J. Ronan. The other is John N. Mitchell, once one of the nation's leading municipal bond lawyers who was later to become President Nixon's attorney general.

In the early 1950s, Ronan, then dean of the New York University Graduate School of Public Administration and Social Science, directed a state commission's pioneering study of public authorities. It is still somewhat of a collector's item among students of government. In 720 pages it described the uses and abuses of public authorities.

They operate—in secret, if they wish—outside the conventional controls by elected officials.

And they can, by selling bonds, run up debt without the approval of the voters or the legislature. This is perhaps the most important aspect of the authority because many state governments are forbidden by their constitutions to go into debt (that is, to borrow by selling bonds or notes) without obtaining the voters' aproval The public authority is a way around that obstacle

(A few may recall that Rockefeller became governor in 1958 after taking the hide off his predecessor for running up an $879 million debt, all approved by the voters. Fifteen years later, when Rockefeller left office, the state debt was listed as $11 billion, with only $3 billion of it approved by the voters. The The rest had been run up by public authorities.)

Ronan's study also noted that the debt acquired by authorities is not subject to those early-warning systems, state or municipal debt ceilings. A public authority's debt is its own obligation and is not lumped in with total state debt. ". . . Many public authorities in New York have been created to avoid debt limits," said the Ronan-directed study.

Despite the authorities' freedom from state restrictions, Ronan's study conjectured that if an authority could not meet the payments of its bonds and went broke, the state's taxpayers would have a tacit obligation to pay its debts. This, he said in 1956, could be a "moral obligation." (Prophetic words: That is exactly that happened after the UDC declared insolvency in April.)

Rockefeller laid the foundation for public authority financing in 1960 with the Housing Finance Agency. By then, Ronan, the old maestro of the public authority, was Rockefeller's administrative alter ego. And Mitchell generally gets credit for drafting the HFA legislation, of which more will be said later.

Gradually, authorities proliferated. In 1962, confronted with the need for hundreds of millions, perhaps billions, to enlarge the state university, Rockefeller created the State University Construction Fund.

Then, there was the Mental Hygiene Facilities Improvement Fund to erect buildings at mental hospitals (in those days a big part of every state's budget). Both sold their bonds through the HFA.

The UDC came along in 1968, after voters had defeated two low-income housing bond issues. By then even the legislature was balky. An angry Rockefeller—who had hoped to get the "revolutionary" legislation enacted to counter black hostility after the assassination of Martin Luther King Jr.—threatened to withhold patronage and veto bills the legislative rebels were interested in. The UDC bill passed.

Rockefeller's authorities had a twist. The projects they financed did not exactly pay for themselves—they were not "self-liquidating," although he continues to insist they were.

What Rockefeller did was to spin off some conventional state responsibilities, such as the construction of college buildings or mental hospitals, and give the job to a public authority.

Since these kinds of structures did not themselves generate any new revenues, as a new toll road or a bridge would, he then earmarked students' fees and mental hygiene patients' fees to pay off the bonds.

Because such fees previously had been going into the state's general funds, this meant the slack would have to be taken up by tax revenues. So, the bonds indirectly were being repaid by the taxpayers, even though the debt technically had been shifted from the state's books to the authorities.'

Besides the bookkeeping sleight of hand, the authority device provided a number of advantages.

One, whether he intended it or not, was political. Rockefeller was then running for president and trumpeting "pay as you go." The authority gimmick enabled him to go around the nation and claim that he was doubling the size of the state university or adding $300 million in mental hospital space without adding to the state's debt and without raising taxes. This claim, a legal truth but a practical misrepresentation, made Rockefeller seem like some kind of administrative miracle worker, an aura that he retains in some quarters today.

Another was that authorities enabled Rockefeller to avoid the cumbersome, time-consuming process of government—the approval by legislators, whom Rockefeller does not hold in high esteem at any level, and the voters, who were demonstrably against more public housing and might have resisted the badly needed state university expansion. The authorities enabled Rockefeller to exercise his considerable "papa-knows-best" instincts.

Finally, the authorities had the benefit of postponing, if only for a while, the need to raise taxes.

It was not long after Rockefeller's first venture into public authorities that his tactics began to draw fire.

As early as 1963, two corporations that rated state bonds—Dun & Bradstreet and Moody's Bond Survey—were warning of the consequences. ". . . The state, in a shower of politically oriented slogans, is resorting to borrowing through special agencies and is increasingly earmarking revenues for this new debt," said D&B. "A continuation of these policies could eventually affect the state's credit standing . . ."

After several years, D&B and Moody's, followed by Standard & Poor's, lowered New York's triple-A credit rating a notch.

Instead of acting to curb Rockefeller, the pliant legislature turned on the bond-rating companies with threats to outlaw them.

The dour state comptroller, Arthur Levitt, repeatedly lambasted Rockefeller's "backdoor financing" "fiscal legerdemain" and "phantom debt."

Robert Morgenthau, the Kennedy-picked Democrat who ran against Rockefeller in 1962, articulated the case against the authorities. But he proved such an insipid campaigner that no one listened. Besides, his criticism, like Levitt's, was discounted as coming from a Democrat.

The fledgling Conservative party, made up largely of apostate Republicans, also had the authority issue pinned down in 1962, but its strident across-the-board objections to any government spending all but drowned it out.

Mitchell played a major role in making the authority bonds more palatable to bond buyers. Since the bonds were issued by public authorities alone—mainly the UDC or HFA—they did not have the "full faith and credit" of the state behind them.

Obaining that would require the approval of the voters, which Rockefeller, after his setbacks, was reluctant to seek.

Mitchell is given credit for language in the HFA law acknowledging the "moral obligation" of the state to make good on bonds should an authority collapse. Other states adopted the same language.

Theoretically, this would reduce the risk so that buyers would accept them at a lower interest rate. However, since the collapse of UDC and New York City's latest insolvency, that hope is somewhat beside the point. New York's "moral obligation" is indeed being called upon—to the tune of $285 million of the taxpayers' money for UDC bonds, to date.

The other money to meet UDC's debts was

borrowed last spring from such places as a state fund that pays claims when there's no insurance after an accident, from the state employes' retirement system and from a consortium of savings banks. Thus, it is possible that the taxpayer will have to reimburse them and may end up paying the entire half billion. Yet the UDC was to have been a device, like Rockefeller's proposal for a federal energy agency, to avoid "tying up great quantities of public money."

How did New York State get in such a pickle?

One reason was that the legislature was not only tractable, but found the hazards of authority borrowing, although simple in concept, beyond its narrow attention span.

Many other contributed to the mess. They include: A subservient State Budget Division; a trusting and adulatory press (with the exception of the *New York Times*, which spoke out early and often against the backdoor borrowing); a neutralized band of liberals who didn't question the means so long as they approved of the ends; and trade unionists who savored the good jobs that the subsequent construction generated.

Rockefeller's new federal proposal—for an Energy Resources Financing Corporation—seems to be getting more scrutiny than he was accustomed to in Albany.

Alan Greenspan, chairman of the Council of Economic Advisers, blasted draft proposals because of the "virtually unconstrained" scope of the corporation's operations. The corporation itself could get into almost any aspect of the energy business, or could bankroll others.

The corporation coud avoid dealing with those persnickety bond buyers who were such a nuisance in Albany. The draft legislation would permit it to sell bonds to trusts and fiduciaries that are under federal control.

That means that money going into the Social Security "trust fund" or other retirement money could be "invested" in ERFCO. And if ERFCO performed in the manner of UDC or HFA, pension money would be lost and the United States would have to step in and make up the difference.

With his new corporation, Rockefeller wouldn't have to resort to John Mitchell-inspired suggestions of "moral obligation" in order to make the bonds attractive. The bills say they'd be backed by the "'full faith and credit" of the United States.

HOW THE OIL COMPANIES HELP THE ARABS TO KEEP PRICES HIGH

Mr. CHURCH. Mr. President, an excellent article by Anthony Sampson appeared in New York magazine, September 22, 1975. Mr. Sampson concludes that the oil companies are willing tools of OPEC in OPEC's effort to continuously raise oil prices. As Mr. Sampson succinctly states:

> There is one obvious answer to the question of how to break up OPEC. It is to break up the giant oil companies. . . .

I recommend this article to my colleagues and to the members of their staffs who are responsible for oil policy, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW THE OIL COMPANIES HELP THE ARABS TO KEEP PRICES HIGH

(By Anthony Sampson)

On September 24 in Vienna, the members of the Organization of Petroleum Exporting Countries will meet once again to settle the world price of oil, while the consuming countries will watch helplessly, waiting to see what they must pay for the fuel which is their lifeblood.

It is two years since the crisis first began, a time in which the price of crude oil first doubled, and then doubled again, and which revealed to the world the existence of an effective international cartel of producing countries. Since then there have been a succession of twists and turns of policy and attitude in the Western capitals: first outright disbelief at the existence of the cartel; then patient expectation that it could never survive; then (at least from Washington) a determination to confront it with a solid front of consumers; then total disarray among the Western nations, each with a different attitude toward oil and the Arabs; then a gradual acceptance, at least in the United States and Britain, of the idea that the price of oil might remain where OPEC had fixed it.

At the same time the consuming governments have tried to apply themselves, with equal lack of success, to the problem of the international oil companies, the "Seven Sisters," to whom they had given so much responsibility for maintaining the supplies of cheap oil over the last four decades. First the politicians, goaded by the consumers, were simply outraged by the fact that the companies had lost, overnight, all their bargaining power and leverage to keep prices down, and were powerless to ensure crude supplies. Then they were still further enraged by the vast increases in the company profits, and determined to cut them back and control them. Then they were confused by the need to develop their own national oil resources, which were largely in the hands of the same Seven Sisters. Then they were slowly resigned to the notion that there was no practical alternative to leaving their oil in those hands.

The companies, in the meantime, have emerged, much more clearly, as the most powerful corporations in the history of the world. In Fortune's annual list of the biggest companies, the ten biggest American industrial corporations include five of the Seven Sisters, led by Exxon, which has now overtaken General Motors as the biggest company (by sales) in the world. The six others are: Royal Dutch-Shell, Texaco, Mobil, British Petroleum, Standard Oil of California, and Gulf.

And the sinister side of this financial power has emerged in a succession of spectacular revelations about the extent of oil bribes. Oil companies have a unique reputation for large-scale bribery ever since the turn of the century, when John D. Archbold, who succeeded the first John D. Rockefeller as the head of Standard Oil, set up a network of bribes of senators and congressmen to ensure his company's monopoly. Some evidence of the continuing underground rivers of oil money emerged in the Watergate hearings, when Gulf Oil confessed to having secretly paid $100,000 to Nixon's election fund through cash raised in its Bahamas subsidiary. But the full dimensions did not emerge until Senator Frank Church's investigations this year. They revealed, among other instances, that Gulf had paid $4 million from 1966 to the ruling party of South Korea, and still more sensationally that Exxon had made secret political payments totaling $51 million over eight years in Italy alone.

What is disturbing about these huge payments is not only their capacity to corrupt and subvert foreign governments, but the evidence they provide that giant corporations, supposedly responsible to shareholders and controlled by auditors and rigorous internal accounting, are able to conceal such large sums and direct them secretly for their own purposes. They powerfully suggest that the oil companies, in both the technical and the general sense, are unaccountable.

But a more serious and enduring doubt about the great companies concerns their relationship with the OPEC cartel. Are they genuinely concerned to break up the control by this group of sovereign states, and to bring down the world price? Or are they in fact helping to underpin the oil producers' cartel? On these questions I have tried to assemble the evidence that has emerged in the last two years, and have talked with the leading participants within OPEC and the companies. The story that emerges is an extraordinary one which, I believe, raises great doubts about the role and loyalties of the oil companies.

In looking back at the first crisis of two years ago, it is necessary to bear in mind two crucial factors. First, that OPEC had been essentially the creation of the Seven Sisters. Not at all in the sense that they wanted it, but in the sense that OPEC was from the moment of its foundation in 1960 conceived (as one delegate put it) as "a cartel to confront the cartel." Without the past history of connivance of the companies, OPEC would never have happened. Nor could it ever have solidified without a single extraordinary blunder in the board room of Exxon.

In July, 1960, the Exxon directors agreed—against the advice of their Middle East expert, Harold Page—unilaterally to reduce the "posted price" for Middle East oil, a decision which was swiftly followed by the other six sisters. Thus, all their revenues from oil taxes, which were based on this "posted" price, drastically reduced overnight by the actions of a group of private companies. It was a certain recipe for Arab unity, as many experts had warned; and it worked. The key producers clubbed together to form OPEC, and even the shah swallowed his resentment of Arab radicals in his anger at not being consulted by the companies, and joined the new club.

Secondly, in spite of this crass mishandling of the oil producers, and many other errors that followed, the oil companies were permitted by the Western governments, and particularly by Washington, to maintain effective control over international oil policy over the next thirteen years, so that when the crisis eventually came, both governments and the public were totally unprepared for it. To be fair, a few oilmen, notably in Shell and Mobil, had issued warnings to governments, and governments were at least as much to blame as the companies. But most of the company men were arrogant enough to suppose that they could handle the situation on their own.

Thus, in the critical October of 1973, the confrontation with OPEC was once again left in the hands of the Seven Sisters (now joined by a few independents), in spite of the fact that only two days before, the Middle East war had broken out, which transformed the whole political equation. The negotiation about the oil price, not surprisingly, quickly broke down; but the actual nature of the breakdown, only very briefly recorded at the time, is important to reconstruct, for it marked the historic turning point when the West suddenly lost its once-absolute ability to settle the price of oil.

By the night of October 11, with the war raging across the Suez Canal, the oil-company delegates had failed to reach any agreement with the Arabs about the new price of oil. The oilmen were already well aware, through price warnings from Saudi Arabia, of the likelihood that the Arabs would enforce an embargo of oil to the United States (as they did nine daye later). At midnight George Piercy, the director of Exxon responsible for the Middle East, paid a call on Sheik Zaki Yamani, the Saudi Arabian oil minister, in his suite at the top of the Intercontinental Hotel in Vienna. Piercy, a rugged engineer with bushy eyebrows who had worked his way up in the oil business through the "Texas pipeline," was a technician, not a diplomat, and he had decided, advised by his colleagues, that he could negotiate no further. He told Yamani that the company delegates must adjourn for two weeks, to consult with their home governments. Yamani was very anxious that they should fix the price quickly, for he dreaded (at least by his own account) oil's becoming further mixed with politics. He tried to delay, hoping that the oilmen might negotiate further. He ordered a Coke for Piercy, slowly squeezed a lime into it, waiting silently for a new move. He rang up Bagdad, talked agitatedly in Arabic, and then told the oilmen, "They're mad at you." He rang up the Kuwaiti delegate, who arrived in his pajamas, for further worried discussion. Then Yamani began looking up airline timetables, still hoping that the oilmen might relent. But Piercy could not make any further concession. The next day the meeting broke up, and when the company men asked what would happen next, they were told, "Listen to the radio." Four days later the radio brought the news that shook the whole world: OPEC members, meeting again in Kuwait in all the fervent excitement of the October war, decided unilaterally to push up the price of oil to $5 a barrel. Having found they could dispense with negotiation, they did it again. Two months later they again doubled the price.

That night in Vienna marked the end of the historic justification for the oil companies' involvement in commercial diplomacy—that they served as a "buffer" to avoid direct confrontations between nations. For at that moment the companies had not only been unable to mediate, they had failed to assess the political dangers of the crisis. It is quite possible that the companies could have reached an agreement with the OPEC members in Vienna. Certainly Sheik Yamani and Dr. Amouzegar, the Iranian oil minister, insist that they wanted to, and two oil-company delegates told me that they have worried ever since about what might have been averted if they had reached an agreement: OPEC might never have unilaterally taken its initiative on price, or doubled the price again. Whatever the might-have-beens, it is an extraordinary historical fact that this critical encounter, which affected the economies of every industrial nation, should have been left in the hands of technicians from private companies.

Thus the OPEC cartel was suddenly established, to the astonishment of consumers and the incredulity of many experts: the old cartel of the seven companies and abruptly replaced by a cartel of thirteen nations.

The immediate world shortage of oil was soon over, as the world recession, itself partly caused by the oil prices, cut down consumption everywhere. The economists and advisers waited expectantly for the strains on OPEC to show themselves, as each country would compete to keep up production, and thus push down prices. But nothing happened. Consumption went down and down: tankers were laid up, storage tanks were overflowing, cargo rates dropped lower and lower. There were even hopeful signs of disunity among the chief members of OPEC. The shah of Iran talked with increasing rancor about Yamani, while the Saudis became increasingly worried by the shah's imperial ambitions. Yet still OPEC held together, and the basic price—with small local variations—held up. What on earth had gone wrong?

An important part of the answer lay in Saudi Arabia, for the Saudis, by far the biggest producers, were the key to the cartel. Like the Texans in the 1930's, when the glut of oil from east Texas threatened to undermine the companies' cartel, the Saudis realized that they must bear the chief burden of regulating production. Sheik Yamani had studied very carefully the history of the Texas Railroad Commission, which regulates production of Texas fields. And the Saudis had one huge advantage over the Texans as guardians of the cartel—they did not particularly need the money from extra production. As Yamani explained to me, talking in Riyadh last February: "Usually any cartel will break up, because the stronger members will not hold up the market to protect the weaker members. But with OPEC, the strong members do not have an interest to lower the price and sell more." The Saudis, as Yamani was able to show in the following months, were quite prepared to cut back their production to make sure that the price did not come down: in the first six months of 1975, they produced an average of only 6.6 million barrels a day, compared with 8.1 million the year before. Other big producers—Kuwait, Iran, and Libya—followed suit: in Libya, production in the same periods went down from 1.9 million to 1.2 million barrels.

But why were the old political forces of disunity between nations not splitting up the cartel, as they had split up so many attempts at cartels in the past? Why were Iran and Saudi Arabia not constantly competing for production, as they had done through the sixties, using every maneuver to produce an extra barrel? It was not that none of them needed the extra money, for even at the quadrupled price the shah was soon expecting to go back into debt. No, the real key to the continuing cartel was not the self-restraint of the producers; it was the fact that the oil companies, the familiar Seven Sisters, were in effect conducting their rationing system for them.

It was the companies, with their global system of allocation and their control of world-wide markets, that were making sure that there would be no glut, that were holding the balance between the rival producers. The shah and his oil minister, Dr. Amouzegar, both explained to me that they had to be grateful for the companies' role in running the cartel. "With the Sisters controlling everything," said the shah, "once they accepted, everything went smoothly." "Why try to break them up," said Amouzegar, "when they can do the work for us?" Without the existence of the giant companies, the producers' own companies, like the National Iranian Oil Company in Tehran or Petromin in Riyadh, would be constantly at one another's throats to break into one another's markets. But with the help of the big Sisters, with their intricate mechanism for balancing supplies, they could avoid any such direct friction or undercutting.

The fact that the giant companies were fully "integrated," with their own tankers, refineries, and retail gasoline pumps throughout the world, made the maintenance of the OPEC cartel system infinitely easier. It was the kind of situation that the producers of other commodities, seeking to form their own cartels, might dream of. In the words of *The Economist*, the authoritative British magazine (and no enemy of the oil companies): "Many poor primary producers would give their eye-teeth if big foreign capitalists would kindly arrange a semimonopolistic distribution network for their products in the West, down to tied filling stations."

What had happened, it emerged as the evidence slowly unfolded, was not that OPEC had usurped the old cartel of the oil companies, but that they had simply joined themselves to it, and had maneuvered the companies into the position of being their allies and instruments, with no interest in breaking the OPEC cartel. In the words of Senator Church's report, at the end of the most comprehensive set of hearings on the oil crisis, "The primary concern of the established major oil companies is to maintain their world market shares and their favored position of receiving oil form OPEC nations at costs silghtly lower than other companies'. To maintain this favored status, the international companies help proration the product on cutbacks among OPEC members." Thus the puzzle of why the OPEC cartel did not break was not really so mysterious: it was being underpinned by seven of the biggest corporations in the Western world, who had no commercial interest in destroying it.

In fact this had all been part of the grand design of OPEC, and particularly of its most intelligent delegate, Zaki Yamani. Back in 1968, in the aftermath of the earlier Middle East war, when Arab fortunes seemed at their lowest, Yamani had conceived of his plan for "participation," by which the Arab government would acquire shares in the oil companies' concessions. The object was not only to increase the producers' revenues and give them a stake in their own resources; it was also, as Yamani explained to correspondents in March, 1969, to create a bond between the producing governments and the oil companies which "would be indissoluble, like a Catholic marriage."

Yamani knew that outright nationalization of concessions was a dangerous policy. It might cut off the producing country from a whole network of world markets, as it cut off Mossadegh in Iran in 1951. Instead, participation would guarantee the cooperation of the companies, which would be lured into the agreements by the promise of cheaper oil than their lesser competitors'. Yamani's policy, after some resistance from the companies, was triumphantly successful. The seven companies, and some others, had all been persuaded to enter into marriages by 1973. And though some producers, like Algeria, preferred outright nationalization, they took care to give preferential treatment to favored companies, thus ensuring their support. In the immediate wake of the 1973 war there were new demands for total nationalization, but producers took care that the marriages would not be damaged to the point of divorce.

Most clearly was this seen in the case of Aramco, the vast consortium of four American Sisters—Exxon, Texaco, Socal, and Mobil—which dominated the oil industry of Saudi Arabia. Yamani had many angry clashes with the Aramco directors, both before and after the 1973 war, but he took pains to ensure that the consortium still kept a huge financial incentive—preferential prices and guaranteed access—to maintain the marriage, rather than let other companies into the harem. And Yamani had his reward for the strategy. When he insisted that Aramco should be the instrument of the embargo of the United States in October, 1973, the Aramco partners had no alternative but to obey, rather than risk losing their precious concession.

It was the embargo, in fact, that revealed in highly dramatized form that the oil companies had already changed sides, and that they were more vulnerable to pressures from the producers than from the consumers. The embargo could never have been effective if there had not been comparatively few companies operating in the key producing countries in the Persian Gulf. The oil-company men took pride in the fact that they allocated the reduced oil supplies fairly, and managed to divert non-Arab oil to the United States and Holland, the two most important economies among the embargoed nations. But it was clear that the existence of a handful of compliant giant companies was itself a boon to the embargo.

The embargo was really a forewarning, in the heat of battle, of the situation which was to emerge in the following two years. To put it bluntly, in the language of the business, the major oil companies were found in bed with the producers. It was like the old song about the Sheik of Araby: "At night when you're asleep/Into your tent I'll creep."

It was an ironic, even preposterous, outcome to the long history of the Seven Sisters. They had been encouraged, sometimes even pushed, by the governments in Washington and London to go abroad to find cheap oil for Western consumers. Later they had been given huge tax benefits, and special protection from antitrust laws, on the ground that their presence in the Middle East was crucial to Western defense and the future of the free world. Yet now, after the real crisis broke in 1973, they were found to have suffered the fate of so many dubious adventurers in the past: they had gone native, and were discovered *in flagrante delicto*. When the Saudis insisted that the Aramco partners must cut off all oil from the United States Navy's Sixth Fleet, on station in the Mediterranean, they meekly submitted, in the height of the emergency. (Aramco directors later insisted to me that there were secret arrangements for supplying the Sixth Fleet without interruption. But the crisis was sufficiently serious for a director of BP, the oil company half-owned by the British government, to receive a high-level request from the Pentagon to guarantee the American supplies—a curious reflection on the role of American-domiciled oil companies in matters of "national security.")

The uncertainty about the true loyalties of the oil companies has continued ever since, particularly in the case of Aramco. This uncertainty was poignantly revealed in early 1975, for instance, when the Pentagon and Henry Kissinger were beginning to hint that they might have to invade oil fields in the Persian Gulf. Soon afterward the Vinnell Corporation in California was hired by the Saudi Arabian government to assist in the training of Saudi Arabian armed forces, including the protection of oil fields. I happened to be visting the Aramco compound in Saudi Arabia just after this event, and I was talking to a young Saudi engineer who expressed some bewilderment about Vinnell's role: "Are they supposed to be defending the oil fields *from* the Americans, or *for* the Americans?"

In fact, Aramco was in a position similar to that of the Vinnell mercenaries; if there were to be an invasion, they would have to be on the side of the Saudis, or lose their concession. The fact that Sheik Yamani has since moved to acquire 100 per cent participation in Aramco does not break up the basic interdependence, for Yamani has sensibly ensured that Aramco still receives oil at preferential prices, and special opportunities in other fields, to ensure its continuing loyalty.

We are thus faced with a remarkable new phenomenon in the character of Aramco and of the other Sisters—BP and Gulf in Kuwait, for instance—and all seven in the Iranian Consortium. Here are the biggest corporations in the world, owned by American or European shareholders, and theoretically dedicated (at least in the reasoning of past support from the State Department) to safeguard cheap oil and democracy, which have now emerged with their principal loyalties directed toward foreign powers whose interests might become diametrically opposed to their "home" governments, and which are now committed to a cartel to maintain expensive oil.

The phenomenon is not altogether new, of course. It is inherent in the situation of any company operating abroad, unless on a semimilitary basis, that it must establish some kind of sound relationship with its host government, which will set up conflicts with its home loyalties. That was the dilemma behind the wartime scandals in 1940, when oil companies and others, including ITT, were found to have formed close links with Hitler's Germany. Such conflicts were visible in the first of the great multinationals, the East India Company in the eighteenth century. But the phenomenon of the giant oil companies is different not only in degree, but in kind, for through "participation" they have now been trapped into a much more fundamental dependence on which much of their profit depends. Whatever the ambiguities of East India Company policy, it was unthinkable that the company should actually support, say, the Indian Mutiny.

In the context of this dependence, it is now much easier to see why the OPEC cartel has continued unbroken for two years. It is not simply that the oil companies dread, as much as OPEC does, the chaos of a disorderly market caused by sudden gluts and price wars. It is also that they dare not offend the OPEC members, lest they lose their preferential position. Hence the most interesting fact about the oil companies' attitude toward OPEC: after all their noise protests when it was first formed in the early sixties, they now say nothing at all. As one Shell director put it to me: "That is our greatest difficulty—we have to be silent."

There is nothing consciously conspiratorial about the company's support for OPEC. The oil executives can, and do, insist honestly that they are constantly operating according to the market, trying to take oil where it is cheapest and refusing it where it is too expensive, as they have done in Abu Dhabi and Libya. Like Rockefeller's executives a hundred years ago, they can boast that they are operating the most economical and efficient system imaginable. But they are operating within a monopoly, and they will do nothing, beyond exploiting the local differentials, to offend or break that basic cartel. Of course there are plenty of smaller adventurous companies which would be glad to buy and sell cut-price oil wherever they could find it, but the OPEC countries can easily enough keep them under control, provided they are not threatened by the global networks of the Seven Sisters.

So what is the basic solution to breaking the cartel? The Western governments appear, at least for the time being, to have come to terms with the extraordinary situation. Last November Henry Kissinger was warning that the political implications of OPEC were "ominous and unpredictable." By February his energy expert, Thomas Enders, was openly explaining that his role was to break up OPEC. But since then, the statements have been much more muted. The confrontation with OPEC has taken second place to the Middle East settlement, and the arguments against a high oil price have been thoroughly confused by the realization that greater self-sufficiently in the West can be achieved only through a higher oil price there, too. This objective, reflected in President Ford's decontrol policy, can lead only to a further strengthening of the power of the oil companies, which are constantly protesting that they must be allowed huge profits in order to make huge explorations for oil. Their promises are thoroughly suspect. Mobil, with part of its huge profits, succeeded in buying the Montgomery Ward chain of stores. Gulf tried to buy the Ringling Brothers circus—hardly an essential part of anyone's energy policy. But however unconvincing their justification, the oil companies will inevitably strengthen their profits and their power if the higher oil price is accepted.

But there is, I believe, one obvious answer to the question of how to break up OPEC. It is to break up the giant oil companies. For it is clear that without the companies, the solidarity of OPEC would be seriously weakened.

The Seven Sisters have existed for so long—Exxon for a century, Shell for 80 years—that they have become regarded as facts of life, like nations or mountains. The need for giant integrated companies has been held to be essential to security of supply; so the Exxon oil can be pumped into Exxon tankers to be carried through Exxon refineries to Exxon filling stations. But in fact there has been nothing inevitable or irreversible about these oil empires. They have been the result, more than anything, of deliberate governmental decisions in past years which have guaranteed tax relief and diplomatic support overseas, as part of a deliberate foreign policy which is now totally outdated. The integrated companies developed increasingly into tax-dodging devices: the tax concessions led to absurd distortions in the accounting of the companies, which arranged to make most of their profits out of foreign production, where they paid minimal taxes, and came to regard their distribution and filling stations simply as "outlets" for the flood of cheap oil.

But now the whole logic of the integrated company has been turned upside down. The vast machinery for extracting cheap oil and selling it through global networks has been used for the opposite purpose: to ensure that expensive oil will always find markets and will not be undercut by sudden gluts of cheap crude. The integrated companies have become like a heavy blunder-buss, seized and turned round by the opposite side.

There is now no advantage to Western consumers and governments in having these unwieldy giants in control of their oil supplies. If they were broken up into smaller components, and if they were forced to withdraw from their participation with foreign governments, there would be a much greater possibility of OPEC's disintegrating. The producing countries would no longer be sure of selling their oil through long-term contracts, and would compete fiercely with each other. The oil companies, shorn of their concessions, would become more like other trading companies dealing with commodities, buying wherever the stuff was cheapest, with no permanent commitments.

Of course, oil companies will always need large sums of money for exploration and development. But these can be raised by medium-sized companies, and the record of the two biggest companies, Exxon and Shell, is singularly undistinguished in the field of exploration. Exxon got into Alaska only on the back of a smaller company, Atlantic Richfield, and it got into Saudi Arabia, the biggest jackpot of all, only because it controlled the markets which the first partners, Socal and Texaco, needed. There is little evidence that size, beyond a certain point, encourages daring, and many of the biggest risks have been taken by independents with far smaller resources than the giants.

The Western governments are fearful at the prospect of moving against the companies that they have helped to build up, partly because of their political clout, partly because, if the Seven Sisters pulled out of their participation agreements, they would lose their referential oil, and the bill for oil imports would be still higher. But only by dissolving those indissoluble marriages will there be any prospect of wresting the power from OPEC and enabling consuming countries to have a role in negotiating prices.

Recent revelations about bribery provide further ground for unease about the role of the companies. The justification of giant concentrations has been that they supply the resources for global development, and that they have taken over some of the responsibilities of world government. But the fact that one company, within a single country, can secretly pay $51 million to political parties raises fundamental doubts as to the trustworthiness of such giants, armed with such resources.

Any move to break up or control the oil giants will, of course, be portrayed by the oilmen as an "assault on free enterprise" (to use the title of a recent pamphlet by Exxon, replying to Senator Jackson). No picture could be more misleading. The oil giants have never been examples of free enterprise. They were born out of a near monopoly, developed into a cartel, and eventually coalesced with another cartel, this one of sovereign states. In the patterns of bribery, they show the full dangers of excessive concentration of unaccountable wealth.

operating not to encourage free enterprise but to frustrate it.

SOME HELP FOR MILDLY HANDICAPPED CHILDREN

Mr. STONE. Mr. President, since education has been organized into schools, parents, educators, yes, and politicians have been asking the questions:

What should these children be learning?

What skills do teachers need to teach them what they should be learning?

And what would be the most effective and efficient means of finding out these answers?

Six years ago a cooperatively funded Federal and State project began at the Florida State University. This research and development project was designed to answer the questions raised in terms of mildly handicapped exceptional children in public school special education classrooms. Now, 6 years and three quarters of a million dollars of support have dramatically demonstrated that the clinical teacher can produce 1 to 3 years of academic gains in mildly handicapped children in both basic reading and arithmetic skills within 1 school year.

This innovative teacher education approach was recently cited as an "exemplary manpower preparation program for the education of the handicapped" by the U.S. Office of Education. Supported by the Bureau of Education for the Handicapped as a special prototype project under provisions of Public Law 91–230, the clinical teacher model project at Florida State University was planned to try out an alternative noncategorical training approach. The aim was to avoid the traditional labeling practices of special education.

The program focused on desired pupil behaviors of academic and social skills required of children identified as mildly handicapped mentally retarded, learning disabilities, and emotionally disturbed, to succeed in regular public school classes. It designed generic teaching competencies for individualizing instruction necessary to produce these skills. These included observation, diagnosis, intervention, and evaluation, that enabled the clinical teacher to assess each exceptional child, prescribe, and manage a personalized instructional treatment for the child's successful achievement of reading and arithmetic skills.

Planning and design of the prototype curricula was conducted during 1967–71. Field testing, revisions, and evaluation of the training materials was conducted during 1971–74. In a year-long follow-up study, these clinical teachers using their individualized teaching competencies and the reading and arithmetic curricula materials developed by the project, produced from 1 to 3 years of academic gain in these handicapped children. When compared to other special education teachers serving a similar group of children, these results further substantiated the fact that the clinical teachers can greatly increase the amount and rate of academic achievement.

In addition to aiding handicapped children, this project offers reinforcement to Federal and State assistance in supporting research development for improving education. The Final Report of the project, containing the individualized instructional curricula and the documentation as to its effectiveness, is being distributed to State educational agencies and to over 500 colleges and universities in the Nation. The ultimate question of using this proven teacher education program as an alternative manpower preparation program remains a challenge for our society. Can innovative, effective alternative programs developed and proven at public expense be incorporated into existing educational practices? This question needs to be answered by us, as the legislators, disbursers, and supporters of developmental capital for the benefit of the public domain in improving human learning.

MEETING THE NEEDS OF THE WORLD'S POOR

Mr. McGEE. Mr. President, in 1968, Robert McNamara became head of the World Bank Group. From the beginning, he began a remarkable process of redirecting the World Bank's efforts in general, and the International Development Association in particular, to meeting the needs of the poorest 900 million people of the world.

As the American Banker on September 2, 1975: noted:

> The orderly construction of precise grand strategy for bringing help to the helpless of the world is the major work of Robert S. McNamara of the World Bank Group.

To achieve this end, Bob McNamara has had to avoid politization of the World Bank Group in an effort to capitalize on the flow of much-needed resources to the operations of the Group and in turn, to the poor of the world themselves.

He is an eloquent proponent of bettering the lives of 900 million people of this planet—one-third of the global population who live on only $75 dollars per year.

Since Bob McNamara's contributions to redirecting development assistance and his perceptions as to how the lives of these people can be improved have been invaluable, I ask unanimous consent that both the editorial from the American Banker and his address to the Board of Governors of the World Bank Group on September 1 be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From American Banker, September 2, 1975]

Operating Framework for Hope

The orderly construction of precise grand strategy for bringing help to the helpless of the world is the major work of Robert S. McNamara as chairman of the World Bank Group. In his address this week to the annual meeting of the Board of Governors, he refines and advances that strategy, extending and adjusting the tactics which are being applied to the 700 million of the rural poor, to embrace the 200 million who live in absolute poverty in all the slums of all the cities.

This proposal, dramatic as it is in itself (the full text of Mr. McNamara's prepared address is reprinted in the adjacent column as Required Reading) is actually a logical development of a coherent, maturing body of practical aid philosophy which can be traced through his policy addresses since he became head of the World Bank Group in 1968.

In the beginning, he had to reinvigorate the concept of aid, and to enlarge dramatically the entire operation; he proposed at that time, and subsequently achieved, a doubling of the World Bank's lending capability, and a shift from primarily structural projects to greater emphasis upon investments of a more social nature, such as family planning, health, and education.

In 1969, at Notre Dame University, Mr. McNamara singled out family planning as the most important requirement for control of the erosion of human living standards throughout the world.

In 1972, at the meeting of the United Nations Commission on Trade and Development in Santiago, Chile, Mr. McNamara asserted the need for political reform as essential to correct the pervasive problem of maldistribution of income, on the underlying assumption that too much aid effort was diverted by social and political structures away from the poor majorities to which it was directed, and into the pockets of the rich and powerful minorities in the less developed countries. In the debate between growth and equity, he acknowledged that material growth was essential, but insisted that social equity was of at least equal importance, both as an objective, and as a moral underpinning.

In 1973, at the annual meeting of the Bank in Nairobi, Mr. McNamara brought that theme a step further forward. If social equity is important, as a principle, he maintained, then so is its practical application. In that speech he dramatically defined the victims of absolute poverty—an income of $75 a year or less—as marginal human beings, living lives without hope.

He stated at that time that the elimination of absolute poverty is the main objective of development aid.

The vast majority of these marginal beings—some 700 million—live in the countryside, on some 100 million small farms. So Mr. McNamara focused the efforts of the entire World Bank organization on this now identified target group, and packaged and coordinated its programs to help them. This is development aid which the World Bank has in general, occasionally random, ways, been trying to do over the years; under his direction it has become far more sharply focused.

And now, in 1975 at the annual meeting in Washington, Mr. McNamara is proposing an enlargement of the target group to include the 200 million urban absolute poor, bringing the same objective of improvement of life for the poorest into the cities, but acknowledging the special differences of environment. In the country, marginal gain can be readily translated into at least a better diet. In the cities, the poor are less able to improve the sources of sustenance. A particular tactical distinction Mr. McNamara makes in this speech is that between the modern structure of familiar business operations, and the informal structure of uprooted workers, poor and unskilled, who require services and opportunities markedly different from the conventional.

Starting with a broad general perception of the need for more aid, Mr. McNamara during his years of leadership at the World Bank has identified family planning and political reform as necessary to prevent the dissipation of aid, elimination of absolute poverty as its ultimate objective, and coordinated programs to improve the lot of the worst as the way to achieve it—first in the countryside, now in the cities.

It is a remarkable social philosophy, built on hard quantification and sharp perception—a tough-minded structure, within which hope exists.

ADDRESS TO THE BOARD OF GOVERNORS BY ROBERT S. MCNAMARA, PRESIDENT, WORLD BANK GROUP

I. INTRODUCTION

Last year within this forum I outlined the problems imposed upon the developing countries by worldwide inflation, deterioration in their terms of trade, and stagnation in their export markets. In the intervening months these threats to development have not abated. They have grown more ominous.

I would like, then, today to explore with you the developing countries' urgent need for increased flows of foreign exchange—both from exports and from external capital—to help offset these adverse forces.

The one billion people of the low-income nations have become the principal victims of the current economic turbulence. They did not cause it. By themselves they cannot change it. And they have little margin to adjust to it. Granted all they can and must do to work out their own problems, they desperately need additional external assistance.

Many of the middle-income countries as well are facing a foreign exchange crisis. In the long run this can be met only by more exports. In the short run, they too need greater access to external capital.

This, then, is the most immediate and pressing problem in the global development scene.

But underlying this emergency situation—and partially obscured by it—lies the more fundamental problem of poverty itself, and the need to shape an effective strategy to deal with it. That is the second issue I want to discuss with you today.

What is required is a strategy that will attack absolute poverty and substantially reduce income inequities, not merely through programs of welfare, or simply through redistribution of already inadequate national wealth, but rather than measures designed specifically to increase the productivity of the poor.

Two years ago in Nairobi I outlined the elements of such an attack on poverty as it exists in the countryside. We chose the rural areas as the initial target for an intensified World Bank effort because it is there that the vast concentrations of the absolute poor—some 700 million individuals—in fact live.

But poverty degrades life for hundreds of millions in the slums of the cities as well. Though their total numbers are smaller than those in the countryside, their rate of increase—through migration—is greater. In certain areas of the developing world their deteriorating conditions have already begun seriously to strain the fabric of their societies. The Bank is giving increased attention to this issue, and we believe we are ready now to undertake a far more comprehensive effort to help governments deal with it.

In summary, then, what I propose to do this morning is this:

Analyze the immediate problem of increased foreign exchange requirements in the developing world, and indicate what the OECD nations, the capital-surplus OPEC countries, and the World Bank itself can do to help meet this need;

Report on the progress the Bank is making in its implementation of a strategy to reduce poverty in the rural areas;

And outline a program for an integrated approach to attack poverty in the cities.

Let me begin with the problem of foreign exchange requirements.

II. FOREIGN EXCHANGE REQUIREMENTS IN THE DEVELOPING COUNTRIES

For most of the developing countries the past year has been a period of painful accommodation to a global economic disequilibrium.

At least four principal factors—all of them interrelated—have combined to threaten their future growth prospects:

Persistent worldwide inflation;

The surge in the cost of petroleum;

The deterioration in their terms of trade;

And the prolonged recession in the OECD countries.

Inflation always exacts greater penalties from the poor than from the rich, and most of the developing countries have been faced with major increases in the prices of critical imports, particularly manufactured goods, foodgrains, and fertilizer.

The unprecedented rise in the cost of oil has been especially difficult for them to deal with since they have relatively little capability for a rapid conversion to other sources of energy, and only an insignificant margin for consumer conservation.

But though inflation has raised the cost of most of what the developing countries must import, it has failed to sustain the high prices of many of their exports. Last year the prices of their imports rose by 40%, but their export prices increased only 27%. This year inflation will add at least another 6% to the cost of their imports, but very little to the price of their exports. The result has been a substantial deterioration in their terms of trade, making it increasingly more difficult for them to pay for what they need.

Finally, not only have their export prices failed to keep pace with import costs, but in many cases their export volume has stagnated or even declined as the recession has grown more serious in the industrialized countries. The OECD nations are the chief markets of the developing countries, and normally absorb 75% of their total exports. As the recession has deepened, demand for these exports has declined.

Given these four factors—persistent inflation, the high cost of petroleum, deterioration in their terms of trade, and prolonged recession in the developed nations—the oil-importing developing countries find themselves confronted with an array of unanticipated obstacles to achieving even minimal development objectives in the remaining years of the decade. Indeed, in many respects, the outlook now appears worse than it did twelve months ago.

For the poorest countries—those with per capita incomes of less than $200—the situation is particularly grave.

In 1974, per capita incomes of the one billion people living in these nations declined an average .5%. For the hundreds of millions of them already severely deprived, it meant hunger, illness, and an erosion of hope.

This year the outlook is for a further weakening of these economies, and the per capita incomes of the one billion people are likely to fall again.

The middle-income developing countries—those with per capita incomes of $200 and above—have not felt the full impact of the deterioration of the world economy until this year. Last year, due to a series of emergency measures—including the drawing down of reserves, the expansion of short-term debt, and the postponement of long-term development programs—they managed to maintain average GDP growth per capita of 3.9%. This year, however, the growth of GDP is expected to be less than the growth of population and their per capita incomes are projected to decline by more than 1%. Moreover, their trade deficit will exceed 3% of their gross national product—twice as large as it had been in the late 1960s.

The events of the past two years have in effect swept away the progress these countries had made in reducing their dependence on external capital.

The 1976–1980 foreign exchange requirements of the oil-importing countries ought, then, to be viewed as composed of two principal elements: a declining transitional component, needed until export earnings can grow to offset higher imports costs, and the more traditional external capital supplement to domestic savings, equivalent to about 1.5 to 2% of their GNP.

Growth rates and related capital flows

To better grasp the capital requirements of the developing countries over the next five years, it is useful to examine alternative levels of capital flows and resulting rates of growth of per capita income. Two such projections are set out below.[1]

In each of these examples, growth rates are linked to "capital flows." The flows represent the amounts of foreign exchange required in the short run, over and above currently projected export earnings. In the longer run, of course, most of these foreign exchange needs, if they are to be met at all, must come from higher export earnings.

There is much the developing countries themselves can do to create a more favorable climate for export expansion. All too often their policies of subsidized capital, overvalued exchange rates, and excessive regulation discourage entrepreneurial incentives to sell abroad. Their own efforts to remove these self-imposed roadblocks to greater export earnings are essential if their full trade potential is to be realized.

But it will take time for these fundamental policy changes to become fully effective, and that is why in the short run the "capital flows" in the projections are representative of the amounts of external capital required to support the alternative growth rates.

The first set of data, labeled Case I, assures substantial growth in capital flows in nominal terms between 1975 and 1980, but no increase in real terms. It assumes also that the industrialized countries will make relatively rapid recovery from the current recession. Should that turnaround be delayed, the projected rates of growth of per capita income in the developing countries would of course be lower, or the external capital requirements higher.

These Case I growth rates—especially for the low-income countries—are far below the targets of the Second Development Decade, and, on average, provide barely perceptible increases in per capita incomes for the poorer countries. As this is a wholly unacceptable prospect, we have estimated—in Case II—what the additional capital requirements would be to raise income growth for the oil-importing developing countries to the Second Development Decade targets, at least for the remaining years of the decade. These requirements are substantial, even though the growth rate for the decade as a whole would still be far below the target level.

In both Case I and Case II, the principal increases in capital would have to be supplied on concessional terms, and the bulk of this assistance would have to come from the OECD countries. It is not difficult to understand why.

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[1] The projections simply illustrate rough orders of magnitude. They serve as a guide to appropriate policy decisions. No claim is made for the precision of the forecasts themselves. But we believe they indicate the severity of the economic problems confronting the developing countries, and they point to ways in which the rest of the world can assist their efforts to cope with them.

ANNUAL GNP GROWTH RATES, PER CAPITA, IN OIL-IMPORTING DEVELOPING COUNTRIES AND RELATED CAPITAL-FLOWS

[In billions of current dollars]

	Average 1969–73	1974	1975	Average 1976–80	
				Case I	Case II
Growth rates (percent):					
Low-income countries[1]	0.5	−0.5	−0.7	1.2	3.2
Middle-income countries[1]	4.5	3.9	−1.2	2.8	3.8
Capital flows:					
Net official capital	$7.9	$15.0	$19.8	$24.0	$35.2
Private capital	7.5	19.4	22.9	25.4	26.5
Total	15.4	34.4	42.7	49.4	61.7
ODA as percent donor GNP:					
OECD	0.34	0.33	0.32	0.29	[2] 0.48
OPEC	0	1.41	2.57	1.56	1.56

[1] The population of the low-income developing countries totals 1 billion and of the middle-income developing countries, 725 million. Here, as throughout these remarks, the statistics do not include those nations which are not members of the Bank.

[2] For ODA to average 0.48 percent of GNP during the 5 yr 1976–80 would require that it reach at least 0.70 percent in 1980.

Even to achieve the wholly inadequate levels of economic activity of 1975, the developing countries have had to borrow large sums from the private capital markets. They will have to continue to do so in the future. But there are limits to credit-worthiness and these make it unlikely that they will be able to borrow significantly more in real terms, over the next five years, than they are doing now.

That is the reason many of the developing countries, and particularly the poorer ones, will have to depend so heavily on concessional aid for the additional capital. And if these Official Flows are to grow, it is likely that most of the growth must come from the OECD nations.

In 1974, the capital-surplus OPEC countries supplied about one-sixth of the concessional assistance (ODA) made available to the developing countries. This year their disbursements for ODA have been rising further and could reach an estimated $4.5 billion. This would represent about 3% of their GNP, and 10% of their current balance of payments surplus.

But it is unlikely that the OPEC countries can maintain this level of aid throughout the decade. They are themselves developing countries and the source of their capability to make aid available is not the size and strength of their combined GNP—which is only a small fraction of that of the OECD countries—nor even of their GNP per capita, which on average is also substantially less, but rather the levels of their surplus trade balances.

By 1980, it is estimated that only a few of the OPEC countries will have current accounts still in substantial surplus. The others, which have provided about half the group's aid commitments over the past two years, are likely to reduce their level of aid as their imports rise and their trade surpluses diminish.

The OECD nations will be in the strongest position to assist the developing countries, and particularly the poorest among them, to achieve at least minimally acceptable rates of per capita income growth in the years immediately ahead.

To illustrate the problems of the developing countries in another way, consider the decade of the 1970s as a whole, and compare the economic progress—actual and projected—of three groups of people: the one billion people of the poorest developing countries; the 725 million people of the middle-income developing countries; and the 675 million people of the developing nations.

INCOME AND INVESTMENT LEVELS 1970–80 FOR DEVELOPED AND DEVELOPING COUNTRIES[1]

[In 1970 dollars]

Country group	1975 population (in millions)	GNP per capita		GNP growth rate per capita p.a. [percent]	Estimated investment per capita p.a.		
		1970	1980		Dom. Svg.	Ext. Cap. Inflow	Total
I. Low-income countries (under $200 per capita p.a.)	1,000	$105	$108	0.2	$14	$2	$16
II. Middle-income countries (over $200 per capita p.a.)	725	410	540	2.8	75	10	85
III. OECD countries	675	3,100	4,000	2.6	850	−15	835

[1] Excludes Centrally Planned Economies and OPEC. Assumes case I rates of growth for the developing countries 1976–80.

As the table makes clear, the Second Development Decade would result in virtually no progress at all for one billion people in the low-income countries and would mean that both they and the 725 million in the other developing nations would be growing relatively poorer when compared to the people of the developed countries.

To raise the growth rates of the developing nations to the level of Case II for the remainder of the decade would not require Official Development Assistance in 1980 to exceed the United Nations target of .7% of GNP. And that target could be reached were the developed countries willing to dedicate to ODA a minor fraction—no more than 2%—of the incremental wealth which they can expect to receive in the second half of the decade as their economies recover from the recession.

In contrast, as the table on page 39 shows, today the developed nations are contributing less than half of that goal—only .33% of GNP. Moreover, many of these nations, under present policies, are failing to increase their concessionary aid commitments by amounts sufficient both to offset inflation and to reflect their rising real incomes. Unless such policies are changed, ODA during the remainder of the decade, relative to GNP, will continue to fall, declining to perhaps 28% by 1980. It is essential, therefore, that the developed nations reexamine their concessionary aid programs. As government revenues and national incomes rise in the years ahead, ODA in relation to GNP should first be returned to former levels, and then later move toward the .7% target.

In view of the critical need of the developing countries for additional capital, I want to turn now to what the World Bank itself can do.

THE WORLD BANK PROGRAM

As events have unfolded this past year and the capital crisis engulfing our developing member countries became more apparent, we resolved that the Bank must take a number of steps to help meet that crisis.

The first step was to expand the overall level of our lending program.

We propose to expand it both in nominal and in real terms to the maximum level consistent with our capital structure, the availability of funds, and the creditworthiness of our borrowers.

As inflation has persisted, the dollar volume of our loan commitments has necessarily increased. The average dollar amount of each loan has gone up in order to insure that our borrowers will in fact be receiving over the years of the loan's disbursement amounts sufficient to meet the rising costs of the project.

The following table illustrates how inflation has affected the real value of our lending operations.

Amount required to finance equivalent of $100 million commitment in FY65 [2]

[In millions of dollars]

FY65	100
FY70	141
FY75	228
FY80	300

[2] Allowing for price changes during the disbursement period.

By 1980, it will require $3 of commitments to accomplish what $1 did in FY65, and more than $2 to equal $1 in FY70.

But in addition to expanding our lending program in nominal terms by an amount that will fully offset the effects of inflation, we propose also to expand the real transfer of resources represented by that program in order to meet as far as we can the critical capital shortage which has such corrosive effects on the growth rates of our developing member countries.

To meet both objectives, we increased in FY75 the Bank Group's new financial commitments to $6 billion, compared to $4.5 billion in FY74. I have proposed $7 billion for FY76 and the total for the five-year period FY76–80 should approximate $40 billion. Such a level of new commitments would constitute, in real terms, a 58% increase over the previous five years, FY71–75, and a 153% increase over the preceding period, FY66–70.

Though this represents the largest program of financial and technical assistance to developing countries ever undertaken by a single agency, it of course still falls far short of meeting the full scope of the capital needs of those countries.

World Bank group lending: Actual and proposed, in current and constant dollars

[In billions of dollars]

Fiscal years:	*Current*	*In FY75*
1966–70	$7.5	$14.2
1971–75	19.9	22.8
1976–80	42.0	35.6

As an interim measure, therefore, to help our lower-income member countries in their efforts to obtain additional resources for development, we have proposed, and the Executive Directors have approved, the information of a new lending facility within the Bank—the so-called Third Window—which will provide funds at a concessional interest rate midway between that of Bank loans and IDA credits.

The purpose of the Third Window is to make available additional development assistance on terms suited to the limited ability of the developing countries to service additional debt, and with longer maturities than that currently being provided by emergency mechanisms such as the IMF Oil Facility.

We plan to begin this intermediate-term lending within a few weeks, with an initial level of operations of $500 million—which we hope to expand to $1 billion. To subsidize the interest rate of these new funds, we have been seeking contributions from a number of our OECD and OPEC member governments. Twelve have already indicated they intend to support the plan.

The Third Window facility is at best only an emergency measure. It can supplement, but in no way substitute for our IDA operations.

And because the capital requirements of our poorer member countries have now reached such a critical degree of urgency, it is imperative that we begin before the end of this year serious negotiations for a substantially increased IDA Replenishment.

IDA IV funds will be fully committed by June 30, 1977. In order to provide our member governments with adequate time to secure legislative approval—and to avoid the procedural delays which in the end penalize not the Association, but the poor countries all of us are trying to help—it is essential that our member governments move decisively and generously to negotiate, approve, and bring into being an IDA Replenishment appropriate to the unprecedented needs it is designed to serve.

The new replenishment must be established at a level sufficient both to fully offset the effects of inflation, and to provide an appropriate measure of real growth. It should be supported by its traditional donors, and by those additional countries which, since the last replenishment, have benefited from major increases in their national incomes and foreign exchange reserves.

Finally, within the next few years, the need will arise to review the capital structure of the Bank and the International Finance Corporation.

I have presented to the Executive Directors a proposal for a Selective Increase in the Bank's subscribed capital and in paid-in capital. The proposal, which parallels the proposed increases in IMF quotas—and which should be acted upon as soon as the Fund takes a decision—makes provision for additional increases in the capital subscription of OPEC countries to reflect their increased economic and financial strength and their growing importance as a source of loan capital to the Bank.

The catalytic role of IFC in mobilizing additional private investment in the developing countries takes on even greater importance in a period of capital shortage, and we are exploring ways to increase its resources as well.

Although the Selective Increase for the Bank will significantly strengthen its ability to continue its role as a major source of development finance, the impact of inflation on the nominal amounts of cur operations will make it mandatory to consider a General Increase in IBRD subscribed capital in the course of the next few years. The Articles of Agreement of the Bank provide that loans outstanding and disbursed shall not exceed the equivalent of unimpaired subscribed capital, reserves, and surplus. This provision would force us, at the proposed level of lending, to cease making loans in the early 1980s. To permit adequate time for the necessary legislative action, we must start soon to discuss an appropriate solution to this situation.

The Bank's entire lending program, and its future plans, clearly must be derived from the nature and scale of the problem that confronts the developing countries.

A major element of that problem consists of a desperate need for external capital for high-priority development investment that can enhance the living standards of nearly two billion people.

Let me summarize, then, the nature of that problem as I have outlined it thus far. Essentially it is this:

The developing nations are confronting a foreign exchange crisis. It is a crisis compounded of all the turbulent economic events of the part two or three years, and the cumulative effect will be to bring the economic progress of many of these nations virtually to a halt unless corrective action is taken. It is clear that at such a time additional efforts to mobilize internal resources and greater efficiency in the use of these resources become critically important and the governments of the developing countries must give high priority to these actions. The fact remains, however, that they desperately need additional imports to get their economies moving again. And the foreign exchange to finance those imports can only come from greater official and private external flows, and increased export earnings. The Bank itself must contribute to the expansion of the external capital flows and we intend to do so.

But despite all of this—despite the urgency for all of us to focus our attention on this emergency, and to take every step we can to try to deal with it—we cannot allow this to diminish our concern with the central issue of development which underlies the present situation: the necessity of creating an effective strategy to deal with the fundamental problem of poverty itself.

Let me turn to that consideration now.

III. ABSOLUTE POVERTY AND THE REDUCTION OF INEQUALITY

Three years ago I began a discussion with you of the critical relationship of poverty and economic growth. I pointed out that this problem in the developing world can be summed up very succinctly: roughly half the population are neither contributing significantly to economic growth nor sharing equitably in its benefits. These are the poor. Within most developing societies they form a huge group at the lower end of the income spectrum, receiving only a fraction of what the middle and upper-income groups do.

Some 900 million of these individuals subsist on incomes of less than $75 a year in an environment of squalor, hunger, and hopelessness. They are the absolute poor, living in situations so deprived as to be below any rational definition of human decency. Absolute poverty is a condition of life so limited by illiteracy, malnutrition, disease, high infant-mortality, and low life-expectancy as to deny its victims the very potential of the genes with which they are born. In effect, it is life at the margin of existence.

In addition to the absolute poor there are what I have termed the relative poor. These are individuals with incomes somewhat above the absolute poverty level, but still far below their national average. Because of the distortion in income distribution—a distortion which in most developing countries far exceeds that of the industrialized nations—they too have been bypassed by economic progress.

The heaviest concentration of ablsolute poverty is in Asia. India, Pakistan, Bangladesh, and Indonesia are particularly afflicted. One out of every two individuals there is enmeshed in it.

In Africa, most countries are plagued with both absolute and relative poverty. Not only are per capita incomes meager on average, but often highly skewed as well.

In Latin America, many countries enjoy higher per capita incomes, with only about one individual in six at Asian or African levels of absolute poverty. But income distribution throughout the region is marred by serious inequality, and relative poverty is widespread and severe.

Analysis of income data makes it clear that policies aimed at diminishing income inequalities through direct redistribution of wealth will not be sufficient to end indigence. That is not to say that adjustments in this direction are not desirable on the grounds of equity, but no degree of egalitarianism alone will solve the root problem of poverty. What is required are policies that will enhance the productivity of the poor.

The truth is that throughout the developing world—in the countryside and cities alike—there is a huge and largely untapped potential to reduce absolute and relative poverty, and to increase economic growth, by directly assisting the poor to become more productive.

Two years ago in Nairobi I outlined a strategy for moving against poverty in the countryside. In the interim we have accelerated our efforts to implement that strategy, and I would like to report to you on that now.

IV. REDUCING POVERTY IN THE RURAL AREAS

We chose the rural areas to begin an assault because the overwhelming majority of the absolute poor are there. As I pointed out, the poverty problem in the countryside revolves primarily around the low productivity of the millions of small subsistence farms. Despite the growth of the GNP in most developing countries, the increase in output of these small family holdings over the past decade has been so low as to be virtually imperceptible.

The scale of the problem is immense. More than 100 million families—some 700 million individuals—are involved. The size of the average holding is not only small, but often fragmented. More than 50 million of these families are farming less than one hectare.

You will recall the objective we recommended that the international development community adopt: to take the steps necessary to increase production on these farms so that by 1985 their output will be growing at an average rate of 5% per year.[3]

Clearly no simple formula exists to move forward so complex an objective as rural development. It is the interplay and mutual reinforcement of a coordinated array of national policies that is required. To help shape effective action, the Bank over the past two years has researched and published a series of policy papers that range over a broad spectrum of issues. These include major statements on Rural Development, Agricultural Credit, Land Reform, Education, and Health.

But we have not merely elaborated policy. We have moved ahead with an expanded lending program in rural development and we now lend more in this sector than in any other. This is a clear change in emphasis: 50% of all rural-development lending in the history of the Bank has occurred in the last year. We expect to commit $7 billion more in this field over the next five years, and we estimate that these new projects will bring financial benefits to approximately 100 million individuals.

Projects have been devised which combine components from several different sectors—roads, electricity, water, education, family planning, and nutrition—and which integrate these with agricultural inputs into a development package to be applied to an entire region.

Typical of such new-style projects are the following:

A package of four loans, totalling $86 million, designed to increase the crop production and incomes of subsistence farmers in Nigeria, with the benefits reaching some 2 million individuals. The projects include financing of feeder roads, medium-sized earth dams, water reservoirs, village service centers, seed multiplication farms, training facilities, swampland conversion to rice paddies, and extension, credit, and marketing services. The estimated rate of economic return is 25%.

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[3] Such an increase in productivity is necessary not only to advance the well-being of the 100 million small farmers, but also to help assure that global food requirements will be met. Though I will not deal specifically with the food problem in my remarks today, I do want to emphasize the Bank's concern with this issue. Following the World Food Conference last year in Rome, the Bank, in association with the FAO and the UNDP, established the Consultative Group on Food Production and Investment in Developing Countries.

Two credits totalling $44 million for dairy development in India designed to increase the cash incomes and living standards of some 400,000 households—2.2 million individuals—the majority of whom currently have holdings less than two hectares, or are landless. The projects are expected to boost milk production by 760,000 tons a year, substantially improving nutrition, creating 14,000 new jobs, and yielding a return of 30%.

A $21 million loan for rural development in Thailand designed to benefit 400,000 low-income farm families—two and a half million individuals. The project will include specialized agricultural extension services, rural electrification, village water supply, access roads, and small-scale irrigation, and yield 16%.

One of the most innovative of the rural development projects is a $10 million credit to assist the Tanzanian government to bolster the productivity and living standards of farm families in the Kigoma region where per capita incomes are among the lowest in the world. The project will channel economic and social services to 250,000 individuals in 135 newly-established villages, substantially improving their crop production and doubling their incomes. It will include a credit and marketing system; primary schools, health centers, and improved water supply; clearing the area of the tsetse fly; regional radio-telephone communications; and a program of adaptive agricultural research. Should the project succeed—and we believe it will—it could serve as a model for new settlements elsewhere.

Though the new rural development projects are innovative, they are designed to provide a substantial economic rate of return at a low investment per individual served so that they can be readily extended to additional areas as additional resources become available.

Overcoming obstacles

But the closer we get to the core of the problem of poverty in the countryside, the more difficult, complicated, and time-consuming the task becomes. Let me take a moment, then, to describe some of the principal roadblocks we are encountering and how we propose to deal with them.

One is the issue of appropriate technology. The agricultural methods of the wealthy nations in the temperate zone are frequently unsuited to the environment of many developing countries, where poor farmers are often struggling to subsist on semi-arid, or marginal land. There is a critical need for new agricultural technologies tailored to these conditions. The Bank helps to meet this need through its chairmanship of the Consultative Group for International Agricultural Research, and its shared financing of ten specialized international research institutes around thhe world, including one specifically for the semiarid tropics.

In addition to the research work of the international institutes themselves, much more needs to be done by individual governments. The Bank has, therefore, recently agreed to help finance government efforts to consolidate and intensify specialized agricultural research in Indonesia and Malaysia. We anticipate an increasing number of such requests.

One technique we are making increasing use of is satellite remote sensing imagery in the survey and evaluation of potential land and water resources. This new tool is proving valuable in many aspects of project planning, and we are helping a number of our member countries to utilize it—Indonesia, India, Bangladesh, Nepal, and Kenya, among others.

Another problem is the pricing and subsidy policies some governments impose on the rural sector that tend to discourage additional food production. These policies are usually imposed to provide cheap food for the cities. But if prices are kept artificially low in relation to costs, farmers have no incentive to expand production. This is especially true of small farmers who simply have no margin for risk.

What many of us sometimes forget is that just because a man is poor does not mean that he is naive. The truth is that millions of small farmers—even without elaborate inputs—could increase their productivity measurably if they could be given but one simple assurance: that at harvest time they could be able to sell their additional production at a rewarding price.

Moreover, the small farmer is almost always discriminated against by public institutions that tend to favor the larger and more prosperous producers. It is the larger farmer who typically enjoys easy access to public credit, research, water allocations, and scarce supplies of petroleum, pesticides, and fertilizer. And it is the smaller farmer who is left to wait endlessly for the public services he needs far more urgently, but only too rarely receives.

The Bank is intensifying its dialogue with member governments to come to grips with these issues of pricing policy, and to assure more responsive public servics specifically shaped to the needs of the poor. There are some signs of movement in this direction, but as yet not nearly enough.

Still another roadblock in implementing complex rural operations is the scarcity of trained technicians. That is why we often include training components in our projects. But much more needs to be done to expand the supply of such personnel and we are gearing more of our education projects to that end.

Finally, all of us—at every level—have a great deal more to learn about the motivational patterns and behavioral responses of the poor in shifting from traditional subsistence agriculture to cash-crop production. Both the technical aand social variables in such a transition are complex. To deal with them effectively calls for continuing feedback and evaluation, sensitivity and respect for indigenous values, and a healthy measure of humility.

Let me, then, conclude this section by summing up the principal points I have made. They are these.

There are some 700 million individuals locked into absolute poverty in the rural areas of the developing world. Their degree of deprivation is so extreme as to be an insult to human dignity—to theirs, because as human beings they deserve better; and to ours, because all of us have had in in our power to do more to help them, and have not.

Two years ago I outlined a strategy for reducing absolute poverty in the countryside. It focuses on the more than one hundred million small subsistence farmers, and their families. And what it proposes is no traditional welfare, but sound investment to assist them to become more productive.

It is a strategy that can succeed. It requires of governments political decisiveness, new policies, and a reallocation of resources. But it can return immense dividends. We in the Bank are devloping a whole new program of integrated rural development projects to assist governments. They are projects that package together innovative economic and social components specifically designed to help transform poverty into productivity. We have a long way to go, but the early evidence is clear: it works.

It works because it is an approach that provides the poor with what they really want most of all: a chance to build a better life, through their own efforts, for themselves and their children.

It is an approach that works in the countryside. And it is an approach that we believe can work in the cities as well. I want to turn to a consideration of that now.

V. REDUCING POVERTY IN THE CITIES

We began the assault on poverty in the rural areas because that is where most of the absolute poor currently are. But they live in the cities of the developing world as well. Roughly 200 million are there now. More are coming, and coming soon.

The Bank has been giving increased attention to this issue. It is immensely complex—even more so than the problem of poverty in the countryside. But we believe we are ready now to initiate a much more comprehensive effort to assist governments to reduce urban poverty. What I would like to do today is, first, discuss the scope of the problem; second, analyze its underlying causes; and third, suggest a strategy to deal with it.

The scope of the problem

To understand urban poverty in the developing world one must first understand what is happening to the cities themselves. They are growing at a rate unprecedented in history. Twenty-five years ago there were 16 cities in the developing countries with populations of one million or more. Today there are over 60. Twenty-five years from now there will be more than 200.

How has this happened? Fundamentally, of course, it is a function of population growth. But it is more than just that. For though the total population in the developing world is increasing by about 25% a year, the urban population is growing at nearly twice that rate. Half the urban growth is due to natural increase, and half is due to migration from the countryside.

What this means is that some 400 million additional people have been absorbed into cities, through birth and migration, in a single generation—something wholly without parallel. In contrast, the developed world urbanized at a leisurely and less pressured pace at a time when its national populations were growing very slowly, at only about half a percent per year.

Latin America is already 60% urbanized, and Asia and Africa about 25%. But by the end of the century, three out of every four Latin Americans will live in a city, and one out of every three Africans and Asians.

Thus, at current trends, over the next 25 years the urban areas will have to absorb another 1.1 billion people, almost all of them poor, in addition to their present population of 700 million.

Life for the urban poor today is unspeakably grim. Though they spend up to 80% of their income on food, they typically suffer from serious malnutrition. It is estimated that half the urban population of Indian is undernourished. Up to 15% of the children who die in Latin American cities, and up to 25% of those who die in African cities, are needless victims of malnutrition.

Now what do these figures imply?

They make it certain that the cities of the developing world are going to find it incredibly difficult to provide employment, and minimally decent living conditions, for the hundreds of millions of new entrants into urban economies which are already severely strained.

An even more ominous implication is what the penalties for failure may be. Historically, violence and civil upheaval are more common in cities than in the countryside. Frustrations that fester among the urban poor are readily exploited by political extremists. If cities do not begin to deal more constructively with poverty, poverty may well begin to deal more destructively with cities.

It is not a problem that favors political delay.

The underlying causes of urban poverty

To comprehend the pathology of poverty in the cities, one must begin with an analysis of the employment opportunities of the poor.

Employment in the urban areas of the developing world is a function of an economic dualism that is widespread. two sectors coexist side by side. One is the organized, modern, formal sector, characterized by capital-intensive technology, relatively high wages, large-scale operations, and corporate and governmental organization.

The other is the unorganized, traditional, informal sector—economic units with the reverse characteristics: labor-intensive, small-scale operations, using traditional methods, and providing modest earnings to the individual or family owner.

In the modern sector, wages are usually protected by labor legislation and trade union activity; in the informal sector, there is easier entry, but less job security and lower earnings.

Though jobs in the modern sector may be more desirable, as a practical matter they are often beyond the reach of the poor. They require literacy, experience, and a level of training the poor find it difficult to acquire; and in a labor-surplus market, employers can afford to insist on exceptional qualifications.

Even more important, the growth of employment in modern manufacturing and distribution lags considerably behind both the growth of its output, and the growth of the urban labor pool; output has increased 5 to 10% per year, but employment rose only 3 to 4%, while the labor pool was growing at a rate of 4 to 5%.

Though it is true that as the formal sector expands it tends to generate some indirect employment in the informal sector, it can also eliminate jobs there on an alarming scale. At the cost of $100,000, for example, a corporation may set up a plasic footwear plant, with only 40 employees, that can displace 5,000 traditional shoemakers and their suppliers.

High population growth rates, and massive migration to the cities, have swollen the urban labor pool. But the capital-intensive nature of the modern sector has kept openings for additional workers down. In some developing countries, manufacturing techniques have already become so mechanized that an investment of $50,000 to $70,000 is often required to create a single new job.

Given, then, the limited potential of the formal sector in most developing countries to absorb labor, it is not surprising that the informal sector is a critical component in urban employment. It provides, for example, nearly half of all the jobs in Lima, more than half in Bombay and Jakarta; and over two-thirds in Belo Horizonte.

And yet, the fact is that governments tend to view the informal sector with little enthusiasm. They consider it backward, inefficient, and a painful reminder of a less sophisticated past.

It is true that economics of scale are important in some activities. But it is not true that all small-scale enterprises are uneconomic. They can frequently operate at acceptable cost levels when costs of labor and capital are measured correctly, and when production operations are broken up into individual processes and products. In the production of many types of food, clothing, and furniture, and in construction, transportation, assembly, packaging, repairing, and service activities, small units can compete effectively.

But government prejudice against the informal sector frequently gets translated into public policies which give undue advantages to big firms: unrealistically low exchange rates for capital imports, special tax exemptions, high minimum wages, underpriced public utilities, and subsidized interest rates. All of these measures favor the large and capital-intensive firm over the small enterprise, and have the net effect of reducing the employment opportunities of the poor.

These discriminations against the poor are compounded by limited access to public services. There are heavy biases in the design, location, pricing, and delivery of such services.

Though most cities, for example, have expensive modern hospitals, the poor usually do not have access to them. They are largely reserved for the rich minority, even though the privileged have less incidence of illness than the poor. Nor is it surprising that the poor are so often ill, considering the squalor in which they must live. Frequently they have no public water supply or sewerage services whatever. And they often have to pay up to 20 times more for water supplied by street vendors than do middle and upper-income families for water piped by the city into their homes.

But if the poor are denied equitable access to water, sanitation, and health, they fare equally badly with education. Many of their children receive no formal education at all simply because they live beyond a feasible distance to the nearest school. Thus, though half the total population of the capital of one African country lives in the slum areas, all of the schools, with one exception, are located elsewhere in the city. The result is that the primary school enrollment is only 36% in the poor areas, but 90% throughout the rest of the capital.

Children of the urban poor, although often in the majority, very seldom reach secondary school, much less a university, despite the fact that public expenditure per student for secondary and higher education is up to 20 times the expenditure on primarly education. This means that education—in theory a powerful force in equalizing opportunity—in fact often reinforces, rather than reduces existing economic disparities.

In a typical Latin American city, for example, workers with primary education earn 37% more than workers without education, and workers with secondary and higher education earn 40% more than workers with only primary schooling. Denying adequate education to the urban poor, then, is simply synonymous with denying them opportunities for earning higher incomes.

Public transport is another vital service the poor are often without. Their incomes are so low they can rarely afford it. And even if they could afford it, it often does not exist in the peripheral areas of the city where they generally must live.

While the wealthy drive their cars, and the moderate-income workers ride the bus, the poor walk to work—frequently as much as two hours each way. Such distances are a penalty both to their energy and to their earnings. And as the cities grow larger, so their commuting grows longer. Studies indicate that in a city of a million, the poor's average journey to work is three miles; in a city of five million, seven miles.

In city after city of the developing world, the streets are growing congested with private automobiles, and the city councils are pouring over blueprints for elaborate subways or expressways. But little if any of this heavy investment will ever benefit the poor. It will only drain away resources that might be used to help them become more productive.

The deprivation suffered by the poor is nowhere more visible than in the matter of housing. Even the most hardened and unsentimental observer from the developed world is shocked by the squalid slums and ramshackle shantytowns that ring the periphery of every major city. The favelas, the bustees, the bidonvilles have become almost the central symbol of the poverty that pervades two-thirds of the globe. It is the image that is seared into the memory of every visitor.

But there is one thing worse than living in a slum or a squatter settlement—and that is having one's slum or settlement bulldozed away by a government which has no shelter of any sort whatever to offer in its place. When that happens—and it happens often—there remains only the pavement itself, or some rocky hillside or parched plain, where the poor can once again begin to build out of packing crates and signboards and scraps of sheetmetal and cardboard a tiny hovel in which to house their families.

Squatter settlements by definition—and by city ordinance—are illegal. Even the word squatter itself is vaguely obscene, as if somehow being penniless, landless, and homeless were deliberate sins against the canons of proper etiquette. But it is not squatters that are obscene. It is the economic circumstances that make squatter settlements necessary that are obscene.

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This, then, is the profile of poverty in the cities. It is not the profile of an insignificant minority, nor of a miscellaneous collection of unfortunates, nor of a fringe group of nonconformists—but of 200 million human beings whose aspirations are identical to yours and mine: to lead a productive life, to provide for those they love, and to try to build a better future for their children.

They differ from us in only two respects: in the inhuman burden of their problems; and in the unjust disparity of opportunity they have to solve them. It is development's task to reduce that disparity. Let me, then, suggest at least the broad outlines of a strategy to deal with urban poverty.

A strategy to reduce urban poverty

Thought the dynamics of poverty in the cities differ substantially from those in the countryside, the key to dealing with them both is fundamentally the same. What is required are policies and actions that will assist the poor to increase their productivity. Primarily this calls for measures that will remove barriers to their earning opportunities, and improve their access to public services.

The following are esssential steps governments should consider in any comprehensive program:

Increase earning opportunities in the informal sector;

Create more jobs in the modern sector;

Provide equitable access to public utilities, transport, education, and health services;

And establish realistic housing policies.

The fundamental consideration underlying such a program is the reassessment of the role of the cities in the development process. Let me begin with that, and then turn to the others in sequence.

The role of cities in the development process

We need to remind ourselves what the role of cities in development really is.

Cities are, of course, many things, but essentially they are an instrument for providing their inhabitants—all their habitants—with a more productive life. They are not primarily collections of elaborate architecture, or of city planners' theories perpetuated in stone. Even less should they be thought of as sanctuaries of the privileged, who wish to put a decent distance between themselves and the masses of the rural poor.

Urban poverty can be cured nowhere in the world unless cities are thought of as absorptive mechanisms for promoting productive employment for all those who need and seek it. In the past 25 years in the developing countries some 200 to 300 million individuals have benefited at least marginally by migration, and since even at their unacceptably low levels of income they have been more productively employed in the cities than they would have been had they remained in the rural areas, the national economy itself has benefited.

This is not to make a case for wholesale migration from the rural areas. It is only to recognize that poverty will persist in the cities until governments determine to increase their capacity not simply to absorb the poor, but to promote their productivity by providing the employment opportunities, the infrastructure, and the services necessary for that purpose.

Now specifically how is this to be done? Our understanding of so complex an issue is limited, but at least it is possible, on the basis of what we do know, to identify policies and actions that could have a significant impact on the problem. The Bank's approach in the urban sector will be different from the strategy we are following in rural areas, although the basic objectives are the same.

The Bank's rural development strategy is focused on the small farmer. The main thrust is to provide the organizational structure and financial resources to increase the supply of essential inputs and raise the productivity of a specific target group. In the urban sector we will retain the emphasis on productivity. But we need a more flexible and diversified approach to match the greater diversity in the nature of the urban environment, the difficulty in identifying a readily accessible target group, and the variety of opportunities arising from the complex linkages in modern economic activity.

Any realistic strategy must place emphasis on increasing the earning opportunities of the poor in the informal sector.

Increasing earning opportunities in the informal sector

The employment problem in urban areas is not simply "jobs" in the conventional sense but rather the level of productivity and earnings. There is relatively little open unemployment among the urban poor. Without some kind of a job, they simply cannot eat. But they are often prevented from increasing their earnings by a combination of market forces, institutional arrangements, and public policies which confer privileges on the large, well-established firms and which penalize the informal sector.

Governments must take steps to moderate the bias in favor of large-scale capital-intensive production, and turn their attention more positively to small producers, not only in manufacturing but also in transport, construction, commerce, and other service sectors.

The informal sector offers the most immediate opportunities of greater productivity for the urban poor. It already, of course, provides the livelihood for the vast majority, and though its earnings are considerably less than those in the formal sector, its flexibility and ease of entry are an important asset. What is required is that government policy support it, without attempting to standardize it.

The informal sector's great virtue is its responsiveness to opportunity, its high degree of resourcefulness, and its entrepreneurial originality. The understandable enthusiasm of governments to "modernize" their economies must be restrained in their dealings with the informal sector. The point is not to try to transform it into the formal sector, but to support it without undue insistence on regulating it.

There are a number of ways in which governments can assist the small producer and the self-employed.

They can, for example, assure access to credit facilities on reasonable terms. The informal sector usually has very limited access to government banking and credit services. It must rely largely on the urban moneylender, who, like his village counterpart, is responsive but usurious. What are needed are improved banking policies that will make adequate capital available.

This can be done through rediscounting commercial bank loans to small-scale enterprises by central banks; by government guarantees to cover additional risks in informal-sector loans; and by new specialized institutions designed specifically to finance small enterprises. Like the small farmer, the urban informal-sector businessman is usually starved for credit. He does not need it in large amounts, nor does he need it at unrealistically low interest rates. But he needs it without excessive bureaucratic obstruction, and he needs it without procedural delay.

Further, governments can promote mutually beneficial relationships between the informal and formal sectors by reserving land for small enterprises in the vicinity of industrial developments. One effective technique is to establish industrial estates which will provide space neither exclusively to large nor to small industries, but which will deliberately situate firms of all sizes in close proximity, specifically to encourage economic linkages between them.

Since small enterprises individually have only very limited purchasing and marketing capacity, governments can promote cooperative facilities to lower their costs and increase their efficiency. At the national, regional and municipal levels, government agencies, as well as banks and private firms, can offer technical assistance to the small entrepreneur, analogous to the extension services for small farmers.

Finally, governments can help the informal sector to flourish by the removal of onerous and often outdated licensing and regulatory controls.

Taken together, the removal of biases favoring the modern sector, and the special assistance to the informal sector, can substantially improve the earning opportunities of the urban poor in the informal sector.

Creating more jobs in the modern sector

But the strengthening of the informal sector need not prevent the continued growth of the larger enterprises. On the contrary, special efforts must be made in many countries to turn their manufacturing enterprises away from the relatively small markets associated with import substitution, and toward the much larger opportunities flowing from export promotion. Korea, Taiwan, Mexico and Brazil, which achieved 15 to 20% annual growth in their manufactured exports in the late 1960s and early 1970s, clearly demonstrated the feasibility of bolstering manufacturing employment with this policy.

Further, the gradual reduction, and the ultimate elimination, of capital subsidies to the modern sector, as has been done in Hong Kong and Singapore, can make both production and service activities significantly more labor-intensive. Even in relatively automated modern factories, substantial labor-capital substitution possibilities exist in such activities as material handling, packaging, and intrafactory transport. When producers have to pay realistic prices for capital, they not only explore more labor-intensive solutions for each process and product, but tend to use the plant's capacity more intensively, thus creating more jobs per unit of capital.

The first element, then, in the strategy to increase the productivity of the urban poor is to remove barriers to their earning opportunities. The second is to provide them with essential public services at standards they can afford.

Assuring access to public services

About one-third of the population in most of the cities of the developing world lives in slums that are either wholly without or very inadequately served by public water, sewerage, transport, education, and housing. These conditions have a serious detrimental effect on the health, productivity, and incomes of the poor.

The urban poor are frequently denied access to public services, not because they don't exist, but because they have been designed or located largely for middle and upper-income city dwellers, and are simply beyond the reach of the less privileged.

The whole question of "standards" of urban services works to the disadvantage of the urban poor for they are often written with middle-class or upper-income orientations, and have little relevance to the situation the poor find themselves in.

Standards are important, but they must be formulated to meet realistic attainable objectives. If the needs of the poor are to be met within a reasonable time span, public utilities and social services will have to be provided at costs which they can afford to pay.

Water and sewerage services

The single most important factor in improving the health environment of the poor is to provide clean water and adequate sewerage. A commonly use standard calls for cities to supply 200 liters of water per person per day. Many cities in the developing world simply cannot afford to do that. That is understandable. What is not understandable is that instead of lowering the standard to fit their resources, some cities pipe 200 liters per person per day to individual houses in the affluent and middle-class neighborhoods, but leave 60% of the population—the poor on the periphery of the city—without any piped water at all. The result frequently is endemic cholera among the poor, because they must depend on unclean water from other sources.

Often, all that low-income families can afford are standpipes, but this form of water supply, together with technical assistance in improving sanitation facilities, can have an immensely beneficial impact on their health.

Health and education services

Essential health and education services for the poor are also seriously deficient in most of the cities of the developing world. Health care, for example, is frequently confined to modern and expensive hospitals, when what is needed are small clinics located in areas of the city where most health problems begin: in the slums and squatter settlements. Indeed the whole orientation of health care should emphasize low-cost preventive medicine rather than high-cost curative care. The poor are often ill—and their children often die—but the causes are almost always diseases that could have been readily prevented by a more sanitary environment and simple preventive measures.

Inexpensive health delivery systems can be designed around community-based health workers who can provide the poor with a broad spectrum of simple and effective services: immunization, health and nutrition education, and family-planning advice.

The same principle applies to education. What is required are small, inexpensive, and informal basic education units, located in accessible areas, and designed to serve minimum learning needs of both children and adults: literacy and elementary arithmetic, child care, vocational advice, and the knowledge necessary for responsible civic participation.

Transportation

The poor must also be within reach of employment possibilities. This means transport facilities which they can afford. Usually the urban transport available is either too expensive, or does not serve the areas in which the poor live. It is clear that most cities would benefit substantially from a radical reallocation of their transport systems away from domination by the private automobile, and in the direction of public transport that can move large numbers of passengers at low unit costs.

What is needed is a healthy pluralism in transport: buses, jitneys, taxis, motor rickshaws, pedicabs, bicycle paths—whatever is cost-effective and appropriate to the distances involved.

Establishing realistic housing policies

City government often congratulate themselves on their subsidized blocks of low-income housing, and the physical structures are frequently impressive. What is depressing is that the so-called low-income housing is almost too expensive for the poor. Surveys indicate that up to 70% of the poor cannot afford even the cheapest housing produced by public agencies.

Slums and squatter settlements are the inevitable result. Authorities typically strongly disapprove of them: they are illegal, they are unsightly, and they are unsanitary. But too often cities have failed to find any solution—short of demolition—to deal with them. The fact is that the upgrading of existing squatter settlements can be a low-cost and practical approach to low-income shelter. Upgrading legalizes the settlement, provides secure tenure, and supplies minimum infrastructure: water, roads, storm drainage, security lighting, and rubbish collection. Education and other community facilities can generally be added.

One of the most interesting features of squatter settlements is that though they are inhabited by the very poor, there is a very strong sense of saving among the residents. Out of their minuscule earnings, they save every cent they can. Their great ambition is to have a better home for their families. But they are prudent men and women; they are unwiling to invest their savings in home improvement until they have tenure. That is why squatter settlements are often so ramshackle. Once upgraded projects provide legal tenure, the poor are not only willing to spend on home improvement, but do so with enthusiasm, and remarkable transformations often take place.

The housing that can be produced by upgrading existing slums and squatter settlements is of course limited. A somewhat more costly, but still practical, alternative is the "sites and services" approach. It can provide the framework for improved housing for vast numbers of the poor, particularly if it is planned with adequate lead time.

The city provides a suitable area of new land, grades and levels it, and furnishes it with essential infrastructure: access roads, drainage, water, sewerage, and electricity. The land is divided into small plots and is leased or sold to the poor, who are supplied with simple house plans, and a low-cost loan with which to purchase inexpensive building materials. The actual construction is made the responsibility of the poor, who build their houses themselves.

And as communities are more than just housing, sites and services projects include schools, health clinics, community halls, day-care centers, and some provision for creating jobs: land, for example, set aside for the establishment of an appropriate small-scale industry.

Sites and services projects, then, stimulate self-help, and make it possible for the poor to house themselves in a viable, cohesive community with a minimum of public expenditure.

But though this is a highly desirable approach, it often suffers from two constraints: the understandable economic constraint of the availability of the land, infrastructure, and building materials; and the less understandable institutional constraint of regulations governing tenure, building codes, and zoning restrictions.

The determination of appropriate standards is critical for the poor family's ability to acquire housing. If, for example, standards relating to land use, floor space, durability of materials, quality of finish, and utilities were modified to meet low-income household budgets, it should be possible for some 80% of the population in the cities of the developing world to afford much improved shelter with no subsidy at all.

It is also important that reasonable user charges and taxes should be levied on the middle and upper-income consumers of city services of all kinds—housing, utilities, education, health facilities, transport, and others—to generate surpluses which can be used to expand coverage of these services, and give the poor a more equitable opportunity to benefit from them.

* * * * *

These, then, are some of the measures that governments should ponder as they confront the growing pressures of urbanization. For the next decade or two—indeed for as far forward as anyone can realistically plan—the urban problem will be a poverty problem.

The urban poor are not simply a statistical inconvenience to planners, a disturbing reminder of what might be possible if they would somehow just go away, a continually disappointing factor in budget allocations because of their chronic inability to pay taxes. That is not what urban poverty is about.

The urban poor are hundreds of millions of human beings who live in cities, but do not really share the good and productive life of cities. Their deprivations exclude them.

It is within the power of governments to change that.

We in the Bank can help, and we propose to do so in the future on a scale far greater than that of the past.

Any serious effort in solving the problems and urban developments will clearly involve a number of sensitive and difficult political choices. Those, of course, are for governments to make, not for the Bank. Moreover, the Bank's own lending can finance only a very small proportion of the necessary investments in productive facilities and supporting urban services.

The Bank, however, can play a significant role in pointing out the extent to which governments' present policies, practices, and investment allocations are seriously biased against the poor. And the Bank can expand and redirect its own investments in urban areas to insure that they result in increased earning opportunities and more adequate services for the poor in both the modern and traditional sectors. This will be a major objective of our five-year program for the years FY 76–80.

In future years, I will report to you on our progress in helping to achieve the objective of assuring minimum standards of decency for the nearly two billion people who will be living in the cities of the developing world by the end of this century.

VI. SUMMARY AND CONCLUSIONS

Let me now summarize and conclude the central points I have made this morning.

If we survey the global development scene today, it is clear that most of our developing member countries are caught up in a critical situation. The consequences of the continuing worldwide inflation, the sudden surge in the cost of oil, the deterioration of their terms of trade, and the prolonged recession in their export markets have combined to endanger their economic future. The net effect of these external forces has been to reduce their prospective rates of economic growth, while increasing their foreign exchange requirements.

And it is the very poorest countries, countries that collectively contain a billion human beings, which face the bleakest prospects—the prospects of virtually no increase at all in their desperately low per capita incomes for the rest of the decade.

It is important to comprehend what this stagnation really means in the life of an average individual in a poor country. It does not mean inconvenience, or a minor sacrifice of comfort, or the simple postponement of a consumer satisfaction.

It means struggling to survive at the very margin of life itself.

Statistically, the stagnation means that for a billion people, per capita incomes, in constant prices, will grow from $105 in 1970 to $108 in 1980. The comparable figures for the peoples of the developed world are $3,100 in 1970 to $4,000 in 1980.

Over an entire decade, a $3 increase versus a $900 increase.

The 725 million human beings in the middle-income developing countries are also facing a far more difficult situation than we anticipated a year ago. Unless the foreign exchange available to them can be substantially increased, their per capita incomes too will inch forward at a wholly unacceptable pace.

Are those in the developed world going to conclude that they cannot find it within their collective capacity to make a modestly greater effort to help save several hundred million people from a degree of deprivation beyond the power of any set of statistics even remotely to convey?

I cannot believe so.

I cannot believe so because what is involved for the developed nations is not the diminution of their already towering standard of life. All that is required in order to assist these people so immensely less privileged is a simple willingness to dedicate a tiny percentage of the additional wealth that will accrue to the developed nations over the next five years.

As for the World Bank, we should at the minimum increase our lending programs not only fully to offset price inflation, but also to increase the flow of capital in real terms, particularly to our poorest member countries. And that is what we propose to do.

Preliminary negotiations for the next replenishment of the International Development Association should start within a few weeks. It is, of course, one of the principal multilateral means available to assist the poorest nations.

It is an instrument that has proved its value through hundreds of carefully designed projects that represent a realistic, tough-minded, unsentimental approach to development.

Whatever other debates there may have been throughout the development community, there never has been serious disagreement over either the principle or the record of the International Development Association.

But even with a generous IDA replenishment, and even with a realistic effort by the governments of the developed world, as well as by those of the capital-surplus OPEC countries, to appropriate sufficient funds for the other forms of Official Development Assistance—even after all this has been done—it is clear that these official flows of external capital, as well as increased private flows, will not be enough to ward off the crisis the developing countries are now confronting.

It is imperative that they generate additional capital both through greater domestic savings, and through expanded export earnings. Both will be difficult. For with such low per capita incomes, only arduous sacrifice can produce significantly greater savings. And though there is an impressive potential for greater export earnings, both the developing and developed countries will have to take major steps to accomplish it.

The current foreign exchange crisis, then, in the developing world—and particularly in the poorest countries—must command the attention of us all. It is an emergency situation. And it requires emergency measures.

But beyond this immediate emergency lies another more profound problem. And in our concern for immediate measures, we must not let our longer-range objective be obscured.

That objective is the central task of development itself: the reduction—and ultimately the elimination of absolute poverty.

Poverty is a word that has largely lost its power to convey reality. At least that is true among most of those who have never known it in its most abject form.

But if we have not personally endured it—if most of the affluent world has never experienced it—there are 900 million individuals alive today, more than 40% of the total population of our developing member countries, who not only know it, but in their wretched circumstances are living examples of it.

Most of the absolute poor live in the rural areas. And two years ago, in Nairobi, we outlined a strategy—and launched a program within the Bank—designed to reduce that poverty. It is based on the fundamental proposition that the only feasible way to deal with poverty is to help the poor become more productive.

It is a task, of course, primarily for the governments of these countries. The Bank can only assist. But we have evolved a whole new series of multisectored projects to help those governments which are committed to the goals of rural development, and our early experience confirms our initial conviction: it is an approach that can succeed.

But poverty pervades not only the countryside, but the urban centers of the developing world as well. There, the numbers of the poor are smaller. But the natural increase within the cities, combined with the rapid rate of migration from the rural areas, guarantees that the problem will grow to mammoth proportions in the next two decades, if governments do not begin to take appropriate measures to deal with it.

I have tried to suggest today a number of those measures.

We in the Bank are resolved to help our member governments in every feasible way we can to come to grips with the problem.

In the end, cities exist as an expression of man's attempt to achieve his potential.

It is poverty that pollutes that promise.

It is development's task to restore it.

FLOW OF OFFICIAL DEVELOPMENT ASSISTANCE FROM DEVELOPMENT ASSISTANCE COMMITTEE MEMBERS MEASURED AS A PERCENTAGE OF GROSS NATIONAL PRODUCT [1]

	1960	1965	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980 case I
Australia	0.38	0.53	0.59	0.53	0.59	0.44	0.55	0.55	0.56	0.57			
Austria		.11	.07	.07	.09	.15	.18	.16	.16	.16			
Belgium	.88	.60	.46	.50	.55	.51	.49	.55	.57	.59			
Canada	.19	.19	.42	.42	.47	.43	.50	.51	.56	.59			
Denmark	.09	.13	.38	.43	.45	.48	.54	.57	.61	.64			
Finland [2]		.02	.07	.12	.15	.16	.18	.20	.22	.23			
France	1.38	.76	.66	.66	.67	.58	.60	.60	.61	.61			
Germany	.31	.40	.32	.34	.31	.32	.37	.35	.33	.31			
Italy	.22	.10	.16	.18	.09	.14	.14	.14	.14	.13			
Japan	.24	.27	.23	.23	.21	.25	.25	.23	.22	.21			
Netherlands	.31	.36	.61	.58	.67	.54	.62	.72	.76	.76			
New Zealand [3]			.23	.23	.25	.27	.30	.36	.41	.47			
Norway	.11	.16	.32	.33	.43	.42	.57	.61	.65	.69			
Sweden	.05	.19	.38	.44	.48	.56	.72	.75	.78	.81			
Switzerland	.04	.09	.15	.12	.21	.16	.14	.15	.15	.15			
United Kingdom	.56	.47	.37	.41	.39	.34	.38	.33	.30	.30			
United States [4]	.53	.49	.31	.32	.29	.23	.25	.23	.20	.17			
Grand totals:													
ODA ($b-nominal prices)	4.6	5.9	6.8	7.7	8.5	9.4	11.3	12.2	13.5	15.0	16.6	18.6	20.7
ODA ($-constant 1975 prices)	10.3	12.3	12.6	13.2	13.4	11.5	12.7	12.2	12.3	12.6	12.9	13.4	14.0
GNP ($t-nominal prices)	.9	1.3	2.0	2.2	2.6	3.1	3.4	3.8	4.4	5.0	5.7	6.4	7.3
ODA as percent of GNP	.52	.44	.34	.35	.33	.30	.33	.32	.31	.30	.29	.29	.2
ODA deflator [5]	.45	.48	.54	.58	.64	.81	.89	1.00	1.10	1.19	1.29	1.38	1.4

[1] Figures for 1974 and earlier years are based on actual data. The projections for 1975–80 are based on OECD and World Bank estimates of growth of GNP, on information on budget appropriations for aid, and on aid policy statements made by governments. Because of the relatively long period of time required to translate legislative authorizations into commitments and later into disbursements, it is possible to project today, with reasonable accuracy, ODA flows (which by definition represent disbursements) by country through 1977 and in total through 1980.

[2] Finland became a member of DAC in January 1975.

[3] New Zealand became a member of DAC in 1973. ODA figures for New Zealand are not available for 1960 and 1965.

[4] In 1949, at the beginning of the Marshall Plan, U.S. Official Development Assistance amounted to 2.79 percent of GNP.

[5] Includes the effect of parity changes. Figures through 1973 are based on DAC figures (statistics for 1973 and earlier years). Projected deflators for 1974–80 are the same as those for GNP.

THE INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975 PASSED IN HOUSE OF REPRESENTATIVES

Mr. McGEE. Mr. President, on September 10, the House of Representatives passed the International Development and Food Assistance Act of 1975 by an impressive vote of 224 to 155.

This 89-vote margin of victory was particularly significant, since in recent years the foreign aid program faced extinction with narrower and narrower margins of victory in both the House and the Senate. The overwhelming vote of support in the House is attributable to several factors. For the first time, the House separated military assistance from bilateral and multilateral development and humanitarian assistance. In addition, the House International Relations Committee followed up its initiative of 1973—the year of the "new directions" in our foreign aid program—by further refining and sharpening programs designed to meet the needs of the world's poorest 1 billion people. A third component in this legislation is the integration of various aspects of our Public Law 480 program into our foreign assistance effort. This is indeed a most welcome and much-needed innovation which will make our development efforts much more rational in dealing with both short-term and long-term development needs of the world's poorest countries.

Mr. President, the House International Relations Committee is to be commended for these new initiatives. I believe the responsiveness of the committee to the plight of the world's poor is the primary reason for the margin of victory achieved last week. It is evident that the vast majority of the American people can and will support the type of development and humanitarian assistance program as contained in the House bill. This is evidenced by the tremendous amounts of mail I am now, and have been, receiving, supporting the House bill.

Presently, the Foreign Assistance Subcommittee of the Senate Foreign Relations Committee, of which I am a member, is marking up the House bill. I have found the exercise to be exciting and stimulating, particularly in light of the fact that the new directions in our foreign aid program are a product of the Congress itself. I have been impressed with the legislation we have before us, and I am hopeful the Senate will follow the lead of the House and pass the International Development and Food Assistance Act by the overwhelming margin of support it deserves.

That the new legislation has captured the imagination of the people of this country is evidenced by the editorial support from all sections of the Nation. Today, I am printing in the RECORD a sampling of this support, which I believe will be useful to my colleagues as we prepare for floor consideration of this measure.

I ask unanimous consent that the editorials and news articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Atlanta (Ga.) Journal]

BETTER FOREIGN AID

When Congress convenes after its August recess it will consider a proposal designed to upgrade the form of American aid for helping the world's hungry nations.

Some international development authorities have cautioned against returning to the old practice of trying to export high-technology farming systems to countries where the best potential for fighting hunger may lie in better use of human labor.

The pending bill, contained in an amendment to the general foreign aid bill working its way through the House, recognizes some of these and other nuances necessary for effective agricultural development aid.

Under the proposed amendment, eligible U.S. universities, where requested, will work out cooperative agreements for improvement of agricultural education in developing countries. And these programs, according to the bill's sponsor, Rep. Paul Findley, R-Ill., will be "adapted to local conditions, needs and customs."

With the new and more sensible approach to foreign aid, promising a greater likelihood that the money will accomplish what the program was intended to do there is bound to be more support in Congress.

The Findley amendment, for example, has

attracted support from 95 cosponsors in the House, including liberals and conservatives in both parties.

Perhaps soon, U.S. foreign aid will be back on the track, drawing increased interest and financial support in Congress and with the voters across the nation.

[From the Christian Science Monitor, Aug. 8, 1975]

A New Approach to Foreign Aid

There is a most welcome move in Congress to reform America's whole approach to foreign aid. For the first time since the Marshall Plan was launched an effort will be made to separate economic aid from military assistance.

The House Committee on International Relations has approved a bill that authorizes $1.5 billion just for economic aid in the coming fiscal year, and the Senate Foreign Relations Committee is expected to follow suit. If passed by the Congress as a whole, the action will introduce a needed element of integrity in foreign aid giving, for it will make the latter responsive primarily to humanitarian needs rather than United States security goals.

As James Grant of the Overseas Development Council puts it, this is the first time Congress is considering "a really clean" foreign aid bill. Now legislators can vote development aid for poor countries on its own merits without backing funds for, say, police programs that help prop up authoritarian governments.

In its reform mood, the House is also pushing other innovations. It would put food aid under Public Law 480 in the same foreign aid bill, so that such assistance can harmonize with and support development aid programs.

In the past there has been concern that the huge concessional food sales to poor nations such as India have kept them from making the rural reforms necessary to boost their own production. Under the House bill, countries that spend funds to boost their own food production would be charged less money for the PL 480 food purchased from the U.S.

Private American relief organizations like CARE will also be benefited. The new legislation stipulates that such agencies must receive at least 1.5 million tons of gift food a year. This means they will be able to plan ahead with assurance.

Finally, the House committee also delved into how the U.S. is following up on the World Food Conference. Its bill urges that the U.S. make a significant contribution to the 10 million tons of annual food aid recommended in Rome. It also provides funds for American universities to research ways of increasing food production in the "third-world" countries.

To quote Mr. Grant again, the committee has done "a masterful job of translating into action the administration's rhetoric about doing more on the food front."

At a time when foreign aid has lost its early postwar glamour and yet remains increasingly important in a needy and hungry world, it is to Congress's great credit that it is looking at the whole problem afresh and coming up with sensible, imaginative new approaches.

[From the Christian Science Monitor, Aug. 7, 1975]

"Really Clean" Foreign Aid Bill: U.S. Food Aid Aimed at Poorest

(By Harry B. Ellis)

Washington.—"For the first time since the Marshall Plan," Congress is considering "a really clean" foreign aid bill, not tied to U.S. security goals.

Thus James P. Grant, president of the Overseas Development Council (ODC), describes the bill, just reported out by the House Committee on International Relations, which aims to give more help to the poorest nations abroad, instead of always favoring those considered strategically vital to the U.S.

"This major piece of innovative legislation," says Mr. Grant, "reflects a change in [U.S. national] priorities."

Mr. Grant notes that the bill—the International Development and Food Assistance Act of 1975—stipulates that "only 30 percent of food aid can go to support U.S. foreign policy. Seventy percent must go to the most needy nations."

A steady flow of free food, distributed to hungry peoples by CARE, Catholic Relief Services, and other voluntary agencies under Title II of Public Law 480, would be assured by the legislation, which directs that at least 1.5 million tons of gift food be made available yearly.

Hitherto, the bulk of American food aid has been under Title I—sales for local currency to U.S. allies—with "surplus" food, after fulfillment of all commercial contracts, going to Title II.

As U.S. grain reserves have shrunk, so has the amount of food given through Title II. CARE and Catholic Relief Services alone have removed at least 16 million people from their relief rolls.

The new bill, to be considered by the full House on its return from vacation next month, would keep the "Food for Peace" pipeline full.

The President is urged by the bill to provide "a significant United States contribution"—perhaps 6 million tons yearly, said Charles Paolillo of the House committee staff— to the 10-million ton annual total of food assistance recommended by last year's World Food Conference in Rome.

Stress is laid in the bill on fostering "labor-intensive, small-farm agriculture" in poor lands, where a majority of populations live on and work small plots of land.

To this end, the bill provides funds for research by American universities to find ways to uplift living standards of nearly 1 billion Asian, African, and Latin American peasants whose livelihood depends on their tiny farms.

Developing countries, noted Mr. Grant, which spend money to help their poorest farmers increase food production, would, in effect, be charged less money for the Title I food they buy from the United States.

The bill, in short, has at least three major thrusts:

It makes U.S. foreign aid responsive to humanitarian needs, not to United States security goals.

It releases more food and money to feed hungry people.

Over the long term, the bill would help developing nations grow more food on the tiny farms where most of their people live.

[From the Honolulu (Hawaii) Advertiser, Aug. 20, 1975]

Reforming Foreign Aid

Congress has a very mixed record so far this year, but one area where there seems to be hope is in reforming the foreign aid program and better using it as a tool to fight world hunger.

Attention now focuses on the House where the Committee on International Relations recently reported out a bill that is being hailed as a major step forward in several ways.

One important aspect was cited by James Grant, president of the Overseas Development Council, who said: "For the first time since the Marshall Plan," Congress is considering "a really clean" foreign aid bill not tied to U.S. security goals.

Separating economic aid from military security assistance has long been a goal frustrated by those who suggested the two needed each other to get through Congress.

In fact, there are said to be three major thrusts in the House bill:

Foreign aid would be more responsive to humanitarian needs than U.S. security goals. The bill stipulates only 30 per cent of food aid can go to support U.S. foreign policy. Seventy per cent must go to the most needy nations.

More food and money would be released to feed hungry people. The President would be urged to provide "a significant United States contribution" to the food aid supply recommended by last year's World Food Conference in Rome. Sources say that could be 6 million tons of the recommended 10-million-ton total recommended at Rome.

Programs would be expanded to help developing nations grow more food. These include stress on fostering "labor-intensive, small-farm agriculture" in poor countries and research on helping those whose livelihood depends on tiny farms.

In fact, nearly three-quarters of all development assistance would go to countries with per capita incomes of $275 or less.

As this bill moves toward a House vote, the United Nations is getting ready for a General Assembly session next month where the developing nations will call for more aid as part of a "new international economic order."

There will be new demands that nations such as the U.S. do more—and some counter charges on how the 500 per cent increase in the price of world oil in the past two years has hit developing nations harder than anyone.

At best, the U.S. is likely to face criticism for some past actions of using food aid for political purposes with such allies as South Vietnam.

But how the House (reportedly with White House approval) and perhaps the Senate seem prepared to launch a revamped aid program that meets some growing world needs and should serve our interests and improve them in the process.

[From Newsday, Aug. 26, 1975]

A Marshall Plan for Today's World

The Marshall Plan, which financed the reconstruction of western Europe after World War II proved that an enlightened foreign aid program can benefit the giver almost as much as the receiver. It not only restored badly needed markets for American goods; it nutured democracy at a crucial moment when it might easily have perished under the weight of hunger and poverty, the natural breeding grounds of socialism and communism.

The recollection is timely. One of Congress's first tasks when it returns from vacation next week will be to salvage the current American foreign aid program, from the shambles it fell into in Southeast Asia, the major recipient of American aid for the last decade. Congress would be wise, in pondering the future of foreign aid, to return to the principle that served America so successfully a quarter-century ago.

Foreign aid, the late Secretary of State George Marshall said then, should not be "directed against any country or doctrine but against hunger, poverty, desperation and chaos. Its purpose should be a revival of a working economy in a world so as to permit emergence of political and social conditions in which free institutions can exist."

The passage of time has eroded that principle. American aid now is used almost routinely against countries and doctrines—in Southeast Asia, in the Middle East, in Chile and elsewhere. Congress has even come to lump military aid and food and economic assistance in the same legislative package. The member who wanted to vote to alleviate starvation in Africa also has had to vote to send arms, and usually a disproportionate share of economic aid as well, to Vietnam or South Korea or whatever government happened to be in favor with the State Department at the moment.

On the day Congress recessed, the House International Relations Committee reported out legislation that would allow Congress to consider economic assistance separately from military aid. That in itself is enough to recommend the bill, but it also requires that most economic aid go directly to the neediest peoples in the neediest countries, thereby making difficult for this or any other administration to resume using foreign aid as a political weapon. The bill also increases the amount to be sent overseas under the Food for Peace program, provides funds for increasing agricultural production in backward countries, and authorizes at least $200 million as the initial U.S. contribution to the United Nations Food and Agricultural Development Fund, which is also being funded by the OPEC nations.

Representative Lester Wolff (D-Kensington) is a member of the committee that produced the new foreign aid proposal. We hope he can convince his Long Island colleagues and others in Congress that it deserves their support.

[From The New York Times, Aug. 11, 1975]

Good Try on Aid

The international development bill voted out of the House International Relations Committee last week constitutes a major step toward improving the nation's battered foreign aid program. It is also the beginning of a good-faith effort to fulfill the United States commitment to the fight against world hunger.

The bill carries forward the task of sharpening and clarifying the focus of international economic assistance begun by Congress in 1973. Its most dramatic departure is to separate economic aid from military security assistance for the first time in almost three decades. It also strengthens the priority which the 1973 act set on focusing assistance efforts on the world's poor, involving them in the development process and giving special attention to aid programs for small farmers. Nearly three-quarters of all the development assistance provided in the bill is for countries with per capita incomes of $275 a year or less.

The emphasis on basic development is carried further by the bill's massive concentration on food and nutrition aid. Not only does it approve the Ford Administration's entire request for food production assistance but it also authorizes the use of all loan repayments to support agriculturally related activities, including $200-million for the International Fund for Agricultural Development. There are additional provisions designed to strengthen the capacities of American institutions to promote increases in agricultural production abroad, as well as amendments to the Food for Peace Act to make it support more directly this country's over-all developmental goals.

The committee's action has finally disproved the fear that developmental assistance could not make it through Congress on its own merits, but needed to be dragged along on the heels of America's global security interests. That political strategy has perpetually undermined the economic development aspects of foreign aid programing and has cost the program almost all of the broad support it once enjoyed among the American people.

Beyond that, the bill demonstrates the existence, at least in some influential places in Washington, of an inclination to place hard coin behind America's rhetorical commitment to participate in the effort to develop a reliable world food system and to combat world hunger. The United States has taken a thumping from some Third World spokesmen because of this country's apparent reluctance to move on its commitments to the World Food Council. The committee's action is a solid move away from that embarrassment.

Taken as a whole, the committee's exceptional legislative effort deserves support on the House floor and emulation in the Senate.

[From the New York Times, Aug. 10, 1975]

Economic Aid Bill Is on Its Own

When members of the House International Relations Committee approved a $1.35-million economic and food assistance bill for developing countries last week, separate from any military aid, they seemed almost to be certifying that foreign assistance programs were entering a new phase.

Funds for military and economic assistance traditionally have been packaged together in one foreign aid bill, the military portion generally assuring Congressional passage. This is the first time in more than 25 years that economic aid has been offered alone, and the likelihood now is that the legislation may gain more support by standing alone. Why the turnabout?

An important factor has been Congressional disenchantment with military assistance because of Indochina. Congress last year drastically reduced military arms requests from the White House. Nevertheless, while military grants are out of favor, United States weapons have continued to reach other nations, mostly in the Middle East, through credit or cash sales. This year United States arms sales are expected to total over $8-billion.

[From the New York Times, Sept. 12, 1975]

Teamwork on Aid

Passage by the House of Representatives of the International Development and Food Assistance bill signaled a good deal more than simply completion of the first step in the foreign aid authorization process. It also marked approval by the whole House of a unique cooperative effort in which the Ford Administration has adopted some constructive foreign aid departures initiated in the House.

When Secretary of State Kissinger's speech was delivered to the current special session of the General Assembly, it contained a number of ideas originally put forward in the aid bill drafted by the House International Relations Committee. Thus, the Secretary's proposed program incorporated a United States contribution of $200 million for the Agricultural Development Fund, a significantly greater use of American universities for technical assistance and agricultural research abroad, and a project to establish an international industrial institute to spur industrialization in the developing world.

The bill approved by the House included all those features plus a 30 per cent increase in the funds originally requested by the Administration and sharper emphasis on assistance to the poor in developing countries and on agricultural and rural development. The House action should help to dispel whatever skepticism delegates to the special session had about Mr. Kissinger's message.

The House vote and the similarity of views between the Administration and the House on these issues suggest that despite problems the Secretary may have had with Congress on other issues, there is a powerful instinct to cooperate on foreign aid. The Senate should now pass the bill expeditiously in order to confirm definitively the firm American intentions behind the Secretary's promising and constructive rhetoric.

Economic Aid Bill

The House International Relations Committee voted out last week an international development bill that carries forward changes in the foreign aid program initiated by Congress in 1973. For the first time since the Marshall Plan for the reconstruction of Western Europe, nearly three decades ago, the measure deals with economic aid only, leaving military aid to separate legislation.

The bill advances the intent of the 1973 act, which was to make aid for the poorest sectors of developing nations the central thrust of the program reforms. The measure authorizes spending on economic development and food aid for the current fiscal year at $1.35 billion, some $56 million more than the administration requested. Provisions of the measure would allow the Agency for International Development to forgive loan paybacks and use the repayments instead for new programs. This could mean hundreds of millions of dollars in additional aid in coming years. The bill earmarks most of these additional funds for stimulating agricultural development in poor nations.

The committee measure is the sort of bill that many in the aid program and the State Department have wanted for years. The main opposition to such a measure was in the Office of Management and the Budget and in the Treasury and Agriculture departments. Another opponent was the chairman of the International Relations Committee, Representative Morgan, D-Pa., who had long maintained that the economic aid section of the traditional bill needed the military aid section to carry it. But this year Mr. Morgan reversed himself and there was strong sentiment among its supporters that an economic aid bill could stand on its own and perhaps receive more support in the House and Senate if it were not tied to military aid.

The bill demonstrates a U.S. intention to put money behind the pledge to participate in the international effort to develop a reliable system to combat world hunger. The full House should approve the committee measure. And the Senate should come up with a comparable approach to U.S. aid to developing nations.

[From the New York Times, Aug. 7, 1975]

A Separate Bill on Economic Aid Gains in House in New Approach

(By Leslie H. Gelb)

Washington, August 6.—For the first time since the Marshall plan for the postwar reconstruction of Western Europe, more than 25 years ago, the International Relations Committee of the House of Representatives has approved an economic aid bill separate from military aid.

With the Senate Foreign Relations Committee expected to take similar action and with the apparent support of the Adminisration, a long-standing debate over the desirability of treating development aid apart from military security issues is drawing to a close.

The sentiment among Congressional supporters is that an economic-aid bill can stand on its own and perhaps receive more Congressional support if it is not tied to military aid. Military aid has become increasingly unpopular in Congress.

The House committee bill authorizes spending on economic development and food aid for the current fiscal year at $1.35-billion, or $56-million more than requested by the Administration.

LONG-RANGE PROVISIONS

With provisions that would allow the Agency for International Development to forgive loan paybacks and use repayments for new programs, the bill could actually mean hundreds of millions of dollars in additional aid in coming years.

The bill earmarks most of these additional funds for stimulating agricultural development in poor nations.

John E. Murphy, the deputy head of the Agency for International Development, which reports of Secretary of State Kissinger, said in a telephone interview, "We think it's a great bill."

It is the kind of bill that many in the aid program and the State Department have favored for years, but for which they were unable to rally sufficient support. Their main opponents were in the Office of Management and Budget, and in the Treasury and Agriculture departments.

Another stumbling block has been Thomas E. Morgan, the chairman of the House International Relations Committee, who has long maintained that the military aid section of the traditional bill was necessary to carry the economic aid section.

This year, Mr. Morgan reversed himself and favored a substantially new piece of legislation. One of the main reasons for the shift, committee sources said, was the fact that the Administration has yet to present its military aid request. These are being held up by Mr. Kissinger pending the completion of the Middle East review.

For years, former Senator J. W. Fulbright and Mr. Morgan were the prominent protagonists in the debate over aid. This time, some of Mr. Fulbright's ideas were taken up by House committee members like Clement J. Zablocki, Democrat of Wisconsin; Donald M. Fraser, Democrat of Minnesota, and Charles W. Whalen Jr., Republican of Ohio. Along with several other members, they redrafted the bill sent to Congress months ago by the Administration.

The new bill also authorizes $1.52-billion for economic aid for the fiscal year beginning in October, 1976.

The bill authorizes in full the Administration's request for food production aid, $628-million in 1976 and $760-million in 1977, compared with less than $400-million in 1975. In addition, it authorizes the full use of all loan repayments, estimated at $353-million in 1976 and $403-million in 1977, for agriculutral development programs. These loan paybacks were otherwise scheduled to be repaid directly to the Treasury.

Of these paybacks, the committee directs that $200-million be earmarked for the International Fund for Agricultural Development. This fund, one of the products of the World Food Conference last year, is in the process of being established with the exception that oil-producing nations will contribute half of its capital.

An even more far-reaching provision of the new bill concerns Public Law 480, or the Food-for-Peace Program. Under existing legislation, nations that buy almost $1-billion in American grain are given long-term low-interest loans.

Under the House committee bill, these buyers could be forgiven repayments if they use the proceeds of the grain sales in their own country for programs to improve their own agricultural output. This provision was designed to counter critics of the Food-for-Peace program who contended that cheap American food had been an incentive for poor nations not to improve their own farm output.

[From the Washington Post]

Food, Development, and Aid

American foreign aid for economic development has been declining in recent years, and the reasons go far beyond mere stinginess. It is not simply a case of the post-Vietnam blues. This country has discovered over the years that it takes more than good intentions to make development aid effective, and it takes more than an indiscriminate outpouring of dollars. The question is how to spend that money in precisely focussed ways that will do the most good—and, to be candid, the least harm. Americans have found that high-powered aid programs can do a great deal to raise other countries' production levels and incomes. But they can also contribute to wars, destructive migrations and growing destitution among those who can find no place in the new economic order.

Aid is a potent agent of change, and the people who give it have a duty to pay attention to what they are doing. In recent years there has been a tendency here in Washington to give more weight to the failures than to the evidence of progress, and Americans have increasingly backed off uneasily from the whole commitment to aid while they tried to devise surer methods of delivery. It is, in effect, a reflection of the larger debate over poverty in America that has been going on among us for more than a decade.

Congress is now proceeding with vigor and intelligence to give a new form to American aid abroad. The House is scheduled today to take up the International Relations Committee's excellent bill to authorize $1.4 billion for development and food aid this year and $1.5 billion next year. Those figures reverse the recent declining trend, but there is much more to the bill than the numbers.

Congress is responding here to the moral issues laid before the rich nations last year at the world conferences on food and population. Those two conferences demonstrated, between them, the dilemma of aid. Many of the poor countries are desperately hungry, yet to give great quantities of emergency aid in this generation would only increase the terrible burden of need a few years later. Clearly population control is a necessary solution. But it is also a cruelly slow one, and no country can save its people from this year's famine by curbing next year's birth rate.

The House bill wisely ties food deliveries to a new system of incentives to the recipient countries to develop their own food production. When the United States sends food to another country, it is sold on local markets for local currency. A great deal depends upon the way in which those local funds are spent. The bill would create a substantial pressure on recipient governments to use them, as the committee puts it, "for activities which directly improve the lives of the poorest of their people." That means, in particular, agriculture and rural development. The committee acknowledges that our food shipments in the past have often permitted the recipient countries to neglect their own potential to help themselves. The present bill offers a genuine remedy.

The bill would also authorize a substantial increase in funds for population planning and health. For the first time, it would require that a minimum of two-thirds of this money go directly into population control. On the general outline of this bill, if not in every detail, the committee and the Ford administration seem to be in agreement.

Americans have understood for some time that they cannot help the rest of the world a great deal merely by sending shiploads of grain each year to whatever unfortunate country might be suffering most desperately from famine at that moment. In this bill, the outline of a much more promising policy emerges. It stands on three legs. There is the immediate shipment of food as relief in crises. But it is tied to investment and technical assistance for that country's own food production in the longer future. That in turn is linked to a rising emphasis on population planning. None of the three will work alone, but all of them together comprise a coherent and constructive design.

Much has been made of the point that, for the first time in many years, the House is taking up economic aid separately from the foreign military and security authorizations. In the past, the common wisdom held that the do-good money could survive only if it were tied in with the military funds. But things have changed. The subjects are fundamentally dissimilar, and there is no reason to embroil economic aid in the coming debate over security commitments in the Middle East, or the long row over arms to Turkey and the Persian Gulf countries.

The International Development and Food Assistance Bill now coming to the floor turns an important corner in American policy. It provides the beginning of a good answer to the legitimate appeals of the world's poor nations. The bill deserves to be passed.

[From the Minneapolis (Minn.) Tribune, Aug. 21, 1975]

High Marks for a New Aid Bill

A desirable piece of lgislation awaits action by the House of Representatives when Congress reconvenes next month. Modest in dollars, but creative in its many provisions, the foreign-aid bill approved by the House International Relations Committee deserves high praise and, most of all, enactment. Because the subject in the 1970s has inspired yawns as well as irascibility, we think it worth pointing out why the House bill should be a powerful antidote to both reactions to foreign aid.

The most familiar lament about aid is that it often hasn't worked. Critics point to big development projects which look good in photographs, but have done more to enrich the elite in poor countries than to deal with fundamental problems of poverty and hunger. Moreover, food aid has been politicized; a prime example was the Orwellian allocation of most "food for peace" in the recent past to Indochina. Similarly, the packaging of humanitarian and military assistance in the same legislation soured many former supporters of overseas assistance.

A start in answering those criticisms came in the 1973 act, which called for aid to be concentrated in the poorest of the poor countries. This year's House committee bill incorporates the same philosophy, but takes even longer strides in the form of precedent-setting, explicit provisions to make aid do what it's supposed to.

A striking illustration of that approach is the separation, for the first time since the Marshall Plan more than 25 years ago, of economic and military assistance. This bill will be voted on its merits—which we think are considerable—and not tied to security programs. Just as it makes sense to exclude military aid from economic-development legislation, so is it logical to include food aid and agricultural-development programs. With the consent of the House Agriculture Committee, that, too, is being done for the first time. Significantly, there is a provision that no less than 70 percent of food aid be allocated where most needed for humanitarian purposes.

The bill's emphasis on human resources and nutrition is not only instrinsically sound, but responsive to the more prudent recommendations from last year's World Food Conference. One way in which that emphasis is made concrete has special application to Minnesota. A new section gives an expanded role to land-grant universities in programs to help small farmers in developing countries improve their food production. The University of Minnesota would clearly qualify under the bill's requirements for institutions that have a "demonstrable capacity in teaching, research and extension activities in the agricultural sciences."

His record of innovation in foreign-aid legislation makes it no surprise that Rep. Donald Fraser is a key sponsor of the new bill. He will, we hope, have the support of constituents as well as colleagues when the bill comes to the House floor.

THE SECTION 223(f) HOUSING PROGRAM

Mr. TAFT. Mr. President, for some time I have been concerned about the

Department of Housing and Urban Development's administration of section 223(f) of the National Housing Act, as authorized by the Housing and Community Development Act of 1974. This section authorizes the Federal Housing Administration to insure the purchase or refinancing of an existing multifamily housing project.

I helped to author the Senate version of this provision as a means of encouraging the preservation of existing low- and moderate-income housing which otherwise would deteriorate further, by facilitating financing for the renovation of older projects. In particular, a landlord could use this authority to obtain an extension on his mortgage, which would provide loan money for renovation without increasing his monthly payment and thus pressure on rents.

Thus, I was concerned when HUD used an imaginative interpretation of the statute as a mechanism for allowing the insurance of permanent financing for newly constructed housing projects. Although that program may be beneficial to housing if administered soundly, I have urged that it not divert HUD from moving ahead with section 223(f) in the housing preservation field. To assure that this is the case, I introduced legislation which states that for projects begun after June 30, 1974, section 223(f) insurance would be available only after the project is at least 3 years old—section 6 of S. 1915, the Housing Preservation Alternatives Act.

I recently wrote Secretary Hills about this matter and I now have recevied a reply. I believe that the Secretary's response is important, because it recognizes that the primary purpose of this authority is to assist in the preservation of older housing, indicates the Secretary's belief that the program can be extremely valuable in this regard and indicates that HUD will move ahead in that direction.

During the Senate debate on the so-called redlining bill, the chairman of the Banking, Housing and Urban Affairs Committee indicated his interest in hearings on S. 1915. I hope that the committee will continue to follow this matter closely. In that regard, I think it would be helpful to the committee, the Senate as a whole, and the public, to have the exchange of letters between Secretary Hills and myself printed in the RECORD. Accordingly, I ask unanimous consent that those materials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JULY 23, 1975.

Hon. CARLA HILLS,
Secretary, Department of Housing and Urban Development, Washington, D.C.

DEAR SECRETARY HILLS: I am enclosing several materials which relate to the program HUD has developed under Section 223(f) of the National Housing Act. These materials include a Forbes Magazine article rather critical of the program, my response to the article and a speech concerning a bill to amend the provision which I have introduced.

As these materials indicate, HUD's present use of this provision largely as a means of insuring newly constructed and even unfinished projects is unrelated to the legislative impetus for it. I proposed this type of authority as a means of assisting in the preservation of older housing; primarily by allowing landlords to obtain repair money without an increase in monthly loan expenses and thus the pressure on rents.

Although I have been extremely concerned about the diversion of this program from its intended purpose, I feel that the present HUD program for new projects may be justifiable in today's extremely depressed multifamily housing market if government costs are kept minimal. So that this will happen, the Federal Housing Administration must be very careful to exercise prudent underwriting for Section 223(f) projects. I urge you to do what you can to ensure that this is the case.

The legislation I have introduced (S. 1915) would require that except for projects now eligible for HUD's temporary program, all projects insured under Section 223(f) would have to be at least three years old. I hope that you will support this legislation. I feel that as a means both of allowing housing projects to be repaired without rent increases, and of improving more generally the financing situation for older apartments and thus landlords' consideration of them as economic investments, Section 223(f) eventually can be the valuable housing preservation mechanism that it was designed to be. I hope that your Department will move vigorously in that direction.

Your comments on Section 223(f) as presently administered, HUD's future plans for the use of this authority, and S. 1915 would be most helpful.

Sincerely,

ROBERT TAFT, Jr.,
U.S. Senator.

JULY 23, 1975.

Mr. JAMES MICHAELS,
Editor, Forbes,
New York, N.Y.

DEAR EDITOR: I feel that you have acted positively by bringing to the public's attention the Department of Housing and Urban Development's diversion of some of the new authority granted it by the housing law enacted last year ("Catch 23(f)", Just 1 issue).

The legislative impetus for this authority was to help reverse the decline of salvageable inner city areas, largely by offering landlords government-insured refinancing so they can repair their properties without having to raise rents. I doubt that any of the proponents of this concept ever envisioned that HUD would stretch the law's general language to provide insurance for "distress projects" yet to be completed.

It has been my view that HUD's present use of the authority in that manner may be helpful to the extremely depressed multifamily housing market, freeing up funds which can be made available for loans on new projects. This can be done at little or no cost to the government if HUD engages in sound underwriting. However, because the HUD-concocted program does not require developers to meet the normal environmental, affirmative marketing and other requirements usually associated with government-insured financing of new apartment projects, I believe it should be a one-time occurrence.

Therefore, I have introduced leigslation which would limit the program in the future to the crucial purpose originally intended, that of helping to preserve older low and moderate-income housing. I have also urged Secretary Carla Hills to do all she can do to assure sound underwriting in the temporary HUD program, and urged close Congressional oversight of this operation.

Sincerely,

ROBERT TAFT, Jr.,
U.S. Senator.

CATCH 223(f): IS UNCLE SAM ABOUT TO BAIL OUT THE BANKS AND THE BUILDERS FROM THE CONSEQUENCES OF THEIR OWN FOLLY?

Section 223(f) was just 15 lines in the 150-page housing bill that sailed through Congress last August. The provision's supporters wanted to aid decaying but salvageable inner-city areas by offering landlords government-insured refinancing so they could fix up their properties without having to raise rents.

But what Congress thought it was getting and what it got are worlds apart. Thanks to sloppy legislative drafting and some creative regulation writing at the Department of Housing & Urban Development, Section 223 (f) may turn into a first-class bailout for builders, real estate investment trusts and banks who are stuck with billions of dollars worth of new, overpriced apartments and condominiums that need refinancing too.

Right now many of the unsold and unrented projects are still being financed with high-interest construction loans—typically written at about 5% above the prime rate. Private long-term lenders—bank trust departments and insurance companies—want nothing to do with those lemons, especially since most buildings are far behind in interest payments and running heavy negative cash flows. So the temporary financing turns into involuntary long-term financing.

Under the old law, Federal Housing Authority insurance for multifamily projects could only be granted *before* construction started. That way, if a project's costs began to soar out of control, as many REIT projects did, HUD could drop its guarantee. But after listening to the wails of builders and bankers, HUD officials broadened the regulations under the new 223(f). They extended the insurance to any "distress" projects begun before June 30, 1974 and finished by the end of this year. That should enable developers to refinance their existing high-interest bank and REIT construction loans with lower-cost federally guaranteed long-term loans. With a government guarantee, the long-term lender doesn't have to worry about a default: The Government pays.

It could turn out to be an answer to the prayers of builders, REITs and banks. The Government would, in effect, bail them out of their bad loans.

"With the eagle on it you can sell anything," says the vice president of a major brokerage firm. "Nobody even looks at the underlying quality of the mortgage."

"If this backfires," a top HUD official told Forbes' Paul Sturm, "it could cost the Government billions in insurance losses."

The lawmakers' largesse comes more from ineptitude than heavy lobbying. Final language for 223(f) was written last year—before the REIT collapse. A committee note explaining the purpose of the section is gobbledygook; it relates to another proposed change that wasn't even enacted. Senators Alan Cranston (Dem., Calif.) and Robert Taft (Rep., Ohio), 223(f)'s original main backers, never meant to allow the loophole at all.

THE ONLY WAY OUT

But in Washington, people get paid to read the fine print. "When we saw that language, we jumped on it," says J.S. "Mickey" Norman, a Houston developer and president of the 74,000-member National Association of Home Builders. "It's the only way a lot of our guys may come out alive."

So the industry wheeled out its big guns. A *Who's Who* of builders, mortgage bankers and REIT men trooped down to HUD to "suggest" how the law should be administered.

Section 223(f) quickly became known as "the great REIT bailout." But other people in the know had another name for the bill. One of the first applications came from a troubled $6-million development in Houston owned by the NAHB president himself. "Because I've been so involved, I guess some people felt it was the Mickey Norman bill," says Norman. "Actually, it's a great step forward for the industry."

No insurance has yet been written under 223(f) because final regulations are still in the works. Meanwhile, HUD offices in Atlanta and Dallas report over 1,250 conferences with interested developers and lenders. "If the program gets going properly, the volume in the next nine months will be $2 billion at least," says Paul Low, senior vice president of Dallas-based mortgage bankers Lomas & Nettleton.

Federal Housing Administration Commissioner David deWilde, a former investment banker with Lehman Bros., defends the soundness of the proposal. He says that current plans call for the FHA to insure only up to 80% of value, with builders paying any operating deficits for 18 months. DeWilde insists: "It certainly won't be a bail-out for a guy who didn't put up a viable project."

But deWilde may be overrating the abilities of the FHA staff. The scandal-scarred agency has butchered relatively simple single-family housing programs (FORBES, *May 15*). What will it do, faced with 223(f) applications that involve far more money and far more sophisticated underwriting? Already there is a report of a local FHA office approving a builder's application based on 1978 rents and 1974 expenses. Other builders are pressuring HUD for loans based on their projects' "replacement costs." Rather than on "economic viability." What's more, the desperate REITs want 223(f) to be stretched to cover more than $1 billion worth of their foreclosed apartments.

If Congress wants to bail out banks and builders from the consequences of an economic downtown compounded by their own folly, it can, of course, do so. But any bill proposing that would have scant chance of becoming law. So what the builders and bankers apparently can't do through a law, they seem to be doing through a loophole.

WASHINGTON, D.C.,
August 18, 1975.

Hon. ROBERT TAFT, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR TAFT: Thank you for your recent letter concerning HUD's implementation of section 223(f) of the National Housing Act, As you noted, the primary purpose of this authority is to assist in the preservation of older housing.

I believe, and I have so testified before the Congress, that section 223(f) can be extremely valuable in this regard by assuring a stable source of permanent financing at reasonable interest rates for the purchase of, or the refinancing of indebtedness on, older multifamily projects. The availability of such financing will provide a real incentive for the preservation and maintenance of the vital national resource that our existing multifamily housing stock represents.

Accordingly, I fully expect and intend section 223(f) to play an important part in our overall housing preservation efforts. To assure the achievement of that objective, I intend to monitor closely the progress of all aspects of the section 223(f) program.

However, I share your concerns that the program be carefully administered and that prudent underwriting standards be applied. Therefore, HUD field offices are being thoroughly instructed as to the special need for cautious and prudent underwriting in this program, not only with respect to older projects but also, and equally importantly, where special class projects (i.e., projects started before June 30, 1974, for which an application is filed and the project is completed prior to December 31, 1975) are involved.

With respect to the special class projects, making available mortgage insurance under the section 223(f) program for such projects does not, in our view, divert the program from its intended purpose. Long-term financing should help keep a number of projects financially viable and I believe it is in the interest of the housing industry generally to create a climate in which investors are not discouraged from future involvement in rental projects because of the aberrations in the housing market in the immediate past. Moreover, I would note that thus far a limited proportion of applications under section 223(f) has been for special class projects.

As to S. 1915, we have circulated the bill within the Department for comments not only on the proposed limitation on eligibility under section 223(f) to which you alluded in your letter, but also on the numerous other amendments to HUD authorities it contains. I will be happy to supply our views on the bill as soon as all interested constituent elements within the Department have been had a chance to examine it thoroughly.

Sincerely,

CARLA A. HILLS.

MALI

Mr. HARTKE. Mr. President, Mali, an independent West African nation, celebrates its National Day on September 22. This National Day is called the Anniversary of the Proclamation of the Republic.

In recent years, Mali, along with other countries of the Sahiel, has suffered a devastating drought that decimated its people and killed much of its livestock. In spite of those setbacks, Mali has forged ahead under the able leadership of Col. Moussa Traore, President of the Republic has began to rebuild anew.

There is much vitality, and a singleness of purpose among 6 million people of Mali. A determination to develop the huge work potential and mineral resources.

Mali is the seat of one of Africa's oldest civilization and the fabled city of Timbukto has been noted as the meeting place of "all who trade by camel or canoe."

African scholars have for years journeyed to the University of Sankoré to study the learned documents that have been placed there. The great African leader Mansa Musa introduced the first burnt brick into West Africa in the 12th century when he returned from his now famous trip to Mecca at which time he brought the Egyptian architect that designed the university that still stands.

Let us then salute the President, the people, and the Government of Mali on September 22, 1975.

MARTIAL LAW IN THE PHILIPPINES

Mr. BAYH. Mr. President, today is the third anniversary of the declaration of martial law in the Philippines. When President Ferdinand Marcos placed his Nation under a State of martial law, he spoke of the need to protect citizens' rights and to guide his people toward the new society.

But where are we today, exactly 3 years later?

There are fewer civil rights in the Philippines now than before the strife that brought on martial law. There are more political prisoners in jails than before martial law was declared. Freedom in this model of democracy is hard to find for many Philippine citizens.

I have addressed this body on several earlier occasions, expressing a desire that Philippine officials demonstrate their concern for civil liberty by disposing of the pending cases of their political prisoners and bringing justice as expeditiously as possible. I have been particularly concerned about three individuals in prison who were once prominent Philippine citizens. The three are Eugenio Lopez, Jr., Sergio Osmena III, and Benigno Aquino—all political opponents of President Marcos who have been most severely treated by Philippine justice.

Several Members of the Senate have joined me in an appeal to President Marcos about these men. The least we ask is that they have their cases tried as soon as possible and that they be treated with fairness and humanitarianism. Nothing has been done to convince me that this will happen.

Therefore, I ask my colleagues to join me once again in an appeal to President Marcos to resolve the cases of these men and of the other political prisoners in his jails. The American people should feel confident that our support and friendship is extended to those who share our beliefs in civil rights, humanity, and justice, but are denied basic political freedom due to the arbitrary actions of their government.

THE UNITED NATIONS DEVELOPMENT PROGRAM

Mr. McGEE. Mr. President, today I am having the final installment of the report of the United Nations development program activities for 1974 printed in the RECORD.

As I had mentioned previously in inserting sections of this report into the RECORD, I am doing so in an effort to expand the amount of material available to my colleagues in the hopes they will recognize the need for continued, strong U.S. support for this and other United Nations programs.

I ask unanimous consent this material be printed in the RECORD.

There being no objection, the raterial was ordered to be printed in the RECORD, as follows:

DELIVERY IN 1974

Programme delivery rose in every category of input except the number of experts supplied to the field in 1974. The value of equipment supplied to projects rose 41 per cent from $32.3 million in 1973 to $45.6 million in 1974. The number of fellowships awarded for study abroad rose slightly—about 4 per cent—from 5,159 to 5,343, halting a downward trend in the training component of Programme inputs of several years' duration. Spending on subcontracts rose 4 per cent, from $36.4 million in 1973 to $37.9 million in 1974. The number of experts fielded declined fractionally—about 1 per cent—from 9,914 to 9,809. The total field service rendered by these experts was estimated at about 5,000 man-years—slightly below the 1973 level.

These aggregate figures on Programme delivery point to continued difficult in the provision of expert services by the Executing Agencies and indicate that the supply of fellowships for training, which stood as high as 7,115 in 1971, also remains a source of concern to Programme implementation. The rapid and accelerating rise in Programme approval actions, on the other hand, is a clear source of encouragement since delivery performance already shows signs of improvement. The serious shortfall in project approvals during the formative years of country programming has undoubtedly been overcome. Net project approvals and revisions rose by 15 per cent to $275 million in 1973 and leaped ahead by 55 per cent to $427 million in 1974.

PROJECTS APPROVED AND COMPLETED

Of the approval actions recorded in 1974, $394 million was charged to country and intercountry IPFs, $24.2 million was registered under the Special Measures fund for least developed countries and $6.9 million came under the Programme Reserve. On a regional basis, a record $121.8 million in new commitments was recorded for countries in Africa; in Asia and the Pacific the corresponding figure was $95 million; in Europe, the Mediterranean and the Middle East, $72 million; and in Latin America, $68.8 million. Together, the four regions accounted for $357.6 million in approval actions in 1974, while intercountry programmes constituted the remaining $69.1 million. With respect to this latter group of commitments, the great bulk, or some $59.5 million, was approved for regional projects, while $8.6 million was approved for interregional and $1 million for global projects.

On a sectoral basis, the distribution of net project approvals and revisions recorded in 1974 conformed roughly to the pattern of approvals registered in 1973, although projects in agriculture recorded a notable gain. An examination of such approvals by primary Executing Agency shows FAO, with $133.3 million, or more than 30 per cent of the total. The next largest share falls to the United Nations, with $67.8 million—or about 15 per cent—of commitments. These Agencies are followed in descending order of commitment responsibilities by UNESCO ($48 million), United Nations Industrial Development Organization (UNIDO) ($43 million), ILO ($26.8 million), WHO ($22 million), UNDP ($19.1 million), ITU ($17.1 million), International Civil Aviation Organization (ICAO) ($14.4 million) and the World Bank ($13.3 million). The remaining $22 million in approvals will be implemented by UNCTAD, World Meterological Organization (WMO), IAEA, International Maritime Consultative Organization (IMCO), Universal Postal Union (UPU), Asian Development Bank (AsDB) and International Development Bank (IDB), in that order. In contrast to planned new expenditures under country programmes covering the entire 1972–1976 period, the immediate pattern of new Programme commitments undertaken in 1974 indicates a resurgence of projects in the agricultural sector, with a commensurate rise in implementation responsibilities for FAO.

UNDP also recorded the completion of 242 projects in 1974. Of these, 64 were in Africa; 63 in Latin America; 57 in Asia and the Pacific; and 56 in Europe, the Mediterranean and the Middle East. There were two interregional projects which also ended in 1974.

EXPENDITURE BY AGENCY

Once again in 1974, a trend toward declining or stable field expenditures by the larger Executing Agencies and increased field expenditures by the smaller and medium-size Executing Agencies was reflected in the pattern of total Programme spending at the country and intercountry levels. Almost two-thirds of total field expenditures were accounted for by the four largest Agencies—FAO, United Nations, UNESCO and ILO. But FAO's share of expenditures fell from $78.7 million in 1973 to $77.3 million in 1974. The United Nations share remained essentially stable at $44.8 million, compared to $44.3 million in 1973. UNESCO recorded the sharpest decline in expenditures for a large Agency—$32.9 million in 1974 compared to $36.6 million in 1973. ILO changed little from $27.2 million in 1973 to $27.5 million in 1974. All the remaining Agencies recorded increases in their share of total expenditures except the World Bank, whose spending under the Programme declined from $15.4 million in 1973 to $13.6 million in 1974, and IDB, down from $0.4 million to $0.2 million.

Of the Agencies advancing in expenditures, UNDP itself recorded by far the biggest increase, climbing from $3.8 million in 1973 to $14.3 million in 1974. (See page 57, below, for details.) Expenditures by IAEA rose by more than a third, from $2 million to $3.1 million. Among medium-size Agencies, UNIDO registered a 17 per cent increase, from $16.8 million to $19.7 million. Other Agencies, in order of 1974 expenditures were: WHO, $15.7 million; ITU, $11.1 million; ICAO, $9.7 million; WMO, $5.4 million; UNCTAD, $4.3 million; UPU, $1.7 million; IMCO, $1.6 million; and AsDB, $0.9 million. The shifting pattern of Agency expenditures is further elaborated in the description of expenditure categories related below.

UNDP project expenditures by region, 1974

	Percent
Africa	26
Asia and Pacific	22
Europe, Mediterranean, Middle East	19
Latin America	18
Inter-Country	15
Total	100

UNDP project expenditures by category of inputs, 1974

[Percent and million dollars]

Experts	58.84	167.0
Equipment	16.14	45.8
Sub-Contracts	13.39	38.0
Fellowships	9.20	26.1
Miscellaneous	2.43	6.9
Total	100	283.8

PROVISIONS OF EXPERT SERVICES

Delivery of expert services in 1974 accounted for 59 per cent—or $167 million—of total field expenditures, calculated on a standard cost basis, i.e., $30,000 per expert man/year. These expenditures paid for the field services of the internationally recruited development planners, engineers, health technicians, statisticians, agronomists, meteorologists, employment analysts and other technical and investment-support specialists whose expertise, experience and dedication in the field are critical to the success of UNDP-supported projects. Their periods of service range from several weeks to several years, but most of those serving in 1974 were beginning, continuing or ending assignments of several years' duration.

More than 30 per cent of these experts were drawn from developing countries themselves. Of these, 472 came from India; 231 from Egypt; 214 from Chile; 206 from Argentina; 154 from Yugoslavia; and 100 from Israel. Among developed countries, 1,446 UNDP-supported experts in the field came from the United Kingdom; France followed with 1,169; the United States with 1,152; Canada with 373; the Federal Republic of Germany with 355; the Netherlands with 326, Belgium, 302; Sweden, 264; Italy, 233; Australia, 191; Switzerland, 167; USSR, 154; Japan, 129; Norway, 120; Finland, 119; and Denmark, 117.

As in previous years, the largest number of experts were assigned to country projects in Africa—2,833, compared to 2,261 in Europe, the Mediterranean and the Middle East; 2,183 in Asia and the Pacific; and 2,148 in Latin America. In addition, 1,235 field consultants were assigned to intercountry projects. There were 33 developing countries in 1974 in which 100 or more UNDP-supported experts were serving. Indonesia led with 316, followed by Iran with 291, Nigeria with 241, Brazil with 226, Mexico with 172, Algeria wth 171, Ethiopia with 168, Afghanistan with 164, Zaire with 159, Sudan with 157 and Egypt with 155. A number of countries experienced a significant turnover in the number of expert advisers as compared to 1973. Field advisers were up 32 per cent in Mexico, 35 per cent in Pakistan, 25 per cent in Iran and 18 per cent in both Nigeria and Brazil. They were down 49 per cent in Bulgaria, 48 per cent in Spain, 44 per cent in Cyprus, 34 per cent in Mali, 32 per cent in Thailand and 12 per cent in India.

UNDP project expenditures by agency, 1974

[Percent and million dollars]

FAO	27.24	77.3
United Nations	15.79	44.8
UNESCO	11.59	32.9
ILO	9.69	27.5
UNIDO	6.94	19.7
WHO	5.53	15.7
UNDP	5.04	14.3
World Bank	4.79	13.6
ITU	3.91	11.1
ICAO	3.42	9.7
WMO	[1] 1.90	5.4
UNCTAD	[1] 1.52	4.3
IAEA	[1] 1.09	3.1
UPU	[1] 0.60	1.7
IMCO	[1] 0.56	1.6
AsDB	[1] 0.32	0.9
IDB	[1] 0.07	0.2
Total	100	283.8

[1] Figures provisional and based on standard cost.

Among the Agencies, sharp variations in the provision of experts were again apparent. FAO, which had fielded 3,159 experts in 1972 and 2,812 in 1973, fell again to 2,628 in 1974. The World Bank declined from 633 experts fielded in 1973 to 579 in 1974. Following general expenditure patterns, the decline in the number of experts tended to be greatest among the larger Agencies, while some of the smaller Agencies gained appreciably. UNIDO rose 14 per cent from 751 experts in 1973 to 856 in 1974.

EQUIPMENT FOR PROJECTS

Equipment for projects continued to register the biggest gain of any input category in total field expenditures. The value of equipment delivered to projects in 1974 rose 42 per cent over the comparable figure for 1973, to $45.8 million. The value of equipment ordered for projects also rose in 1974 by 39 per cent over the previous year, to $46.9 million. In terms of the cost of equipment ordered, 10 of the Executing Agencies recorded increases in 1974 over 1973, while four registered declines and the others had minor changes. Three Agencies accounted for fully half the value of the equipment ordered. They were: FAO ($10.1 million); the United Nations ($9.7 million); and UNESCO ($6.1 million). Each of these Agencies registered gains of 20 per cent or more over the previous year, and the United Nations increased its equipment orders by 80 per cent. Other substantial increases were recorded by ICAO, ILO, IAEA, UNIDO, UNDP.

As in previous years, suppliers in three industrialized countries accounted for more than half the total value of equipment ordered. These were the United States, with $13.4 million ordered; the United Kingdom, with $6.4 million; and the Federal Republic of Germany, with $5.6 million. Other major suppliers were Japan ($3 million), France ($2.6 million), Canada ($1.9 million), Switzerland ($1.7 million) and Sweden ($1.5 million). Despite the concentration of orders among these industrialized countries, more than 120 countries were actually sources of equipment procurement for the Programme in 1974.

SUBCONTRACTS AWARDED

The trend toward increased use of subcontracting in the Programme resumed in 1974 after a one-year downturn. Spending on subcontracts accounted for $38 million in total field expenditures, or 13 per cent of the whole. The total value of new subcontracts awarded and net additions to earlier awards amounted to $35.5 million. As in the past, the World Bank recorded the largest share of these awards—$9.8 million or 36 per cent of the total. Among the larger Agencies, FAO awarded $9 million in subcontracts, the United Nations $4.3 million, UNIDO $2.5 million and WHO $1.9 million. UNDP accounted for $4 million in new awards.

The subcontracts awarded in 1974 were drawn from 50 countries. Industrialized countries accounted for $33.1 million—or 94 per cent—of the total cost of these subcontracts; developing countries provided only $2.2 million. The largest single source of subcontract awards in 1974 was the United States, whose firms and organizations recorded $4.9 million in total awards. Canada was second with $4.8 million, followed by the United Kingdom and France with $4.3 million each. Finland with $2.3 million, Denmark with $2.2 million, the Federal Republic of Germany with $2 million, Japan with $1.9 million, Norway with $1.4 million and Italy with $1.3 million. In all, four countries—the United States, Canada, the United Kingdom and France—accounted for more than half the value of subcontracts awarded in 1974.

TRAINING THROUGH FELLOWSHIPS

A three-year decline in fellowships awarded for the training of developing country nationals abroad was arrested in 1974, although fellowships continued to comprise the smallest portion of field expenditures—$26 million or 9 per cent of the total. Of the $5,343 fellowships awarded in 1974, 1,273 went to countries in Africa, 1,297 to countries in Asia and the Pacific; 1,638 to countries in Europe, the Mediterranean and the Middle East; and 1,135 to countries in Latin America. Ten countries had more than 100 trainees studying abroad with UNDP support. Poland led with 239 fellows, followed by India with 197 and Indonesia with 129. Among the Executing Agencies, ICAO awarded the largest number of fellowships—835. Next came UNESCO with 778, FAO with 717, the United Nations with 621, WHO with 557 and ILO with 507.

Universities, institutes and professional and technical schools in 17 countries, both developed and developing, each played host to more than 100 of these fellows in 1974. The largest number—927—were studying in the United Kingdom. The United States was host to 845, France to 605, Italy to 326, the Federal Republic of Germany to 267, the Netherlands to 205 and Switzerland to 194. Among the developing countries Lebanon hosted 265 fellows, Thailand 183, Argentina 157, Mexico 149, Egypt 138 and Senegal 109. Almost half the trainees studying abroad were concentrated in four countries—the United Kingdom, the United States, France and Italy.

INVESTMENT FOLLOW-UP

Almost two-fifths of UNDP-supported field work is devoted to projects with an investment orientation. These projects tend to be concentrated in four main sectors: agriculture, industry, natural resources and transportation and communications. For two of these sectors, the volume of follow-up investment commitments reported in 1974 as stemming directly or indirectly from UNDP-sponsored surveys and feasibility studies was up. Such commitments in agriculture rose from $424 million in 1973 to $1,463 million in 1974; in the industrial sector they rose from $577 million to $756 million. The other two sectors of primary concentration showed marked decreases in reported new commitments, however. New investment commitments in the natural resources sector, which stood at $1,113 million in 1973, fell off to $232 miillion in 1974. In transportation and communications, the comparable figures were $1,384 million in 1973 and $915 million in 1974. On a Programme-wide basis, the level of followup investment commitments reported in 1974 declined less than 5 per cent from the 1973 level to $3,888 million.

As measured under the strictures of a new reporting system, more than half the new commitments reported in 1974 were directly related to UNDP-sponsored investment oriented projects, with the remainder indirectly related. External sources of private capital accounted for only 5 per cent of the reported total. Among multilateral sources, the World Bank and IDA reported $752 million in new commitments. The prime source of follow-up investment commitments, however, continued to be the developing countries themselves. Almost 60 percent of the amount recorded in 1974 came from the public and private sectors of these countries.

UNDP—APPROVED PROJECTS EXECUTION BUDGETS 1974–78

[Dollars in thousands]

Budget category	Number of projects	1974	1975	1976	1977	1978	Total
IPF	150	$16,221	$10,154	$4,450	$1,897	$334	$33,056
UNFPA[1]	130	8,883	4,106	1,495	326		14,809
LDC[2]	23	1,347	631	379	55		2,412
Prog. res	43	1,406	368	254			2,027
Total	346	27,857	15,258	6,578	2,279	334	52,304

[1] United Nations Fund for Population Activities.

[2] Least developed countries.

PROJECTS EXECUTION BY UNDP

UNDP's Projects Execution Division (PED) was established in 1973, in large part to undertake direct implementation of interdisciplinary and multi-purpose projects and of projects requiring general management and direction rather than expert sectoral guidance. In 1974, UNDP's direct execution of projects expanded and developed at a notably high rate. The Division broadened the scope of its work and tested its effectiveness over a wide range of sectors, with emphasis on projects involving specialized or new technology. The Division is now handling projects involving enzyme production, hydrostatic extrusion, newsprint pilot plant construction, offshore oil exploration, aerial surveying, urban and regional planning, free trade zone development, computer centres and food processing.

In order to cope with this increased volume of work, the Division expanded its staff and introduced a computerised management follow-up system to improve monitoring and to establish more detailed sources of information and reference. Much valuable help has also been obtained from rapidly increasing contacts with consulting or professional firms, universities and other institutions. The Division's hope of building up a programme composed mainly of high impact feasibility studies and large-scale projects has to a large extent, however, been defeated by a proliferation of small-scale activities. The search for a more selective policy will therefore gain priority in 1975.

Figures for 1974 indicate a delivery of $14.3 million on an approved projects programme of $16.2 million. A number of large-scale projects were completed in 1974, and have led to important investments. For example:

A study of the sewerage and drainage system in Abidjan, completed in July 1974, has led to a first World Bank loan of about $10 million, representing the first of a series of construction loans stretching over the next 15 years.

A feasibility study of the Sana'a Marib road in Yemen Arab Republic, completed in May, led to financing of final engineering and construction by the Abu-Dhabi Fund The amount involved is about $25 million.

A small off-shore petroleum exploration project in El Salvador, completed in December, has already shown concrete and substantial financial returns.

In the context of PED's short history, 1974 was the formative year and 1975 will be a year of consolidation during which systems and methods will be devised to handle a larger and more diversified programme. On the basis of figures presently available it appears that the operating costs of the Division (salaries and allowances, office furniture, equipment and supplies, travel as well as a component of outside consultancy assistance, etc.) amounted to $0.4 million or 3 per cent of the programme delivered in 1974. These figures represent overhead costs incurred solely by the Division itself and do not include similar costs incurred by other organizational units in UNDP.

SPECIAL ACTIVITIES AND PROGRAMMES

EMERGENCY ACTIVITIES

Hundreds of millions of people throughout the developing countries live in what might be called a "state of chronic emergency"—enduring year after year, hunger, disease, unemployment and every kind of deprivation. In 1974, these problems were compounded by a series of acute disasters that struck from Antiqua to Zambia—causing, often on a large scale, death and material loss as well as the destruction of essential supplies and productive facilities. As a result, UNDP allocated about $10 million to relief and rehabilitation activities during the past year, with its Field Offices in the affected countries frequently assisting in the co-ordination of external emergency assistance.

Honduras: Some $2 million was allocated for emergency assistance to Honduras, where a hurricane with the harmless-sounding name of Fifi took over 7,000 lives, while wiping out schools, factories, farms, roads and bridges nationwide. In the weeks immediately following this storm, the UNDP's Resident Representative worked closely with the United Nations Disaster Relief Coordinator to speed the flow of food, medicine and other essentials to 300,000 homeless people. At the same time, the Programme financed an ECLA mission which evaluated the damage wrought by the hurricane and recommended steps toward long-range reconstruction. The integrated plans drawn up as a result will focus UNDP support on six major priorities. These include: increasing and diversifying food production, with special emphasis on marketing and storage; a rapid expansion of the agrarian reform process already under way; stepped-up rural education programmes; new watershed management measures; the establishment of health centres and the construction of housing.

Bangladesh: The combined effects of a poor 1973 harvest and heavy 1974 flood damage to standing crops gave rise to a more-than-critical food situation in large areas of Bangladesh, threatening widespread starvation. Many poured into the cities, particularly the capital Dacca, seeking food at relief camps set up by the Government. While the country was still struggling to regain its feet, a second disaster struck. On 12 September, an explosion put the 340,000 ton urea fertilizer factory at Ghorosal out of action. The destruction of Ghorosal, and the resulting fertilizer shortage, represented a potential loss in 1975 food production of at least 1 million tons, worth nearly half a billion dollars.

The UNDP's Resident Representative and his staff quickly assumed a key role in identifying emergency assistance needs and in co-ordinating relief activities in co-operation with the Government and other agencies both within and outside the United Nations system. Residual United Nations/Bangladesh relief funds held-in-trust by UNDP were immediately employed at the Government's request to finance the transportation of food grains and the purchase of seeds. A further $500,000 from this same source, together with a $300,000 grant from the United Nations Emergency Operation, is being made available for the repair of the Ghorosal fertilizer plant. To facilitate the Resident Representative's complex task, action has been taken to strengthen the Dacca office. In addition to the six-month appointment of a Relief Co-ordinator, to be financed from the Programme Reserve, the World Food Programme provided a staff officer to help monitor food grain requirements and supplies. The United Nations also made available two experts to help the Government in the speedy unloading of grain shipments and their distribution inland.

Pakistan: On 28 December 1974, an earthquake struck the Karakormau mountains in northern Pakistan—devastating nine towns, killing over 5,000 people, injuring 17,000 more, rendering 100,000 homeless and demolishing a 70-mile stretch of the newly constructed Karakormau Highway. Using experience gained from the 1973 flood disaster in Pakistan, the UNDP's Resident Representative immediately formed an interagency United Nations task force to work with the Government on establishing priority emergency relief requirements. A $20,000 UNDP Programme Reserve contribution was utilized by UNICEF toward meeting the cost of urgently needed tents for the earthquake survivors. The UNDP has also agreed to assist in estimating the longer term rehabilitation needs of the stricken area. Meanwhile, in co-operation with UNICEF and WHO, UNDP continued to carryout water supply system rehabilitation activities, approved in response to the 1973 flood.

Burma: Heavy monsoon rain in August 1974 resulted in the severest and most extensive flooding that Burma had experienced for a century. Hundreds of thousands of acres of crops were destroyed. Thousands of cattle were killed. Nearly one-and-a-half million people suddenly became homeless and considerable quantities of food stocks were washed away. On 25 October, a $1,175,000 project was inaugurated under which UNDP will provide veterinary drugs, insecticides, pesticides and power sprayers to treat diseased cattle and to reclaim the insect-infested paddy fields once the floods have receded. The first shipment of materials under this project, which is being financed from the Programme Reserve and executed by FAO, arrived in Rangoon in December.

Sudano-Sahelian drought: Meanwhile the Sudano-Sahelian drought continued to wither the roots of economic progress and human hopes in a vast six-country region. At its June 1973 session, the UNDP's Governing Council had approved a special allocation of $5 milion to provide drought recovery assistance to Chad, Mali, Mauritania, Niger, Senegal and Upper Volta. By the end of 1974, about $3.4 million of this amount had been allocated for regional and national projects designed to establish meteorological services, promote fodder research and production, speed reforestation, develop water resources, control livestock disease, and make available large quantities of rice, millet and sorghum seeds. Institutional support is also being provided to the Permanent Interstate Committee for Drought Control (CILFS) as well as to agricultural advisory services.

In Niger, two projects with a combined foreign exchange cost of $670,000 were under consideration at the end of 1974. To date UNDP's drought rehabilitation assistance to Chad has been financed with funds still available from the Special Measures Programme for the least developed countries. In addition, a number of drought-related regional and national projects—involving expenditures over and above what could be financed from the Sudano-Sahelian Drought Fund—were formulated during 1974. These will be financed in 1975 from either regional or national IPFs or from the Special Measures Programs for the Least Developed Countries. They include a $3.9 million programme to reinforce the agrometeorological and hydrological services of the six Sudano-Sahelian countries and of the Gambia, as well as a $400,000 project for livestock health, which will also receive substantial bilateral assistance.

Zambia: In January 1973, after the Southern Rhodesian regime had closed the border with Zambia and had then hurriedly tried to reverse its own action, Zambia decided to keep the border sealed. The United National Security Council recognized that this important tightening of United Nations sanctions would have serious economic implications for Zambia's landlocked economy, particularly because of the high cost of diverting imports and exports to different crossing points. In response to subsequent decisions of the Security Council, a staff member from the UNDP office in Lusaka was assigned to work part-time in the Government's contingency planning secretariat and to serve as a liaison on the spot between the Government and UNDP. Simultaneously a member of Zambia's mission to the United Nations was posted to the office of Sir Robert Jackson, the Under-Secretary-General responsible for United Nations support to Zambia. While requests for UNDP technical assistance were concentrated on the rerouting of Zambia's trade, they also covered such fields as import substitution, balance-of-payments and the training of truck drivers and mechanics. In 1974 alone, the total cost of this assistance was approximately $340,000.

Smaller-scale activities: During 1974, UNDP was also involved in smaller-scale emergency activities that were, however, of major importance to the people affected. In Antigua, for example, an earthquake of high intensity destroyed dozens of public buildings. The UNDP office in Guyana actively participated in the ECLA mission which was sent to evaluate the damage and consider the steps toward reconstruction.

A sum of $20,000 was allocated to the Sudan to help distribute food grains in the westernmost parts of the country, where the drought in the Sahelian zone had brought about an influx of people from neighbouring nations.

In the Democratic Republic of Yemen an emergency was caused by a fire which destroyed over one hundred homes and uprooted the unfortunates who lived in them. UNDP provided $10,000 for blankets, food and other emergency supplies.

ASSISTANCE TO COLONIAL COUNTRIES

Two major factors affected UNDP assistance to colonial countries and peoples in 1974. The first was the Governing Council's decision, at its June 1974 session, to speed the preparation and implementation of projects in favour of National Liberation Movements by adopting greater flexibility in programming practices. The second factor was the *de facto* decolonization of territories under Portuguese administration. This led to the establishment of transitional Governments in Mozambique, Angola, Cape Verde, Sao Tome and Principe, and the independence of Guinea-Bissau. These and other developments, bringing colonialism virtually to its final chapters, have necessitated a thorough review of the relationship of UNDP assistance to the socio-economic aspirations of National Liberation Movements.

Following the 1973 Pledging Conference, at which special financial resources were committed by the Netherlands Government for the benefit of colonial countries and peoples, the UNDP estabilshed a National Liberation Movement Trust Fund. Of the initial $1.5 million contributed, $0.5 million has been allocated to UNICEF to assist in financing a joint UNDP/UNICEF/WHO health project for National Liberation Movements based in Tanzania and Zambia. The remaining $1 million has been earmarked for a series of regional projects benefiting several National Liberation Movements. In all these activities, UNDP has maintained close consultation with the OAU the host Governments in whose countries the National Liberation Movements are based. National Liberation Movements with whom UNDP is co-operating include: FRELIMO, FNLA, MPLA, PAIGC, SWAPO, the expanded ANC of Zimbabwe, PAC, ANC (South Africa), MLSTP and MOLINACO.

UNDP has thus advanced beyond the stage of working only with National Liberation Movements based outside colonial territories and is now co-operating with countries having transitional Governments as well as with the independent state of Guinea-Bissau. For the former, UNDP continues to assist the regional educational project at Nkumbi, Zambia, which benefits several National Liberation Movements. The regional health project based at Mtwara, Tanzania, and the regional agricultural project, based in Zambia, also fall within this category. In addition, several individual projects have been approved for various National Liberation Movements. The fields of activity cover a wide range of educational programmes, including vocational training, and agricultural projects aimed at improving food production capacity and making the National Liberation Movements fairly self-sufficient in basic food requirements. Other areas of assistance include infrastructure building projects to strengthen the administration of the National Liberation Movements as well as to provide experience to movement officials in office organization and resource management.

As concerns co-operation with transitional Governments, UNDP assistance, extended or envisaged, includes the financing of programming and/or project study visits to United Nations Agencies. Short-term assistance of an emergency nature, especially for Mozambique, will include road construction, repair and maintenance of agricultural equipment, provision of seeds, rehabilitation of commercial distribution centres, and sinking of wells to increase the supply of water for human consumption. For Cape Verde, short-term projects will include preliminary reconnaissance work on hydrology and geothermal energy. UNDP assistance is urgently required in the resettlement of refugees and other displaced persons in Guinea-Bissau, Angola and Mozambique. For Angola, UNDP, in association with UNETPSA, is already preparing Angolan students to attend universities and colleges, mainly in Africa.

UNITED NATIONS CAPITAL DEVELOPMENT FUND

Administered by UNDP, the United Nations Capital Development Fund provides seed capital in low-income areas largely bypassed by earlier developmental efforts. Its projects test new development possibilities involving direct participation by the poorest segments in society, first and foremost in the least developed countries. Established in 1966, the Fund became fully operational in 1974, following its reorientation at the request of the General Assembly and a significant increase in its resources. As of 31 December 1974, 57 countries had contributed to the Fund a total of $14.6 million. Among the major donors were Denmark, Netherlands and Norway from the industrialized group and Egypt, India, Pakistan and Yugoslavia. The bulk of the current $17 million pipeline of about 25 projects has been developed since mid-1974 and is expected to be largely approved in the first quarter of 1975.

The Fund's projects may be broadly classified as social infrastructure (e.g. low-cost housing, water supply in drought areas, rural schools and hospitals), productive facilities (agricultural workshops, artisans' centres, co-operative production facilities) and production credit (for prospective borrowers who cannot obtain regular financing in the absence of collateral security). The least developed countries and those with similar economic conditions receive assistance on grant terms. The projects are designed in such a way as to facilitate rapid implementation, using simple technology adapted to local conditions and relying on managerial and technical assistance on governmental and non-governmental organizations, bilateral and multilateral agencies which can provide supportive local expertise. Experience over the past twelve months would indicate that there is considerable scope for the kind of activity now envisaged for the Fund without danger of duplicating the work of other Agencies. It is to be hoped that the resources of the Fund would grow in keeping with established need.

REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

The Revolving Fund for Natural Resources Exploration is a trust fund created by the General Assembly in 1973, placed in charge of the Secretary-General and administered on his behalf by the Administrator of UNDP. The Governing Council of UNDP acts as the Fund's governing body during its initial four years. The Administrator prepared operational procedures and administrative arrangements for the Fund, in close consultation with the United Nations Centre for Natural Resources, Energy and Transport and the World Bank and presented them to the Governing Council during its June 1974 session. In provisionally approving these guidelines, the Council requested the Administrator to undertake negotiations leading to specific projects, in part to test the workability of the guidelines themselves.

The Fund is an innovative addition to the United Nations development system, and its nature and modalities differ in many respects from normal UNDP operations as well as from those of traditional lending institutions. The differences are based on the fact that relatively few mineral exploration ventures actually lead to the discovery of exploitable ore bodies. Thus, although surveys will be undertaken at the request of developing country Governments, these Governments will incur a repayment obligation only if and when the Fund's activities result in new mineral production. Bearing in mind this risk factor, and the inevitable time lag between discovery and the start-up of production, the Fund will initially have to rely on contributions from developed countries and may only become "revolving" at a considerably later date.

As of now, the Fund's resources stand at $5.4 million. By the end of 1974, more than 20 countries had been visited by technical advisors for the Fund to help identify possible exploration projects.

TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES

As the development knowledge, expertise and experience of the low-income nations has grown, so also have the possibilities for profitable mutual co-operation among these nations. Thus, in December 1972, UNDP established a Working Group on Technical Co-operation among Developing Countries. At its 18th session, the Governing Council approved the final report of this Working Group. The General Assembly endorsed this report and authorized the Administrator to establish, within the UNDP, a special unit to carry out the Group's recommendations.

As its first assignment, the special unit drew up a detailed programme of activities and established priorities among them. In fulfillment of these priorities, the UNDP's Resident Representatives brought the report of the Working Group to the attention of Governments; they also offered the Programme's assistance in organizing national co-ordinating offices for fostering developing country technical co-operation, as well as in drawing up specific plans to achieve that aim.

Simultaneously, instructions were prepared—for field office and headquarters personnel—on promoting such co-operation. These instructions cover two broad areas. The first deals with steps which the UNDP should take to help Governments identify opportunities and initiate actual projects for mutual assistance. The second covers measures needed to assure promotion and co-ordination of these activities within the United Nations system. The Working Group's report was also circulated to the Participating and Executing Agencies and to the Regional Economic Commissions. The report recommended that these organizations establish their own mechanisms, and take other appropriate actions, to stimulate technical co-operation among developing countries.

Beyond this, the major focus of the UNDP's efforts has been on designing and organizing the "information system" recommended by the Working Group. This information system would seek to pinpoint the facilities and capacities for co-operation that the developing countries are prepared to make available to each other—as well as to assess the existing capabilities of national and regional institutions in this field. Through the country programme and annual review exercises, data will also be sought on the needs of developing countries for mutual technical co-operation.

UNITED NATIONS VOLUNTEERS

The activities of the United Nations Volunteers Programme (UNV) in 1974 achieved headway in reaching the target figure of 500 United Nations volunteer placements by the middle of 1976. Particular priority was given to getting volunteers on the ground in the least developed countries and to increasing the rate of recruitment from developing nations as a whole. As of 31 December 1974, 180 volunteers, of 47 nationalities, were working in 36 developing countries. A further 60 volunteers were en route to their assignments. Also, in the course of the year, approximately 50 volunteers completed their two-year assignments and some 26 finished shorter terms. At the year's end, recruitment was under way for about 150 vacant posts.

The bulk of volunteer placements were within UNDP-assisted projects, although a few were also made under the regular programmes of the United Nations and Specialized Agencies (including the United Nations Fund for Population Activities, the World Food Programme and UNICEF). These volunteers were serving in a broad spectrum of fields—as agriculturists, foresters, veterinarians, biologists, irrigation specialists, engineers, mechanics, economists, statisticians, architects, surveyors, teachers, teacher training specialists, nurses and sociologists. The volunteers' contribution is particularly significant at the "grass-roots" level where they work on extension activities in close association with the local population.

In keeping with longer term objectives, the least developed countries have become significant recipients of UNV assistance. By the end of 1974, 94 volunteers were assigned to 14 different least developed countries as compared with 40 at the beginning of the year in 10 countries. Further requests indicated that larger programmes can be foreseen in the future. An encouraging feature of the recruitment picture was the growing number of qualified candidates put forward by a number of developing countries. The proportion of total volunteers from developing countries grew to 38 per cent and, on the basis of recent submissions, it is envisaged that close to 50 per cent of all United States volunteers will in future be recruited from these countries.

Total contributions amounting to $276,789 were made in 1974 to the Special Voluntary Fund for the support of UNV activities, by the following Governments: Denmark ($15,000), Federal Republic of Germany ($74,627), Morocco ($9,635), USA ($75,000), Belgium ($26,316), Togo ($939), Netherlands, ($75,000) and Cyprus ($272).

TABLE 1.—UNDP: SUMMARY OF THE FIRST 116 COUNTRY PROGRAMS APPROVED,(1) BY SECTORS AND MAIN SUBSECTORS, AND BY REGION, PER CAPITA INCOME LEVELS OF COUNTRIES, AND BY LEAST DEVELOPED AND OTHER DEVELOPING COUNTRIES

		Region				Per capita income groups			
	Total	Africa	Asia and the Pacific	Latin America	Europe, Mediterranean and the Middle East	Over $350	Under $350	Least developed countries	Other developing countries
Agriculture, forestry and fisheries	311.1	89.8	81.8	61.9	77.6	101.2	209.9	64.6	246.5
Plant production	43.0	10.8	15.7	4.0	12.5	12.7	30.3	6.2	30.8
Animal production and health	55.1	18.6	12.7	9.2	14.6	17.4	37.7	12.6	42.5
Fisheries	31.3	9.3	9.2	7.8	5.0	11.6	19.7	4.7	26.6

		Region				Per capita income groups			
	Total	Africa	Asia and the Pacific	Latin America	Europe, Mediterranean and the Middle East	Over $350	Under $350	Least developed countries	Other developing countries
Forestry	44.2	14.5	11.5	13.2	5.0	16.9	27.3	7.5	36.7
Land and water use	52.3	8.7	13.7	6.3	23.6	15.8	36.5	10.2	42.1
Agricultural institutions, services and rural training	79.8	24.8	18.4	20.5	16.1	26.1	53.7	21.4	58.4
Agricultural financing	1.9	1.8		.1			1.8	1.4	.5
Culture and social and human sciences	4.8	1.3	1.1	.7	1.7	1.3	3.5	.5	4.3
Education	115.2	46.4	26.7	21.3	20.6	33.8	81.4	27.0	88.2
Development and planning of education	35.2	12.8	9.9	6.4	6.1	8.4	26.8	10.8	24.4
School development and teacher training for primary, secondary, and university education	60.4	27.0	11.1	11.1	11.1	17.5	42.9	12.5	47.9
General economic and social policy and planning	113.3	39.3	28.8	28.7	16.5	32.5	80.8	28.1	85.2
General planning	45.9	13.0	13.6	9.4	9.9	14.0	31.9	9.2	36.7
Agricultural planning	31.3	13.0	6.6	8.2	3.5	5.5	25.8	6.1	25.2
Public and financial administration	36.1	13.2	8.5	11.2	3.2	13.1	23.0	12.8	23.3
Health	77.3	14.7	17.2	21.2	24.2	36.4	40.9	13.9	63.4
Promotion of environmental health	30.3	4.9	5.8	8.3	11.3	17.1	13.0	2.8	27.3
Industry	215.1	53.8	58.8	52.1	50.3	73.2	141.9	33.9	181.2
Industry planning and programing	21.3	8.6	4.2	3.6	4.9	5.6	15.7	3.9	17.4
Manufacturing industries	22.6	1.4	13.0	3.3	4.9	7.0	15.6	.6	22.0
Extract industries	47.1	13.1	12.3	12.6	9.1	11.9	35.2	11.5	35.6
Handicrafts and small-scale industries	14.3	5.1	4.4	2.9	1.9	6.6	7.7	1.8	12.5
Industrial services and institutions	52.0	9.0	9.8	14.5	18.7	21.4	30.6	5.3	46.7
Industry training	39.7	12.7	10.7	8.1	8.2	12.2	27.5	6.4	33.3
International trade	21.5	3.4	6.4	6.7	5.0	8.4	13.1	1.1	20.4
Labor, management and employment	40.1	14.0	9.6	7.4	9.1	15.6	24.5	9.9	30.2
Management training and development	16.2	7.3	4.8	1.2	2.9	4.6	11.6	6.7	9.5
Clerical, commercial and service training	10.7	2.0	3.0	2.0	3.7	5.2	5.5	1.2	9.5
Natural resources	56.0	13.4	17.5	15.5	9.6	16.4	39.6	9.9	46.1
Development planning and policy	8.9	2.6	4.0	1.1	1.2	1.2	7.7	.2	8.7
Fuel and power	13.5	4.0	3.6	4.4	1.5	3.8	9.7	2.4	11.1
Water development	33.6	6.9	9.8	10.9	6.9	11.4	22.2	7.3	26.3
Science and technology	77.9	9.0	28.4	14.6	25.9	36.7	41.2	4.7	73.2
Science and technology promotion	17.0	.3	10.5	.3	5.9	7.7	9.3	.1	16.9
Meteorology	17.6	3.4	5.6	5.2	3.4	5.9	11.7	2.1	15.5
Technical and engineering education	32.8	3.8	11.0	5.7	12.3	18.3	14.5	2.3	30.5
Social security and other social services	28.6	6.2	10.7	6.7	5.0	10.1	18.5	3.7	24.9
Housing, building, and physical planning	20.1	4.7	8.1	3.8	3.5	6.1	14.0	2.5	17.6
Transport and communications	106.5	19.6	33.9	28.9	24.1	40.2	66.3	18.5	88.0
Transport by land	22.2	8.4	7.2	3.2	3.4	4.0	18.2	7.8	14.4
Transport by air	20.7	2.0	5.3	6.9	6.5	9.0	11.7	3.5	17.2
Telecommunications	38.9	4.4	15.7	9.6	9.2	14.5	24.4	6.2	32.7
Postal services	4.7	1.6	.7	2.0	.4	2.2	2.5	.4	4.3
Total, sectors	1,167.6	311.2	320.9	265.9	269.6	406.0	761.6	215.9	951.7

[1] Includes 3 countries which have submitted their 2nd country programs to conform with their planning cycle. In these cases, both country programs have been consolidated and treated as 1.

NB: Earlier tables in this series contained data for the period 1972–77; this table has been extended to cover 1978 since numerous countries have included that year in their own programing periods.

TABLE 2.—UNDP: STATUS OF THE PROGRAMME AS OF DEC. 31, 1974

		Approved project budgets				Project expenditures			
		During—		Cumulative—		During—		Cumulative—	
Country	IPF 72–76 (000 dollars)	1973 (000)	1974 (000)	72–74 (000)	Percent of IPF	1973 (000)	1974 (000)	72–74 (000)	Percent of IPF
Afghanistan	20,000	5,022	3,607	20,339	102	4,950	4,267	13,488	67
Albania	1,000	41	321	626	63	134	47	279	28
Algeria	20,000	−1,344	3,903	17,953	90	4,764	2,778	12,942	65
Argentina	20,000	3,512	2,118	17,012	85	2,968	2,906	8,829	44
Bahrain	2,500	253	1,268	2,236	89	382	492	980	39
Bangladesh	18,500	1,078	5,211	5,811	31	209	2,217	2,471	13
Barbados	2,500	321	1,040	1,563	63	109	276	545	22
Belize	1,000	79	320	805	81	186	158	420	42
Bhutan	2,500	1,003	1,123	2,018	81	3	192	195	8
Bolivia	15,000	1,814	2,970	13,758	92	3,221	2,582	9.046	60
Botswana	5,800	1,146	1,515	5,964	103	1,285	1,360	3.637	63
Brazil	30,000	3,751	5,013	27,758	93	5,132	5,340	14,984	50
Bulgaria	7,500	432	3,608	7,520	100	1,237	1,926	4,370	58
Burma	15,000	4,914	5,288	15,849	106	2,110	2,347	7,195	48
Burundi	10,000	3,185	3,608	10,363	104	1,985	2,092	6,103	61
Cen. Afr. Republic	7,500	1,635	3,213	7,171	96	1,497	1,456	4,378	58
Chad	7,500	1,948	1,437	6,500	87	1,165	1,308	3,508	47
Chile	20,000	3,662	3,919	20,000	100	4,072	2,779	11,197	56
Colombia	20,000	9,543	2,772	18,696	93	2,896	3,243	9,526	48
Congo	7,500	910	2,115	7,338	98	1,363	1,220	4,728	63
Costa Rica	5,000	2,302	789	4,906	98	1,248	1,213	3,035	61
Cuba	10,000	862	6,993	12,694	127	1,675	2,979	6,241	62
Cyprus	5,000	941	423	5,133	103	1,342	786	3,709	74
Czechoslovakia	2,500	70	347	2,115	85	222	461	1,078	43
Dahomey	7,500	2,317	3,059	7,162	95	903	1,299	3,139	42
Democratic Yemen	10,000	523	590	10,126	101	2,264	2,087	6,822	68
Dominican Republic	7,500	812	336	6,947	93	1,555	1,639	4,688	63
Ecuador	15,000	4,335	4,772	13,912	93	1,711	2,397	5,573	37
Egypt	27,500	2,192	10,143	28,964	105	5,083	3,950	14,718	54
El Salvador	5,000	1,274	1,356	4,533	91	393	799	2,071	41
Equatorial Guinea	3,500	445	1,503	3,766	108	870	524	2,311	66
Ethiopia	20,000	2,998	9,061	21,292	106	4,760	4,100	13,183	66
Fiji	5,000	719	1,331	4,474	89	614	611	2,141	43
Gabon	7,500	1,661	3,521	6,958	93	1,228	797	3,194	43
Gambia	2,500	611	1,104	2,612	104	525	566	1,424	57
Ghana	15,000	1,899	5,528	12,457	83	1,755	2,038	5,819	39
Gilbert and Ellice Islands	500	179	65	471	94	68	93	328	66
Greece	7,500	1,219	299	7,038	94	1,781	1,381	4,417	59
Guatemala	7,500	1,098	2,729	6,068	81	762	1,099	2,432	32
Guinea	15,000	579	482	6,582	44	837	774	2,390	16
Guyana	5,000	77	1,817	3,869	77	858	1,187	2,407	48
Haiti	6,000	2,307	2,050	6,659	111	1,628	1,010	4,033	67

Footnotes at end of table.

TABLE 2.—UNDP: STATUS OF THE PROGRAMME AS OF DEC. 31, 1974—Continued

Country	IPF 72–76 (000 dollars)	Approved project budgets				Project expenditures			
		During—		Cumulative—		During—		Cumulative—	
		1973 (000)	1974 (000)	72–74 (000)	Percent of IPF	1973 (000)	1974 (000)	72–74 (000)	Percent of IPF
Honduras	5,000	728	910	5,202	104	1,225	1,068	3,397	68
Hong Kong	500	408	20	469	94	61	156	257	51
Hungary	7,500	1,851	579	7,062	94	760	1,615	3,244	43
Iceland	1,000	61	723	1,204	120	168	196	596	60
India	50,000	5,434	12,715	39,745	79	5,574	7,284	20,044	40
Indonesia	35,000	12,328	7,629	36,511	104	6,617	7,944	19,194	55
Iran	20,000	3,483	3,528	19,804	99	4,183	4,771	13,883	69
Iraq	15,000	460	1,795	14,685	98	3,747	2,984	11,151	74
Israel	5,000	498	1,510	4,239	85	606	699	1,987	40
Ivory Coast	15,000	1,857	4,412	14,327	96	2,930	2,568	8,995	60
Jamaica	7,500	1,721	1,396	7,069	94	1,634	1,711	4,881	65
Jordan	15,000	1,559	4,213	14,211	95	2,661	2,812	8,008	53
Kenya	15,000	1,330	1,705	14,405	96	3,653	2,796	10,298	69
Khmer Republic	10,000	1,002	1,250	8,974	90	1,803	1,677	4,867	49
Kuwait	1,000	110	−7	1,032	103	248	245	979	98
Laos	5,000	1,498	1,622	4,053	81	828	1,061	2,606	52
Lebanon	10,000	703	2,660	8,795	88	2,099	1,432	5,587	56
Lesotho	8,300	1,262	3,624	8,851	107	1,651	1,904	4,885	59
Liberia	10,000	1,040	1,982	8,472	85	2,156	2,071	6,116	61
Libyan Arab Rep	5,000	−223	13	4,989	100	1,260	708	3,728	75
Madagascar	10,000	2,082	1,514	9,205	92	1,898	2,026	5,914	59
Malaw	7,500	3,212	−821	6,851	91	1,766	1,977	5,024	67
Malaysia	15,000	1,731	2,996	15,174	101	3,212	2,853	9,465	63
Maldives	1,000	222	356	876	88	108	148	325	33
Mali	10,000	325	893	10,811	108	2,917	1,943	7,860	79
Malta	2,500	322	766	1,771	71	270	237	831	33
Mauritania	5,000	1,995	1,040	5,172	102	1,525	1,012	3,886	78
Mauritius	5,000	623	1,097	4,283	86	703	751	2,336	47
Mexico	20,000	3,153	6,313	17,758	89	3,088	2,605	8,933	45
Mongolia	10,000	−426	2,268	9,896	99	2,180	1,700	5,724	57
Morocco	20,000	549	5,764	14,455	72	3,145	2,389	8,518	43
Nepal	15,000	1,932	4,804	14,845	99	2,939	2,252	7,998	53
Nicaragua	5,000	355	1,593	4,920	98	1,008	772	2,921	58
Niger	10,000	1,175	3,163	8,951	90	1,904	1,802	5,841	58
Nigeria	30,000	7,034	9,036	28,357	95	5,289	5,933	15,842	53
Pakistan	18,500	−9,094	9,264	17,623	95	2,819	2,481	6,719	36
Panama	7,500	611	1,332	8,446	113	2,177	1,578	5,749	77
Papua New Guinea	5,000	850	2,280	4,491	90	668	535	1,949	39
Paraguay	7,500	1,222	2,004	6,894	92	1,393	1,031	3,721	50
Peru	15,000	4,290	2,687	15,883	106	2,684	3,012	7,917	53
Philippines	20,000	4,265	7,717	20,880	104	4,117	3,993	12,274	61
Poland	7,500	2,075	999	7,818	104	1,303	2,461	4,787	64
Quatar	1,500	509	46	1,264	84	240	429	816	54
Republic of Korea	15,000	2,364	5,234	14,357	96	2,094	1,973	7,042	47
Republic of Vietnam	10,000	2,672	4,068	8,560	86	633	1,526	3,099	31
Romania	7,500	1,910	207	7,572	101	1,216	2,084	4,925	66
Rwanda	10,000	2,584	3,780	10,024	100	1,687	1,571	5,085	51
Saudi Arabia	10,000	1,233	2,548	9,274	93	1,925	1,951	5,245	52
Senegal	10,000	2,713	1,349	10,364	104	2,631	2,522	7,587	76
Sierra Leone	7,500	714	1,305	6,088	81	1,315	1,116	3,770	50
Singapore	7,500	204	372	6,975	91	1,805	888	5,386	72
Solomon Islands	1,000	244	173	842	84	201	173	597	60
Somalia	15,000	1,871	5,539	14,793	99	2,908	2,320	7,635	51
Spain	5,000	−87	365	4,606	92	1,247	652	3,293	66
Sri Lanka	15,000	3,185	2,288	14,555	97	2,974	2,634	8,261	55
Sudan	20,000	4,653	6,289	18,690	93	3,122	3,762	9,837	49
Surinam	2,500	−187	73	2,505	100	819	511	1,861	74
Swaziland	5,700	1,106	1,573	5,205	91	905	1,286	2,927	51
Syrian Arab Republic	15,000	−594	562	10,697	71	1,509	1,853	5,802	39
Thailand	15,000	3,358	2,935	15,732	105	2,948	2,745	9,651	64
Togo	10,000	2,872	3,611	10,315	103	2,128	2,068	6,172	62
Tonga	1,000	144	588	840	84	18	79	142	14
Trinidad and Tobago	5,000	415	2,986	5,181	104	865	775	2,462	49
Tunisia	15,000	1,146	2,002	12,829	86	3,123	2,221	9,081	61
Turkey	20,000	3,246	2,804	18,683	93	3,875	3,281	11,483	57
Uganda	10,000	2,204	2,488	10,588	106	1,302	1,477	4,698	47
Undistributed Africa	1,000	97	761	851	85	77	150	260	26
Undistributed Asia	2,500	−2,004	333	1,749	70	285	207	1,228	49
Undistributed EMME	5,000	922	1,800	2,924	58	87	373	498	10
Undistributed LA	15,000	2,179	3,965	10,518	70	2,035	2,572	5,704	38
U.R. of Cameroon	15,000	1,663	3,511	12,570	84	2,743	2,269	8,072	54
U.R. of Tanzania	15,000	2,813	5,270	15,602	104	2,738	3,026	8,463	56
Upper Volta	10,700	2,304	2,429	8,192	77	1,484	1,663	4,745	44
Uruguay	10,000	1,617	1,959	10,121	101	1,664	1,834	4,680	47
Venezuela	10,000	2,389	502	9,894	99	2,087	1,893	6,430	64
Western Samoa	5,000	1,331	1,676	4,834	97	745	881	2,490	50
Yemen	15,000	3,460	7,570	15,111	101	2,388	2,667	7,753	52
Yugoslavia	7,500	1,093	2,867	6,873	92	666	992	2,985	40
Zaire	20,000	1,869	5,594	18,939	92	3,604	3,915	10,561	53
Zambia	15,000	3,427	4,813	16,281	109	3,030	2,647	9,203	61
Subtotal	1,292,500	198,659	327,706	1,202,295	93	227,220	224,955	683,140	53
ntercountry;									
Africa regional projects	66,900	14,007	29,768	65,389	98	10,951	12,946	35,256	53
Asia regional projects	40,700	11,546	14,655	37,541	92	6,340	8,131	20,719	51
EMME regional projects	19,700	2,887	3,911	19,770	100	3,618	2,599	9,043	46
L.A. regional projects	61,500	9,963	10,175	43,553	71	9,788	8,824	28,820	47
Interregional projects	19,200	4,987	8,411	19,598	102	3,822	3,026	10,875	57
Global projects	15,500	8,084	972	10,588	68	1,842	2,446	5,642	36
Subtotal	[1] 231,000	51,474	67,892	196,439	85	36,361	37,972	110,355	48
Total IPF	[1] 1,523,000	250,133	395,598	1,398,734	92	263,581	[2] 272,827	[2] 803,395	53
Program reserve		5,589	6,865	23,537		3,894	6,100	16,773	
Special measures fund for LDC			[3] 24,260	24,260		1,845	4,900	6,745	
Grand total		255,722	426,723	1,446,531		269,320	[2] 288,827	[2] 826,913	

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[1] Includes $7,500,000 of regional IPF not yet distributed.

[2] Includes $9,900,000 of undistributed expenditures.

[3] Includes some approvals in 1973 which were recorded in 1974.

TABLE 3.—INVESTMENT COMMITMENTS REPORTED IN 1973 AND IN 1974 RELATED TO UNDP PROJECT ACTIVITIES, BY SOURCE OF FINANCING

[Dollars in thousands]

Source of financing	Reported in 1973[1]			Reported in 1974[2]		
	Investment resulting directly from UNDP projects[3]	Investment related to UNDP projects[4]	Total	Investment resulting directly from UNDP projects[3]	Investment related to UNDP projects[4]	Total
Domestic	$1, 693, 785	$392, 105	$2, 085, 890	$1, 092, 065	$1, 315, 625	$2, 407, 690
Public	1, 610, 255	299, 340	1, 909, 595	982, 470	840, 130	1, 822, 600
Private	83, 530	92, 765	176, 295	109, 595	475, 495	585, 090
Multilateral	787, 360	521, 660	1, 309, 020	515, 370	525, 760	1, 041, 130
IBRD/IDA	578, 820	483, 170	1, 061, 990	294, 260	457, 900	752, 160
Other	208, 540	38, 490	247, 030	221, 110	67, 860	288, 970
Bilateral	620, 715	65, 075	685, 790	379, 125	60, 365	439, 490
Public	448, 095	50, 125	498, 220	208, 005	57, 550	265, 555
Private	172, 620	14, 950	187, 570	171, 120	2, 815	173, 935
Total	3, 101, 860	978, 840	4, 080, 700	1, 986, 560	1, 901, 750	3, 888, 310

[1] Revised.

[2] Provisional.

[3] The figures shown in this column relate to reported investment commitments for development projects resulting directly from findings and recommendations of UNDP-assisted pre-investment surveys and feasibility studies.

[4] The figures shown in this column relate to reported investment commitments for development projects that emerged from pre-investment undertakings which were closely associated with the work carried out under UNDP-assisted projects.

TABLE 4.—UNDP: CONTRIBUTIONS PLEDGED, ALL COUNTRIES, FOR 1974 AND FOR 1975[1]

[U.S. dollars]

Country	For 1974	For 1975
Afghanistan	$136, 500	$143, 325
Albania	4, 878	7, 317
Algeria	391, 000	430, 000
Argentina	850, 000	954, 459
Australia	3, 421, 092	3, 604, 194
Austria	2, 500, 000	2, 849, 162
Bahamas	10, 000	10, 000
Bahrain	10, 000	13, 000
Bangladesh	75, 000	78, 750
Barbados	17, 250	19, 838
Belgium	5, 769, 231	7, 066, 667
Bhutan	2, 300	2, 300
Botswana	11, 458	11, 628
Brazil	1, 300, 000	1, 300, 000
Bulgaria	131, 394	208, 333
Burma	100, 000	100, 000
Burundi	12, 698	(2)
Byelorussian Soviet Socialist Republic	173, 522	178, 336
Canada	22, 371, 134	24, 489, 796
Central African Republic	6, 437	(2)
Chad	2, 000	(2)
Chile	375, 000	375, 000
China	2, 200, 000	--------------
Colombia	500, 000	400, 000
Congo	10, 905	10, 905
Costa Rica	5, 000	10, 000
Cuba	148, 160	170, 387
Cyprus	45, 070	--------------
Czechoslovakia	1, 134, 380	1, 192, 504
Dahomey	4, 000	(2)
Democratic Yemen	2, 000	2, 300
Denmark	33, 249, 938	38, 965, 517
Dominican Republic	25, 000	30, 000
Ecuador	150, 000	150, 000
Egypt	523, 895	562, 228
El Salvador	17, 250	(2)
Equatorial Guinea	4, 274	(2)
Ethiopia	107, 300	114, 600
Fiji	11, 000	11, 000
Finland	4, 415, 584	5, 270, 270
France	10, 000, 000	(2)
Gabon	57, 500	59, 227
Gambia	5, 139	5, 000
German Democratic Republic	772, 308	816, 327
Germany, Federal Republic of	24, 383, 667	28, 340, 081
Ghana	260, 000	299, 000
Greece	460, 000	460, 000
Guatemala	27, 000	(2)
Guyana	140, 147	152, 285
Haiti	2, 300	(2)
Holy See	2, 000	2, 000
Honduras	17, 250	(2)
Hungary	240, 964	289, 157
Iceland	72, 076	81, 412
India	3, 750, 000	3, 750, 000
Indonesia	300, 000	360, 000
Iran	1, 000, 000	4, 000, 000
Iraq	345, 000	500, 000
Ireland	553, 945	552, 204
Israel	242, 000	242, 000
Italy	5, 650, 000	5, 650, 000
Ivory Coast	110, 000	(2)
Jamaica	110, 000	110, 000
Japan	14, 000, 000	19, 000, 000
Jordan	66, 000	70, 000
Kenya	90, 416	90, 416
Khmer Republic	21, 622	21, 622
Kuwait	350, 000	400, 000
Laos	12, 321	17, 250
Lebanon	160, 000	209, 270
Lesotho	15, 000	15, 000
Liberia	80, 000	88, 000
Libyan Arab Republic	350, 000	500, 000
Luxembourg	69, 269	80, 000
Madagascar	29, 417	30, 300
Malawi	11, 500	13, 000
Malaysia	100, 000	100, 000
Maldives	1, 440	(2)
Mali	11, 500	(2)
Malta	11, 050	12, 431
Mauritius	4, 025	4, 450
Mexico	550, 000	(2)
Monaco	4, 826	4, 731
Mongolia	14, 000	15, 344
Morocco	304, 155	313, 953
Nepal	30, 000	30, 000
Netherlands	27, 815, 934	31, 615, 385
New Zealand	1, 473, 359	2, 293, 578
Nicaragua	37, 500	(2)
Nigeria	162, 602	300, 000
Norway	13, 096, 691	17, 657, 993
Oman	54, 500	60, 000
Pakistan	590, 217	678. 750
Panama	150, 000	180, 000
Paraguay	10, 000	10, 000
Peru	250, 000	275, 000
Philippines	500, 000	500, 000
Poland	806, 552	887, 207
Qatar	200, 000	200, 000
Republic of Korea	300, 000	300, 000
Republic of Vietnam	22, 000	25, 000
Romania	402, 414	482, 897
Rwanda	10, 000	10, 000
Saudi Arabia	1, 500, 000	1, 500, 000
Senegal	86, 250	100, 000
Sierra Leone	75, 000	75, 000
Singapore	100, 000	100, 000
Somalia	4, 607	5, 021
Spain	660, 000	720, 000
Sri Lanka	180, 000	180, 000
Sudan	187, 000	187, 000
Swaziland	8, 721	10, 174
Sweden	36, 363, 836	46, 838, 407
Switzerland	6, 500, 000	(2)
Syrian Arab Republic	27, 397	31, 506
Thailand	408, 625	470, 149
Togo	8, 167	9, 442
Trinidad and Tobago	100, 000	115, 000
Tunisia	207, 000	207, 000
Turkey	765, 765	(2)
Uganda	42, 194	49, 226
Ukrainian Soviet Socialist Republic	433, 805	445, 839
Union of Soviet Socialist Republics	3, 470, 437	3, 566, 711
United Arab Emirates	240, 000	500, 000
United Kingdom	21, 937, 875	23, 781, 903
United Republic of Cameroon	54, 000	55, 648
United Republic of Tanzania	98, 453	98, 453
United States of America	[3] 90, 000, 000	(2)
Upper Volta	--------------	5, 000
Uruguay	207, 350	238, 452
Venezuela	920, 000	1, 500, 000
Western Samoa	2, 500	(2)
Yemen	3, 000	5, 000
Yugoslavia	1, 168, 000	1, 343, 000
Zaire	250, 000	300, 000
Zambia	139, 752	139, 367
Estimated Pledges		118, 771, 914
Total	357, 043, 990	412, 239, 298

[1] As of Jan. 22, 1975. Excluding pledges totaling $7,800,000 for 1974 and $10,800,000 for 1975 for the benefit of least-developed countries.

[2] Pledges not yet reported as of Jan. 22, 1975. Amount included is based upon estimate or 1974 contribution.

[3] Subject to the availability of funds.

PROMOTION OF ENERGY INDUSTRY COMPETITION

Mr. GARY HART. Mr. President, I ask unanimous consent that the following statement and text of the attached amendment be printed in the RECORD. Senators PHILIP A. HART, GAYLORD NELSON, JAMES ABOUREZK, and I believe the congressional deadlock on the issue of ending regulations of the petroleum and natural gas industry arises, in part, because a critical aspect of the deregulation issue has been virtually ignored in all proposed solutions; namely, the regulation of oil and natural gas should not be ended until those industries become truly competitive.

Without free and fair competition in these industries, deregulation would only be taking the control of prices away from the Government and putting it into the hands of enormous, vertically integrated oil and gas companies.

We are planning to offer the following antitrust measure either as a separate bill or as an amendment to one of the pending petroleum or natural gas proposals. This measure would effect a "vertical divestiture" by separating the production, refining, transportation, and marketing activities of the major oil and gas companies. It is based upon extensive hearings conducted over the past 10 years by the Antitrust and Monopoly Subcommittee, chaired by Senator PHILIP A. HART. The record compiled by this subcommittee covers 23 volumes and more than 40,000 pages.

The petroleum industry is dominated by large vertically integrated companies. Fortune magazine's list of the largest corporations shows that seven of the top 20 are oil companies. Last year those 7 companies had sales in excess of $134 billion—an amount larger than the 1974 gross national product of all but 6 nations. The 16 major oil companies, taken together, have about 72 percent of our domestic crude oil production, 75 percent of our refining capacity, and account for about 70 percent of retail gasoline sales.

These figures do not tell the whole story. The problem in petroleum is not only one of concentration in crude oil and gas production, or concentration in transportation, or concentration in refining and marketing. Rather it is the fact that the major companies are vertically integrated and work closely with each other through a variety of joint ventures in transportation and production. Through their control over production and transportation, they control the entire industry.

In natural gas the situation is equally serious:

As of 1972 the top four companies controlled 81 percent of the Nation's available new natural gas supplies.

We firmly believe that by coupling price decontrol with assurances of a truly competitive market, Congress will be able to reach a sound and reasonable compromise on the decontrol controversy.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

TITLE I—PROMOTION OF ENERGY INDUSTRY COMPETITION—DEFINITIONS

SEC. 101. As used in this title—

(a) "affiliate" means a person controlled by, controlling, or under or subject to common control with respect to any other person;

(b) "asset" means any property (tangible or intangible, real, personal, or mixed) and includes stock in any corporation;

(c) "commerce" means commerce among the several States, with the Indian tribes, or with foreign nations; or commerce in any State which affects commerce among or between any State and foreign nation;

(d) "control" means direct or indirect legal or beneficial interest in or power or influence over another person, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements;

(e) "energy resource" means petroleum, natural gas, tar sands, or oil shale;

(f) "marketing asset" means any asset used in the distribution or marketing of a refined product or natural gas;

(g) "transportation asset" means any asset used in the transportation by pipeline, or gathering line of an energy resource or refined product;

(h) "refinery asset" means any asset used in the refining of an energy resource;

(i) "production asset" means any asset used in the exploration for, development of, or production of an energy resource;

(j) "major producer" means any person which, during the calendar year 1974 or in any subsequent calendar year, along or with affiliates, produces within the United States thirty-six million five hundred thousand barrels (forty-two United States gallons each) of crude petroleum and natural gas liquids, or which sells, alone or with affiliates, two hundred billion cubic feet, or more, of natural gas;

(k) "major refiner" means any person which, during the calendar year 1974 or in any subsequent calendar year, alone or with affiliates, refines within the United States one hundred and eighty-two million five hundred thousand barrels (forty-two United States gallons each) of product;

(l) "transporter" means any person which transports an energy resource or refined product by pipeline in interstate commerce;

(m) "natural gas distributor" means any person who delivers natural gas to other persons for use and not for resale;

(n) "person" means an individual or a corporation, partnership, joint-stock company, business trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group whether or not incorporated; and

(o) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands.

UNLAWFUL RETENTION

SEC. 102. (a) Notwithstanding any other provision of law, five years after enactment of this title, it shall be unlawful—

(1) for any major producer to own, or control any interest, direct, indirect, or through an affiliate, in any refinery, transportation, or marketing asset;

(2) for any major refiner to own or control any interest, direct, indirect, or through an affiliate, in any production or transportation asset;

(3) for any transporter to own or control any interest, direct, indirect, or through an affiliate, in any production, refinery, or marketing asset; and

(4) for any natural gas distributor to own or control any interest direct or indirect or through an affiliate in any poduction asset.

REPORTS

SEC. 103. Each person who on or after the date of enactment of this title owns or controls any assets prohibited by section 102 and any other person designated by the Federal Trade Commission shall, within one hundred and twenty days and at such other times as the Commission may designate, file with the Commission such information and reports about such assets as the Commission may request.

ENFORCEMENT

SEC. 104. (a) The Federal Trade Commission, in accordance with the rules, regulations, or orders it deems appropriate to carry out the purposes of this title, shall require each person covered by section 102 to submit within one year of the date of enactment of this title a plan or plans for divestment of prohibited assets. If, after notice and opportunity for hearings, the Commission shall find the plan as submitted or as modified by Commission order, necessary or appropriate to effectuate the provisions of this title and fair and equitable to affected persons, the Commission order, necessary or appropriate and shall take all necessary actions to enforce the plan: *Provided,* That no plan shall be approved which will not substantially accomplish divestment not later than five years from the date of enactment of this title.

(b) The Federal Trade Commission shall institute suits in the district courts of the United States requesting the issuance of such relief as is appropriate to assure compliance with this title, including orders of divestiture, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, the appointment of temporary or permanent receivers or trustees, civil penalties, and punitive damages for willful failure to comply with lawful Commission orders.

(c) In carrying out the provisions of this title, Federal Trade Commission is authorized to utilize all powers conferred upon it, and all sanctions associated therewith, by other provisions of law.

PENALTIES

SEC. 105. (a) Any person who knowingly or willfully violates any provision of this title shall, upon conviction, be punished, in the case of an individual, by a fine not to exceed $500,000 or by imprisonment for a period not to exceed ten years, or both, or in the case of a corporation or other entity, by a fine not to exceed $5,000,000 or by suspension of the right to do business in interstate commerce for a period not to exceed ten years, or both. A violation by a corporation or other entity shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation or entity who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part, or who shall have omitted to authorize, order, or do any acts which would terminate, prevent, or correct conduct violative of this title. Failure to obey any order of a court pursuant to this title shall be punishable by such court as a contempt of court.

(b) Any person who violates a lawful order of the Federal Trade Commission issued pursuant to this title shall forfeit and pay to the United States for each violation a civil penalty of not more than $100,000 which shall accrue to the United States and may be recovered in a civil action brought by the Commission. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey an order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

AID STUMBLING OVER ITSELF

Mr. CHURCH. Mr. President, when asked why I have changed from support of bilateral foreign aid to opposition I often cite a number of reasons: Entangling ourselves in the internal affairs of other nations, creating reliances detrimental to our long-term interests, or draining the Treasury at a time of national need, to cite but a few. Yet not the least of the reasons for my opposition is that we do not do it very well.

Lest we think the numerous cases of misspent resources are relics of the past I offer in evidence the recent report of the Inspector General of Foreign Assistance, Webster B. Todd, Jr., as reported in the September 18 New York Times, Mr. Todd says:

> AID is strangled in bureaucratic redtape.
>
> AID as presently constituted, cannot succeed in its mission. It is too fat, it is too inflexible and it is drowned in rationalizations that prevent accurate assessment of its effectiveness.

At a time when we are about to again consider the foreign aid program, I ask unanimous consent that the New York Times article on Mr. Todd's report be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 18, 1975]

TOP INSPECTOR SAYS AID IS STRANGLED IN REDTAPE

(By David Binder)

WASHINGTON, September 17.—The State Department's evaluator of foreign-assistance programs has charged that the Agency for International Development, "as presently constituted, cannot succeed in its mission" of administering American aid abroad.

This assessment was made in a confidential "action memorandum" to Secretary of State

Kissinger by Webster B. Todd, Jr., Inspector general of foreign assistance, after a trip to Ghana, Nigeria, Tanzania and Somalia.

In the memorandum, dated July 10, a copy of which was given to The New York Times, Mr. Todd said:

"It is my job, Mr. Secretary, to evaluate our assistance program. I have found them universally strangled in bureaucratic redtape.

"A.I.D., as presently constituted, cannot succeed in its mission. It is too fat, it is too inflexible and it is drowned in rationalizations that prevent accurate assessment of its effectiveness."

In a telephone interview, Mr. Todd described the memorandum as a "confidential internal working document, not an official document."

"It raises questions," Mr. Todd went on, "but does not go into sufficient detail to suggest changes of alternate courses of action. It is very much a working paper."

In his memorandum, Mr. Todd cited impressions gained in Tanzania as a starting point for his criticisms of the agency's operations.

Of the $1.5-billion in foreign-assistance appropriations at the disposal of A.I.D. in the fiscal year ending next June 30, $25.3-million is scheduled to be spent in Tanzana.

EARLIER CRITICISM

Mr. Todd is understood to have made similar criticism of A.I.D. operations on other occasions during the 18 months he has been inspector general, and he is said to feel that the style of criticism used in the current "action memorandum" is useful in dealing with the bureaucracy.

The document is addressed to Mr. Kissinger through Lawrence S. Eagleburger, the Deputy Under Secretary of State for Management.

Usually such notes are not distributed to A.I.D. officials or to the State Department's Bureau of African Affairs. Officials of both agencies said they had not seen the Todd memorandum.

Mr. Todd said his normal procedure was to follow up such a criticism with a "regular inspection" by one of his deputies.

FOLLOW-UP TRIP

A deputy inspector has just returned from such a follow-up journey to Tanzania and is expected to report in detail on the subjects raised by Mr. Todd.

A 37-year-old native of New York, Mr. Todd was a businessman before participating in the Committee to Re-elect the President in 1972, then served as a White House Presidential assistant.

His specific criticism of the assistance program in Tanzania dealt with a decade-old project for developing beef production among the Masai tribesmen.

Remarking that the Tanzanian Government intended to place a "government-owned and managed corporations" as a link between the Masai producers and the beef consumers, Mr. Todd described this as a "socialistic" injection "which ultimately works against increased production."

"The record s clear world-wde," the memorandum says, "that injection of the national government into the producer-consumer net leads only to inefficiencies, ineffectiveness, corruption and politicization of the process which ultimately works against increased production."

And yet, he said, the United States is attempting to give assistance "along these lines rather than insisting that free-market forces be allowed to exert themselves."

"When we have evidence from 20 years of experience that certain approaches don't work, why do we continue to pursue them?" the memorandum adds.

"What is it that keeps us from frank discussions with a recipient government, pointing out such a record, and keeps us from refusng to participate in projects with built-in self-destruct mechanisms?" it asked.

REMOVAL OF THE 60-CENT TARIFF ON IMPORTED OIL

Mr. PELL. Mr. President, I am delighted that President Ford has chosen to remove the tariff of 60 cents per barrel on imported petroleum products, such as heating oil, residual fuel, and gasoline.

The President's decision, announced this weekend and retroactive to September 1, certainly brightens the bleak prospects that had faced by own State of Rhode Island and the entire New England region this winter.

Administration officials have stated that the removal of this 60-cent tariff will result in an immediate drop of 1.5 cents per gallon on the cost of heating oil in our region and should result in a drop in electric rates, since residual fuel will now cost less. New Englanders could save a total of $8 million a month.

This is certainly welcome news. As I have pointed out continually since the tariff was announced in February, this fee, along with the $2-per-barrel tariff on crude oil, placed a particularly heavy and unfair burden on New Englanders because we had already been paying energy prices far higher than those in other regions.

Furthermore, the arguments that these fees and the resulting higher prices would encourage more energy conservation seemed less valid for our region because New Englanders have already established a record of conservation, particularly in consumption of heating oil and electricity, that is unequaled elsewhere.

The removal of the 60-cent tariff, though long overdue, is also welcome because it will help to insure adequate stocks of heating oil and residual fuel for this winter.

The administration's announcement also held out hope that the $2 per barrel tariff will be dropped. I certainly would urge the administration to do so immediately.

SENATOR CRANSTON ASKS PRIVATE SECTOR TO HIRE MORE VETERANS

Mr. HARTKE. Mr. President, last week the National Alliance of Businessmen—NAB—held a national Jobs for Veterans Conference here in Washington. The conference was attended by more than 100 Jobs for Veterans managers, representing the 130 metro offices of NAB.

On Tuesday, September 9, the senior Senator from California (Mr. CRANSTON) addressed the conference. Noting that "the Bicentennial year is no time to be cautious in setting realistic goals," the Senator called upon the alliance to honor the Bicentennial by getting "'1,000 veterans placed for every year of our Nation's liberty." I join my distinguished colleague on the Committee on Veterans' Affairs, which I am privileged to chair, in calling for NAB to up their goal to placing 200,000 veterans in jobs during fiscal year 1976.

Mr. President, I have worked closely with Senator CRANSTON the last 5 years to write meaningful veterans' employment laws, and I know he understands fully the plight of the jobless veteran and the urgent need for greater efforts by the administration to combat the disgracefully high rate of unemployment among young veterans. I believe my colleagues would find the Senator's remarks of value and I, therefore, ask unanimous consent that his remarks to the NAB Conference be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

THE JOBS FOR VETERANS CONFERENCE OF THE NATIONAL ALLIANCE OF BUSINESSMEN

I'm delighted to be with you this evening at the National Jobs for Veterans Conference of the National Alliance of Businessmen.

I have followed with keen interest your efforts to provide job training and employment opportunities for Vietnam-era veterans. As a member of the Senate Committee on Veterans' Affairs, which has jurisdiction over veterans legislation generally, and as a member of the Senate Labor and Public Welfare Committee, which has responsibility for job training and employment programs, I welcome this opportunity to meet with you and to exchange ideas.

The activities of the National Alliance of Businessmen demonstrate what the private sector can do in grappling with the social problems that continue to afflict the Nation. One of the most exciting elements of our manpower training efforts has been the activities undertaken by NAB.

Your efforts to date for Vietnam-era veterans are encouraging. In fiscal year 1975, the more than 60,000 participating businesses hired 155,386 Vietnam-era veterans. Of those veterans 4,420 were disabled. Since 1971 when NAB received the Presidential Mandate to focus efforts on providing employment opportunities for veterans, the total number of veterans placements has exceeded 700,000.

But our efforts must not be diminished. Indeed, as the Nation's reeling economy is beset by high unemployment and re-accelerating inflation, even greater efforts are essential to employ our veteran work force. With much concern, I note that the Alliance's FY 1975 goal of employing 200,000 Vietnam-era veterans was not met—a shortfall of 44,614 jobs. Based on that shortfall, NAB has set a lower goal of 160,000 jobs for FY 1976.

I need not remind you that during the second quarter of 1975, there were 585,000 Vietnam-era veterans out of work—more than three times the reduced target goal of NAB for FY 1976. No doubt there were thousands of others who were not even reported as unemployed because they became discouraged by the tight job market and gave up.

Although statistics for August 1975, released just last Friday, are a bit less dismal, showing a rate of unemployment for Vietnam-era veterans of 9.0 percent, we can take no comfort from that rate—representing 550,000 Vietnam-era veterans, actively seeking work.

The problems now affecting veterans stem in large measure from the problems affecting all Americans. Our country is sick with the worst economic recession in forty years.

Our younger Vietnam-era veterans are particularly hard hit by the downturn. For them, unemployment rates have been running 40 to 50 percent higher than for comparable non-veterans. In the second quarter of this year, 222,000 Vietnam-era veterans, 20 to 24 years of age, actively seeking work were unemployed—an unemployment rate of 21.4 percent. An alarmingly disproportionate unemployment rate—exceeding 30 percent—was suffered by young minority group veterans who were unemployed during this same period. This rate is almost four times that for the population as a whole.

Despite these shocking figures, the response of the executive branch has been sluggish at best, and we continue to be frustrated in our efforts to provide jobs. It was nine months ago that Congress enacted overwhelmingly, over the President's veto, the Vietnam-era Veterans Readjustment Assistance Act of 1974 which I co-authored with Senator Hartke, Chairman of the Veterans' Affairs Committee. We wrote into that law critical provisions to aid our newest generation of veterans in finding and advancing in jobs. The 1974 Act requires generally that those companies with federal contracts and subcontracts institute "affirmative action" plans for the hiring and advancement of qualified Vietnam-era and disabled veterans. Yet nine months later, the Department of Labor is only now preparing to publish its proposed regulations to carry out this law. Even then, it will be several months before these regulations become effective.

The 1974 Act further ordered the Secretary of Labor to develop specific performance standards for the "priority" services which must be given to veterans by all federally-funded State employment offices. For some time the law has required State employment services to "promptly place" an eligible veteran in a satisfactory job or job training opportunity or give him some other form of specific assistance such as counseling or job development.

Nevertheless, the most recent Labor Department data continue to reflect the fact that veterans are just not getting this priority. In fact, according to these Labor Department figures, veterans seeking employment assistance at State offices receive less counseling, less testing, and are less likely to be enrolled in a training program, than non-veterans. It was to remedy this situation that we amended the law last year to require more "definitive performance standards". Yet, here again, nine months later, no Department of Labor regulations have been issued to carry out this law.

To make matters worse, the General Accounting Office recently reported that on-the-job training slots specifically developed for veterans were going unfilled because neither the Veterans Administration nor the Department of Labor had any established procedures to recontact employers and to refer eligible veterans. One out of every four employers contacted told GAO investigators that they had a need for on-the-job trainees and would have accepted one or more qualified veterans had they been referred to them. Twenty-seven percent of the VA approved employers contacted said they never had a veteran participate in their program. Sixty-five percent of approved employers contacted had no veterans in training at the time of the GAO survey.

Thus, once again because of government inaction and the failure to systematically refer young unemployed veterans to available openings, vital training slots go unfilled in the face of staggering unemployment rates for veterans.

As if this were not enough, the Office of Management and Budget has recently said "no" to a minor request for funds to station veterans employment representatives at "one stop" VA assistance centers where there could be effective referral of veterans to job training slots. OMB also said "no" to a request for funds to implement a major outreach and public information program mandated by a law I authored last December, to try to ensure that veterans receive information about and expert help in obtaining job opportunities in the private and public sectors.

But this "horror story" of administration inaction is not ended yet.

The 1974 G.I. Bill amendments also require the Federal Government itself to carry out affirmative action plans to hire, place, and promote disabled veterans. Yet, a recent report on implementation of this statutory requirement shows that 16 federal agencies failed to submit plans for the hiring of disabled veterans at the time they were due. Four other federal agencies submitted plans which were found unacceptable by the Civil Service Commission. The law is being effectively ignored by many agencies that make up our Federal Executive Branch.

We in the Congress are going to keep doing our part, I pledge you that.

And I challenge you to continue to do yours, renewing your commitment to the cause of veterans employment.

Somehow, we must find a way to get the message across to the Executive Branch that the very Federal Government that called on these veterans to serve their Nation must take the lead in fulfilling our Nation's obligation to aid veterans to secure employment.

You, as representatives of the National Alliance of Businessmen, must play a key role in helping to get that message across, by being vocal, active, and involved advocates of efforts to create and provide jobs for veterans. Your workshops here in Washington can produce a valuable coordinated plan of action which can in turn yield important results.

Your contribution as catalysts between the government, the private sector, and the veteran, is an important one and your response must be rapid and massive. Nothing less will do.

So now I want to ask you to do three specific things:

First, set your FY 1976 veterans goal at the 200,000 placement level you set but failed to reach in 1975. As I said at the outset, this is surely no time to diminish efforts to help veterans. I know there are less jobs and less training opportunities in the present employment market. But I believe there are other realistic factors to help counter this.

I believe the Labor Department will shortly be issuing proposed regulations on contractor affirmative action programs and state employment service performance standards. The new regional veterans employment representatives are in place. The Veterans Employment Service, under a 1974 law I wrote, has been given an expanded role and a louder voice in departmental decision making. We have a new, committed, experienced V.E.S. Director in Ralph Hall.

I believe these factors can greatly enhance your efforts and vice versa.

Certainly the bicentennial year is not time to be cautious in setting realistic goals. Let's get 1,000 veterans placed for every year of our Nation's liberty.

Second, I ask you to work closely with the Labor Department and help us monitor their implementation of the new laws I've described. No new statute is ever any better than the vigor and foresight with which it is administered by the Executive Branch.

Third, the G.I. Bill OJT program offers particularly promising opportunities. Under it, a veteran with two dependents can receive $2,586 for the first 12 months to subsidize his reduced wage level during his training status. I ask NAB to appoint a special committee to work with the VA and Labor Department to help coordinate their efforts and to promote a much wider use of this program, in accordance with the GAO report findings.

I know that this means a lot of time and effort.

We are all being challenged greatly during this period of economic hardship.

But great challenges can produce great deeds.

I look forward to continuing to work with the National Alliance of Businessmen as we pursue our mutual goal and attempt to fulfill our national obligation of providing meaningful employment for all veterans.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the history of mankind is marred by tragic accounts of man's inhumanity to his fellow man through violation of fundamental human rights. The programs against the Jews in Russia earlier in this century were a genocidal attempt by that government to eliminate its Jewish population. Turkey's efforts to solve its "Armenian problem" resulted in 27 years of bloody horror and the death of 2 million members of the Armenian minority.

Most infamous of all was the systematic eradication of 6 million Jews and others by the Nazis in World War II.

Even in recent years, these tragedies are repeated as the world witnessed during the Biafran struggle.

The need for continued vigilance in the field of human rights is never-ending. Unfortunately, the Senate of the United States has not lived up to its responsibility in this area. In a study of U.S. action in the human rights area, Congressman DON FRASER and his International Relations Subcommittee discovered that the Senate has only taken action on a few human rights treaties. The vast majority of these treaties still await action.

The most embarrassing failure of all is with respect to the Genocide Convention. This treaty has been sitting before this body since 1949, when President Truman first submitted it for ratification. It has enjoyed the support of every President since that time and rightly so. It deserves the support of every Member of this body and I urge my colleagues to join with me in seeking prompt action so that we can reverse our dismal record in promoting human rights.

AMERICANS SHOULD BE INFORMED OF NATIONAL POLICY

Mr. BAKER. Mr. President, I invite the attention of my colleagues to an article that appeared in the editorial section of the New York Times on September 17. The author, Mr. Robert Mosbacher, was formerly a member of my staff and is now a student at the Southern Methodist University School of Law.

Although I am proud that a respected and affectionately held former staff member has articulated so cogently his point of view, my motive for asking that this article be inserted into the RECORD is that Mr. Mosbacher has reminded us that a most important question from the painful experience of Vietnam remains unanswered.

That question is whether this Government, or in fact any truly representative government, can embark with any credibility on a course of national policy without a full and comprehensive explanation of that policy and all of its possible ramifications to the people that Government represents.

Reserving the right to use nuclear weapons in a tactical environment is a matter of national policy. Indeed, it may well be that such is a desirable and viable alternative. If so, the desirability of preserving this option should be fully explained to the American people. As Mr. Mosbacher so persuasively argues, this explanation must be prospective, and not after the fact.

I think it has been abundantly demonstrated in recent years that no national policy can long be sustained without the knowledgeable and informed support of the American people. Without this support we will continue to suffer the divisiveness and distrust of the past decade. By fully informing the public on all the various policy issues, and by giving heed to its counsel, the formulation of national policy will be a unified effort—and if ever we ought to present the facade and the reality of "togetherness" in matters of national policy, it is now.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Sept. 17, 1975]

Nuclear Arms and the Stakes in Korea

(By Robert A. Mosbacher Jr.)

Dallas.—Several times in recent months, Defense Secretary James R. Schlesinger has indicated that the United States would resort to the use of tactical nuclear weapons if conventional forces failed to halt serious aggression in certain "vital parts" of the world. The two areas specifically mentioned were Europe and Korea.

Although many would understand the use of tactical nuclear weapons on the battlefield in Europe as a last resort to a Soviet seizure, the same cannot be said for Korea. The community of interests and vast cultural heritage we share with the Europeans simply do not exist with respect to Korea.

Nor can the Secretary's statements be dismissed as mere saber-rattling for the sake of deterrence. Rather, it appears there are two other goals of this rhetorical offensive: to reassure the South Koreans and our remaining allies in Asia and to re-emphasize that the United States genuinely has a vital interest at stake in South Korea.

What causes concern is the total lack of any effort by the Ford Administration to explain that interest to the American people.

Explaining now the need for the United States to actively assist in the defense of South Korea, even to the extent of using tactical nuclear weapons, would serve two important functions. First, it would avoid the distrustful pattern set during the Vietnam conflict in which seemingly arbitrary military action was taken repeatedly but explained only belatedly. Second, it could result in widespread public acceptance of our Korean commitment, which would help in persuading North Korea not to test our resolve.

This all assumes that a vast majority of Americans can be convinced of the wisdom of our current policy. It will be difficult, for we must overcome a natural intransigence on the part of many to any new military involvement in Asia.

Korea is different from Vietnam, where it became increasingly difficult to assure anyone that the fall of the country would have a serious and lasting impact upon the United States. It is different because of the repercussions a Communist victory would have upon our Asian allies and the strategic balance.

The most profound impact would be felt by Japan. Since the end of World War II, the Japanese have forsaken military might for reliance upon a mutual-security agreement with the United States and our nuclear umbrella.

In the ensuing 30 years, Japan has made remarkable economic progress and a majority of her people now adamantly oppose rearming. Their opposition is more practical than self-serving for not only would Japan have to rearm to the hilt in order to adequately effect a policy of deterrence, but would also have to do so without provoking her Asian enemy of long-standing, the Soviet Union. A move to rearm would be incredibly divisive, not to mention expensive, and it is for those reasons that Japanese leaders have strenuously sought to avoid the issue by continuing their alliance with the United States.

All of that would most likely change were South Korea to fall to the Communists. Regardless of whether we maintained and reconfirmed our commitment to Japan, faith in that commitment, which has already begun to erode, would evaporate. Out of absolute necessity cries for rearmament would be heard throughout Japan.

The Communist and Socialist parties would propose "accommodation" with the major Communist powers as a less-costly, divisive and dangerous recourse to rearmament. Accommodation is a polite phrase for a partial surrender of sovereignty in return for pledges of nonbelligerency.

Although such an alternative might appear attractive in the short run, it would surely ripen into economic and political blackmail. The impact upon United States-Japanese economic relations could be devastating. The Soviet Union might gain the one capability that enables the United States to maintain strategic parity at a fraction of the cost: advanced technological expertise.

The Japanese people would be caught in the middle between proposals to rearm and arguments for accommodation. Relative internal stability could quickly turn into complete chaos with the Communists and Socialists the probable victors.

A second possible result of a Communist victory in Korea involves our European allies. Knowing that the United States had abandoned Korea, despite the destabilizing effect upon Japan and the strategic balance, many would conclude that America's word was no longer credible.

Europeans who remained stanchly anti-Communist would urge sharply increased individual and collective-defense capabilities. It would be difficult to afford, though, for it would require diverting funds from burgeoning social programs whose costs were already out of control. Alternatives to the reallocation of funds would be offered and prominent among them would be accommodation.

In European governments where Communists are well-represented in the legislative bodies or cabinets, it could be very difficult to avoid accommodation and there would be little the United States could do.

And finally, there is the possible effect of a North Korean victory upon the Sino-Soviet situation. Although the North Koreans historically have relied more heavily upon the Chinese than the Russians, there can be no doubt that in the event of renewed fighting, the Russians would attempt to gain as much influence as possible to the detriment of China.

It is that possibility that has prompted the Chinese to urge the maintenance of American troops on South Korean soil as a deterrent to war and as a means of containing Soviet influence.

China fears that the Russians would attempt to trade weapons for the right to station Soviet forces in North Korea along an additional 350 miles of Chinese border. The question then would become how much encirclement is Peking willing to witness before it feels compelled to take military action.

My point is not to cause alarm by describing such a grim spectacle. Indeed, no one can say with any degree of certainty that the events in the wake of a North Korean victory would evolve as I have suggested.

Nevertheless, I believe it is possible, and in the case of Japan probable. For that reason, it behooves the Ford Administration to explain what is actually at stake in Korea now and why the use of tactical nuclear weapons may be necessary.

By doing so, it perhaps can gain the support of the American people necessary, if not to deter an attack, then at least to meet it both militarily and diplomatically with the full force of public opinion.

RECESS UNTIL 1:30 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1:30 p.m.

There being no objection, the Senate, at 12:43 p.m., recessed until 1:30 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. Stone).

The PRESIDING OFFICER. Is there further morning business?

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 8069, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on agreeing to the perfecting amendment by the Senator from West Virginia (Mr. Robert C. Byrd) to the amendment by the Senator from Pennsylvania (Mr. Hugh Scott) and the Senator from Minnesota (Mr. Humphrey).

Under the previous order, the Senator from Alabama (Mr. Allen) is recognized.

Mr. ALLEN. I thank the Chair.

Mr. President, what the Senate has before it at this time is the appropriations bill for the Departments of Labor, Health, Education, and Welfare, a bill providing for the appropriation of some $36 billion.

Under the rules of the Senate, an appropriations bill cannot be amended to add legislation. It can be amended by increasing or decreasing the amount appropriated, and under the rulings in the

Senate it can be amended by adding words of limitation, so long as they do not rise to the point of being legislation.

So that last week, the distinguished Senator from Delaware (Mr. BIDEN) introduced an amendment which was cosponsored by the distiguished Senator from North Carolina (Mr. HELMS), the distinguished Senator from Texas (Mr. TOWER), the distinguished Senator from Georgia (Mr. NUNN), the distinguished Senator from Texas (Mr. BENTSEN) and the distinguished Senator from South Carolina (Mr. THURMOND).

This amendment, which was adopted by the Senate, provided words of limitation on the manner and method by which funds appropriated by the bill could be expended. It provided, in very simple language, as follows:

> None of the funds appropriated under this Act shall be used to require any school, school system, or other educational institution, as a condition for receiving funds, grants, or other benefits from the Federal Government, to assign teachers or students to schools, classes, or courses for reasons of race.

So, Mr. President, the amendment did not offend against the rule proscribing that there shall be no legislation on an appropriation bill. It merely stated, as words of limitation, what the funds could not be expended for, and, therefore, the amendment was in order. It was adopted by the Senate and is now part of the bill.

Then, Mr. President, on the following day, an amendment was offered by Mr. HUGH SCOTT, amendment No. 901, for himself, Mr. HUMPHREY, Mr. BROOKE, Mr. JAVITS, Mr. CRANSTON and Mr. MATHIAS, that adds further words of limitation but in another category.

This amendment provides that:

> None of the funds contained in this act shall be used in a manner inconsistent with the enforcement of the 5th and 14th Amendments to the Constitution of the United States and title 6 of the Civil Rights Act of 1964.

What is new, Mr. President, about that contrary to the 5th and 14th amendments and contrary to title 6 of the Civil Rights Act of 1964? This amendment is also an amendment of prohibition or a limitation. For the legislative history, I will state that it does not in any way alter the force and effect of the Biden amendment because both are amendments of limitation or prohibition.

We find, Mr. President, in the bill itself other categories ticking off methods or purposes for which funds cannot be expended.

Section 207, on page 44 of the bill, reads:

> No part of the funds contained in this title may be used to force any school or school district which is desegregated, as that term is defined in title 4 of the Civil Rights Act of 1964, to take any action to force the busing of students; to force on account of race, creed or color the abolishment of any school so desegregated—

And on and on.

I use this merely to illustrate that the Biden amendment and the Scott-Humphrey amendment are merely separate and distinct amendments constituting prohibitions on the manner in which funds appropriated by the act shall be expended, neither one supplanting the other, but each to be read, you might say, in pari materia with the other sections of the bill.

So there is a field of operation for the Biden amendment and there is a field of operation for the Scott amendment, just as there is a field of operation for section 207 and there is a field of operation for section 208:

> No part of the funds contained in this title shall be used to force any school or school district. . . .

And on and on.

For each of these two amendments, the Biden amendment which has already been adopted, and the Scott amendment, though it survived a tabling motion by a vote of only 42 to 44, there is a field of operation. There is nothing in the Scott amendment that vitiates the provisions of the Biden amendment. They each can stand on their own two feet, each having a field of operation. The Biden amendment is:

> None of the funds appropriated under this Act shall be used to require any school, school system, or other educational institution, as a condition for receiving funds, grants, or other benefits from the Federal Government, to assign students to schools, classes, or courses for the reason of race.

I will just set that apart over here and that becomes a part of the law. I will get down to other amendments and the Scott amendment later.

In the event the Scott amendment should be adopted, this merely adds another set of limitations or prohibitions on the use of the money, in no way vitiating, destroying or altering the provisions of the Biden amendment.

Let us see if that is correct. It adds to section 209 the following words:

> None of the funds contained in this Act shall be used in a manner inconsistent with enforcement of the Fifth and Fourteenth Amendments to the Constitution of the United States and title VI of the Civil Rights Act of 1964.

It just goes one step further. The Biden amendment says none of the funds shall be used to force the assignment of teachers or students on the basis of race and this one goes a step further and says:

> In addition to that, no funds shall be used in a manner inconsistent with the fifth and fourteenth Amendments to the Constitution and title VI of the Civil Rights Act.

The Biden amendment does not provide for the spending of anything at all. It merely provides that no funds shall be expended for a certain purpose. The Scott amendment goes one step farther and, in effect, says:

> In addition to what the Biden amendment provides, this amendment provides that none of the funds shall be spent in violation of Amendments 5 and 14 of the Constitution and title VI of the Civil Rights Act of 1964.

So, Mr. President, I point these things out as a matter of the legislative history to show that even if the Scott amendment is adopted, it will not have one bit of force and effect, it will not effect any change whatsoever, in the terms of the Biden amendment, both having a field of operation.

Then the distinguished Senator from North Carolina (Mr. HELMS) introduced, as a substitute for the Scott amendment, amendment No. 902, providing that "none of the funds appropriated under this act"—following the same formula as the Biden amendment and the Scott amendment, because, while we cannot legislate by an amendment to an appropriation bill, we can limit or prohibit, contain, or restrain the use of funds—

> None of the funds appropriated under this Act shall be used to require any school, school system, or any educational institution, as a condition for receiving funds, grants, or other benefits from the Federal Government, to treat teachers or students differently for reasons of the race of such teachers or students; or to classify teachers or students by race with respect to school, class, or course assignments.

This is offered as a substitute for the Scott amendment and would be the pending question but for the fact that the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) offered a perfecting amendment to the Scott amendment.

Mr. President, some feel that the rules of the Senate are technical, that sometimes possibly there is not too much logic to the Senate rules; but I maintain that there is great logic to the Senate rules and the procedure with respect to amendments.

The distinguished Senator from Pennsylvania (Mr. HUGH SCOTT) offers his amendment. Then, from the floor, comes the Helms amendment (No. 902), which, if adopted, would swallow or wipe out all of the provisions of the Scott amendment, and would then become the pending question, and, since it is a substitute for that amendment, would, if adopted, be the end of the road. That would be the last amendment, because the Senate, in its wisdom, decided to substitute that for the first-offered amendment.

But the rules provide that when there is an amendment pending, and then a substitute for that amendment, that before we have to decide between the two, and decide whether we take the substitute and thereby wipe out other amendments, we can first see if we cannot perfect the original amendment to make it more palatable in sustaining the assault, so to speak, from the substitute amendment.

That is exactly what happened here on the Senate floor last Friday. The distinguished Senator from West Virginia offered an amendment, now cosponsored by himself, the Senator from Virginia (Mr. HARRY F. BYRD, Jr.), the Senator from Florida (Mr. CHILES), the Senator from Kentucky (Mr. FORD), the Senator from North Carolina (Mr. HELMS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Georgia (Mr. NUNN), the Senator from Florida (Mr. STONE), the Senator from Georgia (Mr. TALMADGE), the Senator from Delaware (Mr. BIDEN), and the Senator from Alabama (Mr. ALLEN).

This amendment is not a substitute; a substitute would not be in order, because there is already one substitute pending. But it is a perfecting amendment to the original Scott amendment, and the agreement to or rejection of this perfecting amendment would have an extremely large and important bearing on whether or not the substitute offered by Mr. HELMS could be adopted. Because what does it do? It takes the first few words of the Scott amendment, "None of the funds contained in this Act shall be used"—it adopts, in other words, all of the Scott amendment down to and through the word "used"—but then it puts in an entirely different set of words of prohibition or limitation.

What does the Byrd amendment say the funds shall not be used for? "To require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with title VI of the Civil Rights Act of 1964."

One might say, Mr. President, that this amendment is a "neighborhood schools amendment." It would limit the use of funds appropriated under this act by saying that none of such funds should be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest his home, and which offers the courses of study pursued by such student in order to comply with the Civil Rights Act of 1964.

So, Mr. President, the "neighborhood school amendment" is the amendment now pending before the Senate.

On Friday, the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), on offering his amendment, immediately stated that he was not offering the amendment for the purpose of prolonging the discussion on this bill, but that he was ready to vote on his amendmend 1 hour later. This was last Friday; to vote on it 1 hour later, and he asked unanimous consent that the amendment be voted on 1 hour later. Objection was made.

Then he asked unanimous consent that the amendment be voted on at 5 p.m., Friday afternoon. There was objection to that certainly reasonable request.

The distinguished Senator from West Virginia has stated that all he wants is a definite time set for a vote, as is said here in the Senate, up or down on his amendment, that is, voting for or against his amendment on the merits and not voting on some parliamentary motion that would be offered to the amendment. In other words, let Senators say whether they are for the amendment or against the amendment.

I might state, Mr. President, that except by an agreement this amendment has to be disposed of before the Senate can proceed further on this matter.

The distinguished Senator from West Virginia was required to be absent from the Senate during the early hours of the session today, though he will probably return to the Chamber between 4 or 5 p.m. this afternoon.

I do not want to prolong debate on the amendment. The distinguished Senator from West Virginia shows enough confidence in the Senator from Alabama that he requested that the Senator from Alabama discuss this matter until such time as an agreement would be reached on a time for a vote. Inasmuch as it is uncertain as to when the Senator from West Virginia (Mr. ROBERT C. BYRD) will be back in the Chamber, he has requested that the vote not occur until tomorrow and that a 1-hour period be set aside for the discussion by both sides, an hour equally divided by both sides of the question, that no motion to table be made, and that Senators take a position with respect to his amendment.

I am somewhat surprised that an agreement was not made to allow the distinguished Senator from West Virginia, a member of the leadership, to have his amendment voted on up or down.

If the Senator from Alabama had made that request, he would not have been surprised if objection from some source might have been made. But the distinguished Senator from West Virginia, who is so very accommodating to every Member of the Senate in trying to work out time agreements, postpone consideration of measures until Senators are in the Chamber, in all sincerity has offered a most important amendment. As far as I know, that is the only request he has ever made, within my memory, of any special consideration with respect to any legislation that he has offered, and he asked only that a time be set for voting on his amendment and that the Senate proceed to vote on it.

What is so bad about that?

Why this objection to voting up or down on an important amendment such as this? That is something that escapes the Senator from Alabama.

The same question is involved. Either the Senate is for it or they are against it. Call the roll and see where they stand.

But, no, an agreement has not been forthcoming for the setting of a time and agreement that a vote may be had up or down on the amendment.

Now, at such time as such an agreement is made, there will be no further discussion from the Senator from Alabama with respect to this amendment.

But he does feel that the request of the Senator from West Virginia, requesting a vote on his amendment at a given time and without intervening motion, should have that request honored.

At such time as an agreement can be made, we can proceed to the other features of this bill. As the Senator from Alabama has stated and as has been stated by the distinguished chairman of the committee and floor manager of the bill, some $36 billion are involved here, and we are off on a collateral issue. But it is an important issue, and it ought to be voted on.

Is there a feeling that Senators might vote differently when the question is presented on one way and voted another way when the question is presented in a different fashion? It would seem to the Senator from Alabama that the votes should be identical. The Senator from Alabama would vote "no" on a motion to table. He would vote "aye" on the amendment. But that is not what the Senator from West Virginia requested. He requested that this amendment, that he has offered, be voted for or against by the Members of the Senate.

Each day the Senator from West Virginia makes agreements here in the Senate or suggests agreements and works between the parties, reaches agreement between conflicting views, and agreements are made that will expedite the work of the Senate. But when he offers an amendment, asks that a time be set for passing on it, and that there be a vote up or down on the amendment, what happens? The simple request is not honored.

Mr. President, it seems to me that it would only be fair that such an agreement be entered into.

A little later on, Mr. President, after this matter has been disposed of, the Senator from Alabama expects to offer an amendment that will reduce by $1 billion the amount appropriated by this bill. It would take a reduction of somewhat less than 3 percent in the various amounts appropriated to accomplish a reduction of $1 billion in the amount appropriated, and with the Federal deficit reaching out toward $80 billion for this fiscal year, it would seem that the saving of $1 billion is certainly a result that would be beneficial to the Treasury and to the taxpayers.

Mr. MAGNUSON. Mr. President, will the Senator from Alabama yield for a question, before he gets into that phase of the subject?

Mr. ALLEN. I will yield for a question.

Mr. MAGNUSON. Without the Senator losing his right to the floor.

Mr. ALLEN. Yes.

Mr. MAGNUSON. There has been a great deal of discussion, of course, on the so-called busing amendments. The Senator has discussed them in the forepart of his speech. I am a little confused, and I think the Senator from Massachusetts and the other members of the committee will be, because there is in the bill, as the Senator well knows, section 207.

Mr. ALLEN. Yes. I read that.

Mr. MAGNUSON. And section 208. Both sections deal with busing.

I hope the Senator will take a look at those sections. Will the Senator state whether any of these amendments repeal sections 207 and 208 and insert in lieu thereof an amendment which may or may not be agreed to by the Senator?

Otherwise, we will have two busing provisions in the bill which may be contrary to one another. I do not think any of the amendments that have been proposed, including the Biden amendment, have clarified whether or not sections 207 and 208 should be repealed.

Mr. ALLEN. Sections 207 and 208—if the Senator will refer to those sections—refer to schools or school districts which are desegregated, as that term is defined in title IV of the Civil Rights Act of 1964.

Mr. MAGNUSON. Section 207.

Mr. ALLEN. Section 207 has that in it, as does section 208. That is as to schools that have been desegregated. The Biden amendment and the Helms amendment have application to school systems, whether or not there has been desegregation. So there are two different fields of operation here, I say to the distinguished Senator.

Mr. MAGNUSON. So the Senator from

Alabama suggests that, if whatever busing amendments we have been discussing are adopted, they would not be in conflict with sections 207 and 208. This is language the House put in, and we left it in. We did not discuss it any further. But the Senator does not think they are in conflict?

Mr. ALLEN. No. I think it is field operations for both. One is as to all school systems——

Mr. MAGNUSON. We were a little concerned as to what these amendments were to do with respect to the busing amendment that is now in the bill. It was in the House language, and we accepted it and brought it to the floor.

Mr. ALLEN. Of course, these provisions, sections 207 and 208, are meaningless, because they apply to schools that already are desegregated. Naturally, there would not be any busing orders in such schools because they already have them.

Mr. MAGNUSON. I wish the House would think they were meaningless, but they insist on these two sections.

Mr. ALLEN. I am sure the distinguished chairman thought they were meaningless, or he would not have left them in the bill.

Mr. President, I was stating that, when the present amendments are disposed of—that is, the limitation on the expenditure of funds appropriated by this bill, as to forcing the assignment of students or teachers—the Senator from Alabama has an amendment that he hopes will be adopted which would save $1 billion on the amount appropriated by this bill.

Is that a reasonable amount? Page 1 of the committee report says that the bill as reported to the Senate is over the estimates for 1976 by $1,108,000,000. So it still would be more than $100 million above the estimates.

This bill, I also point out, is $286 million above the House figure.

I also point out this fact: On the desk of each Senator is a copy of a letter bearing a stamp that reads "From the Office of Senator HUGH SCOTT, Republican Leader"; and it is on the stationery of the Secretary of Health, Education, and Welfare, signed by David Matthews, Secretary.

Mr. President, I am proud of the work and the record of the distinguished Secretary, who is from my home State of Alabama, a man who gave up the presidency of the University of Alabama to accept the challenge for meaningful public service by becoming Secretary of Health, Education, and Welfare.

At the time he was nominated and was awaiting confirmation—he was approved unanimously in this body—I told him if he wanted the position, I was for him, and I am for him. But I question his wisdom or judgment in giving up the presidency of the University of Alabama to take this well-nigh impossible job involving this tremendous, unmanageable conglomeration of agencies and functions. I believe he will do an outstanding job as Secretary.

His very first recommendation that I know of—certainly, his first to Congress—makes sense. He wrote Senator HUGH SCOTT. This is not divulging any private correspondence, because a copy of this letter is on the desk of each Senator, with Senator SCOTT's rubber stamp on it—not rubber stamp of approval, necessarily, but a rubber stamp showing that he was transmitting the letter.

Secretary Matthews wrote:

> I want briefly to provide you with my views on H.R. 8069—

That is the bill we have before us today.

> the fiscal year 1976 appropriations bill for the Departments of Labor, Health, Education, and Welfare, and related agencies. I believe the amount of money in that bill is excessive in today's difficult fiscal times.

Wait a minute. What is it that the Secretary said? Here is the Secretary of Health, Education, and Welfare, who says, "Why, you are appropriating too much money for my Department."

My, my. The Secretary is new in Washington, Mr. President, to make a statement such as that. He takes issue with the fact that this bill appropriates too much money to his Department.

Well, now, I do not recall many other Secretaries coming in and saying, "You are appropriating too much money for my Department." Usually, they come in and want a few extra billion dollars inserted in the bill. Here is the former president of the University of Alabama—I shall not say naive enough, I shall say using the good judgment—to comment on this staggering sum that is appropriated under this bill. How much is it before we get through amending it here on the floor? The sum of $36,265 million. That does not take into account, I believe, Mr. President, the fact that the public service jobs appropriation and the appropriation for unemployment benefits were both on a 2-year appropriation basis and that no further appropriation is required this year to cover those programs, because the appropriations were made last year for last year and this year.

Actually, then, it would run very near to $40 billion, if I mistake not, if the second half of these 2-year appropriations were taken into account—because, Mr. President, the 2-year appropriation in 1975 fiscal year for unemployment benefits was $5.7 billion and public service jobs $2.5 billion.

Although I am not a member of this committee, just at first blush, I should say if we add those two figures together, we will get $8.2 billion. That is how much was appropriated last year for the 2 years. If we divide that by two, we would have $4 billion more to add to this $36 billion. I could be wrong on that, but I dare say if I am, I shall be challenged. That would be the arithmetic of the Senator from Alabama. It really is not a $36 billion bill, it is a 40 plus billion dollar bill.

So, Mr. President, I say that saving a mere billion dollars on a $40 billion appropriation is a mere bagatelle. It is 2.5 percent of the $40 billion appropriated under this bill and under the legislation of last year.

Let us go on and see what Dr. Matthews says about this appropriation:

> The total bill exceeds the President's January budget by more than $1 billion. For HEW, it is more than $900 million over the budget.

I assume from that that each department gets up a budget, submits it to the President, and the President then comes out with his budget, which is the sum total of all of the departments' budgets as revised and altered by the OMB. But he says that the total bill exceeds the President's January budget by more than $1 billion, and for HEW, it is more than $900 million over the budget.

So it looks as if we can draw an inference from the letter. Going back to the letter, it looks as though HEW had a budget and the Senate bill exceeds that budget by $900 million and it exceeds the Presidential budget by more than $1 billion. All that my amendment—which I trust we shall get to in due course—seeks to do is retrieve $1 billion of this escalation in the appropriation. I hope it will be adopted. I do not believe that a reduction of 2.5 percent in these various items will cripple the Agency a great deal.

Now let us go back to Dr. Matthews' letter: "These expenditures"—expenditures provided by this staggering appropriation bill—

> These expenditures are proposed at a time when the overall fiscal picture of the nation demands an even greater restraint on spending than in those prior years when the Congress appropriated more for health and welfare than requested by the President.
>
> The President has drawn the line on the budget deficit for FY 1976 at $60 billion.
>
> On May 14, Congress drew its own line at $69 billion.
>
> Congress' own July 21 budget scorekeeping report estimates a possible deficit of over $83 billion.

This little amendment that I plan to offer—it seems strange to talk about a billion dollars as being a little amendment, but when it is stacked up against a deficit of $83 billion, it becomes quite insignificant indeed. But this amendment that we will be offering will at least save the taxpayers a billion dollars at a time when our country is in a critical financial condition, at a time when we know that these tremendous Federal deficits that we are having serve only to add fuel to the fires of inflation. If we can save a billion dollars here and a billion dollars there and a billion dollars somewhere else, we might find that we will have a combined saving somewhere along the line of several billion dollars.

Mr. President, in further support of this amendment that I have reference to, I quote further from Dr. Matthews' letter:

> I recognize that some of the increase over the budget would, on their merits, be money well spent. We must, however, view the work of this Department in the context of the many other legitimate demands on Federal, State, and local funds.
>
> In some instances, moreover, the merits of the additional spending are questionable. For example, I think that there is a consensus among medical researchers that the expenditure of more than $800 million for cancer research is not justified if we are to maintain a balanced biomedical research program. The Senate has added $100 million more for cancer research than is contained in the House bill which is already more than $100 million over the proposed budget.
>
> We are at a point where we believe the fight against inflation can be won. Increased Federal spending such as is contained in

> H.R. 8069 could well tip the balance in the wrong direction. To do so will hurt the beneficiaries of this Department's programs far more than they will be helped by the additional money in this bill.

It is our view, therefore—

Dr. Matthews talking, the Secretary of Health, Education, and Welfare—

> that the best course of action would be for the Senate to return the bill to the Appropriations Committee with instructions to make significant reductions.

Well, Mr. President, feeling that the Senate probably is not going to send this bill back to the Appropriations Committee, and feeling it might have some little better chance of getting the bill reduced here on the floor, I will, at the proper time, offer an amendment that would cut $1 billion pro rata from the various amounts appropriated by the bill.

A cloture motion has been filed here on this bill. They do not want to discuss this thing at length, this $36 billion bill and, as I said, counting the appropriations made last year, that continues over this year, so it is a $40 billion bill. So it would be actually incorrect to say it is a $36 billion bill when actually it is a $40 billion bill.

Do we have free and unlimited discussion on this bill? Well, they filed a cloture motion just Friday. I believe that it had been under discussion 1 day before that, but they are going to gag the Senate and say we are going to cut off debate, we cannot discuss it any longer.

That matter is going to come up for a vote tomorrow. If I had to guess as to what is going to happen on it, I would predict the Senate is not going to gag itself on that bill. The Senate is going to allow a little free discussion of this bill involving $40 billion.

Mr. LONG. Mr. President, will the Senator yield for a question at that point?

Mr. ALLEN. Yes, I would be glad to.

Mr. LONG. Might I just submit the problem that troubles the Senator from Louisiana is that when we approach cloture on this bill is it not so that those of us who do not serve on the Appropriations Committee cannot be expected to have the familiarity with all the various considerations that went into recommending what is before us that are available to those who served on the committee and put the bill together?

Mr. ALLEN. That certainly is true.

Mr. LONG. Well, now, as we go through the bill and hear the various suggestions made in ways that the bill could be improved or ways that the bill might fail to meet the objective of statesmanship, is it not possible some of us who do not serve on the committee might have some thoughts about ways that the bill could be improved, for better or for worse?

Mr. ALLEN. I think it is entirely likely, and I think each Senator ought to have an opportunity to make some input into this staggering bill.

Mr. LONG. Now, in the event that one of us should think of something that might improve the bill, either on the high side or low side or with regard to some restriction in the way that the funds would be spent or even something that should be added to the bill in the way of appropriations, once cloture has been voted would we not then be foreclosed from offering our amendments to improve the bill?

Mr. ALLEN. That certainly is correct. You would be limited to whatever amendments——

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ALLEN. Let me answer the question.

Mr. MAGNUSON. Yes.

Mr. ALLEN. You would be confined to amendments at the desk, and it takes unanimous consent even to get those eligible for consideration unless they have been read. Just my own looking at this bill a few moments ago disclosed the fact that it is not a $36 billion bill but it is a $40 billion bill because they are not figuring into the amount shown here a carryover of appropriation on two items last year that add some $4 billion to the bill, as the Senator from Alabama understands it. If he is wrong, he can be corrected.

Mr. MAGNUSON. Mr. President, will the Senator yield to me?

Mr. ALLEN. For a question only; yes.

Mr. MAGNUSON. I am very glad that we are discussing the money part of the bill. I hope to have a full discussion on the money parts of the bill. We wanted to get the busing thing out of the way and then get down to what the bill is all about.

Mr. ALLEN. I yield only for a question I will say to the distinguished Senator from Washington.

Mr. LONG. Are we to understand the cloture motion is limited only to the busing amendment?

Mr. MAGNUSON. Yes; I believe that is correct.

Mr. ALLEN. Senator, I will have to beg his pardon for pointing out that he is incorrect. I have a copy of the cloture motion in my hand and it says:

> We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 8069, the Labor-HEW Appropriation Bill for 1976.

So it is directed against the whole bill, I will have to advise the Senator.

Mr. MAGNUSON. Well, if that is the case, we understood the cloture motion—it was Friday when we filed it—dealt with the busing provision.

Mr. ALLEN. Yes, I yielded only for a question, and I will have to tell the Senator that I will yield no further.

Mr. MAGNUSON. Is it true——

Mr. ALLEN. No, sir; I will yield for a question only.

Mr. MAGNUSON. Is it true that the cloture motion first filed deals with the whole bill?

Mr. ALLEN. This was filed on September 19, 1975, and it deals with the whole bill. I have a copy in my hand.

Mr. MAGNUSON. I may consider voting against that myself because I want a full discussion.

Mr. ALLEN. I thought the Senator would. That is the reason I was commenting on the fact that we were being gagged here under the provisions of cloture.

Mr. MAGNUSON. Well, I want a full discussion of the money provisions of this bill.

Mr. ALLEN. I would be willing at a later time, when the Senator from Alabama yields the floor, and I hope the Senator will ask unanimous consent to withdraw this cloture motion, and the Senator from Alabama would not object. But I yield no further. I yielded only for a question. I must proceed with my discussion because I have a lot of ground to cover.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. ALLEN. Yes, I will yield for a further question.

Mr. LONG. If we are going to be asked to vote for a cloture motion which would apply to the entire bill, would not that present then—and if that is what is before us would that not then present—the problem the Senator from Louisiana speaks to, that someone might point out the defects in the bill which could be corrected by amendment or else someone might offer an amendment which might be meritorious on a $40 billion bill insofar as the amendment goes, but it might leave much to be desired, and would we not then be left in a situation where we could not improve upon the amendment or improve upon the bill because those of us who do not serve on the Appropriations Committee could not conceivably have had the foresight to have anticipated what an amendment might be before we had a chance to have it discussed?

Mr. ALLEN. That is right. There could be no amendment to an amendment. It would have to be up and down on the amendment or else on a motion to table.

Mr. MAGNUSON. Mr. President, will the Senator yield for another question?

Mr. ALLEN. Yes.

Mr. MAGNUSON. As the Senator knows, the chairman of the subcommittee has not participated in this debate on busing at all.

Mr. ALLEN. That is correct.

Mr. MAGNUSON. I am going to vote as a Senator from the State of Washington in the way I please on the busing amendment, but even though I do not think it belongs on this bill, I am going to let the Senate work its own will. Does the Senator think that is the best way to do it?

Mr. ALLEN. I think the distinguished Senator from Washington has acted with every conceivable and admirable degree of propriety with respect to the bill, and I commend him for that.

Mr. MAGNUSON. Does the Senator realize that the Senator from Washington would be the last person, even though I did join in the cloture motion when we were talking about busing, to knowingly want to prevent full discussion on the money part of this bill? That is what this bill is all about. It is a big bill; it is a complex bill. I do not want any gag rule on discussing the money items in this bill, because we might get some good amendments that will make the bill more palatable because, apparently, the Senator's colleague from Alabama suggests it might be vetoed. Of course, that is not new for the Senator from Washington. I have been vetoed at least five times.

Mr. ALLEN. Is the Senator through with his question?

I hate to be technical with the Senator, but I must insist that he confine his remarks to a question. If the Senator is through, I would like to proceed.

Mr. MAGNUSON. I wanted my position clearly understood.

Mr. ALLEN. I understand the Senator's position, I have no quarrel with it. I am glad that I was able to point out to him that the cloture motion is directed against debate as against the entire bill. I thought that was unwise and I did not feel that the Senator from Washington would be a party to any such move.

I am delighted to hear from his own lips that he would not be a party to any such effort and that he will vote against this cloture motion, if it is still before the Senate tomorrow. I am hopeful it will be withdrawn between now and then.

Mr. President, discussing further the size of this appropriation at $40 billion, we have to read some of the fine print, it seems to the Senator from Alabama, being unfamiliar with statistics. On the front of the bill it speaks of amount of comparable appropriations for 1975, $43 billion, and this bill, $36,265,000,000, and just at first blush it would look like they were cutting down about $7 billion on the appropriation.

The Senator from Alabama knew that could not be. Whoever heard of cutting an appropriation $7 billion, unless possibly it is the appropriation for the Defense Department, that would have a pretty good chance here in the Senate.

But the explanation given by able members of the staff at my request points out that a substantial portion of this decrease—that is, from the $43 billion in 1975 and the $36 billion in this fiscal year—is the result of a 2-year appropriation, we know that we generally appropriate just for 1 year, a 2-year appropriation in 1975 for unemployment benefits of $5,700,000,000 and public service jobs $2.5 billion.

So as I pointed out earlier in my discussion, this 2-year appropriation amounted to $8.2 billion and since that was for 2 years, half last year and half this year, obviously it would have to add $4 billion to this $36 billion, and I assume—and I will stand corrected if I should happen to misstate it—we would have to take away $4 billion from the amount shown here as to the 1975 appropriation, which says here $43,307,000,000.

It is true, they appropriated last year an extra $8 billion, but half of it for last year and half for this. So, to get a real, true picture, we have to take page 1 of the report here—and I am not stating that there is anything misleading about it, but for someone not used to examining statistics, he would have to look at it the second time to catch up—and one would have to take $4 billion off last year, as the Senator from Alabama would construe it, and then add $4 billion to 1976.

Instead, as this first page says, of this bill being $7 billion less than the appropriations last year, actually it is more than the appropriation last year.

That is just how confused one can get looking at figures. Instead of being $7 billion less than last year, it is more than last year, as I read these figures. The chairman of the committee is here and if I misstate the facts I am sure he will have the opportunity eventually to correct them.

A cloture motion was filed as to the bill. The distinguished chairman of the committee, the distinguished senior Senator from Washington, is entitled to a great deal of credit for the hard work and dedication he puts into his chairmanship of that committee and his chairmanship of the subcommittee of the Appropriations Committee. I have always appreciated the fair manner in which he has handled bills which he has managed here on the floor. He has given every Senator an opportunity to make input into the bill and, as the amount provided in the bill goes higher, higher, higher, higher, by every amendment offered here on the floor, he has cautioned and cautioned and cautioned that the bill is getting out of hand and urges Senators to hold their requests for amendments in line in order that the bill might stand some chance of being approved by the President.

Being realistic, I feel reasonably sure that this bill at some stage of the proceedings will pass, with or without meaningful antibusing amendments.

I do not believe cloture will be adopted on tomorrow, especially in view of the statement of the distinguished manager of the bill that he will not vote for cloture. But eventually, the bill will pass in some form.

I am not sure, Mr. President, that it would be a good thing for this bill to ever leave the Senate. What would that mean? Would that mean the Department of HEW would not have any money on which to operate? Why, of course not.

Our fiscal year started on July 1 and this bill that we are considering here today is the appropriation bill for July 1 through June 30. Then somewhere along the line they are going to adjust our fiscal year to make it October 1 through September 30, and if so, then at least one-fourth of the amount of this appropriation will be added on for the transition period.

But the point I am making is that if we do not have an appropriation bill for the Department of HEW, HEW will keep on going.

We have these monolithic agencies and bureaus that are getting to where they are greater than the Government itself and just have life on their own, and there is no just, no effective control of these tremendous bureaus.

They are going to find a way to stay in operation. We can rest assured of that.

How is it handled? There is no appropriation bill. Here it is the last one-third of September and no appropriation bill covering the period since July 1.

Well, they operate on a continuing resolution. What does that do? That carries on the appropriation for the preceding fiscal year, or, if the bill passes one House, the figure at which it passed the House if it is lower than the appropriation for the preceding year. In other words, they protect the Department by giving it what it received the year before, or, if the bill has passed one House, the figure at which it passed that House if it is lower than the amount of the year before. So if they cannot get a full congressional expression on it by passage of the appropriation bill, they can at least take what they had last year. If Congress is thinking along the lines of a lesser amount then they take the lesser amount proposed by the House which had passed the bill. Of course, if both Houses passed the bill, it would be a moot question because they would then have the appropriation bill, provided the President signs it.

I believe at least 2 years running, and maybe 3, we did not have an appropriation bill for the Department of HEW. I believe we can get along without it again.

Let us see what would happen. Let us see if that would be fiscally responsible if debate on this matter never ends and the bill at long last is withdrawn from consideration here in the Senate. Not being a member of the committee, I did call on the very efficient and dedicated staff to furnish me with some figures. If worse comes to worst, or, I might say, if best comes to best and this bill is not passed here in the Senate, what effect would it have?

The staff advises me that programs contained in the Labor-HEW appropriation bill are presently operating under the terms of the continuing resolution, Public Law 94–41, to which I referred a moment ago. If programs in the bill were to operate under the continuing resolution for the entire fiscal year 1976, it is estimated that the total authorized spending level would be $35.6 billion. That was not counting the $4 billion carryover I mentioned a moment ago. That would be the amount appropriated here.

This represents a $600 million reduction below the pending Labor-HEW bill prior to conference with the House.

Of course, there will not be any conference with the House if the bill stops here.

Well, that is most interesting to the Senator from Alabama. So the most fiscally responsible vote that I could cast with respect to this bill is to vote "No" on it. That would allow the programs to continue at a level of $600 million less than the bill provides. That would not be quite as much of a reduction as is contained in the amendment I plan to offer, which would result in a reduction of $1 billion. A $600 million saving is not too bad. That would be a pretty constructive vote if by my vote I could help save the taxpayers $600 million. I would say that was a pretty good day's work. We do not often have the opportunity to save $600 million here in the Senate.

It may well be, Mr. President, that those pushing this bill, because of conservative thought, have done quite a bit of good, those who are pushing the effort to obtain cloture, the effort to cut off debate. As long as that cloture petition is pending, we are going to have a vote on it tomorrow. I would predict that with the chairman feeling as he does he is going to vote against it.

I do not believe it is going to get the required 60 votes. It might get 59. I doubt if it gets 60. That 60 sometimes proves a little difficult.

The PRESIDING OFFICER. Will the Senator yield for a minute?

CLOTURE MOTION

The PRESIDING OFFICER (Mr. BROOKE). I send to the desk a cloture motion, presented under rule XXII, and, without objection, direct the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 8069, the Labor-HEW Appropriation Bill for 1976.

Edward W. Brooke, Charles McC. Mathias, Jr., Richard S. Schweiker, Mike Mansfield, Robert T. Stafford, Gale W. McGee, Lowell P. Weicker, Jr., Mark O. Hatfield, Hugh Scott, Alan Cranston, James B. Pearson, Clifford P. Case, Edward M. Kennedy, Mike Gravel, Walter F. Mondale, Gary Hart.

The PRESIDING OFFICER. The Chair would like to make it clear that the Chair submitted that cloture motion in his capacity as a Senator from Massachusetts and not in his capacity as the Presiding Officer of the Senate.

Mr. MANSFIELD. Will the Senator yield without losing his right to the floor?

Mr. ALLEN. Yes, sir.

ORDER FOR HOUSE CONCURRENT RESOLUTION 400 TO BE HELD AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that House Concurrent Resolution 400, relating to the enrollment of the bill, H.R. 4005, be held at the desk.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. MANSFIELD. Mr. President, will the Senator yield without losing his right to the floor so that I might suggest the absence of a quorum.

Mr. ALLEN. I yield with that understanding.

Mr. MAGNUSON. Will the Senator yield for a half minute?

Mr. ALLEN. The distinguished majority leader asked that I yield without losing my right to the floor so that he might put in a quorum call. Is that correct?

Mr. MANSFIELD. That is correct.

Mr. MAGNUSON. May I have a half minute?

Mr. ALLEN. I will yield for a question.

Mr. MAGNUSON. I just wanted to make the record clear. If a cloture motion is filed to limit debate on the matter of the busing amendment, I will vote for it, but I do not want to limit debate on the money items in the bill.

Second, just to clear the record, the figures which the Senator from Alabama stated today are basically correct. If there were no Labor-HEW appropriation bill for fiscal 1976 and we were to remain on the continuing resolution for the balance of fiscal 1976, we would be providing budget authority totaling about $35.6 billion.

It is true that the present HEW bill is $600 million over the continuing resolution level.

We would be voting to cut a great many essential programs if we did not vote for this bill. I want that clear in the RECORD.

Mr. ALLEN. Mr. President, insofar as the agreement was made that I might yield for the request for a quorum call without losing my right to the floor——

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. In other words, when the quorum call has been completed, the Senator from Alabama will be recognized?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the distinguished Senator from Alabama yield to me again on the same basis as before?

Mr. ALLEN. If I may be granted that permission.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATION OF TIME FOR VOTE ON CLOTURE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the cloture motion occur at approximately the hour of 2:15 p.m. tomorrow, with the live quorum call mandatory under the rules to begin at 2 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask unanimous consent that all amendments at the desk at that time be considered eligible.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I again suggest the absence of a quorum, under the same conditions.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. ALLEN. Mr. President, earlier, immediately before the quorum call, I had the floor and was discussing the various amendments having to do with busing and assignment of students and teachers by reason of race, and discussing the tremendous amount of appropriation provided in the HEW appropriations bill. I also read an unusual letter from Secretary of the Department of Health, Education, and Welfare, Dr. David Mathews, former president of the University of Alabama. I was pleased to note that he, as Secretary of the Department, took exception to the magnitude of the appropriation to his department. He suggested that it was far out of line, that it was more than $900 million more than the Department of Health, Education, and Welfare budget request, I assume he meant, and that it was more than $1 billion out of line from the President's budget. I assume that meant the budget of the OMB.

I was pleased that this highly knowledgeable, dedicated, and able Secretary of the Department of Health, Education, and Welfare, from my home State of Alabama, has not laid aside his Alabama views, his Alabama conservatism, just because he has taken on duties here in the Federal bureaucracy.

Whereas his recommendation that the bill be recommitted to the Committee on Appropriations has not gathered a great deal of support, I have offered an amendment, that would come up in due course, seeking to cut this overall appropriation by $1 billion, and get it very well in line with the President's recommendation, for it is $1,100,000,000 over the President's recommendation.

That would constitute about a 2½-percent reduction in each of the various appropriations to the various agencies, departments, and functions of the Department of Health, Education, and Welfare.

I would believe that, with a little bit of belt tightening, this department could eke out the year with just $39 billion to spend instead of some $40 billion. I believe they could make enough of a sacrifice there to save this $1 billion proposed by my amendment.

This savings would only be a drop in the bucket against the tremendous upcoming deficit of the Treasury for this fiscal year, which now looks as though it would run in excess of $83 billion.

But the way to stop the increases in spending is to cut appropriations, and that is what this amendment—that will not be voted on today, perhaps will not be voted on tomorrow, but it will be reached—would do.

Mr. President, an interesting byplay took place a moment ago. The Senator from Alabama, having the floor, and the distinguished Presiding Officer of the Senate, the distinguished Senator from Massachusetts (Mr. Brooke), acting in his capacity as the Senator from Massachusetts, interrupted the Senator from Alabama to file a cloture motion seeking to bring to a close debate on this bill.

It is interesting, Mr. President, that the rules are such that they protect the right of a Senator to intervene in a discussion to the extent of allowing the filing of a cloture motion, even though that temporarily stops the speaking Senator while the cloture motion is being received and is being read. Without that rule, a Senator might talk for 2 or 3 days, if he did not yield, and during that time a cloture motion could not be filed. This rule is logical.

We were talking earlier about the parliamentary situation: An amendment and a substitute to that amendment and then a perfecting amendment offered to the original amendment. This chain is very logical and gives the Senate an opportunity to test conflicting and disparate views of its Members. It gives the Senate an opportunity to waive the various refinements offered to legislation as it is pending on the floor. This method of presenting a cloture motion is logical and it is right and it is proper.

I was interested in the development earlier in the afternoon, when I spoke of the fact that on this $40 billion bill, a cloture motion was filed on Friday, calling for a vote on tomorrow, because the issue comes up for a vote on the second day thereafter. I was saying that, surely, with a $40 billion appropriation involved, it would not be proper to cut off debate and to limit amendments, with so much involved.

The distinguished manager of the bill, Mr. Magnuson, the chairman of the committee, was of the opinion that the cloture motion was directed not at the bill as a whole but at the amendment in the first degree, by Mr. Hugh Scott and Mr. Humphrey, which is now pending. But when he found that the cloture motion is not directed at the so-called busing amendments but at the entire bill, even though he had signed that cloture motion, he stated that he was going to vote against cloture on tomorrw. The second cloture motion, the one that was filed just a few moments ago, does not contain the name of the distinguished Senator from Washington (Mr. Magnuson), and he stated on the floor of the Senate that he is going to vote against that cloture motion.

Mr. President, cloture has been invoked rather easily in the Senate. Sometimes they bring up a bill and file a cloture motion before a single word is said in debate on either side, and they go ahead and vote cloture by a top-heavy vote. But I would hazard the guess that cloture is not going to be invoked tomorrow, and I would hazard the guess that cloture is not going to be invoked on the next legislative day. I believe it will not be invoked because of two very basic reasons. One is that we need a showdown on the issue of forced busing of schoolchildren to achieve a racial balance in our public schools, and we need full discussion of this $40 billion bill.

Mr. President, these tremendous bureaus of the Federal Government are becoming so large, are mushrooming in size to such an extent, that they are becoming well nigh unmanageable. It is hard to slow them down. It is hard to rein them in. So when we have a $40 billion appropriation before us and they talk about cutting off debate, I do not believe the Senate is going to look with favor on that; and when they talk about limiting debate with respect to legislation involving our schoolchildren, I do not believe they are going to cut off debate on that vital issue.

Mr. President, suppose we come to an impasse. Suppose the debate goes on. Suppose it goes on for such a time that this bill is withdrawn. Does that mean that HEW will have no funds with which to operate? Well, hardly. We have a continuing resolution that provides that until such time as provided in the bill—it is more or less piecemeal—or until an appropriation bill is passed, we would operate on last year's appropriation or the appropriation provided in the bill passed by either House, whichever amount is lower.

The committee has furnished me figures to the effect that if this bill is not passed, it will have the effect of carrying on the program of HEW, but at a $600 million reduction below the amount provided in the Senate bill. That is some reduction, but it is not nearly enough. It is not as much as the reduction provided by my $1 billion cut, but it would be a saving over the amount in the Senate bill.

Mr. President, the distinguished Senator from Louisiana (Mr. Long) pointed out why it would not be fair to choke off discussion and choke off amendments on this tremendous bill. He pointed out that only those amendments could be received which were at the desk at the time of the cloture vote; that frequently, the pendency of an amendment, in the light of the discussion that takes place, points out the need for an amendment to that amendment. But that is not permitted after we vote cloture. We have to take these amendments exactly as they appear. We cannot make a comma out of a period or a period out of a comma. We cannot dot an "i" or cross a "t." It is unchangeable as the law of the Medes and the Persians. Whatever is there is what is voted on. So amendments to amendments would be eliminated.

A real defect in a bill, pointed out during discussion after cloture vote, that everyone admitted should be changed, could not be changed except by unanimous consent, unless there were an amendment at the desk. So it is very dangerous on a bill of this sort to cut off debate.

Yet, Mr. President, in the face of the fact that the distinguished chairman (Mr. Magnuson) stated that he would not vote for cloture if it were directed against the entire bill, yet the second cloture motion comes in—a few moments ago—and it, too, is directed at the entire bill. I should assume that, since the distinguished manager of the bill states that he is against this cloture motion and he refused to sign it, I feel there is a good likelihood that the cloture will not be voted.

Mr. President, why this discussion this afternoon? Well, in the first place, it gives an opportunity to point out the tremendous size of this appropriation. It gives an opportunity to analyze some of the figures in the Senate committee report. Here is the report, with table after table—more than a dozen tables, well over 100 pages of hard facts as to this bill. If one picks the report up and glances at it, one is overwhelmed with the tremendous reductions that have been accomplished in this bill as compared to last year's bill. Here, in the next-to-bottom line on the first page, it says that this bill pending "is under the comparable appropriations for 1975 of $7 billion."

That just looked so good to the Senator from Alabama that he wanted to examine it a little bit further and see where this reduction came from, because he saw that the amount of the comparable appropriations for 1975 were $43,307,000,000 and this appropriation is only $38 billion; hence, an apparent saving of $7 billion. Well, with a little aid from the able staff, we were able to analyze that a bit and see that instead of there being a $7 billion saving, there is no saving at all. In fact, this appropriation is greater than the appropriation for last year. So this bill will require just a little bit of scrutiny.

This is not a $7 billion error. This is reporting the thing a little bit differently. All of the facts and figures are here in the fine print, I am sure. But the able and, I shall say, impartial and dedicated staff has pointed out to me, at my request, where the joker is in that amazing statistic, converting a $7 billion saving into a loss of millions of dollars. I do not know just how many; I have not figured it out that close, other than to say it is greater than the appropriation of last year, even though the statistics here show that it is less by $7 billion.

How did that come back? A substantial portion of this decrease, according to the staff, is the result of a 2-year appropriation in 1975 for unemployment service jobs of $2.5 billion.

In my earlier remarks, calculating this from a glance at this note, it is apparent that, in 1975, Congress appropriated $8.2 billion for these two functions—unemployment benefits and public service jobs. In my previous remarks, I divided that equally between the 2 years. This is a 2-year appropriation, whereas. generally, other appropriations, even with the Department of Health, Education, and Welfare, Department of Defense, Department of Agriculture—all the departments—as a general rule are a 1-year appropriation. But these emergency appropriations were for 2 years and in calculating this, I took roughly half of this figure, which would be $4,100,000,000, off of the $43 billion for last year. Then, of course, I would add the same $4 billion to the $36 billion shown here in the report as the appropriation for this year. The appropriation is less this year, because the 2-year appropriation was made last year and obviously, they did not have to reappropriate when the money was there, available. So we have to add at least the $4,100,000,000. But I am advised that the appropriation was made well into the fiscal year and even though the amount was $8.2 billion, less than half of that amount, considerably less than half, was used last year and considerably more than half will be used during this fiscal year. So, actually, the $36 billion will be increased by a sum greatly in excess of $4.1 billion, possibly as much as $5 or $6 billion.

It is not shown in this appropriation, because it was appropriated last year. So we are looking at an appropriation of in excess of $41 billion. And we talk about cutting off debate on that? I do not believe the Senate is going to do that.

Now a stalemate has been reached in this matter, resulting from what, to the Senator from Alabama, seems to be a minor consideration and that is the pendency of the present Robert C. Byrd amendment.

Senator ROBERT C. BYRD has asked that there be an up-and-down vote on his amendment. It is an important amendment. It has to do with preserving the neighborhood schools and forbidding HEW from using any of the funds appropriated by this bill to order the assignment of students beyond their nearest school or the nearest school offering the course of study they are pursuing. When I said "assignment" the word is "transportation," "require directly or indirectly the transportation of any student to a school other than a school which is nearest to the student's home and which offers the course of study pursued by such student."

How does the Byrd amendment figure into the parliamentary situation? Why can that not be disposed of and get on to something else in the bill so we will be able to complete our action on the bill in the reasonably near future?

Last week the Senate added to the bill the so-called Biden amendment. This amendment was sponsored by Mr. HELMS, Mr. TOWER, Mr. NUNN, Mr. BENTSEN, and Mr. THURMOND. It provided that—

> None of the funds appropriated under this Act shall be used to require any school, school system, or other educational institution, as a condition for receiving funds, grants, or other benefits from the Federal Government, to assign teachers or students to schools, classes, or courses for reasons of race.

Mr. President, an appropriation bill is different from other bills pending in the Senate in that amendments constituting legislation, that is, having to do with affirmative matters providing for the method and procedure of handling matters or prescribing additions by way of legislation as to required affirmative action, that would be legislation. In other words, if a bill appropriates $10 billion for a given function, if the Senate wanted to say that this money shall be used to accomplish this purpose or that purpose or the other purpose, and spelled out a different procedure from that provided by the bill, that would be legislation.

But the rules do permit any Senator to offer an amendment not to prescribe what an agency may do but it can, through words of limitation, prohibition, or restriction, provide for things for which the funds cannot be used. So it makes quite a distinction. The Biden amendment passed by the Senate qualified under that procedure, which is part of the Senate rules.

Then, Mr. President, subsequent to the passing of the Biden amendment, the distinguished Senator from Pennsylvania (Mr. HUGH SCOTT) and the distinguished Senator from Minnesota (Mr. HUMPHREY) offered an amendment which, too, was and is an amendment of limitation, prohibition, or restriction, and, as such, it would be germane. In fact, it was ruled to be germane by the Senate itself under one of the rules of the Senate where the question of germaneness of an amendment can be decided by the Senate itself or the point raised by a Senator.

But the Scott amendment takes nothing away from the Biden amendment. It, too, is an amendment of limitation, prohibition or restriction. In what way? Well, let us read it. It is only four lines long. It is as follows:

> None of the funds contained in this Act shall be used in a manner inconsistent with the enforcement of the fifth and fourteenth amendments to the Constitution of the United States and title VI of the Civil Rights Act of 1964.

Well, does not that language sound quite similar to the Biden language? Biden says:

> None of the funds appropriated under this Act shall be used to require any school, school system, or other educational institution, as a condition for receiving funds, grants, or other benefits from the Federal Government to assign teachers or students

And so forth.

The Scott amendment does not detract from that, does not supplant it, does not amend it, does not modify it. It does not constrain it in any way saying, "None of the funds contained in such act shall be used in a manner"—this is the Scott amendment—"inconsistent with the 5th and 14th amendments to the Constitution of the United States and title VI of the Civil Rights Act of 1964."

So here we have two items of limitation, prohibition, or restriction, each one having a separate field of operation. So the passage of the Scott amendment will not affect the Biden amendment, and I say that as part of the legislative history here in the Senate on this, on the construction of this bill. Both sections will be there. It will be read in pari materia, giving each section the field of operation required here. Biden says no funds shall be used for this purpose, and SCOTT saying no funds shall be used for still another purpose.

So neither one wipes out the other. They both have a field of operation. They both can exist and coexist, I might say, simultaneously and side by side.

As further evidence of that, Mr. President, the bill itself in sections, I believe, 207 and 208, list other sections of limitation, prohibition, and restriction on the use of these funds.

Section 207:

> No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students;

and so forth and so on.

That is the rule they apply to desegregated schools, school systems where they have a so-called unitary system to the satisfaction of the Civil Rights Act, title 4.

Then section 208 has another section of limitation, prohibition, and restriction:

> No part of the funds contained in this title shall be used to force any school or school district which is desegregated to take any action to force the busing of students,

and so forth and so on, a similar amendment having to do with desegregated schools.

If the Scott amendment should pass as introduced, then we would have four different sections in the bill, each having a separate field of operation, but none impinging on the validity and authority of any of the other sections.

One would refer to each section to see what the rule is with respect to the facts set forth in that section, and it would give each one of them a field of operation. In no sense does the Scott amendment abrogate, or nullify, or repeal, or take from, or detract from the Biden amendment to which I have alluded.

The Scott amendment was filed and then the distinguished Senator from North Carolina (Mr. HELMS) offered a substitute to the Scott amendment.

I will read that. It is amendment No. 902. It states in effect, if it is adopted, it will wipe out the Scott amendment and the words of this amendment will become the pending amendment before the Senate, and further, it having been substituted for the other amendment, it would not be subject to further amendment and would stand, to be adopted or rejected by the Senate.

So that was the status of the proceedings on Friday: the Scott with the Helms amendment offered as a substitute.

The Helms amendment, being an amendment in the second degree to the Scott amendment, which is the amendment in the first degree, could not be amended further. So the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) offered his amendment, amendment No. 903, and he was joined by Mr. HARRY F. BYRD, JR. of Virginia, Mr. CHILES of Florida, Mr. FORD of Kentucky, Mr. HELMS of North Carolina, Mr. HUDDLESTON of Kentucky, Mr. NUNN of Georgia, Mr. STONE of Florida, Mr. TAL-

MADGE of Georgia, Mr. BIDEN of Delaware, and Mr. ALLEN of Alabama.

What this amendment does, or seeks to do, is to perfect the Scott amendment. The word "perfect" in the Senate parliamentary parlance does not necessarily mean that it is going to preserve the idea of the first amendment, the amendment in the first degree, but it is going to change it, or offer to change it.

So that the amendment of the Senator from West Virginia (Mr. ROBERT C. BYRD), amendment No. 903, offered as a perfecting amendment to the amendment of the Senator from Pennsylvania (Mr. HUGH SCOTT), amendment No. 901, adopts the language of the Scott amendment as long as it is not saying anything of a substantial nature or a controversial nature. It preserves these words:

> None of the funds contained in this act shall be used. . .

It just has the prohibition or words of limitation or restriction, preserves those but it adds the meat of carrying forward the words:

> None of the funds contained in this act shall be used

And then taking up with his own language:

> to require directly or indirectly the transportation of any student to a school other than the school which is nearest the student's home and which offers the courses of study pursued by such student in order to comply with title VI of the Civil Rights Act of 1964.

Here we have an amendment in the first degree, the Scott amendment, which I have discussed and the effect of which I have discussed, sought to be amended by the Helms amendment, which changes the entire force and effect and substantial meaning of the Scott amendment.

Then the reason, I assume, was that while an amendment to the Helms amendment would not be in order, a perfecting amendment to the Scott amendment would be in order. That is what Mr. BYRD offered, the theory being, I assume, that before we vote on the substitute possibly the amendment in the first degree can be changed in such a way that it would be preferable over the substitute amendment. So an opportunity thereby is given to perfect the Scott amendment. The distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) has availed himself of that right.

If the Byrd amendment is adopted, unless further perfecting amendments are offered, the next order of business would be to vote on the Helms substitute, which I have also discussed.

On Friday, when the distinguished Senator from West Virginia (Mr. BYRD) offered his perfecting amendment, he immediately stated that he was ready to vote on his amendment 1 hour from that time, and asked unanimous consent that a vote take place on his amendment 1 hour later. That was objected to by those who favor the Scott amendment. Then he offered to vote on it at 5 o'clock Friday afternoon. That was some 2 or 3 hours later. Objection was made to that request.

Then the distinguished Senator from West Virginia stated that, in view of the fact that no unanimous-consent agreement could be reached allowing a vote on his amendment, he felt the amendment should be discussed.

The distinguished Senator from West Virginia had to be out of the city early today, though he has now returned to the Senate and is available if the necessity should arise.

He has asked—he asked Friday, and I, acting on his behalf, have asked today—for agreement on voting on the Byrd amendment up and down, as it is called, which means that the roll will be called on agreeing or not agreeing to the amendment. In other words, an up and down vote is a vote on the merits, voting yes or no, and not on some parliamentary tactic that might possibly intervene.

I was very much surprised, Mr. President, when the distinguished assistant majority leader (Mr. BYRD) was unable to get that agreement. I have seen him here in the Chamber smooth over differences between Senators holding conflicting thoughts. I have seen him work out near impossible agreements on time limits on votes on controversial measures. I have seen him get agreements here in the Senate that there would be no motions to table, that there would be direct votes on various amendments. I have seen him save hours and days of the Senate's time working out unanimous consent agreements with respect to legislation pending here in the Senate. But I do not recall a single time during the 6½ years that I have had the honor of serving in the U.S. Senate—not a single time do I recall, though possibly there were such times—that the Senator from West Virginia has made a request for unanimous consent for special handling of any legislation that he was handling here in the Chamber of the Senate.

I dare say there is not a single Senator who has not at one time or another asked for and received from the distinguished assistant majority leader (Mr. BYRD) special consideration on the time of votes, the question to be presented, or the limitation of debate on measures in which such Senators had a particular interest.

The Senator from Alabama, with the few legislative proposals he has made since he has been in the Senate, on more than one occasion has called on the assistant majority leader to help him work out agreements by which votes might come at a particular time; that certain time might be limited. I dare say there is not a Senator who has not been involved in special consideration on Senate procedures with respect to legislation in which he was interested.

From time to time they make requests here in the Chamber that on Monday that there be no votes in the Senate prior to 3 o'clock.

Well, I do not like a unanimous consent agreement. There are a lot of things that I do not like in the Senate that I do not subject to. That would be one that I would object to, because I think the Senate ought to come in at a reasonable hour and we ought to be able to vote on anything that comes up at any time.

I will say this: If we did not know when measures were coming up, that there would not be a vote today on anything, that there would not be a vote before 3 o'clock on Monday, that there would not be any legislation regarding certain issues brought up on a certain day, if all of the legislation over which the Senate has jurisdiction and which had proceeded to the point of Senate action was available at all times for consideration and action by the Senate, I would say we would have about 95 Senators present all the time.

These agreements as to when we are to vote and what we are to vote on discourage attendance. Yet that is the procedure. But when the Senator from West Virginia, who has worked out as part of his duties as whip and as assistant to the majority leader ways of speeding legislation here in the Senate, requests that there be a vote on his amendment and not on a motion to lay on the table, I think that consideration ought to be shown to the distinguished assistant majority leader.

I have to suggest that if we are going to follow this kind of procedure, and requests of this sort are not honored, we will just have to consider taking a new look at all of the unanimous-consent agreements that are made. I think the Senate would be a whole lot better off without unanimous-consent agreements governing every step of our procedure, every action we are going to take and when we are going to take it. If Senators had to operate on a catch-as-catch-can basis, we would have a lot better attendance and it would certainly expedite the business of the Nation.

Later on, when this amendment is disposed of by up-or-down vote or by motion to table, I plan to offer an amendment that would cut $1 billion off of this $40 billion appropriation. It is anticipated that the Federal deficit this year is going to run more than $83 billion, and one might say that a $1 billion saving would just be a drop in the bucket.

That is true; it would just be a small amount as compared to a $83 billion deficit. But the only way to stop spending or reduce spending is to reduce appropriations; and if we do reduce this appropriation, or the amount provided in the Senate bill, by $1 billion, it will certainly be a step in the right direction.

But before we get to that point, we must first dispose of the Byrd amendment; and I might state that if the Byrd amendment is turned down, I am told that there are other amendments that will be offered to the Scott amendment, and I doubt if we are saving a great deal of time by saying that we are not going to agree to an up-or-down vote on the amendment.

Why not permit the Senate to act? That is what the Senator from Alabama cannot understand. Personally, I would have no objection to voting on a motion to lay on the table if that were to be followed immediately by a vote up or down on the amendment itself. But the Senator from West Virginia, the author of the amendment, wants an up-or-down vote on his amendment, and that is the reason why the Senator from Alabama is discussing the matter.

It was not possible for the Senator from West Virginia to be here when the Senate convened at 12 o'clock, and an order was entered on last Friday that in his stead the Senator from Alabama would be recognized to discuss the amendment. The Senator from West Virginia explained to the Senator from Alabama that he was not seeking to delay a vote on his amendment; that his wishes with respect to the amendment continued as they were on Friday, when he was ready and willing to vote an hour later, after both sides had had a short time to discuss the amendment. He was ready to vote Friday 1 hour after he put the amendment in. He was ready to vote Friday at 5 o'clock, and asked unanimous consent that there be a vote at 5 o'clock. That was objected to. And at the start of my remarks earlier this afternoon, I offered, on behalf of the Senator from West Virginia, to end my discussion of the bill at this time provided an agreement was reached to vote up or down on the amendment at some time tomorrow.

It is quite obvious to the Senator from Alabama that there will be no vote this afternoon on the amendment. I wonder how many Senators would have been available had there been a call for a live quorum. I wonder how many would have come in to answer to their names. The Senator from Alabama could have asked for a live quorum, and it might have been somewhat easier waiting on Senators to come in than discussing this matter. But I did not wish to call attention to the absence of any other Senator.

Tomorrow, by unanimous consent, we are going to vote on the cloture motion, on the matter of whether or not we are going to cut off debate on this bill, before a single one of these items in the bill—and here is some fine print over 100 pages in length, and about a dozen tables—before a single amendment has been allowed to be discussed or be voted on, a single amendment having to do with the amounts appropriated by the bill, and actually I do not believe there has been a single amendment voted on up or down with respect to this bill in any of its aspects.

A motion to table was made with respect to the perfecting amendment of the Senator from North Carolina (Mr. HELMS) without a single bit of discussion of that amendment. For some reason or other, just as fast as they offer amendments, without any opportunity to discuss, they move to table. That cuts off debate. I do not know why the insistence on cutting off debate. I do not understand that. Why should not these matters be debated? Why should not there be votes with respect to the amendments? Why must the votes be on a motion to table?

I will explain that, I believe, for the record. I believe that the reason that the insistence is being made that a motion to table be the vehicle by which the Senate expresses itself on this issue is that those who are advancing the Scott-Humphrey amendment feel that, by offering a motion to table the Byrd amendment, they can muster more votes of Senators who do not want to vote against neighborhood schools but still would vote for a motion to table and explain it by saying: "Well, I never did get an opportunity to vote on the real issue. I just voted on a motion to table. I did not vote on the real issue."

I suspect, Mr. President, that those who are pushing the Scott amendment feel that there might be more affirmative votes cast on a motion to table the Byrd amendment than there would be negative votes cast in an up-and-down vote on the Byrd amendment.

Mr. President, I do not believe that Senators are all that fearful of taking a stand on this issue. I believe Senators are going to vote against the motion to table if they favor the Byrd amendment. So I believe that all of this delay, that is being forced on the Senate by those pushing the Scott amendment, would go for naught, because certainly I will vote against a motion to table the Byrd amendment because I favor the Byrd amendment, and I believe that a majority of Senators are going to vote "no" on the motion to table because they want to vote "yes" on the amendment itself.

So, Mr. President, I do not feel that a great deal is being accomplished by those who oppose the Byrd amendment by insisting on the right to vote on a motion to table.

Then, too, Mr. President—and I serve fair warning to those who think otherwise—there is a deep resentment in this Chamber against those who are unwilling to grant the request of the distinguished assistant majority leader that he have an up-and-down vote with respect to his amendment.

I have stated, Mr. President, that since I have been in the Senate, to my knowledge, I do not remember of a single occasion when the distinguished assistant majority leader sought any special concession for himself or with regard to any legislation in which he had an interest in this Chamber, and the one request that he has made is not being assented to.

This matter obviously is going over until tomorrow. I am hopeful that on tomorrow we will jointly and severally reach the conclusion that the distinguished assistant majority leader is entitled to have the Senate vote on his amendment and not some parliamentary maneuver to keep it from coming to a vote. I am hopeful that that action will take place, because I feel that as to those who are pushing the Scott amendment and opposing the Byrd amendment I believe they are getting to the point where their obstructionist efforts are being counterproductive in the counting of votes that will take place, with respect to the motion to table, or an up-and-down vote on the amendment.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ALLEN. I yield for a question, yes.

Mr. HELMS. The Senator from North Carolina understood the Senator from Alabama to say a moment ago that in the event that the perfecting amendment offered by the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) is rejected then the question will automatically recur to the substitute amendment submitted by the Senator from North Carolina.

Mr. ALLEN. That is correct. Did the Senator ask if it is rejected?

Mr. HELMS. Yes.

Mr. ALLEN. In either event, as soon as action is taken, the question would then recur on the substitute amendment of the Senator from North Carolina. However, as to the motion to table, if such a motion is made, if it should carry, then the Scott amendment would be open for the offering of perfecting amendments as to it.

Mr. HELMS. That is the point I was going to make——

Mr. ALLEN. Yes.

Mr. HELMS. Because I have four more perfecting amendments at the desk at the moment, Nos. 904—if the Senator will forgive me. I have them in order.

Mr. ALLEN. That will be 905, 906, and 907, then, I imagine.

Mr. HELMS. Yes; 905, 906, and 907. I thank the Senator.

I have one other question, and I must address it in the form of a question. Will the Senator permit me to commend him on his excellent remarks with respect to the distinguished assistant majority leader? I agree with everything he said.

I have observed the Senator from West Virginia handle the most difficult circumstances meticulously, and he always does it as gentleman, and he always is most accommodating to everyone, including, and especially, the Senator from North Carolina.

Mr. ALLEN. I thank the distinguished Senator for his complimentary remarks with respect to the distinguished assistant majority leader.

I am hopeful that this matter will come to a vote tomorrow, so that we can proceed with other matters. We are trying here, I assume, to let the Senate work its will with respect to these issues. How we are going to allow the Senate to work its will without letting it vote on these issues up and down is something the Senator from Alabama finds difficult to understand.

Mr. HELMS. Mr. President, will the Senator yield for a question, under the previous conditions?

Mr. ALLEN. I yield.

Mr. HELMS. Does the Senator now believe it is important that we get this matter behind us and get to the energy situation that is so plaguing this country?

Mr. ALLEN. I certainly do. As I pointed out in my remarks, I feel that even if we never pass this bill, that might be the most constructive thing we have done in a long time in the Senate, because it will save the taxpayers 600 million in the difference between the amount of the continuing resolution and the amount provided by this bill.

In addition, this bill has not gone through the gauntlet of the Senate with the number of big spenders that might possibly want to up this $41 billion to an even higher figure. So I think it would be one of the most constructive things we have done in the Senate in a long time if we should reject this bill out of hand.

I am sure the Senator was in the Chamber when I read the letter of the distinguished Secretary of the Department of HEW, Dr. David Mathews of

Alabama, former president of the University of Alabama, who says that this bill is far out of line, and he recommends that it go back to the committee.

I believe it would be better to take some decisive action on the floor of the Senate which would reduce that amount, rather than to leave it up to the committee. We do not know what the committee might do. It might come out with $45 billion, if it goes back to them to work on. I would like to see this bill cut at least $1 billion by the Senate.

I am delighted that the distinguished Senator from North Carolina is cosponsoring this amendment with me. I have high hopes that it will be approved by the Senate.

I point out something else to the distinguished Senator from North Carolina: As to the Budget Committee that the Senate set up, while I voted for it and wished it well and hoped for the best, I had some misgivings about what would happen in the Budget Committee, because it seems to me that many of the big spenders in the Senate were members of that committee.

But, to my pleasant surprise, this committee, under the leadership of the distinguished Senator from Maine (Mr. MUSKIE) and the distinguished Senator from Oklahoma (Mr. BELLMON) has been a constructive force as we have considered appropriations bills. I wish the Senator from Maine (Mr. MUSKIE) were here at this time, so that we might have some comments from him with respect to the $1 billion cut that the Senator from North Carolina and I are seeking to have the Senate adopt.

I have been extremely well pleased with the work of the Budget Committee in the Senate. Sometimes they hit agencies and functions of the Government that I feel should not be hit. I cite as an example hitting the defense appropriation. I did not feel that they should cut so deeply on that. I feel that the axe is being wielded pretty evenly. Whereas the Defense Department is hit heavily and possibly social programs not so heavily, I believe that is caused by the fact that is the order in which these bills have come to the Senate.

I expect highly constructive action by this committee. I took occasion just the other day to say to the distinguished Senator from Maine (Mr. MUSKIE) that I thought he was arising to the challenge of the responsibilities of his committee and was doing an outstanding job as chairman of the Budget Committee. I am hopeful that they can help cut spending.

I believe we had some word from the distinguished chairman of the Budget Committee with respect to this tremendous appropriation. I pointed out a moment ago that, instead of being the $36 billion that the report shows, it actually is $41 billion or thereabouts.

I believe that a little constructive criticisms or suggestions from the distinguished chairman of the Budget Committee would be most effective and helpful at this time. I hope he will make further comments. He has commented already to some extent. I hope he will make further comments with respect to the lack of fiscal responsibility shown by this bill. Either way, it would suit me: to cut it $1 billion on the floor of the Senate or to deny it passage in the Senate.

I also was very much intrigued by the fact that the distinguished chairman of the HEW Subcommittee, the Appropriations Committee, the manager of the bill, Mr. MAGNUSON, does not favor the cloture motion that is going to be voted on tomorrow, and he does not favor the cloture motion that is going to be voted on the next day. My authority for making that statement is the statements made by the distinguished manager of the bill on the floor of the Senate.

I do not believe that without the support of the manager of the bill, this cloture motion is going to get very far tomorrow and I doubt that it is going to get very far on the next legislative day.

It may well be that the most constructive action, the way we can work to the best interests of the American taxpayer, is to deny this bill passage in the Senate. That would save the taxpayers $600 million, and that might be better than the $1 billion saving that would be accomplished by our amendment, because it might not stick in the conference. The Senator well knows how these things operate.

I point these things out as a further extension of the answer I gave the Senator.

Mr. HELMS. Mr. President, I wonder whether the Senator will yield, on the condition that he not lose his right to the floor and that upon resuming, it not be considered a second speech.

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the distinguished Senator from Alabama. As the distinguished Senator from Alabama has indicated, both he and I are cosponsors of the amendment offered by the distinguished Senator from West Virginia and both of us strongly support it.

Mr. President, I commend the distinguished assistant majority leader, for offering his amendment to reinforce the determination previously voiced by the Senate to stop forced busing.

Indeed, on April 10 of this year, I offered a substantially similar amendment. My amendment provided:

> Notwithstanding any other provisions of law, in order that students may walk to the school nearest their residence, or be transported through public means of conveyance to such school, no state, or local agency of any state, shall use or contract for the use of any gasoline or diesel fuel for the transportation of any public school student to or from any school if such transportation is for the purpose of implementing or continuing any plan or program required, or ordered, by any Court of the United States, or by any Department or agency of the Government of the United States.

Of course, the amendment offered by the distinguished assistant majority leader also seeks to insure the right of a student to attend the school "nearest the student's home." I am pleased to stand with the distinguished assistant majority leader as we urge the Senate to continue the support of the neighborhood school concept that the Senate expressed support for this past Wednesday when it agreed to the amendment offered by the distinguished Senator from Delaware (Mr. BIDEN).

When I first came to Washington back in January of 1973, a little over 2½ years ago, I believed then, as I believe now, that the forced busing of schoolchildren and the imposition by HEW of arbitrary quotas, based solely upon statistics, were destroying the public schools of my State and the Nation. Therefore, I immediately set out to do what I could, as a newly elected freshman Senator, to focus attention on this travesty. During that first year—1973, I offered legislation on four separate occasions to stop forced busing and HEW harassment of our schools. Three of those pieces of legislation were amendments on the Senate floor—all three were defeated. The fourth was a bill, the Public School Jurisdiction Act, which to this very day has never been reported out of committee.

Then, during 1974, I offered antibusing amendments on the Senate floor on three additional occasions. In one of the three instances, my amendment of September 17, 1974, passed. It passed the Senate by a vote of 45 to 42. But, on September 19, 1974, another amendment was offered to the same bill. That amendment was agreed to the same day. Even though the Senate had gone on record, for the first time, against forced busing, the intention of the Senate responding to the desire of the American people was negated by parliamentary maneuvering and vaguely drafted amending language.

However, in the winter of 1974, much to everyone's surprise, an amendment sponsored in the House of Representatives by the distinguished Representative MARJORIE HOLT, which had been approved by the House, was reported by the conference committee in technical disagreement. That is to say, the conference committee did not directly kill the provision designed to stop forced busing and HEW quotas. It left the matter up to the House and the Senate to decide. The House promptly agreed to the provision as it had done in the past.

But in the Senate, once again a vague amendment was offered by those who favor forced busing. That vaguely drafted provision was again designed to negate the will of the Congress and thereby continue forced busing and the like. Realizing what was about to happen and benefiting from our past experience whenever legislation to stop busing was before the Senate, I prepared an amendment to the probusing amendment. However, my efforts were defeated, as they had so often been defeated in the past, by the probusing majority in the Senate. But, the experience was not without value. I learned what to expect from the advocates of forced busing. I learned how they have been able to continue to impose the destructive HEW quotas on the schoolchildren of America.

With the beginning of the 94th Congress, in January of 1975, I reintroduced the Public School Jurisdiction Act, designed to end forced busing. Typically, it has never been reported out of committee. Therefore, on April 10, 1975, I offered in the form of a floor amendment the provision previously mentioned which is substantially similar to the amendment of the distinguished assistant majority leader, now pending. Again, the effort to stop forced busing was defeated.

With the opening of schools this September and the implementation of still more forced busing around the country, I joined with the distinguished Senator from Kansas, Mr. DOLE, in supporting an amendment to finally stop forced busing. It was defeated. But the will of the American people was beginning to have an effect upon the Congress. Increasing sentiment against forced busing and HEW quotas was becoming apparent.

Finally, this past Wednesday—September 17—I offered another amendment to stop forced busing and HEW quotas. It failed by only five votes. Immediately following that vote, the distinguished Senator from Delaware, Mr. BIDEN, with my full support, offered a somewhat watered-down but still strong version of my amendment. It passed the Senate by a margin of seven votes—50 to 43. The Senate had agreed to the strongest antibusing, anti-HEW quotas legislation in history.

Now, just as they have always done before, the probusing Senators have offered, as a new section, an amendment to the bill designed to nullify the effect of the antibusing amendment cosponsored by the distinguished Senator from Delaware and me, and agreed to by the Senate. As before, it is a vaguely drafted provision, difficult to construe, and unclear of meaning. By skillful parliamentary maneuvering and technical legalities, they are again attempting to negate the will of the Senate and the American people.

However, we have learned by our experiences over the past 2½ years. This time, we knew what to expect, and we were ready. We were ready with amendments designed to keep their probusing amendment from being effective. We were ready with antibusing amendments of our own. We had benefited by the example of their parliamentary maneuvering and their technical legalities. Indeed, we had some parliamentary maneuvering and technical legalities of our own. So, this past Friday morning, I stood on the Senate floor as the day began. I filed my amendments at the desk. The probusing amendment was offered. The action started.

And now, here we are—deadlocked over the question of whether there is to be a vote on the merits of the distinguished assistant majority leader's amendment in the second degree, designed to preserve the will of the Senate and the American people, or whether there will be a vote on the oblique question of tabling the amendment—a parliamentary maneuver designed to make it less apparent to the American people what is happening.

So here we are, as I say, engaged in extended debate—filibustering to preserve the right of the American people and their children to attend their neighborhood schools. We stand on the Senate floor using the historic, and time-honored weapon of civilized debate in order to fight to preserve the most basic remnants of educational liberty. So, I commend the distinguished assistant majority leader, the able Senator from Alabama, and others, who are willing to vote the way they talk back home, and to adhere to their constitutional responsibilities, rather than evading the issues. If we can win this battle, millions of American children will enjoy a measure of freedom not currently available to them.

I thank the Chair and I thank the distinguished Senator from Alabama.

Mr. ALLEN. I did not know that the distinguished Senator was going to return the floor to me quite as early as he has. There are a number of matters that I would like to call to the attention of the Senate.

Mr. President, the discussion on this amendment of the distinguished assistant majority leader (Mr. ROBERT C. BYRD) joined by a number of cosponsors, has been occasioned by the fact that there has not been agreement that this amendment be voted on up or down—that is, on its merits—without intervening motions or parliamentary maneuvers. At any time, Mr. President, that an agreement can be reached on a vote on this amendment on tomorrow, it being provided that no motion to table be in order and a short time be allowed to proponents and opponents of the amendment, then this discussion will be brought to a close.

Mr. President, I do uphold and defend the right of the assistant majority leader to have his amendment voted on by the Senate and to have the Senate say yes or no to the amendment of the distinguished assistant majority leader. I do not believe that there are many Senators in the Chamber who would object to voting up or down on this amendment. Vote on the amendment on its merits: if you are for it, vote for it. If you are against it, vote against it. It is as simple as that. This is no strange request, it is no unreasonable request. It is a perfectly logical request for the distinguished assistant majority leader to make. He does not offer many amendments on the floor of the Senate. As I have stated several times in the past, I do not know of a single request prior to this one that he has ever made with respect to special consideration of any piece of legislation that he has offered in the Senate. I do not regard this as an unusual request, merely that the Senators take a stand for or against his amendment.

I do not know of any Senator who wants to hide behind a motion to table, because that certainly discloses a Senator's thoughts with respect to the amendment itself. I favored the amendment and am proud to be one of its cosponsors. Naturally, if an agreement is not reached to vote up or down on the amendment, then, at some stage in the proceedings, doubtless, a motion to table will be made. I would have no difficulty voting no on a motion to table, because I want to vote yes on the amendment. It is as simple as that.

Some Senators, it must be felt—I do not agree—would want to hide behind a motion to table so they will not have to vote up or down on the merits of the amendment. But I do not believe Senators are going to seek to disguise their vote. I should say that Senators would be proud of whichever stand they take. Why should they be ashamed of voting up or down on the amendment? What possible objection could they have? So it seems to me this is a very reasonable request, a request that I feel the vast majority of the Senate wants to agree to.

Of course, it takes unanimous consent to make an agreement of that sort and any one Senator can object to this consideration being given the assistant majority leader. But I am hopeful that on tomorrow, after reflection overnight, an agreement will be made that a vote be had on this amendment, I hope prior to cloture vote. The cloture vote comes at 2:15, I believe. I am hopeful that this matter can be disposed of prior to that time.

Of course, the distinguished Senator from Massachusetts, by not agreeing that we can have an up or down vote on this amendment, is merely inviting a series of additional amendments that will require still further tabling motions. It may well be that if this amendment is voted up or down, it will certainly lessen the possibility of there being other amendments offered.

No one on the side of the proponents of the Byrd amendment is trying to string this matter out. There are two separate and distinct issues here. One is a matter of curtailing to some extent, or containing to some extent, the order for forced busing of schoolchildren to accomplish a racial balance on the one hand, and a desire for fiscal responsibility on the other. So there are two basic issues involved here. If we do dispose of the Byrd amendment by any method other than by an up or down vote on that amendment, we are going to have a large number of other amendments surface that might not be necessary if we could just have the up or down vote on this particular issue.

I sense, as I stated a moment ago, that there is a growing resentment in the Senate against those who would forbid or prevent the distinguished assistant majority leader from having a vote on his amendment. And there is a growing feeling of resentment against those who are holding up action on this $40 billion bill simply because they will not agree that this amendment can be voted on on its merits.

What is wrong with voting on a proposal on its merits? Is that not what we are here for? We have 500 to 550 rollcall votes in the Senate. Why should we not be willing to vote on the merits of the amendment offered by Mr. BYRD? Why must we insist on hiding behind a motion to table?

I feel that there is a real and present danger that, instead of having a stronger vote on the motion to table by those opposing the Byrd amendment, there is a good likelihood that we are going to have a weaker vote for the opponents of the Byrd amendment on the motion to table because of the resentment against this tactic of not allowing a vote on the merits of this amendment.

Mr. President, why should there be objection to the amendment? It is a vast improvement over the Scott amendment, which seems to be merely a statement of the law itself. The Byrd amendment brings something new into the picture. The Scott amendment, to the Senator from Alabama, seems merely to be a statement of the existing law. Let us see what it says. This is the Scott amendment, No. 901:

> None of the funds contained in this act shall be used in a manner inconsistent with the enforcement of the Fifth and Fourteenth Amendments to the Constitution of the United States and title VI of the Civil Rights Act of 1964.

Well, that is the present law, is it not? How could the Department of HEW do something or spend money in a manner inconsistent with the enforcement of the 5th and 14th amendments to the Constitution? If the Constitution forbids spending money in a certain way, this little amendment is not going to add any force to the constitutional provision. Who would feel like an amendment to this bill is necessary to give force and effect and retain—give force and effect to and retain—the benefits and protections of the 5th and 14th amendments to the Constitution? They are there. Those rights are there, and it does not take an amendment to this bill to guarantee that such rights as are guaranteed by the 5th and 14th amendments to the Constitution will be adhered to and that the Department of HEW is not going to act contrary to the provisions of the 5th and 14th amendments.

It goes on and adds "and title VI of the Civil Rights Act of 1964."

Well, if it is already against the law to use funds contrary to title VI of the Civil Rights Act of 1964, what is the use of saying it again?

This does not add one single thing to the law as it now exists. This is the law. It is the law whether this is added to the bill or not. The Department of HEW cannot now use funds—quoting from the amendment—"inconsistent with the enforcement of the 5th and 14th amendments to the Constitution of the United States and title VI of the Civil Rights Act of 1964."

The Biden amendment does not say how they shall be spent, how the funds shall be spent. If it did say how the funds should be spent, and the spending of funds in that fashion was forbidden by the 5th and 14th amendments to the Constitution or title VI of the Civil Rights Act of 1964, then it would be unlawful to spend funds contrary to those provisions of the Constitution and of our statutory law. But the Biden amendment does not call for spending funds. It is a limitation, a prohibition, and a restriction on spending funds.

So the Scott amendment does not undercut the Biden amendment because both of them are amendments of limitation, prohibition, and restriction.

But, as I say, the Byrd amendment takes the Scott amendment as a vehicle to change and to insert in this bill protection, as best could be afforded under amendments that might be offered, to the neighborhood school because it strikes out the Scott amendment, in effect, except the language saying that "No funds appropriated by this act shall be used," it says those words, and then adds "to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with title VI of the Civil Rights Act of 1964."

So this provides that none of the funds appropriated by this act shall be used to require, directly or indirectly, the transportation of any student to a school other than a school which is nearest the student's home—in other words, the neighborhood school—and which offers the courses of study pursued by such student.

In other words, if a child in the public schools required a special course of study and that was not offered at the neighborhood school, then provision could be made for busing that child past the neighborhood school if it did not offer that special course of study on to the next school which did offer that course of study. So it does not limit the child to the neighborhood school if he cannot get the course of study he has been pursuing at that neighborhood school.

But, by and large, Mr. President, this amendment does offer a small degree of protection for the neighborhood school and its preservation.

Mr. President, if this amendment is agreed to, if there is an up and down vote on this amendment, I believe the other votes will follow in rapid succession, and we will be able to get down to the substantive provisions of the bill itself.

When we do get to those provisions, I am hopeful that will come early tomorrow, and when we do come to those provisions, I think the Senate should be on the lookout for amendments that would seek to raise this $40 to $41 billion appropriation bill for the Department of HEW, which is even more than the Secretary wants. He says it is vastly too large, and he suggests sending it back to the Appropriations Committee.

I think the Senate should be on the lookout for amendments that raise even these stupendous figures. And I think it ought to be on the lookout for ways in which the amounts appropriated by this bill can be reduced. I do have an amendment that has been printed or it has been ordered for printing and, I assume, has been printed, and joined in the amendment by the distinguished Senator from North Carolina (Mr. HELMS), that would cut $1 billion from this appropriation, and it would take something like 2.5 percent or slightly more from the $40 billion appropriation. I would feel that most any department of HEW can reduce its spending by 2.5 percent without a great deal of belt-tightening.

I feel that this is the minimum that ought to be cut from the bill. It would still leave the bill $100 million over the President's recommendation, and it would even be $286 million over the amount at which the House passed it.

I pointed out, too, that far from reducing the 1975 appropriation, as shown here on the first sheet of the report, by $7 billion, actually the Senate bill increases that appropriation by quite a few million dollars.

At first blush, one would think this reduced the spending by $7 billion, but it does not do that because appropriations totalling $8.2 billion were made last year for unemployment benefits and public service jobs on a 2-year appropriation basis, even though the regular appropriation bills ordinarily are only for 1 year. So that some $2 billion or $3 billion of that $8.2 billion was used last year and the remainder will be available for use this year.

If we estimated that at an additional $5 billion available under those two bills, that would get the amount of this appropriation up to in excess of $41 billion.

I pointed out that on tomorrow we have a cloture vote and I am not only hopeful but optimistic that cloture will be denied on tomorrow. I am encouraged in that hope and that belief by the fact that the distinguished Senator from Washington (Mr. MAGNUSON), the joint manager of the bill, has departed from those who would impose cloture, or the gag rule, and he states that he is not in favor of the gag rule and will vote against cloture on tomorrow.

As to the cloture vote on the next day, the distinguished Senator from Washington has said he is going to vote against cloture on the following day.

So it does look like we are going to have considerable discussion with respect to this legislation.

Frankly, I would much prefer to be discussing some of the substantive provisions of the bill to see if we cannot reduce the spending provided in the bill, the sum added to the appropriations of last year, some $11 billion provided by the bill, and the legislation of last year.

I would hope that we could cut much more than the billion dollars from the bill that is being advocated by myself and the distinguished Senator from North Carolina (Mr. HELMS).

Be that as it may, we are being required to discuss this matter today and the distinguished Senator from West Virginia was required to discuss the issue on last Friday in order that, hopefully, he will be able to gain an up and down vote with respect to his amendment.

I feel without any doubt that he should be accorded this courtesy, especially in view of the fact that each day or each week he breaks logjams here in the Senate and gets matters up for consideration under unanimous-consent agreements that frequently embrace the very issue to which we are addressing our remarks at this time. It is the right of the distinguished assistant majority leader to have his very basic amendment voted on by Senators, yes or no.

Frankly, I do not believe Senators mind talking a stand on this issue. It is not a difficult issue. I believe the neighborhood school has a great deal of support here in the Senate. I feel it has majority support in the Senate. In fact, I do not see that the Scott amendment itself has overwhelming support in the Senate because last Friday on a motion to table the Scott amendment it failed by a vote of 42 to 44, which would show a pretty close division of opinion with respect to the Scott amendment itself.

But I believe that the support for the Robert C. Byrd amendment is much stronger than was the opposition to the Scott amendment.

So I feel that the opponents of the Robert C. Byrd amendment are seizing on their right to resort to parliamentary tactics and maneuvers to prevent an up and down vote on the Robert C. Byrd amendment, feeling that they can muster more votes for a motion to table the Robert C. Byrd amendment than they can muster votes in opposition to the Robert C. Byrd amendment.

Mr. President, I am hopeful that we will not be forced to continue this discussion on into another day. I am hopeful even that an agreement might be worked out that on tomorrow at a given time an up-and-down vote could be had on the Robert C. Byrd amendment after a reasonable length of time is provided for discussion of the amendment, I would think that period would be possibly an hour, and the further agreement that no motion to table be introduced to the Robert C. Byrd amendment.

I think that would allow us in very rapid succession to consider the other amendments and get down to the substantive provisions of the bill.

Both issues are important. The issue of putting some sort of cap, some sort of limit, some sort of containment on forced busing of schoolchildren, that is important, and it is important that we have an up and down vote on the Robert C. Byrd perfecting amendment to the Scott amendment.

I feel that those Senators who favor the Robert C. Byrd amendment will have no difficulty realizing that if they favor the Robert C. Byrd amendment they would vote "No" on the motion to table. I doubt if there would be a great deal of change except that I do believe that a number who oppose the Robert C. Byrd amendment are going to vote against tabling it because they do not feel that an agreement should have been denied permitting an up and down vote with respect to this amendment.

It is an important amendment. The distinguished Senator from West Virginia has a right to have it voted on up and down.

Mr. President, there have been two cloture motions filed, one which would require a vote on tomorrow, and that vote has been set for 2 o'clock in the afternoon, then a cloture motion filed today which would require a vote on the day after tomorrow.

I think it is interesting to see a number of Senators whose names are on this cloture motion that I do not recall seeing here today, but I make no point of that. I guess they possibly have a few of these cloture motions stacked up there ready to pull out as the occasion requires, but I do see a number here that I expect are still at home. It might have been interesting to have had a live quorum earlier in the day, but I did not choose to request such a quorum call.

Again, I thought for a moment I would offer Secretary Mathews' letter. It was distributed on Friday to all Members of the Senate by the office of Senator HUGH SCOTT, the Republican leader.

I suppose the distinguished Senator read this letter before it was circulated. It does not speak too highly of the bill itself, H.R. 8069, but it just talks about the fiscal aspects of it and not the busing aspects.

It does discuss that he leaves the amount of money in the bill to the necessity of today's difficult fiscal times because the total bill exceeds the President's January budget by more than $1 billion. For HEW, it is more than $900 million over the budget.

> These expenditures are proposed at a time when the overall fiscal picture of the Nation demands an even greater restraint on spending than in those prior years when the Congress appropriated more for health and welfare than requested by the President. The President has drawn the line on the budget deficit for fiscal year 1976 at $60 billion.

That figure is way out of date, the $60 billion figure.

> On May 14, Congress drew its own line at $69 billion. Congress's own July 21 budget scorekeeping report estimates a possible deficit of over $83 billion.

So this little bill, on which we are not even allowed to get to the discussion stages with respect to the substantive provisions of the bill, carries a price tag around $41 billion. The Secretary says, of all things, "That is too much."

We do not very often find the Secretary of any of the various departments of Government coming in and requesting a reduction in the appropriation for his department. They generally want a whole lot more than is in the bill. But Secretary Mathews, with his Alabama upbringing and conservative thoughts, suggests this is way out of line. I am hoping he will continue with this sense of fiscal responsibility. That seems to be something that is frequently lost when a person sinks into the Federal bureaucracy here in the national government.

These bureaus are getting so large, so monolithic, that they are just becoming another branch of the Government, greater than all the other branches put together, and spending more money than the original functions of our Government spend. It is hard to change the direction of these vast bureaus and agencies. They seem to have a separate existence, separate and apart from the executive, legislative, and judicial departments of our Government. They just grow and grow and grow, and it is difficult to turn them around. It is difficult to change these trends. It is difficult, if not impossible.

We do have an opportunity, which I hope will be presented later on in the week, I might say, to cut down on this appropriation by at least $1 billion.

Mr. PROXMIRE. Will the Senator yield briefly?

Mr. ALLEN. I yield for a question, yes.

Mr. PROXMIRE. Will the Senator yield to this Senator for 5 minutes, with the understanding that he not lose his right to the floor and that his resumption would not be considered a second speech, for me to speak on an extraneous matter for 5 minutes?

Mr. ALLEN. I will be delighted to yield under those conditions.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

GOVERNMENT AS EMPLOYER OF LAST RESORT—OUTRAGE OR SALVATION

Mr. PROXMIRE. Mr. President, Federal Reserve Board Chairman Arthur Burns has made what may become an historic suggestion in his proposal at Atlanta on September 19 that the Government should in effect end almost all unemployment by offering a job to anyone willing to work.

The way Chairman Burns dressed this proposal, it not only will be unpopular with many, but it is so unrealistic it would have no chance of enactment into law.

Dr. Burns suggests that this proposal would not be expensive for Government—indeed as he made it—it would reduce Government spending. It would not be inflationary.

How can this be, if the Government is to hire most of the 8 million people who are now out of work?

The answer is that the present income of most of those who would be offered jobs would be sharply reduced under the Burns proposal. Here is the way Burns' proposal would work:

Worker A supporting a family of five had been earning $13,000 a year. He is laid off. For as much as a year or more he might be receiving $6,500 per year or even more as unemployment compensation under present law.

What happens to worker A under the Burns proposal? His unemployment compensation is eliminated a brief 13 weeks or less after he loses his job. But he is offered a Government job at the minimum wage which is now $2.10 per hour. Assuming the worker is employed 40 hours a week for 52 weeks at $2.10 per hour, he would earn $4,368.

Now this would mean a catastrophic drop in income for the worker, misery for his family, and the likelihood that hundreds of thousands, unable to meet their mortgage payments, would lose their homes. Furthermore, welfare and food stamp costs would either soar out of sight or—if they were cut back—actual hunger and want could literally plague millions in this country for the first time since the Great Depression.

For the economy as a whole the proposal would be even more cataclysmic. The Burns proposal would torpedo the income of literally millions of persons who spend virtually all they receive. They have to in order to live. The result: Overall market demand would go through the floor, and the country would be on its way to a truly drastic depression.

Why then do I say that the Burns proposal may be historic? Because this basic proposal for the Government to act as an employer of last resort makes sense, provided it is not used as a system for smashing through the income floor provided by unemployment compensation.

Of course, the great majority of persons would rather work than be on the dole. But it is a fact, as anyone who can read help wanted ads and talk to employers in this country knows, perfectly good jobs, paying twice the minimum wage are going begging—sometimes for months—because there are many able bodied persons receiving unemployment compensation who would have to take a reduction in income to go to work.

What is the answer? The answer is simple. Let the Government provide the jobs as Chairman Burns proposes, but maintain the same level of income provided by unemployment compensation, plus compensating for costs incident to the job, that is, getting to and from work, and so forth.

The costs of such a program to the Federal Government in hiring the laid-off workers would be minimal, because unemployment compensation would have to be paid to most of them anyway. Unemployment compensation is by and large substantially below the regular pay received by laid-off workers so there would be a strong incentive to go back to private employment as soon as it was available.

For new job entrants with few or no skills the Burns proposal of paying the minimum wage makes sense. This would keep the cost to the Government reasonably low, and provide an incentive for seeking and finding private employment.

Meanwhile two great benefits would be achieved:

First. The idle worker would have the chance to regain the self respect that goes with employment, keep job habits and in some cases even job skills in order.

Second. The country would benefit from the immense amount of constructive work in parks, hospitals, environmental projects, and schools that the millions of unemployed could provide.

Mr. President, it is a personal tragedy when a man who is out of work needs a job. It is a national tragedy when 8 million people want to work, want to contribute to this country, want to build something, and cannot find work.

It is beyond me why we cannot follow the basic policy suggested by the Chairman of the Federal Reserve Board, a brilliant but very conservative economist. I think Dr. Burns is half very right and half very wrong. Support should not be used as a means of cutting down the unemployment compensation income, because if it does that, it will drive us into a depression, just as sure as the Sun will rise tomorrow. But the employment should be made available at that level of income, to help get people back to work. Few things are more important now then putting the country to work. A moderate change in what would otherwise be an outrageous proposal would do it.

Mr. President, I thank the distinguished Senator from Alabama for so graciously permitting me to speak, and I yield back the remainder of my time.

Mr. HELMS. Mr. President, will the distinguished Senator from Alabama yield to me under the same conditions, that he not lose his right to the floor?

Mr. ALLEN. I am delighted.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. And that the resumption of the Senator's speech not count as a second speech?

Mr. HELMS. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Has the Senator asked for a definite length of time?

Mr. HELMS. No. I shall not be long, Mr. President.

The PRESIDING OFFICER. The Senator may proceed.

PUBLIC SCHOOLS: HEW HARASSMENT OF WINSTON-SALEM/FORSYTH COUNTY SYSTEM

Mr. HELMS. Mr. President, as Senators are aware, Congress has over the years enacted legislation providing various forms of Federal financial assistance to public schools. This assistance money is generally distributed by the Department of Health, Education, and Welfare. In this legislation, Congress provided that no such financial assistance was to be given to school systems that operate in a racially discriminatory manner. These strings were attached because it was felt that they were necessary as a part of the general effort by the Federal Government to abolish all remnants of dual school systems.

This provision currently exists as an anachronism in our law. The Federal courts have already accomplished the abolition of dual school systems, racial discrimination, and the like. The court-ordered desegregation plans that accomplished this are still on the books. They survive as a deterrent to the reinstitution of discriminatory policies. Where the courts have already acted, there is no current reason for the existence of a power within the Department of Health, Education, and Welfare to make a determination as to whether a given school system is maintaining discriminatory policies.

On May 16, 1974, I, therefore, proposed an amendment to the education bill which provided that no officer or employee of the Department of Health, Education, and Welfare administering any federally assisted program could withhold funds from any State educational agency, local educational agency, institution of higher education, or other educational institution based upon a determination that such agency or institution was operating any such program in a racially discriminatory manner, if such agency or institution was operating under a desegregation plan ordered by any court of the United States.

While the discrimination question has become solely academic, the problems created by HEW in the exercise of this power are very real. There currently exists within the Department of Health, Education, and Welfare a collection of bureaucrats who, under the guise of racial equality, are destroying the public schools of my State and, I have no doubt, the schools of many other States. In my statement on the Senate floor in connection with that amendment, I called my colleagues' attention to the case of the Winston-Salem/Forsythe County school system. It is a fine, progressive school system of which that community is justly proud. However, the quality of education in that school system is not to the credit of the Federal Government. It is in spite of the Federal Government.

The Winston-Salem/Forsyth County area is inhabited by many fine people and dedicated citizens who have worked unselfishly to provide the best possible education for their children. In addition, the area contains several fine colleges and universities which have provided the best teachers and administrators to be found anywhere.

In spite of the hard work and generous efforts of the people of Forsyth County, the Department of HEW has determined that the school system is operating in a racially discriminatory manner. HEW's determination is predicated upon the assumption that, if a disproportionate number of students of a minority race are placed in a remedial class or receive discipline, racial discrimination exists. According to HEW, this determination, based solely upon statistics, justifies their withholding Federal assistance funds from the school system.

Of course, the real tragedy of the situation is that the school officials must then either redistribute the students in the various classes to meet arbitrarily imposed bureaucratic standards; or they must give up trying to obtain assistance funds. In either event, the students are the losers, because, on the one hand, they are denied the remedial help they need or, on the other hand, their school is denied the assistance funds it needs to help them. Thus, the Department of Health, Education, and Welfare is operating in a manner that is counterproductive to the needs of the children of America.

Although the amendment that I offered on May 16, 1974, to correct this situation received 41 favorable votes, it was rejected by the Senate. HEW continued to harass the Winston-Salem/Forsyth County school system. The Office for Civil Rights of HEW sent a team of seven people to North Carolina to investigate this school system. According to the Director of that office in Atlanta, the Winston-Salem/Forsyth County school officials extended cooperation to this investigating team. Nonetheless, HEW concluded that racially identifiable classes existed. That is to say that certain remedial classes designed to help students with learning deficiencies contained a disproportionate number of minority students for a limited period of the school day. In one instance, 25 percent of the day; in another instance, 33 percent of the day.

HEW placed the burden upon the school system to prove that their attempts to assist students in need of remedial help was justified. The investigating team refused to accept teacher recommendations as a basis for "skills grouping," or even a partial basis for it. HEW required objective criteria through testing but complained about the lack of qualified—that is to say certified—individuals to administer and evaluate the tests. Apparently the so-called objective criteria arrived at through testing is not acceptable to these bureaucrats if it is not "evaluated" to their satisfaction.

Of course, tests and individuals to administer them are expensive. Under this arrangement, school systems need funds not only to support remedial programs but also to provide evidence to prove that the remedial programs are needed and that the proper students are in the proper classes. This ridiculous situation reminds me of the old question about which came first, the chicken or the egg. The school systems cannot obtain the assistance funds if they cannot prove they have the students properly assigned to classes. They cannot afford the expensive tests, et cetera, if they do not have the assistance funds. And, of course, one wonders just how much of the taxpayers' money is actually devoted to helping children to learn and how much is spent on paying these bureaucrats to require school officials to provide evidence of their competence.

The investigating team that visited the Winston-Salem/Forsyth County school system found other things about which they chose to comment. For example, the team was dissatisfied because the school system was asking parents to consent to the placing of a student in a class for the educable mentally retarded. The team would prefer that parents' consent be given for the students to be tested for possible placement in such a program. In such a situation, parents ask that their children be given special help but HEW says "no."

According to the bureaucrats, children should not receive special help for learning disabilities simply because their parents, who have raised them since birth and who know them better than anyone, ask for this help, and school officials concur in this recommendation. HEW requires that the students be tested to see if the parents and school officials know what they are talking about. Of course, all of this testing, evaluating, investigating and reporting is done at the expense of the hardpressed American taxpayer.

The HEW investigators also chose to mention that a disproportionate number of minority students received discipline; however, HEW offered a solution for that. Let me quote the Director of the Office for Civil Rights:

> Because minority students have been and may continue to be disproportionately and adversely affected by suspensions and expulsions, a reduction in the number of students suspended and expelled would improve your district's compliance posture.
>
> One wonders exactly what the Director means by this statement.

Does he favor not punishing students for their misbehavior simply because the school system has filled its discipline quota for that particular category of students? Or to keep the statistics in balance, would HEW prefer that students in other categories be disciplined whether they deserve it or not? Of course, either alternative would be unconscienable. With the rising rate of crime and the increased incidence of drug abuse among young people, how can any responsible individual, be he Federal bureaucrat or school official on any level, advocate a reduction in proper and responsible discipline. Examples of serious crimes being committed in public schools across the Nation are too numerous to catalog. One needs only to read the daily papers for documentation.

Back to the scenario involving Winston-Salem and Forsyth County, on August 14, 1974, the board of education for the Winston-Salem/Forsyth County School System voted not to attempt compliance with the HEW requirements and to accept the consequent loss of Federal funds. As the matter stands now, Mr. President, the fine Winston-Salem/Forsyth County School System is in litigation—the case is pending before a Federal court. The people of Winston-Salem and Forsyth County have decided to take a stand, even though it meant the loss of over $360,000 in Federal assistance funds.

In my view, the school board is to be commended for its courageous decision. It has put the education of the children of the community ahead of the expensive accessories which may be beneficial, but which are not fundamentally necessary to a good educational opportunity. Furthermore, I have an idea that the good people of Winston-Salem and Forsyth County are finding a way to provide the most beneficial of those accessories, and they are doing so without HEW quotas.

Fortunately, however, the amendment that passed the Senate this past Wednesday, if kept in the bill and agreed to by the House of Representatives and signed by the President, will go a long way in helping put an end to the problems that HEW has caused in Winston-Salem and Forsyth County. I, for one, intend to stand in this Senate Chamber and do everything I can to ensure that this most desirable limitation on the power of HEW to destroy our schools is retained.

Mr. President, I ask unanimous consent that two editorials regarding the Winston-Salem/Forsyth County situation be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Winston-Salem (N.C.) Journal, Aug. 16, 1974]

Rejecting Federal Funds

In May, a group of civil rights specialists from the Department of Health, Education and Welfare visited the Winston-Salem/Forsyth County school system in search of any discriminatory practices that might disqualify the system for Federal aid funds. The group's conclusions, presented in a 14-page letter to Superintendent of Schools Marvin Ward the other day, charged that the system did, in fact, practice discrimination, or face a cutoff of students to special education classes, in the grouping of students by ability, and in the expelling and suspending of students charged with disciplinary offenses.

HEW offered the school system two choices: either comply with Federal guidelines to end the alleged discrimination, or face a cutoff of Federal funds—a possible total of $360,000—used for the hiring of some 60 teachers' aides at the elementary and secondary school levels. In a special meeting of the Board of Education on Wednesday, board members first rejected HEW's charges, then voted by a 3–2 margin not to attempt compliance with the Federal guidelines and to accept the consequent loss of Federal funds.

Although three members of the board were not present for the vote, the decision makes sense as a matter of principle and educational policy. To be sure, if any deliberate discrimination by identifiable individuals is involved in any of the three areas mentioned by HEW, it should be—and, one hopes, would be—eradicated immediately by the school board itself. HEW's accusations, however, are based primarily on numbers and ratios, not on an evaluation of human actions in human situations.

The absurdity of the HEW approach is best illustrated in the matter of discipline. According to the HEW report, the system's "discipline policies are discriminatory because minority students are suspended and expelled in numbers disproportionate to their overall ratio in the school district." That is, quite simply, a presumption of guilt based on bookkeeping, not on human beings. If the system, during the course of a week or a month or several months, finds that it has expelled too many students of one race and not enough of another, what precisely is it supposed to do? Kick out a "proportionate" number of students of the other race? Bring back a "proportionate" number of expelled students in order to balance the books?

The solution to alleged discrimination in special education classes and in the grouping of students by ability is only slightly less absurd: According to Mr. Ward, the system would have to re-register all students at the secondary school level in order to achieve racial ratios acceptable to HEW in those areas. With schools opening two weeks from now, that is hardly a sound option, no matter how much money HEW dangles before the board.

"It's time that this total school system took a look at this so-called free (Federal) money," said Board of Education Chairman Omeda Brewer at the Wednesday morning meeting. And, of course, she is right. Federal funds always come with strings attached, and as long as those strings are reasonable, the money may be accepted in good faith. But this time, HEW has attached ropes, and the ropes cannot be justified by circumstances. Better to reject the HEW funds than to follow a course that makes bad sense and an even worse educational policy.

[From the Greensboro Daily News, Aug. 30, 1974]

Forsyth and HEW

We have been following with interest and no little admiration the determined effort of the Winston-Salem-Forsyth County school board to go to the mat with MEW's Office of Civil Rights over a $360,000 special education grant.

The neighboring school board, although divided over its response, reportedly believes to a person that HEW has exceeded its warrant under Title VI of the Civil Rights Act in demanding certain modification of Forsyth's special education programs—one for slow learners, one for the "academically talented." It happens, for reasons now under dispute between the two parties, that the first program is mainly but not entirely black, while the second is mainly but not entirely white."

The response of HEW to the situation has been described editorially as follows by the Winston-Salem Journal: "At the start, HEW created a sour atmosphere . . . Apparently accustomed to steamrolling school boards, the Office of Civil Rights set forth its guidelines in a letter that was premptory, officious and seemingly inflexible." The tone is familiar enough, we must say. But as a result, the Forsyth board refused to play dead and instead told HEW on August 14 that rather than submit to the guidelines in their present form it will forego the Federal grant and find other means of financing the program.

The heart of the dispute is this: HEW has no authority, under statutory law or court order, to act as a super school board and set curricular policy for Forsyth's or any other school system. But HEW has nonetheless, prospered mightily in its steamroller approach, a calculated blend of legal, threat and moral blackmail. It has thereby rendered many school boards unsure of their legal and ethical ground, and cowed them into concessions they deemed educationally unsound. Inevitably, this means that in case after case learning gives way to theories of social betterment which may or may not be valid.

In Forsyth's case, HEW insists that there must be more racial integration in both special education programs. And it is not, we gather, particular as to the mean by which the goal is reached. If it takes more "objective" testing and less subjective teacher judgment to get more whites into the slow-learner group, and more "affirmative action" and less objective testing to get more blacks into the program for the academically talented, then that is how it should be done—never mind the logical contradiction or the inconsistency of policy.

We have no idea who will win this test of wills, nor indeed can it be declared out of hand which side has the better case on the merits. But the school board is to be commended for standing its ground on what it views as a vital question of sound educational policy.

HEW, in its officious attentions to higher and public education, frequently gets away with too much. HEW has every authority to see that there is educational equality under the law; but so far as we are aware, it has no authority to assure educational leveling under the law, which is quite another matter.

If enough school boards and school officials muster the pluck to seek to vindicate their authority and rights under the law, then Congress itself—that great evader or policy-making responsibility—may at last be compelled to establish, so that all may understand, what this Nation's educational policy really is. Is it to assure equality of opportunity for all—which is both right and attainable? Or is it to try to assure equality of educational result for all—which is neither right nor attainable?

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama, under the previous order, has the floor.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. ALLEN. Yes, I am delighted to yield to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. That is with the understanding that he not lose his right to the floor and that his resumption not count as a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 12 NOON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, without losing my right to the floor, as the Senator to whom the Senator from Alabama yielded, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATORS MANSFIELD, GRIFFIN, AND ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, Mr. MANSFIELD be recognized for not to exceed 15 minutes, Mr. GRIFFIN be recognized for not to exceed 10 minutes, and that I be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection it is so ordered.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the consummation of the various orders entered into for tomorrow for the recognition of Senators there be a period for the transaction of routine morning business with statements limited therein to 5 minutes each, such period not to extend beyond 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF CONSIDERATION OF H.R. 8069

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of routine morning business tomorrow the Senate resume consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TIME TO BEGIN RUNNING UNDER THE CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the hour of 1 p.m. tomorrow, the 1 hour under the cloture rule begin running.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the Senator from Alabama losing the floor under the previous understanding, and I so suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD ON PENDING AMENDMENT TO H.R. 8069

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon each resumption of consideration of the pending amendment, I be recognized, without its being charged as a second speech against me.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BROOKE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the name of Mr. BROOKE be substituted for the name of Mr. GRIFFIN in respect of the order for recognition for a 10-minute speech tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and at 6:04 p.m. the Senate recessed until tomorrow, September 23, 1975, at 12 noon.

EXTENSIONS OF REMARKS

LYMAN SCHROPE, PATRIOT

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, September 22, 1975

Mr. SCHWEIKER. Mr. President, the Norristown, Pa., Times Herald recently told the story of an 86-year-old American patriot, Lyman Schrope. For more than 20 years Mr. Schrope has personally maintained a World War II memorial on a street island in Norristown. During that time Mr. Schrope has faithfully raised and lowered the American flag each and every day.

Mr. President, because I believe the story of Mr. Schrope's selfless dedication will be of interest to others, I ask that the Times Herald article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STANDS "SOLITARY REVEILLE, RETREAT": "REMARKABLE" MAN TENDS WORLD WAR II MEMORIAL

(By Barry Spyker)

Though the Bicentennial era is arousing the spirits of more and more Americans, one Norristonian will continue to be a prominent figure in his devotion to our country and its flag.

"For many years now I have observed a remarkable man pay homage to his country and the flag he holds most dear," a Norristown resident said recently in a letter to The Times Herald.

The "remarkable" man is 86-year-old Lyman Schrope, of 803 W. Elm St., who faithfully has raised the American flag at sunrise and lowered it at dusk for more than 20 years.

Entirely on a voluntary basis, the Norristown patriot also has maintained by himself the monument in front of the flagpole and decorative shrubbery which together constitute the World War II memorial at Haws Avenue and Elm Street.

"As much as I admired his physical efforts and the beautiful results of it, the letter-to-the-editor continued, "I was as much moved by the demonstration of love and loyalty that finds him standing a solitary reveille and retreat, tenderly unfolding the symbol that thousands of Americans died for and millions of other suffered the wounds of battle."

"I first decided to do this for three young Norristown fellows who went into the Army the same time as my two sons," Schrope said. "All five went overseas during the war," he continued, "but only my two sons returned."

"Those three young men were killed," Schrope said.

One of Schrope's sons, Robert, presently lives at the Elm Street address while the other, Earl, resides in Plymouth Valley.

The borough constructed the memorial plot, located on a segment of a 15-foot wide island on Haws Avenue just after the war.

Schrope began caring for the plot when it apparently became neglected.

The memorial is surrounded by green hedges and flat slabs of rock provide the walkway which leads to a five-foot high granite monument.

Inscribed on the structure which is two feet wide and one foot thirck, is: "Dedicated to the Men and Women who served our country in World War II.

Behind the stone is the flagpole at which Schrope raises and lowers the star spangled banner each day.

A sun dial on a three-foot-high concrete base once provided the approximate time of day for visitors. Today only the base remains.

"Somebody stole the sun dial many years ago," Schrope recollected. "I guess the concrete stand was too heavy to walk off with."

"That's the most hurtful part of this," Schrope said in his slight Pennsylvania Dutch accent. "Someone also took the eagle statue which perched on top of the flagpole."

"And the kids," he continued, "try to play football on an open area of the island." "They ruined the grass," he said pointing to blotches of dirt, "and they ruined one of the nicest bushes on the island when they tried to get a football out of it."

"I can't really blame them, though," Schrope admitted. "I was young once, too, you know."

Such obstacles, however, do not appear to hinder Schrope's impressive enthusiasm.

"Ah, there are many heartaches in keeping the memorial," said Schrope, a short man with bright blue eyes and thinning white hear. "But to me it's such a joy."

A Norristown resident for 58 years and subscriber of The Times Herald for nearly as long, Schrope sets aside a portion of every day for his memorial maintenance.

DOES DAILY CHORES

His chores include weeding, hedge-trimming, keeping evergreens and rose bushes trim, and keeping Old Glory aloft.

Schrope anticipates nothing in return except his personal satisfaction and looks to no accolades or assistance.

He even replaced a tattered flag with his own money for a new banner. "I didn't want to bother the borough officials," he said. "They're busy enough."

But Schrope may not be alone in his venture much longer.

Another Norristonian, 28-year-old Robert Wlock of Powell Street, recently recognized Schrope's dedicated work and volunteered his assistance.

Wlock offered to replace a dilapidated gate at the foot of the memorial island, plant some shrubbery, and find another eagle statue for the flagpole.

"I'd be so delighted," Schrope said in joy. "My gracious."

"We'll work on this thing together," said Wlock, who owns a painting and carpentry business.

Schrope's patriotic devotion isn't limited to his involvement at the memorial, located about 75 feet from his front door.

When he's not helping his wife, Mamie, with household chores, Schrope enjoys reading and reciting poetry from his own volumes regarding America and her history.

"Every page talks to me," said Schrope as he leafed through some yellowed pages. "Every page."

Born in Pine Grove, Schuylkill County, Schrope also displays his patriotism with an ornamental American Eagle, which hangs over the kitchen doorway of his home.

Schrope taught school in Schuylkill County from 1908 to 1914 and later took a job in the accounting department of Philadelphia's Reading Terminal, where he was employed for 54 years.

Schrope said he's been married 58 years but his wife quickly reminded him that they've been married 59 years.

How much longer will Schrope tend to the memorial? "As long as I'm able," he said. "It's my joy."

"Whenever I'm out there," he said, "I'm thinking of my two sons." "They went overseas," Schrope reminded, "and they came home!"

EDUCATION AND INFLATION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. WHITEHURST. Mr. Speaker, in light of the recent vote to override the President's veto of the education appropriations bill, I have some thoughts that I would like to share with my colleagues, and I am introducing them at this point in the Record. I think it is important that the question of our Nation's economic future be given serious consideration.

I have been criticized recently by leaders of the Norfolk and Virginia Beach Education Associations, affiliates of the National Education Association, for my vote to sustain President Ford's veto of a $7.9 billion education spending bill. As a former educator, I have a strong interest in providing the highest possible quality of education for our Nation's youth. But, as a Member of Congress, I have the duty to use my best judgment and act in the national intest without regard to political pressures brought to bear by special interest groups. I firmly believe that our overriding National concern at this time must be to control Federal spending. Only by reducing the huge Federal budget deficits which we have experienced over the past decade can this country hope to overcome the severe inflation which jeopardizes the future health of our economy and indeed the future of our Nation itself.

Everyone recognizes the terrible financial problems of New York City. I have said before that the only difference between the Federal Government and New York City is the Federal Government's control of the presses which print money. This year, there is likely to be a budget deficit of over $80 billion. A deficit of this magnitude virtually guarantees continuing high inflation and further impedes our economic recovery by forcing the Federal Government to compete for borrowed capital with the private sector. There are some who will say that my vote against the education spending bill demonstrates a lack of compassion. But I would ask in return: Is it compassionate to continue the debasement of the currency earned by hard-working Americans by engaging in deficit spending? Is it compassionate to further penalize those on fixed incomes by increasing inflation?

The typical American voter must be asking why the Congress continues to spend billions of dollars on the myriad of Federal programs when so many of them are outmoded and clearly have not worked. One major reason, in my judgment, is the power of special interest groups which press to continue programs aiding their narrow constituencies, regardless of whether or not the rationale for those programs continues to exist.

The education establishment certainly has its share of special interest groups. There are six major education lobbies situated here in Washington. Perhaps the most powerful of these is the National Education Association, which has affiliates throughout the Nation, including the Education Association of Norfolk and the Virginia Beach Education Association.

In 1974, the political action arm of the NEA spent approximately $900,000 to elect congressional candidates favorable to its views. Many of the NEA-supported candidates were elected last year, and when the education spending bill was vetoed by the President, the NEA set out to collect its due bills. Unfortunately for the country, it was successful.

The lobbying on the education bill was the most intense of any that I have experienced on any piece of legislation considered by the current Congress. Virtually every Member of Congress I know was contacted by national, State, and local NEA representatives. The pitch made to me and to members of my staff was that we should ignore the consequences of the addition to the budget deficit and focus only on the immediate benefits to the Norfolk and Virginia Beach school districts. One young man asked what difference it made if the deficit is increased by another billion or so, so long as my district got an additional $6 million. This kind of reasoning, of course, misses the point that it is the taxpayers of the Second District and of all the other congressional districts who ultimately have to foot the bill for this largesse. Unfortunately, this approach is all too often successful in persuading Members of Congress to vote for various spending bills. It is one cause of the great difficulty we have in bringing ourselves to take the tough actions necessary to curb inflation and to reverse this Nation's movement toward becoming a welfare state.

The education lobbyists did not stop with this argument. A member of my staff was told bluntly by representatives of the Virginia Education Association that a vote by me against the education bill would be well publicized, as it obviously has been. One of my distinguished colleagues, Congressman ROBERT MICHEL, the House Republican whip, was the recipient of even more blatant pressure. Congressman MICHEL is part owner of a restaurant in Illinois which has been patronized by the Illinois Education Association for banquets and meetings. Because of his opposition to the education spending bill, Mr. MICHEL was informed by the IEA-NEA that they will no longer patronize his restaurant, and they will also encourage individual teachers to avoid his establishment. Congressman MICHEL called this "downright blackmail," and I would agree.

Before discussing my specific objections to the education spending bill, let me correct the misinformation concerning the loss of Federal funding for the Second District reported by the leaders of the Norfolk and Virginia Beach Education Association.

If the Congress had sustained the President's veto, Federal funding would not have ended. It would have been maintained by a continuing resolution which would have funded local education agencies at the level of the original House-passed bill. Since this funding level was a relatively minor $150 million below the bill finally enacted, very little, if any, money would have been lost to the Second District. During the time in which the continuing resolution was in effect, negotiations between the Ford administration and Congress would have gone on to find an acceptable compromise. In my view, a suitable compromise would have been the bill recommended originally by the House Appropriations Committee. It was $661 million over the President's budget request, as opposed to the vetoed bill, which was $1.5 billion over the administration's recommendation. A major difference between the Appropriations Committee bill and the President's proposed budget came in impact aid funding. The committee bill recommended $300 million more than did the Ford administration for impact aid, and I strongly supported the committee in this regard. During my service in the Congress, I have never wavered from my support for impact aid, which provides partial compensation to Norfolk and Virginia Beach for the loss of local tax revenues as a result of the substantial amount of Federal property in these cities. I want to make it very clear that I disagreed strongly with the President's proposed funding for impact aid and that I would have supported the bill reported by the House Appropriations Committee, which would have continued impact aid funding at a relatively high level.

Unfortunately, however, $500 million was added to the Appropriations Committee bill on the House floor, and the Senate added several hundred million on top of that, for a total of nearly $1 billion. These huge additions made the final bill impossible for me to support, particularly in view of the many unnecessary expenditures which they represented. For example, the bill provides $150 million more than the President's budget request for the title I program to aid the disadvantaged. This amount was appropriated notwithstanding the fact that HEW's latest reports indicate that the States still have upwards of $1 billion from prior appropriations not yet spent under title I and the other provisions of the Elementary and Secondary Education Act.

Another blatant example of wasted funding is the bill's addition of $140 million to the President's budget for the emergency school aid program, designed to help school districts integrate. In the 1969–70 school year, 1,000 school districts were preparing to desegregate. This year the total is down to about one-third of that, and yet we have huge increases in funding.

Other examples of extravagant funding for outmoded programs abound in this bill. As a former college dean and professor, I strongly favor student assistance programs. But we must keep the funding for these programs in perspective. The education bill increases student assistance programs by 25 percent at a time when enrollments are becoming quite static, increasing at only 1 or 2 percent per year.

The $53 million provided in the bill for Follow Through is a good example of the extreme difficulty in trying to terminate a Federal program. The Follow Through program was originally enacted in 1968 as a temporary, experimental program for the purpose of helping early primary grade disadvantaged children who were enrolled in Head Start and similar preschool programs. Officials of the U.S. Office of Education have testified before Congress that the program should be phased out, because the experimentation has ended. Yet 7 years after this "experimental" program was begun, we are pouring $53 million into it. The educational approaches found to be useful in assisting the children involved should be more properly continued under the title I program.

Congressional approval of the recent education spending bill comes at a time when, the education lobby notwithstanding, the demand for educational expenditures should be declining. Elementary and secondary school enrollments are dropping, going from 46 million a few years ago in the public schools to 45.4 million in 1973, to an estimated 44.4 million in fiscal year 1976. This fact has not been lost on the American people, who are increasingly demonstrating their desire to examine closely the money spent for education. The voters are more and more frequently turning down school-bond referenda, with 43.8 percent of such issues being rejected in 1974 compared to only 27 percent in 1964. Earlier this year, in New Jersey, the people had the opportunity to vote on their school budgets, and an all-time high of 58 percent of the budgets went down to defeat. The American taxpayers are wondering why it is, with all the billions of dollars spent on education by the Federal, State, and local governments over the past decade, that the college board scores of their children have dropped dramatically, with a dip of 44 points on the verbal exam and 30 points on the mathematical portion of the scholastic aptitude test, which most colleges and universities now require for admission. They also wonder why the University of Wisconsin School of Journalism reports that an alarming number of its beginning students have not mastered even a basic knowledge of English grammar.

I do not mean to suggest that we should drastically reduce spending for education. But I do believe that we must take a hard look at our programs to insure that the limited funds available are spent wisely, particularly in these difficult times for our economy. In my judgment, this is what the American people want, and it is my view that the Congress was overly influenced by the education lobby on the recent bill and is out of step with the mainstream of American thought with regard to spending for education. I would point to the actions of several Governors, including our own, who have reduced education spending to avoid tax increases. Fiscal conservatives like Governor Godwin are not alone in this action. The liberal Democratic Governor of Illinois cut his education spending by $110 million in order not to have to raise taxes.

I believe that the American people are ahead of the Congress in recognizing that we must take a hard look at all Federal spending or we will imperil the very prosperity which has allowed our Government to provide so many important services to people. Seventy percent of those who responded to my most recent questionnaire indicated that they wanted the Federal Government to reduce its budget, even if it meant decreasing spending programs they valued highly, and 62 percent wanted the same amount or less spent on education. The overwhelming majority of those who replied to my 1974 questionnaire stated that the Congress should combat inflation by cutting Federal spending and balancing the budget, and all indications are that the majority of my constituents still feel the same way.

Let me make clear my intention to examine carefully defense spending as well as spending for domestic social programs, indeed all Federal spending. As a member of the House Armed Services Committee, I recently participated in reducing the recommended authorization for spending for national defense to several billion dollars below the President's request. No program can be sacrosanct when we are facing a deficit of $80 billion. Members of Congress must insure that each item in the budget is meritorious, or we will have betrayed the trust of the American voters. I believe that the voters will find much that is without merit in the education bill. While the spokesmen for the education associations are to be commended for their zeal, it must be remembered that their constituency is much narrower than mine, and I have the duty to consider the best interests of not only every person in the Second District, but the economic well-being of our Nation as a whole, and I will not yield to the pressures of any special interest group, no matter how vocal.

BALANCING THE BUDGET

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. BENNETT. Mr. Speaker, I wish to bring to a wide public attention an excellent editorial which appeared in the Florida Times-Union and Jacksonville Journal on September 14. The editorial deals with the need for a constitutional amendment which would require Congress to balance the Federal budget every year, except in case of national emergency. I introduced such a constitutional amendment, House Joint Resolution 616, earlier this year with the strong endorsement of the Jacksonville area Chamber of Commerce, and I believe this legislation is essential for improving the fiscal posture of the Federal Government. The editorial reads as follows:

A "SIMPLE LITTLE" CHANGE

Not every year, not even every decade, is there an action in Congress which has far-reaching, long-lasting effects of great magnitude. Sometimes these acts don't seem nearly as sensational, at the time, as they will prove to be.

An easy example comes to mind. Back in 1943 the federal government made what was, on the surface, merely a governmental housekeeping change; it simply changed the way that the federal income tax was collected. No big deal it then seemed.

Yet, this apparently simple deed opened a Pandora's box.

Suppose the withholding method hadn't been enacted and the middle income citizen, paying $2,000 to $3,000 or so a year in income tax, suddenly received, come April 15, a bill for the whole amount of tax due.

Chaos would be too mild a word for the effect on the nation.

But, since the tax is primarily collected by withholding every payday, and on April 15 many citizens look forward to a refund instead of owing more, the tax process (albeit still annoying) is essentially a routine matter.

What is important is not the amount of money collected (that has become accepted, however reluctantly) but the way it's collected: the "painless" way instead of a lump sum bill which few could pay without disrupting entirely their family budgets.

At this moment, another potential blockbuster of a change is pending; again, it doesn't seem, on the surface, especially devastating. But it could prove the most important economic move made in this nation's history.

This idea: The proposed constitutional amendment which would require Congress to balance the federal budget every year, except in case of national emergency (such as World War II).

Don't underestimate the influence this would exert. Reflect a moment.

This year, for example, we were expecting a $50 billion deficit which has already turned into $60 billion at least and could be $85 billion or more.

Yet, what is the effect on the average taxpayer?

He or she is, actually, enjoying a tax cut!

The average taxpayer, while doubtlessly vaguely realizing the unsoundness of such spendthrift federal policy, faces this only as an intangible quantity (in terms of sums which he cannot even really comprehend).

What means very much to him, on the contrary, is that his own weekly take-home pay has increased a little.

But suppose this "simple" little amendment took effect.

And suppose further that Congress (at first) went about gleefully spending as usual. Federal income was projected at, say, $350 billion. And Congress found it was going to spend $385 billion. Or $420 billion.

The only way—under this amendment—that Congress could spend $385 or $420 billion would be to raise that much. Which could mean only a tax increase.

Congress would have two alternatives:

(a) Toss around the money with wanton abandon as it has done lo! the many years; accordingly wind up with taxation increasing substantially; return in an election year to face an irate citizenry with a single mood in mind: "Throw the rascals out!"

Or (b) have the foresight to see the effect of tax increases—whereby the long-accepted congressional wastefulness would now directly hit taxpayers' (voters) pockets—and begin exercising the frugality it should have been demonstrating all along.

It should be clear, from the example of 1943, that income taxes could never have increased to cover the number of people now paying (only six million Americans paid any income tax in 1937) at the truly extravagant rates now prevailing, without the "painless" method of extracting money from the public pocket.

It should also be clear, on reflection in 1975, that Congress will never—repeat, never—exercise fiscal responsibility until its customary spendthriftness would be painful to (a) taxpayers every payday and, accordingly, (b) congressmen every election November.

We are already half a trillion dollars in debt (owing far more than a total year's income).

Where do we go from here?

The proposed constitutional amendment will give the answer.

A TRIBUTE TO DR. VASCO AND MRS. MAXINE SMITH, CIVIL RIGHTS LEADERS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. FORD of Tennessee. Mr. Speaker, the civil rights movement in this country, though national in scope, owes much of its overall success to the tireless, unselfish efforts of individuals in their respective communities who brought about an awareness of injustices and an impetus to change. Throughout this Nation, there are scores of such individuals, many of whom are not nationally known, who are symbols of the "strides toward freedom" which have been so significant during the past two decades.

I doubt if any tandem of local civil rights leaders has had more of an impact on a community than Dr. and Mrs. Vasco A. Smith have had in my home community, Memphis, Tenn. Their names have become synonymous with civil rights in our community as they have, over these last two decades, fearlessly and vigorously pursued the American ideals of equality and justice for all.

Since 1955, Vasco Smith has served as an active board member of the Memphis Chapter of the National Association for the Advancement of Colored People. His wife, Maxine, has been a member of that board since 1957; and she has served as executive secretary of the Memphis branch since 1962.

In the 13 years during which Mrs. Maxine Smith has directed the branch's activities, the Memphis N.A.A.C.P. has received the Thalheimer Award—given to the branch cited at the N.A.A.C.P. Annual National Convention as the most outstanding in the country—on 12 occasions.

In addition to their direct involvement in the civil rights movement, both Vasco and Maxine Smith have given of their time and talent to serve the Memphis community in elective offices. Mrs. Smith has been a member of the Memphis School Board since 1971. Dr. Smith has been a member of the Shelby County Quarterly Court since 1973.

Each of the Smiths has received recognition and awards far too numerous to mention individually herein. It is, however, fitting on the occasion of their 22d wedding anniversary, celebrated this past September 19, to pay homage to their unparalleled contributions to their community. They represent the epitome of those men and women throughout America who have had the courage and dedication to stand up for freedom. This small tribute is the least we can do to say "Thank you and God bless you" to Vasco and Maxine Smith.

FEDERAL EMPLOYEES' PAY RAISE

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. WIRTH. Mr. Speaker, it is not yet clear whether the President's proposal trimming the white-collar Federal employees' pay raise is going to come before us for a vote. The Senate has passed the buck to us, slightly devalued, but there are indications that the buck is going to languish in committee. As everyone in this town knows, the reason why the Senate voted as it did, and why there may be no House resolution of disapproval for the President's proposal, is that a majority of Members do not want to go on record in favor of pay raises for themselves.

It must have been obvious to civil servants as long ago as last July 30—when we added ourselves to their comparability scheme—that something like this was going to happen. They must have known that, in our fear of the political consequences of including ourselves in a more generous raise for them, we would drag them down with us. But still my daily mail brings hopeful entreaties from Federal employees not to let them down in their struggle to keep up with inflation.

Mr. Speaker, I think that this Congress should never have included its Members in the provision for automatic annual increases for Government workers. I voted against the inclusion last July, and I would do so again today if I had the chance. The issue of civil service salaries is separate and distinct from the issue of congressional salaries—economically and philosophically—and should have been treated as such.

Having said that, I have to say that if I had the chance, I would vote to disapprove the President's proposal for a 5-percent increase, thus establishing the higher level of 8.66 percent recommended by the commission on salaries. I find it unjust and mean-spirited for us to penalize the civil service because of our fear of the electorate, for us to trample them in our own stampede to score points with the taxpayers.

ACTIVE DUTY STRENGTHS, JUNE 1975 (REVISED) AND RECRUITING RESULTS FOR THE MONTH OF JULY, FISCAL YEAR 1976

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. DAN DANIEL. Mr. Speaker, revised figures just released show that the final total strength of the four military services at the end of June 1975, was 2,127,000, or 99.9 percent of their target of 2,128,000. Strengths by service are compared with their June 1975 objectives in the table below:

ACTIVE MILITARY STRENGTHS

[In thousands]

	June 1975 (revised)	June 1975 (objective)
Army	784	785
Navy	535	535
Marine Corps	196	196
Air Force	612	611
Total DOD	2,127	2,127

The total of 37,500 men and women recruited in July was 101 percent of the total objective of 37,500:

ENLISTED ACCESSIONS—ALL SOURCES

[To nearest 100]

Service	July 1975		
	Objective	Actual	Percent
Army	14,500	14,500	100
Navy	10,500	10,500	100
Marine Corps	5,400	5,500	102
Air Force	6,900	7,000	101
Total DOD	37,300	37,500	101

In July, 96 percent of all nonprior service enlistees were in mental categories 1–111, the average and above-average mental groups. Of the July nonprior service enlistees, 87 percent were high school graduates and 8 percent, or 2,800 were women. Black enlistments accounted for about 15 percent of the July enlistments. The number of prior service enlistments was 1,500, or 103 percent of the objective.

Total selected Reserve strength declined slightly during June. The average selected Reserve strength in fiscal year 1975 was 904,700, or 98 percent of the 919,900 congressional appropriation.

SELECTED RESERVE STRENGTHS

[In thousands]

	End strengths		Average strengths	
	June 1975 (preliminary)	May 1975 (actual)	Fiscal year 1975 (preliminary)	Fiscal year 1975 (appropriated)
Army National Guard	394.7	395.3	394.1	400.0
Army Reserve	225.1	227.4	229.9	225.0
Naval Reserve	98.3	102.0	108.0	111.9
Marine Corps Reserve	32.4	32.4	32.2	36.7
Air National Guard	95.4	94.4	94.0	95.0
Air Force Reserve	50.7	49.2	46.6	51.3
Total DOD	896.5	900.6	904.7	919.9

CONGRESS BATTLES TO HOLD DOWN GASOLINE PRICES AND FUEL COSTS—ADMINISTRATION WANTS DECONTROL WHICH MEANS HIGHER PRICES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the American people do not want to pay higher prices for gasoline, nor should they have to, with gasoline prices having increased substantially during the past 3 years.

My current newsletter, Capitol Comments, discusses this matter of increased prices, excessive profits by the big oil companies and the complaint filed by the Federal Trade Commission to break up these multinational corporations.

The newsletter concludes:

> One of the major objectives of national policy in the next few years should be the breaking up of not only the oil-coal monopoly—but of monopolies which have invaded many segments of economic activity in the nation.

Because of the interest of my colleagues and the American people in this most important matter, I place my newsletter in the RECORD herewith:

CONGRESS BATTLES TO HOLD DOWN GASOLINE PRICES AND FUEL COSTS—ADMINISTRATION PUSHES FOR DECONTROL WHICH MEANS HIGHER PRICES

Recently the President vetoed a bill passed by the Congress to hold down the price of oil and gasoline. The House immediately passed a bill to extend price controls for an additional period of two months while approving a provision in the Energy Conservation and Oil Policy Act extending strict price controls indefinitely. These actions were designed to put a lid on escalating gasoline prices.

The Administration has adopted a position of championing the interests of the major oil companies as the effect of decontrol would be to permit the oil companies to make drastic increases in oil prices to the exorbitant levels set by the Arab oil-producing nations.

The House proposes to continue to control the price of "old oil"—oil from wells developed prior to 1973—at $5.25 a barrel. The bill would roll back the price of "new oil"—oil from wells developed in 1973 and later—to $7.50. "New oil" is currently selling at approximately $13.50 a barrel which is the price charged by the OPEC nations.

The effect of the removal of all controls which the Administration advocates would be to permit the "old oil"—now $5.25—to rise to the current level of "new oil"—$13.50. This obviously would mean a sharp increase in gasoline prices for the American consumers. Many predict that the price will go even higher.

The line is drawn as the President has advocated full decontrol while the Congress has voted to hold the line. Now the President is seeking partial decontrol—up to 39 months, which the Congress to date has refused.

The President's latest veto on oil and energy was narrowly sustained in the Senate where Republicans were joined by Democrats from four oil-producing States—Alaska, Oklahoma, Texas and Louisiana—in voting with the President.

The Administration has adopted the argument and championed the position of the major oil companies which contend that higher gasoline prices are required to provide the oil companies with even higher profits needed—they say—to assure adequate exploration for additional oil wells and supplies.

However, profits of the big oil companies in 1973 and 1974 during and after the Arab embargo increased to astronomical levels—in many instances increasing more than 100 percent over the two-year period and in some instances increasing by as much as 393 percent, 827 percent and even in excess of 1,000 percent for one company.

It would seem that these excessive and exorbitant profits—net profits—AFTER oil exploration costs were deducted—would be used to finance sufficient new exploration for oil. But, such is not the case.

According to the U.S. Bureau of Mines, the number of domestic wells in operation actually declined from 508,443 in 1972 to 497,631 in 1974. Therefore, there appears to be little correlation between high profits and exploration efforts.

The House Small Business Committee which your Representative serves as Chairman has conducted a continuing investigation for several years into the oil-coal monopoly and submitted the results and findings of these hearings and investigations to the Department of Justice and the Federal Trade Commission.

On October 6, 1970, your Representative personally requested the Chairman of the FTC "to investigate the fuel and energy crisis with respect to the trend toward monopoly and conglomerates" and expressed concern over the "monopolistic concentration of ownership" in the energy field.

Subsequently the FTC initiated such an investigation and a report was issued which confirmed the existence of a monopoly in the oil industry and referred to the "cooperation" between the multinational oil companies, the killing of competition and the deliberate exclusion of independent operators from the industry.

This staff report drew this conclusion:

"These major [oil] firms, which consistently appear to cooperate rather than compete in all phases of their operation, have behaved in a fashion as would a classical monopolist: they have attempted to increase profits by restricting output."

The report goes on to charge that the "majors [major oil companies] have used the shortage to attempt to debilitate, if not eradicate, the independent marketing sector. . . . We find anti-competitive conduct at all levels in which the large integrated firms interrelate."

Subsequently on July 17, 1973, the FTC filed a complaint against a number of the oil giants, requesting that these companies be required to divest themselves of much of their operations to restore competition to the industry.

Many feel that the oil companies have done everything possible to hamstring this proceeding, filing more than 100 preliminary motions. It is my information that the proceedings before an Administrative Law Judge are now identifying the organizational structures of the companies and it is expected that subpoenas will be issued within the near future for oil company records. A final decision is years away and will in all likelihood be made by the U.S. Supreme Court where the final appeal lies.

The Administration is obviously not pushing this action to break up the oil monopoly which has a strong and pervasive influence in certain quarters in Washington. Most of the major oil companies are multinational corporations operating in many countries with vast influence not only in the Nation's Capital City, but throughout the world.

One of the major objectives of national policy in the next few years should be the breaking up of not only the oil-coal monopoly—but of monopolies which have invaded many segments of economic activity in the nation.

In the meantime, Congress will continue to endeavor to "hold the line" against the exorbitant prices for gasoline sought by the major oil monopolists.

BRODER COMMENTS ON FULL EMPLOYMENT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. HAWKINS. Mr. Speaker, as many of my colleagues are aware, there is growing sentiment for greater Government action to combat the high unemployment in this country. Mr. David Broder, in a column which appeared in the September 21, 1975, edition of the Washington Post, has described the efforts of some of us to legislatively address this question in particular and the Nation's overall economic distress in general. Though I would not agree with all points made in the column, I believe it to be a real contribution to the public's dialog on full employment and the state of the Nation's economy. For the information of my colleagues, at this point I would like to insert in the RECORD a copy of Mr. Broder's column:

JOBS AND THE GOVERNMENT

(By David S. Broder)

The lines are being drawn for the sharpest test of the country's economic direction in two generations to take place in the presidential election next year.

Slowly and inexorably, President Ford and the Republicans are moving to the right on the issue of the government's role in the economy. And just as surely, the Democrats are leaning leftward on that central question. The result could be the clearest polarization on the pocketbook issue since the early years of the New Deal.

In a speech to a Republican rally a week ago, Mr. Ford stood one of Franklin Roosevelt's famous phrases on its head, vowing "again and again and again" to use his veto power "to end 25 years of reckless Democratic spending."

On the same day, a succession of Democratic presidential hopefuls were pledging their support to what might be considered the ultimate piece of New Deal pump-priming legislation—the Humphrey-Hawkins Equal Opportunity and Full Employment Act.

In Dallas, Mr. Ford was warning that unless the growth of social programs is halted, it would "literally threaten our whole economy," by making half of America dependent for jobs and welfare on the taxes of the other half.

Meantime, in Minneapolis, liberal Democrats were falling over each other in their eagerness to embrace a bill that would make the government the employer of last resort for every American "willing and able to work."

Rep. Morris K. Udall of Arizona, one of 119 co-sponsors of the legislation in the House, called it "the single most important act I'd like to see put on the law books."

It is certainly the most sweeping. The legislation, developed by Rep. Augustus F. Hawkins (D-Calif.) and cosponsored by Sen. Hubert H. Humphrey (D-Minn.), would require the President to present within 60 days a new budget which would reduce unemployment in the next 18 months from its present 8.4 per cent to below 3 per cent—and keep it there.

The scope of this promise is breathtaking, for the current projections of administration economic officials, like presidential assistant L. William Seidman, are that even if the recovery continues, unemployment is not likely to drop below 7 per cent in 1976. And what the Congressional Budget Office considers an "expansionary fiscal-monetary strategy" would not reduce that figure by much over 1 per cent.

No such trifling gains are considered adequate by the backers of the Humphrey-Hawkins bill. Their legislation would authorize an immediate $15 billion in spending to subsidize jobs in private industry and create jobs in government. It would allow every eligible citizen to sue the government if it fails to provide the job which this law guarantees.

Although little publicized so far, the legislation is certain to become more prominent as election time approaches. Humphrey, the principal Senate cosponsor, plans a series of regional hearings, starting next month, on the failure to achieve the goals of the Full Employment Act of 1946. His project will climax with a national conference in Washington just two weeks before the New Hampshire primary next February.

Already there is talk among House Democrats of the political advantage of sending the bill to Mr. Ford next spring for a certain Veto—just to sharpen the jobs issue.

Whether this happens is speculative. Many Democrats might be nervous about voting for a measure that Library of Congress analysts say is almost certain to bring double-digit inflation in its wake, even for the sport of twitting the President.

But less sweeping moves to stimulate the economy and add to the stock of government-financed jobs are certain in coming months. The most influential Democratic economists are now arguing that the continuing slack in the economy calls for heightened demand through higher government spending, and that a healthy chunk of extra deficit can be swallowed without severe inflation.

The Congressional Budget Office suggests that a $25 billion package of tax cuts and spending increases next year would add nothing to inflation in 1976 while cutting unemployment by about 1 per cent.

Mr. Ford is dead set against bigger tax cuts, bigger spending and bigger deficits. As he said in Dallas, he has made that clear "again, again and again." And just as the pressure of competition for the Democratic nomination will pull their candidates into public support of measures like the Humphrey-Hawkins bill, so the challenge from Ronald Reagan will cause Mr. Ford to become even more militant in his economic orthodoxy.

It is not clear which way the country would go, given such a sharp choice of economic directions. Alice Rivlin, the liberal Democratic economist who directs the Congressional Budget Office, noted the other day "a pervasive concern about inflation and a pervasive belief that a prime cause is government spending."

That seems to be the case. Mr. Ford and his economic lieutenants, notably have dominated the public debate with their anti-big government rhetoric. But last week, New Hampshire elected Democrat John Durkin to the Senate—the same John Durkin who taunted President Ford, when he campaigned for the Republican loser in New Hampshire, to "bring Bill Simon to explain why oil prices must go up and unemployment can't go down."

As the saying goes, sometimes a majority is the best argument.

HARRY ZUCKER ADVOCATES HATCH ACT REFORM

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. CLAY. Mr. Speaker, I want to share with my colleagues the remarks of Mr. Harry Zucker in urging modification of the Hatch Act. Mr. Zucker speaks out as a member of the New York City Central Labor Council, AFL–CIO. Mr. Zucker's statement follows:

STATEMENT OF HARRY H. ZUCKER BEFORE THE SUBCOMMITTEE ON EMPLOYEE POLITICAL RIGHTS AND INTERGOVERNMENTAL PROGRAMS OF THE HOUSE COMMITTEE ON POST OFFICE AND CIVIL SERVICE ON LEGISLATION TO AMEND THE "HATCH ACT"

My name is Harry H. Zucker. For identification purposes, I am, among other things, an attorney at law, a Legal Rating Specialist on the staff of the Veterans Administration Regional Office in New York City, President of Veterans Administration Local 1151, American Federation of Government Employees and First Vice President Elect of the New York Criminal and Civil Courts Bar Association. At this hearing, I am signally honored to represent the New York City Central Labor Council, AFL–CIO and address myself to the legislation under consideration on behalf of the 1,200,000 members of the Council.

Mr. Chairman, I appreciate this opportunity to appear before your distinguished committee in support of legislation which would amend the Hatch Act to provide greater political freedom for government employees. Perhaps it is time that the Congress revised the Hatch Act so as to bring it back into focus with reality. The legislation before the committee proposes to do this by easing the Act's restrictions against political activity while simultaneously strengthening protection against corrupt and pernicious political practices.

I must note, en passant, that these hearings on the Hatch Act are the third in a series starting in 1967 and continuing in 1972, ending with this series. Let us hope and pray that this series will culminate with the long needed and awaited statute.

In my presentation, I will not belabor the committee with the rationale that leads me

to the conclusion that the Hatch Act is unconstitutional and an intrusion into the rights of federal, state and municipal employees beyond that which immediately follows. It is unfortunate that this theory did not have the financial support required for a full review before the courts. However, as the members of this committee are well aware, government employees do not have the financial capacity and resources required to undertake a monumental task of that scope. Let me, briefly, set forth the theory which I believe invalidates the Hatch Act.

Section 2, Clause 2, Section 3, Clause 3 of Article I; Section 1, Clause 4 of Article II and the 12th Amendment of the Constitution provides the sole criteria for eligibility of election to the House of Representatives, to the United States Senate, to the presidency and to the vice presidency, respectively. The Congress is without authority or power to either add or detract from these provisions by ordinary statute. Yet, in the case of the Hatch Act, this is precisely what was done. By precluding federal employees from seeking election to any of the four cited offices, the Congress, in effect, provided an addition to the terms set forth in the Constitution, namely, that a federal employee may not seek such election.

The statement of Mr. Justice Holmes is often quoted to the effect that there is no constitutional right to be a policeman. Of course, his later change of view is not cited too often. However, be that as it may, the current view is that there may exist a constitutional right to be a federal employee. If so, may that constitutional right abrogate another constitutional right to seek federal office?

To better understand the theory and to come to a proper conclusion as to whether the Congress does or does not have the power and authority to superimpose a condition of non-employment prerequisite to a candidacy for federal office, let us examine the statements of the two leading architects of the Constitution, namely, James Madison and Alexander Hamilton.

In discussing qualifications for Representative, James Madison wrote in the Federalist (Paper 57) an article entitled, "The Popular Basis of the House," setting forth:

"Who are to be the electors of the federal representatives? Not the rich more than the poor: Not the learned more than the ignorant, not the haughty heirs of distinguished names more than the humble sons of obscurity. The electors are to be the great body of people of the United States. They are the same who exercise the right in every state in electing the corresponding branch of the legislature of the state.

"Who are to be the objects of the public choice? Every citizen whose merit may recommend him to the esteem and confidence of his country. *No qualification* of wealth, of birth, of religious faith or *of civil profession* is permitted to fetter the judgment or disappoint the inclination of the people." (emphasis added)

Alexander Hamilton, in a speech before the New York Assembly on January 27, 1787, said:

"Let us, on our part, be cautious how we abridge the freedom of choice allowed them (the electors) by the Constitution, or on the right of being elected, which every citizen may claim under it.

* * * * *

"I hold it to be a maxim which aught to be sacred in our form of government that no man aught to be deprived of any right or privilege which he enjoys under the Constitution, but for some offense proved in due course of law. To declare qualifications or disqualifications by general descriptions in legislative acts, would be to invade this important principle. It would be to deprive in the gross all those who had not the requisit qualifications, or who were objects of those disqualifications, to a right to share in the administration of the republic which the Constitution has given them without any offense to incur a forfeiture.

* * * * *

"I only say, in my opinion the Constitution not permit it, and I shall be against any qualifications or disqualifications either of the electors or the elected not prescribed by the Constitution.

"To me it appears that the qualifications of both ought to be fundamental in a republican government, not to be varied or added by the legislature, and that they should for ever remain where the Constitution has left them. I see no other safe ground. It is to be lamented that man, to carry out some favorite point in which their party or prejudices are interested will inconsiderately introduce principles and precedent which lead to successive innovations destructive of the liberty of the subject and the safety of the government."

It is within the jurisdiction of this committee and of the Congress to consider this version of the constitutionality of the Hatch Act in its deliberations and subsequent recommendation and enactment, as the case may be.

Departing from the constitutional phase, I believe that this committee and members of the Congress are seriously concerned with the impact of any change in the Hatch Act on the merit system. I do not foresee any detrimental effect in the enactment of H.R. 3934, 94th Congress. Pernicious political activity is engendered in an atmosphere in which one of the parties is held down in a position of lesser equality. It is engendered when fear permeates the relationship and the disparity of strength is allowed to be used in an overbearing manner. As the parties, that is the Government and its employees, reach the level of equality in its bargaining areas and the employees have the right to appeal to the electorate the rights of both parties will be treated with due deference.

Federal employees, currently, do not have the statutory right to collective bargaining. It is said that they do not have the right to strike. The Hatch Act precludes federal employees from addressing themselves, in a meaningful manner, to their issues in the political forum and to the electorate. Such limitations creates a fertile atmosphere for the growth of pernicious and corrupt political activities of the rankest character. This makes for an extremely explosive situation. It can be obviated by the elimination of 5 USC 7326 and 7327, the enactment of H.R. 3934, 94th Congress and the granting of collective bargaining rights to federal employees on a statutory base.

Lest our position be misunderstood, we owe the obligation of making our position crystal clear. We believe that the total franchise process should be made available to federal employees. We believe that the total franchise process involves considerably more than the whispering of political views to members of a family or to a friend or to a neighbor. We believe that the total franchise process involves all of the elements cited from line 8 of Page 3 through Line 10 of Page 5 of H.R. 3934, 94th Congress. It includes the right to rise in the political and electorial forum and thunder our support or opposition to any given candidate BECAUSE . . . and it is in the persuasiveness of that which follows our BECAUSE which will measure the rise or fall of our views. It goes without saying that we fully support the protective provisions cited in H.R. 3934.

Progress requires that that law keep abreast of advancements in other fields; that changes in thinking, in education and in sophistication be recognized; that the democratic method be allowed the fullest expression; that no group be kept in a subservient position unnecessarily and that all employees have the fundamental right to seek the highest of attainment in consonance with the employees' capabilities. The proposed changes, as contained in HR 3934 would accomplish this. Federal employees who can contribute to the well being of government in elected office should not only be permitted to do so but should be encouraged.

At a meeting of the New York City Central Labor Council, Harry Van Arsdale, Jr., the President, in commenting on the Bi-centenial Celebration addressed himself to the Pledge of Allegiance, which we had just completed, remarked:

"When we take the pledge of Allegiance to the United States and we pronounce the words 'with liberty and justice for all' we must mean what we say and include everyone."

Paraphrasing Mr. Van Arsdale, we would add to the words with liberty and justice to all including federal employees.

The Hatch Act was enacted in 1939. In these 35 years, with an annual average of 2,500,000 (*) employees, we have over 87,500,000 employee-years of coverage under the Hatch Act. Yet during this interval, there have been less than 2,500 prosecuted violations of the Hatch Act by employees, ranging from minor violations to serious offenses—a violation ratio of 34,200 employee years for each offense, for this overkill, we have an elaborate apparatus, repression of major democratic rights, frustration of economic rights and an unhappy employee population. Had there been a substantial incidence of pernicious and corrupt political activity on the part of employees, it is possible that a case in support of the Hatch Act might have been made. Absent subtantial evidence of material pernicious and corrupt political practices, it can hardly be said that the extreme overkill by the Hatch Act is warranted.

In a nation where recent national elections have come as close as pluralities of 150,000 votes, little good can be said of the democratic method under which about 4,000,000 federal, state and municipal employees subject to the Hatch Act are denied their rights to the total franchise.

In recent years, federal employees have been repeatedly victimized at the hands of the federal government in its unfair and unwarranted treatment of employees in the areas of salaries, Social Security coverage, equality of treatment with respect to taxes, with respect to the work week, among other things. Although the Hatch Act portends to protect covered employees against pernicious political activities, it would appear that the Hatch Act actually protects politicans from the ire of mistreated, abused and misused federal employees. Certainly, the emasculation of employee expression, employee political activity against an offending elected official cannot be, by any stretch of the imagination, be said to be protective of employee rights. Perhaps, we have reached the stage where even federal employees are entitled to accountability on the part of their elected officials with the right to take appropriate action, absent accounting.

To a large extent, the reticence on the part of advocates of the Hatch Act towards change stems from fear, a negative attitude and a distrust of people. This well meaning but nonetheless misguided, parochial view refuses to consider the prevalent sophisticated atmosphere, the ability of government unions to take strong positions in the face of pernicious and corrupt political activity, the unwillingness of government employees to be victimized, the availability of independent arbitration to grievances and the unhesitating disposition of exploited and mulcted people to "blow the whistle." Adding to the foregoing, the modern view on the part of prosecutors to fully enforce the law places the entire subject in a different ball park from the pre-1939 era.

In conclusion, I am tempted to remind the Committee that one does not remove a splinter from a finger by amputating the arm. Perhaps the analogy to the Hatch Act may sound a little strong, but it really isn't. The Hatch Act is as much of an overkill as the amputation. We have demonstrated this by the employee-years ratio to the number of cases of violations in the past 35 years. This has been demonstrated by the silence imposed on over 4,000,000 federal, state and municipal employees covered under the Act. This has been shown by the complete absence of any evidence that the Hatch Act has contributed to efficiency or that it has insured impartiality or that it has promoted the well being of the Government, of the public or of government employee.

The Hatch Act is based on suppositions, guesswork and personal hangups on the part of some of its supporters. Few direct benefits can be concretely demonstrated and, in fact, few benefits have been shown.

It has been shown that the heavy burden of the Hatch Act falls on a small segment of the population—that of the government worker.

It has been demonstrated that 5 USC 7326 and 7327 should be repealed reserving and retaining the corrupt practices provisions and penalties.

We favor the enactment of HR 3934.

NOTE.—The average of 2,500,000 employees cited is an arithmetic average of federal employees only. It does not encompass the more than one million state and municipal employees who are subject to the Hatch Act by reason of grants in aid received by the states or local governments and for other similar reasons.

Although, the foregoing statement refers to HR 3934, it is our intent that this submission and our testimony be equally applied to other similar bills, including but not restricted to HR 1326 and HR 3000.

ALBERT ROSEN AND BROTHERHOOD

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. REUSS. Mr. Speaker, I want to bring to the attention of my colleagues the remarkable humanitarian efforts of my constituent, Mr. Albert Rosen. Mr. Rosen has gained wide recognition for his selfless dedication to the cause of brotherhood. In 1969, he began the practice of substituting at work for a Christian who would otherwise have to work on Christmas Day. The action has led to similar offers by other Jews, and reciprocal offers by Christians to help Jews on Jewish high holidays. Mr. Rosen has also been working closely with prison inmates, presenting inspirational talks, and helping newly released inmates to find jobs.

One of the best descriptions of Mr. Rosen's civic work is contained in the May 13, 1972, article from the Milwaukee Sentinel. The text of that article, entitled "'One-Man Goodwill Team'—That's Rosen," follows:

"ONE-MAN GOODWILL TEAM"—THAT'S ROSEN

"Kindness is contagious. Let's start an epidemic."

That's the plea of one nationally known Milwaukeean, even during a week of war escalation and bombing.

Albert Rosen, the Jew who substituted for Christians so they could enjoy their Christmas holidays a few years ago, makes this point in many a talk that he gives.

Rosen, 54, of 3450 N. 55th St., is a one man "good will team" who stresses brotherhood in his appearances at service clubs, at organizations in Christian churches, and recently, in correctional institutions.

In January, 1971, Rosen's brother, Maurice, broke into the news by circling the globe by commercial planes in 41 hours and 30 minutes—a world record.

But Maurice, who lives in San Francisco, wasn't the only Rosen to win national recognition.

Brother Albert received a citation from President Nixon "as a token of my deep admiration and respect for your splendid service to others." That, too, came in January, 1971.

Rosen has taken his good will message to correctional institutions to show inmates that not everyone on the other side of the bars is against them.

He spoke of his recent talk and visit to the House of Correction as "one of the most inspiring days I have ever had in my life."

Not that his audience was large, but "the men who came to the chapel to listen to me were very attentive and in some cases even shed a little smile as I spoke, so this in itself was very rewarding to me," he related.

"One inmate told me that he was very stirred at my story in the practice of brotherhood, but hoped that I would talk to people on the outside who would help change the system of incarcerating poor black people who were too poor to get ample defense to keep them out of the sad plight they were in."

Many of them shook his hand, thanked him for showing interest in them and said they hoped he would repeat his message to other prisoners.

At lunchtime he preferred to eat with the prisoners instead of in the administrative dining quarters.

On April 30 he spoke at the state reformatory at Green Bay.

He and his wife, Sylvia, drove to the institution.

"Just the sight of this large gray building gave us the chills," he said. "After parking my car, Sylvia remained in the car to catch up with her knitting.

The prison chaplain, the Rev. David E. Carlson, took him through six big gates.

"The huge murals in the main lobby of the prison were all painted by inmates, and they were very beautiful," Rosen reported.

"After having a brief session with the chaplain in his office, we walked down stairs to the prison chapel, and I was absolutely overcome by the sheer beauty of this chapel, which was built by inmates entirely."

About 60 inmates heard him. A quintet sang spirituals.

"These men gave me more courtesy and attention than I have received at any time since I have been speaking," he said. "I had a chance to answer their questions."

Rosen had thought that his trip to Green Bay would not have been in vain if he could get just one man to crack a smile.

He was rewarded—many times.

He told about the soldier in Vietnam who, hearing about his offer to work on Christmas, asked if Rosen would take his place in Saigon at Yuletide.

Also, before answering their questions he remarked that he didn't want to take too much of their time.

"They almost fell through the floor with laughter," Rosen recalled. "It was really funny, and at the same time, pathetic."

Rosen's service for the holidays has increased since that Christmas season in 1969 when he made his first offer.

Miss Lucille Kumenius, secretary of the Milwaukee Chapter of the American Association of Medical assistants, has offered to work for men and women observing the Jewish holidays. Also Congregation Anshe Sfard, where Rosen serves on the board, has offered the services of some of its men to work on Christian holidays.

Rosen, who operates the J&J Home Sales Co., was born in the neighborhood of what is now N. 8th and W. Walnut Sts. He attended Ninth Street School, Townsend Street School, Peckman Junior High School, Washington High School and the former Milwaukee State Teachers College, now expanded to the University of Wisconsin—Milwaukee.

He worked at the Pabst Brewing Co. and later sold shoes at Gimbels. One of his Gimbels customers became his wife.

Not all of his childhood memories of the West Side elementary schools are pleasant.

His first school contained an ethnic mixture—blacks, Mexicans and Germans, as well as Jews. At other schools Jews were a distinct minority. "Dirty Jew" and "kike" were common epithets in those days before the antidefamation movement took hold.

His mother told him, "You are a Jew, but you are not a dirty Jew. You are an honorable Jew. You must always love your fellow man."

Rosen dreams of leaving his business to his son and spending the rest of his life writing books and making talks on brotherhood.

"The door to brotherhood has been closed for hundreds of years," Rosen said, "and now with many Jews trying to perform acts of kindness for their Christian brothers, it is my sincere belief that we have opened the door just a little bit."

But don't look for an organized "Rosen movement," or anything else that smacks of institutionalism. "Brotherhood," he knows, is too big a thing for that.

ANALYSIS OF CRITICISMS OF THE DELAWARE LAW SCHOOL

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. SYMMS. Mr. Speaker, on July 30 of this year, I entered for my colleagues' inspection a general summary of the plight of the Delaware Law School of Wilmington, Del. It described the school's traditionalist teaching philosophy and outlined some of the harassment the institution has suffered to date at the hands of the American Bar Association. The following entry, again prepared at my request by Dean Emeritus Alfred Avins of the Delaware Law School, gives a point-by-point account of the specific charges leveled against the school by the ABA inspection team, along with Dean Avins' comments on each charge. Dean Avins makes a strong case that his institution has been unfairly treated by its judges, which I recommend for my colleagues' attention as a sad treatise on academic freedom in America:

ANALYSIS OF CRITICISMS OF THE DELAWARE LAW SCHOOL IN THE INSPECTION REPORT

(By Dean Emeritus Alfred Avins)

Standard 201. The school has not yet demonstrated whether they have the resources necessary to sustain a sound program of legal education. The submission of a detailed long-range planning document, including a more detailed financial statement will be necessary to make this determination. This budget planning document should detail projections and adequate information reflecting the total and anticipated income and expenses for the Law School for the next several years.

Standard 209. A more detailed statement of the present and anticipated financial resource is needed in order to make a determination as to whether the Law School may avoid the conflict between the maintenance of a sound educational program and retention of the students for income reasons. The adequacy of the present and anticipated financial resources is always of concern, and particularly with a newly organized school such as the Delaware Law School.

Comment: The application of these standards to deny accreditation is discriminatory when other recently accredited law schools are considered. The vast majority of private law schools, especially metropolitan area multiple division law schools, live on their tuition, and as long as there is a reasonable prospect of a steady flow of qualified students, the tuition thereby generated will be adequate for a sound educational program. This observation is particularly true in the case of the Delaware Law School, which has already fully paid its initial capital costs (building and library).

At midwinter 1975 meeting, the A.B.A. approved Cooley Law School in Lansing, Michigan, not far from the Detroit area. The Detroit metropolitan area, with a population of slightly over four million, has comfortably supported three multiple division law schools (Detroit College, University of Detroit, and Wayne State) for years. The Philadelphia area with almost five million, had only one evening division, Temple, in 1971 when Delaware started. Temple Law School is in one of Philadelphia's highest crime areas, and its evening division was being cut back. The new, legislative-mandated evening division of 25 at Rutgers-Camden will not seriously affect Delaware's market. By comparison with the Detroit and Michigan law student market, over the years the Philadelphia area has been under serviced by at least 100 evening seats per year.

Moreover, the New Jersey-Pennsylvania area has traditionally been a net exporter of law students even when law school seats were plentiful. At the close of the great law student wave, eastern law students attending western and southern law schools will more likely return home, so the law student supply in other areas is more likely to dry up than that of the tri-state market. Over 75% of Delaware's students are commuters, and law students who do not go to prestige national schools study as close to home as possible. The A.B.A. has recently approved several schools with shakier markets than Delaware, viz: Vermont, Cooley, Franklin Pierce, and Antioch (the last named depending largely on federal largesse). Delaware has at least as good, and probably a much better survival possibility than they do. (Note that Furman University Law School closed, and Cumberland Law School had to be moved, due to student market problems, although they had been A.B.A. approved.)

Standard 203. The inspectors are concerned that the board, together with the dean and faculty, have not yet defined clear objectives and goals for the institution.

Comment: 2a. This is nonsense. The catalogue of the Delaware Law School makes it clear that the school is a small, traditionally-oriented law school designed to prepare students for law practice (p. 6). The goals are no different from those of most other small law schools throughout the country. To require the school to set forth "goals" beyond this is an exercise in formalism.

The inspectors applaud the selection of several Delaware attorneys as members of the Board. The team feels that the Board needs additional representatives to give it a variety of educational and philosophical points of view.

Comment: 2b. The A.B.A. standards do not require trustees to have any special points of view, and unless educational or philosophical tests are administered to trustees of other law schools and universities, this objection is discriminatory.

The team feels that the Board would be strengthened by the appointment of an experienced, recognized and respected legal educator.

Comment: 2c. Brooklyn Law School has Dean Emeritus Prince on its Board of Trustees; New York Law School has Dean Shapiro on its board of Trustees. I am on the Delaware Law School board. In addition, Dr. William Roberts, retired after many years from the faculties of Law and International Relations of Catholic University of America is on the board. It is utterly arbitrary to require yet a third legal educator to be added to the Board of Trustees. I know of no independent law school in the country which has on its Board of Trustees a law professor from another law school, especially when it already has two legal educators of good scholarly standing already on the board. This raises doubts whether the criticisms of the Board of Trustees are bona fide.

Standard 301. There seems to be little evidence in either faculty offices, student practices or classroom activities that there is a demanding program of education on-going. This causes the inspection team considerable concern and question whether the current quality of the academic program is substantially of a quality expected by the standards for the Approval of Law Schools. The inspectors believe that the quality of instruction ranges from barely competent to good.

Comment: This criticism is so subjective that objective proof is impossible. However, a number of factors should be weighed against it. The only one of the three inspection teams not to have Professor White on it, namely the May 1974 team consisting of Dean Jerome Prince of Brooklyn Law School and Dean Paul Wildman of Southwestern University Law School, found no fault with the quality of the instructional program, and praised the legal research and writing program as one of the most complete in the country (p. 9). Professor Victor Rosenblum, a respected legal scholar from Northwestern University Law School who visited the school last spring, before the addition of more experienced law teachers, found the educational program satisfactory and advised the Council that he would testify on the school's behalf, but was refused permission to do so. Dean Pasco Bowman of Wake Forest University Law School, inspector for the Attorney General of Delaware, found the school's instruction "excellent." At the opening of the academic year 1974–75, the school had five experienced law teachers teaching students, viz: Dean Arthur Weeks (Cumberland, 20 years); Dean Emeritus Alfred Avins (several law schools, 6 years); Professor Edward Barrett (Fordham and Notre Dame, 28 years); Professor Paul Conway (now deceased, American, Georgetown, and Catholic University, over 20 years); Professor Louis Schwartz (New York Law School, 24 years); None of them have found the educational program substandard. The inspectors visited very few classes, including none conducted by experienced law teachers.

The inspection report itself attacks the "academic work" of the faculty, and part of this conclusion relies on that evaluation (inspection report, p. 13). I am not exempted from that attack. While the inspector, Professor James White graduated from law school at about the same time that I did, he has no terminal doctorates in law. I have two (University of Chicago and Cambridge University). He had not published any books he has no terminal doctorates in law. I have published five books, four of them substantially reviewed in legal periodicals. He has published seven articles in law reviews and one report in the A.B.A. Journal, and three of these seven articles consume fewer than 10 printed pages and display minimal footnoted research. All but one of these articles appear in the North Dakota Law Review, where he was teaching.

I have published over 80 law review and legal articles in the United States and other English speaking countries (Canada, England, Scotland, Australia, South Africa). In light of the miniscule "serious academic work" of Professor White himself over the past 18 years it would seem that a discrete silence on that subject would have been more to his advantage in avoiding unfavorable comparisons.

Standard 306. There is some question whether the legislative internship program is in compliance with this standard.

Comment: While page 24 of the inspection report mentions the clinical program in Delaware legislation, no particulars have been assigned as to why it fails to meet the Standards for Approval. The part-time instructor who supervises the legislative interns is the legislative counsel, and his supervision is quite thorough. The classroom work he supplies once a week also meets the Standards. Inasmuch as the inspection team did not meet the instructor, this is a mistake of fact.

Standard 402. The inspection team unanimously agrees that the present student/teacher ratio of 36:1 is far higher than will allow the School to fulfill the requirements of its educational program.

Comment: This criticism is discriminatory. The following approved law schools have faculty/student ratios as high or higher than that of Delaware: Baltimore, Inter-American, John Marshall, New England, Pacific, South Texas, Southwestern, Suffolk, and Western New England. Moreover, the student body is now at its apex of 670, due to the presence of a very large graduating class, which stemmed from an initially large entering class. Because the school initially took entering classes of 175 evening and 150 day and evening, but now is taking only 85–70 day and 65–55 evening, next year the enrollment has a built-in factor which will cause it to fall to 520, and the year after it will decline again to below 480. This one-third reduction in student body will improve the faculty/student ratio so that it becomes normal for multiple division law schools,

Standard 501. The flexibility in admission standards and the lack of clear and exact standards raises questions whether the Delaware Law School has admission policies consistent with the objectives of a good educational purpose.

Comment: It is doubtful that this objection is bona fide. The only thing stated in the body of the inspection report about admissions is that "no exact standards were stated." It was pointed out there, however, that minimum LSAT and grade point averages were required, and that all students had to have a baccalaureate degree from an accredited college. I know of no law school which admits students based exclusively on a mathematical computation of their LSAT scores and grade point averages. Many other factors are generally considered. A requirement of mathematical admissions procedures can hardly be considered bona fide.

The report seems to indicate a belief by the inspectors that Dean Weeks was not on the admissions committee. (p. 24) In fact, Dean Weeks had been on the admissions committee for several months prior to the inspection. I was also a member of the Committee, a change from last year when I exclusively handled admissions. The report was mailed to Dean Weeks with a covering letter dated February 11, 1975. It arrived in Wilmington on February 13, 1975. The only admissions activity done between that date and February 19, 1975 when Dean Weeks left for Chicago was my review for him of a few more admissions files. Yet on February 21, 1975, the Accreditation Committee passed the following resolution: "Whereas, the Council recognized the recent progress and improvement of the school's . . . admissions under the leadership of Dean Arthur A. Weeks;" It is difficult to believe that the School made such remarkable progress and improvement in its admissions systems in the six days between February 13th and February 19th. A more logical conclusion is that Professor White, in criticizing the admissions of the school in the inspection report, was laboring under the mistaken belief that I was still doing the admissions exclusively or as part of a holdover faculty committee, and that by criticizing the school's admissions he was still only criticizing me. When Dean Weeks arrived in Chicago, and spoke to the Accreditation Committee, Professor White must have realized his mistake, and found that by criticizing admissions, with Dean Weeks on the committee for several months, his report was in fact a criticism of Dean Weeks. Since Professor White made repeatedly clear that he decided to contrast Dean Week's excellent leadership with my allegedly deficient administration, this criticism of admissions could not be allowed to stand. Since the inspection report could no longer be retracted, the only way to cover-up this mistake was to draft the Accreditation Committee's resolution to praise Dean Weeks' leadership in improving admissions, even though the lapse of time could hardly have allowed any change at all. Indeed, the Accreditation Committee's resolution directs "particular attention to correction of the deficiencies noted in the report," of which admissions are one, although the resolution has previously praised it. Thus, Professor White's draft of the Committee's resolution has made it virtually self-contradictory.

Standard 701. The inspection team is of the opinion that while the physical plant is vastly improved, it is not adequate for growth of programs.

Comment: This criticism contradicts both the present and the last inspection report and is probably not bona fide. The Prince-Wildman inspection report of May 1974, delivered before the school purchased 2003 Washington Street, declared that the then existing space available for law school use was sufficient (p. 18), but required renovation and cosmetics. This fall, the school added to its facilities by buying an additional residence. Page 29 of the current inspection report declared flatly that "the present existing physical facilities, as modified and renovated, are adequate for carrying on the necessary law school functions." It is impossible to understand how they have become "not adequate" by page 31. The criticism speaks of "growth of programs." As previously pointed out, student enrollment is at its apex, with a built-in planned decline by about one-third in the next two years. If buildings are adequate to house 670 students, it defies logic to understand why they are not adequate to house 450 students.

Standard 701. Additionally, the fact that the program is housed in four separate buildings is a matter of serious concern.

Comment: This criticism is discriminatory. A number of approved law schools operate in more than one building, e.g., George Washington, Golden Gate, New York Law School, and New York University, to name only four. A most striking example is Antioch, the library of which (or former Meyer Mansion) is located several blocks from the main school building, divided from the latter by other property, and in fact so far that during the A.B.A. meeting in the summer of 1973 held in Washington, when Antioch hosted a law teachers' reception, it provided a shuttle bus from the library to the school building. Moreover, there is hardly any parking for students who in inclement weather might want to go by car from the school to the library. Yet, the school was provisionally approved upon its first application two years ago and fully approved this February. Delaware's buildings are on adjacent property, divided only by a small alley way. The faculty buildings are an exception, being directly across a small and little traveled residential street from the school. The report itself noted that the faculty office building was so close to the school that students were not deferred at all from visiting the faculty, even in midwinter. (p. 27) It is therefore difficult to understand why the school's campus-type operation is an object of criticism.

A. PHILIP RANDOLPH

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. RANGEL. Mr. Speaker, Mr. A. Philip Randolph, civil rights and labor leader, recently celebrated his 87th birthday. I would like to take this opportunity to pay tribute to his distinguished career in service to the Nation.

A. Philip Randolph was born in Crescent City, Fla., in the late spring of 1889. After high school, he moved to New York City and worked at numerous jobs while continuing his education at the College of the City of New York. These work and academic experiences helped crystalize his concern and later commitment to the burgeoning struggle of American workers.

In 1925, Mr. Randolph founded and served as organizer and first president of the Brotherhood of Sleeping Car Porters. After considerable turmoil and strife, the union negotiated a collective-bargaining contract with the Pullman Palace Car Co.

In subsequent years, Mr. Randolph distinguished himself in various civil, labor, and civil rights positions, culminating in his inspirational leadership of the march on Washington in 1963. Still active, Mr. Randolph remains a living monument to the individual rights and dignity of American workers and minority groups.

It is with great pleasure that I include in the Record Ms. Anna Hedgeman's tribute to Mr. A. Philip Randolph on the occasion of his 87th birthday party. The text of the tribute follows:

Presentation of TV Gift to Mr. Randolph for the Luncheon Committee of the 50th Anniversary Birthday Party of Mr. A. Philip Randolph

(By Anna Arnold Hedgeman)

Thank you very much for giving me the privilege of presenting this gift to Mr. Randolph. I am told that in this box is a receipt for a new television which will be delivered to Mr. Randolph this week. My spies tell me that Mr. Randolph likes to view sports and drama. It is not unusual for a man or woman to enjoy sports, but I suspect few people know that A. Philip Randolph has always had special interest in drama. I understand that in his youth he wanted to be a Shakespearean actor and knows most of the great dramas. One of the roles he enjoyed as a young man was Hamlet. Can't you just imagine his beautiful resonant voice bringing Shakespeare to life on the stage! We should note here that few African Americans have ever had the privilege of following the career they personally would have chosen. In this case, we are glad that Mr. Randolph chose to dramatize the economic picture rather than Shakespeare.

We, however, hope he will take the privilege of all older people and become a critic of the drama world which needs to be analyzed by 'knowledgeable—in-life' people.

Mr. Randolph, we present you with the television and will be looking for the incisive comments on drama that may yet enrich the theater.

As a member of the committee for this luncheon, I am embarrassed that we have on the dais only two women. That is unfortunate because A. Philip Randolph knew that women and men must work together. I had no responsibility for this lack of recognition of women for I was not invited to the committee meetings where the dais was planned.

And now, for my few words:

The first International Executive Board of the Brotherhood of Sleeping Car Porters included men who must be mentioned today. These men served on the International Executive Board and I knew many of them and worked with them:

Ashley Totten, Milton P. Webster, T. T. Patterson, James Bell, E. J. Bradley, A. R. Dailey, John C. Mills, J. R. Benoit, Henry Yates, C. L. Dellums, Bennie Smith, and G. C. Garron.

The leadership of the International Ladies' Auxiliary included:

Mrs. Katherine Lassiter, (First International, V. P.), Mae Dailey, Fannie J. Coviness, Ardella Nufall, Florence Bell Jones, Ella Johnson, Carrie E. White, Ella McBride, Carolyn Lowe McWatt, Rosie Taylor, Nora O. Fant, and Velma Coward King.

I present you the names of these men and women, International Board members of the Brotherhood of Sleeping Car Porters, beginning in 1926. Through them, I hope you will recall today individual men and women from every section of the country who served as the backbone of the Brotherhood of Sleeping Car Porters and their board members. I wish that we could mention the names of every one of these individuals across this country because they supported A. Philip Randolph in his commitment to the development of economic possibilities among the masses of people in our nation.

Cecelia Cabinass Saunders, as Executive Director of the West 137 Street Branch of the YWCA, introduced me to Mr. A. Philip Randolph. Mrs. Saunders understood the importance of economics and it was through this introduction that I learned of the work of Mr. Randolph. It was my privilege to take students from all over the world to meet with him and in time I came to recognize that he was the significant labor leader of this century.

He understood economic need and began the struggle for economic freedom through the program of the Brotherhood of Sleeping Car Porters and on a broader scale through his work for Fair Employment Practices. He knew that jobs at decent wages were basic.

Fair Employment Practices legislation recognized that every man, woman, or young person eligible for employment ought to have an opportunity for work without regard to race, creed, color, or national origin. He made that phrase a part of the language of our nation. He might well have added sex, for women were always a part of his program.

In 1943, he asked me to lead the executive struggle for Permanent Fair Employment Practices legislation. This was a national program, as you know, and it meant placing tremendous responsibility in the hands of a woman. You will recall that Ida Fox, Sidney Wilkinson Bercovici, Beatrice Shalit, Mildred Mackover, Margarie Taylor Ware, and Natlie Moorman carried the major responsibility. Some other women assisted in the regions of the nation and we also employed several men. And so sex, as you can see, might well be added to the phrase, without regard to race, creed, color, or national origin.

Mr. Randolph had unique characteristics which all of us recognized. He determined after careful study on some project which he believed significant to the economic life of the nation. He would then call a number of us in to talk about the project, and we would listen and offer our comments and objections. Mr. Randolph was always a good listener. I think Morris Milgram, who is here today, learned from Mr. Randolph who had the knack of listening to all of your objections and then calmly requesting that you go forward with the program that he had recommended. His ability to make you feel a part of this team made you actually feel guilty if you didn't begin to work on his projected program at once. In fact, he made it very clear that he expected you to do the work in whatever innovative way you pleased. And so he built teams of men and women who planned projects, always geared to the economic life of all people in this nation.

As we salute him, we recall the day-by-day service of the pullman porter to the program initiated by Mr. Randolph. You will recall that those of us who traveled for Fair Employment Practices usually needed overnight lodging and food service, for no hotel and no restaurant were open to us. The pullman porter selected the best homes in their community and gave us every assistance in meeting the people who could help understand the Fair Employment Practices Commission legislation and also raised funds in support of it.

And so today, we must give thanks to all of the men and women who made whatever progress we have achieved possible.

One of the quiet, consistent, hard working supporters of the program of Mr. Randolph was Benjamin F. McLaurin, international organizer. Today I'd like to make my own commitment to pieces of work which are very important and being presented actually because of Mr. A. Philip Randolph's leadership. The first program was developed by Mr. James Smith, who established some years ago the A. Philip Randolph Leaders of Tomorrow Program in order that young people may know of the work of the Brotherhood. Scholarships are being established for students in Mr. Randolph's name. The second program I'd like to mention is being led by Benjamin F. McLaurin who has created a training center for domestic workers. Each of these programs is presented without regard to race, creed, color, national origin, or sex.

The cost of the luncheon today suggests to me that you will have funds to spend, and since I love to spend other people's money when a little of mine is in the spot, I do hope you will consider these two projects for special funds as a salute to the past of the Brotherhood of Sleeping Car Porters, to their future, and especially as a tribute to A. Philip Randolph, pioneer labor leader of this century on his 87th birthday.

PERSONAL NOTICE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. FRENZEL. Mr. Speaker, on June 19 my wife, Ruth P. Frenzel, sold 440 shares of Twin City Barge and Towing Co. common stock to avoid potential conflict in legislation involving the Minnesota River Valley. After holding this security for 6 years, she reaped a vast profit of $197.

TRIBUTE TO REPRESENTATIVE WILLIAM L. DICKINSON

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. SPENCE. Mr. Speaker, last week on the night of September 18, the Army Aviation Association of America honored our distinguished colleague from Alabama, Congressman BILL DICKINSON, at its annual Congressional Appreciation Dinner. Senator STROM THURMOND, the senior Senator from South Carolina and ranking minority member of the Senate Committee on Armed Services, was the principal speaker on that occasion.

I applaud the Army Aviation Association for recognizing the outstanding contributions of BILL DICKINSON to the defense of our Nation. I also wish to associate myself with Senator THURMOND's words of tribute to Bill and would like to share his remarks with all of my colleagues.

Following is the text of Senator THURMOND's address:

TESTIMONIAL REMARKS BY SENATOR STROM THURMOND

Secretary Brownman, General Kerwin, General Maddox, General Wright, fellow members of Congress, friends and members of the Army Aviation Association of America, distinguished guests, ladies and gentlemen:

It is a distinct pleasure for me to be with you tonight and to applaud your judgement in selecting my good friend and colleague, Congressman Bill Dickinson, to receive the Army Aviation Congressional Appreciation Award.

As you know, the purpose of this award is to recognize publicly a Member of Congress who, in the opinion of the National Awards Committee, has made the greatest contribution during the past calendar year to strengthen the defense posture of the United States.

It is altogether fitting and proper that we recognize Bill Dickinson tonight for his contributions to national defense in general and to Army aviation in particular. In every sense, he is what I would describe as a red, white and blue American; a dedicated patriot; and a man of integrity, courage and character.

However, I would like to go beyond those brief words and share with you some of the impressions I have gained of him over the years since he came to the Congress over a decade ago. During that brief period I have watched him rise from freshman status to highly responsible positions in the Congress.

Today, as the second ranking Minority Member of the Committee on Armed Services of the U.S. House of Representatives, he has worked long and hard to see that all elements of our national defense establishment, regular and Reserve, remain strong. As a senior member of the House Committee he is in a position to have great influence in assuring a national defense posture second to none. Predictably, his efforts have been criticized by those who would take the simplistic approach to complex problems and reason that detente allows us to relax our guard. But you and I know Congressman Dickinson as a strong individual, one who has the courage to stand up and be counted on the vital issues, regardless of how unpopular they might be at the time.

Bill Dickinson not only has broad shoulders, he has a broad mind. He recognizes that while people of good will everywhere desire lasting peace in the world, others of a different ilk have other ideas and aspirations. He knows that true peace is more likely to come, not from wishful thinking about the noble motivations of mankind, but from our military superiority over potential aggressors and our determination to maintain that superiority.

His abiding interest in a strong and vigilant National defense posture has been particularly evident in the work he has done on the House Research and Development Subcommittee. As the ranking Minority Member of that Body, he has solidly supported the development of defense technology to assure the survival of our country. It is here in R&D, as weapon systems begin forming, that we must be aggressive and provide the funds to assure development of superior arms for the years and decades ahead.

Of particular interest to this audience, he has ably and forcefully backed such vital programs as the Advanced Attack Helicopter, the Utility Tactical Transport Aircraft System, the Advanced Scout Helicopter, the COBRA-TOW Program and the Heavy Lift Helicopter. His enlightened leadership has sparked the progress made so far in these important programs. Knowing Congressman Dickinson as I do, I am confident that he will continue his efforts to guide these and related programs to fruition.

In a special way, this recognition by the Army of Judge Dickinson, I like to call him that because he was a Circuit Judge in Alabama before coming to Congress, represents a "cap" on his military career. I say this because during World War II he served in the Navy as an enlisted man, then later in life he was an Officer in the Air Force Reserve. Now, he has finally made the premier branch of the service—the United States Army.

Further, I have been very impressed with his demonstrated ability to grapple with a wide array of problems, both foreign and domestic. He brings to each that same measure of dedicated excellence which has characterized the efforts for which we are recognizing him tonight.

Before closing, I would like to take note of Judge Dickinson's special interest in Fort Rucker although I know your recognition tonight of him goes beyond the Army and Army Aviation. He has been one of Fort Rucker's strongest proponents, coining the phrase which has tabbed Fort Rucker as the "West Point of Army Aviation." Further, he has fought tenaciously along with others to establish there the Army Aviation Museum and give other support to General Maddox and his predecessors at this fine installation.

Most of all, to his credit, is his recognition that while Army Aviation has come a long way by having two of the Army's Big Five programs—the UTTAS and AAH—a big selling job on these programs remains to be done. Crucial production decisions still lie ahead.

Fortunately, Judge Dickinson understands the roles and mission requirements of the Army, the need for more firepower in a period of declining manpower resources. Anytime a military force goes down in quantity, it must go up in capability to place firepower on targets. The UTTAS will get you there for that job, and the AAH will enable you to do it effectively.

In short, I think Congressman Bill Dickinson is doing a great job. The state of Alabama is fortunate to have him. The Nation is blessed to have him. He represents the best that his state and our country have to offer. He personifies those ideals of patriotism and public service to one's country which we all admire and strive to emulate. He makes me proud to be a public servant and proud to call him my friend.

In conclusion, I would like to reiterate that I think the Army Aviation Association has made a fine choice in selecting Congressman Dickinson for this award. As one who shares his views on the absolute necessity for preserving a strong and ready national defense posture, I am especially pleased to join you in honoring him tonight.

Thank you.

FEDERAL COMMITMENT TO HANDICAPPED AMERICANS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. BRADEMAS. Mr. Speaker, at a time when Congress will soon be considering legislation aimed at rehabilitating handicapped persons, I believe it useful to review the context in which our proposals will be drawn.

Many of the questions raised by handicapped people about the Federal role in rehabilitation programs were expressed recently by Craig Mills, vice president of the National Association for Hearing and Speech Action—NAHSA.

Speaking at the first Mary E. Switzer memorial lecture at NAHSA's annual conference this year, Mr. Mills stated succinctly the issues that we as legislators must face in considering the expansion of resources and services for all handicapped Americans.

Mr. Speaker, I include the remarks of Mr. Mills, as published in "H. & S.: Hearing and Speech Action", at this point in the RECORD:

EXPECTATIONS IN REHABILITATION

(By Craig Mills)

If Mary Elizabeth Switzer were here today, I think she would applaud NAHSA's efforts to "find new ways for new days" and NAHSA's concern for consumers and for action. Miss Switzer constantly sought beneficial change, and her work as director of the Office of Vocational Rehabilitation in the decade following the 1954 amendments to the Vocational Rehabilitation Act produced the golden age of development of rehabilitation programs. Included were research and demonstration programs, training in all the rehabilitation professions, rehabilitation facility development, innovation and expansion grants, and a wide variety of bold initiatives in serving severely disabled people who had never been served before.

She gave strong support to the private and volunteer segment and recognized that national voluntary service organizations are essential. She called on them for help and in turn assisted them with a variety of grants that enabled them to get their work done.

She was a special friend of NAHSA. She had deep concern for people with communication problems and gave strong support to speech pathology and audiology programs and development of speech and hearing services. She knew the needs of deaf people and promoted new initiatives in their behalf.

Mary Switzer's characteristic respect for the worth and dignity of each human being, her belief in the rehabilitation process, and her unique ability to get public and political support caused HEW secretary John Gardner to ask her to accept the newly created post of administrator of the Social and Rehabilitation Service in 1967. This new agency was an attempt to combine vocational rehabilitation with the much-criticized welfare program, the community services program, the medical assistance program, and others. Secretary Gardner was frank to state that he hoped Miss Switzer could bring to the welfare and social service programs the constructive philosophy that characterized the vocational rehabilitation program.

Miss Switzer made a noble effort to bring about this philosophical and programmatic revolution. But it was not to be. A change in secretaries of HEW, a change in administrations, and many changes in congressional leadership caused a change in the climate that might have made the revolution possible and prevented what might have been a change for the better in our human service system.

This background statement serves two purposes: first, to honor Mary Switzer and all that her life and spirit have meant to handicapped people and to all the public and private agencies who seek to serve them and, second, to place in perspective the events since Miss Switzer's retirement and death—events that profoundly affect the rehabilitation scene today.

TROUBLE BREWING

The period from 1954 until 1967 might be called the golden age of rehabilitation in America; in contrast 1967 through 1974 was a mixed period of some progress accompanied by unbelievable conversion of resources that had been allocated for rehabilitation to serve the purposes of a broad social service program administered by the Social and Rehabilitation Service (SRS). This was a confusing period of increased federal appropriations and support for rehabilitation from Congress, while at the same time SRS under new and different leadership used the resources provided by the Rehabilitation Act to fund a wide variety of social welfare programs: manpower training, research and demonstration, and grants of all kinds. Support for rehabilitation facilities was reduced and then almost totally eliminated. Federal rehabilitation priorities were directed to serving the socially handicapped or job-handicapped persons who presented a problem to the welfare system.

Thus the resources that had been provided by Congress for physically handicapped persons and mentally handicapped persons went to serve public assistance recipients, public offenders, youthful delinquents, and a variety of behaviorally disordered persons. While some of the results may have been a credit to the rehabilitation movement and to the rehabilitation process of individual evaluation and program-planning . . . for rehabilitation thoroughly demonstrated its effectiveness in serving these socially handicapped people . . . this was little consolation to thousands of physically handicapped people and mentally handicapped people who did not get services they needed and to which they were entitled under the law.

THE RESCUE OF REHAB FROM SRS

An aroused and indignant Congress, supported by handicapped citizens and by all the major public and voluntary organizations representing the handicapped, demanded reform. In the 1973 amendments to the Rehabilitation Act, Congress called for priority services to physically handicapped people and mentally handicapped people and specified that all resources provided by the act were to be administered by the Rehabilitation Services Administration (RSA) rather than by SRS. Because the Social and Rehabilitation Service had failed to follow congressional mandates, Congress took the Rehabilitation Services Administration out of the Social and Rehabilitation Service.

RSA was placed in the Office of the Secretary of HEW, with a recommendation that it be assigned to the deputy secretary in the Office of Human Development.

This change took place in February of 1975. Just four months have passed since then, but already improvements have been made in the staffing of RSA's Washington and regional offices. Completely new priorities have been developed in research, demonstration, training, and services. The resources under the Rehabilitation Act are now the sole responsibility of the commissioner of the Rehabilitation Services Administration.

The framework has been established for a more effective, more responsible rehabilitation program. Congress has directed that the resources under the act be used for rehabilitation only and that first priority be given to *severely* handicapped people.

STABILITY AND PRODUCTIVITY, PERHAPS

It would appear that the stage had been set for a new era—for a stable, productive period in rehabilitation. This is the point in most stories when the protagonists walk hand-in-hand into the sunset, expecting to live happily ever after.

In *World Crisis*, Winston Churchill recalls that in happier times it had been the custom of statesmen "to repose in a protective Providence which had preserved us through so many dangers and brought us at last to a secure and prosperous age." "But little did they know," he wrote, "that the worst hurts had still to be encountered and the greatest triumphs had still to be won."

Charles Dickens opened his novel, *A Tale of Two Cities*, with these now-familiar lines: "It was the best of times, it was the worst of times; it was the age of wisdom, it was the age of foolishness; it was a period of belief, it was a period of unbelief; it was a season of light, it was a season of darkness; it was the spring of hope, it was the winter of despair."

These two quotations may help to describe our current situation in the field of rehabilitation. We have not yet achieved "the secure and prosperous age" of rehabilitation. We are not yet assured that every handicapped American will have a reasonable chance to be a fully productive citizen. There are not enough resources or facilities to serve all the severely handicapped people in America, to say nothing of the others who are only *moderately* or mildly handicapped but who are *job-handicapped* nevertheless.

There are still hurts to be encountered and there are still triumphs to be achieved. And this keeps the excitement and the challenge alive in all that we do.

It is unquestionable that the economic recession has seriously delayed progress this year in our programs of service to people. It is unquestionable that this is a time of inconsistencies and contrasts. It is a time of affluence and plenty, a time of inflation and fear. During this time of severe economic recession there are more of us living well and more of us without jobs than ever before. Both inflation and unemployment have caused serious damage to rehabilitation efforts.

WHAT DO THEY ALL WANT

Perhaps this is a good time to pause for a moment, to take stock, and to examine some trends affecting rehabilitation and services to handicapped people. Let us consider three questions that may help to open the issues for thought and discussion.

1. What does the Congress expect of rehabilitation—now and in the years immediately ahead?

Congress expects the state-federal rehabilitation program to give first priority to severely disabled people. It expects this to be done without sacrificing the goal of a vocational objective for each severely handicapped person. It expects this new emphasis to be achieved without any real increase in funds or resources, at a time when the costs of all services are increasing rapidly. Because of the high cost of evaluating and serving more severely instead of less severely disabled people, substantial adjustments must be made in all state rehabilitation programs.

Congress expects quality controls and accountability. There is strong emphasis on program evaluation and cost-effectiveness. This calls for vigorous action on our part to develop program evaluation procedures that will enable us to respond to the wishes of Congress.

Congress expects far greater attention to development of an individualized written rehabilitation program for each handicapped person. And it expects that this program will be prepared with the participation and concurrence of the handicapped individual or his parent or guardian. Congress has clearly expressed its intent that handicapped people shall have greater involvement in programs that affect their destiny.

Congress has other expectations as well. It has authorized a series of client assistance projects to assure that handicapped people understand what is available to them and that they get the services to which they are entitled. Also, Congress has established a federal architectural barriers compliance board to help enforce accessibility in public buildings, housing, and transportation. Furthermore, Congress has declared that there will be no discrimination against qualified handicapped people in government agencies of the executive branch or in agencies receiving federal grants or in the businesses of contractors who have federal contracts worth $2,500 or more.

2. What are the expectations of Congress doing to the development of legal rights in rehabilitation?

Without listing every provision of recent legislation, I will point out simply that Congress has moved strongly in the direction of establishing rehabilitation as a legal right of handicapped people. In the past, many have considered rehabilitation a privilege to be granted by this or that agency. But now, for those handicapped people who are found to have work potential, there seems to have been substantial progress toward making rehabilitation a right, just as public education is a right for every American.

If we study recent court decisions in education, we find that the courts have made it clear that education is a right, that education must be provided with equity under the law, and that a handicapped child cannot be excluded from the public education system simply because he or she cannot adapt to a program suitable for other children. Similarly, in regard to other institutional services, early court decisions indicate that states cannot plead lack of resources as justification for inequitable or inadequate treatment of handicapped persons.

Aside from the legal and technical aspects of these rulings, it is obvious that the state-federal rehabilitation program cannot expect to be immune for long from legal action and similar court decisions. If rehabilitation indeed has become a legal right, handicapped people will be able to use the courts to press their right to services, and states may not be able to cite insufficient resources as a defense.

3. What do handicapped people and the rehabilitation movement expect from the administration, from government in general (including state governments), and from NAHSA and other organizations in leadership roles?

New laws and recent court decisions are giving rise to increasing expectations for service on the part of handicapped people. The combined forces of private and volunteer agencies along with organizations of the handicapped represent a powerful coalition capable of developing public understanding and getting support from Congress and state legislatures. This coalition is a growing force supporting the rights of handicapped people and increasing their expectations for rehabilitation services. Across the land handicapped people, their parents, and organizations serving the handicapped are pointing equity of treatment for all citizens, can we standing of their needs, and what seems to be a growing commitment to provide needed services.

SHORTCOMINGS AND FAILURES

These trends could cause over-optimism. They could be interpreted as the best of times, the season of light, the spring of hope for handicapped people. But we need to balance this with the realization that contrast and inconsistency are still present. There are trends and factors that make us feel that this is the worst of times, a season of darkness, a winter of despair. We need to recognize these trends and face them realistically.

1. The rising expectations of Congress, the public, and handicapped people are not being matched by increasing resources or facilities.

While part of this may be due to the economic situation, some of it became evident before the recession set in. There appears to be greater willingness on the part of Congress to enact a law than to provide the resources to give life to the law—a greater willingness to authorize services than to appropriate funds to guarantee the availability of those services. At any given time whatever administration is in power may express its disapproval of some aspects of the law by withholding funds or not requesting funds in the annual budget for certain sections or titles of the law. This renders the law ineffective, unless Congress steps in and appropriates funds or demands that appropriated funds be released.

On the state and federal levels, there continues to be a lack of commitment to giving rehabilitation services and the needs of the handicapped a reasonable priority in competition for tax dollars with education, health, welfare, prisons, and other major human service programs.

2. The government is endorsing the rights and encouraging the expectations of the handicapped but is failing to provide the wherewithal to make these expectations a reality.

Is this just or moral? In light of my previous comments on the rights of the handicapped and legal obligations of tax-supported rehabilitation agencies, the trend toward unsupported promises is one of the strange inconsistencies of our times and merits the attention of all in the rehabilitation movement.

3. There is a trend toward non-support of rehabilitation facilities.

The Rehabilitation Act provides for development of rehabilitation facilites—speech and hearing facilities among them. The law enables construction grants, staffing grants, equipment grants, and mortgage insurance for loans to establish facilities. Although these forms of assistance were authorized by Congress, the administration has not requested funds for them, and Congress has not appropriated funds for them for several years. As a result, the facility sections of the law are of no value to handicapped people or to private agencies.

This failure to request funding for much-needed facilities is another puzzling inconsistency and another negative trend at a time when priority is being given to serving severely handicapped people—and when rehabilitation facilities are therefore needed more than ever.

4. The Rehabilitation Act does not provide for the most severely handicapped among us: those who are incapable of gainful employment.

While we may take some satisfaction in the laws providing services for handicapped people who have work potential, many of us in the rehabilitation movement have growing concern for those most severely handicapped persons who will never be able to hold a job. We can view with pride the cost-effectiveness data on handicapped people who have gone to work and who are paying taxes. But in terms of moral responsibility and with pride to the new laws, the new under- justify reduced rehabilitation efforts for those most severely handicapped persons without work potential who could nonetheless benefit from the array of modern rehabilitation techniques and modalities?

How shall they be served? Will the doors to rehabilitation be closed to them because they do not have work potential? Will a national health insurance program exclude them because they may not need hospitalization and surgery? Will they be denied the services of professional teams in speech and hearing centers and other rehabilitation facilities because there is no tax-supported agency to pay for services or because the facilities involved are not in hospital settings?

These are but a few of the problems and philosophies that make this the best and also the worst of times. For rehabilitation, it is certainly not a secure and prosperous age. But neither is it really a season of darkness or a winter of despair.

We have not reached a plateau that will last forever. We are part of a dynamic movement that will not stand still. Laws will be changed. Problems are being recognized. Solutions are better known.

The success of rehabilitation services in hearing and speech and in other fields creates demand for the first of that success. These are the expectations of rehabilitation in the summer of 1975.

This year NAHSA has assumed its share of the responsibilities and acknowledged its obligation to ambitious programs in the years ahead. Some difficult battles have already been fought. While we may sometimes feel that "the worst hurts are still to be encountered," we must also agree with Churchill that "the greatest triumphs are yet to be won."

WE DO BRING HOPE

Mary Switzer frequently ended her speeches with an encouraging quote that came from the motto on the seal of the Department of Health, Education, and Welfare. It has always been a source of amusement to me that she could find inspiration even in the symbol of a government bureaucracy. Translated from Latin, the HEW motto is: "Hope is the anchor of life."

If Mary Elizabeth Switzer were here today—in person, as she is in spirit—she would certainly remind us as she did so often that "hope *is* the anchor of life" and that we have the special joy of being caught up in a movement that really does bring hope.

FEDERAL GOVERNMENT DATA SYSTEM: 1975–85

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. TEAGUE. Mr. Speaker, recently Dr. George E. Mueller, who is president and chairman of the board of System Development Corp., addressed a conference on Federal Government Data Systems in Washington. In that address Dr. Mueller provides some valuable insights to the development of the Government/industry interface in the computer industry.

Dr. Mueller was formerly the Associate Administrator of NASA's manned space flight program and his insights to both aspects of the field are particularly valuable. I commend his comments to the general public, and the Congress.

Dr. Mueller's address follows:

GOVERNMENT DATA PROCESSING POLICY CONSIDERATIONS

(By Dr. George E. Mueller)

Good morning ladies and gentlemen. Mr. Newman, thank you for inviting me to open this milestone conference on the next decade in Federal Government Data Systems. I am both pleased and honored to be here.

During this conference, both the government's views as a major buyer and private industry's views as vendors will be discussed. My years at NASA as a buyer and more recently at SDC as a seller, have raised fundamental questions in my mind regarding our procurement system—and suggest some possible solutions. Let me first discuss several problems relating to the government/industry interface and then conclude with a suggestion for greater industry participation in the generation of the Federal Government's ADP-related policies and procedures.

During the past three decades, the Federal Government has been a primary support to development in the computer industry. Rapid technological improvements in hardware and software as well as increased industrial diversity and competition have resulted from the Federal role as major customer and funder of research. We all recall that within NASA, Houston contributed to the development of IBM's OS system, that Huntsville contributed to the EXEC 8, and that Kennedy helped develop the operating system for the GE 635—now known as GCOS. The effect which the Federal Government will have on the computer industry over the next decade, and whether it can continue to have a major positive influence on industrial growth are two of the important questions to be explored at this conference.

Federal influence—for good or bad—can result from its status as a key customer, by legal constraints imposed on the industry or on users, and through the support for research and development that will generate marketable products.

Today, the Federal Government represents 12% of the U.S. ADP market. It is a very large but no longer critical customer in most segments of the computer industry. Also, since government contract R&D is no longer the major source of funds in most areas of ADP technology, the Federal influence on basic ADP products and services is more likely to be shaped by legal constraints on users and suppliers than through positive contributions to progress. Recent privacy rules are an example of such an influence.

There are problem areas in procurement policy and procedures as well as aspects of the privacy area that require solutions. I suggest that one solution may lie in Data Processing professionals becoming more heavily involved in government policy development.

One problem area, Federal Government competition with the private sector, raises a very basic question: When should the government turn to industry to perform a job rather than performing it itself? OMB Circular A-76, which has been the policy guidance in this area, needs both further clarification and greater enforcement.

It states, "The guidelines in this circular are in furtherance of the Government's general policy of relying on the private enterprise system to supply its needs."

GSA's FMC-5 which establishes ADP procurement policies for equipment and services, states, "It is the general policy of government to rely on the private sector for its goods and services except when such action is not in the national interest."

OMB statistics show that only 17% of Federal ADP costs are for outside services and 31% for supplies and equipment, leaving 52% for in-house activities.

Circumstances have changed significantly during the last decade as the data processing industry's resources have expanded. Whole new service areas have grown in capabilities and size. Many of the regulations, laws and policies governing Federal ADP procurement were written many years ago in a period when this very volatile and expanding industry comprised a totally different mix of products and services. Today, a vast array of services outside of hardware are available within the commercial marketplace. I believe that both Federal and state government should look at ways to use these capabilities to their fullest to improve government services.

For example, different Federal agencies with similar requirements and capabilities vary widely in their use of both facility managers for their computing centers, or software services contractors for their major development projects. In addition, the National Council of Technical Services Industries 1974 report on Reliance on the Private Sector by the Federal Government for Data Procesing Services, discusses instances where a governmental agency in direct competition with the private sector, acquired additional capacity in order to serve non-mission requirements for other agencies.

To increase usage of outside services I believe most procurements should be changed from component purchases to turn-key systems procurements based on requirements specifications. This is already a common practice in NASA.

We should set a reasonable and attainable goal of having 40% of governmental data processing activities performed by the private sector by 1980, through outside services.

Privacy requirements represent another difficult problem area. My own philosophy is somewhat different from that generally proclaimed by critics of data processing who emphasize the potential negative impact of computer-based systems on privacy. I maintain, that properly managed and designed, a large integrated computer-based data system approach, when compared with past manual systems, can and will protect the privacy of the individual while improving system efficiency. My optimism regarding the privacy aspects of a large integrated system is based on the simple fact that current decentralized, manual systems have not met privacy requirements. The cost of providing adequate safeguards for manual systems and monitoring their continuous application is too high to be practical.

Large, centralized, automated systems, in addition, provide benefits in the form of cost reductions and security levels that can be varied to meet user needs.

In a centralized, automated system environment it is relatively easy and practical to have separate privacy organizations to set security guidelines, provide required procedures and continuously monitor large installations.

The requirements for notice, accuracy, relevance, access and purpose limitation can all be better controlled and screened in a properly designed large facility, with full-time security, privacy and audit staffs, than in small installations of manual or computer-based systems. Meeting these requirements on a routine level requires only an expansion of currently available data management and control systems using available software technology.

In the security area there are admittedly major unresolved technological problems. The prevention of accidental or intentional unauthorized disclosure, modification, or destruction of data requires very different procedures to protect systems from penetration by the sophisticated outsider than from the dishonest insider.

SDC's past work in security for the defense community, has always assumed that we were protecting against a skilled, technologically sophisticated penetrator with access to his own carbon copy of the system in question. Emphasis was placed on operating system controls, certifiably secure systems, and the like. In these areas we are still several years from satisfactory solutions. Protection against the sophisticated outsider for multi-access, communications-oriented computing is still a problem.

In the private and civil government sectors where the privacy regulations apply, a different set of assumptions is required. Experience has shown that in these areas the greatest threat is the dishonest, but authorized, user of the system. Today, the security levels possible through the use of newer data management systems and high quality password management are equal to those attainable in only a few of the highest quality manual systems.

This does not mean that skilled penetrators are not a threat. Rather, it means that skilled penetrators are not a highly probable threat. Justice Department statistics indicate that there were approximately 340 data processing related security violations in 1974 in the private sector. Of these, only two were committed by programmers, both of whom were authorized to use the system. All of the violators misused that to which they were already authorized.

Incidentally, the average economic impact of each violation was over a half million dollars. More importantly, there was no reported major economic or operational impact in 1974 in the private sector resulting from a technically sophisticated attack on a computer system.

Certainly, there is a difference between the computer security problems of the private sector—in which impact is measured in dollars and those of the nondefense related government sector where the costs of disclosure are more often social. The solutions to both of these classes of problems are similar, however, in that both are targeted at the same class of penetrator—the insider. Against such insiders, current disclosure accounting and journalization methods can satisfy the requirements of the privacy legislation, as well as provide a level of security adequate for most civilian agencies.

Finally, there is the issue of Federal Government procurement procedures and their impact on both the buying agency and the selling company. In order to set a framework for the several agency speakers tomorrow, I would like to identify three levels of data processing product or service procurements—the standard item procurement, the custom item procurement, and the turnkey procurement—and mention a few key evolving problem areas.

GSA's present practice is to enter standard items into the GSA schedules and to utilize non-schedule GSA ADP procurement procedures for custom and turnkey items. Because of the effort and time required to utilize the general procurement procedures, GSA, user agencies and vendors have been expanding the products and services having GSA schedules and generating a rapidly increasing list of mandatory procurement contracts. For many established and standardized products, GSA schedules and mandatory contracts are clearly justified; what needs to be implemented is a mechanism for truly competitive periodic reevaluations so that improved items are quickly available to the user.

In the area of custom item procurement many of the proposed mandatory procurement contracts are for equipment and services having discrete and unique capabilities. Aside from shortening the procurement process and improving standardization there are few apparent benefits from mandatory contracts for these types of items. And there is a possible negative impact when agencies over-purchase technical capabilities or do not get the technical capabilities they need. With the advent in the marketplace of microprogrammable processors and flexible storage devices there is no reason that systems designed for the user's real needs should not be procured. Perhaps GSA should institute a schedule for "tailorable" systems where the basic components can be purchased from a schedule and the customizing can be supplied from a T&M fixed price schedule.

Use of the GSA non-schedule ADP procurement procedures for custom or turnkey items requires a great deal of effort on the government side for preparation of specifications, pocurement, evaluator and selection. On industry's side, a great deal of effort is wasted in proposal writing and second guessing source selection boards. Additionally, turnkey procurements, which are becoming increasingly prevalent, are multi-technology and multi-function in nature. The complicated and lengthy procurement process for these complex systems separates the decision-making from the pool of technicians who could actually determine if the best-and-final configuration and services package will really produce an acceptable working system for the government.

As time passes, fewer and fewer companies will be able to afford these expensive proposal efforts, which only serve to raise the ultimate cost of their systems to the government. They will increasingly bypass government business, and competition will be reduced. Of particular concern is the requirement for "best and final" offers. In practice this results in an auction where the most knowledgeable contractor "wins" to the ultimate sorrow of both parties.

In conclusion, I would propose that the Executive branch establish a policy level post for data processing equivalent to the existing telecommunications policy post. This would help assure maximum effectiveness for the contributions made to our society and Federal Government operations from data processing.

The impact of recent Federal Government policies on data processing has not been fully realized. For example, last month's policy statement on Criminal Justice Information Systems' privacy and security by the Department of Justice requires dedicated equipment usage by the late 1970s. This is just about the time when secure new data processing equipment, software and procedures that will not require expensive dedicated equipment should be available. As a data processing executive, I look forward to the large State CJIS systems that will probably be created to meet this policy and the significant business it will create for the industry. But as a taxpayer, perhaps the money could be better spent.

My plea is, therefore, use the data processing professionals available in both government and industry. Use them as staff, for testimony and to produce impact studies on such matters as the effect of privacy regulations on data processing users and vendors.

As we look forward to the next ten years, during which it is estimated the Federal Government will spend $25 billion on data processing, we must work for a partnership in national service between the Federal Government and the extensive and growing resources of the computer industry—a partnership that will draw on the strengths of each.

DICK SPENCELEY, SR.—HAM OPERATOR

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. de LUGO. Mr. Speaker, often citizens of a State or Territory are the best and most effective advertisements for the attractions of their homelands.

The Virgin Islands has one such public relations specialist whose hobby provides information about our Islands in a most unusual way—through his ham-operated radio. Dick Spenceley, Sr. first started operating his ham radio in St. Thomas 48 years ago. Since that time he has communicated with more than 100 countries throughout the world. He has served as a vital communication link for citizens of hurricane and earthquake-hit countries in Latin and South America. During the 1927 severe hurricane which hit Puerto Rico, his handling of communication between the Navy Department and the Naval Base there won him an officer-appointment in the U.S. Naval Reserves.

It is my pleasure to insert in the Record an article by Jens Fog which appeared in the September 9, 1975 issue of the Daily News. Dick Spenceley's hobby has significantly served the Virgin Islands in many ways and for many years. His unique service to our community has won our praise and appreciation.

Article from the Daily News follows:

Ham Operator's Hobby Spans 48 Years

(By Jens Fog)

Dick Spenceley, Sr. first started his ham radio activities on St. Thomas in 1927. Making St. Thomas his permanent residence after being introduced to the islands during his stay in the Navy, he began to collect some of the equipment which now comprises his radio "shack." In 1928 when a severe hurricane hit the Navy base in Puerto Rico, Spenceley handled communication between the Navy Department and Washington and the base in Puerto Rico. For this the Navy offered him the position of ensign in the naval reserve. Since then he and other ham radio operators have helped in emergencies throughout the world, including messages for people in the earthquakes in Ecuador and Managua as well as for those in the Honduras hurricane, and more recently the Texas City explosion.

He spends approximately two hours a day on the air, usually from 7 to 8:30 a.m. and 5 to 6:30 p.m. He has a 20 meter antenna, easily visible on Bunker Hill, which can be rotated so as to permit better reception signals. When he uses his antenna to get a better reception he generally tells the person he is talking to, that he is putting "the beam" on him. The band he prefers to operate on is the 20 meter band. When he talks regularly to another operator Spenceley refers to this as "working" that particular operator.

Spenceley was DX (distance) edtior for CQ Magazine 1951–1959 and president of the Yasme Foundation 1959–1965. He was selected as number four in CQ magazine's DX Hall of Fame on March 1969. Also he is a member of the DX Century Club, which means he has communicated with more than 100 countries. In fact, Spenseley says there is only one country he has not communicated with and this is Crozet Island in the French Antartica.

Spenceley is one of the pioneers in short-wave radio expeditions. He helped send an Englishman, Danny Weil, around the world so as to establish short wave radio communication with countries previously uncontacted. Many tiny islands such as Kingman Reef off Hawaii lie outside the jurisdiction of mainland countries and hence they qualify as separate countries by themselves. It is to this type of places short wave radio expeditions are normally made, as ham operators are generally very excited about adding a new country to their "collection."

Spenceley admits to such common practices as playing chess with other operators—some as far away as St. Louis—yet he feels his basic purpose as an operator is to provide his fellow short wave buffs with information concerning the Virgin Islands. In a unique way he is representing the Virgin Islands, and doing so in a much more widely reaching fashion than most Virgin Islands advertising.

For the beginner Spenceley states that a great deal of expensive equipment is not necessary; a transmitter can be built for as little as $50. In order to operate, however, a license is needed. There are various grades of licenses issued by the F.C.C. which range from novice to advanced. The novice license requires being able to transmit five words a minute. This is followed by an examination. Also the operator must keep a journal in which he records the date, time and operator he has contacted. Spenceley recommends a book called Amateur Radio which is printed once a year for the beginner who wishes to learn basic information about short wave radio. The book contains discussion of radio theory, tubes, equipment and codes, something which Spenceley feels is one of the most interesting parts of radio work. Morse code is a fairly standard example of radio code, yet there are several others which Spenceley uses and works on. Dick Spenceley also keeps several sheets with greetings in different languages so he can greet foreign operators in their native tongues. A standard radio greeting is "73" which means: best regards.

Next year short wave operators in the United States will celebrate the Bicentennial by adding a special prefix to their call number. Spenceley, who has one of the first or lowest call numbers, expects to be quite busy talking to the rest of the world during this Bicentennial celebration.

A TRIBUTE TO GERALD WITT

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. BELL. Mr. Speaker, on Wednesday, September 24, 1975, the Redondo Beach Chamber of Commerce will be paying a well deserved tribute to its outgoing president, Gerald R. Witt.

A native of this area, Mr. Witt has been making important contributions to the community for many years.

He organized the first Pop Warner football program for the cities of Manhattan Beach and Hermosa Beach. In addition he coached youth football teams for 10 years.

A member first of the Manhattan Beach Junior Chamber of Commerce, Mr. Witt has served on the Redondo Beach Chamber of Commerce board of directors since 1967, and has been its president since July 1974.

As a member of the district attorney's advisory council, and a member of the board of directors of the South Bay Hospital since 1967, Mr. Witt has contributed substantially to the well-being of the community.

I wish to take this opportunity to offer my personal congratulations, and commend Gerald Witt for his many efforts. He has worked long and hard in service to the South Bay area. His endeavors are deeply appreciated by all of us, and we look forward to many more years of distinguished civic service from this extraordinarily dedicated and able friend.

BRIAN JALBERT

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. STEIGER of Arizona. Mr. Speaker, Mr. Brian Jalbert of Yuma, Ariz., is an outstanding young man, who at the age of 12 years, had graduated from auctioneering school and is working at the trade in Arizona and California, while attending his studies in the seventh grade.

Brian's accomplishments are all the more noteworthy, when one considers the problems in many parts of the country with youngsters his age who are in trouble with the law because of truancy, delinquency, and a generally poor attitude toward work and the responsibilities of citizenship.

A newspaper article about Brian, written by John Harrigan of the Western Arizona Bureau of the Arizona Republic, was published in the September 14 edition, and I include it in the RECORD:

AUCTIONEER, 12, BIDS FOR THE BIG TIME

(By John Harrigan)

YUMA.—A W. C. Fields fantasy: The 12-year-old "Little Colonel" gyrates on the auction block, blathering a rhythmic pitch that pummels the ears of his potential customers—"Give me 50 . . . 50 . . . 50—Sold for 45 bucks to the man with the surprised look on his face!"

The fantasy will soon be fact at Rick's Auction here when Rick Guertin's 12-year-old stepson, Brian Jalbert, mounts the block.

Brian recently graduated among the top 10 in a class of 86 at Missouri Auction School in Kansas City.

His diploma entitles him to be a licensed auctioneer and to hold the honorary title of "colonel."

Brian, a seventh grader at Crane School here, is no stranger to auctions. He has assisted his stepfather since he was 6, as have his mother and two sisters, Wendy, 15, and Cindy, 13.

They also help with the organizing, advertising, clerking and cashiering—subjects Brian learned at auction school. "They also teach you things you could claim on your income tax," he said.

Auctioneering won't hurt Brian's income any. His share of a typical auction would be 10 per cent in his stepfather's business.

Eventually he hopes to build his own chain of auction houses. An owner-auctioneer receives 20 per cent of the gross, which figures out to a pretty good afternoon's pay for a 12-year-old in a $30,000 auction.

During his schooling, Brian had to conduct several auctions, including one coin sale, three farm sales, and an antique auction.

He prefers furniture auctions, since he has sold a good deal of furniture and knows the market better.

It is helpful if the auctioneer is familiar with selling, Brian noted, although some help on pricing is given by catalogs, the product's owner, or by the ring man, who takes bids. If an auctioneer does not know the product well, he observed, "You must act like you know."

His biggest dollar-volume sale was a cattle auction that brought in $23,000. The coin auction grossed $3,000 and was somewhat of a disappointment.

One thing he has learned in auctioneering about supply and demand is that "if the price is too low, everyone will bid on it. If the price is too high, no one will."

Brian's first auction since graduation will be an antique and furniture sale in Beaumont, Calif., where a large store is liquidating. At the end of this month, he will help his stepfather with an antique auction here in Yuma.

Antiques, according to his stepfather, are among the most stable items an auctioneer can market. This value goes up 25 to 30 per cent a year, "so even if you make a bad buy today, it's a good one tomorrow," he observed.

Airplanes, too, are good investments. Brian's stepfather recently sold a 1973 Cessna at an auction for the same price the owner paid for it two years ago. Planes are maintained under stiff Federal Aviation Administration regulations and have been appreciating rapidly in price, he said.

So how much might a photographer's used light stand be worth!

"Two-dollar-bid-now-three-dollar, will you make it three? Two-now three, will you make it three?" Brian used in machine-gun fashion.

HAMILTON'S WASHINGTON REPORT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my Washington Report of August 20, 1975, entitled "The Law of the Sea":

WASHINGTON REPORT, AUGUST 20, 1975

THE LAW OF THE SEA

It may be difficult for Hoosiers living hundreds of miles from any ocean to understand, but the seas and the way we use them will have a growing impact on our lives.

Besides influencing Indiana's weather and providing pleasant vacations for thousands of fortunate Hoosiers, the oceans carry our exports to the nations of the world, bring needed raw materials, expand the choice of available products, and offer precious resources of food, minerals, and energy which will play an increasing role in our future.

Some 150 nations are attempting to reach agreement at a UN Conference on the Law of the Sea on how to regulate its use. The basic question to be decided is whether the oceans shall become a greater source of conflict or the basis for international cooperation and development.

The outcome of the conference could affect jurisdiction over coastal waters, control of valuable fishing and mineral resources, the mobility of our navy and merchant marine, ocean pollution, and the future direction of marine research.

The need for progress is evident. Already international disputes are mounting. Entire species of fish are threatened by overfishing, and U.S. canneries stand idle while half the catch of foreign boats fishing just beyond our 12-mile limit is being imported into the U.S.

In many respects we know more about the surface of the moon than we do about the 150 million square miles of ocean which cover 70% of the earth's surface. The estimates are that minerals such as manganese, copper, nickel, and tin are enormously abundant in the oceans and that they can be mined for industrial use as the technology is developed. Offshore oil already accounts for approximately one-fifth of the oil produced, and the proportion may reach 30% or 40% by 1980. It is thought that the oceans contain enough oil to meet present consumption levels for 140 years.

The task of writing a new set of laws for the sea is enormously complicated. Traditional notions of freedom and sovereignty of the sea must be re-examined, and the diverse interests of industrial maritime powers, underdeveloped coastal nations, and landlocked countries must be accommodated. These are the major issues:

Free Passage Through Straits—Shipping and military powers want free passage for their ships through the world's 116 navigable straits;

Coastal Economic Zones—Offshore oil and fishing rights are the main economic goods in the debate over the proper width for coastal economic zones and to what extent coastal nations should control them. Support is building for economic jurisdiction to 200 miles;

Coastal Sea Jurisdiction—Consensus seems to be forming to extend national coastal jurisdiction from the centuries old three-mile limit to 12 miles offshore;

Deep Seabed Control—An international seabed resources authority has been proposed to regulate the exploitation of the mineral-rich areas in the deep waters beyond continental shelf limits;

Research and Pollution Control—Developed nations, in particular, seek freedom for scientific research in the oceans and international standards to prevent ocean pollution.

So far the conference has attempted to codify the existing law of the sea and has recently produced a negotiating outline for a new body of law which will be considered at the next conference meeting in New York in the spring of 1976. In spite of the many frustrations, there seems to be a conviction among the delegates that accommodation can eventually be reached.

The greatest threat is that the countries may take unilateral action which would jeopardize the ultimate success of the conference. There are, for example, pressures for the U.S. to act on its own to expand our fishing jurisdiction or stake out deep-sea mining claims before the conference has had an opportunity to complete its work. While there may be justification for taking steps to protect our threatened fish stocks on an interim basis, it is important for the U.S. to continue to work for an international multilateral accord and not take short-sighted steps to undermine it.

The world is in a race against time to guarantee order for the seas before it is overtaken by events. An effective system of international law is essential to insure that the bounty of the oceans is controlled judiciously as the common heritage of mankind.

WILLIAM A. ASKEY DAY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. MURTHA. Mr. Speaker, at halftime of the Westmont Hilltop-Forest Hills football game on September 27, Mr. William A. Askey, athletic director at the Westmont Hilltop High School will be honored for his 32 years as a teacher, coach, and athletic director at Westmont.

As a resident of this area, it has been a source of great enjoyment for me to watch the work of Mr. Askey and to remember the tremendous contribution he has made to our school and community.

He has spent a total of 38 years in teaching. He has coached at all levels, and during his time as varsity basketball coach his teams had a record of 163 to 88 for a .649 winning percentage. His teams have won numerous championships. As athletic director he has been a leader in the cause of girls athletics and minor sports insuring a complete athletic program and opportunity for all citizens.

But the key winning percentage where Mr. Askey is concerned is not in the record of his teams. It is the young men and women who have come in contact with him over the years, and who have benefited from his instruction to go on and lead useful, productive lives.

Our principles and character as individuals and as a nation must be passed from our boys and girls to our men and women. Mr. Askey has helped continue that development, and deserves this day in his honor.

Mr. Speaker, I know I speak for the entire U.S. House of Representatives in extending best wishes to William A. Askey of Westmont Hilltop School District.

NEW YORK CITY LIBERALS ADOPT FISCAL CONSERVATISM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. ASHBROOK. Mr. Speaker, I was intrigued by an article in the September 14 edition of the New York Times. Entitled "Crisis Turns Democrats to Fiscal Conservatism," the article describes how the liberal Democrat politicians in New York City have suddenly abandoned their big spending policies and embraced fiscal conservatism. Even Paul O'Dwyer, city council president and a man noted for his liberal views, has stated:

> I don't see any difference between a hard-nosed reactionary and myself on how you work the City of New York now.

The Democratic State Chairman Patrick Cunningham has also chimed in:

> I'm afraid that (the move toward fiscal conservatism) has to be the thrust for the future. We can't have gimmick budgets.

As a long-standing fiscal conservative myself, I welcome these new converts to responsible spending practices. Hopefully their professed belief in fiscal conservatism is more than just rhetoric. Even so, it is a shame that the Democrat liberals have led New York City to the brink of economic collapse before realizing the error of their ways. It is no fun to say "I told you so" but the horrible example of New York City should show liberals the errors of their ways.

The crisis now facing New York City should serve as a lesson for the big-spenders in the Congress. I would hope that the liberals will not spend our Nation into bankruptcy as they have nearly done in New York City.

The article follows:

[From the New York Times, Sept. 14, 1975]

CRISIS TURNS DEMOCRATS TO FISCAL CONSERVATISM

(By Frank Lynn)

The gravest financial crisis in New York City's history has shifted the Democratic party in the nation's most liberal city and state markedly toward fiscal conservativism and at the same time reshuffled the power structure in the state.

"I don't see any difference between a hard-nosed reactionary and myself on how you work the City of New York now," said the City Council's President, Paul O'Dwyer, one of the most liberal Democrats in the state and the politician first in line of succession to the Mayor.

"I'm afraid that has to be the thrust for the future," the Democratic state chairman, Patrick J. Cunningham, said of the move toward fiscal conservatism. "We can't have gimmick budgets," he added.

The ideological and power shifts in a party and state that has produced some of the most liberal politicians in the country is only one of the profound governmental and political consequences of a city on the verge of going broke. Interviews with Democratic and Republican politicians also pointed to the following consequences:

The Democratic shift toward fiscal conservatism is so pronounced that differences with the traditionally conservative Republican party are becoming increasingly blurred.

Long-time Democratic alliances and sympathy with labor and minorities have had to give way to the need to rein in a runaway city budget and a mushrooming state budget.

Just nine months after taking office, Governor Carey has become the most powerful public and party official in the state, giving him more power than he wants and power that eluded even Nelson A. Rockefeller, Governor who wanted it.

Once jealously guarded home rule for New York City has had to be jettisoned because of the fiscal crisis only five years after some New Yorkers seriously advanced the ultimate in home rule, the 51st state.

The signals of the new fiscal conservatism in the Democratic party are flying like warning flags in a hurricane.

REVERSAL OF POLICY

Decades of Democratic action and oratory were cast aside in a matter of weeks as Mayor Beame dismissed thousands of city workers, imposed a wage freeze, demanded a blanket cut in the theretofore sacrosanct City University budget and went along with increased subway fares and bridge tolls.

"He did everything but raise rents and the price of milk," said a Beame aide ticking off the "sacred cows" the Mayor had sacrificed in the effort to avert default.

"What I did in the budget I don't think in the history of the world has ever been done," a weary and forlorn Mayor said in a recent interview as he complained that he had not been given enough "credit" for his economies. In other years, any one of these economies could have been political suicide for a Mayor.

Governor Carey refused to follow a mediator's recommendation for a modest increase in the salaries of state workers and instead gave them a one-shot "bonus," which was equivalent to about $5 a week. He is also reducing the rolls of state workers but largely by attrition.

The Governor has also raised the possibility of putting a lid on state welfare appropriations, which, in a time of inflation and recession, would inevitably result in reduced welfare payments regardless of need.

To black and Puerto Rican legislators who in the past have exerted great leverage on the Democratic party, the Governor took the hard line recently, saying that "unless we preserve the city there won't be any social welfare programs."

The Governor was echoing one of his closest advisers, Alex Rose, the Liberal party leader who is also the long-time president of the United Hatters Union. Of late, Mr. Rose has frequently argued that financial stability in government must come before costly programs no matter how worthy or needed. In the affluent nineteen-fifties and sixties, few Democrats or Liberals worried about the due bills for government programs.

The emphasis on budgeting—once the preserve of Republicans—has even spread to the next generation of Democratic politicians. City Councilman Robert F. Wagner Jr., of Manhattan, the political heir of a father and grandfather who were closely linked to labor, was one of the first politicians to call for a municipal wage freeze.

Representative Edward I. Koch of Manhattan, who said he called for a municipal wage freeze six months ago, echoed other Democrats who seemed not overly concerned about possible labor antagonism. "It's not in labor's interest to have knee-jerk response to their interests," the liberal Democratic Congressman said.

He said that such a politician would be "an inferior legislator who would not have the respect of his colleagues." Mr. Koch's assessment is contrary to past conventional wisdom, which held that the mere passing of the word that labor was against a bill was enough to insure an overwhelmingly Democratic vote against it, at least in Albany.

Several politicians noted that some of the highly visible uniformed Civil Service unions, such as police, fire and sanitation, could not expect too much sympathy from Democrats because of their frequent alliance with Republicans, notably Mr. Rockefeller. However, other Civil Service unions, particularly those representing lower-paid city workers, stood fast with the Democrats even in the hard times of Republican rule.

REDUCTION BY ATTRITION

Although a delegation of labor leaders was involved in the latest efforts to stave off default by the city, all they apparently got from Mr. Carey was a formal statement of what most politicians considered the obvious—that city job rolls would be reduced by attrition if possible. Further layoffs were not ruled out, however.

Controller Arthur Levitt's deep involvement in the latest crisis also represented somewhat of a Democratic shift.

In the past, Mr. Levitt, virtually a symbol of fiscal prudence in the state, has been ignored by his own party—and the feeling was mutual.

However, Governor Carey, under pressure from the banking community, is now standing shoulder to shoulder with Mr. Levitt.

The Controller said in an interview that he would select the new special deputy controller who will oversee the city's budget. He backed up his words by taking several calls from aides and friends submitting names for consideration.

State Senator Roy M. Goodman, a Manhattan Republican and fiscal expert, used the term "czar" to describe the new deputy controller.

Mr. Goodman, a likely G.O.P. mayoral aspirant himself, said that the Mayor would be "superseded" by state officials. He said that "for the short term, the mayoralty will be a less meaningful office."

Home rule, the rallying cry of past battles between Albany and New York City, is unmentioned. "We're giving it up," said City Councilman Matthew J. Troy Jr., who as chairman of the Council's Finance Committee, is the second most powerful official in that body.

With the mayoralty so weakened, there was general agreement as to the power wielded by Governor Carey, who was not eager to get involved in the city's problems in the first place.

His leadership is another moderating factor in the party. Philosophically, he is a moderate and pragmatic liberal whose views are reflected in his closest aides—more pragmatists than ideologues.

The Governor's decision to become deeply enmeshed in the city's problems was purely pragmatic.

He has repeatedly argued that an insolvent New York City unable to pay back its vast borrowing would jeopardize the state's ability to make even its customary and prudent borrowing for capital construction. In short, he said, the state has no choice but to help the city.

The Governor has used this argument to try to persuade upstate legislators that he is acting in the state's interest and not just showing the partiality of "a city boy" to the city. Mr. Carey even ordered state agencies to draw up lists of state projects, such as State University buildings and hospitals, throughout the state that would be jeopardized if the state could not borrow to finance them.

He has also pointed out that upstate cities are already feeling the reverberations of the New York City fiscal crisis by paying higher interest rates on their borrowing.

Independently of the governor, Senator Goodman has prepared a list of the borrowing upstate cities plan in the next three months—borrowing that will almost certainly be more expensive because of the New York City crisis.

Conceding the blurring of differences between Democrats and Republicans on the fiscal issue, Senator Goodman said that "the unity of approach" was dictated by the shortage of options.

"This is bigger than both of us," the Manhattan Republican said.

IN CONSIDERING TAX REFORM

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr HUBBARD. Mr. Speaker, I want to share with my colleagues and others an editorial which appeared recently in the Courier-Journal, Louisville, Ky. The editor and publisher of the Louisville daily newspaper is Barry Bingham, Jr., and the opinion page editor is Robert T. Barnard.

The editorial is as follows:

THE ONLY TEST FOR CONGRESS IN CONSIDERING TAX REFORM

Once again Congress is bracing itself for a dash across the fiscal and political minefield of tax reform. The House will be making the perilous journey without the seasoned and cautious leadership of Wilbur Mills. But, since that leadership in the past frequently didn't produce what most congressional liberals consider genuine reform of the tax code, there is now a chance for major achievements, as well as serious blunders.

The dangers involved in revising a body of law as complex as the federal tax code are numerous, but fall into three broad categories. The first is fiscal. Eliminating tax incentives (closing "loopholes") can, in the short run at least, increase federal revenues. In the longer run, however, such revisions inevitably affect the way money is invested and spent, producing unexpected effects on revenue, not all of them necessarily positive.

POLITICAL RISKS INVOLVED

Secondly, changes in the tax laws produce changes in the private economy. If, for example, the deductibility of home mortgage interest payments and real estate taxes were eliminated, the real cost of buying a home would increase sharply for most Americans, and the homebuilding industry probably would suffer.

Finally, there are serious political risks. Even the best intentioned tax incentives—those designed, for example, to channel new capital into construction of utility plants and housing for the poor or to lower the cost of borrowing by municipalities and school districts—almost inevitably enable some corporations and wealthy investors to avoid federal taxes. Few news reports produce as much automatic outrage in the breasts of millions of working Americans as the stories about multimillion-dollar corporations and wealthy speculators who pay no taxes by using legal loopholes.

REMOVING THE SHELTERS

All of these dangers—fiscal, economic and political—are present in just one narrow target of tax reformers: real estate tax shelters. The House Ways and Means Committee, which writes tax laws, voted last week to crack down on the use of these tax shelters by wealthy investors. This move is considered, by most observers, a victory for congressional tax reformers.

A good case can be made that tightening the rules on real estate tax shelters also would be a victory for the general public. But there is a cost for such reform. As staff writer Barry Jacobs reported in last Sunday's *Courier-Journal & Times*, real estate tax shelters make it attractive for individuals in high income brackets to invest in apartment projects. The new tax shelter rules proposed by the Ways and Means Committee would boost federal revenues by an estimated $1 billion by 1981. But they almost surely would make it more difficult to raise capital for apartment development at a time when residential construction is still in a slump and the need for new housing in growing.

Many economists, however, believe that the government could stimulate residential construction more efficiently with direct subsidies to builders or tenants, instead of through the indirect subsidy of tax write-offs. And, in the case of luxury apartments for the wealthy, one has a right to wonder whether the government should offer any subsidies, direct or indirect, for development.

So the tax reformers on Capitol Hill have some ticklish problems to solve. Their task is not made any easier by Ford administration proposals to boost the supply of investment capital by easing the tax burdens on corporations and investors. To many liberals, in fact, the administration proposals amount to a kind of tax anti-reform: tax breaks for the rich instead of for the millions of middle-class Americans who must stretch paychecks to cover current expenses and have nothing left over to invest.

As in the case of many existing loopholes, however, the administration proposals are designed to help the nation achieve socially and economically useful goals. The key question is whether these proposals and the incentives already in the tax code are the fairest and most efficient tools.

That's the only test Congress should apply. If many present loopholes flunk this test, they should be eliminated, however loud the squawks from special interests.

WHO FLEW AROUND THE WORLD FIRST?

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. CARTER. Mr. Speaker, it has been my pleasure and good fortune to know Maj. Gen. Leigh Wade and his lovely wife, Helen, for a number of years. General Wade was one of a group of flyers who made the first round-the-world trip by plane with a group of American pilots.

The flight was made in a two-seater, wood-wire-and-cloth aircraft and took 175 days. Of these flyers, Lowell Thomas said:

> You have kept aflame the spirit of adventure by which the world progresses.

I am pleased to include for the perusal of the Members a condensation of General Wade's record of that flight:

[Condensed from Air Facts, Reader's Digest, September 1975]

WE FLEW AROUND THE WORLD—FIRST!

(By Maj. Gen. Leigh Wade, USAF (Retired), with James H. Winchester)

Boeing 747 pilots today circumnavigate the globe week in, week out, in approximately 53 hours. The first pilots to fly around the world—in two-seater, wood-wire-and-cloth aircraft—took 175 days.

It wasn't exactly a "race" back there in early 1924, but fliers from six nations—the United States, Great Britain, France. Portugal, Italy and Argentina—were competing to do by air what Ferdinand Magellan's armada had done by sea 402 years earlier. It was little remembered that six men of the U.S. Army Air Service (as the Air Force was then called) won first honors. Said globetrotter-news reporter Lowell Thomas of them: "You have kept aflame the spirit of adventure by which the world progresses."

This account of how a dramatic new chapter of the air age was opened, three years before Charles Lindbergh flew alone across the Atlantic, is written by retired U.S. Air Force Maj. Gen. Leigh Wade, who piloted one of the planes. He is today one of three survivors of the epic flight.

Shortly after takeoff from Seattle's Lake Washington on April 6, 1924, we hit fog. We were headed for the first stop of our projected round-the-world flight—Prince Rupert, British Columbia, 605 miles north—and my mechanic and I were two hours behind the three other planes in our flight, having been delayed at the start because of a cargo overload.

I was following the Canadian coastline, flying so close above the sea that the spume and mist of the wild waves bathed our faces. Most of the time I could see no farther ahead than the blurred arc of the spinning wooden propeller. After a while, driving rain turned to snow, then to pounding hail and sleet. I missed the masts of a passing freighter by mere inches, managing just in time to kick the rudder and dodge by.

Reaching Prince Rupert after eight hours and ten minutes of flying nearly blind, I sat in the cockpit pretending to write in my logbook. I didn't want anyone to see me shaking.

Our route around the world, planned mostly from old sea charts, was westward. With the exception of the Italians, all the other nations' pilots were planning to go the other way, to take advantage of prevailing winds. By going westward, we hoped to fly through the Aleutian Islands when fogs and storms were less frequent than at other times of the year. We would also be crossing the North Atlantic in the summer, when danger from ice was least.

First Accident. It didn't work out that way. In Alaska and the Aleutians, fog delayed us, winds were always bad, ice regularly formed on our pontoons. We were supposed to make the 3292 miles from Seattle to Attu, at the bleak western tip of the Aleutians, in 12 days. It took us 34. Once, having made an emergency landing in a lonely cove for do-it-yourself repairs, we were forced by storms to wait frustrating days huddled around a stove in a trapper's hut drinking coffee and eating moose meat. I asked our hermit host when the seasons changed up here. "Don't be funny, young fellow," he snapped. "We have only two seasons—this winter and next winter!"

Our cloth-covered Douglas bi-planes were no beauties, but they did have a husky, no-frill ruggedness. Fitted with cranky V-12 water-cooled 400-horsepower Liberty engines, they cruised at about 90 m.p.h. We had few maps and no radios, and weather information was sparse and unreliable. We tried to keep in sight of each other in the air, but storms often separated us. We carried no parachutes or life rafts—they were too heavy.

Airplanes were complete strangers almost everywhere we went, so fuel and spare parts were preplanted at landing spots about 400 miles apart by the Mobil Oil Co., which used everything from fishing boats to camels for delivery. Refueling took hours. Five-gallon tins had to be lifted up by hand from the ground or from bobbing boats; then the gas had to be strained through a chamois-skin filter. More than 500 different kinds of other supplies were also stored with the fuel, packed in boxes made from spruce, ash and plywood, which we used to make repairs when needed. The State Department arranged clearances for us to fly over or land in 22 countries. Dozens of ships from the U.S. Bureau of Fisheries, Coast Guard and Navy patrolled along our route.

I was a 27-year-old first lieutenant, an engineering officer and test pilot, when I was selected to be one of the World Flight pilots. The others, all experienced in cross-country flying and testing, were Maj. Fred L. Martin, 41, the commander; 32-year-old Lt. Lowell Smith; and Lt. Erik Nelson, 36. Each pilot picked his own mechanic. I selected Sgt. Henry Ogden, an Air Service veteran of five years.

Major Martin and his mechanic, Sgt. Alva Harvey, seemed jinxed from the start. On their way north from Seward, Alaska, their engine exploded and they made a forced landing in a rocky inlet. It took the Navy three days to find them, several more to install a new engine. Then they took off to catch up with us in Dutch Harbor. They never got there. For the rest of us, it was an anxious time. No word at all. What had happened to them? After a week of waiting, Washington cabled Lieutenant Smith, now the senior officer: "Planes 2, 3 and 4 proceed to Japan at earliest possible moment."

When we reached Attu, at the western end of the Aleutian Islands, a Navy ship there received word by radio that Martin and Harvey were safe. They had encountered sleet and struck a snow-covered mountain slope, coming to a stop at the edge of a sheer, 1000-foot drop. It had taken the pair more than a week to reach a trading post on the edge of the Bering Sea and let the world know that they were still alive. But it was the end of the flight for them.

Attu to Tokyo: 2365 miles. The three remaining planes left for Asia on May 15, having averaged only 98 miles a day in the 40 days since leaving Seattle. Between Attu and Russia's Komandorski Islands, off Siberia, were 180 miles of Pacific Ocean, split by the International Date Line. Crossing it, we lost one day out of our lives, but we also became the first men to cross the Pacific Ocean by air.

We were 31 days behind schedule when we got to Tokyo on May 22. Everywhere in Japan there were wild welcomes. At one stop, 200 schoolchildren walked 54 miles to greet us, singing "My country 'tis of thee." It was in Japan that I first began to realize the importance of our flight. This was no longer just a personal adventure; we were flying for the United States.

In Tokyo, we had the first news of the other world fliers. Britain's Squadron Leader A. Stuart MacLaren had crashed in Burma. Capt. Georges Pelletier-Dosy of France had survived an accident near Shanghai, but he was out of it. The crews from Portugal, Italy and Argentina were still waiting to start.

Tokyo to Calcutta: 5575 miles. It was Marco Polo and Rudyard Kipling all the way—China, Siam, Indo-China, Burma. Each day's hop was short; encounters with typhoon winds were brief but intense. As we flew down the Indo-China coast, a broken connecting rod forced Smith and Lieutenant Arnold, his mechanic, to land on an island lagoon. The engine was a washout, and natives were hired to tow the plane up a jungle river to Hue, the old capital city of Vietnam, where a new engine, rushed up from Saigon, was installed.

It was a spectacular parade to Hue, led by a chieftain reclining in his royal barge under a sunshade, while concubines rolled and lighted his cigarettes and served him drinks and bananas. A tribesman beat out a tattoo on a tom-tom, to which the oarsmen in the sampans towing Smith's disabled plane dipped their paddles in rhythm.

We were social lions wherever we stopped—heady nectar for us all. In Shanghai, the head of the Thieves' Union made us lifetime members of his guild. Bangkok officials wanted to stage a special beheading of prisoners in our honor. In Hanoi, ricksha boys delivered us by mistake to a house of ill fame instead of to the country club for an official dinner.

We landed at Calcutta at noon on June 26.

Calcutta to London: 6343 miles. After exchanging pontoons for wheels, we left on July 1 and arrived in London on July 16, with 15 stops in between, flying a total of 83 hours and 28 minutes. We had good weather, plenty of rivers and railroads to follow, and we were elated at our speed. Flying 8 to 10 hours a day, we found few opportunities to rest. We reached Paris on July 14—Bastille Day—to be met at Le Bourget by a crowd second in size only to the one on hand for Charles Lindbergh three years later. We barely had time to change clothes before being rushed to the Folies-Bergere, where we fell asleep as the scantily clad girls pranced practically in our laps.

When we reached London, we were three quarters of the way around the world. But the treacherous North Atlantic still lay ahead.

London to Boston: 4310 miles. Leaving London on July 17, we stopped in Hull to change engines and reinstall pontoons. Then on to Kirkwall in the Orkney Islands, at the northwest tip of Scotland. Our three planes left Kirkwall on August 3, headed non-stop for Iceland. Immediately, we ran into fog so thick that we had to drop down once more to about five feet above the water. Smith and I returned to Kirkwall. Nelson kept going, reaching Hornafjordur on the southeast coast of Iceland after 9 hours and 3 minutes in the air, flying nearly blind all the way.

Smith and I took off from Kirkwall the next morning. An hour and a half later, as we flew together in clear skies, my oil pump failed. I had to land on the open sea. The engine damage could not be repaired on the water, so I signaled with my arms to Smith, who was circling overhead, that I needed help. He headed off toward the Faeroe Islands, the nearest land. On the way, he passed over a U.S. Navy destroyer and dropped a message to it, reporting our approximate location.

It's a nasty business bobbing up and down in 20-foot-high waves. The plane could break apart at any minute. Ogden and I were scared and miserable, cold and seasick. Agonizing hours passed; a drizzling rain started. Never have I felt so lonesome. What was I doing here anyway? What was I trying to prove? Then Ogden roused me with a shout. "A ship!"

It was a British trawler, and it started towing us toward the Faeroes. Suddenly, the Navy destroyer that had been signaled by Smith arrived, followed by the cruiser *USS Richmond*. The *Richmond* took us in tow. Next morning, just a mile off the Faeroes, the cruiser's captain said to me, "Our charts aren't too good for this coast, and we can't maneuver quickly while towing your plane. There is real danger of piling up on the rocks if we don't cut it loose."

The decision was left to me—the safety of the men and the ship against my own desire to get my plane repaired and continue the flight. The hardest words I have ever had to speak were: "Abandon the airplane."

Sailors went down ropes to the plane, hacked holes in the pontoons, and let it sink. I stayed in my cabin, unable to watch the deaththroes.

The *Richmond* took us to Iceland, where Smith and Nelson and their mechanics were waiting for better weather. Washington cabled that a spare plane would be flown to Pictou, Nova Scotia. The Navy would take us there to pick it up and rejoin the flight.

From Iceland to Greenland to Labrador (Icy Tickle) to Nova Scotia, Smith and Nelson flew. There, Ogden and I were waiting with our new plane. We hedge-hopped together down the coast.

Circling the harbor at Boston on September 6, we saw puffs of smoke from warships giving us a 21-gun salute, normally accorded only to the nation's President. In the crowd of 30,000 people to greet us was Squadron Leader MacLaren, the British world flier, on his way back from Asia to England to pick up another airplane and try again.

Now we had only the continent left to cross!

Boston to Seattle: 4460 miles. After changing battered pontoons back to wheels again in Boston, it took us 21 days and 17 stops to return to where our flight had started. Weather delayed our arrival in Washington, D.C., but President Calvin Coolidge and the entire Cabinet stood three hours in a downpour to welcome us. Riotous receptions marked our landing as we zigzagged our way back to Seattle. In Los Angeles, where the field was strewn with roses, the crowd cracked two of my ribs in the crush. My own feelings? Nervous and physical strain, a lifetime of extraordinary sights and scenes, memorable meetings, moments of terror, high elation, six months of never-to-be-forgotten adventure. Mostly I felt a joyous sense of release. It was almost over!

At 1:28 p.m. on September 28, we flew abreast over Lake Washington's Sand Point so that each plane finished the flight at the same moment. We had flown 26,345 miles in 371 hours and 11 minutes. Seldom did we fly higher than 1000 feet. Our average speed was just over 72 m.p.h. and we had made almost twice as many stops as planned. Among us, we used 21 new engines and lost two planes—but no one was killed and injuries were minor. Despite the cotton that we kept stuffed in our ears, we were all nearly deaf.

But we had carried the Stars and Stripes around the world for the first time by air. The United States had gained valuable prestige. We had learned much about the logistics and possibilities of global flying. We had set the stage for worldwide commercial aviation. And the strength of our planes put our nation into an aerial manufacturing lead it has never lost.

We had blazed a trail for generations to follow. I am still proud of it!

QUESTIONNAIRE

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. JEFFORDS. Mr. Speaker, during June and early July I asked the people of Vermont to fill out a rather long and complex questionnaire, indicating their positions on a number of important issues before the Congress. More than 9,000 constituents responded, and I was impressed by the thought and care most of them put into it.

Although this is strictly a Vermont questionnaire, I suspect that the views expressed are shared by large segments of the general public throughout our Nation, and therefore the results may be of interest to many of my colleagues.

I will avoid the temptation to explain my interpretation of the results. One word of clarification may be in order, however. In tabulating the results for question No. 3, I made a clear distinction between those who would send U.S. forces to another nation in the event of an enemy attack, and those who would send only other forms of military aid. Therefore, in order to ascertain the true level of public support for an ally in such a situation, the two columns of figures should be added together.

Mr. Speaker, I include the poll results in the RECORD at this time:

[In percent]

1. Of the following general areas, which one do you feel should be given the highest priority by Congress:

	High	Low
A. Tax reform	36.9	9.9
B. Welfare reform	34.7	13.9
C. Programs for the aging	12.3	14.1
D. Inflation	38.9	7.8
E. Recession	16.3	9.7
F. Energy	53.2	7.4
G. Environment	19.2	18.8
H. Increasing Government accountability	21.3	15.1
I. International relations	5.5	28.2
J. Education	9.4	22.5
K. National defense	16.4	28.1

2. Do you feel a "bottle ban" law, similar to Vermont's, should be enacted nationwide?

Yes	78.1	14.2
No		14.2

3. The U.S. has treaty relationships with the countries listed below. Assuming an attack by outside Communist forces, should we assist with either military aid or military forces?

	Aid	U.S. forces	Neither
A. Turkey	31.3	11.9	38.8
B. South Korea	29.0	24.4	30.1
C. France	25.5	29.3	27.8
D. England	25.3	46.8	13.3
E. Philippines	29.5	31.1	22.4
F. Australia	28.6	37.8	16.7
G. Brazil	28.6	20.3	31.5
H. Mexico	22.3	47.8	14.3
I. Greece	30.7	12.3	37.1

4. Which of the following Federal actions would you favor to help reduce U.S. dependency on Arab oil?

A. Higher taxes on gasoline	9.3
B. Increasing the cost of petroleum products through decontrol/deregulation of prices	9.8
C. A system of taxes and rebates which would discourage buying new "gas-guzzling" automobiles	53.8
D. Greater dependence on nuclear fission	28.0
E. Intense development of new alternative power sources, such as solar, geothermal, and wind energy	77.8
F. Federal tax incentives for insulating and other energy saving item	37.7
G. Gasoline rationing	23.2
H. Relaxation of environmental standards	20.7

5. Do you feel Congress should enact a national health insurance program?

Yes	56.0
No	28.6

(a) If a national health insurance program were adopted, should the largest amount of administration and control come from—

A. The Federal Government	25.8
B. The private sector	34.7
C. The State	20.5

6. In which of the following general areas would you like to see Federal expenditures increased, decreased, or remain the same?

	Increased	Decreased	Same
A. National defense	21.1	35.3	36.5
B. Foreign aid	3.0	72.0	16.6
C. Education	33.5	17.6	40.3
D. Welfare	8.3	61.7	21.7
E. Revenue sharing	25.8	20.6	40.9
F. Energy research and development	81.3	2.5	8.6
G. Social security and the elderly	50.6	5.1	37.7
H. Price support for farmers	29.6	26.3	34.5
I. Space research and exploration	8.4	54.7	28.4
J. Highway construction	6.5	54.2	31.3
K. Mass transportation	63.2	9.0	19.6
L. Veterans programs	17.0	20.1	53.7
M. Food stamps	14.6	47.5	29.6

7. (A) Beyond the tax relief already approved this year, do you feel that Federal tax reform is needed to lessen the tax burden on low income taxpayers?

Yes	67.2
No	26.8

(B) Do you feel the tax burden should be reduced for middle income taxpayers?

Yes	74.5
No	18.9

(C) If you would like the burden reduced for either or both of the above categories of taxpayers, which of the following steps would you take to make up the difference?

A. Increase deficit spending	2.3
B. Reduce spending	66.7
C. Shift the burden to wealthy individuals	57.2
D. Shift the burden to business	28.3
E. Eliminate deductions for charitable contributions	22.3

8. (A) As a general principle, do you feel that the Congress should strive to balance the budget?

Yes	88.4
No	6.1

(B) In a specific recession situation should a substantially unbalanced budget be used to maintain services and to create jobs?

Yes	46.8
No	42.2

(C) Do you believe that the recession presents a greater threat than inflation?

Yes	26.9
No	62.1

STRIP MINING OUR NATIONAL PARKS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. BROWN of California. Mr. Speaker, recent news stories have brought to the attention of the Congress and the Nation a serious loophole in the law that established our National Park System. That loophole allows massive strip-mining operations in the very lands that we have decided, as a people, to preserve and protect for all posterity.

I seriously doubt that this Congress would support such a policy of strip mining our parks, if such a choice were before it. For this reason, I urge the House and Senate Interior Committees to act quickly on legislation which has been introduced to remedy this potential tragedy.

Three bills have been introduced which are designed to prevent the strip mining which is now contemplated. While I am not an expert on this subject, I am convinced that the Federal Government must both prohibit future mining claims from being filed, and condemn existing claims.

I would strongly urge my colleagues in the House to consider the legislation by either Congressman MO UDALL or Congressman JOHN SEIBERLING on this issue, and my Senate colleagues to consider the legislation by Senator HENRY JACKSON.

At this time I insert in the RECORD some recent news articles on this important issue:

[From the Los Angeles Times, Sept. 17, 1975]

MINING IN DEATH VALLEY: "GOD'S CREATION" MAY SOON BE TRUCKED AWAY

(By Robert A. Jones)

DEATH VALLEY NATIONAL MONUMENT.—The view from Zabriskie Point in these stark hills has always dazzled visitors. A contrast of pink and beige arroyos set against the deep purple of distant mountains, it is a panorama at once so intimate and vast that one pioneer wrote to his family that he had "just seen all of God's creation" from one place.

But future visitors may discover that the view from Zabriskie Point includes more of God's creation than they counted on. The Tenneco Corp., in a move that has both frustrated and enraged the National Park Service, has staked a mining claim here, apparently with the intent of opening a strip mine directly in the line of sight from the scenic turnout.

"We'll be able to stand right here," said James B. Thompson, the monument's superintendent, "and watch truck haul away part of the view. And if the legal situation doesn't change, we'll be helpless to stop it."

After a 30-year decline, mining activity is booming in Death Valley. There is borax here and Tenneco wants it. Already the company has opened two strip mines inside the monument where huge earth-hauling equipment is removing 130,000 tons of borax a year. The U.S. Borax and Chemical Corp. also is searching for new deposits.

The Boraxo mine, the oldest and largest pit, was opened by Tenneco in 1971. Its oblong shape now exceeds a half mile in length and at the bottom bulldozers crawl toward new layers of ore 200 feet below the surface.

Borax, however, is not the only mineral that has become economically attractive here as demand for raw materials continues to soar. In the southern section of the monument eight talc mines have been opened in recent years and large white scars now mark their presence on the slopes of the Panamint mountains.

In all, Park Service officials say, 1,827 mining claims have been filed inside the monument, covering more than 36,000 acres. The total is increasing by nearly 200 claims per year and the Park Service now employs two full-time and three part-time staff members just to keep records of the mining activity.

"The history of borate mining, with all its 20-mule-team fame, is pale by comparison (to present activity)," a recent Park Service report noted. "As a result, the natural features, for which the monument was established to protect, are being totally and irreparably altered at a rate of nearly 200 acres per year. Exploration, work on mine roads and minimum work done to hold mining claims is marring the natural features on an additional 1,000 acres per year."

The whole thing seems incongruous inside one of the nation's great natural shrines. Visited by 700,000 persons a year, Death Valley is usually regarded—like all national parks and monuments—as inviolate and preserved forever.

Yet the mining activity, for all its incongruity, cannot be stopped by the Park Service, according to a recent ruling by the attorney for the Department of Interior.

Although the monument was originally withdrawn from mining when it was established in 1933, a concerted lobbying effort by mining companies, with the help of the Secretary of Interior, persuaded Congress to reverse itself a few months later. The monument was reopened to mining.

In a recommendation to Congress that such rights be restored, then Secretary of Interior Harold L. Ickes wrote: "It was not the desire to prevent prospecting and mining within the area, as such activities would in no way interfere with the preservation of the characteristics of the area sought to be preserved. In fact the picturesque miner is one of the characteristics which give the area the color of the early pioneer days and his continuance there would be a very desirable feature. . . ."

Thompson stood at the lip of the huge Boraxo mine the other day with great clouds of dust swirling in the air and trucks dumping tons of waste onto the desert floor. "There is your picturesque miner," he said with a tight smile.

When Congress reintroduced mining rights here 42 years ago, it is generally agreed, no one envisioned the development of massive earth-moving equipment that has allowed the present-day techniques of stripping or open-pit mining.

The early history of mining these hills, in fact, reveals far more failure than success. For decades, miners with pickaxes poked and sifted through the alkali dust of the valley, looking for gold, silver, or copper. They never found much.

After borax ore was discovered near the turn of the century, the U.S. Borax Co. and its 20-mule-teams shipped ore from the valley for more than 30 years using underground mines. By the time the operation became uneconomical in the 1940s the mines were shut down, the total mineral production of the valley had amounted to only $3 million over a period of almost 50 years.

Four years ago Tenneco began the resurgence by opening the first mine at Boraxo. The mine extracts ulexite and Colemanite, both borate ores which are currently used in structural glass fiber and insulation.

The results of the resurgence now are spreading like gigantic ant hills in sections of the monument. In the small canyon that leads to Dante's View on the east side of the monument, small stakes marking mining claims sprout like strange plants from the desert floor. For each of the stakes a crude road has been scraped to allow drilling rigs to dig into the valley in search of more borax.

Recent prospecting has caused the construction of 300 to 400 miles of such roads throughout the monument, Thompson said, each of them scarring the fragile desert surface in ways that may take centuries to heal.

Though the Department of Interior require permits before roads may be constructed, the regulation has not always been enforced. According to Park Service officials, Tenneco at one point scraped a 60-foot-wide road near the Boraxo mine without a permit and then discovered the road led to the wrong location. Another road was built.

In the talc mining region, currently being worked by Pfitzer, Inc., Johns-Manville Corp., and Cyprus Industrial Minerals Co., road construction has come to resemble mountain subdivisions with the dirt thoroughfares leading to small cul-de-sacs bulldozed flat in the sides of mountains.

Tenneco maintains that its activity in the park is in keeping with the area's historic traditions. Although one company official said it was unlikely that mining at Zabriskie Point would take place soon, Tenneco takes some pride in its current operations and has suggested to the Park Service that a viewing platform be erected so visitors could watch the operating strip mines in action.

Any effort to limit future mining activities, the company official said, would be opposed.

"The Park Service is trying to deny us the mining right that was given to us by Congress," said William Tilden, counsel for Tenneco. "In doing so, it seems to us that they become proprietary. But they do not own the monument, the people do, and we believe Congress has spoken for the people."

Park Service officials concede that at present they are all but powerless to stop or even control the expansion of mining here. After filing a claim, each of which covers about 20 acres, companies can eventually acquire title to the land they mine, effectively removing them from most government regulations. The land, sometimes running into thousands of acres in contiguous blocks, is acquired virtually without cost to the mine operators under the Mining Law of 1874.

Late last year, the Park Service forwarded to Congress a recommendation that much of the monument be placed under a wilderness classification, thereby excluding future mining expansion. Present operations, however, would be allowed to continue and all present claims honored. Congress has yet to act on the recommendation.

A stronger measure, in the form of a draft bill, was circulated internally at National Park Service headquarters in Washington. The bill would have given the Secretary of Interior the authority to withdraw from mining all lands inside national monuments that were deemed to be of natural, scenic or historical value. The bill, however, was never submitted to Congress.

In addition to Death Valley, four other units of the National Park system currently are open to mining. They are Glacier National Monument and Mt. McKinley National Park in Alaska, and Organ Pipe and Coronado National Monuments both in Arizona.

Last week, Rep. John F. Seiberling (D-Ohio), submitted a bill that would withdraw all such lands from mining with the proviso that existing claims be allowed to continue.

Aides to Sen. Alan Cranston (D-Calif.), noting that the Seiberling bill would not affect the two operating Tenneco mines, said consideration was being given to a further measure that would end all mining in Death Valley whether or not the mines predated the legislation.

Meanwhile the trucks come and go out of Furnace Creek, Wash., hauling borax from the monument to processing plants outside the valley. Little clouds of dust trail after them, bulldozers push ever-widening fans of waste on the desert and the whole thing has come to resemble a sanitary landfill.

[From the Los Angeles Times, Sept. 18, 1975]

UDALL TO SEEK CURBS ON PARK STRIP MINING

Rep. Morris K. Udall (D-Ariz.) said Wednesday he will introduce legislation to prohibit strip mining in Death Valley National Monument and other scenic parts of the national parks system.

Udall, chairman of the subcommittee on energy and environment, said in Washington, "Unbelievable as it may sound, surface and underground mining can occur in a number of national park units."

He noted that a recent Interior Department ruling makes possible strip mining in the Zabriskie Point and Gower Gulch areas of Death Valley National Monument.

The Tenneco Corp. has staked a mining claim in the spectacular Zabriskie Point region, alarming National Park Service officials.

Udall's measure would protect Organ Pipe Cactus National Monument in Arizona; Coronado International Memorial, Arizona; Death Valley National Monument, California; Mount McKinley National Park, Alaska; Glacier Bay National Monument, Alaska, and Crater Lake National Park, Oregon.

[From the Los Angeles Times, Sept. 18, 1975]

THE OPEN SORES OF DEATH VALLEY

When Death Valley National Monument was created by presidential proclamation in February, 1933, it was closed to mining. Four months later Congress passed a special act opening the entire area to mining activity.

The rationale was contained in a legislative finding that "it would be unfortunate if the prospector, who has been responsible for building up the romance and mystery of Death Valley, were not allowed to prospect and operate in the future as he has done in the past." The report to the 72nd Congress insisted that "in no way will mining development hinder, obstruct or in any way affect . . . development of the area."

The romance and mystery of the grizzled, lonely miner and his faithful burro roaming the 3,000-square-mile monument may have been a valid argument at the time. But that congressional enactment has opened the way for widespread strip mining in the most scenic part of the valley, and the National Park Service is powerless to stop it.

Strip mining first started in 1971, and has been expanding dramatically in recent years. There are now 1,827 active mining claims, and the number is increasing by nearly 200 a year. The park service estimates that approximately 1,200 acres of monument land are being scarred each year.

At present, there are four open-pit mines in the valley. The largest is 3,000 feet long, 600 feet wide and more than 200 feet deep, with waste dumps rising 150 feet above the desert floor. Park officials say the excavation is so extensive that huge earthmoving machines operating there look like tinker toys. A little old prospector and his burro probably wouldn't even be noticed.

Although a spokesman for the operator of the two largest pits contends that only waste dumps can be seen, park officials say that both pits are highly visible from the scenic road to the Dantes View overlook. Another claim staked by the same operator would permit mining directly in the line of sight from the scenic turnout at Zabriskie Point.

After being informed that the 1933 law did not permit withdrawal of monument lands for scenic preservation, the park service asked the secretary of interior to propose legislation for a temporary hold-down on mining at Glacier Bay National Monument in Alaska and at Death Valley. Such a measure would not affect valid, existing rights but would prohibit further exploration or filing of additional mining claims. Subsequently, a more sweeping measure was introduced by Rep. John F. Seiberling (D-Ohio), calling for a ban on mining in five national park systems.

We believe that Congress should act promptly to enact a moratorium in order to provide time to sort out the ramifications of a complex problem. Perhaps the ultimate solution lies in an amendment to the 1874 mining law so as to grant the secretary a permanent right to ban mining when necessary to protect natural, scenic, wildlife and recreational values at national monuments.

[From the Washington Star, Sept. 19, 1975]

STRIP MINE CURBS PROPOSED FOR PARKS

(By Thomas Love)

Laws to protect America's national parks and monuments from further strip mining have been proposed in both houses of Congress following an Interior Department ruling that it has no authority to prevent the activity in Death Valley, Calif.

Rep. John F. Seiberling, D-Ohio, introduced the legislation in the House after reading a story in the Washington Star of Sept. 10 that widespread strip mining was planned for the most popular area in Death Valley National Monument.

A similar bill was introduced in the Senate yesterday by five senators, including the chairman of the Interior and Insular Affairs Committee and its mining subcommittee.

"The possibility of mining in our national parks and national monuments is obviously inconsistent with the purposes for which those areas have been set aside," Seiberling said.

Although most national parks and monuments are protected from mining within their borders by the acts which created them, at least six have no such protection.

Besides Death Valley, they are Glacier Bay National Monument in Alaska, Coronado National Memorial in Arizona, Mount McKinley National Park in Alaska, Organ Pipe Cactus National Monument in Arizona and Crater Lake National Park in Oregon.

Seiberling said there is little likelihood of any mining activity in any of the areas other than Death Valley and Glacier Bay, since those are the only ones with known economically recoverable mineral deposits within their boundaries. The House bill would prohibit "the exploration for and the mining of and the purchase of all valuable mineral deposits within any area of the national park system" but exempts "valid existing rights."

The Senate version also calls for the prohibition of new mining but in addition creates a three-year moratorium on any mining activity within the parks and monuments to provide time to determine a final permanent method to block further mining.

The Senate bill provides language to repeal the specific legislation which allows mining within the six areas, while the House version would repeal all but that relating to Crater Lake.

In the Senate, the bill is sponsored by Henry Jackson, D-Wash., chairman of the Interior and Insular Affairs Committee; Lee Metcalf, D-Mont., chairman of the minerals, materials and fuels subcommittee; Mark Hatfield, R-Ore.; John Tunney, D-Calif., and Alan Cranston, D-Calif.

Cranston said that he decided to introduce the legislation after reading the Star story and receiving information on the situation at Death Valley from the National Park Service.

In July, the Interior Department overruled a decision by the Park Service and concluded that no action was possible to prevent widespread strip mining at Death Valley, including destruction of the most popular spot in the monument—Zabriske Point and Gower Gulch.

NATIONAL MEDAL OF SCIENCE FOR 1974

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. SYMINGTON. Mr,. Speaker, on September 18, members of the Committee on Science and Technology were privileged to attend the White House ceremony honoring the recipients of the National Medal of Science for 1974. It was extremely refreshing and greatly encouraging to witness such due acknowledgement of the debt owed to the painstaking efforts of the Nation's scientific community. Listed here are the names of the winners:

Britton Chance, Erwin Chargaff, James Van Gundia Neel, James Augustine Shannon, Rudolf Kompfner, Ralph Brazelton Peck, Abel Wolman, Kurt Gödel, Nicolaas Bloembergen, Paul John Flory, William Alfred Fowler, Linus Carl Pauling, and Kenneth Sanborn Pitzer.

I would like to call the attention of my colleagues to some of the titles of the projects which brought these distinguished scientists to such national recognition.

Dr. James Shannon's early work in biology included such studies as "The Excretion of Urine in the Dog" and "The Excretion of Inulin by the Dogfish." These titles might raise a few eyebrows on my colleagues. What use is research like this to the taxpayer? One could as easily ask, What use to him are his kidneys? The results of Shannon's research led to vital information on the function of the human kidney and the relationship of hormones to kidney function.

Included in the list of projects authored by Britton Chance are two entitled "NADH Spectrofluorometry of Rat Skin" and "Aerobic Reduction of Cytochrome b_{566} in Pigeon-Heart Mitochondria." Some of my colleagues might question the need to study rat skins and pigeon-hearted mitochondria, yet the work by Chance has led to the development of methods crucial in the identification of the critical factors in the performance of lung, blood, and microcirculation in supplying oxygen to the body tissues. Without oxygen, our body tissues would be useless and the more we understand about the transfer of oxygen to tissues, the better medical science can understand the reasons this system breaks down.

Among the titles of research conducted by Dr. James Neel can be found one "Concerning the Inheritance of Red Hair." This research has proved of enormous value in understanding sickle cell anemia. Other studies of his—on the blood, urine, and stool of the Xavante Indians, for example, or the "Temperature, Body Size, and Character Expression in Drosophlia—Fruit Fly" have also contributed to our basic understanding of genetics—to our knowledge of how human characteristics are developed and inherited.

Recalling the sentiments voiced by some of my colleagues on the House floor this spring, research on "The Coordination Theory of the Structure of Ironic Crystals" could easily be questioned for its payoff to the taxpayer. Yet this research by Linus Pauling in the 1920's led to our understanding of what holds molecules together, including the protein molecule, which is the main building block of all living forms.

Another research title that might give some pause is "The Comparative Study of Friction Piles." This work by Ralph Peck was important in improving highway and building construction.

Among the research subjects studied by another of the Presidential Medal of Science winners, Erwin Chargaff, were salmon sperm, ox brains, and chicken brains. Rather than sounding like items from the menu of an exotic foreign restaurant, these studies led Chargaff to some major discoveries in the genetic role of nucleic acids. He used these studies as the basis for his work in isolating, for the first time, DNA—the chemical substance of the living cell that contains the code of life of human sperm and the establishment of its chemical content. Because of Chargaff's work, scientists now understand the mechanism of protein synthesis, specification of amino-acid sequence by RNA, and the control of RNA synthesis by DNA. These processes, of course, are vital to our understanding of genetics and the bonds that link one generation to another.

"What is Cantor's Continuum Problem?" Who cares, one might easily ask. Yet this was a paper by Kurt Godel that, along with many other famous publications, led to his being recognized today as the Father of Mathematical Logic—a man whose contributions to science are as revolutionary as those of Einstein.

I have mentioned these few examples of the brilliant work done by the Presidential Medal of Science winners, because their descriptions may be faintly reminiscent of the kinds of research derisively questioned on the floor of this House on the basis of titles alone. I believe we should express our gratitude here for the work done, but remind ourselves too, that science and technology projects, like books, should not be judged alone by their titles.

SUPERCORPORATIONS TOWER ABOVE THE LAW

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. JAMES V. STANTON. Mr. Speaker, the American economy needs to get off to a new start if we are to bring down high prices and relieve unemployment. But the new start can be made only when we wake up and realize that the people hold the ultimate power in this country. The people are in possession of the law and no individual can escape it or set it aside. We are not stuck with an Indira Gandhi here; we did—past tense—have a Richard Nixon.

We congratulate ourselves about this. But why? While we have not handed over the law to any human person in the United States, not even a president, the fact is that we have ceded it to a whole class of artificial persons who manipulate the law as if it were theirs. And, out of apathy or an inferiority complex, we let them get away with it.

These "persons" are the mammoth corporations. We have procreated them in a process that once reminded Justice Brandeis—Ligget Co. against Lee—of "the Frankenstein monster." These robots grow by feeding on each other, through a diet euphemistically referred to as "corporate mergers." Two things happen as they become superheavyweights. First, they get so big that they tower about the antitrust laws. Second, doing what those laws are supposed to forbid they dominate key industries—having gobbled up most of their competitors—and enter into "sweetheart" relationships that prove lovely for them but not for the people.

The public pays a price for such romance. In the oil industry supercorporations that pretend in their advertising to be rivals actually hold hands offstage in "joint ventures." In the food industry we have a bully, ITT Continental Baking, effectively fixing the price of bread in regional markets, while just four cereal manufacturers corner a national market, fattening themselves on a soggy form of competition. In the auto industry, demand goes down but prices go up as the few remaining manufacturers politely follow their leader, General Motors, on pricing policy. Then workers are laid off because cars will not sell: prices are too high.

Simply put, the old-fashioned economic law of supply and demand just does not work in the oligopolistic industries. The Joint Economic Committee of Congress noted recently:

> When demand declines, prices tend to remain fixed at high levels or rise further in the concentrated industries. The long-term trend in the concentrated industries has been steadily rising prices.

Anyone who reads this as the diatribe of a Democratic-controlled Congress ought to listen to what the Republicans, too, are saying. Arthur Burns, Federal Reserve Board chairman, laments: "Prices no longer behave as they used to." The Justice Department, coming alive under former Attorney General William B. Saxbe, asserted:

> Only through free competition can we produce the things we all need at prices we can all afford.

And:

> Business firms who fix prices rob the public as surely as those who rob at the point of a gun. The Department of Justice will not look the other way.

Meantime President Ford, clearly seeing the link between inflation and oligopoly, asks Congress for more money to strengthen antitrust enforcement.

But, unfortunately, there is nothing new about the Government wheeling out its big legal guns to blast away at the supercorporations. The fact is that Uncle Sam has been cannonading off and on since 1890, when the Sherman Act was passed. But this has been a no-win war. Some politicians have won glory in the fighting as "trustbusters"; lawyers have profiteered from it; some corporations claim to have been martyred. But there rarely has been any blood on the floor—no oozing of corporate financial substance except what was recoverable, to be reconstituted elsewhere. In fact, every time the smoke clears we find the supercorporations largely intact, with the people all the poorer for having picked up the court costs.

This result is always predictable. The Sherman Act, as every lawyer knows, is so obsolete as a legal weapons that it is almost inoperable. The supercorporations know how to get around it. They stall and they survive. IBM tied up the Government for 6 years in delaying actions before its antitrust trial finally got going last spring. The big oil corporations, accused in 1973, have counterattacked with batteries of lawyers—who ought to be able to put off that trial at least until 1978, if not beyond—and then would come the appeals. Since 1960, the Justice Department has brought at least 20 actions against the steel companies, with results that are hardly discernible.

The Corporate Citizenship and Competition Act, which I introduced May 22—CONGRESSIONAL RECORD, page H4648—would be the kind of law that would put an end to this guerrilla warfare. With a bulletin timetable, it would force the corporate heavyweights to stand and fight, round for round, under rules that would dictate a quick and final decision. It would adopt a new strategy for restoring competition in key industries by holding, in effect, that an anticompetitive market structure in such industries is illegal per se, however it came to be. It would take its cue from Burns' warning:

> We urgently need to revitalize competition in our economy through structural reform.

This is the kind of reform that would cut down the big oil companies and other behemoths of the corporate world, dissolving oligopolies to allow relatively small businesses to enter the market and compete for consumer dollars by offering lower prices.

Action would not be precipitate under this bill. The corporations and all other interested parties would have their day in court, as it were, but the day could not be stretched to a decade. Anyone who is familiar with political realities and the legislative process knows that a hurry-up lynching of a powerful corporation is virtually impossible under our system. There would be a full and fair trial of the facts.

I have been asked whether the time is ripe for such a law. I think it is—providing that the people are ready to assert themselves, providing they are not so turned off with the political process as to suppose that they have no usable power. A President has fallen; this alone ought to teach us that the ITT's of this country cannot be invincible.

But first we have to see the supercorporation in its true light. While legally it is a "person," entitled to rights under the law, it is not more a person than we are. It is not immortal, endowed with some inalienable right to live on forever as presently constituted. It may or may not be "the Frankenstein monster" that frightened Justice Brandeis, but no one can deny that it exists only as a creature of the Government, which is to say, the people.

Corporations achieve birth through charters granted to them by State governments. In fact, some State governments, notably Delaware, specialize in corporate pregnancies. They hand out charters promiscuously, in exchange for fees that fill the State treasury. Corporations prefer a parent like Delaware because such States agree beforehand to be permissive and to exercise little supervision. The incongruity of it all becomes evident when we contemplate the fact that the mammoth corporations do business in all 50 States, and around the world, and yet are answerable for their charters only to a single State that is so impecunious that it is dependent on its offspring.

So, pursuant to the constitutional mandate that Congress, not the States, regulate interstate commerce, the Corporate Citizenship and Competition Act would require Federal charters for the 100 largest corporations—those with annual sales exceeding $2 billion. The Founding Fathers and, later, William Howard Taft, Theodore Roosevelt, and Woodrow Wilson advocated Federal charters. I believe the time has come to revive these proposals, to examine them in the light of modern conditions. Because Federal charters would delimit the scope of a company's operations, they could be used as a tool to reorganize the vital industries of the United States in a way that would make free enterprise truly free. This is the new start that we need.

MIRACLE OF DEMOCRACY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. RICHMOND. Mr. Speaker, the "miracle" of democracy in South Korea is turning into a torment of repression for many South Korean Democrats.

Today's issue of the New York Times contains a startling assessment of the current climate of political repression in a country this Congress supports with millions of dollars of aid annually.

We in Congress must begin to question the usefulness of an aid program to a government which seems more interested in building institutions designed to kidnap, intimidate and imprison opponents of President Park rather than improve the lives of the South Korean people.

The article follows:

Curbs Are Tighter on South Koreans—Park Using Fear of Attack From North to Suppress Almost All Dissidence

(By Richard Halloran)

Special to The New York Times

SEOUL, SOUTH KOREA, September 19.—After two stormy years of political conflict, President Park Chung Hee appears to have suppressed almost all dissidence against his rule.

In the last few months, Mr. Park has used a war scare that followed the fall of Indochina to justify his demand for unquestioning obedience, capitalizing on South Korean fears of an attack from North Korea to assert a need for total unity under his command.

Thus, his Government has imprisoned or threatened to jail leaders of opposition parties, put critics and potential adversaries under heavy surveillance, harassed Christian clergymen and intimidated scholars and students into silence.

"Politically, things are so quiet around here that it's spooky," said a long-time Western resident of Seoul, in marked contrast, last spring outright resistance from opposition parties, students, Christians and the press jeopardized Mr. Park's hold on power. But a foreign missionary here said, "nobody can touch him now."

"GODSEND" FOR PARK SEEN

Kim Dae Jung, a leader of the opposition New Democratic party, said in an interview that "for President Park, the collapse of Indochina has been a godsend."

"This is the first great opportunity to come along since the collapse of China in 1949," Mr. Kim said. "He is capable of seizing an issue to suppress those against him. He is also being helped by the fact that the security of Korea has been a pivotal concern in Japan and the United States."

Mr. Kim, who was kidnapped from Tokyo by agents of the South Korean Central Intelligence Agency in 1973, is currently on trial on charges of election law violations in 1971, when he ran for the Presidency against Mr. Park, and in 1967, when he helped manage the campaign of Yun Po Sun, the opposition candidate that year.

Asserting that the court has turned his trial into a 'political trial," Mrs. Kim said he expected to receive a stiff term when he is sentenced. The sentencing is scheduled for Sept. 26.

The current chairman of the New Democratic party, Kim Young Sam, has also been arrested on charges of violation of a presidential emergency decree. Mr. Kim has repeatedly called publicly for a revision of the 1972 Constitution, which gives Mr. Park unlimited power for as long as he likes.

"Under the present circumstances," Mr. Kim said, "the best thing I can do is to speak out continuously for democracy. In fact, that is just about the only thing I can do. We are not even permitted to assemble under the present regulations."

Mr. Kim, who is not related to Kim Dae Jung, has defied three summonses to appear before the prosecutor and said he intended to stick to this position. A senior Government official, indicating that the Park administration wanted to avoid making a martyr of Mr. Kim, said: "We will wait until he has learned some respect for the law."

A leading poet and outspoken critic of the Government, Kim Chi Ha, is in prison on charges of having violated the anti-Communist law. His situation is shrouded in secrecy. A Government official said that although Mr. Kim had not been tried yet, "we know he is a Communist and he will be punished."

One Asian diplomat said he feared the Government would convict and hang Mr. Kim, as it did eight critics last spring, while other diplomats said they thought the Government would be satisfied to give him a long prison term.

Among the others in prison are Kim Chul, leader of a small Socialist party, three Protestant ministers who have been active dissidents, two newsmen and a lawyer who defended Kim Chi Ha. Yang Il Dong, head of the splinter Democratic Unification party, is on trial on charges similar to these against Kim Dae Jung.

Another critic, Chang Chun Ha, a journalist and essayist, died under questionable circumstances recently, with some opponents of the Government suggesting privately that he was murdered by Government agents. But now proof has come to light.

An unknown number of students have been arrested or detained and questioned. The Most Rev. Daniel Chi Hak Soon, the Roman Catholic Bishop of Wonju, who was released from prison along with other political prisoners last February, is reportedly under surveillance again. Several priests have been interrogated for two weeks steadily, and one has been forced to flee to Rome for study.

The Rev. Kim Kwan Suk, general secretary of the Korean National Council of Churches, was recently sentenced to six months' imprisonment on charges of having misused charitable funds sent from abroad and then released on parole after having been held for five months during the long-drawn-out trial proceedings.

Foreign missionaries have been harassed by long interrogations before their alien registration cards are renewed—and in many cases the validation of the cards has been cut from two years to three months.

The press, according to all sources here, is under complete censorship. The management of Dong-A Ilbo, the leading newspaper opposing President Park, has capitulated to pressure and ceased printing material critical of the Government, and striking newsmen who conducted silent demonstrations for several months gave up this week to search for other jobs.

Kim Young Sam asserted that the surveillance of opposition politicans was heavier than ever. Scholars reported that the atmosphere on university campuses was stifling, with professors and students alike unwilling to discuss anything remotely controversial for fear that student agents would report them to authorities.

THE SOVIET FINANCIAL AID TAX

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. EILBERG. Mr. Speaker, the Soviet Union, despite the pledges made in the Helsinki declaration, continues to deny its citizens the basic human right of emigration to another country.

The largest group of potential emigres is the Russian Jews, who have been applying by the thousands for permission to leave the persecution and hatred they face daily in Russia, for freedom in Israel and other countries.

When it became clear to the Soviet Government that it could not hide the fact that thousands of its people wanted to leave Russia, a campaign of harassment was begun to keep them from applying for permission to leave.

Persons who apply for exit permits are fired from their jobs or kicked out of school. They are often arrested and tried for crimes they never committed and men are drafted into the army as punishment.

The people who lose their jobs are often forced to depend on relatives and friends for money to support themselves. For many years money has been sent to these people by sympathizers in the United States and other countries. However, the Russians have instituted a new tax designed specifically to cut off this means of support in hopes of discouraging other people from trying to leave.

At this time, I enter into the Record a statement on this tax by the National Conference on Soviet Jewry:

The Soviet Financial Aid Tax

In July 1975, the Soviet Union announced that a 30% tax on money from abroad would be instituted, effective January 1, 1976. According to news accounts, with the current 35% deducted from financial transactions plus the new 30%, a total of 65% or more will be deducted by the Soviet Government from incoming funds or gifts. No other country imposes an equivalent tax on financial transactions of this nature.

According to a May 23, 1975 decree of the Soviet Council of Ministers on "rates of duty on payments to citizens of the USSR of sums transferred from abroad by money drafts", the following types of transactions will be exempted from the new 30% tax: alimony; inheritance; author's remuneration; damages for sustained injuries; proceeds from the sale of property owned abroad by citizens and sums due to them from other transactions of a proprietary nature, including sums belonging to re-emigrants and repatriates; sums received from employees of agencies of the USSR abroad and employees temporarily assigned abroad; sums received from servicemen, workers, and employees of military units and organizations of the Ministry of Defense of the USSR; and retirement pensions.

The new tax is reminiscent of the "ransom tax" Soviet authorities levied beginning in August 1972 on individuals who emigrated from the USSR. That tax was in proportion to the degree of education of the emigrant and reached as high as $40,000. The "ransom tax" drew considerable protest from abroad, and by March 1973, the U.S. State Department was able to announce that Soviet authorities had shown "flexibility" in allowing many Soviet Jews to emigrate without paying the tax. While it is still on the books, the "ransom tax" has not been required of emigrants since that time.

The tax was announced on the eve of the signing of the Agreement on European Security and Cooperation at a 35-nation summit meeting in Helsinki in July 1975. It dashed cold water on the hopes of many Westerners that the European Security Conference would bring increased freedom to the peoples of the USSR. While the Soviet financial tax will affect all Soviet citizens, it will have its greatest impact on Soviet Jews who remain unemployed as a consequence of their emigration applications. These individuals have been forced to rely on the assistance of friends and relatives abroad as they are effectively blocked by Soviet officials from finding employment. For them, the tax is only the latest in a series of repressive measures aimed at curtailing the current Soviet Jewish emigration or *aliya* movement. These measures were accelerated this year when Soviet authorities increased the incidence of enforced conscription, a favored tactic used to retaliate against Soviet Jews for their emigration-related activities.

As a result of the repeated denials to their emigration applications these Soviet Jews are called "otkazniki" or "refuseniks". The new financial tax will increase the risks involved in merely surviving for a "refusenik" who is unemployed. He may have to become very resourceful at devising means for obtaining money. These means often expose him to prosecution on "economic charges" and serious prison sentences. The tax, then, is certain to exert pressure upon the emigration level, forcing it into further decline as Soviet Jews refuse to run these serious risks.

In current practice, a Soviet citizen can convert a check in a special state bank. There is at least one such bank in the capital of each republic. The check must be accompanied by a written application. Two months later an application for Special Currency Rubles can be presented at the bank. Since these SCRs must come from Moscow, this usually involves a wait of another 1–2 months. The recipient is then called to the bank, where he has the option of taking ordinary rubles at the rate of 70 kopeks to the dollar (100 kopeks=1 ruble) or ruble certificates good for redemption at hard currency stores. If ruble certificates are chosen, 35% is now deducted to get the value of rubles in the form of ruble certificates. However, since the value of goods which can be purchased by ruble certificates is about three or more times greater than what can be purchased by rubles, ruble certificates are always chosen.

One hundred American dollars buy 44 ruble certificates. When the new tax goes into effect in January, $100 will buy about 30 ruble certificates. At three times the ruble, this will have a value of 90 rubles or about $130, better than the present official exchange rate. In fact, the new tax may result in bringing the value of foreign contributions into line with the official exchange rate.

Commenting on the new tax on gifts from abroad to citizens in the USSR, Stanley H. Lowell, Chairman of the National Conference on Soviet Jewry, noted that funds directed at Soviet Jews by relatives abroad in no way caused adverse effects on the Soviet system:

"This new tax which is aimed primarily at Soviet Jews brings to mind the 'ransom tax' imposed by the Soviets in 1972 in an effort to curtail Soviet Jewish emigration. This new financial tax is clearly a punitive measure aimed at Soviet Jews who cannot leave the Soviet Union but, because they applied for emigration, are prevented from earning a living there. Caught in a limbo of chronic, artificially-imposed unemployment, they are forced to live on the charity of relatives and friends abroad who manage to contribute to their well-being.

"It is ironic that Soviet leaders press for M-F-N status, trade credits and detente on the one hand, but cynically harass 'the little man' on the other. The levy is nothing but an obvious 'rip-off' of funds vitally needed by these Soviet Jews for their very subsistence. It is a defiant flouting of every regard for human needs and rights at a time when Americans are honestly seeking to improve U.S.-USSR relations. The Russians have slapped us all in the face."

THE WOBBLY HEARINGS ON JOSEPH COORS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. CRANE. Mr. Speaker, the nomination of Joseph Coors to the board of the Corporation for Public Broadcasting has produced a great deal of controversy. The controversy, however, is unrelated to the arguments which the critics of Mr. Coors' nomination have set forth. Clearly, there is more to this dispute than meets the eye.

Those who oppose the nomination of Joseph Coors argue that a "conflict of interest" is involved since Mr. Coors serves as a director of Television News, Inc., a family owned concern that makes and distributes news film to television stations.

The "conflict of interest" argument, however, is far from the real reason for the opposition to this nomination. The Washington Star, in an editorial on September 14, 1975, notes that:

> Such critics overlook the broadcasting connection of at least five present members of the CPB and a provision of the law establishing the CPB that says the 15 members of the board shall be selected from citizens "who are eminent in such fields as education, cultural and civil affairs, or the arts, including radio and television."

The real reason for opposing Mr. Coors, it seems, is that he is an outspoken conservative. Having political principles seems to be a drawback in assuming any public position unless, of course, those principles are consistent with those of the individuals already holding such positions. The real objection to the Coors' nomination comes from those who wish to perpetuate a liberal monopoly upon the Corporation for Public Broadcasting and who are afraid of diverse views being represented.

The Washington Star declared that:

> It seems to us that if Congress intended that the CPB board be made up only of friends of the "Eastern Establishment" it would not have provided by law that while not more than eight of the 15 CPB members may be of the same political party, "no political test or qualification shall be used in selecting" officers, agents or employees of the corporation. Senator Pastore and others are proposing a "political test" in the Coors nomination.

Joseph Coors has had a distinguished career in business and has long been known as a public-spirited citizen, both in his hometown of Denver and elsewhere in the Nation. His nomination to the Corporation for Public Broadcasting deserves swift approval. Anything less simply constitutes the unfair and illegal "political test" which the law clearly prohibits.

I wish to share with my colleagues the editorial, "Wobbly Hearings on Coors" as it appeared in the Washington Star of September 14, 1975, and insert it into the RECORD at this time:

WOBBLY HEARING ON COORS

There is less than meets the eye in the "conflict of interest" flap over the appointment of Joseph Coors to the board of the Corporation for Public Broadcasting.

Some of those who oppose or have misgivings about the appointment of the Denver brewery executive claim a conflict of interest in Coors serving on the board of directors of the publicly owned CPB while at the same time serving as a director of Television News, Inc., a family-owned concern that makes and distributes newsfilm to television stations.

They overlook the broadcasting connection of at least five present members of CPB and a provision of the law establishing CPB that says the 15 members of the board shall be selected from citizens "who are eminent in such fields as education, cultural and civic affairs, or the arts, *including radio and television*" (emphasis ours). Those who framed the law obviously thought that persons with broadcasting connections could be helpful to the operation of public television.

The "conflict of interest" charge apparently assumes that Television News, Inc., could benefit financially from Coors' connection with CPB. Two factors would seem to eliminate the possibility: The act establishing CPB makes it illegal for any of CPB's income or assets to "inure to the benefit of any director." And Mr. Coors has offered to have TVN abstain from any business dealing with CPB while he is on the CPB board.

Mr. Coors has indicated that he might even bow to pressure to resign from the board of TVN, although he correctly stated that would be only a "cosmetic move" since Coors brewery, of which he would remain an officer, would still control TVN.

But it was obvious during the questioning of Mr. Coors at a Senate confirmation hearing that it is not the fear of personal financial gain that troubles his opponents—rather that his outspoken conservative views might have some influence on operations of public television.

Sen. John O. Pastore, chairman of the Senate subcommittee holding the hearings, referred to Mr. Coors' "animosity toward the Eastern establishment." Mr. Coors acknowledged that the decision to establish TVN as a news source for TV stations was due in part to his own belief that news programing is slanted by the commercial networks.

It seems to us that if Congress had intended that the CPB board be made up only of friends of the "Eastern establishment," it would not have provided by law that while not more than eight of the 15 CPB members may be of the same political party, "no political test or qualification shall be used in selecting" officers, agents or employes of the corporation. Senator Pastore and others are proposing a "political test" in the Coors nomination.

A BOY SCOUT SURVEY REVEALS SEVERE SHORTCOMINGS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. ABDNOR. Mr. Speaker, as you know, I have introduced legislation which will make it the sense of Congress that architectural barriers to the handicapped be removed as expeditiously as possible. In the course of working on this legislation, I have received many letters. I would like to share one with you.

The following letter was sent to me by Raymond Evans, Jr. Mr. Evans has devoted his life to the help of fellow disabled citizens.

In addition to serving as a chairman of many organizations of disabled veterans and citizens, Mr. Evans works with one of the Nation's few Boy Scout troops composed of disabled boys.

The following letter is a survey conducted by Mr. Evans of the boys in his troop. It indicates the continued neglect of our disabled fellow citizens. It also reflects the tremendous courage and hope these people have. I want to share it with you:

ARLINGTON, VA.

HON. JAMES ABDNOR.

DEAR CONGRESSMAN ABDNOR: I received from Congressman Fisher a copy of some of your concerned proposals for the handicapped. I am enclosing a copy of the survey which I made over the past nine years on some of the problems that the handicapped and the severally handicapped have to contend with as overcoming their disabilities daily. I hope some of this information can be of use to you.

This report plus this letter carries no letterhead because it is personal, my handicapped positions is at present the Commander of the Disabled American Veterans Chapter #10, Arlington Fairfax with over a thousand members, the State of Va. DAV Legislative Chairman which I have served for 3 years, the Chapter Legislative Chairman which I have served for nine years, and the Coordinator for the DAV Dept. of Virginia Boy Scout Physical Handicapped which I have served for three years.

We have in Arlington a Physical Handicapped Scout Troop which meets Sept. thru May at the McKinley School and June, July & Aug. at the Clarendon Vol. Fire Dept. The county board of which Mr. Fisher was a member at the time supplies the specially adapted school bus which takes the boys to and from the meetings and our Chapter picks up the tab on the rest.

Out of the mouths of babes, some of this survey was completed and requested by the boys themselves a part of a project, believe it or not, to help other boys and girls less fortunate than themselves.

I am service connected for loss of use of legs, loss of use of left arm, permanent brain damage, gun shot wounds in the head and right knee, skull fracture, left eye socket fracture, head, neck and back injuries, nerves, and loss of all of my teeth. I know what these kids have to look forward to in today's world, therefore anything that can be done to make it easier for them to function as human beings would be greatly appreciated.

RAYMOND EVANS. Jr.

SURVEY PHYSICAL HANDICAPPED AND ELDERLY

1. Availability of congressman and senators.

Due to the constructions of the office buildings personal contact is denied those people because of stops and long corridors that make it impossible for them to have the personal contact they would like.

2. The White House.

Many of those people have lived in this area for over 20 years and can not visit the White House because of the steps on the tours.

3. Public Buildings—State legislatures and local government offices are denied these people because of steps and no provisions for them if they are able to get some one to help them at a public meeting or hearing. Elderly and physical handicapped should be given priorities in speaking so they do not have to sit through hours of hearings.

4. Voting—These people can not get into most voting places and people in wheel chairs can not fit in a voting booth therefore they lose their privilege of casting their vote.

5. Transportation—Buses and most trains are not equipped to handle a person in a wheel chair neither are the terminals from which they arrive and depart from. Airlines—the person collecting tickets has the authority to refuse a person who is handicapped a seat, I question this very strongly because usually a handicapped person knows his limitations and gets less excited in an emergency than a normal person.

6. Parking at Washington, Dulles and Friendship—Virginia has a law that persons with a DV Disabled Veteran with less or loss of use of legs, arms or blind or a HP Tag other handicapped people other than veterans or other handicapped do not have to pay parking meter fees in the state yet the Federal government of Washington National and Dulles which both are in Va. do not accept this law.

7. Postoffices—Are not accessible to the handicapped nor elderly yet no provisions are made for them to buy stamps or mail packages. However they pay the same rates as normal persons.

8. Self Service Gas Stations Handicapped or elderly people can not wait on themselves so they have to pay extra at these stations that have two price pumps for the same gasoline, they are penalized because they are handicapped or elderly. However they pay the same federal and state gas tax as another plus an additional charge because they cannot wait on themselves.

9. Some rest areas are making rest stop facilities available for the handicapped, example on I95 between Washington and Richmond, however they have no close in parking designated for the handicapped therefore it again makes the use of these facilities partial.

10. Movie theaters—We can find no movie theater in the Metro Area that has an area where you can sit in a wheelchair and watch a picture, this request came from my 11 and 12 year old scouts of my physical handicapped troop asking me when they will be able to go to the movies like any one else.

11. The same goes for most restaurants no facilities for a wheel chair, there some physical handicapped have never or probably never will be able to go out to eat.

12. Church—most of our churches are designed that a wheel chair even if you get it in has no place except the aisle to sit in therefore the people are denied the freedom of worship.

13. Telephone directory assistance—As you know Virginia is going to charge for directory assistance, however no reduction in rate is given and this is one of the few ways the physical handicapped can communicate with each other.

14. Personal Property tax—Most physical handicapped have to have special equipment on their car such as power steering, power brakes, automatic transmission and air cond. However, they have to pay the higher personal property tax on the vehicle because a normal person does not have to have these things and can eliminate some therefore he pays a lower personal property tax.

15. Real Estate Tax—Same as above, some handicapped people have to have additional bathrooms or other things in the house in order to function, this increases the value of the house so here again they are penalized because they are handicapped. While a normal person does not have these things and he can pay a lower tax.

16. Savings Accounts—Many physical handicapped service connected veterans save every penny they can because once they pass on their dependents have no protection at all, some only have the $10,000 life insurance they took out during the war and others dropped it and since they are uninsurable they want to be sure their loved ones have something when they are gone, if they do not die of a service connected injury their loved ones have no income at all. Recommendation the first fifty thousand dollars of a savings account of a total disabled veteran cannot be counted as net worth nor can inheritance tax be collected on it because in a fact it is a self retirement program for his wife so she will have something to live on.

17. Medical Insurance—As long as a veteran is alive and is uninsurable he has to pay very high premiums for his family for their hospitalization which I am told do not cover him in any way because any caused by an act or war declared or undeclared or aggravated by such is not covered, therefore he has to pick and gear his life to living close to a VA hospital because one stay could bankrupt him and his family.

18. Crosswalks—Established crosswalks are necessary for handicapped and elderly to get across some of our main streets otherwise these people are caught when the light changes and no place to go, also right turn on red which the Congress is thinking about would give a handicapped or older person the right of way and save passage.

19. Attitudes and Education—The Congress, the State and the local governments must realize that as far as minority groups the handicapped are about as far down the list as you can go, however, these are proud people and do not want welfare or charity, only some means of educating the people that they are not cripples, freaks, etc., and can perform worthwhile services if only allowed to.

20. Motels and Hotels—Many motels and hotels have signs up if a person has a handicap that is detrimental to the eyes of others they are not allowed to sun bathe or wear swimming suits, etc., because it affects other guests, however, they do not receive a reduced rate because they are forbidden to use these facilities.

21. Taxicabs and Interstate buses—Some taxicabs and interstate buses charge extra for transporting a wheelchair which no one is going to take with him unless he needs it. This practice should come under the same kind of law as a seeing eye dog.

22. Arlington National Cemetery—The ability to get a pass means a handicapped person has to go to the information booth, then a hassle in order to be able to take a car into the cemetery, why can't some kind of a permanent pass be issued if a person has a physical service connected handicap that limits his ability so if he wants to visit the cemetery he can without a long hassle of parking a car getting out a wheelchair rolling over to the visitor booth, rolling backing to the car and sometimes this takes upwards of an hour.

For the past nine years I have been working with the physical handicapped being in that category myself and I think it is about time that this country realizes it has a responsibility to a minority that rolls with the punch and continue to do so but since Congressman Abdnor report here are some of our discoveries.

GILMAN POLLS CONSTITUENTS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. GILMAN. Mr. Speaker, each year I send a constituent poll to every household in the 26th Congressional District in New York State in an attempt to measure my constituents' opinions and feelings about the major issues confronting Congress. I have found these newsletter questionnaires to be extremely valuable to me in keeping abreast of the attitudes and opinions of my district, and I believe they also offer a fairly accurate indication of regional opinion on these national issues.

For that reason, I would like to offer the results of my most recent questionnaire for the examination and information of my colleagues. This questionnaire was mailed to my constituents in April 1975 and the responses which were tabulated throughout the summer are as follows:

RESULTS OF QUESTIONNAIRE

[Results in percent]

1. To help overcome the energy crisis, do you favor:

(a) Gasoline rationing?

Yes	27
No	57
Blank	16

(b) A tariff on oil imports?

Yes	23
No	60
Blank	17

(c) A quota on oil imports?

Yes	31
No	45
Blank	16

(d) Higher taxes on gasoline?

Yes	19
No	66
Blank	14

(e) Relaxing environmental controls?

Yes	47
No	44
Blank	9

(f) Off-shore oil drilling?

Yes	69
No	21
Blank	10

2. Do you favor a Constitutional amendment to prohibit abortions?

Yes	26
No	67
Blank	7

Do you feel that abortion is a personal decision that should not be regulated by the Government?

Yes	69
No	25
Blank	6

[Results in percent]

3. Do you favor U.S. military aid to:

(a) Southeast Asia

Yes	13
No	79
Blank	7

(b) Middle East

Yes	25
No	65
Blank	10

(c) Undeveloped nations

Yes	20
No	70
Blank	10

4. Do you favor a national health insurance program?

Yes	62
No	25
Blank	12

Who should pay for it:

Just the Federal government

Yes	24
No	57
Blank	20

Divide the cost among the government, the individual, and the employer?

Yes	60
No	18
Blank	22

5. Should Federal workers have the right to strike?

Yes	26
No	64
Blank	10

6. Should the U.S. Government spend more, less, or the same amount on:

Defense:

Less	36
More	30
Same	34

Health:

Less	13
More	56
Same	31

Housing:

Less	27
More	41
Same	32

Farm Subsidies:

Less	59
More	12
Same	28

Environment:

Less	27
More	36
Same	37

Education:

Less	21
More	43
Same	36

Foreign Aid:

Less	80
More	4
Same	16

Welfare:

Less	65
More	14
Same	22

Mass Transit:

Less	25
More	55
Same	20

SURRENDER THE PANAMA CANAL

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. SYMMS. Mr. Speaker, I understand that the House-Senate conference committee on H.R. 8121, the State Department appropriation bill, has striken the language of the Snyder amendment to this bill dealing with negotiations to surrender the Panama Canal. It is my hope that the House will reject the conference report and insist on the Snyder amendment as originally adopted.

Also, Mr. Speaker, I have before me an article from the July 8, 1967, Chicago Tribune which discusses the position of then House minority leader Gerald Ford on U.S. Sovereignty rights in the Canal Zone. At that time Mr. Ford was strongly against any surrender of U.S. control of the canal. I sincerely hope that now President Ford's position has not changed on this issue, and I would like to read into the RECORD the newspaper article for my colleagues in the Congress:

[From the Chicago Tribune, July 8, 1967]

NEW TREATY PERILS CANAL: FORD TERMS FOUND SHOCKING BY GOP LEADER

(By Russell Freeburg)

WASHINGTON, July 7—Rep. Gerald Ford, House Republican leader, said today after reading parts of the new Panama canal defense treaty obtained by the Chicago Tribune that the American people will be shocked by the terms of the settlement.

Ford expressed concern about a communist threat to the canal under lessened American authority. Russian influence has increased markedly in the middle east since Egypt has taken over operation of the Suez canal and consistently ruled against western interests, he said.

"A REAL DANGER"

"With Cuba under control of the Soviet Union via Castro and increased communist subversion in Latin America, a communist threat to the canal is a real danger," Ford said in an interview.

The text supplied by The Tribune was the first the Republican leader had seen of any of the three proposed treaties concerning the canal. Ratification of treaties is a function of the Senate. More than 100 House members have signed a resolution, however, expressing the sense of the House that no action be taken.

"Based on the information available, the American people will be shocked by the terms of the settlement," Ford said. "Certainly Congress has the responsibility to get more information than has been made available so far before accepting the Johnson administration-sponsored treaties."

Referring to a specific section of the defense treaty that provides for United States-Panama consultation before the United States can move into certain sections of the canal for defense purposes, the Republican leader said:

"Any action on our part to meet a threat involving the national security of the United States should not be hamstrung by the need for time consuming consultation with a government that might be reluctant to cooperate in the defense, or possibly be in opposition to our best interests."

Ford said that without question the United States should have a majority representation on any joint committee established under the proposed treaties.

CLINGS TO SECRECY POLICY

The defense department, asked for details on the locations and sizes of the defense areas involved in the treaty other than the canal area itself, continued to adhere to the administration's policy of secrecy on the treaties.

"We have no information available for release on the content or the details of the treaties until they have been signed," a department spokesman said.

Sen. Strom Thurmond [R., S.C.], a member of the armed services committee, expressed concern about possible leverage the new treaties would provide the Communists to weaken American influence in the canal area.

"IMPORTANT TO FREEDOM"

"The Communists first announced their intention to overthrow United States control of the canal as early as 1917," Thurmond said. "They have never lost sight of that goal. After last month's mid-East crisis, the Soviets repeated their demand that all strategic waterways be put under 'international' control. Yet that same crisis, and the shutdown of the Suez canal by Egypt demonstration how important it is to freedom that the Panama canal remain in strong and responsible United States hands."

Thurmond said THE TRIBUNE's revelations raise some key questions about the treaties. Among the questions that must be asked, he said, are the following:

1. Do the new treaties provide for undiluted control and operation of the canal by American authorities? 2. Do the new treaties protect the investment of 4.9 billion dollars made by United States taxpayers between 1904 and 1966? 3. Do the new treaties put Amrican and free world interests ahead of passing considerations of Panamanian politics? 4. Do the new treaties provide for a defense agreement which would provide protection equal to that the United States now enjoys?

"JOHNSON RESPONSIBLE"

Thurmond said the Johnson administration has not yet presented the slightest case demonstrating the need for new treaties. He said he would use the text revealed by THE TRIBUNE to fight the treaties until they are provided to members of the Senate shortly before the ratification debate.

"These treaties justly ought to go down in history as the Johnson treaties," said Thurmond. "President Johnson initiated them, and is responsible for their contents. If they are approved by the Senate, a profound change will come over the operation of the canal.

"The President may well be judged in future generations by the soundness and workability of a new and untested concept—the concept of whether the canal can still serve United States interests if it no longer is operated under the direct control and sovereignty of our nation."

Thurmond said that in addition to the Hay-Bunau-Varilla treaty of 1903, which guarantees America's right to exercise sovereignty in the Canal Zone in perpetuity, the United States has pledged to operate the canal in perpetuity by two other treaties: the Hay-Pauncefote treaty of 1901 with Britain, and the Thomson-Urrutia treaty of 1914–1922 with Colombia.

ASKING FOR IT

Chesly Manly, Tribune correspondent, has achieved a remarkable news beat in obtaining the salient facts about treaties by which the United States proposes to yield its rights in perpetuity over the Panama canal, established by treaty in 1903. As dangerous and demeaning as this surrender is, it fails to satisfy the strong left wing national assembly, which predicts the likely defeat of the treaties.

The retreat of the United States, as could have been forecast, has only resulted in demands for further concessions, with nationalization of the canal and the Canal Zone the ultimate object. Already students swarming in the streets are demanding nationalization.

When word of the package of three treaties reached Congress, Rep. Leonor Sullivan of Missouri, chairman of the House merchant marine subcommittee on the canal, asserted that they were detrimental to the interests of the United States and opened the way for "surrendering the canal to the republic of Panama."

"Under this treaty," she said, "the canal becomes the property of a non-American government authority and on the soil of Panama rather than under the American flag."

Pointing out that there are no safeguards against expropriation except a provision requiring "fair payment," Rep. Sullivan stated, "Since the fair payment would come out of higher tolls, in most instances on shipping to or from the United States, we would be paying ourselves out of our own pockets for the privilege of having the Panama canal taken away from us."

Rep. Daniel J. Flood of Pennsylvania, who has thoroughly studied the canal problem, asserted that "in truth and in fact those undertaking to act for the United States in the current negotiations with Panama are in effect, acting not for the United States but for Panama and are motivated by the desire to do anything, however unwise or fatal, for the purposes of appeasement. The base surrenders in the projected new treaty proposals are justified by our officials to prevent riots of Panamanian mobs and assaults on the Canal Zone."

Continuing, Mr. Flood said, "Such a policy is unwise, unpatriotic, and oblivious of the requirements for the successful maintenance, operation, sanitation, and protection of the Panama canal, thus imperiling the best interests of both the United States and Panama, and the world at large. The occasion demands a firm and just policy, and the present policy is neither just nor wise but is, in the opinion of many informed persons, pusillanimous and contemptible.

"Like giving in to blackmail, such surrenders can only result in greater extortions and our complete abandonment of the canal enterprise, with its take-over by communist power, direct or indirect, and the destruction of Panamanian independence. Thus Panama could become another Cuba. The radical policy now being pursued by Panama is absolutely suicidal."

The expropriation of the Suez canal by President Nasser of Egypt provides a case history of what to expect when administration of the great water arteries falls into dictatorial hands. That canal has been blocked to traffic twice by deliberate action of Nasser. It is closed now and will remain closed for many months until sunken ships are removed. The same thing could follow relinquishment of title over the Panama canal—if, indeed, Communist or Red puppets do not in the future establish themselves as the actual operators and deny us access to the sea corridor which we built, paid for, maintained, and have always protected.

PUBLIC DISCLOSURE OF LOBBYING

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. OBERSTAR. Mr. Speaker, I am pleased that the House Judiciary Committee is currently holding hearings on legislation I have introduced to modernize the law regulating lobbyists and their activities. This legislation represents the first comprehensive effort in nearly 31 years to correct serious deficiencies in the present regulatory system.

The U.S. Constitution guarantees all Americans the right to influence government policy through contact with their elected representatives and other Government officials. Most interest groups and lobbyists are open and above board in identifying their respective interests, and most are ethical and fair in the way they pursue those interests. As long as corrupt practices such as bribery do not enter into the lobbying process, there is very little that is objectionable in the present lobbying system. The most important consideration is that the process of representing special interests be totally open to public awareness.

Nevertheless, there have been prominent examples, recently and throughout the Nation's history, of corrupt lobbying. Secrecy has gone hand-in-hand with this corruption. The result of lobbying behind closed doors has been public suspicion—much of it justified—of Government's handling of public affairs. However, Government actions which are totally ethical and corruption-free have been the object of misdirected suspicion, simply because the public has for no good reason been denied basic information about the activities of lobbyists and the interest groups they represent.

Two key words, "access" and "more," provide great insight into the methods and motivations of lobbyists and interest groups. The basic aim of lobbyists and interest groups is to obtain more of what they already have: beneficial legislation, Governmentf funds for pet programs, establishment of, and exemption from Government regulations—all qualify in this regard, but these examples are only part of an extensive list.

In order to win their goals, interest groups employ lobbyists to gain access to those in Congress and the executive branch who formulate policy, enact legislation, and make important administrative decisions. Access takes many forms including: written and oral presentations, private meetings, testimony at congressional and administrative hearings, et cetera. Expenditures for these activities, which can be undertaken by any citizen interested in having access to decisionmakers, are perfectly legal and ethical. On the other hand, illicit corporate campaign contributions, outright bribery of Government officials, and other illegal attempts to buy the favors of public servants, are totally reprehensible, and must be prevented.

The legislation I have introduced is not intended in any way to diminish our constitutional right to redress legitimate grievances through contact with those who formulate public policy. Rather, the thrust of this legislation is to assure and strengthen the public's right to know who is lobbying, what they are lobbying for, and how much money is being spent in the lobbying effort.

This legislation, by assuring the public's right to information about lobbying, would also serve to deter the corruption which has occurred in some cases, and which has tainted all interest group activities, including, regrettably, the majority of legitimate and ethical lobby practices.

The Regulation of Lobbying Act, which Congress passed in 1946, is plagued by many loopholes which my legislation would close. For example, under the present law lobbyists do not need to register as such unless they make direct contact with Members of Congress. So, unregistered lobbyists can and do contact congressional staff and Members' constituents, yet they are able to avoid registering.

Secondly, and no less important a loophole, the 1946 law does not cover lobby efforts directed at the executive branch of Government. This is indeed a serious flaw, since many important policy decisions, and most administrative decisions are made in the executive branch.

My bill, the Public Disclosure of Lobbying Act of 1975, would institute reforms needed to correct the shortcomings of the existing law. It would insure that all lobbying activities and the identities of all lobbyists are public information. It would expand regulation of lobbying to the executive branch of Government. And periodic reports of how much money lobbyists spend on lobbying would be required.

An important feature of my legislation would establish a Federal Lobbying Disclosure Commission, similar to the new Federal Elections Commission. The Lobbying Disclosure Commission would administer the law, monitor lobby activities, and make public the identity of lobbyists and their clients. In so doing, it would fill a much needed role which is currently not assumed by any agency of Government. The Commission would enforce the law by checking on the accuracy of registrations and financial statements submitted by lobbyists. Under current law, neither the Clerk of the House nor the Secretary of the Senate is empowered to perform these vital functions.

There is broad-based support for this legislation among my constituents in northern Minnesota and across the Nation. Public support for this badly needed legislation is complemented by strong sentiment in the House and Senate, and among industry representatives who have testified before Congress.

I urge a thorough examination of the present system of regulating lobbies and the activities of their agents, and the adoption of necessary reforms which will bring the lobbies and their activities into the public eye once and for all. The Public Disclosure of Lobbying Act embodies the revisions which are needed to place lobbying under public scrutiny without in any way interfering with the constitutional right of Americans to "petition the Government for a redress of grievances."

ENOUGH IS ENOUGH

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 1975

Mr. WHITEHURST. Mr. Speaker, I am introducing into the RECORD for the benefit of my colleagues one of the most recent directives from the Department of Health, Education, and Welfare, which further demonstrates the penchant of this organization for interfering with the normal operations of our public school systems and demanding that already overworked administrators spend even more time filling out endless Federal forms.

I regard this directive as totally absurd. It reflects an absolute lack of confidence in the ability of our school administrators to discipline their students in an evenhanded manner. I see it as a patent insult to the fine school administrators in my district, and I do not think that it deserves to be complied with.

This directive did not come to my attention by chance; it was sent to me by Dr. E. E. Brickell, superintendent of schools in the city of Virginia Beach. I have known Dr. Brickell for many years, and I can state categorically that he enjoys an excellent reputation as an educator, not only in my district but across the State of Virginia. Anyone who knows Dr. Brickell is aware of his fairness in dealing with the pupils in his school system, and this same fairness is demonstrated by the other administrators at all levels in my district.

Dr. Brickell has written me of his anger and exasperation at this directive, which far exceeds the intent of Congress when it passed the Education Amendments of 1972. Some HEW officials seem unable to distinguish oversight from meddling.

If this directive is allowed to stand, it will be followed by a succession of others that will compromise what little is left of the independence of local school administrators, and people like Dr. Brickell will be reduced to the status of HEW pawns.

The directive follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., August 1975.

MEMORANDUM FOR CHIEF OF STATE SCHOOL OFFICERS

Subject: Record Keeping on Student-Discipline Procedures and Actions in School Districts.

The Office for Civil Rights has recently reviewed and analyzed certain data on student discipline actions, which have been submitted on the Annual Civil Rights Survey Forms OS/CR 101 and 102 by recipient school districts. This data shows that, in many hundreds of school systems throughout the Nation, minority children are receiving a disproportionate number of discipline actions in the form of expulsions and suspensions and are being suspended for longer periods than nonminority children.

The Elementary and Secondary Education Division of the Office is now undertaking a program to ascertain compliance with civil rights statutes in school systems where there appear to be possible violations in the administration of student-discipline actions. In the course of the program, this Office will require school districts to furnish a number of documents relating to student discipline actions and procedures to serve as a basis for a preliminary determination of possible violations of these statutes.

Title VI of the Civil Rights Act of 1964 and the Department Regulation 45 CFR (Part 80) promulgated thereunder require that there be no discrimination on the basis of race, color, or national origin in the operation of any federally assisted programs. Section 80.6(b) of this Regulation provides:

"Each recipient shall keep such records and submit to the responsible Department official or his designee timely, complete and accurate compliance reports at such times, and in such form and containing such information, as the responsible Department official or his designee may determine to be necessary to enable him to ascertain whether the recipient has complied or is complying with this part. For example, recipients should have available for the Department racial and ethnic data showing the extent to which members of minority groups are beneficiaries of and participants in federally-assisted programs."

Similarly, Title IX of the Education Amendments of 1972 states in Section 901(a):

"No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance . . ."

The purpose of this memorandum is to request Chief State School Officers and their staff to inform their constituent school systems of the necessity to keep and retain complete records of student disciplinary actions and procedures. Although most school systems keep records on these matters already, we believe it would be of benefit to all school administrators to learn of the nature of the information this Office expects school systems to maintain. School districts are expected to retain all records regarding student disciplinary actions for at least the past two school years. Beginning with the 1975–76 school year, the Office of Civil Rights requests that all school systems receiving Federal financial assistance maintain the following kinds of documents.

State statutes pertaining to student discipline, including regulations or by-laws issued by the State Board of Education.

Written statements issued by the Board of Education, the Superintendent of Schools, school principals, teachers, or other agents of the Board regarding school policies, standards, practices, and procedures for the discipline of students including, but not limited to, by-laws, handbooks, notices, memoranda or logs. The criteria and procedures used to develop these written statements should be explained, as well as the means by which they were communicated or disseminated to school staff, parents, and/or students.

An accounting of the numbers of students subject to disciplinary actions as described below starting with the school year 1975–76. This accounting should contain an entry for each student subject to disciplinary action as described below, the racial/ethnic designation and sex of the student, the school attended, a description of the offense or offenses for which disciplined, the title of the person or persons reporting the offense, the title of the person or persons imposing the action or actions, and a concise procedural history leading to the disciplinary action or actions from the initial reporting of the offense through final disposition of the case. The accounting should indicate which alternatives to the disciplinary action, if any, were considered prior to the imposition of the disciplinary action.

A log or logs of any formal or informal hearing related to disciplinary actions by the Board of Education, the superintendent of schools, school principals or other designees of the superintendent. Entries should include, but not be limited to, the racial/ethnic designation and sex of the student, the school attended, the nature of the offense or offenses, the form of notice given to the student, the hearing authorities, whether or not the hearing preceded removal from school, explanation of necessity for removal from school prior to hearing and the time elapsed, a description of the testimony offered, the findings, and the disposition of the case.

The kinds of disciplinary actions for which entries should be kept would include, but not be limited to, (1) expulsion, (2) suspension reported by number of school days, (3) corporal punishment, (4) referral to special classes or schools for behavioral modification, and (5) transfer to another class or school.

An accounting of student withdrawals from school (dropouts), containing an entry for each student who withdraws, the school attended, the ethnic designation and sex of the student, and the reason for withdrawal.

A log of referrals of discipline cases to courts or to juvenile authorities. Entries should include a description of the offense or offenses, the ethnic designation and sex of the student, the school attended, and the disposition of the case.

For the purposes of these records, ethnic designation should include these groups:

American Indian—Persons considered by themselves, by the school, or by the community to be of American Indian origin.

Black American—Persons considered by themselves, by the school, or by the community to be Black or of African or Negro origin.

Asian American—Persons considered by themselves, by the school, or by the community to be of Chinese, Japanese, or other Asian origin.

Spanish Surnamed American—Persons considered by themselves, by the school, or by the community to be of Mexican, Puerto Rican, Central-American, Cuban, Latin-American, or other Spanish origin.

Other—All individuals not included in the foregoing categories.

This Office appreciates the cooperation of the Chief State School Officer in advising their constituent school systems of these requirements under law. As a supplementary action to advise constituent school systems of these record-keeping requirements, this Office will provide local education agencies with a copy of this memorandum. Questions regarding the keeping of records on student disciplinary action should be addressed to:

Dr. Lloyd R. Henderson, Director, Elementary and Secondary Education Division, Office of Civil Rights, Department of Health, Education, and Welfare, Washington, D.C. 20201, Telephone: Area Code 202 245-6118.

MARTIN H. GERRY,
Acting Director, Office for Civil Rights.

SENATE—*Tuesday, September 23, 1975*

(Legislative day of Thursday, September 11, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the Vice President.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of our fathers and our God, who has watched over Thy people from generation to generation, we thank Thee this day for Thy providential protection of the President of this Republic. Invest him now with a fresh awareness of Thy presence and Thy power that he may fearlessly walk and work assured of Thy grace and goodness.

Let Thy blessing be upon the custodians of public safety by whose skill and devotion life and property are made secure.

We beseech Thee to forgive the evil motives, to expel the distorted thoughts, and to restrain the violent acts of those who would frustrate the ordered life of the Nation.

Now, be especially near to us in this Chamber. Let Thy spirit be upon our whole lives, that they may be strong in Thy power, wise with Thy wisdom, and beautiful with Thy love; through Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, September 22, 1975, be approved.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar, beginning with New Reports.

There being no objection, the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. The nominations will be stated.

INTERNATIONAL ATOMIC ENERGY AGENCY CONFERENCE REPRESENTATIVES

The second assistant legislative clerk proceeded to read sundry nominations for International Atomic Energy Agency Conference Representative.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I request that the President be notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, it is so ordered.

(Nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The VICE PRESIDENT. Without objection, it is so ordered.

INTERIM EXTENSION OF FIFRA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar 376, S. 2375.

The bill (S. 2375) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, was read by title, considered by unanimous consent, ordered to be engrossed for a third reading, read a third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. 136 (y)), is amended by adding at the end of such section the following: "There is hereby authorized to be appropriated to carry out the provisions of this Act for the period beginning October 1, 1975, and ending December 31, 1975, the sum of $11,967,000.".

COMMENTS ON THE LATEST ASSASSINATION ATTEMPT

Mr. MANSFIELD. Mr. President, I hardly know what to say in view of the fact that, for the third time in 2 weeks, attempts or allegations of attempts have been made upon the life of the President of the United States. There was the incident of Miss Fromme, who did not cock the .45, and even if she had, the first chamber would have been empty, so, fortunately, nothing happened there.

There is the incident or potential incident which occurred in St. Louis about a week ago. Then there was the firing of the bullet last night. Fortunately, it went astray. There was a victim, but it was not the President of the United States and the victim only received a wound in the groin, I understand, and is recovering well at the present time.

Mr. President, I wonder when incidents of this kind are going to stop, and if they continue, how are they going to be stopped? The President has a right to visit with the people, whom he represents as chief of state. But I do not think a President has the right to place his life in danger regardless of his personal feelings, because it is not a matter of Gerald Ford in this instance; but it is a matter of the President of the United States in all instances. As long as he occupies that office, he has a responsibility to the American people to go out and shake hands—press the flesh, so to speak—on occasion, but certainly not to place himself in danger—because, I repeat, it is not the man concerned, it is the office, in effect, which is of paramount importance. I hope it will be possible, through our collective wisdom, to try to devise a system which will afford more protection to a President of the United States. I hope it will bring about, on the part of the American people, the recognition that a very, very tiny minority can wreak great damage on this Republic through the attempts made on the life of the Chief Executive of this Nation.

Again, Mr. President, I do not know what the answer is. I just want to express my shock and my concern and to hope that what has happened will not become endemic or epidemic, and that, as far as protection is concerned, the ultimate will continue to be given.

I have no criticism of the Secret Service. I think they have done a good job. But it is an impossible job in this day and age to protect any one individual if some person in some manner wants to go out of his or her way to attempt to wreck the life of that individual and in that manner thereby hurt the Nation as a whole.

Mr. HUGH SCOTT. Mr. President, first of all, our prayers have gone up as a Nation in thanksgiving for the preservation again of the President of the United States, our sorrow for the injury of a citizen in the course of one more act of madness. There is no perfect way to protect a public official, as all of us public officials know, from the insane designs of perverted minds. The best we can do is seek to find ways to minimize the risks.

I wish to say, too, that I have nothing but admiration for the Secret Service. Their handling of both these recent incidents was superb. I noted the portrayal of the St. Francis Hotel episode and the reaction time of the Secret Service was something like 2 seconds, which is far superior to the normal. Therefore, they were on the job and they did it well.

It is difficult to search for scapegoats, because the criminal type which does this has no identity. This woman of yesterday could have merged into suburbia among millions of people without causing any person to lift a suspicious eye. The Fromme type can be seen on almost any city street and too readily dismissed as part of a new culture.

There is no way, then, of identifying such a person. There are ways of examining into the whereabouts and possible intentions of all known suspicious persons in a given area.

The Committee on the Protection of Presidential Candidates will meet at 2:30 today. It consists of the Speaker, the majority leader of the Senate, the minority leaders of the House and Senate, and of Mr. Melvin Laird. I am sure that we will consider such recommendations as we can make to the President. We will surely consider whether the date of January 15, which we have suggested as the date to begin safeguarding candidates, is a proper date or whether it should be moved up, and we will also consider whether there are any other persons who ought to be safeguarded under the aegis of this committee's recommendations and through the Department of the Treasury.

We are caught nowadays in all sorts of conflicts of priorities stemming from our democratic ideals. There is the right of the freedom of the press, for instance, and yet there is the very definite question of whether or not this incident would have occurred if two national news magazines had not run cover stories on Patty Hearst and on the last assailant of the President.

I suppose there will be one or more cover stories coming out next week on Mrs. Moore. Whenever that happens psychiatrists and psychologists say that there are an X number of people in this country—a thousand or more, who knows—who are impelled toward the same kind of headlong violent action. And yet what are we going to do? Are we going to say that the freedom of the press permits anything? The Constitution pretty much says it does. Is there no restraint? Will the press exercise any restraint on themselves? Do the news magazines feel, as I do, that this is a possible contributing element to the violence that spreads thereafter? I do not know.

I do not know how we are going to protect the President adequately or the other candidates. But I do know we have got to try to find as many ways as we can. We ought to consider, for example, whether "working the fence," as it is called, the instinct, the human instinct, of every politician to shake as many hands as he can, are there going to be some restraints put on that or not. If so, what are we doing to the first amendment freedom of assembly, the right of the people to assemble; the right of the people, which is not written directly into the Constitution, to see, meet, and talk to the candidates?

Well, it is a maze of conflicting and interwoven constitutional, legislative, and moral imperatives. And we, as fallible human beings, will just have to keep on trying to do the best we can to work these things, to minimize the risk, and to protect those who are the representatives of the people, as well as we can.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the distinguished senior Senator from Montana is to be recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I yield back my time.

The PRESIDING OFFICER (Mr. ALLEN). The distinguished Senator from Massachusetts (Mr. BROOKE) is to be recognized for not to exceed 10 minutes.

Mr. BROOKE. Mr. President, I yield back my time.

The PRESIDING OFFICER. The distinguished assistant majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

Mr. President, I ask unanimous consent that during the period for the transaction of routine morning business today that that period be utilized only for the introduction of statements, memorials, petitions, resolution, and bills into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I relinquish my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. At this time, in accordance with the previous order, there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with speeches by Senators limited to 5 minutes.

Is there routine morning business to be transacted at this time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT ON COOPERATIVE ACTIONS BETWEEN THE DEPARTMENTS OF TRANSPORTATION AND HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT

The Vice President laid before the Senate the following message from the President of the United States which was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

I transmit herewith a report on cooperative actions between the Departments of Transportation and Housing and Urban Development, as required by section 4(g) of the Department of Transportation Act. This report discusses activity during fiscal year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *Sept. 23, 1975.*

APPROVAL OF BILLS AND JOINT RESOLUTION

A message from the President of the United States stated that on September 18, 1975, he approved and signed a bill (S. 331) to redesignate November 11 of each year as Veterans Day and to make such day a legal public holiday; and the joint resolution (S.J. Res. 34) asking the President of the United States to declare the fourth Saturday of September 1975 as "National Hunting and Fishing Day"; and on September 19, 1975, he approved and signed the bill (S. 907) to authorize the Smithsonian Institution to plan museum support facilities.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 1:03 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 543. An act to expand coverage of the Rehabilitation and Betterment Act (Act of October 7, 1949, 63 Stat. 724); and

H.R. 1401. An act for the relief of Robert M. Johnston.

The enrolled bills were subsequently signed by the President pro tempore.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on September 22, 1975, he presented to the President of the United States the enrolled bill (S. 2270) to authorize an increase in the monetary authorization for certain comprehensive river basin plans previously approved by the Congress, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with an amendment:

S.J. Res. 88. A joint resolution to provide emergency authority to the Secretary of Agriculture to restore confidence in the U.S. grain inspection system, and for other purposes (Rept. No. 94–386).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. INOUYE:

S. 2388. A bill for the relief of Ms. Nilda Galang Joven. Referred to the Committee on the Judiciary.

S. 2389. A bill to amend title I of the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1954 to prohibit the reduction of disability payments under employer-maintained disability compensation plans whenever certain social security benefit payments are increased. Referred to the Committee on Finance.

By Mr. ROTH:

S. 2390. A bill to facilitate the consolidation of Federal assistance programs. Referred to the Committee on Government Operations.

By Mr. CHURCH:

S. 2391. A bill to amend the Social Security Act to permit a grandchild who has been placed in legal custody of his grandparent to qualify for benefits as a child of his grandparent. Referred to the Committee on Finance.

By Mr. MONDALE (for himself and Mr. CRANSTON):

S. 2392. A bill to amend title X of Public Law 93–344, the Congressional Budget and Impoundment Control Act, to improve procedures with respect to rescission of budget authority. Referred to the Committee on Government Operations.

By Mr. JOHNSTON:

S. 2393. A bill to amend the Tariff Schedules of the United States with respect to jewelry. Referred to the Committee on Finance.

By Mr. MONDALE (for himself, Mr. Humphrey, Mr. Nelson, Mr. Curtis, Mr. Philip A. Hart, Mr. Hartke, Mr. Hollings, Mr. Huddleston, Mr. Laxalt, Mr. Abourezk, and Mr. McGee):

S. 2394. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the estate tax exemption, to provide that certain farm land included in the gross estate be valued according to its use as farm land, and for other purposes. Referred to the Committee on Finance.

By Mr. MONTOYA:

S. 2395. A bill to authorize the Hidden Mountain-Loma Blanca Reservoir System for flood and sediment control in the State of New Mexico; and

S. 2396. A bill to authorize the Santa Fe Local Protection Project in the State of New Mexico. Referred to the Committee on Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INOUYE:

S. 2389. A bill to amend title I of the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1954 to prohibit the reduction of disability payments under employer-maintained disability compensation plans whenever certain social security benefit payments are increased. Referred to the Committee on Finance.

Mr. INOUYE. Mr. President, I have learned that a gross inequity exists involving private disability insurance benefits and social security cost-of-living increases. Letters have arrived at my office describing an apparently legal practice where insurance companies have reduced their benefits by the amount of each cost-of-living increase in social security payments.

This practice means that the cost-of-living adjustments in social security never reach the intended recipient; they instead accrue toward the contracted liabilities of insurance carriers, reducing the benefits they pay out. This obviously subverts the purpose of cost-of-living adjustments.

One of my constituents, in a specific case, reported that the Travelers Insurance Co. notified him last June 27 that his long-term disability checks would be reduced by 8 percent—the same amount of the social security payments increase that became effective June 1, 1975. This constituent, a cancer victim who must undergo chemotherapy each week, has claimed that the simultaneous increase in social security payments and reduction in private insurance benefits impose a growing financial burden, since he cannot receive incoming compensatory moneys that keep up with the cost of living.

Presumably, cost-of-living increases are approved by Congress so that social security recipients will not sustain accumulated losses of real income. They are not additions to real income, and they consequently should not be diverted to subsidize insurance companies.

The Hawaii Department of Regulatory Agencies has informed me that the practice I have described—that of deducting increased social security payments from private insurance benefits—is legal under existing State law and is widespread among disability insurers.

Therefore, I wish to offer some means of corrective action. I believe the bill I introduce today will accomplish this. It does not encroach on the customary jurisdiction claimed by the States in regulating the insurance industry. It does, however, amend the 1974 Employee Retirement Income Security Act and the 1954 Internal Revenue Code by prohibiting the accrual of the increased social security benefits toward defraying, reducing, or subrogating the benefits owed recipients under private insurance companies.

Mr. President, I ask that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2389

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 206(b) of the Employee Retirement Income Security Act of 1974 is amended by striking out "pension plan" in paragraph (1) and inserting in lieu thereof "employee welfare benefit plan".

Sec. 2. (a) Section 264 of the Internal Revenue Code of 1954 (relating to certain amounts paid in connection with insurance contracts) is amended by adding at the end thereof the following new subsection:

"(d) Certain Disability Compensation Plans.—Notwithstanding the provisions of sections 162, 212, and 404, no deduction is allowed for amounts paid or contributed to or under a disability compensation plan by the employer maintaining that plan if under the plan the benefits payable to an individual receiving benefits under the plan are reduced, or any scheduled increase in such benefits is omitted, on account of any increase in monthly insurance benefits to which such an individual is entitled under title II of the Social Security Act if such increase occurs after such individual begins to receive benefits under such plan. For purposes of this subsection, the term 'disability compensation plan' means a program (including a program of insurance) established by an employer under which employees receive periodic payments or a lump-sum payment in compensation for physical or mental disability resulting from their employment.".

(b) (1) The caption of section 264 of such Code is amended by inserting after "CONTRACTS" the following: "OR UNDER CERTAIN DISABILITY COMPENSATION PLANS".

(2) The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 264 and inserting in lieu thereof the following:

"Sec. 264. Certain amounts paid in connection with insurance contracts or under certain disability compensation plans.".

Sec. 3. The amendment made by the first section of this Act applies to plan years beginning after the date of enactment of this Act. The amendment made by section 2 applies to taxable years beginning after the date of enactment of this Act.

By Mr. ROTH:

S. 2390. A bill to facilitate the consolidation of Federal assistance programs. Referred to the Committee on Government Operations.

FEDERAL ASSISTANCE PROGRAM CONSOLIDATION ACT OF 1975

Mr. ROTH. Mr. President, today I am introducing legislation that is addressed to the persistent problem of fragmentation in our Federal assistance programs that continues to impose an intolerable burden of paperwork and redtape on eligible State and local governments. This bill would add a new chapter to title V of the United States Code "Chapter 10—Federal Assistance Program Consolidation," authorizing the President to submit to Congress proposals to merge grant programs within the same functional area using processes like those available to him under the Legislative Reorganization Act.

In recent weeks, we have received fresh—and disturbing—evidence of the need for remedial legislation in this area. The General Accounting Office, on August 19, issued a report on its major review of Federal assistance programs to State and local governments. The study concluded that, among other problems:

> The present Federal assistance delivery system. . . . is fragmented, with similar programs being administered by different Federal agencies or agency components and with programs too restrictive to meet State and local needs.

The following are among the examples cited in the GAO report:

Seven Federal programs providing funds for health services in out patient health centers.

Eleven Federal programs providing funds for child-care activities.

At least 14 separate HEW organizational units administering programs for assisting in the education of the handicapped.

At least 25 bureaus, services, and offices in 12 departments and independent agencies conducting or supporting Federal water pollution R. & D. activities.

Based on these conclusions, the GAO recommended that the Congress enact legislation establishing a consolidation mechanism, along the lines I am proposing today.

Specifically, my bill gives the President the power to propose consolidation of categorical grant programs which are in the same functional area. The Congress would have 60 days to examine a proposal and decide whether or not to reject it. The President would be required to place responsibility for the consolidated program in a single Federal agency and to specify, in detail, the terms under which the program would be administered. These terms would be limited by the range of terms and conditions in the programs to be consolidated. Other safeguards are contained in the bill to insure that congressional intent with respect to the substance and recipients of the original grants to be consolidated is maintained.

Similar legislation has been introduced regularly since 1969, as part of omnibus bills to amend the Intergovernmental

Cooperation Act of 1968. I have strongly supported these amendments. However, as I observe the continuing problem of fragmented and overlapping Federal assistance programs, I feel that it is especially urgent that Congress act on these program consolidation provisions. In a similar action in December 1974, one of the provisions in the omnibus bill was separated out and enacted as the "Joint Funding Simplification Act of 1974."

While this legislation will provide the President and Congress with a useful tool for simplifying the administration and delivery of Federal grant assistance programs, it is by no means the whole answer to the problem of the system—or nonsystem as seen by the potential recipient—of Federal grants we have erected over the years. Since joining Congress, I have been actively concerned about the difficulties experienced by State and local governments in working their way through the maze of Federal grant-in-aid programs. For example, to aid potential beneficiaries in identifying and obtaining the assistance for which they are eligible, I introduced the legislation which now requires the Office of Management and Budget to issue the regularly updated "Catalog of Federal Domestic Assistance." In the months ahead, I will be identifying specific grant programs in which greater efficiencies can be achieved and, where appropriate, introducing the legislation necessary to effect these changes.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Assistance Program Consolidation Act of 1975".

Sec. 2. (a) Title 5, United States Code, is amended by inserting the following immediately after chapter 9 thereof the following new chapter:

"Chapter 10.—FEDERAL ASSISTANCE PROGRAM CONSOLIDATION

"Sec.
"1001. Purpose.
"1002. Definitions.
"1003. Federal assistance program consolidation plans.
"1004. Limitations on powers.
"1005. Effective date and publication of consolidation plans.
"1006. Effect on other laws and regulations.
"1007. Rules of Senate and House of Representatives on consolidation plans.

"§ 1001. Purpose

"(a) The President shall from time to time examine the various Federal assistance programs provided by law and with respect to such programs shall determine what consolidations are necessary or desirable to accomplish one or more of the following purposes:

"(1) to promote better administration and more effective planning;

"(2) to improve coordination;

"(3) to eliminate overlapping and duplication; and

"(4) to promote economy and efficiency to the fullest extent consistent with the achievement of program goals.

"§ 1002. Definitions

"For the purpose of this chapter—

"(1) 'agency' means—

"(A) an executive agency or part thereof; and

"(B) an office or officer in the executive branch;

"(2) 'officer' is not limited by section 2104 of this title;

"(3) 'Federal assistance' or Federal assistance program' means any assistance provided by an agency in the form of grants, loans, loan guarantees, property, contracts (except those for the procurement of goods and services for the Government of the United States), or technical assistance, whether the recipients are a State or local government, their agencies, including school or other special districts created by or pursuant to State law, or public, quasi-public, or private institutions, associations, corporations, individuals, or other persons; and

"(4) consolidation plan' means any Federal assistance consolidation plan proposed under section 1003 of this title.

"§ 1003. Federal assistance program consolidation plans

"(a) When the President, after investigation, finds that a consolidation of Federal assistance programs is necessary or desirable to accomplish one or more of the purposes set forth in section 1001(a) of this title, he shall prepare a Federal assistance consolidation plan for the making of program consolidations, and shall transmit the plan (bearing an identification number) to the Congress, together with a declaration that, with respect to the consolidation included in the plan, he has found that the consolidation is necessary or desirable to accomplish one or more of the purposes set forth in section 1001(a) of this title and a declaration as to how each program included in the plan is functionally related.

"(b) Each such consolidation plan so transmitted—

"(1) shall place responsibility for administration of the consolidated program in a single agency;

"(2) shall specify in detail the terms and conditions under which the Federal assistance programs included in the plan shall be administered, including but not limited to matching, apportionment, and other formulas, interest rates, and planning, eligibilty, and other requirements; except that the President shall, in selecting applicable terms and conditions, be limited by the range of terms and conditions already included in the Federal assistance programs being consolidated;

"(3) shall specify the date of expiration of the consolidation plan and all the Federal assistance programs which have been included, except that in selecting the expiration date the President shall not specify a date which is earlier than the earliest or later than the latest expiration date of any of the Federal assistance programs being consolidated and in no case shall the expiration date of the consolidation plan be any longer than 5 years from the date the consolidation plan becomes effective;

"(4) shall set forth in the message transmitting the plan to the Congress the difference between the terms and conditions of the individual Federal assistance programs to be consolidated under the plan and those that will be applicable after the plan goes into effect, and shall also set forth the reasons for selecting such terms and conditions.

"(c) The President shall have a consolidation plan delivered to both Houses on the same day and to each House while it is in session, except that no consolidation plan may be delivered within 30 calendar days following the delivery of a previous plan in the same functional area.

"§ 1004. Limitations on powers

"(a) A consolidation plan may not provide for, and may not have the effect of, (1) consolidating any Federal assistance programs which are not in the same functional area, (2) providing any type of Federal assistance included in such a consolidation plan to any recipient who was not eligible for Federal assistance under any of the programs included in the consolidation plan, (3) excluding from eligibility under the consolidation plan any recipient who was eligible for Federal assistance under any of the programs included in the consolidation plan, or (4) transferring responsibility for the administration of the program or programs contained in a consolidation plan in an agency, office, or officer who was not responsible for the administration of one or more such programs prior to the taking effect of the consolidation plan.

"(b) Each consolidation plan shall provide for only one consolidation of two or more Federal assistance programs.

"(c) A provision contained in a consolidation plan may take effect only if the plan is transmitted to Congress before October 31, 1976. Section 905(b) of this title shall not limit any consolidation plan prepared under this chapter.

"§ 1005. Effective date and publication of consolidation plans

"(a) Except as otherwise provided in subsection (c) of this section, a consolidation plan shall become effective on the first day of the first month commencing after the expiration of the first period of 60 calendar days of continuous session of the Congress after the date on which the plan is transmitted to it unless, between the date of transmittal and the end of the 60-day period, either House passes a resolution stating in substance that the House does not favor the plan.

"(b) For the purposes of subsection (a) of this section—

"(1) continuity of session is broken only by adjournment of Congress sine die; and

"(2) the days in which either House is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of the 60-day period.

"(c) Under provisions contained in a grant consolidation plan, a provision of the plan may become effective at a time later than the date on which such plan otherwise is effective.

"(d) A consolidation plan which becomes effective shall be printed (1) in the Statutes at Large in the same volume as the public laws and (2) in the Federal Register.

"§ 1006. Effect on other laws and regulations

"(a) To the extent that any provision of a consolidation plan which becomes effective under this chapter is inconsistent with any provision of any statute enacted prior to the effective date of the plan, the provision of the consolidation plan shall control, to the extent that such plan specifies the provision of the statute to be superseded.

"(b) Any regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, or other action made, prescribed, issued, granted, or performed with respect to any matter affected by a consolidation plan which becomes effective under this chapter shall be deemed to be modified to the extent of any inconsistency thereof with the consolidation plan but shall otherwise continue in effect.

"(c) A suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, does not abate by reason of the taking effect of a consolidation plan under this chapter. On motion or supplemental petition filed at any time within twelve months after the plan takes effect, showing a necessity for a survival of the suit, action, or other proceeding to obtain a settlement of the questions involved, the court may allow the suit, action, or other proceeding to be maintained by or against the successor of the head or officer under the consolidation plan or, if there is no successor, against such agency or officer as the President designates.

"(d) A consolidation plan may provide for transfers of appropriations or other budget authority in such manner that the aggregate amount of appropriations and other budget authority available for carrying out the Federal assistance programs involved in such plan shall be available for any or all such programs; and the aggregate amount of authorizations of appropriations or other budget authority for such programs shall be deemed an authorization of appropriations and other budget authority for any or all of such programs. The appropriations or portions of appropriations unexpended by reason of operation of this chapter may not be used for any purpose, but shall revert to the Treasury.

"§ 1007. Rules of Senate and House of Representatives on consolidation plans

"(a) This section is enacted by the Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House with respect to consolidation plan resolutions referred to in subsection (b) of this section; and it supersedes other rules to the extent that it is inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(b) The provisions of sections 910–913 of this title shall apply with respect to a consolidation plan and, for such purposes—

"(1) all references in such sections to a 'reorganization plan' shall be treated as referring to a 'Federal assistance program consolidation plan', and

"(2) all reference in such sections to 'resolution' shall be treated as referring to a resolution of either House of the Congress, the matter after the resolving clause which is as follows: 'That the   does not favor the Federal assistance program consolidation plan numbered   transmitted to the Congress by the President on   19   .' The first blank therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled."

(b) The table of chapters of part I of title 5, United States Code, immediately preceding chapter 1, is amended by adding at the end thereof the following new item:

"10. Federal Assistance Program Consolidation .... 1001".

By Mr. CHURCH:

S. 2391. A bill to amend the Social Security Act to permit a grandchild who has been placed in legal custody of his grandparent to qualify for benefits as a child of his grandparent. Referred to the Committee on Finance.

SOCIAL SECURITY BENEFITS FOR A GRANDCHILD PLACED IN THE CUSTODY OF A GRANDPARENT

Mr. CHURCH. Mr. President, I introduce for appropriate reference a bill to permit grandchildren to receive social security benefits in certain instances when they have been placed in the custody of their grandparents.

A dependent grandchild who lives with and is supported by a grandparent is entitled to social security benefits on the basis of the grandparent's earnings record, provided certain conditions are met.

First, the grandchild's parents must be deceased or disabled when the grandparent died or became entitled to retirement or disability benefits.

Second, the grandchild may qualify for benefits if legally adopted by the insured worker's surviving spouse. In addition, the grandchild's parents must not be living in the same household and making regular contributions to the child's support at the time the insured worker died.

These requirements are designed to prevent collusive agreements for the purpose of obtaining social security benefits. And to my way of thinking, they are reasonable and proper.

However, it is still possible for a grandchild to live with and be dependent upon the grandparent for support—yet not qualify for monthly payments when the grandparent dies or becomes entitled to retirement or disability benefits.

My bill would provide further protection in these cases. Specifically, it would authorize social security benefits for a grandchild who lives with and is supported by a grandparent, provided a court order awarding the grandparent custody of the grandchild is in effect for at least 1 year and at the time the grandparent applies for retirement or disability benefits.

Social security is designed to protect workers and members of their family from loss of earnings because of death, retirement, or disability. A dependent grandchild who is supported by his grandparent suffers a similar loss of earnings when the grandparent dies, retires, or becomes disabled. And, I strongly believe that the grandchild should also be entitled to monthly benefits under these circumstances.

When a court awards a grandparent custody of a grandchild, it is in the interest of the youngster's well-being. But this purpose can be undermined if the grandchild is denied social security benefits when the grandparent dies, retires, or becomes disabled. The net impact is that the grandchild may be thrown on to the welfare rolls.

Finally, adoption is frequently not a feasible alternative under these circumstances. A grandparent may be reluctant to take this action, especially if there is any possibility that the grandchild may eventually be reunited with his parents.

Social security now provides valuable protection for practically every American family in one form or another. It is vitally important, however, that this essential program continue to be perfected and improved.

The proposal that I now introduce would be a constructive step in that direction.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2391

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the first sentence of section 216(e) of the Social Security Act is amended—

(1) by striking out "and" before clause (3), and

(2) by inserting before the period at the end thereof ", and (4) a person who is the grandchild of an individual or his spouse and who has been placed in the custody of such individual or his spouse by an order of a court of competent jurisdiction within the United States which is in effect on the day on which such individual's application for old-age insurance benefits or disability insurance benefits is filed and has been in effect for at least one year before such day".

SEC. 2. Section 202(d)(9.)(A) of such Act is amended by inserting after "such first sentence" the following: ", or who is a child of an individual under clause (4) of such first sentence and is not a child of such individual under clause (1), (2), or (3) of such first sentence,".

SEC. 3. The amendments made by this Act shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

By Mr. MONDALE (for himself and Mr. CRANSTON):

S. 2392. A bill to amend title X of Public Law 93–344, the Congressional Budget and Impoundment Control Act, to improve procedures with respect to rescission of budget authority. Referred to the Committee on Government Operations.

IMPROVING PROCEDURES WITH RESPECT TO IMPOUNDMENT

Mr. MONDALE. Mr. President, today on behalf of myself and the distinguished senior Senator from California (Mr. CRANSTON), who serves with me on the Committee on the Budget, I am introducing legislation to amend title X of Public Law 93–344, the Congressional Budget Reform and Impoundment Control Act of 1974, to close a loophole which has become apparent as we have attempted to deal with the practice of Presidential impoundment of congressional appropriations under the act.

Title X of the act—known as the Impoundment Control Act—was intended to provide a well-defined, efficient procedure under which Congress could make timely and reasonable judgments about the merits of Presidential requests to retract or delay expenditures previously authorized and appropriated by the Congress.

Title X was an attempt to restore to Congress, along with the new responsibilities that the budget process imposes, the constitutional power of the purse, which had gradually been eroded by executive encroachment and congressional default.

Title X hoped to provide, for the first time, a method under which Congress could say "yea" or "nay" to impoundments, without need for potential recipients of funds to pursue complex, expensive, and time-consuming litigation to the point of constitutional confrontation.

The Congressional Budget Act attempted to create a procedure requiring complete, prompt, and lucid reporting of impoundments by the executive branch to the Congress in every instance where the President desired to impound funds the Congress had made available.

It also required the President to spell

out in detail his reasons or justification for the proposed impoundment.

The quality of reporting under these procedures has not been uniformly good, but there is evidence that an attempt has been made to comply with the terms of the act, and I am hopeful that as both branches become more familiar with the processes and requirements, the reports will reflect the letter and the spirit of the Budget Act.

Today, I am concerned not with the reporting aspects of the new impoundment procedures, but with the more basic question of when the President may withhold funds from obligation—funds that under law he would seem to be required to spend.

Since our Government of three coequal branches was created, there has nearly always been debate and conflict over the exact point at which the congressional power of the purse stops, and the legitimate discretion of the President to withhold appropriated funds from obligation begins.

Clearly, however, the Constitution gives to Congress the power to determine when, how much, and for what purpose federal expenditures should be made.

By the same token, it is clear that Congress has granted the President executive power to exercise the discretion to withhold funds, when, as a result of efficiency of operation, changes in requirements, or other similar reasons, the purpose which the Congress has defined can be accomplished for less money than anticipated.

The first impoundment on record was by President Thomas Jefferson and well illustrates the legitimate exercise of executive discretion to withhold funds in the face of changed requirements:

Congress appropriated $50,000 for construction and maintenance of gunboats to patrol the Mississippi River, which was then our western boundary. When, during the Jefferson administration, the Louisiana Purchase gave the United States both banks of the river, the President impounded the unexpended funds because the patrol was no longer necessary.

Clearly, this is a sensible and legitimate exercise of Presidential power.

But, it is a far cry from this modest exercise of executive discretion to the claim of President Nixon to constitutional power to withhold spending mandated by law when the President disagrees with the policy that the law was designed to effectuate.

Title X does not attempt to resolve the age-old conflict between the branches by pinpointing a line between legitimate legislative and executive functions.

Rather, it offers procedures to facilitate an appropriate response by the Congress after it receives the newly required notice of Presidential impoundments.

Title X specifically disclaims any intention to assert or concede the constitutional powers or limitations of either the President or the Congress.

Instead, as my colleagues are aware, it divides impoundments into two categories—rescissions and deferrals—and delineates a procedure for dealing with each.

It is important to recognize the distinction between the two categories, and the differences in the two procedures, to understand the amendment which Senator CRANSTON and I are proposing today.

"Deferrals" involve a temporary withholding or delaying of the obligation of funds provided for projects or activities, under express statutory authority contained in the Antideficiency Act (31 U.S.C. 665), specific appropriation acts, or other laws—of which the Library Services Act (70 Stat. 293), which authorizes withholding Federal funds for noncompliance—is an example.

"Recissions" seek the cancellation, total or partial, of funds previously provided, or involve the temporary or permanent refusal to obligate or spend funds for any executive policy reason except the temporary creation of reserves for contingencies or to effect savings made possible by changed requirements or program efficiencies.

Even when funds have been properly reserved under the deferral procedure, if it afterwards becomes apparent that they will not be subsequently used to carry out the full objectives and scope of the appropriation concerned, the President is required to propose a rescission of the amount withheld.

This difference between rescissions and deferrals is critical:

Since a deferral involves only a temporary delay in the obligation of funds to accomplish the purposes for which the funds were provided, the immediate obligation and expenditure of deferred funds is required if either House of Congress passes a resolution disapproving the proposed deferral, under section 1013 of the Budget Act. The act requires the President to specify the period of time during which the funds are proposed to be deferred, and the Congress may act at any time after the deferral has been proposed to disapprove the proposal, and release the funds.

The procedure for a rescission is exactly converse:

Here, the President has made a judgment that the funds that the Congress has appropriated for a given purpose should not be used for that purpose.

Under the procedure provided in section 1012 of the Budget Act, after the President proposes a rescission, the funds involved must nevertheless be made available for obligation after 45 days of continuous session of the Congress, unless within that period both Houses have completed action on a bill approving the proposed rescission.

If the Congress does not act at all, the proposal to rescind is thereby rejected, and the funds must be obligated when the time limit has expired.

The act, however, makes no provision for Congress to disapprove a proposed rescission within the 45-day waiting period. Thus, in all cases in which Congress wishes to disapprove a rescission proposal, it has been given no alternative but to wait out the 45-day period, during all of which the funds involved are presumably under executive impoundment.

Because of the way that the act prescribes that the 45-day period be counted, the actual time involved can and often will be considerably longer.

Sine die adjournment of the Congress during the 45-day period, as happens at the end of each year, causes the count to start again on the day following the first day of the new Congress.

During any recess of more than 3 days' duration, the recess time is not counted.

Cleverly timed rescission proposals, then, can take full advantage of these rules, especially in those cases where the President expects the Congress to reject his rescission request.

President Ford proposed five rescissions totaling $182 million on October 4, 1974, and another 39 rescissions totaling $864 million on November 26, 1974.

When the 93d Congress adjourned sine die on December 20, 1974, the 45-day period, counted as I have described, had not run on any of these rescission requests affecting more than $1 billion in funds for congressionally approved programs.

Congressional recesses had stopped the count between October 17 and November 18, and between November 26 and December 2.

As a result, the 45-day count started again on January 15, 1975, the day following the convening of the 94th Congress, and finally ran out on March 1, 1975.

During all of this period—in the case of the October rescission requests, a period of nearly 5 months—the funds in question were subjected to Presidential impoundment, and the existing title X procedures left Congress unable to do anything about it, since the act provides no means of disapproving a rescission request within the 45-day time limit.

One consequence was a serious setback for some desperately needed HUD housing programs, which are dependent upon a continuing flow of funds, not forthcoming because of the pending Presidential impoundment.

These housing programs had been the subject of continuous attack by both the Nixon and Ford administrations, which had requested their termination—a request which had been repeatedly rejected by the overwhelming majority of the Congress, which felt that meeting the housing needs of the poor and disadvantaged was, indeed, a proper role of the Federal Government.

The proposal we are making today closes the loophole which now permits Presidential policy impoundments to cripple programs the Congress desires to fund, by taking advantage of the 45-day waiting period of section 1013.

This amendment does not affect deferrals at all.

Instead, it simply makes clear that the Budget Act does not provide authority under section 1013 to impound funds during the pendency of a rescission request.

This amendment does not, on the other hand, absolutely require the President to spend money during the pendency of a rescission request.

Under our amendment, if the President desires to impound the funds which are the subject of a rescission request during the period when Congress is considering that proposal, he may do so by simultaneously reporting a deferral of the same funds, giving the pendency of the rescission request as the reason for so doing.

Either House of the Congress is then in a position to pass an impoundment resolution disapproving the deferral, and releasing the funds, if that is the pleasure of that House, or to leave the impoundment in place if there is reason to believe that the rescission request may be approved.

I believe that this amendment, without altering the substance of the title X procedures, closes an unfortunate loophole in the procedures established by the original Budget Act, and will, if adopted, enable us to accomplish more efficiently the intent of that act. I urge its speedy adoption.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That P.L. 93-344, the Budget and Impoundment Control Act of 1974, is hereby amended as follows:

Strike out paragraph (b) of section 1012 of P.L. 93-344, the Congressional Budget and Impoundment Act of 1974, and insert in lieu thereof:

"(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—No amount of budget authority proposed to be rescinded or to be reserved as set forth in such special message may be reserved or withheld from obligations (except pursuant to section 1013 or by operation of other Law) unless and until, within the prescribed 45-day waiting period, the Congress has completed action on a rescission bill rescinding all or part of the amount prepared to be rescinded or that is to be reserved."

By Mr. JOHNSTON:

S. 2393. A bill to amend the Tariff Schedules of the United States with respect to jewelry. Referred to the Committee on Finance.

Mr. JOHNSTON. Mr. President, I am today introducing a bill that will correct an inequity that now exists with regard to the tariff assessed on inexpensive, plastic beads that are used in conjunction with our carnival celebration in Louisiana.

As many Senators know, a characteristic part of the carnival and Mardi Gras season are the parades conducted by a number of krewes in Louisiana. During these parades, masked krewe members riding on floats throw beads and other trinkets to the crowd.

At the present time, these beads—most of which range in price from $3 to $6 a gross—are taxed the duty of 27.5 percent assessed against all jewelry. Since these items are hardly the kind of personal adornment that our tariff regulations seek to provide protection for, I regard it as an inequity that this tariff has been applied.

Therefore, I would propose that a new tariff category to cover these Mardi Gras beads be established. Because the beads are thrown away by those who purchase them, and because they are much nearer to souvenirs than to items of jewelry, I would propose that these be imported duty free.

I am hopeful that our colleagues who have had a chance to visit in Louisiana during the Mardi Gras will recognize the inequity of applying the present tariff, and will support this proposal for change.

By Mr. MONDALE (for himself, Mr. HUMPHREY, Mr. NELSON, Mr. CURTIS, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. LAXALT, Mr. ABOUREZK, and Mr. MCGEE):

S. 2394. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the estate tax exemption, to provide that certain farm land included in the gross estate be valued according to its use as farm land, and for other purposes. Referred to the Committee on Finance.

ESTATE TAX RELIEF FOR FARMERS, SMALL BUSINESSMEN

Mr. MONDALE. Mr. President, I am today introducing, on behalf of myself and Senators HUMPHREY, NELSON, CURTIS, PHILIP A. HART, HARTKE, HOLLINGS, HUDDLESTON, LAXALT, and MCGEE, legislation that would substantially ease the growing burden of the Federal estate tax on family farms and businesses.

The bill would:

First. Increase the present $60,000 estate tax exemption to $150,000;

Second. Allow family farms to be valued for estate tax purposes at their value as farm land rather than their value for other commercial purposes, as long as the land is kept in the family and continues to be used for farming;

Third. Return the interest rate on 10-year installment payments of estate taxes—recently raised to 9 percent—to its previous level of 4 percent; and

Fourth. Allow 10-year installment payments whenever immediate payment would result in hardship—instead of undue hardship, as present law requires.

These were among the most frequent recommendations made at a hearing held in Minneapolis on August 26 before the Senate Small Business Committee and the Joint Economic Committee. Senator HUMPHREY and I heard there from a number of small businessmen and farmers about the problems they face in paying Federal estate and gift taxes, and of the severe burden this could place on their estate and their heirs.

In some cases, it could prove necessary to sell part of or all of a family farm or business in order to pay estate taxes.

This hurts everyone. It hurts the family that loses its farm or business. It hurts the community that loses the support and concern that local ownership brings. And it hurts our national economy, as concentration increasingly pushes out competition.

The healthy competition our economy needs to continue strong, noninflationary growth is undermined when family farms are taken over by huge corporate farming operations, and when independent and innovative small businesses are taken over by large outside corporations.

Our estate and gift tax laws are intended in part to prevent excessive concentrations of wealth. Yet in their application to small businesses and family farms, they may inadvertently be increasing it.

The changes we are proposing could help to ease this problem by:

Increasing the $60,000 exemption to $150,000.—The present $60,000 exemption has remained unchanged since 1942, while the price of everything else has gone up enormously. Increasing the exemption to $150,000 would help to make up for this erosion in the real value of the exemption over the last 33 years. The revenue loss from this change would be substantial—$1.7 billion—and it should, therefore, be made in conjunction with other revenue-raising changes. If enough revenue can be raised through additional reforms in the estate and gift tax laws, a further increase in the exemption above $150,000 and a liberalization of the marital deduction should be considered.

Allowing valuation as farm land.—When farms are located near rapidly growing urban areas, the value of the land for purposes other than farming—housing developments, shopping centers, et cetera—often far exceeds its farm value. If the property is valued for estate tax purposes at its higher, nonfarm value, the heavy estate tax due could well force the heirs to sell the farm to pay the tax. The bill we propose would allow the land to be valued for estate tax purposes at its value for farming. To be eligible for this lower valuation, the farm must constitute a large portion of the estate, and it must have been used for farming for 5 years prior to the owner's death. The land must be kept in the family and used for farming after the owner's death, and if at some later point these conditions are no longer met, the higher estate tax based on the nonfarm value must be paid.

Liberalizing the installment payment provisions.—Present law allows the estate tax to be paid in installments over as many as 10 years in cases of undue hardship or if the estate includes a farm or closely held business which amounts to 35 percent of the gross estate or 50 percent of the taxable estate. These installment payment provisions are rarely used. For 1972, for example, IRS statistics indicate that fewer than 1 percent of the taxable estate tax returns included a request to pay in 10-year installments, and there is no data on how many of these requests were granted. Making the installment payment provisions easier to use could well ease the liquidity problems faced by many family farms and businesses, and make it unnecessary to sell the farm or business to pay the estate tax. Two changes can be readily made:

Return the interest rate to 4 percent.—Prior to July 1 of this year, the interest rate on estate tax installment payments was only 4 percent, but as a result of legislation passed late last year, the rate is now 9 percent. Returning this rate to its earlier level would make it easier for heirs to pay the estate tax out of the proceeds of the farm or business, and avoid a forced sale.

Require only simple "hardship."—The present requirement of "undue hardship" can be a difficult one to meet, and permitting installment payments in any case of simple hardship would make the installment payment option more broadly available.

Mr. President, I ask unanimous consent that the text of the bill and an editorial from the St. Paul Dispatch be printed in the Record.

There being no objection, the bill and editorial were ordered to be printed in the Record, as follows:

S. 2394

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2052 of the Internal Revenue Code of 1954 (relating to exemption) is amended by striking out "$60,000" and inserting in lieu thereof "$150,000".

(b) Section 6018(a) of such Code (relating to estate tax returns) is amended by striking out "$60,000" and inserting in lieu thereof "$150,000".

Sec. 2. Section 6161(a)(2) of such Code, (relating to extension of time for paying estate tax) is amended by striking out "undue".

Sec. 3. Section 6601(a) of such Code (relating to interest on underpayment, nonpayment, or extensions of time for payment, of tax) is amended to read as follows:

"(a) In General.—

"(1) General rule.—Except as provided in paragraph (2), if any amount of tax imposed by this title (whether required to be shown on a return, or to be paid by stamp or by some other method) is not paid on or before the last date prescribed for payment, interest on such amount at an annual rate established under section 6621 shall be paid for the period from such last date to the date paid.

"(2) Extensions of Time for Payment of Estate Tax.—If the time for payment of an amount of tax imposed by chapter 11 is extended as provided in section 6161(a)(2) or 6166, or if the time for payment of an amount of such tax is postponed or extended as provided in section 6163, interest shall be paid at the rate of 4 percent, in lieu of the annual rate established under section 6621.".

Sec. 4. (a) Part II of subchapter 9 of chapter 11 of such Code (relating to credits against estate tax) is amended by adding at the end thereof the following new section:

"Sec. 2017. Credit for Part of Value of Certain Farm Property.

"(a) In General.—At the election of the executor of an estate, the tax imposed by section 2001 shall be credited with the amount of the excess, if any, of the amount of tax imposed on the transfer of the estate under this chapter over the amount of tax which would have been imposed on the transfer of the estate under this chapter if the value of any poperty included in the gross estate which is qualified farm property had been determined, for purposes of this chapter, by its value as qualified farm property determined on the basis of the value of the property for the use by which it is eligible to be qualified farm property.

"(b) Definition of Qualified Farm Property.—For purposes of this section, the term 'qualified farm property' means real property—

"(1) the value of which is included in determining the gross estate of a decedent if such value exceeds either—

"(A) 35 percent of the value of the gross estate of such decedent, or

"(B) 50 percent of the taxable estate of such decedent,

"(2) which is substantially all, and, during the 60 months preceding the date of death of such decedent, has been, devoted to farming (including the production of agricultural commodities and the raising of livestock), and

"(3) which is transferred by the executor of the decedent's estate to an eligible individual entitled to receive such property under the decedent's will or under the applicable law of descent and distribution.

"(c) Election Requirements.—An election under this section shall be filed with the Secretary or his delegate at such time and in such form and manner as he may prescribe by regulations and shall contain, in addition to any other matter, the name, address, and taxpayer identification number of the individual to whom the property passes under the terms of the decedent's will or by operation of law.

"(d) Eligibile Individual.—For purposes of this section, the term 'eligible individual' means any individual who is a member of the family of the decedent within the meaning of section 267(c)(4).

"(e) Cross Reference.—For lien against property where credit is taken, see section 6324(a)(4)."

(b) Section 6324 (a) of such Code (relating to special liens for estate and gift taxes) is amended by adding at the end thereof the following new paragraph:

"(4) Upon qualified farm property.—

"(A) Lien imposed.—If the executor of an estate elects to take the credit against the estate tax allowed by section 2017, the amount of that credit is a lien upon the qualified farm property (as defined in section 2017(b)) with respect to which the credit was claimed. If the credit relates to more than 1 piece of qualified farm property, a lien is imposed under this paragraph on each piece of such property in an amount which bears the same ratio to the total amount of the credit allowed under section 2017 as the value of that piece of property (for purposes of chapter 11) bears to the value of all property to which the credit relates.

"(B) Release of lien.—

"(i) In general.—The lien imposed by subparagraph (A) on any qualified farm property may be released by the payment to the Secretary or his delegate of the estate tax reduction amount attributable to that property.

"(ii) Termination of lien.—The Secretary or his delegate may not take any action to obtain payment of the estate tax reduction amount attributable to any qualified farm property until the close of the calendar year in which the property is substantially converted to a use inconsistent with its use as qualified farm property. The Secretary or his delegate shall take any action necessary to obtain payment of such amount at the earliest date possible under the preceding sentence.

"(C) Definition of estate tax reduction amount.—For purposes of this paragraph, the term 'estate tax reduction amount' means, with respect to any qualified farm property, the amount of the credit allowed under section 2017 for that property."

(c) Section 6601 of such Code (relating to interest on underpayment, nonpayment, or extensions of time for payment, of tax) is amended by adding at the end of subsection (e) the following new paragraph:

"(5) Estate tax reduction amount.—For purposes of this section, any estate tax reduction amount (as defined in section 623(a)(4)(C)) collected in satisfaction of the lien imposed under section 6324(a)(4)(A) shall not be considered to be an underpayment or nonpayment of tax."

(d) The table of sections for part II of subchapter A of chapter 11 of such Code is amended by adding at the end thereof the following new item:

"Sec. 2017. Credit for part of value of certain farm property.".

Sec. 5. The amendments made by this Act apply with respect to decedents who die after December 31, 1975.

[From the St. Paul Dispatch, Aug. 27, 1975]

Estate Tax Unrealistic

One thing that hasn't kept pace with inflation is the federal estate tax exemption.

The exemption, which is $60,000, has not been changed since 1942, according to witnesses who testified at a hearing on the subject chaired by Sen. Walter Mondale, D-Minn.

The result is that the heirs of many farmers and small businessmen are being forced to sell all or part of the business to pay the estate tax. The $60,000 exemption is ridiculous in this day of soaring prices. It wouldn't even cover the value of the land on most farms, to say nothing about buildings and equipment.

Congress should get to work and make an immediate change to a more realistic exemption figure (one witness suggested $300,000 as being comparable to the value of $60,000 in 1942). It's hard enough for a farmer or small businessman to hold onto his business while he lives; surely the government should not make it impossible for his heirs to hold on after he dies.

By Mr. MONTOYA:

S. 2395. A bill to authorize the Hidden Mountain-Loma Blanca Reservoir System for flood and sediment control in the State of New Mexico; and

S. 2396. A bill to authorize the Santa Fe local protection projects in the State of New Mexico. Referred to the Committee on Public Works.

Mr. MONTOYA. Mr. President, today I am introducing two bills which would authorize projects for flood and sediment control on the Rio Puerco and Rio Salado in New Mexico as well as on the Santa Fe River and its tributary, the Arroyo Mascaras, in the vicinity of Santa Fe, N. Mex. Both of these very worthwhile projects have been recommended by the district engineer of the U.S. Army Corps of Engineers, Albuquerque District, and have been strongly supported by the State engineer of New Mexico.

The plan of improvement for the Rio Puerco-Rio Salado project would comprise two earthfill dams, one on the Rio Puerco at the Hidden Mountain site, and one on the Rio Salado at the Loma Blanca site. These dams would replace the authorized Rio Grande floodway in the reach from San Acacia to Bosque del Apache. The projects would afford a high degree of flood protection during the early life of the structures. The degree of protection would decrease as the large volume of sediment storage is depleted until, at the end of the project life, the dams would protect against the flood of record. The Hidden Mountain Dam would have a storage capacity of 443,300 acre-feet at spillway crest, of which 38,750 acre-feet would be allocated to flood control and 404,550 acre-feet would be available for sediment storage. The Loma Blanca Dam would have a storage capacity of 118,000 acre-feet at spillway crest of which 10,000 acre-feet woud be allocated to flood control and 108,000 acre-feet available for sediment storage.

During the investigation, meetings were held to appraise local interest in the improvements considered and to gain their input as to the improvements desired. Local interests, including the States of Texas and Colorado, have generally expressed concurrence in the selected plan of improvement. Interest was also shown in the development of a permanent pool in the Hidden Mountain Dam for recreation, fish and wildlife opportunities, however, the Rio Grande Compact and New Mexico water laws preclude this at the present time.

The total first cost of the Hidden Mountain and Loma Blanca Dams is estimated at $23,805,000. The average annual Federal operation, maintenance, and replacement costs are estimated at $83,370. The average anual charges are estimated at $1,471,000 and the average annual benefits are estimated at $2,232,500 yielding a benefit/cost ratio of 1.5 on the basis of a 5⅜-percent interest rate.

Mr. President, it was on the basis of demonstrated need that the corps district engineer and the State engineer supported this project and I urge the Washington Corps headquarters to approve these projects so that the Committee on Public Works can consider this project along with others now before it at the earliest possible time.

The second bill I am introducing today would authorize the construction of the Sante Fe local protection project. The area to be served by this project comprises the watersheds of the Santa Fe River and its tributary, the Arroyo Mascaras.

The Santa Fe River heads high in the Sangre de Cristo Mountains near the crest of Lake Peak at elevation 12,400 feet. Arroyo Mascaras, a north bank tributary of the Santa Fe River, heads in the foothills north of Santa Fe. The combined area of the two watersheds at their confluence is 39.8 square miles including 32.9 square miles in the Santa Fe River watershed and 6.9 square miles in the Arroyo Mascaras watershed. Santa Fe is located in the Santa Fe River Valley and surrounding foothills and the major portion of the city lies in the flood plain of the two streams, with other segments of the city scattered over the pinon-covered foothills. Santa Fe, a very old city, has served in some form as a capital for over 350 years, and as such, has many structures of historical and cultural significance located in the flood plain. In addition, there is a need for a more dependable supply of municipal and industrial water supply and for water based recreation and fish and wildlife enhancement.

The plan of improvement considered to be the most feasible and therefore, selected as the most suitable, would consist of a rockfill dam at the Granite Point site on the Sante Fe River about 1.4 miles above Santa Fe, the replacement of College Street Bridge and raising Apartment Drive Bridge, both across the Santa Fe River; and the channelization of about 6,300 feet of Arroyo Mascaras. The proposed project on the Santa Fe River would provide the city protection from floods up to about 100-year magnitude. The Arroyo Mascaras project is designed to provide protection from the standard project flood. The Granite Point Reservoir would have 1,790 acre-feet of storage at spillway crest, including 60 acre-feet of sediment reserve and 1,730 acre-feet for flood control. The bridge improvements on the Santa Fe River will increase the channel capacity to about 5,000 cubic feet per second. The Arroyo Mascaras channelization will carry a flow of 7,630 cubic feet per second.

Mr. President, during the investigation by the Corps of Engineers, numerous meetings were held to appraise local interest in the improvements considered, the estimated cost and effects of these improvements and the requirements of local cooperation. The city of Santa Fe expressed concurrence in the selected plan of improvement and indicated a willingness to cooperate in the construction, operation, and maintenance of the project following a final public meeting held on March 1, 1972.

The total first cost of the Santa Fe local protection project is estimated at $2,906,000, of which $2,627,000 would be Federal and $279,000 non-Federal. The Federal and non-Federal annual charges amount to $145,170 and $18,850, respectively, a total of $164,020. The average annual benefits are estimated at $290,450, yielding a benefit-cost ratio of 1.8.

Mr. President, this second flood control project is designed to offer much needed protection to the city of Santa Fe with all of its historical treasures. Accordingly, I urge that the Subcommittee on Water Resources of the Senate Public Works Committee include this and the Rio Puerco project in any omnibus water resources development legislation it reports this year.

Water resources are a precious commodity all across this country, but their value increases even more in a Southwestern State like New Mexico. Projects which could be considered necessary in some parts of the country assume critical importance in a State like New Mexico.

Mr. President, I ask unanimous consent that the text of the two bills and two letters in support of these proposals from the State engineer, Mr. Steve Reynolds, be printed in the RECORD.

There being no objection, the bills and letters were ordered to be printed in the RECORD, as follows:

S. 2395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for flood and sediment control in the Rio Grande Basin, as approved by the Flood Control Act of 1948 is modified to include construction of the Hidden Mountain-Loma Blanca Reservoir System for flood and sediment control, as recommended in the "Report on Review Survey for Flood Control and Allied Purposes, Rio Grande and Tributaries, Rio Puerco and Rio Salado, New Mexico" by the District Engineer, Albuquerque District, Corps of Engineers, Department of the Army.

SEC. 2. There is authorized to be appropriated not to exceed $23,805,000 to carry out the provisions of this Act.

S. 2396

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Santa Fe Local Protection Project, recommended in the "Report on Review Survey for Flood Control and Allied Purposes Santa Fe River and Arroyo Mascaras at and in the Vicinity of Santa Fe, New Mexico" by the District Engineer, Albuquerque District, Corps of Engineers, Department of the Army, is authorized to be carried out in accordance with such recommendations.

SEC. 2. There is authorized to be appropriated not to exceed $2,627,000 to carry out the provisions of this Act.

STATE OF NEW MEXICO,
STATE ENGINEER OFFICE,
Santa Fe, N. Mex., August 28, 1975.

Hon. JOSEPH M. MONTOYA,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR: The Corps of Engineers has completed a study and report on Review Survey for Flood control and Allied Purposes, Santa Fe River and Arroyo Mascaras, at and in the vicinity of Santa Fe. The report is now in the office of the Chief of Engineers in Washington. New Mexico commented favorably on this report in August, 1974.

The plan of improvement selected would include a dam on the Santa Fe River about 1.5 miles upstream from the City, replacement of two bridges within the City crossing the Santa Fe River and channelization of a portion of Arroyo Mascaras, a tributary of Santa Fe River in the City. Our comments on the report suggest that additional study of the plan presented in the report be undertaken during the pre-construction planning stage; the report now provides for such additional study.

It is urged that legislation to authorize this much needed project for flood control at Santa Fe be introduced in this session of the Congress, either as a separate authorization or in an omnibus flood-control bill.

Please let me know if additional information would be helpful.

Sincerely,

S. E. REYNOLDS,
State Engineer.

STATE OF NEW MEXICO,
STATE ENGINEER OFFICE,
Santa Fe, N. Mex., August 25, 1975.

Hon. JOSEPH M. MONTOYA,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR: The Corps of Engineers has completed their study and report on Review Survey for Flood Control and Allied Purposes, Rio Puerco and Rio Salado. It is my understanding that the report is in the Office of the Chief of Engineers in Washington. New Mexico commented favorably on the proposed report of the Chief of Engineers in August, 1973.

The plan of improvement considered to be the most feasible and selected would consist of two earth-fill dams, one on Rio Puerco at the Lower Hidden Mountain site and one on Rio Salado at the Loma Blanco site. Both sites are located north of Socorro. The Rio Puerco and the Rio Salado are tributaries to the Rio Grande in the reach between Bernardo and San Acacia. The proposed projects would afford a high degree of flood protection to the Rio Grande below Bernardo. This project would also provide sediment control which would materially reduce the sediment load now transported by the Rio Grande below Bernardo, reduce aggradation of the channel of the Rio Grande and retain sediment now flowing into Elephant Butte Reservoir.

I recommend that legislation to authorize this important project be introduced in this session of the Congress, either as a separate authorization or in an omnibus flood control bill.

Please let me know if additional information would be helpful.

Sincerely,

S. E. REYNOLDS,
State Engineer.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 872

At the request of Mr. HATFIELD, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 872, a bill to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second-class mail rates.

S. 1406

At the request of Mr. MONTOYA, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of S. 1406, a bill to amend title 38 of the United States Code to provide that veterans' pension and compensation will not be reduced as a result of certain increases in monthly social security benefits.

S. 2293

At the request of Mr. HELMS, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 2293, a bill to amend section 402 of the Highway Safety Act of 1966, relative to the matter of compulsory helmet laws for motorcyclists.

S. 2327

At the request of Mr. MORGAN, the Senator from Oklahoma (Mr. BARTLETT), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2327, a bill to suspend sections 4, 6, and 7 of the Real Estate Settlement Procedures Act of 1974.

S. 2371

At the request of Mr. METCALF, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 2371, a bill to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System, and for other purposes.

SENATE RESOLUTION 216

At the request of Mr. HUDDLESTON, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of Senate Resolution 216, requesting the Secretary of Agriculture to submit a 5-year plan for the eradication of brucellosis.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1976—H.R. 8069

AMENDMENTS NOS. 912 AND 913

(Ordered to be printed and to lie on the table.)

Mr. CURTIS submitted two amendments intended to be proposed by him to the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

AMENDMENTS NOS. 914, 915, AND 916

(Ordered to be printed and to lie on the table.)

Mr. BIDEN submitted three amendments intended to be proposed by him to the bill (H.R. 8069), supra.

AMENDMENT NO. 917

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (H.R. 8069), supra.

NATURAL GAS EMERGENCY STANDBY ACT OF 1975—S. 2310

AMENDMENT NO. 918

(Ordered to be printed and to lie on the table.)

Mr. PEARSON. Mr. President, I am submitting today an amendment in the nature of a substitute to S. 2310.

This substitute amendment contains a modification of the emergency provisions contained in the administration's emergency natural gas supply measure, S. 2330.

In my judgment, the provisions of the amendment which I am submitting at this time would be more effective in dealing with the emergency supply situation during the coming heating season than would the provisions of S. 2310.

Mr. President, I ask unanimous consent that the text of this amendment be printed in the RECORD immediately following these remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 918

Strike all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Natural Gas Emergency Standby Act of 1975'.

"PURPOSE

"SEC. 2. The purpose of this Act is to grant the Federal Power Commission authority to allow natural-gas companies which transport natural gas in interstate commerce with inadequate quantities of natural gas to meet the requirements of their high priority consumers of natural gas to purchase natural gas from sources not in interstate commerce and from other such companies on an emergency basis free from the provisions of the Natural Gas Act (15 U.S.C. 717 et seq.), except for the reporting requirements of such Act; to grant the Federal Energy Administration authority to prohibit the use of natural gas as boiler fuel; and to provide the President with standby authority to allocate propane during periods of actual or threatened severe shortages of natural gas.

"DEFINITIONS

"SEC. 3. For the purposes of this Act—

"(1) 'Natural-gas distributing company' means a person involved in the distribution or transportation of natural gas for ultimate public consumption for domestic, commercial, industrial, or any other use, but such term does not include a natural-gas company as defined in section 2(6) of the Natural Gas Act (15 U.S.C. 717a(6)).

"(2) 'High priority consumer of natural gas' means a person so defined by the Commission by rules and regulations.

"(3) 'Independent producer' means a person, as determined by the Commission, (i) who is not affiliated with a person engaged in the transportation of natural gas in interstate commerce, and (ii) who is not a producing division of such a person engaged in the transportation of natural gas in interstate commerce.

"(4) 'Boiler fuel use of natural gas' means the use of natural gas as the source of fuel for the purpose of generating electricity for distribution.

"(5) 'Propane' means a hydrocarbon whose chemical composition is predominantly C_3H_8, whether recovered from natural-gas streams or crude oil, or any mixture containing such hydrocarbon to the extent of 10 percent or more by volume.

"(6) 'United States' means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

"(7) 'Administrator' means the Administrator of the Federal Energy Administration.

"(8) 'Commission' means the Federal Power Commission.

"EMERGENCY EXEMPTIONS

"SEC. 4. Section 7(c) of the Natural Gas Act (15 U.S.C. 717f(c)) is amended by designating the two unnumbered paragraphs thereof as paragraphs (1) and (2), by deleting the period at the end of paragraph (2) as designated hereby, and inserting in lieu thereof the following: ': *Provided further*, That within 15 days after the enactment of the Natural Gas Emergency Standby Act of 1975, the Commission shall by regulation exempt from the provisions of this Act, except for reporting requirements, any activities, operations, facilities, or services relating to the transportation, sale and delivery, transfer, or exchange of natural gas from any source, other than any land or subsurface area within the Outer Continental Shelf as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), by an independent producer, a natural-gas company which transports natural gas in interstate commerce, a person who transports natural gas in other than interstate commerce, or a natural-gas distributing company, to or with a natural-gas company which transports natural gas in interstate commerce which does not have or which under reasonably foreseeable circumstances may not have, a sufficient supply of natural gas to meet the requirements of its high priority consumers of natural gas and which is curtailing during the heating season from November 1975 through March 1976 pursuant to a curtailment plan on file with the Commission. Exemptions granted pursuant to this proviso shall be for periods of not more than 180 consecutive days. Persons who are exempt under section 1 (b) or (c) of this Act shall not have their exempt status affected in any way by making the sales or deliveries contemplated by this subsection: *Provided further*, That the Commission shall have no power to deny, in whole or in part, recovery by any natural-gas company in its jurisdictional rates of the amount paid by it for natural gas delivered to it pursuant to sales and contracts as described herein, except to the extent that an interstate transporter purchases natural gas from an affiliate at a rate in excess of the price paid by the transporter to nonaffiliated sellers in comparable sales transactions: *Provided further*, That natural gas sold and delivered or transported pursuant to any exemption granted under section 4 of the Natural Gas Emergency Standby Act of 1975 shall not be or become subject to the jurisdiction of the Commission because of such sale and delivery or transportation whether or not such sale is a sale for resale in interstate commerce or such transportation is in interstate commerce.

"PROHIBITION OF USE OF NATURAL GAS AS BOILER FUEL

"SEC. 5. (a) The Administrator may, by order, prohibit boiler fuel use of natural gas in any facility if—

"(1) the Administrator determines that—

"(A) such facility had on June 30, 1975 (or at any time thereafter) the capability and necessary plant equipment to burn petroleum products, coal or derivatives thereof,

"(B) the burning of petroleum products, coal or derivatives thereof by such facility in lieu of natural gas is practicable,

"(C) petroleum products, coal or derivatives thereof will be available during the period such order is in effect, "(D) the prohibition under this subsection will not impair the reliability of service in the area served by the facility,

"(E) the prohibition under this subsection will result in making natural gas available for sale to a natural-gas company which transports natural gas in interstate commerce and which does not have adequate quantities of natural gas to meet the requirements of its high priority consumers and which is curtailing pursuant to a curtailment plan on file with the Commission, and

"(2) the Administrator of the Environmental Protection Agency has not certified to the Administrator within 15 days of the issuance of such order that its implementation will violate the Clean Air Act (42 U.S.C. 1857 et seq.) (including applicable implementation plans).

"(b) The Administrator may specify in any order issued pursuant to subsection (a) of this section the periods of time during which such order will be in effect and the quantity or rate of use of natural gas that may be burned by a facility during such periods, including the burning of natural gas to meet peaking load requirements: *Provided, however,* That no order issued pursuant to this section shall extend beyond April 4, 1976.

"(c) The Administrator shall exempt from any order issued pursuant to subsection (a) of this section the burning of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by a facility.

"(d) The Administrator shall modify or suspend any order issued pursuant to subsection (a) of this section to the extent necessary to alleviate short-term air quality emergencies or any other danger to the public health, safety, or welfare.

"(e) Any order issued pursuant to this section shall provide for just compensation of the facility and transporter affected by such order. Such compensation is (i) to be measured by the increased fuel costs, if any, incurred by a facility and the loss of revenue, if any, incurred by a transporter as a result of such order, and (ii) to be paid ultimately through increased rates and charges by those users, in proportion to the volumes of natural gas consumed by such users, who are determined by the Commission to benefit as a result of such order: *Provided, however,* That nothing contained in this subsection shall be construed to extend the jurisdiction of the Commission to any rates and charges not otherwise subject to the jurisdiction of the Commission under section 1 of the Natural Gas Act (15 U.S.C. 717). For the purposes of this subsection, the term 'users' means high priority consumers of natural gas who consume natural gas transported by that natural-gas company which obtains the natural-gas supplies made available for nonboiler fuel use by an order issued pursuant to this section.

"(f) The Administrator and the Commission shall have authority to issue such rules and orders applicable to any person as the Administrator or the Commission determines are necessary or appropriate to carry out the provisions of this section.

"PROPANE STANDBY ALLOCATION AUTHORITY

"SEC. 6. (a) Upon finding that shortages of natural gas exist or are imminent and upon finding that such shortages or potential shortages constitute a threat to the public health, safety, or welfare, the President is authorized to issue such orders and regulations as he deems appropriate to provide, consistent with subsection (d) of this section, for the establishment of priorities of use and for equitable allocation and distribution of propane to classes of consumers, who are historical users of propane, and where energy and feedstock (other than synthetic natural gas feedstock) needs have historically been met through the use of propane, and equitable pricing of propane, in order to meet the essential needs of various sections of the United States, to lessen anticompetitive effects resulting from shortages of natural gas, and to provide sufficient incentive to maximize the production of propane. In issuing such orders and regulations, the President shall, to the extent practicable, insure that the needs of residential and small users, hospitals and similar services vital to to public health and safety, agricultural producers, food processors, and food packagers are met. The President shall next insure, to the extent practicable, that the needs of users of propane for petrochemicals, feedstock (other than synthetic natural gas feedstock), and process uses are met. Only after all of the foregoing needs are met shall propane be made available for any other use.

"(b)(1) Whoever violates any order or regulation under this section shall be subject to a civil penalty of not more than $2,500 for each violation.

"(2) Whoever willfully violates any order or regulation under this section shall be fined not more than $5,000 for each violation.

"(3) Any person or agency to whom the President has delegated his authority pursuant to subsection (j) of this section may issue such orders and notices as are deemed necessary to insure compliance with any order or regulation issued pursuant to subsection (a) of this section or to remedy the effects of violations of any such orders or regulations.

"(c) There shall be available as a defense to any action brought under the antitrust laws, or for breach of contract in any Federal or State court arising out of delay or failure to provide, sell, or offer for sale or exchange any product covered by this section that such delay or failure was caused solely by compliance with the provisions of this section or with any regulations or any orders issued pursuant to this section.

"(d)(1) Subject to paragraphs (2), (3), and (4) of this subsection, which shall apply to any rule, regulation, or order having the applicability and effect of a rule as defined in section 551(4) of title 5, United States Code, and issued pursuant to this section, the functions exercised under this section are excluded from the operation of subchapter II of chapter 5, and chapter 7 of title 5, United States Code, except as to the requirements of sections 552, 553, and 555(e) of title 5, United States Code.

"(2) Notice of any proposed rule, regulation, or order described in paragraph (1) of this subsection shall be given by publication of such proposed rule, regulation, or order in the Federal Register. In each case, a minimum of 10 days following such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time of notice and opportunity to comment may be waived where strict compliance is found to cause serious harm or injury to the public health, safety, or welfare, and such finding is set out in detail in such rule, regulation, or order.

"(3) In addition to the requirements of paragraph (2) of this subsection, if any rule, regulation, or order described in paragraph (1) of this subsection is likely to have a substantial impact on the Nation's economy or large numbers of individuals or businesses, an opportunity for oral presentation of views, data, and arguments shall be afforded. To the maximum extent practicable, such opportunity shall be afforded prior to the issuance of such rule, regulation, or order, but in all cases such opportunity shall be afforded no later than 45 days after the issuance of any such rule, regulation, or order. A transcript shall be kept of any oral presentation.

"(4) The President or any officer or agency authorized to issue the rules, regulations, or orders described in paragraph (1) of this subsection shall provide for the making of such adjustments, consistent with the other purposes of this section, as may be necessary to prevent particular hardship, inequity, or unfair distribution of burdens and shall, by rule, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, rescission of, exception to, or exemption from such rules, regulations, and orders. If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the President or such officer or agency to whom he has delegated his authority pursuant to subsection (j) of this section and may obtain judicial review in accordance with subsection (e) of this section when such denial becomes final. The President or the officer or agency shall, by rule, establish appropriate procedures, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

"(e)(1) The district courts of the United States shall have exclusive original jurisdiction of cases or controversies arising under this section or under regulations or orders issued thereunder, notwithstanding the amount in controversy; except that nothing in this paragraph or in paragraph (7) of this subsection shall affect the power of any court of competent jurisdiction to consider, hear, and determine any issue by way of defense (other than a defense based on the constitutionality of this section or the validity of action taken by any agency under this section) raised in any proceeding before such court. If in any such proceeding an issue by way of defense is raised based on the constitutionality of this section or the validity of actions under this section, the case shall be subject to removal by either party to a district court of the United States in accordance with the applicable provisions of chapter 89 of title 28, United States Code.

"(2) Except as otherwise provided in this section, exclusive appellate jurisdiction is vested in the Temporary Emergency Court of Appeals, a court which is currently in existence, but which is independently authorized by this section. The court, a court of the United States, shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such designated judges as chief judge of the Temporary Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. Except as provided in subparagraph (B) of paragraph (5) of this subsection, the court shall not have power to issue any interlocutory decree staying or restraining in whole or in part any provision of this section, or the effectiveness of any regulation or order issued thereunder. In all other respects, the court shall have the powers of a circuit court of appeals with respect to the jurisdiction conferred on it by this section. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases over which it has jurisdiction under this section. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary and proper.

"(3) Appeals from the district courts of the United States in cases and controversies arising under regulations or orders issued under this section shall be taken by the filing of a notice of appeal with the Temporary Emergency Court of Appeals within 30 days of the entry of judgment by the district court.

"(4) In any action commenced under this section in any district court of the United

States in which the court determines that a substantial constitutional issue exists, the court shall certify such issue to the Temporary Emergency Court of Appeals. Upon such certification, the Temporary Emergency Court of Appeals shall determine the appropriate manner of disposition which may include a determination that the entire action be sent to it for consideration or it may, on the issues certified, give binding instructions and remand the action to the certifying court for further disposition.

"(5) (A) Subject to subparagraph (B) of this paragraph, no regulation of any agency exercising authority under this section shall be enjoined or set aside, in whole or in part, unless a final judgment determines that the issuance of such regulation was in excess of the agency's authority, was arbitrary or capricious, or was otherwise unlawful under the criteria set forth in section 706(2) of title 5, United States Code, and no order of such agency shall be enjoined or set aside, in whole or in part, unless a final judgment determines that such order is in excess of the agency's authority, or is based upon findings which are not supported by substantial evidence.

"(B) A district court of the United States or the Temporary Emergency Court of Appeals may enjoin temporarily or permanently the application of a particular regulation or order issued under this section to a person who is a party to litigation before it. Except as provided in this paragraph, no interlocutory or permanent injunction restraining the enforcement, operation, or execution of this section, or any regulation or order issued thereunder, shall be granted by any district court of the United States or judge thereof. Any such court shall have jurisdiction to declare (i) that a regulation of an agency exercising authority under this section is in excess of the agency's authority, is arbitrary or capricious, or is otherwise unlawful under the criteria set forth in section 706(2) of title 5, United States Code, or (ii) that an order of such agency is invalid upon a determination that the order is in excess of the agency's authority, or is based upon findings which are not supported by substantial evidence. Appeals from interlocutory decisions by a district court of the United States under this subparagraph may be taken in accordance with the provisions of section 1292 of title 28, United States Code, except that reference in such section to the courts of appeals shall be deemed to refer to the Temporary Emergency Court of Appeals.

"(6) The effectiveness of a final judgement of the Temporary Emergency Court of Appeals enjoining or setting aside in whole or in part any provision of this section, or any regulation or order issued thereunder shall be postponed until the expiration of time for filing a writ of certiorari with the Supreme Court under paragraph (7) of this subsection. If such petition is filed, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the action by the Supreme Court.

"(7) Within 30 days after entry of any judgment or order by the Temporary Emergency Court of Appeals, a petition of a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Temporary Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Temporary Emergency Court of Appeals, shall have exclusive jurisdiction to determine the constitutional validity of any provision of this section or of any regulation or order issued under this section. Except as provided in this paragraph, no Federal or State court shall have jurisdiction or power to consider the constitutional validity of any provision of this section or of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this section authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"(f) Whenever it appears to any person or agency authorized by the President pursuant to subsection (j) of this section that any individual or organization has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any order or regulation under this section, such person or agency may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any such order or regulation. In addition to such injunctive relief, the court may also order restitution of moneys received in violation of any such order or regulation.

"(g) (1) An agency or person exercising authority pursuant to subsection (j) of this section shall have authority, for any purpose related to this section, to sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, and to administer oaths.

"(2) Upon presenting appropriate credentials and a written notice to the owner, operator, or agency in charge, any agency or person exercising authority pursuant to subsection (j) of this section may enter any business premise of facility and inspect, at reasonable times and in a reasonable manner, any such premise or facility, inventory and sample any stock of energy resources therein, and examine and copy books, records, papers, or other documents in order to obtain information as necessary or appropriate for the proper exercise of functions under this section and to verify the accuracy of any such information.

"(3) Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served upon any person under the provisions of this subsection, the agency or person authorizing such subpena may request the Attorney General to seek the aid of the district court of the United States for any district in which such person is found to compel such person, after notice, to appear and give testimony, or to appear and produce documents before the agency or person.

"(h) Any person suffering legal wrong because of any act or practice arising out of this section, or any order or regulation issued pursuant thereto, may bring an action in a district court of the United States, without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment, writ of injunction (subject to the limitations in subsection (e) of this section), or damages.

"(i) Section 5(b) of the Federal Energy Administration Act of 1974 (15 U.S.C. 763 (b)) is amended by adding the word 'and' after the semicolon in paragraph 10; by deleting paragraph 11; and by redesignating paragraph 12 as paragraph 11.

"(j) The President may delegate the performance of any function under this section to such offices, departments, and agencies of the United States as he deems appropriate.

"(k) No law, rule, regulation, order, or ordinance of any State or municipality in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this section or any rule, regulation or order issued pursuant to this section except insofar as such law, rule, regulation, order, or ordinance is inconsistent with the provisions of this section, or any rule, regulation, or order issued thereunder.

"EXPIRATION DATE

"SEC. 7. (a) This Act shall expire on midnight April 4, 1976.

"(b) The expiration of this Act and the authority granted under this Act shall not affect any action or pending proceedings not finally determined on the date of such expiration, or any action or proceeding based upon any act committed prior to such date.".

Amend the title so as to read: "A bill to provide authority to institute emergency measures to minimize the adverse effects of natural gas shortages, to provide authority to allocate propane, and for other purposes.".

AMENDMENT NO. 919

(Ordered to be printed and to lie on the table.)

Mr. PEARSON. Mr. President, I am submitting—for myself and Mr. BENTSEN—an amendment in the nature of a substitute to S. 2310, the Natural Gas Emergency Act of 1975. I ask unanimous consent that the text of my amendment, along with a section-by-section summary of its provisions, be printed in the RECORD immediately following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, this substitute amendment has two titles. The first title deals with the emergency natural gas supply situation facing the Nation this winter. The second title contains a long-term solution to the natural gas supply crisis.

Mr. President, the emergency title contained in our substitute amendment is a modification of the administration proposal dealing with the current emergency. In our "modified FEA" emergency proposal, we have limited the term of the emergency to an approximate 6-month term. It is apparent that emergency legislation should not initially extend beyond this coming winter because further delay in fundamental reform of the Natural Gas Act will only exacerbate the overall shortage condition.

Thus, our modified FEA proposal contains emergency authority for one winter; not two winters.

Under the terms of our emergency title, "180 days orders" could be issued by the Federal Power Commission to priority pipeline purchasers for access to excess intrastate or interstate supplies without triggering the regulatory consequences of the Natural Gas Act.

We have included portions of the FEA's proposal relating to forced conversion of powerplants from natural gas to alternate fuels.

Under the terms of our amendment, any electrical utility which has the present capacity to convert, immediately, to alternate fuels could be directed to convert for up to 6-months' time in order to increase the supply of natural gas for higher priority consumers. The adversely affected utility and pipeline would be compensated for its increased fuel costs by those high priority consumers who benefit.

Finally, we have included in the emergency provisions that portion of the administration's bill relating to standby authority to allocate propane.

Mr. President, the second title of our proposed substitute for S. 2310 contains our alternative to S. 692, commonly referred to as the Pearson-Bentsen substitute. As offered as a substitute for S. 692, the Pearson-Bentsen proposal has 21 other cosponsors as of this date.

Mr. President, under the terms of the amendment we are submitting, titles I and II would operate concurrently. Thus, the phased deregulation of the wellhead price of new natural gas—on shore—would begin upon enactment. The phaseout of regulation of the price of new natural gas from the Outer Continental Shelf would commence. The permanent phaseout of the use of natural gas as a powerplant fuel would begin. And the agricultural priority for natural gas consumption, second only to residential, small commercial and public health and safety uses, would become operative.

The purpose of the two-title alternative to S. 2310 is simple: it would facilitate the delivery of excess gas from both the interstate and intrastate market to essential interstate end users—as S. 2310 purports to do. But it would also incorporate the long-term solution to the problems of natural gas supply—a long-term solution that is long overdue.

AMENDMENT No. 919

Strike all after the enacting clause and insert in lieu thereof the following:

"TITLE I—EMERGENCY NATURAL GAS AUTHORITY

"SHORT TITLE

"SEC. 101. This title may be cited as the 'Natural Gas Emergency Standby Act of 1975'.

"PURPOSE

"SEC. 102. The purpose of this title is to grant the Federal Power Commission authority to allow natural-gas companies which transport natural gas in interstate commerce with inadequate quantities of natural gas to meet the requirements of their high priority consumers of natural gas to purchase natural gas from sources not in interstate commerce and from other such companies on an emergency basis free from the provisions of the Natural Gas Act (15 U.S.C. 717 et seq.), except for the reporting requirements of such Act; to grant the Federal Energy Administration authority to prohibit the use of natural gas as boiler fuel; and to provide the President with standby authority to allocate propane during periods of actual or threatened severe shortages of natural gas.

"DEFINITIONS

"SEC. 103. For the purposes of this title—

"(1) 'Natural-gas distributing company' means a person involved in the distribution or transportation of natural gas for ultimate public consumption for domestic, commercial, industrial, or any other use, but such term does not include a natural-gas company as defined in section 3(6) of the Natural Gas Act, as redesignated by the Natural Gas Act Amendments of 1975 (15 U.S.C. 717a(6)).

"(2) 'High priority consumer of natural gas' means a person so defined by the Commission by rules and regulations.

"(3) 'Independent producer' means a person, as determined by the Commission, (i) who is not affiliated with a person engaged in the transportation of natural gas in interstate commerce, and (ii) who is not a producing division of such a person engaged in the transportation of natural gas in interstate commerce.

"(4) 'Boiler fuel use of natural gas' means the use of natural gas as the source of fuel for the purpose of generating electricity for distribution.

"(5) 'Propane' means a hydrocarbon whose chemical composition is predominantly C_3H_8, whether recovered from natural-gas streams or crude oil, or any mixture containing such hydrocarbon to the extent of 10 percent or more by volume.

"(6) 'United States' means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

"(7) 'Administrator' means the Administrator of the Federal Energy Administration.

"(8) 'Commission' means the Federal Power Commission.

"EMERGENCY EXEMPTIONS

"SEC. 104. Section 8(c) of the Natural Gas Act, as redesignated by the Natural Gas Act Amendments of 1975 (15 U.S.C. 717f(c)), is amended by designating the two unnumbered paragraphs thereof as paragraphs (1) and (2), by deleting the period at the end of paragraph (2) as designated hereby, and inserting in lieu thereof the following: ': *Provided further*, That within 15 days after the enactment of the Natural Gas Emergency Standby Act of 1975, the Commission shall by regulation exempt from the provisions of this Act, except for reporting requirements, any activities, operations, facilities, or services relating to the transportation, sale and delivery, transfer, or exchange of natural gas from any source, other than any offshore Federal lands, by an independent producer, a natural-gas company which transports natural gas in interstate commerce, a person who transports natural gas in other than interstate commerce, or a natural-gas distributing company, to or with a natural-gas company which transports natural gas in interstate commerce which does not have or which under reasonably foreseeable circumstances may not have, a sufficient supply of natural gas to meet the requirements of its high priority consumers of natural gas and which is curtailing during the heating season from November 1975 through March 1976 pursuant to a curtailment plan on file with the Commission. Exemptions granted pursuant to this proviso shall be for periods of no more than 180 consecutive days. Persons who are exempt under section 2 (b) or (c) of this Act shall not have their exempt status affected in any way by making the sales or deliveries contemplated by this subsection: *Provided further*, That the Commission shall have no power to deny, in whole or in part, recovery by any natural-gas company in its jurisdictional rates of the amount paid by it for natural gas delivered to it pursuant to sales and contracts as described herein, except to the extent that an interstate transporter purchases natural gas from an affiliate at a rate in excess of the price paid by the transporter to nonaffiliated sellers in comparable sales transactions: *Provided further*, That natural gas sold and delivered or transported pursuant to any exemption granted under section 104 of the Natural Gas Emergency Standby Act of 1975 shall not be or become subject to the jurisdiction of the Commission because of such sale and delivery or transportation whether or not such sale is a sale for resale in interstate commerce or such transportation is in interstate commerce.

"PROHIBITION OF USE OF NATURAL GAS AS BOILER FUEL

"SEC. 105. (a) The Administrator may, by order, prohibit boiler fuel use of natural gas in any facility if—

"(1) the Administrator determines that—

"(A) such facility had on June 30, 1975 (or at any time thereafter) the capability and necessary plant equipment to burn petroleum products, coal or derivatives thereof,

"(B) the burning of petroleum products, coal or derivatives thereof by such facility in lieu of natural gas is practicable,

"(C) petroleum products, coal or derivatives thereof will be available during the period such order is in effect,

"(D) the prohibition under this subsection will not impair the reliability of service in the area served by the facility,

"(E) the prohibition under this subsection will result in making natural gas available for sale to a natural-gas company which transports natural gas in interstate commerce and which does not have adequate quantities of natural gas to meet the requirements of its high priority consumers and which is curtailing pursuant to a curtailment plan on file with the Commission, and

"(2) the Administrator of the Environmental Protection Agency has not certified to the Administrator within 15 days of the issuance of such order that its implementation will violate the Clean Air Act (42 U.S.C. 1857 et seq.) (including applicable implementation plans).

"(b) The Administrator may specify in any order issued pursuant to subsection (a) of this section the periods of time during which such order will be in effect and the quantity or rate of use of natural gas that may be burned by a facility during such periods, including the burning of natural gas to meet peaking load requirements: *Provided, however*, That no order issued pursuant to this section shall extend beyond April 4, 1976.

"(c) The Administrator shall exempt from any order issued pursuant to subsection (a) of this section the burning of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by a facility.

"(d) The Administrator shall modify or suspend any order issued pursuant to subsection (a) of this section to the extent necessary to alleviate short-term air quality emergencies or any other danger to the public health, safety, or welfare.

"(e) Any order issued pursuant to this section shall provide for just compensation of the facility and transporter affected by such order. Such compensation is (i) to be measured by the increased fuel costs, if any, incurred by a facility and the loss of revenue, if any, incurred by a transporter as a result of such order, and (ii) to be paid ultimately through increased rates and charges by those users, in proportion to the volumes of natural gas consumed by such users, who are determined by the Commission to benefit as a result of such order: *Provided, however*, That nothing contained in this subsection shall be construed to extend the jurisdiction of the Commission to any rates and charges not otherwise subject to the jurisdiction of the Commission under section 2 of the Natural Gas Act, as redesignated by the Natural Gas Act Amendments of 1975 (15 U.S.C. 717). For the purpose of this subsection the term 'users' means high priority consumers of natural gas who consume natural gas transported by the natural-gas company which obtains the natural-gas supplies made available for nonboiler fuel use by an order issued pursuant to this section.

"(f) The Administrator and the Commission shall have authority to issue such rules and orders applicable to any person as the Administrator or the Commission determines are necessary or appropriate to carry out the provisions of this section.

"PROPANE STANDBY ALLOCATION AUTHORITY

"SEC. 106. (a) Upon finding that shortages of natural gas exist or are imminent and upon finding that such shortages or potential shortages constitute a threat to the public health, safety, or welfare, the President is authorized to issue such orders and regulations as he deems appropriate to provide, consistent with subsection (d) of this section, for the establishment of priorities of use and for equitable allocation and distribution of propane to classes of consumers, who are historical users of propane, and where energy and feedstock (other than synthetic natural-gas feedstock) needs have historically been met through the use of propane, and equitable pricing of propane, in order to meet the essential needs of various sections of the United States, to lessen anticompetitive effects resulting from shortages of natural gas and to provide sufficient incentive to maximize the extraction and production of propane. In issuing such orders and regulations, the President shall, to the extent practicable, insure that the needs of residential and small users, hospitals and similar services vital to the public health and safety, agricultural producers, food processors, and food packagers are met. The President shall next insure, to the extent practicable, that the needs of users of propane for petrochemicals, feedstock (other than synthetic natural-gas feedstock), and process uses are met. Only after all of the foregoing needs are met shall propane be made available for any other use.

"(b)(1) Whoever violates any order or regulation under this section shall be subject to a civil penalty of not more than $2,500 for each violation.

"(2) Whoever willfully violates any order or regulation under this section shall be fined not more than $5,000 for each violation.

"(3) Any person or agency to whom the President has delegated his authority pursuant to subsection (j) of this section may issue such orders and notices as are deemed necessary to insure compliance with any order or regulation issued pursuant to subsection (a) of this section or to remedy the effects of violations of any such orders or regulations.

"(c) There shall be available as a defense to any action brought under the antitrust laws, or for breach of contract in any Federal or State court arising out of delay or failure to provide, sell, or offer for sale or exchange any product covered by this section that such delay or failure was caused solely by compliance with the provisions of this section or with any regulations or any orders issued pursuant to this section.

"(d)(1) Subject to paragraph (2), (3), and (4) of this subsection, which shall apply to any rule, regulation, or order having the applicability and effect of a rule as defined in section 551(4) of title 5, United States Code, and issued pursuant to this section, the functions exercised under this section are excluded from the operation of subchapter II of chapter 5, and chapter 7 of title 5, United States Code, except as to the requirements of sections 552, 553, and 555 (e) of title 5, United States Code.

"(2) Notice of any proposed rule, regulation, or order described in paragraph (1) of this subsection shall be given by publication of such proposed rule, regulation, or order in the Federal Register. In each case, a minimum of 10 days following such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time of notice and opportunity to comment may be waived where strict compliance is found to cause serious harm or injury to the public health, safety, or welfare, and such finding is set out in detail in such rule, regulation, or order.

"(3) In addition to the requirements of paragraph (2) of this subsection, if any rule, regulation, or order described in paragraph (1) of this subsection is likely to have a substantial impact on the Nation's economy or large numbers of individuals or businesses, an opportunity for oral presentation of views, data, and arguments shall be afforded. To the maximum extent practicable, such opportunity shall be afforded prior to the issuance of such rule, regulation, or order, but in all cases such opportunity shall be afforded no later than 45 days after the issuance of any such rule, regulation, or order. A transcript shall be kept of any oral presentation.

"(4) The President or any officer or agency authorized to issue the rules, regulations, or orders described in paragraph (1) of this subsection shall provide for the making of such adjustments, consistent with the other purposes of this section, as may be necessary to prevent particular hardship, inequity, or unfair distribution of burdens and shall, by rule, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, rescission of, exception to, or exemption from such rules, regulations, and orders. If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the President or the officer or agency to whom he has delegated his authority pursuant to subsection (j) of this section and may obtain judicial review in accordance with subsection (e) of this section when such denial becomes final. The President or such officer or agency shall, by rule, establsh appropriate producers, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

"(e)(1) The district courts of the United States shall have exclusive original jurisdiction of cases or controversies arising under this section or under regulations or orders issued thereunder, notwithstanding the amount in controversy; except that nothing in this paragraph or in paragraph (7) of this subsection shall affect the power of any court of competent jurisdiction to consider, hear, and determine any issue by way of defense (other than a defense based on the constitutionality of this section or the validity of action taken by any agency under this section) raised in any proceeding before such court. If in any such proceeding an issue by way of defense is raised based on the constitutionality of this section or the validity of actions under this section, the case shall be subject to removal by either party to a district court of the United States in accordance with the applicable provisions of chapter 89 of title 28, United States Code.

"(2) Except as otherwise provided in this section, exclusive appellate jurisdiction is vested in the Temporary Emergency Court of Appeals, a court which is currently in existence, but which is independently authorized by this section. The court, a court of the United States, shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such designated judges as chief judge of the Temporary Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. Except as provided in subparagraph (B) of paragraph (5) of this subsection, the court shall not have power to issue any interlocutory decree staying or restraining in whole or in part any provision of this section, or the effectiveness of any regulation or order issued thereunder. In all other respects, the court shall have the powers of a circuit court of appeals with respect to the jurisdiction conferred on it by this section. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases over which it has jurisdiction under this section. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary or proper.

"(3) Appeals from the district courts of the United States in cases and controversies arising under regulations or orders issued under this section shall be taken by the filing of a notice of appeal with the Temporary Emergency Court of Appeals within 30 days of the entry of judgment by the district court.

"(4) In any action commenced under this section in any district court of the United States in which the court determines that a substantial constitutional issue exists, the court shall certify such issue to the Temporary Emergency Court of Appeals. Upon such certification, the Temporary Emergency Court of Appeals shall determine the appropriate manner of disposition which may include a determination that the entire action be sent to it for consideration or it may, on the issues certified, give binding instructions and remand the action to the certifying court for further disposition.

"(5)(A) Subject to subparagraph (B) of this paragraph, no regulation of any agency exercising authority under this section shall be enjoined or set aside, in whole or in part, unless a final judgment determines that the issuance of such regulation was in excess of the agency's authority, was arbitrary or capricious, or was otherwise unlawful under the criteria set forth in section 706(2) of title 5, United States Code, and no order of such agency shall be enjoined or set aside, in whole or in part, unless a final judgment determines that such order is in excess of the agency's authority, or is based upon findings which are not supported by substantial evidence.

"(B) A district court of the United States or the Temporary Emergency Court of Appeals may enjoin temporarily or permanently the application of a particular regulation or order issued under this section to a person who is a party to litigation before it. Except as provided in this paragraph, no interlocutory or permanent injunction restraining the enforcement, operation, or execution of this section, or any regulation or order issued thereunder, shall be granted by any district court of the United States or judge thereof. Any such court shall have jurisdiction to declare (i) that a regulation of an agency exercising authority under this section is in excess of the agency's authority, is arbitrary or capricious, or is otherwise unlawful under the criteria set forth in section 706(2) of title 5, United States Code, or (ii) that an order of such agency is invalid upon a determination that the order is in excess of the agency's authority, or is based upon findings which are not supported by substantial evidence. Appeals from interlocutory decisions by a district court of the United States under this subparagraph may be taken in accordance with the provisions of section 1292 of title 28, United States Code; except that reference in such section to the courts of appeals shall be deemed to refer to the Temporary Emergency Court of Appeals.

"(6) The effectiveness of a final judgment of the Temporary Emergency Court of Appeals enjoining or setting aside in whole or in part any provision of this section, of any regulation or order issued thereunder shall be postponed until the expiration of time for filing a writ of certiorari with the Supreme Court under paragraph (7) of this subsection. If such petition is filed, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the action by the Supreme Court.

"(7) Within 30 days after entry of any judgment or order by the Temporary Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Temporary Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Temporary Emergency

Court of Appeals, shall have exclusive jurisdiction to determine the constitutional validity of any provision of this section or of any regulation or order issued under this section. Except as provided in this paragraph, no Federal or State court shall have jurisdiction or power to consider the constitutional validity of any provision of this section or of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this section authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"(f) Whenever it appears to any person or agency authorized by the President pursuant to subsection (j) of this section that any individual or organization has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any order or regulation under this section, such person or agency may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any such order or regulation. In addition to such injunctive relief, the court may also order restitution of moneys received in violation of any such order or regulation.

"(g)(1) An agency or person exercising authority pursuant to subsection (j) of this section shall have authority, for any purpose related to this section, to sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, and to administer oaths.

"(2) Upon presenting appropriate credentials and a written notice to the owner, operator, or agency in charge, any agency or person exercising authority pursuant to subsection (j) of this section may enter any business premise or facility and inspect, at reasonable times and in a reasonable manner, any such premise or facility, inventory and sample any stock of energy resources therein, and examine and copy books, records, papers, or other documents in order to obtain information as necessary or appropriate for the proper exercise of functions under this section and to verify the accuracy of any such information.

"(3) Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served upon any person under the provisions of this subsection, the agency or person authorizing such subpena may request the Attorney General to seek the aid of the district court of the United States for any district in which such person is found to compel such person, after notice, to appear and give testimony, or to appear and produce documents before the agency or person.

"(h) Any person suffering legal wrong because of any act or practice arising out of this section, or any order or regulation issued pursuant thereto, may bring an action in a district court of the United States, without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment, writ of injunction (subject to the limitations in subsection (e) of this section), or damages.

"(i) Section 5(b) of the Federal Energy Administration Act of 1974 (15 U.S.C. 763(b)) is amended by adding the word 'and' after the semicolon in paragraph 10; by deleting paragraph 11; and by redesignating paragraph 12 as paragraph 11.

"(j) The President may delegate the performance of any function under this section to such offices, departments, and agencies of the United States as he deems appropriate.

"(k) No law, rule, regulation, order, or ordinance of any State or municipality in effect on the date of enactment of this title, or which may become effective thereafter, shall be superseded by any provision of this section or any rule, regulation, or order issued pursuant to this section except insofar as such law, rule, regulation, order, or ordinance is inconsistent with the provisions of this section, or any rule, regulation, or order issued thereunder.

"EXPIRATION DATE

"SEC. 107. (a) This title shall expire on midnight April 4, 1976.

"(b) The expiration of this title and the authority granted under this title shall not affect any action or pending proceedings not finally determined on the date of such expiration, or any action or proceeding based upon any act committed prior to such date.

"TITLE II—NATURAL GAS ACT AMENDMENTS

"SEC. 201. This title may be cited as the 'Natural Gas Act Amendments of 1975'.

"SEC. 202. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by (1) striking out section 24 thereof (15 U.S.C. 717w); (2) redesignating sections 1 through 23 thereof (15 U.S.C. 717–717v) as sections 2 through 24 thereof; and (3) inserting therein the following new section 1:

" 'SHORT TITLE

" 'SECTION 1. This Act may be cited as the "Natural Gas Act".'.

"SEC. 203. Section 2(b) of the Natural Gas Act, as redesignated by this title (15 U.S.C. 717(b)), is amended (1) by deleting 'The' at the beginning thereof and by inserting in lieu thereof immediately after '(b)' the following: '(1) Except as provided in paragraph (2) of this subsection, the'; and (2) by inserting at the end thereof the following new paragraph:

" '(2) Subject only to the provisions of section 25 of this Act, after the effective date of the Natural Gas Act Amendments of 1975, the authority of the Commission to regulate the sale of natural gas to a natural-gas company for resale in inerstate commerce pursuant to this Act shall cease to exist with respect to, and shall not apply to, new natural gas: *Provided, however,* That nothing contained in the Natural Gas Act Amendments of 1975 shall modify or affect the authority of the Commission in effect prior to the date of enactment of such amendments to (i) regulate the transportation in interstate commerce of natural gas or the sale in interstate commerce for resale of old natural gas, or (ii) regulate sales for resale of natural gas by any natural-gas company which transports natural gas in interstate commerce or by an affiliate thereof which transports natural gas in interstate commerce.'

"SEC. 204. (a) Section 3 of the Natural Gas Act, as redesignated by this title (15 U.S.C. 717a), is amended by redesignating paragraphs (7) through (9) as paragraphs (12) through (14), and by inserting the following new paragraphs:

" '(7) "Boiler fuel use of natural gas" means the use of natural gas as the source of fuel for the purpose of generating electricity for distribution.

" '(8) "New natural gas" means natural gas sold or delivered in interstate commerce (i) which is dedicated to interstate commerce for the first time on or after January 1, 1975, (ii) which is continued in interstate commerce after the expiration of a contract by its own terms (and not through the exercise of any power to terminate or renegotiate contained therein) for the sale or delivery of such natural gas existing as of such date, or (iii) which is produced from wells commenced on or after such date.

" '(9) "Old natural gas" means natural gas other than new natural gas.

" '(19) "Affiliate" means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person, as determined by the Commission pursuant to its rulemaking authority.

" '(11) "Offshore Federal lands" means any land or subsurface area within the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).'

"SEC. 205. (a) Section 5(a) of the Natural Gas Act, as redesignated by this title (15 U.S.C. 717c(a)), is amended by adding at the end thereof the following new sentence: 'The rates and charges made, demanded, or received by any natural-gas company for, or in connection with, a contract for the sale of new natural gas produced from offshore Federal lands shall be deemed to be just and reasonable, if they do not exceed the applicable national ceiling, established by regulation of the Commission or subsequently modified by the Commission pursuant to section 25 of this Act, in effect at the time when such new natural gas is either first sold or first transferred under such contract to a natural-gas company: *Provided, however,* That rates and charges in excess of such national ceiling may be authorized by the Commission to provide special relief to meet extraordinary expenses that could not be anticipated at the time the national ceiling was established or modified.'

"(b) Section 5(e) of the National Gas Act, as redesignated by this title (15 U.S.C. 717c(e)), is amended by adding at the end thereof the following new sentence: 'Notwithstanding the foregoing, the Commission shall have no power (1) to deny, in whole or in part, any rate or charge made, demanded, or received by any natural-gas company for, or in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (i) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 25 of this Act, or (ii) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company; or (2) to order a decrease in the rate or charge made, demanded, or received for the sale or transfer of old natural gas by a natural-gas company if such rate or charge shall have been previously determined or deemed to be just and reasonable pursuant to this Act.'

"SEC. 206. Section 6(a) of the Natural Gas Act, as redesignated by this title (15 U.S.C. 717d(a)), is amended by striking the period at the end thereof and by adding the following: ': *Provided further,* That the Commission shall have no power (1) to deny, in whole or in part, any rate or charge made, demanded, or received by any natural-gas company for, or in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (i) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 25 of this Act, or (ii) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company; or (2) to order a decrease in the rate or charge made, demanded, or received for the sale or transfer of old natural gas by a natural-gas company if such rate or charge shall have been previously determined or deemed to be just and reasonable pursuant to this Act.'

"SEC. 207. Section 15 of the Natural Gas Act, as redesignated by this title (15 U.S.C. 717m), is amended by adding at the end thereof the following two new subsections:

"'(h) The Commission is further authorized and directed to conduct studies of the production, gathering, storage, transportation, distribution, and sale of natural or artificial gas, however produced, throughout the United States and its possessions whether or not otherwise subject to the jurisdiction of the Commission, including the production, gathering, storage, transportation, distribution, and sale of natural or artificial gas by any agency, authority, or instrumentality of the United States, or of any State or political subdivision thereof. It shall, insofar as practicable, obtain and keep current information regarding (1) the ownership, operation, management, and control of all facilities for such production, gathering, storage, transportation, distribution, and sale; (2) the total estimated natural-gas reserves of fields or reservoirs, the current utilization of natural gas, and the relationship between the two; (3) the rates, charges, and contracts in respect to the sale of natural gas and service to residential, rural, commercial, and industrial consumers, and private and public agencies; and (4) the relationship of any and all such information to the requirements of conservation, industry, commerce, and the national defense. The Commission shall report to the Congress and may publish and make available, as provided by subsection (a) of this section, the results of studies made pursuant to this subsection.

"'(i) In making studies, investigations, and reports pursuant to this section, the Commission shall utilize, insofar as practicable, the services, studies, reports, information, and programs of existing departments, bureaus, offices, agencies, and other entities of the United States, of the several States, and of the natural-gas industry. Nothing in this section shall be construed as modifying, reassigning, or otherwise affecting the investigative and reporting activities, duties, powers, and functions of any other department, bureau, office, or agency of the Federal Government.'

"SEC. 208. The Natural Gas Act, as amended by this title, is further amended by adding at the end thereof the following three new sections:

"'NATIONAL CEILING FOR RATES AND CHARGES

"'SEC. 25. (a) The Commission shall, as soon as practicable after the date of enactment of the Natural Gas Act Amendments of 1975, and pursuant to rulemaking procedures under section 553 of title 5, United States Code, to establish by regulation, and may from time to time modify, a national ceiling for rates and charges for the sale or transfer in interstate commerce by any person of new natural gas produced from offshore Federal lands on or after January 1, 1975, through December 31, 1980. In establishing such national ceiling the Commission shall consider the following factors and only these factors:

"'(1) the prospective costs attributable to the exploration, development, production, gathering, and sale of natural gas;

"'(2) the rates and charges necessary to encourage the optimum levels of (i) the exploration for natural gas, (ii) the development, production, and gathering of natural gas, and (iii) the maintenance of proved reserves of natural gas;

"'(3) the promotion of sound conservation practices in natural-gas consumption necessary to contribute to the maintenance of a supply of energy resources at reasonable prices to consumers; and

"'(4) the rates and charges that will protect consumers of natural gas from price increases that would, in the absence of a national ceiling during periods of actual or anticipated shortages, exceed the rates and charges necessary to achieve the objectives of paragraphs (1) through (3) of this subsection.

"'(b) The Commission shall monitor the national ceiling for rates and charges for the sale or transfer in interstate commerce by any person of new natural gas, and during the period such ceiling is in effect, commencing on July 1, 1976, the Commission shall report to the Congress not less than annually on the effectiveness of such national ceiling in meeting the factors set forth in subsection (a) of this section.

"'(c) The Commission may authorize a person to charge an amount in excess of such national ceiling for new natural gas produced from offshore Federal lands from any high cost production area or vertical drilling depth as designated by the Commission pursuant to its rulemaking authority. In establishing such amount in excess of such national ceiling, the Commission shall consider the factors set forth in subsection (a) of this section and only those factors.

"'(d) Any contract entered into after the date of enactment of the Natural Gas Act Amendments of 1975 for the sale of new natural gas for resale which involves the receipt by the seller of funds in advance of production of the natural gas covered by such contract shall be filled with the Commission at least 60 days in advance of deliveries thereunder. The Commission may thereafter require, after notice and opportunity for hearing, that the sales rate specified in such contract be reduced or modified as necessary to repay in full to the advancing party the principal of the advance and any interest thereon, upon such terms and conditions as the Commission may determine proper in the public interest.

"NATURAL GAS FOR ESSENTIAL AGRICULTURAL PURPOSES

"'SEC. 26. Except to the extent that natural-gas supplies are required to maintain natural-gas service to residential users, small users, hospitals, and similar services vital to public health and safety, and notwithstanding any other provision of law or of any natural-gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, prohibit any interruption or curtailment of natural gas and take such other steps as are necessary to assure as soon as practicable the availability in interstate commerce of sufficient quantities of natural gas for use for any essential agricultural, food processing, or food packaging purpose for which natural gas is essential, including but not limited to irrigation pumping, crop drying, use as a raw material feedstock, or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. The Secretary of Agriculture shall determine by rule the agricultural, food processing, or food packaging purposes for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet requirements for full domestic food and fiber production.

"'NATURAL GAS CONSERVATION

"'SEC. 27. (a) Except as provided in subsection (d) of this section, the Commission shall by rule prohibit boiler fuel use of natural gas affecting commerce not contracted for prior to January 1, 1975, unless, upon petition by the user, the Commission determines that—

"'(1) alternative fuels, other than crude oil or products refined therefrom and propane, are not available to such user; or

"'(2) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination.

"'(b) Except as provided in subsection (d) of this section, boiler fuel use of natural gas contracted for prior to January 1, 1975, shall be terminated by the user of such natural gas at the expiration of such contract or 10 years after the date of enactment of the Natural Gas Act Amendments of 1975, whichever is earlier, unless, upon petition of such user, the Commission determines that (1) alternative fuels, other than crude oil or products refined therefrom and propane, are not available to such user, or (2) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination. The Commission shall modify or terminate certificates of public convenience and necessity relating to such contracts to the extent necessary to carry out the purpose of this subsection.

"'(c) Except as expressly provided in subsection (b) of this section, the Commission shall not (1) modify, amend, or abrogate contracts entered into prior to January 1, 1975, for the sale or transportation of natural gas for boiler fuel use, (2) modify, amend, or abrogate certificates of public convenience and necessity authorizing the sale or transportation of natural gas under such contracts, except upon application duly made by the holder of a certificate under section 8 of this Act; or (3) prevent, impair, or limit, either directly or indirectly, the performance of any such contract or certificate: *Provided, however,* That the provisions of this subsection shall not otherwise modify or affect the authority of the Commission under this Act.

"'(d) The Commission shall not prohibit the boiler fuel use of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by a facility, or for the purpose of alleviating short-term air quality emergencies or any other danger to the public health, safety, or welfare.

"'(e) In implementing the provisions of this section, the Commission shall, to the extent necessary, apply the provisions of section 18 of this Act.

"'(f) Nothing in this section shall impair any requirement in any State or Federal law pertaining to safety or environmental protection. The Commission, in determining feasibility or practicability where required by this section, shall not assume that there will be any lessening in any safety or environmental requirement established pursuant to State or Federal law.'".

Amend the title so as to read: "A bill to provide authority to institute emergency measures to minimize the adverse effects of natural gas shortages, to provide authority to allocate propane, to regulate commerce to assure increased supplies of natural gas at reasonable prices for consumers, and for other purposes.".

SECTION-BY-SECTION SUMMARY: AMENDMENT NO. 919 IN THE NATURE OF A SUBSTITUTE TO S. 2310

TITLE I

Section 101.—Names the title as the "Natural Gas Emergency Standby Act of 1975."

Section 102.—States the purpose of the title to grant the Federal Power Commission (FPC) authority to allow interstate pipeline companies with inadequate natural gas for their high priority customers to acquire natural gas from intrastate sources (and other interstate pipeline companies) on an emergency basis free from the provisions of the Natural Gas Act, except for the reporting requirement contained therein; and other purposes of the title as set forth below.

Section 103.—Definitions.

Section 104.—Amends section 7(c) of the Natural Gas Act to permit the FPC to exempt from the provisions of the Natural Gas Act the transportation, sale and delivery, transfer or exchange of natural gas in connection with emergency acquisitions of natural gas by interstate pipelines. Exemptions could be granted for transactions between a producer, interstate pipeline company, intrastate pipeline company or gas distributing company, to or with an interstate pipeline company which does not have a sufficient supply of natural gas to fulfill the requirements of its high priority consumers of natural gas, and which is curtailing deliveries pursuant to a curtailment plan on file with the FPC. Exemptions could not exceed 180 days.

Section 105.—The purpose of this section is to increase the availability of natural gas to high priority consumers by authorizing the FEA, under certain emergency conditions, to require the use of alternative fuels by electrical utilities.

The FEA may, by order, from date of enactment, direct electrical utility companies using natural gas as a boiler fuel to convert to alternative fuels if (1) such utilities have in place the equipment and capability to convert, (2) the use of alternative fuels is practicable, (3) alternative fuels are available, (4) the reliability of utility service will not be impaired, and (5) the EPA within fifteen days after issuance of a conversion order does not find that such order will result in a violation of the Clean Air Act (including applicable implementation plans). Utility fuel conversion orders issued pursuant to this section may be modified or suspended in order to alleviate air quality or pollution crises. All authority to require electrical utility conversion to alternative fuels under this section will expire on April 4, 1976. Provision is made for the compensation of enterprises affected adversely by a conversion order under this section by means of increased rates and charges to the benefitting priority users as designated by the FPC.

Section 106.—The purpose of this section is to provide standby authority for the President (or his delegate) to allocate propane during periods of actual or threatened severe shortages of natural gas.

The section provides standby authority to the President to issue such orders and regulations as may be appropriate in order to provide for systematic allocation and pricing of propane. Prior findings are required that shortages of natural gas exist or are imminent and that such shortages constitute a threat to public health, safety or welfare.

The section sets forth civil and criminal sanctions for violation of regulations and orders made pursuant to the section, as well as authority to issue orders to insure compliance and to afford restitution to injured parties.

The section provides a defense under antitrust or contract law for failures or delays in providing, selling or offering for sale propane if such failures or delays result in compliance with the section.

The section further prescribes administrative procedures including the manner by which rulemakings are to be initiated. It also sets forth the requirement for administrative procedures by which any inequities or hardships arising from the administration of the program can be prevented.

The section provides injunctive and other remedies for insuring compliance. It specifies subpoena power and the authority to inspect premises, inventories, documents and other items to carry out the provisions of the section. It also provides for paying witnesses' fees, and mileage and for compelling attendance of witnesses.

The section further establishes a private right of action based upon any legal wrong suffered because of acts or practices arising out of the implementation of its provisions.

Finally, the section provides for the relationship of its terms to state and municipal laws, rules, regulations, orders or ordinances.

Section 107.—Provides that all provisions of the title shall expire on midnight, April 4, 1976.

TITLE II

Section 201.—Names the title as the "Natural Gas Act Amendments of 1975."

Section 202.—Re-designates sections in the Natural Gas Act.

Section 203.—This section, in conjunction with section 208, is the keystone of the Natural Gas Act Amendments of 1975. In order to terminate Federal wellhead price regulation over new on-shore natural gas, and phase out Federal wellhead price regulation of new off-shore gas while preserving the present structure of regulation of "old natural gas" and pipeline operations, section 203 directs that, from and after the effective date of this legislation, the Federal Power Commission's (FPC) authority to regulate sales of "new natural gas" for re-sale in interstate commerce "shall cease to exist . . . and shall not apply."

Federal wellhead price regulation, for a 6-year period, of "new natural gas" sales from the off-shore Federal domain is then re-established in section 208 of the bill, but with the express provision that the Natural Gas Act Amendments of 1975 shall in no way modify, or affect, the FPC's existing authority (a) to regulate the transportation or sale of "old natural gas," or (b) to regulate pipeline rates and services, or transactions between a pipeline and its affiliate. The second proviso further guarantees that there will be no impairment of the FPC's authority to regulate curtailments of service by interstate pipelines, since this authority is derived from the Commission's authority over transportation by pipelines of natural gas in interstate commerce.

The present FPC authority to regulate wellhead sales of natural gas derives, by judicial construction, from existing sections 4, 5 and 7 of the Natural Gas Act. Thus, section 203 first terminates *all* existing FPC authority over wellhead sales, then re-establishes regulatory authority *only* as to new off-shore sales for the years 1975 through 1980, inclusive. As section 203 makes clear, however, existing authority over "old natural gas" and pipeline operations is unchanged.

Section 204.—This section sets forth the new definition essential to application of the Natural Gas Act Amendments of 1975. The new definitions offered are:

(a) "Boiler fuel use"—defined as gas used for fuel to generate electricity for distribution.

(b) "New natural gas"—defined as:

1. Natural gas sold in interstate commerce for the first time on or after January 1, 1975; or

2. Natural gas produced for wells commenced on or after January 1, 1975; or

3. Natural gas available for sale in interstate commerce after the expiration of a contract, if such contract expired after January 1, 1975, and if such contract expiration was not brought about by the exercise of unilateral powers of termination or renegotiation.

(c) "Old natural gas"—defined as all natural gas except "new natural gas."

(d) "Affiliate"—defined in terms of control or ownership with the Commission to make detailed determinations of affiliate relationships after rule making. "Natural gas" purchased by a pipeline from its affiliates should not be totally unregulated because of the absence of arms-length bargaining in such transactions. As set forth in Sections 205 and 206 a pipeline's affiliate production may be sold for no greater rate than gas sold to such pipeline by non-affiliated producers.

(e) "Off-shore Federal lands"—defined by reference to the meaning of such term in the Outer Continental Shelf Lands Act, (43 USC 1331 (a)).

Section 205 (a).—Section 205 (a) amends existing section 4 of the Natural Gas Act to accommodate the new regulatory structure mandated by the Natural Gas Act Amendments of 1975. Existing section 4 requires FPC regulation of all sales for re-sale in interstate commerce through a determination of rates which are "just and reasonable." By judicial construction, and through Commission precedent, the "just and reasonable" standard has come to mean that all rates must be determined by refernce to "cost plus return on investment." For pipeline rates, this is entirely appropriate and no change is required; for producer rates, however, section 208 of the bill requires the Commission to consider factors other than cost during the 6-year period of continuing regulation of new gas sales from off-shore Federal lands. Amendment of existing section 4 of the Natural Gas Act is necessary to insure that the proposed new standards are properly incorporated into the Natural Gas Act.

Section 205(b) amends existing section 4(e) of the Natural Gas Act to prohibit the Commission from denying to pipelines their cost of purchased gas except in the following two specific instances:

1. When the pipeline purchases new off-shore gas and pays more than the Commission-set ceiling price applicable to such gas; or

2. When the pipeline purchases gas from an affiliate and pays more to its affiliate than it pays to a nonaffiliate producer.

In these instances, and only in these instances, is the Commission empowered to deny the pipeline recovery of a portion of the wellhead price paid to producers.

This subsection further limits the power of the Commission by providing that producers may be denied their contract rate for new off-shore gas only if such contracts exceed the Commission-set ceiling rate for such gas. If the contract rate is excessive, the Commission may reject producer rate filings to the extent that the rate sought exceeds the applicable ceiling set pursuant to section 8 of the bill.

Finally, section 205(b) brings to producer rate regulation (with respect to old gas sales and new off-shore gas sales) the requisite degree of finality and certainly that has heretofore been lacking in the regulatory structure. Proposed section 205 (b) (2) prohibits the Commission from engaging in rate redeterminations, after having determined the "just and reasonable" rate for a sale. Without this amendatory language establishing sanctity of contract, the Commission would retain authority to re-adjudicate producer rates at any time it chooses (without regard to prior "final" EPC decisions establishing such rates.)

It is the intent of this proposed section to make only those changes in existing section 4 of the Natural Gas Act as are necessary to effectuate the basic re-structuring of producer regulation set forth in section 203 of the Natural Gas Act Amendment of 1975 (i.e., that Commission authority over "old natural gas" and over pipeline sales for resale, transportation, and curtailment should remain intact; that Commission jurisdiction over sales of "new natural gas" from off-shore Federal lands should continue in modified form only through 1980; and that all Commission jurisdiction over sales for resale in interstate commerce of new on-shore gas should cease to exist upon enactment of the Natural Gas Act Amendments of 1975). Nothing contained in proposed section 205 of the bill is to be construed as authorizing the FPC to exercise any wellhead rate jurisdiction over a sale of new on-shore gas to an interstate pipeline, except where this sale is by an affiliate to its parent pipeline.

Section 201: Section 206 amends existing section 5(a) of the Natural Gas Act to accommodate the new regulatory structure mandated by the Natural Gas Act Amendments of 1975. The amendment of existing section 5 is comparable to the amendment of existing section 4(e) which is set forth in section 205(b) of the Natural Gas Act Amendments of 1975, and which is described above.

It is necessary to amend both existing sections 4(e) and 5(a) of the Natural Gas Act because of the interaction of the two sections on producer regulation. Existing section 4(e) establishes the Commission's authority to act on producer rate filings, while existing section 5(a) empowers the Commission to act on its own initiative to decrease rates which may be excessive. Thus, the amendment of existing section 5(a) of the Natural Gas Act, as set forth in section 206 of the amendment in the nature of a substitute text, is a conforming amendment necessary to maintain internal consistency.

It is the intent of section 206 of the Natural Gas Amendments of 1975 to make only such changes in existing section 5(a) as are necessary to effectuate the basic re-structuring of producer regulation established in section 3 of the bill (i.e.), that Commission authority over "old natural gas" and over pipeline sales for re-sale, transportation, and curtailment should remain intact; that Commission jurisdiction over sales of new gas from off-shore Federal lands should continue in modified form only through the end of 1980; and that all Commission jurisdiction over sales for resale in interstate Commerce of new on-shore gas should cease to exist upon enactment of the Natural Gas Act Amendments of 1975). Nothing contained in proposed section 206 of the amendment is to be construed as authorizing the FPC to exercise wellhead rate jurisdiction over a sale of new on-shore gas to an interstate pipeline, except where such sale is by an affiliate to its parent pipeline and except in the case of certain contracts involving the making of advance payments.

Section 207: This section of the Natural Gas Act Amendments of 1975 creates new authority in the FPC to gather information, conduct studies and report to Congress on matters relating to natural gas supplies, production, transportation and consumption.

The FPC currently does not have statutory authority to engage in comprehensive data collection. Its authority is limited to the power to compel reports from companies on sales and services subject to its jurisdiction. The Commission has consistently sought broadened powers to enable it to secure comprehensive data on natural gas. Section 207 would grant such authority.

Section 208: This section of the Natural Gas Act Amendments of 1975 proposes the following three new sections to the Natural Gas Act:

1. New section 25 establishes regulatory criteria for sales of new off-shore gas;
2. New section 26 establishes priorities for essential uses of natural gas; and
3. New section 27 establishes a basis for phasing out consumption of natural gas for boiler fuel use in generating electricity for distribution.

New section 25 grants to the FPC, for a period of six years, wellhead jurisdiction over sales of "new natural gas" produced from off-shore Federal lands. It is the intent that FPC wellhead rate jurisdiction over new gas sales to interstate pipelines be expressly limited to only one category of new gas; namely, gas produced from off-shore Federal lands.

During the 6-year period of phased-out regulation of new off-shore gas, the Commission is directed to discard strict utility-type cost-of-service rate regulation, and to establish rates, instead, on the basis of the following four enumerated criteria (and only those criteria):

1. Prospective costs;
2. The rate necessary to achieve optimum deliveries of natural gas;
3. The rate necessary to promote conservation of natural gas; and
4. The rate necessary to protect consumers from price increases attributable to shortage conditions.

The FPC is directed to set a national ceiling rate for new off-shore gas as soon as practicable by rule-making, through consideration of the four criteria set forth above, and to modify such ceiling rate as necessary from time to time prior to Dec. 31, 1980. The Commission also is empowered to authorize rates in excess of the national ceiling for high-cost or deep drilling activities.

New section 26 directs the Commission to give first priority, during times of shortage, to residential users, small users, and to hospitals and similar services vital to public health and safety. After these priority uses are protected, the Commission is directed to give next priority to gas service for essential agricultural, food processing and packaging purposes. The Secretary of Agriculture shall determine by rule the essential agricultural, food processing, or packaging purposes for which natural gas is essential.

Interruption or curtailment of service for essential agricultural purposes will be prohibited (except where necessary to protect service to residential and other first priority uses), and the Commission will be required to meet existing and expanded needs for such agricultural purposes as fertilizer manufacture, irrigation pumping and crop drying.

New section 27 will bring about conservation of natural gas for higher priority utilization by phasing out the use of natural gas as a boiler fuel for the generation of electricity for distribution. Proposed section 27(a) directs the Commission to prohibit, by rule-making, any new sale of natural gas for boiler fuel purposes, unless the Commission expressly finds that there is no alternate fuel (other than crude oil, crude oil derivatives or propane) available to the purchaser, or that use of alternate fuel is not feasible or practicable.

Proposed section 27(b) requires the termination of the use of natural gas as a boiler fuel by electrical utilities within ten years after the date of enactment. Alternative fuels, other than crude oil, crude oil derivatives or propane, must be available and their use must be feasible or practicable.

Proposed section 27(c) provides sancity of contract for electrical utilities who acquired a supply of natural gas for boiler fuel use prior to January 1, 1975. Such contracts for natural gas supply would, however, be subject to the overriding requirement for phase-out within ten years, and would further be subject to all curtailment orders issued by the Commission under authority of other provisions of the Natural Gas Act.

NATURAL GAS ACT AMENDMENTS OF 1975—S. 692

AMENDMENT NO. 920

(Ordered to be printed and to lie on the table.)

Mr. PEARSON. Mr. President, I am submitting today, for myself, and Senators Bentsen, Baker, Beall, Bellmon, Brock, Buckley, Chiles, Domenici, Garn, Gravel, Griffin, Laxalt, McGee, Montoya, Percy, Randolph, Stevens, Stone, Taft, Tower, Weicker, and Young, an amendment in the nature of a substitute to S. 692, the Natural Gas Production and Conservation Act of 1975, as reported on June 12 by the Committee on Commerce.

I ask unanimous consent that the text of the amendment be printed in the Record immediately following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, this substitute amendment reflects the text of Amendment No. 586, which we submitted on June 12, along with the modifications thereto printed in the Congressional Record on July 29. The substitute we are today submitting, which will be considered in connection with the debate on S. 692, also includes two additional significant modifications which we believe will fulfill the legislative intent.

As presently drafted, our substitute amendment includes express authority to include cotton production and processing in the statutory agricultural priority section. This was implied, but not express, in the initial draft of the amendment.

Mr. President, the provision relating to natural gas conservation also has been modified to insure an orderly phaseout of the use of natural gas as a boiler fuel for electrical generation for distribution. While the mandate to phase out such boiler fuel use within 10 years remains intact, the modified language insures that FPC will not have the opportunity to administer the phaseout in an arbitrary fashion. Litigation will be minimized under the new language, while the ultimate goal, shared by comparable provisions in S. 692, is realized—the conversion of most powerplants generating electricity for distribution away from natural gas to alternate fuels within 10 years' time.

Amendment No. 920

Strike all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Natural Gas Act Amendments of 1975'.

"Sec. 2. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by (1) striking out section 24 thereof (15 U.S.C. 717w); (2) redesignating sections 1 through 23 thereof (15 U.S.C. 717–717v) as sections 2 through 24 thereof; and (3) inserting therein the following new section 1:

"'SHORT TIME

"'Section 1. This Act may be cited as the "Natural Gas Act"'.

"Sec. 3. Section 2(b) of the Natural Gas Act, as redesignated by this Act (15 U.S.C. 717(b)), is amended (1) by deleting 'The' at the beginning thereof and by inserting in lieu thereof immediately after '(b)' the following: '(1) Except as provided in paragraph (2) of this subsection, the'; and (2) by inserting at the end thereof the following new paragraph:

"'(2) Subject only to the provisions of section 25 of this Act, after the effective date of the Natural Gas Act Amendments of 1975, the authority of the Commission to regulate the sale of natural gas to a natural-gas company for resale in interstate commerce pursuant to this Act shall cease to exist with respect to, and shall not apply to, new natural gas: *Provided, however,* That nothing contained in the Natural Gas Act Amendments of 1975 shall modify or affect the authority of the Commisison in effect prior to the date of enactment of such amendments to (i) regulate the transportation in interstate commerce of natural gas or the sale in interstate commerce for resale of old natural gas, or (ii) regulate sales for resale of natural gas by any natural-gas company which transports natural gas in interstate commerce or by an affiliate thereof which transports natural gas in interstate commerce.'

"Sec. 4. (a) Section 3 of the Natural Gas Act, as redesignated by this Act (15 U.S.C. 717a), is amended by redesignating paragraphs (7) through (9) as paragraphs (12) through (14), and by inserting the following new paragraphs:

"'(7) "Boiler fuel use of natural gas" means the use of natural gas as the source of fuel for the purpose of generating electricity for distribution.

"'(9) "New natural gas" means natural gas sold or delivered in interstate commerce (i) which is dedicated to interstate commerce for the first time on or after January 1, 1975, (ii) which is continued in interstate commerce after the expiration of a contract by its own terms (and not through the exercise of any power to terminate or renegotiate contained therein) for the sale or delivery of such natural gas existing as of such date, or (iii) which is produced from wells commenced on or after such date.

"'(9) "Old natural gas" means natural gas other than new natural gas.

"'(10) "Affiliate" means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person, as determined by the Commission pursuant to its rulemaking authority.

"'(11) "Offshore Federal lands" means any land or subsurface area within the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).'

"Sec. 5. (a) Section 5(a) of the Natural Gas Act, as redesignated by this Act (15 U.S.C. 717c(a)), is amended by adding at the end thereof the following new sentence: 'The rates and charges made, demanded, or received by any natural-gas company for, or in connection with, a contract for the sale of new natural gas produced from offshore Federal lands shall be deemed to be just and reasonable, if they do not exceed the applicable national ceiling, established by regulation of the Commission or subsequently modified by the Commission pursuant to section 25 of this Act, in effect at the time when such new natural gas is either first sold or first transferred under such contract to a natural-gas company: *Provided, however,* That rates and charges in excess of such national ceiling may be authorized by the Commission to provide special relief to meet extraordinary expenses that could not be anticipated at the time the national ceiling was established or modified.'

"(b) Section 5(e) of the Natural Gas Act, as redesignated by this Act (15 U.S.C. 717c(e)), is amended by adding at the end thereof the following new sentence: 'Notwithstanding the foregoing, the Commission shall have no power (1) to deny, in whole or in part, any rate or charge made, demanded, or received by any natural-gas company for, or in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (i) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 25 of this Act, or (ii) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sale by any person who is not affiliated with any natural-gas company; or (2) to order a decrease in the rate or charge made, demanded, or received for the sale or transfer of old natural gas by a natural-gas company if such rate or charge shall have been previously determined or deemed to be just and reasonable pursuant to this Act.'

"Sec. 6. Section 6(a) of the Natural Gas Act, as redesignated by this Act (15 U.S.C. 717d(a)), is amended by striking the period at the end thereof and by adding the following: ': *Provided further,* That the Commission shall have no power (1) to deny, in whole or in part, any rate or charge made, demanded, or received by any natural-gas company for, or in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (i) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 25 of this Act, or (ii) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company; or (2) to order a decrease in the rate or charge made, demanded, or received for the sale or transfer of old natural gas by a natural-gas company if such rate or charge shall have been previously determined or deemed to be just and reasonable pursuant to this Act.'

"Sec. 7. Section 15 of the Natural Gas Act, as redesignated by this Act (15 U.S.C. 717m), is amended by adding at the end thereof the following two new subsections:

"'(h) The Commission is further authorized and directed to conduct studies of the production, gathering, storage, transportation, distribution, and sale of natural or artificial gas, however produced, throughout the United States and its possessions whether or not otherwise subject to the jurisdiction of the Commission, including the production, gathering, storage, transportation, distribution, and sale of natural or artificial gas by any agency, authority, or instrumentality of the United States, or of any State or political subdivision thereof. It shall, insofar as practicable, obtain and keep current information regarding (1) the ownership, operation, management, and control of all facilities for such production, gathering, storage, transportation, distribution, and sale; (2) the total estimated natural-gas reserves of fields or reservoirs, the current utilization of natural gas, and the relationship between the two; (3) the rates, charges, and contracts in respect to the sale of natural gas and service to residential, rural, commercial, and industrial consumers, and private and public agencies; and (4) the relationship of any and all such information to the requirements of conservation, industry, commerce, and the national defense. The Commission shall report to the Congress and may publish and make available, as provided by subsection (a) of this section, the results of studies made pursuant to this subsection.

"'(i) In making studies, investigations, and reports pursuant to this section, the Commission shall utilize, insofar as practicable, the services, studies, reports, information, and programs of existing departments, bureaus, offices, agencies, and other entities of the United States, of the several States, and of the natural-gas industry. Nothing in this section shall be construed as modifying, reassigning, or otherwise affecting the investigative and reporting activities, duties, powers, and functions of any other department, bureau, office, or agency of the Federal Government.'

"Sec. 8. The Natural Gas Act, as amended by this Act, is further amended by adding at the end thereof the following three new sections:

"'NATIONAL CEILING FOR RATES AND CHARGES

"'Sec. 25. (a) The Commission shall, as soon as practicable after the date of enactment of the Natural Gas Act Amendments of 1975, and pursuant to rulemaking procedures under section 553 of title 5, United States Code, establish by regulation, and may from time to time modify, a national ceiling for rates and charges for the sale or transfer in interstate commerce by any person of new natural gas produced from offshore Federal lands on or after January 1, 1975, through December 31, 1980. In establishing such national ceiling the Commission shall consider the following factors and only these factors:

"'(1) the prospective costs attributable to the exploration, development, production, gathering, and sale of natural gas;

"'(2) the rates and charges necessary to encourage the optimum levels of (i) the exploration for natural gas, (ii) the development, production, and gathering of natural gas, and (iii) the maintenance of proved reserves of natural gas;

"'(3) the promotion of sound conservation practices in natural-gas consumption necessary to contribute to the maintenance of a supply of energy resources at reasonable prices to consumers; and

"'(4) the rates and charges that will protect consumers of natural gas from price increases that would, in the absence of a national ceiling during periods of actual or anticipated shortages, exceed the rates and charges necessary to achieve the objectives of paragraphs (1) through (3) of this subsection.

"'(b) The Commission shall monitor the national ceiling for rates and charges for the sale or transfer in interstate commerce by any person of new natural gas, and during the period such ceiling is in effect, commencing on July 1, 1976, the Commission shall report to the Congress not less than annually on the effectiveness of such national ceiling in meeting the factors set forth in subsection (a) of this section.

"'(c) The Commission may authorize a person to charge an amount in excess of such national ceiling for new natural gas produced from offshore Federal lands from any high cost production area or vertical drilling depth as designated by the Commission pursuant to its rulemaking authority. In establishing such amount in excess of such national ceiling, the Commission shall consider the factors set forth in subsection (a) of this section and only those factors.

"'(d) Any contract entered into after the date of enactment of the Natural Gas Act Amendments of 1975 for the sale of new natural gas for resale which involves the receipt by the seller of funds in advance of production of the natural gas covered by such contract shall be filed with the Commission at least 60 days in advance of deliveries thereunder. The Commission may thereafter require, after notice and opportunity for hearing, that the sales rate specified in such contract be reduced or modified as necessary to repay in full to the advancing party the principal of the advance and any interest thereon, upon such terms and conditions as the Commission may determine proper in the public interest.

"'NATURAL GAS FOR ESSENTIAL AGRICULTURAL PURPOSES

"'Sec. 26. Except to the extent that natural-gas supplies are required to maintain natural-gas service to residential users, small users, hospitals, and similar services vital to public health and safety, and notwithstanding any other provision of law or of any natural-gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, prohibit any interruption or curtailment of natural gas and take such other steps as are necessary to assure as soon as practicable the availability in interstate commerce of sufficient quantities of natural gas for use for any essential agricultural, food processing, or food packaging purpose for which natural gas is essential, including but not limited to irrigation pumping, crop drying, use as a raw material feedstock, or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. The Secretary of Agriculture shall determine by rule the agricultural, food processing, or food packaging purposes for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet requirements for full domestic food and fiber production.

" 'NATURAL GAS CONSERVATION

"SEC. 27. (a) Except as provided in subsection (d) of this section, the Commission shall by rule prohibit boiler fuel use of natural gas affecting commerce not contracted for prior to January 1, 1975, unless, upon petition by a user, the Commission determines that—

" '(1) alternative fuels, other than crude oil or products refined therefrom and propane, are not available to such user; or

" '(2) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination.

" '(b) Except as provided in subsection (d) of this section, boiler fuel use of natural gas contracted for prior to January 1, 1975, shall be terminated by the user of such natural gas at the expiration of such contract or 10 years after the date of enactment of the Natural Gas Act Amendments of 1975, whichever is earlier, unless, upon petition of such user, the Commission determines that (1) alternative fuels, other than crude oil or products refined therefrom and propane, are not available to such user, or (2) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination. The Commission shall modify or terminate certificates of public convenience and necessity relating to such contracts to the extent necessary to carry out the purpose of this subsection.

" '(c) Except as expressly provided in subsection (b) of this section, the Commission shall not (1) modify, amend, or abrogate contracts entered into prior to January 1, 1975, for the sale or transportation of natural gas for boiler fuel use, (2) modify, amend, or abrogate certificates of public convenience and necessity authorizing the sale of transportation of natural gas under such contracts, except upon application duly made by the holder of a certificate under section 8 of this Act, or (3) prevent, impair, or limit, either directly or indirectly, the performance of any such contract or certificate: *Provided, however,* That the provisions of this subsection shall not otherwise modify or affect the authority of the Commission under this Act.

" '(d) The Commission shall not prohibit the boiler fuel use of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by a facility, or for the purpose of alleviating short-term air quality emergencies or any other danger to the public health, safety, or welfare.

" '(e) In implementing the provisions of this section, the Commission shall, to the extent necessary, apply the provisions of section 18 of this Act.

" '(f) Nothing in this section shall impair any requirement in any State or Federal law pertaining to safety or environmental protection. The Commission, in determining feasibility or practicability where required by this section, shall not assume that there will be any lessening in any safety or environmental requirement established pursuant to State or Federal law.' ".

Amend the title so as to read: "A bill to regulate commerce to assure increased supplies of natural gas at reasonable prices for consumers, and for other purposes.".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 903

At the request of Mr. ROBERT C. BYRD, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of amendment No. 903, proposed to amendment No. 901 to the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

PAPERWORK HEARINGS, OCTOBER 10

Mr. METCALF. Mr. President, the junior Senator from Georgia (Mr. NUNN) and I wish to announce that, on October 10, joint hearings on the quantity and quality of information collected by Federal agencies will be conducted by our Government Operations subcommittees.

We will hear the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) and witnesses from the General Accounting Office, Department of Labor, and Office of Management and Budget.

Persons who wish to submit statements or have questions regarding the hearing should call 224-4551, Subcommittee on Oversight Procedures, or 224-1474, Subcommittee on Reports, Accounting, and Management.

I ask unanimous consent to insert Senator NUNN's and my joint release regarding the hearings at this point in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

METCALF, NUNN PLAN PAPERWORK HEARINGS

SEPTEMBER 22, 1975.

WASHINGTON.—Senators Lee Metcalf (D-Mont.) and Sam Nunn (D-Ga.) announced today that their Government Operations Subcommittees will hold joint hearings October 10 on the failure of government agencies to either reduce the volume of Federal paperwork or simplify and improve the quality of information gathered by the Government.

The Subcommittees will question witnesses on a recent report by the Comptroller General which was critical of the way the Office of Management and Budget and the Department of Labor have carried out their duties.

Subcommittee members will also solicit testimony on the "Forms Reform Act" (S. 2132) which was introduced by Senator William Proxmire (D-Wis.), who is expected to be the opening witness.

The Federal Reports Act requires OMB and other Federal agencies to reduce and simplify the volume of paperwork, eliminate duplication of reports required of the private sector, and to tabulate information so as to "maximize its usefulness to other agencies and the public."

Nunn requested the GAO to investigate the performance of OMB and the Labor Department in carrying out their duties under the Act.

"One purpose of these hearings is to ascertain why these agencies consistently have failed to enforce the one law that should lessen the burden of Federal paperwork on American businesses," Nunn said.

Metcalf emphasized his Subcommittee's concern over what he termed "information gaps"—where no agency has data in matters such as natural gas reserves and overseas employment.

Metcalf is Chairman of the Subcommittee on Reports, Accounting and Management. Nunn is Chairman of the Subcommittee on Oversight Procedures.

Comptroller General Elmer B. Staats, OMB Director James T. Lynn, and Labor Secretary John T. Dunlop have been invited to testify at the hearings.

ANNOUNCEMENT OF HEARINGS ON THE DEVELOPMENT OF SOLAR ENERGY

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold two public hearings on the problems of small business and the development of solar energy in the United States. The first one is scheduled for October 8, 1975, and the second will be held on October 22, 1975, in room 457 of the Russell Office Building, beginning at 10 a.m. each day.

Chairing the hearings will be the Senator from New Hampshire (Mr. McINTYRE).

Further information on the hearings can be obtained from the offices of the committee, 424 Russell Office Building, telephone 224-5175.

NOTICE OF HEARING ON PROPOSED FARM PROGRAM AMENDMENTS

Mr. HUDDLESTON. Mr. President, the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, of the Committee on Agriculture and Forestry, will hold a public hearing on two bills which would amend provisions of our Federal farm program.

S. 1857 would amend the Agricultural Act of 1949, as amended by the Agricultural and Consumer Protection Act of 1973, to provide for a different method of adjustment of the so-called target price based on farmers' production costs.

S. 1858 would require the Secretary of Agriculture to compute and publish at least annually a cost-of-production index for major feed grain, food grain, and cotton crops which would more accurately reflect production costs.

The hearing on these bills will begin at 10 a.m. on Monday, September 29, in room 324, Russell Senate Office Building. Persons wishing to be heard or to file statements should contact the Chief Clerk, Senate Agriculture Committee.

NOTICE OF HEARING CANCELLATION

Mr. HUDDLESTON. Mr. President, the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices had scheduled hearings at 4 p.m. on Thursday, September 25, on S. 2260, a bill to amend the rice program.

Due to unavoidable schedule conflicts which have developed since the hearing was scheduled, the subcommittee is forced to postpone the hearing until further notice.

HEARINGS ON CONGRESSIONAL RIGHT TO INFORMATION ACT

Mr. MUSKIE. Mr. President, the Subcommittee on Intergovernmental Relations has scheduled 2 days of hearings on September 29 and October 3 on S. 2170, the Congressional Right to Information Act.

This legislation which passed the Senate in December of 1973 has assumed renewed importance in light of disputes during the past 2 years between the Congress and the President over access to national security and other executive branch information.

The hearings on Monday, September 29, and Friday, October 3, will begin at 10 a.m. in room 3302 of the Dirksen Office Building.

ANNOUNCEMENT OF HEARINGS

Mr. MOSS. Mr. President, I announce joint hearings by my Subcommittee on Long-Term Care and Senator EDMUND S. MUSKIE's Subcommittee on Health of the Elderly, Senate Special Committee on Aging.

The first joint hearing will be held on September 26, and focus on medicare-medicaid fraud. The second hearing will be held on September 29 and deal with the mental health needs of the elderly.

Both hearings will be held in 6202 Dirksen Senate Office Building. Each hearing will begin at 9:30 a.m.

ADDITIONAL STATEMENTS

OUR FREE AND OPEN POLITICAL SYSTEM MUST BE SAFEGUARDED

Mr. HUMPHREY. Mr. President, I know I speak in behalf of my colleagues in the Congress and Americans all across this land in expressing my profound gratitude that the life of President Ford has once again been spared.

It is beyond belief that for the second time in 17 days the Office of the Presidency and the life of the person who holds that high office have been threatened.

Americans should be fully aware that these assassination attempts are in fact efforts to attack the Presidency—to cripple and disrupt our political system and to strike fear in the hearts not only of public officials but, indeed, of all right-thinking Americans.

Every American who loves liberty must be concerned over these events. It is central to our democratic system that public officials and those seeking public office be free to move about in the country. It is imperative that every American search his or her own heart and join in the effort to remove this stigma from the national conscience.

We have heard a great deal in the last few years of the urgency of open government. If we are going to guarantee every American access to the workings of government, we must rededicate ourselves to preserving an environment which makes movement possible.

Surely it is apparent to even the most unsophisticated political observer that we cannot maintain open government if the participants in our political system face the possibility of being murdered.

I expect that the Congress will consider several alternative steps which could help to correct this disgraceful situation. I anxiously await these deliberations, Mr. President, and I urge every American to take an active part in the discussions. It will be necessary if we are to preserve a free and open political system in the United States.

Once again, Mr. President, I wish to express to the President and Mrs. Ford my deepest gratitude that tragedy was avoided in San Francisco yesterday.

WILDLIFE SOCIETY AND VIEWERS PROTEST CBS DOCUMENTARY

Mr. FANNIN. Mr. President, there has been a storm of protest over the CBS Television Network's recent news documentary "The Guns of Autumn," which attempts to portray the reckless disregard of many hunters and sportsmen for our Nation's wildlife. The reaction was so strong, in fact, that all but one advertiser withdrew sponsorship from the program. This apparently angered CBS News so that they plan to present another documentary describing the efforts of the so-called gun lobby to pressure advertisers into withdrawing their support from "The Guns of Autumn."

Although I strongly oppose efforts by some do-gooders to have the Federal Government ban or control handguns, I do not quarrel with legitimate journalistic efforts to make the debate on gun control as well informed as possible. However, propaganda programs posing as unbiased documentary disturb me greatly.

I certainly do not like the FCC's so-called fairness doctrine which requires broadcast licensees to present controversial public issues and then offer air time, at no charge if necessary, to spokesmen for differing viewpoints on those issues. I have cosponsored legislation to repeal that controversial doctrine and to eliminate other Government regulations which I believe are counterproductive, unnecessary, and have a chilling effect on broadcast journalism. However, in my opinion, so long as we do have a fairness doctrine on the statute books, networks have an obligation to be fair and unbiased in their presentation and discussion of important issues, including gun control.

From the editorials I have seen, one would get the idea that the only people who protested "The Guns of Autumn" were the gun lobby. This is certainly not true. My office has received many letters objecting to what the writers considered unobjective reporting. Mr. President, I would like to quote from two letters which were sent by Arizona constituents to CBS News protesting the program's bias and lack of fairness. In a letter to CBS President, Richard Salant, Mr. Merle J. Toumey of Tucson stated:

> On Friday, September 5, 1975, your network aired a program entitled "The Guns of Autumn." It is in reference to this program that I am taking time to contact you.
>
> Let me start by stating that I am a sportsman, hunter and fisherman, in that order. As a sportsman, I wholeheartedly support the abolishment of the wholesale slaughter of animals as shown on the program, but disagree strongly with the manner in which the context was presented.
>
> The program implied that all sportsmen should be categorized into a group as portrayed by the individuals in the program. This was not only misleading, but was grossly negligent. I realize, as I am sure all true sportsmen do, that there are areas in which the rules pertaining to "fair chase" are grossly exploited.
>
> I cannot help but feel that the individuals who prepared the program had an ulterior motive other than the exposure of the type of slaughter shown. If this were not true, they would also have taken the time to show the true stalk and compassion for the animal displayed by the overwhelmingly vast majority of hunters. The true hunter and sportsman has tremendous respect for the animal which he pursues, and attempts to demonstrate this by the swift and efficient manner in which he kills that animal.
>
> The lure of the wild is and always has been inbred in man. Man's prowess as a hunter has been symbolized down through the ages, first out of necessity, and second as a sport. The sport of hunting is not one in which the animal is killed merely for the purpose of slaughter, but one in which the hunter must apply all the skills and crafts necessary to outwit an animal who has the superior advantage of being trained to survive every second of every minute of every day of its life in its environment.
>
> The true hunter and sportsman is also very selective in his choice of prey. He strives to select only the very best of the species hunted. On any given hunt, he may pass up numerous opportunities to kill just any animal, for the ultimate goal of finding a truly magnificent specimen. Consequently, there are more times than not that he goes home empty handed.
>
> By failing to differentiate between the events shown on the program and the true sportsman-hunter, CBS has shown a tendency towards sensationalism rather than that of true journalism. The viewers of television are a captive audience and as such, place tremendous faith in the news media to report accurately the news. I do not say that your program was inaccurate; quite to the contrary, but I do feel that you displayed extremely poor judgment in that you in no way made any attempt to distinguish between the segments shown and the true sportsman in the pursuit of game.
>
> By your failure to fulfill this obligation to the viewer, you have committed a gross disservice to all in your profession. You have left in the minds of countless millions who viewed this program the irreparable impression that all hunters and sportsmen are nothing more than slaughterers of tame animals.
>
> In this day and age, when the news media constantly chides the Government for failure to report the truth to the people, it would only seem appropriate that the news media should not fall prey to the same inadequacies.
>
> In closing, I would like to quote from Webster's Dictionary:
>
> Journalism—2b—Writing characterized by a direct presentation of facts or description of events *without an attempt to interpretation*.
>
> It seems that CBS has failed.

I also quote Mr. Darwin F. Long, who wrote to CBC public affairs director Bill Leonard:

> I strongly protest your recent so-called documentary, "The Guns of Autumn." This program, in my opinion, was the most atrocious case of one-sided journalism I have seen in my life.
>
> Your program attempted to discredit hunters with pure rhetoric. The actions displayed in your program are seldom seen and never

> tolerated by the average hunter. Your program demonstates your total disconcern for truthful reporting of facts to the public. Any network with your resources can research and present the true facts; and the fact is that hunters and sportsmen "invented" conservation in this country. We, as a group, spent billions of dollars on wise and productive steps to insure a future for wildlife before most people even heard of the words "ecology" or "environment."
>
> I, from this point forward, until such time as your network corrects the damage done by "The Guns of Autumn" and previous programs of the same nature, am refusing to view any programs on C.B.S. or affiliate stations.
>
> I request that your network grant equal time, according to FCC fairness doctrine, for programs produced independently of your organization showing our side of the story. I am also sending copies of this letter to the FCC, my Congressman and Senators, the chairman of the House and Senate subcommittees on communications, the three sponsors of the program, and your local affiliate.

Mr. President, it is too bad that the major networks do not try harder to produce informative, unbiased news programs which could be both educational and instructive to the public and to Members of Congress interested in important issues. Of course, bias, like beauty, is always in the eye of the beholder; judging, however, from my mail and from what I hear from parties not associated with the gun lobby, CBS could have done a much better, considerably fairer job on hunting. It is indeed unfortunate that just when there is widespread nonpartisan interest in deregulation and reform of the Government's regulatory process and a general desire to lift many of the restrictions on broadcasters, the networks present some news program which does nothing but irritate the viewing public and generate opposition to relaxation of fairness regulation.

To illustrate my point that "The Guns of Autumn" angered many responsible citizens and groups outside the gun lobby, I call the attention of my colleagues to a letter of complaint to the Federal Communications Commission against CBS which was filed recently by the Arizona chapter of the Wildlife Society. The Wildlife Society is a professional association of wildlife scientists, managers, and technicians dedicated to preserving wildlife resources and habitat. By no means are their members gun enthusiasts. However, as Mr. John Carr, president of the Arizona chapter, stated to the FCC:

> It was unfortunate that CBS' television portrayal of hunting and the wildlife management profession to the American public did not temper its biases and produce a constructive, truthful documentary. . . . It was obviously apparent that an attempt was made to portray hunting in its worse possible form and to likewise discredit the wildlife management profession. Examples of atypical hunts and additional inferences concerning cruelty to animals abounded in this ninety-minute presentation. In addition, certain inferences were construed to create doubt concerning the validity of scientifically established ecological wildlife management principles.

I quote Mr. Carr further:

> Our major concern is that productions such as "The Guns of Autumn" serve to strike a wedge of ignorance between hunters and non-hunters concerned with the feature of wildlife and their habitat.

Mr. President, such a complaint from a group like the Arizona chapter of the Wildlife Society demonstrates clearly that television networks are going to have to take a closer look at what their news departments are doing; and television journalists must exercise a greater degree of professionalism if they are to overcome the widely held criticism shared by many responsible, public interested citizens, that they are biased and unfair. In the interest of fair play, it is hoped that CBS will present the views of those who consider hunting and shooting honorable and beneficial activities. In the interest of broadcasting deregulation, I urge the networks and local television licenses to do a better job in the public interest.

THE SCHOOL LUNCH PROGRAM

Mr. BIDEN. Mr. President, as a cosponsor of H.R. 4222, I am pleased that this vital legislation, which extends and expands the school lunch and child nutrition programs, has been passed by Congress.

The programs authorized by H.R. 4222 are essential to the well-being of this Nation's children. These nutrition programs do not serve only children from lower-income families. In an economy riddled with inflation and recession, a nutritious meal at an affordable cost has also become an important source of security to middle-income parents struggling to feed their children. In the past year, soaring unemployment has created an even greater need for expanded nutrition programs.

To fill this need, H.R. 4222 extends—through September 30, 1977—the school breakfast program, the summer food program, the WIC program, and USDA commodity donations to schools. In addition, it establishes a child care food program for children in nonresidential child care institutions, and it allows public and nonprofit private residential child care institutions to participate in the school lunch and school breakfast programs.

There is one aspect of this legislation which I find particularly gratifying. The provision to which I refer is one I introduced last year, and which my colleagues in the Senate passed twice. This provision requires the Department of Agriculture to donate to the school lunch program cereal, shortening, and oil products.

When I introduced legislation to achieve this end, I did so because the Agriculture Department had arbitrarily terminated the donation of flour and oil commodities to the schools, while continuing to send these commodities abroad. The result was that schools were forced to purchase flour and oil products on the open market which effectively increased the price of the lunches and reduced the participation of students in the program.

In this regard, it should be noted that a substantial majority of the students who participate in the school lunch program pay for their lunches; with high rates of unemployment and inflation, we must do all we can to insure that the cost of school lunches does not become prohibitive. For this reason, I am pleased that the Senate Agriculture Committee included among its provisions the legislation I introduced last year. I know that my colleagues in the Senate realize the merit of this provision and I am pleased that the House of Representatives has agreed to retain it in conference.

Finally, Mr. President, I would like to reiterate my support for the National School Lunch Act and Child Nutrition Act Amendments of 1975 (H.R. 4222). I am gratified that my distinguished colleagues have recognized the importance of this measure by acting favorably on it.

NEW YORK DAILY NEWS: 79 PERCENT FAVOR GUN CONTROL

Mr. JAVITS. Mr. President, the second attempt on the life of President Ford in such a few weeks is another tragic and shameful manifestation of the frightening escalation of crime and violence in America over the last two decades. I feel it is yet further evidence that the failure of Congress to enact strong and meaningful Federal handgun control legislation can have tragic consequences, as it did only last week with the senseless slaying of two New York City policemen.

Few of us can say with any degree of certainty the particular reason why violence has become such a signal characteristic of our society, five national commissions have studied the problem in the last 10 years and published their findings. All of them have indicated the vast availability of handguns as a major contributing factor and recommended gun control as a first step in reducing the incidence of death and injury which so casually strikes at President, policeman, and citizen alike.

The statistics about urban violence provide the reason why many law-abiding Americans have themselves purchased handguns. To millions of people they provide a measure of security, whether illusory or not. The drive for handgun control in Congress ought now to be backed up by a demand from the American people that we act on this issue. Many public opinion polls throughout the Nation support this call to action.

Mr. President, the latest such poll published by the New York Daily News found that 79 percent of the respondents favored registration of all guns, with an additional 6 percent favoring registration of only handguns; and 11 percent were opposed to any registration.

Legislation on gun control which I recently introduced, as well as bills introduced by Senators KENNEDY, STEVENSON, and PHILIP A. HART would, if enacted, have a significant impact upon the high level of handgun violence. The Senate Subcommittee on Juvenile Delinquency Control, which has jurisdiction over this legislation, needs to act promptly in reporting an effective bill. These proposals have the real potential of saving lives and making the streets of this country more habitable.

The number of senseless criminal assaults on Americans can be reduced if Congress meets its responsibility on this issue.

Mr. President, I ask unanimous consent that an article describing the result of the New York Daily News poll, which appeared on September 22, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Daily News, Sept. 22 1975]

Huge Demand for Crackdown on Guns, Our Poll Shows

An overwhelming majority of New Yorkers favor laws requiring registration of guns, outlawing of cheap handguns and mandatory prison terms for crimes committed with firearms, The Daily News Opinion Poll shows.

Eight out of 10 persons interviewed in the poll backed registration of firearms and mandatory imprisonment for persons using them to commit a crime. Nine out of 10 favored outlawing the cheap handguns, known as Saturday night specials.

The telephone survey of 400 adults in the metropolitan area was conducted before either the recent assassination attempt on President Ford in California or slaying of two police officers in the East Village.

Seventy-nine per cent of the respondents favored registration of all guns; an additional 6% favored registration of only handguns; 11% were opposed to any registration and 4% said they did not know.

On the question of outlawing the Saturday night specials, the breakdown was: Yes, 91%; no, 5%; and don't know, 4%.

Asked whether they favored a mandatory prison for anyone convicted of a crime in which firearms were used, those interviewed replied: Yes, 81%; no, 10; and don't know, 9%.

Federal law enforcement officials estimate that there are between one million and two million unlawful handguns in New York City despite the state's Sullivan Law, which makes unlicensed possession of a handgun a felony. There are an estimated 40 million handguns in the nation.

President Ford has proposed legislation that would outlaw manufacture, assembly or sale of Saturday night specials, but he is opposed to registration of guns or gun owners.

The present law, dating back to 1968 and the Robert F. Kennedy and Martin Luther King Jr. assassinations, bans the importation of cheap handguns. But it does not prohibit the importation of parts, which are brought into this country and assembled for sale.

In the News poll, registration of guns were favored more heavily in the city than the suburbs, among persons who said they were conservatives, those over 50 years old, college graduates, and women. The strongest opposition came from suburbanites—17% and from blacks—16%.

Persons under 35 years old were 91% in favor of outlawing clean handguns, but only 73% of this group supported mandatory prison terms for crimes in which firearms are used.

Similarly, college graduates registered 96% for outlawing Saturday night specials but only 75% favored mandatory prison sentences.

The poll, conducted by News employes on Aug. 18, 19 and 20, is based on a scientific random sampling of households with telephones in the city and Westchester, Rockland, Nassau and Suffolk counties. Richard F. Link of the Artronic Information Systems Inc. is consultant.

LATEST PENTAGON PLOY SORDID

Mr. GARY W. HART. Mr. President, in an editorial yesterday the Denver Post raises some questions about the Pentagon's performance in its continuing attempt to tell the people of the United States as little as possible about why Diego Garcia must be expanded. The Post notes that the Defense Department's Somalia missile crisis seems to have faded away concurrent with Senate failure to disapprove the fiscal 1975 construction plans. The newspaper raises the logical supposition that the growing Soviet threat based in Somalia was invented for a purpose. Since that purpose was served by the Senate vote, the threat has consequently disappeared.

Furthermore, the Post cites the Pentagon's "squalid role" in removing the population of Diego Garcia in virtual secrecy, apparently so base plans would meet no opposition from Americans who would not favor displacement of native inhabitants for military convenience. The Post did not report, however, that the depopulation of Diego Garcia, which was not supposed to cost the United States anything, actually cost us several million dollars. There is even some evidence that under-the-table payments are still being made. I have asked the General Accounting Office to report on these payments and the legality of them.

I ask unanimous consent that the Denver Post editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Latest Pentagon Ploy Sordid

Not long ago, a big flap erupted over suspected Soviet missile installations in Somalia, a dirt-poor country strategically snuggled along the eastern "horn" of Africa.

Administration spokesmen spoke of the dangers of the Soviet buildup as if they were unaware that the United States has not hesitated to do likewise where its own interests are at stake. To assume the latter would be insane, of course.

Even after the revolutionary government of Somalia invited groups of U.S. Senators and Representatives (separately) to visit the country and look around for themselves, the propaganda continued. And even though no evidence was uncovered that Russia was supplying anything more menacing to Somalia than we were making available to the left-wing government in next-door Ethiopia.

The suspicion finally crystalized that the Pentagon, apparently the source of most of the "wolf" cries, was off on a devious task of its own. By building up the potential dangers of Soviet involvement in Somalia which, if true, could upset the whole military and naval balance in the Middle East, the Persian Gulf and the Indian Ocean, the Pentagon hoped to get a congressional okay for its plans to construct a base on the island of Diego Garcia, leased by the United States from Great Britain.

It's odd, but soon after funds for the Indian Ocean base on Diego Garcia were voted, the Pentagon piped down—and not a word has been heard of the Somalian missile crisis since.

Diego Garcia popped back into the news again the other day, however, and again the Pentagon was cast in a squalid role. For some time, it appears, the U.S. government has systematically been evacuating the 2,000 or 3,000 residents of Diego Garcia to the island republic of Mauritius, more than 1,000 miles away. No matter that, for colonial administrative purposes, Diego Garcia was once considered a part of the Mauritian sphere.

The point is that those expelled from Diego Garcia have been forced to start anew in a small country which is desperately poor and where their forced intrusion is resented. The last Diego Garcian was ordered off the island in 1971. All now live in poverty on Mauritius.

This strong-arm maneuver, however, made it possible for the Pentagon to tell Congress, during heated debate over whether Diego Garcia should have a U.S. base or not, that the island was virtually uninhabited and that erection of the base thus would not cause any indigenous political problems.

It's possible, of course, that exaggerations have been made in comparing the islanders' former life on Diego Garcia and the utter squalor of Mauritius to which they were removed. The fact remains, however, that the Pentagon brushed the interests of a few hundred people aside in its single-minded concentration on strategy. Strategy for what, one might ask, if one of our prime national interests is to protect liberties and win people's confidence?

IMMEDIATE DEMAND FOR EFFECTIVE HANDGUN CONTROL

Mr. KENNEDY. Mr. President, 18 days ago, President Ford's life was threatened by an intended assassin. And yesterday, another attempt was made on his life. Both of these senseless events should awaken the Congress to the critical demand for more effective laws to restrict the public's access to handguns.

The President has taken a courageous stand in saying that he will not become a hostage to threats from a few unbalanced people among the 220 million citizens who live in this country. He has reaffirmed his commitment to continue to meet the American people face to face and to continue his contacts with the people. I join with every American in applauding the President's courage and determination not to isolate himself from the people. But courage is not enough. We also have to have the wisdom to act where action is obviously demanded. To me, the overriding lesson of these recent and nearly tragic events is that, if America cares about the safety of its leaders, it can no longer ignore the shocking absence of responsible gun control.

Every Member of the Congress is charged with a responsibility to the American public. I believe that we in the Congress must move immediately to bring handgun abuse under control.

We know the facts of gun violence. We see the daily tally of gun victims. And we have expert testimony that handgun restrictions are the best way to reduce handgun terrorism.

I introduced legislation in the Senate on April 17 to ban the domestic output of handguns. There is no reasonable justification for private citizens to be able to obtain a handgun as quickly and as easily as a flashlight.

Handguns are manufactured for one purpose only—to put a bullet through something. Each one of the 2½ million handguns sold in this country last year produced a handsome profit for the manufacturer. But each handgun also generated an enormous web of fear throughout our neighborhoods and in our streets.

More and more people are buying

handguns to protect themselves against more and more people with handguns.

Shall we in the Congress permit this to go on until the two-gun family is as common in America as the two-car family? Or, shall we in the Congress accept the responsibility set before us by 10 years of congressional hearings on gun control?

Time and time again, witnesses have told the Congress that when guns are in hand people will use them. And so it has happened again. It is reported that the person who fired at President Ford yesterday simply arranged by telephone to buy a .38 handgun when the .44 she owned was taken away by authorities last Sunday. Reasonable handgun laws might well have delayed or even prevented the acquisition of the weapon used to attack the President. And by licensing handgun owners, it is conceivable that the purchaser in this case could have been denied the gun altogether.

As a member of the Senate Judiciary Committee, I have sponsored firearms registration and licensing legislation for many years. And I am convinced that strict measures are clearly demanded by the American people to begin to make our streets safe and to end the reign of terror in our homes.

Plato suggested long ago "that man never legislates; but accidents of all sorts legislate for us in all sorts of ways." The last gun legislation approved in Congress was in 1968, in response to the tragic assassination of Martin Luther King and Robert F. Kennedy. Must we suffer a serious national tragedy again, before we act to redeem our pledge of leadership? Is not history giving us a chance to act in time before the course of the Nation is altered once again by a brutal act of terror?

We in the Senate of the United States are chosen to be leaders of our people. We have the power to remove the smokescreens from people's eyes and the cobwebs from their minds.

We can put the demagogs in their place. We can help reason overtake emotion. And since these are within our power, they are our obligation if we are to be true to ourselves and to our oaths.

President Ford has placed himself on the line to uphold his obligation. I implore the Senate to exercise its obligation to reaffirm the proper role of firearms in our society.

DÉTENTE

Mr. BUCKLEY. Mr. President, Mr. George Meany, president of the AFL–CIO, recently wrote a most thoughtful and sensible article on the subject of détente and relations with the Soviet Union for the London Daily Telegraph. I ask unanimous consent that this article, which deserves to be read by every member of Congress, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the National Observer, Aug. 30, 1975]

IS ACCOMMODATION JUST A WORD FOR APPEASEMENT?

(By George Meany)

(NOTE.—George Meany, president of the AFL–CIO, wrote this article for the Daily Telegraph of London. It is reprinted by permission of the Daily Telegraph.)

The alternative to *détente,* we are repeatedly told, is holocaust. Either the East and the West bury their differences, or we shall bury each other.

Thus put, détente is irresistible. Nothing else seems rational; nothing is worth the destruction of the human race. No ideology, no values, no institutions, however virtuous, can be vindicated by history if there are no people left on the planet.

So, if détente offers the only detour, the only accessible turn-off from the collision course of the superpowers, it must necessarily be in the interest of all people everywhere, including, of course, the workers of the democratic countries.

But that's a very big if.

What if this popular conception of détente is wrong? What if the term itself has taken on meanings that have nothing to do with the realities of international life? What if détente in fact serves as a mask to disguise dangerous trends that ultimately lead to the destruction of democracy, or to the very global conflagration that détente was intended to avert, or to both?

What if, in fact, détente is appeasement by another name? What if détente does not deter but rather feeds and encourages the forces of war and totalitarianism? Then, it seems to me, the workers in the democratic countries have everything to lose and nothing to gain.

There is no doubt that among many intellectuals in the West, the embracing of détente has been accompanied by a tendency to downgrade Western institutions, particularly the set of practices we call political democracy. After all, they say, the United States has its Watergate and Vietnam; besides, democracy may be a luxury the affluent countries can afford, but it doesn't feed anybody, etc.

WISHFUL THINKING

Now, it may be argued that, logically, these two views need not be connected; and I suppose it is true that the pursuit of détente does not necessarily have to entail the depreciation of Western political values and institutions. But abstract logic is not the compelling factor behind the quest for détente. The compelling factor is a form of wishful thinking, and in reality those promoting the virtues of détente feel the need to narrow the gap—no, the vast chasm—that separates the two social systems. Did not your own Clive Jenkins [a British union leader] profess to see little difference between your MI6 and the Soviet KGB?

Or, in a similar vein, when the President of the United States, acting on the advice of the Secretary of State, declines to see Aleksandr Solzhenitsyn on the grounds that doing so might offend the commissars, then clearly the White House itself has been morally subverted by Communist pressure.

Since the President's discourtesy really originates from the American architect of the détente policy, it offers a profound insight into the real meaning of détente in the eyes of Dr. Kissinger. There is no action too abject, too dishonorable, or too disgraceful of our best traditions but that Dr. Kissinger will cheerfully carry it out in return for Soviet smiles.

So, on the record so far, détente has brought about no favorable changes within the Soviet bloc—certainly no easing of the plight of Soviet dissidents—but it has brought about some unfavorable developments within the West, including, it would seem, the downgrading of anticommunism as an integral part of the democratic philosophy.

This is a matter of no small importance to the workingman of the West. Political democracy recognizes that groups and classes of people have conflicting interests, and lays out the means by which conflicts can be expressed and resolved.

WORKERS' RIGHTS

Since Communist societies proclaim that they have abolished class conflict, they naturally purport to have no need of these means. But for working people in the Western world, political democracy has not been a disposable luxury. It has provided the essential tools by which workers could create unions and acquire the power to advance their social and economic interests. Without the freedoms of speech, assembly, association, and other modes of collective expression, a union simply cannot function. Then you have a society in which it is presumed that the worker is not the best judge of his own interests, and that those interests must be defined and decided by somebody else in the society, i.e., the state.

This is, of course, the very system that prevails in the Soviet Union. The destruction of independent workers' organizations—no less thorough than under Fascist regimes—is justified in the Communist world by an ideology that claims to have seized control of the state or the workers. The bitter and illuminating irony, of course, lies in the absence of any means by which the workers themselves can, even indirectly, ratify—or reject—this seizure of power in their names.

This is why the AFL–CIO has refused, and will continue to refuse, to engage in exchange visits with representatives of so-called unions behind the Iron Curtain. They simply are not unions. They are instruments of the state whose function is the regimentation, not the representation, of workers. To legitimate them as trade unions amounts to a betrayal of the Russian workers.

Governments must relate to one another regardless of the social systems they represent. The dreams of anarchists to the contrary notwithstanding, there can be no power vacuum within a country: Somebody has to govern.

The same standards cannot be applied to unions. There are countries where they don't exist; there are parts of my country where unions are weak or nonexistent—or where so-called "company unions" exist. We don't invite them into our federation just because they are the only show in town. We think it is vital to maintain the distinction between real unions and phony unions. Western history in this century is full of examples of the terrible consequences that flow from calling things unions that are not unions.

In sum, then, I am arguing that to the extent that the present policy of detente leads to a depreciation of democratic values in the West—and I see considerable evidence of this already—it will be even more harmful for the workingman than for anyone else. Remember, the trade-union movement's commitment to democracy grows out of the very commonsensical observation that a system that puts numbers above wealth is likely to produce a better deal for the worker than any system that diminishes, frustrates, or obliterates majority rule.

What is this detente in whose name the President of the United States snubs one of the greatest writers and freedom fighters of the Twentieth Century?

Detente is not supposed to be a vague understanding, a spontaneous thaw in the Cold War. It is encoded in a specific agreement—signed by Nixon and [Soviet leader Leonid] Brezhnev in May 1972—which provides for "co-operation" between the United States and USSR. It is not merely a negative restraint; it is positive. It includes an agreement that each side notify the other of any potential local flare-up that might spread and envelop the superpowers themselves.

FRUITS OF DETENTE

What have been the fruits of this detente? Eighteen months after the agreement had been signed, the Soviet Union failed to notify the United States of Egyptian-Syrian preparations to launch the Yom Kippur war, of which she had advance knowledge. Moreover, anyone who remembers how the Soviets summoned Henry Kissinger to Moscow to arrange a cease-fire—after having refused to go along with U.S. pleas for U.N. action—knows that the Russians used detente to save the Egyptian Third Army Corps from destruction and to deprive Israel of a deserved military victory. To this day, the Soviet role in the Middle East has been destabilizing, not peaceful.

And in Vietnam? When even the Vietnamese sought to persuade Hanoi not to go for total military victory but to enter negotiations that would produce a Viet Cong government, was there any evidence that the Soviets intervened on behalf of moderation?

In Portugal at this moment is there anyone who will argue that the Russians are restraining [Portuguese Communist Party leader Alvaro] Cunhal and his Communist Party—whose members marched through the streets with pictures of Stalin!—from seizing power over a people from whom they just received barely 13 per cent of the vote?

Wherever there is trouble in the world today, one looks in vain for a shred of hard evidence that the Soviets are following a course of detente.

But that's not quite true. They are following detente of a kind—their kind. Their version of detente is very simple: They take, take, take, and give nothing in return.

Detente means we give the Soviets sophisticated Western technology—especially civilian computer technology. We also finance truck plants, nitrogen-fertilizer factories, natural-gas production, etc.

You might think that a country that needs such technological assistance must at least be doing something all right agriculturally. Not so. In addition to giving the Soviets our superior technology, we must also sell them food to feed their people.

WORKERS FOOT THE BILL

Western workers are being called upon to bail out the Russian economy—to save it from the catastrophe of totalitarian central planning geared to war production. And make no mistake about it—it's workers who are footing the bill.

The inflation that cuts into the purchasing power of the American worker is largely the result of skyrocketing food and fuel costs—in both of which Soviet policy played a basic role. The cost to the American housewife of the last big Russian grain deal has been put at over a billion dollars, not to mention the $300 milion in subsidies paid out by the American taxpayer.

So far the Soviet economy doesn't seem to produce much that Americans need, but that could change, especially with the help of exported American technology. Already some Soviet cars and tractors are making their way into the United States at very competitive prices—remember, the Russians can set whatever prices they like on their exports. In their economic system, pricing policies can be made to serve political goals. Unlike our Western businessmen, the Soviets' prime purpose is not related to private profit.

Our businessmen seem to have an unshakable faith in the power of commerce to achieve practically every imaginable goal—to end war, expand justice, raise living standards. What we have here is a version of the "trickle down" theory applied on an international scale.

But we in the American trade-union movement don't buy the trickle down theory. We don't buy it at home, and we don't see why we should buy it abroad. It has never worked for us.

We believe that the cause of social and economic justice in the United States must be pursued directly and head-on. That's what the AFL-CIO is in business for. We also believe the cause of peace must be pursued directly, not as a hoped-for fallout from dubious commercial relationships. (We ought not to forget that Germany was Britain's chief trading partner on the eve of both world wars.)

RECOGNIZING REAL THREATS

The fact is that a policy of firm resistance to Communist expansion, backed by the military means to make the policy credible, is the best way to keep the peace. When such a policy was followed in Cuba in 1962, it brought no conflagration but a Soviet retreat (and subsequently a slight thaw in Soviet-American relations based on a healthy respect for American power). Our stand in Korea stopped Communist expansion there—without bringing on World War III. Scare words like "cold warrior" should not blind us to the fact that it was America's nuclear superiority that prevented World War III, not peaceful Soviet intentions.

In addition, we need to recognize where the real threat to peace originates today. In an earlier time it originated in Fascist regimes. Does anyone really believe there is a global expansionist Fascist threat in the world today? Where are Franco's armies marching?

Is there a threat from the Western democracies? Are they embarked on a holy war to roll back the Communist gains? Is the United States attempting to liberate Czechoslovakia, Poland, Hungary, East Germany? Do we have political parties in these countries—or in the Soviet Union itself—that serve as instrumentalities of our Government

No policy for peace—whether it goes by the name of detente or something else—can be successful unless it is based on a clear recognition of where the threat to peace comes from. In our era, that threat comes mainly from the Communist world—from its imperialistic drive to dominate world society. Not accidentally, the greatest threat to workers' rights emanates from the same source.

There is a peace to be had by accommodating to this threat—or by remolding our institutions and values in its image, or in an image more to its liking. But that is not a peace in which the workers of the world can hope to advance their deepest aspirations for a better life.

Whatever our Government may do, whatever our capitalists may do, we will not accommodate to the commissars.

SEVENTH SPECIAL SESSION OF THE UNITED NATIONS

Mr. JAVITS. Mr. President, the seventh special session of the United Nations recently completed its deliberations on major international economic issues and reached a consensus agreement on a final resolution. The basis for this highly favorable development was laid on the opening day of the special session in Secretary Kissinger's splendidly delivered detailed speech by Ambassador Moynihan. The consensus resolution represents a major step forward in our relations with the developing countries and lays the basis for favorable negotiations on international economic matters in a number of forums.

The strong initiative of the United States made this breakthrough possible; and, we should also recognize that a large number of developing countries indicated that they were ready to move beyond rhetoric to concrete negotiations on specific issues.

A significant element in the favorable outcome of this special session was the active participation of a 20-member Congressional Advisory Committee, chaired by Senator McGee. Knowing that a strong and interested group of congressional advisors stood behind the American position clearly helped the American delegation in its painstaking negotiations. I commend Ambassador Monynihan and our delegation on the favorable outcome of the special session, and look forward to the process of congressional consultation and action that will be needed to implement the proposals.

Mr. President, I ask unanimous consent that a number of articles and editorials on the subject be printed in the Record, including my statement on the subject on September 16.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement by Senator Jacob K. Javits on the Agreement Between the Developed and Developing Countries at the United Nations' Special Session

Washington.—"We are here to announce an extraordinary breakthrough in the relations between the developing and developed countries at the United Nations Special Session now coming to a close in New York. The United States was a key member of the group of developed countries in substituting cooperation for confrontation with the group for the developing nations.

The Agreement reached this morning signifies the opening of a totally new world picture. We are now at the beginning of an effort to accelerate the closing of the gap between the developing and developed countries. The United States can take particular pride in the fact that the key note for this breakthrough was sounded by Secretary of State Kissinger's speech at the opening of the Session. The Secretary's remarks on behalf of the United States initiated a process that has brought the two worlds, despite reservations on certain points of both parties to the Agreement, into a new phase of a positive and forward-looking relationship.

The key factor in the new Agreement is an arrangement whereby real income will move to the developing world in exchange for the natural resources supplied to the developed countries. We wish to note that a determining factor in allowing the Secretary of State to propose the major elements in this new beginning was the input and cooperation of the Congressional Committee of Advisors to the United Nation's Special Session.

It is our intent, with the permission of our colleagues, to follow through on the question of implementation of this Agreement. I believe that the chances of Congressional approval of this Agreement are excellent."

[From the New York Times, Sept. 18, 1975]

Turnaround at U.N. . . .

The United Nations may be turning a significant corner of its thirty-year history with the unanimous agreement on measures to narrow the gap between rich and poor countries that ended the General Assembly's seventh special session Tuesday. It is too early to be sure the corner will stay turned; but this sixteen-day session at least brought a dramatic turnaround of the Assembly—from incendiary rhetoric and confrontation to reality and genuine negotiation.

Among the factors contributing to the improved climate over Turtle Bay, two stand out. The United States shifted from stonewalling third-word demands as unrealistic and fanciful to a policy of presenting comprehensive proposals for coping with the chronic problems of poorer nations. And inside the group of developing countries, the moderates—weary of sterile confrontation, eager for negotiation and for as wide an area of agreement as possible—usually prevailed over their more radical brethren.

It is highly significant that fifteen of the nineteen major specific proposals advanced by Secretary of State Kissinger at the opening session—from the creation of new international agencies for economic security, energy, technical exchange and food stockpiling to improved trading arrangements and expanded capital for lending institutions—were incorporated in the final Assembly document.

Here was impressive evidence of the readiness of most of the third world to negotiate realistically—not for pie-in-the-sky, but for practical arrangements of benefit to developed and underdeveloped alike. Here was proof, if Washington needed it, of the incomparable advantages for the United States of responding positively to urgent problems, rather than conducting a kind of political trench warfare against the vast majority of U.N. members.

Stonewalling at the special session was done not by the United States and the West but by the Soviet Union and its allies at one end of the Communist spectrum and China at the other. Their stock argument—that the troubles of the poor countries are entirely due to colonialism and imperialism and are therefore no responsibility of the Communist world—may never before have sounded so hollow in U.N. debate.

. . . HOW DURABLE?

The United States did express reservations about some passages in the 6,000-word Assembly document, while promising to join in most of the specific undertakings. These reseravtions, coupled with the fact that Washington for years shunned exactly the kind of positive approach to the poorer nations that it has now embraced, leave open to question just how vigorously the Ford Administration is prepared to follow through on its proposals.

No one knows better than Mr. Kissinger that any return to passivity on the initiatives he so carefully prepared would quickly destroy the goodwill he has built. One favorable sign was the warm endorsement of the Assembly result by eighteen Senators and Congresmen who participated as advisers to the American delegation and whose leadership will be required for the legislation necessary to implement the program that has been put forward by Secretary Kissinger.

For the United Nations itself, the opening rounds of the General Assembly, now under way, will soon demonstrate the durability of the constructive tone struck and held through the special session. What that session proved was that even so unwieldly a body as the General Assembly—its membership was increasd by three to 141 nations this week—can be a vehicle for constructive negotiation if the collective will is there.

[From the Wall Street Journal, Sept. 18, 1975]

A BIT MORE REALISM AT THE UN

(By Everett G. Martin)

The United Nations General Assembly has just put on a remarkable performance.

For 16 days of a special session, the 138 member countries have discussed the most basic issues dividing the world today. They did it with a minimum of name-calling, no walkouts and virtually no ideological diatribes. What's more, they came up with a consensus resolution that, if implemented, might even accomplish something by laying guidelines for more fundamental changes in the world's economic structure than probably even the weary delegates themselves realize.

At issue were the sharp inequalities that exist between the handful of rich, industrialized nations who seem to get richer all the time, and the scores of poor, so-called developing nations who actually find themselves slipping backwards faster than they develop.

Ironically, the questions at stake involved all the Communist buzz words of imperialism, neo-colonialism and exploitation. Marxists who like to use them the most have confidently expected that the ills they represent would ultimately bring about the world revolution which would isolate or destroy capitalistic economies and turn the nonaligned developing nations of the Third World in their desperation to seeking the solutions offered by communism.

So far, quite the opposite has happened.

At the UN session, the Soviet Union and its Eastern bloc allies were themselves ignominously isolated on the sidelines. When they did speak, it was to repeat a useless litany claiming that none of the world's poverty problems were their fault.

The nonaligned countries chose, instead, to recognize that only 5% of their trade is with the Communist bloc while 75% of their business is done with the free-market countries. They approached the special session much more like serious labor leaders out to bargain a better deal for their people than as revolutionaries bent on destroying the old order.

The industrial powers, made up of the nine-member European Common Market countries, the U.S. and Japan, showed up equally determined to begin seeking solutions to the legitimate grievances of the developing nations. The result was a session carried on in an atmosphere of harmony that even a month ago hardly seemed possible.

A GRIM PLIGHT

The nonaligned nations have been arguing the grim statistics of their plight for years without getting much rise out of the industrial powers. Most of them must live by producing raw materials for the factories of the Western countries and Japan, but the constant fluctuation of the prices they receive keep them in a state of either boom, bust or stagnation from year to year making it impossible to plan steady progress towards diversified development.

At the same time prices of manufactured goods they must import from the West have followed an irreversible climb upward to erode their purchasing power. As an example they cite what's happened to the buying power of 25 tons of natural rubber: 15-years ago it would buy six tractors, this year only two.

Then last year they were inspired to new militancy by the spectacular success of the oil exporting countries acting as a cartel to quadruple the price of petroleum. Organized as the Group of 77 (now there are actually more than 100 member states), the nonaligned nations descended on the UN in another special session last year brandishing vague threats of more cartel action in other commodities.

Charging that the industrial countries got rich by shortchanging the commodity-producing nations, they demanded what amounted to a complete reversal of the world's economic pecking order which they call "the new international economic order." It was designed to redistribute the world's wealth from the rich to the poor countries as a form of retribution for past sins.

The indutrial powers were indignant at the charges and horrified at the abrupt changes being demanded. Since elementary analysis clearly demonstrated that the Group of 77 didn't have the economic power to carry oil cartel tactics to other commodities, the rich countries fought their demands down the line in UN committee rooms.

Bitterly, the Third World led by the radical Algerian delegation used its overwhelming majority in the General Assembly to railroad through its demands. Afterwards, the U.S. ambassador complained openly of "the tyranny of the majority" and argued that the resolutions were meaningless because the only nations capable of carrying them out didn't agree. He pointed out that the Assembly was a consultative body, not a legislature where majorities are binding. Western delegations hinted broadly that the UN was in danger of losing all its value as an international forum if such confrontations continued.

But the Group of 77 persisted. Over the next months they broke up virtually every international meeting by interjecting the demands in some form or other. It was feared that this month's special session called specifically to implement last year's resolutions on the new economic order was headed towards certain debacle that would irreparably demage the UN's waning prestige, but the West had finally begun to listen.

"Their tactics were rather brutal," says a Western European delegate, "but they made us start to think it out. We realized that they couldn't be put off and that they had some valid points." The Common Market countries and the U.S. State Department launched separate six-month long policy reviews to prepare counterproposals that might appeal to the Third World and aimed at steering the discussion towards evolutionary rather than revolutionary change.

As the meeting began, Secretary of State Henry A. Kissinger set a positive tone in a speech read for him by U.S. Ambassador Daniel P. Moynihan. It took an hour and a half to deliver—the longest speech the U.S. has ever delivered at the UN—and it was jammed with more specific proposals than the delegations could possibly digest in a single sitting.

"It wasn't exactly what we wanted," noted a Third World delegate, "but it contained a lot of good ideas and was definitely a step forward."

Before the UN session, the Group of 77 had also reassessed its position. "Last year we told the industrial countries to take it or leave it, and they said they'd leave it," explains a Latin American delegate. "This year we wanted to show them that we were serious and didn't want another ideological confrontation."

Rather than selecting a radical hardliner to represent their cause, they chose Manuel Perez Guerrero, Venezuelan Minister for International Economic Affairs, who is a former top UN official and a skillful mediator. "He made all the difference," a Common Market delegate says. "He allowed us to talk about ideas and goals rather than getting stuck right away on ideological wordage."

MANY POTENTIAL BENEFITS

The final resolution hammered out during an all-night session earlier this week was filled with compromises and left no one completely satisfied. Nevertheless, it represented a major departure with the past and contains many potential benefits for the Third World. Some of its pledges:

To seek ways of stabilizing developing countries' export income and protect their purchasing power.

To offer preferential treatment to exports from the Third World in the developed countries' markets.

To find ways of relieving the crushing debt burdens strapping many developing countries.

To give the Third World a greater voice in revamping the international monetary structure and explore methods of having funds in the International Monetary Fund they could draw on for development.

To provide more aid for industrialization and freer access to established capital markets.

The U.S. voted for the resolution, but afterwards listed a number of objections to the final wording, particularly where it was suggested that schemes to stabilize the Third World's export income might involve tampering with the forces of the free market or implied some kind of international indexation of prices. The State Department, it is thought, is likely to encounter some serious difficulties in persuading Congress to go along with many of the concepts, especially the ones that will cost more money to the government and U.S. consumers.

And although the Group of 77 and Common Market spokesmen hailed the agreement as the opening wedge of the new economic order, the U.S. spokesman stubbornly maintained that "while the U.S. warmly associates itself with the objectives of the resolution, it doesn't accept that the world is now embarked on something called 'the new international economic order.' "

Whatever the deal is called, it's up to future international conferences to deliver on the promises. It's unlikely that the developing nations will stand for much stalling. The first opportunity will come in Paris this December when producers and consumers of commodities will meet on a more technical level.

An entirely different matter is whether the new approach will really mean that the lot of the poor countries will improve. These countries themselves bear a major responsibility for the failure of past aid efforts; and while the new approach removes many obstacles, it isn't the magic formula.

It's well to recall what then West German Economic Minister Ludwig Erhard is reported to have said when he was visiting a Southeast Asian country some years ago. After hearing local officials give an enthusiastic rundown of their great economic potential, he observed, "Yes, that's all very well, but you've still got to learn to work, work, work."

[From the New York Times, Sept. 17, 1975]

U.N. ADOPTS PLAN FOR POOR NATIONS

(By Paul Hoffmann)

UNITED NATIONS, N.Y., Sept. 16.—Rich and poor countries, at the end of 16 days of intensive but generally restrained debate, unanimously agreed today on measures to narrow the gap dividing them.

A special session of the United Nations General Assembly devoted to the plight of the third world ended with the adoption of a long set of principles and recommendations for "redressing the economic imbalance" the world.

The document, among other things, envisioned the following:

Steps to guarantee the purchasing power of developing countries by stabilizing their earnings with the help of a new development security facility and other means.

Easier third-world access to the capital markets, science and technology of the advanced nations.

A redistribution of global wealth by establishing mechanisms for the automatic transfer of funds to have-not peoples, including changes in the world monetary system.

Changes in the United Nations structure to streamline its social-economic arms and enhances the role of developing countries in the organization.

Most participants in the special session agreed that its atmosphere throughout had been in striking contrast to that prevailing in the preceding Sixth Special Session in the spring of last year, which was tackling essentially the same subjects.

The 1974 parley ended in frustration after bitter exchanges; the Seventh Special Session ended today with many delegates seeing, in almost identical words, the beginning of a real dialogue between the two groups.

The United States expressed some reservations about specific passages in the 6,000-word document that was drafted in tense negotiations conducted among groups of delegates almost around the clock for four days.

GENUINE ACCORD

However, the chief American delegate, Daniel P. Moynihan, told the Assembly after the resolution's passage by consensus that a "genuine accord had been reached.

"We have shown that this can be done in the unique and indispensable setting of the United Nations," Mr. Moynihan declared. "This system works."

Representatives of the third world, of Western Europe and Communist nations also voiced gratification in varying degrees, about the outcome of the session.

Alfonso Garcia Robles of Mexico, speaking on behalf of the group of developing nations, stated that a "friendly dialogue had begun that would be continued.

Secretary General Waldheim, in an address to the Assembly, said that a process had been started to distribute the growing global wealth more equitably and enhance the participation of all nations, including the weakest, in international decision-making.

Delegates of many countries and United Nations officials stressed that the special session had been proof of the growing political importance, economic power and sophistication of the third world.

American and other Western officials emphasized that, in what may be a historic turning point, the special session saw the rich and poor countries taking the path of negotiations after a long period of conflict and confrontation.

SOME AWAIT NEXT ACTION

Many third-world delegates also stressed the thoroughly negotiated character of the decisions approved today. Some nevertheless expressed doubt that the industrial nations would act on the measures they had more or less reluctantly agreed on.

The Netherlands Minister of Development and Cooperation, Jan P. Pronk, who was chairman of the committee that drafted the final resolution described the special session as a harbinger of structural political changes in the world.

Until recently, Mr. Pronk, said in a press briefing, the developing countries would come before the industrial nations and ask for assistance, and the answer would be yes or no—"often no." Now, the advanced countries were seeing negotiations with the third world as "really serious" and there is give and take, he declared.

OUTCOME WAS IN DOUBT

Mr. Pronk said the outcome of the special session's negotiations was still touch and go an hour before unanimity was reached in the drafting committee at 3:50 A.M. today.

The resolution, as adopted by the full special Assembly session seven hours later, implicitly endorsed many of the proposals that Secretary of State Kissinger had put forward in a message that Mr. Moynihan read on the first day of the session, Sept. 1.

The document also made concessions to third-world rhetoric, and incorporated ideas that developing countries had been debating for years.

One of them was a recommendation for some form of "indexation"—pegging the prices of raw materials that third-world countries export to the cost of manufactured products they must buy abroad. The United States is opposed to the proposal, but stated it would go along with others in studying it.

Assistant Secretary of State Thomas O. Enders, who participated in the last stage of the United Nations talks, explained at the press briefing later today that "new international economic order" was a "statist" concept, meaning it implied state planning of the economy.

And Mr. Moynihan, addressing the special assembly session, noted with an allusion to the socialist leanings of many third-world nations that the United States "styles itself nonsocialist."

The resolution's preamble, which called also for elimination of "injustice and inequality which afflict vast sections of humanity," was followed by seven chapters envisioning measures to be taken by the appropriate United Nations bodies.

Mr. Enders said in his briefings that some of the steps for implementing the resolution would require action by Congress.

[From the Washington Post, Sept. 17, 1975]

UNITED STATES URGES FUND TO PROTECT POOR AGAINST PRICE DIPS

UNITED NATIONS, September 16—The United States proposed today the establishment of a $10 billion fund to protect the world's poor nations from the extreme fluctuations of the world market prices for the raw materials they export.

This was part of a package of general agreements reached at 7 a.m. today after an all-night session that concluded 15 days of intense negotiation at the special session of the United Nations General Assembly devoted to the future of the economic relations between the world's rich and poor nations.

The final resolution—87 long, technical paragraphs—seemed to mark a major change in tone in the previously deteriorating relations between the two economic blocs.

The resolution amounts to a set of guidelines to an agenda for perhaps 10 years worth of detailed international economic negotiations between the industrial nations of the West and the Third World.

In exchange for a striking new American willingness to consider the special problems of poor nations that often depend on one key raw material for their prosperity, the developing nations agreed to drop previous demands that there should be what amounts to an international planned economy that ignores the workings of the laws of supply and demand.

This has most recently taken the form of a demand for "indexation"—the establishment of a "market basket" of Western industrial goods whose price rises would automatically trigger price increases for the raw materials that the Third World exports.

"We broke the back of indexation," said U.S. Ambassador Daniel Patrick Moynihan.

He also hinted broadly at the general conclusion here that the United States had scored a major victory over both the Soviet Union and China. They "opted out of the dialogue," Moynihan said.

In fact, the Communist nations took pains to warn that they bore no responsibility for the economic plight of what the Soviets called the "backward" nations, and implied that there would be no aid forthcoming from them.

To get the agreement the West promised to negotiate specific measures for the economic development of the poor nations that "went far beyond anything that had ever been done before," British Ambassador Ivor Richard said.

Both European and Third World diplomats credited the United States in particular with a new desire to come to terms with the Third World.

In return, the poor nations accepted the dilution of most of the radical principles they had put forward in demanding a "new international economic order"—a restructuring of global economic mechanisms under rigid controls designed to redistribute the world's wealth from rich to poor.

Both sides implicitly agreed to achieve their goals through negotiated agreements, rather than threats of disruption.

What the United States and other Western nations offered—and what the Third World settled for—was the patching up of the existing system to compensate the poor for the disadvantages they suffer under it.

Specifically, the West made major concessions in agreeing to negotiate and sign individual commodity price agreements such as those for tin and copper, despite their continued reluctance in theory to interfere with the "free market" economy.

The major U.S. proposal was a $10 billion fund that would provide poor nations with loans or grants whenever their overall export earnings suffered an abrupt decline because of a drop in raw material prices.

To develop the poor nations further, the United States proposed a series of new international institutions that would encourage the flow of private capital to the poor nations. This approach is meant to supplant increased government aid from the West.

The United States pledged $200 million to a new fund to help poor nations develop the capacity to grow their own food. It also endorsed a code of conduct for the transfer of the technology to the Third World.

The concessions by the poor nations came mostly on principles. But this means that today's compromise will leave the rich nations free to press their capitalist approach when the talks enter those forums where the West retains its leverage—such as the International Monetary Fund and the Paris conference of consumers and producers.

For example, the Third World settled for weak language on tariff preferences for their goods. Such preferences will be granted only "where feasible and appropriate," and could involve unspecified reductions in tariffs. rather than complete removal.

The poor nations also dropped from today's resolution demands for the regulation of multinational corporations and for the right to expropriate the assets of foreign corporations and pay compensation under their domestic laws.

Besides thwarting the poor nations goal of indexation the West avoided any commitment to the so-called "integrated approach" to commodity agreement. This means that the poor nations cannot now insist on one large package deal for all commodities—a negotiation in which their collective leverage would be greater.

U.N. economic experts pointed to the absence of any concessions by the oil-producing nations in today's resolution. Western proposals for a consumer-producer forum on each commodity, including oil, were omitted, as well as any specific reference to guarantees that consumers could obtain stable commodity supplies.

But Assistant Secretary of State Thomas O. Enders, who served as the chief American negotiator in the climactic days of the session, claimed that today's package contained references to 28 of the proposals outlined in the major U.S. policy speech at the start of the assembly. "It was responsive to our needs as well as to the poor," Enders said.

U.S. satisfaction, however, was not complete. Under an "agreement to disagree," reached on the final day of talks, the United States entered reservations on three or four of the major issues in the resolution. Other Western governments also registered reservations, but of a far more limited nature.

U.S. representative Jacob Myerson rejected any system that would artificially regulate world trade.

He also withheld any U.S. commitment to major increases in foreign aid. The U.N. resolution calls upon the industrial nations to provide 0.7 per cent of their gross national product each year for foreign aid. For the United States, this would mean tripling current aid levels to about $10 billion annually—a move for which, Enders said, "The political base no longer exists."

The United States stood alone in its opposition to the use of new Special Drawing Rights—a form of paper currency created to stimulate world trade and credit—as a method of providing increased foreign aid to poor nations.

Myerson also insisted that the United States "cannot accept any implications that the world is now embarked on establishment of something called 'the new economic order'."

Jan Pronk, 35, the Dutch economics minister who served as chief mediator during the assembly, reassured the United States in a press conference later today that "what we did here was not to create a new economic order."

Pronk, the European representative here who is the most sympathetic to Third World views, also insisted that the U.S. reservations were "as few as possible and will not prove a hindrance to future negotiations."

Pronk revealed that negotiations almost broke down—that a collapse "was a real possibility until one or two hours before the end" in the early hours of this morning. The final bargain was made between Enders and Manuel Perez Guerrero, the economic minister of Venezuela, on the key issues of Special Drawing Rights, the Western governmental aid commitments and the reference to the "new economic order."

In the final days, over the last weekend, Moynihan said, both Secretary of State Henry Kissinger and Treasury Secretary William E. Simon were in constant touch with the U.S. negotiating team. Moynihan also made it clear that some difficulties between the two secretaries were resolved by President Ford.

On the Third World side, Perez Guerrero faced a last ditch attempt by Algeria and other radicals to reject the compromise wording.

Some in the Third World caucus, Moynihan said, "did not feel there was enough to be gained from the negotiated settlement we reached and thought they should continue to state unyielding demands, recording disagreement as a matter of principle.

"This was a perfectly understandable strategy. In the end, faced with that established practice or an actual agreement, the larger and stronger in the group chose to enter this agreement and commence the process that has begun."

Enders paid tribute to the 18 members of Congress who served as advisers to the U.S. delegation at this special assembly session, and who endorsed the new U.S. policy proposals. He pointed out that many of the items agreed upon will require Congressional concurrence.

DAY CARE STANDARDS

Mr. MONDALE. Mr. President, once again efforts are being made to water down or delay implementation of the day care standards that provide minimal levels of protection for children in federally assisted child care programs. Legislation has been introduced which for some age levels would permits twice as many children per adult as present standards permit in child care centers, and requests have been made to Secretary Mathews of HEW to delay implementation of these standards or to provide statewide exemptions from them.

Mr. President, this is an issue with which all of us in the Senate are familiar. Over the past few years, we have consistently voted to assure that Federal day care standards continue to apply to federally assisted child care programs. Indeed, the standards for programs under title XX of the Social Security Act now scheduled to take effect October 1, are basically the standards that have been in effect since 1968. The only changes in them involve some loosening of adult-child requirements for school age children, a shift from requiring to recommending educational services for preschool age children in day care programs, and the long overdue addition of adult-child ratios for children under 3 years of age in child care centers.

These standards were made available for public review and comment in the form of proposed regulations several months ago, and the final regulations scheduled to take effect on October 1 were modified as a result of this comment. It would be a major mistake to make any further modifications at this point in response to last minute pressures.

Mr. President, this is not just some academic matter. These standards concern the health and well-being of thousands of young children in federally assisted child care programs. To weaken them further, or to delay their implementation or their enforcement, would be a tragedy.

For the information of my colleagues and the public, I ask unanimous consent to print in the Record a letter which Senator Buckley, Senator Ribicoff, and I sent to Secretary Mathews expressing our strong opposition to any further modifications or delay in this matter, and to indicate that we will do all we can to assure that these standards are implemented and enforced as planned.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Committee on Labor
and Public Welfare,
Washington, D.C., September 15, 1975.

Hon. David Mathews,
Secretary, Health, Education and Welfare,
Washington, D.C.

Dear Mr. Secretary: It has come to our attention that you are receiving requests to postpone implementation of or provide statewide exemptions from the Title XX regulations regarding day care standards.

We urge you in the strongest possible manner to deny any such requests and to implement and enforce these standards as planned. These standards provide a minimal level of protection for children in day care, and must not be weakened or delayed. As you know they were made available for public review and comment in the form of proposed regulations several months ago, and the final regulations were modified as a result of this process. Any further modification at this point—before HEW completes the "appropriateness study" of day care standards required by Title XX—would be premature and unwise.

Sincerely,

James L. Buckley.
Walter F. Mondale.
Abraham A. Ribicoff.

JOBS FOR REDEEMED ADDICTS

Mr. JAVITS. Mr. President, my interest in stimulating employment of ex-addicts led me to sponsor a conference of business leaders to promote this goal. I am now pleased to commend to the attention of my colleagues a recent decision by Federal Judge Thomas P. Griesa which held as unconstitutional an employment policy which excluded from jobs methadone maintained ex-addicts.

Judge Griesa's opinion came in a class action against the New York City Transit Authority brought in the U.S. District Court, Southern District of New York—*Beazer, et al.* v. *New York City Transit Authority, et. al.*, 72 Civ. 5307.

The action challenged the blanket exclusion from any form of employment in the New York City Subway and Bus Systems of all former heroin addicts participating in methadone maintenance programs, regardless of the individual merits of the employee or the applicant. Plaintiffs also alleged that there was a similar exclusionary policy even against former heroin addicts who have concluded successfully their participation in a methadone program.

The court's ruling makes clear that methadone maintained ex-addicts are fully capable of performing a wide variety of jobs, including those that might entail danger to themselves or to the public.

I ask unanimous consent that the Summary of Conclusions of the thoughtful 88-page opinion, and newspaper articles hailing this landmark decision, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Summary of Conclusions

I have concluded that the blanket exclusionary policy of the TA against methadone maintenance patients is constitutionally invalid. Plaintiffs have more than sustained their burden of proving that there are substantial numbers of persons on methadone maintenance who are as fit for employment as other comparable persons.

No one can have the slightest doubt about the heavy responsibilities of the TA to the public, including their duty respecting the safety of millions of persons who are carried on its subways and buses. However, in my view, the blanket exclusionary policy against persons on methadone maintenance is not rationally related to the safety needs, or any other needs, of the TA.

I have concluded that the policy is the result of a misunderstanding by the TA regarding the nature and effects of methadone maintenance. I do not say this in any spirit of criticism. The information about methadone maintenance in the public domain is all too fragmentary and confusing. Myths and misconceptions abound. On the other hand, the trial of this case has afforded a unique opportunity to explore in depth the somewhat controversial issues surrounding methadone. A balanced and realistic view of the subject is possible as a result.

I should note that after about six days of trial the parties advised me that they were virtually finished with the presentation of their evidence. However, I was concerned about what appeared to be a disproportionately one-sided array of proof. Plaintiffs had introduced the testimony of an impressive group of experts, corroborated by laboratory and other tests, to the effect that a former heroin addict propertly "stabilized" on methadone is free of undesirable narcotic effects and is entirely normal as regards mental and physical capabilities. The evidence demonstrated that methadone maintained persons were successfully employed in jobs of many kinds.

As against this, the TA had brought forward a single expert witness, a pharmacologist, to present theories about certain adverse characteristics of methadone. However, the knowledge and experience of this witness regarding methadone maintenance were so limited that his testimony was of little value. The TA called its personnel director and medical director, who both testified to certain theories they held regarding methadone maintenance. However, these officials naturally lacked the depth of expertise possessed by plaintiffs' witnesses on this subject.

The situation raised a serious question as to whether all sides of the problems involved in the case had been thoroughly explored, or whether any negative aspects of methadone and methadone maintenance programs existed that had not been presented. I therefore requested the attorneys for the parties to submit proposals for further witnesses. The result was an additional nine days of trial at which exhaustive effort was made to probe the relevant questions with experts of varying points of view.

The picture which emerges from all the evidence is basically this. There are some 40,000 persons in New York City on methadone maintenance. It is, at present, the most widely used method for rehabilitating heroin addicts. Among these 40,000 persons on methadone maintenance there is a great variation (as there is in the population as a whole) with regard to characteristics such as educational qualifications, employment skills and background, antisocial behavior, alcohol usage, and abuse of illicit drugs. But the crucial point made so strongly by plaintiffs' witnesses was never convincingly challenged—that methadone as administered in the maintenance programs can successfully erase the physical effects of heroin addiction and permit a former heroin addict to function normally both mentally and physically. It is further proved beyond any real dispute that among the 40,000 persons in New York City on methadone maintenance (as in any comparable group of 40,000 New Yorkers), there are substantial numbers who are free of anti-social behavior and free of the abuse of alcohol or illicit drugs; that such persons are capable of employment and many are indeed employed. It is further clear that the employable can be identified by a prospective employer by essentially the same type of procedures used to identify other persons who would make good and reliable employees. Finally, it has been demonstrated that the TA has ways of monitoring employees after they have been hired, which can be used for persons on methadone maintenance just as they are used for other persons employed by the TA.

This proof applies with equal, if not greater, force to those former heroin addicts who have successfully completed participation in a methadone program.

I have therefore concluded that the present blanket exclusionary policy of the TA against employing, or considering for employment, any past or present methadone maintained person regardless of his individual merits, is unconstitutional.

[From the New York Voice, Aug. 15, 1975]

Judge Rules in Favor of Ex-Addict

The New York City Transit Authority's policy of excluding from employment all methadone maintained ex-addicts is unconstitutional, according to Federal Court Judge Thomas P. Griesa. In an 88-page opinion, the Transit Authority was ordered to consider methadone-maintained addicts on an individualized basis for job positions.

The plaintiffs were represented by the Legal Action Center, a public interest law firm which has focused substantial resources on the rights of ex-addicts since its formation two years ago.

The Legal Action Center hailed the decision as a major break-through for former drug abusers. Counsel for the Center noted that until now there has been virtually no law guaranteeing the civil rights of such persons. Moreover, discrimination against such persons is known to be pervasive. And, counsel noted, "such discrimination is particularly vicious and, from society's point of view, counterproductive, since former drug abusers denied employment are left little alternative to a life of renewed drug abuse and crime."

The decision is the first ruling regarding the constitutionality of discrimination against methadone-maintained ex-addicts, a group numbering, as the Court noted, some 40,000 in New York City alone.

The class action suit was filed by four named plaintiffs, one of whom, Carl Beazer, had successfully performed as a Transit Authority employee for 11 years prior to being fired when the Transit Authority discovered he was in a methadone maintenance program.

[From the New York Times, Aug. 7, 1975]

Methadone Users Win Work Ruling

(By Arnold H. Lubasch)

A policy that prevented all methadone users from working for the Transit Authority was declared unconstitutional yesterday by Judge Thomas P. Griesa in Federal District Court here.

In an 88-page decision, Judge Griesa ruled that the authority must give up its policy of excluding all former heroin-addicts in methadone-maintenance programs from all jobs in the city's subway and bus system.

The judge said that "the blanket exclusionary policy against persons on methadone maintenance is not rationally related to the safety needs, or any other needs, of the Transit Authority."

EXCEPTION IS MADE

A spokesman for the Transit Authority said that it had no comment because its lawyers were still studying the decision.

The Legal Action Center, a public interest law firm that represented methadone users who challenged the employment policy, called the judge's decision "a major breakthrough for former drug abusers."

Judge Griesa had ruled in his decision that the Transit Authority could refuse to employ methadone users in sensitive operating positions, such as motormen and drivers, but that it could not exclude them from all jobs without justification.

"A public entity such as the Transit Authority," he said, "cannot bar persons from employment on the basis of criteria which have no rational relation to the demands of the jobs to be performed. To do so is a violation of both the due process and equal protection clauses of the 14th Amendment."

The judge stressed, however, that the Transit Authority could make "reasonable rules" regarding methadone users and that it did not have to hire them "where there is a legitimate reason to question the person's ability or competency."

EVIDENCE IS CITED

He noted that there were about 40,000 persons now in methadone maintenance programs in the city.

Judge Griesa observed that impressive evidence had shown that "a former heroin addict properly stabilized on methadone is free of undesirable narcotic effects and is entirely normal as regards mental and physical capabilities."

"The evidence demonstrated," he said, "that methadone maintained persons were successfully employed in jobs of many kinds."

In his decision, which stressed the radical differences between heroin and methadone, the judge concluded that "a person maintained on a constant dose of methadone can perform normally by every standard that relates to employability."

[From the Daily News, Aug. 7, 1975]

Judge OK's TA Jobs for Ex-Addicts

The Transit Authority's policy of discriminating against former drug addicts applying for job positions was ordered terminated yesterday by Federal Court Judge Thomas P. Griesa, who ruled that the practice is unconstitutional.

The authority, which employs more than 40,000 persons in a wide variety of jobs, had sought to defend the policy because of the dangerous nature of its business in running the city bus and subway systems.

Calling the policy "vicious and counterproductive," Griesa ordered the TA to consider methadone-maintained applicants on an individual basis.

"It is interesting that a person with a

drinking problem may actually be permitted to function in positions such as subway motorman under certain circumstances," Griesa said.

[From the New York Law Journal, Aug. 7, 1975]

TA BAR ON HIRING ADDICTS ON METHADONE VOIDED

The New York City Transit Authority's "blanket exclusionary policy" against hiring narcotics addicts on methadone maintenance for its subway and bus systems was ruled unconstitutional yesterday in federal court.

In an eighty-eight-page opinion, Judge Thomas P. Griesa said that after fifteen days of trial, much of which was devoted to the efficacy of methadone maintenance, the "crucial point," never "convincingly challenged," was the following:

"Methadone as administered in the maintenance programs can successfully erase the physical effects of heroin addiction and permit a former heroin addict to function normally both mentally and physically."

His opinion came in a class action, *Beazer v. N. Y. City Transit Authority*, 72–5307, filed on behalf of four named plaintiffs and the class by the Legal Action Center of the City of New York, Inc., under Civil Rights Acts.

"I have concluded," Judge Griesa stated in the U.S. District Court for the Southern District of New York, "that the blanket exclusionary policy of the TA against methadone maintenance patients is constitutionally invalid.

BURDEN SUSTAINED

"Plaintiffs have more than sustained their burden of proving that there are substantial numbers of person on methadone maintenance who are as fit for employment as other comparable persons.

"No one can have the slightest doubt about the heavy responsibilities of the TA to the public, including their duty respecting the safety of millions of persons who are carried on its subways and buses.

"However . . . the blanket exclusionary policy against persons on methadone maintenance is not rationally related to the safety needs, or any other needs, of the TA. I have concluded that the policy is the result of a misunderstanding by the TA regarding the nature and effects of methadone maintenance.

CONFUSING INFORMATION

"The information . . . in the public domain is all too fragmentary and confusing. Myths and misconceptions abound. On the other hand, the trial . . . has afforded a unique opportunity to explore in depth the somewhat controversial issues surrounding methadone. A balanced and realistic view of the subject is possible as a result."

Judge Griesa noted that it was proved "beyond any real dispute that among the 40,000 persons in New York City on methadone maintenance . . . there are substantial numbers who are free of anti-social behavior and free of the abuse of alcohol or illicit drugs; that such persons are capable of employment and many are indeed employed.

"It is further clear that the employable can be identified by a prospective employer by essentially the same type of procedures used to identify other persons who would make good and reliable employees.

MONITORING EMPLOYEES

"Finally, it has been demonstrated that the TA has ways of monitoring employees after they have been hired, which can be used for persons on methadone maintenance just as they are used for other persons employed by the TA.

"This proof applies with equal, if not greater, force to those former heroin addicts who have successfully completed participation in a methadone program.

ORDERS GIVEN

Judge Griesa ordered the TA to re-examine the employability of the four named plaintiffs and to submit its conclusions to the court so he can determine whether they should be reinstated or hired and what rights to back pay there are, if any.

He also ordered the plaintiffs to submit a proposed permanent injunction based upon the principles in his opinion that the TA will review and comment upon.

The Transit Authority was represented by John G. deRoos, Edward Summers and Gilbert T. Dunn, of its legal staff.

GEORGE A. CRONIN

Mr. TUNNEY. Mr. President, it was with profound sorrow that I learned of the sudden death of George Cronin last week. Mr. Cronin, a professional staff member of the Senate Special Committee on Aging, in the short span of 2 years earned my respect and, I am sure, the respect of my colleagues on the committee as a result of his sensitive and dedicated work on behalf of the Nation's senior citizens.

His caring was evidenced in every facet of his work, and he brought a high level of professionalism and competence to the complex problems assailing senior citizens, notably in the area of transportation problems of the elderly. His presence is felt in two major pieces of legislation: the Older Americans Act Amendments of 1975 and the Urban Mass Transportation Act Amendments of 1975. When enacted into law, countless senior citizens will benefit from his untiring efforts.

They, and all of us who worked with him, will miss his gentle spirit and dedicated attention to human welfare.

DAY CARE

Mr. BUCKLEY. Mr. President, the discussion over possible day care legislation requires an awareness by Congress and the public of various viewpoints and practical considerations on this subject. Therefore, I ask unanimous consent that then-Secretary Caspar Weinberger's testimony on the subject before the House Subcommittee on Select Education be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF CASPAR W. WEINBERGER, SECRETARY OF HEALTH, EDUCATION, AND WELFARE

I appreciate the opportunity to appear before you this morning to outline the views of the Department of Health, Education, and Welfare on the Child and Family Services Act of 1975—S. 626 and H.R. 2966, as introduced by the respective Chairmen of the two Subcommittees.

We have reviewed the testimony of the public and private agencies and organizations whose representatives have appeared before these two Subcommittees over the past several months.

Their views—pro and con—have paralleled closely the arguments voiced over the past five years in support of or against earlier variations of the child care and child development program this bill would create.

The family is—and rightly should be—the primary influence on the development of children. Any government program that touches on the child—be it day care, health care, education, or any other social service—should complement the familial relationship, not threaten damage to it.

Parents—indeed, all citizens—should have some way in the identification of social services needs and in the allocation of public resources to meet those needs on a rational, priority basis. And, in the process of organizing government programs, social, health and educational services should be integrated as closely as possible at the point of delivery.

It does little good, for example, to diagnose a physical or emotional or educational problem in a child if there are no appropriate facilities or services capable of coping with the problem.

But we strongly disagree with the idea behind this bill that we must build a wholly new delivery system for child care services which would bypass services now directly and indirectly benefitting our children.

And we also seriously question the wisdom of the government diverting so much more of the national treasury to the kinds of services encompassed in this proposal.

It was on these closely related issues that the Administration strongly objected to the two predecessors of this proposal: the Child Development provisions of the 1971 Economic Opportunity Amendments which, as you know, were vetoed; and the 1972 Comprehensive Headstart, Child Development and Family Services Act which passed in the Senate but died in the House.

GROUNDS FOR OBJECTIONS

We strongly oppose enactment of the 1975 version of this proposal on four major grounds:

First, the unwieldy administrative structure it would create alongside—and despite—the existing network of child and family services;

Second, the highly duplicative array of services it would offer, again despite the availability of such services for the same target populations through existing Federal categorical aid programs;

Third, the enormous strain which this new program would ultimately place on the Federal budget—a strain even more dangerous now than in 1971 and 1972 since we are confronting a national deficit amounting to more than $60 billion, nearly $300 for every American man, woman, and child, including, of course, those this proposal ostensibly seeks to serve;

Fourth, we are strongly opposed to the idea, inherent in this proposal, that the Federal government should provide mass developmental day care for pre-school children all over the Nation.

I will take a few moments to outline in some detail our specific concerns about each of these four points before proposing an alternative means by which the Congress and the Administration could move now to meet most, if not all, of the same goals sought in the Child and Family Services Act.

ADMINISTRATIVE STRUCTURE

First, the unwieldy administrative structure of the services delivery system proposed in this bill.

The Child and Family Services Act would create a new Office of Child and Family Services within the Department of Health, Education, and Welfare with a director to be nominated by the President and subject to Senate confirmation.

The bill would also mandate establishment of a new Child and Family Services Coordinating Council at the Federal level, duplicating the responsibilities of the Department of Health, Education, and Welfare Committee on Children and the Interagency Panel for Early Childhood Research and Development, among others, which were created to obtain as close coordination as possible of the many categorical programs created by the Congress to focus on particular service needs of children and families.

The pending bill would carry this degree of administrative and programmatic duplication from the top down by adding a new Federal-State-local-public-private services delivery system on top of all of the complex health, education, welfare, and social service networks now in place.

It would put the Federal government in the position of dealing directly with thousands—perhaps tens of housands—of local governments and voluntary service organizations as prime sponsors of service programs. The administrative complexity and the enormous costs of such a situation are manifest; the benefits are completely conjectural.

In effect, this bill would give the Federal government a far too pervasive role in the organization and delivery of social services at the local level.

This bill would, in almost every instance, push State governments to the sidelines, thereby overriding the traditional Federal-State relationship embodied in the "single State agency" concept which, as you know, permits State governments to determine social service priorities and decide for themselves, within broad Federal guidelines, how best to allocate available Federal, State and local services dollars to meet those priorities.

In lieu of the Governor or the Legislature or the "single State agency" planning and allocating these resources and supervising their expenditure, this bill would make it the responsibility of the Secretary of HEW:

To determine who, among localities or competing local agencies, should be a "prime sponsor" or a child and family services project;

To determine whether local sponsors are overlapping in their service delivery areas or duplicating one another; and,

To determine whether, when and to what extent a State should step in to serve as a prime sponsor in an area where local governments or voluntary agencies do not take it upon themselves to operate child and family service programs.

It would also be up to the Secretary of HEW to review the annual service plans to each prime sponsor—and, as I pointed out a moment ago, there could be thousands of these—to ensure that each is adhering to Federal standards for program quality and fiscal accountability.

In short, this proposal as now framed would demand a veritable army of Federal bureaucrats in Washington and in the Department's ten regional offices to perform the kinds of programmatic planning, coordinating and monitoring activities that belong more appropriately under the aegis of State and local governments, and which indeed are being done by those governments right now.

The task of monitoring these thousands of prime sponsors would be made all the more complex by virtue of the responsibiliites of a Child and Family Services Council which would be created for each and every prime sponsor funded under this proposal. These groups—composed of an even balance between parents of children to be served and representatives of childcaring agencies and professions—would be empowered to go far beyond an advisory role to take active part in day-to-day management of the child and family services programs. They would be, in effect, an added layer of management superimposed on the professional staff hired to operate the programs.

We oppose according advisory and consumer groups powers which are essentially managerial or policy-making in nature. To create such an added bureaucratic overlay is to add further administrative complexity which is more likely to impede, rather than facilitate, program development and operation.

We fully recognize the value of advisory groups and consumer representation in preparing recommendations for policy action. But what is frequently overlooked in the constant demands for more of this participation is that we have consumer representation now. We have it in the formation of policy and oversight of government programs by Federal agencies. And we have the Congress and State legislatures with members directly responsible to the people who elected them. Consumers are, after all, simply the people—all the people. They are not a separate group to be separately represented. In light of this, we oppose creating hundreds of other non-elected, power-wielding groups as would happen were this bill to be enacted.

The President recognizes the legitimate public and Congressional concern that Federal agencies be more responsive to the interests of the consumers—in other words, to the people. He has asked all agencies to examine their efforts to represent consumers in their decisions and activities, and has directed all agencies to work with his special assistant for consumer affairs to devise means toward this end. This effort is now underway.

DUPLICATION OF PROGRAMS

Our second major area of concern with this proposal is that it would duplicate an enormous complex of authorities and programs already in place without attempting to pull them together legislatively.

As the members of these Subcommittees will recall, I submitted to you last December 20, at your request, a summary report on Department of Health, Education, and Welfare activities on behalf of children as a supplement to the record of hearings then being held on this proposal. That report spelled out in some detail the extraordinary number and scope of Federal programs now serving the nearly 50 million children under the age of 13 in this nation.

Using budgetary and programmatic data available for Fiscal Year 1974, our report showed:

That more than $13.2 billion of the Department's 1974 budget was devoted to some 200 programs either directly or indirectly impacting on the health, education, or welfare of our children;

That the Department has taken a number of major steps to reassess and restructure our approach to policy formulation and program coordination, seeking to harmonize the often disparate, sometimes conflicting goals of this overwhelming array of categorical programs at the point of service delivery; and

That the Department has concluded—on the basis of long experience with the management of far-flung programs—that we must adopt a more target group-oriented perspective in relation to planning, budgeting, and evaluation of our programs, to ensure that the Department, the States and the localities involved in administering these programs are indeed meeting the real needs of those people with real problems.

The pending proposal would, in effect, all but ignore what the Federal, State and local governments are doing—or could do—with the billions of service dollars now being expended through those 200 programs under other authorities created by the Congress. If enacted, this proposal would mean wholesale replication of services across the entire spectrum of those 200 programs.

In the area of health care alone, this bill would provide services duplicative of those now available under a dozen Federal-State programs, including Medicaid—most especially, Early Periodic Screening, Diagnosis and Treatment; Maternal and Child Health; Community Mental Health Centers; Developmental Disabilities; Family Planning Service; Neighborhood Health Centers; the Migrant Children and Indian Health programs; and Crippled Children's services.

It would similarly duplicate and overlap with an array of programs and authorities under various Education statutes, especially Title I of the Elementary and Secondary Education Act, the Indian Education Act and programs operated by the Department's Bureau of Education for the Handicapped which together reach hundreds of thousands of migrant and Indian children, non-English-speaking children and children with handicaps.

The most blantant duplication would occur across the entire gamut of services now available under the various titles of the Social Security Act and other statutes providing authorities for human services programs. These include the social services programs now operating under Title IV–A and IV–B of the Social Security Act; the WIN program; Headstart and Follow-Through; and, of course, the newly enacted Title XX Social Services Amendments.

Nowhere—save in "maintenance of effort" provisions relating to Headstart and to State and local services spending levels—does the pending proposal call for direct linkages to any of these programs. The bill implies that the Federal-level "coordinating council" that would be established would be better equipped to dovetail the planning and delivery of child and family services under other categorical programs than is now the case with the many similar committees we have already established, which are also in the main required by law.

This assumption, in our judgment, is ill-founded—given the autonomous nature of the service delivery system embodied in this proposal. I submit that it would be all but impossible for any "coordinating council" to mesh smoothly 200 other categorical programs operating through the traditional Federal-State-local delivery structure with a wholly separate service delivery system comprised of thousands of individual projects reporting directly to Washington.

This very issue was highlighted by a number of Senators—including the Chairman of the Subcommittee on Children and Youth—during the floor debate over a Senate Finance Committee amendment to H.R. 1 under which $800 million in new child care monies would have been administered through a new Bureau of Child Care within the proposed Work Administration.

In leading the debate against this approach, Senator Mondale noted that he remained in favor of new child development legislation but strongly opposed the approach to day care funding embodied in the Finance Committee amendment. To quote from the Senator's comments:

"The Bureau of Child Care which is set forth in this measure establishes a new Federal office, which does not exist, and permits it to run day care centers anywhere in the country, in any fashion it wishes, with no involvement of State and local government. The Bureau can completely disregard State departments of welfare, and probably will . . . It ignores the present system and sets up an entirely new delivery system . . ."

Senator Mondale proposed that the new monies be channeled into day care through the existing Title IV program structure because, and again quoting from the Senator's remarks:

"By using an existing program, it would not add confusion and further fragmentation to the system of the Federal assistance to child care. By retaining the Federal-State-local partnership arrangement in Title IV–A it would not by-pass the other levels of government or create a system with total Federal control."

With these and similar arguments voiced by Senators Javits, Buckley and Brooke, the Senate agreed to Senator Mondale's proposal that these new monies be channeled to the States through the existing system.

We do not believe that the Senator's arguments on this issue with respect to H.R. 1 are any less valid today. Indeed, we believe they are even more valid in light of the enactment of the new Title XX Social Services Amendments, about which I will have more to say in a few moments.

ADDED COSTS

Our third area of major concern with this proposal has to do with its cost and with several aspects of its approach to Federal funding and accountability for how those funds are to be spent.

This bill would authorize $1.85 billion to new services funding over the next three years with $350 million of that amount devoted to planning, training, and other start-up costs alone—itself an indication of the gargantuan tasks inevitable in the creation of a wholly new program as far-reaching as that envisioned in this bill. That sum, incidentally, is more than one-sixth of the total Federal expenditures projected for fiscal year 1976 under the newly enacted Title XX Social Services Amendments.

The proposal assumes annual operating costs would reach $1 billion in the second full year of program operation. Given the scope of health, education, and social services this bill seeks to meld under one roof—and the expectations its enactment would generate—this in all likelihood is a substantial under-estimate.

We are already on the road that took New York City to where it is today. Someday, someone is going to have to have sufficient courage to avoid propelling us further down that road.

Today is a good day to start.

The bill proposes Federal matching at the rate of 100 percent in the start-up year, 90 percent in the second year, and 80 percent thereafter, a formula which we believe places far too great a burden on the Federal government for such a program, particularly when the local share can consist of anything from public funds to donated goods and services.

We believe that States and localities would make more effective use of available social service dollars—including Federal support—if their own stake in the funding of these programs were more proportionate to their responsibility for running them. This is why we have proposed that Federal matching under the new Title XX Social Services Amendments be reduced in two annual stages from the current 75 percent level to 50 percent, bringing the formula more in line with the formulas now used for Federal reimbursement for Medicaid and cash assistance programs.

Also with respect to our concern over the fiscal impact of this bill, we believe this proposal to inject yet another $1.85 billion into direct child care services overlooks a considerable amount of history.

As members of these Subcommittees will recall, total Federal support devoted specifically to day care and child development programs in Fiscal Year 1971—at the time the 1971 Child Development Amendments were vetoed—was approximately $653 million. At that time, about 825,000 children were receiving direct benefits under those funds through Title IV and IV-B services, the WIN program, Headstart and related programs.

Since then, the number of children receiving direct day care and developmental services under these same programs has jumped to nearly 1.6 million and Federal dollars helping underwrite those services have nearly doubled.

For Fiscal Year 1976, we anticipate that day care services supported under Title IV of the Social Security Act and its successor, Title XX, will reach a spending level of $680 million in Federal, State and local funding and will benefit up to 980,000 children. Another 350,000 children will benefit directly under the $434 million Headstart program; approximately 38,000 will benefit from Follow-Through at a Federal cost of $42 million; and an additional 200,000 children will receive day care services under the Work Incentive program at a Federal cost of $97 million.

And under Title XX, note that States may—at their option—provide direct child care services, including day care, to children of any age, including the teenage years, just as prime sponsors could were this proposal to be enacted.

In addition, since 1970 the Congress has twice acted to make it possible for working parents with children under 14 to list all or a portion of child care costs as deductions on their Federal income tax returns. Under the most recent Congressional action—the Tax Reduction Act of 1975—an estimated 1.8 million families with approximately 2.7 million children and with joint incomes of up to $44,600 will benefit from tax reductions amounting to $340 million. This will be, in effect, adding more than a third of a billion dollars in Federal support for child care to the more than $1.25 billion in Federal, State and local funds for day care that will be expended under the Social Services, Headstart and WIN programs.

NO CONSENSUS

With respect to our fourth major objection to this proposal, we do not believe that the American people have reached a consensus that the Federal government would provide the kind of mass developmental day care for pre-school children envisioned in this bill.

We can understand the considerable pressures in favor of this concept that have been brought to bear on the Congress by those who have themselves accepted it. But pressures are not always to be yielded to and we believe it would be highly inappropriate for the Federal government actively to support this approach to child-rearing.

Just as this proposal overlooks the rapid growth in the sheer numbers of children now being served and dollars being spent through direct child care programs, so does it appear to ignore a very fundamental alteration in the Congress' own view of the proper State role in the traditional Federal-State social services partnership.

I am referring, of course, to the philosophy underlying the enactment of the Title XX Social Services Amendments by the 93rd Congress—which Act signaled a major shift in Congressional attitude toward the planning and delivery of social services.

Under Title XX, the States will have broad discretion to use large amounts of Federal services funds—up to $2.5 billion—to help meet needs they themselves identify through programs they themselves structure in ways best suited to local conditions and resources.

Not needs spelled out in great detail by the Congress or by Federal bureaucrats in Washington;

But needs identified by State, local and voluntary services agencies;

Needs felt by the people and voiced directly to program planners through public access to the planning process:

Needs ranked according to State and local priority by Governors and Legislatures and budget-makers who know what resources are available; who are directly responsible to the people for making those resources stretch as far as possible; and who will have to report back to the people on their success—or failure—in mounting and managing the programs demanded by those people.

In short, Title XX—which was demanded by the Governors and the social services professionals and the clientele they serve—is a bold new direction in the Federal-State relationship. And it is one on which the Administration, the Congress, the States and the voluntary sector have embarked with high hopes that it will lead to a better services delivery system—and hence to better services to the people.

To now enact the Child and Family Services proposal would be, we believe, a giant step in exactly the opposite direction.

A step backward from confidence in the people's ability to identify their own services priorities;

A step backward from confidence in the ability of State and local governments to act responsively and responsibly in meeting those priorities;

A step backward into the age-old, single-purpose Federal categorical grant approach that assumes that the bureaucrat most remote from the people knows best what the people really want and really need.

ANOTHER STEP FORWARD

Rather than take that fateful backward step, we propose that the Congress move the Federal-State relationship yet another step forward along the route begun with General Revenue Sharing and Title XX.

We fully support one of the primary goals of the Child and Family Services Act, namely: whatever services are available to children and their families should be integrated fully at the point of delivery.

We fully agree that this state of the services delivery art can never be fully realized until and unless the Federal Government effects a fundamental change in its approach to encouraging and supporting the delivery of essential human services.

But we do not agree that the means to this end lies in the enactment of the 201st categorical grant program designed to impact on those children and their families.

Rather, we suggest that the Congress act decisively—and soon—to capitalize on the 200 programs already in place by adopting a new Federal perspective on the management of those programs by enacting into law the concepts embodied in the Allied Services Act proposal that we have repeatedly advanced for your consideration over the past several years.

Enactment of these concepts would permit the Federal government, the States, their localities and the voluntary sector to achieve the same programmatic coordination envisioned in the Child and Family Services Act—but using existing program authorities and existing Federal, State and local fiscal resources. We believe—and the Congress has indicated that it too believes—that the States and the services community want and need more freedom to use available Federal support to meet needs they themselves perceive. In the General Revenue Sharing Act, and again in Title XX, the Congress has moved to give concrete expression to that belief.

The $13.2 billion in direct and indirect child-oriented Federal funding we identified in the 1974 budget almost equaled the entire $13.4 billion in Federal spending for all domestic programs in 1952. I need not emphasize to these Subcommittees the extremely rapid growth that has occurred in all human resource expenditures since the early years of my Department's existence.

Since the mid-1950's, the Federal government's share of total Federal, State, local and private services expenditures has risen from 29 percent to 42 percent. And in those same years, the proportion of the Federal budget devoted to human resources expenditures has more than doubled from 21 percent to 52 percent.

It is obvious to us that this kind of exponential growth in Federal services expenditures simply cannot continue.

We believe the time has long since come to think not in terms of pumping more dollars into the system, but rather getting more system into the use of the dollars already being spent.

Rather than give us a new categorical program, give us a new multi-categorical approach. Let us consolidate, not continually add. And let us not always be terrified of stopping any program.

BUILDING A SYSTEM

What we need is not a new fragment in our non-system, but rather the building of a system where there is none. We need to develop a social service network capable of taking charge of a human problem—and seeing that problem through to its solution from intake to diagnosis to treatment to evaluation.

We need a system that does not place people with problems where the problem-solving dollars happen to be allocated. Rather, we need to allocate these dollars in such a way that they can be brought to bear when and where they are needed. In short, we need a system that is not dollars-oriented, but people-oriented.

That is the principle underlying the Allied Services Act—and, we think, one of the fundamental principles underlying the Child and Family Services Act.

But unlike the Child and Family Services Act, the Allied Services would not create a wholly new categorical program. Rather, it would, on a demonstration basis:

Coordinate some of the narrow categorical Federal grant programs now serving single needs of children and families into broad, substantive aproaches to problem solving, permiting states and localities greater flexibility in tailoring available funds to meet their own local needs;

Simplify program requirements, and reduce bureaucratic rigidity and complexity, thereby freeing money now spent on paperwork for actual delivery of services;

Give the Department the kinds of flexibility we need to promote development of integrated services;

Enable State and local agencies to pool planning, management and information functions—making it easier to provide the right services to the right target populations at the right time.

That is what we mean when we say we need to put more system into the dollars now being spent, rather than to put more dollars into the system.

And that is what we mean when we ask the Congress to weigh very carefully the consequences of any action it might take to build a wholly new program, or spend wholly new dollars, on top of the programs and dollars already being devoted to many of the same problems the pending proposal is intended to address.

JACK BELL AND THE SENATE

Mr. CHURCH. Mr. President, Jack Bell of the Associated Press and of Gannett News Service, who actually began covering this body before some of its present Members were born, died earlier this month. His passing should not be ignored in this, of all places. Jack Bell covered the Senate for one-sixth of its existence. In so doing, he became, in many ways, a part of this institution.

The Senate could never be a democratically deliberative body if the people knew nothing of its deliberations. By knowing what the Senate has under consideration, the American people have the opportunity to contribute their opinions and suggestions before any action is taken. And, of course, they know what the Senate is doing because of a robust and free press.

They knew best of all through Jack Bell and the team of reporters he led.

Jack's integrity as a reporter who specialized in the straight, unvarnished news gave the American people one of the most accurate sources of information on the Senate. And his reports went to more citizens of this country than those of almost any other journalist. The reach of the Associated Press, with whom he spent most of his career, is far and it is wide, It penetrates virtually every community in this country, no matter how small. Similiarly, the Gannett News Service, for which Jack Bell later became a distinguished senior columnist, is a major and far-reaching chain of newspapers. For two generations, much of what millions of Americans knew about the Senate was reported to them by Jack Bell.

So he was, in that sense, very much a part of this body and its purpose. And he was very much a tenacious professional presence who will be missed by the Senate and by its Members, so many of whom also found in him a friend.

NEW DIRECTORS IN FOREIGN ASSISTANCE NEEDED

Mr. HUMPHREY. Mr. President, in a recent address to the Governors of the World Bank, Robert S. McNamara sketched a grim portrait of the future which awaits the poor of our world. He predicted that the poorest nations of the world face a decade of stagnation unless multilateral and bilateral assistance to help them overcome the sources of their poverty were forthcoming. This aid, he stated, would need to be both greater in magnitude and more specifically focused on projects to increase productivity.

I would like to share with my colleagues a summary of Mr. McNamara's thoughtful remarks. His portrait of the consequences of ignoring the plight of the roughly one billion urban and rural poor people is one which all of us should ponder seriously, especially now that we are on the verge of establishing some new directions in our own bilateral aid programs. I am hopeful that we in the U.S. Congress will display the same courage and foresight in revamping our own bilateral assistance efforts to meet current realities that Mr. McNamara has displayed in directing the World Bank's efforts.

Mr. President, I ask unanimous consent that the summary of Mr. McNamara's remarks be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

POOREST NATIONS FACE DECADE OF STAGNATION, WORLD BANK PRESIDENT WARNS

(By Robert S. McNamara)

The developing countries are facing a severe foreign exchange crisis, Robert S. McNamara, President of the World Bank, said today. To assist them, he proposed that the World Bank lend them $7 billion in the current fiscal year, and approximately $40 billion over the next five years.

Addressing the Bank's international Board of Governors at their annual meeting in Washington, Mr. McNamara stressed that though this would represent the largest program of financial and technical assistance to developing countries ever undertaken by a single agency, it would still be far short of meeting the full capital needs of the developing world.

He points out that the already meager incomes of the one billion people in the poorest countries had declined even further over the past year, and that unless more capital became available their economies would stagnate during the remaining years of the decade.

The full impact of the world economic crisis, he said, was also now being felt by the middle-income developing countries, which had managed to sustain some economic growth last year after taking emergency measures. But their per capital incomes, too, were expected to decline this year because of the serious shortages of foreign exchange.

Mr. McNamara warned of these "ominous threats" to development in a speech that appealed for increased flows of concessional development assistance and greater efforts by governments of the developing countries to increase export earnings.

But the World Bank President emphasized that while the foreign exchange crisis in the developing world required urgent action, it must not be allowed to obscure the more fundamental problem of poverty itself, and the need to shape an effective strategy to deal with it.

"What is required," he said, "is a strategy that will attack absolute poverty and substantially reduce income inequities, not merely through programs of welfare, or simply through redistribution of an already inadequate national wealth, but rather through measures designed specifically to increase the productivity of the poor."

Mr. McNamara announced further expansion of the World Bank's operations in rural development, and outlined new plans to assist member governments attack poverty among the 200 million poor in the cities and slums of the developing world.

A DECADE OF STAGNATION

Reviewing the events of the year, Mr. McNamara said that the developing countries were simultaneously affected by persistent world-wide inflation, higher petroleum costs, deterioration in their terms of trade and prolonged recession in the OECD countries.

This year the cost of the oil-importing developing countries' imports would increase by at least 6 per cent after a 40 per cent increase last year. Very little would be added to last year's 27 per cent rise in the price of their exports. In many cases the actual volume of their exports had stagnated or declined as the recession worsened in the OECD countries.

The poorest countries, with per capita incomes of less than $200, were hardest hit. In 1974, their per capita incomes declined by 0.5 per cent, which meant a further retreat into poverty, hunger and disease. This year this precarious level of existence was likely to fall again.

"They have become the principal victims of the current economic turbulence," Mr. McNamara said. "They did not cause it. By themselves they cannot change it. And they have little margin to adjust to it."

In the middle-income developing countries, economic growth was expected to fall behind population growth, resulting in a decline of more than 1 per cent in per capita incomes. This compared with a 3.9 per cent growth in per capita incomes last year, achieved partly by the countries' drawing down reserves, increasing short-term debts and postponing development programs. Moreover, their trade deficit this year was expected to exceed 3 per cent of their gross national product—twice as large as it was in the late 1960s.

The gap between rich and poor continued to widen, said Mr. McNamara. Stagnation meant that for a billion people per capita incomes in constant prices would only grow from $105 in 1970 to $108 in 1980, while those in the developed world would increase from $3,100 to $4,000. "Over an entire decade, a $3 increase versus a $900 increase."

INFLATION ERODES AID

The World Bank President said that if the oil-importing developing countries were to achieve even the unsatisfactory record over the next five years of a 2.2 per cent increase in per capita incomes (by the poorest countries) and of 2.8 per cent (by the middle-income countries), capital inflows averaging $49 billion a year would be necessary—compared with the 1974 level of $34 billion. To achieve more tolerable per capita growth rates of 3.2 per cent (in the poorest countries) and 3.8 per cent (in the middle-income countries), this capital requirement would be $61 billion.

To attain the latter growth, flows of Official Development Assistance would need to reach at least .7 per cent of GNP of the donor nations by 1980, which was also the target set by the United Nations. Yet the developed nations were at present contributing less than half the goal—only .33 per cent of GNP—and this would continue to fall to perhaps .28 per cent.

Mr. McNamara said: "Many of these nations, under present policies, are failing to increase their concessionary aid commitments by amounts sufficient to offset inflation and reflect their rising real incomes."

The major contribution to any growth in aid flows would need to come from the OECD countries. Although capital-surplus OPEC countries provided about one-sixth of concessional assistance in 1974, and this year would disburse about $4.5 billion (or 3 per cent of GNP), it was unlikely that they could maintain the level through the decade. "They are themselves developing countries," Mr. McNamara said. "By 1980 it is estimated that only a few of the OPEC countries will have current accounts still in substantial surplus."

Mr. McNamara said that the U.N. target of concessionary aid could be achieved by the OECD countries if they merely contributed 2 per cent of the incremental wealth that they could expect to accrue in the second half of the decade as they recovered from recession. And he asked: "Are those in the developed world going to conclude that they cannot find it within their collective capacity to make a modestly greater effort to help save several hundred million people from a degree of deprivation beyond the power of any set of statistics even remotely to convey? I cannot believe so."

$40 BILLION WORLD BANK PROGRAM PROPOSED

Referring to the World Bank's lending program, Mr. McNamara said that the new commitments he had proposed of $40 billion for the five years FY 76–80 would represent, in real terms, a 58 per cent increase over the Bank's operations for the past five years, and a 153 per cent increase for the five-year period before that.

He announced that the Bank planned to establish within a few weeks an intermediate lending facility—the Third Window—as an interim measure to assist lower-income member countries. A total of at least $500 million—and possibly $1 billion—would be lent at a concessionary interest rate midway between that of the Bank and its affiliate, the International Development Association (IDA), which makes interest-free loans. The facility would be financed by an interest subsidy fund, which 12 OECD and OPEC countries had already agreed to support.

Mr. McNamara stressed that the new facility could not substitute for the operations of IDA. Funds contributed to the Fourth Replenishment of IDA would be fully committed by June 30, 1977. Contributions to the Fifth Replenishment should be sufficient not only to offset the erosive effect of inflation, but enable real growth.

ATTACKING POVERTY IN THE CITIES

The capital requirements crisis of the developing countries, Mr. McNamara added, should not "diminish our concern with the central issues of development which underlies the present situation: the necessity of creating an effective strategy to deal with the fundamental problem of poverty itself."

The World Bank had begun its assault on poverty in the rural areas because the overwhelming majority of the absolute poor lived there. The Bank now loaned more for rural development than in any other sector, and expected to commit $7 billion in additional financing in this field during the next five years, benefiting 100 million people.

But the Bank was now giving increased attention to the problem of poverty in the cities, where 200 million poor people lived. It was a problem even more complex than that of rural development.

Population growth in the cities was double the 2.5 per cent a year growth of the developing world's total population. "What this means is that some 400 million additional people have been absorbed into cities, through birth and migration, in a single generation—something wholly without parallel."

By the end of the century, 2 billion people would be living in the cities of the developing world compared with 700 million now. Three out of every four Latin Americans would live in a city, and one out of every three Africans and Asians.

Mr. McNamara said that conditions of the urban poor were "unspeakably grim." Unemployment and malnutrition were rife; children of slum dwellers had limited opportunities for education; and hundreds of thousands of people were deprived of the basic necessities of decent housing, health, sanitation, and public transport.

"The favelas, the bustees, the bidonvilles have become almost the central symbol of the poverty that pervades two-thirds of the globe."

He warned of the penalties of failure to provide for the flow of newcomers into urban economies. "Violence and civil upheaval are more common in cities than in the countryside," he said. "If cities do not begin to deal more constructively with poverty, poverty may well begin to deal more destructively with cities."

Cities should not be thought of as "sanctuaries of the privileged, who wish to put a decent distance between themselves and the masses of the rural poor," but rather as centers for promoting productive employment.

Just as the World Bank's rural development strategy was focused on the productivity of small farmers, so the Bank would retain the emphasis on productivity in the urban sector. This would be a major objective of the Bank's five year program of FY 76–80.

The World Bank President said that governments should plan to increase urban employment in both the "informal sector" of small-scale and often traditional enterprises as well as in the "modern sector." A bias in favor of large, capital-intensive enterprise should be moderated. And city authorities needed to establish realistic housing policies and provide equitable access to public utilities, transport, education and health services.

"In the end," said Mr. McNamara, "cities exist as an expression of man's attempt to achieve his potential. It is poverty that pollutes that promise. It is development's task to restore it."

TURNAROUND AT U.N.

Mr. McGEE. Mr. President, the seventh special session of the United Nations which concluded its business last Tuesday, September 16, has opened the way for a new era in relationships between the United States and the less-developed nations of the world.

That we live in an interdependent world in which the United States is becoming increasingly reliant upon the developing countries for both raw materials and access to markets is a reality affecting the lives of every one of our citizens. Economic confrontation can only lead to the deterioration in the quality of life for all Americans. Cooperation, on the other hand, can benefit us all—industrialized and developing nations alike.

The New York Times, in an editorial appearing last Thursday, noted the significance of the seventh special session. The editorial writer pointed out:

> The United Nations may be turning a significant corner of its thirty-year history with the unanimous agreement on measures to narrow the gap between rich and poor countries that ended the General Assembly's Seventh special session Tuesday. . . .

More significantly was the following observation by the Times writer:

> Stonewalling at the special session was done not by the United States and the West but by the Soviet Union and its allies at one end of the Communist spectrum and China at the other. Their stock argument—that the troubles of the poor countries are entirely due to colonialism and imperialism and are therefore no responsibility of the Communist world—may never before have sounded so hollow in U.N. debate.

The administration is to be commended for the initiatives of our Government as outlined in Secretary of State Henry Kissinger's speech delivered to the special session by Ambassador Moynihan on September 1. The administration has assumed its responsibility in moving in the direction of a more stable international economic system which will benefit every American. It is the turn of Congress to demonstrate the same leadership.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TURNAROUND AT U.N.

The United Nations may be turning a significant corner of its thirty-year history with the unanimous agreement on measures to narrow the gap between rich and poor countries that ended the General Assembly's seventh special session Tuesday. It is too early to be sure the corner will stay turned; but this sixteen-day session at least brought a dramatic turnaround of the Assembly—from incendiary rhetoric and confrontation to reality and genuine negotiation.

Among the factors contributing to the improved climate over Turtle Bay, two stand out. The United States shifted from stonewalling third-world demands as unrealistic and fanciful to a policy of presenting comprehensive proposals for coping with the chronic problems of poorer nations. And inside the group of developing countries, the moderates—weary of sterile confrontation, eager for negotiation and for as wide an area of agreement as possible—usually prevailed over their more radical brethren.

It is highly significant that fifteen of the nineteen major specific proposals advanced by Secretary of State Kissinger at the opening session—from the creation of new international agencies for economic security, energy, technical exchange and food stockpiling to improved trading arrangements and expanded capital for lending institutions—were incorporated in the final Assembly document.

Here was impressive evidence of the readiness of most of the third world to negotiate realistically—not for pie-in-the-sky, but for practical arrangements of benefit to developed and underdeveloped alike. Here was proof, if Washington needed it, of the incomparable advantages for the United States of responding positively to urgent problems, rather than conducting a kind of political trench warfare against the vast majority of U.N. members.

Stonewalling at the special session was done not by the United States and the West but by the Soviet Union and its allies at one end of the Communist spectrum and China at the other. Their stock argument—that the troubles of the poor countries are entirely due to colonialism and imperialism and are therefore no responsibility of the Communist world—may never before have sounded so hollow in U.N. debate.

DREAM HOUSE FADING

Mr. **THURMOND**. Mr. President, recent newspaper stories pointing out the declining percentage of American families who are able to afford a home has been a matter of great concern to me.

The purchase of a home is one of the best investments a family can make and helps strengthen the basic social unit of our society. However, the high cost of construction is reducing each year the number of families able to own their own residence.

An excellent editorial on this subject entitled "Dream House Fading" appeared in the September 3, 1975, issue of the Aiken Standard newspaper, Aiken, S.C.

This thoughtful editorial makes a number of key points worthy of the attention of the Congress.

Mr. President, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Dream House Fading

The Commerce Department's report of a 13.7 per cent jump in housing starts in July is another item of good news from the economic front. A quickening pace in the construction industry would help confirm that the recession behind us. However, from the standpoint of the American family shopping for a new house, the surge in home building may have little significance.

Most of the new houses being built this year will go on the market at a price within reach of a shrinking number of Americans. With the median income in the United States of America at about $13,000 a year, the old rule of thumb that a family can afford a house worth two and a half times annual income puts the limit of a prudent housing investment at barely more than $30,000 for families in the median bracket. New houses in that price range are becoming relatively rare.

That means the dream of owning a home is going up in the smoke of inflation for a great many wage-earners. Must the dream be abandoned? We hope not, but we can also hope that the federal and state governments do not lose sight of where the problem lies in their efforts to keep the dream alive as a public policy.

Owning a home is supposed to encourage responsible citizenship, which lends some justification to federal programs to encourage home-buying over and above the obvious economic benefits to individuals and the construtcion industry. There are limits, however, on how far the government can go in stimulating home construction before it drifts into irresponsibility—both in terms of its own budgets and the budgets of the people it wants to help.

In the last year and a half the federal government has put $13.5 billion into subsidizing home loans at interest rates below prevailing market levels. The long-standing tax provision allowing homeowners to deduct mortgage interest payments from their income tax liability can be interpreted as a $12 billion a year "subsidy." Also, the $2,000 tax credit allowed to purchasers of new homes this year and next is adding $600 million a year to the federal deficit.

Subsidized interest rates may make a house investment more attractive to some Americans but they do not attack the problem of inflated home prices. Construction costs have jumped 71 per cent in the last decade. Property taxes have risen 63.5 per cent, insurance 37.9 per cent and maintenance and repairs 92.1 per cent. These are realities that the prospective home-buyer still must face.

The housing industry has been under pressure to find new ways of designing, building and marketing houses to cut their costs. The more the government subsidizes present costs of buying a home, the less that pressure will be felt. The more the government; goes into debt to provide those subsidies, the more that inflation will gnaw at our economy as a whole. The recent spurt in housing starts takes place among favorable economic indicators, but when it comes to getting homes on the market at a price the average American can afford to pay, we still have a long way to travel.

SAUDI ARABIA

Mr. **HARTKE**. Mr. President, in recent years the Kingdom of Saudi Arabia has embarked on a social program to improve the life of all its citizens. Forty-three years ago on Thursday, September 23, 1932, the many un-unified groups of the Arabian Peninsula were brought together by decree and henceforth known as the Kingdom of Saudi Arabia. The Royal Decree No. 2716, dated September 18, 1932, was issued by King Abd Ah-Aziz, the leader who was instrumental in unifying the country.

The vast quantities of oil have benefited every segment of the population in such diversified areas as education, health, housing, and the eradication of vector borne disease.

In the field of health, the Kingdom of Saudi Arabia has adopted a policy rarely found in developing nations. Any citizen in need of treatment, surgical, or medical, will be sent abroad, if the local medical institution cannot provide that type service. The total budget for medical services is in excess of $100 million, and increasing at a steady rate.

Free education, which is now universal, has enrolled over 130,000 female students and provides scholarships in substantial quantities for study outside of the country.

I take this opportunity to salute the King, the people, and the government on anniversary of the unification of the kingdom.

TOWARD A WAGE SUPPLEMENT FOR HANDICAPPED WORKERS

Mr. **HUMPHREY**. Mr. President, on June 26, I introduced S. 2019, a bill to amend the Rehabilitation Act of 1973, to provide for a program of wage supplements for handicapped individuals working in sheltered workshops or work activity centers. This measure will provide the handicapped worker with a means of achieving a significant degree of independence and dignity while at the same time providing an incentive for self-improvement.

The development of a wage supplement for the handicapped is long overdue. Without workshop programs, these employed individuals would likely be in State institutions—the daily cost of which has doubled since 1966—or on public welfare, or at home living as a burden to their families.

This is costly in terms of the human toll it takes on handicapped persons and their families and in terms of the financial burdens it unnecessarily imposes on society. A wage supplement will help eligible clients who are making an effort to become self-supporting to earn enough money to maintain a minimum standard of living.

Mr. President, Antonio C. Suazo, a member of the President's Committee on Employment of the Handicapped and a consultant in rehabilitation to the Department of Labor, has written an excellent article on this subject. It appeared in the May 1975, issue of National Spokesman. I commend it to the attention of my colleagues and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Toward a Wage Supplement for Handicapped Workers

(By Antonio C. Suazo)

The work-related needs of over 100,000 severely handicapped individuals are currently being served in over 2,400 workshops and work activity centers in the United States. Without the workshop programs, these employed individuals would be in state institutions, on public welfare, or at home living as a burden to their families.

Because of limited productive capabilities, handicapped individuals in workshops are unable to earn enough money to maintain a minimum standard of living. Nevertheless, their productivity, although small, is significant and does provide a firm basis for their self-support.

The lastest statistical information from the Department of Labor indicates that over 65,000 persons are working or receiving services in either workshops or work activity centers for the severely handicapped. (Over 200,000 are served by all workshops on an annual basis.) Of these 65,000 persons, approximately half will spend the rest of their lives in a sheltered work situation and will require some type of wage supplement to enable them to meet their minimum economic needs.

Now more than 200,000 people live in public institutions, and this number increases by 3,000 every year. This trend may be reversed if Congress provides adequate support to workshops and supplements the wages currently being earned by severely handicapped citizens. This can be done through the development of a cash supplement program for severely handicapped people employed on a long-term basis in workshops.

Severely handicapped people unable to compete in the labor market need a sheltered, non-hostile environment where they can earn and work at their own pace—where they will have the opportunity to contribute to their families. Additionally, the state will save thousands of dollars. The national average per diem cost to maintain a person in an institution rose from $6.71 in 1966 to $11.64 in 1972.

Workshops have traditionally lacked support from the community. Frequently they are under-staffed and face critical problems in obtaining work which handicapped people are capable of performing. There are also sound reasons to justify the payment of below minimum wages to handicapped people in workshops. The validity of this principle has been recognized by Congress under the provisions of the Fair Labor Standards Act. Already there exists a complex structure for applying minimum wage regulations to workshop facilities. However, in this day and age, with increasing emphasis on alleviating poverty and discrimination in our country, it is time that we rearrange our rehabilitation priorities to meet the very basic economic requirements of the severely handicapped working poor.

LOW WAGES

Low wages paid to severely handicapped workers in sheltered workshops is a condition that has been recognized by leaders in rehabilitation, legislation, and by the general public. However, the central fact remains, that while awareness of the problem does exist, no affirmative action plan has been developed by rehabilitation leaders to correct this situation.

The development of a wage supplement for the handicapped will solve the dilemma of "low wages" in workshops and will enable disabled people who are low producers to achieve a meaningful level of self-sufficiency. (In a survey conducted by Columbia University on sheltered employment in Europe, it was found that fourteen European countries already pay their disabled workers some form of wage supplements.)

The President's Committee on Mental Retardation, the President's Committee on Employment of the Handicapped and many other national organizations have recommended the development of a supplement program for both workshops and for handicapped individuals in a worskhop setting. In 1965, the chief executive officer of the National Association of Sheltered Workshops and Homebound Programs, in testimony before the Subcommittee on Labor of the House Committee on Education and Labor, recommended the development of wage supplements as a means of solving the wage problem in workshops. Two years later the Secretary of Labor's report based on a study of workshops issued in September 1967 specifically recommended that "wage supplements be provided for eligible clients." Other national organizations concerned with rehabilitation of the handicapped have also advocated the development of a wage subsidy for disabled workers in workshops. Additionally, two states, Missouri and New York, have taken the leadership in developing supportive programs for disabled workers in workshops.

Of all support programs currently under consideration for the handicapped, the development of a wage supplement should be given the highest priority possible by governmental and private agencies concerned with the needs of the handicapped. If wage supplements are not provided for the thousands of severely handicapped persons in sheltered workshops, it is likely that these people will eventually spend most of their lives supported by the state and federal government in a tax-supported institution. This problem is heightened by the fact that the incidence of disability is greater in urban areas and affects most deeply those families and children who already suffer most from poverty and cultural deprivation.

In recent years, workshop facilities have received increasing support from the state and federal programs for vocational rehabilitation. With the establishment of a national wage supplement, workshops would be able to serve more people.

NEW BEHAVIOR

Furthermore, a wage supplement is needed to mold a new type of behavior. For many years people were either on welfare or were employed. The time has come to implement a program where a person can become self-supporting to the limits of his capability, with his cost of living supplemented through tax dollars. People in workshops are highly motivated workers, are already partially self-supporting, and are an ideal group to benefit from a wage subsidy program. While the concept of income maintenance has implications to the working poor and other population groups in the country, the logical place to establish a wage supplement program is with those who are already working in a workshop and who are making an effort to become self-supporting.

There is ample precedent in this country for such a program. Farmers, for example, have experienced dependence on massive subsidies that started in New Deal days. Their subsidies are now greater than ever before. During the last four years, total farm subsidies amounted to approximately 13.6 billion dollars a year. The amendments to the Social Security Act which provide for monthly cash payments to people in need who are 65 or older or who are blind or disabled, also provide for income disregards. The question is why not a wage supplement for disabled people who are working, but who cannot earn a decent living because of their handicap?

Objections to a national program of wage supplements for handicapped people include the following: (a) too expensive, (b) political climate is not "right", (c) will result in decreased motivation to work on the part of the client, (d) would be difficult to administer, (e) resembles a welfare program. However, these objections reflect a marked insensitivity to the economic needs of the clients.

ACCEPTABLE STANDARD

Basically, we need a wage supplement for handicapped people to serve as an equalizer in their efforts to achieve an acceptable standard of living. Handicapped people should also share the basic liberty inherent to all Americans—the right to work at a living wage. Simply because fate dealt them a bad hand in the "game of life" does not mean that they should be relegated to working for below the minimum wage.

When discussing wage supplements, many people are quick to point out that the approach will destroy or significantly diminish the incentive for handicapped people to work. The results of a recent study conducted by the Administration, however, sharply contradict this assumption. The three-year study involving direct payments to 1300 low income families found no loss of work efforts among them and indeed, found compelling evidence that, given a modest supplement, the working poor do not abandon their jobs or live off the government, but rather they just keep on working.

While professionals in the rehabilitation field expound on the need for more services, they do not seem to apply the same economic yardstick to needs of the handicapped as they do to themselves. As a nation, we adjust wages to reflect the rise in the cost of living. We are concerned with the need for increasing benefits and wages to the non-disabled worker but we seem to have little concern for the benefits and economic needs of the handicapped. Short-term clients in evaluation and training may not be eligible for wage supplements, but the same rationale does not apply to those clients who are on extended employment status. A recent study which the author conducted revealed that few workshops provide the full range of fringe benefits to long-term clients.

A wage supplement is needed because as a nation we cannot afford the manpower and dollar cost needed to place handicapped people in institutions.

We need a national program of wage supplements to significantly elevate the standard of living of persons in a workshop. Handicapped workers should be provided with a basic supplement and also be allowed to keep what they earn based on their productivity. This would result in increased motivation and would place more purchasing power in the hands of the people who need it.

THE VETERANS EDUCATION AND TRAINING SERVICE PROGRAM

Mr. JACKSON. Mr. President, in May the Senate approved H.R. 5899 containing an appropriation of $5 million for the veterans education and training service program funded since 1971 by OEO—now CSA—and operated by the National League of Cities Conference of Mayors. Unfortunately, this item was not retained by the conference committee and the final version of H.R. 5899, the second supplemental appropriation bill, did not contain any funding for the purpose of aiding disadvantaged Vietnam-era veterans.

As the principal sponsor of the proposal to fund VETS at the level of $5 million in fiscal year 1976, I am extremely pleased that the Senate Appropriations Committee has again seen fit to recommend that the Senate act favorably on this proposal. Mr. President, one of the saddest legacies of the Vietnam conflict has been the plight of the many thousands of educationally and economically disadvantaged veterans, many of whom are minorities from inner city backgrounds. These veterans served their Nation during a long and unpopular war and have received little gratitude or understanding in return.

It is right and in our national tradition to provide assistance for the hundreds of thousands of American GI's who served their Nation and came back from Vietnam with drug problems, without the skills or training necessary to obtain a job, with bad discharges which prevent them from utilizing the GI bill and with a myriad of other problems which have caused these veterans to fall back into a "cycle of poverty."

OEO was created because traditional agencies failed to reach minority and lower income people with problems. OEO has been successful in disseminating many of its means of operation to other Federal, State, and local agencies. In the case of Vietnam veterans, however, there are problems of poverty associated with hundreds of thousands of lower income and minority veterans that are simply not being faced by the traditional agencies for dealing with veterans' problems. That is why community action agencies which have credibility in cities must have the funds which can give them the means to serve veterans facing unemployment, bad discharges, drug problems, lack of housing, emotional problems, and many other problems.

For example, unemployment for young veterans—age 20–24—is now 22.8 percent; 400,000 veterans have bad discharges many of which are drug related. These problems have persisted and have gone unmet since 1969 when veterans began returning in large numbers.

One program which has attempted to focus in on the problems of the disadvantaged minority veteran has been the Veterans Education and Training Service—VETS—funded by the Office of Economic Opportunity. I am very proud of the effort this program has made with very limited resources. I am very proud to have played an important role over the past year to prevent this program from being abolished by the Nixon and Ford administrations.

The inclusion by the Appropriations Committee in H.R. 8069 of my amendment to provide $5 million in the CSA budget to continue this program means that the Nation will not forget these veterans and that community action agencies in approximately 70 communities will be able to provide much needed readjustment assistance for these veterans.

I ask unanimous consent to have printed in the RECORD a statistical summary of the achievements of the existing 19 OEO Veterans Outreach projects and a copy of a recent article from the magazine Nation's Cities describing the VETS project in Chicago. This project has been particularly effective, and is a good example of what the VETS project can accomplish with effective and active involvement on the part of local city officials and community groups.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL LEAGUE OF CITIES/U.S. CONFERENCE OF MAYORS VETERANS EDUCATION AND TRAINING SERVICE (VETS)—INDIVIDUAL CITY PROJECT PERFORMANCES AS OF MARCH 1975

[Cumulative totals fiscal year 1975]

	Placements			Other services [1]	
	Contacts	E. & T.	Job	Direct	Refrl.
Cincinnati	1, 798	207	186	320	68
Dayton	1, 277	229	98	157	150
Atlanta	2, 059	696	128	632	217
Savannah	1, 150	301	51	158	146
Bridgeport	1, 832	541	23	59	131
Baton Rouge	921	160	248	95	119
New Orleans	898	139	58	55	73
Rochester	1, 008	216	230	345	172
Salt Lake City	2, 120	195	132	735	266
San Diego	576	208	42	65	590
Milwaukee	795	371	24	97	360
Norfolk	2, 584	183	499	14	712
Cleveland	947	402	114	47	46
Indianapolis	1, 466	150	32	52	49
Detroit	1, 399	864	4	27	11
Chicago	2, 000	1, 039	159	103	347
Denver	1, 419	162	59	44	73
Los Angeles	1, 852	705	76	12	268
Seattle	2, 684	382	212	376	225
Total	28, 785	7, 150	2, 375	3, 393	4, 023

[1] Other services includes drug counseling, bad discharges housing, other referrals, etc.

NEIGHBORHOOD PROGRESS CENTERS AID VETERANS: NEARLY 6,000 VETERANS HAVE BEEN CONTACTED FROM A DOZEN URBAN PROGRESS CENTERS IN SECTIONS OF CHICAGO

(By Stephen R. Conn)

The picture taking had ended and it was time for the next contingent of visitors to be ushered into Mayor Richard J. Daley's office. It was all very automatic. Like any other big city mayor, Chicago's chief executive poses for countless group photos weekly. But this time there was a difference.

The feisty Mayor stopped Robert L. Hill, National Director of the League and Conference's Veterans Education and Training Service (VETS) before he reached the door.

"What are you going to do about those poor guys with less than honorable discharges?" he asked. "Your heart has to go out to these fellows."

Hill briefly outlined VETS' efforts in this area and the mayor looked pleased.

"I'm tired of talking to the generals in the Pentagon," said Richard Daley. "It's about time we did something to get these veterans good jobs and education."

"That's what we're all about," said Jim Ellis, director of Chicago's Office of Veterans' Affairs, after leaving Richard J. Daley's office following a photo session with the mayor. "Jobs, education, and the upgrading of bad discharges."

Chicago's Office of Veterans' Affairs is supported, financially and logistically, by the city's Model Cities program and the VETS project of the National League of Cities and U.S. Conference of Mayors. It is one of the brightest stars in the firmament of the project's efforts in 19 cities nationwide.

Operating out of a dozen urban progress centers situated in the sleazier sections of Chicago, Jim Ellis' organization has contacted nearly 6,000 veterans in its two-and-a-half year existence. It has found jobs for more than 1,500 of them and it's enrolled more than 2,000 in school.

Jim Ellis supervises the work in the area of veterans' affairs of the 12 Urban Progress Centers from a stark, white-walled fluorescent-lighted cubicle without windows on the third floor of the building housing Model City Headquarters at 640 North LaSalle Street. Jim is called "Tank." He seems too big for the room. In fact, the six-foot-210 pounder, was a two-time All-America defensive halfback for Michigan State in the early 1950s.

The real work of the project is not done at 640 LaSalle, however.

It takes place in the Woodlawn Urban Progress Center (UPC) on Chicago's 63rd Street, the counterpart of Harlem's 125th. Except the once proud 63rd Street now displays shattered windows and shells for buildings.

Its effects are felt in the South Chicago UPC in an equally poor and equally black part of town.

It helps the veterans who stream through the doors at the Montrose UPC in a section of the city that "gets them all—the white, black, brown, and Indian," according to Dennis Lindsey, the Veterans' Adviser there.

And it extends a helping hand at the ultra-modern Garfield Community Services Center in a part of town that is as poor as the rest, where Vets Adviser Jonas Jones holds forth.

"I've always been concerned with vets," says Jones. "Vets have always been getting the short end of the stick." Jones served with the Americal Division in Vietnam from February 1967 to February 1968. He received shrapnel wounds in the back and hands.

The project counsels, cajoles, supports, advises, and gets jobs, educations, and other help and services for veterans in the eight other centers that comprise the 12-center network.

"When we started the Vets project I promoted the idea of decentralization," says Bob Hill, whose undertaking was launched in February 1971, four months after the Chicago effort had already begun. "Chicago is proof that the model does work and it works very effectively."

Indeed, decentralization appears to have been one of the principal keys to the Chicago effort's success.

Charles Beauford is a 30-year-old black vet who lives within walking distance of the Woodlawn UPC. When his wife left him, she also left him with two children to care for. A high school dropout, Beauford now attends Loop Junior College where he is majoring in sociology.

In the time that he is not in class or caring for his children, he is putting together an organization called "The Normal Action Recreational Program for the Physically Handicapped."

"My ultimate goal is to head a national program to help people," he says. And he adds, "Primarily vets."

Charles Beauford was a vet who needed help. He didn't want to go to the Veterans Administration because of its inaccessibility and the red tape he feared he'd find once he got there. So he came to his neigborhood UPC, which started the ball moving by enrolling him in a General Education Development (GED) program. This enables the vet who has not finished high school to get the equivalent of a high school degree. Last year 500 vets were enrolled in GED classes through the Chicago project.

"If there had been no UPC I doubt that I would have sought help" he now says. "I'm sure I would have ended up doing something illegal to survive."

George Abrams, the vets adviser at Woodlawn, is the man who encouraged and worked with Beauford. He served as a Marine Corps sergeant in Korea during the mid-'50s. Unlike the recruiter-coaches, he does not have to be a Vietnam-era veteran attending college as the contract with VETS requires.

"We're like a sub-VA," says Abrams. "Except that we provide the veterans with a personal touch and don't keep them waiting around with 50,000 other veterans."

Each UPC has a recruiter-coach, whose job it is to find the veteran who needs help.

"We'll go anywhere to find them—from a church to a pool hall," says Montrose's Dennis Lindsey.

Once the vet is reached, registered, and entered in the project's files, the vets adviser does the follow-up: enrollment in school, job placement, drug treatment.

Sarah Dogan is the recruiter-coach for Woodlawn. An Air Force veteran in her early '30s, she's an intense black woman who had dropped out of high school, and now, with help from the project, is studying on scholarship for a B.S. in social science at George Williams College in a suburb of Chicago. With a 3.92 academic average out of a possible 4.0, she plans to get her masters there and ultimately a Ph.D. from the University of Chicago.

"I'm interested in people" says Ms. Dogan. "I'd really like to eventually work in a vets hospital because they're people with very special problems."

Like the VETS project, the Chicago effort is concerned primarily with the Vietnam-era veteran. He has become a victim of an unpopular war that everyone wants to forget and consequently is the new "forgotten American." But both VETS and its 19 satellite efforts have not forgotten those who served in other times and places.

It didn't take long for James Brown, 41, to realize when he enlisted in the Air Force in February 1950 that the military was not for him. He left eight months later with an undesirable discharge. He entered the service with two years of college. Since leaving he's had a succession of manual and low paying jobs, the last of which was as a construction laborer. Now Brown wants to upgrade his discharge, get his GI Bill benefits, which have been denied him thus far, and go back to school.

"I want to finish college and make something of myself," he says.

The commitment to the veteran of the local and national efforts is reflected in the impressive statistics posted during the past year. Working with its third annual one million dollar grant from the Office of Economic Opportunity, VETS in 1973 contacted and serviced more than 15,000 men and women nationally. In its nearly three and one half year existence the project has helped some 25,000 veterans get jobs, education, legal, medical and other much needed services.

The project has been part of the VETS effort since November, 1971. It is one of the original 10 pilot cities. Originally VETS assistance was solely in the areas of education and vocational training. Last May, when VETS expanded to 19 cities it enlarged its program to become involved in social and legal services.

"The problems of the Vietnam-era vet run the gamut" says Bob Hill, "particularly in today's rapidly changing society. Our expansion into these other problem areas have made us more relevant and effective to veterans."

Jim Ellis points with pride to the accomplishments of his project during the past year. They include, in addition to the placement of vets in jobs and educational institutions:

Establishing a working relationship with additional colleges and universities in the Chicago area and helping them set up Offices of Veterans Affairs.

Increasing Veterans Administration approved GED classes by three within the project area.

Establishing an "Operation-Input Committee" comprising 27 agencies, institutions and organizations geared toward meeting the needs of veterans and their dependents."

Ellis credits VETS with suggesting "Operation-Input." Among the Committee's accomplishments was the publication in March of a Veterans Social Service Directory. It lists various organizations which can help the vet. One of those mentioned is the Mayor's Jobs for Vietnam Veterans, headed by Ted Coleman. Ellis and Coleman maintain a close working relationship.

"He sends people to me for help and I send vets to him," says the affable Coleman.

"With this and with 'Operation-Input' we don't care who gets the credit. All that's important is that we help the veteran."

THE FUTURE OF THE FARMERS HOME ADMINISTRATION

Mr. CLARK. Mr. President, at the organizational meeting of the Committee on Agriculture and Forestry in 1973, Senator HERMAN TALMADGE, chairman of the committee, asked me and the Rural Development Subcommittee to maintain continuous oversight of the implementation of the Rural Development Act of 1972.)

As we engaged in this effort, it quickly became evident that the Farmers Home Administration would bear the brunt of program delivery owing to the manner in which the administration chose to implement the act; and it also became clear that we would have to take our oversight effort beyond the parameters of the Rural Development Act.

The latter decision was made simply because many questions arose as to whether the Farmers Home Administration would be able to accomplish the new missions specified under the act as well as handle its previously held portfolio of programs.

At an oversight hearing on July 19, 1973, I was questioning Mr. Henry Eschwege, Director of the Resources and Economic Development Division of the General Accounting Office. I said to Mr. Eschwege:

> You have made the point very clearly that the employees of the Farmers Home Administration need more training. I have the distinct impression that you also feel that in some areas they do not have adequate personnel . . . in order for them to effectively and efficiently carry out their duties, which may be overburdening.

Mr. Eschwege replied:

> That is correct as far as our review went at the time. Of course with the Rural Development Act coming in now, and with the loans being of a somewhat different nature . . . perhaps numbers aren't as important to us as is the capability and the quality of the individuals who will be advising on how to best utilize these loan funds.

When the Farmers Home Administration was formed in 1946 out of the old Farm Security Agency, it provided credit of last resort to family farmers and for farm housing.

Since that time, many programs have been added to the agency's authorities.

In addition to Mr. Eschwege's testimony, the subcommittee received many reports about improperly implemented programs, long delays in grant or loan approvals and a lack of personnel to handle routine duties.

This was particularly distressing, because the Farmers Home Administration has from its inception, 40 years ago, been on the front lines of the national rural development effort.

One particular facet of the agency's operation made it unique. In addition to normal loan servicing, the element that insured the repayment of many marginal loans and which brought many rural people up the economic ladder to the point where they could farm and live without the help of the agency, was management counseling.

We learned from a number of sources that this vital function was more and more being eliminated from the stock and trade of county supervisors because they did not have time to do this work and still acomplish their other duties.

The point of this is that the agency had serious personnel problems prior to the enactment of the Rural Development Act. The additional program burdens of the act, plus management techniques were making it difficult for the agency to do any of its jobs well.

However, all of the evidence we had concerning the performance of the agency was either empirical or was of an isolated case nature. Therefore, I asked Comptroller General Staats to initiate for the subcommittee a major personnel study of Farmers Home, measuring the number and competence of the employees of the agency against the missions which Congress had given the agency to do. The final study should be completed this year.

It was at about this time when Mr. Frank Elliott became national administrator of Farmers Home, and I am pleased to say that he shared my concerns about the management of the agency. He and his staff cooperated with GAO insofar as they were able. And Mr. Elliott supplemented the GAO work with an internal study which he initiated through the joint financial management improvement program.

Elliott developed six goals for this management study:

First. Conduct a FmHA Financial Management Program Requirements Survey in selected Farmers Home planning districts.

Second. Describe existing National Finance Office operations in flow chart form, as well as relationships with the other USDA financial management systems.

Third. Accomplish an FmHA needs—loans—assessment study in relation to management by objectives in the selected FmHA planning districts.

Fourth. Prepare a draft of general design specifications of an FmHA financial management program, and develop the program's objectives, general operational design concepts and specifications.

Fifth. Prepare a detailed operational design concept and specifications of the FmHA management program.

Sixth. Develop and present an FmHA management program implementation plan for review and/or modification and approval.

As a result of the implementation of sound management techniques the Farmers Home Administration is moving from the Dark Ages and seat-of-the-pants management to one of being better able to serve rural people in a cost effective manner. The danger here is that we do not want the agency to get so efficient that it forgets the needs of the people it was designed to serve. In other words, while Farmers Home is improving the functioning of its head, we do not want it to forget the important function of its heart.

In order to provide an even better information base on which to measure Farmers Home performance, I initiated a user survey. That is, with the help of GAO, a questionnaire was developed by the subcommitee and sent to about 4,000 rural leaders to determine user perceptions of agency performance. The questionnaire was sent to farmers, bankers, elected county officials and others whom we identified as rural leaders. We are grateful to the National Grange, the National Association of Counties and the Independent Bankers Association for their help with this work.

I am pleased to report that in essence, the program users reported Farmers Home to be the most valuable of Federal agencies for rural development, but within this context, a number of practical problems in program implementation were highlighted.

Data from these and other studies of the Farmers Home Administration are now coming in. Very shortly the subcommittee will be in a position to examine this information and consider detailed oversight hearings into the operation and management of the agency.

Earlier this year, Congressman BOB BERGLAND of Minnesota, chairman of the House Subcommitte on Conservation and Credit, announced that he would take a major look at Farmers Home this year. At the time he made the announcement, he did not know of the wheels we had already set in motion. Therefore the House and Senate subcommittees have decided to hold joint hearings in order to avoid duplication of effort.

Two years ago the Farmers Home Administration could not tell us what the real and total needs for rural housing were. Last year they could not give us an accurate accounting of their personnel needs. Many difficulties still remain. But I am convinced that Mr. Elliott is making management changes that are a decided improvement in past performance.

Nevertheless, things are not perfect yet. At this point, I will set forth some of the areas of concern to me insofar as the Farmers Home Administration is concerned:

First. Accounting and management procedures.—The GAO personnel study contains three areas of recommendations. They are concerned with a new system being developed to better determine staff requirements; the need to improve employee capability and training; and opportunities to improve service and reduce cost.

In connection with the latter, GAO recommends that the Secretary of Agriculture have FmHA initiate a training and publicity program providing information to FmHA employees and to commercial lenders on the benefits of joint and guaranteed funding of farmer loan programs. GAO found that many employees were not aware of joint funding practices that could be carried out through the program with commercial banks.

Second, GAO recommended that the Secretary have FmHA reconsider the home loan packaging procedure to determine what actions can be taken to reduce the delinquency rates. The implication left here by GAO is that some builders are putting unqualified families into packaged subdivisions, and that in a number of other ways, county supervisors were unable to control builder practices under packaging situations.

It seems to me, however, that the problem is not so much a function of packaging itself so much as it is a problem that once a package was agreed upon, many county supervisors, because of the press of other responsibilities, left too much of the work up to the homebuilder. As I pointed out before, management counseling of families is an essential part of the famers home program. It must remain so. If it is forsaken, for whatever good motives, the FmHA delinquency rate will certainly soar.

To increase operational efficiency and to help reduce both borrower and Government costs, FmHA plans to change its method of providing loan funds from a one-time deposit in a supervised bank account, where funds may sit idle for long periods, to a multiple advance system with advances timed to meet borrowers needs.

GAO estimates that 93,000 fiscal 1974 borrowers paid unnecesary interest of $14.8 million on idle funds during that year, and that Farmers Home, which charges some borrows interest at rates less than the cost of the money to the Government, incurred an unnecessary and additional $4.9 million in interest costs.

On June 18 of this year, the GAO published a report entitled: "Limited Progress Made in Developing Loan Accounting System." The report stated that the same accounting procedures were generally used for all of the agency's 13 loan programs, and that GAO reviewed the loan accounting system to determine whether previously reported deficiencies in accounting procedures for the emergency loan program, and in the financial statements of FmHA's Emergency Credit Revolving Fund, had been corrected.

The report stated that Farmers Home corrected several previously reported deficiencies in the system but some deficiencies were noted—estimates of future losses were not adequately supported; cash and property accounts were understated; and the method for determining administrative expenses chargeable to loan programs was not sound.

Since this report was issued, Congress has enacted a new emergency loan bill, and as I said earlier, Mr. Elliott has been initiating new management practices. But we will want to explore with the agency whether any of the problems noted by GAO still persist.

Need to improve employee capability and training.—The GAO is recommending that the Secretary of Agriculture have FmHA continue to emphasize to the state offices the benefits of hiring employees with educational and technical backgrounds necessary to meet the specialized needs under FmHA's expanding missions. And GAO further recommends that national training standards be developed which stipulate minimum training requirements for each agency position, based on the functions the employees filling jobs are expected to perform, and take steps to determine that these standards are met.

This is very important in my view. It is important that FmHA have sufficient graduates in farm management on hand to deal with the farmer programs. However, these same farm management specialists might know nothing about building water and waste disposal systems, or of what makes a prospective borrower a good candidate for an industrial loan.

I strongly suspect that many of the complaints we have had concerning county supervisor discrimination and rude handling of prospective borrowers, as well as the lack of publicity about a program, stem to a considerable extent from the fact that a county supervisor may not know enough about how to implement a program to encourage local people to apply for its benefits.

Work measurement.—While GAO personnel study is an excellent document from the standpoint of what we are trying to accomplish it merely confirms what we have learned in our hearings: the Farmers Home Administration does not have enough competent personnel to carry out its mission. I feel that the Appropriations Committees of both Houses have been aware of this. Unfortunately, FmHA has not had a work measurement system adequate enough for these committees to determine how many personnel the agency should have. As a result, Congress deferred decisions on increasing the number of personnel at the same time that the administration was capriciously reducing the work force without any consideration of what these reductions would do to farmers and other program users.

As part of the management reform which Mr. Elliott is initiating, a new work measurement system is being installed which presumably will be a model for other agencies making loans and grants. The irony of the situation is that in the face of the deferral of making decisions on increasing agency personnel levels, productivity reports by the government indicate that Farmers Home performance has been exemplary.

Program coordination.—It is most evident that the programs of the FmHA overlap in some respects and in others complement the programs of the Department of Housing and Urban Development, the Small Business Administration, the Economic Development Administration and the multistate regional commissions. Earlier this year my colleague on the subcommittee, Senator HENRY BELLMON of Oklahoma, and I wrote to Vice President ROCKEFELLER, urging that he use the Domestic Council as the vehicle to provide coordination between Federal programs in order to avoid duplication and waste, as well as to deliver Federal services to rural residents based on locally perceived priorities. It seems to me that some of the vehicles upon which coordination can be based are the Joint Funding Simplification Act of 1974, as well as section 603(b) of the Rural Development Act.

Unfortunately, the Vice President did not see fit to respond to our letter. Nevertheless there are many coordinative actions which can be taken within the Department of Agriculture. In a report to the Congress January 8, 1975, on National Rural Development and the impact of Federal programs on a 12-county area of South Dakota, the Comptroller General stated:

> We recommend that, to make the Federal Government's rural devleopment effort a more effective and orderly process, the Secretary should:
>
> Establish qualified rural development goals for those matters specified in the (Rural Development) act, using available information, on both a national and a regional basis;
>
> Develop a national rural development plan describing how and when established goals would be met and the resources needed to meet them; and
>
> Ascertain the desirability of having key Federal departments and agencies establish rural development offices.

The response by the Department of Agriculture to this comment by the Comptroller General was that rural development goals were totally a local responsibility. In addition, the Department withdrew the 10 full-time personnel from the Federal regional councils, in apparent contravention of administration policy which is to use the regional councils as a device for obtaining program coordination.

At our most recent oversight hearing, we asked the Department why it had decided to withdraw its full-time personnel from the regional councils and we received a response from USDA that was not cleared by the Office of Budget and Management. The Department said it was organized on a State by State basis and therefore did not need full-time representation on the regional councils.

Somehow I had always thought that an executive agency's duty was to follow the policy guidelines of the President instead of hiding its head from the real world in some sort of Paleolithic miasma of "We never did it that way before."

Frankly, I never thought the day would arrive when I would become an ally of the Office of Management and Budget. But I will ally myself with any responsible agency of this Government which has as its aim the avoidance of waste and duplication.

The GAO reported just a few weeks ago that since 1959, Federal aid to States and local communities has increased sevenfold so that now the U.S. Government provides 22 percent of what they spend.

Therefore, it seems to me most shortsighted to simply say that all rural development initiatives must come from State and local government.

This same GAO report confirmed something important that we have seen, that Federal agencies make it difficult and costly for local governments to apply for loans and grants. Because of the complexities built into what GAO called the "nonsystem" of handling grants, money often goes to communities less in need than others, and near the end of the fiscal year, money is often haphazardly hustled out—often irresponsibly—so that the following year's budget won't be trimmed.

I hasten to add that this has not been the case so much with Farmers Home in the past 18 months, but it has been in the past, and it remains so with some other agencies of USDA. I am thinking now of the Cooperative State Research Service, which toward the end of the 1975 fiscal year passed out grants to universities for energy research like a drunken sailor on his first shore leave in a year.

The "nonsystem" which GAO describes is one of the reasons why coordination is so important. Small towns do not have the money for highly paid professional staffs that can play the grantmanship game, and I have seen situations where it cost a small community so much to get a Federal grant in time and money that when it finally came through, there was some question about whether the amount received was worth the trouble.

Preservation of prime agricultural and forestry lands.—Not many years ago in a county in California, there was a raging local debate over the location of a new migrant worker housing project. After a 2-year educational campaign, it was decided that the housing project would be located in town rather than out in the county. The reasoning for this was that if the houses were built in town, they would not use up valuable agricultural land. An application was made to the Farmers Home Administration, and the local people were informed that because of restrictions in the law, the houses had to be built in the county.

I think it is important that restrictions be placed on Farmers Home projects so that they can be used solely by rural people. Certainly I do not want these programs to be used to contribute to urban sprawl. But it would seem to me to be worthwhile that the subcommittee work with USDA to determine whether some new formulas for assistance should be devised.

There was a time, as I said, when FmHA provided loans to farmers for housing, production and farm ownership. Now the agency is in a position with business and water and sewer loans and grants to have a dramatic physical effect on the rural landscape. It is imperative that in our efforts to bring economic growth to rural areas that we do minimum damage to our precious farm and forest lands. It is imperative that rural growth be quality growth that poses no threat to the environment, to badly needed water supplies, or limits significantly the amount of food and fiber the Nation can produce.

Farm credit.—The Farmers Home Administration has been an essential agency for small farmers, operating as the agency that provides credit of last resort. For the past several years, however, the agency has routinely run out of farm operating money just at planting time, and lately it has exhausted its farm ownership money prior to the end of the fiscal year. Largely due to the efforts of Senator HERMAN TALMADGE, chairman of the Committee on Agriculture and Forestry, emergency measures have been taken at the last moment to get farm operating money to farmers when they need it most.

The question arises though, of why we have to face these emergencies year after year. Certainly there are no other sources of credit to these small farmers if Farmers Home cannot provide the loans. Therefore, if the Government does not provide the necessary loan authority, we are in fact driving farmers off the land and increasing the bigness of agriculture. This is not rural development; it is just the opposite.

Further, since Congress increased the size of operating loans to a maximum of $50,000 in the Rural Development Act, the number of farmers receiving loans has dropped dramatically.

It seems to me that what is occurring is the opposite of what Congress had in mind.

The number of farms with sales of $100,000 and over increased from 23,000 in 1960 to 115,000 in 1974. In 1960 these farms accounted for less than 1 percent of all farms, but for over 17 percent of the value of farm products sold. By 1974, farms of this size represented about 4 percent of all farms, but produced about 47 percent of the total value of farm products sold.

In response to a GAO report on August 15 concerning what the Department of Agriculture could do to help small farmers, USDA, in a callous response, replied in effect that helping small farmers was not cost effective. If this so-called cost effectiveness is applied to the farmer programs of the Farmers Home Administration, I will take whatever action is necessary to prevent the Secretary of Agriculture from implementing it, and I feel certain that I will be joined by many other Members of Congress.

The GAO has recommended that Farmers Home do a better job of getting small town bankers into the act of helping small farmers by using guaranteed loans, as opposed to insured loans, to a greater extent. However, in a colloquy with Congressman MARK ANDREWS at this year's appropriations hearings, Mr. Elliott said:

> I have encouraged guaranteed loans where possible because it brings the commercial banking institution in where it wants to come in.
>
> On the other hand, we have a built in competition because if we go the guaranteed route, it counts 100 percent against our (authorized) loan level. So in order to get participation, which about doubles our money in the farm ownership program, we have just about stayed with the insured direct loans in farm ownership and farm operating loans because it only counts that much against our approved loan levels.

Elliott and his staff admitted to Congressman ANDREWS that it was more difficult for a farmer to get a loan when he has to negotiate with another lender as well as with FmHA. On the other hand, Elliott said:

> It is one method by which we can take the limited dollars which we have and stretch them further for the number of borrowers that we have.

What seems quite clear from this dialog is that if guaranteed loans did not count against the total insured lending authority of the agency, there would be more incentive for county supervisors to seek commercial bank participation in this program making more money available to the farmers who need it. Insured loans could be used for more marginal cases, and we would not have the annual loan availability crisis. It would seem worthwhile to consider setting a separate guaranteed lending authority. By so doing, the insured authority could be kept within reasonable bounds, and losses on guaranteed loans could come from the agricultural insurance fund, as they do from the rural development insurance fund. I do not think it wise, however, to make the entire farm loan program a guaranteed system. But guarantees ought to be part of it. This is obvious from the success that the rural electricity program is having.

Such a system, I think, would make it possible for Farmers Home to do a better job of helping young people get started in farming. This is an area where the agency has not been as successful as it should have been, and performance must improve if we are to create circumstances in which young people can start in agriculture without having to inherit their father's farm.

Congressman ANDREWS made an excellent point in this regard when he said:

> In 1972 you made total farm ownership loans of $256 million, $408 million in 1973, and for 1974 and 1975 and 1976 it stays at $350 million. Yet in my state the farm real estate prices increased 37 percent in the past year and that has been the trend for the past few years.
>
> In other words, as far as most rural states are concerned, you are actually cutting back in real terms . . . are you not?

Mr. Elliott replied:

> We are, yes, since the costs have gone up and the unit costs of the farm have gone up, with the number of dollars remaining the same.

Mr. Elliott added that joint participation loans had allowed the FmHA to stretch that $350 million figure somewhat. But he admitted that he was not able to assist all of those who needed help. The agency is able to assist two out of five requests for farm ownership loans.

My colleague from Vermont, Mr. LEAHY, has had a considerable amount of trouble in getting Farmers Home assistance for his farmers this year. Vermont dairymen faced long delays in trying to find out whether or not they might get loans, and throughout the waiting period snow was on the ground and there was no way to purchase hay for the cows. Unfortunately, some vendors sold cows and other farm inputs to farmers on the basis that a farmer would probably get a loan. When he did not, the farmer had to give up the new cows and the vendors suffered losses, too. Senator LEAHY wants to know why farmers cannot consolidate their Farmers Home loans, and we will want to go into that with Mr. Elliott.

Further, we have had complaints that Farmers Home often requires unnecessarily high collateral on some of its farm loans, and we will also want to look into that.

Housing.—As I mentioned earlier, the Farmers Home Administration told us 2 years ago that they really had no idea of the demand or need for rural housing in America. We know, however, that more than 60 percent of the substandard housing in the Nation is in rural America, where less than 30 percent of the people live. It seems to me that as with personnel levels, it is almost capricious for Congress to go on appropriating money for the housing programs without some knowledge of the size of the problem. This brings me back to the need for goal setting, but I will not labor that any further here.

I have been impressed by three reports on rural housing which I would like to summarize here. The first was a progress report to the Congress on rural housing by Mr. Morton Schussheim, a senior fellow in the Congressional Research Service. The second was entitled "Rural Housing Needs and Barriers: The Case of Central Appalachia," by Brady J. Deaton and Charles Hanrahan. The third was entitled "Rural Homes Rehabilitation and Evaluation Program," prepared for the West Virginia Commission on Aging by the West Virginia Housing Development Fund.

Two years ago, Farmers Home began to emphasize the rehabilitation of existing homes, somewhat, at first, to the detriment of the regular subsidized housing programs. Mr. Schussheim's report and the report prepared for the Commission on Aging complemented and confirmed one another. The rehabilitation program was a disaster.

Nevertheless, FmHA continues to emphasize this program, despite the fact that less than 62 percent of the money available was spent during 1974.

Due to the obvious need in rural areas for housing rehabilitation, and the fact that the West Virginia report includes some of the other problems seemingly inherent in other parts of the FmHA housing program, I believe it would be worthwhile for me to summarize that report in some detail at this point:

The West Virginia Housing Development Fund initiated the Rural Home Rehabilitation and Evaluation program in order to ascertain exactly why residents of West Virginia were not taking advantage of Farmers Home Administration loans to repair their homes.

One of the problems with rehabilitating a home is finding a company to do the work. The large firms prefer to do new construction. The smaller firms will do repairs but desire the jobs which are most profitable and least time consuming. Also, these firms do not have the time nor the necessary information to help people get the government loans for the work.

The rural rehabilitation and evaluation program hired a staff of four persons to administer this program. They were to act as packager/counselors over a four county area. Each was assigned a specific county in which she also resided. A program director from the Housing development fund's staff acted as supervisor.

At the end of the 1-year project, 1,000 families had been contacted and informed of the section 504 loans to improve their homes. They were told, in general, that to be eligible they had to be making less than $7,000 a year income, and were to use the loan money for improvements in sanitary facilities, exterior—roof, foundations, and so forth—additions, and interior improvements.

Of the 1,000 families, 463 did meet the appropriate need and eligibility requirements and were given a significant amount of time and assistance by the packagers. Of these 463, 100 were not interested after everything was explained in full to them, 40 percent would not agree to mortgage their property, 20 percent did not want to go into debt by signing a promissory note, 28 percent did not like what they had heard about Farmers Home Administration, 12 percent had property title problems.

Another 210 families expressed interest and would have applied but did not because 30 percent would not mortgage their property, 15 percent disliked Farmers Home Administration—nowhere in the report did it elaborate on this reason, I would have found it most interesting to know why so many people disliked Farmers Home Administration—10 percent had title problems and 9 percent did not want to go into debt. Another 36 percent did not apply because FmHA did not make loans on rental properties or mobile homes, health factors made it impractical, other family members agreed to come up with the money needed, or changes in the income or assets put the family over section 504 guidelines.

Of the 153 families who did apply for the program, 63 applications were denied or withdrawn during processing, 13 were denied because of bad credit, 9 because of title problems, 4 because the final interest was higher than 1 percent, 2 because of the amount of the family income, 9 for other reasons; 26 withdrew because they felt the procedure was taking too long. Ninety-one applications were finally given approval, 57 of these have actually had the work completed, 34 applications are still being processed.

To sum it up, they started out with a goal of 100 loans to be granted. They contacted 1,000 families and 91 ended up with the loans at the end of the year in the four counties. Up until this time, West Virginia had averaged less than 100 loans per year for the entire state.

The limitations of the program and the problems incurred during the 12-month period can be summarized under three categories: structural, logistical, and functional.

Structural: The way the program was designed produced several structural problems.

First. The packagers were not adequately trained before they began on how FmHA worked. This caused problems which wasted valuable time. More intensive training would have been beneficial.

Second. The one supervisor was not able to help as much as he was needed due to the large demand and the amount of travel involved between the counties.

Third. There were no clerical assistants available who could have done the routine work.

Fourth. The timing was wrong. By the time the loans were approved, it was winter and not the appropriate time to carry the repairs out.

Logistical: The logistics problems all were concerned with the distance between the offices.

First. The existing FmHA offices were not located in every county. Some people had to drive many miles to get to their FmHA office.

Second. Many people did not even know this program existed. The FmHA people did not have the time to spend advertising their program. What small publicizing of the program that did take place did not always reach people in the counties outside of the immediate area.

Fourth. FmHA people had too much to do to spend as much time as was necessary to go from one rural home to another. They needed time in the office and time in the field.

Functional: There were built in constraints with the administering of the 504 loans. The largest obstacle was the amount of time needed to fill out the forms.

First. The application process involved completing the forms for application for rural housing loans, request for verification of employment, and application reference letter. This in itself would not be so difficult or time consuming. However, the following verifications are commonly required: evidence of ownership, detailed drawings and specifications of water and/or sewage systems, detailed cost estimates of repairs, appropriate local code approval documents and health department permits, FHA 444-12 check sheet for rural housing loan package, and other information which may be required as necessary.

Many people find all of this paper work very time consuming and confusing. Older people tended to feel that the county supervisor was questioning their honesty or their word. Without the constant guidance of a skilled packager, the average person would not be able to completely fill out the packet of forms and obtain the necessary verifications.

The report went into the question-by-question inadequacies of the FmHA forms. Most of their criticism has to do with the inability of the forms to show the true state of the family's financial status. Many times the forms did not show that a person was on a fixed income or it did not make clear how to come to the correct value of an asset.

The report suggests that all of the forms be revised.

Second. All of the FmHA supervisors indicated that a loan made under the section 504 program takes 3 or 4 man-hours longer to administer than a loan made under the section 502 program for people with an income over $7,000. Therefore, the administrators of these programs leaned toward making 502 loans—they were easier to complete and could be processed much quicker.

Third. Some families earned less than the $7,000 but were denied loans under the 504 program because it was determined they had sufficient resources to obtain a loan from a regular lending institution. This is the so-called catch-22 feature of the program.

Fourth. Families living outside of communities with a population of 10,000 or more were not eligible. The guidelines should stop at the city limit line, the report said.

Fifth. Proof of ownership was required by way of deed. However, the regulations do not require this. It indicates that if the person could produce evidence that the land is his for as long as the mortgage exists—it is sufficient proof. Many of the elderly had deeded their land to their children in order to retain their welfare benefits.

Sixth. The asset limitation of $5,000 is too low or should not include the value of the family home.

Seventh. The adjusted income limit of $7,000 is not in keeping with current revised income limits for other Federal housing programs.

Eighth. The inspection process took an unusually long period of time. Many people felt ignored and would withdraw their application. There seemed no legitimate reason for so much time passing from the time the application eligibility is approved to the inspection of the home and the review of the work needed.

Ninth. There was some confusion about the amount of interest that the person would end up getting on the loan. This should be indicated early in the application process so that the person does not feel tricked when he must take a loan at a higher interest rate than 1 percent.

Tenth. When a family has applied for the loan and been turned down, the rejection letter does not usually indicate the reason why. This should be included along with instructions on how to correct this situation if possible.

Eleventh. Grants were authorized by the 1974 Housing and Community Development Act for an amount of $30,000,000 but appropriations have never been requested.

The Deaton-Hanrahan report covered essentially the same area of the Nation as the West Virginia report. It can be summarized this way:

The 1970 census revealed there were approximately 2.5 million substandard housing units in nonmetropolitan areas of the United States occupied by approximately 13 million people.

The Deaton-Hanrahan study focused on 60 counties of central Appalachian region, with emphasis on the housing situation between 1960–70 in the context of related social and economic conditions.

The study indicated that the number of units constructed in the region during that decade was a misleading figure—there was some improvement in the total housing picture but many units were part of the high replacement rate in the region. Total units increased by only 14.6 percent.

The study touched on possible role of mobile homes in the area for the obvious reasons, but felt additional questions needed answering concerning the use of such structures in any total development plan.

The report listed these constraints on housing development in the area:

First. Lack of information about building occupancy and demolitions.

Second. Failure of communities to take advantage of Federal programs.

Third. Absence of a capable housing industry to serve parts of the region.

Fourth. Shortage of developable land.

Fifth. Separation of mineral and surface rights in land titles.

It cited these demand problems:

First. The basic function of income derived from a sufficiently secure source to justify long-term investment.

Second. FmHA currently plays a more important role in this area than either FHA or VA.

Third. The average maturity rate on commercial mortgages is shorter in the region than the rest of the United States —20.0 years and 25.8 years respectively—therefore, those less able to afford it are forced into higher repayment schedules.

FmHA and FHA are considered relatively effective in assisting families in the income range of $4,000 to $8,000 annually and that FmHA 502 housing was the principal program used in the area with limited importance being placed on multifamily dwelling units.

Very low income families are not the major benefactors in this area—only 2.96 percent of the total of FmHA and FHA expenditures were very low income housing during fiscal years from 1968 to 1970. The bulk of the spending occurred in the low to moderate category—64.23 percent.

The study contends that the intent of FmHA enabling legislation was never operationalized on a sufficiently flexible basis to meet the challenge of providing housing for low-income people—although not stated directly, the study gives the impression that their conclusion was that FmHA was more effective in helping those in the moderate income bracket.

The income data of the study revealed that even if funds were available to cover maximum interest credit in every case of need a substantial number of families still could not qualify because of inadequate incomes.

The report indicated that some FmHA officials urged the reinstatement of a direct grant program for home repair.

The authors called for possible use of direct subsidies:

First. Underwriting construction activity to be sold or rented to low-income families at below market prices.

Second. Direct transfers of dollars to provide low-income families with sufficient income to purchase homes at current prices.

The performance of the Nixon administration in housing amounted to a lot of slashing and tearing up of existing programs without replacing that which was damaged with anything worthwhile. While there is no need to dredge up what was ancient history the smoking ashes that remain as the consequences of these actions still smolder at the Department of Housing and Urban Development, and to a lesser extent at Farmers Home.

Fortunately, the Farmers Home Administration's superb record in regard to delinquencies and overall performance in the 502 program prohibited the rural programs from being scandalized and ruined.

Nevertheless, the three reports which I have summarized, plus the fact that the administration wants to abolish the self-help housing program and has failed to initiate the rent supplement program indicates at least a certain timidity in providing housing of some kind for the poorest rural residents. And until recently, performance in the rural rental program was not good—except in isolated cases like my own State of Iowa.

I think Gordon Cavanaugh, Director of the Housing Assistance Council summed up the housing situation rather well in relation to current economic circumstances during oversight hearings before the subcommittee this year:

> We all know the effect of raising interest rates, fuel allocation policies for scarce fuels and other materials, and its effect on not only housing products but the materials that are built out of oil products. Each year as a result of this there are fewer families that can afford housing. For example, the average dollar figure for a Farmers Home Administration section 502 homeownership loan has risen from $15,646 in fiscal year 1973 to $19,545 in the first half of fiscal year 1975, an increase of $3,899 or 25 percent in just 2½ years.
>
> How many rural families have increased their incomes by a comparable amount in that period? Instead of requesting increased subsidies that would allow rural low-income families to purchase the most costly housing, Farmers Home has merely raised the income limits on both subsidized and unsubsidized programs so that now higher income families are now pitted against lower income families for the same limited number of dollars. Inflation and Government policy have robbed low-income families and the elderly of their already limited housing opportunities.
>
> Since fewer Americans can purchase new housing, fewer units are being built. As a result as you have heard, builders are going bankrupt and the Nation's housing industry is suffering record unemployment far beyond normal levels in any other area of American industry.
>
> There are daily reports of unemployment, welfare, food stamp lines and the like, much of which has been testified to here today.
>
> Frank Elliott, the Farmers Home Administrator, has recognized the close relationship between housing and community development and the strength of our economy when he testified before this committee in January that 33,000 jobs were created through the new business and industry, community facility, and the water and waste disposal programs of the Rural Development Act, and they play a key role in the economy. He went on, housing improves the quality of

> living, but importantly, nearly 100,000 people were employed full time building the houses.
>
> Senator, we support Mr. Elliott's analysis, but shudder at the administration policies shown in the proposed fiscal year 1976 budget, which could not possibly have evolved from Mr. Elliott's understanding of the relationship between housing and jobs.
>
> Regrettably, that budget request for Farmers Home is representative, I believe, of the administration's ongoing and, I feel, misguided policy of ignoring the tools it has available to stimulate the construction industry. The policy has been particularly evident in recent years. For example, although the section 502 single-family homeownership program of both subsidized and unsubsidized loans is well recognized for the beneficial effects it has on the rural economy, it creates a rural-dollar flow, jobs, tax benefit and so forth for rural communities.

I have gone on at considerable length about the Farmers Home housing program. But it represents more than a $2 billion annual investment in rural America. It is imperative that it be operated well, and it is imperative that it be operated on behalf of all the people of rural America.

In this connection, it would seem reasonable that the Department of Agriculture implement the guaranteed housing program specified in the Rural Development Act in order to take some of the pressure off of the 502 program by middle-income people. The regulations for this program have been pending now for a year.

In many respects, the Farmers Home Administration's housing program is like the old jokes about the good news and the bad news. Mostly it is good news. But there remains enough bad news that we will want to work with Mr. Elliott in this regard.

I think the most balanced analysis of the good and the bad, the need and the attempt to meet that need, can be found in the abstract of a report on rural versus urban housing published in August by the Economic Research Service:

> Analysis of 1971 census data on existing mortgages shows home buyers in rural areas paid higher interest rates on conventional mortgages and had shorter repayment periods than did their urban counterparts. They also had fewer choices of lenders. Even so, it appears credit conditions did improve during the 1960's in rural areas. Savings and loan associations, the major home mortgage lenders, became more active in rural areas. They held 35 percent of the first mortgages in 1971 as compared with 23 percent in 1960. Also, Federal agencies, particularly Farmers Home Administration, expanded activities in rural areas. This expansion tended to narrow the gap between the percentage of loans guaranteed and insured in rural areas as compared to metro areas.

Water and waste disposal loans and grants.—It would appear that this program has come of age. Due to some persistent head knocking by such powerful Members of Congress as Representative JAMIE WHITTEN, the administration did not attempt to abolish the grant program, but rather included a budget recommendation of $150 million. This reminds me of the old story about training mules. First you have to get their attention—with a 2 x 4.

However, it would be well to examine the conclusions of a study entitled "Of New Community Water and Sewer Systems and the Populations of Small Towns" by Jerome M. Stamm of the Economic Research Service in 1974:

> The majority of evidence, based on data from six selected states, suggests that the construction of new, first-time community water and sewer systems has been consistent with the model of development via shortage of social overhead capital—that is, population growth led to the need for these community facilities rather than vice versa. This may be because the towns involved felt that to invest in excess social overhead capital typically is a very expensive luxury. It may also be related to the policies of federal agencies to put limited grant and loan funds where current needs are greatest. There were exceptions, of course, where declining places built costly systems. If federal or state grants were involved in such projects, we probably must view those efforts in a welfare context. However, even in those cases, there may not have been as much welfare involved as one might first think since rural areas have been exporting large amounts of capital for many years.

Stamm points out that towns building water systems for the first time between 1950–73 were respectively 22.5 and 29.3 percent of the size of those towns having pre-1950 systems. I have to believe that this is because of the enactment in 1961 of the Poage-Aiken bill which set up the Farmers Home program for small towns. The report shows that while towns receiving systems after 1950 did not grow as fast as those towns which got systems prior to 1950, the population growth in the post-1950 towns was much greater than in towns with no systems at all.

Stamm adds:

> The slower rates of growth for the FmHA-assisted places are much as expected since these places were much smaller than average-sized towns, and they were in need of outside assistance—assistance which by the nature of things tends to select the "problem" places.

Frankly, I hesitate to cite any problem areas within the water and waste disposal program, because I can think of no program administered by the agency which is more popular.

The principal difficulty I think is that Farmers Home often thinks too small. Congress gave the agency the authority in the Rural Development Act to vary the sizes of water systems, for instance, according to anticipated growth. However, this flexibility has not been used to any great extent, and it has been a source of contention between FmHA and the Economic Development Administration. As one EDA program official put it:

> How the heck can I tie in an 18-inch EDA industrial water line with a one-inch Farmers Home line. It can't be done.

This problem was cited to the subcommittee in field hearings in Oklahoma prior to passage of the Rural Development Act by an official of a timber company that was making a large developmental investment in that State. As I understand it, this testimony led the full Committee on Agriculture and Forestry to make the program more flexible.

The water program, in particular, has been a deciding factor in whether small communities get industrial development or not. But as rural areas grow—and they are growing—I am particularly afraid that ultimately 2 and 3-inch water lines will serve to restrict the growth of many towns.

In addition I am aware of counties in which there are as many as five separate water and sewer systems, built with various types of authorities, including that from the Farmers Home Administration. There is no relationship whatsoever between these systems, and there was little advance planning done to anticipate future needs, and to build systems which were not so much entities unto themselves, but which could be added onto in an inexpensive manner at the appropriate time.

Further, I am concerned that often design specifications for the rural systems were not of the best quality, and that somewhere down the line, someone is going to have to pay a high premium for such lapses. This is the result, I think, of systems which were built under the supervision of personnel who were not as well trained in this field as they should have been. I suspect that lack of training may also be a reason why FmHA has done so little in solid waste disposal.

Finally, in respect to community developments such as the water and waste disposal program, it is clear that Farmers Home must consider this development within the overall context of a region's development. It is clear that closer liaison must be established between the agency and the multicounty planning and development districts, EDDs, A-95 review agencies, COGs, or whatever they may be called in any given State.

In many cases, these agencies will already have done much of the planning that must be accomplished before considering investments in many kinds of community facilities. And certainly these agencies can be most helpful in assisting in a broader, regional approach to water and sewer system design.

Rural capital flow.—One of the traditional reasons for the fact that rural areas have not been as prosperous as urban areas is that rural communities tend to be exporters of capital through their banks and other institutions, while that same money tends to flow naturally toward big urban banks and corporations. The efficiency in our financial system, promoted in large part by the Federal Reserve System, has served to speed up this process in many respects.

I have asked the staff of the Committee on Agriculture and Forestry to document and explore this phenomenon in a separate paper, and on September 18, I will bring together representatives of a number of institutions which have some impact on the capital flow process to determine where the country stands; what can be done by each of the institutions involved; and to examine whether any new institutions ought to be created to cope with the problem, or whether any of the existing institutions can be improved in any way.

Certainly the Farmers Home Administration will be an important part of these conferences. Just as certainly, I might add, we have not totally abandoned the idea of a rural development bank as proposed by Senators HUMPHREY and BELLMON. Our goal, prior to promoting any scheme, will be to examine the current situation, and how existing capital-flow-influencing institutions can fill existing gaps in rural capital supply.

Business and industrial loans.—We will also want to examine why there is such disparity between the States in the delivery of certain Farmers Home Administration programs—that is, why some States seem to be able to make, for instance, a great number of business and industrial loans, as in the case of Mississippi, and why some do not.

We will want to work with FmHA to see if they cannot do a better job of making the availability of their programs better known to the public; we would like to see more coordination between FmHA and the various agencies of State government; and again, we would like to see better "needs" data developed so that some goals can be established for spending the dollars that are available.

What, for instance, is the employment impact of the business and industrial loan program? Would these loans have been made even without Government guarantees? Does some emphasis need to be placed on making insured business and industrial loans in areas of greatest need? Should some interest incentives be made for rural industrial site location? Are businesses and industries being sited with an eye toward protecting prime agricultural land? What effect are new rural industries having on farm family income? Why cannot forms for FmHA guaranteed loans be as simple as those of the Small Business Administration?

It occurs to me that if given some direction, the business and industrial loan program could be used as a steering mechanism to achieve a more balanced national economic growth. But this will require planning in the allocation of the loan money, as well as some link-ups with other Federal authorities.

Rural industrial growth is clearly not for every town, and certainly if we merely industrialize and urbanize rural America, we will have lost the rural nature of the American countryside. That means we will have failed in our attempts to improve rural living.

Second, rural industrialization causes almost as many problems as it solves, putting pressures on utility systems, schools, and other community services. That is why this program cannot operate in a vacuum, apart from other State, Federal, and local initiatives. It is also why we must give more attention to providing assistance to regional, substate planning agencies. Certainly it is not fair for the Federal Government to require that these agencies spend staff time in the planning process for local development without offering them some incentive to do the job.

Essential community facilities.—My comments and questions on the business and industrial loan program and the water and waste disposal program bear equally on the essential community facility loan program. Do we have a strategy for the allocation of these loan funds? Do we have a plan? We now have billions in loans being delivered to rural America under the auspices of the Federal Government every year. Without a strategy, without a plan, there can be no assurances that the money is being used in the best possible way.

User perceptions of Farmers Home Administration programs.—As I mentioned, my subcommittee sent out a questionnaire to 3,720 rural leaders to seek their perceptions of the value of FmHA programs. A total of 1,335 persons, or 36 percent, responded.

Here are some of the conclusions of the survey:

When people were asked how important a contribution FmHA and other Federal programs make to rural development, respondents rated Farmers Home programs as contributing more than other Federal programs. As a matter of fact, all Farmers Home programs were rated highly insofar as their contributions to rural development are concerned.

FmHA is perceived by all occupational groups surveyed as serving rural people with incomes up to $12,000 annually.

For all programs, users did not report the lack of personnel to be a general problem, insofar as obtaining cooperation, getting unbiased treatment or receiving necessary forms.

A small percentage of applications were disapproved by the agency in each of the programs included in the questionnaire. But most applications were reported approved for 90 to 100 percent of the original request.

When those questioned reported some requirement hindering improvement in rural development, the one most frequently mentioned was the eligibility requirement.

The water and waste disposal loan and grant program was felt to be very important for rural development, and over the years, the time between loan application and approval seems to be decreasing. The number of conferences required with Farmers Home personnel also seems to be decreasing.

The number and complexity of forms, and administrative regulations, are felt to be problems by rural farmers and bankers.

The maximum grant level for the water and waste disposal program was generally thought to be adequate.

Respondents had considerably more knowledge about FmHA housing programs than those of the Department of Housing and Urban Development. These housing programs were said to be very important to overall rural development, and 78 percent of the loan applications take less than 6 months to be approved.

Less seemed to be known about the business and industrial loan program than of some other FmHA programs, but more people knew about it than did the similar loan program administered by the Economic Development Administration.

Respondents were most familiar with the farm operating and farm ownership loan programs. Generally, these programs were reported to be operating efficiently. However, there were complaints about money not being avaliable when farmers needed it.

The principal complaints about programs were these: inability to get clear program information; the number and complexity of forms; eligibility requirements; problems with administrative regulations; delays in obtaining approval. Bankers and farmers were particularly upset with the number and complexity of forms.

Eligibility requirements were rated as a special problem in the housing program. This, I believe, makes a good case for the implementation of the guaranteed loan program in housing that is in the Rural Development Act.

Conclusion.—The key missions of the Farmers Home Administration are to encourage and support family farm ownership; to provide a decent economic and social base for rural America; to provide adequate rural housing; to install needed community facilities; to provide economic support to farmers affected by disaster; and foster economic development with loans for rural business and industry.

I am pleased that this job has been done as well as it has in the past. I am pleased that improvements are being made in the system.

And with the cooperation of the agency and others in Congress, the Farmers Home Administration can be expected to do an even better job in the future.

DIEGO GARCIA—A SYMBOLIC ISSUE

Mr. CULVER. Mr. President, from the beginning I have contended that Diego Garcia is a symbolic issue of importance to our overall foreign and defense policies far beyond that of constructing yet another military installation on an atoll in the Indian Ocean.

Throughout the debate over the proposed base expansion on Diego Garcia, the point was made by the Defense Department that the island was uninhabited and that, therefore, the establishment of the base would not create "political problems" with local inhabitants.

We now learn that the island is uninhabited because more than 1,000 people living there were deported to make way for the military expansion. At the present time, the strange story is still unraveling, piece by piece, of the circumstances under which this atoll was acquired by Britain and leased to the United States. We are learning of the involvement of the two nations in the uprooting of the local population and the financial arrangement involving the United States, Britain, and Mauritius. Yet in doubt is where to fix the responsibility for the plight of the Diego Garcians who are reportedly now living in Mauritius in conditions of dire poverty.

Questions I raised early in the Diego Garcia debate and some new ones that arise from these recent revelations are still very much alive.

Does the apparent deportation of the resident of Diego Garcia constitute a violation of human rights that casts doubt on our intentions and good faith and thus jeopardizes our basic foreign policy objectives?

Did officials of the Defense and State Departments deliberately deceive the Congress and the people about the uprooting of these Diego Garcians?

Has our decision to proceed with the base expansion and the deportation of the people on the island already had an adverse effect on our previous good relations with the littoral nations of the Indian Ocean?

Mr. President, these matters bring into question our moral consistency as a nation and our probity within our own Government. At a time when we are debating such monumental issues as the Sinai agreements and the SALT talks, I submit that it is especially important not to permit our integrity and devotion to human rights to be compromised in our zeal to expand our military establishment in a peaceful and stable area of the globe where we had not previously found it necessary to deploy large forces.

I repeat, Mr. President, Diego Garcia is a symbolic issue relating to our overall motives and conduct as a nation. It has not yet been laid to rest. Nor will it be until these and other relevant questions are answered.

THE NEED FOR A NATIONAL FOOD AND AGRICULTURAL POLICY

Mr. HUMPHREY. Mr. President, I wish to share with my colleagues an address I delivered before the Minnesota Legislative Conference September 20, 1975.

In that statement I attempted to point up that we have lacked a comprehensive food and agricultural policy over the last few years and how what has been described as our policy in this area has been totally inadequate.

Since 1971 and particularly since the Soviet grain sale of 1972, food stocks worldwide have been on the steadily decline.

We have ignored the implications of this fact and the instability which has resulted therefrom including its impact on consumer prices, food availabilities, and the livestock sector.

Our Secretary of Agriculture has boldly claimed that our policy is that of the free market. In a world where state controlled trading operations dominate the export business of many nations, this can hardly be viewed as being very realistic.

The lack of realism in the policy calculations of the Department of Agriculture has meant that it has again been blasted out of the water by other agencies and departments in the Government. While food and agricultural policy is not the sole concern of the Department of Agriculture, I am afraid that the Department may be relinquishing too much in this area. We certainly do not wish to see the interests and needs of our farmers sacrificed because the Department is wedded to the economic ideas of Adam Smith.

While proclaiming the old-time religion, the Department and the administration have felt compelled to impose export controls in both the fall of 1974 and 1975. In the case of 1975, this stay on exports has been imposed in spite of fact that we will have record harvests.

These recent events have highlighted the bankrupt leadership of the Department of Agriculture. But at the same time, the administration has not developed an adequate or comprehensive policy to take into account our domestic requirements, and our humanitarian role as a food supplier for developing nations and our commercial export markets.

It is urgent that the administration begin to grapple with these issues and not rely on the iron hand of the past as seen in the shibboleths of Secretary Butz. We need a new start and fresh thinking is needed in this area. It is urgent that we develop a set of rules which I refer to short-supply management so that everyone will know the rules of the game well in advance of their imposition. We need to make it clear what we will do in food shortage situations.

It is urgent that we look at all aspects of our food production sector. Above all, we need to be prepared to deal with both short supply and bumper harvest situations. And we need to assure our producers of food and fiber that they will not be runined by depressed prices in case of surplus production.

Again, I would urge that a comprehensive policy is what is needed at this point. The administration is pursuing bilateral trade agreements with the Soviet Union. While this agreement can be helpful to both nations, we should not look on this path as the answer to all our problems. We must be careful not to jeopardize our trading arrangements with longstanding and regular customers such as the Japanese.

In addition, the administration has not made any clear statement as to where it stands with regard to our food assistance programs. We need to bring all of these elements together into a balanced program.

In addition, the administration needs to pay more attention to the availability of feed grains as it relates to our livestock sector. We certainly do not need to have continued fluctuations in this sector in order to attempt to prove Mr. Butz's outdated ideas regarding the free market.

Mr. President, I hope that my colleagues will give serious attention to these remarks. The issue is critical and it involves many crucial elements for the national economy as well as our balance of payments. I urge the Members of the Senate to support this call for a comprehensive food and agricultural policy. I ask unanimous consent that my address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FOOD AND AGRICULTURE POLICY: IT'S IMPORTANCE FOR US AND THE WORLD

(Remarks by Senator HUBERT H. HUMPHREY)

Recent events have pointed up once again that we have no national food and agricultural policy.

Secretary of Agriculture Butz replies that we do have an agricultural policy, and that it is the policy of the free market.

If you can call this a policy, then I must conclude that it is not working.

In a world where every major country conducts its transactions through a state-controlled trading operation, it is somewhat ludicrous to allude to the situation as a free market.

Our farmers have been sorely disappointed again this year after being told once more to produce as much as possible. The Administration again told farmers that it would not interfere with exports.

However, as in the fall of 1974, the Administration felt compelled to change the rules in the middle of the game. It has no clearly established procedures to deal with a short-supply situation.

Earlier this year, President Ford vetoed the one-year emergency farm bill. This unwise act was based on erroneous and highly misleading cost information provided by Secretary of Agriculture Butz.

Our farmers face a situation whereby they well could be ruined by bumper harvests if crops are good in other countries. The Department of Agriculture earlier was anticipating sharply reduced farm prices in its fight on inflation and against the American farmer.

Of course, the Soviet harvest changed all that.

The farmers felt, with the farm bill veto, that they needed extensive export markets in order to avoid serious price depressing surpluses.

You can imagine the farm anger at being provided no protection at the lower level in terms of improved floor prices. And the Administration then took action, contrary to their interests, in terms of controlling exports.

I would concede that some of our farmers have done well in recent years, but it certainly has been a highly erratic and volatile situation.

The Department of Agriculture points to the fact that net farm income was over $29 billion in 1973 and over $27 billion in 1974.

However, it is highly uncertain at this point as to whether net farm income will be much above $20 billion this year.

Farm production costs continue to escalate sharply, with an increase of nearly 20 per cent in the last year.

Farm parity figures—which indicate the level of farm income in relation to other sectors of the economy—were 102 in 1973, 80 in 1974 and 74 through August 1975. This indicates that after a good year in 1973—when farm incomes were briefly above those for urban America—the drift has been steadily downward.

We are often given the misleading notion that farmers can adjust their production to meet the anticipated demand. But a farm does not operate like an assembly line. Once crops are in the ground, it's then up to the weather.

Many of our farmers would concede that we need a new set of policies to deal with today's conditions. They certainly do not want to return to the overproduction of the 1950's and 1960's. However, they also are convinced that we need something better than today's wildly fluctuating roller coaster prices, which benefit neither farmer nor consumer.

Secretary Butz loves to fill the air with rhetoric about how he's gotten the government off the back of the farmer and disposed of the burden of stored grain, which formerly had cost government about $100 million a day in storage fees.

But the real so-called "solution" on grain storage has been provided by bad weather, rising world demand, and increased population.

There has been a serious depletion of world food reserves confronting us, with the spector of widespread hunger and starvation in less developed countries. We have seen our world food reserves shrink over the last three years, and the outlook is for the same to continue during the coming year.

Mr. Butz should be candid and tell the whole story, and not make too many claims for his so-called policy of the free market.

He should also point out the very serious costs which our dairy, livestock, and poultry producers have had to pay in the face of ever rising feed costs.

And he should face up to the increased

food costs for consumers—14 percent in 1973 and 1974 and 8 to 9 percent this year.

Mr. Butz points out that our livestock producers can reduce their herds in the face of reduced feed grain supplies. This certainly is true, but these adjustments take time. They also are extremely disruptive, and it makes little sense to contract and expand our herds to prove someone's outmoded economic theory.

In attempting to develop a new policy, we must take a comprehensive view of our agricultural production system. At this point, I'm afraid the Administration is groping with no notion of where it is headed.

We have sent negotiators to the Soviet Union with almost no advance preparation as to our position. The proposal is that the Soviet Union should purchase a regular volume of grain from the United States—even during good production years. And the United States in turn proposes to purchase a certain volume of petroleum from the Soviets.

I would hope that the Administration would begin to develop a more comprehensive strategy which would relate our domestic needs, humanitarian assistance programs and commercial export sales.

We need to balance the interests of the grain farmer and the livestock producer. We also must make certain that we are a reliable exporter, and especially for our regular buyers. There is no indication that we have consulted our trading partners with respect to the current Soviet-American negotiations on grain purchases, which is of critical importance.

Our policy also should recognize the importance of our food assistance program as a device for dealing with disasters throughout the world and stimulating agricultural development.

The agricultural policies which we develop are critical for this country and the world.

We earned about $12 billion in net revenues last year from our farm exports, which about covered our oil imports. We provide half of the food moving in the world markets.

What then should we do to provide some increased stability, and at the same time provide full encouragement to our agricultural production system? How should we go about assuring our consumers and others throughout the world that adequate supplies of food will be available?

First, we need to provide improved target prices and loan levels for our farmers. The present levels are no program at all. The government should share at least some of the risk since it has asked farmers to go all out and produce as much as possible.

Second, we need to assure our consumers ample supplies of food and fiber. The government needs to be in a position to purchase when there is surplus production, and release—under carefully controlled conditions—during periods of scarcity. I am convinced that such a system can and must be made to work. But, we will need to make it clear that we did not intend to again become the holder of the world's food stocks.

Third, we must give very careful attention to our exports during periods of short supply. We must establish a set of rules so that our consumers and companies know in advance what will happen during periods of short supply.

We should be prepared to set up a short supply management system with clearly prescribed rules to deal with tight food supplies. I certainly am opposed to the imposition of embargos, and it has been the lack of a program which has led to this drastic step.

Fourth, we need to develop an improved world agricultural information system. I helped initiate discussions with the Soviet Union in 1973 to expand the exchange of information between our countries in this area. Unfortunately, progress has been slow. We need to follow up on the initiative of the World Conference to improve the world agricultural information system.

Fifth, we need to establish a mechanism at the White House level to pull together our food and agricultural policies. These policies are of concern to various branches of the government, in addition to the Department of Agriculture, such as State, Treasury, Defense and Commerce. These interests need to be coordinated and rationalized, and not along the lines of the Administration's recent spastic search for a policy.

I would certainly not want to lead you to believe that this will be an easy undertaking. However, the stakes are high, and we must make the effort.

What we do in this area will carry heavy implications for our own and the world's economy. This also offers our best hope for establishing some new rules in terms of dealing with other scarce commodities.

Much of the authority required to develop and implement such a policy already exists. I already have introduced legislation to further these policies. And I will be looking at the need for any new initiatives.

But the important thing is to get on with the challenge at hand. New thinking is needed.

In the immortal words of Abraham Lincoln:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so must we think anew. We must disenthrall ourselves."

I pledge my helf in this effort, and I urge you to become informed and involved in what will become a major public debate on our national food policy. We must clearly recognize that this is a vital issue, of crucial importance to the future of America and the world.

U.S. ARMS SALES AND THE NATIONAL INTEREST

Mr. NELSON. Mr. President, the Pentagon recently released new figures for U.S. foreign military sales orders for the past 2 fiscal years. These new statistics indicate that U.S. arms deals are about $3 billion higher than previous figures indicated. Foreign military sales orders totaled $10.8 billion in fiscal year 1974 and $9.5 billion in fiscal 1975.

I ask unanimous consent that the August 26 Defense Department figures on arms sales be printed in the RECORD at the conclusion of my remarks. I am informed by the Department that the figures for fiscal 1975 are technically not final. However, final figures—expected by the end of this month—are not likely to differ substantially.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NELSON. This latest documentation of the rapidly increasing pace of arms sales to foreign governments highlights the growing significance of this aspect of foreign policy. Arms sales policies are clearly influenced by a complex interaction of political, economic, and military factors.

Under existing law, the congressional role in the formulation of such policy is minimal. Under a provision adopted last year, proposed sales in excess of $25 million must be submitted to the Congress for possible veto by concurrent resolution within 20 calendar days after submission.

The distinguished Senator from California (Mr. CRANSTON) rightly noted that the controversy over the proposed sale of Hawk missiles to Jordan demonstrates both the strengths and weaknesses of that procedure. Prior to the August recess, congressional opposition to the proposed sale forced temporary withdrawal of the proposal. The proposal was resubmitted on September 3, and was again subjected to close scrutiny by the Senator from New Jersey (Mr. CASE) and Representative JONATHAN BINGHAM, both of whom offered resolutions of disapproval. Twenty calendar days, however, is an extremely short time—particularly within the midst of other pressing and controversial foreign and domestic issues—for both Houses of Congress to act. In fact, a review of a number of other congressional veto procedures indicates that the requirement to act within 20 calendar days imposes the most stringent of all time limits upon the legislative branch. And a Library of Congress study conducted at my request finds "few instances of significant policy declarations in the form of concurrent resolutions * * * passed within 20 days." Of the small percentage of concurrent resolutions which are passed within 20 days of introduction, the vast majority are procedural in nature or are commemorative, offering "congratulations to former Presidents on their birthdays or to groups such as the Boy Scouts."

Nevertheless, acting within the severe restrictions imposed by existing law, Senator CASE and Representative BINGHAM were able to secure significant written assurances from the President that the Hawk missiles be permanently installed at fixed sites as nonmobile, defensive antiaircraft weapons.

Senator CASE and Representative BINGHAM are to be commended for their constructive efforts with regard to this sale.

But the circumstances surrounding this sale demonstrate a more fundamental inadequacy of existing procedure on arms sales. As Senator Cranston points out:

> It is simply inadequate to bring Congress into the policy picture at the very last stage of the game, with little choice but to accept or reject in toto any proposed sale. Congress should have a voice in the formulation of policy governing foreign military sales.

The Hawk missile sale thus underscores the importance of legislation we have introduced to amend the Foreign Military Sales Act.

Whether the proposed sale to Jordan was accepted, blocked, or modified, the principle of congressional consultation should be underscored. It is clearly the intent of section 36(b) of the Foreign Military Sales Act—the Nelson-Bingham amendment of last year—that any proposed sale in excess of $25 million not be finalized until Congress has had an opportunity to examine the wisdom of that transaction. The administration should make clear to purchasing nations that any proposed sale is contingent upon congressional acceptance.

Ultimately, however, only by bringing Congress into the policy formulation process at the initial stages can we realistically hope to arrive at a rational policy backed by a substantial degree of consensus. The legislation I have proposed—

S. 854 and amendment No. 583 to S. 1816—offered in the House as H.R. 7922 and H.R. 8634 by Representatives BENJAMIN ROSENTHAL and CHARLES WHALEN—would require an annual administration report setting forth foreign military sales proposals for the coming year, justifying those proposals, and assessing their political and military impact. Congress would then have to approve the overall FMS program, thus having an opportunity to formulate policy guidelines within which subsequent sales would be negotiated. I believe that my amendment offers a workable procedure which would force both Congress and the executive branch to consider arms sales policy within a broader political, military, and economic context, a clear improvement over the present piecemeal approach.

By insuring congressional consideration of many of the sensitive and complex issues involved in arms transfers, this approach would lessen the likelihood of a repetition of the Jordan situation in which a friendly head of state was publicly embarrassed, resorted to direct communication with Members of Congress in very blunt language, and angrily rejected what had been presumed to be an acceptable compromise, only to accept it shortly thereafter.

Both Congress and the executive branch share—or should share—the same goal with regard to arms transfers. We all want to formulate a rational and coherent policy which serves the best interests of our Nation and the cause of world peace. I believe that my legislation offers a practical procedural framework within which we could pursue that goal.

Americans for Democratic Action has just published in its Legislative Newsletter a review of the present arms sales situation. This account of the mushrooming foreign military sales program analyzes the most recent FMS statistics, the arguments both for and against present U.S. arms sales policy, and looks at the current legislative situation. The report also specifically examines the proposed HAWK missile sale to Jordan, though obviously written prior to the development of a compromise, and subsequent developments.

I commend this worthwhile study for careful consideration and ask unanimous consent that the ADA Legislative Newsletter be printed in the RECORD, along with a recent New York Times article dealing with arms sales.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 2 and 3.)

EXHIBIT 1.—FOREIGN MILITARY SALES ORDERS

[In thousands]

	Fiscal year—	
	1974	1975
Argentina	$8,618	$14,100
Australia	33,419	158,564
Austria	4,040	6,967
Bahrain		18
Belgium	10,712	737,937
Bolivia	137	920
Brazil	69,059	27,025
Burma	119	30
Canada	107,621	102,126
Chile	75,104	29,038
China	95,573	123,145
Colombia	$1,090	$965
Costa Rica		259
Denmark	22,196	367,742
Dominican Republic	31	3
Ecuador		14,822
El Salvador	407	319
Ethiopia	7,447	28,018
Finland	12	1
France	22,601	4,565
Gabon		218
Germany	225,151	291,698
Ghana	187	16
Greece	449,995	198,575
Guatemala	1,115	468
Haiti	291	84
Honduras	708	282
India	2,623	7,939
Indonesia	148	48,514
Iran	3,917,121	2,567,903
Ireland	16	21
Israel	2,437,310	868,650
Italy	48,643	46,219
Jamaica	42	71
Japan	57,931	29,647
Jordan	61,550	29,583
Korea	113,121	218,806
Kuwait	30,400	370,496
Lebanon	9,777	295
Liberia	397	449
Libya	12	
Luxembourg	21	25
Malaysia	1,428	4,218
Mali		148
Mexico	411	153
Morocco	8,584	294,876
Nepal	2	
Netherlands	18,207	686,387
New Zealand	5,049	4,156
Nicaragua	385	571
Niger	8	
Nigeria	4,350	4,470
Norway	51,451	458,931
Oman		1,613
Pakistan	12,674	37,408
Panama	1,878	258
Paraguay	12	37
Peru	46,989	23,599
Philippines	5,593	31,356
Portugal	2,183	2,456
Saudi Arabia	2,539,408	1,373,862
Singapore	12,658	1,480
Spain	150,265	52,581
Sweden	6,974	691
Switzerland	9,366	49,212
Thailand	20,513	11,422
Tunisia	737	450
Turkey	17,788	68,964
United Kingdom	48,867	30,497
Uruguay	1,206	8,208
Venezuela	4,884	33,540
Vietnam	4	
Yemen	2,634	372
Yugoslavia	6	257
Zaire	1,510	1,337
International org	18,159	30,695
Total	10,808,926	9,510,727

Note: Fiscal year 1975 includes $2,100,000,000 for F-16 aircraft (Belgium $706,600,000, Netherlands $621,300,000, Norway $438,600,000 and Denmark $353,300,000) for which memoranda of understanding have been signed but letters of offer have not yet been finalized. Totals may not add due to rounding.

EXHIBIT 2

U.S. ARMS SALES AND THE NATIONAL INTEREST

On July 10, 1975, the Ford Administration sent Congress official notification of a massive arms sale to Jordan. The proposed $350 million sale included some of the nation's most sophisticated defensive missiles. Congress forced the Administration to back down temporarily from this particular deal, although on September 3 the Administration submitted a new request including the same controversial Improved Hawk missiles which Congress had refused to accept in July.

That brief struggle over arms to Jordan was the first test of legislation adopted last year to deal with the explosion of American arms sales abroad. The most recently updated Defense Department figures show that the U.S. has signed arms contracts with foreign governments totaling $10.8 billion in fiscal 1974 and $9.5 billion for fiscal 1975. This huge increase over preceding years in the pace of American arms deals has taken place with little congressional scrutiny and no clear American policy.

FROM MILLIONS TO BILLIONS IN FIVE SHORT YEARS

Huge arms deals are a relatively recent phenomenon. As late as fiscal 1970, U.S. arms sales totaled only $926 million. That figure jumped to $3.5 billion in fiscal 1973, and then tripled to $10.8 billion in fiscal 1974 and $9.5 billion in fiscal 1975. These latest figures, released by the Pentagon on August 26, show a $3 billion jump from previous estimates for the last two fiscal years (the Pentagon figures actually represent foreign military sales orders; deliveries may be spread out over several years).

Over half of our arms are going to the Middle East. Iran led for the second year in a row, ordering $2.6 billion in arms and other military services, and again Saudi Arabia was second, with purchases totaling $1.4 billion. Other contract totals in that area included Israel's $869 million, Kuwait's $370 million, and smaller orders from Yemen, Lebanon, Jordan, Oman and Bahrain. Last year's total also includes the huge $2.1 billion F-16 aircraft deal with Belgium, Netherlands, Norway and Denmark.

EVERYBODY'S WELCOME AT UNCLE SAM'S P.X.

According to Sen. Edward Kennedy (D-Mass.), the U.S. sold military equipment to 136 foreign nations in fiscal 1974. Our arms sale policy is quite non-discriminatory: the U.S. sold to rich nations and poor; developed countries and developing; white, black and yellow; democracies and dictatorships; one country with which we are feuding (Ecuador and the Tuna War); and a communist country (Yugoslavia). In the last year the U.S. lifted bans on arms sales to Pakistan and India and eliminated limits on sales to Latin America. Moreover, the U.S. has begun selling our most sophisticated weapons abroad. Where in the past we sold primarily outdated and obsolete weapons from our inventory, we now sell Iran our new F-14 naval fighters and DD-963 destroyers—even before our own forces have been fully equipped.

Foreign military sales are growing while U.S. military assistance programs are shrinking. In fiscal 1974, the last year for which totals are complete, U.S. military assistance totaled only $2.8 billion compared to the $10.8 billion in foreign military sales. Remember that Congress must directly authorize military assistance but has little control over foreign military sales.

The expansion of arms traffic suggests that a new generation of "merchants of death" has been spawned—the financial and industrial concerns which sold arms to all comers and are said to have helped ignite World War I. Today's "merchants" include corporations selling the weaponry: Bell Helicopter, Northrop, McDonnell Douglas, General Electric, FMC Corpartion, and Raytheon, who led the list in '73 and '74. Additional American corporations train foreign armies in the use of American weapons; witness Vinnell Corporation's $77 million contract to train the Saudi Arabia national guard, and Bendix Corporation's $139 million contracts to establish a logistics system for the Saudi army. Then there are "middle men," men like Adnan Khashoggi, agents in foreign countries who help arrange the deals; the Pentagon reports that American manufacturers paid more than $200 million to sales agents in foreign countries during the last two and a half years. And finally, many former Pentagon officials use their earlier experience within the Pentagon in subsequent jobs with arms corporations.

The United States is not alone, of course, in its massive campaign to peddle military wares overseas. The U.S. is clearly number one, but there are major competitors. The Soviet Union sold $5.5 billion in arms abroad in 1974. France was next with $3 billion and Great Britain was fourth with $1.5 billion.

THE ADMINISTRATION CONTENDS . . .

The Administration has used various justifications for pushing arms deals throughout the world. The recent jump in arms sales, particularly in the Persian Gulf countries, reflects the huge increase in dollar outflows for oil. Iran, Saudi Arabia, and other countries have billions of "petro-dollars" to spend, and the U.S. is trying to soak up those dollars through arms sales. The sales help our balance-of-payments problems; indeed, despite vastly increased expenditures for imported oil, the U.S. recently has run a balance-of-payments surplus.

Sales, argues the Administration, also help build closer ties to recipient countries. The large arms sales to Jordan is another example of Secretary of State Henry Kissinger's policy of "buying friends," through large dollops of arms or aid. Making foreign countries dependent on U.S. arms sales creates a dependency that can be exploited for political purposes. Israel, now heavily dependent on shipments of American arms, was subjected to heavy U.S. pressure to sign the recent agreement with Egypt by means of an American embargo on new weapons sales ever since an earlier Kissinger peace shuttle failed.

American arms can serve to help our friends maintain internal security, we are told. Defense Secretary James Schlesinger justified arms to the Middle East as a way to "strengthen deterrence and promote peaceful negotiations by helping our friends and allies to maintain adequate defense forces of their own." Besides, argues the Administration, if we don't sell the weapons, someone else will. The final clincher is the traditional Pentagon argument for high military expenditures: jobs. Billions in military contracts abroad means lots of jobs for American workers.

. . . AND CRITICS REPLY

Arguments against the government's policy of selling to anyone with ready cash are many.

There are enough political and diplomatic reasons without questioning the morality of arms sales overseas. Present policy means the U.S. is pouring weapons into some of the most volatile areas in the world, areas where the risk of war is great, especially the Middle East, scene of four wars since World War II, and the Persian Gulf, an unstable area with many power rivalries. We sell to both India and Pakistan, bitter antagonists since their independence over two decades ago. Whether the weapons can be said to help ignite warfare, it is clear that the level of violence and killing will be measurably increased with American arms.

"OH, WHAT A LOVELY WAR!"

Moreover, the U.S. has the disturbing habit of dealing arms to both sides in the conflict, ensuring if nothing else that American weapons will be used against American weapons. The Greeks and Turks mobilize their American arms against each other. India and Pakistan both have fought with American weapons. We arm both Israel and some of her chief antagonists. And we sell weapons to Chile to help her defend herself against neigbhoring Peru, while we also sell arms to Peru to use for defense against Chile. These sales defy all logic, except the logic of profit.

Another problem is that the arms we pour into countries which today are allies may be controlled tomorrow by our enemies. Neither Iran nor Saudi Arabia is ruled by a stable regime; the weapons we deliver now may fall into the hands of leaders hostile to us. South Vietnam has to stand as the prime example of a country where we are persona non grata but which has a well-equipped, made-in-USA army. Even more ironic is our shipment of vast quantities of weapons to countries which we simultaneously threaten militarily in the event of another oil boycott.

Many of the sales aid totalitarian regimes, such as the former Greek dictatorship, Korea, or Chile. These same weapons are then employed to repress the citizens of those nations. Indeed, our arms sales seem to imply certain commitments to foreign governments, commitments over which Congress and the American people have almost no control. Remember when the United States was supposed to make the world safe for Democracy?

A recent problem which has concerned certain quarters in Congress is the policy of shipping abroad some of our most sophisticated weapons before U.S. forces have themselves been fully equipped. In agreeing to send F-14's to Iran, for example, the Administration has made it impossible for the U.S. navy to receive all the planes it wants as soon as it would like to have them.

An additional concern arises over the gaping needs of so many of the developing countries for true economic growth or simply adequate food prduction to stave off starvation. Many countries, whether because of their own desires or because of the vigorous salesmanship of foreign arms dealers, or both, are putting money into non-productive military equipment instead of their own internal development. A fleet of late-model aircraft sitting on some desert airstrip may appear prestigious, but the poor can't eat them.

Finally—and perhaps most important—there is no clear or coherent American policy on arms shipments overseas except sell, sell, sell. Little thought has been given to long-term implications of the vast quantities of arms sent to the Persian Gulf countries, for instance. It is time to wonder how these arms deals relate to long-term American interests.

CAPITOL HILL STIRS

Congress finally is beginning to take steps to force the Administration to think about the consequence of its policies. Sen. Gaylord Nelson (D–Wis.) is leading the fight.

Nelson began in 1973 his long campaign to bring the mushrooming arms sales to public attention and to legislate congressional oversight. He offered an amendment in 1973—adopted in 1974 with the help of Rep. Jonathan Bingham (D–N.Y.) in the House—which forced the Administration to report to Congress any arms deal over $25 million and gave Congress the power to veto the deal. Unfortunately the Nelson proposal was significantly weakened in a House-Senate conference. Nelson wanted a law which required only one body to block a sale; instead a concurrent resolution of both houses is required. Rather than allow Congress 30 legislative days in which to act, the time was trimmed to 20 calendar days. And a clause which would have prevented the Administration from approving a series of $24.9 million contracts—in order to avoid congressional action—also was dropped.

While the new law was a long step forward, it presents difficulties evidenced in the fight on the Jordan arms sale. Getting anything through one house of Congress, much less two, within 20 days is extremely difficult. It might have been done with the Jordan deal, but congressional pressure forced a temporary Administration retreat before floor votes. And no other deal thus for this year has been similarly challenged.

Nelson is taking two actions to strengthen congressional authority. First, he is offering a series of amendments to strengthen last year's provisions. These amendments would give Congress up to 30 days of "continuous session" in which to act (adjournments for more than three days would not be counted against the time); would provide a way to expedite floor consideration; and would allow a congressional veto over cumulative sales of more than $50 million to any one country in one year. Rep. Patricia Schroeder (D-Colo.) is offering a similar package of amendments in the House.

Even more important is an entirely new Nelson approach which calls for a broad look at all arms sales. The President would be required to submit to Congress an annual report forecasting foreign military sales to each country during the next fiscal year, including types and numbers of major weapons systems. Accompanying the forecasts would be justifications: how the sales would support U.S. foreign policy objectives, strengthen U.S. security, and promote world peace. At the same time, the Administration would outline the impact of the proposed sales on U.S. foreign policy, on regional balances and arms races, arms control policies and negotiations, U.S. preparedness and other aspects. At that point Congress would have to approve arms sales for the next year on a country-by-country basis. In addition, Congress could add restrictions on sales to any nation.

Co-sponsored in the House by Reps. Benjamin Rosenthal (D-N.Y.) and Charles Whalen (R-Ohio) (a similar bill has been offered by Les Aspin (D-Wis.)) the bill would force the Administration to come to grips with its own policies and supply Congress with the information it needs to approve any overall guidelines. The underlying assumption of the bill is that Congress should have as much to say about sales abroad as it now has about foreign military assistance.

The chance that some version of the bill will pass is considerably greater since Congress grappled with the Jordan sale. Congress now has only a negative veto after a deal has been almost consummated, leaving the way open for possible negative repercussions with the other country involved. If the Nelson bill were to become law, Congress could establish guidelines before deals got too far underway.

ARMS FOR JORDAN

By the time Congress became involved in the Jordan arms sale, a lot of Kissinger and Jordanian prestige was on the line; someone was bound to be embarrassed. The Administration's July 10 announcement of the sale of 14 Improved Hawk surface-to-air missile batteries including 532 missiles as well as other weapons provoked an immediate and vocal reaction in Congress. Within days, Sen. Clifford Case (R–N.J.) and Rep. Bingham introduced resolutions to disapprove the sale under Section 36 (b) of the Foreign Military Sales Act of 1974—the Nelson amendment. From then on it was a race against the 20 day time limit and a test of wills.

Opposition to the sale, led on the outside by the American Israel Public Affairs Committee, ADA and the Communications Workers of America focused on the magnitude of the sale and its risk of changing the balance of power in the Middle East. One of the primary reasons that Jordan did not enter the 1973 Yom Kippur War was her lack of air power, a deficiency that this arms deal would remedy.

Within a week of notification, both houses held hearings. The hearing before a House International Relations subcommmittee chaired by Rep. Dante Fascell (D–Fla.) was notable for its sharper, more penetrating questions which punched holes in the Administration's justification. But it was the more gentlemanly Senate Foreign Relations Committee which finally elicited the key information: that the Joint Chiefs of Staff had recommended no more than 6—not 14—Hawk missile batteries for Jordan. In the end, Ford, Kissinger, three present or former Ambassadors to Jordan, and King Hussein got involved in a search for a compromise or at least a postponement of final action. After the House International Relations Committee supported the Bingham resolution, and the Senate committee appeared ready to do likewise, the Administration on July 28 pulled back from what appeared to be a sure floor defeat.

At this point there are new factors. King Hussein wrote directly on his personal stationery in August to most Senators and Representatives threatening to go to the Russians if the U.S. did not sell. These letters constituted virtually unprecedented lobbying by a foreign head of state. Even more important, the Jordan sale is now tied in with the latest Middle East peace settlement, and Congress may be reluctant to oppose a significant segment of the Kissinger Middle East policy. Henry Kissinger, having lost the first round, is attempting a typical squeeze play on Congress to force approval of his arms policy. Yet the weapons proposed for Jordan are still as great a risk as ever; Congress has until September 22 to act.

EXHIBIT 3

[From the New York Times, Sept. 9, 1975]

WEST RELYING MORE ON WEAPONS SALES TO MIDEAST

(By Robert B. Semple, Jr.)

LONDON, September 4.—The major weapons producing nations of the West are relying more and more on arms exports to the Middle East to help offset the increased costs of oil.

This was one of several conclusions expressed today by officials of the Institute for Strategic Studies, which has just published its annual review of the world's armaments and armed forces.

The institute is an international center for the study of security problems. Its reports are generally regarded as authoritative statistical summaries of the deployment and cost of weapons around the world.

The institute noted that two major oil producers—Iran and Saudi Arabia—had vastly increased military expenditures since 1974. It noted that Iran's military spending had tripled in a year, from $3.2-billion to $10.4-billion, and that Saudi Arabia's increase had been more than threefold, from $1.8-billion to $6.3-billion.

OUTSPENDING U.S. AND NATO

Middle Eastern nations, the report said, are spending an average 12.4 per cent of gross national product on military material, compared with 6 per cent for the United States and an average of 3.5 per cent for nations of the North Atlantic Treaty Organization.

Part of this figure was accounted for by large outlays by Egypt and Israel. But these two countries have largely resupplied themselves since the 1973 war, the report indicated, meaning that the most vigorous new arms purchasers in the Middle East are the oil nations of the Persian Gulf.

The chief suppliers of these increasingly eager clients, the report said, were industrialized, oil-consuming nations, mainly France, Britain and the United States. France, for example, is supplying $825-million in tanks, armored cars and antiaircraft systems to Saudi Arabia under a 1974 agreement. The United States is supplying Saudi Arabia with $335-million in tanks and other equipment, and more than a billion dollars in naval equipment, both under 1974 agreements.

Iran, meanwhile, has orders outstanding for 1,900 tanks and 450 fighter aircraft; part of this will be supplied by Britain and the United States under agreements signed within the last year.

OTHER PURCHASES NOTED

Institute officials attributed these transactions partly to "the need of major weapons-producing countries to offset rising energy costs by arms exports," and said their attractiveness to both sides emphasized "the urgency and difficulty of conventional arms limitation but also the scant attention or welcome that is given to it."

At a news conference, Christopher Bertram, the institute's director, said the brisk trade in conventional weapons was at least if not more "destabilizing" than nuclear weapons development in the United States and the Soviet Union, both of whom continued to seek "qualitative" gains within the numerical limits ceilings on strategic nuclear weapons adopted at the Vladivostok conference.

Mr. Bertram noted that a large number of Latin-American, Asian and African nations had also bought conventional weapons, and that while most sales originated in Western countries, the Soviet Union had supplied aircraft and tanks to Uganda and Somalia.

Officials also noted a trend toward "indigenous" arms industries in the third world, especially in India and Brazil, and that some smaller nations, notably Israel, Yugoslavia, and Jordan had themselves become arms exporters on a relatively small scale.

Mr. Bertram found some signs of stabilization. He said the quantitative superiority of Warsaw Pact nations and the logistical and qualitative advantages of NATO nations tended to neutralize one another, making conflict in the European theater "unattractive" and unlikely.

The report also disclosed an apparent slowdown in China's nuclear development. China's nuclear weapon stockpile has not grown, the report indicated, from the 200 to 300 weapons estimated last year, nor is China believed to have increased the number of intermediate-range ballistic missiles, estimated 20 to 30 in 1974. Even longer-range missiles have either not been deployed or, in the case of the 8,000-mile-range ICBM, tested. The institute could give no explanation for this apparent slowdown.

NEED FOR AN INTERNATIONAL CONFERENCE ON ARMS SALES

Mr. CULVER. Mr. President, the global arms race is continuing and accelerating. But the efforts to limit strategic arms and to reduce force levels in Europe do not yet have counterpart negotiations concerning arms transfers to other nations.

Instead we have a seemingly pathological competition among major arms-producing nations for sales and ever-larger markets for their weapons. We also have evidence that bribery and corruption are sometimes part of these multi-million-dollar deals, with consequences harmful to both buyer and seller nations.

What we need, Mr. President, is some means of moderating this fierce competition and minimizing the destabilizing effects of unlimited arms sales in many areas of the globe.

To this end, I have urged the Secretary of State to initiate efforts to convene an international conference of major arms-producing states to seek some rational control and coordination over arms sales. I have suggested, as a first step, that we seek agreement on issues among our NATO allies, which together account for almost three-fourths of the world arms trade.

I shall keep my colleagues informed of any progress toward this goal of restoring some sanity to the current arms sales madness.

Mr. President, I ask unanimous consent that my letter to the Secretary of State be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICES,
Washington, D.C., September 19, 1975.

Hon. HENRY A. KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I am deeply concerned about the anarchic and escalating nature of the world-wide rush to acquire new weapons.

The intense competition between the United States and Western European countries in arms sales, particularly in the Middle East, is clearly out of hand. Recent disclosures of huge bribes paid by Northrop, Lockheed, and other U.S. firms to foreign officials and agents underscore the feverish intensity of the global arms race.

In the past two years alone, the United States has sold over $10 billion in weapons to Persian Gulf nations, and France, Britain, and the USSR have also been active. Not only is the United States selling huge quantities of armaments, but to keep up the frantic pace, we are selling our latest and best equipment. We sell tanks and antitank weapons when our own Army is under strength. We sell the most sophisticated aircraft, despite the risks that our technological secrets may fall into hostile hands.

The fierce rivalry for the mushrooming weapons market endangers our friendly relations with our allies; it becomes a destabilizing influence in politically volatile areas such as the Middle East; and the pattern of corruption and the potential loss of technological secrets pose risks to our national security.

As you know, the Congress and the Executive Branch have taken some effective actions to bring our own foreign military sales under a measure of reasonable control. But unilateral actions alone on the part of this country cannot solve the problem. Although the United States accounts for about half of the world's arms trade, several other countries are also deeply involved, in particular the Soviet Union, France, and Britain.

There is an urgent need for some means of moderating the competition and minimizing the destabilizing effects of unlimited arms sales on the military balance in sensitive regions of the globe.

Therefore, I believe that the United States should initiate efforts to convene an international conference of major arms-producing nations to seek some rational control and coordination of what now seems to be pathological competition in foreign military sales.

It may not be politically possible to involve the Soviet Union or Eastern European countries in such an international conference at this time. But I believe that a feasible first step would be for the NATO nations most active in the arms trade to convene an international conference to discuss guidelines for arms sales.

I hope that some American initiatives can be taken in the vary near future to forestall the dangerous consequences of the present trends in the global conventional arms race.

In these and other measures relating to ams sales, it would be clearly advantageous to have a more integrated relationship between the State Department and the Congress. I believe that if the Congress is informed and consulted earlier in this process, misunderstandings and diplomatic embarrassments might be avoided. Such close cooperation is both necessary and appropriate at the present time.

Sincerely,

JOHN C. CULVER.

INCREASED FOOD PRODUCTION NEEDED TO AVOID FAMINE

Mr. HUMPHREY. Mr. President, I wish to call attention to an article in the September 23 New York Times detailing the conclusions of a study entitled, "Population and Food—Crucial Issues." This study was carried out by the National Research Council and was sponsored by the National Academy of Sciences of the National Science Foundation.

The study concluded that it is extremely urgent that a major effort be launched to meet the world food needs.

According to the report, "the outlook

for subsequent decades is alarming unless real progress can be made in reducing the rate of population growth."

The study was carried out under the chairmanship of Dr. Daniel G. Aldrich, Jr. It concluded that the first priority for the developed world must be, "to produce enough food and to create food reserves large enough to avoid catastrophe from regional crop failures."

The study indicated that 10 million people may have starved in the 18th century, 25 million in the 19th and perhaps 12 million thus far in the 20th century.

Mr. President, these are weighty issues which we will be struggling with in the years to come. Whether or not all would agree with the conclusions of the report, it does point us in the direction of some of the priority issues which must be addressed in the food and population equation. I ask unanimous consent that the New York Times article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Global Rise Asked in Food Supplies

(By Harold M. Schmeck, Jr.)

Washington, September 22.—The world has only a decade or less to start coping effectively with its population problem, according to a report issued today by the National Research Council.

The task of meeting over-all food needs in the next five to 10 years appears manageable, said the report, provided there is a concerted global effort to increase production and provided there are no great agricultural setbacks in major producing areas, particularly North America.

"The outlook for subsequent decades is alarming unless real progress can be made in reducing the rate of population growth," said the report, which was sponsored by the National Academy of Sciences and the National Science Foundation.

The panel of experts that drafted the reports said that the problem of southern Asia appeared to be the most serious and might prove to be unmanageable without an early and marked decline in the rate of population growth.

EXPANSION OF SCIENCE

In parts of Asia and Latin America, population growth rates are more than twice as high as in such developed nations as the United States, the panel said, yet agricultural productivity is twice as high in the United States as it is in most of the hungriest regions of the world.

The panel said that there must be a major expansion of agricultural science and technology if disaster is to be averted. The first priority for the developed world must be to produce enough food and to create food reserves large enough to avoid catastrophe from regional crop failures, the experts said.

"Indeed, it is mainly the improved communications and early warnings, the productivity of North American agriculture and a worldwide food distribution system responsive to regional disaster that offers reason to hope that the next decade need not necessarily witness major famine," the report said.

THE IMPORTANT QUESTION

The panel said that as many as 10 million human beings may have starved to death in the 18th century, 25 million in the 19th and perhaps 12 million so far in the 20th. Because world population is so great today—nearly four billion—failure of the food supply to meet demand "could now claim more lives than at any time in the past, the report said.

World population will stabilize at some time near the middle of the next century, the panel said, but the important question for mankind is how and under what circumstances this will be achieved.

The report, titled "Population and Food—Crucial Issues," was produced by the National Research Council's Committee on World Food, Health and Population, under the chairmanship of Dr. Daniel G. Aldrich Jr., chancellor of the University of California at Irvine.

It was described as an introductory report in a major effort of the National Academy of Sciences and the National Sciences Foundation to study the global problems to help to advise the Federal Government on policy.

The National Research Council is the operating arm of the National Academy of Sciences, a private organization of eminent scientists chartered by Congress to advise the Government. The National Science Foundation is a Federal agency responsible for the support of scientific research.

A BALANCED FEDERAL BUDGET

Mr. TALMADGE. Mr. President, I testified today before the Subcommittee on Constitutional Amendments in support of S. 93, my proposed amendment to the U.S. Constitution to require a balanced Federal budget, except in cases of national emergency declared by Congress.

I ask unanimous consent that my statement before the subcommittee be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of U.S. Senator Herman E. Talmadge

Mr. Chairman, I appreciate this opportunity to testify in behalf of my proposed amendment to the Constitution of the United States to require a balanced federal budget, except in times of national emergency declared by the Congress.

First of all, I want to state that I am fully aware of the severity of this proposal. It is drastic. It is strong medicine. But I submit that it is the required antidote for an ailing economy which, like a cancer, makes our nation weaker and weaker every year.

Secondly, the intent of my proposed amendment is very plain. It would impose a strict discipline on the Congress of the United States to stop spending the nation into chaos.

It would bind Congress from its own extravagant mischief.

It would be binding on the Administration and the thousands of faceless bureaucrats who play so free and easy with the taxpayers' money.

It would serve notice on the President and departments or agencies that when they want some new spending authority, they must send it up to the Hill along with an indication of how it will be paid for—in the current fiscal year.

Furthermore, my amendment would be binding on the people to be prepared to pay for what they demand and receive. People must stop demanding of the government more than can be delivered. They must be made to realize that there is no such thing as a free ride on the largessee of the federal Treasury.

It is the people's money when the government takes it away from them in taxes. It is still the people's money when the government spends it . . . and then squanders tens of billions of dollars more in deficits each year . . . and then imposes a heavier burden still on the workers of this country—either through taxes that border on outright confiscation, or through the tax or through the tax of inflation.

There is no tax more cruel. Inflation ravages the wage earner and robs him of his labor. It devastates helpless widows, the disabled, aged retired persons, and others in similar straits who must live on fixed incomes. It makes Social Security and retirement benefits a mockery.

Moreover, with the proliferation of generous, tax-free public assistance programs, and the inflationary raid on the paychecks of workers, welfare becomes more attractive and profitable in many instances than a job.

This no doubt will rankle many people who have a tendency to blame Congress and government for all the ills of our country. But the fact remains, and I firmly believe in this principle, the people of the United States will get the kind of government and as much government as they allow.

When enough people demand that the government stop mortgaging their children, and their children's children, and stop threatening to reduce the United States to the twilight of a third- or fourth-rate power, I am convinced there will be a rapid turnaround in federal spending policies.

This is not an attempt to pass the buck to the people. I cannot say Congress is guilty of no more than acquiescing to the pressures and demands of the electorate in devising spending programs that are pleasing to the people but poison to the economic stability.

That is just not so. We are all to blame. Congress is guilty of failing to resist the siren song of spending its way to favor with the American people. Congress must accept responsibility for not only failing to exert leadership to curb the greedy spending appetite, but also for feeding that appetite.

We hear federal deficits referred to as the "Nixon deficit" or the "Johnson deficit." Make no mistake about it, whenever the United States government spends more money than it takes in, that is a Congressional deficit. Congress has the power to spend. It has the power not to spend.

It is unimportant whether deficits have been incurred under Democratic or Republican Congresses or Administrations. What is important is that these deficits add up to a national debt of $600 billion. What is vital to the security of our nation is that there seems to be no end in sight to deficit spending, unless Congress at long last decides to take the initiative and put the issue before the people.

The power of the purse is so strong and the spending habit so addictive that I believe the only escape is through a mandatory Constitutional restriction. We are fast reaching the point where the choice becomes narrow indeed. I fear that if the United States government is allowed to pursue its present course, it eventually will be catastrophic for our nation and the rest of the Free World.

Anyone who doubts the potential severity of the situation need only consider the economic impotency of Great Britain and the bankruptcy of New York City. The principal difference between our present plight and that of New York is that the federal government can monetize the debt and print more cash.

That has been past policy and practice to the extent that the American dollar is based on faith, not gold. And, that faith is shaky in capitals throughout the world.

It's time to start facing facts. They stand clear, unimpeachable, and ominous. In assessing what got us into this mess, let me quote from the Secretary of the Treasury. Says Mr. Simon:

"It is clear to me that we have more government than we need, more government than most people want, and certainly more government than we are willing to pay for."

One can go back to the end of World War II to trace the course of deficit spending, but I will not burden the Committee at this time with a statistical recitation of facts and figures which are readily available, and which I know you will get from the staff and other witnesses.

However, it is instructive to take 1965 as a starting point. That's when massive deficit spending virtually became a fiscal way of life for the federal government. We of course have had multi-billion dollar deficits before, especially in times of war, but nothing before to equal the runaway spending of the past decade.

That's when spending beyond our means really began to gain momentum. That's when we started a 10-year economic slide. It's been downhill ever since. The question now becomes one of national security. Are we going to keep sliding uncontrollably until we go off the precipice into national bankruptcy or worse?

We recall the Revenue Act of 1964, when Congress enacted a $12 billion reduction in personal and corporate income taxes. Along with that tax cut there was supposed to be a Congressional and Presidential commitment to put a brake on federal spending.

Unfortunately, we also immediately went off in the opposite direction.

Congress paid no attention to the escalating cost of the war in Vietnam. It blithely proceeded to indulge the nation in a "guns and butter" economy. It was the advent of the so-called "Great Society." The Congressional pastime of throwing money at problems to make them go away became a national sport.

Since that time we have been plagued by deficits totaling almost $170 billion—and that's not taking into account the projected $60 or $70 billion deficit for the current fiscal year.

The wholesale price index has leaped by more than 60 per cent. The consumer price index has increased by more than 50 per cent. The purchasing power of the dollar has fallen by more than a third.

Just as rampant inflation is the offspring of irresponsible government spending, recession is spawned by inflation. We see that in operation now. We see increased federal spending now to cure recessionary illnesses brought about by inflationary spending in the past year.

This new spending and the tax cuts will saddle government with the largest deficit for FY 1976 in the history of our Republic. It may temporarily reverse recession. But it also threatens to roll up another wave of inflation, worse than ever before, which in turn can sink us into another recession.

According to Secretary Simon, government borrowing in this fiscal year will total 80 per cent of the capital market. That creates tight money, drives interest rates skyhigh, denies private industry of vitally needed investment capital, and depresses the housing and automobile industries and virtually all private enterprise which is the wellspring of our economy.

We have a right to ask, the American people have a right to ask, where will it end? If we do not have the good sense to learn from the repeated mistakes of the past, then the future of our country is bleak indeed.

It is time to install machinery in the government that will compel balanced budgets, unless an emergency declared by Congress dictates otherwise. We can reduce expenditures to bring them in line with revenue. We can increase taxes to cover expenditures. Or we can combine the two approaches.

Balancing the federal budget is absolutely essential if we are to continue as the most powerful, the most wealthy, and the most generous society and, in fact, if our society is to survive at all.

We cannot continue on our present course of unrestrained spending and festering public debt. We cannot risk the social disorder and economic upheaval that it has inflicted on other nations.

Mr. Chairman, even if this amendment is adopted by both Houses of Congress, it will not become law unless the people are ready to accept such a restraint.

I believe they are.

I believe the American people are ready to say to Congress and their government: no more.

THE GLOBAL GRAIN TRADE

Mr. HUDDLESTON. Mr. President, an excellent article by Dan Morgan appeared in the Washington Post, September 22, 1975. Mr. Morgan describes in detail how foreign grain speculators deal in the world grain futures market.

I recommend this article to my colleagues and to the members of their staffs who are responsible for agricultural policy, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GRAIN SPECULATORS "BURN" EXPORTERS

(By Dan Morgan)

An informal club of powerful insiders in the global grain trade has operated a far-flung system for years in which millions of tons of American corn, wheat and soybeans are traded, often for pure speculative profit.

The trading system apparently has led to distortions in the government's program of monitoring grain exports, set up to detect early signs of unusual drains in food commodities needed at home.

It also apparently has affected the price of commodities in this country from time to time.

The system amounts to an insiders' market in large volumes of grain, operated round the clock and often worked through late-night transatlantic telephone calls that signify huge speculative gambles.

It is unregulated, and mainly invisible to the public, and even grain traders say that there is almost no way to track all its meanderings.

The system is apparently operated by and for international exporters, Italian commodity magnates and German or Dutch flour millers, among others. Sometimes the trading is to fulfill an actual need for grain, but often it is to profit from the wildly fluctuating prices that have been an economic fact of life since 1972.

In this market, the traders buy and sell a single cargo, or large fixed volumes of grain many times, in a round robin that has been known to result in a contract changing hands as often as 39 times.

Until recently, these so-called "string transactions" were negotiated on the basis of a code of honor. "You could trade on your word as long as you were solvent," said a grain man.

However, the system was shaken recently by an unprecedented series of contract cancellations by Italian speculators, some of whom are said to be near bankruptcy.

Sources say American-based exporting companies were "burned" to the tune of millions of dollars. The contract defaults covered at least 50 cargoes of corn and soybeans.

At least one vessel loaded at the Baton Rouge, La., elevator of Cargill, Inc., is known to have been delayed because of resulting legal hassles. Grain traders say the episode suggests a need for a better system of policing.

The transactions are the core of what is called variously the "international resellers market," the "in and out market" or the "Italian market" (because of the prominent role in it played by Milan speculators.

Just how the operations affect prices here is still unclear, according to officials and commercial grain traders who explained the complex mechanisms of the system.

Grain traders contacted insisted that the market serves a useful commercial purpose that ultimately benefits farmers and consumers and has little impact on commodity or food prices.

However, Richard E. Bell, assistant secretary of agriculture for internal affairs, said the resellers market apparently affects prices in the United States on some occasions.

"You know that all this trading will have a market effect," said another official.

The General Accounting Office, Congress' watchdog agency, is conducting a broad investigation into various grain export practices, including the use of the resellers market

The purpose of the investigation is to determine if the government's 2-year-old export monitoring program provides the public with accurate information.

Several government aides say there is evidence that the resellers market has distorted the federal reporting system to give early warnings of United States grain commitments abroad.

The system is "providing figures on export commitments that are different from actual exports," said one official.

Such distortions can affect commodity prices at home, because farmers, food processors and brokers consider the demand for American crops abroad when they fix prices of future sales. If the foreign demand is exaggerated, traders are likely to bid up prices, which has an eventual impact on food prices.

A number of analysts say that the foreign demand for American grain and soybeans was drastically exaggerated by exporters who reported to the government last fall. A few American-based agents for European processors and millers told Washington that they planned substantial sales abroad, but none materialized.

Then, early in 1975, the Department of Agriculture's weekly export summary, which is based on information supplied by private companies, reported an odd countertrend.

At one point, the government reports showed the United States—the largest wheat exporter in the world—purchasing 589,000 metric tons more winter wheat from abroad than it was selling there.

Yet the United States does not import wheat.

An Agriculture Department aide said the anomaly probably resulted from paper transactions in which foreigners who had bought United States grain in 1974 sold it back here before it ever left this country.

The international resellers market, operating in an extensive network linking such grain trading centers as New York, Minneapolis, Milan, Antwerp, Rotterdam, Paris, Geneva and Tokyo, boasts its own colorful cast of characters but none bolder than the Italian commodity men who raised the trading stakes in the last four years.

"I'd say it was the Italians who were more willing than anybody else to trade in wildly fluctuating markets," said a grain trader. "They take risks for profit that few would accept."

Every Wednesday morning for the last few years, according to eyewitness accounts, the leading Italian importers stroll into the grain exchange in Milan, pay their courtesies to associates, trade information, adjourn for lunch and return to try and sell grain and soybeans.

They include Serafino Ferruzzi, a Ravenna corn and soybean importer and processor, described as the "padrone" of the Italian grain trade; Romano Pagnan, a barley trader and cattle raiser from Padua; Enricho Miserocchi of the Ravenna soybean crushing house; Elios Mazzotti, a broker; and members of the Carapelli family, which runs a Florence-based vegetable oil house.

Through their hands passed contracts for substantial quantities of American food in the last few years. Some of the contracts were resold to the Middle East countries, but others involving hundreds of thousands of tons reportedly were traded between themselves, or sold back to American-based export companies.

Grain trade sources say most of the 1971 Canadian barley crop was in the hands of Italian importers at one time, though little of it actually reached Italy.

"Most of the cargoes were never shipped from Canada. They were eventually sent to the Soviet Union," said an industry consultant.

Grain traders trace the boom of the resellers market to the period after 1972 when prices soared and grain export volume increased.

"It really went wild in 1973: it was ridiculous—as many as 30 ship cargoes of grain were traded in a single day, although only three or four actual shipments were involved," said an industry source.

As grain markets gyrated merchants sought to protect their inventories against rapid price changes, and speculators attempted to profit from the market shifts.

It was in this atmosphere that American grain exporters made increasing use of the resellers market as a normal business tool.

Normally, companies hedge their risks by trading on federally registered commodity exchanges in Chicago, Minneapolis and Kansas City.

After buying grain from farmers in the country, companies order their agents on the exchanges to try to find someone who agrees to buy a similar amount of grain months in the future, at suitable prices.

But as trading volumes increased, such hedging became increasingly difficult to manage, traders said.

"So if you bought a lot of grain in the country overnight, and you thought the market in Chicago was going down the next day, you called your broker in Italy and tried to get him to agree to buy the grain later at the right price," said a trader.

In a hypothetical example of a string transaction which traders said was plausible, Cargill might sell a cargo of wheat to its Geneva affiliate, Tradax, for delivery at Gulf ports months later. Tradax might sell the same cargo to Toepfer flour mills of Hamburg, which needed the wheat for processing.

As wheat prices rose, however, Toepfer might decide to sell the cargo to the East German food importing agency at a speculative profit.

The East Germans might later sell it to an Italian importer, who would resell it to the Continental Grain Co. of New York City. Continental might then take delivery of the grain in New Orleans in order to go through with a wheat sale to Brazil arranged months earlier.

Sales like these can be made for a variety of reasons. It may be convenient for an importer to get out of a contract, even at a loss, if he is not in position to take delivery of the commodities, does not wish to store them, or has lost his market for the processed flour.

Traders said the advantage of such transactions is that they can be made 24 hours a day. They added that there were no controls, no requirements to put up margin money as there is in the federally licensed exchanges, and a possibility exists to trade whole cargoes in one deal without attracting competitors' attention.

Typical volumes in the resellers trade are 20,000-ton to 25,000-ton lots.

"The Italians make a market outside the Chicago Board of Trade," said an export company official.

"My Mr. Blank over in Asia would get me out of the rack in New York at 3 a.m. and say that some country had accepted all of our offers, that they'd really picked us off and we had to get those sales covered. So I'd try to buy this grain we were going to sell them out in Asia at a price that would give up a profit. I'd pick up the phone and talk to our people in Milan and they'd cover the waterfront and come up with the grain."

The grain which the New York trader arranged to buy in Europe for Asian clients may have been located in the United States. The Italian importer may have had a contract to accept the grain only at some future time—but the New York transaction washed out the possibility of a delivery to Italy.

When a cargo is loaded aboard a vessel shortly before the delivery deadline, the participants in the string are identified. They tally their gains and losses and settle their accounts.

The collapse of grain and soybean markets last October reportedly dealt a financial blow to foreign traders who had agreed to take deliveries of American commodities early in 1975. Those grain shipments were at higher than prevailing prices.

In May, Francesco Carapelli, foreign operations director of Carapelli Spa in Florence, told the Reuters news agency that the company had mortgaged its property to banks to meet commitments to pay U.S. exporters.

Several American export companies said that they were hit with a wave of contract cancellations by Italians pleading insolvency, or charging that American firms had shipped below-quality grades of corn.

"Their gripes weren't entirely without reason," said a United States official.

Meanwhile, the atmosphere at the Milan grain exchange turned nasty. "They were saying the shippers in the United States were SOBs—a lot of hot words were flying around," he added.

A trading official of Cargill said the company wrote off between $5 million and $10 million in defaulted contracts.

According to Cargill corporate vice president William R. Pearce, the resellers market "is regulated by the civil law of contracts—but there is no system of assuring the financial reliability of the participants" as there is for trade on American exchanges.

Department of Agriculture officials say they don't know precisely the dimensions of the resellers system. They also say they are puzzled as to what, if anything can be done to prevent it from distorting the export reports which supposedly give the government early warning of any drain on American supplies.

According to Peter B. Paull, of the agency's foreign agricultural service, writing in an article in Foreign Agriculture magazine, there are definite merits to the resellers system:

"The international resellers market allows actual buyers and sellers of commodities to transfer the potentially large price risks inherent in their business to those interested in gaining profits through speculation."

GOVERNMENT SPENDING

Mr. NELSON. Mr. President, the question of Government spending has concerned many of us over the years as it has our constituents. As we move into the quadrennial election year, we no doubt will see many pointing their finger at one branch of Government, the Congress, as the reckless culprit in this vexing national problem.

The facts, however, do not bear out this simplistic approach. The record clearly shows that the executive branch and the Congress are responsible for the budgets that have led to the spending we worry about. The record also shows that regardless of what political party controls each branch, the growth of Government spending has moved relentlessly forward to the alarm of countless Americans.

The facts also show that the Congress, this Congress, has shown its awareness of this grave question and has steadfastly maintained its restraint on spending as set earlier this year by the Senate Budget Committee.

Charges leveled at the Congress from an administration that is backing a budget deficit that is double any previous deficit since World War II have a hollow ring indeed, and only detract from the efforts of both branches to reach a sound approach to the question of Government spending.

Mr. President, an editorial in the Washington Post of September 18, 1975, entitled "On Government Spending" clearly makes this point. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR GOVERNMENT SPENDING

President Ford brought up government spending last weekend in Dallas. He reported to the National Federation of Republican Women that he is doing his best to battle the big spenders up there in Washington—"but it takes a little time to undo the damage caused by 25 years of reckless Democratic spending." Perhaps it occurred to some of his audience that there had been Republicans in the White House for 15 of those 25 years. The spending question contains a good many peculiarities that do not fit easily into lighthearted occasions like the President's visit to Texas. Before deploring the rising numbers, it is wise to consider for a moment what they represent.

In the eight years of the Kennedy and Johnson administrations, the size of the federal budget nearly doubled. In the seven years of the Nixon and Ford administration, it has nearly doubled again. Most of this great surge of money has gone into social programs—of which the largest is, of course, Social Security. Last January Mr. Ford made a brief attempt to scale down the cost-of-living increases in Social Security payments and ran into fierce opposition in both parties. Social Security justly enjoys very broad support throughout the country, and that is one large reason why government spending keeps growing.

In Dallas last weekend, Mr. Ford spoke with particular feeling about the "flood of federal spending" through the income redistribution programs that provide benefits—usually in the form of a government check—to eligible citizens. "Some of these programs are necessary and commendable," he said, "but in this fiscal year those laws enacted by the Congress will total in a 12-month period more than $168 billion." That, as he observed, is more than 45 per cent of the entire federal budget.

Where does it go? Mostly into pensions. Social Security, railroad retirement, civil service and military pensions this year will come to something over $95 billion. When the Republicans came to the White House in 1969, incidentally, these benefits came to only $33 billion. Quite true, the bills to expand them originated among the Democrats in Congress. But all of those bills were duly signed by one President or another—and on one occasion Mr. Nixon had a slip put into each envelope to remind the recipient which President had signed the latest one.

Much the same thing has happened to

the rest of the income transfer programs. There are the veterans' benefits, up to $11.9 billion this year from $5.7 billion in 1969. There is unemployment compensation to working people who have established rights to it under the law. Rising with the recession, it will be $18.6 billion this year, up from $2.9 billion in 1969. There is welfare, $15.6 billion this year compared with $3.9 billion in 1969. Medical care for the elderly and poor will cost about $24 billion this year, compared with $9 billion in 1969.

One of the peculiarities of the Nixon administration is that, while it managed to leave a general impression of hard-bitten thriftiness, in fact it administered the most rapid growth in American history of federal spending for direct income support. When you think about it, that enormous rise in payments was entirely consistent with the political alignment of the Nixon administration. Most of the money was going to those people in average circumstances whom they called middle Americans.

The present combat is following, still rather good-naturedly, the established conventions of partisan discourse. While President Ford denounces the profligacy of the Democrats in Congress, the Democrats with equal zest condemn the heartless penny-pinching of the Republicans in the White House. But the reality is a good deal more interesting. The reality is that a remarkably strong consensus on spending has been hammered out between the administration and Congress. The President, in a far deeper acknowledgment of economic necessity than the Dallas speech ever betrayed, is supporting a budget with a deficit more than twice as large as any since World War II. For their part, the Democrats in Congress are showing unexpected discipline and control in enforcing their own deficit limit—one that is very close to the President's. The nation's fiscal policy at the very moment is a decent and sensible compromise between the opposite perils of unemployment and inflation.

H.R. 4222—CHILD NUTRITION CONFERENCE REPORT

Mr. CLARK. Mr. President, as a member of the Senate-House conference on the Child Nutrition legislation, it gives me great satisfaction to speak in favor of the conference bill version of H.R. 4222. After two meetings with the House conferees, we agreed on a bill that merits the strong support given by the Senate on Friday.

All of the improvements in the summer feeding program incorporated in the original Senate bill have been adopted by the conference. That means that all institutions that desire to operate the summer feeding program immediately will be entitled to do so: Reimbursement rates for the program will be increased; and all institutions will be permitted to serve breakfast, suppers, and snacks in addition to lunches. Administrative expenses for the program can be obtained out of the summer feeding appropriations and will not be taken out of the State administrative expense funds for the other child feeding programs. Consequently, the summer feeding program will be vastly improved.

The school lunch program also will be improved. The conference bill adopts essentially the Chisholm amendment requiring reduced-price lunches to be provided in every school. Under that section of the conference bill, any child whose family's income falls between the State's free lunch eligibility standards and 195 percent of USDA's income poverty guidelines must be served a reduced-price lunch costing 20 cents or less. No longer will the provision of reduced-price lunches be left discretionary at the option of either the State or local school districts. Now reduced-price lunches must be served in every school and to every child whose family's income falls within the newly mandated nationwide reduced-price lunch eligibility criteria.

This new reduced-price lunch requirement must be promulgated by the U.S. Department of Agriculture on a timely basis to make sure that it is implemented in every school district by no later than January 1, 1976. We expect that school district officials will send out notices to all parents of children attending schools so that they are informed of the new nationwide and permanent reduced-price lunch mandate. If notices of the free lunch standards have been sent out by school officials to parents already, then another notice must be sent by those officials setting forth the new reduced-price lunch requirements prior to January 1, 1976. In addition to these notices, we expect that school district officials will help publicize the new reduced-price lunch requirements through newspapers, the media, and by other effective means.

In determining the eligibility of applicants for free and reduced-price meals, a small modification—based on the Senate's bill—has been incorporated into the conference bill on the application process. At present, eligibility for free and reduced-price meals are determined immediately upon information contained on the application form without any verification whatsoever. The Senate and conference bills change this slightly. Under the conference bill, after free and reduced-price lunches are served immediately after the written application responses, school district officials may, "for cause," seek verification of the application responses. During the verification process, children will continue to receive their free and reduced-price meals. The only children whose applications may be scrutinized by this verification process are the ones for whom concrete information exists indicating that the application responses are false.

The conferees compromised on the Agriculture Department's report to the Congress about expansion of the school breakfast program. Both the Senate and House bills and, therefore, the conference bill as well, require the U.S. Department of Agriculture to promulgate regulations requiring expansion of the breakfast program to "all schools where it is needed to provide adequate nutrition for children in attendance"; both Houses of the Congress expect the Department to promulgate regulations that, at a minimum, will require school districts to implement the breakfast program in all title I schools and in schools wherein one-fourth or more of the children qualify for free or reduced-price lunches. The Senate bill required these regulations from the Department of Agriculture and also a report to the Congress on the Department's monitoring plans within 6 months from the bill's enactment; the House required these regulations and then the report within 90 days. The conference bill reaches a compromise by requiring the regulations and subsequently report within 4 months from enactment of this bill.

Hopefully the breakfast program can expand through this legislation making it the same size as the school lunch program. We currently require a school district, that receives Federal cash or commodity assistance for one or more of its schools, to serve all of its needy children—in all of its school—free or reduced-price lunches. Although our breakfast program expansion mandate is different than the lunch program directive, we hope it will be as effective.

We substantially have improved the prospects of responsible expansion in the women's, infants, and children's feeding program—WIC—through this bill. We mandate the expenditure of $250 million in section 32 funds for WIC program operation during fiscal years 1976 and 1977. In addition to the $250 million figure, the Department of Agriculture—as in the past—will have to spend unused funds from the previous fiscal year. These unspent funds from previous fiscal years must continue to be available so that they supplement the $250 million mandated spending levels during fiscal years 1976 and 1977. In fiscal year 1978, any unspent section 32 funds from fiscal 1977 will be carried over to supplement the program's funding from regular appropriations.

We also accepted the House bill's WIC entitlement provision that requires all eligible agencies, that apply to operate the WIC program, to be provided with immediate funding. The amount of funds that such agencies receive must be based on the number of people such agencies believe that they can and will serve; we expect that sufficient funds will be provided immediately to applicant agencies so that they can serve every eligible mother and infant that they are capable of serving. This entitlement provision must be implemented on a nationwide basis up to the annual authorization ceiling levels plus the carryover funds from previous fiscal years. Consequently, during the current fiscal year, the entitlement provision would operate within an approximate $290 million limit—the $250 million authorization level supplemented by the approximate $40 million in carryover funds.

Finally, under this legislation, the day care food program will be improved significantly. Like the summer program, the conference bill requires that: All eligible day care centers be funded immediately upon submission of an appropriate application; improved reimbursement rates be established; and numerous meals per day may be served by applicant day care centers to their children. Although we have rejected the provision of advance payments to day care centers, we do expect letters of credit to be issued on a timely basis—as is done with the school feeding programs—and that day care centers may draw on these letters of credit in advance pursuant to procedures established by the Department of Agriculture. Moreover, while we require the new day care feeding sections to become effective within 90 days, the new reimbursement rates will become effective upon enactment as will the increases in commodity assistance. And, finally, family day care centers will be funded under this bill as long as food for day care purposes is kept separate from food purchased for the family; this, however, does not mean that separate refrigerators or other such facilities need be purchased to qualify for day care feeding operations.

The bill extends feeding services, for the first time, to children's institutions like orphanages and homes for the physically and mentally retarded. Such children's institutions are ones in which half or more of the persons being served are 21 years of age or younger. They include special wings of hospitals which are devoted primarily to the care of children. In the past, food services were not provided to these institutions and I am very pleased to note that this bill corrects that situation.

Mr. President, the conference bill is one that meets the current and future needs of the child nutrition programs.

LEGAL AID PROVIDED TO ELDERLY

Mr. WILLIAMS. Mr. President, the U.S. population is now approximately 213 million.

Of this total, it is estimated that two-thirds—or 140 million persons—do not have access to legal services.

Some projections place that figure as high as 180 million, or about 6 out of every 7 Americans.

Reasonable persons may differ about the actual number of Americans who cannot obtain legal help when a problem arises, whatever the reasons may be. But, there is no doubt that a substantial number must fend for themselves when a legal dispute occurs.

This is especially true in the case of older Americans. Hearings conducted by the Senate Committee on Aging have made this abundantly clear.

Moreover, the legal needs of the elderly may even be more acute than other age groups. Upon reaching retirement age, older Americans increasingly rely upon Federal programs—such as social security, medicare, supplemental security income, food stamps, veterans' pensions, railroad retirement, and others.

Quite frequently, these programs are couched in legalistic and complicated language which is not readily understandable by laymen.

Fortunately, some steps are being taken to make legal representation more readily available to the elderly.

One notable example is in my own state of New Jersey, where a program funded under the Older Americans Act in cooperation with the Bergen County Office on Aging provides helpful services to aged persons in a 10-county area.

A recent article appearing in the Record, Hackensack, N.J., provides an excellent description of this program, as well as compelling reasons for expanding legal services for older Americans.

Mr. President, I commend this article entitled "Legal Aid Provided to Elderly" to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEGAL AID PROVIDED TO ELDERLY

(By Georgette Wagner)

The proud old man spoke gruffly, trying to hide his embarrassment and shame. He needed help on a lawsuit for an unpaid bill.

The steps that propelled him to the Bergen County Legal Services office were some of the hardest he had ever taken.

The old man thought it was charity, and he despised himself for needing it and accepting it.

His small business was gone. His savings were spent. He had nothing left, and now he was being sued.

PILOT PROGRAM

"Our forgotten minority is the elderly poor," said John Walzer, director of a one-year pilot project to help New Jersey senior citizens with their legal problems.

Under the $50,000 program, legal aid organizations in 10 counties have hired a part-time paraprofessional to work with senior citizens.

They are not lawyers, but function like counselors or social workers. They interview elderly clients, identify their problems and refer them to a lawyer or another agency.

Too often, Walzer said, the elderly have been shunted aside for the seemingly more pressing problems of the young. There has not been enough money or staff to handle everyone. And the elderly, out of pride, fear, or ignorance, have accepted it.

PROJECT LIMITED

But the project is small. The paraprofessionals are hired for two days a week. And the program may be too limited to achieve its most ambitious goal—to seek out the elderly poor with legal problems in their communities.

Norma Rodriguez, the paraprofessional hired by Bergen County Legal Services, said she interviewed 59 senior citizens during the last three weeks of July after the program began.

But Richard Semel, legal services director, said that number was minute compared with the elderly needing legal assistance.

"Bergen County is the 10th wealthiest county in the United States," he said. "If you drove through this county, you would not think there are a large number of elderly poor people. There are thousands of old ladies and men living on nothing. They are not visible."

In 1970, about 30 per cent of Bergen County's 38,000 residents over 62 earned less than $4,000. More than 6,000 had incomes of $1,000 or less.

The elderly frequently need help in filling out forms for receiving benefits from Social Security, Medicaid, or Supplemental Security Income, Miss Rodriguez said.

But their most common problems are little different from other age groups—disputes between landlords and tenants or consumer problems. They differ only with senior citizens' being less able to cope with them.

"The people who are most victimized are the aged," Semel said.

In one case, he said, an old woman was evicted for failing to keep up with her rent, but legal aid lawyers discovered she was charged an illegally high rent.

"The elderly are more afraid," said Semel. "If you say to a man with a $200-a-month income, 'Get out or I'll bring you into court,' his tendency is to go. He doesn't want any trouble."

Out of fear, or pride, senior citizens compound their problems by seeking help too late.

"Quite often we find out about these things too late," Semel said.

A 74-year-old Englewood man could have prevented a hospital suit for a $34 unpaid bill if he had contacted Medicaid. He did not know how, so he didn't.

"I don't have the money. What am I going to do. Starve?" he asked Miss Rodriguez.

WORSE IN PASSAIC

If the problems for the elderly are tough in Bergen County, they are worse for the aged in Passaic County according to Harold Hoffman, Passaic County Legal Aid Society executive director.

"Paterson is just another world. The concerns are more basic—to live and to survive," he said.

"The problems of the seniors are an extension of the problems of the poor. It just has the addition of age."

Lester Milich, a retired Fair Lawn attorney, now the program's Passaic County paraprofessional, said the elderly often fail to follow up their rights until the problem becomes a crisis.

"One of the main problems is that they don't know where to get help, and they are shy about applying," he said.

A recently retired railroad employee failed to get his pension check for several months. He did not seek help until he faced eviction. Milich said a younger person would have called the pension fund office to inquire. He did not.

"Problems become magnified with older people," said Hoffman. "They don't want to have the headaches. They don't want that risk or worry."

The program, funded by the Older Americans Act and through the state Department of Aging, includes Bergen, Passaic, Monmouth, Ocean, Mercer, Union, Middlesex, Morris, Huntington, and Warren Counties.

THE SINAI AGREEMENT

Mr. HATFIELD. Mr. President, the debate continues over the question of congressional approval of the recently concluded Sinai accord and the stationing of U.S. civilians.

In today's Washington Post, my distinguished colleague from South Dakota (Mr. ABOUREZK) has written a detailed and thoughtful article opposing the approval of this agreement.

Mr. President, I ask unanimous consent that the text of the Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SINAI AGREEMENT: A GIANT STEP BACKWARD

(By Senator JAMES ABOUREZK)

Writing in the New Yorker recently, Richard Rovere commented that the Sinai Agreement should be a considerable political asset to the President and his party. "At the moment," Rovere wrote, "it seems likely to be about the only one they will have in foreign policy."

Rovere's statement strips away the Administration's packaging which labeled the settlement as an "historic first" and the "first step toward peace". It reveals that the settlement is primarily a bill of goods designed to give President Ford and Secretary Kissinger the foreign policy victory they badly need before next year. By no stretch of the imagination is the agreement a step toward a lasting peace, or any kind of peace, in the Mideast. In fact, it is a destabilizing factor, certain to move the excluded parties toward more militancy.

Far from being a move toward peace, Secretary Kissinger's diplomatic tour de force fairly sets in concrete the political stalemate in the Middle East at a cost the United States can ill afford.

The agreement, and its implications, carry a sense of manipulation and the smell of death. With this one stroke, the United States has formalized the Middle East status quo. This has been accomplished by splitting off Egypt from the Arab negotiating bloc; isolating the Palestinians, resulting in an increased militancy on their part; and by pouring American weapons and money into Israel. Israel can now avoid any further pressure which the U.S. could have exerted to force her to face all of the issues which constitute the Middle East conflict.

The agreement is the first step toward increasing the conflict, and will have a shattering, violent effect in the Arab world.

Always adamant in his refusal to talk to the Palestine Liberation Organization, Israel's Prime Minister Rabin is now rapidly closing his other negotiating doors. The first reports of the Israeli-Egyptian agreement had scarcely been transmitted when Mr. Rabin announced that there was virtually no chance for an interim agreement with Syria.

"The Israeli settlements which were built on the occupied Golan Heights," he said, "were not established in order to be evacuated."

Indeed, Mr. Rabin made public his negotiating strategy much earlier in a Tel Aviv speech in which he announced that Israel intended to return only enough Egyptian territory to keep Egypt at a distance for a sufficient time. The time contemplated was to be long enough so that the United States would no longer be dependent upon Arab oil.

Time Magazine (9–22–75) quoted a high-level government official as saying that stalemates are to Israel's advantage:

"The interim agreement," the Israeli official said, "has delayed Geneva, while at the same time assuring us arms, money, a coordinated policy with Washington and quiet in Sinai. Relatively speaking, we gave up a little for a lot."

Israel has made it abundantly clear that it does not intend to return Arab territories. Whoever makes foreign policy for the United States cannot ignore that fact if the objective is truly to make peace. By approving the new agreement, by committing ourselves to massive arms shipments, by introducing a nuclear element into the equation with Pershing missiles, by guaranteeing Israel's oil supply, and by agreeing to assist Israel in shutting out the PLO from the political process, the United States not only removes what leverage it had to bring Israel to a peace conference, but assures more conflict in the Middle East, both militarily and economically.

The agreement is major effort to put off the conflict until after the 1976 presidential election. Such a strategy might pay off handsomely for President Ford, but it has disastrous implications for the Middle East and for the people of the United States.

WHAT DOES THE AGREEMENT OFFER?

Military and economic aid

Secretary Kissinger has agreed to provide Israel with about $2.3 billion American taxpayer's dollars for the first year of the agreement. Of this sum, $400 million each year for five years is the U.S. "payment" to Israel for giving up the Sinai oil fields. Nearly $2 billion will be provided to Israel for military aid, with a small portion going toward economic aid. In Secretary Kissinger's own words, the aid figure for Israel is likely to go higher each year.

The oil agreement runs for five years, but the aid commitment to Israel is open-ended, subject to the annual appropriations process by Congress. While Secretary Kissinger and Richard Nixon made commitments to the Saigon regime, gambling on Congressional approval, an administration promise that today's Congress will approve an aid package for Israel is a sure bet. We can be certain that Israeli influence on the Congress was on everyone's mind when the commitments were made. One can predict with more than reasonable certainty that Israel will receive from the United States treasury in excess of $11 billion in the next five years.

Guaranteed oil for Israel

Because a few miles of the Sinai Desert were seen as too small a concession by Israel to Egypt, the former Egyptian oil fields were thrown in as part of the bargain. This contribution to peace rapidly shrinks in stature when one realizes that American taxpayers are being asked by Secretary Kissinger and President Ford not only to pay Israel for the five years of oil reserves remaining in the Sinai, but to guarantee delivery of oil in the event Israel cannot find a willing seller. The commitment runs whether or not there is an embargo, with the only condition being that in the event of an oil embargo by the Arabs, Israel must cut its consumption in the same proportion the United States cuts its consumption.

But the oil assurance is somewhat vague with respect to the guarantee of delivery. Does it mean that we will provide military protection for tankers going to Israel? We can only hope that it does not, but as we plunge into deeper involvement in the Middle East, who can assure us that we will not one day find ourselves in well over our heads?

American technicians in the Sinai

As we hear about the introduction of the U.S. "civilians" into the Middle East frontlines, we may well shudder, remembering as we do the first small steps which led to the debacle in Indochina. There we watched in shock and despair as the American presence in Vietnam developed a disastrous dynamic of its own, culminating in more than a half-million U.S. soldiers in Vietnam, the destruction of Cambodia by the U.S. Air Force, and the secret war in Laos waged by the CIA and financed by an unknowing American public.

No one can say that America's Middle East venture will work out in the same way as the Indochina tragedy, but there is no guarantee that the same kind of step-by-step involvement in Indochina can be avoided in the Middle East.

The only announced role of the American "technicians" is to listen for military movements by either side, then report any such movements to the opposing side and to the U.N. force. Since this same responsibility can be carried out by either the Israelis or the Egyptians, or by a neutral force of technicians, an American presence unnecessarily adds to the U.S. cost in direct commitment, for which there is no return.

Now is the time for an overall peace settlement

As seen from any perspective, the United States has held most of the levers which can bring about an overall settlement in the Middle East. Although Russia should be brought into the effort to avoid all the problems her exclusion could cause, it is the United States upon which Israel relies for arms and for money. And we have had, until now, surprising credibility with most of the Arab world. Rather than spending our entire political and economic bankroll in return for a few miles of the Sinai Desert, reason would dictate that we save it for a settlement which includes all of the parties to the conflict. We are not likely to be offered another chance. In fact, a step-by-step approach would be highly acceptable to nearly all the parties, but only if the final step of an overall peace is assured. Tragically, this step appears to be the final one, a fact guaranteed by annual U.S. arms shipments to Israel.

Understandably, Israel is willing to buy time for itself, which the agreement gives, since there will now be no need to return to the 1967 borders, nor to deal with the Palestinians. By temporarily removing Egypt from its position of confrontation, President Ford and Secretary Kissinger have also bought time for themselves. Another Middle East war and a resultant oil embargo have probably been delayed until after the 1976 presidential election.

By submitting for Congressional approval the technicians' portion of the agreement, Congress will become part owner in the impending bankruptcy of the administration's Middle East foreign policy. Although the American taxpayer will pick up the tab, it is the rank and file Arabs and Israelis who will most likely pay the most. The death and destruction suffered by that part of the world since 1948 is certain to increase in intensity.

We are indeed giving far too much for far too little.

A JOINT EFFORT: MOBILITY FOR THE ELDERLY

Mr. WILLIAMS. Mr. President, the Special Committee on Aging, on which I serve as ranking member, has given a great deal of time and thought to transportation problems of the elderly.

A report issued in 1971 declared mobility limitations to be among the most urgent of difficulties confronting older Americans. A series of hearings now being conducted by Senator CHILES on behalf of the committee is providing new evidence about the need for coordinated Federal action in this area.

As chairman of the Senate Committee on Labor and Public Welfare, I am keeping a close watch over legislation which would broaden transportation resources for the elderly and the handicapped. And, on the Senate Committee on Banking, Housing, and Urban Affairs, I have led efforts to assist public transportation networks. Here again, I am giving special heed to the special needs of the elderly and persons with varying degrees of disability.

Recently, I conducted a Committee on Aging hearing in Newark, N.J. Our subject was the high cost of living as it affects older Americans, but I also asked several witnesses to describe innovative programs intended to help the elderly. One such program was described by Mr. Anthony Anzalone, chairman of the Committee on Transportation for Senior Citizens, Central Bergen Chapter Red Cross. The project he described is a joint effort by the Bergen County Board of Freeholders, the county Office on Aging, the County Department of Transportation, and the Red Cross. While it by no means will meet all transportation needs of aging people in that area, it is a promising demonstration of what can be done when people work together.

I think it is especially fitting that the Red Cross, which has so much experience in providing direct assistance to people, is involved in this effort. As the American Red Cross said in a recent publication about its work on aging, the commitment of that organization to older persons can be summed up on one word—caring.

Mr. President, I ask unanimous consent that Mr. Anzalone's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

Statement of Mr. Anthony Anzalone, Chairman, Committee on Transportation for Senior Citizens, Central Bergen Chapter, Red Cross

Thank you, Mr. Chairman. I am Anthony Anzalone, Chairman of the Committee on Transportation for Senior Citizens, Central Bergen Chapter of the Red Cross.

The plight of the needy, aging residents has been recognized and conferred about by the Bergen County Office on Aging and the American Red Cross Chapters in Bergen County, New Jersey, with special reference to the need of these people of a means of transportation to shopping centers, parks and recreation areas, doctors' offices or hospitals. Thought and discussion have now progressed to a plan of action.

On June 18, 1975, the Board of Chosen Freeholders of the County of Bergen in the State of New Jersey, adopted a Resolution authorizing the purchase of five minibuses, new 1975 model, for the net delivered price of $60,964.50.

The buses are intended to provide transportation for needy persons, age 60 years or over, able or disabled, on a joint project undertaken by the Bergen County Office on Aging and the American National Red Cross Chapters in Bergen County.

The Red Cross Chapters are presently engaged, in one of their primary services at no cost to the communities that they serve, in a motor transport service by automobiles manned by volunteers.

Transportation is provided for needy persons to doctors' offices, hospitals and clinics. The American Red Cross, with its experience in motor transport service and its general humanitarian services, is considered to be the logical choice as an agency capable and willing to administer the minibus transportation service for the elderly.

Bus routes and gathering points will be established in each of the five geographical areas served by the five Red Cross Chapters in Bergen County.

In addition to regular stops along established routes, pickups will also be made at homes of disabled persons who are unable to get to bus stops.

Each minibus will be heated and air-conditioned, will seat 9–10 passengers and will have room for two wheelchairs.

The buses will be equipped with ramps to load and unload the wheelchairs.

An agreement will be entered into between the Red Cross Chapters and the Board of Chosen Freeholders of Bergen County, setting forth the respective areas of responsibility of each, along the following basic premises:

The Freeholders will be responsible for the purchase and equipment of the minibuses; cost of maintenance, service and repairs; fuel and oil; insurance, salaries for personnel.

The Red Cross, in cooperation with the Bergen County Department of Transportation, will set bus routes and bus stops; select, train and supervise drivers; man a possible central communication and administration office; and with the help and cooperation of municipal officials and agencies for the elderly needy, screen and approve persons to be eligible for the minibus transportation, including the issuing of appropriate identification. The buses will be housed at the Red Cross Chapters' headquarters.

Present plans contemplate delivery of the buses from 90–180 days after the awarding of the contract. In the meantime, the following preparations are being made for this important venture: The aforesaid agreement between the Freeholders and the Red Cross is under preparation.

A minibus committee from each Red Cross Chapter will be studying and formulating plans for the operation of the service in its area of responsibility (geographical), and a central committee of all five Bergen County Red Cross Chapters' committees is proposed to administer the service on a county-wide basis.

While this will not be an undertaking of the Bergen County Office on Aging, but an operation of the American National Red Cross, the organization of the project is a joint venture of both groups, with the Board of Chosen Freeholders responsible for all the funding for the procurement maintenance and operation of the project might set a pattern which can be followed in other areas of New Jersey and other States.

Senator Williams. That is an excellent statement, Mr. Anzalone. I know the American Red Cross is increasingly applying all of its talents to the problems and needs of the older people.

Mr. Anzalone. We have many people working on it, and I am happy to say that I am associated with the Central Bergen Chapter which serves 30 towns, right down to the Center of Bergen County.

The other four chapters of the five are just getting under way, but it is most promising.

Senator Williams. We agree it is most promising.

We thank you very much.

Mr. Anzalone. Thank you.

MEDICARE'S PART B PROGRAM IN A SHAMBLES

Mr. STONE. Mr. President, I call to the Senate's attention the declining value and effectiveness of the part B portion of medicare. Also known as the supplementary medical insurance—SMI—plan, part B is an insuring mechanism designed to help aged and disabled individuals defray certain health care costs. It is the voluntary part of medicare which provides benefits toward the charges for services rendered by physicians.

Persons who elect to enroll in the part B program pay a monthly premium amount—currently $6.50—for the protection they receive under the plan. Benefits become payable under part B after an enrollee incurs annual expenses in the amount of $60 toward the costs of services covered by the program. Once the deductible is satisfied, enrollees are entitled to have paid to them, or on their behalf, amounts equal to 80 percent of what are known as "reasonable charges." Patients are liable for 20 percent of the "reasonable charges," plus 100 percent of those charges, if any, in excess of what medicare finds to be reasonable.

The physician reimbursement provisions of the supplementary medical insurance program were modeled after some of the physician payment mechanisms used by private health insurance plans prior to the 1965 enactment of medicare. Specifically, SMI dictates that in the absence of unusual medical complications or certain special circumstances, the "reasonable charge" for a specific service must be:

First, no higher than the individual practitioner's customary charge for that service;

Second, no higher than the prevailing charges made for similar services in the locality; and

Third, no higher than the actual charge of the individual physician rendering the service.

The customary charge is the standard—or usual—amount which a doctor charges the majority of cases for a specific medical procedure or service. In determining this amount, token charges for charity patients and substandard charges for low-income patients are excluded. Exceptionally high fees that are attributable to a patient's unusual ability to pay are also excluded. If a practitioner varies his charges for a particular service, such that no one amount is charged in the majority of cases, the carrier—that is, an organization under contract with the Government to administer the part B program—establishes a customary charge for that service as rendered by that practitioner.

Naturally, the customary charges of a doctor are not constant over time. When a carrier determines that a physician has changed his charges to the public in general, the revised customary charges are recognized in subsequent reasonable charge determinations. The method used in recognizing changes in customary charges is, in my judgment, one of the major difficulties with the part B program today. This situation will be examined more fully below.

Prevailing charges as defined by part B regulations, must fall within a range of charges most frequently and most widely used in a locality. The top of this range sets the overall limit on the charges that medicare carriers will recognize as reasonable for payment purposes, barring unusual circumstances. Because prevailing charges are derived from the overall pattern of fees in a locality, they may differ from one area to another.

In the early years of medicare, carriers administering part B applied prevailing charge limitations in terms of the 90th percentile. Over time, however, this has been substantially changed. As the result of a succession of administrative actions and 1972 amendments to the part B program, prevailing charges are now limited to the 75th percentile of fees customarily charged in a locality.

The 1972 legislation also provided that prevailing charge screens in a locality could not be raised, in the aggregate, in excess of levels justified by increases in physician office expenses and increases in general earnings levels. This provision is to keep medicare allowable charge ceilings in line with changes in real income. To insure its uniform implementation, a prevailing charge index was developed.

Unfortunately, the application of this index has only contributed toward an undermining of confidence in the part B program, because it has actually forced a rollback of some reasonable charge levels. Imagine the consternation of beneficiaries who discover that while physicians' bills increase each year, medicare presently allows less for certain procedures than it did in June 1975.

To appreciate the impact of such a complex reimbursement scheme on the degree to protection afforded enrollees under the supplementary plan, still another aspect of medicare requires explanation. Under part B, physicians may consent to accept an assignment of benefits from patients. Under such arrangements, doctors must agree that the charges to enrollees will not exceed medicare "reasonable charges." Assuming that the deductible has been satisfied, the beneficiary is liable for 20 percent of the reasonable charges. The medicare program pays the remaining 80 percent directly to the physicians.

However, the law does not require doctors to accept assignments from patients. They may, if they see fit, charge whatever they choose for specific services or procedures. In these circumstances, benefits are paid to the enrollee who, in turn, settles with the physician. This payment—80 percent of the allowed charge—is still made on the basis of "reasonable charges." Because medicare's payments for physician services frequently amount to less than the going prices established by physicians for the rendering of care, the burden of paying practitioner costs is shifting from the program to its beneficiaries.

Physicians refuse to accept assignments partly because of the delay that occurs between the time they revise their fees and the time after which medicare recognizes such changes and redefines customary charges for reimbursement purposes. Medicare carriers update allowable charges each July to place them at the levels of physicians' charges during the preceding calendar year. A practitioner who revises his fees during the second half of a calendar year will wait up to 23 months before part B recognizes such charges. This delay has prolonged the effect of the economic stabilization program, which controlled physicians' fee increases from 1971 to April 1974.

A second factor contributing to the assignment problem is medicare's reliance on the 75th percentile of doctors' fees as its cutoff point for prevailing charges. Other UCR types of plans are reimbursing at higher levels. It is not surprising to me that physicians are becoming less inclined to accept assignments as allowed charges fall further below truly prevailing levels in a community.

More and more, physicians are charging—and will continue to charge—fees in excess of medicare's prevailing level. As long as fee increases are more rapid than those allowed by the prevailing fee index, difficulties with the part B program will intensify.

Medicare's reimbursement policies are already having disastrous effects on the supplementary medical insurance plan. The net national rate of assignments continues to drop sharply, and in some areas has become miniscule. Thus, medicare's proportion of the expenditure for physicians' services in shrinking, while patients must come up with additional funds from other sources.

Recent reports of the Social Security Administration show that, during the first quarter of this year, "reasonable charge" reductions—disallowed claims—reached record levels of $238 million. That part of these reductions relating to unassigned claims equaled the beneficiaries' liability over and above the amount of the deductible and coinsurance fees. During the first quarter, this additional liability amounted to $127 million, as opposed to $80 million during the first quarter of 1974. Presumably, the balance of the reductions—comprising $111 million—represented losses to practitioners.

Mr. President, if these unrealistic reimbursement policies for part B are allowed to continue, confidence in the program on the part of both patients and physicians will continue its rapid decline. Communications from my constituents and the physicians in my State already show a deteriorating situation. Mr. Morris Elias of North Palm Beach, Fla., writes:

> The people here are getting the business. It's that way all over. . . . I received doctors' care which cost me $150.00. Medicare allowed me $90.00 less 20%, which returned $72.00 to me. That is less than 50% of all the charges.

What can we say to Mr. Elias and millions of other medicare recipients who receive less than half the amount of their liability to attending physicians? Further, what can we say to the 2½ million people who were informed last year that the claims they had submitted were being denied because the medical services rendered had not been necessary?

It is understandable that Mr. Elias and thousands upon thousands of other medicare recipients are disgusted by the treatment they have received from SMI. I am saddened that such a state of affairs is allowed to exist.

So that my colleagues can better comprehend the impact of medicare's institutionalized frustration formula, I should like to draw their attention to the mention of this topic in three recent articles.

I ask, therefore, unanimous consent to have printed in the Record one article which appeared in the Miami News and two articles from the Chicago Daily News.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Miami News, Aug. 7, 1974]

Medicare Is Worth 12 Cents

(By Nancy Vogelson)

Things are looking up for Opal Bradshaw. Last month Medicare reimbursed her a whopping 12 cents. Which means they only owe her another $2,999 or so for medical expenditures.

The spunky 67-year-old widow isn't complaining about last month's modest 12-penny payment, though.

"They've finally decided I belong," she says with a sly grin. And that's definitely a step in the right direction.

Mrs. Bradshaw says she's had a long series of problems with Medicare which began back in 1972, when she notified her local Social Security office that she was about to turn 65.

Her coverage status was shifted from "widow" under her late husband's name, to "individual" under her own. And in February, 1973, she received her confirmation of Medicare coverage.

Three months later, she fell on a patch of thorns and injured her hand. Related medical expenses amounted to some $55. That November, she received her first in a series of Medicare rejection slips:

"According to our records you are not enrolled under the medical insurance plan of Medicare," the notice said. "Therefore no payment can be made under our medical insurance plan."

Mrs. Bradshaw says she notified Social Security of the error, but received no satisfaction.

Meanwhile, in December, '73 and again in February, '74, she was confined to Osteopathic General Hospital with more serious ailments. First it was pneumonia. Then a bladder infection.

She spent a total of 38 days there, at a cost of more than $9,000 in hospital and doctor's bills. And she says she paid $3,000 of the total out of her pocket—expecting that Medicare would be forthcoming with the reimbursement.

The money never came, though. Only the rejection notices arrived: Social Security had no record of her enrollment under Medicare, and therefore wouldn't pay the hospital or the patient for expenses incurred.

"I made repeated trips to the local office to try and clear things up," Mrs. Bradshaw recalls. "But they treat you like cattle there—even when you have an appointment. They make you feel like they're doing you a big, fat favor. . . ."

The Social Security people repeatedly acknowledged their error, Mrs. Bradshaw says. And they repeatedly blamed the problem on malfunctioning computers.

"But between you and me," she counters, "if you feed a computer garbage, that's exactly what you get out of it. Those people aren't doing their job.

"You know, Medicare is pure and simple insurance. They offered what I thought was a good policy, and I bought it. I pay them $6.30 a month for it. But if I paid my bills like they pay theirs, I'd have no electricity, no gas, no water, no nothing."

A spokesman at Osteopathic Hospital confirms that the government finally paid Mrs. Bradshaw's hospital bills in full last month. But the 12-cent check Mrs. Bradshaw received from them July 11 represents the first and only payment she's gotten from Medicare.

"If they're able to pay the hospital," she asks, "then why can't they pay me my pittance?"

Charles Moore, superintendent of the North Miami Beach Social Security office, says he can't answer that question.

"We process thousands and thousands of cases every week. And once in a while, something like this comes up. Everybody will call it a computer problem; but that's really not true. You have to blame a human being somewhere along the line. Somebody here has done something wrong."

Moore says he spoke yesterday with officials of Blue Cross-Blue Shield of Florida, which distributes Medicare payments.

"They told me they're processing Opal's claim now, and will pay $1,400 worth of bills in four to six weeks," Moore said. "I told them I'd like them to do it faster, and they said they'd try. But I frankly doubt that the money will come before them.

"Meanwhile," Moore says with a chuckle, "Opal's really enjoying this thing thoroughly. She's a good old gal but she's really enjoying the publicity."

Mrs. Bradshaw says she resents the implication of Moore's statement:

"Last week Mr. Moore said to me, 'You know, you didn't have to go to the press with your problem.' But I told him I'd go to a ditchdigger if I thought it would help.

"I know I'm going to get my money eventually. But what happens to someone who's destitute or desperate? At least five other women in North Dade have called me to tell me about similar problems. So I'm not the only one this is happening to. And if telling my story helps somebody else, I'm all for it."

And what is she going to do with her 12-cent check from Medicare?

Mrs. Bradshaw glanced at the pile of Medicare correspondence on her kitchen table and laughed.

"I'm gonna frame it," she said, "and hang it in the bathroom."

[From the Chicago Daily News, Aug. 12, 1975]

HOW POLITICS SQUEEZES MEDICARE BENEFITS

(By Leonard M. Groupe)

It always has been a mystery to most people how Medicare figures what it will pay toward a doctor's bill. I'd like to explain why it's often much smaller than expected and why it may soon get even smaller.

I've criticized Medicare unmercifully when I thought it deserved it, but it has been working under some terrible handicaps. Some are of its own making because it is, after all, a bureaucracy. But mostly, it has been handicapped by old-fashioned politics.

Political pressure by the medical profession—the health-care industry, as it is now called—saw to it that Congress wouldn't let Medicare institute direct cost controls. It couldn't set the amount doctors would be paid—so much for a routine office visit, so much for a hernia operation, etc. Doctors remained free to charge whatever they wanted. Medicare was obligated to pay 80 per cent of whatever they charged so long as it wasn't higher than they charged non-Medicare patients ("customary charge") and was pretty much in line with other doctors in the area charged ("prevailing charge"). As a result of Medicare, many doctors became busier and more prosperous than ever before.

The cost of Medicare, however, whatever the reasons, was greater than anticipated. Add the effects of our horrendous inflation and it's possible that unless some effective cost controls were put into effect, Medicare might turn out to be too expensive for even this country.

Originally, each of the insurance companies running Medicare for the government computed the actual range of fees doctors in its area frequently and most widely charged for various treatments. These were the "prevailing charges" Medicare would honor and pay to the extent of 80 per cent.

That seemed fair enough, except that the figures used were always out of date. They were to be brought up to date on July 1 of each year based on the actual fees charged in that area during the previous calendar year. The figures started out stale by about a year and were, on the average, about 2 years old by the time of the next update.

Beginning in 1971, a "prevailing charge limit" was established to control soaring costs and the squeeze was on. Medicare drew a line under the top 25 per cent of the customary charges, and fees would be allowed only to the extent that they did not exceed the lowest 75 per cent of fees charged the previous year by all doctors in that area for the same treatment or service.

Then a new law, which took effect July 1, 1975, really clamped on strict controls.

Medicare will now pay toward a doctor's bill only what it would have paid during the year beginning July 1, 1972 (which was based on fees charged in 1971), plus an increase determined to be justified by a certain "economic index factor." The economic index factor is supposed to allow for inflation and takes into account changes in the general earnings level of workers and the increased expenses of running a doctor's office.

In effect, it's almost a freeze on what Medicare will pay toward doctors' bills. The current economic index recently was announced as 1.1793. This means that what Medicare will now pay toward your doctor bills will be based on what he charged in 1971 plus 18 per cent. You pay the difference.

It is now clear that politics was being played with America's elderly when Medicare was made to start out looking like free lunch. There's no such thing.

It is ironic but, because of the tremendous increase in costs, older people today must pay more out of their own pockets for health care than they did before Medicare began. Without Medicare it would be an absolute disaster.

That makes it of the utmost importance to insist that you receive every penny of benefit the law allows. In far too many cases it won't happen until a complaint is lodged about the way a claim was settled. I have found that if you don't agree with the way your claim was paid, the best way to have it looked into for possible error is to go to your local Social Security district office for help. It will almost "represent" you at Medicare.

[From the Chicago Daily News, Jan. 22, 1974]

THE WORST MEDICARE GOOF YET

(By Leonard M. Groupe)

Out of the mountain of medicare complaints I've received since my first medicare article, I've picked one for first prize.

Mrs. Opal C. Fry of Emporia, Kan., wins this dubious distinction. Her case could have been a beautiful example of medicare at its best. It spent thousands of dollars on her for hospitals, doctors and surgeons in a humanitarian effort to save her life and let her walk again.

But medicare blew it and made itself look absurd with some of the most stupid penny-pinching I've ever seen, made possible by the gobbledygook that often passes for "guidelines."

Opal Fry is a widow who supports herself, supplementing her $161-a-month Social Security check by renting out rooms in her home. She is a diabetic and I'm told that diabetes makes an infection in an elderly person much more dangerous.

About a year ago, she was hospitalized in St. Mary's Hospital in Emporia. Her physician, Dr. E. J. Ryan, diagnosed her problem as osteomyelitis of the left foot, complicated by diabetes.

For a month she was kept in isolation because her condition was very infectious. Osteomyelitis is a disease that actually destroys the bone and without prompt treatment may prove fatal. It is necessary in such cases to remove parts of the affected area by surgery.

As soon as Dr. Ryan felt that surgery was necessary, he called surgeon Richard P. Schellenger in on the case. Dr. Schellenger agreed that immediate life-saving surgery was required. However, because Dr. Schellenger is not an orthopedic surgeon, he could only amputate the foot. He thought that an orthopedic surgeon could save it. Dr. Ryan agreed. So did Mrs. Fry.

Trouble was, last January there was no orthopedic surgeon in Emporia, Kan. Fact is, there aren't enough of them anywhere. The closest orthopedic surgeon was Dr. O. D. Hensley in Wichita.

Opal Fry was taken by ambulance to St. Elizabeth Hospital in Wichita, where Dr. Hensley operated and did a masterly job. Mrs. Fry got by with losing just two toes and part of the metatarsal. Ten days later, she was taken back to St. Mary's Hospital in Emporia. Three weeks later she was back home walking on both feet.

This is just the kind of a case medicare should be able to use as an example of the wonderful work it is doing and, when everybody pulls together, how much good can be accomplished so Opal Fry and her elderly contemporaries can find a little peace and comfort and their so-called "golden years" need not become quite so tarnished.

But instead of this case being an example of medicare at its finest, it's a prime example of the kind of hair-splitting penny-pinching that seems to have developed in medicare during the last few years.

Medicare refused to pay the $120 in ambulance bills for transporting Mrs. Fry between St. Mary's Hospital in Emporia and St. Francis Hospital in Wichita.

Why? Because medicare said the Emporia hospital had appropriate facilities to care for her.

Sure, amputating Opal Fry's left foot would have taken care of her osteomyelitis and that's why she was in the hospital in the first place. This could have been done in Emporia without the need for an ambulance.

Well, Opal Fry didn't agree. She appealed, but she lost.

This wouldn't seem so ridiculous if medicare didn't cover ambulance bills, but it does.

In ruling against her, the hearing officer said that the "guidelines specify payment can be made only when it is found that the facility for the patient is inadequate and the patient needs to be transported to another institution having appropriate facilities."

And he told Opal Fry that "St. Mary's Hospital is equipped to take care of problems such as yours."

I'll give the hearing officer credit for knowing the medicare laws better than I do. But I want to paraphrase a famous line by Dickens in "Oliver Twist" and say, "If that's the law, then the law, sir, is a ass, a idiot!"

And I want to ask what kind of blithering idots make up regulations that let other blithering idiots say that adequate treatment was available to Opal Fry in Emporia—the amputation of her left foot?

OVERNIGHT ACCOMMODATIONS IN NATIONAL PARKS

Mr. GARN. Mr. President, I bring to the attention of my colleagues a matter which is of critical importance to the State of Utah at this time, but which could appear at any time in many other States of the country. I am referring to the policy of the National Park Service toward overnight accommodations in national parks. The National Park Service has recently announced in its Administrative Policy Manual, chapter VIII, page 2, that:

> If adequate facilities exist or can be developed by private enterprise to serve the park visitor's needs for commercial services outside of park boundaries, such facilities shall not be provided within park areas.

The Park Service has initially singled out only lodging accommodations in implementing this policy of excluding commercial services inside the park when they exist or can be developed outside of the park; however, the language of the Park Service's policy is much broader and more comprehensive. Commercial services such as campgrounds, restaurants, and curio shops are not logically exempt from this recently announced policy and therefore could also become victims of such a far-reaching decision.

The ultimate effect of this policy may be that people will be allowed access to the national parks only on a limited daytime basis. An aesthetic standard is being imposed by this policy which specifically affects those people who believe that a park visit is enriched by being able to spend a night inside the park.

There is no adequate substitute for the overnight experience inside the park—there are only less desirable alternatives to this experience. Take the case of the park visitor who derives his greatest enjoyment from visiting the park by just being able to relax in or near his cabin, taking in the park's natural beauty, without having to rely on constant commuting to and from an external motel. In such an "alternative" accommodation he would not be surrounded by the beauty of the park in its natural setting, but would rather be surrounded by an environment similar to that of the city he left. Because of the necessity for commercialization and the limitation of private property in the communities near the national parks it is impossible for a park visitor to feel that these communities provide an equal experience.

The national parks belong to all the people of this Nation and have been set aside for their enjoyment. In 1916 when the National Park Service was created it was directed to "promote and regulate the use of the Federal areas known as national parks * * * by such means and measures as conform to the fundamental purpose of the said parks * * * which purpose is to conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations."

While the policy that is currently being implemented may reduce the administrative problems of the National Park Service, it is in direct opposition to their charge to provide for the enjoyment of the national parks.

Indeed, it is in direct opposition to other pronouncements of the Park Service. For instance, a recent news release from the Service, discussing the record tourist activity at Bryce Canyon National Park pointed out that "visitors are being encouraged to spend several days at Bryce where visitor programs are varied to permit an extended stay without participating in repeat activities." The ironic thing is that accommodations at Bryce are scheduled to be closed at the end of 1977. Where are the park visitors to stay while they participate in these varied activities? Outside the park, and commute in? In tents? There clearly are some citizens who cannot camp out in tents. Are these people to be denied the park experience? Apparently so.

Nor are the lodging facilities being phased out in Zion's and Bryce Canyon National Parks for the purpose of protecting scenery, natural or historical objects, or wildlife. In fact, the removal of the log cabins at Bryce Canyon could be interpreted as a direct violation of the mandate to protect historical objects, in that they constitute an excellent example of the Western American log home.

The Park Service in its effort to conserve the park environment has neglected the equally important duty to provide an opportunity for the enjoyment of the environment. It must consider that there are different types of park visitors and that it should respond where reasonable and within the limits of the charter to the needs of these various types of visitors. The Park Service to date has not determined what the impact will be on the visitor segment that prefers overnight lodging; in fact, it is not clear that they have ever determined what the age, sex, or geographic origin of that particular segment is. This approach to park management is clearly inequitable.

The Park Service should be required to satisfy the needs of one visitor type at the same level they satisfy the other segments of park visitors. For example, it is interesting to note from the draft master plan for Zion National Park, page 44, that of 147,000 acres in the park only 8 acres of land are used for overnight lodging accommodations, while the Park Service is concurrently planning to classify 92 percent of the park as wilderness area. If the Park Service denies access to 92 percent of the park to those people who do not have the means or ability to penetrate the wilderness, then certainly the Park Service should refrain from denying those same people the continued use of a mere 8 acres of land to enjoy an overnight experience within the national park.

If the Park Service is to serve effectively all constituents then overnight accommodations in our national parks such as Zion and Bryce must continue. It is inequitable and unjustifiable for the Park Service to say—as it is presently doing in the case of Zion and Bryce—that only those people who have access to a tent, trailer, or camper can have the right to enjoy an overnight experience in the national parks.

Recently I spent a few hours in a wheel chair, in an effort to gain some insight into the problems of the handicapped. The experience was eye-opening, Mr. President, and I think each of us should try it. That demonstration has made me more conscious of the needs and problems of that segment of our population, and now I am led to wonder how they will benefit from a policy which closes the overnight accommodations in the national parks. Clearly they will be day visitors, for many of them cannot pitch tents, or camp out, as they will be required to do if this policy is promulgated. To them will be lost forever the opportunity to spend a night in the parks. They can visit, see the park in the daylight, but the total experience will be impossible. It is time that the Park Service started showing more regard and concern for the people who will be the most adversely affected by their decision, namely those people who feel enriched by being able to spend a night inside of the national parks. Congress clearly has a responsibility to assure the park visitors that a style of visitation will not be imposed upon them by denying the people the opportunity to enjoy an overnight park experience.

Within 2 years, access to overnight lodging accommodations inside two of the Nation's most popular national parks will be gone forever if present National Park Service policy is allowed to continue. The significant issue in the debate over the closing of the lodging facilities in Zion and Bryce Canyon National Parks is a question of basic ideology concerning the purpose of national parks; rather than specific management problems such as quality of sewer systems, or the economic impact, positive or negative, in surrounding communities, et cetera. The argument centers around whether or not people can be denied the enjoyment of an overnight experience in the national parks for the sole reason that support communities exist or could be developed outside the parks. The issue here is policy, not the specific parks of Bryce and Zion. The facilities in these parks are under attack, and they provide us a concrete example of the Park Service philosophy.

Mr. President, as I stated earlier, this matter is critical to Utah, but I urge all my colleagues to give full attention to this matter, for the policy is a national one. Already there has been concern about possible closing of accommodations at Yellowstone and the Grand Canyon. All of us need to speak out now, to clarify this national policy, to preserve the environment for all our citizens, not just for the hearty backpacker and camper.

SEX DISCRIMINATION

Mr. WILLIAMS. Mr. President, on September 16 and 18, the Subcommittee on Education, chaired by Senator CLAIBORNE PELL, held hearings on S. 2106, a bill introduced by Senator TOWER which would amend title IX of the Education Amendments of 1972 with respect to sex discrimination in intercollegiate sports. On September 16, a student panel including Margy DuVal, president of the Intercollegiate Association of Women Students, and Clarissa Gilbert, president of the National Student Association, presented testimony in strong opposition to S. 2106. I am pleased to say that Ms. DuVal is from Plainfield, N.J., and is a student at Susquehanna University in Pennsylvania.

Their testimony was extremely well documented and presented previously unreported facts regarding the situation for women athletes in colleges and universities across the country. I believe that the contributions these students made to the hearing were very substantial and represent an extremely important viewpoint for our consideration during review of this proposed legislation. Most certainly, women students will be the persons most affected by any actions that may be taken, and they are, as pointed out by the thoroughness of the testimony, seriously interested in and concerned about this aspect of public policy. I am also bringing to the attention of my colleagues testimony submitted by Dr. Phyllis Zatlin Boring, associate dean of Rutgers College in New Jersey and past president of New Jersey Women's Equity Action League, on behalf of national WEAL.

The testimonies presented by Ms. DuVal and Ms. Gilbert and by Dr. Boring raise substantial questions to be considered with regard to S. 2106. They point out the real need to consider the terms of that bill very closely, with regard to what may be considered an "intercollegiate athletic activity," "the institution's gross receipts," "donations," or what is "required to support that" intercollegiate athletic activity. I firmly believe that the enactment of title IX was a critical and major step toward assuring equality of opportunity for men and women in the educational process and will steadfastly oppose any changes in that legislation which will damage our ability to seek that goal through title IX. Because of the seriousness of the questions raised, I am bringing this material to the attention of my colleagues. I ask unanimous consent that this testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY ON THE PROPOSED TOWER AMENDMENT, S. 2106

(By Margy DuVal, Intercollegiate Association of Women Students)

Mr. Chairman and members of the committee: My name is Margy DuVal and I am the national president of the Intercollegiate Association of Women Students (IAWS). Currently, I am a senior sociology student at Susquehanna University in Selinsgrove, Pennsylvania. I am accompanied by Margie Chapman, a past president of IAWS. Margie is a student at the University of Arkansas in Fayetteville, Arkansas.

We would like to thank the Committee for giving the Intercollegiate Association of Women Students this opportunity to testify on the proposed Tower Amendment (S. 2106) which would exempt intercollegiate athletics from the sex discrimination provisions of Title IX of the Education Amendments of 1972.

The Intercollegiate Association of Women Students (IAWS), representing some 200,000 college students across the nation, is the only national organization for all college women. IAWS was founded in 1923, formed from several regional associations established in 1913. This places IAWS among the oldest national student organizations in the country. IAWS is committed to the development of programs and resources encouraging women to identify and utilize their individual potentials as educated and competent persons throughout their lives.

Since IAWS represents one of the largest segments of the American population which will be directly affected by legislation concerning sex discrimination in education institutions, IAWS vigorously supported Title IX of the Education Amendments of 1972, which prohibits all forms of sex discrimination in federally assisted educational programs. Subsequent to the passage of Title IX, IAWS has continued to express the concern of young women that the specific mandate of Title IX be meaningfully enforced. Toward this end, IAWS has actively and ardently opposed previous Congressional attempts to frustrate the legal mandate of Title IX (e.g., the Tower Amendment of 1974, the Casey Amendment of 1975, and the 1975 Concurrent Resolution of Disapproval of the Title IX regulation).

An overriding concern of IAWS now is for the swift implementation of the Title IX regulation. Discrimination against women students by their own schools is morally indefensible. One of the areas in which women students have been most grossly discriminated against is in athletics. HEW has already taken three years to promulgate the Title IX regulation. To begin immediately to narrow the coverage of Title IX is to tell women students—your daughters—that they don't deserve a sporting chance.

Although these hearings today specifically address the impact of the Tower Amendment upon women's and men's intercollegiate athletics, the implications of today's discussion for equal opportunity for women and men go far beyond the athletic arena. Athletic competition is a powerful socializing agent in our society: to limit the athletic opportunities of women students is to limit their other options as well. Many of the same attitudes that lead people to belittle and scoff at female athletes also lead them to discount girls who aspire to other "non-traditional" fields—from business executive to college professor to physician to Senator. So even people who have no interest in sports for themselves have a stake in seeing that those girls and women who want to play basketball or volleyball or tennis, etc., get the best chance possible.

With the introduction of S. 2106 by Senator Tower on July 15, 1975, we are again faced with a legislative proposal which would not only perpetuate the very inequities that Title IX and its regulation, IAWS strongly opposes the proposed Tower amendment (S. 2106) and urges this committee to vote against the Tower amendment.

Title IX and its regulation already contain serious deficiencies. If enacted, the Tower amendment would remove all remaining incentives to eliminate inequities affecting women in sports.

Before we examine the ramifications of the proposed Tower Amendment upon women's intercollegiate sports programs, we should focus attention upon where the law now stands in regard to eliminating sex discrimination in athletic programs. The regulation implementing Title IX has just gone into effect on July 21, 1975. A review of the provisions of the Title IX regulation in the area of athletics immediately makes apparent several critical points.

If anything, the regulation does not do enough for women's sports. Therefore, instead of limiting women's opportunities in athletics by legislative proposals, such as the Tower Amendment, Congress should be considering legislative devices to expand women's intercollegiate athletic opportunities.

The provisions of the Title IX regulation now in effect virtually assure perpetuation of severely limited opportunities for women in athletic programs. The provision giving secondary and post-secondary institutions a three-year adjustment period to fully comply with the regulation effectively removes all impetus for educational institutions to eliminate inequities affecting women athletes and coaches. In the meantime, the three-year grace period encourages college administrators to use this time to further retard the provision of equal opportunities for girls and women in sports. For example, women athletes who were in the tenth grade in high school when Title IX was enacted into law in 1972 will, in all probability, have already graduated from college before any real protection against discrimination in athletics is afforded to young women. Therefore, this three-year adjustment period, coupled with the three-year delay by HEW is issuing the administrative regulation, virtually leaves unprotected a whole generation of women students.

The provision concerning athletic scholarships contains additional inequities. The exact interpretation of this section is far from clear. Even if the strictest interpretation of the athletic scholarship provision is taken (i.e., that athletic scholarships must be offered to both sexes in proportion to their total numbers in all varsity sports), women students would still be awarded fewer scholarships than men and discrimination would continue to exist.

Other athletic provisions which bear close watching because of the possibility of fostering continued discrimination against women include the standards concerning equal opportunities for women in sports and the contact sports provision. Thus, if any action is warranted by Congress, it should come in the form of legislation aimed at eliminating existing inequities in the Title IX regulation, not at watering down what protections women already have. Certainly legislative proposals such as the Tower Amendment (which would remove the few remaining incentives to eliminate inequities affecting women in sports must be blocked. To do otherwise is to Congressionally sanction continued discrimination against women in athletic programs.

Congressional action to severely limit the application of the title IX regulation is premature at this time.

Since the HEW regulation implementing Title IX only took effect on July 21, 1975, Congressional action to further weaken what legal protections remain for women athletes in the already watered-down provisions is both totally unwarranted and premature. Although IAWS views the three-year "grace period" for implementation of the athletic provisions as a potential device to perpetuate discrimination, this adjustment period allows more than a reasonable amount of time for colleges and universities to explore different alternatives and modifications and to bring their athletic programs into line with the Title IX regulation.

Additionally, the Tower Amendment does not address a known danger to men's intercollegiate athletics. Rather, it is aimed at a phantom—an imaginary danger which may in fact never materialize. There can be no moral or reasonable defense of passing a bill which clearly discriminates against women's athletics because some people fear—but do not know for sure—that it may someday change men's athletics.

As the title IX regulation now stands, title IX will certainly not bring about the demise of men's intercollegiate sports programs.

The fear that Title IX would "ruin" intercollegiate sports should have been put to rest by former HEW Secretary Casper Weinberger in his testimony before the U.S. House Subcommittee on Post-Secondary Education on June 6, 1975. Secretary Weinberger assessed the potential impact of the Title IX regulation on intercollegiate athletics as follows:

> With regard to the provisions on athletics, first let us look at what the regulation does not require.
>
> (1) It does not require equal aggregate expenditures for members of each sex or for male and female teams.
>
> (2) It does not require two separate equal facilities for every (or any) sport.
>
> (3) It does not require women to play football with men.
>
> (4) It will not result in the dissolution of athletics programs for men.
>
> (5) It does not require equal moneys for athletic scholarships.
>
> (6) It does not require coeducational showers, lockerrooms and toilet facilities.
>
> (7) It does not mean the National Collegiate Athletic Association (NCAA) will be dissolved and will have to fire all of its highly vocal staff.
>
> The goal of the final regulation in the area of athletics is to secure equal opportunity for men and women while allowing schools and colleges flexibility in determining how best to provide such opportunity.
>
> Where selection for a team is based on competitive skill, or the activity involved is a sport involving physical contact between players, then the college can provide separate teams for males and females or if they wish, they can have a single team open to both sexes. If separate teams are offered, a recipient institution may not discriminate, on the basis of sex, in providing necessary equipment or supplies, or in any other way. I emphasize again that equal aggregate expenditures are not required. In determining whether equal opportunities are available, such factors as the following, among others, will be considered: whether the available sports reflect the interests and abilities of both sexes; provision of supplies and equipment; game and practice schedules; travel and per diem allowances, etc.
>
> Where a team in a non-contact sport, the membership of which is based on skill, is offered for members of one sex and not for members of the other sex, and athletic opportunities for the sex for whom no team is available have previously been limited, individuals of that sex must be allowed to compete for the team offered. However, this provision does not alter the responsibility which a college has with regard to the provision of equal opportunity.

At least one addition should be made to former Secretary Weinberger's "laundry list" of what Title IX will not do; Title IX will not be the red pencil which eliminates athletic scholarships for minority male athletes from the college budget. Indeed, Title IX should provide some incentive for institutions to start to provide minority females with the same types of athletic scholarship opportunities that have paid for the education of a number of their male counterparts. IAWS feels that this point shoulld be given greater attention because minority women are too often overlooked in attempts to provide benefits or opportunities to minorities generally.

Finally, a cursory survey of recent newspaper articles about the financial condition of individual NCAA schools, and actions taken at the NCAA's recent emergency conference on financing, indicates that the NCAA is already "ruining" itself, primarily because of its own excesses. This fact was recently underscored by Newsday sports columnist Sandy Padwe, when he said:

> If college athletic programs face deep financial problems, the root of the trouble started long before Title 9. Today's problems go back to the lack of vision of the (Walter) Byers years in the NCAA and the lack of planning by men like (Darrell) Royal and (Bear) Bryant and other coaches and athletic directors.
>
> These are the men who overstaffed their football and basketball programs, who spent thousands on feeding athletes at special training tables, who traveled their states and the country looking for athletic talent, who drew up schedules demanding expensive plane and hotel bills, who lavishly carpeted and furnished their athletic dormitories and locker rooms and made gods out of high school athletic stars—(Newsday, July 20, 1975, "Awakening the Authoritarians" by Sandy Padwe.)

Clearly the financial shambles of men's intercollegiate athletics cannot be blamed on Title IX or women's sports programs. The NCAA itself has estimated that the current annual deficit of its members is almost fifty million dollars (New York Times, March 15, 1974). And this is no doubt a conservative estimate of the deficit. As the Washington Post pointed out in an analysis of collegiate athletics (May 12, 1974), "only ten per cent of the college athletic departments in the United States are able to finance their athletic budget with the income from revenue-producing sports. The other ninety per cent must dip into public money."

The Tower amendment falsely presupposes that men's intercollegiate sports programs make a profit or are at least financially self-supporting. This assumption is completely out of touch with the financial reality. These programs lose money.

As revealed in his introductory remarks, the rationale for S. 2106 is founded upon Senator Tower's erroneous assumption that intercollegiate athletic programs (such as men's football and basketball) are not only financially self-sufficient, but generate a surplus that in turn finances non-revenue producing athletic programs (such as men's minor sports programs and women's athletic programs). A review of a few financial statistics renders this assumption totally fallacious.

As previously emphasized, at least nine out of ten college athletic departments operate at a deficit (New York Times, March 15, 1974). Since practically all women's collegiate sports programs are under physical education departments (while men's intercollegiate sports are operated by universities' athletic departments), it is clear that most men's intercollegiate athletic programs are not financially self-sufficient. Rather, they pose a serious financial drain on the educational budget.

Moreover, the theoretical "financial surplus" provided by revenue from men's intercollegiate sports programs to non-revenue producing athletic endeavors (such as women's intercollegiate athletics) seems to be virtually (if not totally) non-existent. Comments made by Oregon athletic director Norval Ritchey in a recent Washington Post interview (January 3, 1975) strongly suggest the fallacy of Senator Tower's rationale for S. 2106. According to Ritchey, about 100 of the 128 schools playing big time football have budgets in the red. "The numbers game is killing the less successful programs."

And even these rather devastating statistics in all probability severely underestimate the deficits. At most institutions many of the costs of men's athletics are concealed in the institution's budget in a number of ways—e.g., maintenance on the stadium picked up by the maintenance budget, practice gyms and fields paid for by the physical education department, health care provided by the university health service, salaries of coaches or trainers paid for by the physical education department, giving male athletes special consideration for scholarships or student employment, and providing male athletes with special housing or dining facilities at no extra charge. An example of "hidden costs" recently revealed at Rutgers was that the student's mandatory insurance fee is inflated to cover the higher-risk premiums of the men's intercollegiate athletes—a supplement worth thousands of dollars annually.

In recent history, one victim of "the numbers game" was the University of Minnesota, where in one year the intercollegiate athletic program ran up a quarter of a million dollar deficit. That deficit was made up by general university funds. (See, for example, the testimony of University of Minnesota former student body president Kathy Kelly before the House Subcommittee on Postsecondary Education, June 25, 1975.) Also, a 1970 study by the NCAA, Financial Analysis of Intercollegiate Athletics (the "Railborn" study), reported that:

> When athletic expenses exceed revenues, 48 per cent of all respondents reported that such deficits are financed by a transfer from general operating funds of the institutions. ("Railborn" Study, p. 102, emphasis added)

Another example: Athletics at Texas Christian University are also supposed to be "self-sustaining." However, an article appearing in the Spring 1975 issue of the Texas Christian University alumni magazine, "This is TCU," stated that athletic spending at TCU has been in the red since the 1967–68 season, "with the deficit for 1972–73 running better than $220,000." This deficit was incurred even though for the last four years, athletics generated slightly more than $1 million in gross revenue. Compared to TCU's total athletic budget of $1.6 million, the women's budget of $18,000 (which was only made available to them in the last couple of years) can hardly take much credit for TCU's devastating $220,000 deficit.

Nor do the future prospects for big times sports, such as football and basketball, lend support to the theory underlying the Tower Amendment. According to the 1974 American Council on Education report prepared by George Hanford on intercollegiate athletics, "Colleges and universities with a major commitment to big-time spectator sports will remain in strained financial circumstances for at least the next decade." (1974 ACE Report, p. xxi of the Synopsis.)

Moreover, the behavior of the NCAA since Title IX was enacted in 1972 in no way supports Senator Tower's thesis that "nonrevenue producing sports are usually financed by the surplus over that amount necessary to pay for the revenue-producing activity or activities" (Congressional Record, July 15, 1975, p. S. 12561), or that men's intercollegiate athletics provide the "financial base" to ensure the viability of an institution's entire athletic program. The NCAA has had three years since Title IX went into effect to produce documentation that NCAA athletic programs, such as football, generate a financial base of the magnitude suggested by Senator Tower. During these last three years, the NCAA has not come forward with any financial data to support either their claims or Senator Tower's assumptions. IAWS believes that if the NCAA were forthcoming with this financial data, most men's intercollegiate athletic programs would be shown to be expensive luxuries.

The language of the Tower amendment is unclear and inconsistent with the legislative intent suggested by Senator Tower in his introductory remarks for S. 2106.

In his remarks prefacing the introduction of S. 2106, Senator Tower stated that the bill he was proposing was prompted not only by his concern for intercollegiate athletics, but also by his very strong feeling "that women should be afforded equal access and opportunity in sports activities" (See Congressional Record, July 15, 1975, pp. S.12560–61).

Let us examine the specific language of S. 2106:

"This section shall not apply to an intercollegiate athletic activity insofar as such activity provides to the institution gross receipts or donations required by such institution to support that activity."

S. 2106 in its present form may be interpreted so broadly as to sabotage the whole effort to provide equal athletic opportunities for women. Although the purported intent of the bill is to protect the profits (that is, gross receipts minus the operating expenses) of intercollegiate sports, the language of the bill does much more than that. The Tower Amendment states that Title IX "shall not apply" to intercollegiate athletic activities which are "revenue producing." The bill could conceivably be interpreted to justify excluding women from any athletic program for which receipts or donations can be claimed.

Additionally, no one has yet been able to define the term "intercollegiate athletic activity." It is not clear if "activity" means a "team," "club sport" or a particular sport as a whole. For example, if a men's basketball team were considered a separate intercollegiate activity from the women's basketball team, the women's team could be denied travel funds, coaching, facilities, equipment, etc. Thus, institutions desiring to perpetuate discrimination could easily do so by hiding behind the vague wording of S. 2106.

Another problem is that there are no definitions of what is "required by such institutions to support" intercollegiate activities, nor is it clear who determines what is "required." If the college or university determines what is "required," the potential for abuse is enormous. First class airfares and blazer jackets could be viewed as "necessary" for male athletes while women athletes paid for their own uniforms and travel. Clever bookkeeping could easily eliminate any "surplus", and the lack of such a "surplus" could then be used to justify a lack of funding of women's sports. An institution could have a substantial intercollegiate program for males, and none whatsoever for females. It could claim that financial exigency prevented the development of a woman's intercollegiate program since most of its monies were "required" . . . "to support" the men's intercollegiate program.

Also, there are no definitions of "gross receipts" or "donations." Any institution's athletics program could fall under the exemption by merely charging a nominal fee at all intercollegiate events, even those that have been traditionally free.

Students, male and female, could be forced to subsidize men's intercollegiate activities by having the fee for admission incorporated into a compulsory "activities" fee. This money would be considered part of the "gross receipts." This is a common practice. For example, the University of Maryland raised $700,000 by compulsory student fees. The total budget for women's intercollegiate sports was $60,000. And, at the University of Kansas, allocations from student activity fees to women's sports were cut last February in order to allocate more to men's sports.

The student activity fee was raised this fall in order to increase the amount allocated to tickets for men's sporting events. This increase, borne by all students, "lowered" the price of student tickets for men's sports (football and basketball).

Under S. 2106, a donor could give money for a new stadium or gymnasium earmarked for male intercollegiate activities and practice. Women could be prohibited from access (or given limited access) even if there were no other facilities available to women. The school could then claim the gymnasium was "required to support that activity." This type of discriminatory use of facilities is one of the reasons we need a Title IX in sports. To again sanction this type of discrimination would be a giant step backwards. The stories of discrimination against women in access to facilities are numerous:

At Ohio State University, where the men operate on a $6 million budget, the female swimmers use the pool from 6:30 a.m. to 9 a.m., and again at dinnertime, when the men don't want it.

At Connecticut College, the women's varsity basketball team could practice in the gymn only when the men's teams did not want to use it.

At Southern Methodist University, the women's tennis team, which is ranked among the top twenty in the nation, cannot practice on the new men's varsity courts; instead, women tennis players must practice on hazardous and often slick intramural courts which have been excessively worn by the many years of use. Further, the S.M.U. women's swimming team has encountered similar inequities in the use of the varsity pool. All in all, female varsity swimmers are given little pool time to practice for their swim meets. Last year the women's varsity swim team was required to enroll in a regular swimming course at S.M.U. in order to obtain practice time. Since the swimming class met for only three times a week for forty-five minutes each session, the women swimmers were still only able to practice slightly over two hours each week. The gross inequity of forcing women athletes to, in effect, pay with tuition money for the right to practice for their varsity swim meets is appalling. On the few occasions when women swimmers at S.M.U. have been provided use of the varsity pool to practice, they were allowed to use the pool only when the men didn't want it: in this case, from 6 a.m. to 6:45 a.m. Despite these inequities, the S.M.U. women's swim team still managed to rank third in the State of Texas in women's intercollegiate swim meets last year.

The women's basketball team at Susquehanna University was "given" the practice time period of 9 to 11 on Friday evenings along with several other hours sprinkled through the week. The practice time given was, all in all, insufficient for women to really make use of their potentials. Additionally, the women's intramural time was reduced from three hours twice a week to three hours once a week to allow for the men to have more practice time for their intramurals and teams.

The Tower amendment would accelerate the deterioration of the relationship of the Federal Government to colleges and universities by forcing even greater governmental involvement in the affairs of educational institutions.

S. 2106 would in effect exempt those sports which provide gross (not net, but gross) revenues to the extent that these revenues are required by institutions to support an activity. Apparently, HEW's Office for Civil Rights will have to determine when revenue is indeed required to support an activity in order that schools will not take advantage of this provision to perpetuate widespread discrimination against women.

If, HEW makes the decision as to what is "required" for support of the activity, the government will have to monitor the budgets of intercollegiate activities in order to determine which expenditures are "required." HEW will have to decide such items as: What number of uniforms is "required" for a sport? How much money is "necessary" for recruitment? etc. In contrast, the Title IX regulation, as is, simply requires equality of opportunity (that is, if a school supplies uniforms for the men's basketball team, it must do so for the women's team as well). Whether the school provides uniforms at all remains the school's decision, not HEW's.

The exemption of "gross receipts or donations," etc., obviously calls for federal definitions of the terms "gross receipts," "donations," and "revenues required by institutions." Governmental officials charged with enforcement responsibility may very well conclude that uniform accounting procedures for athletic revenues should be required of all institutions. Such uniformity would be difficult to attain since accounting and budgeting procedures for intercollegiate sport programs vary widely among schools (according to such things as their size, type of athletic program, etc.)

Revenue for college sports programs is generally derived from a number of sources (such as mandatory fees charged to students, ticket sales coordinated by school employees, alumni gifts solicited on university letterhead, media royalties that come to a team only because they are affiliated with an educational institution, concessions on university property and rental of university-owned facilities.) Moreover, the flow of revenue from these sources often fluctuates widely from year to year. For example, television and radio royalties are sources of income only to a very few teams. Also, the expense of maintaining and operating physical facilities varies widely according to the type of athletic complex an individual institution operates. Therefore, it would be extremely difficult and perhaps not even desirable for the government to establish and enforce uniform standards for "revenues required."

Institutions could use the Tower amendment to perpetuate the discriminatory status quo.

Institutions could perpetuate innumerable inequities in women's athletics by claiming that certain important services or benefits were "required . . . to support" men's programs. For example, a school could claim that scholarships were "required . . . to support" some activities (such as football), but not "required . . . to support" other activities (such as women's basketball). If the Tower Amendment became law schools would be under no obligation to raise any money for women's scholarships. They could continue to limit all athletic scholarships to men only. As things stand now, many institutions have no (or very few) scholarships for women, even though they offer numerous scholarships to men. Thus, although men participating in swimming, basketball, etc. may have ample opportunity for scholarships, the women participating in the identical sport on the same campus have no such opportunities for scholarships. For example, the University of Maryland spends nine times more money on athletic scholarships for men than it spends on its total sports program for women. In fact, there are no athletic scholarships at all for women at the University of Maryland.

Also, under the Tower Amendment an institution could provide equipment (such as practice uniforms) for men's "revenue producing" sports, but not for the women's teams. An institution could subvert the concept of equal athletic opportunity for women by claiming that certain equipment was required for the men's ("revenue producing") teams, but not for the women teams. As it is now, women's teams often must use inferior equipment or the left-over equipment no longer needed by the men's teams, while their male counterparts are outfitted with top-of-the-line new equipment.

Similarly, an institution could "justify" having team doctors and health insurance for male athletes as "required to support" the team. If the Tower Amendment became law, institutions could continue to deny women athletes these important benefits. This type of discrimination is now rampant. For example, at the University of Hawaii, a woman athlete who needed ultrasonic treatment for an athletic injury could not use the needed equipment in the "men's" training room, the only training room. Only men had access to these facilities. Also, at Susquehanna University the coaches of the women's teams must double as "team doctor;" the men's teams, on the other hand, have an official team physician.

If the Tower Amendment became law an institution could continue to subsidize travel for its men's programs at a high level (chartered buses and first class air fare), while requiring the women's teams to continue to travel at their own expense. For example, women's teams at the University of Arkansas must travel in private cars or in a physical plant van, while the men's teams travel at university expenses in chartered buses and chartered planes.

Under the Tower Amendment an institution could continue to pay for the meals and lodging of male athletes while traveling to games, while requiring the women athletes to pay for their meals and lodging out of their own pockets. At the University of Michigan, for example, the women's basketball team members must pay for their own transportation, lodging and meals. And, at the University of Arkansas, the school foots the bill for football players to stay in a motel the night before some home games; for women athletes at the University of Arkansas, however, have trouble getting sufficient funds to travel to away games.

An institution could, under the Tower Amendment, continue to limit recruiting budgets to men only. At present few, if any, women's teams have funds to recruit women athletes.

If the Tower Amendment became law, an institution could continue to allocate budgets for *publicity* to male intercollegiate activities only. At present many institutions put a great deal of effort and money into generating publicity for their men's programs. Few institutions provide any substantial support for publicity for women's programs.

Under the Tower Amendment an institution could continue to deny female reporters access to the *press box* during athletic events. Because these women do not work for the university or college, employment discrimination laws would not apply.

And, finally, if the Tower Amendment became law, all employees who worked in activities or facilities involving "revenue producing" intercollegiate athletics would be excluded from Title IX's promise of protection from sex discrimination in *employment*. Although these employees would still have redress under other federal and state laws, they would be denied the Title IX protection against employment discrimination which is afforded to every other employee in an educational institution.

The Tower Amendment distorts the real reason for intercollegiate athletics on campus: the only valid reason to have intercollegiate athletics is for their educational value and to benefit students.

The Tower Amendment would, in effect, allow a few schools to dictate the intercollegiate athletic policy of the whole nation. The thrust of the Tower Amendment is aimed at a few colleges and universities operating big-time, "quasi-professional" football programs and that go to bowl games. The fact that most schools are not like that was made quite apparent by the furor which ensued on the part of the big-time football schools at the recent NCAA emergency conference on financing when the majority of schools themselves voted to adopt a number of budgetary restrictions for NCAA athletic operations. Similarly, the schools which have raised the loudest objections in the various Congressional hearings on Title IX are, by and large, the big-time programs—Texas, Nebraska, and Michigan, for example. (See, for example, the testimony of Darrell Royal and others representing the American Football Coaches Association before hearings of the House Subcommittee on Postsecondary Education, June 25, 1975.) *Ironically, the biggest push to exempt intercollegiate sports from Title IX comes from large state universities which rely on state charters and tax dollars for their very existence.*

Obviously big-time football and basketball programs at these schools (or any school, for that matter) did not spring fullblown from just anywhere. In most cases, monies from the public purse were used, and still are used, to subsidize these large athletic programs. Needless to say, the public purse is ultimately the deep pocket into which large state universities, such as the University of Minnesota, dip for special state legislative appropriations or for general university funds to absorb the deficits created by intercollegiate athletics. Moreover, as Congresswoman Shirley Chisholm has pointed out, athletic programs can only stand to benefit indirectly when Federal funds are given to a college or university for other programs, thus freeing up money that can be allocated by these schools to their intercollegiate athletic programs. To allow a few universities to push through a Congressional exemption such as the Tower Amendment is to Federally condone very real and unjust discrimination against women students.

Implementation of title IX is critically needed so that women involved in intercollegiate athletics can be given some relief from the extremely serious discrimination which they now face.

Under the Tower Amendment the revenue from intercollegiate sports would be exempt from the self-evaluation requirement of Title IX, a requirement which is a key aspect of changing past discriminatory practices. The Title IX regulation now requires institutions to examine their own policies and practices in order to discover problems and to develop plans to remedy discrimination. If the Tower Amendment became law, there would be no incentive whatsoever for institutions to evaluate discrimination in funding, policies and programs in intercollegiate athletics. Exempting "revenue" from the requirement for self-evaluation gives institutions a license to continue to discriminate against their women students. Although some women's athletic programs have been given slightly larger slices of the financial pie since Title IX was enacted in 1972, the facts indicate that the disparities between men's and women's athletic programs on most college campuses are outrageous:

At the University of Arkansas, men's athletics operated with a budget totalling better than $2 million last year, while women's sports got by on a mere $13,000. To cut costs, the women's team ate at McDonald's or brown-bagged it while the men had their meals catered before a game. On trips to away games the women usually returned on the same day—or more likely in the middle of the night in all sorts of weather, rather than have to pay for lodging. The "weaker sex" had no team doctors, no free medical examinations, and no training room. The women's volleyball and gymnastic teams used the "men's" gym when they could get it. The women's tennis team had access to courts for an hour-and-a-half a day, compared to the courts reserved exclusively for the men. There are no assistant coaches in the entire women's athletic program, while the men's teams have over a dozen assistant coaches. Coaches for the women's teams are not paid for their coaching, while the coaches of the men's teams receive high salaries. The woman coaches are full-time Physical Education teachers and donate their coaching time (on top of their teaching schedules.) As classes opened on the University of Arkansas campus this fall, the men's athletic department could be found in a new 2.6 million dollar athletic complex. The women's athletic program could be found in the Physical Education department located in a corner of the swimming pool building. ("Sponsor Calls Interpretation of Title IX 'Nonsense' ", The Springdale (Ark.) News, Tuesday, Nov. 26, 1974. "UA Women's Sports Program Looks to Title 9 for Aid" by Leslie Sutton, Northwest Arkansas Times, September 7, 1975.)

At the University of Maryland, the men's athletic budget of $2,015,000 includes 100 football scholarships and nine in basketball at a cost of $2,840 apiece. The budget for women's athletics in 1974 was $19,000, or approximately the cost of seven football players for one year. ("No Sporting Chance" by Bart Barnes & Nancy Scannell, Washington Post, May 12, 1974.)

The University of Texas spent $2.5 million on men's sports last year and about $20,000 for women's sports.

Arizona State University spent $1.1 million on men's sports in 1974 and about $43,000 for women's sports.

In responding to a question directed to him by a member of the House Subcommittee on Postsecondary Education, University of Texas coach Darrell Royal confirmed the accuracy of the 1974 American Council on Education "Hanford Report" on Intercollegiate Athletics that the national median spending for women's athletic programs was only 2% of that spent for men's athletics last year. And, in an interview in the Washington Post (January 1, 1975), NCAA Executive Director Walter Byers said, "I don't think that (i.e., the 2%) is inadequate."

In 1974, the Ohio State University women's sports programs had only a $37,000 budget. That is *six-tenths of one percent* of the $6 million budget of the men's intercollegiate athletic program. ("Two Schools of Thought on Title 9," by Nancy Scannell and Bart Barnes, *Washington Post*, May 13, 1974)

Women at the University of Utah had a 1974 budget of $53,000. The men had $1.1 million. (*WomenSports*, September 1974, p. 37)

In 1973, women received $8,600 for their athletic program at Memphis State University—a small drop in the bucket in contrast to the men's budget of $1.5 million. For the 1974 fiscal year the women requested $21,000 but were told to whittle that request to $15,550 (or 1% of the men's budget). (*WomenSports*, Ibid.)

In 1973, Arizona State University's women athletes held candy sales and raffles to get to their national competitions. Although they received an emergency appropriation to get them through the season, they often had to travel to meets in their own cars, paying for their own mileage, while the men were flown at the university's expense. The men received $15 a day expenses, the women $5. (*WomenSports*, Ibid.)

Last year at the University of South Alabama men operated on a budget of $200,000 while women ran their programs on $8,000. (Ibid.)

I might add that discussions held this past weekend at the National Executive Board meeting of IAWS in Cincinnati, Ohio, revealed the following blatant discriminatory practices at schools which the 1975–76 IAWS national officers now attend:

At Wake Forest University the women's cut is a mere $25,000 of an athletic budget totalling $1.9 million. Additionally, the men's tennis team gets free prime-time practice courts. The women's team, in comparison, is allowed use of two courts once a week during spring practice, and one court, once a week during the fall. The men's team has compiled only a mediocre record, while the women's team had three nationally ranked players in 1974–75.

At the University of Kansas, coaches of women's teams average $1,400 to $1,600 a year in salary, while the total of all these salaries equals that of the annual salary of the football coach.

At Bloomsburg State College, the women's field hockey team was not allowed to have a *paid* coach, only a volunteer. No volunteer was found, so coaching of the team was delayed. Yet, the men's football, basketball, and wrestling teams have at least two or three coaches per sport. After some delay, a female hockey coach was found and salaried, but her pay does not equal that of half of a male coach's salary.

At Central Michigan University, the women's swimming team must practice in the four-lane, five-yard pool. Men practice and swim in the six-lane, twenty-five meter pool (meter being the official measurement for swim meets). Also, male athletes are given full use of the new arena for both practice and playing purposes. The women, on the other hand, must practice in the old fieldhouse and are allowed to play in the new arena only during varsity events.

In conclusion, IAWS believes these examples to be only the tip of the iceberg. The amount of money required to remedy discrimination is a sign of how serious the discrimination has been. Rather than using that argument against the victims of discrimination, it should be a sign that we have to move forward all the more quickly to remedy the disparities. To say that money is a reason to continue discriminating against women students is to deny the fundamental democratic principles upon which this nation was founded.

TESTIMONY TO THE TOWER AMENDMENT TO TITLE IX OF THE 1972 EDUCATION AMENDMENTS

(Presented by Clarissa Gilbert, President, USNSA)

September 16, 1975.

We would like to thank the Committee for inviting the National Student Association to testify on Senate Bill 2106 to amend Title IX of the Higher Education Amendments of 1972. The U.S. National Student Association, now in its 28th year, is the oldest and largest student organization in the country, representing some 750 member student government associations. Our membership includes schools from all fifty states and institutions of every type; public and private, secular and nondenominational, single sex and co-ed, from a few hundred to more than 40,000 students.

Joining me in my presentation today is Mr. Rick Musden, President of the Twin Cities Student Assembly, the student government of the University of Minnesota, a member school of N.S.A.

We welcome this opportunity to present the student view point on this proposed legislation.

In June 1972, Congress passed the landmark Title IX of the Education Amendments to prohibit sex discrimination in all educational institutions receiving federal funds. The regulations for Title IX went into effect July 21, 1975 after a 45 day Congressional review period.

The regulation requires schools to provide equal athletic opportunity for both sexes, that is to say the Department of H.E.W. will determine whether the selection of sports and the levels of competition effectively accommodates the interests and abilities of both sexes. Equal expenditures are not required.

The Tower Bill, S. 2106, would amend

Title IX by adding the following: "(6) This section shall not apply to an intercollegiate athletic activity insofar as such activity provides to the institution gross receipts or donations required by such institution to support that activity." We strongly believe that such an amendment to Title IX would help perpetuate the very inequities that the law was enacted to eliminate. Nowhere in education has discrimination been more pronounced and pervasive than in athletics. If only *surplus* revenues would be covered by title IX, the gross inequities in institutional subsidies to male and female intercollegiate athletics would continue. The Tower Bill would perpetuate the years of past discrimination in sports by allowing it to occur whenever money is involved. To exempt revenue producing athletics from coverage is to literally keep the ball out of the game for hundreds of thousands of students.

Learning to develop and enjoy one's physical capacities is essential to a person's health and well being. It is our belief that the focus of intercollegiate athletics should remain on individual participants in their role as college students. The primary justification of an athletic program in a college curriculum must be not its commercial benefit but its educational value. Athletics are an integral part of an institution's educational program. The courts have upheld this position in many rulings in Title VI, which Title IX is patterned after. Congress itself, in the general education Amendments of 1974, ordered H.E.W. to include provisions for athletics programs in its Title IX regulations.

In the long run, athletics programs in the future will be very different from what they are now, but the change is a necessary change in a system in which often 85% of the student body pays through activities fees, for the other 5% to develop their physical potentials. We cannot believe that the unamended Title IX regulations will make the colleges or universities move too fast in opening up opportunities for women in athletics. The regulations already exempt "contact sports" including not only football but also basketball, one of the most popular womens intercollegiate sports, and the most likely to gain media attention and generate revenue.

The ability of men's sports programs to generate revenue, when that actually occurs, is largely the function of the current and past financial subsidies provided to the men's teams by their institutions. Women's teams have not received such institutional support over the years and therefore have not had equal opportunity to develop the ability to generate revenue. In the few instances where female teams have received significant subsidies, spectator support and gate receipts have increased dramatically. But I must emphasize, that while spectator interest is to be sought, and encouraged, such commercial interest is not a legitimate primary purpose for intercollegiate athletics programs.

We wish to refer the Committee to a reprint from the September 1974 issue of Women Sports Magazine. The graph on page 37 points out the vast differences between the funding of women's and men's athletics budgets at several major universities for the school year 1974–75. Some of these schools are the exception, rather than rule, not because they discriminate against women, but because they run economically successful athletics programs. According to the National Collegiate Athletics Association's (NCAA) own figures, fewer than one-fifth (1/5) of their members clear more than expenses in more than one sport, and most bigtime athletics programs are in debt. The NCAA estimates the annual sports deficits of its own members at $50 million. The NCAA represents some 750 institutions with only about 100 offering extensive intercollegiate sports programs. Some 2,000 other institutions are not members and are even more likely to operate at a deficit. A majority of the nation's college sports teams are not producing revenue at all, but actually creating indebtedness. We believe that this is partly due to the fact that many programs are geared towards the spectator, not the participant.

The argument that women's sports programs will be hurt if the revenue producing sports are not exempted by the Tower amendment is simply not true. First "contact sports" are already protected by a specific exemption in the Title IX regulations. Second most of these so-called "revenue producing" teams are not producing revenue anyway. Third, the ones which are, contribute little or nothing of their budgets to women's sports programs. And we question the assumption that bringing women into a more equal position in college athletics will lower revenues. This is another case of telling women their labors have no monetary value.

Remember, that Billy Jean King, a woman, was in the forefront of making tennis a revenue producing professional sport. Many women are avid sports fans, I count myself among them, but what we want now is an opportunity to move from spectator to participant and to have the opportunity to cheer for members of both sexes. To oppose the Tower Bill is not to oppose football but rather to support the development of athletics programs for all students.

If the Tower Amendment is approved, an institution could have a substantial intercollegiate program for males, and none whatsoever for females. It could claim that a financial situation prevented the development of a women's program because most of its monies "were required . . . to support" the men's intercollegiate program—because the bill's language does not define the phrase what is "required . . . to support" nor name who determines what is "required."

The bill's language similarly fails to define "gross receipts" or "donations" so any institution's athletic program could claim exemption simply by charging a nominal spectator fee for all intercollegiate events.

Nor is there a definition of the term "intercollegiate athletic activity." It is not clear if "activity" means a team or a particular sport as a whole. If a man's basketball team were considered a separate activity from the woman's team, the woman's team could be denied travel funds, facilities, coaching, etc., by this amendment.

Enormous discrimination would be sanctioned by such linguistic ambiguities and should not be allowed.

This amendment would also exempt intercollegiate sports from the essential self evaluation requirement of the Title IX regulations. All athletic scholarships could be limited to men. Budgets for recruitment could be limited to men only. The ramifications of this amendment are endless but one thing is clear: Passage of Senate Bill No. 2106 would radically limit the opportunity for a majority of American students to participate in intercollegiate sports programs. The very ambiguity of the language could lead to new forms of discrimination.

Title IX will not ruin intercollegiate sports. Former Secretary Weinberger, in his June 26, 1975 testimony before the House Subcommittee on Post-Secondary Education, summarized the Title IX regulation in the following manner:

"With regard to the provision on athletics, first let us look at what the regulation does not require.

(1) It does not require equal aggregate expenditures for members of each sex or for male and female teams.

(2) It does not require two separate equal facilities for every (or any) sport.

(3) It does not require women to play football with men.

(4) It will not result in the dissolution of athletics programs for men.

(5) It does not require equal moneys for athletic scholarships.

(6) It does not require coeducational showers, lockerrooms and toilet facilities.

(7) It does not mean the National Collegiate Athletic Association (NCAA) will be dissolved and will have to fire all of its highly vocal staff.

The goal of the final regulation in the area of athletics is to secure equal opportunity for men and women while allowing schools and colleges flexibility in determining how best to provide such opportunity.

In the interest of time I would like the balance of the summary included in the record.

Where selection for a team is based on competitive skill, or the activity involved is a sport involving physical contact between players, then the college can provide separate teams for males and females or if they wish, they can have a single team open to both sexes. If separate teams are offered, a recipient institution may not discriminate, on the basis of sex, in providing necessary equipment or supplies, or in any other way. I emphasize again that equal aggregate expenditures are not required. In determining whether equal opportunities are available, such factors as the following, among others, will be considered: whether the available sports reflect the interests and abilities of both sexes; provision of supplies and equipment; game and practice schedules; travel and per diem allowances, etc.

Where a team in a non-contact sport, the membership of which is based on skill, is offered for members of one sex and not for members of the other sex, and athletic opportunities for the sex for whom no team is available have previously been limited, individuals of that sex must be allowed to compete for the team offered. However, this provision does not alter the responsibility which a college has with regard to the provision of equal opportunity."

Equal opportunity is the law of the land, and it should not be circumvented in order to protect the interests of a small minority. Equal educational opportunity will become a reality only if it is supported by strong and vigorously enforced federal legislation. Title IX is now just such a piece of legislation.

Mr. Chairman, members of the Committee, I thank you for the opportunity to present the views of my constituents, the American college students in this matter.

TESTIMONY OF THE TWIN CITIES STUDENT ASSEMBLY OF THE UNIVERSITY OF MINNESOTA CONCERNING THE TOWER AMENDMENT (S. 2106)

(Submitted by Rick Evans, Student Body President and Rick Marsden, Speaker)

Mr. Chairman, members of the Committee, the Twin Cities Student Assembly is grateful for the opportunity to submit written testimony on the Tower Bill (S. 2106) which would exempt intercollegiate athletics from the anti-discrimination provisions of Title IX of the Education Amendments Act of 1972.

The Twin Cities Student Assembly (hereinafter referred to as TCSA) which represents 47,000 students, is the elected student government of the University of Minnesota Twin Cities Campus. TCSA is duly recognized by the University of Minnesota Board of Regents as the student governmental body.

In April 1974, TCSA filed a Title IX complaint on it own behalf and on behalf of all students at the University of Minnesota. The complaint alleged that a widespread pattern of invidious discrimination against women students exists at the University of Minnesota throughout the University's various athletic programs. The complaint names the Board of Regents, the President, the six Vice Presidents and the Athletic Director of the University as respondents.

Ours is the third consecutive administration since the inception of the complaint. We believe that there has been an historical pattern of discrimination against woman in athletics at the University of Minnesota and at other American Colleges and Universities. We believe that this pattern continues largely unabated today, three years after the passage of the statutes banning discrimination on the basis of sex. We also believe that the opportunity to develop athletic potential and ability is an integral part of a college education. For these reasons, we are unequivocally opposed to the Tower Bill.

Congressional intent to include collegiate athletics under the coverage of Title IX was clearly shown in the Education Amendments of 1974, which ordered HEW to include, in developing the regulations for Title IX, provisions for athletic programs. Similarly, the concept of athletics as an integral part of an institution's educational mission has been affirmed by the courts in many Title VI rulings, upon which Title IX is based. In addition, Congressional hearings on the Title IX regulations, which included lengthy testimony on the subject of athletics, were held before those regulations were adopted by Congress. The Tower Bill, then, simply raises questions which have already been clearly answered.

Because the University of Minnesota is a land grant university, a member of the Big Ten and the third largest single campus student body in the United States, it plays a pivotal role in setting national athletic trends and examples. We would like to speak from that perspective. How would the Tower Bill affect us and students like us across the country?

Our Title IX complaint states that discrimination existing in athletics is part of an overall pattern of discrimination against women at the University of Minnesota. However, we concentrated on athletics because discrimination in this program was more pervasive and pronounced than in any other. Our complaint is quite lengthy, but because it examines in detail the type of discrimination that the Tower Bill would not only allow, but actually encourage, we would respectfully request that it be considered part of our testimony and included in the record as such.

We would like to point out that since our complaint was filed (and, we like to think, precisely because the complaint was filed) the situation at the University of Minnesota has improved somewhat. For instance, when the complaint was filed in the Spring of 1974, the entire budget for Women's Intercollegiate Athletic Programs was $27,988, as contrasted with a $2,253,468 budget for the Mens Intercollegiate Program. At that time, the amount allocated under "study skills" (the tutoring of male athletes to keep them academically eligible) was $40,500—a much greater expenditure than the total amount of finances allocated to all women's athletic programs for all purposes.

After the filing of the complaint, the womens budget increased almost eight times to a projected amount of $227,296.40 for 1974–75. A projection for 1975–76 shows a further increase to $257,926.16. While we view this as a step in the right direction, we feel that a substantial amount of progress has yet to be made. Therefore, our complaint still stands and is pending before the Office of Civil Rights of HEW.

We feel strongly that the small amount of progress made to date was accomplished largely because the University was threatened with the weight of the law. This is borne out in a "Report on Intercollegiate Athletics" dated December 14, 1973 which was prepared by Dr. Stanley Weinberg, Vice President for State and Federal Relations. In referring to student financial aid for the Women's Intercollegiate program, the report states, "We had not anticipated or desired to become involved with this item, but because of Title IX of the Education Amendments Act it looks like we have no choice in the matter." It should be pointed out that in 1973–74, the total amount of financial aid allocated to the men's program was $450,000. The $50,000 in financial aid directed to the women's program in the same year represented the first and only financial aid ever given to female athletes at the University of Minnesota. It is difficult for us to understand the University's reluctance to provide financial aid for female athletes. It is clear to us that if the requirements for eligibility are the same for women as for men, which they would be under Title IX, then there is no reason to deny female athletes financial aid. But the Tower Bill would grant license to continue not only this serious economic discrimination against women athletes, but other forms of discrimination as well.

The fact that many of the Bill's key phrases are undefined will allow for abuse in several areas. For instance, if it is left to the institution to determine what is "required" to support a specific activity, we may find that large amounts of money are "required" to provide jackets, rings and travel bags for male athletes, while female athletes are left to buy their own basic equipment. Consider the male and female swimming teams at the University of Minnesota. When we filed our complaint, men were given a practice suit, a meet suit, a travel bag and deck shoes. Women had to borrow and return meet suits and buy the rest of their equipment. Conceivably, many extras could be considered "necessary," so much so that the "surplus" (which would be covered by Title IX) mentioned by the Tower Bill would never be realized.

Under the Tower Bill, an institution could claim that an athletic facility was "required to support that activity," thus denying women access. Our complaint cites an excellent example. 90% of the cost of the Bierman Athletic Field Building on the University of Minnesota campus is financed through student fees. Until our complaint was filed, women were allocated only one of nine locker rooms and were allowed only minimal use of the building. Similarly, in another building, the male swim team had the use of a six lane pool during prime hours six days a week; women had the use of a four lane pool four days a week and the use tween 5:30–7:00 p.m., after the men had finished. As was the case with other sports, this precluded women who commuted and/or worked from practice.

The Tower Bill would also allow inequities in the allocation of athletic equipment to continue. We found that women at the University often had to buy their own equipment (sweatshirts, track shoes, stopwatches, handguards, gymnastic tape). At best, they were allowed to use equipment that the men's teams had discarded. At worst they were allowed to borrow the men's equipment when it was not in use.

Inequities in travel expenses, including meals and lodging, would also continue to flourish. To quote directly from our complaint concerning gymnastics and swimming: "Men are given $13 a day for food while traveling; women are given $5. Men are guaranteed their way paid to the Nationals if they place in the top three of a Big Ten event. Often if they place below that, their way is also paid. During the current year a woman placed first in a Big Ten event; she was given only food and hotel funds, so the Women's Swim Team sold T-shirts to raise $450 to send her and the coach to the national event. Three qualified women swimmers stayed home . . . While men gymnastic competitors usually fly—expenses paid—to out-of-state meets, the women must drive to such meets since no funds are available for airline flights."

Although we could cite many more specific examples of discrimination which would be perpetuated by the Tower Bill, we feel that many of the best arguments were made before its introduction.

It is obvious to us that the Tower Bill attempts to protect a small and ever-shrinking group: those who view collegiate athletics as a commercial rather than an educational venture. A vastly disproportionate hue and cry has been raised to the effect that Title IX will mean the end of big-time spectator sports. No evidence has been submitted to substantiate this claim. The regulations for Title IX take ample steps to provide protection for "contact sports." Additionally, equal aggregate expenditures and separate but equal facilities are not required for any or every sport.

We feel strongly that the strongest proponents of commercial intercollegiate athletics have lost their sense of perspective. Students across the country have begun to decry the big-time business (complete with corruption) approach to college sports. If athletics are to be considered truly a part of an over-all academic program, then the emphasis should be shifted back to providing athletic opportunities to all students, rather than to a few professional student athletes. It has not yet been driven home that very, very few sports at very few institutions are actually "revenue producing." Profit has become the scarce exception rather than the rule. At the University of Minnesota, athletic programs are paid for by student fees, male and female, and by general operating revenues, derived largely from male and female tax payers. It is our belief that Title IX will not threaten the quality and excitement of college athletic competition, rather, we feel that it is one very positive step in bringing reason and a sense of perspective back into intercollegiate athletics.

We feel that the Tower Bill will remove any incentive for equalizing the vast discrepancies in athletic opportunity for men and women at the University of Minnesota and around the country. We feel also that this bill would halt, if not undo, the progress that has been made in equalizing athletic opportunity for male and female students because of Title IX. These changes have been overwhelmingly applauded by male and female students alike. Because it is always easier for college administrators to maintain the status quo than it is to alter things, we doubt that change would have been possible without strong federal legislation.

Students consider Title IX their law—it is the first law designed to protect and defend the student interest in the area of sex discrimination. We would like to ask "Whose interests does the Tower Bill seek to serve?" We doubt that the answer is student's. The Tower Bill finds its roots in misconceptions and stereotypes about women and men concerning their abilities, their physical capacities, and their potential. Students at the University of Minnesota are proud of their athletes, both male and female, and their achievements in the field of competition. It is repugnant to our sense of justice and fair play that opportunity for development should be denied to one-half of our student population. The Tower Bill will not only prevent further progress in making equal opportunity for all students a reality; it will also undo much of what has already been accomplished.

Students at the University of Minnesota have a great stake in maintaining the integrity of Title IX. TCSA has voted unanimously on several occasions to pursue its complaint in order to try and maintain that integrity. Therefore, we feel compelled to oppose a bill which would perpetuate the injustices that Title IX was designed to eliminate. We strongly urge that it be defeated.

COMPLAINT

(Twin Cities Student Assembly as the student governmental body of the Twin Cities Campus of the University of Minnesota, and on behalf of all students upon the Twin Cities Campus of the University of Minnesota. Complainant, vs University of Minnesota Board of Regents: Elmer L. Andersen, Chairman; Fred A. Cina, Katheryn Vander Kooi, David Utz, Lauris Kreink, Wenda Moore, L. J. Lee, Lester A. Malkerson, George A. Rauenhorst, Neil C. Sherburne, Loanne R. Thrane, John A. Yngve, Regents, and University of Minnesota President Malcolm Moos; Vice President for Finance, Planning and Operations James F. Brinkerhoff, Vice President for Student Affairs Paul H. Cashman, Vice President for Administration Stanley B. Kegler; Acting Vice President for Academic Administration Harold Chase; Vice President for State and Federal Relations Stanley J. Wenberg; and Athletic Director Paul Giel, Respondents.)

I. JURISDICTION

A. The action herein is brought under:

1. Title IX of the Education Amendments of 1972, P.L. 92–318, 92nd Cong., S. 659, June 23, 1972, prohibiting discrimination on the basis of sex in all federally-assisted education programs.

2. The Civil Rights Act of 1962 as amended, 42 U.S.C. 2000.

3. Executive Order N. 11246 signed September 24, 1965, amended to add sex as a prohibitive basis of discrimination on October 13, 1968, with additional amendments October 13, 1967 and August 8, 1969 prohibiting discrimination in employment, hiring, salaries, etc. on the basis of sex and/or other prohibited criteria in government employment and by government contractors and sub-contractors.

4. The Fifth Amendment to the United States Constitution guaranteeing due process of the laws.

5. The Fourteenth Amendment to the United States Constitution guaranteeing due process and equal protection of the laws.

6. 42 U.S.C. 1983, providing that "all persons under color of . . . custom, or usage of any state or territory . . . who deprive another of civil rights shall be liable to the party injured."

B. Enforcement Responsibility: The Office of Civil Rights of the Department of Health, Education and Welfare has enforcement responsibility relative to the above.

II. PARTIES

A. Complainant

The Twin Cities Student Assembly brings the complaint herein on its own behalf as the student governmental body of the Twin Cities Campus of the University of Minnesota and on behalf of all students upon said campus. The Twin Cities Student Assembly constitutes the representative student government for the Twin Cities Campus of the University of Minnesota. Said Twin Cities Student Assembly serves as the governmental arm of the student body as well as the student membership upon the University Senate and has succeeded to those functions previously engaged in on behalf of the student body by the Minnesota Student Association. The Twin Cities Student Assembly is recognized by the University of Minnesota Board of Regents as the student governmental body.

Kathy Kelly is a former student body President of the Twin Cities Campus of the University of Minnesota (President of the Minnesota Student Association 1973–74). She is a woman student at the University of Minnesota and is personally adversely affected by the discriminatory practices on the basis of sex by the University of Minnesota relative to athletics.

The current full-time student enrollment at the University of Minnesota is approximately 40,000, each of whom is a member of the student governmental system of the University of Minnesota by virtue of fee-paying status. Women constitute 42.52% of the undergraduate student body. (See Appendix A for breakdown of enrollment.)

B. Respondents

Respondents are the University of Minnesota as an institution and each of the regents thereof named in their individual capacities. Said regents under authority specified by the Constitution of the State of Minnesota constitute the governing body of the University of Minnesota and are ultimately responsible for the discriminatory practices and omissions set forth herein. The University of Minnesota as a public institution of higher education is specifically included in and not exempt from the operation of the authority cited in Section 1 above. Additional respondents are the President and Vice Presidents and the athletic director of the University of Minnesota.

III. PATTERNS OF DISCRIMINATION

A large-scale pattern of invidious discrimination exists against women students at the University of Minnesota throughout the University's various athletic programs. Such discrimination permeates the allotment of funding, equipment, facilities, space, time, recruitment, scholarships, financial aid, and staff for the respective male and female athletic programs.

This pattern of sex discrimination existing in athletics is part of an overall pattern of discrimination against women at the University of Minnesota. Examples of this overall pattern of discrimination can be found in the composition of the faculty, salaries and promotional limitation of women faculty members, and the composition and salaries within the University of Minnesota Civil Service.

According to a recent study, women made up only 5.5% of the faculty teaching co-educational classes within the College of Liberal Arts, the only college in which women are represented to any great extent other than in traditional "women's fields", i.e., Nursing, Home Economics. This was less than one-third the national percentage of women earning Ph.D.'s in the various disciplines of the College of Liberal Arts from 1960 to 1970.

Available statistics show that on the average, the University of Minnesota pays women substantially less than men holding the same academic positions. Faculty appointments for October 1972 through May 1973 as listed on the Regents' dockets included:

Male: 9 professors, 15 associate professors, 32 "other" appointments.

Female: 1 professor, 1 associate professor, 3 "other" appointments.

Civil Service Employees: 23% of males earn more than $1000 per mo., 3% of females earn more than $1000 per mo., 10% of females earn less than $400 per mo.. 2% of males earn less than $500 per mo. Total Civil Service Employees: 66% female, 34% male.

IV. SPECIFIC DISCRIMINATION AGAINST WOMEN IN ATHLETICS

A. Athletic practice and training facilities for women at the University of Minnesota are inadequate in space, equipment and quality. Facilities available to both men and women are frequently available to women only during inconvenient hours and for short periods. Examples.

1. Bierman Athletic Field Building: Although 90% of the cost of the Bierman Building is being paid for by student fees (despite the fact that a 1973 Student Life Studies Poll showed that 74% of the University students were opposed to the mandatory fee for this purpose), women, for the most part, have minimal use of the building and such use is confined to the gymnasium, a commons room, a class room and a small locker room. The only locker room for women is designed primarily to service outdoor activities and is grossly inadequate. Both of the building's saunas are reserved for males only. Men athletes, staff and officials have a total of eight separate locker rooms in the Bierman Building while women athletes and staff share one very small locker room.

2. Locker Facilities: The number of locker facilities for men students at Cooke Hall and the Bierman Building total 3,076, while the total number of lockers for women is only 504. Thus, women have only 14% of the locker facilities at these locations. The women's locker facilities in general are considerably smaller than the locker facilities available for men.

B. There is no financial assistance program to aid women participating in athletics at the University of Minnesota. During 1972–73 the Williams Scholarship program provided $82,090 to assist male participants in athletics. Williams Scholarships were directed exclusively to males in the amount of $95,000 during 1973–74. No Williams Scholarship money is directed to women. Other student athletic aid to men in 1972–73 totaled $308,566 and during 1973–74 is estimated at $355,000. During neither period were any funds in the form of scholarship monies or financial assistance directed to female athletic participants.

C. There are no full-time coaches assigned to women's athletics. All coaching is done by teaching assistants and part-time instructors paid on an hourly basis, and by unpaid volunteers from the School of Physical Education. The sporadic coaching availability together with a high turnover of coaches makes a cohesive program impossible. By comparison, in men's sports there are the equivalent of 23.3 full-time coaching positions.

D. The budget for trainers is disproportionate, with $35,000 directed to trainers of male athletes while only $1200 is spent on trainers assigned to women's athletics. Three well-equipped training facilities are available for men. Only one small training facility is available for usage by women.

E. The amount of $14,200 is budgeted for women's athletics for use in 1973–74 covering total expenditures in the categories of equipment, supplies, food and lodging, entry fees, uniforms and travel. In contrast, $252,015 is budgeted for travel alone for men's athletics for 1973–74.

F. There is no program of active recruiting for women's athletics and no money is allowed for such recruiting. In contrast, a rather extensive recruiting program for men's athletics exists. Further, there is only negligible public information and publicity provided by the University for women's athletic programs, while it directs considerable attention to the provision of public information and publicity relating to men's athletic programs.

G. The women's athletic budget for 1973–74 was originally set at 27,988. The donation of the proceeds of a professional athletic contest raised the budget to $34,970. The total budget for all men's sports is $2,253,470, of which $1,426,870 is directed to football and basketball, and $826,600 is directed toward non-revenue sports.

H. The men's athletic budget includes $40,500 for "study skills." This category covers the tutoring of athletes so that they will stay academically eligible. The expenditure for this purpose is greater than the total amount of finances directed to all women's athletic programs for all purposes. No expenditures are provided for women's "study skills" or tutoring.

I. The actual expenditures for various classifications of women's and men's intercollegiate athletics for 1972–73 are printed below. During this period expenditures relating to women's athletics constituted less than 1% of the funds directed to men's athletics.

Expenditures by class	Men's actual 1972–73	Women's actual 1972–73
Salaries and wages	$741, 405	$5, 907. 50
Team travel	244, 764	10, 000. 00
Staff benefits	91, 621	0
Student aid (Williams Scholarships)	82, 090	0
Student aid (other)	308, 566	0
Public relations and recruiting	118, 941	0
Buildings and fields	146, 262	0
Other expenses (laundry, team equipment and supplies, medical expenses, insurance, etc.)	475, 679	0
Total	2, 209, 328	15, 907. 50

J. No budget for administration had been provided for women athletics through 1972–1973. Currently, there is a two-thirds-time secretary assigned to the women's athletic program. This lack of administrative resources severely affects coordination and planning. The men's athletic department has a paid administrative staff.

K. It is common practice for participants in women's varsity sports to pay for their own uniforms and travel. This is not the case for men athletes.

L. The discrimination as set forth above permeates all University sports. Examples of such discrimination against women athletes are specified below for swimming, track, tennis and gymnastics:

1. Swimming: There are major differences in treatment between the men's and women's intercollegiate swim teams. Men have the use of a six-lane pool during prime hours six days a week; women use a 4½ lane pool four days a week; on the fifth day they may use the six-lane pool between 5:30–7:00 p.m. when the men have finished. These limitations make it extremely difficult for women who commute and/or work evenings to practice. The men's pool is furnished with lane rope, four pace clocks, penants (necessary for backstrokers), starting blocks, and three record boards. Women have none of this equipment which is essential for training. Men are each given a locker; thirty women (the entire team) share two lockers. Men are given a practice suit and a meet suit; women are loaned a meet suit which must be returned at the end of the year and must buy one of two practice suits at $12 apiece. Men are given a T-shirt; women must buy their own at $2.50. Men are given a travel bag; women must buy their own at a cost between $7.00–$20.00. Men are given $13 a day for food while traveling; Women are given $5.00. Men are guaranteed their way paid to the Nationals if they place in the top three of a Big Ten event. Often if they place below that, their way is also paid. During the current year a woman placed first in a Big Ten event; she was given only food and hotel funds, so the Women's Swim Team sold T-shirts to raise $450 to send her and the coach to the national event. Three qualified women swimmers stayed home. Men are given awards such as letter jackets and class rings; women if they qualify may pay $26 to have a team jacket. The women's coach is paid less than the minimum wage for coaching while the men's swimming coach receives a far more sufficient salary. Men officials are given free parking on campus. Women officials are not. (For further detailed comparison see Appendix 3.)

2. Track: Men have exclusive use of the Field House at Cooke Hall during 2:30 to 4:30 p.m. five days a week. The women's track team utilizes the Cooke Hall facilities during this period only with the permission of the men's track coach. Men are given the use of sweat suits, socks, shoes, T-shirts and shorts for practice as well as a warm-up uniform for meets. Women must furnish their own articles of attire for practice. They are, however, given a uniform to utilize for meets which must be returned. Track shoes, which can be checked out by women for use in meets, are not for practice. The men's track team owns one javelin, two indoor and two outdoor shots, four discus and five stopwatches. The women's track team owns none of its own equipment. They can, however, check out certain equipment as available from the Department of Physical Education for limited time periods. Women track participants practice at Cooke Hall but equipment check-out is at the Norris Gymnasium. Men have a budget for travel to out-of-town meets; women have very limited finances for this purpose.

Financial aid is available for track participants who are male but not for females. Outstanding male track participants are given various awards such as jackets and blankets while women are given no such awards. There is a paid coach and two part-time assistant coaches assigned to men's track. Women's track has the services of one part-time coach for spring quarter only. (For further comparison see Appendix C.)

3. Tennis: Men are given greater use of outdoor tennis facilities than are women tennis participants. Men are given warm-up jackets and pants, shorts and shirts for practices and games and three pair of shoes each. Women receive only windbreakers. Rackets are supplied courtesy of racket manufacturers for men but not for women. A paid coach supervises tennis for men. There is no paid coach for women. However, in 1973–74 $300 is being paid to the assistant tennis coach for women while the head coach engages in coaching as an overload activity without additional pay. (See Appendix D.)

4. Gymnastics: Unlike the men's gymnastic team, the participants in women's gymnastics do not have a permanent area in which to work. They must set up and take down each day all equipment. This consumes at least one-half hour of practice time. The men's equipment is always set up for use. The male participants have work-out uniforms provided and cleaned for them together with shoes, handguards and tape. Women must buy their own leotards for competition. Tape, which is essential in gymnastics, is normally provided to both men and women, although the women have had trouble getting sufficient tape this year and have often been forced to use leftovers from other teams. The men's gymnastic team has a floor exercise mat; the women's team does not but borrows and utilizes the men's mat when it is not otherwise in use. While men gymnastic competitors usually fly—expenses paid—to out-of-state meets, the women must drive to such meets since no funds are available for airline flights. Men receive $13 per day out-of-state allowance per competitor; women receive $5 per day out-of-state allowance per competitor. Two full scholarships are provided for male participants in gymnastics; no such scholarships are provided for women. Men get credit for competing in varsity gymnastics; no such credit is available for women participants. (For further comparison, see Appendix E.)

5. Other Sports: Other sports follow a similar pattern. The sports available to women at the University of Minnesota in addition to track, tennis, swimming and gymnastics include basketball, field hockey, golf, softball and volleyball. Women are not currently participating in other sports on a varsity basis.

V. UNIVERSITY POLICIES IGNORED

A. Through their discriminatory actions, respondents have ignored their own applicable policies. While purporting to provide equal treatment of all persons regardless of sex and specifically purporting to provide equal athletic opportunities, respondents have, in fact, as set forth above, engaged in a pattern of discrimination applied on the basis of sex. In doing so, they are in violation of their own University policies and guidelines:

1. The Board of Regents policy on human rights provides:

"The Board of Regents has committed itself and the University of Minnesota to the policy that there shall be no discrimination in the treatment of persons because of race, creed, color, sex or national origin. This is a guiding policy in the admission of students in all colleges and in their academc pursuits. It is also to be a governing principle in University-owned and University-approved housing, in food services, student unions, extracurricular activities, and all other student and staff services. This policy must also be adhered to in the employment of students either by the University or by outsiders through the University and in the employment of faculty and civil service staff."

2. The policy statement of the Assembly Committee on Intercollegiate Athletics was approved by the University Senate on December 10, 1959. The policy statement specifically provides that participation in intercollegiate athletics shall be available to qualified students and that all qualified students shall be given every opportunity to develop their athletic aptitudes and skills. It further provides that financial assistance and educational opportunities for such athletics will be available. The applicability of this statement and policy to both men's athletics and women's athletics was affirmed in 1973 by the Assembly Committee on Intercollegiate Athletics. (See Appendix F.)

3. The University of Minnesota's Assembly Committee on Intercollegiate Athletics adopted the following objectives of Intercollegiate Athletics for Women:

1. To afford the highly skilled woman student with the opportunity to attain the highest level of performance of which she is capable.

2. To offer a well-rounded program of high quality in competitive sports to meet the diverse needs of women athletes, e.g., aquatics, gymnastics, individual and team sports.

3. To provide the opportunity for participants to become physically conditioned and trained for competition and to experience the value derived from such competition.

4. To provide competitive experiences for women with athletic prowess (including physical education majors and other students who wish to pursue sport as a profession).

5. To provide opportunities for participation in highly organized contests governed by acceptable standards and to learn to engage in and to conduct such events appropriately."

The present programs do not meet these objectives.

VI. ADVERSE EFFECTS OF UNIVERSITY DISCRIMINATORY ATHLETIC POLICY

A. Women students are not provided with constructive role models in areas related to athletic achievement, thus contributing to a lack of motivation and self-esteem.

B. Through its lack of attention to women's athletic programs, respondents bear a major responsibility for the neglect of such programs in elementary and secondary schools throughout Minnesota.

C. Through failure to adequately train women in areas of coaching, athletic training and athletic management, respondents have contributed to a state-wide shortage of women available to teach, train and coach athletics in schools, institutions, community centers, church groups, and community recreational programs.

D. Such discrimination by the University of Minnesota has created a community atmosphere wherein the press and other media direct little or no attention to women's athletics.

E. The University of Minnesota, as the third largest single campus student body in the United States, plays a pivotal role in setting national athletic trends and examples.

F. Through its pattern of discrimination respondents fail to provide an opportunity for women students to pursue physical conditioning and training and to derive the various benefits available from meaningful athletic programs.

G. This pattern of discrimination tends to perpetuate various misconceptions and stereotypes about women concerning their abilities, theiy physical capacities and their aptitudes.

VII. UNIVERSITY OF MINNESOTA AS RECIPIENT OF FEDERAL FUNDS

The University of Minnesota is a recipient of federal funding in areas relating to research, facilities, scholarship assistance, academic development, personnel and general supportive services. Such aid in recent years has totaled over $50 million dollars each year.

VIII. RELIEF DEMANDED

The following appropriate relief is herein demanded:

A. Immediate cessation of all federal funding directed to the University of Minnesota, subject to reinstatement upon:

1. The eradication of all discriminatory athletic practices; or

2. Substantial progress toward and a commitment to such eradication and adoption by respondents of an affirmative action program as set out in Section IX of this complaint.

B. On-site hearings and inspection at the Twin Cities Campus of the University of Minnesota by appointed officials of the Office of Civil Rights.

C. Availability of an official of the Office of Civil Rights or Equal Employment Opportunities Commission for at least three days at the Twin Cities Campus of the University of Minnesota, said visit to be publicly announced at least one week in advance, for the purpose of taking complaints and statements from individuals who allege sex discrimination in the University athletic programs.

D. Declaration that the University of Minnesota has been guilty of unlawful sex discrimination.

E. Referral of the matters contained herein to the Department of Justice for the bringing of an appropriate civil and/or criminal action against these respondents if prompt compliance is not forthcoming.

F. Such other and further relief as shall serve the interests of justice.

IX. AFFIRMATIVE ACTION PROGRAM

The Affirmative Action Program should include but not be limited to:

A. An immediate end to all sexually discriminatory rules, regulations and practices.

B. A commitment whereby all funds directed to athletic programs by or through the University, together with all profits derived by revenue-producing sports, shall be distributed respectively to non-revenue-producing men's athletics and non-revenue-producing women's athletics in proportion to the sex ratio of the student body. For the purposes of this section, a men's, women's, and coeducational sport which derives income in excess of its expenses shall be considered a revenue-producing sport, and a non-revenue-producing sport shall be one which does not produce such profit. (The only current revenue-producing sports are men's football and men's basketball.)

C. Achievement of equality of opportunity for women to participate in all varsity athletics:

1. On a team or squad consisting of female participants which is funded and equipped on a basis of an equivalent percentage of male/female student enrollment by total athletic budget, and for which equivalent facilities and coaching talent are made available.

D. Development of a meaningful program of financial assistance and scholarships for prospective women athletes, including the utilization of Williams Fund money.

E. Achievement of a balanced athletic program which will provide students of each sex an equal opportunity to participate.

F. Provision for usage of existing athletic or supportive facilities at the University by women students on a basis equivalent to usage by men students.

G. Staffing of paid positions within the respective field of women's athletics, salaried at a level consistent with the principle of equal pay for equal work.

H. Provision for compensatory payments to individual staff members in the women's athletic program to adjust for insufficient or non-existent salaries in the past.

I. Placement in an escrow account of all funds derived by the University of Minnesota from ticket sales and gate admissions for any and all athletic events with disbursement made only in conformity with this Affirmative Action Program.

J. Suspension, until the above requirements are met, of the collection from women students at the University of Minnesota of that portion of student fees and/or tuition expenses as would otherwise be directed to athletic programs and/or facilities.

K. Provision for payment of damages to individual students who have been injured through the University's discriminatory practices in athletics on the basis of sex, to be accomplished through the creation of a fund for this purpose which shall be administered and distributed by the Twin Cities Student Assembly.

Respectfully submitted,
LARRY B. LEVENTHAL,
Attorney for Complainants.

APPENDIX A

UNDERGRADUATE MALE-FEMALE ENROLLMENT, FALL QUARTER, 1973

College	Men	Women	Total
Agriculture	1,013	295	1,308
Biological sciences	336	130	466
Business administration	1,179	147	1,326
Dental hygiene	3	163	166
Education	894	1,639	2,533
Foresry	477	47	524
General college	1,488	1,017	2,505
Home economics	40	1,213	1,253
Liberal arts	8,569	7,588	16,157
Medical technology	10	119	129
Mortuary science	80	4	84
Nursing	20	361	381
Occupational therapy	4	58	62
Pharmacy	272	108	380
Physical therapy	13	45	58
Public health	162	91	253
Technology	3,423	239	3,662
University college	157	153	310
Total	18,140	13,417	31,557

Note: Percentage of women students: 42.52 percent.

APPENDIX B

DIFFERENCES BETWEEN MEN'S AND WOMEN'S SWIMMING TEAMS AT THE U. OF M.

Facilities

Men have two 6 lane pools prime hours 6 days a week, as compared to the women's one pool 4½ lanes wide 4 days a week and on the fifth day the large pool when the men are done. 5:30–7:00 pm which makes it very hard for the women who commute and work in the evenings.

Men's pool has lane ropes, 4 pace clocks, pennants for backstrokers, starting blocks and 3 record boards. Women have NONE of these which are essential for training.

Men are each given a locker and towel service. Women students share two lockers for the entire team, which was thirty this year.

The pool at Norris does not have sufficient hair dryers.

Uniforms

Men are given two swim suits, one a practice suit and the other a meet suit, which they keep. The women have the use of one meet suit and return it as soon as the season is over. The women usually have to buy one or two other suits to wear at practice and meets. They cost $12.00 each.

Men are given a very nice T-shirt while the women buy their own for $2.50.

Men are given a travel bag to use while the women have none. They buy their own at a cost of $7.00–$20.00.

Men are usually given deck shoes to prevent slipping on the deck as well as for warmth while the women are given none. (This year the men did not receive them.)

Travel benefits

Men are given $13.00 a day for food while the women are given $5.00 a day. Men have a much bigger budget to schedule out of town meets. Men have their way paid to Nationals if they place in the top 3 at Big Ten Championships. This year one male swimmer placed second and another one placed sixth both had their way paid to Long Beach, Cal. for the Nationals.

One woman won an event at Big Ten and placed second in another, a different woman placed 7th. The women were only allotted food and hotel funds which were not enough for all those who qualified so three women stayed home and the one woman and the coach raised the money to make up the $450.00 difference.

Men fly to meets in Michigan while the women do not go at all because of a limited budget.

Financial aide

Men are give athletic scholarships, while women students have none. Those men on tenders are also given tickets to sports events, women receive none.

Other awards

Outstanding men athletes are given letter jackets, class rings, etc. Women are given nothing like this so members of this year's team have each paid (only those who could afford to do so; 10 girls) $26.00 to have a team jacket.

Coaches salary

The Men's coach is paid considerably more than the women's coach. (Who does not make even a minimum wage.)

Officials benefits

The men are given $45.00 to run a meet while the women are given $30.00 to pay for the same duties.

The men's officials are given a parking space on campus while this same privilege is not awarded to women's officials.

APPENDIX C

DIFFERENCES BETWEEN THE MEN'S AND WOMEN'S INDOOR TRACK TEAM AT THE U. OF M.

Facilities

Men have the exclusive use of the field house track adjacent to Cooke Hall during 2:30-4:30 p.m., 5 days a week. The women have no exclusively scheduled track time but the men's coach, has consented to letting the women's track team use the track between 2:30 and 4:30 p.m. same as the men.

Uniforms

Men are given the use of sweat suits, socks, shoes, t-shirts, and shorts for practice. They are given a special University warm-up for meets. All of these articles of clothing are to be returned. Women must furnish their own sweat suits, socks, shoes, and shorts and shirts for practice. They are given a special uniform (shorts, shirt and warm-up) for meets. This uniform must be returned. They can check out track shoes for competition only. These can be worn only for meets, not for practice.

Equipment

The Men's intercollegiate team owns 1 javelin, 2 indoor and 2 outdoor shots, 4 discuss and 5 stop watches. The women own none of their own equipment. They have to check it out from the Dept. of Physical Ed. It can be checked out for limited time periods. No over night check outs except on weekends. The women had practice at Cooke and the equipment check out was at Norris.

Travel benefits

Men have a large enough budget to schedule out of town meets. Women have a very limited budget which does not provide for many meets either home or out of town.

Financial aide

Athletic scholarships are available to men and not to women athletes.

Other awards

Men athletes are awarded letter jackets; women are not.

Coaching

Men have a paid coach and two paid part time assistant coaches. Women have a part time coach for spring quarter only.

APPENDIX D

1973-74 INTERCOLLEGIATE TENNIS COMPARISON

Items supplied by the University of Minnesota	Women	Men
Equipment:		
Balls	Yes	Yes.
Rackets	No	Yes.[1]
Strings	No	No.
Clothes:		
Outer	Windbreakers	Warm-up Jackets and pants.
Inner	No	Shorts and Shirts for practices and games.
Shoes	No	3 pair per player.
Facilities:		
Indoor fall	8 to 10 a.m., HF; 9–11 Th (6 hours).	3–5 p.m., MTWThF (10 hours).
Winter	Same—6 hours	Same—10 hours.
Spring	1–3 p.m., MWF 4–6 p.m., TTh (10 hours).	3–5 p.m., MWF 2–4 p.m. TTh (10 hours).
Outdoor spring.	2–4 p.m. MWF, 3–5 p.m., TTh (10 hours) 4tn Street Courts.[2]	3–5 p.m. M–F (10 hours) Bierman Courts.[2]
Coach's salaries	0[3]	$4,000.

[1] Rackets are supplied courtesy of racket manufacturers (Wilson and Davis).

[2] The conditions of the courts vary considerably—the 4th Street courts are in need of resurfacing.

[3] In 1973-74 $300 was paid to the Assistant Coach for in the spring. The Head Coach coaches on an overload basis.

APPENDIX E

WOMEN'S GYMNASTIC TEAM

Uniforms and equipment

1. Women had to buy their own leotards for competition because the University didn't have enough for a team.

2. The men have workout uniforms provided and cleaned for them.

3. Men have shoes, hand guards and tapes provided for them. Women had a lot of trouble getting sufficient tape this year. Tape is essential in gymnastics. Often they had to use leftovers from other teams and it wasn't the right kind.

4. Men have a floor exercise mat—women can use only when the men aren't using it.

5. Women need tape players for routines.

Facilities

1. Women don't have a permanent area to work in. They set up and take down *all* the equipment every day, which takes at least ½ hour of practice time. Men's equipment is always set up for use.

2. Women have no open workout time. Men can workout in their area whenever it is available without classes and on weekends.

3. Women have insufficient training facilities for athletic injuries. One part time women trainer for all the women's teams. Men get use of all the training facilities at Bierman. Whirlpools, etc. and the women are scheduled around the men's teams.

Transportation

1. Women travel by University car. A University employee must drive and only two women on the team were employed by the University. Every away meet they had to always drive then compete.

2. There is a $13/day out of state allowance per male competitor. We had $5/day for our regional meet in Missouri.

3. Men fly to Chicago and Indiana, etc. but women had to drive to Springfield, Missouri—crammed into two cars.

Recruiting

1. Women have no funds for recruiting—men send out hundreds of letters, etc. to local talent.

2. Men have two full scholarships—women have none.

3. Men get credit for competing—1 credit freshman year; 1 credit varsity.

Publicity

Very psychologically damaging to the team.

1. Women not included in "Sports Shorts".

2. No advance publicity or results.

3. State results (took 2nd in state) not published until we had *left* for regionals.

4. Articles always smaller than men's—no pictures.

APPENDIX F

POLICY ON INTERCOLLEGIATE ATHLETICS AS APPROVED BY THE UNIVERSITY SENATE ON DECEMBER 10, 1959

"Long experience at the University of Minnesota has amply demonstrated that intercollegiate athletics are a challenging and valuable part of the total enterprise of the University. Through the years intercollegiate athletics have provided thousands of young men opportunities to develop their physical skills, to experience the values of dedication to a purpose, of perseverance and of team effort for the attainment of a common goal. Participation in intercollegiate athletics has enriched the educational experience and the later lives of these men.

In a larger sphere, intercollegiate athletics have served as a focal point and desirable bond of common interest among students, faculty, alumni, and friends of the University, and the citizen-constituency of the institution.

Deeply conscious of these tangible values, the University will continue its policy of whole-hearted support of a program of intercollegiate athletics, which, through excellence in all phases, will maintain the high standards which Minnesota teams have reached in the past.

The University welcomes opportunities for cooperation with other educational institutions and high schools in the development of sound programs of sports for the young people of this state.

To integrate the role of intercollegiate athletics with other activities and purposes of the University and of its student body, the University desires to maintain a strong and successful program of intercollegiate athletics in accord with these principles:

1. Qualified students are encouraged to participate in the program of intercollegiate athletics.

2. To protect the collegiate character of athletic activities, participation in intercollegiate athletics is restricted to regularly enrolled, bona-fide students who meet the prescribed standards of admission to and continuation in established curricula and who are pursuing a regular academic program of study. In keeping with this concept, the academic work of the student takes precedence over athletic activity.

3. Within the framework of their academic obligations and over-all educational objectives as bona-fide students, our student-athletes will be given every opportunity to develop their athletic aptitudes and skills and their good sportsmanship in competition, under the guidance of a competent staff in the Dept. of Physical Education and Athletics for Men, and through maintenance and improvement of its facilities.

4. The University will continue to provide, as athletic income and other funds permit, and as authorized by the Big Ten Conference, financial assistance for the education of students who can contribute to the success of our teams and at the same time meet the prescribed scholastic standards.

5. Minnesota teams have always been truly representative of the student body, the University and the State of Minnesota. While the University welcomes all qualified students who wish to avail themselves of the educational opportunities offered by Minnesota, it is its policy to seek the enrollment of student-athletes primarily from those areas which supply the majority of the student body.

6. In scheduling intercollegiate competition, the University is interested in a reasonable number of in-season contests, primarily with members of the Big Ten Conference and other associations to which it belongs, or which adhere to similar standards of athletic conduct and policy.

7. The University reaffirms adherence to the principle of faculty control over intercollegiate athletic policy; it will continue to work, within the Big Ten Conference and the National Collegiate Athletic Association, for the development of sound rules for conduct of athletics which conform to the dignity and mission of a university, with the requirement that its athletic staff and its students will adhere strictly to both the letter and the spirit of these rules to the end that Minnesota athletics may exemplify the integrity of the University and deserve the confidence and whole-hearted support of all concerned."

(Written Statement of Dr. Phyllis Zetlin Boring on S. 2106, Senate Subcommittee on Education, Labor and Public Welfare Committee)

EQUAL OPPORTUNITY VERSUS INTERCOLLEGIATE FOOTBALL

Discrimination against women in intercollegiate athletics has been so blatant that there should be no need to convince anyone of its existence. Until quite recently many institutions allocated 100 times as much budget for the men's program as for the women's; one major mid-Western university, for example, reputedly had a $2,400,000 budget for men and $4,500 for women in 1973—or a program 99.8% male. Because our colleges and universities offered no meaningful competition for female athletes, even Olympic gold-medal winners were forced into retirement at age 17. While countless thousands of young men have been able to receive their college educations thanks to athletic scholarship funds, women were completely shut out of that opportunity. Rutgers University, where I teach, has a very progressive attitude about women's sports and, due to the efforts of a number of concerned individuals, our women's intercollegiate athletic program is off to a promising start. But we, like everyone else, have enormous inequities to overcome. For example: in 1972-73 our intercollegiate program served over 800 men and only 5 women; in 1973-74, the participants in women's softball, tennis and track found when they went for practice and games at the stadium that all of the stadium locker rooms were for men only; in 1974-75, when the official women's intercollegiate athletic program for the university was launched with seven sports, only one woman was awarded an athletic scholarship. In other words, we still have a long way to go to reach anything even remotely resembling equality of opportunity—but the NCAA would like to go back to the good old days pre-Title IX when sex discrimination was legal. Apparently, in the land of freedom and opportunity, we must choose between equal opportunity and intercollegiate football.

In its origins, the NCAA was founded to protect intercollegiate sports from over-commercialism—in other words, to retain the educational aspects of athletics in the educational setting. It is quite ironic that the major argument presented for barring women from full participation in intercollegiate athletics is a purely commercial one—it would cost too much to include women and we're having enough trouble making ends meet as it is. Such an argument raises serious concerns on at least two grounds. In the industrial setting, would we allow a company to ignore the Equal Pay Act because raising the salaries of their women employees to parity would cut into their profits? Probably not. We would say that a commercial enterprise was not within its legal rights to enhance its earnings by exploiting a particular class of workers. Why then should we allow the sports programs of educational institutions to discriminate? We might also note that if the primary concern and function of an intercollegiate sports program is to make money, such a program is a professional one, not an educational one. On campus, whenever anyone criticizes intercollegiate athletics for alleged over-commercialism, exploitation, corruption, anti-intellectualism, or whatever, the defense is always (1) that intercollegiate athletics provides an educational opportunity at the skill level of the interested students in the same way that the glee club, orchestra, or theater group does in other areas of activity, (2) that the program exists to serve the student body, and (3) that the recipients of athletic scholarship funds are scholar-athletes. The NCAA and the athletic establishment cannot have it both ways. Either the sports program is educational, existing to serve our scholar-athletes, in which case the program must provide equal educational opportunity for both sexes, or the program is primarily commercial, not educational, and has no place on the college campus.

In amendments previously introduced in Congress, two approaches have been taken to exempt intercollegiate athletics from the coverage of Title IX. They were the proposed exclusion of revenue-producing sports and the proposed exclusion of profit-making sports. Both of these approaches also raise interesting questions. If intercollegiate golf, tennis, swimming and track—so-called minor sports—produce no revenue, there will be no discrimination in those areas. Women can have access to these limited funds and facilities, but not a crack at the enormous budget allocated to the major sports. But what if the men's teams begin to sell tickets for golf, tennis, swimming and track? If the minor-sports begin to produce revenue, however limited, can we then deny women access to all athletic programs? If the glee club, the orchestra, and the theater group also sell tickets and produce revenue can we not also logically exempt those activities from equal opportunity legislation on the grounds that they make money? Perhaps the most extraordinary aspect of the revenue-producing argument is that it presupposes the liability of women's sports to attract a paying audience. If we put some money into women's sports to develop them, is it not possible that people would come to watch women's basketball, for example? We do, in fact, already have ample evidence that such is the case, given the thousands of people who paid to see women's intercollegiate teams compete in Madison Square Garden last spring.

The profit-making argument is equally interesting. Only a handful of intercollegiate athletic programs in this country actually make a profit. Most sports programs are deficit-producing. Even the NCAA finally had to admit this and call an emergency meeting to discuss ways of cutting costs; quite predictably, they could not agree to very effective ways of cutting football costs, although that's where the majority of the budget goes, so they cheerfully sliced off the minor sports. (Women, of course, are to have a crack at the minor-sports piece of the pie, which is now smaller than ever, while being exempted from the major-sports budget, which is almost as fat as before.) But even if we were to grant that certain sports at certain universities apparently produce a profit, we would have to examine the athletic budget very carefully to determine if this is actually so. I invite you to consider the following questions: 1) *Is the athletic program subsidized through mandatory student fees?* Such fees are paid by women as well as men. At Rutgers the amount women students pay in mandatory fees still exceeds the total budget for the women's intercollegiate athletic program. I have served on two university committees that have discussed elimination of the mandatory fee, replacing it with a voluntary purchase of a student pass to games; such suggestions put fear and trembling into the hearts of even the most ardent football enthusiasts, because deep down they are not sure that students would back the program if they had the choice. I would propose that all mandatory student fees be eliminated before anyone starts calculating alleged profit. 2) *Who paid for the football stadium and other capital expenses?* If the facilities were subsidized by the taxpayers—and taxpayers do come in both sexes—then, to determine the profit of a particular sport, one must consider the fair return on capital investment to be subtracted from the gross receipts. (3) *How are the coaches' salaries calculated for budgetary purposes?* If the coach teaches half-time and half his salary is debited to the instructional budget of the university, the true cost of the intercollegiate athletic program is not reflected in the figures. In other words, if the coach is much higher paid than the average physical education instructor, the only part of the coach's salary that can validly be carried on the instructional budget is half the average instructor's pay, not half the coach's inflated salary. 4) *Is maintenance of the athletic facility paid for by the intercollegiate budget or by the general instructional budget?* Again, this may be a hidden cost. 5) *What other hidden subsidies are there which must be taken into consideration?* At Rutgers, for example, I discovered that the student's mandatory insurance fee is slightly inflated to cover the higher-risk premiums of the intercollegiate athletes—a supplement worth thousands of dollars annually.

In short, the profit-producing approach is even more nebulous than the revenue-producing approach. But I suspect that either of these wordings is really a euphemism for football. In that football often costs more than all of the other sports combined, it is the football budget that NCAA would like to protect from the encroachment of women. The fact that women are forced to subsidize that budget is irrelevant, as is the fact that that budget could be cut without damaging the sport. The issue in its bluntest terms is this: which is more important to the United States, the principle of equal educational opportunity for all or the commercial interests of intercollegiate football? One would hope that the choice would be clear.

Note.—Dr. Phyllis Zetlin Boring is president, New Jersey WEAL, and Associate Dean, Rutgers College.)

[From Women's Equity Action League]

Sex Discrimination and Intercollegiate Sports

LEGISLATIVE ANALYSIS OF THE TOWER BILL (S. 2106) TO EXEMPT INTERCOLLEGIATE ATHLETICS FROM THE SEX DISCRIMINATION PROVISIONS OF TITLE IX OF THE EDUCATION AMENDMENTS ACT OF 1972

Background: In June 1972 Congress passed the landmark Title IX of the Education Amendments to prohibit sex discrimination in all educational institutions receiving federal funds. The regulation for Title IX went into effect on July 21, 1975 after a 45-day period of Congressional review. The regulation requires schools to provide equal athletic opportunity for both sexes; i.e., HEW will consider whether the selection of sports and levels of competition effectively accommodates the interests and abilities of both sexes. Equal expenditures for men and women are *not* required.

S. 2106 would amend Title IX by adding the following:

"(6) This section shall not apply to an intercollegiate athletic activity insofar as such activity provides to the institution gross receipts or donations required by such institution to support that activity."

The Tower bill, if passed, would mark the *first retreat* in any women's rights legislation enacted by the Congress.

Implications of the Tower bill

The Tower bill would perpetuate the very inequities that Title IX was enacted to eliminate. Only surplus revenues would be covered by Title IX; *gross inequities in subsidies* to male and female intercollegiate athletics would continue. It allows discrimination when money is involved. The Tower bill would perpetuate past discrimination against women in sport. The ability of men's sports to generate some revenue is largely a function of the current and past financial subsidies that institutions have given to men's teams. Women's teams have not received such institutional support over the years. In the few instances where the female teams have received significant subsidies, spectator support and gate receipts have increased dramatically. (Iowa's girls high school basketball outdraws boys basketball.)

1. *There are NO DEFINITIONS of what is "required by such institutions to support" intercollegiate activities, nor is it clear who determines what is "required."*

If the institution determines what is "required," the potential for abuse is enormous. First class airfares and blazer jackets could be viewed as "necessary" for male athletes while women athletes paid for their own uniforms and travel. Clever bookkeeping could easily eliminate any "surplus," and the lack of such a "surplus" could then be used to justify a lack of funding of women's sports.

An institution could have a substantial intercollegiate program for males, and none whatsoever for females. It could claim that financial exigency prevented the development of a women's intercollegiate program since most of its monies were "required" . . . "to support" the men's intercollegiate program.

University of Texas spent $2.5 million on men's sports and about $20,000 for women's sports.

Arizona State spent $1.1 million on men's sports and about $43,000 for women's sports.

Ohio State spent $6 million for men's sports and about $43,000 for women's sports.

If, on the other hand, HEW makes the decision as to what is "required" for support of the activity, the government will have to monitor the budgets of intercollegiate activities in order to determine which expenditures are "required." HEW will have to decide such items as: what is the proper number of uniforms "required" for a sport; how much money is "necessary" for recruiting; etc. (In contrast, the Title IX regulation requires *equality of opportunity;* i.e., *if* a school supplies uniforms for the men's basketball team, it must do so for the women's team as well. Whether the school provides uniforms at all is the school's decision, not HEW's.)

2. *There are no definitions of "gross receipts" or "donations."* Any institution's athletic program could fall under the exemption by merely charging a nominal fee at all intercollegiate events, even those that have been traditionally free.

Students, male and female, could be forced to subsidize men's intercollegiate activities by having the fee for admission incorporated into a compulsory "activities" fee. This money would be considered part of the "gross receipts."

The University of Maryland raised $700,000 by compulsory student fees. The total budget for women's intercollegiate sports was $60,000.

A donor could give money for a new stadium or gymnasium earmarked for male intercollegiate activities and practice. Women could be prohibited from access (or given limited access) *even if there were no other facilities available to women.* The school could claim the gymnasium was "required to support that activity."

At Connecticut College the women's varsity basketball team could practice in the gym *only* when the men's teams did not want to use it.

At many institutions, women's teams must practice at odd hours such as after dinner on week nights, or before breakfast on weekends.

3. *There is no definition of the term "intercollegiate athletic activity."* It is not clear if "activity" means a "team," "club sport" or a particular sport as a whole. For example, if a men's basketball team were considered a *separate* intercollegiate activity from the women's basketball team, the women's team could be denied travel funds, coaching, facilities, equipment, etc.

4. *Intercollegiate sports would be exempt from the self-evaluation requirement of Title IX.* Title IX requires institutions to examine their own policies and practices in order to discover problems and to develop plans to remedy sex discrimination. There will be *no* incentive whatsoever for institutions to evaluate discrimination in funding, policies and programs in intercollegiate activities.

5. *All athletic scholarships could be limited to men only.* A school could claim that the scholarship money was "required . . . to support" the particular activity. The school would be under no obligation to raise money for women's scholarships. [Under Title IX, equal scholarships are *not* required although "To the extent that a recipient awards athletic scholarships or grants-in-aid it must provide reasonable opportunities for such awards for members of each sex in proportion to the number of students of each sex participating in . . . intercollegiate athletics." 86.37(c)(1)]

Until the Spring of 1973, the Association for Intercollegiate Athletics for Women (AIAW) prohibited females participating in intercollegiate athletics from accepting scholarships for women. Thus, although men participating in swimming, basketball, etc. may have scholarships, women participating in the *identical* intercollegiate sport on the same campus have no such aid available to them.

The University of Maryland spends *more* on men's athletic scholarships ($540,000) than on the *total women's sports program* ($60,000). There are *no* scholarships for women.

6. *Equipment for revenue producing sports, such as practice uniforms, could be provided for men's teams but not for women's teams.* The former would be "required . . . to support that activity;" uniforms could be denied to women's teams on the grounds of financial exigency.

Women's teams often have inferior equipment or the left-over equipment no longer needed by the men's teams when new equipment is purchased.

7. *Similarly, team doctors and health insurance could be justified for male athletes as "required" for "support" of an intercollegiate activity; women athletes could be legally denied such amenities because of financial exigency.*

At the University of Hawaii, a woman athlete who needed ultrasonic treatment for an athletic injury could not use the needed equipment in the training room; only men had access to it.

8. *Travel for men's teams could continue to be subsidized at a high level (chartered buses and airplanes) while women's teams would continue to travel at their own expense.*

At the University of Michigan, women's teams sold apples during football games to pay for their travel and other expenditures.

At some institutions women's teams sell cookies and cakes to pay for gas for travel, while the men's teams travel in chartered buses or in first class service in airplanes.

9. *Meals and lodging for male athletes while traveling to games could continue to be subsidized while women athletes have to pay for their meals and lodging out of their own pockets.*

Many women's teams have no money allocated for *per diem* expenses while away at games. Often the women bring their own sandwiches and sleeping bags.

10. *Budgets to recruit athletes could be limited to male athletes only.*

Few, if any, women's teams have funds for recruiting women athletes.

11. *Budgets for publicity could be allocated totally for male intercollegiate activities, with none allocated for women's intercollegiate activities.*

Many institutions have a budget for public relations for *men's athletics.* Women's athletics receive little attention in the press as a result.

12. *Women reporters could be excluded from the press box during male intercollegiate events.* Because these women do not work for the university or college, employment discrimination laws would not apply.

13. *All employees who worked in activities or facilities involving intercollegiate athletics (coaches as well as maintenance people) would be exempt from the protection of Title IX,* which covers *employees* as well as students. Although other employment laws would apply, these particular employees would be denied remediation under Title IX, a remedy which is available for all other educational employees.

Will Title IX "Ruin'" Intercollegiate Sports? No.

Former Secretary Weinberger, in his June 26, 1975 testimony before the House Subcommittee on Post-Secondary Education, summarized the Title IX regulation in the following manner:

With regard to the provision on athletics, first let us look at what the regulation does *not* require.

(1) It does *not* require equal aggregate expenditures for members of each sex or for male and female teams.

(2) It does *not* require two separate equal facilities for every (or any) sport.

(3) It does *not* require women to play football with men.

(4) It will *not* result in the dissolution of athletics programs for men.

(5) It does *not* require equal moneys for athletic scholarships.

(6) It does *not* require coeducational showers, lockerrooms and toilet facilities.

(7) It does *not* mean the National Collegiate Athletic Association (NCAA) will be dissolved and will have to fire all of its highly vocal staff.

The goal of the final regulation in the area of athletics is to secure equal opportunity for men and women while allowing schools and colleges flexibility in determining how best to provide such opportunity.

Where selection for a team is based on competitive skill, or the activity involved is a sport involving physical contact between players, then the college can provide separate teams for males and females or if they wish, they can have a single team open to both sexes. If separate teams are offered, a recipient institution may not discriminate, on the basis of sex, in providing necessary equipment or supplies, or in any other way. I emphasize again that equal aggregate expenditures are *not* required. In determining whether equal opportunities are available sports reflect the interests and abilities of both sexes; provision of supplies and equipment; game and practice schedules; travel and per diem allowances, etc.

Where a team is a non-contact sport, the membership of which is based on skill, is offered for members of one sex and not the members of the other sex, and athletic opportunities for the sex for whom no team is available have previously been limited, individuals of that sex must be allowed to compete for the team offered. However, this provision does not alter the responsibility which a college has with regard to the provision of equal opportunity.

GOOD SAMARITAN HOSPITAL, PORTLAND, OREG.

Mr. **HATFIELD.** Mr. President, Good Samaritan Hospital in Portland, Oreg., first opened its doors on Saturday, October 9, 1875. Located in the belt of timber skirting the city of Portland, the two story building housed 50 hospital beds and an orphanage.

Primarily because of the rainy weather, hazardous roads, and the newness of hospitals in Portland, only 51 patients were cared for during the hospital's first year of operation. A founder of the hospital, the Rt. Rev. Wistar B. Morris, second Episcopal Bishop of Oregon, admitted all patients without distinction of race, religion, color, or country .

As the streets were improved and as Portlanders became more receptive to the "hospital-idea," Good Samaritan grew, and during the early years enjoyed several distinctions.

For a time it was the hospital for the Port of Portland, a forerunner to a network of marine hospitals now operated by the U.S. Public Health Service.

The University of Oregon Medical School was established in a building conveniently located on the grounds of Good Samaritan. In 1890 the hospital expanded its education program by adding a training school for nurses. The hospital has continued to grow and to meet increasing health care needs of the Portland community.

The two-story wooden building originally housing the hospital gave way to the brick structure, the south wing in 1899. By 1902 the student nursing home was a real necessity. In 1905 they completed the northwest wing. The central section of the building was erected in

1919. There has been the addition of Wilcox Memorial annex built in 1922.

Since then, a school of nursing, student dormitory, Devers Memorial Eye Clinic, and a physician office building have been built. Century Two plans call for a modernization and replacement of the hospital's aging west wing.

In the past 100 years, Good Samaritan has grown from a two-story wooden 50-bed hospital and orphanage to a 539-bed major medical and referral center in the Pacific Northwest. The artificial kidney unit, clinic for neurologically impaired children, Rehabilitation Institute of Oregon and the only remaining diploma school of nursing in the State are located at the hospital, as well as an array of highly specialized diagnostic and treatment programs such as the diabetic training program, infant intensive care unit, adult hemophilia outpatient clinic, coronary care unit, breast cancer screening project, and epilepsy feasibility study.

The hospital also has a broad range neurosurgery and neurology program and just this year established a Neurological Sciences Institute to conduct continuing research and education programs in the neurological sciences.

Contributing to the total care of more than 83,800 patients annually are a medical staff of 475 physicians and surgeons, a nursing service staff of 570, and an additional 1,100 employees in some 30 departments.

Today, Good Samaritan occupies nearly a 9-acre site in northwest Portland and is one of the largest hospitals west of the Mississippi.

I rise to commend Good Samaritan for its superior work in providing medical assistance to the Pacific Northwest and to extend it every good wish for a second century of service to the public.

UNITED STATES-CHINESE MILITARY TIES

Mr. TAFT. Mr. President, I bring to the attention of my colleagues an interesting and thought-provoking article in the fall issue of Foreign Policy. I ask unanimous consent that this article, "United States-Chinese Military Ties?" by Michael Pillsbury, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TAFT. Mr. President, this article suggests that the United States should "modify the specious policy of evenhandedness which now governs exports of advanced defense technology. The same restrictions should not apply to both the Soviet Union and China. China is not nearly as large a security threat to us as the Soviet Union is. To maintain a rough parity in the global triangle of power, we need a policy which explicitly recognizes that Peking has a legitimate interest in improving its deterrence against the threat of Soviet attack." The author suggests that it might be in the interest of the United States to supply the Peoples' Republic of China with certain technology or defense systems which would enable the Chinese to improve their security against possible Soviet attack.

I think some of the points raised in this article are worth careful thought. It is in the interest of the United States, in my opinion, to work to prevent a Soviet-Chinese conflict. It is particularly in our interest to prevent the general Soviet hegemony in Asia which could result from a successful Soviet attack on China. Both of those interests could, at some point, lead the United States to consider supplying certain defensive weaponry to the Chinese if they desired it.

Any consideration of such action on our part must, of course, be considered in the overall framework of détente, and specifically in reference to the actual and concrete status of détente as represented by the policies of China and the Soviet Union toward the United States. If we look at the status of détente in those terms, we see possible indications of more serious Chinese than Soviet interest in any real détente. China has thus far not developed an intercontinental ballistic missile capable of hitting the United States with nuclear weapons; the Soviet Union is now deploying a whole new generation of such missiles, with increased destructive capability. The Chinese are not beefing up their land forces in areas crucial to the West; the Soviet Union has, for several years, been greatly upgrading the capability of its land forces stationed in Eastern Europe.

Of most critical importance, the Chinese—a land power—are not undertaking any development of offensive naval capability. The development of a major sea-going navy on the part of a country that is not dependent on the sea—as neither the Soviet Union nor China are dependent—can only be seen as an aggressive threat to sea lanes vital to maintain powers like the United States. As noted, China is not attempting such an act. But the Soviet Union is, and is doing so at a rapid pace on a broad scale. It is difficult to understand that Soviet action, one that we have no choice but to regard as offensive in spirit, as contrasted to Soviet formal support for détente.

All of these factors would have to be carefully assessed in any consideration of military ties between the United States and the Peoples' Republic of China. Nonetheless, as I stated in an article in the New York Times last year, the United States must recognize that certain circumstances would make it in our interest to supply certain defensive systems to China. We must be constantly mindful of whether those circumstances might be developing.

EXHIBIT 1

UNITED STATES-CHINESE MILITARY TIES?

(By Michael Pillsbury)

Few subjects have been as shrouded in mystery as U.S.-Chinese relations since 1971, when Henry Kissinger emerged from his dramatic secret trip to Peking. While exchange visits of groups of weightlifters and dentists, and even Presidents, have become routine, almost nothing is known about the actual nature of the high-level discussions between the two sides. Except when the Shanghai Communiqué or some event briefly opened the door, complete secrecy has been the rule—so much so that the number of American officials who have seen the transcripts of the highest-level talks can safely be said to number a mere handful.

Once or twice, newspapers and magazines in the West have reported, from official sources, Chinese interest in American military assistance and in the purchase of military or intelligence equipment. These reports have never been confirmed by either side. Meanwhile, the Soviet Union has turned this issue into a serious propaganda theme, charging repeatedly that the United States and China are in a phase of growing military and intelligence collusion.

In the article that follows, a Rand analyst who studies Chinese defense policies and has personal contacts on all three sides of the Peking-Washington-Moscow triangle, addresses this issue and considers its potential risks and potential gains. While this article is at times hypothetical, it should not be viewed simply as an exercise in abstract speculation; the day may well come when the issues addressed become crucial choices for America. Until now they have been discussed only within the smallest circle in the government; they deserve wider discussion. —The Editors.

Since 1971, at least two schools of thought have emerged in Moscow about the implications, for the Soviet Union, of the new U.S. policy toward China. One is relatively sanguine; the other, quite apprehensive. By examining these Soviet viewpoints, we can gain additional insight into the implications of U.S. China policy. Some Soviets apparently do not object to the recent improvements in U.S.-Chinese relations, in part because it seems impossible to them that Peking and Washington will ever achieve any substantial degree of political rapprochement, let alone any anti-Soviet cooperation. Some Americans may share this view. Two articles in *National Review*, for example, have advocated an arm's length U.S. policy toward Peking, characterized by coolness and caution, because the Chinese Communists are too unstable to do "serious business" with the United States.

The second Soviet school, however, seems deeply troubled by the general trend evident since 1971. Soviet authors have explicitly warned the U.S. government that becoming too friendly with Peking may well endanger U.S.-Soviet détente. This Soviet view may also have an American counterpart. For example, in 1973 a *New York Times* column by Harry Schwartz assessing U.S.-Chinese relations contained the comment, "In essence, a political foundation has been laid for a possible future Chinese-U.S. alliance against the Soviet Union." A year later, at least one Soviet author cited this same sentence as evidence of the sinister anti-Soviet objectives of the new U.S. approach toward China.

It is impossible, of course, to determine which school of thought is dominant within the Soviet politburo. However, it seems safe to assume that the two theories vie with each other for primacy, and that developments between Peking and Washington, as perceived in Moscow, can and do shift the balance between the two. By now, earlier Soviet apprehensions have probably diminished because of recurring Western media reports about a cooling off in U.S.-Chinese relations. Two events strengthening this view were the Chinese cancellation of a scheduled visit by a performing arts troupe to the United States and President Ford's reaffirmation, after the fall of Indochina, of the U.S. commitment to defend Taiwan.

WHAT DOES MOSCOW BELIEVE?

Nevertheless, the Soviet leaders could hardly become complacent about the future of U.S.-Chinese relations as long as almost total secrecy continued to surround Henry Kissinger's many meetings with Mao Tse-tung, Chou En-lai, and Teng Hsiao-ping. In fact, one Soviet diplomat told me he feared the devious Chinese had actually been the source of false information about this "deterioration" in U.S.-Chinese relations just to render Soviet leaders complacent about long-term

Chinese plans to cooperate with the United States for anti-Soviet purposes.[1] Although some Americans might dismiss such Soviet fears as misdirected paranoia, Soviet newspapers, magazines, and radio broadcasts have regularly featured stories describing alleged secret U.S.-Chinese collusion against the Soviet Union. As bizarre or preposterous as it may sound to Americans, the Soviet press has reported, with all seriousness, joint operations by CIA and Chinese intelligence, secret meetings between Kissinger and Chou En-lai to divide the world into spheres of influence, and a budding U.S.-Chinese military relationship directed against the Soviet Union.

How reasonable are these Soviet allegations? Can anyone in Moscow seriously believe that Maoist China and Republican America could actively collude to oppose the Soviet Union? These questions can be better understood if first approached through Soviet eyes—by a brief review of what the Soviet media has been saying and by consideration of how Soviet memories of U.S. military and economic support for Tito's Yugoslavia after 1949 may affect current perceptions in Moscow about U.S.-Chinese détente. Then we can examine the hypothetical advantages and disadvantages to the United States that would come from pursuing the kind of military and intelligence cooperation with China that Moscow alleges has already begun.

In 1973, the Soviet Union began asserting that China had proposed a military relationship to the United States. In December, a Singapore newspaper mentioned this possibility for the first time, and the story was immediately carried in the Soviet press. Soon afterward, the Japanese Kyodo news agency correspondent in Moscow reported that reliable sources had disclosed the details of a Chinese request for U.S. military equipment. According to this article, during their Peking meetings in November 1973, Chou En-lai supposedly asked Kissinger for 20 jet fighters. When Newsweek then carried a story attributed to sources close to Kissinger that Peking had requested U.S. tanks, military transport aircraft, and armored personnel carriers, Moscow again showed intense interest. For example, a radio broadcast in English from Moscow to North America warned that:

". . . reports of Peking's interest in American supplies of arms reflect the desire of the most reactionary militaristic circles in the United States to support the aggressive hegemonic aspirations of the Mao group. These circles would like to cash in on the openly hostile attitude of the Chinese leadership toward the Soviet Union and the Socialist community as a whole."

One unofficial Soviet broadcast went further, by stating that the United States had actually set up a tank factory and a helicopter assembly plant in China.

For no publicly apparent reason, the Soviet media soon began to accuse the Chinese leadership of actively seeking and receiving support from the CIA. One broadcast cited an article in the Far Eastern Economic Review stating that Chinese diplomats in Vienna had visited a branch of Radio Free Europe to gather CIA material about domestic oppression in the Soviet Union.

Other Soviet broadcasts accused Peking of conspiring with the CIA in south Asia to carve a new state out of Bangladesh and India by supporting the Naga insurgency in the area and to overthrow the government of Nepal.

Early in 1975, a signed article in USA magazine by a Soviet China scholar again warned the United States against providing military assistance to China.

I personally presume that the particular Soviet allegations are untrue, but it is important to appreciate how memories of U.S. aid to Yugoslavia could affect Soviet perceptions today. A Chinese proverb cautions, "Once bitten, twice shy." It was over 25 years ago in mid-1949 that Washington went to Tito's aid when he was threatened by Soviet invasion. Within that year, President Truman and Dean Acheson quickly arranged development loans, an export license for a steel finishing mill, and diplomatic support for Belgrade's bid for a Security Council seat in the United Nations. Despite the prevailing atmosphere of militant anti-Communism, Truman released $16 million of Mutual Defense Assistance funds to Yugoslavia which he justified to Congress in November 1950 as "help to preserve the independence of a nation which is defying the savage threats of the Soviet imperialists, and keeping Soviet power out of one of Europe's most strategic areas." Within a few week, Congress passed the Yugoslav Emergency Relief Act authorizing an additional $50 million of economic and military assistance. Less than two years earlier, Yugoslavia had been perhaps the most pro-Soviet of all the Communist-dominated nations of Eastern Europe. One can imagine Soviet surprise at these dramatic and surprisingly quick reverals of U.S. diplomatic and defense policy.

Intelligent observers may protest at this point that Soviet analysts surely would not overlook the obvious differences between U.S. aid for Yugoslavia in 1949 and U.S.-Chinese collusion against the Soviet Union in the 1970s. Yugoslavia's expulsion from Cominform had occurred just four days after the beginning of the Berlin airlift—not in a period of U.S.-Soviet détente. More importantly, Yugoslavia is a small, nonindustrial power without the capacity or ambition to challenge the Soviet Union. At most, the Yugoslavs could aspire to delay briefly or deter marginally a Soviet strike. Moreover, Belgrade possessed neither nuclear weapons nor the intention of developing them. The People's Republic of China, on the other hand, is large, potentially threatening to the Soviet Union, already possesses dozens of nuclear missiles and jet bombers, and may intend to expand its challenge to Soviet influence on a world-wide scale.

Thus, to Americans, for Ford and Kissinger to replicate the Yugoslav policy of Truman and Acheson with respect to China may seem impossible. But Soviet estimates of how U.S. policy is made do not proceed from the same perceptions. A Soviet China specialist told me that one aspect of the Yugoslav/China analogy that does fit is wartime contingency planning. After all, a striking degree of military (and presumably intelligence) cooperation did develop between Belgrade and Washington in the early 1950s. After a small U.S. Military Assistance Advisory Group was established in Belgrade, the military assistance program reached a total of $500 million by 1955, largely for purchase of U.S. tanks and jet fighters and modernization of ground forces. The U.S. Army Chief of Staff visited Belgrade, and later there were consultations at the general staff level between the two military commands. Eventually, the Yugoslav general staff also engaged in consultations with their Greek and Turkish counterparts about modes of defense against Soviet invasion. This sort of U.S.-Chinese joint military planning seems quite plausible to some Soviet observers.

WHAT DOES CHINA WANT?

If the United States ever wanted to enter into a military relationship with China, there is still the other side of the question. Would China be willing? Superficially, one might assume that rigid Chinese ideologues would prefer a continuation of present policy or even a rapprochement with the Soviet Union rather than accept military aid from the U.S. capitalist devils. Yet the Chinese have categorized the Soviet Union for many years as a capitalist state—more precisely, a formerly Socialist country which has restored capitalism—with even greater imperialist ambitions than the United States. Moreover, while Peking has called for the overthrow of Brezhnev, who is likened to Hitler, it has not made similar calls for the overthrow of the U.S. government. Is it possible, then, that Peking's leaders might seek Western military equipment, defense technology, and intelligence?

China has been warning its population for nearly six years of the danger of a Soviet surprise attack, so one obvious motive would be to provide a quick fix for the relatively inferior Chinese army, navy, and air force in an effort to deter a Soviet invasion. There are two ways a U.S.-Chinese military relationship could aid the Chinese in deterring the Soviets. First, by upgrading their war-fighting capabilities with U.S. equipment of the types already mentioned in the Soviet stories—jet transports, armored personnel carriers, tanks, jet fighters—Peking would raise, at least marginally, the cost of a Soviet invasion of China.

It seems unlikely, however, that China could afford the kind of massive arms purchases that would be required to establish even a degree of either strategic or conventional military parity with the Soviet Union. Expenditure of hundreds of millions of dollars of scarce foreign exchange for U.S. military equipment would not be as advantageous to Peking as a second psychological type of deterrence which is much cheaper. Whether or not the United States actually grants any Chinese military requests in peacetime, Peking could significantly affect Soviet calculations about the degree of U.S. or Western support China might receive in the event of a Soviet attack.

As long as U.S.-Chinese relations remain cool and distant, Moscow may assume that Peking would neither ask for nor receive military support from any outside source even after a devastating Soviet conventional attack or a disarming nuclear first strike. If, either through public statements or "disinformation" passed through clandestine channels, the Chinese were able to convince Moscow that U.S. military and intelligence support has been promised to China in the event of a surprise Soviet attack, this would undoubtedly have a profound effect on the debate within the Soviet leadership. Soviet military planners would face a new and dangerous uncertainty: the possibiilty of wartime Western aid to China.

An additional Chinese motive might be to play upon the conspiratorial instincts of Soviet analysts. Because Chinese propaganda has consistently lambasted "collusion" between the United States and the Soviet Union, it is reasonable for Moscow to attribute to Peking the desire to "spoil" improved U.S.-Soviet relations. In fact, Soviet broadcasts in 1975 have accused Peking of seeking to provoke war between Moscow and Washington. One way to generate U.S.-Soviet friction would be for Peking to leak stories—perhaps through intermediaries—to create the impression in Moscow that a U.S.-Chinese military relationship exists.

WHAT'S GOOD FOR THE UNITED STATES?

Three advantages would accrue to the United States in any U.S.-Chinese military relationship:

1. The military payoff would serve as a concrete reward for the pragmatic Chinese policy of establishing working diplomatic relations with the United States, a policy which may fall under attack within China after Mao dies. More specifically, a U.S. military assistance and sales program in Peking would begin to involve the influential Chinese defense establishment in a new diplomatic relationship with the United States by

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[1] Reminding one of the view expressed regularly in the early 1960s by Americans of right-wing political persuasion that the Sino-Soviet split was a charade designed to lull the West into a false sense of security.

giving the Chinese military a stake—defense technology—in preserving good relations with America.

2. U.S. arms and technology transfers to China may aid in deterring a Soviet attack or further Soviet military pressure on China, forestalling a future Sino-Soviet war which could jeopardize world peace. Certain improvements discussed below in Chinese strategic forces could reduce the risk of Sino-Soviet nuclear war and insure a more stable nuclear balance without significantly increasing the Chinese strategic threat to us.

3. Increased Chinese military capabilities, especially if deployed near the Sino-Soviet border, could induce even greater Soviet deployments to military districts on the Chinese border than presently exist, tying down a greater percentage of Soviet ground, naval, and air forces. Approximately one-fourth of the Soviet army, navy, and air force are already located near China. Increases in Chinese military forces will bring corresponding decreases in Soviet forces available for combat against U.S. allies.[2]

These general advantages of U.S. military sales to China could be maximized while minimizing negative consequences by giving export licenses to U.S. private corporations only for sales of defensive or passive military systems to China. Defensive or passive weapons systems can be defined in a variety of ways, but two relevant examples would be a military reconnaissance system and a phased array or Over-the-Horizon (OTH) radar system. These systems might provide strategic and tactical warning to Peking's highest military authority for command and control of nuclear forces in the event of a Soviet surprise attack. Although China is already constructing a weather satellite system and a phased array radar system that may be ready within a few years, U.S. technology transfers to these two projects could permit earlier completion dates.

Moreover, if China genuinely believes its own propaganda statements about the urgent necessity of preparing for a Soviet surprise attack, then Peking may be interested in acquiring a "hot line" capability to receive U.S. tactical warning of Soviet missile or air attacks. The present arrangement of liaison offices in Peking and Washington probably does not allow the kind of rapid data link transmissions of advance warning required to give Peking time either to begin slowly fueling its liquid-fuel missiles or to permit launching of its jet bomber nuclear retaliation forces. Without this warning, Chinese liquid-fuel missiles at "soft" launch sites will remain vulnerable to Soviet disarming first strikes.[3]

A U.S. strategic relationship with China, limited to this type of passive, defensive military technology, might bring some of the general advantages listed, at *minimal damage to U.S.-Soviet relations*. For example, a U.S.-Soviet "hot line" at least theoretically capable of providing warning to the Soviet Union already exists. A parallel U.S. arrangement with China could hardly provoke Soviet charges of favoritism toward China. Since the Soviet Union already has powerful phased array and OTH radar and advanced satellite reconnaissance systems, U.S. policy could remain "evenhanded" by supplying China only with systems carefully chosen to be of no interest to the Soviet Union, but still beneficial to China's more backward radar and satellite programs.

An additional advantage may stem from sales of strategic and tactical warning systems to China because of the crisis instability of the Sino-Soviet nuclear balance. A grave Sino-Soviet political crisis akin to the 1962 Cuban missile crisis might induce Peking to alert its strategic missiles and launch its strategic bombers. Without a tactical warning capability, the Chinese would have to keep their liquid-fuel missile force in a condition of high readiness, a dangerously destabilizing act that could provide incentives to Moscow to strike first. The Chinese would also have to consider a first strike before their forces were destroyed on the ground by a Soviet pre-emptive strike. With reliable tactical warning, however, Peking would be less inclined to fuel its missiles in a crisis and could relay instead on its recallable manned bombers as a second-strike force. A guarantee of 15 minutes' warning time, combined with runway alert procedures for the Chinese bomber force, would improve the stability of the Sino-Soviet strategic balance. In addition, timely and imaginative U.S. crisis diplomacy via our "hot lines" to Peking and Moscow (which they do not have between them) might damp down dangerous Sino-Soviet hostilities.

The question may be raised whether U.S. leaders would actually provide warning of Soviet attack or whether Chinese leaders would find such U.S. messages credible during a Sino-Soviet crisis. Just as some Americans would doubtlessly call for noninvolvement and "evenhandedness" in this situation, so would some Chinese leaders be extremely suspicious of any U.S. intelligence warnings received in Peking which could not be verified by Chinese-controlled systems or based on U.S.-Chinese mutual trust built up incrementally over time. Without any capability for independent verification of U.S. intelligence warnings, Chinese leaders might fear either U.S.-Soviet collusion to furnish misleading information to lure China into a Soviet trap or a U.S. plot to foment a Sino-Soviet war.

HOW DO WE GET STARTED?

A wide range of possibilities exists from which to select initiatives that would encourage development of a U.S.-Chinese military relationship.

1. One initiative would be an exchange of military academy delegations, defense attachés, and even defense ministers. The Rumanian Defense Minister visited Peking, for example, just after signing a treaty with the Soviet Union, signaling that Rumania intended to balance its relations with China and the Soviet Union.

2. U.S.-Chinese intelligence exchanges about the Soviet Union through covert channels, including both direct contacts and secure radio communication lines, could be another first step. One channel already technically available could be established by leasing a satellite communication line from RCA Global Communications, Inc. for code transmissions on a round-the-clock basis.

3. Limited military assistance to the Chinese would have to be carefully selected to maximize its anti-Soviet utility to China while minimizing any consequences potentially harmful to the security interests of the United States and Asian allies.

4. Allied military sales. Just as Dean Acheson handled the first stages of U.S. military assistance to Yugoslavia in 1949–1950 by concerting with London, a U.S. approach to our allies could encourage their limited support for Peking. In 1974, rumors of Chinese interest in British v/STOL *Harrier* jet fighters, Rolls-Royce military jet engines, and French *Super Frelon* helicopters appeared in newspapers. The United States could encourage Britain, France, West Germany, and Japan to permit other selected, controlled military technology transfers to China such as, for example, allowing Chinese specialists to study the French nuclear submarine construction program and to consult with Rolls-Royce jet engine experts.

Perhaps fearing that the United States may have begun to either consider these ideas or even discuss them in secret with the Chinese, Soviet diplomats in the United States have already begun to make the case against any U.S.-supported increase in China's defense capabilities, saying that it would:

1. Poison the atmosphere of U.S.-Soviet détente and strengthen the hand of those Soviet leaders who believe the United States cannot be trusted;

2. Stimulate Soviet military leaders to call for a pre-emptive attack on China before Western arms arrive;

3. Eventually (after Mao dies) fall under control of anti-American Chinese leaders and be used against U.S. allies and U.S. national security interests in Asia;

4. Embolden the Chinese leadership to take more provocative military risks in any future crisis, thus increasing the probability of Chinese involvement in armed conflicts.

Should we assume that Moscow flatly opposes any improvement in U.S.-Chinese relations? Probably not. Supplying China with 100 B–52 heavy bombers would obviously elicit a different Soviet reaction than the sale of a small number of helicopters, radar components, or high resolution satellite cameras. Also, since Moscow denies it would ever think of attacking China, or NATO, the Soviets could hardly object to joint military contingency planning that would raise the costs to the Soviets of invading China or NATO.

Nevertheless, Moscow has apparently made its position perfectly clear. An item in the July 1975 issue of the American monthly air Progress asserts that Brezhnev recently told Prime Minister Harold Wilson in Moscow that, as a precondition for a British-Soviet trade deal, London must refuse to sell the new V/STOL Harrier jet fighter to Peking. The British agreed. Whether Moscow will ever feel similarly obliged to interfere in U.S.-Chinese relations remains to be seen. Before this happens, our immediate need is for serious analysis of the future direction of the China policy begun by Nixon and Kissinger. In the end, publicly voiced Soviet fears may suggest new U.S. options that will increase stability in the turbulent Sino-

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[2] Soviet military planners presumably allocate a certain portion of their strategic and conventional forces to be "withheld" from combat against NATO as insurance against the contingency that a Chinese attack could open a second front. The size of this Soviet "China withhold" force is probably related to the Soviet estimates of what prudence requires to deter Chinese attack or, if deterrence fails, to defeat it. U.S.-assisted expansion of Chinese war-fighting capability thus increases the Soviet "China withhold" force.

[3] That is, unless the Chinese missile sites or the Chinese missiles and their nuclear warheads are hidden from Soviet satellite reconnaissance and are therefore able to ride out a nuclear attack. Even if this were the case, the Chinese may be uncertain about how many of their sites remain unknown to Soviet intelligence or invulnerable to heavy Soviet ICBMs. Soviet espionage activities in China, exposed by Peking in January and March 1974, may have had the objective of locating Chinese missile sites, missiles, and warhead storage centers in northern Manchuria and northern Sinkiang near the Soviet border. Peking announced in January that the espionage activities of Li Hung-shu were centered near the Manchurian cities of Mu-tan-chiang and Chia-mu-szu. These two cities are possible choices for Chinese medium-range missile sites to threaten the major Soviet far east cities of Vladivostok and Khabarovsk. If Moscow could acquire by espionage a list of all Chinese missile sites and their precise geographic coordinates, the effectiveness of Peking's nuclear deterrent would be sharply reduced. China would then be more vulnerable to a successful disarming first strike. It is interesting to speculate that when Lin Piao fled to the north, he perhaps carried not only transcripts of the Kissinger/Chou En-lai conversations, but also a map of Chinese nuclear sites.

Soviet conflict—the only relationship in the world in which two nuclear powers have shed each other's blood along a common border in a bitter ideological confrontation that shows few signs of amelioration.

Clearly, all these possibilities are directly related, from the U.S. point of view, to the state of U.S.-Soviet détente. If détente seems to be deteriorating, then the temptation to experiment with some of these initiatives would increase. A President more hostile to the Soviet Union and détente than Ford might be particularly attracted to the idea, risky as it is, of forging a close U.S.-Chinese bond in the Pacific, perhaps embracing Japan, as a new form of anti-Soviet containment.

But we need not go to such extremes in considering future modes of U.S.-Chinese military relations. Less drastic alternatives are more attractive. We should modify the specious policy of "evenhandedness" which now governs exports of advanced defense technology. The same restrictions should not apply to both the Soviet Union and China. China is not nearly as large a security threat to us as the Soviet Union is. To maintain a rough parity in the global triangle of power, we need a policy which explicitly recognizes that Peking has a legitimate interest in improving its deterrence against the threat of Soviet attack. Despite Soviet denials of hostile intent we view with much concern the increase of Soviet armed strength near the Chinese border from 15 divisions in 1968 to nearly 50 in 1975. Any U.S. initiatives or responses to Chinese requests, moreover, must be based on an appreciation of the danger to the West of an unstable Sino-Soviet nuclear balance. We should reject the current blind public policy of blanket prohibition of defense technology transfer and intelligence sharing with Peking and instead require only that two conditions be met for any item or information Peking seeks:

1. It must enhance those Chinese defense capabilities which we believe will help deter Soviet military pressure on China without increasing offense capabilities which threaten U.S. allies in Asia;

2. It must not unduly alarm Moscow about U.S. intentions and thereby jeopardize U.S.-Soviet détente.

Many requests might meet these conditions, including technology which has both civil and military applications. For example, the same kinds of advanced underwater listening equipment China needs for offshore oil exploration will also enhance Peking's antisubmarine sonar detection capability. This would be useful against the Soviet submarine fleet in the Pacific which has long threatened the naval forces and merchant shipping of China, Japan, and the United States.

LOSS OF PRIVACY AND INDIVIDUAL LIBERTY

Mr. HATFIELD. Mr. President, on Sunday past President Ford delivered a timely and thoughtful address at dedication ceremonies for a new building at the Stanford University School of Law. In his remarks, the President emphasized the quiet fears that many of us share over the loss of privacy and individual liberty in today's complex, technological society. The massive growth of institutional power, both public and private, in this modern age poses grave dangers to our historic concept of personal liberty. This loss of privacy and individuality should be the growing concern of every American who cherishes the freedom that was won with such sacrifice nearly 200 years ago. I therefore, strongly recommend the President's address to my colleagues and ask unanimous consent that his full remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF REMARKS BY THE PRESIDENT

President Lyman, Dean Ehrlich, Waller Taylor, distinguished members of the Board of Trustees and faculty, students, alumni and friends of Stanford University, I am indeed honored to be here and thank my good friend Waller Taylor for his excellent arrangements, as Chairman of the Law School's Board of Visitors. Now I know I am not the first visitor to this beautiful campus who happened to be President or a past President or a future President.

Former President Benjamin Harrison was one of your first professors of law. Future President Herbert Hoover, to whom this university owes so much, was one of your first students.

One of my first acts as President this year was to sign the bill authorizing Federal matching funds for expansion of the Hoover Institution in honor of the 100th anniversary of the birth of this great American and great humanitarian.

I understand former President William Howard Taft and future President John F. Kennedy also enjoyed brief associations with The Farm.

I hope I haven't overlooked anybody, but if so I will blame the dedicated Stanford men and women who serve in my Cabinet and among my counsellors in the White House. The contributions of Stanford alumni in all the branches of our Government in Washington are tremendous and I hope we will have more in the future—and I say that as a Yaley and a Michigander.

It is a very great pleasure to be here at the Law School today, to be a part of this very special dedication. The students and faculty of Stanford have always demonstrated an outstanding devotion to the concepts of truth, justice, and equality under the law—and yesterday you did it once again. When it comes to equality, you just can't be any more equal than that game with Michigan. 19 to 19! Well, what better place than a law school to celebrate a hung jury.

Today's dedication of this impressive new home for the Law School is certainly no tie—it's one more victory in Stanford's unbroken record of educational excellence. The dream of Senator and Mrs. Stanford that the children of California should be their children, with the help of many who have followed their generous example, has been broadened to benefit the young men and women of all America and the world.

Back in 1968, when plans for this Law School complex were completed, there was serious question in many sober minds whether the rule of law in this country was breaking down. Assassins gunned down a candidate for the Presidential nomination and one of our most eloquent civil rights leaders. In one week, riots and arson and looting swept 125 cities, including the capital of our Nation. Violent disorders, demonstrations and defiance engulfed many of our campuses.

In the midst of this, I was to make the 275th commencement address at the College of William and Mary, which produced such giants of our Constitutional history as Thomas Jefferson and John Marshall. As a result I got an early start on my Bicentennial re-reading of our Nation's beginnings. And I asked myself what were the most precious possessions the first settlers of the American wilderness brought across the Atlantic? What was nurtured here in the New World to be carried across the mountains, across the plains, across the deserts and over the High Sierra to the Golden Gate of California? What made us the unique nation and people we are today?

For the most part the first American immigrants were poor, they were outcasts, they were persecuted, they were disadvantaged, they were dissenters, and they were rebels against the Old World Establishment. They brought little beyond what was on their backs and in their heads except a few seeds and a few tools and a few books. But what they brought was precious.

They brought, even as they protested its capricious abuse, an abiding respect for the rule of law—they built orderly systems of self government even before they erected dry houses. Generations later, when our Founding Fathers met in Philadelphia to declare their independence, they formally stated their reasons in terms of both moral and legal rights which the distant King and parliament had denied the colonists. Our American Revolution was unique in that we rejected our rulers but revered their rules.

The early settlers also brought to America a profound appreciation of the disciplines of formal education. They cut logs for school houses as well as stockades. There were more colleges and universities in the 13 colonies before the American revolution than in all of England, Scotland and Ireland. As Americans moved Westward, they set aside lands for the higher training of teachers, engineers, agriculturalists, scientists, doctors, lawyers and other professions. They encouraged the support of both private and public institutions of learning in State and Federal tax policies. No nation, at any time, has put a higher priority on education for all its citizens.

Finally, the long march of the Americans half way around the world, from Jamestown and Plymouth Rock to the westernmost tip of Alaska and the Pacific Islands, carried with it a common commitment to the future. The material progress of the United States of America has been premised on the half-humanist, half-theological idea of the perfectibility of society, the enlargement of human freedom and the innate worth of the individual.

Stanford University, where the winds of freedom still circulate through pleasant quadrangles old and new, was built and still stands upon that solid triad of law, learning and liberty.

The fears of seven summers ago were unfounded. The rule of law survived. Our Constitutional instincts proved sound. The commitment of Americans to law, learning and liberty continues in this very court this afternoon.

But contradictions and dilemmas remain in our society in abundance. They will always exist in a democratic nation where the delicate balances between freedom and order, between private right and public interest, between the safety of the state and the security of the individual, all require constant review and resolution.

This is the role of government at all levels and the mission both of those who make the law and of those who practice and perfect it. There is an old saying that those who love the law and those who are fond of sausage should never examine too closely how either is actually made.

I certainly do not intend to pick any quarrel with the sausage-makers. But as a former lawmaker, and as a lawyer, I believe we need to examine much more closely how our Nation's laws are made—in order to prevent perfectly laudable legislative intentions from having perfectly horrible consequences.

Literally hundreds of examples could be cited. Let me take one area that affects almost everybody, with which you as lawyers will surely have to deal. That is the area of the individual's right of privacy—the right to keep one's individual identity inviolate—

or in plain talk, the right to do your own thing.

I can speak with some authority on this because, as Vice President, one of my chores was Chairman of the Domestic Council Committee on the Right of Privacy. I took that duty very seriously. Among the first things we learned was that one of the worst offenders is the Federal Government itself. I don't mean improper or illegal invasions of people's privacy or Constitutional rights by Federal agencies or individual officials, which nobody condones and which I absolutely will not tolerate as long as I am President.

Rather, I mean threats to privacy which have resulted from laws duly enacted by past Congresses for laudable purposes having wide public approval. Many of these laws, with today's technology, cumulatively threaten to strip the individual of privacy and reduce him to a faceless set of digits in a monstrous network of computers. He not only has no control over this process but often has no knowledge of its existence.

For example, in a simpler and earlier era, the government's principal interests in watching its citizens was to see that they obeyed the law, paid their relatively uncomplicated taxes, and from time to time, came to their country's aid in an emergency.

But when government expanded enormously and undertook vast social programs that established a direct link between the citizen and the bureaucracy, government logically became interested not only in monitoring criminal behavior but also a lot of other things about its citizens lives and habits. To determine the eligibility of millions of individuals for receiving government benefits, for welfare or unemployment or social security or service pensions or other special assistance, government has to gather, record and constantly update information. Government acquired a legitimate reason to inquire also into the private lives of students seeking scholarships, professors seeking research grants, businessmen wanting government loans or requiring government licenses, professional persons doing business with the government or participating in subsidy programs. The list is endless.

Over the years, therefore, agencies of the government—State and local as well as Federal—gradually have amassed great amounts of information about almost every one of us. As technology advanced, it made administrative sense to combine and codify such information, especially when it was voluntarily given in expectation of benefits and beyond the special legal safeguards provided for Federal census and international revenue data.

Here we face another dilemma of a democratic society in this new technological era where information is not only power—as it has always been—but also instantly retrievable by anyone trained to push the right buttons. Certainly we cannot scuttle worthwhile programs which provide essential help for the helpless and the deserving citizen. Yet we must protect every individual from excessive and unnecessary intrusions by a Big Brother bureaucracy.

Many recommendations of the Committee on Privacy which I chaired as Vice President were incorporated in the Privacy Act of 1974 which a cooperative Congress passed and I was pleased to sign as President. That law goes into effect next Saturday. Briefly, the Privacy Act generally prohibits collection of information concerning exercise of an individual's First Amendment rights. It requires that files on individuals be accurate, relevant, timely and complete. It requires the Federal government to reveal the existence and whereabouts of all data systems containing identifiable personal information. It gives everyone the right to read his own file and make corrections or amendments. It commands the government to use the information only for the purpose for which it was collected. And it sets up an independent Privacy Commission with a two year mandate to monitor the operation of the law and investigate additional privacy issues.

It is, to be sure, admittedly experimental. But it makes a long-overdue start in trying to restore to every individual some of his rights which have been eroded in the process of gaining other advantages. I have said in Bicentennial speeches around the country—and will continue to say—that the great achievement of the first century of American Independence was to perfect political institutions strong enough to endure stress and responsible to the times and needs of the people.

The second century of our independence, now ending, saw the development of the world's strongest economic system in the free climate our political freedom fostered. Two hundred years of American independence have gained for us an unprecedented measure of political and economic stability and success.

But what should be the goal of our third century as a Nation? I prefer to look at our Bicentennial celebration through a telescope, not a rear view mirror. I see the great challenge of our next hundred years as the advancement of individual independence—of specific steps to safeguard the identity of each and every American from the pressures of conformity. The pressures close in upon us from many quarters—massive government, massive management, massive labor, massive education, massive communication and massive acquisition of information.

To meet this challenge, we still need a positive and passionate commitment to law, to learning and to liberty. Without law, there is no liberty. Without liberty, there is no learning. Without learning, there is no law.

Here at Stanford, you have all three. Law, learning, and liberty. Make the most of them. Make them part of your lives. Make them your richest legacy as well as your most precious inheritance. Thank you.

RECESS UNTIL 1 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 1 p.m. today.

The motion was agreed to and, at 12:18 p.m., the Senate recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Allen).

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate resumed the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The PRESIDING OFFICER. The 1 hour for discussion of the cloture motion begins at this time. In accordance with the previous order, the Chair recognizes the distinguished Senator from West Virginia (Mr. Robert C. Byrd).

Mr. ROBERT C. BYRD. I thank the distinguished Presiding Officer.

Mr. President, no order has been entered for the division of time for debate on the cloture motion, and I currently want Mr. Brooke and others to have an equal opportunity to discuss this motion.

With the understanding that I do not lose my right to the floor at this time, I ask unanimous consent that during the 1 hour prior to the automatic quorum call and the automatic rollcall under the rule, the time be equally divided between Mr. Brooke and myself, provided that no motion pertaining to the pending amendment or bill be in order during that time.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that no motion pertaining to the pending amendment or bill is in order, prior to the automatic quorum call and the automatic rollcall under the rule. Am I correct?

The PRESIDING OFFICER. That is the order, by unanimous consent.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Culver). Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that Pat Shakow of my staff have the privilege of the floor during the course of the debate on the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. JAVITS. Equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield 10 minutes to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. ALLEN. Mr. President, starting at approximately 2:15 p.m. the Senate will proceed to vote on the cloture motion now pending before the Senate. This motion, of course, if agreed to, would effectively end debate on this bill and its various amendments, and would limit the amendments to those now pending and those that are now on the clerk's desk.

Actually, there has been too little thought given to prospective amendments to the substantive provisions of the bill, and few amendments are now at the desk having to do with the substantive provisions of the bill. The Senate has been engaged in discussion and votes with respect to amendments having to do with antibusing provisions sought to be added to the bill.

Mr. President, I am hopeful that cloture will not be invoked so that amendments can be offered and voted on, so that free discussion can be had as to the bill and as to amendments that might be offered. Only those amendments at the desk can be considered if cloture is invoked. This would prevent amendments to amendments; it would prevent the offering of amendments that might become appropriate as various items of the bill are being discussed.

Earlier this year when the Senate voted to change the rules of the Senate on the number of Senators required to cut off debate in the Senate from two-thirds of those present and voting to 60 affirmative votes, I felt there was a danger that the Senate would become what we might term "cloture happy" by invoking cloture at every turn, and the Senate would no longer be a Senate or legislative body which permitted full and free discussion of the issues.

That has not been the case, however, Mr. President, because on the New Hampshire senatorial contest issues, seven efforts, I believe, were made to invoke cloture, and all of these efforts were defeated, even though the rules of the Senate had been changed to make it easier to cut off debate.

I anticipate that cloture will not be invoked today with respect to the HEW appropriation bill. It came out in the debate on yesterday that there was some misunderstanding as to just what cloture was to apply to. Mr. President, as is known by Senators, cloture can be filed not only as to the entire bill but as to the pending amendment, and some Senators who were pressing for an early vote on the bill were of the opinion that the cloture motion applied only to the pending amendments having to do with busing of public school students.

Indeed, when the manager of the bill, Mr. MAGNUSON, the chairman of the HEW Subcommittee of the Appropriations Committee, found out that the cloture motion was directed to the entire bill he stated on the floor that he was going to vote against cloture today.

What about this bill? Why, it appropriates over $41 billion. It is more than $1 billion more than the President recommended. It is more than $900 million more than the Department of Health, Education, and Welfare recommended, and yet if cloture is invoked there will be no opportunity or very little opportunity to cut back these figures. I think, in all likelihood, we are headed toward another Presidential veto with respect to the HEW appropriation bill.

I think, too, that we would be serving the country and the taxpayers of the Nation if passage of this bill should be denied by the Senate.

That does not mean there would not be an appropriation or moneys available for the Department of Health, Education, and Welfare, because under the law the Department would be operated on the basis of a continuing resolution that provides for the same money that was appropriated last year, or in the event the bill had passed one House, as this has, one House whether it be the House or the Senate, that figure, or last year's, whichever is less.

Of course, last year's appropriation was less so if this bill is defeated it will not deprive HEW of the funds on which to operate. They will be operating at last year's basis, which is $600 million less than is appropriated by this bill.

So I hope debate and amendments will not be choked off. As I say, I believe by saving $600 million we will be doing the taxpayers of the country a great service.

But how could the Members of the Senate vote for cloture when the manager of the bill, the distinguished Senator from Washington (Mr. MAGNUSON), has stated on the floor that he opposes cloture; that he thinks there should be free discussion of these various items appropriated, or amounts appropriated. Mr. President, I have an amendment that would reduce this overall appropriation by $1 billion that will be eligible for consideration.

But there are many other Senators, I feel sure, who will have amendments they would like to offer at subsequent stages of the proceedings, but this vote at 2:15, if it carries, would cut off further amendments and limit to 1 hour the time that each Senator could speak.

So I am hoping, Mr. President, that the Senate will vote against the cloture motion. I am hoping that the required 60 Senators will not vote in favor of cloture; that we will have an opportunity to discuss these various provisions.

As I say, we have not got off the antibusing issue as yet. The Senate has been tied up here. The pending amendment, which I favor, is the amendment which was offered by the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), having to do with neighborhood schools and not allowing money appropriated by the bill to be used for busing beyond the student's nearest school or the nearest school offering the course of study being pursued by such student.

But the point is that we have not got down to the $40 billion at all. Not one single amendment, and very little comment, I might say, except by the Senator from Alabama, has been made with respect to this huge appropriation of $41 billion.

Mr. President, I hope that Members of the Senate will offer amendments or agree to amendments that will cut down this stupendous amount appropriated by the bill somewhere within reason. It is so huge, Mr. President, that the Secretary of Health, Education, and Welfare, Dr. David Mathews of Alabama, has recommended that this bill be rereferred to the Appropriations Committee in order that the amount appropriated can be scaled down.

We hardly ever, if ever, hear a Secretary in the Cabinet recommending less money for his Department than is proposed in a bill.

Mr. President, with this tremendous appropriation, $41 billion involved, to say that we are going to cut off amendments, to say that we are going to cut off debate, in my judgment invites a veto of this bill.

I am hopeful that the Senate will not cut off debate, that the cloture motion will be overwhelmingly rejected, and that the Senate will proceed in an orderly fashion to consider the various amounts appropriated, cut them back where that seems indicated, and cut them out where that seems indicated.

But here is the report on the bill, more than 100 pages, with about 15 full-page tables. So to say that each Senator shall have only 1 hour to discuss a bill of this magnitude certainly would not seem to indicate that this body is a deliberative body, but that we just rubber stamp whatever the committee hands out to us.

I hope that the Senate will reject the cloture motion when we vote on it at 2:15.

Mr. MAGNUSON. Will the Senator yield to me?

Mr. ALLEN. I am delighted to yield to the Senator.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, last night I stated why I was going to vote against cloture; for the simple reason that the cloture motion applies to the whole bill.

I have stated and restated over the last 3 or 4 days that we were not considering what the bill is all about—appropriations. So I would feel inconsistent in suggesting we have cloture on discussing the money part of the bill because, as the Senator from Alabama points out, this is a big bill. We are talking about the largest agency in the Federal Government.

Therefore, I am going to vote against this cloture motion, but if a cloture motion comes up relating only to the busing provisions, I shall vote for it.

Mr. ALLEN. I thank the distinguished Senator, and I wish to assure him I am going to follow his lead with respect to this cloture motion.

I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Alabama.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. ROBERT C. BYRD. May I ask the distinguished Senator from Massachusetts (Mr. BROOKE) if he could yield some of his time to Mr. EAGLETON, to whom I had promised some time earlier?

I am glad to yield Mr. EAGLETON my remaining time, and I would hope the Senator from Massachusetts would yield whatever time he could yield to the Senator from Missouri.

Mr. BROOKE. Mr. President, if the Senator will yield, how much time is remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 19 minutes.

Mr. BROOKE. I have 19 minutes remaining.

May I ask the distinguished Senator from Missouri how much time he needs?

Mr. EAGLETON. I would like to have 15 minutes, but if it cannot be, it cannot be. I understand the constraints.

Mr. BROOKE. The Senator has 3 minutes from the distinguished assistant majority leader, so he needs 12 minutes.

I yield the Senator from Missouri 12 minutes.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. EAGLETON. I thank both the distinguished assistant majority leader and the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 15 minutes.

BUSING

Mr. EAGLETON. Mr. President, few public issues gnaw at our national conscience and trouble our personal sensitivities the way that problems of school desegregation do, particularly as they involve busing children away from their neighborhood schools for racial purposes. For a generation now, America has been striving to overcome the effects of long-established practices of racial segregation that were given official sanction through a dozen or more preceding generations.

In my judgment, it is time for us to review the array of practices that are being employed to desegregate schools and determine whether busing, in particular, is really serving a remedial purpose or whether it is creating greater problems than those it is intended to remedy.

The 1954 decision by the Supreme Court in Brown against Board of Education effectively eliminated as constitutional doctrine the principle of "separate but equal," but it could not so quickly eradicate the social imprint of that doctrine or change the way of life it exemplified.

Slowly and painfully, for the remainder of the 1950's and into the decade of the 1960's, the process of desegregation got underway in a host of school districts in the South.

There was resistance, sometimes with violence, other times with legal artifice. Confrontations and challenges were met and overcome. But by the late 1960's, only the most zealous diehard would espouse "interposition" or "massive resistance" or "segregation now and forever."

Throughout this period, the cutting edge of the law of school desegregation was honed in the Federal courts. Actions based upon the equal protection clause of the 14th amendment were brought in Federal court by aggrieved individuals and, after 1964, by the Attorney General of the United States.

As the law in this area evolved, the Supreme Court declared as a fundamental principle that the authority of the Federal courts extended only to cases of school desegregation resulting from official action of some kind or, as it is often called, de jure segregation. In such cases, Federal courts have an obligation to impose such remedies as may be appropriate to vindicate the rights of the children who have been unlawfully segregated by ordering that a plan to desegregate the school system be adopted and implemented.

However, the Supreme Court has repeatedly emphasized that the Federal courts have no authority with respect to schools that become segregated because of residential segregation that is unrelated to official governmental action, that is, de facto segregation.

Congress observed this distinction between de jure and de facto segregation in enacting the Civil Rights Act of 1964. Title IV of the act, which deals with desegregation of public education, expressly provides that no official or court of the United States is empowered "to issue any order seeking to achieve racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance." The term "racial balance" has been read by the courts to relate to situations of de facto segregation.

The passage of the Civil Rights Act of 1964 resulted in a major shift in responsibility for enforcing desegregation requirements as it authorized, in title VI, the Department of Health, Education, and Welfare to cut off the flow of Federal education funds to school districts which were not in compliance with the requirements of law regarding school desegregation. Armed with this grant of authority, HEW began to assume from the courts the main burden of desegregation enforcement.

In addition to the change from judicial to administrative enforcement of school desegregation, there ensued a geographic shift as school districts in the South gradually began to comply with the law and the new focus of desegregation enforcement turned to urban and suburban districts of the North and West.

In the process the rationale for desegregation changed, subtly perhaps, but change it did. No longer was it desegregation of school systems that had been segregated by law, but the integration of districts which considered themselves to be unitary districts, not having a dual system of schools.

Where authorities were formerly concerned with relatively clearcut violations of constitutional rights through the maintenance of dual systems of black and white schools, they now embarked on a search for official action in the form of Government-supported housing construction, school location, zoning policy and other actions leading to segregated neighborhoods and, consequently, segregated schools. Distinctions between de jure and de facto segregation not only became increasingly blurred, but the finding of one or the other legal conclusion was increasingly made by a governmental agency, HEW, not the courts.

Where actions are brought in Federal court, there continues to be a rigorous sifting of the evidence in an adversary proceeding to determine whether or not the existence of predominantly black and predominantly white schools is the result of some form of governmental action. But in the administrative enforcement proceedings undertaken by HEW, there has been a growing tendency to achieve mathematical racial balance rather than to identify the causes of segregation. Under the HEW statistical formulae, school districts are required, at the risk of losing all Federal funds, to transport large numbers of school children across neighborhood zone boundaries in order to achieve a racial balance in each school that reflects approximately the same racial makeup as the school population in the district as a whole.

I see a vast constitutional difference between enforcing valid equal protection rights to eradicate de jure segregated educational systems and making the quantum leap so as to create a mythical constitutional right of statistical racial balance in each classroom.

The equal protection clause, as I view it, mandates the former, not the latter.

As the pattern of HEW practices has become more and more apparent, Congress has time and again stated its judgment that busing solely for the purpose of racial balance is unsound, unwise, and unnecessary. Nine times—in nine separate appropriations bills relating to HEW funds—Congress has adopted language which prohibits funds from being used by HEW to force any school district to bus students to overcome racial imbalance.[1]

In addition, Congress has included busing strictures in the two major education authorization bills adopted since 1970 in order to prohibit use of Federal funds for transportation of students; First, to overcome racial balance, or second, where such busing poses an undue risk to student health or safety, or third, if it impinges significantly on the educational process, or fourth, if the educational opportunities at the school to which the student would be bused are inferior. The Education Amendments of 1974 also provide that no student may be bused to a school other than that "closest or next closest" to his or her home. Further, the 1974 legislation limited cross-district busing, and banned mid-year implementation of court ordered desegregation.

It does not appear that these repeated congressional admonitions have had their intended effect. It is increasingly clear to me that the Department of Health, Education, and Welfare considers itself to have a mandate to achieve racial balance in the major urban school districts of the United States. I believe this policy is inherently self-destructive. To spread a dwindling number of white students throughout a predominantly black city school system is a self-defeating exercise. While the so-called "white flight" from the cities to the suburbs cannot be attributed solely to unreasonable busing requirements, it certainly has been an important factor.[2]

Mr. President, things that seemed so very clear, almost self-evident in 1954 are not quite so clear, not quite so self-evident in 1975.[3]

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[1] The so-called Scott-Mansfield amendment which was first enacted in 1969 and has been reenacted every year since.

[2] The recent statements of Professor James Coleman of the University of Chicago are of considerable interest on this score. His 1966 report has served as a significant rationale supporting the concept of student integration to improve educational performance. Coleman has recently stated, however, that busing students may well be counterproductive in that it further drives white families out of the central city, resegregating the central city school system.

[3] In the words of *Washington Post* columnist William Raspberry: "A lot of us are wondering whether the busing game is worth the prize. Some of us aren't even sure just what

The practice of busing to destroy the de jure segregated school system somehow has been distorted to require busing for racial balance in a unitary school system.[4]

The conventional wisdom that a black student learned quicker and better with a white student on his left and right is not quite so universally accepted today.[5]

I believe we are at a juncture where we must examine what we have done, where we are, and where we are heading.

Certain things we must not do.

We must not tinker with the equal protection clause of the Constitution. Like President Ford, I see no basis whatever for taking away vested constitutional rights and obligations.[6]

We must not act in response to violence or the threat of violence. Bus burners, rock throwers, and bully boys have no right to respect, no standing to be honored.

What we can do is to examine the aspects of the desegregation enforcement process that have been legislatively created. We can pass no statute which seeks to circumvent the Constitution by unreasonably limiting the courts in their authority to fashion remedies to vindicate constitutional rights. But Congress is not bound to select the same remedies employed by the courts when it comes to fashioning, through legislation, an administrative process to enforce school desegregation.

Congress clearly had the power to create the enforcement powers of HEW under title VI of the Civil Rights Act and Congress clearly has the power to revoke or, as I would prefer, to limit those administrative powers through subsequent legislation. This is especially true in this case, where Congress has on at least nine occasions adopted statutory prohibitions against HEW forcing school districts to bus students to overcome racial imbalance.

Looking at the experience of the last decade, I find no compelling reason to maintain busing as a congressionally authorized procedure in school desegregation cases when it has become increasingly apparent that busing offers no remedy at all. Indeed, in a great many cases, the social problems created by busing now outweigh the social advantages to be derived from bringing black and white students together.

I supported the amendment offered by the Senator from Delaware (Mr. BIDEN) last week, since it was the only vehicle before us which related directly to the busing ordered by HEW. However, I believe that the perfecting amendment offered by the Senator from West Virginia (Mr. BYRD) is a preferable approach for the Senate to take since it does not limit HEW in mandating other methods of school desegregation, but would simply remove the authority of HEW to require busing.

Mr. President, when I entered public life in 1955, shortly after the decision of Brown against the Board of Education, I carried with me a commitment to equal rights for all citizens. I have continued that commitment through the several offices I have held in city, State, and national Government.

In the Senate, I have repeatedly voted against and will continue to vote against any unconstitutional attempt by Congress, by statute, to modify or restrict the equal protection clause of the Constitution. On the other hand, I will continue to vote as I have voted at least nine times to prohibit HEW from administratively ordering busing to achieve racial balance. In my view, the busing practices of HEW are no longer related to remedying the denial of rights in de jure school segregation situations. Indeed, I am concerned that continuation of HEW policies will result in even greater school segregation in the future.

For these reasons, I support the amendment of the Senator from West Virginia to restrict HEW from requiring busing while permitting the Department to employ other remedies not incompatible with previous strictures already legislatively imposed by Congress.

I thank both the distinguished Senator from West Virginia and the distinguished Senator from Massachusetts.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the distinguished Senator from Missouri (Mr. EAGLETON) on his eloquent speech. It is a sensible, reasonable speech, and I am not only grateful for his speech, but also grateful for his support of my amendment. I hope that other Senators will follow the course that the Senator from Missouri (Mr. EAGLETON) has laid out for himself, and will vote against cloture today, because if cloture is invoked, a motion to table my amendment would then undoubtedly be made, and I want an up or down vote on the amendment.

If cloture is not invoked, I shall continue, with others, to attempt to reach some kind of unanimous consent agreement which would provide for an up or down vote on my amendment.

I thank the Senator for his great speech.

Mr. EAGLETON. I thank the Senator from West Virginia.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SYMINGTON. Mr. President, I respectfully commend my able colleague for one of the more thoughtful and constructive statements made on this problem, one which is growing in importance from the standpoint of national unity. He is known in our State as one who, over the many years of his public service has expressed compassionate support for minorities. I think today he has illustrated the reputation he has in Missouri for such compassion. He is a great lawyer. I again commend him for his statement.

This current problem concerns many of us who have consistently worked and voted for enactment of strong civil rights laws over the years.

Mr. EAGLETON. Mr. President, I respectfully thank my colleague, with whom it is my privilege to serve in the Senate.

The PRESIDING OFFICER. The time of the proponents has expired. The Senator from Massachusetts has 7 minutes remaining.

Mr. BROOKE. Mr. President, I have listened with great care to the speech just given by our distinguished colleague from Missouri. He says he is concerned with equal protection under the law, and I am sure that he is. But the amendment he has cited, the so-called Biden amendment, certainly does not insure equal protection under the law. Yet he said that he voted in support of that amendment.

Much has been made of the fact, or alleged fact, that HEW has been using its authority to bring about the racial balancing of the public schools, and not the desegregation of the public schools. But I know of no instance where HEW has used its authority to bring about the balancing of the races in the public schools. I do know and applaud the fact that HEW has used the sources available to it under Title VI to bring about the desegregation of public schools that have been segregated by official action. But nowhere do I find evidence that HEW has been arbitrary, or has used its powers as has been indicated by the distinguished Senator from Missouri in his remarks.

Mr. President, we are now approaching the time for a vote by the Senate on the cloture motion that was filed. I hope my colleagues will see fit to support this cloture motion. We have been on this bill now for 5 days. I think we started considering the bill last Wednesday. We have been on it Wednesday, Thursday, Friday, yesterday, and we are on it today.

Most of the debate and discussion on this bill really has not pertained to the

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the prize is supposed to be." September 10, 1975.

Note also comments of the late Professor Alexander Bickel in his recently published book *The Morality of Consent* (Yale University Press, 1975).

[4] The cause of busing so as to achieve a racial balance in a unitary school district has been stated by the highly respected Professor Kenneth Clark. "There is not such a thing as improvement in the schools while they are still segregated. I see no alternative to busing. Integration is a painful job."

See also two articles by Marian Wright Edelman, *New York Times*, September 22 and 23, 1975.

[5] Wilson Riles, Superintendent of Public Instruction for the State of California, says: "If you have to have blacks sitting next to Caucasians to learn, we are in a mess, because two-thirds of the world is non-white, and we would not have enough whites to go around. If the schools are effective and children learn, that is the easiest way to achieve the ultimate goal of integration."

A recent study by Sar A. Levitan, William B. Johnson and Robert Taggart concluded that "the weight of the evidence seems to suggest that integration in the schools can make small improvements in black I.Q. and achievement."

[6] As I read it, the Supreme Court has itself imposed the constitutional outer limit on busing. In the Detroit case (*Milliken v. Bradley*) the Court ruled that where there was no gerrymandering of school district lines between the city and the suburbs and where there was no complicity to segregate between the city and the suburbs, the Court could not and would not order cross-district busing between the central city and suburbs.

The holding in the Detroit case may well be determinative in other predominantly black central city school systems such as Atlanta, Baltimore, Cleveland, Jersey City, Kansas City, Newark, St. Louis, Washington, etc. insofar as the relation between those central city school systems and their contiguous suburbs are concerned.

matters contained in the appropriation bill itself. Most of the debate has been on the so-called busing or antibusing amendments. To my knowledge, there has been only one money amendment that has been filed, debated, and acted upon by the Senate.

Now, there may be some reason to change the law; but certainly the proper place to do so is not on this appropriation bill. There have been no hearings on some of the matters which have been discussed on this floor. There has been no opportunity for the Appropriations Subcommittees to consider these matters; and yet this appropriation bill has been used as a vehicle for amendments which could, in effect, repeal vital sections of the Civil Rights Act of 1964, the most important civil rights measure Congress has ever passed.

So I hope, Mr. President, on the vote which we will have shortly, my colleagues will vote for cloture, so that we can have limited debate. Cloture will not cut off debate, but it will limit debate. We can then discuss the so-called antibusing amendments, but hopefully we can also discuss some of the money amendments and complete action on this bill, which, as I have already indicated, is in its 5th day of consideration by the U.S. Senate.

But I add, Mr. President, that it is a sad day when those who, in the past, have been stalwarts for equal justice under the law and for equal educational opportunity, have come to the conclusion that the Department of HEW is now seeking the balancing of races in public schools, and not doing its job of trying to desegregate the public school systems of this country. It is tragic because it is just not so.

For example, I know, that in my own State, in Boston, Mass., where we have a very serious problem involving busing at this time, HEW was very active prior to the court order, making every attempt to find means other than busing to desegregate the public schools. But every effort to desegregate failed and the matter was forced into the courts. And the Federal district judge, after considering all possible options, ordered busing as a last resort. While other remedies were included in the desegregation order, he held that a certain amount of busing was necessary if the Boston public school system was to be in compliance with the law.

If we were to vote for this amendment, we would deny HEW all other means of achieving desegregation. As a result, we would in many cases force the Federal courts to order busing for the desegregation of the public schools.

I would like to emphasize that nowhere in the Boston opinion will anyone find language that attempts to balance racially the public school system of the city of Boston. Nowhere. And nowhere in the Federal district judge's opinion in the Louisville, Ky., decision, will there be found language to indicate that the purpose of that decision was to bring about racial balance in the public school system of Louisville, Ky.

The only language Senators will find in the orders has to do with the desegregation of those two public school systems, such segregation having been brought about by official action. The two orders seek to remedy a considerational violation. They do not seek to achieve a racial balance.

If we are to deny HEW the tools which it has to avoid busing by the assignment of pupils, by the assignment of teachers, by magnet schools, and by all the other options contained in the Education Amendments Act of 1974, HEW, in many instances, will have to resort to court-ordered forced busing for the purposes of desegregation of public school systems.

Mr. President, I cannot understand the inconsistency of, on the one hand, saying one believes in equal justice under the law and in equal educational opportunities, and, on the other hand, supporting an amendment such as that which was called up on this floor and voted upon by the U.S. Senate.

Mr. President, I hope a sufficient number of Senators will vote for cloture.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate having expired, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

> CLOTURE
>
> We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 8069, the Labor-HEW Appropriation Bill for 1976.
>
> Edward W. Brooke, Hubert H. Humphrey, Mike Mansfield, Hugh Scott, Alan Cranston, Charles McC. Mathias, Jr., Gary Hart, Edward M. Kennedy, Charles H. Percy, Robert T. Stafford, Walter F. Mondale, Lee Metcalf, Abraham Ribicoff, Lowell P. Weicker, Jr., Clifford P. Case, Mark O. Hatfield, Jennings Randolph, Warren G. Magnuson, Jacob K. Javits.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 71]

Allen
Beall
Biden
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Culver
Curtis
Durkin
Eagleton
Eastland
Hart, Gary W.
Helms
Hruska
Huddleston
Javits
Magnuson
Mansfield
McClellan
Pastore
Sparkman
Stone

The PRESIDING OFFICER (Mr. BEALL). A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Bartlett
Bayh
Bellmon
Bentsen
Brock
Buckley
Case
Chiles
Church
Clark
Cranston
Dole
Domenici
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Hartke
Haskell
Hatfield
Hathaway
Hollings
Humphrey
Inouye
Jackson
Johnston
Kennedy
Laxalt
Leahy
Long
Mathias
McClure
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question, Is it the sense of the Senate that debate on the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

The result was announced—yeas 46, nays 48, as follows:

[Rollcall Vote No. 410 Leg.]

YEAS—46

Abourezk
Bayh
Bellmon
Brooke
Bumpers
Burdick
Case
Church
Clark
Cranston
Culver
Durkin
Fong
Glenn
Gravel
Hart, Gary W.
Hatfield
Hathaway
Humphrey
Jackson
Javits
Kennedy
Leahy
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale
Moss
Muskie
Packwood
Pastore

Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NAYS—48

Allen
Bartlett
Beall
Bentsen
Biden
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Goldwater
Hansen
Hartke
Haskell
Helms
Hollings
Hruska
Huddleston
Inouye
Johnston
Laxalt
Long
Magnuson
McClellan
McClure
Montoya
Nelson
Nunn
Proxmire
Randolph
Roth
Scott, William L.
Sparkman
Stennis
Stone
Symington
Talmadge
Thurmond
Tower
Young

NOT VOTING—6

Baker
Cannon
Griffin
Hart, Philip A.
McGovern
Morgan

The PRESIDING OFFICER (Mr. Beall). On this vote, the yeas are 46, the nays are 48. Three-fifths of those duly chosen and sworn not having voted in the affirmative, the motion is rejected.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. The Senators will please take their seats so the Senator from West Virginia may be heard.

The Senator from West Virginia may proceed.

Mr. ROBERT C. BYRD. Mr. President, there is still not order in the Senate.

The PRESIDING OFFICER. Will the Senators please take their seats? Will the Senators in the rear of the Chamber please take their seats or retire to the cloakroom?

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, a majority of Senators voting today voted against the motion to invoke cloture on the HEW appropriation bill. The pending amendment before the Senate is my amendment, which is a perfecting amendment to the amendment offered by Mr. Scott and Mr. Humphrey.

My perfecting amendment is not open to further amendment. I would provide that none of the funds appropriated under this act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home in order to comply with title VI of the Civil Rights Act of 1964.

My amendment is strictly a busing amendment. It addresses itself only to busing and not to the assignment of students—only to busing. It also addresses itself only to the student. It says nothing about teachers. Also, it addresses itself only to the subject of public schools; it has nothing to do with colleges, et cetera. So it is a very simple amendment. It deals with busing only, with the busing of students only, and with the busing of students to the nearest public school.

It makes one exception, that being if the student cannot pursue courses he desires to pursue at that nearest school. So it embraces the neighborhood school concept.

I have wanted an up or down vote on my amendment. When I offered it last Friday, I asked unanimous consent at that time to vote up or down on the amendment at 3 p.m. with no tabling motion in order. That request was objected to. Whereupon, I offered to have a vote up or down—with no tabling motion in order—on my amendment at 5 p.m. on Friday. That request was objected to. Whereupon I asked unanimous consent that a vote occur on my amendment up or down—no tabling motion in order—on the following Monday at the hour of 4 p.m. That request was objected to. Whereupon, I asked unanimous consent to vote on Tuesday at the hour of 2 p.m.—which would have been today, at the hour of 2 p.m.—on my amendment, with no tabling motion in order, and again the request was objected to.

In the meantime, in an effort to secure an up or down vote on my amendment, I have sought to hold the floor, with the support of other Senators, in order to prevent a motion to table my amendment.

I do not know how the Senate will vote on my amendment if given an opportunity to vote up or down. But I believe the American people want this Senate to face this issue on its merits, and I believe they want the Senate to vote on the amendment up or down.

There will be varying opinions in this Chamber, I am sure, as to how the American people would feel about the merits of this amendment, but I think if the polls are to be given any validity at all, they would indicate that the great majority of the American people, black and white, are opposed to the use of busing, forced busing, to bring about an arbitrary racial balance in the public schools. So, all I am wanting is a vote up or down on my amendment.

The Senate having spoken today as emphatically as it has—with the majority voting against cloture—I am prepared at this time to propose a unanimous consent agreement which I have discussed with the distinguished Senator from Washington (Mr. Magnuson), the manager of the bill, and the distinguished Senator from Massachusetts (Mr. Brooke), who is the ranking member on the subcommittee, and who is joined with Mr. Magnuson in handling the bill. I have also discussed this proposal with Senators who are supporting me in the effort to get an up or down vote on the amendment.

The consent agreement, which has been cleared—I believe—with those Senators but not with all Senators, would be as follows, and I propound it at this time.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the remainder of today there be no votes on any amendments or motions dealing with the busing of students or dealing with the subject of assignment of students or dealing in any way with the subject of integration or desegregation of the public schools, but that the Senate proceed to the consideration today of the following amendments: an amendment by Mr. Dole, an amendment by Mr. Allen, an amendment by Mr. Morgan, an amendment by myself, and an amendment by Mr. Nelson—any and all of which amendments would deal with money matters in the bill and matters other than those which would in any way have any impact upon the desegregation or integration of schools or the busing or assignment of students, teachers, et cetera.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I have not yet completed my request.

And that there be a time limitation on each of those amendments of not to exceed one hour to be equally divided between the author of such amendment and the manager of the bill, unless the manager of the bill supports the amendment, in which case the time in opposition to the amendment or motion be under the control of the distinguished Republican leader or his designee; and that on tomorrow at the hour, say, of 1 p.m. a vote occur on my amendment up or down; that no motion to table be in order, and that upon the disposition of that amendment up or down, the vote on cloture, which is scheduled for tomorrow, then occur.

Now, Mr. President, I may have left out something, and I will ask the distinguished Senator from Massachusetts to fill it in if I have omitted something.

Mr. BROOKE. Mr. President, reserving the right to object, after the vote up or down on the Byrd amendment, then there would be an hour's time limitation equally divided, 30 minutes each, prior to the vote on cloture.

Mr. BUMPERS. Mr. President, will the Senator use his microphone, please.

Mr. ROBERT C. BYRD. Mr. President, I omitted the 1 hour of debate, and I will include in my request that, upon the disposition of my amendment on an up-or-down vote, the 1 hour under the cloture rule then begin running with the time to be equally divided between Mr. Magnuson—well, I am not opposed to cloture at this point, but I probably will vote against it—rather between the distinguished majority and minority leaders.

Mr. GOLDWATER. Mr. President, will the Senator yield? Reserving the right to object, and I will not object, could that time be 2 o'clock instead of 1 o'clock?

Mr. ROBERT C. BYRD. Well, under the request, the vote on the motion to invoke cloture would occur at about 2:15 p.m. The vote on my amendment would occur at 1 o'clock. The vote on the motion to invoke cloture would then occur at 2:15 p.m. Would that be agreeable to the distinguished Senator?

Mr. GOLDWATER. If there cannot be any other way I cannot change it. I have something to do tomorrow so that I will not be back until 1 o'clock, but I will not object.

Mr. TAFT. Mr. President, reserving the right to object, I would like to join in the request of the Senator from Arizona. I am inevitably committed until the hour of about 1:30 so I also believe it would be desirable to have perhaps a half hour of further discussion on the amendment. I would like to get into some discussion with the sponsor of the Byrd amendment about some of the possible effects of the amendment at that time. I wonder if we might not have a brief period of debate and, perhaps, put off the final vote on the amendment until 2 o'clock.

Mr. ROBERT C. BYRD. How does this fit into the schedule of the distinguished Senator from Arizona?

Mr. GOLDWATER. That would be fine with me.

Mr. ROBERT C. BYRD. I want my votes here.

[Laughter.]

Mr. ROBERT C. BYRD. I certainly do not want to enter into an agreement that only takes into consideration the convenience of those on the opposite side of the question.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, reserving the right to object, and I shall not, will the Senator state once more the exclusion of the specific motions he had in mind, just so that there will be no misunderstanding by the Senator from North Carolina?

Mr. ROBERT C. BYRD. May I ask the Senator to repeat his question?

Mr. HELMS. The Senator's unanimous-consent request contained stipulation that there be no votes on certain motions. I want to know precisely what motions he had in mind.

Mr. ROBERT C. BYRD. There will be no tabling motion in order.

Mr. HELMS. The Senator means as to his amendment?

Mr. ROBERT C. BYRD. As to my amendment only.

Mr. HELMS. Is that the only condition that the Senator had in his unanimous-consent request?

Mr. ROBERT C. BYRD. That is the only stipulation with reference to tabling motions, and I would include in that any other motions, such as postponements, and so on.

Mr. HELMS. What does the Senator mean by postponement?

Mr. ROBERT C. BYRD. Actually, any such motion would not be in order anyway because the vote would have to come on my amendment—the merits thereof.

While the Senator is considering this, I would change my request to provide that at the hour of 1 o'clock there be an hour of debate on my amendment and at 2 o'clock the vote occur on my amendment, up or down, and that upon the disposition of my amendment up or down, the vote then immediately occur on cloture, so that there would be two votes back to back.

Mr. HELMS. I wonder if the Senator, reserving his right to the floor, would indulge the Senator from North Carolina in a brief quorum call?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum with the understanding I do not lose my right to the floor.

The PRESIDING OFFICER. Is there objection?

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WITHDRAWAL OF UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, it appears that there will be objections to the unanimous-consent request that I propounded, so I withdraw it. Mr. President, this is an unusual filibuster. I am willing to call it that. Most of the time, Senators are unwilling to have their extended debates labeled as filibusters. But as far as I am concerned, one may call it whatever he wants. A rose by any other name smells the same.

Mr. President, let me say, before continuing with my prepared remarks, that I am very willing to enter into an agreement that will allow an up-or-down vote on my amendment. I am willing to vote now on my amendment. I am willing to vote 15 minutes from now, at 3:30 p.m. today, on my amendment. I am willing to vote at any time this afternoon, up or down, on my amendment. So, that is the uniqueness of this extended discussion—or filibuster—if one wishes to call it that. That is the uniqueness of it. It is a filibuster sui generis, in that it is one of a kind; it is a filibuster, the objective of which is to reach a vote. The objective is to reach a vote, not to avoid one.

Those who are supporting me in this discussion have as our objective the achievement of an up-or-down vote on the merits of my amendment. In the usual sense, the so-called filibuster is to prevent a vote from occurring and to prevent the Senate from manifesting its will on a given bill, resolution, or matter before the Senate.

But that is not the case here. I do not want to prevent the Senate from manifesting its will on the merits of my amendment. To the contrary, I want the Senate to take a stand on my amendment, on the substance of my amendment, and on the merits of my amendment. It is for that purpose that I continue to hold the floor, hoping that, in due time, those who object to a unanimous-consent agreement, that will bring about a vote on the merits of my amendment, will realize that in the interest of time and in the interest of getting on with the other business of the Senate, that a vote should be had on the merits of the amendment that I have offered and which is cosponsored by several other Senators.

My amendment would provide that none of the funds appropriated under this act could be used, directly or indirectly, to require the transportation of any student to a school farther than the school which is nearest the student's home.

My amendment goes directly to the controversial issue of forced busing to bring about an arbitrary racial balance in the public schools.

My amendment does not go to the assignment of pupils or to the assignment of teachers. It does not deal in any way with colleges. It deals with public schools. It goes to the center of the controversy that affects our country year after year, the controversy over so-called forced busing.

I believe that the Senate, if allowed to vote on the amendment up or down, will adopt the amendment. I may be wrong in my estimate of what the Senate would do in that event. But, regardless of the outcome of that vote, I feel that the American people are entitled to have a decision by their elected representatives in this body, one way or the other. They are not entitled to have their representatives in this body avoid a showdown on the issue by hiding behind a motion to table the matter.

A motion to table is a procedural motion. It obfuscates the issue, and it makes possible an explanation by a Senator to his constituents, if he wishes to do so, that his vote was not on the merits of the issue: He can claim that he might have voted this way or he might have voted that way, if the Senate had voted up or down on the issue itself. But on a procedural motion, he can state that he voted to table the amendment, and he can assign any number of reasons therefor, one of which would be that he did so in order that the Senate would get on with its work or about its business. Of course, what he would be doing would be failing to state that this amendment is the business of the Senate, and it is important business. The Senate has a duty to face up to this issue.

Time after time, the issue has been brought before the Senate; and by the use of tabling motions, the Senate has avoided the taking of a stand on the merits of the matter itself.

My amendment narrows this matter down solely to the fine point of transportation of students—more often referred to as busing.

It is a very simple amendment. It is easily understood, not only by Senators themselves but all who are not Senators. It is clearly understood by our constituents, both black and white.

If the polls are to be accorded any credibility whatsoever, it is clear that a majority of the American people, both black and white, are opposed to forced busing of children simply to bring about an arbitrary racial balance in the public schools. By "arbitrary balance" I mean a proportionate number of blacks as to whites in a particular school, that decision being made by a Federal judge who does not have to stand before the bar of judgment of the American people, and who does not have to stand for election; or by a Federal bureaucrat in the Department of HEW who does not have to stand before the bar of judgment of the American people, who does not have to stand for reelection, who does not have to pay any filing fee, who does not have to go through any campaign for election. He simply lays down an arbitrary ratio and seeks to justify it on the overall demographic ratios of populations in the school district or city or county, and that is it. Period. It is just that simple, and just that unreasonable.

That is what I am talking about when I refer to an arbitrary racial balance: Some one person or group of persons decides what should be the racial balance in this school or that school or some other school; and in attempting to implement that arbitrary racial balance, students are then assigned to this or that or some other public school purely on the basis of race. This flies in the face of the 1954 Supreme Court decision which, in essence, said that no child could be assigned to any public school solely on the basis of his color or race.

We have since gone 180 degrees; and, today, children, black and white, are being assigned to public schools in various parts of the country solely on the basis of race—black or white—nothing more, nothing less.

A white child will be assigned to a school miles away from his home, miles away from the nearest school, and he will be assigned solely because his skin color is white. A black child will be assigned to a school miles away from his home or from his nearest school, and assigned only on the basis of the fact that his skin color is black—no other basis. He is assigned to this or to that or to some other school solely because he is black—no other reason at all. That, in my judgment, flies in the face of and clashes head on with the 1954 Supreme Court decision. The Constitution knows no color line.

I think the American people are convinced, after observing this foolish social experiment over a number of years, that it cannot and does not insure or guarantee quality education. It is a hazard to the safety of the students who are being bused; it is a hazard to the health of the students, both black and white; it creates an atmosphere of tension and uneasiness in which calm, reflective study is impossible; and it is inordinately costly in terms of the taxpayers' moneys.

It results in the waste of millions of gallons of gasoline annually. It is a drain on the financial resources of the cities as they attempt not only to provide for the purchase of buses and repairs to buses and the purchase of gasoline, but also when they have to provide enormous sums of money for law enforcement personnel to protect the children as they are bused from various parts of the community to particular schools.

Mr. FORD. Will the Senator yield for a question only?

Mr. ROBERT C. BYRD. I yield for a question, yes.

Mr. FORD. Does the Senator have any data that would reflect the additional cost for forced busing in our school systems?

Mr. ROBERT C. BYRD. It is very difficult, I say to the distinguished Senator, to get from the Department of HEW statistics bearing on his question, statistics that will indicate the enormous expenditures required in this country to implement the forced busing of children in order to bring about an arbitrary racial balance in the schools.

I have in my prepared statement a few statistics which I think would be pertinent to the Senator's question, if I may skip ahead in my statement so that I can better respond to the Senator.

The financial costs of massive busing are staggering even in an age justifiably jaded by billion dollar budgets. The following report which is more than two years old gives some idea of the enormity of the financial costs of busing:

I quote from the New Republic of March 4, 1972:

> Court-ordered desegregation is costing Pontiac, Michigan $700,000 and Pontiac has had to cut educational programs to meet these costs. The superintendent and chairman of the school board in Dade County, Florida testified last June that "The financial impact of desegregation is placing severe demands and burdens on the affected school systems." School desegregation in Dade County, which has a $250-million school budget, cost an additional $1.5 million in just six months. Additional transportation is costing $670,000 a year. Pasadena, California is spending $300,000 in Federal Aid for Impacted Areas which would otherwise be used for instructional programs. Pasadena is implementing a federal desegration court order. In Harrisburg, Pennsylvania, which is desegregating under state administrative procedures, additional transportation costs are more than $500,000 a year. Harrisburg has had to cut additional programs to pay for busing. In Nashville, Tennessee, because of an inadequate number of school buses, opening times for schools have been staggered so that some children start school as early as 7:00 a.m., and others arrive home after dark. The inconvenience this has caused threatens public support for education in Nashville.

That was not intended to be a complete answer to the distinguished Senator's question, but it does give some idea of the enormity of the transportation costs.

Mr. FORD. If I may add one item to the Senator's response, I have talked this afternoon to the superintendent of public instruction in my State relating to the city of Louisville and the county of Jefferson. As the Senator knows, this is the site of the largest forced busing decision in the country, with some 23,000 students. He has convinced me that the minimum additional cost per year for the next 5 years would be no less than $3.5 million, and it may reach a $6 million figure annually for the next 5 years.

It seems that this bears out what the Senator has been saying as to additional gasoline, additional buses, additional security personnel, the inability, caused by frustration, of the student to learn and do these things we want for quality education. I quote Senator BEALL, from Maryland's statistics for last year. I believe it is, that in the oral examination, students dropped 18 percent over the year before. In the written examination, they dropped 14 percent.

So it appears that we are eliminating those things that we should be giving our children as a result of forced busing, and the quality of education in this country is dwindling on a national level. Therefore, I wish to support the Senator in his remarks.

Mr. ROBERT C. BYRD. I thank the distinguished Senator. He has well stated my position in saying that we are expending huge sums of money—for what purpose? Just to transport children, and against their will, to schools they have not asked to attend. They do not have any voice in the matter, of course. I dare say that if any Federal court or if HEW attempted to force the owners of homes to move from one area to another in order to bring about an arbitrary racial balance in the residential neighborhood so as to accommodate the implementation of an arbitrary racial balance in the schools in those neighborhoods, the uproar would be deafening. The Federal courts and the Federal agencies of this Government will not attempt that. I dare say that would be unconstitutional. But in any event, they would not dare to suggest or attempt to force the owners of homes to move into other neighborhoods just to bring about some kind of arbitrary racial mix.

So, they center on the children. The children cannot speak for themselves. Children have no part in this decision. They are just being treated like guinea pigs, and the full force of law, the courts, the National Guard, the Federal Government—whatever it requires—is brought to bear to enforce these silly, foolish, stupid, costly, unwise decisions on the part of some individual—either in a Federal court on in a Federal agency—that X number of white students must be moved over by bus to certain black schools in certain black areas, and X number of black students shall be bused to schools in certain white areas. It is utter nonsense; it is costly nonsense; it is tragic nonsense.

For what reason? Not for quality education, but to bring about an arbitrary racial balance in public schools. It does not make any difference what the cost is to the country. It does not make any difference what the cost is to the educational system. It does not make any difference what the traumatic impact upon the child, black or white, may be. That is all secondary to the social theorists. The primary thing to them is to bus students and bring about a certain racial mix in the schools.

Mr. FORD. Is the Senator aware of a study that is being conducted where it was found that black students have been moved every year to a different school for the last 4 or 5 years and they have gone now into a school system even further than that and regulated by percentage grades—as in the fifth grade, they would move some from one fifth grade to the other? The quality of education is completely eliminated, because by the time they get settled down and understand the teacher and the facilities and so forth, the next year they go to another school, in another atmosphere, which is not conducive to quality education, or even that student getting in a frame of mind to absorb what is being presented to him.

Mr. ROBERT C. BYRD. I am aware that such is happening and I think it is utter nonsense. Here is a whole generation of students, black and white, who are being imposed upon, who are being deprived of quality education. Why should not all of this money, that is being spent for buses and accessories and gasoline and for national guardsmen and policemen, be spent to upgrade the schools in the local neighborhoods, to improve the facilities, to improve the laboratory equipment, to pay higher salaries for the teachers, rather than squandered in a foolish experiment that, long since, has proved its worthlessness?

I cannot understand why some Senators do not want to take a stand on this question, up or down. I believe the American people want the Senate to take a stand. They want their elected representatives to take a stand one way or the other on this question. The American people, black and white, want relief from this kind of wasteful squandering of the taxpayers' money, and they also want relief from the annual traumatic headache that is visited upon the cities, upon the school districts and, most importantly, upon the little children in the land.

So, Mr. President, I hope that eventually, if not today, all Senators will agree to a time when the Senate can vote on the merits of this question. The people do not expect their Federal judges to vote on it; they do not expect HEW bureaucrats to have to vote on the question; but they do expect their elected representatives to vote on an issue of such importance, and not to dispose of the issue by way of a procedural motion.

So, having made clear that I am eager to vote on the question at any time, I now proceed to take up where I left off on last Friday.

Admittedly much of the litigation to which I had referred in my remarks on Friday could have been avoided had the States fallen in line with the Brown decision rather than engaging in purposeful evasion. However, it accomplishes little to assess blame since that eventually leads to first causes and to so many now academically but-fors: but for this, but for that. It is a fact, however, that progress in desegregating southern public schools was being made—and it was being made, if not without some pain, certaintly without the wound in the heart brought on by forced busing to achieve an arbitrary racial balance in the schools.

Beginning in the middle and late sixties, circumstances and events seemed to play into the hands of uncompromising integrationists. Notable among these were the resegregation of Southern cities brought on by white flight, the hard nut of segregated residential patterns in traditional neighborhood school attendance areas, both North and South, and judicial and bureaucratic developments which seized upon forced busing as a cure for many of our modern education ills, not simply desegregation.

The first departure from the theretofore solid line of Brown doctrine-based cases appears in the 1966 case of *United States* v. *Jefferson County Board of Education*, 372 F2d 836 (5th Cir. 1966) where the court read the landmark decision in such a way so as not simply to condemn segregation, but to require integration. Accordingly, the duty imposed on school authorities was an "affirmative duty" to eliminate both present discrimination and the last vestiges of the former dual school system. In order to achieve what was termed a "unitary system", the racial composition of the students was deemed to be a proper consideration.

Mr. RANDOLPH. Mr. President, I would inquire of my able colleague, who brings this amendment to the Senate, if he feels, as the polls certainly indicate and considerable correspondence to Senators, this Senator included who is asking the question, that the American people generally do not consider the subject of busing in reference to the general subject of integration. They consider busing, I think, as something that, very frankly, in many ways can be abrasive to integration as it has come about in this country and hoped to develop with an understanding on the part of many people, many jurisdictions.

Mr. ROBERT C. BYRD. I do agree; and, as has been shown to be the result in many areas, it leads to further white flight from the cities to the suburbs, a further reduction in the tax base of cities, and a resegregation of schools rather than desegregation. So it is counterproductive.

Mr. RANDOLPH. That is my feeling.

Mr. ROBERT C. BYRD. In that regard.

Mr. RANDOLPH. And I think——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield further without losing my right to the floor and without its being charged against me as a second speech.

The PRESIDING OFFICER (Mr. DOLE). Without objection, it is so ordered.

Mr. RANDOLPH. I appreciate the response because it is not only a response to my question but, I think, it is a responsible attitude for me as a Senator to take, not reluctantly, not an attempt in anywise to undo what I have heretofore been in favor of for years.

But on the subject of busing and the programing of that busing, I have felt it has been counterproductive. I thought it long ago, and I have continued, as a student of the subject, to assess it, and the answer continues that it is unproductive.

I think that when something has failed, as I believe this has failed——

Mr. ROBERT C. BYRD. And miserably so.

Mr. RANDOLPH. Yes, it has failed.

That we must not hold to something that was just a preconceived idea. The Senator has indicated the record is not good and has used a statement that would indicate that he feels that it is bad, that certainly this Senate should recognize this problem and place it in perspective.

I have letters, I say to my colleague, and these letters are from fathers and mothers, fathers and mothers who basically believe in the working together of the educational processes, no desire to rip apart that which is done and is the law, but this instrumentality has not been a realistic approach to what we believe to be quality education, equal education, and the happy mingling of those who are to be taught and instructed and become a part of maturing manhood and womanhood.

I recognize, of course, the convictions of all Members and I will understand those that would be at variance with my thinking, but it is not only just an opportunity for me to vote in support of the amendment in an up-or-down vote, but I look upon it as a very real obligation and responsibility.

I want the RECORD this afternoon to so reflect my thinking.

Mr. ROBERT C. BYRD. I thank my distinguished senior colleague for his contribution by way of his remarks.

Mr. President, let me say again that I would be agreeable to voting on my amendment at any time today, up or down. I would be agreeable to putting it aside temporarily, taking up other amendments that have nothing to do with busing, or with the assignment of students to public schools, and absolutely nothing to do with integration or desegregation, or whatever we wish to call it, and proceed to the consideration of those other amendments if we could agree to vote at a certain time tomorrow, say 2 p.m., on my amendment—the merits of it—up or down. I would add that we should vote immediately thereafter on the Scott-Humphrey amendment, as amended, if amended, and immediately thereafter on the motion to invoke cloture.

I would be very agreeable to this, as it would allow the Senate to act quickly on the money amendments in the bill, and it would guarantee a vote on my amendment up or down.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that the pending Robert C. Byrd amendment be temporarily laid aside and remain in a set-aside status for the rest of today and that the Senate proceed to the consideration of other amendments to the bill, amendments that have nothing to do with the generic subject matter of busing, assignment of students to public schools, et cetera, and that a vote occur tomorrow at the hour of 2 o'clock p.m. on my amendment with no intervening motion in respect of that amendment, allowed to come in; that upon the disposition of my amendment by up or down vote, a vote occur then immediately upon the Scott-Humphrey amendment, as amended, if amended, and that that also be an up or down vote; and that upon the disposition of that vote the Senate then vote immediately, or say within 30 minutes thereafter—with the time to be equally divided between the majority and minority leaders or their designees—on the motion to invoke cloture.

Mr. BROOKE. I object.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. I object.

The PRESIDING OFFICER. There is objection.

Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I would like to suggest the absence of a quorum with the understanding that I not lose my right to the floor and that my resumption of speaking would not be counted as a second speech.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I would like to propound a revised version of the request, and I would hope that the distinguished Senator from North Carolina (Mr. HELMS) would hear this request.

Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside; that it remain in a temporarily set aside status throughout the remainder of the day; that the Senate proceed for the remainder of today to the consideration of amendments other than those that would pertain to busing of students or the assignment of students, or in any way deal with public school integration or segregation, desegregation or resegregation, and that at the hour of 2 p.m. tomorrow a vote occur on my amendment, with no intervening motion dealing with that amendment in order, and that the vote be up or down on my amendment; that upon the disposition of that up or down vote on my amendment, the Senate proceed immediately to the consideration of the substitute by Mr. HELMS, with a time limitation of, say, not to exceed 30 minutes, to be equally divided between Mr. HELMS and Mr. BROOKE; that upon the disposition of the Helms amendment up or down, the Senate then proceed to an immediate vote, up or down, with no intervening motion in order, on the Scott-Humphrey amendment, as amended, if amended; and that upon the disposition of that vote up or down the Senate, and after debate of 30 minutes to be equally divided between the majority and minority leaders or their designees on the motion to invoke cloture, the Senate then proceed, without an automatic quorum call, to vote on the motion to invoke cloture.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. Reserving the right to object——

Mr. HELMS. Mr. President, if I may make an inquiry of the Senator, did I understand him to suggest a limitation of time on the Helms amendment?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. I would be constrained to object, Mr. President, to that part and that part only. If the Senator will omit that, I will thoroughly agree with and support his suggestion.

The PRESIDING OFFICER. Does the Senator so modify his request?

Mr. ROBERT C. BYRD. Yes, I would so modify my request in that respect only.

Mr. BROOKE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senators for their consideration of the request.

UNANIMOUS-CONSENT AGREEMENT, H.R. 4005

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that at the hour of 4:15 p.m. today, without my losing my right to the floor, the Senate proceed to the consideration of the conference report on H.R. 4005, the developmental disabilities amendments, for a period of not to exceed 20 minutes, to be equally divided between Mr. STAFFORD and Mr. RANDOLPH, and that upon the disposition of that matter the Senate resume its consideration of the pending question.

Mr. BROOKE. Reserving the right to object, and I shall not object, will the Senator modify his unanimous-consent agreement to say for 20 minutes rather than not to exceed 20 minutes?

Mr. ROBERT C. BYRD. I will be glad to.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, as I understand it now, at 4:15 p.m. today the Senate will proceed to the consideration of the conference report on H.R. 4005, the developmental disabilities amendments, for a period of 20 minutes, and upon the disposition of that conference report the Senate will resume consideration of the HEW appropriation bill. The pending question at that time will be on the Byrd amendment and I will be recognized under the order entered on yesterday.

The PRESIDING OFFICER. That is the order.

RECESS UNTIL 4:15 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 4:15 p.m. today.

There being no objection, the Senate, at 4:07 p.m., recessed until 4:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HANSEN).

DEVELOPMENTALLY DISABLED ASSISTANCE AND BILL OF RIGHTS ACT—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate the conference report on H.R. 4005, which the clerk will state by title.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4005) to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of September 15, 1975, at p. 28808.)

The PRESIDING OFFICER. The Senator from West Virginia (Mr. RANDOLPH) is recognized.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the following staff members be accorded the privilege of the floor:

Pat Forsythe, Anne Hocutt, Lisa Walker, Peter Harris, Ellie Parker, Jack Andrews, Jim Fransen, and Mike Francis.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, when the House of Representatives agreed to the conference report on the Developmentally Disabled Assistance and Bill of Rights Act, it was necessary in that body that there be brought to passage House Concurrent Resolution 400, in order to make corrections in the enrollment of the bill. I ask the Chair if that is not correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. RANDOLPH. I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 400.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 400, which the clerk will state.

The legislative clerk read as follows:

> A concurrent resolution (H. Con. Res. 400) relating to the enrollment of H.R. 4005.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

Mr. RANDOLPH. Mr. President, is it now in order to speak on the conference report?

The PRESIDING OFFICER. It is in order.

Mr. RANDOLPH. Mr. President, I am gratified that agreement has been reached by House and Senate conferees on H.R. 4005, the Developmentally Disabled Assistance and Bill of Rights Act.

Our Subcommittee on the Handicapped has been working on this legislation since January 1974 when we received from the General Accounting Office a study of the programs currently authorized by the Developmental Disabilities Act. The GAO study revealed inequities between States and within States in the delivery of services to persons with developmental disabilities; administrative problems; and insufficient or inadequate evaluation of the programs at both the State and national levels. The GAO also found that the funds which have been allocated to the States have not always been used to fill the real needs of developmentally disabled persons.

It is my belief that the conferees report on which we have reached agreement is not only a fair and equitable accommodation of the views of our two Houses, but a realistic attempt to solve the deficiencies enumerated in the GAO report and, in a sense, move this program into a second or new phase in bringing services to those with developmental disabilities. I can tell my colleagues in the

Senate that the conferees retained many provisions in the Senate amendment which will assist the States in bringing together available resources in a coordinated way so developmentally disabled persons are more adequately served.

The conference report is a joining of many provisions of both the House bill and the Senate amendment. The conferees have authorized a 3-year bill—fiscal years 1976, 1977, and 1978—with a total authorization of $287 million. I ask unanimous consent that a table of the authorization figures be placed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AUTHORIZATIONS OF APPROPRIATIONS IN THE HOUSE BILL, SENATE AMENDMENT AND CONFERENCE SUBSTITUTE ON DEVELOPMENTAL DISABILITIES

[In millions of dollars; fiscal years]

	1975			1976			1977			1978			1979			Total		
	H	S	C	H	S	C	H	S	C	H	S	C	H	S	C	H	S	C
University affiliated facilities	(1)	25.0	(1)	12	25.0	15	15	25.0	18	(3)	25.0	21	(3)	25.0	(3)	27	125.0	54
Construction of university affiliated facilities	(1)	6.5	(1)		6.5	3		6.5	3	(3)	6.5	3	(3)	6.5	(3)		32.5	
Special project grants	(1)	17.5	(1)	15	20.0	18	15	22.5	22	(3)	25.0	25	(3)	27.5	(3)	30	112.5	9
State formula grants	(1)	50.0	(1)	40	85.0	40	50	95.0	50	(3)	110.0	60	(3)	110.0	(3)	90	440.0	65
National Council on Developmental Disabilities	(1)	.1	(1)		.1			.1		(3)	.1		(3)	.1	(3)		.5	
Evaluation system	(1)		(1)		1.0			1.0		(3)			(3)		(3)		2.0	
Personal advocacy system		[2] NS	(1)		NS	3		NS	3		NS	3		NS			NS	9
Bill of Rights		NS	(1)		NS			NS			NS						NS	
Total		99.1		67	137.6	79	80	150.1	96		156.6	112		169.1		147	712.5	287

[1] Simple 1-yr extension of existing authorities.
[2] NS—Such sums as may be necessary.
[3] No authorizations.

Mr. RANDOLPH. In brief, the conferees have:

First. Extended the demonstration, training, and operational grants for university-affiliated facilities and established a new program of satellite centers which will serve as clinical outreach facilities of the UAF's. This new satellite center program will bring the expertise and experience developed in the UAF's over the past 12 years to those States and communities which do not have UAF's in order to assist them with program of services for developmentally disabled citizens;

Second. Authorized an entirely new special projects section, which will include projects of national significance and projects heretofore authorized by section 314(e) of the Public Health Service Act and section 4 (a)(1) of the old Vocational Rehabilitation Act (section 304(b)(1) of the Rehabilitation Act of 1973);

Third. Authorized a minimum allotment for a State of $150,000—for a territory of $50,000—and mandated that no State shall receive less than it did in fiscal 1974;

Fourth. Strengthened the State planning councils by clarifying and enlarging their functions and insuring sufficient stature of the council within the State;

Fifth. Increased the membership of the National Advisory Council from 20 to 25, placed it in the Office of the Secretary;

Sixth. Removed the requirement from the existing act which requires that each individual construction project funded by each State be approved by the Secretary of Health, Education and Welfare;

Seventh. Changed the definition of "developmental disability" so that it includes autism;

Eighth. Required the Secretary to determine conditions which should be included in the definition of developmental disability and to conduct a study to determine an appropriate basis for including disabilities other than those already in the definition and the nature and adequacy of services provided under other Federal programs for persons with developmental disabilities;

Ninth. Required the Secretary to insure that recipients of assistance under this Act shall take affirmative action for the employment and advancement of handicapped individuals;

Tenth. Mandated the establishment of an evaluation system by the Secretary and a time-phased plan for each State's implementation of an evaluation system; and

Eleventh. Reorganized title II of the Senate amendment in order to reflect the essential elements which are necessary for continued improvement in the quality of care and habilitation of developmentally disabled persons in residential and community facilities.

The most controversial provisions of the Senate amendment and the House bill have been the definition of developmental disability and title II of the Senate amendment. Because of Senator JAVITS' interest in title II, I will leave the discussion of that portion of our conference report to him. However, I would like to address myself to the definition.

As my colleagues know, the 1970 act limited the term developmentally disabled to those suffering from mental retardation cerebral palsy, epilepsy, and other neurological conditions. The Secretary of Health, Education, and Welfare, in regulations developed pursuant to enactment of the 1970 law, narrowly construed this definition so that in effect it eliminated any "other neurological conditions." In the opinion of many in the professional community, this restricted definition omitted a large number of persons who were in fact developmentally disabled and who could greatly benefit from the planning and services mandated by the act.

The conferees have agreed to the following definition:

"Developmental disability" means a disability which is attributable to (i) mental retardation, cerebral palsy, epilepsy, or autism; (ii) any other condition of a person found to be closely related to mental retardation because such condition results in simliar impairment of general intellectual functioning or adaptive behavior to that of mentally retarded persons or requires treatment and services similar to those required for such persons; or (iii) dyslexia resulting from a disability described in clause (i) or (ii), and originates before such person attains age 18, has continued or can be expected to continue indefinitely, and constitutes a substantial handicap to such person's ability to function normally in society.

I wish to make it clear that if a person suffers from a condition—such as Huntington's disease—not specifically named in this definition but which meets all of the conditions contained in the rest of the definition, then that person is eligible for services under this legislation. It is not our intention to exclude anyone who suffers from a condition which meets the requirements established by this definition and who needs the services mandated by this bill.

Finally, Mr. President, it has been a privilege to work with those colleagues who have given so much time and effort to this legislation: Senators JAVITS, KENNEDY, STAFFORD, CRANSTON, WILLIAMS, PELL, MONDALE, HATHAWAY, TAFT, SCHWEIKER, and BEALL. All these Members have shown a vigorous commitment not only to this bill, but to all the activities of the Subcommittee on the Handicapped. In addition, I extend thanks to the distinguished members of the House Interstate and Foreign Commerce Committee, in particular the chairman, my able colleague from West Virginia (Mr. STAGGERS), the chairman of the Subcommittee on Health and the Environment (Mr. ROGERS), and the ranking minority member of the subcommittee (Dr. CARTER). This bill could not have reached this point without their cooperation and good will.

H.R. 4005 is designed to improve the planning for services and the delivery of those services to persons who suffer from a developmental disability—by definition, a severely disabling condition that impedes normal development. We have not created a new program, but have taken the present program and designed it to form a partnership with the States to provide an adequately planned, coordinated service system which is essential if these individuals are ever to achieve their maximum self-realization. It is my belief that this legislation is a major step in achieving this goal, and my appreciation goes to my distinguished colleagues for their support, cooperation, and good will of the vitally important programs contained in this measure.

Mr. STAFFORD. Mr. President, it is always a real pleasure to work with the distinguished chairman of the subcommittee, the senior Senator from West Virginia (Mr. Randolph), on matters like this, and I take a great deal of satisfaction in joining with him and with the ranking Republican member of the Committee on Labor and Public Welfare, the senior Senator from New York (Mr. Javits), and others on the committee in the work that we have completed by presenting this conference report today.

Today's consideration of the conference report on the Developmentally Disabled Assistance and Bill of Rights Act represents the end of a 2-year process to enact this legislation.

This conference report sets forth the framework to bring together those programs serving the Developmentally Disabled in a cooperative planning effort for the benefit of the individual. The State planning councils will now have the authority to start looking across bureaucratic agencies and programs in an attempt to plan for the many services needed by one segment of the handicapped population. The authority of the State planning council to approve, monitor and evaluate the implementation of the State Developmental Disability plan is the important first step in trying to provide a better delivery system to the developmentally disabled population.

The conferees accepted the basic intent outlined in the original Senate bill, which is to begin to develop services and programs which work together for one common goal—service to the individual.

The conference report contains the University Affiliated Facility Satellite Center concept which I proposed to the Subcommittee on the Handicapped last year, and the Senate adopted that proposal in June of this year. The bill provides for the system of UAF resource. This reflects the view of the Senate that the UAF's have much to offer the developmentally disabled community in terms of training, manpower resources and the provision of interdisciplinary services as a function of their training programs. The Satellite Center will get this resource to the developmentally disabled individual residing in a rural area.

Mr. President, I ask unanimous consent that sections of the conference report on the earmark for deinstitutionalization and employment of handicapped individuals be printed in the Record at this point to emphasize their importance to the developmentally disabled.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Earmark for Deinstitutionalization

The House bill, but not the Senate amendment, requires each State in fiscal 1976 to use not less than 10 percent of its allotment for developing and implementing plans designed to eliminate inappropriate placement in institutions of persons with developmental disabilities, and further requires each State to use 30 percent of its allotment for such purpose in years subsequent to 1976, section 132.

The conference substitute conforms to the House bill.

In earmarking 10 percent of the State's allotment in fiscal year 1976 and 30 percent in succeeding fiscal years to assist the State in developing and implementing plans (submitted pursuant to section 134(b)(20)) designed to eliminate inappropriate placement in institutions of persons with developmental disabilities, the conferees are in agreement that the development of community resources to serve previously institutionalized individuals would be an appropriate purpose for which such funds could be expended, and, where proposed, would be an integral part of any such plan and its implementation.

* * * * *

EMPLOYMENT OF THE HANDICAPPED

The Senate amendment, but not the House bill, requires the Secretary to insure that each recipient of assistance under the Act will take affirmative action to employ, and advance in employment, qualified handicapped individuals covered under and on the same terms and conditions as set forth in the applicable provisions of the Rehabilitation Act of 1973.

The conference substitute conforms to the Senate amendment with technical changes.

Mr. STAFFORD. Mr. President, the conference report also contains the important provisions of title II of the Senate passed DD bill. Title II provides for procedural guarantees of the rights of the developmentally disabled in programs supported by the Federal Government. It also strengthens the administrative ability of the Department of HEW to protect the constitutionally guaranteed rights of institutionalized individuals.

Mr. President, I ask unanimous consent that the sections from the conference report on title II be printed at this point in my remark to emphasize the importance of this title of the bill.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

DEVELOPMENTAL DISABILITIES

The Senate amendment, but not the House bill, contains a second title providing, in general, detailed standards for the operation of programs serving the mentally retarded and other persons with developmental disabilities, including both ambulatory or community programs, and residential programs.

The conference substitute contains a compromise which specifies rights of the developmentally disabled, requires programs assisted under the Act to have individual habilitation plans for those they serve, requires the States to develop programs for protection and efficacy of the rights of the developmentally disabled, and requires the Secretary of HEW to undertake studies and make recommendations respecting appropriate standards and quality assurance mechanisms for programs serving the developmentally disabled. The compromise is drafted as a second title in the conference substitute which amends the Developmental Disabilities Act.

Statement of Purpose

The Senate amendment, but not the House bill, states the purpose of the bill of rights to be establishing standards to assure the humane care, treatment, habilitation and protection of mentally retarded and other developmentally disabled individuals who are served by residential and community facilities and agencies.

The conference substitute contains a compromise which enumerates Congressional findings respecting the rights of persons with developmental disabilities. These include findings that the developmentally disabled have a right to appropriate treatment, services and habilitation; that such treatment, services and habilitation should be designed to maximize the developmental potential of the person and be provided in the setting that is least restrictive to his personal liberty; that the Federal government and the States have an obligation to assure that public funds are not provided in programs which do not provide appropriate treatment, services and habilitation or do not meet minimum standards respecting diet, medical and dental services, use of restraints, visiting hours and compliance with fire and safety codes; and that programs for the developmentally disabled should meet appropriate standards including standards adjusted for the size of the institutions which are at least comparable to those promulgated under title 19 of the Social Security Act.

These rights are generally included in the conference substitute in recognition by the conferees that the developmentally disabled, particularly those who have the misfortune to require institutionalization, have a right to receive appropriate treatment for the conditions for which they are institutionalized, and that this right should be protected and assured by the Congress and the courts.

General Provisions

The Senate amendment but not the House bill:

(1) defines 48 different terms used in the title;

(2) requires establishment of a National Advisory Council on Standards for Residential and Community Facilities for Mentally Retarded and Other Persons with Developmental Disabilities;

(3) requires each State to provide a plan to the Secretary for assuring compliance of each program serving the developmentally disabled within the State with the standards established by the title within five years after the date of enactment;

(4) requires the Secretary to determine whether or not programs are in compliance with the statute and to report annually to the Congress on the program;

(5) authorizes appropriations of such sums as may be necessary for grants by the Secretary to the States to assist publicly operated programs in meeting the requirements of the statute;

(6) requires maintenance of effort by the States and authorizes withholding of any Federal assistance under any Act from any program which does not meet the standards after 1980; and

(7) requires the Secretary to develop and transmit to the Congress an evaluation system which will assess the adequacy of all education and training, habilitation, rehabilitation, early childhood, diagnostic and evaluation services, or any other services or assistance under all laws administered by the Secretary.

The conference substitute conforms to the House bill but includes a requirement that the Secretary of HEW makes studies and recommendations to the Congress respecting appropriate standards and quality assurance programs for programs serving the developmentally disabled.

ALTERNATIVE CRITERIA FOR COMPLIANCE IN LIEU OF STANDARDS FOR RESIDENTIAL AND COMMUNITY FACILITIES AND AGENCIES

The Senate amendment, but not the House bill:

(1) requires the Secretary to specify detailed performance criteria for measuring the progress of persons with developmental disabilities;

(2) requires the Secretary to insure that every individual served by any program assisted by the Secretary has an individualized written habilitation plan and specifies characteristics of such plans;

(3) requires each agency serving any developmentally disabled individual to assign to each such individual a program coordinator and specifies requirements respecting program coordination;

(4) requires the Secretary to insure that

each State establishes a system of protective and personal advocacy for the developmentally disabled and specifies requirements with respect to such systems;

(5) requires each program serving the developmentally disabled to keep such records as the Secretary may require; and

(6) specifies minimum standards which agencies meeting the performance criteria specified above must meet in addition to the criteria.

The conference substitute conforms to the House bill except that it incorporates the requirements for individual habilitation plans; a set of six specified minimum standards dealing with health safety and rights of developmentally disabled persons; and a State system of protection and advocacy of the individual rights of the developmentally disabled with redrafting and technical changes.

The intention of the conference committee is that the habilitation plan be required only when the Federal assistance under this Act contributes a portion of the cost of the habilitation services to the developmentally disabled person. If, for example, the only Federal assistance received by a program is used solely to purchase a bus to transport developmentally disabled persons, then a written habilitation plan would not be required. If, on the other hand, a program to provide habilitation services to developmentally disabled individuals is supported in whole or in part by Federal funds under this Act, a written habilitation plan would be required for each program participant.

The conference committee recognizes that the six minimum standards are designed to protect the basic human needs of developmentally disabled individuals and will not in themselves ensure quality habilitation and adequate treatment programs. The committee therefore does not intend these standards to preempt or supplant any existing Federal or State standards currently in force (e.g. standards applicable to Intermediate Care Facilities for the Mentally Retarded under Medicaid), which may require more detailed or higher standards of care.

Mr. STAFFORD. Mr. President, the conference report presented to the Senate today is a good piece of legislation, and I urge my colleagues to support it.

Mr. President, I am happy to yield to the distinguished Senator from New York (Mr. JAVITS).

Mr. JAVITS. Mr. President, first, I commend the Senator from West Virginia (Mr. RANDOLPH), the chairman, and the Senator from Vermont (Mr. STAFFORD) the ranking member of the subcommittee, for their extraordinary job in a critical field which so deeply appeals to every human instinct of every Senator and all other Americans. Also, I thank them for their outstanding cooperation in a matter in respect of this bill which has been a burning issue to me ever since the terrible disclosures at Willowbrook School, Staten Island, N.Y., uncovered the inhumanity of man to man and yet another example of how retarded children were treated.

Mr. President, I commend to the Senate approval of the conference report on H.R. 4005, the Developmentally Disabled Assistance and Bill of Rights Act, and to urge its favorable consideration by the Senate. The report was accepted by the House of Representatives on Thursday, September 18.

I am particularly pleased that the conferees have included as title II essentially the "Bill of Rights for the Mentally Retarded" which I originally introduced on June 28, 1972, in response to the tragic situation of institutionalized mentally retarded patients across the Nation.

Title II of the conference agreement establishes a clear Federal policy that the mentally retarded have a right to appropriate treatment, services, and habilitation. This "Bill of Rights" explicitly recognizes that the Federal Government and the States have an obligation to assure that public funds are not provided to institutions or other residential programs for the mentally retarded that: A. do not provide adequate treatment, service, or habilitation; or B. which do not meet the following minimum standards:

Provision of a proper diet to persons served.

Provision of proper medical and dental services to such persons.

Prohibition of the improper physical restraint or use of such restraint as punishment or as a substitute for proper treatment.

Prohibition of the excessive use of chemical restraint either as punishment or as a substitute for proper care.

Provision that relatives of developmentally disabled persons be permitted to visit at reasonable hours without prior notice.

Provision that institutions comply with adequate fire and safety standards as promulgated by the Secretary of HEW.

Other safeguards of the rights of the developmentally disabled in title II are:

An individual written habitation plan for each developmentally disabled person being served in a program funded pursuant to this act.

A system in each State to protect and advocate the rights of persons with developmental disabilities.

Requirement that the Secretary of Health, Education, and Welfare review the detailed minimum standards of care for the mentally retarded, and present his findings and recommendations to the Congress as to the sufficiency of present standards.

Mr. President, this "Bill of Rights" represents a reaffirmation of the basic human and civil rights of all citizens. It provides the direction and framework for improving the overall situation of this country's mentally retarded and other developmentally disabled individuals.

The conference agreement wisely balances fiscal restraint with necessary programatic improvements. It sets forth wise and necessary Federal policy with respect to the rights of the mentally retarded. The adoption of the conference report by the Senate and its signing into law by the President will mark a major step forward to the day when the mentally retarded, their families, and friends, and all Americans can be proud that one of our most ignored minorities—the mentally retarded—are properly protected under the law at last.

The reform contained in title II of this bill would not have been possible without the assistance and cooperation of Senator RANDOLPH and Senator STAFFORD. That, again, is a high matter for which they should be commended greatly by the country and by the Senate.

Mr. STAFFORD. Mr. President, Senator RANDOLPH and I appreciate the very gracious words of the senior Senator from New York.

Mr. SCHWEIKER. Mr. President, the Developmentally Disabled Assistance and Bill of Rights Act of 1975 is a vital piece of legislation, representing almost 3 years of effort by my colleagues on the Subcommittee on the Handicapped, and the House Subcommittee on Public Health and the Environment.

This legislation broadens the definition of developmental disabilities to include mental retardation, cerebral palsy, epilepsy, autism, and other conditions requiring similar treatment. Therefore, it will provide assistance to many more of our Nation's developmentally disabled citizens than existing law. A large percentage of these citizens are so severely disabled that they require a lifetime of services in order to be able to function adequately for personal or social needs. Developmentally disabled persons often suffer from two or more overlapping conditions. Obviously, these individuals require programs to provide for their specific and multiple conditions.

H.R. 4005 recognizes the need for continued Federal concern for the treatment and dignity of developmentally disabled citizens. It coordinates existing programs by setting up a cooperative relationship between the State planning councils and the State agencies responsible for the implementation of the State plans, in order that an integrated and efficient delivery of services to developmentally disabled individuals can be achieved. In addition, it delegates the new responsibility of assisting the Secretary of Health, Education, and Welfare in the development of programs to the National Advisory Committee on Developmental Disabilities.

Mr. President, the last 5 years have seen a dramatic increase in public awareness of the needs of institutionalized mentally retarded and developmentally disabled persons. This has been highlighted by scandals in many institutions, by court cases, and by the efforts of the communications media. Testimony before our committee demonstrated that standards in institutions for the developmentally disabled are urgently needed and that the Federal Government should play a major role in improving the care and services provided to developmentally disabled citizens.

To this end, I am pleased the conferees have included in title II of the final version of the legislation a bill of rights for the developmentally disabled. It provides for the rights of developmentally disabled individuals to treatment, services, and habilitation, maximization of their developmental potential, and protection by denial of funds to programs which do not provide appropriate treatment, services, and habilitation or meet appropriate standards. This provision was originally introduced as a bill of rights for the mentally retarded, which I also cosponsored earlier. The developmentally disabled in this Nation for too long have been treated as burdensome problems, rather than with the affection and care they deserve as human beings. Too often developmentally disabled persons are "put away" in institutions and forgotten. It is now time to provide alternatives to locking persons up in institutions. Treating the developmentally disabled with more human dignity can bring additional benefits to them, their families, and to society.

Mr. President, I support this legislation not because it represents the end of our efforts in this area, but because it provides a basis for a new beginning in expanded services for our Nation's developmentally disabled citizens. I urge prompt passage and enactment of this important measure.

Mr. WILLIAMS. Mr. President, as a conferee on H.R. 4005, the Developmentally Disabled Assistance and Bill of Rights Act, I believe that the bill we bring back to the Senate today marks an important step forward in the delivery of services to persons with developmental disabilities.

We will be sending to the President today a bill which combines the best provisions of the House and Senate bills, which will assist in the process of deinstitutionalization and the protection of rights of persons with developmental disabilities.

Provisions to strengthen the planning process of the State Councils have been retained in the conference agreement, as well as new provisions providing for the establishment of satellite centers for the delivery of services to the developmentally disabled. In light of pressure within the States to move developmentally disabled persons to community-based care, the report sets aside 10 percent in fiscal year 1976 and 30 percent thereafter of funds received by a State to be used for deinstitutionalization. The conference report further retains a provision which I authored for the development of a comprehensive system of evaluation which will enable States to evaluate their services based on the benefits these services actually provide to developmentally disabled persons. This evaluation system will be a major breakthrough in the area of service delivery enabling us for the first time to make judgments about services and service delivery systems based on the effects of these services on an individual, rather than on other more removed measures such as the technical amount or quality of services.

Of critical importance, I believe, are provisions originally contained in title II of the Senate bill on which we were able to reach a compromise agreement with House conferees. These provisions establish for the first time in Federal law a basic statement of findings of the Congress of the rights of developmentally disabled persons, including a finding that persons with developmental disabilities have a right to appropriate treatment, services and habilitation, and that such services must be designed to maximize the developmental potential of the person and must be provided in a setting that is least restrictive of his personal liberty. The conference report further includes a requirement for individual habilitation plans for each person served by programs funded under the Act, specified minimum standards relating to health and safety, and a development of a system within each State which will protect the individual rights of developmentally disabled persons.

Mr. President, this conference report provides strengthening changes in the Developmental Disabilities Act, which will assist the planning process in the States for the developmentally disabled and will assure that funds under the act will be used by the States to assist them in the deinstitutionalization process.

I believe we have developed a very good bill, and I urge my colleagues to support it.

Mr. STAFFORD. If any time remains, I am prepared to yield it back.

Mr. RANDOLPH. Mr. President, is there time remaining?

The PRESIDING OFFICER. Two minutes remain.

Mr. RANDOLPH. It is really in the control of the Senator from Vermont, now.

The PRESIDING OFFICER. The Senator from Vermont has 2 minutes remaining.

Mr. STAFFORD. Unless there other speakers, the Senator from Vermont is prepared to and does yield back the remainder of his time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. RANDOLPH. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8096) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. BROOKE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. According to the previous order, the Senator from West Virginia has the floor.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. Under the order previously entered, I would get recognition upon the rescinding of the quorum.

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. Mr. President, will the Senator withhold his request for a quorum, and will the Senator, with his rights fully protected, be willing to yield to me for about 5 minutes, for a statement unrelated to this matter?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from North Carolina (Mr. HELMS) for the purpose of his making a statement out of order insofar as the pending business is concerned, and without my losing my rights to the floor, and without the resumption of my speech being charged against me as a second speech, and with the understanding that the Senator could make no motion whatsoever.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. I thank the able assistant majority leader for his courtesy.

FULL DISCLOSURE ON SINAI PACT

Mr. HELMS. Mr. President, when the Israeli-Egypt accord was announced at the beginning of this month, many of us felt misgivings about the terms of the agreement and the degree of U.S. involvement, yet we were willing to wait to see the full terms before we pronounced our acceptance or rejection. In the meantime, the newspapers have been full of texts of annexes and protocols, secret agreements, and verbal assurances. Yet nothing has been made generally available to the Congress by the State Department, to my knowledge, except the basic agreement issued under the date of September 1.

It is rather strange to the Senator from North Carolina that Members of Congress must obtain information of this sort from the news media, rather than through official channels. The flood of pseudo-secret documents has no end; indeed, the fact that so many have come forward suggests that there are others to come. Yet the Secretary of State has declined to inform the Congress and the American people of the full extent of the agreements. Senators have been told, off the record, that texts will be available to them to inspect, but not to copy or carry away, and that these texts shall be available only in the excerpts that pertain strictly to U.S. involvement.

I find this theory of disclosure a sham and totally unacceptable. Unless this agreement can stand the light of day, it will never be a lasting or convincing agreement. Moreover, the United States-Israeli agreements are not enough. We must see the United States-Egyptian agreements, which have not yet been made public by whatever means. We must also see the Israeli-Egyptian agreements. For it certainly cannot be true that the Israeli-Egyptian agreements do not involve us. From what has already been revealed we will be committed so deeply to both sides in the dispute that any Israeli-Egyptian agreements will inevitably involve the United States and its commitments.

I, therefore, call for full and complete disclosure of all documents and agreements relating to any facet of the Israeli-Egyptian settlement.

If the President and the Secretary of State cannot take the responsibility for disclosing the contents to the Congress, then the Senate should receive the documents in a secret session for a thorough debate, at the end of which time the Senate can vote on whether or not they should be made public.

From what has already come out, it is difficult to see where the U.S. interest is being safeguarded in this matter.

First, we commit 200 American hostages—and make no mistake about it, that is the very clear risk such technicians would be taking—to an area of volatile emotions.

Second, we make long-range military and economic assurances—bordering on commitments—of a sort we have never made before on a long range basis.

Third, the level of funds proposed lies beyond the capability of the United States without increasing our national debt.

Fourth, the proposal to furnish oil to Israel, even if it requires shipments from this country's national oil reserves while the United States is on a conservation plan, is totally inconsistent with the primary interests of the United States.

Fifth, the promise to respond favorably to Israel's request for advanced weapons technology, such as F–16's, Pershing missiles, and laser bombs, inevitably forces Egyptian allies to make it possible for Egypt to have similar equipment, even if it must be purchased from Soviet sources. Not only the Egyptians, but also the other Arab States within striking distance of the Pershing's 450-mile range will now be forced to obtain similar equipment from whatever sources that will supply them. The effect of supplying arms to one side is to raise the level of armament for both sides. Forcing such purchases pushes Egypt and the Arabs back into the arms of the Soviet Union. So, Mr. President, we are increasing tensions, not reducing them.

It is disturbing, Mr. President, that the Pentagon was not consulted about the use of such advanced U.S. military hardware as bargaining chips in Dr. Kissinger's negotiations. Only now is Congress beginning to get an idea—however incomplete—of the complexities of the arrangements made by the Secretary of State to bring about what is nothing more than an interim agreement.

With a series of promises so extensive, and with many details still not revealed, there must be plenty of time for examination and discussion of the points involved. There must not be any surprises after the Senate acts. We must not commit ourselves to arrangements which may result in the need for increased commitments in future years to protect our "investment."

Furthermore, we must know exactly how this settlement will fit with the future of the Israeli-Syrian dispute. The Sinai settlement is only half of the picture; will we also be required to risk similar resources to pacify the Golan Heights?

The very proposals themselves have stirred up the Palestinians who feel that their interests have been sabotaged. I say today that there will be no peace in the Middle East as long as the Palestinians do not have a just settlement of their grievances. The social and political consequences of leaving the Palestinian matter to fester will be so great that all the billions we are called upon to spend will be in vain.

Indeed, the place to start in a Middle East settlement is with the human problem, the Palestinian problem. Why spend billions on arms when people are displaced and suffering? Anyone can throw money around, but not everyone can see that courage, justice, honor, and suffering will count for more in the long run than the reliance on diplomacy and technology that lost for us the Vietnam war.

To date, all that most Members of Congress know about the agreements, secret and otherwise, is what they have read in the newspapers. How can Congress vote to commit ultimately, the lives of 200 Americans and a reported $15 billion in American resources to an arrangement that we really know so little about? Do not the representatives of the American people deserve to know all the facts before this Nation makes such a large commitment of its men and resources?

I think so, Mr. President.

That is why I say that we should see the whole picture. Let it be spread out for all to examine. Let it be put in the context of the whole situation, and not viewed merely as a bilateral agreement between two countries. Peace can never be purchased. It must be based upon reality. Before the debate can even begin, let us find out what that reality is.

Mr. President, I thank the distinguished Senator for yielding to me.

Mr. ROBERT C. BYRD. Mr. President, the able Senator from North Carolina (Mr. HELMS) is welcome.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each, with the understanding that the period for transaction of routine morning business be for the purpose only of introduction of statements, petitions, memorials, bills, resolutions, and so forth, into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF H.R. 8069 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of routine morning business tomorrow, the Senate resume consideration of the HEW appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR 1 HOUR UNDER CLOTURE RULE TO BEGIN AT 1 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 1 p.m. tomorrow, the 1 hour under the cloture rule begin running.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, of course, the Senator from Massachusetts does not have the floor, but he has the right, under the rule, to introduce a cloture motion at this time if he wishes to do so.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

CLOTURE MOTION

Mr. BROOKE. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 8069, the Labor-HEW Appropriation Bill for 1976.

Hugh Scott, Mike Mansfield, Edward W. Brooke, Lowell P. Weicker, Jr., Ted Stevens, Jacob K. Javits, Gale W. McGee, Hubert H. Humphrey, Walter F. Mondale, John Culver, Abraham Ribicoff, Edward M. Kennedy, Alan Cranston, Robert T. Stafford, James B. Pearson, Mark O. Hatfield.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President,, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. It is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, the 1 hour under the cloture rule tomorrow will expire at the hour of 2 p.m., is that not correct?

The PRESIDING OFFICER. That is correct.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow on the expiration of the 1 hour under the cloture rule, to wit, at 2 p.m., and without any intervening motions whatsoever being in order at that time, a vote occur up or down on the merits of my amendment.

Mr. BROOKE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. This would have meant, Mr. President, if the objection had not been made to the request, that a vote up or down on my amendment would have occurred tomorrow just prior to the automatic quorum call preceding the automatic rollcall on the motion to invoke cloture.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. EYRD. Mr. President, I ask unanimous consent that on tomorrow, immediately following the vote on the motion to invoke cloture, regardless of the outcome of that vote, and with no intervening motion whatsoever being in order at that time, that a vote occur immediately up or down on my amendment.

Mr. BROOKE. I object.

The PRESIDING OFFICER. Objection is heard.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 noon tomorrow.

The motion was agreed to; and at 5:04 p.m. the Senate recessed until tomorrow, Wednesday, September 24, 1975, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 23, 1975:

INTERNATIONAL ATOMIC ENERGY AGENCY
CONFERENCE REPRESENTATIVES

The following-named persons to be the Representative and Alternate Representatives of the United States of America to the 19th Session of the General Conference of the International Atomic Energy Agency:

To be Representative:

Robert C. Seamans, Jr., of Massachusetts.

To be Alternate Representatives:

Richard T. Kennedy, of the District of Columbia.

Myron B. Kratzer, of the District of Columbia.

Marcus A. Rowden, of Maryland.

Nelson F. Sievering, Jr., of Maryland.

Gerald F. Tape, of Maryland.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Tuesday, September 23, 1975*

The House met at 12 o'clock noon.

Rev. Norman B. Cawley, pastor emeritus, North Carver United Church of Christ, Plymouth, Mass., offered the following prayer:

Our Heavenly Father, we invoke Thy blessing upon the Members of this National House in the daily pursuit of their duties and responsibilities toward their fellow citizens and the Government.

Throughout the ages, Thou hast nourished the good and redeemed the evil in human society; may this grace continue.

Be with Thy servants here present: free them from whatever obstructs Thy Spirit, or impedes the will to do justly, love mercy, and walk humbly with Thee. Grant them wisdom and strength for their present tasks, that their judgments may lead to a better order of life, and to peace, for us as a people, and for mankind.

Thus we shall honor Thy fulfilling presence in the spirit of the living Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 543. An act to expand coverage of the Rehabilitation and Betterment Act (Act of October 7, 1949, 63 Stat. 724); and

H.R. 1401. An act for the relief of Robert M. Johnston.

REV. NORMAN B. CAWLEY

(Mr. STUDDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STUDDS. Mr. Speaker, I should like briefly to take this opportunity to welcome to the House of Representatives the Reverend Cawley. I think it is fitting that the prayers today, of which both this House and this Nation stand in great need, were delivered by a clergyman from a town which 5 years ago celebrated its 350th anniversary, the town of Plymouth, Mass.

I think the record should also reflect our best wishes to Reverend Cawley on his 89th birthday today. On behalf of all of us, we extend our thanks.

BIG GOVERNMENT IS CREATING RACE-ORIENTED SOCIETY

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, as we look back on the history of the civil rights movement, particularly as it relates to schools, we recall the intense desire of black citizens to send their children to their neighborhood schools.

Many of us joined them in protesting forced busing for racial segregation. We worked to end the compulsory segregation which demeaned black people.

What we labored for, Mr. Speaker, was a colorblind society in which every individual could advance according to his merits, and every youngster could attend his neighborhood school.

But then Big Government got into the act with its usual excesses. We now are afflicted with the curious doctrine that every school, class, and course must have quotas of black and white students. Instead of achieving a colorblind society, Big Government is creating a race-oriented society. Instead of protecting individual liberty, Big Government submerges everybody in racial classifications. To replace forced busing for segregation, we have been given forced busing for integration.

Mr. Speaker, in order that we may end this madness, I urge Members of this House to sign Discharge Petition No. 4 to release H.R. 2818 from the House Judiciary Committee.

RESOLUTION TO CANCEL COLUMBUS DAY AND VETERANS DAY RECESSES

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, today I am introducing a House resolution which asks that the House cancel the Columbus Day recess and the Veterans Day recess during the month of October 1975, in order that we can give more attention to resolving our economic and energy problems.

In speaking to that resolution and asking that the House cancel the Columbus Day recess and the Veterans Day recess, I do point out that we already have had several lengthy recesses and during the month of October we are scheduled to recess again from October 9 to October 20 for the Columbus Day celebration and from October 23 to October 28 for the Veterans Day celebration. In order to concentrate more on the economic and energy problems of our country and knowing that the people of America are anxiously looking to the leaders of our country both in the executive and legislative branches for the answers to the Nation's problems, I earnestly plead with the Members of the House to seriously consider canceling these two lengthy recesses during the month of October.

PERMISSION FOR SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS OF COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE

Mr. FLOWERS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary be permitted to sit today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

RESPONSIBILITY OF NEWS MEDIA NOT TO ENCOURAGE TERRORISM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I rise as one who has a very high opinion of the national press corps. In 23 years in Congress—I have had few complaints with the way that I have been treated by the press. So I hope the observation and request which I rise to make will be accepted by the news media in the positive spirit in which it is offered.

Yesterday our President narrowly escaped a would-be assassin's bullet. It was the second attempt on his life in 13 days.

We are very grateful that the President was unharmed. We admire his courage and understand his conviction that the people have a right to see and be with their President. We also understand that the danger of violence is an unavoidable part of public life.

The problem is aggravated, however, when the news media insists on giving overwhelmingly prominent attention to the would-be assassins and other criminal elements in our society.

Let me be specific: Two weeks ago, a sick young lady by the name of Lynette Alice Fromme allegedly tried to gun down the President in Sacramento. Her picture promptly appeared on the cover of both Time and Newsweek.

This week, both magazines are featuring covers on Patricia Hearst, a self-proclaimed "urban guerrilla."

Last week when the President was campaigning in New Hampshire, all of the wire services and networks featured stories to the effect that he appeared to be wearing a protective vest.

My question, Mr. Speaker, is this: What possible good purpose can come from this intense coverage of terrorist activity? I can see only harmful results. Individuals of questionable mental stability will surely begin to conclude that they too can obtain national publicity—and an enlarged forum—for their views on redwood trees and other irrelevancies—simply by attempting to gun down the President of the United States.

Meanwhile, would-be assassins who read about the President's protective vest will conclude that they had better aim for the head.

I would like to suggest to my friends in the press that this situation demands greater discretion in the reporting of terrorist-inspired events. The press has a duty to report the facts and I am not suggesting censorship of any kind. I am suggesting that the press approach its job with a greater sense of responsibility—and not degenerate into a position where the selling of magazines and newspapers becomes more important than the national interest, and the future safety of our President and other prominent persons.

As Americans, all of us have a responsibility to bear, just as the heroic marine who upset the near-assassination yesterday afternoon in San Francisco, just as the alert Secret Service agent who wrestled Miss Fromme to the ground in Sacramento. The press has a responsibility not to encourage terrorism by treating terrorists as celebrities.

COMMUNICATION FROM MINORITY LEADER RE: SUBPENA IN COMMON CAUSE AGAINST BAILAR

The SPEAKER laid before the House the following communication from the minority leader of the House of Representatives:

Washington, D.C., *September 22, 1975.*

Hon. Carl Albert,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: On or about August 26, 1975, the Director of the Republican Research Committee of our House Republican Conference, Mr. Jay Starling, was served with a subpoena duces tecum by a representative of Common Cause in Civil Action No. 188-73 in the United States District Court for the District of Columbia.

The subpoena commands Mr. Starling to appear in the Office of the Attorney for Common Cause on the 29th of September to give testimony and produce other specified documents relating to the case.

The rules and practices of the House of Representatives indicate that no official of the House may, either voluntarily or in obedience to a subpoena duces tecum, produce such papers without the consent of the House being first obtained. It is further indicated that he may not supply copies of certain of the documents and papers requested without such consent.

The subpoena in question is herewith attached, and the matter is presented for such actions as the House in its wisdom may see fit to take.

Sincerely,

John J. Rhodes,
Member of Congress, Minority Leader.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

Republican Research Committee,
Republican Conference, U.S.
House of Representatives,
Washington, D.C., September 19, 1975.

Hon. John Rhodes,
Minority Leader, House of Representatives,
Washington, D.C.

Dear Mr. Rhodes: I am enclosing the original subpoena served on me in my capacity as Director of the House Republican Research Committee by Common Cause. I am forwarding it to you for appropriate distribution.

Thank you for assisting me with this matter.

Respectfully,

Jay D. Starling.

[U.S. District Court for the District of Columbia, Civil Action No. 1887–73]

Common Cause, et al., plaintiff *v.* Benjamin Bailar, et al., defendant

To: JAY STARLING, Staff Director, House Republican Research Committee, 1620 Longworth House Office Building, Washington, D.C. 20515

You are hereby commanded to appear in (the office of Kenneth J. Guido, Jr., Common Cause, 2030 M Street, N.W., Washington, D.C. 20036) to give testimony in the above-entitled cause on the 29th day of September, 1975, at ten o'clock a.m. (and bring with you) all letters, records, correspondence, documents, communications, or other writings described in the Attachment to this subpoena *duces tecum*, unless turned over to Plaintiffs' counsel prior to deposition.

James F. Davey,
Clerk.
By Robert L. Line,
Deputy Clerk.

Date: August 25, 1975.

Kenneth J. Guido, Jr.,
Attorney for Plaintiff.

Attachment

1. All documents, correspondence, memoranda, and other writings, or copies thereof, prepared, or distributed since January 1, 1972, relating to: (1) the Congressional franking privilege and its use by United States Representatives; (2) direct mail, mailing lists and their use by United States Representatives; (3) computer mailing techniques and their use by United States Representatives; and (4) newsletters, news releases, questionnaires, and their use by United States Representatives.

ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7014) with Mr. Bolling in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on Thursday, September 18, 1975, it had agreed that title VII of the substitute committee amendment ending on page 356, line 5, would be considered as read and open for amendment at any point. All time for debate on title VII and all amendments thereto had expired.

Are there further amendments to title VII?

Mr. MICHEL. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. DINGELL. Mr. Chairman, I would hope the gentleman would defer that request. The gentleman from Texas has an amendment he would like to offer.

Mr. MICHEL. Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The Chair will count. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BAUMAN. Mr. Chairman, under the rule cited by the Chair it is the understanding of the gentleman from Maryland that rule can only be invoked once a quorum of the full House is established for the day. There has been no quorum call today to establish such a quorum. Therefore, I make the point of order that a regular quorum must be had at this point.

The CHAIRMAN. The Chair would ask the indulgence of the Committee. The Chair does not believe that to be a correct interpretation, but the Chair would like to check on it.

The gentleman from Maryland makes the point of order with regard to the necessity that the House must have established the presence of a quorum prior to it being possible to use the provisions of clause 2, rule XXIII, which allows the Chair, at its discretion, to have a so-called short quorum.

The Chair has had an opportunity to read both the rule that applies to the House—clauses 2 and 6, rule XV—and the rule that applies to the Committee of the Whole, as differentiated from the House. The Chair is sure that the rule to which the gentleman has reference applies to a situation in the House, and in the House only where "notice" quorum calls are not permitted. Once the House is in the Committee of the Whole, there is nothing in that rule, rule XV, or in rule XXIII, which restricts the authority or discretion of the Chair in providing for a short quorum.

Therefore, the Chair continues and repeats what it has said. The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to the provisions of clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. COLLINS OF TEXAS

Mr. COLLINS of Texas. Mr. Chairman, I offer an amendment, and I ask unanimous consent that it be designated so as to conform to the present bill as to title number, page number, and section number.

Mr. Chairman, I ask unanimous consent to conform the terminology in the title. It is a new title VIII. It will be page 356.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as a new title VIII.

The Clerk read as follows:

Amendment offered by Mr. COLLINS of Texas: Page 356, after line 5 insert a new title VIII:

TITLE VIII—ENERGY CONSERVATION THROUGH PROHIBITION OF UNNECESSARY TRANSPORTATION

Section 1. (a) In order to achieve more energy conservation, no vehicle using gasoline or diesel fuel may be used to transport any public school student to a school farther than the public school which is closest to his home offering educational courses for the grade level and course of study of the student and which is within the boundaries of the school attendance district wherein the student resides.

(2) Any person who violates section 1(a) of this title shall be subject to a civil penalty of not more than $5,000, for each violation of such section.

(3) This title shall not apply to any person—

(A) who is a parent using gasoline or diesel fuel to transport his child to a public school; or

(B) who is using gasoline or diesel fuel for the transportation of any public school student to any school for the purpose of participation in athletic, educational, social, or other extracurricular activities approved by the local educational authorities in charge of the public school such student attends.

SEC. 2. (a) No person may sell gasoline or diesel fuel for a vehicle which the seller of such gasoline or diesel fuel knows or has reason to know will use such gasoline or diesel fuel in violation of section 1(a) of this title.

(b) Any person who the Administrator of the Federal Energy Administration determines violates Section 1(a) of this title shall not be entitled for the six-month period beginning on the date of such determination to any allocation of gasoline or diesel fuel under any Federal law which provides for the allocation of gasoline or diesel fuel.

Mr. COLLINS of Texas (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COLLINS of Texas. Mr. Chairman, this amendment was printed in the CONGRESSIONAL RECORD. All of the Members are already familiar with it, its terminology and what it specifically has as its objective.

Mr. Chairman, this amendment is designed to conform with the purpose of section 102, paragraph (4), which regards "the regulation of wasteful energy use." It is a separate title. The separate title is named "Energy Conservation Through the Prohibition of Unnecessary Transportation."

Mr. Chairman, we are concerned in this act with energy conservation through the prohibition of unnecessary transportation. We have acted judiciously already in specifying certain types of transportation that are unnecessary. We have covered van pooling, we have covered carpools, we have discussed limitation of limousines. Here in this provision it regards transportation which has to do with transportation of students for a longer distance than is necessary to provide for their education. This involves a tremendous amount of gasoline. Gasoline can be saved every day, it can be saved every week, and gasoline can be saved every month.

Mr. Chairman, I would recommend and commend to the House that we put this title in, so that we can clarify throughout the Nation one of the greatest ways and one of the most effective ways in America to save gasoline, and that is to do away with transportation beyond the neighborhood for any public school student.

Mr. OTTINGER. Mr. Chairman, the amendment of the gentleman from Texas (Mr. COLLINS) has no place in this energy bill. It is clearly out of order. Had I not unfortunately been off the floor, I would have raised a point of order, as I did successfully last week against the gentleman's previous attempt to try to hang an unrelated antibusing amendment to this bill.

I am equally convinced that the amendment offered is unconstitutional as being an excessive interference by the Federal Government in the rights of our citizens. As drawn, it prohibits private citizens from using their own cars to transport children to any school other than the nearest school, and not just to alleviate segregation but for any reason.

The amendment is even antienergy conservation, if you consider that it would discourage any carpooling in transporting children to and from their schools—whether or not they are the closest in proximity to the homes—since any individual not a parent of the transported child would be subject to a possible $5,000 fine.

The amendment is not germane, not constitutional and not sensible. I strongly urge it be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. COLLINS).

The question was taken; and the chairman announced that the ayes appeared to have it.

Mr. MITCHELL of Maryland. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. FREY

Mr. FREY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FREY: Page 356, line 6, strike out title VIII and all that follows through page 365, line 18.

The CHAIRMAN. The Chair will state to the gentleman that title VIII has not been read.

PARLIAMENTARY INQUIRIES

Mr. FREY. Mr. Chairman, I have a parliamentary inquiry.

I believe the amendment is to title IX, the new title IX. Do I understand that title VIII has not been read?

The CHAIRMAN. The gentleman is correct.

Mr. DINGELL. Mr. Chairman, I have a parliamentary inquiry.

I do not believe we had started to read title VIII; am I correct?

The CHAIRMAN. The gentleman is correct.

Mr. DINGELL. Mr. Chairman, the amendment is, therefore, not in order.

The CHAIRMAN. The gentleman is correct.

The Clerk will read.

The Clerk read as follows:

TITLE VIII—ENERGY DATA BASE

ENERGY DATA BASE

SEC. 801. (a) (1) There is established in the General Accounting Office an office to be known as the Office of Petroleum Auditing and Accounting (hereinafter in this section referred to as the "office").

(2) The office shall, pursuant to the provisions of subsections (b) and (c) of this section, collect energy-related data, audit the financial operations of persons engaged in whole or in part in the business of exploring for, producing, transporting, refining, or distributing petroleum products, and make such data available to the Congress, executive departments, and the public for the purpose of assisting the Federal Government in making informed national energy policy based upon accurate and complete information relating to energy matters.

(b) (1) The office shall prepare an annual report with respect to the financial operations of persons engaged in the business of exploring for, producing, transporting, refining, or distributing petroleum products in the United States and persons doing business in the United States who are engaged in the business of exploring for, producing, transporting, refining, or distributing petroleum products outside the United States. The office shall treat the domestic and foreign operations of such persons as separate categories for purposes of reporting such operations in such report. Such report shall include:

(A) the results of an audit of the financial operations relating to each person who is engaged in the business of exploring for, producing, transporting, refining, and distributing petroleum products;

(B) the results of such other audits (including audits of persons supplying energy information as defined in section 11(e) of the Energy Supply and Environmental Coordination Act of 1974 (Public Law 93-319) to another Federal agency) or other information with respect to the financial operations of persons engaged in the business of exploring, producing, transporting, refining, or distributing petroleum products as the office determines necessary or appropriate to carry out the purposes of this section;

(C) financial and other information, in aggregate form, separated and reported with respect to each of the categories of data specified in section (c) (3) (A) and (B) and required to be kept pursuant to section (c) (1) (A); and

(D) other information with respect to the financial operations of persons engaged in the business of exploring for, producing, transporting, refining, or distributing petroleum products as the office determines necessary or appropriate to carry out the purposes of this section.

(2) The office shall submit a report of the results of such audits and such other information to the Congress no later than 3 months after the end of each calendar year which begins after the date of enactment of this Act.

(3) (A) In order to obtain information for the purpose of carrying out the provisions of this subsection, the Comptroller General is authorized—

(i) to require, by rule, any person who is engaged in the business of exploring for, producing, transporting, refining, or distributing petroleum products to submit reports with respect to such energy information;

(ii) to sign and issue subpenas for the attendance and testimony of witnesses and the production of books, records, papers, and other documents;

(iii) to require any person, by general or special order, to submit answers in writing to interrogatories, requests for reports or for other information; and such answers or other submissions shall be made within such reasonable period, and under oath or otherwise, as the Comptroller General may determine; and

(iv) to administer oaths.

(B) For the purpose of verifying the accuracy of any information requested, acquired, or collected by the office, the Comptroller General, or any officer or employee duly designated by him, upon presenting appropriate credentials and a written notice from the Comptroller General to the owner, operator, or agent in charge, may—

(i) enter, at reasonable times, any business premise or facility; and

(ii) inspect, at reasonable times and in a reasonable manner, any such premise or facility, inventory, and sample any stock of energy resources therein, and examine and copy books, records, papers, or other documents, relating to any such energy information.

(C) Whoever violates any rule or order or fails to comply with any subpena issued by the Comptroller General under authority of subparagraph (A) or (B) of this paragraph may be assessed a civil penalty not to exceed $10,000 for each violation. Each day of failure to comply with a rule, order, or subpena issued by the Comptroller General shall be deemed a separate violation. Such penalty shall be assessed by the Comptroller General and collected in a civil action brought by the Comptroller General through any attorney employed by the General Accounting Office and designated by the Comptroller General. If any person fails to comply with any rule, order, or subpena under this subsection within the period specified in such rule, order, or subpena, the court may hold him liable for a civil penalty with respect to such failure to comply with such rule, order, or subpena, unless such person prevails in an action described in this subparagraph or unless the court in such an action restrains the enforcement of such rule, order, or subpena (in which case he shall not be liable with respect to any period for which the effectiveness of the order was stayed.) The court shall restrain the enforcement of such rule, order, or subpena only if it determines (A) that the failure to comply is reasonable, and (B) that such person has demonstrated that he is likely to prevail on the merits.

(D) Any action under authority of this subsection or any action to enjoin an order or rule or quash a subpena issued under authority of subparagraph (A) or (B) of this paragraph may be brought only before the United States Court of Appeals for the District of Columbia. All actions brought with respect to the same order, subpena, or action of the Comptroller General shall be consolidated in a single action in such judicial circuit.

(E) The subpenas of the office shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure.

(F) All process of any court to which application may be made under this paragraph may be served in the judicial circuit wherein the person required to be served resides or may be found.

(4) The office shall have access to such data within the possession or control of any Federal agency or department as are necessary to carry out its responsibilities under this section.

(c) (1) (A) Each person engaged in the business of exploring for, producing, transporting, refining, or distributing petroleum products shall use the uniform accounting practices prescribed under this subsection for purposes of reporting energy information or submitting any other matter to the office under subsection (b).

(B) The Comptroller General may exempt any person from paragraph (c) (1) (A), if he determines that the use of such uniform accounting practice by such person is not necessary to achieve the objectives of this section.

(C) Not later than 21 months after the date of enactment of this Act, the General Accounting Office shall by rule prescribe proposed standards for uniform accounting practices for persons engaged in the business of exploring for, producing, transporting, refining, or distributing petroleum products for purposes of reporting pursuant to subsection (b) of this section.

(2) (A) To enable the General Accounting Office to expeditiously develop standards which facilitate the compilation of a data base in a form consistent with subsection (c) (3), there is created an Advisory Committee on Uniform Accounting Standards for the Petroleum Industry (hereinafter in this paragraph referred to as the "Committee"). This Committee is to be composed of the Chairman of the Securities and Exchange Commission or his designee, the Chairman of the Federal Power Commission or his designee, a representative of a national standards setting body of the accounting profession, a representative of the petroleum industry, and a representative of consumers of petroleum products. The representatives of a standards setting body of the accounting profession, the petroleum industry, and consumers of petroleum products shall be chosen by the Comptroller General.

(B) The Comptroller General is authorized to disburse such funds as he deems appropriate to insure that the Committee has available to it adequate staff, adequate quarters, and funds available for other necessary expenses.

(C) The Committee, after consideration of the purposes of this section and generally accepted accounting principles, shall report to the Comptroller General, the Congress, and the President within 18 months of the date of enactment of this Act on proposed draft standards for uniform accounting practices for the petroleum industry.

(3) The General Accounting Office, in prescribing such standards, shall take into account methods which facilitate the compilation, treating domestic and foreign operations as separate categories, of a data base consisting of:

(A) The separate calculation of capital, revenue, and operating cost information pertaining to—

(i) prospecting,

(ii) acquisition,

(iii) exploration,

(iv) development, and

(v) production,

including geological and geophysical costs, carrying costs unsuccessful exploratory drilling costs, intangible drilling and development costs on productive wells, the cost of unsuccessful development wells, and the cost of acquiring oil and gas reserves by means other than development. Such information shall take into account disposition of capitalized costs, contractual arrangements involving special conveyance of rights and joint operations, differences between book and tax income, and prices used in the transfer of products or other assets from one person to any other person, including a person controlled by, controlling or under common control with such person.

(B) The full presentation of the financial operations of persons engaged in the business of exploring for, producing, transporting, refining, or distributing, petroleum products, including—

(i) disclosure of reserves and operating activities, both domestic and foreign, to facilitate evaluation of effort and result; and

(ii) classification of financial data by function to facilitate correlation with reserve and operating statistics, both domestic and foreign.

(C) Such other information, projections, and relationships of collected data as shall be necessary to facilitate the compilation of such data base.

(4) The General Accounting Office shall submit its final standards for uniform accounting practices accompanied by an explanation of such standards to the Congress not later than 3 months after the date of promulgation of the proposed standards. Such final standards for uniform accounting practices shall take effect on the first day of the first calendar quarter which occurs after the expiration of a three-month period which begins on the date of submission of proposed standards to the Congress.

(d) The General Accounting Office shall make available to the Congress and the President (1) in the form of aggregate or average figures and (2) for each person audited or reporting to the Office data collected pursuant to this section. Data collected pursuant to this section shall be released in an average or aggregate form to the public unless the House Committee on Interstate and Foreign Commerce or the Senate Committee on Commerce, by resolution, decides that the release of data identifying a person or persons engaged in the business of exploring for, producing, transporting, refining, or distributing petroleum products is in the public interest.

(e) For purposes of this section, the term "financial operations" includes revenues, costs, assets, liabilities, and other operations and activities necessary to calculate and verify such information (including but not limited to energy information as that term is defined in section 11(e) of the Energy Supply and Environmental Coordination Act of 1974 (Public Law 93-319)).

(f) There are authorized to be appropriated such sums as may be necessary to carry out this section.

Mr. FREY (during the reading). Mr. Chairman, I offer an amendment.

Mr. DINGELL. Mr. Chairman, if the gentleman will defer for a moment, I have a unanimous-consent request to make.

The CHAIRMAN. The gentleman will state his unanimous-consent request.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that further reading of title VIII be dispensed with, and that title VIII be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, is the gentleman from Florida (Mr. FREY) recognized for the purpose of offering an amendment?

The CHAIRMAN. The Chair will recognize the gentleman from Florida (Mr. FREY) as soon as he is in a position to recognize the gentleman.

Mr. DINGELL. Mr. Chairman, if the gentleman from Ohio will yield under his reservation of objection, I do not intend to foreclose the gentleman from Florida (Mr. FREY) with regard to offering his amendment.

Mr. BROWN of Ohio. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. FREY

Mr. FREY. Mr. Chairman, for the third time, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FREY: Page 356, line 6, strike out title VIII and all that follows through page 365, line 18.

Mr. FREY. Mr. Chairman, at this time I would like to offer an amendment to strike title VIII of H.R. 7014.

The addition of title VIII by the Committee will result in the Government Accounting Office entering the premises and auditing businesses of gas station owners all over America. The committee proceeded to create a bureaucratic mechanism whereby every element of the oil industry, including the small oil prospecting wildcatter, could be subject to a comprehensive audit by the General Accounting Office. Not only does this provision got beyond any reasonable bounds of respect for the privacy and sanctity of an individual businessman's operation, but it is redundant and duplicate of previous enacted legislation.

Briefly, title VIII would set up within GAO an Office of Petroleum Auditing and Accounting—OPAA—to collect data on all aspects of the petroleum industry and to audit everyone in the industry with a report to Congress every year on the result of the audit. Subpena and inspection authority would be granted to GAO for obtaining necessary data. Failure to comply with GAO requirements would result in a civil penalty of up to $10,000. Additionally, title VIII requires GAO to promulgate uniform accounting standards for the petroleum industry. The standards would be directed at compilation of a data base consisting of cost and financial information, including information on reserves.

Last year, the Congress passed the Environmental Supply and Energy Coordination Act, section 11 of which provides for farreaching and extensive data collection and reporting on the petroleum industry by the Federal Energy Administration. FEA officials are literally working with the Nation's oil companies, supplying the type of data base that section 11 of Environmental Supply and Energy Coordination Act requires on reserves, imports inventories, production, and many other matters.

It is particularly noteworthy that September 15 the FEA made proposals requiring the oil companies to submit annual reports on their financial operations, as well as other data which would help the agency obtain comprehensive and reliable information on the petroleum industry. The FEA does have the authority to gather this information and is currently making tremendous increases in its auditor positions to carry out its data-gathering responsibilities.

Besides the FEA, other agencies are in the energy information business. These include, for example, the Trade Commission, the Department of Commerce, and the Interstate Commerce Commission.

It goes without saying that the duplicative effort mandated by title VIII of H.R. 7014 is a waste of time, manpower and taxpayer dollars.

In addition, I object to title VIII because:

First, its audit provision directly duplicates financial audits by independent public accountants required under the Securities Act and establishes a questionable and unnecessary precedent which would require an increase in the GAO's budget of at least $25 million.

Second, the uniform accounting practices provision seriously undermines the statutory authority granted to the Securities and Exchange Commission to establish, with the assistance of the accounting profession, generally accepted accounting principles.

Third, GAO audits would require massive new expenditures. GAO would need a vastly increased staff which, by itself, creates recruitment and other problems.

Fourth, it was change the entire character of GAO, as its contacts with the private sector have traditionally been limited to cases where another Federal agency's relationship to that sector is involved.

In short, the provision would compromise GAO's independence and objectivity as an oversight agency by making it an operating agency.

Also, consider the fact that title VIII is a very significant and unique provision which was not the subject of any hearings and was adopted by the committee under a 1-minute debate rule.

In addition, neither the GAO nor the Securities and Exchange Commission were formally requested for their views on title VIII prior to the committee vote. In letters to Members of Congress after the vote, both Elmer B. Staats, Comptroller General of the United States, and Ray Garrett, Jr., Chairman of the Securities and Exchange Commission, opposed enactment of title VIII.

Mr. Chairman, without question a sound energy policy must be grounded on accurate and complete information on the economics of the petroleum industry. Title VIII of this bill, however, is not the way to reach this objective. The provision, I again emphasize, is an unreasonable burden to impose on businessmen and it duplicates the far-reaching energy information functions already assigned to the Federal Energy Administration and other agencies.

For these reasons, Mr. Chairman, title VIII should be struck from this bill. The only other alternatives—which I ask my colleagues to consider—are: First, support of an amendment to title VIII for the establishment of an Energy Data Commission which will be offered by my colleague Mr. Madigan; or, second, separate hearings on the scope and adequacy of energy data collection by the Federal Government and following those hearings, if necessary, appropriate legislation.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sure that the gentleman from Florida (Mr. Frey) offers his amendment in the best of good faith. He is a valuable member of the Commerce Committee.

It has to be understood what the real nature of the energy crisis that besets the country is. Every one of the executive agencies charged with the administration of our energy resources is most thoroughly and completely deficient in any knowledge whatsoever of what the real situation is with regard to energy reserves, with regard to energy use, with regard to energy supplies, and with regard to whether the full amount of available energy which can be delivered is, in fact, being made available to the American people.

During the last session, when the Congress had before it the Energy Supply and Environmental Coordination Act, I offered as an amendment section 11 of that statute, a section which compelled the Federal Energy Administrator to initiate a rulemaking proceeding to get the factual data with regard to energy supplies, with regard to energy reserves, with regard to actions of producers and suppliers of energy with regard to both the total overall supply and the possible deliverability of energy.

Despite lengthy correspondence between myself and Mr. Zarb as well as other Federal energy agencies, such as the Federal Power Commission, not one meaningful step has been taken by those agencies to see to it that the energy supplies which are critical to this Nation are properly inventoried, that a rulemaking proceeding with regard to gathering of information is convened and with regard to assuring that the decisionmakers, the Congress, the executive, and the regulatory agencies have a fair understanding of the nature and extent of our energy supplies and the deliverability of energy to the people of the United States.

This is absolutely critical to judgments with regard to price; it is absolutely critical with regard to judgments as to whether or not further changes are needed in our national policy, for example, to deregulate energy sources. It is absolutely critical that we have this fundamental information.

Just this morning the Subcommittee on Power and Energy received testimony from Mr. Zarb and his people who are charged with energy responsibilities to discuss this matter again. One of the things I had to point out to Mr. Zarb was the fact that that Agency has not yet begun to implement that section.

Out of great distress, the gentleman from California (Mr. Moss) and I have joined him in this undertaking—has set up a basis upon which the GAO can initiate a meaningful audit of the actions of the energy producers, because the regulatory agencies charged with the responsibility of gathering the information upon which the Congress must act and upon which the President must act and upon which the American people must act, have not yet begun to take their actions.

We are now going into the problem of curtailment of natural gas and the shortage of natural gas in this country because as research is made into this situation a number of extraordinary circumstances come to light. First of all the distributors of pipelines use totally different figures and statistics in terms of computing the amount of curtailment and the basis upon which curtailment will take place.

The suppliers do not make full and fair information available with regard to reserves. Reserve information from the American Gas Association and from the Federal Power Commission and from the FEA vary widely.

There is information in the hands of the Federal Power Commission that indicates at this particular time there are 8½ trillion cubic feet of producible reserves which are not going on the market, and yet the administration and the Federal Energy Agency and the industry continue to insist on deregulation. Something on the order of 850 trillion cubic feet of natural gas could become available if that figure is correct.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Dingell was allowed to proceed for 2 additional minutes.)

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I thank the gentleman from Michigan for yielding to me, and I would like to associate myself with the remarks he has made as the chairman of the Subcommittee on Energy and Power. I wish to say that as a member of that subcommittee, I have been frustrated and I think the chairman of our subcommittee has been frustrated, since February, when we began the deliberations by this problem of not being able to find what should be basic information, basic data on our reserves, on our resources, where they exist, and in the quantities that they exist. I think the chairman will agree with me that this has been our greatest frustration, whether it has been with the FEA or whether it has been with our committee, or with another subcommittee, the Committee on Commerce, chaired by the gentleman from California (Mr. Moss). I am sure that the gentleman from Michigan is certainly familiar with this, too, that the Federal Power Commission figures are based strictly on energy data as they relate to reserves, and the Chairman, Mr. Nassikas, has come to us and admitted this. There is no greater problem which we have had to confront.

I sympathize with what the chairman has had to go through on this. He speaks with firsthand knowledge, and I should like to associate myself with his remarks.

Mr. DINGELL. I thank the gentleman.

I should like to point out that it is absolutely essential to the fair management of the energy resources on the public lands that we be in a position to judge, even in general outline, the amount of gas, oil, and coal available. Such information is absolutely necessary for the fair treatment of the American people.

For example, during the past Congress we found that tracts which were estimated as being available for lease at $44,000 were going for amounts vastly in excess of that number. Thank God it was not the other way around, but with the way the Federal Government administers its resources, it could very well have been so. I cannot make the statement to the House that that kind of dissipation of public resources has not taken place.

One of the most essential things we need—and I reiterate this to my colleagues—is information as to the extent of the reserves, as to the amount of gas and oil that can be produced, and as to whether or not they are in fact being produced. No such information exists in the hands of the Federal Power Commission, the Federal Energy Agency, or the Department of the Interior at this time.

The amendment of the gentleman from Florida must be rejected if we want a meaningful and a rational and an intelligent national energy policy. I urge that the amendment be rejected.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Brown of Ohio and by unanimous consent, Mr. Dingell was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my friend, the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I would just like to observe to him or ask him how the GAO, having this authority, will be able to determine the supplies to which the gentleman in the well and the gentleman from Connecticut have reference.

Mr. DINGELL. I will be glad to respond to my colleague and friend, the gentleman from Ohio, and point out that it will get us audited data. Right now the only thing we are getting from the companies themselves is data which they choose to make available to the Government. The data in the hands of the Federal agencies vary so widely as to be almost useless.

Mr. BROWN of Ohio. If the gentleman will yield further, that is data that they must supply by law, and could the gentleman list for me the agencies to which they must make available data?

Mr. DINGELL. I will yield to my colleague and friend, the gentleman from California, who is really the author of the amendment.

The CHAIRMAN. The time of the gentleman has again expired.

(At the request of Mr. Frey, and by unanimous consent, Mr. Dingell was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. I will yield to my good friend and colleague, the gentleman from California, who is the original author of the amendment. That amendment provides simply that audits must take place, both of information in the hands of the producing companies and also in the hands of the executive agency, to ascertain the factuality and truthfulness of that data by the GAO.

I yield to the gentleman from California now.

Mr. MOSS. That is correct. As the gentleman from Michigan knows, there will be an amendment offered to further clarify and to further accommodate some of the earlier objections to title VIII.

Mr. DINGELL. Yes. I would observe that we are going to try to meet and perfect some of the problems which have arisen. There have been several discussions which have been very helpful to both the gentleman from California (Mr. Moss), and myself.

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Florida.

Mr. FREY. I thank the gentleman for yielding.

How, for instance, will the audit in the bill differ from the audit required by the Securities and Exchange Commission, which information has to be certified to the Government? How would the GAO audit it?

Mr. DINGELL. As a matter of fact, the gentleman is pointing to one of the things we proposed to utilize. We propose to utilize the SEC as the basis for getting the information, and simply to make available the authorities to GAO to see to it that that information is properly submitted in an amendment which will be offered by the gentleman from California (Mr. Moss). I want to commend the gentleman for that point, because it is a valuable one.

Mr. FREY. And is the gentleman also concerned about the breadth of this provision that would allow the GAO to go to the corner gasoline station and audit it and tell the owners how to keep books. Of course, there is a $10,000 fine for each violation per day.

Mr. DINGELL. In fairness to the gentleman, that is one of the things that will be corrected in the amendment which will be offered by the gentleman from California. There is some reason to think the language of the bill went too far in this direction and that will be corrected.

Mr. FREY. I would appreciate the gentleman's comment on the change of function by the General Accounting Office and the fact that the General Accounting Office says in essence it does not want to be involved, that it would change the basic function of GAO and that a tremendous number of people would be needed to do this task necessitating more money.

Mr. DINGELL. I commend the gentleman from Florida. That is another of the points that the amendment offered by the gentleman from California will correct and it will say that the General Accounting Office will see that it stays as it is at present and properly within the traditional functions it has had.

AMENDMENT OFFERED BY MR. MOSS

Mr. MOSS. Mr. Chairman, I offer an amendment as a perfecting amendment to the title.

The Clerk read as follows:

Amendment offered by Mr. Moss: Page 356, strike out line 7 and all that follows down through line 18 on page 365 and insert in lieu thereof the following:

VERIFICATION AUDITS

SEC. 801. (a) The Comptroller General may conduct verification audits with respect to the books and records of—

(1) any person who is required to submit energy information to the Federal Energy Administration, the Department of the Interior, or the Federal Power Commission pursuant to any rule, regulation, order, or other legal process of such Administration, Department, or Commission; or

(2) any person who is engaged in the production, processing, refining, transportation by pipeline, or distribution (at other than the retail level) of energy resources—

(A) if such person has furnished, directly or indirectly, energy information (without regard to whether such information was furnished pursuant to legal requirement) to any Federal agency (other than the Internal Revenue Service), and

(B) if the Comptroller General determines that such information has been or is being used or taken into consideration, in whole or in part, by a Federal agency in carrying out responsibilities committed to such agency.

(b)(1) The Comptroller General may conduct oversight audits with respect to the financial statements which any vertically integrated petroleum company has filed with the Securities and Exchange Commission.

(2) The Comptroller General may conduct verification audits with respect to the financial statements which any integrated petroleum company has filed with the Securities and Exchange Commission if, on the basis of an oversight audit, the Comptroller General determines that the independent public accountant who certified such statements did not adequately examine books and records of any such company or further examination is necessary to determine the accuracy, reliability, or adequacy of such statements.

(c) The Comptroller General shall conduct verification audits of any person described in subsection (a) or (b) if requested to do so by any duly established committee or subcommittee of the Congress having legislative or investigative jurisdiction.

(d) For purposes of this title—

(1) The term "verification audit" means an examination of such books and records of a person as the Comptroller General determines necessary and appropriate to assess the accuracy, reliability, and adequacy of the energy information furnished or financial statements filed, as the case may be, by such person.

(2) The term "oversight audit" means an examination of the books and records of any independent public accountant who certified the financial statements filed by any person with the Securities and Exchange Commission and the books and records of such person which were examined by such independent public accountant in certifying such statements.

(3) The term "energy information" has the same meaning as such term has in section 11(e)(1) of the Energy Supply and Environmental Coordination Act of 1974.

(4) The term "person" has the same meaning as such term has in section 11(e)(2) of the Energy Supply and Environmental Coordination Act of 1974.

(5) The term "vertically integrated petroleum company" means any person engaged in the production, refining, and marketing of petroleum products.

(6) The term "financial statement" means any financial statement filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934.

POWERS OF THE COMPTROLLER GENERAL AND REPORTS

SEC. 802. (a) For the purpose of carrying out his authority under section 801—

(1) the Comptroller General may—

(A) sign and issue subpenas for the attendance and testimony of witnesses and the production of books, records, papers, and other documents,

(B) require any person, by general or special order, to submit answers in writing to interrogatories, to submit books, records, papers, or other documents, or to submit any other information or reports, and such answers or other submissions shall be made within such reasonable period, and under oath or otherwise, as the Comptroller General may determine; and

(C) administer oaths;

(2) the Comptroller General, or any officer or employee duly designated by the Comptroller General, upon presenting appropriate credentials and a written notice from the Comptroller General to the owner, operator, or agent in charge, may—

(A) enter, at reasonable times, any business premise or facility; and

(B) inspect, at reasonable times and in a reasonable manner, any such premise or facility, inventory and sample any stock of energy resources therein, and examine and copy books, records, papers, or other documents, relating to any such energy information.

(b) The Comptroller General shall have access to any energy information or financial statement within the possession of any Federal agency (other than the Internal Revenue Service) as is necessary to carry out its authority under this section.

(c)(1) Except as provided in subsection (d), the Comptroller General shall transmit a copy of the results of any verification audit conducted under section 801 to the Federal agency to which energy information or financial statement which was subject to such audit was furnished.

(2) Any report made pursuant to paragraph (1) of this subsection shall include the Comptroller General's findings with respect to the accuracy, reliability, and adequacy of the energy information or financial statement which was the subject of such audit.

(d) If the verification audit was conducted at the request of any committee or subcommittee of the Congress, the Comptroller General shall report his findings directly to such committee or subcommittee of the Congress.

(e) The Comptroller General shall prepare and submit to the Congress an annual report with respect to the exercise of its authorities under this title, which report shall specifically identify any deficiencies in energy information or financial statements reviewed by the Comptroller General and include a discussion of action taken, if any, to correct any such deficiencies.

(f) Any reports made by the Comptroller General under this section and any information obtained by the Comptroller General under this title (except reports and information made or obtained by the Comptroller General in response to a request of a duly established committee or subcommittee of the Congress pursuant to section 801(c)) shall be subject to section 552 of title 5, United States Code, except that any such report and any information obtained by the Comptroller General under this title shall be supplied to any duly established committee or subcommittee of the Congress having legislative or investigative jurisdiction over the subject matter to which such report pertains upon request of such committee or subcommittee.

ACCOUNTING PRACTICES

SEC. 803. (a) For purposes of developing a reliable energy data base related to the production of crude oil and natural gas, the Securities and Exchange Commission shall, by rule, after consultation with the Financial Accounting Standards Board, prescribe accounting practices to be followed in the preparation of accounts by persons engaged, in whole or in part, in the production of crude oil or natural gas in the United States. Such rules shall be prescribed not later than twenty-one months after the date of enactment of this Act and shall take effect with respect to the first accounting quarter of each such person which begins six months after the date on which such rules are prescribed and shall apply to each such person.

(b) In carrying out its authority under this section, the Commission shall consult with the Federal Energy Administration, the General Accounting Office, and the Federal Power Commission with respect to any rule proposed to be prescribed under subsection A of this section.

(c) The Commission, in prescribing such rules, shall require observances of accounting practices to be followed in the preparation of accounts which, to the greatest extent practicable, permit the compilation, treating domestic and foreign operations as separate categories, of an energy data base consisting of:

(1) The separate calculation of capital, revenue, and operating cost information pertaining to—

(A) prospecting,
(B) acquisition,
(C) exploration,
(D) development, and
(E) production,

including geological and geophysical costs, carrying costs, unsuccessful exploratory drilling costs, intangible drilling and development costs on productive wells, the cost of unsuccessful development wells, and the cost of acquiring oil and gas reserves by means other than development. Any such calculation shall take into account disposition of capitalized costs, contractual arrangements involving special conveyance of rights and joint operations, differences between book and tax income, and prices used in the transfer of products or other assets from one person to any other person, including a person controlled by, controlling or under common control with such person.

(2) The full presentation of the financial information of persons engaged in the production of crude oil or natural gas, including—

(A) disclosure of reserves and operating activities, both domestic and foreign, to facilitate evaluation of financial effort and result; and

(B) classification of financial information by function to facilitate correlation with reserve and operating statistics, both domestic and foreign.

(3) Such other information, projections, and relationships of collected data as shall be necessary to facilitate the compilation of such data base.

ENFORCEMENT

SEC. 804. (a) Any person who violates any general or special order of the Office issued under section 802(a)(2) of this Act may be assessed a civil penalty not to exceed $10,000 for each violation. Each day of failure to comply with such an order shall be deemed a separate violation. Such penalty shall be assessed by the Comptroller General and collected in a civil action brought by the Comptroller General through any attorney employed by the General Accounting Office or any other attorney designated by the Comptroller General, or, upon request of the Comptroller General, the Attorney General. A person shall not be liable with respect to any period during which the effectiveness of the order with respect to such person was stayed.

(b) Any action to enjoin or set aside an order issued under section 802(a)(2) may be brought only before the United States Court of Appeals for the District of Columbia. Any action to collect a civil penalty for violation of any general or special order may be brought only in the United States District Court for the District of Columbia. In any action brought under subsection (a) to collect a civil penalty, process may be served in any judicial district of the United States.

(c) Upon petition by the Comptroller General through any attorney employed by the General Accounting Office or designated by the Comptroller General, or, upon request of the Comptroller General, the Attorney General, any United States district court within the jurisdiction of which any inquiry under this title is carried on may, in the case of refusal to obey a subpena of the Comptroller General issued under this title, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

AMENDMENTS TO ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

SEC. 805. (a) Section 11(g)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "June 30, 1975" wherever it appears and inserting in lieu thereof in each case "September 30, 1980".

(b) Section 11(c) of such Act is amended by adding at the end thereof the following:

"(3) In order to carry out his responsibilities under subsection (a) of this section, the Federal Energy Administrator shall require, pursuant to subsection (b)(1)(A) of this section, that persons engaged, in whole or in part, in the production of crude oil or natural gas submit reports with respect to energy information kept in accordance with the accounting practices prescribed under section 804 of the Energy Conservation and Oil Policy Act of 1975. The Administrator shall file quarterly energy data base reports with the President and the Congress compiled from accounts kept in accordance with such section 803 and submitted to the Administrator in accordance with this paragraph. Such reports shall present energy information in the categories specified in subsection (c) of such section 803 to the extent that such information may be compiled from such accounts. Such energy information shall be collected and such quarterly reports made for each calendar quarter which begins six months after the effective date of the rules prescribed under such section 803".

Mr. MOSS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read, printed in the RECORD, and open to amendment, and that I be permitted to explain it.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, the unanimous-consent request of the gentleman from California was that the amendment be considered as read and what?

The CHAIRMAN. As read and open to amendment, as the Chair understood it.

Mr. BROWN of Ohio. I thank the Chair, and I withdraw my reservation of objection.

The CHAIRMAN. The Chair will state that the unanimous-consent request of the gentleman from California was that the amendment be considered as read printed in the RECORD, and open to amendment.

Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MOSS. Mr. Chairman, this amendment is designed to deal with some of the objections raised by members of the committee, by the Securities and Exchange Commission, and by the General Accounting Office. It is an effort which has been continuing now for more than a week of intensive negotiation in an effort to narrow the areas of disagreement and to insure that this not become an additional burden upon anyone. It does not require anyone to file reports not already required to be filed.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, because the gentleman from Michigan, the chairman of the subcommittee, said that the amendment the gentleman from California would offer, would deal with the problem, in response to the question of the gentleman from Florida (Mr. FREY), of going in and auditing gasoline stations, and so forth, I did not object when the gentleman made the request that the amendment not be read.

If I read it correctly, on the first page it says in section 801:

> SEC. 801. (a) The Comptroller General may conduct verification audits with respect to the books and records of—
>
> (1) any person who is required to submit energy information to the Federal Energy Administration. * * *

Would not that include the gasoline stations, because as I understand it those statistics ought to be reported by gasoline station owners and operators?

Mr. MOSS. Only to the extent that a gasoline station is already required to file reports, those would be subject to verification audit.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, that is my interpretation entirely. The gasoline stations would be subject only to audit if they are now required by law to submit energy data to the Federal Government and as a matter of fact I am not aware of any such requirement except that imposed on them by FEA regulation.

Mr. MOSS. Only as they are required by the FEA regulations now to submit reports, those reports would be subject to the verification audit.

Mr. BROWN of Ohio. If the gentleman will yield further, they are required by the Federal Energy Administration, so in point of fact gasoline stations all over the country would be required to submit an annual audit.

Mr. MOSS. If the gentleman would let me explain the amendment, let me first observe that I do not believe anyone here, and I honestly do not believe that the gentleman from Ohio or the gentleman from Florida feels that the Federal Energy Administration or the General Accounting Office is going to take the very scarce manpower they have for the purpose of auditing the report filed by the corner service station. Now, I think they are far more likely to do the reasonable and rational thing and search out the significant factors in the petroleum industry and conduct audits, verification audits is what we are discussing, under standards which would be adopted by the Securities and Exchange Commission.

Now, I do not think anyone can challenge successfully the fact that has emerged in every committee of the House and of the other body dealing with energy, that meaningful statistical data is not available. That uniform methods of reporting do not exist is a clear and irrefutable fact on the records of the Oversight and Investigation Subcommittee during its hearings with the Federal Power Commission.

The Federal Trade Commission found the same thing to be true and it will continue to be true as long as we operate with lack of uniformity.

Now, this is nothing unique. I recall during the time that I was working as chairman of the Committee on Commerce on the Securities and Exchange Commission rewrite, which this House adopted earlier this year, and one of the things created in the rewrite was a requirement for uniform accounting standards where they could check that these are the generally acceptable accounting standards for reporting the activities of this business.

Now, that is all we are trying to do. It seems to me that to do less would reflect irresponsibility.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. Moss was allowed to proceed for an additional 3 minutes.)

Mr. MOSS. Mr. Chairman, this amendment does not impose a requirement for anyone not now reporting to undertake to report to another agency, but it does say that the General Accounting Office can verify through audit a report submitted to a Federal agency for whatever purpose it is required and if upon the completion of its verification audit it finds that there is a need for a more comprehensive audit, it shall be empowered to undertake that more comprehensive audit.

Now, if they are employing the general accepted standards for the industry, then they should very clearly meet the needs of the General Accounting Office. I have dealt with the General Accounting Office as a member of the Committee on Government Operations for over 23 years. I have found them to be reasonable men. They are very professional men and they do not try to impose either upon the agencies of Government or the private agencies of business onerous or unreasonable standards or requirements. Giving the authority here for the verification audit to the General Accounting Office and for the establishment of the standards to the Securities and Exchange Commission, which has already demonstrated an ability to perform this kind of function, again I emphasize is a reasonable and a rational thing to do. It is the least that we in this House as members of this committee should demand in order to give meaningful accountability to the American people, the people who are paying the prices that are brought about by the kind of accounting that is employed in this very important industry.

The CHAIRMAN. The time of the gentleman from California has again expired.

(On request of Mr. OTTINGER and by unanimous consent Mr. Moss was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentlemen yield?

Mr. MOSS. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to congratulate the gentleman for having inserted title VIII into this bill. I consider it a critical part of the legislation we have before us, to give Congress up-to-date information for energy policy. His amendment will clarify the purposes of that action and eliminate some of the objections to it.

Time and time again, in consideration of energy questions, when we were considering this in subcommittee there would be substantial questions as to the facts and figures we were dealing with. The oil companies were giving us figures that were greatly at odds with Government figures and figures given to us by consumer organizations, and there was no adequate way to verify those figures.

If we are to make sound policy for the Congress of the United States, it is essential that we have facts upon which we can rely. I think this is a very critical provision, and I find it very hard to understand how anybody can say that Congress should deny to itself the ability, for the first time, to get accurate and unbiased verification of the figures given to us by the people most directly financially involved in this situation from whom now all of the information comes on which we have to act. The oil companies are involved in the regulatory aspects of this legislation.

Mr. MOSS. I thank the gentleman. I would emphasize this point, that I know of no other business where the Government is totally reliant upon that business for an estimate of its reserves.

These are very flexible reserves. They have performed like a yo-yo, depending upon the legislative objectives being sought by the industry. I have sat in committee and heard assurances that we had an abundance as far into the future as we could see, and I have heard that we did not have enough to get through tomorrow. I have heard such diversity of opinion as to make it clear that the only thing we do not have is facts. Without facts, we cannot intelligently legislate.

Mr. FREY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, certainly I think all of us want to get all the information we need. There is no question about that, nor is there any question about the good intent of the gentleman from California in offering his amendment, but let me point out, No. 1, that this amendment, like the previous amendment, does not solve the problem.

Everybody on both sides of the aisle is agreed that the original amendment in the bill is not going to work and that it was a bad amendment. I think the substitute still leaves some of the basic questions unanswered.

For instance, I would like the gentleman from California, if he would be so gracious, to explain to me the breadth of this amendment. As I read the amendment, it would require the small dealer, the individual gas station owner to report, to be audited, to keep records as directed by the Federal Government. I heard the gentleman say that the administrative agencies are going to do a reasonable and rational job. I think that is not so.

I think the administrative agencies over the years have not been necessarily reasonable or rational. Instead of rationing their resources, what they are going to do is put additional people on the payroll and send them out. We have seen this happen in so many areas. We know it is a big risk. If the gentleman is really concerned, he would change his amendment.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. FREY. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, if the gentleman feels that the small service station is going to be burdened, why does he not offer an amendment that would excuse anyone doing, we will say, less than a million dollars or having less than 500 shareholders from having to report?

The gentleman from California is convinced that it would be redundant, because he cannot envision either the FEO or the General Accounting Office engaging in that kind of auditing activity. But out of an abundance of caution, if the gentleman would propose such an amendment, I would certainly not object to accepting such an amendment.

Mr. FREY. I thank the gentleman. I think the amendment, unfortunately, is so bad that by the time we get through perfecting it there would not be anything left.

Mr. MOSS. Mr. Chairman, will the gentleman yield further?

Mr. FREY. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I think the gentleman very unfairly and completely without knowledge of the content of the amendment, as I am certain he has not bothered to read it, is making a very reckless and irresponsible statement in characterizing a carefully crafted amendment as a bad product.

Mr. FREY. Mr. Chairman, I would just say to the gentleman that I have read the amendment and, frankly, I do not think this amendment is crafted any better than the first amendment in the bill. I have a great deal of respect for the gentleman from California, but happen to disagree with him in this instance.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FREY. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding. The gentleman from Florida has offered an amendment that would take care of the small gasoline station. He has suggested we strike the whole title, and I think that is the way to go. But I would like to read from the Federal Energy Administration Act the following requirement:

> (b) All persons owning or operating facilities or business premises who are engaged in any phase of energy supply or major energy consumption shall make available to the Administrator——

That is the Administrator of the FEA.

> such information and periodic reports, records, documents, and other data, relating to the purposes of this Act, including full identification of all data and projections as to source, time, and methodology of development as the Administrator may prescribe by regulation or order as necessary or appropriate for the proper exercise of functions under this Act.

The Congress itself, I might say to the gentleman from California, has already required this information by law, and the gentleman now wants the information to be audited by the GAO, and once the GAO would have the right to enter the premises of those people, they are required to go into the gas station to seize records and books of the gas station operator, and it is clearly written in the law. Either the amendment is not well crafted, if he thought he would eliminate the small gasoline station operator, or in fact the amendment is well crafted and the small gasoline operator is still included, because he is included under the regulations of the Federal Energy Administration Act.

Mr. FREY. I thank the gentleman from Ohio.

Mr. Chairman, I would like to say to the gentleman from California (Mr. Moss) that if I used the word "bad," it was my philosophical interpretation. I hope he accepts it in this manner.

I have a basic concern about how this audit differs from the other audits required, for instance, by the SEC.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FREY was allowed to proceed for 2 additional minutes.)

Mr. FREY. If there is today a problem with the SEC audit which investors are relying upon today why not change the basic law? I ask my friend, the gentleman from California (Mr. Moss), to what extent would this audit be different?

Mr. MOSS. Mr. Chairman, will the gentleman yield further?

Mr. FREY. Yes.

Mr. MOSS. I thank the gentleman for yielding. The question, as I understand it, is why does the present accounting standards adopted by the SEC constitute adequate standards for the purpose of this legislation. Am I correct?

Mr. FREY. That is partly correct.

Mr. MOSS. The answer is very simple and easily given. The generally accepted accounting standards now employed by the SEC in monitoring reports are the reports submitted by the businesses regulated by the Securities and Exchange Commission.

In other words, brokerage houses, investment banking houses, securities and exchange commissions, or security exchanges such as the New York Stock Exchange, the American Stock Exchange, and the Midwest Stock Exchange are dealing with a different kind of business, and if the gentleman is at all knowledgeable in the field of accounting, he knows that there are generally acceptable standards of accounting applicable in each of the different categories of business, and that there is a need for a great deal of time to be spent to come up with generally accepted standards for accounting purposes.

It is for that reason that those standards would not be applicable here. They would not be appropriate here. But in the process of developing them the SEC had to go through the procedure of seeking the advice of the knowledgable accounting firms of the country in order to agree upon those standards, as they did in this instance as they relate to the petroleum industry.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FREY) has expired.

(On request of Mr. BROWN of Ohio and by unanimous consent, Mr. FREY was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FREY. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would like to quote from a letter from the head of the American Institute of Certified Public Accountants, as follows:

> The SEC has worked closely with the accounting profession and with the business and academic communities to develop an accounting standard-setting procedure.

That is exactly what the gentleman from Florida (Mr. FREY) has pointed out.

Continuing with the quotation:

> We believe that this cooperative effort has been beneficial to investors and other users of financial statements. We see no reason why accounting standards for the petroleum industry cannot be promulgated by the Financial Accounting Standards Board. This would preserve the spirit of cooperation between the public and private sectors which has served the public well over more than forty years.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FREY) has expired.

(By unanimous consent, Mr. FREY was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. FREY. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I will go on to point out, if I may, a quotation contained in the same letter, and that quotation is from the head of the Securities and Exchange Commission, Chairman Ray Garrett, in a letter to Mr. Zarb, which says as follows:

> We believe strongly that the current standard-setting apparatus is a good one and should not be upset. Because the Federal Accounting Standards Board (FASB) is a recently created organization, care must be taken that its credibility is not eroded. We believe that a statutorily required governmental rulemaking procedure at this time to establish accounting standards by rule would seriously impair the effectiveness of the Board.

Mr. Chairman, that organization has been in existence for many years; the Board has been created recently. It seems to me that both the objections of the Securities and Exchange Commission and of the American Institute of Certified Public Accountants should be given some credibility in this consideration.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. FREY. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I will point out that in section 803 of the pending amendment it states the following:

> For purposes of developing a reliable energy data base related to the production of crude oil and natural gas, the Securities and Exchange Commission shall, by rule, after consultation with the Financial Accounting Standards Board, prescribe * * *.

That is the procedure that the SEC already has the authority for. The SEC may by rule now adopt the accounting standards.

The Financial Accounting Standards Board came into being as a result of the hearings held by the Commerce Subcommittee, where we invited in the spokesman for a representative group of the major accounting firms to give testimony.

Mr. Chairman, we are not proposing here that they be ignored, but, rather, that their expertise be sought and utilized in the development of these accounting standards. We cannot operate in the dark in adopting accounting standards in this field any more than we can in any other.

Mr. FREY. Mr. Chairman, in the 30 seconds that I have left, let me point this out:

While I admire the intent of this amendment, it just does not do the job. It puts government control at the local gas station. It is duplicative, costly, unworkable and further makes this bill a real turkey.

Mr. HEINZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would ask the gentleman from California (Mr. Moss) to enter into a colloquy with me.

In the gentleman's amendment, as I understand it, he establishes a procedure whereby accounting principles will be established and implemented in the oil production and gas production industries; is that correct?

Mr. MOSS. If the gentleman will yield, that is correct.

Mr. HEINZ. Would it also not be the case that very likely in many instances small, independent gas producers or oil producers would also be required, irrespective of the kind of bookkeeping that they now have, to keep another set of books to be in compliance with the amendment as it is now drafted? Is that correct?

Mr. MOSS. If the gentleman will yield again, it is quite possible.

Mr. HEINZ. Has the gentleman from California (Mr. Moss) taken into consideration any steps to mitigate that paperwork burden on the very small producers? I am not talking about the big, vertically integrated oil and gas producers. It just seems to me unnecessary to have a comparatively large burden on a small proportion of the industry.

Mr. MOSS. If the gentleman will yield further, I indicated to the gentleman from Florida (Mr. FREY) that I would find quite acceptable an amendment excluding those firms doing less than $1 million a year or having fewer than 500 stockholders from meeting the requirements of these accounting standards. I make the same offer to the gentleman from Pennsylvania (Mr. HEINZ).

Mr. HEINZ. Mr. Chairman, I thank the gentleman from California (Mr. Moss).

I did not hear the earlier colloquy that took place and appreciate the gentleman's suggestion.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HEINZ. Yes, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would just like to ask one question of the gentleman from California (Mr. Moss).

As I understand the current law, the Federal Accounting Standards Board is the board which develops the standards for accounting, and those standards have been submitted to the SEC, and the SEC publishes them.

On page 7, section 803(a) of the gentleman's amendment, as I understand, that is changed, in this instance, to suggest that the Securities and Exchange Commission, by rule, sets those accounting standards "after consultation with a Financial Accounting Standards Board."

Does that not specifically change the basic authority?

Mr. MOSS. Mr. Chairman, if the gentleman from Ohio is addressing the question to me and yields for the purpose of retort, I will be pleased to try.

Mr. BROWN of Ohio. I was, and I do yield to the gentleman from California.

Mr. MOSS. The Securities and Exchange Commission today may adopt accounting standards by rule. The Securities and Exchange Commission today may adopt the rules or the standards which are proposed by the Accounting Standards Board.

In this amendment they would be required to act by rule in order to afford a hearing on proposed accounting standards, because if they were to act merely by recognition or acceptance of the standards, there would be no opportunity for a hearing. Therefore, this is a preservation of the right to be heard before the standard is adopted.

Mr. BROWN of Ohio. Would the gentleman respond to me, though, with respect to what my basic question was. Is not that a change in the tilt of who has the basic authority?

Mr. MOSS. It depends on whom one is tilting from. If the gentleman means, Does it place responsibility on the SEC and therefore becomes new as it relates to the energy act? My answer would be yes.

Mr. BROWN of Ohio. Therefore, it is a change?

Mr. MOSS. Yes; I think the change is not frightening. I find it not so.

Mr. BROWN of Ohio. I appreciate the gentleman's answering the question because that is what concerns me, that it is a change.

That is what apparently concerned the chairman of the Securities and Exchange Commission, Ray Garrett, in his letter to Mr. Zarb, and that is apparently what concerns the American Institute of Certified Public Accountants about the gentleman's amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. Moss). The amendment is a substantial limitation on the powers that had previously been afforded with regard to auditing.

I am sure my colleagues will recall that many of the points raised by the gentleman from Florida (Mr. FREY) in colloquy with me were points that I commended the gentleman on for raising. Most of these problems have been abated in the amendment now before the House.

If my colleagues will consult the title of the amendment, the title is "Verification Audits." The auditing provisions afford the GAO authorization to go in and engage in audits to assure that energy information supplied to government upon which policy decisions are based is factual and accurately derived from the books and records of the person who supplies such information.

The SEC is brought into the matter by allowing them to initiate the rulemaking proceeding to adopt the accounting procedures of the Financial Accounting Standards Board, which is a private body composed of prestigious representatives of the accounting profession. The rules which would be laid out by the Financial Accounting Standards Board and implemented by the SEC, could be laid in place only after the appropriate rulemaking proceeding wherein all persons are afforded an opportunity to be heard.

It is I believe extremely important that we should correct the defects that were pointed out by the gentleman from Florida (Mr. FREY) and the amendment here before the House does precisely that.

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Florida.

Mr. FREY. Mr. Chairman, I thank the gentleman from Michigan for yielding to me.

Mr. Chairman, I have a question on page 2 of the amendment where they are talking about the Verification Audits, and it says:

> (2) The Comptroller General may conduct verification audits with respect to the financial statements which any integrated petroleum company has filed with the Securities and Exchange Commission if, on the basis of an oversight audit, the Comptroller General determines that the independent public accountant who certified such statements did not adequately examine books and records of any such company and further examination is necessary to determine the accuracy, reliability, or adequacy of such statements.

What the gentleman is really saying is to get the GAO to perform an audit, they must determine that the certified public accountant did not adequately look into the books and records of the company. But how is the GAO going to determine this without going into the books in the first place? It is really a mandatory and duplicative procedure.

Mr. DINGELL. I will yield to the gentleman from California (Mr. Moss) for a comment on that.

Mr. MOSS. Mr. Chairman, I would say that the accountants employed by the GAO have many years of experience in determining whether or not, upon an evaluation of an audit, a verification audit, whether or not it has proceeded in a workmanlike manner under the generally acceptable accounting standards applicable to that audit.

Mr. DINGELL. If the gentleman from California would permit me to continue, the accounting standards which would begin for the first time to lay out a uniform and understandable system of accounting for the energy-producing industry would be set basically by the accounting industry; the Financial Accounting Standards Board, which is really the accounting industry, which would do this. So what we are doing, we are not really changing things all that much, but we are laying the basis for the first time of getting verifiable audited information based on reliable uniform standards of accounting so that for the first time we can finally find out what the nature of the situation is with regard to the energy shortage.

For example, this morning in the Subcommittee on Energy and Power, we had really three major sets of figures—actually four major sets of figures presented to us with regard to the natural gas supply—all of which vary by, on the order of several or, in some instances, by as much as 8 trillion cubic feet of natural gas.

This is about one-third of the total natural gas production. In the Congress we are supposed to make judgments with regard to energy supply, with regard to curtailments, the gas that is being held off the market, what the extent of our reserves is, without even having one reasonably reliable set of figures that is not in wide variance and in wide controversy with regard to the others.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. MOSS. I thank the gentleman for yielding.

During the hearings with the Federal Power Commission before the Oversight and Investigations Subcommittee, the Federal Power Commission for the first time learned that there was a ledger figure on reserves which was a different figure than that supplied to the American Gas Association. That was a long established practice of the industry, one totally unfamiliar to the Federal Power Commission.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Moss and by unanimous consent, Mr. DINGELL was allowed to proceed for 3 additional minutes.)

Mr. DINGELL. Mr. Chairman, I continue to yield to my good friend, the gentleman from California.

Mr. MOSS. I thank the gentleman.

As a result of those disclosures that there were ledger figures, AGA figures, and then there were certain figures reflected by internal memoranda of the companies themselves, we have subpenaed in the documents from seven major producing companies, and we are in the process of trying to make some sort of reconciliation between the reporting procedures used, and determine where the greatest disparity occurs. Does it occur in the figures that go to the AGA which are used regularly by regulatory bodies? Does it occur in the ledger reserve figures of the industry which are known to them alone? Does it go to the memorandum on reserves sometimes used in seeking underwritings through investment bank houses? These questions need to be answered. They would be answered much more quickly if we were dealing with sets of books that had some reasonable standard of generally accepted accounting procedures. That they do not have, and the job is much more difficult because of it.

I thank the gentleman for yielding.

Mr. DINGELL. In conclusion, I would point out to my colleagues I believe we have by this amendment offered by the gentleman from California abated any objections made by the General Accounting Office.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I would like only to read, if I may, from a letter to the chairman of the Committee on Commerce from the Comptroller General of the United States in which he says:

> While we understand the concern for Federal access to accurate energy information, we are convinced that the assignment of this responsibility to the GAO is not a desirable basis for achieving this purpose.

Mr. DINGELL. I thank the gentleman for raising that comment because it ought to be laid to rest at this time. The letter the gentleman reads from relates to the language of title VIII and not to the amendment offered by my friend, the gentleman from California.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. MOSS. I thank the gentleman for yielding.

The letter of July 11, from which the gentleman is reading, relates to the mandatory requirement of the GAO to undertake the audits of the virtually integrated companies, and also to develop the standards. Before, we gave the standards developed to the Securities and Exchange Commission.

Mr. DINGELL. If the gentleman will permit me, the amendment offered by the gentleman from California almost entirely cures and corrects the objections of the General Accounting Office.

Mr. MOSS. That is correct.

Mr. DINGELL. And the letter of the GAO long antedates the draft of the amendment which the gentleman from California has offered.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

The language on page 3 says:

> (c) The Comptroller General shall conduct verification audits . . .

The gentleman points out a very useful thing: The words "verification audits" as opposed to engaging in broad-scale mandatory audits of all of these energy producing companies is the matter about which the GAO complains.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Moss, and by unanimous consent, Mr. DINGELL was allowed to proceed for 3 additional minutes.)

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. MOSS. I thank the gentleman for yielding.

I think we ought to go a little beyond the point of the gentleman from Ohio:

> The Comptroller General shall conduct verification audits of any person described in subsection (a) or (b) if requested to do so by any duly established committee or subcommittee of the Congress having legislative or investigative jurisdiction.

There is a distinction and a difference.

Mr. BROWN of Ohio. If the gentleman will yield, the distinction is one without much difference, because this still applies to the little gas stations around the country.

Mr. DINGELL. To the best of my knowledge, I have to differ with the gentleman. I do not think it does, except in the rarest possible cases.

Mr. Chairman, I yield back the remainder of my time.

Mr. BROWN of Ohio. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. Moss). I rise merely to point out that the amendment is in fact no specific or significant improvement in my opinion on the original language offered by the gentleman in his amendment before the full committee, which had only a very limited debate at that time and no hearings whatsoever. All of the information in this proposal would turn the General Accounting Office into a supersnoop organization and run the gamut from the biggest companies, to which I have no objection, but down to the small individual stations, the privately owned stations. All of that is still the same in the amendment offered by the gentleman from California to his own title in this bill because the authorities exist for the FEA to get that information and they have in fact been getting it from a great many of the little service stations around the country.

Now then we give the authority to the General Accounting Office to audit, we give them the authority in this amendment for them to enter the private property of people from which they want this information, we give them the authority to require any person by general or special order to submit answers in writing to interrogatories and to submit books, records, papers, and other documents. We give them the authority, that is the General Accounting Office to enter at reasonable times any business premises or facilities.

It is precisely that kind of thing that has the average citizen in this country fed up to the ears with the Federal Government. It is precisely that kind of thing that we try to prevent in some other legislation, try to prevent the Government going in and interfering or invading the privacy of the individual citizens. It is this kind of approach to the superiority of Government over the individual which made the English insist that a man's home is his castle.

It is the kind of thing that I think many Members of this Congress, as I have said before in the debate on this legislation, ran against when they ran for office a year ago. But here we in turn decide the General Accounting Office has the authority to tell every little business, every private little station what he should or should not do and we send then the General Accounting Office, an arm of the Congress, not of the executive branch of the Government, send them in to demand this sort of thing. I think it will cause trouble around the country and be offensive beyond words to the average citizen.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, the gentleman from Michigan mentioned the elections last year and we all ran last year.

Mr. BROWN of Ohio. But I doubt, if the gentleman will pause for just a minute, that the gentleman ran on the principle that we were going to send in the General Accounting Office to audit every little business in the country.

Mr. MOFFETT. As a matter of fact I and I think many of the new Members—I do not know about the gentleman from Ohio—ran on the principle that unlike most other Western nations, we have very little information on our own energy resources, that we have very little data that is reliable, and we ran on the principle of getting more information, and this is one area where we want to get more and not less involved.

Mr. BROWN of Ohio. If the gentleman can convert an auditor from the General Accounting Office from an auditor into a geologist and can get from that converted auditor sound geological information, I could understand it more.

I suggested during debate previously on energy, that it might be proposed the way to get oil out of the ground was to pass into law a bill repealing the law of gravity and then the oil would just bubble up out of the ground. I hesitate to think what the result would be if that amendment were submitted. My guess is it would get 50 or 60 votes anyway in this body.

I think the business of going into the lives of every person in this country is going to be the death of our system if we do not control our desire to try to run everybody's life in detail.

I submit that the amendment of the gentleman from California is not an improvement over what was originally submitted. It is still a supersnoop amendment. It still opens up every little businessman who has a gasoline station in the country. The gentlemen from Connecticut and California should both know that a gasoline station cannot be started now. We cannot expand a service station. We cannot do anything of significance in a business sense with that service station unless we get permission from the GAO or the FEA and now we want to say that he cannot keep his books unless he has permission from the GAO. I submit that is offensive beyond words.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, I would like, if I may, to attract the attention of the gentleman from California (Mr. Moss) to section (d)(2) of the amendment. This portion of the amendment, if the gentleman from California would be kind enough to respond, if am I correct, reads as follows:

> The term "oversight audit" means an examination of the books and records of any independent public accountant, etc.

Is that correct? Is that the way that reads?

Mr. MOSS. Mr. Chairman, the term "oversight audit" means an examination of the books and records of any independent public accountant who certified——

Is that what the gentleman is referring to?

Mr. HEINZ. Yes.

Mr. MOSS. That is what it reads.

Mr. HEINZ. The statement, "books and records of any public accountant"; is that the term used?

Mr. MOSS. That is correct.

Mr. HEINZ. My understanding of that term, I may say to the gentleman from California (Mr. Moss), is that what the gentleman is indicating is not the work papers of the accountants; but, in fact, their financial books and records; I really ask if that is the intention of the gentleman?

Mr. MOSS. No; that is not the intention.

Mr. HEINZ. Then I suggest the amendment is flawed in that regard.

The CHAIRMAN. The question is on the amendment to the title offered by the gentleman from California (Mr. Moss).

The question was taken; and on a division (demanded by Mr. BROWN of Ohio) there were—ayes 18, noes 26.

RECORDED VOTE

Mr. DINGELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 233, noes 162, not voting 38, as follows:

[Roll No. 534]

AYES—233

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N. Dak.
Ashley
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif
Eilberg
Emery
English
Evans, Ind.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Flowers
Ford, Mich.
Ford, Tenn.
Gaydos
Giaimo
Gilman
Gonzalez
Green
Gude
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Litton
Lloyd, Calif.
Long, Md.
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Madden
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pike
Pressler
Preyer
Price
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Seiberling
Sharp
Simon
Slack
Snyder
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Studds
Sullivan
Symington
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wilson, C. H.
Wolff
Wydler
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOES—162

Andrews, N.C.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Boggs
Bowen
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Erlenborn
Eshleman
Evans, Colo.
Findley
Fish
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hansen
Hastings
Hefner
Henderson
Hightower
Hillis
Hinshaw
Holt
Hyde
Ichord
Jarman
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCollister
McDonald
McEwen
McKay
Mahon
Martin
Mathis
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pettis
Pickle
Poage
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Risenhoover
Roberts
Robinson
Rousselot
Runnels
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shipley
Shriver
Shuster
Skubitz
Smith, Nebr.
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—38

Alexander
Anderson, Ill.
Annunzio
Aspin
Barrett
Breaux
Brooks
Broomfield
Brown, Calif.
Burke, Fla.
Burton, Phillip
Derrick
Edwards, Ala.
Esch
Fary
Fenwick
Florio
Foley
Fraser
Gibbons
Hays, Ohio
Hébert
Hutchinson
Jeffords
Lehman
Macdonald
Madigan
Michel
Pepper
Rodino
Rose
Sikes
Sisk
Smith, Iowa
Steed
Thompson
Udall
Wilson, Bob

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Hébert against.

Mr. Thompson for, with Mr. Breaux against.

Mr. Rodino for, with Mr. Sikes against.

Mr. Sisk for, with Mr. Rose against.

Mr. Lehman for, with Mr. Steed against.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Are there any Members who wish to be recorded with respect to changing their votes? If so, the Clerk will recognize each of them, and then the Member will state the change desired and submit the card necessary to correct the vote.

Messrs. BRECKINRIDGE, DENT, ASHLEY, KOCH, PERKINS, MANN, SARASIN, THORNTON, and SLACK changed their vote from "no" to "aye."

Messrs. McKAY and LONG of Louisiana changed their vote from "aye" to "no."

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair wishes to announce that the amendment of the gentleman from Florida (Mr. FREY) falls because an amendment in the nature of a substitute for the title was adopted. The Frey amendment, therefore, would not be voted on.

PARLIAMENTARY INQUIRIES

Mr. BROWN of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BROWN of Ohio. Mr. Chairman, was the amendment introduced as a substitute for the Frey amendment or was it introduced as an amendment to the pending title of the bill?

The CHAIRMAN (Mr. BOLLING). The Chair will state the amendment was introduced as an amendment in the nature of a substitute striking out the title and inserting new language. The amendment offered by the gentleman from Florida (Mr. FREY) was a motion to strike the title. Since the title in its present form has been changed in its entirety the motion to strike falls and is not in order (Cannon's VIII, § 2854).

Mr. BROWN of Ohio. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BROWN of Ohio. Mr. Chairman, my parliamentary inquiry is this: Is an amendment to title VIII now in order?

The CHAIRMAN (Mr. BOLLING). The Chair will state that the title has been amended in its entirety and no amendment to it is in order.

Mr. BROWN of Ohio. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BROWN of Ohio. My parliamentary inquiry is this, Mr. Chairman: The only way, then, to correct or to remove the burdensome language of the title as amended is to vote against the entire bill; is that correct?

The CHAIRMAN (Mr. BOLLING). The Chair will state that that is not a proper parliamentary inquiry and the Chair cannot really respond to that. But, in all fairness, the Chair would have to say that there would seem to be other remedies.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, my esteemed colleague, Congressman PERKINS, and I had prepared to offer an amendment for gasification and liquefaction of coal. The amount involved would have been $1.5 billion. The need for gasification and liquefaction of coal is great.

However, yesterday the President proposed legislation for gasification and liquefaction of coal, and for other energy alternatives, the total of which will be $100 billion.

In view of this fact, there is a question about the germaneness, inasmuch as a similar amendment was defeated we will not present our amendment. Furthermore, the chairman of the Committee on Science and Technology, the Honorable OLIN TEAGUE of Texas, states that his committee will be taking action on similar legislation passed by the Senate in the immediate future, and at that time we will present our case for coal liquefaction and coal gasification.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I would like to make clear my reasons for voting against the Moss-Dingell substitute to title VIII of H.R. 7014. Title VIII is the so-called energy data base amendment. I wish to make my views clear both because the goal of providing Congress with an adequate energy data base is one which I strongly support, and because I do not lightly oppose Representatives DINGELL and Moss, whose views on the energy issue I deeply respect.

Frequently during 5 months of hearings on H.R. 7014 I spoke out strongly in favor of improved energy data collection. Improved data collection and dissemination is a proved need of both the Congress and the executive. This fact, however, does not and cannot serve as a replacement for careful and responsible legislating. Neither the original Moss amendment, nor the Moss-Dingell substitute, was ever the subject of hearings or even minimal consideration before the Commerce Committee. No witnesses have been heard, and indeed little actual discussion by committee members was possible due to enforcement of a 2-minute rule without debate at the time the Moss amendment was considered in committee. This fact helps to explain why the GAO has had to announce after the fact that it could not carry out the mandate contemplated by the original title VIII. What other similar surprises lurk within the well-intentioned language of the Moss-Dingell substitute no one can tell. The substitute is a great improvement over what it replaced, but in the absence of hearings, even the substitute required my "no" vote.

Earlier in the year I introduced H.R. 7683, the Energy Information Act, which addresses in a thorough way the broad and complex set of issues which surround governmental gathering, storing, and distribution of energy-related data. The bill goes beyond the single question of congressional needs and provides for a central independent clearinghouse which could systematize and streamline the current chaotic state of energy data management. My firm belief is that a prompt and thorough set of hearings should be held on H.R. 7683. We are laying the foundation now for a long-run energy policy, and we should lay that foundation with care and in a fashion which provides full opportunity for public input. I shall continue to urge the Congress to act on the Energy Information Act.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Chairman, we are just indulging ourselves in an exercise in futility during all of these days the House has spent on H.R. 7014. This is not a national energy bill. The provisions of this legislation do very little, if anything, to increase our domestic supply of energy. This bill does not really address itself to the hard decisions of energy conservation.

The sum total of H.R. 7014 is to increase the size, influence and ineptitude of the Federal bureaucracy. It is a step down that mistaken road which leads to Government operation of America's energy industry.

I recognize that it is politically unpopular to publicly state the obvious that the days of cheap energy are over. Most Americans want cheap energy and plenty of it. These are mutually exclusive dreams.

We are going to have to pay for an adequate supply of energy which this country desperately needs to keep our economic machine moving. I predict that those who preach the popular gospel of cheap energy will rue the day if their energy policies become law. Because on that day, energy for Americans will be neither cheap nor available.

So I urge the defeat of this bill and let us get on with the job of writing an honest national energy program.

If the American people want the protection of Government interference in the energy picture, then I suggest that we scrap this bill and provide for standby controls which can be put into effect by the President if such controls are necessary.

But it seems to me that Congress would have learned one simple lesson that controls in a free society are generally doomed to failure. During the few years in which the FEA controls have been in operation, we have seen the largest increase in energy costs than in any period in the history of this Nation.

Perhaps decontrol will not work either, although I firmly believe that the competition resulting from decontrol will be by far the best medicine to protect the American consumer. But we have tried controls and they have not worked. Why can we not admit that perhaps Congress made a mistake and at least give decontrol a chance to stabilize price and supply for the consumer.

I strongly urge the President to veto this bill if it should be passed by Congress in this form and I pledge that I will support that veto.

Mr. BROWN of Ohio. Mr. Chairman, it was, as I think was evident by the motion of the gentleman from Florida (Mr. FREY) the purpose of the gentleman from Florida and some of the rest of us to try to strike from this bill the burdensome provisions of title VIII, and I should like to discuss **for just a moment** the situation in which we find ourselves now since that motion to strike is no longer in order in the form in which it was offered.

The situation in which we find ourselves now is that we have approved an amendment which provides for the GAO at the request of the congressional committee to go in and audit every little gas station in the country if there is that kind of information required, because in the language of this amendment it says:

> The Comptroller General may conduct verification audits with respect to the books and records of—
>
> (1) any person who is required to submit energy information to the Federal Energy Administration . . .

It also further says:

> The Comptroller General may require any person, by general or special order, to submit answers in writing to interrogatories, to submit books, records, papers, or other documents, or to submit any other information or reports, and such answers or other submissions shall be made within such reasonable period, and under oath or otherwise, as the Comptroller General may determine;

It further says:

> The Comptroller General . . . may enter, at reasonable times, any business premise or facility . . .

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Florida.

Mr. FREY. I thank the gentleman for yielding.

Is it my understanding that if this provision is violated, there is a $10,000-a-day penalty for each violation?

Mr. BROWN of Ohio. That is correct. If we have a service station and the Comptroller General has been asked to come in and find out something about what it has made in the way of a report to the FEA, in order to verify what the FEA has said, he can be fined $10,000 just like that.

Mr. FREY. Will the gentleman yield further?

Mr. BROWN of Ohio. I will be glad to yield further to the gentleman.

Mr. FREY. I thank the gentleman for yielding.

I will just say that this is an additional reason for this bill failing.

Mr. BROWN of Ohio. What is it that we will verify by sending in the GAO? It is information that already can be obtained by law by the Federal Power Commission, the Federal Energy Administration, the Department of the Interior, the Internal Revenue Service, the Securities and Exchange Commission, the Department of Commerce, and the Interstate Commerce Commission, to mention only a few.

I would submit, Mr. Chairman, once again as I did in the general debate when there were not as many people in the room, that what we are doing here is saying we are going to get into every little business in the country, not on the authority of the executive branch, Mr. Chairman, but by act of Congress and through the General Accounting Office, which is an arm of the Congress. That is not the President; that is not the executive branch; that is the Congress that wants to get into every little businessman's books, his records, and tell him how he is going to keep them, and try to force him to conform to some pattern that we set in Washington.

Mr. Chairman, I would submit that many of us ran opposed to that kind of thing. If we ever want to answer, "How do these laws get passed"—as I was asked in a letter from one of my constituents the other day—"to let the Government come in and try to run my business for me, or try to interfere in my personal life?" we have but to look at this example.

Mr. Chairman, some of the members of this committee right now have introduced legislation—I think I have signed onto legislation of one of my Democratic colleagues the other day—trying to defend the individual citizen from this kind of snooping by the Internal Revenue Service. Here we go. Are we going to now have legislation to try to defend the individual citizen from this kind of snooping by the GAO? I would submit, Mr. Chairman, that we now have ourselves into something of a box, and that is that we either have to support this legislation and, therefore, support the super snoop provision, or perhaps the most intelligent thing to do would be to vote down this debacle that we have created here on the floor of the House, and with this, some of the burdensome provisions that exist elsewhere in the legislation, and try to correct the errors that we have made.

Mr. Chairman, I would hope that we would have the opportunity to go on record against this kind of Government interference, but apparently we will not have that opportunity, and for that I am sorry. I, for one, have, with this situation and with what we have done in the other titles, to express my disapproval of this kind of approach of Government domination of the individual citizen, and I have to vote against this piece of legislation.

I do not see any way that I can justify to those people at home, who tell me that they are tired of this kind of interference, my support of this legislation. Some other people who have told me they cannot support this legislation are the American Institute of Certified Public Accountants and the Chairman of the Securities and Exchange Commission and to an extent the Comptroller General, head of the General Accounting Office, who suggests that this is no way to verify the kind of data that the FEA and others want having to do with the availability of supplies. That should be done by other means.

AMENDMENT OFFERED BY MR. MOSS

Mr. MOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Moss: Page 365, after line 18, insert the following:

TITLE IX—LIMITATION ON PASSTHROUGHS OF PETROLEUM COST INCREASES

LIMITATION OF PASSTHROUGHS

SEC. 901. Subparagraph (A) of section 4(b)(2) of the Emergency Petroleum Allocation Act of 1973 is amended by adding before the semicolon in such subparagraph the following: ", except that no passthrough of such net increases which are incurred after the date of enactment of the Energy Conservation and Oil Policy Act of 1975 may be permitted more than 60 days after the date on which such increases were incurred".

Mr. MOSS. Mr. Chairman, this is a rather brief amendment. It is not difficult to understand. It says that no passthrough of increased costs shall be made during a period more than 60 days after the date on which such increases were incurred. We have had a banking provision that has been permitted by the FEA where increased costs have been banked and whenever the time was propitious, such as the Labor Day weekend, the costs went up. They were banked and therefore it was appropriate that they be recovered.

This is an effective means of ripping off the American consumer. It is analogous to the carefully calculated termination of a labor agreement at the moment that the strawberries have to be picked, when the bargaining power is the greatest. This is the very moment when the industry can extract the most with the least resistance from the American people. For instance, a good cold spell could cause an up in the price of heating oil coming out of this banked amount of credit that is available under the present practices of the FEA.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I thank the gentleman for yielding to me.

As I understand the amendment it would limit to 60 days the period during which a producer or any of the major oil companies could bank and withhold price increases on their products.

Mr. MOSS. That is correct.

Mr. DINGELL. Mr. Chairman, I think that is an admirable amendment. I would point out that the major oil companies have now banked something like $1.7 billion which they can apply to their products and which they can take from the consumers any time the companies are so minded. I would point out from the standpoint of the small businessman this is an admirable amendment because the larger oil companies have not infrequently withheld these price increases in order to get a more advantageous share of the market as opposed to some of the refiners who sell to some of the independent marketers to the detriment of the independent refiners and small businessmen.

I would also point out with respect to some of the sneaky practices that went into place just previous to the first of September and over the Fourth of July holiday, this amendment would prevent the major oil companies from holding these price increases for longer than 60 days, which is an admirable way of stopping those practices.

Mr. MOSS. I thank the gentleman and I point out there is not a facet of the economy of this Nation, whether it be agriculture, whether it be manufacturing or transportation, that is not affected by this ability again of the majors, because the small producers, the small refiners, cannot enjoy the luxury of putting this in reserve and drawing on it at the time it is most suitable to their own purposes.

So I strongly urge that this Committee adopt this amendment and require that current price reflect current price to the producer and to the refiner and to the consumer.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to ask a question of the gentleman from California. Do I understand if it is enacted into this piece of legislation that a company which does then want to take its banked costs, let us assume that everybody that has banked costs available, the impact on the consumer would be what, again? I do not think I got the figure that the gentleman indicated.

Mr. MOSS. Mr. Chairman, over $1.5 billion, I believe. The gentleman from Michigan (Mr. DINGELL) cited the figures on this particular question; but as I recall, it is approximately $1.5 billion.

Mr. BROWN of Ohio. So that this amendment is designed to encourage an increase of costs to the consumer of $1.5 billion; is that right?

Mr. MOSS. No, that is not right. The gentleman is attempting to torture the language and to draw an inappropriate conclusion.

Mr. BROWN of Ohio. If they do not pass those charges to the consumer, what happens to them?

Mr. MOSS. There is no assurance they are going to pass them through at the moment. All we want to do is have the consumer put on notice they have to pass them through in 60 days; but they are not going to be able to accumulate them in the future so that they can pick them off on a Labor Day weekend or in a cold spell when we need them for petroleum or for drying rice, as they do in my part of the country.

Mr. BROWN of Ohio. But if a company has a right under the law to these banked costs, is not the effect of the amendment of the gentleman from California to have those banked costs passed through within 60 days, so that the consumer pays that $1.5 billion presumably immediately; is that not so?

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I am happy to yield.

Mr. MOSS. It is not my intention that it be passed through. It is my intention that it not be permitted to pass through longer than 60 days; that after 60 days they die.

Mr. BROWN of Ohio. But the impact of the amendment is that where a banked cost builds up and say before it is reduced that it be passed through to the consumer; so the impact would be that the consumer pays that $1.5 billion; is that correct.

Mr. MOSS. I can only say to the gentleman that I am much happier to go to the consumer in my area with my amendment than I would be should the amendment of the gentleman from Ohio prevail. I feel they would think they are much better protected by what I am trying to do than with what the gentleman from Ohio is trying to do.

Mr. BROWN of Ohio. I am just trying to clarify what the amendment does.

Mr. MOSS. The gentleman is trying to have me say what the gentleman wants me to say. That I will not permit.

Mr. BROWN of Ohio. I am trying to get some clarification of what the amendment does and I am trying to understand it. What the amendment does, it says a company that has banked costs must pay through those banked costs within 60 days and if the company does not pass through those banked costs within 60 days, then the company does not get that money; so the impact will be that all those banked costs are passed on to the consumer as quickly as possible. I cannot read anything else in it.

Mr. MOSS. Will the gentleman yield for the purpose of reading the language of the bill?

Mr. BROWN of Ohio. I will yield.

Mr. MOSS [reading]:

> Except that no passthrough of such net increases—

And here are the key words—

> which are incurred after the date of enactment of the Energy Conservation and Oil Policy Act of 1975 may be permitted more than 60 days . . .

So, we are not talking about the already banked amounts. We are talking about the banked amounts incurred after the enactment of this section of the bill.

Mr. BROWN of Ohio. I might say to the gentleman that the situation, in fact, is that those banked costs build up. They are then on occasion passed on in the fluctuations of the market, and sometimes do not get passed on at all. But, the impact of the amendment of the gentleman from California, if I understand it correctly, is that when they are built up, the banked costs from now on, if they continue to exist for 60 days, would either have to be passed through to the consumer or lost to the company.

It is my guess that most companies will pass through that money, and they will therefore pass it to the consumers and the impact will be that the consumers will be hit hard.

Mr. MOSS. The gentleman is in error. The gentleman has a copy of the amendment, and if he will take a look at it starting midway through where the quotation marks are, he will note that it says:

> Except that no passthrough of such net increases which are incurred after the date of enactment . . .

Mr. BROWN of Ohio. I understand that.

Mr. MOSS. The increases incurred after the date of enactment. Those which have been incurred before the date of enactment may be passed through.

Mr. BROWN of Ohio. I would assume that they will be, and I would assume that from now on all the banked costs, as they build up, will be passed through rather than being absorbed when those banked costs, in certain instances, subside, so that the impact will be that the consumer pays more.

Mr. MOSS. I can only say that the gentleman needs to read the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Moss).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MOFFETT

Mr. MOFFETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MOFFETT: Page 365, after line 18, insert the following:
>
> TITLE IX—PENALTIES UNDER THE ALLOCATION ACT
>
> SEC. 901. Section 5 of the Emergency Petroleum Allocation Act of 1973 is amended:
>
> (1) by striking out "sections 205 through 211" in subsection (a)(1) of such section and inserting in lieu thereof "sections 205 through 207 and sections 209 through 211"; and
>
> (2) by adding at the end of subsection (a) of such section the following:
>
> "(3)(A) Whoever violates any provision of the regulation under section 4(a) of this Act or any order under this Act shall be subject to a civil penalty—
>
> "(i) with respect to activities relating to the production or refining of crude oil, of not more than $20,000 for each violation;
>
> "(ii) with respect to activities relating to the distribution of residual fuel oil or any refined petroleum product (other than at the retail level), to a civil penalty of not more than $10,000 for each violation; and
>
> "(iii) with respect to activities relating to the distribution of residual fuel oil or any refined petroleum product at the retail level or any other person, a civil penalty of not more than $2,500 for each violation.
>
> "(B) Whoever willfully violates any provision of such regulation or any such order shall be imprisoned not more than 1 year, or—
>
> "(i) with respect to activities relating to the production or refining of crude oil, shall be fined not more than $40,000;
>
> "(ii) with respect to activities relating to the distribution of residual fuel oil or any refined petroleum product (other than at the retail level), shall be fined not more than $20,000;
>
> "(iii) with respect to activities relating to the distribution of residual fuel oil or any refined petroleum product at the retail level or any other person shall be fined not more than $10,000;
>
> or both.
>
> "(4) Any individual director, officer, or agent of a corporation who knowingly and willfully authorizes, orders, or performs any of the acts or practices constituting in whole or in part a violation of paragraph (3), and who has knowledge, or reasonably should have known, of notice of noncompliance received by the corporation from the President shall be subject to penalties under this subsection without regard to any penalties to which that corporation may be subject under paragraph (3).

Mr. MOFFETT. Mr. Chairman, in spite of the fact that this is a two-plus page amendment, it is really very simple. What it does is increase both the civil and criminal provisions of this bill.

In the case of civil penalties, it increases the penalty from $2,500 to $20,000 for violations by producers, to $10,000 for violations by distributors, and keeps the penalty at $2,500, as it is in the bill, for violations by retailers, for example, gasoline station retailers.

Second, in the case of criminal penalties, it increases the penalty from $5,000 to $40,000 for willful violations by producers, to $20,000 for willful violations by distribtuors, and to $10,000 again for retailers.

Mr. Chairman and Members of the Committee, it is no secret that a $2,500 penalty or even a $5,000 penalty for the type of violation that the subcommittee headed by the gentleman from California (Mr. Moss) has seen, is simply no deterrent.

We have seen examples of violations in Jacksonville where a utility company was overcharging somewhere between $6 million and $25 million, depending upon whose estimates one accepts, but where the overchange was substantial, several million dollars.

Mr. Chairman, a penalty of the proportions that we have in the bill currently is simply no deterrent to that, and the work of the subcommittee headed by the gentleman from California (Mr. Moss) on which I am honored to serve, is a good example of that.

Finally, Mr. Chairman, I would say this amendment is very reasonable. The Members will note that in the case of a civil penalty, the language reads: "Whoever violates any provision," and in the case of a criminal penalty, the language reads: "Whoever willfully violates any provision," and in the case of an individual director, officer, or agent of a corporation, the language reads: "Who knowingly and willfully authorizes, orders, or performs."

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I will yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, I am delighted to see the amendment offered by the gentleman from Connecticut.

As I understand the law, the existing civil penalty is $2,500. The amendment offered by the gentleman from Connecticut would increase it to $20,000 for a violation relating to producing or refining, $10,000 for a violation in wholesale distribution, and it would leave intact the provisions and leave the penalty the same for retailers at $2,500. Am I correct?

Mr. MOFFETT. That is correct.

Mr. DINGELL. If the gentleman will yield further, in addition to that, the criminal penalty of $5,000 for willful violators would be increased to $40,000 for production and refining violations, $20,000 for wholesale and distribution violations, and $10,000 for retailers. Am I correct?

Mr. MOFFETT. That is correct.

Mr. DINGELL. If the gentleman will yield further, this is a criminal penalty where the violation is willful, where the person knew it was wrong and proceeded to do it in any event. Am I correct?

Mr. MOFFETT. That is correct.

Mr. DINGELL. The amendment also provides additional criminal penalties where the violation is willfully committed, knowingly done, and notice has been afforded the individual. Am I correct?

Mr. MOFFETT. That is correct.

Mr. DINGELL. I thank the gentleman.

Mr. Chairman, I have no objection to the amendment.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from California.

Mr. MOSS. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman for his amendment, and I think it is important that the members of the committee be aware of the fact that the General Accounting Office, in their appearance before the Subcommittee on Oversight and Investigations, made very strong recommendations that the penalty provisions be significantly strengthened.

Mr. Chairman, I think that the present level of penalties constitutes the merest slap on the wrist. We are dealing with very large amounts of money, and the proposed penalties offered by the gentleman from Connecticut (Mr. MOFFETT) are most moderate, but they should have more of a restraining influence than the present ceiling of $5,000. I think that the $20,000 is much more meaningful and would help significantly in the enforcement process, and that does need to be strengthened.

Mr. MOFFETT. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. MOFFETT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DODD

Mr. DODD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DODD: Page 365, after line 18, insert the following:

TITLE XII—PROHIBITION ON CERTAIN LEASING ARRANGEMENTS

PROHIBITION ON CERTAIN LEASING ARRANGEMENTS

SEC. 1201. (a) The Secretary of Interior shall, by rule, prohibit the granting of any right to develop crude oil, natural gas, coal, or oil shale on Federal lands to any person if more than one major oil company, more than one affiliate of a major oil company, or a major oil company and any affiliate of a major oil company, has or have a significant ownership interest in such person. The rules required to be promulgated pursuant to this subsection shall apply to the granting of any such right which occurs after the 60-day period which begins on the date of enactment of this act.

(b) For purposes of this subsection—

(1) The term "major oil company" means any person who, together with any affiliate of such person, produces 1.65 million barrels of crude oil, natural gas liquids, and natural gas equivalents per day.

(2) The term "affiliate of a major oil company" means any person (A) which, directly or indirectly, controls, is controlled by, or under common control with, any major oil company; (B) which has a significant ownership interest in any major oil company; or (C) in which any major oil company has a significant ownership interest.

(3) The term "significant ownership interest" means—

(A) with respect to any corporation, 20 percent or more in value of the outstanding stock or the capital assets of such corporation,

(B) with respect to a partnership, 20 percent or more interest in the profits or capital of such partnership,

(C) with respect to an estate or trust, 20 percent or more of the beneficial interests in such estate or trust, and

(D) with respect to any other unincorporated association, 20 percent or more of the beneficial interests or assets of such unincorporated association.

(4) One barrel of natural gas equivalent equals 5,626 cubic feet of natural gas measured at 14.73 pounds per square inch and 60 degrees Fahrenheit.

(c) This section shall not apply with respect to any agreement, pertaining to crude oil, natural gas, or coal development on Federal lands, entered into prior to the date of enactment of this Act.

Mr. DODD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. FREY. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Florida (Mr. FREY) reserves a point of order against the amendment.

The Chair recognizes the gentleman from Connecticut (Mr. DODD) in support of his amendment.

Mr. DODD. Mr. Chairman, I am offering an amendment to H.R. 7014 which would promote competition among the largest, major oil companies and provide greater opportunities for the smaller firms and for the independent oil companies to become more involved in energy resource development on Federal lands.

My amendment would instruct the Secretary of the Interior to promulgate already-drafted but delayed rules which would prohibit joint ventures in development of oil, natural gas, coal, or oil shale by the major oil companies on federally leased property within 60 days of enactment of this bill.

This amendment, offered as title 9 of H.R. 7014, would only prohibit joint ventures, however, involving more than one company which produces 1.65 million barrels or more a day of crude oil, or the corresponding amount of natural gas liquids and natural gas.

This amendment would not, and I emphasize the words "would not"; it would not prohibit joint ventures among these major oil firms in pipelines, transportation, refineries, or marketing activities.

It would not prohibit joint ventures by the so-called large majors and any independent or smaller oil company. Nor would this amendment prohibit joint ventures among the independent firms.

This amendment would not prohibit joint ventures by the majors in State or private lease sale arrangements.

And let me assure my colleagues that my amendment does not call for breaking up any existing joint ventures among the largest major oil companies on Federal lands.

It is strictly designed to prevent future joint ventures among these firms on Federal properties.

What this amendment really does, Mr. Chairman, is tell the Secretary of the Interior that it is the express will of this House that he stop delaying action which has been studied and planned for the past year—action to make our energy industry more competitive in the truest sense of our free enterprise system.

And we all know, Mr. Chairman, that if this free market system is allowed to work in its traditional, competitive way, then the only result can be fairer energy prices for consumers and more production of vitally needed energy resources.

The magnitude of the anticompetitive nature of joint ventures in this Nation's energy industry is well-documented, Mr. Chairman.

Joint venture bidding for Federal leases offshore, where most of our future energy resources are located, has increased dramatically—from 18 percent of the winning bids in 1954 for federal Outer Continental Shelf—OCS—leases to 82 percent of the high bids for OCS property in June 1973.

The participation in joint ventures by the largest, major firms also has risen markedly from a situation when bidding partnerships had included mainly smaller firms. The frequency of two or more of the top eight majors being in the same joint venture has tripled in the last few years.

Mr. Chairman, these joint ventures are a primary means by which the major oil companies continue and expand their stranglehold on this country's energy industry. It is the way they collaborate to outbid independents and smaller companies and share information.

Not only do these joint ventures reduce the number of actual bidders for Federal leases, and thus reduce potential revenues to the Government, but they allow these companies to acquire a large number of tracts, and the price tracts of energy resources.

These practices have been documented by many Federal agencies and committees of Congress—the Federal Trade Commission, the Federal Power Commission, the Interior Department, the Senate Commerce Committee, the Subcommittee on Activities of Regulatory Agencies of the House Permanent Select Committee on Small Business, and House Judiciary Subcommittee on Monopolies and Commercial Law.

On February 21, 1975, the Interior Department even proposed regulations in the Federal Register which would prohibit joint ventures among the major oil companies producing 1.65 million barrels daily of crude oil or natural gas equivalents.

It is those regulations which have been delayed twice, and which my amendment seeks to have promulgated.

The Federal Trade Commission already has brought suit against the eight major oil firms, charging that through joint ventures, these companies have developed mutual intercorporate interests to insure monopoly profits.

Unfortunately, Mr. Chairman, it will take several years to resolve this suit, and we cannot allow these anticompetitive practices in the energy industry to continue that long, for they only are hurting the consumers of this country.

Mr. Chairman, this country's largest, major oil companies persist in their claims that joint ventures are necessary to minimize the risks and share the capital costs involved in exploration and development of Federal energy resources.

Yet the facts and figures belie this argument.

The seven largest oil firms, to which this amendment would apply, each made hundreds of millions, even billions, of dollars in net profits last year, despite exploration and production costs.

All eight of the country's major firms possess total assets ranging from $6.1 billion to $31.1 billion. Each alone has the liquid assets for exploration and development of new energy resources.

As for the risks involved in energy development, the second largest oil company in this country, Texaco, has an astounding 85 percent success rate in discovering new energy resources, according to testimony from its own representatives about 2 weeks ago to the Monopolies Subcommittee.

This subcommittee also learned that joint ventures occur at all functional levels of the oil industry, even though the risk and capital requirements are not the same at each stage of the industry.

Thus, the pattern of joint ventures in the oil industry is inconsistent with the capital raising and risk-spreading arguments raised by the industry.

The issue seems clear, Mr. Chairman: Do we pass this amendment and bring about rules which would begin restoring free enterprise competition to the oil industry, with the prospects of more energy production and fairer prices for the consumer?

Or do we defeat this amendment and allow the continuation of practices which restrict that energy production and result in steadily increasing prices the people must pay?

I urge my colleagues to make the first choice, Mr. Chairman, and pass this amendment.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. DODD. Yes, I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I would like to ask the gentleman in the well if there is anything in his amendment that would in any way interfere with the big Alaskan pipeline.

Mr. DODD. Nothing whatsoever.

Mr. CHARLES WILSON of Texas. I would further like to ask the gentleman whether he agrees with me that if this amendment were to pass, it would promote competition in offshore drilling because it would encourage major oil companies to have joint ventures with independent oil companies.

Mr. DODD. That is exactly what this amendment is designed to do; namely to try to encourage more people to put more capital into this search for oil, with the specific idea to get some of the smaller companies in on the action.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I would like to compliment the gentleman from Connecticut (Mr. Dodd) on his amendment.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DODD. Yes, I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I too want to compliment the gentleman on his amendment.

During hearings before the House Judiciary Subcommittee on Monopolies in the last few weeks, representatives of some of the major oil companies have argued for joint ventures on the ground that they enable smaller companies to get in on some very expensive projects such as offshore oil drilling, which they otherwise could not take part in.

That being their justification for having joint ventures, it seems to me that we might as well take them at their word and require them to do what they say they are doing.

Mr. Chairman, I urge adoption of the gentleman's amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. DODD. Yes; I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I, too, would like to congratulate the gentleman from Connecticut (Mr. Dodd) for his amendment.

This is a small step, but a very much needed step forward in trying to break up the monopolistic hold that the major oil companies, particularly the larger ones, have on the entire industry. It will promote some competition as well.

Mr. Chairman, I urge that the amendment be adopted.

Mr. DODD. Mr. Chairman, I thank the gentleman from New York.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. DODD. Yes; I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I, too, would like to congratulate the gentleman from Connecticut (Mr. Dodd) on an excellent amendment.

I think the thrust of this amendment is to establish public policy in the direction of more competition within this energy industry.

The result, if we do not do this, quite obviously, is going to be a further intensification of the stranglehold by the eight major companies.

Mr. Chairman, I think the gentleman's amendment is extremely well founded, and I encourage him in it and urge its adoption.

The CHAIRMAN. Does the gentleman from Florida (Mr. Frey) continue to insist on his point of order?

Mr. FREY. Yes, I do, Mr. Chairman.

(On request of Mr. Frey and by unanimous consent, Mr. Dodd was allowed to proceed for 2 additional minutes.)

Mr. LONG of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. DODD. I will be glad to yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Texas (Mr. Charles Wilson) because of the thrust of his remarks in this regard.

The gentleman from Connecticut (Mr. Dodd) is to be complimented with respect to his amendment because I think it does, as the gentleman from Texas (Mr. Charles Wilson) said, what is absolutely essential, and that is that it promotes competition within this industry.

The tendency over the years and the trend toward concentration in this industry might in some way be responsible for the situation in which we find ourselves today.

Mr. Chairman, I extend my congratulations to the gentleman from Connecticut (Mr. Dodd) for moving as strongly as he has in this regard.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DODD. Yes, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, currently the development of the oil in Alaska is being conducted under joint venture arrangements, as I understand. Is that correct?

Mr. DODD. That is correct. It is an interesting point, because just a week ago, ARCO, which is one of the joint venturees in that particular operation, has come out and supported this amendment to prohibit the joint ventures among these majors.

Mr. BROWN of Ohio. So that the kind of joint venture developing in the Alaskan fields would be prohibited by the gentleman's amendment; is that correct?

Mr. DODD. Only by and between those majors that have a daily production of 1.65 billion barrels of oil. It does not prohibit joint ventures between any of these major companies and any number of small companies.

Mr. BROWN of Ohio. Will the gentleman identify the affected companies?

Mr. DODD. According to the FEA figures these companies are Exxon, Shell, Texaco, Sohio, Mobil.

Mr. BROWN of Ohio. Are any of those now involved in the Alaskan venture?

Mr. DODD. No, they are not.

Mr. BROWN of Ohio. Mobil is not?

Mr. DODD. BP is.

Mr. BROWN of Ohio. They would be covered by this and prohibited in the future?

Mr. DODD. I am sorry, I did not understand the gentleman from Ohio.

Mr. BROWN of Ohio. Would they be prohibited in the future?

Mr. DODD. These majors would be prohibited in the future.

Mr. BROWN of Ohio. Which ones now participating would be prohibited?

Mr. DODD. Neither one of those. BP, they are involved in some kind of deal with Sohio, but that is a private business matter. As of right now the figures I have would not include ARCO and they said they would support this matter.

The CHAIRMAN. The time of the gentleman has expired.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Florida insist upon his point of order?

Mr. FREY. I do, Mr. Chairman, and I would like to speak on my point of order. On page 9 of Cannon's procedures it states as follows:

> Previously rejected.
>
> Mere change of figures not sufficient to admit.

It is my understanding that this amendment was rejected by the House on July 31 and the only change in this amendment, if I am correct, between that date and today is the figure of 1.65 million barrels of crude oil and 1.6 million barrels of crude oil. I think that is not a substantial change. I think that comes within the rules stated on page 9 of Cannon's procedures.

The CHAIRMAN. Does the gentleman from Connecticut desire to be heard on the point of order?

Mr. DODD. Yes, I do, Mr. Chairman.

The CHAIRMAN. The Chair is particularly interested in hearing about the changes between the first amendment and the second amendment.

Mr. DODD. Mr. Chairman, in addition to the change in the production figures there is also a change in the definition of a significant ownership in this, the change from 10 percent to 20 percent. I would submit, Mr. Chairman, that these are significant changes in that the actual production that would be involved means that we are talking about 500,000 barrels of oil a day, and that is significant.

Also, I would point to similar cases which have raised this point. I am referring to Deschler's procedures, section 33, referring to amendments previously considered and rejected, and there are numerous cases that are referred to which involve the very point of order raised by the gentleman from Florida, and I would quote from one particular one:

> Mere similarity of an amendment to one previously considered and rejected is not sufficient to warrant the Chair ruling it out of order; if different in form it is admitted.

I repeat that this is a substantial change in the figures; it is different in form, and therefore is in order.

The CHAIRMAN (Mr. BOLLING). The Chair is ready to rule.

There are numerous precedents that affect this matter, and the Chair will cite them, section 2840, volume 8 of Cannon's precedents, and other precedents following section 2840, that the Chair might state but will not do so in order not to prolong the matter.

The Chair feels that the changes are sufficient to be completely in line with section 2840, page 438, volume 8 of Cannon's precedents:

> Similarity of an amendment to one previously rejected will not render it inadmissible if sufficiently different in form to present another proposition.

The Chair feels the various changes make this another proposition and therefore overrules the point of order.

Mr. DODD. I thank the Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. DODD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LONG OF LOUISIANA

Mr. LONG of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Louisiana: Page 365, after line 18, add the following:

TITLE XIII—INDEPENDENT PRODUCER EXEMPTION

SEC. 1301. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following:

"SEC. 18. (a) (1) Notwithstanding the provisions of section 8, a ceiling price equal to the sum of $11.50 per barrel plus an amount equal to $0.05 per barrel for each month beginning on the expiration of the first full month after the date of enactment of this section shall apply to—

"(A) the first 3,000 barrels per day of first sales of new crude oil by an independent producer, and

"(B) first sales by an independent producer of domestic crude oil produced from a stripper well lease (as defined in section 18(a) (6)).

"(2) Paragraph (1) (A) shall not apply to production from a property which is not a qualifying property.

"(3) (A) The term 'qualifying property' means a property designated by the operator thereof under subparagraph (B).

"(B) An operator may designate for purposes of subparagraph (B) one or more properties of which he is the operator if the aggregate average production of crude oil from all such properties (whether or not such crude oil is owned by such operator when it is produced) does not exceed 3,000 barrels per day.

"(C) The term 'operator' means the person who has the right to produce crude oil from a property.

"(D) The President may prescribe regulations permitting a portion of the production from a property to be treated as the production of such property for purposes of designation under subparagraph (B).

"(E) A designation of a property under this paragraph shall include an identification of the property, and an identification of all ownership interests with respect to that property.

"(4) Paragraph (1) shall apply only upon application of the producer and only upon a producer-by-producer determination by the President that such producer qualifies under the requirements of this subsection.

"(b) For purposes of this section:

"(1) The term 'independent producer' means a person—

"(A) who produces crude oil or who owns crude oil when it is produced,

"(B) who does not engage, directly or through a related person, in both refining and retailing operations, and

"(C) whose average daily production in the preceding calendar year (including production by any related person) did not exceed 15,000 barrels per day.

"(2) The term 'refining operation' means the processing of crude oil, residual fuel oil, or any refined petroleum product in a refinery.

"(3) The term 'new crude oil' means domestic crude oil from a property from which domestic crude oil was not produced and sold in any one or more of the months May through December 1972.

"(4) A person is a related person with respect to a producer if a significant ownership interest in either the producer or such person is held by the other, or if a third person has a significant ownership interest in both the producer and such person, for purposes of the preceding sentence, the term 'significant ownership interest' means—

"(A) with respect to any corporation, 5 percent or more in value of the outstanding stock of such corporation.

"(B) with respect to a partnership, 5 percent or more interest in the profits or capital of such partnership, and

"(C) with respect to an estate or trust, 5 percent or more of the beneficial interests in such estate or trust.

"(4) Retailing operations.—The term 'retailing operations' means the sale of refined petroleum products through any retail outlet operated by—

"(A) the producer or a related person, or

"(B) any person or persons—

"(i) obligated under an agreement or contract with the producer or a related person to use a trademark, trade name, or service mark or name owned by such producer or a related person, in marketing or distributing crude oil, residual fuel oil, or refined petroleum products, or

"(ii) given authority, pursuant to an agreeemnt or contract with the producer or a related person, to occupy any retail outlet owned, leased, or in any way controlled by the producer or a related person.

"(5) Retail outlet.—The term 'retail outlet' means a marketing or distributing establishment, the principal retail product of which is crude oil, residual fuel oil, or any refined petroleum product which offers for sale to the general public such aforementioned principal retail product. The term 'retail outlet' does not mean an establishment in which sales of crude oil, residual fuel oil, or any refined petroleum product are incidental to the primary business conducted.

"(c) Businesses under common control; members of the same family—

"(1) Component members of controlled group treated as one producer—For purposes of this section, persons who, as members of the same controlled group of corporations, engage in the first sale of domestic crude oil from properties from which domestic crude oil was not produced and sold in one or more of the months of May through December of 1972, shall be treated as one producer.

"(2) Aggregation of business entities Under Common Control.—If 50 percent or more of the beneficial interest in two or more corporations, trusts, estates, or other entities is owned by the same or related persons (taking into account only persons who own at least 5 percent of such beneficial interest), the 3,000 barrel per day exemption provided by this section shall be allocated among all such entities in proportion to the respective sales by such entities of domestic crude oil from properties from which domestic crude oil was not produced and sold at any time during the months of May through December of 1972.

"(3) Allocation among members of the same family.—In the case of persons who are members of the same family, the 3,000 barrel per day exemption provided by this section shall be allocated among such persons in proportion to the respective first sales by such individuals of domestic crude oil from properties from which domestic crude oil was not produced and sold during one or more months of May through December of 1972.

"(4) Allocation among members of partnerships.—In the case of a partnership, the 3,000 barrel per day exemption provided by this section shall be computed separately by each partner, and not by the partnership; except that, if a person is a member of more than one partnership, the aggregate amount of the exemption available to such a person shall not exceed 3,000 barrels per day.

"(5) Definitions and special rules.—For purposes of this subsection—

"(A) the term 'controlled group of corporations' has the meaning given to such term by section 1563(a) of the Internal Revenue Code of 1954, except that section 1563(b) (2) thereof shall not apply and except that 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a) thereof,

"(B) a person is a related person to another person if such persons are members of the same controlled group of corporations or if the relationship between such persons would result in a disallowance of losses under section 267 or 707(b) of the Internal Revenue Code of 1954, except that for this purpose the family of an individual includes only his spouse and minor children, and

"(6) the family of an individual includes only his spouse and minor children.".

Mr. LONG of Louisiana (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG of Louisiana Mr. Chairman, I think nearly all of us can agree perhaps on three things: One, that we need to increase our domestic oil production; two, that we need to reduce our dependence on foreign oil; and, three, that immediate decontrol would create substantial inflation in the economy and perhaps even rekindle the recession.

My amendment would, I believe, increase domestic oil production in a substantial and in a continuing way and at the same time have a minimal effect on the price of gasoline.

An equally important indirect benefit of my amendment is—and this is, I think, very important—that it helps prevent the major oil companies from getting an absolute monopoly. My amendment would provide for an exemption from the rollback provisions that is limited both in scope and in application. The exemption would apply only to independent producers and not to the major oil companies. The amendment would apply only to new oil and not to old oil. The exemption would apply only to the first 3,000-barrels-a-day production, not to an unlimited amount; and, finally, even with those limitations, this small amount would be subject to an $11.50-per-barrel ceiling, plus the inflation factor of 5 cents a month.

Another thing my amendment does is address the problem of stripper well production. Seventy percent of these small stripper wells are owned by the independent producers. They produce, as the Members know, by definition a maximum of 10 barrels a day, and many of them actually produce substantially less than 10 barrels a day, and the big oil companies with their high overhead cannot possibly continue to operate stripper wells. They simply are too much trouble; they are simply too expensive for them to continue to operate. But the total output of these stripper wells is something like 700,000 barrels a day.

If the independents—and I am only again talking about the independents—cannot get a decent price, they are just going to do what the majors would do, and that is they are going to cap these wells that produce three or four or five or six or seven barrels a day, and the oil production is going to fall to that extent. We must let the price of the oil produced by stripper wells be high enough to keep the independents operating.

Mr. DINGELL. Mr. Chairman, will the gentleman from Louisiana yield?

Mr. LONG of Louisiana. I would be happy to yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, I, first of all, would like to say that I commend the gentleman for offering the amendment. I have no objection to the amendment. I would like to ask the gentleman further to yield to me for purposes of a unanimous consent request.

Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto, including this amendment, conclude in 45 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Reserving the right to object, Mr. Chairman, and I shall not object, I would hope 5 minutes for the merit of the bill. But, Mr. Chairman, as I usually do, I should like to inquire how many amendments we have at the desk.

The CHAIRMAN. There are none. There are no further amendments at the desk.

Mr. BROWN of Ohio. Is there a reason for a limitation?

Mr. DINGELL. If the gentleman will yield further, it just struck me that it was a good idea to move along. If the gentleman would permit, we can move rapidly along to conclusion.

Mr. BROWN of Ohio. If the gentleman will yield further, I see no reason for a limitation. We have no amendments pending after this one. There will be a motion to recommit, I might say, which will be a straight motion.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. LONG of Louisiana. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, I have an amendment that I am going to offer at the desk.

Mr. BROWN of Ohio. Mr. Chairman, I have a unanimous consent request.

The CHAIRMAN. The gentleman has a reservation of objection in connection with a unanimous consent request.

Mr. BROWN of Ohio. I have no objection. I see no reason for a unanimous consent request if we have no amendments pending.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, I have a further unanimous-consent request, if the gentleman will yield. I have transgressed on the time of the gentleman from Louisiana so I ask unanimous consent that the gentleman from Louisiana be permitted to continue for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LONG of Louisiana. Mr. Chairman, however, we would, by my amendment also place a ceiling of $11.50 plus the inflation factor, on these small wells.

In my opinion, there are several good reasons why we should adopt this amendment. First, without this, many small producers are going to fold and consequently we will be producing less oil domestically and we will be buying even more than we are now of the expensive OPEC oil. Then, for sure, we will have the higher gasoline prices that we heard so much about when we were home during the August recess. Whatever slight effect my amendment would have on gasoline prices cannot compare to the higher prices we will be paying to the OPEC countries if my amendment fails. We have to insure continued exploration for new oil and it is the independent producers who find 94 percent of all our new domestic oil fields. It is the independent producer who is providing the only competition to the major oil companies. It is the independent producer who is doing what we need done, and that is finding and producing new oil.

Therefore, it is to the independent producer and to him alone that my amendment would give a small but essential edge.

Mr. Chairman, in my opinion the combined effect of my amendment will keep the price of gasoline down because of the factors I have outlined.

This limited exemption will go only to those independents who by and large do nothing but look for new oil. It will go to them only if they are lucky enough to find oil. And even then, they can get the higher $11.50 price on the first 3,000 barrels a day that they find.

It seems to me this is little enough to do for our independent producers. It seems to me it is little enough to do to insure that those people who find 94 percent of new oil will go on looking for new oil. In my opinion this will prevent an absolute monopoly from developing in the oil business in this country. I do not think it is too much to pay to keep the price of gasoline down.

I urge the Members to join me in support of this amendment.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. LONG of Louisiana. I yield to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, I commend the gentleman in the well for presenting the amendment that offers hope of encouraging exploration for new oil, and salvaging something out of this bill which as presently written discourages discovery of new oil and prevents in part our independence of the OPEC countries.

Mr. LONG of Louisiana. I thank the gentleman from Texas (Mr. WHITE).

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. LONG of Louisiana. I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I should like to understand from the gentleman in the well precisely what the amendment does in one area. As I understand his intent, it is to protect independents in their seeking new oil, that it treats the independent producer, that is an operating producer, as an operating unit including all of his production so that the interests of the operating producers and all royalty owners would be considered together in establishing the production within which the first 3,000 barrels of production for that independent would be subject to the higher price ceiling.

Mr. LONG of Louisiana. There is no reason for me to repeat what the gentleman from Texas said because he stated the case correctly.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(On request of Mr. ECKHARDT, and by unanimous consent, Mr. LONG of Louisiana was allowed to proceed for 3 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield further, therefore, for instance, if independent A is producing 8,000 barrels of oil per day and independent B is producing 8,000 barrels of oil per day, and C, who is a royalty owner holding one-eighth royalty in production of both independents, seeks an exemption, he is entitled only to that exemption which is as the result of each of the operating producers' exemptions. Let me give an example. In that case independent A would have 3,000 barrels of his production subject to higher price.

The royalty owner "C" would be entitled to receive his royalty portion of the total receipts from the 3,000 barrels of oil sold at, say $11.50 and with respect to the additional 5,000 barrels at $7.50; he would get his royalty portion, say one-eighth of that total. The same thing would be true with respect to his claim for royalties respecting his holdings in the production of independent "B." Assuming he is producing 8,000, he can exempt 3,000 barrels, sell this for $11.50, and the other 5,000 for $7.50 and the royalty owner is subrogated to the operating producer's claim of exemption; but the royalty owner is not himself entitled to cause an exemption and a sale of oil in the quantity of 2,000 barrels for himself, and "A" and "B" an additional 3,000 each. The total out of 16,000 barrels would be independent "A's" and independent "B's" 3,000 barrels apiece, being a total of 6,000; is that correct?

Mr. LONG of Louisiana. That is correct. The definition of producer as the amendment is drawn would not create in the royalty owner the right to the 3,000-barrel-a-day exemption, and the example as set forth by the gentleman from Texas is as was intended by the writer of the amendment.

Mr. ECKHARDT. Also, am I correct in assuming that if a royalty owner holds a royalty in oil produced by other than an independent, as for example, a major oil company, even though he as a royalty owner receives less than 3,000 barrels as his interest, he gets nothing under this because his right is determined by the status of the operating producer and not by his own status as a person who is not engaged in refining and distribution or producing over 15,000 barrels a day. He gets nothing under those circumstances.

Mr. LONG of Louisiana. That is correct. As I mentioned before, the definition of producer does not include royalty owner. Consequently, he does not create any right in that regard and the gentleman is correct.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(At the request of Mr. ECKHARDT, and by unanimous consent, Mr. LONG of Louisiana was permitted to proceed for 1 additional minute.)

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield further, I think the gentleman has devised a most salubrious approach to this matter. I would hope that the gentleman in response to these questions would understand that there are certain complexities and so long as the general purpose and direction and, as a matter of fact, the specific objectives of the gentleman as stated are observed, that the gentleman would not feel it amiss that the conference committee effectuate the purposes we have discused here.

Mr. TREEN. Mr. Chairman, I move to strike the last word, and I rise to speak in favor of this amendment.

Mr. Chairman, I want to commend the gentleman from Louisiana, my colleague, for offering this amendment and for his work on it. I concur that some incentive is definitely needed, and that at a very minimum, we should give the incentive necessary to the small producers.

Mr. Chairman, I support the amendment.

Mr. MAGUIRE. Mr. Chairman, I move to strike the last word.

Mr. CHAIRMAN, I understand the intentions of the sponsors of this amendment, but I must say that I find myself troubled by the amendment. I have some questions which I would like to direct to its sponsor, the gentleman from Louisiana (Mr. LONG).

I wonder if there might not be a problem if independents who produce more than 3,000 barrels per day divorce their holdings and create smaller qualifying units. Partnerships, group ventures and even families, could reapportion holdings so as to qualify for the exemption, could they not? What kind of protection is there against that?

Mr. LONG of Louisiana. Mr. Chairman, if the gentleman will yield I will say that we, in drafting the amendment, attempted to make it as tight in that regard as we possibly could, to make it impossible for a breakdown of it into various family interests and various corporate interests. We think, frankly, that it is as tightly drawn as it can possibly be drawn in that regard.

Mr. MAGUIRE. But the gentleman does not preclude the possibility that this kind of thing could happen?

Mr. LONG of Louisiana. Knowing tax law and knowing lawyers, and being a lawyer myself, I would be foolish to say that it was impossible for it to be done, but I would say that, in my opinion, it is going to take a Philadelphia lawyer to get up awfully early to be able to do it.

Mr. MAGUIRE. Well, there are a lot of Philadelphia lawyers. The problem is that, given an opening in the law, lawyers will be retained to exploit that opening.

Let me ask another question: What is to keep the major oil companies who now have holdings from selling those holdings to independents at a premium price because the independents could subsequently profit from the exclusion which would be allowed if your amendment is adopted?

Mr. LONG of Louisiana. I think to some extent that is generally under the definition of new oil and there would be some validity to it with respect to stripper wells, but I think basically that would not happen to any substantial degree because the oil owned by the major companies, to a great extent, falls within the definition of old oil, and consequently there would be no financial incentive for such action to take place.

Mr. MAGUIRE. I thank the gentleman. I must say that I am also concerned that this amendment, if adopted, might prompt future argument along the following lines: Because we have accepted OPEC monopoly pricing for production by a segment of the industry, why should we not accept it for the entire industry? I think we have shown by data presented to the committee and introduced here in general debate over the last few months that the price we are suggesting in the bill for new oil is more than adequate to meet the production costs of anyone who goes into production of oil, be they majors or independents. Furthermore, already given generous Federal subsidies to the independents through the exclusion from the oil depletion repeal that was voted by this House earlier this year.

I am persuaded that there are better ways to increase competition. I agree with everyone who has spoken about the necessity of increasing competition, but vertical divestiture would surely be a far better way to accomplish this than the amendment the gentleman proposes. And, of course, we ought to enhance competition by increasing the access of independent oil producers to our largest unexploited reserves, and we have moved in that direction today by acting favorably on the Dodd amendment to prevent joint ventures by the largest majors on Federal lands. I have great reservations about this current amendment offered by the gentleman from Louisiana (Mr. LONG), and I do not think all of these questions have been satisfactorily answered.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word.

I would like to address a question to the gentleman from Louisiana (Mr.

Long) or to the chairman of the subcommittee.

Under the provisions of the bill as they have been adopted now, in title III, as I understand, we have a $5.25 price for old oil, a $7.50 price for some new oil, a $10 price for some new oil, and now a $11.50 price for the exemption which is provided here.

Are there any other levels of oil pricing in terms of entitlements beyond that which I have listed?

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, I assume the gentleman is directing his question to me, and I would have to respond that there is one other. Imported oil would go according to what the world market price would be.

Mr. BROWN of Ohio. $5.25, $7.50, $10, $11.50 and $13.50. And currently we are having some difficulty with the administration of the two-tier pricing system.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. Long).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Seiberling: Page 365, after line 18, insert the following:

TITLE XIV—EFFECTIVE DATE OF AMENDMENTS TO THE ALLOCATION ACT

Sec. 1401. The amendments made by this Act to the Emergency Petroleum Allocation Act of 1973 shall take effect on September 1, 1975.

Mr. SEIBERLING. Mr. Chairman, this is basically a perfecting amendment. Several sections of the bill, as we know, are amendments to the Emergency Petroleum Allocation Act of 1973, specifically, sections 301, 302, 307, and sections 401 through 410.

Mr. Chairman, nobody knows at this point whether that act is going to be extended pursuant to the 60-day extension, which the House passed but which the Senate has not yet seen fit to adopt. But if it is not, and this bill goes into effect, we should not have a hiatus between the end of August and the date this bill goes into effect, with respect to the amendments of the Emergency Petroleum Allocation. Act. This amendment would correct that situation and prevent any such hiatus.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman has a very fine amendment. The problem is simply this: the House has offered a simple extension, which would continue in effect controls which were in effect at the time when the Allocation Act ran out. The Senate has not seen fit to join us in that provision. They may ultimately join us in passing a bill so that we may send to the White House a simple extension which continues controls from August 31, 1975, in which event the gentleman's amendment would be superfluous. On the other hand, this bill may go to the White House, may ultimately become law, before or without such an extension being made.

It seems to me that it is absolutely essential that we here give notice to those controlled under the Allocation Act before September 1 that we intend in one way or another to extend the Allocation Act without a hiatus in which prices could rise.

Therefore, the gentleman's amendment serves not only the purpose of fulfilling that very necessary provision in this act but also the purpose of giving notice that those who raise prices may be subject to retroactive controls by this act and, therefore, that they should not raise prices at this time until this very important question has been resolved.

Mr. SEIBERLING. Mr. Chairman, the gentleman is absolutely correct, and he has given us a very lucid explanation, in addition.

Mr. Chairman, am I correct in my understanding that the chairman of the subcommittee has no objection to this amendment?

Mr. DINGELL. Mr. Chairman, if the gentleman from Ohio will yield, I am delighted to advise the gentleman that I think the amendment helps the bill, and I am most pleased to accept it.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, do I understand from the gentleman's statement that he has given up on the Senate? After all, only 23 days of the 60-day extension have gone by, and we still have the possibility that in the next 37 days the Senate might act on our 60-day extension.

Mr. SEIBERLING. Mr. Chairman, I think that while there is life, there is hope. There are still 37 days left.

Mr. BROWN of Ohio. Is the gentleman suggesting there is life in the other body or just hope in the other body?

Mr. SEIBERLING. Well, there is plenty of life there, too.

Mr. BROWN of Ohio. Mr. Chairman, the question I want to ask beyond that is this:

We have only taken 9 months in the House to get to this position. We have yet to go to conference, and we have yet to have the results of a conference voted on. I assume that this means that whenever this bill before us becomes law, if indeed it should—and I am sure it will not—we would go back, no matter what that period of time is, and set those prices as of the first of September; is that right?

Mr. SEIBERLING. That is right. But, of course, we are going to vote on this bill in another 45 minutes. That means it is probably going to go to conference, so the gentleman may have to revise that part of his statement.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, I am not sure I understood the gentleman's answer, but I accept his answer on the basis that he accepted the idea of yielding to me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Seiberling).

The amendment was agreed to.

Mr. BROWN of Ohio. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 535]

Adams
Alexander
Annunzio
Ashley
Aspin
Biaggi
Breaux
Brooks
Broomfield
Brown, Calif.
Burke, Fla.
Burton, Phillip
Conyers
Dellums
Derrick
Drinan
Edwards, Ala.
Esch
Fary
Fenwick
Foley
Fraser
Gibbons
Harsha
Hays, Ohio
Hébert
Hutchinson
Jarman
Karth
Lehman
McKinney
Macdonald
Mitchell, Md.
Rees
Rodino
Rose
Shuster
Sikes
Sisk
Stanton,
James V.
Stuckey
Teague
Thompson
Udall
Wilson, Bob
Zablocki

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bolling, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7014, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 387 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. SNYDER. Mr. Chairman, I supported and intend to support the excellent amendment offered and adopted in the committee by the gentleman from Texas (Mr. Collins).

I wish to submit some data regarding the cost of fuel for busing where court orders have been issued.

In the spring of 1974, over a year before my own district came under such orders, I asked the Library of Congress to ascertain costs of court-ordered racial busing of schoolchildren where it was already in effect.

The Library obtained for me some scattered figures as of April 1974 from school officials involved.

I asked for an update recently for these areas, and have received some additional data as of early September of this year.

Alexandria, Va., first reported using 98 buses per day to bus 6,200 of 18,000 students in the system. It owned 28 buses, each hauling 66 passengers. Those buses averaged 7,000 gallons of gas a month. In March 1974, 6,100 gallons were used, at 24 cents a gallon, and total fuel cost was $1,464 for the 28 buses. The other 70 buses were chartered, but no charter cost was given. The cost of a new bus was $8,200.

Alexandria now reports the cost of a new bus has risen to $11,000, and its monthly fuel cost for 7,000 gallons at $.35 a gallon, has risen to $2,450.

That is a $1,000-a-month increase in

that school system's budget for gasoline for busing alone.

Memphis, Tenn., a year and a half ago reported using 207 buses to bus 30,398 students for racial purposes and 481 for special education. New 66-passenger buses cost $7,000 to $8,000 each. 78,630 gallons used each month, at 24 cents per gallon, came to $18,871.

Memphis now reports the cost of new buses up to between $10,000 and $12,000 each. That city reports its annual busing cost to be in the area of $2,000,000.

In April 1974 Nashville, Tenn., reported using 327 buses costing $8,000 for 66-passenger gasoline buses, and $17,000 for 84-passenger diesel buses. Those prices as of now have almost doubled, to $16,244.90 and $27,784.65, respectively. In the earlier report the city said that in 1972 it used 191,347 gallons of diesel fuel and 913,416 gallons of gasoline, to transport 47,749 students out of a total of 82,686 in the system. In February 1974, gas was 32 cents a gallon and diesel fuel was 25 cents a gallon. Now, Nashville reports its monthly fuel bill for buses is $23,012.92.

In April 1974 Norfolk, Va., reported new buses unavailable. It used over 200 buses of a city-owned transit firm to bus over 27,000 of the system's 50,000 students; 8,000 were bused before desegregation, on public buses. Fuel costs were not broken down, but this statement was made: "The whole busing program costs the school district approximately $1.5 million per year."

As of September 1975, Norfolk reports an increase in its annual busing costs to $1.6 million—up some $100,000. Clearly, most, if not all of this, could be attributed to increased gasoline cost.

A year and a half ago, Oklahoma City said it used 308 buses to bus 26,000 of 54,691 students. 15,000 had been bused before court-ordered busing became effective in 1972. Its 72-passenger buses cost $11,000 each. Approximately 3,200 gallons of gasoline were used each day. Gas for the 113 buses owned by the school district cost 22 cents per gallon. Contractors paid 46 cents a gallon for the gasoline used in the 195 buses the city contracted for.

Now, Oklahoma City reports the cost of new buses up $2,000 each, to $13,000. Gasoline for the city's own buses has almost doubled, to 40 cents a gallon, and 68,000 gallons a month are used.

In thhe Library's first survey, San Francisco estimated busing costs for its 1973–74 school year at $2.5 million, with only 18,000 to 19,000 elementary and junior high students being bused, out of a total of 76,000. By 1976 all grades are to be integrated. Its 66-passenger buses cost $14,000 apiece, and its 91-passenger buses, $38,000.

San Francisco now reports the price of a first class bus has risen to $46,000. It gave no new figure for gasoline costs; in April 1974 the city's monthly fuel costs for 228 buses ran between $8,615 and $13,211.

In the first survey, Pontiac, Mich., said it used ninety-two 66-passenger buses and 14 minibuses costing $10,000 to $12,000 each, to bus 10,211 out of 20,933 students; 25,000 to 30,000 gallons of gas, at over 21 cents a gallon, were used each month.

In April 1974 Prince Georges County, Md., used 803 school-owned buses and 6 chartered ones, to transport 89,982 students out of a total of 152,107, at a monthly fuel cost of $58,000. It reported new buses unavailable.

Pontiac and Prince Georges County have not yet responded to the Library's newest survey.

Mr. Chairman, the figures here represent only a portion of the communities forced by the courts to provide busing for racial balance in the schools.

However, the use and cost of gasoline cited clearly indicate the degree to which busing nationally is siphoning off our fuel stocks, and adding a new tax burden on our citizens.

In my opinion, these figures support my position in reference to the Collins amendment.

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to H.R. 7014. This bill, which has been kicking around on the House floor for the past 3 months, should not be passed.

We all know this bill is going to be vetoed. We have known it since before the August recess. It will be vetoed because, quite simply, it is bad policy. At a time when we need to increase supplies of domestic petroleum, it deliberately inhibits production. At a time when our President needs the greatest flexibility to deal with the energy emergency, it ties his hands with cumbersome and time-consuming redtape. It is, indeed, little more than a face-saving device for those who know what needs to be done, but are reluctant to make the hard choices necessary to guarantee energy independence for our country in the future. For them, this bill will serve the same function as the sacrificial goat—when prices go up, as they will inevitably whether this bill passes or dies, they can point to H.R. 7014 and bemoan the President's veto.

Mr. Chairman, I urge the Members to turn down this legislation. Passage of this bill will be a meaningless gesture, since it will never become law. But it provides further excuse for delay in solving what is now a very urgent problem. I call upon the House, both the minority and the majority, to join in compromise on this issue with the administration. When the crisis comes, the people are not going to care whether it was the Democrats or the Republicans who failed to act responsibly in a time of need; they are going to ask why 535 supposedly intelligent and patriotic men and women could not sit down together and find a sensible answer. What we do not need now are excuses—what we need is a solution. I urge a "no" vote.

Mr. BADILLO. Mr. Chairman, I am pleased to vote for the final passage of H.R. 7014, the Energy Conservation and Oil Policy Act of 1975. I support the bill because it retains strong pricing provisions which restrict price increases on domestic oil to tolerable levels.

When the President vetoed S. 1849, the Emergency Petroleum Allocation and Extension Act, I was deeply concerned. Complete decontrol seemed imminent. And, according to a study conducted by the Subcommittee on Energy and Power and the Congressional Budget Office, this would have disastrous consequences. 800,000 workers, or 1.8 percent of our work force, would be added to the rolls of the unemployed; consumer prices, by the end of the fourth quarter of 1977, would rise 2 percent above the now predicted inflationary levels; housing starts would drop by a staggering 268,000 units a year; and auto sales would fall an additional million annually. These were catastrophic statistics. Nor was the alternative, the so-called phased decontrol plan of the administration, more palatable. It advocated the eventual acceptance of price levels which were not based on realistic production costs and profit requirements but were the results of the greed of the oil industry.

During the years of 1962 to 1972, the price of petroleum produced domestically remained at approximately $3 a barrel. This price allowed for a healthy return on investments. Before the Arab oil embargo, the oil industry, projecting increases in production and labor costs, predicted an eventual high of $6.69 per barrel by 1985 and allowed itself a handsome margin of profits. Then came the "energy crisis" and the price of imported oil reached $12.63 by January of 1975. Despite the fact that production costs remained at an estimated $5.49, the cost of domestic oil followed suit, returning tremendous profits to some and wrecking the lives and hopes of many.

H.R. 7014 seeks to put a stop to all this. It places a ceiling of $5.25 on old domestic oil, which accounts for about a third of our domestic consumption, and, depending on production costs, establishes a ceiling ranging from $7.50 to $11.50 per barrel for new domestic oil. These prices allow for a fair profit margin, yet safeguard the stability of our economy.

Mr. Chairman, this is a great victory. I am pleased that the House of Representatives did not cave in under combined industry and administration pressures. I am happy to vote for the passage of this bill and hope that the Senate will act with equal courage and determination.

Mr. ROONEY. Mr. Chairman, I rise to the distinguished chairman of the Interstate and Foreign Commerce Committee, Mr. STAGGERS, for a clarification of section 705, title VII, of the Energy Conservation and Oil Policy Act of 1975 (H.R. 7014).

On September 18, the CONGRESSIONAL RECORD showed that there was some discussion concerning this section, with the intent being to clarify that section and the committee's intent.

I would like to further clarify that intent by giving some additional background for the amendment which was passed unanimously by Mr. STAGGERS' committee.

It is my understanding that the committee intended to refrain from placing unnecessary or inequitable burdens on individual business in the formulation of standby energy authorities set forth in title II of this act.

The committee addressed itself to this issue by unanimously adopting a new section 705 in title VII. In order to make sure and clarify the committee's intent, Mr. Chairman, I wish to state for the record that the prohibition on unreasonable actions section is intended to make sure that the President, when invoking standby energy standards, does so with a design to be carried out in such a manner so as to be fair and create a reasonable distribution of the burden of such restriction on all sectors of the economy without imposing an unreasonably disproportionate share of such burden on any specific industry, business, or commercial enterprise or on any individual segment thereof. Due consideration must be given to establishments whose function is to supply goods and services during times of day other than conventional daytime working hours.

Mr. Chairman, in the energy crises of late 1973 and early 1974 there were suggestions emanating from the White House in the form of factsheets detailing types of business which would be directly affected by inequitable reductions or prohibition of energy use. Three cases in point involved the recreation business, outdoor advertising lighting, and general aviation.

Mr. Chairman, I am sure the Committee feels, as I, that we must make sure in the future, as this and other energy legislation is enforced, that all conservation plans are fairly enforced so as to avoid individual hardships on small businesses such as recreation business, outdoor advertising, and general aviation.

Mr. DU PONT. Mr. Chairman, the question before us on this bill is very simple. Does this legislation carry a likelihood of serving as an effective means of meeting the energy crisis? The answer is "No," it does not. Instead, its provisions guarantee that Congress will have successfully evaded its responsibility and postponed for another brief period the hard decisions necessary to move toward an effective, albeit politically distasteful, energy policy.

As a political document, H.R. 7014 is a masterful piece, but only the Mad Hatter could believe that its purpose goes beyond politics.

Two provisions are particularly objectionable. The first, is the continuing effort to artificially roll back the price of oil. The Members of this body know that this will lead to the measures being vetoed and it is reasonable to expect the veto will be sustained. If this happens we face the prospect of an abrupt end to controls without any public policy guidelines other than what the oil companies select as their profit margins .

It seems strange to me that those who are most vocal in their concern for the consumer are willing to see controls terminated in a manner that possesses the most potential for economic mischief.

I would much rather see a form of decontrol that is phased out over a long period of time. It should also be combined with a windfall or excess profits mechanism so that no company or group of companies can take unfair advantage of market conditions.

The majority of my colleagues insist on persisting with the myth that the era of cheap energy will continue on endlessly. This is nonsense and when we mislead our constituents in this manner we become a large part of the problem, rather than part of the solution.

The second part of this bill which disturbs me are sections 403 through 408, which try to force petroleum conservation by forcing a reduction in petroleum production. In effect, we are legislating a smaller supply of something there is not enough of now. That does not appear to me to make very much sense.

I had hoped that we could find reasonable and responsible alternatives to total immediate decontrol. H.R. 7014 does not meet this objective. I had hoped that we could fashion a responsible energy policy. H.R. 7014 is not such a policy. And so I must vote against the bill.

Mr. CLEVELAND. Mr. Chairman, I intend to cast my vote against final passage of H.R. 7014. As one who has deplored the failure of Congress to come up with an effective and comprehensive energy policy, I find myself reluctant to vote against legislation with the appealing title of the "Energy Conservation and Oil Policy Act." However, my objections stem from the fact that I do not believe this bill represents a coordinated and effective remedy to our nation's critical problem of energy shortages.

DECEPTIVELY EASY SOLUTIONS

I am very much aware of the politically attractive reasons for supporting the continuation of oil price controls and the price rollbacks on new and unregulated oil in this bill. But, given our dependence upon foreign sources of energy, a fact of life which has caused particular hardships in my own district in northern New England, I believe that we must provide incentives for new production of domestic sources of fuel. And we cannot avoid the simple truth that restricting the economic incentives to create more energy supplies will be of no help towards achieving our goal of energy independence.

For this reason, I favor the approach of gradual decontrol of petroleum prices and a windfall profits tax, accompanied by a plowback provision to direct energy industry profits into increased production. I do not see how we can justify continuing a policy which failed to work in other areas—for example, the price controls on meat which resulted in meat shortages—and which has notably created the current very serious shortage of natural gas which threatens to severely disrupt several States and cause the loss of thousands of jobs.

High energy prices appeal to me no more than they do to any of my colleagues or my constituents, but on balance I would prefer assurances that fuel will be available to heat our homes and to drive our cars to assurances that domestic oil will be subject to price controls to avoid consumer rip-offs by the oil companies. Acute shortages or, even worse, nonavailability would be the ultimate consumer rip-off and the ultimate reason why I am voting against this bill.

WINDFALL PROFITS TAX AND OTHER REMEDIES

Furthermore, the obvious and most equitable solution, in my view, to that particular argument is the enactment of a windfall profits tax which this Congress could and should have passed a long time ago.

In addition, continuing a policy which furthers our dependence on foreign sources of energy is no assurance against price rises outside of our control.

Our energy shortages will be solved only by a coordinated commitment to making the best possible use of all domestic sources of energy—expanded production and use of coal, nuclear powerplants, development of new alternative sources, such as solar and geothermal energy, and maximum production of domestic petroleum.

There are a number of provisions in the bill which I support—for example, the automobile fuel efficiency standards is just one. Again, on balance, however, I feel the unreasonable and unworkable provisions of this legislation outweigh its good points.

CONFUSING AND DISJOINTED DEBATE

I also believe this bill represents an almost perfect example of how not to legislate in the best interests of the people. The House began consideration of H.R. 7014 on July 17; we continued our deliberations on July 18, 22, 23; interrupted our proceedings until July 30; continued on July 30 and 31 and August 1; recessed for the month of August and resumed debate on September 17 and 18. Today, September 23, we have finally reached the end of our initial deliberations. In the midst of this scenario, we debated other important but unrelated legislation and at one point simultaneously considered legislation relating to oil pricing authority which was contradictory to the language contained in this bill.

NEED FOR SINGLE ENERGY COMMITTEE

I am glad that the bill was granted an open rule providing for debate on all of its provisions. But, I think it fair to suggest that the proceedings could have been handled in a much more orderly manner. The underlying theme of this entire exercise is the need for congressional reform so that we may function in a more responsible manner. As a starter, I would urge immediate establishment of a separate energy committee to handle all energy-related matters since the overlapping jurisdictions we have at present have substantially contributed to the maze of piecemeal approaches and the duplication of effort which has resulted in confusing and at times contradictory legislation.

In a statement which I issued to my constituents yesterday, I cited a survey previously noted by my colleague, the distinguished minority leader, the gentleman from Arizona, which showed that a total of 86 committees and/or subcommittees of the Congress have heard testimony from executive department witnesses on energy during the first 8 months of this year. These officials have made 344 appearances—193 before House committees, 126 before Senate committees, and 25 before joint committees—for a total of 732 hours of testimony.

In my statement, I concluded by saying that it is time for the Congress to show that it, too, is serious about solving the Nation's critical energy problems. I sincerely regret that the proposal on which we are voting today does not demonstrate that seriousness of purpose and I will cast my vote against the bill.

Mr. RANDALL. Mr. Chairman, I rise in support of H.R. 7014, entitled the Energy Conservation and Oil Policy Act.

The title itself describes its worthwhile objectives. The question at the outset to be appropriately propounded is, "How can anyone oppose a sensible and worthwhile effort to conserve energy?" And if we agree there is no present pricing policy, how can anyone oppose some kind of established pricing policy, in the total absence of a national policy?

A brief review of the long and persevering efforts of the House to complete this legislation would seem to be in order. Work on H.R. 7014 began in February of 1975 and now comes to an end in this fourth week of September. The record will show that there were 28 days of markup of this legislation in the subcommittee. There was an additional 13 days of markup in the full committee. Near the close of debate the chairman of the full committee, the gentleman from West Virginia (Mr. STAGGERS) observed that this had been one of the most completely studied bills, and as he put it, "cussed and discussed," enactments considered by the House in recent years.

Nearly 2 months of floor time was taken by the House to consider this bill. The record will show that 65 amendments were voted upon either by voice vote, division vote, or by a recording of the yeas and nays by the electronic process.

Mr. Chairman, just prior to final passage I heard conversations among my colleagues that the only doubts in their minds about the measure were based upon many changes accomplished by amendments. Some felt they were not sure of the final content after the many amendments. Of course, all of us were subject to some doubts, but those of us who were present and voted on nearly all of the amendments should have a recollection that at the time the amendment was either adopted or rejected, we thought we were improving the bill if we supported the amendment, or if we opposed an amendment we did so because we thought the amendment would weaken this legislation.

In my judgment, we have achieved the basic vehicle for a conference with the other body leading to a good national energy policy. I will oppose any motion to recommit, because after all of these months there is no way to perform again the long process either this calendar year or this Congress.

As we come to the end of this long debate, the question which is most likely uppermost in the minds of the great majority of us is, what have we wrought? Well, I suppose a simple answer to that would be first, that we have provided for greater efficiency in the use of fuel by motor vehicles. In other words, there have been provisions written into the proposed law that will militate against fuel-inefficient cars and encourage more fuel-efficient automobiles.

Second, we have extended the Mandatory Allocation Act. Third, for the first time there has been established a congressional pricing policy. Fourth, there is provision made for the conversion from the use of oil and gas to the use of coal, through its liquefaction, and the substitution of other forms of energy. And lastly, the basis is laid for a congressional audit.

Back during the Arab oil embargo, we recognized the Middle East action as a very uncomfortable and detrimental embargo, but at that time the American people also discovered that there was another embargo that was working in their disinterest, and to their disservice and that was the embargo on information as to the extent of our oil reserves; the amount of storage capacity that we possessed; the capacity of our refineries; and the capability of our pipelines to move both crude and finished product. We learned at that time there were simply no hard statistics or figures available. The question now recurs, how can we ever achieve any kind of a national energy policy, and attempt to find some solution to the problems of conservation, difficult as it may become through either the price mechanism or any other approach to conservation unless there is valid and accurate energy information? H.R. 7014 attempts through the congressional audit to provide this much-needed information.

Mr. Chairman, opponents, say that the rollback of the price of new and released oil and to continue controls indefinitely will be counterproductive and make this Nation more dependent on foreign sources. I am not impressed with the argument because the fact of the matter is we will probably be dependent upon foreign sources with, or without, the oil pricing provisions which call for a rollback. The major consideration is what total decontrol on a complete absence of oil price policy will do to those areas that have no alternative but to use automobiles to commute back and forth to their work? What alternatives are there to an oil pricing provision with its so-called tier pricing?

Well, the simple answer is that there is no viable or sensible alternative. Those in rural areas or in any other area that does not have any type of mass transit are simply going to have to go ahead and use motor fuels, paying higher prices which will contribute to inflation, and which will further feed the fires of inflation already burning fiercely.

Opponents argue that the auto efficiency standards run counter to existing or present emission standards, and therefore the provisions for auto efficiency become unworkable. This kind of argument is fallacious for the reason that emission standards can be amended, on the other hand fuel efficiency standards must first be established and then any conflict with emission standards could be erased by modification or amendment of the emission standards. But first we must establish some auto efficiency standards.

Another point is made against the provision for information gathering authority in the General Accounting Office. It is argued that there was not enough debate in the committee. Also a point is made that procedures were provided by in the Securities Act of 1933 and the new proposal would interfere with uniform accounting standards. Once again, that is an argument that begs the question. Certainly any subsequently, enacted statute would supersede the provisions of an older statute and if there might or should be some duplication then, of course, this can be remedied by diligent oversight in the future. As to the lack of time to debate the information gathering provision in committee, this was certainly remedied during the floor debate.

I was present on the floor and heard this proposal very thoroughly debated for quite a considerable time.

Some of those who opposed this information gathering authority as a duplication missed the point totally and completely. The Securities Act provided for information to be gathered by the executive branch. Here under H.R. 7014, we are providing for a congressional information gathering authority under the General Accounting Office.

Mr. Chairman, on Thursday last, being Thursday, September 18, I was necessarily absent in my congressional district for an official appearance at the Truman Library which is situated in my home city of Independence, Mo. Upon checking the record I find that there were four rollcall votes on amendments. I shall now state for the RECORD how I would have voted on each of these amendments had I been present.

First, the Ottinger amendment to shift from the Commerce Department to the Federal Trade Commission responsibilities for administrating energy efficiency standards and labeling requirements which the RECORD shows was adopted by 214 to 165. Had I been present I would have voted "aye."

Second, on September 18, the McCollister amendment to delete the requirements of energy efficiency standards for major household appliances was rejected by a vote of 146 to 243. I would have voted "nay" or against the amendment had I been present.

Third, on September 18, the Krueger amendment asked to delete a section of the bill which authorized the Federal Energy Administrator to ban the use of natural gas as a boiler fuel. The RECORD shows this was rejected by a vote of 93 to 300 and had I been present I would have voted "nay."

Fourth, the Carter amendment also offered on Thursday, September 18, called for a new title VIII to provide $750,000,000 a year in loans to companies to begin liquefaction and gasification of coal. The RECORD will show that the amendment was rejected by a vote of 154 to 211. Had I been present, I would have voted in the affirmative or in favor of the amendment.

Mr. Chairman, H.R. 7014 is an important item of legislation. There is hardly any way to exaggerate its importance. Its far reaching implications need no amplification because energy affects every phase of our lives.

Before I conclude my remarks, I feel I must go on the Record to consider some of the facets of the ongoing debate between the President and the Congress and which is the best proposal to conserve energy. It would be beneficial to everyone if a workable compromise could be achieved that could somehow strike a balance between the conservation proposal of the President which puts all of its emphasis on the price mechanism or the marketplace procedure to control the consumption of energy and, on the other hand, the congressional approach which calls for greater fuel efficiency of motor cars and the continuation of the Allocation Act that would take us part of the way to energy independence and yet not cause consumer to suffer at the hands of the major oil companies.

As we all know the congressional pricing policy does not leave energy prices entirely to the forces of the marketplace but rather sets some ceilings. Finally the congressional version which is not true of any of the administration's proposals provides for the first time for congressional information gathering authority. The purpose, of course, is to get facts to formulate a better energy policy in the future.

For my part there is one thought which remains upmost in my mind and that is, which proposal, either the President's or the congressional is the best policy for the people whom I represent? There is no queston in mind but that the legislation proposed by the President which raises energy prices would accomplish some conservation of energy but with what kind of consequence?

Most of my congressional district, and for that matter, vast segments of the entire national population are rural. These rural areas are most important if we are to feed ourselves and the rest of the world. An important segment of our total population lives in rural America.

Today we hear and read so much about public transportation and mass transit. But, these are just some words that appear in print in our newspapers for many of the areas of our country. In my own congressional district, there is no such thing as public transportation or mass transit. In one of our 16 counties there is some public transportation but in 15 of our counties we do not have any at all. The same situation exists throughout most of the United States. Make no mistake about it. It is this same area we must all look to and depend upon for our food supply. Who can doubt if they take time to ascertain the fact that the American farmers already are badly hurt by the compress between the high costs of what he needs to produce food and the low price he gets for his products. Many of our family farmers are using their cash surpluses or continue to exist with larger and larger mortgages. For our American farmers, fuel is a vital necessity not only for their planting and cultivating of crops but for drying and transportation as well.

In my judgment one of the results of our failure to take the course of a congressional fuel policy embodied in this legislation rather than the price mechanism of the President would be the elimination of many of our family farmers. But even if such a consequence did not happen, the President's policy would mean higher food prices for all consumers in the United States.

Mr. Chairman, I did not participate in the debate of H.R. 7014. If I had taken the opportunity to join in the long discussion, I would have pointed out that many, many congressional districts are similarly situated such as ours. There are literally thousands of inhabitants of small towns and rural areas surrounding metropolitan centers that go into the cities daily to earn their livelihood who must return home at night to the far outreaches of the suburban areas and to the small towns which are considerable distances from their work. This all adds up to a large army of commuters across our country.

During the Arab embargo of 1973, I asked the chamber of commerce in some of our outlying communities how many people commuted back and forth to Kansas City, Mo. I distinctly recall that from Butler, Mo., which is a distance of 60 miles to Kansas City, there were about 125 individuals who drove that distance morning and night. Another survey was made at Marshall, Mo., which is somewhat a greater distance away from Kansas City, or approximately 85 miles. There it was discovered were a greater number, perhaps as many as 150 individuals. If my memory fails me on some of the facts and statistics, there is no doubt a large number of commuters came back and forth daily to Kansas City from Warrensburg, Harrisonville, and even from as far away as Sedalia, Mo., which is nearly 100 miles from the place of work.

My thought back in 1973 and my thinking today is what would happen to these who have no choice or alternative but to use their own individual means of conveyance if the price mechanism or the marketplace approach to conservation causes gas prices to jump to 75 cents a gallon and perhaps even further to $1 a gallon.

Mr. Chairman, it is my privilege to chair the new House Select Committee on the Aging. In that capacity we have heard here in Washington and in field hearings the problems that result from escalating prices to those on fixed incomes who are in retirement. One of the common complaints, almost uniform complaints, is the increase in fuel and utility costs. Many of them do not own their own cars. But all are subject to high utility rates and utilities are a vital necessity. Any marketplace approach to conservation or any price mechanism method would be to the great detriment of our senior citizens. It is these people, our rural constituents and our senior citizens that I am thinking about as I consider this energy bill. It is these people who are to suffer most by an increase in the price of fuel and utility costs, both of which would rise by an amount they simply could not afford.

We hear it said that the proposal of the President to decontrol oil prices might or could result in greater production of energy by increased exploration of oil and gas. But up to this point, there has been no way to determine whether this would happen or not. With all of the increased profits that have been enjoyed by major oil companies, these profits have not been plowed back into exploration.

Mr. Chairman, H.R. 7014 does provide for conservation by stipulating greater fuel efficiency for automobiles and greater efficiency for household appliances. These provisions should result in energy savings and fuel conservation. As it is at the moment, the President is without any guidelines and is operating without any kind of national policy except for pronouncements which he has made in the past. There are simply no guidelines except certain executive pronouncements.

As I see it, support for H.R. 7014 is deserved because we have reached a point in the condition in our economy where the action of the Congress by this energy bill could permit our continued recovery by contributing to the control of inflation or, by failing to act, we take the other course which would push us down from the present recession to possible depression but in any event mean accelerated inflation. The best course is not difficult to choose. This is a good bill, America needs it.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word.

(By unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, I rise to discuss before the House the motion to recommit since we seem to be at that point in the bill where we have completed all the pending amendments at the desk and where there was a sufficient pause when the Chair asked for additional amendments to infer that there are no additional amendments.

Mr. Chairman, by letter to my colleagues I have advised that the motion to recommit will be a straight motion to recommit because frankly I do not think we could write a motion to recommit that would embrace everything that is now wrong with this bill. The bill I think has no prospect of becoming law with the President's signature and so we must consider whether or not the bill should be passed as it stands after conference with S. 622, which is what the rule by which the bill apparently calls for.

I would like to remind my colleagues what is in this bill at this point, and it is a chamber of horrors. Let us start out with the oil pricing provision which now rolls back the price of new release and stripper oil and continues controls on old oil indefinitely in such a way that it will be clearly counterproductive to the development of new domestic oil in the United States. This would make our Nation more dependent upon foreign sources of oil and those foreign sources of oil are surely going to be higher priced. What we have done, in our infinite wisdom, is roll back the price of domestic oil, which is now selling at between $11.50 and $12, to $7.50, with some special categories of oil allowed to sell at $10. This provision will reduce the amount of domestic oil that is immediately available in the new oil category, and does nothing to reverse the declining production of old oil. That was in title III.

The standby emergency provisions which are in title II provide not only that the administration must submit a plan, but also after the plan is approved by the Congress and we run into some emergency which might impose the necessity of a conservation plan, then Congress once again must act on that conservation plan. In other words the ability to respond flexibly to the imposition of any kind of embargo is very severely restricted in this bill.

In addition to those things, the bill indefinitely extends the Emergency Petroleum Allocation Act which, as most of us are aware, provides now for a two-tier pricing system that has been of considerable burden to those industries in the United States which produce oil in this country because under the present two-tier entitlement system they must pay money to the oil companies which import oil funds from their resources so as to compensate them for the higher priced oil they import from abroad.

We changed that a little, however. Instead of having two tiers as existed before this bill, we now have a five-tier system for the pricing of oil. Two tiers did not work too well. Five tiers now—count them—five tiers—$5.25, $7.50, $10, $11.50, and $13.50—should provide complete chaos.

The bill actually mandates a gasoline shortage by act of Congress. If anyone doubts this, I urge he pick up the bill and look at the major gas provisions in the bill which are under title IV. In title IV of this bill, Congress has mandated the creation of a gasoline shortage, the likes of which we only saw when the Arabs embargoed oil in the United States. Under the provisions of part A, title IV, the President is required to hold the refinery production of gasoline to the 1973–74 level. Given the annual 4 percent in consumption due to economic growth and population expansion, within 2 years we will have a shortage equal to the worst days of the Arab oil embargo.

Now, my feeling is that some Members may feel that is a worthy way to conserve oil for our country. I do not share that view, because the reduction in consumption of oil in this country has always paralleled a decline in the gross national product and an increase in unemployment. If we want to be responsible for having our constituents stand in line and wait to get gasoline in a gasoline shortage, then we want to vote for this bill, because that is exactly what title IV provides. It provides for the shortage, but it does not provide for any method of equitable distribution of that shortage beyond allocation by the Federal Energy Administration to the various parts of the distribution system. Nothing is said in regard to allocation to the consumer.

Title V mandates fuel efficiency standards for the automobile and appliance industries' products. By 1985, the fuel average of an auto manufacturer must have a fuel efficiency of 28 miles per gallon—never mind that no one knows if this is technologically or economically feasible. Further, the appliance industry must improve the fuel efficiency of some 13 household appliances by 25 percent by 1980. Thus the Federal Government is designing consumer products—hardly a talent for which it is noted.

The Federal oil purchase authorities in this legislation were rejected when we considered the bill from the Committee on Ways and Means, but they are now in this bill. The House once before voted against those purchase authorities and yet we have them now in this bill.

In title VIII of the bill we still provide for the GAO to go in and audit the information that is now gathered by half a dozen to nine different Federal agencies, giving the GAO the authority to go into every mom and pop gasoline station in the country on congressional request and get information from those various independent businessmen.

We also now have adopted provisions in this legislation which would prohibit joint ventures by oil companies, the very kinds of joint ventures which have been the cause of our developing the Alaskan oil finds and moving them hopefully at some future date into consumption in the United States.

Also added to the bill by a voice vote amendment was a provision to save energy by prohibiting busing beyond the neighborhood school.

Also in the bill is this establishment of the fifth tier. In addition to $5.25 oil and $7.50 oil and $10 oil and $12.50 to $13 foreign oil, we now provide for another tier of $11.50 oil for those producers who produce under 3,000 barrels a day.

We prohibit as a result of an amendment adopted in the committee the banking of costs which are permitted by FEA of companies which have those costs if they have decided not to pass through to the consumer, because those costs may reduce. That amounts to a requirement by a company that wants to take advantage of those costs and not lose them of passing the costs on to the consumer within 60 days.

The figure is something like a billion and a half dollars or a billion and three-quarters dollars that we would push on to the consumer very rapidly.

Finally, we make the pricing provisions in this legislation retroactive to September 1 in the vain hope that in some way this bill may become law. Mr. Chairman, I would suggest to the committee that if we do want to have an energy compromise with the administration—which at this point, considering what is in this bill, I now have some doubts about—that that compromise is possible in legislation which was introduced today by the leadership on the minority side, the second ranking minority member of the Ways and Means Committee and myself, as ranking minority member on the Energy Subcommittee.

That bill provides for a 39-month gradual decontrol plan, for windfall profits tax and a plowback, and for a $11.50 cap with 5 cents a month escalator.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I asked the gentleman from Ohio to yield to me only to inform the committee that it is my intention, at the proper time, to demand a separate vote on the Collins of Texas amendment, the antibusing amendment, which has been inserted as a new title VIII. I would ask the Members to stand and seek a rollcall vote on this very important and timely question. I would hope that the House will overwhelmingly pass this antibusing amendment as an expression of the majority of the American people. It will mean a great deal to the parents and children all across the Nation, particularly those living in areas now suffering from this damnable practice which is destroying our schools.

Mr. DINGELL. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, the House has been long laboring over this job of establishing national energy policy. My colleagues on the subcommittee and the committee will recall when the process first began after organization of the committee in February. It is now September. During no part of that time has the committee or has the House dawdled. On the contrary, we worked as hard as we could to present this body with a national energy policy.

There have been some things that the subcommittee, the committee and the House have done with which I am not in full agreement, including portions of the pricing section. The hard fact of the matter is that we have achieved now the basis for going to conference with the Senate on establishing a national energy policy. I do not think that we should lightly cast aside that opportunity.

Just a little while back, when the House completed a quorum call, the gentleman from Missouri (Mr. BOLLING) stepped from the Speaker's rostrum, and he received the applause one ordinarily gets when one completes presiding over the House on important and technical and difficult pieces of legislation, and he rightly deserved that. But, that was also the appreciation of the House with respect to the relief many colleagues feel on having completed this particular proposal.

Now, what comes next? A motion to recommit. A motion to recommit at this time would be irresponsible, and its adoption by the House would be irresponsible because it would mean that we would start the whole process of crafting a national energy policy all over again. If that motion is rejected and if this bill is passed, regardless of our feelings, the matter goes to conference with the Senate and we will report back from conference a proposal which we can then send to the White House as the Congressional answer to the needs of this Nation in terms of energy.

Now, what have we wrought here? We have improved the efficiency of consumer products. The legislation requires the improvement of efficiency of automobiles. The legislation extends the Allocation Act.

It establishes a congressional pricing policy and it makes clear that we are not going to permit energy prices in this country to go through the roof if we can possibly and properly prevent it.

It provides a basis for conversion from oil or gas to other fuels. It extends the provisions of the ESECA, which relate to information. It also extends the provisions of that statute relating to conversion from gas to oil or coal.

It does something further. It sets out a series of administrative provisions. It lays the basis for congressional audit of figures submitted to the Government with regard to energy.

Mr. Chairman, I cannot stress how important this section is. As one works on this energy policy, as our subcommittee has, day after day, month after month, one thing becomes very clear, and that is that there are no hard, reliable figures. There is vast conflict in figures as to what the real situation is with regard to price, with regard to demand, with regard to constrictions of service and with regard to all other matters relating to energy.

One of the most difficult things that this body can be called upon to do is to write out energy legislation, to lay out national policy, without the figures which we are entitled to.

One of the problems is the executive and the independent agencies have failed to procure the needed information.

There is a modest provision with respect to holding intact and holding stable the energy consumption so far as automotive gasoline. The committee received testimony from scores of witnesses, and one thing which was convincing was that we can constrict, through a rational and modest program of allocation, the use of gasoline.

So we have a good bill, a bill which should be passed, a bill which should not be committed to committee, and a bill which can be the basis of a rational congressional energy policy.

Mr. Chairman, I urge my colleagues to vote against the motion to recommit and to vote in favor of the bill.

Mr. STAGGERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Colorado.

Mr. WIRTH. I thank the distinguished gentleman.

Mr. Chairman, I want to associate myself with the comments of the gentleman from Michigan (Mr. DINGELL). I also want to register here my thanks and the thanks of all of the members on the subcommittee for the extraordinarily good job done by the gentleman from Michigan on a very, very difficult piece of legislation.

Mr. Chairman, the gentleman from Michigan (Mr. DINGELL) has been most fair, most analytical, and careful in putting this together.

I thank both the Chairman and the chairman of the subcommittee.

Mr. STAGGERS. Mr. Chairman, I do want to congratulate the Subcommittee on Energy for a job well done. They held hearings for a long period of time. There were markups of 28 days. Some of those days went until after midnight. It came to the full committee, and we took 13 days in marking it up in the full committee, and some of those days went into the night.

Mr. Chairman, I think that if there was ever a bill that has come before the Congress of the United States that has been studied, discussed, and talked about, it has been this energy bill.

Do the Members know that it has taken 2 months to complete this on the floor? No one can tell me that we can send this back and have it reconsidered and consider anything that has not already been talked about and has not been worked out already. I would urge my colleagues not to vote this bill down and not to recommit it.

The President of the United States has been saying time after time that the Congress has not given him an energy bill.

We have been working on this bill diligently. This has been the result of the efforts of the minority as well as the majority. The minority has put a great deal of effort into this bill, and a lot of the suggestions the minority members have made have been incorporated in the bill.

Mr. Chairman, I commend the gentleman from Ohio (Mr. BROWN) and his staff for the diligent work they have done.

I believe we could work forever and still we would not come up with anything better than we have now. This bill is a good bill. It is one that America needs now.

Members should vote down the recommittal motion and vote overwhelmingly for the bill. The Members should let this bill go to conference, and then the bill will come back to the House after we have tried to work out something that is good for the Nation.

Mr. Chairman, everything has been said that I know of that could be said about the bill. I do repeat that I urge my colleagues to vote the recommittal motion down and vote for the bill, because that is in the best interest of America, and I think that is what we are all striving for.

The CHAIRMAN. All time has expired. If there are no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to provide for energy emergencies; and for other purposes, pursuant to House Resolution 599, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole?

Mr. BAUMAN. Mr. Chairman, I demand a separate vote on the so-called Collins of Texas antibusing amendment which was inserted as a new title to the bill.

The SPEAKER. Is a separate vote demanded on any other amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole?

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 356, after line 5, insert a new title VIII:

TITLE VIII—ENERGY CONSERVATION THROUGH PROHIBIION OF UNNECESSARY TRANSPORTATION

SECTION 1. (a) In order to achieve more energy conservation, no vehicle using gasoline or diesel fuel may be used to transport any public school student to a school farther than the public school which is closest to his home offering educational courses for the grade level and course of study of the student and which is within the boundaries of the school attendance district wherein the student resides.

(2) Any person who violates section 1(a) of this title shall be subject to a civil penalty of not more than $5,000, for each violation of such section.

(3) This title shall not apply to any person—

(A) who is a parent using gasoline or diesel fuel to transport his child to a public school; or

(B) who is using gasoline or diesel fuel for the transportation of any public school student to any school for the purpose of participation in athletic, educational, social, or other extracurricular activities approved by the local educational authorities in charge of the public school such student attends.

SEC. 2. (a) No person may sell gasoline or diesel fuel for a vehicle which the seller of such gasoline or diesel fuel knows or has reason to know will use such gasoline or diesel fuel in violation of section 1(a) of this title.

(b) Any person who the Administrator of the Federal Energy Administration determines violates Section 1(a) of this title shall not be entitled for the six-month period beginning on the date of such determination to any allocation of gasoline or diesel fuel under any Federal law which provides for the allocation of gasoline or diesel fuel.

Mr. BAUMAN (during the reading). Mr. Speaker, I ask unanimous consent that the so-called Collins of Texas amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER. The question is on the so-called Collins of Texas amendment.

The question was taken.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 204, nays 201, not voting 28, as follows:

[Roll No. 536]

YEAS—204

Abdnor
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bevill
Biaggi
Blanchard
Bowen
Brinkley
Brodhead
Broyhill
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conlan
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Delaney
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Tenn.
du Pont
Eilberg
English
Esch
Evans, Ind.
Evins, Tenn.
Fithian

Flowers
Flynt
Ford, Mich.
Forsythe
Fountain
Frey
Fuqua
Gaydos
Ginn
Goldwater
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Heckler, Mass.
Hefner
Henderson
Hightower
Hillis
Hinshaw
Holland
Holt
Hubbard
Hughes
Hungate
Hyde
Ichord
Jarman
Jenrette
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McCollister
McDonald
McEwen
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
O'Hara
Passman
Pettis
Pickle
Poage
Preyer
Quillen
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Roe
Rogers
Rooney
Rousselot
Runnels
Russo
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Shipley
Shuster
Slack
Smith, Nebr.
Snyder
Spellman
Spence
Steed
Steelman
Steiger, Ariz.
Stephens
Stratton
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Traxler
Treen
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Winn
Wolff
Wright
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—201

Abzug
Adams
Addabbo
Anderson, Ill.
Ashley
AuCoin
Badillo
Baldus
Barrett
Baucus
Bedell
Bergland
Biester
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brown, Mich.
Brown, Ohio
Burke, Calif.
Burton, John
Carney
Carr
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Dellums
Dent
Diggs
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Erlenborn
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Florio
Ford, Tenn.
Frenzel
Giaimo
Gilman
Gonzalez
Goodling
Green
Gude
Hall
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heinz
Helstoski
Hicks
Holtzman
Horton
Howard
Howe
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Long, Md.
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Price
Pritchard
Quie
Railsback
Rangel
Rees
Reuss
Richmond
Riegle
Risenhoover
Roncalio
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Simon
Skubitz
Smith, Iowa
Solarz
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Stokes
Studds
Symington
Thornton
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Wylie
Yates
Young, Ga.

NOT VOTING—28

Alexander
Annunzio
Aspin
Breaux
Brooks
Broomfield
Brown, Calif.
Burke, Fla.
Burton, Phillip
Derrick
Edwards, Ala.
Fary
Fenwick
Foley
Fraser
Gibbons
Hays, Ohio
Hébert
Hutchinson
Lehman
Macdonald
Rodino
Rose
Sikes
Sisk
Thompson
Udall
Wilson, Bob

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Annunzio against.

Mr. Sikes for, with Mr. Sisk against.

Mr. Rose for, with Mr. Thompson against.

Mr. Breaux for, with Mr. Lehman against.

Mr. Hutchinson for, with Mr. Phillip Burton against.

Mr. Broomfield for, with Mr. Rodino against.

Mr. Burke of Florida for, with Mr. Fraser against.

Until further notice:

Mr. Macdonald of Massachusetts with Mr. Brown of California.

Mr. Udall with Mr. Derrick.

Mr. Alexander with Mr. Hays of Ohio.

Mr. Brooks with Mr. Foley.

POINT OF ORDER

Mr. WAGGONNER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. WAGGONNER. Mr. Speaker, the point of order lies with the vote cast after the voting was closed. The vote was cast by the gentleman from New York (Mr. SCHEUER). The gentleman from New York (Mr. SCHEUER) could have changed his vote under the rules of the House but he was not or is not, in my opinion, entitled to cast a vote. The time for casting the initial vote has been closed.

The SPEAKER. May the Chair advise the gentleman that the membership has the same right to cast initial votes as they do to change their votes and until the vote is announced the voting is not ended.

Are there additional Members who desire to vote or to change their vote? If not, all time has expired and the vote is final.

Messrs. DENT and ULLMAN, Mrs. BOGGS, Messrs. ADDABBO, SMITH of Iowa, CARNEY, HASTINGS, PATMAN, and FLORIO changed their vote from "yea" to "nay."

Messrs. BEARD of Rhode Island, RUSSO, WOLFF, ENGLISH, DUNCAN of Tennessee, and BELL changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee amendment, as amended.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BROWN of Ohio. I am, Mr. Speaker.

The SPEAKER. The clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BROWN of Ohio moves to recommit the bill (H.R. 7014) to the Committee on Interstate and Foreign Commerce.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 171, nays 232, not voting 30, as follows:

[Roll No. 537]

YEAS—171

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Boggs
Bowen
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Derwinski
Dickinson
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
English
Erlenborn
Esch
Eshleman
Findley
Fish
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Hastings
Heinz
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Hyde
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
Madigan
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Murtha
Myers, Pa.
Nichols
O'Brien
Pettis
Pickle
Poage
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Rhodes
Risenhoover
Roberts
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, Tex.

NAYS—232

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Ashley
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dent
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Ford, Mich.
Ford, Tenn.
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McCormack
McFall
McHugh
McKay
McKinney
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Price
Randall
Rangel
Reuss
Richmond
Riegle
Rinaldo
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Skubitz
Smith, Iowa
Solarz
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—30

Alexander
Annunzio
Aspin
Breaux
Brooks
Broomfield
Brown, Calif.
Burke, Fla.
Burton, Phillip
Dellums
Derrick
Edwards, Ala.
Fary
Fenwick
Foley
Fraser
Gibbons
Hays, Ohio
Hébert
Hutchinson
Lehman
Macdonald
Rodino
Rose
Sikes
Sisk
Spellman
Thompson
Udall
Wilson, Bob

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Annunzio against.

Mr. Sikes for, with Mr. Sisk against.

Mr. Breaux for, with Mr. Alexander against.

Mr. Broomfield for, with Mr. Lehman against.

Mr. Hutchinson for, with Mr. Derrick against.

Mr. Burke of Florida for, with Mr. Rodino against.

Until further notice:

Mr. Brooks with Mr. Macdonald of Massachusetts.

Mr. Gibbons with Mr. Phillip Burton.

Mr. Dellums with Mrs. Spellman.

Mr. Aspin with Mr. Thompson.

Mr. Hays of Ohio with Mr. Udall.

Mr. Foley with Mr. Rose.

Mr. Fraser with Mr. Brown of California.

Messrs. WYDLER, YOUNG of Alaska, and TEAGUE changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BROWN of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 255, nays 148, not voting 30, as follows:

[Roll No. 538]

YEAS—255

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Ashley
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Carter
Chisholm
Clay
Cohen
Collins, Ill.
Collins, Tex.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Fountain
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Grassley
Green
Gude
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madden
Maguire
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Price
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Slack
Smith, Iowa
Snyder
Solarz
Staggers
Stanton, J. William
Stanton, James V.
Stark
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Thone
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NAYS—148

Anderson, Ill.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Boggs
Bowen
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Derwinski
Devine
Dickinson
Downing, Va.
du Pont
English
Erlenborn
Esch
Eshleman
Findley
Fish
Forsythe
Frenzel
Frey
Goldwater
Gonzalez
Goodling
Gradison
Guyer
Hagedorn
Haley
Hansen
Hastings
Hightower
Hinshaw
Holland
Holt
Horton
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
Madigan
Mahon
Mann
Martin
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
O'Brien
Passman
Pettis
Pickle
Poage
Pritchard
Quie
Quillen
Railsback
Rhodes
Roberts
Robinson
Rousselot
Runnels
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Skubitz
Smith, Nebr.
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Symms
Talcott
Taylor, Mo.
Teague
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Wiggins
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—30

Alexander
Annunzio
Aspin
Breaux
Brooks
Broomfield
Brown, Calif.
Burke, Fla.
Burton, Phillip
Derrick
Edwards, Ala.
Fary
Fenwick
Foley
Fraser
Gibbons
Hays, Ohio
Hébert
Hutchinson
Lehman
Macdonald
Risenhoover
Rodino
Rose
Sikes
Sisk
Spellman
Thompson
Udall
Wilson, Bob

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Hébert against.

Mr. Thompson for, with Mr. Sikes against.

Mrs. Spellman for, with Mr. Breaux against.

Mr. Rodino for, with Mr. Risenhoover against.

Mr. Sisk for, with Mr. Hutchinson against.

Mr. Alexander for, with Mr. Broomfield against.

Mr. Phillip Burton for, with Mr. Burke of Florida against.

Until further notice:

Mr. Udall with Mr. Aspin.
Mr. Brown of California with Mr. Rose.
Mr. Derrick with Mr. Gibbons.
Mr. Fraser with Mr. Foley.
Mr. Lehman with Mr. Hays of Ohio.
Mr. Brooks with Mr. Macdonald of Massachusetts.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 649, the Committee on Interstate and Foreign Commerce is discharged from further consideration of the Senate bill (S. 622) to provide standby authority to assure that the essential energy needs of the United States are met, to reduce reliance on oil imported from insecure sources at high prices, to implement United States obligations under international agreements to deal with shortage conditions, and to authorize and direct the implementation of Federal and State conservation programs consistent with economic recovery.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Motion offered by Mr. STAGGERS: Strike out all after the enacting clause of the Senate bill, S. 622, and insert in lieu thereof the text of H.R. 7014, as passed, as follows:

That this Act may be cited as "Energy Conservation and Oil Policy Act of 1975".

TABLE OF CONTENTS

TITLE I—FINDINGS, PURPOSE, AND DEFINITIONS

TITLE I—FINDINGS, PURPOSE, AND DEFINITIONS

Sec. 101. Findings.
Sec. 102. Statement of purposes.
Sec. 103. Definitions.

TITLE II—STANDBY ENERGY AUTHORITIES AND NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE

PART A—STANDBY ENERGY AUTHORITIES

Subpart 1—General Emergency Authorities

Sec. 201. Conditions of exercise of energy conservation and gasoline rationing authorities.
Sec. 202. Energy conservation contingency plans.
Sec. 203. Gasoline rationing contingency plan.

Subpart 2—International Authorities

Sec. 211. International oil allocation.
Sec. 212. International voluntary agreements.
Sec. 213. Advisory committees.
Sec. 214. Exchange of information.

Subpart 3—Materials Allocation

Sec. 221. Materials allocation.

PART B—NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE

Sec. 251. Declaration of policy.
Sec. 252. Definitions.
Sec. 253. National Civilian Strategic Petroleum Reserve and National Civilian Strategic Petroleum Reserve Plan.
Sec. 254. Early Storage Reserve.
Sec. 255. Congressional review and implementation of the National Civilian Strategic Petroleum Reserve Plan.
Sec. 256. Authorization and review of extraordinary measures to implement the Plan.
Sec. 257. Purchase of petroleum products for storage in the Reserve.
Sec. 258. Disposal of the Reserve.
Sec. 259. Authorization of appropriations.
Sec. 260. Coordination with import quota system.

TITLE III—OIL PRICING POLICY AND MEASURES TO MAXIMIZE AVAILABILITY OF ENERGY SUPPLIES

Sec. 301. Oil pricing policy.
Sec. 302. Marginal well recovery policy.
Sec. 303. Limitations on pricing authority.
Sec. 304. Production of oil or gas at the maximum efficiency rate and temporary emergency production rate.
Sec. 305. Federal oil, gas, and coal leasing arrangements.
Sec. 306. Limitations on export.
Sec. 307. Domestic use of energy-related materials and equipment.
Sec. 308. Domestic use of energy supplies.
Sec. 309. Entitlements.
Sec. 310. Recycled oil.

TITLE IV—ENERGY CONSERVATION MEASURES

PART A—ALLOCATION ACT AMENDMENTS AND OTHER ENERGY CONSERVATION MEASURES

Sec. 401. Restructuring of Allocation Act.
Sec. 402. Conversion to standby authorities.
Sec. 403. Definitions in Allocation Act.
Sec. 404. Amendments to section 4 of the Allocation Act.
Sec. 405. Mandatory gasoline allocation savings program.
Sec. 406. Retail distribution control measures.
Sec. 407. Direct controls on refinery operations.
Sec. 408. Inventory controls.
Sec. 409. Hoarding prohibitions.
Sec. 410. Supplemental authorities to assure reasonableness of petroleum prices.
Sec. 411. Asphalt allocation authority.
Sec. 412. Energy conservation in policies and practices of Federal agencies.
Sec. 413. Public information program.
Sec. 414. Report on enforcement of national maximum speed limit.
Sec. 415. Energy conservation through van pooling arrangements.
Sec. 416. Use of carpools.
Sec. 417. Government use of limousines.
Sec. 418. Energy conservation traffic study.

TITLE V—IMPROVING ENERGY EFFICIENCY OF CONSUMER PRODUCTS

PART A—AUTOMOBILE FUEL MILEAGE

Sec. 501. Definitions.
Sec. 502. Average fuel economy standards applicable to each manufacturer.
Sec. 503. Determination of average fuel economy.
Sec. 504. Judicial review.
Sec. 505. Information and reports.
Sec. 506. Labeling and advertising.
Sec. 507. Prohibited conduct.
Sec. 508. Civil penalty.
Sec. 509. Effect on State law.
Sec. 510. Use of efficient passenger automobiles by the Federal Government.

PART B—ENERGY LABELING AND EFFICIENCY STANDARDS FOR CONSUMER PRODUCTS OTHER THAN AUTOMOBILES

Sec. 551. Definitions and coverage.
Sec. 552. Test procedures.
Sec. 553. Labeling.
Sec. 554. Energy efficiency standards.
Sec. 555. Requirements of manufacturers and private labelers.
Sec. 556. Effect on State law.
Sec. 557. Rules.
Sec. 558. Authority to obtain information.
Sec. 559. Exports.
Sec. 560. Imports.
Sec. 561. Prohibited acts.
Sec. 562. Enforcement.
Sec. 563. Injunctive enforcement.
Sec. 564. Administrative procedure and judicial review.
Sec. 565. Cooperation with other agencies; delegation.

TITLE VI—CONVERSION FROM OIL OR GAS TO OTHER FUELS

Sec. 601. Extension of authority to issue orders.
Sec. 602. Extension of enforcement authority.
Sec. 603. Additional installations subject to prohibition orders.
Sec. 604. Additional installations required to be constructed with a coal-burning capability.
Sec. 605. Authority to prohibit use of natural gas as boiler fuel.
Sec. 606. Incentives to open new underground mines producing low sulfur coal.

TITLE VII—GENERAL PROVISIONS

PART A—PROCEDURE, REVIEW, ENFORCEMENT, AND OTHER GENERAL PROVISIONS

Sec. 701. Administrative procedure and judicial review.
Sec. 702. Prohibited acts.
Sec. 703. Enforcement.
Sec. 704. Delegation of authority and effect on State law.
Sec. 705. Prohibition on certain actions.
Sec. 706. Expiration.
Sec. 707. Transfer of authority.

PART B—CONGRESSIONAL REVIEW

Sec. 751. Procedure for congressional review of Presidential requests to implement certain extraordinary authorities.
Sec. 752. Expedited procedure for congressional consideration of certain authorities.

TITLE VII—ENERGY CONSERVATION THROUGH PROHIBITION OF UNNECESSARY TRANSPORTATION

Sec. 801. Transportation prohibitions.
Sec. 802. Enforcement.

TITLE IX—ENERGY DATA BASE

Sec. 901. Verification audits.
Sec. 902. Powers of the Comptroller General and reports.
Sec. 903. Accounting practices.
Sec. 904. Enforcement.
Sec. 905. Amendments to energy supply and environmental coordination.

TITLE X—LIMITATION ON PASSTHROUGHS OF PETROLEUM COST INCREASES

Sec. 1001. Limitation on passthroughs.

TITLE XI—PENALTIES UNDER THE ALLOCATION ACT

Sec. 1101. Penalties.

TITLE XII—PROHIBITION ON CERTAIN LEASING ARRANGEMENTS

Sec. 1201. Prohibition on certain leasing arrangements.

TITLE XIII—INDEPENDENT PRODUCER EXEMPTION

Sec. 1301. Independent producer exemption.

TITLE XIV—EFFECTIVE DATE OF AMENDMENTS TO THE ALLOCATION ACT

Sec. 1401. Effective date.

TITLE I—FINDINGS, PURPOSE, AND DEFINITIONS

FINDINGS

SEC. 101. The Congress hereby finds that—

(1) the United States needs adequate and available supplies of petroleum products and other energy supplies at the lowest possible cost to meet the present and future needs of commerce and national security;

(2) disruptions in the availability of imported energy supplies, particularly petroleum products, pose a serious risk to the national security, economic well-being, and health and welfare of the American people;

(3) the dependence of the United States

upon insecure, high-priced foreign energy supplies must be lessened through governmental action designed to make the United States independent from such supplies;

(4) the United States needs adequate data including data of an independent nature from which to make judgments about energy policy so as to increase domestic energy supplies at the lowest reasonable and equitable cost to meet present and future energy needs of commerce and national security; and

(5) in order to have available adequate petroleum products and energy supplies at the lowest reasonable and equitable costs to meet present and future needs of commerce and national security, competition in the petroleum industry is to be encouraged.

STATEMENT OF PURPOSES

SEC. 102. The purposes of this Act are—

(1) to grant specific standby authority to the President, subject to congressional review, to impose rationing, to reduce demand for energy through the implementation of energy conservation plans and to fulfill obligations of the United States under the international energy program;

(2) to provide for the creation of a National Civilian Strategic Petroleum Reserve capable of reducing the impact of disruptions in oil imports;

(3) to increase the supply of fossil fuels in the United States, through price incentives and production requirements;

(4) to conserve energy supplies through an allocation program and the regulation of wasteful energy use;

(5) to provide incentives for improving energy efficiency of motor vehicles, major appliances, and other consumer products;

(6) to increase the use of domestic energy supplies other than petroleum products and natural gas through conversion to the use of coal; and

(7) to provide adequate data, including data of an independent nature, from which to make judgments about energy policy.

DEFINITIONS

SEC. 103. As used in this Act:

(1) The term "Administrator" means the Federal Energy Administrator.

(2) The term "congressional review" means the congressional approval or disapproval, as the case may be, in accordance with the procedures specified in section 751 or 752 of this Act.

(3) The term "person" includes any individual, corporation, company, association, firm, partnership, society, trust, joint venture, joint stock company, and the government and any agency of the United States or any State or political subdivision thereof.

(4) The term "petroleum product" means crude oil, natural gas liquids, residual fuel oil, or any refined petroleum product.

(5) The term "State" means a State, the District of Columbia, Puerto Rico, or any territory or possession of the United States.

(6) The term "United States" when used in the geographical sense means all of the States and the Outer Continental Shelf.

(7) The term "Outer Continental Shelf" has the same meaning as such term has under section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331).

(8) The term "international energy program" means the Agreement on an International Energy Program, signed by the United States on November 18, 1974, including (A) the annex entitled "Emergency Reserves", (B) any amendment to such Agreement which includes another nation as a party to such Agreement, and (C) any technical or clerical amendment to such Agreement.

(9) The term "severe energy supply interruption" means a national energy supply shortage which the President determines—

(A) is of significant scope and duration, and of an emergency nature;

(B) may cause major adverse impact on national safety or the national economy; and

(C) results from an interruption in the supply of imported petroleum products, or from sabotage or an act of God.

(10) The term "antitrust laws" includes—

(A) The Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1, et seq.);

(B) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12, et seq.);

(C) the Federal Trade Commission Act (15 U.S.C. 41, et seq.);

(D) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9); and

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21A).

(11) The term "Federal land" means all federally owned lands and any land in which the United States has reserved mineral interests, except lands—

(A) held in trust for Indians,

(B) owned by Indians with Federal restrictions on the title,

(C) within any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, the National System of Trails, the Wild and Scenic Rivers System, or the National Forest System, or

(D) within military reservations.

TITLE II—STANDBY ENERGY AUTHORITIES AND NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE

PART A—STANDBY ENERGY AUTHORITIES

Subpart 1—General Emergency Authorities

CONDITIONS OF EXERCISE OF ENERGY CONSERVATION AND GASOLINE RATIONING AUTHORITIES

SEC. 201. (a) (1) Within 180 days after the date of enactment of this Act, the President shall transmit to the Congress pursuant to subsection (b) (1) one or more energy conservation contingency plans under section 202 and a gasoline rationing contingency plan under section 203. The President may at any time submit additional contingency plans. A contingency plan may become effective only as provided in subsection (b), (c), or (d) and may remain in effect for a period of not more than 18 months.

(2) For purposes of this section, the term "contingency plan" means—

(A) an energy conservation contingency plan prescribed under section 202 of this Act; or

(B) a gasoline rationing contingency plan prescribed under section 203 of this Act.

(b) Except as otherwise provided in subsection (c) or (d), no contingency plan may become effective, unless—

(1) the President has transmitted to the Congress in accordance with section 752(a) of this Act such contingency plan, which transmittal shall include a written justification and substantiation for such plan;

(2) such contingency plan has been approved by a resolution by each House of Congress in accordance with the congressional review procedures specified in section 752 of this Act; and

(3) after approval of such contingency plan—

(A) the President—

(i) has found that putting such contingency plan into effect is required by a severe energy supply interruption, and

(ii) has transmitted to the Congress in accordance with section 751(b) of this Act a request to put such plan into effect; and

(B) neither House of Congress has disapproved (or both Houses have approved) such request in accordance with the congressional review procedures specified in section 751 of this Act.

(c) (1) Notwithstanding subsection (b) (3), during any 7 percent shortfall period, the President may put into effect a contingency plan which has been approved under subsection (b) (2) to the extent he determines that putting such plan into effect is necessary to comply with obligations of the United States under the international energy program. Such a plan may not remain in effect after the expiration of the earlier of the 18-month period after it takes effect or the 7 percent shortfall period.

(2) For purposes of paragraph (1):

(A) The term "7 percent shortfall period" means a period beginning on any date which the President determines that there exists a 7 percent supply shortfall and ending 60 days after the date on which the President determines such 7 percent supply shortfall no longer exists.

(B) A 7 percent supply shortfall exists if the group of countries which are parties to the international energy program has, within the meaning of article 13 of such program, sustained (or can reasonably be expected to sustain) a reduction in its oil supplies at least equal to 7 percent of its average daily rate of final consumption during the base period.

(3) Any determination under paragraph (2) (A) shall be published in the Federal Register and transmitted to both Houses of Congress.

(d) During the period which begins not later than 90 days after the date of enactment of this Act, the President may put into effect a contingency plan for a period of not more than 60 days if—

(1) the President—

(A) has found that putting such contingency plan into effect is required by a severe energy supply interruption or is necesary to comply with obligations of the United States under the international energy program; and

(B) has transmitted to the Congress in accordance with section 751(b) of his Act a request to put such plan into effect; and

(2) neither House of Congress has disapproved (or both Houses have approved) such request in accordance with the congressional review procedures specified in section 751 of this Act.

(e) (1) Except as provided in paragraph (2) or (3), a contingency plan may not be amended, unless the President has transmitted such amendment to the Congress for congressional review in accordance with section 752 of this Act and each House of Congress has approved such amendment in accordance with the congressional review procedures specified in section 752.

(2) An amendment to a contingency plan which is transmitted to the Congress during any period in which such plan is in effect may take effect if the President has transmitted such amendment to the Congress in accordance with section 751(b) of his Act and neither House of Congress has disapproved (or both Houses have approved) such amendment in accordance with the congressional review procedures specified in section 751 of this Act.

(3) The President may prescribe technical and clerical amendments to a contingency plan in accordance with section 701 of this Act.

ENERGY CONSERVATION CONTINGENCY PLANS

SEC. 202. (a) (1) The President shall prescribe, by rule, one or more energy conservation contingency plans. For purposes of this section, the term "energy conservation contingency plan" means a plan which imposes restrictions on the public or private use of energy which are necessary to reduce energy consumption.

(2) An energy conservation contingency plan prescribed under this section may not impose gasoline rationing or any tax, tariff, user fee, provide for a minimum price of (or change in any ceiling price for) any petroleum product, or provide for a credit or deduction in computing any tax.

(b) Any energy conservation contingency plan shall apply in each State or political subdivision thereof, except such plan may provide for procedures for exempting any State or political subdivision thereof from such plan in cases where the President determines a comparable program of such State or political subdivision is in effect, or where the President finds special circumstances exist in such State or political subdivision.

(c) Subject to section 201 of this Act, an energy conservation contingency plan shall remain in effect for a period specified in such plan unless earlier rescinded by the President.

GASOLINE RATIONING CONTINGENCY PLAN

SEC. 203. (a) The President shall prescribe, by rule, a gasoline rationing contingency plan which shall be deemed a part of the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 and which shall provide, consistent with the attainment, to the maximum extent practicable, of the objectives specified in section 4 (b) of such Act, for the establishment of a program for the rationing and ordering of priorities among classes of end-users of gasoline, and for the assignment of rights, and evidence of such rights, to end-users of gasoline, entitling such end-users to obtain gasoline in precedence to other classes of end-users not similarly entitled.

(b) Any finding required to be made by the President pursuant to section 201(b) (3)(A)(i), 201(c)(1), 201(d)(1)(A) of this Act in requesting that a gasoline rationing contingency plan be put into effect shall be accompanied by, and no gasoline rationing contingency plan may take effect, unless the President makes a finding that, without such plan, all other practicable and authorized methods to limit energy demand will not attain the objectives specified in section 4(b) of such Act and the purposes of this Act.

(c) The President shall, by order, in furtherance of a gasoline rationing contingency plan which is in effect cause such adjustments in the allocations made pursuant to the regulation under section 4(a) of such Act as the President determines to be necessary to carry out the purposes of this section and consistent with the attainment of the objectives specified in section 4(b) of such Act and the purposes of this Act.

(d) The President shall provide for the use of local boards described in section 704 of this Act with authority to—

(1) receive petitions from any end-user of gasoline for which priorities and entitlements are established under a gasoline rationing contingency plan, and

(2) order a reclassification or modification of any determination made under a gasoline rationing contingency plan with respect to such end-user's rationing priority or entitlement.

Such boards shall operate under the procedures established pursuant to section 701 of this Act.

(e) No gasoline rationing contingency plan under this section may—

(1) impose any tax,

(2) provide for a credit or deduction in computing any tax, or

(3) impose any user fee, except to the extent necessary to defray the cost of administering the gasoline rationing contingency plan or to provide for initial distribution of entitlements.

Subpart 2—International Authorities

INTERNATIONAL OIL ALLOCATION

SEC. 211. (a)(1) No rule under subsection (b) may take effect unless—

(A) the President has transmitted such rule to Congress, in accordance with section 751 of this Act,

(B) neither House of Congress has disapproved (or both Houses have approved) such rule in accordance with the congressional review procedures specified in section 751 of this Act, and

(C) he has found that putting such rule into effect is necessary to carry out the international energy program.

(2) No rule under subsection (b) may be put into effect or remain in effect after the expiration of 18 months after the date such rule was transmitted to Congress under paragraph (1)(A).

(b) The President may, by rule, require such action as may be necessary for implementation of the obligations of the United States under chapters III and IV of the international energy program insofar as such obligations relate to the international allocation of petroleum products to other countries. Allocation under such rule shall be in such amounts and at such prices as are specified in (or determined in a manner prescribed by) such rule. Such rule may apply to any petroleum product owned or controlled by any person subject to the jurisdiction of the United States, including any petroleum product destined, directly or indirectly, for import into the United States or any foreign country, or produced in the United States. Subject to (a)(2), such a rule shall remain in effect until amended or rescinded by the President.

(c)(1) Any rule under this section shall, to the maximum extent practicable, be consistent with the attainment of the objectives specified in section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(2) No officer or agency of the United States shall have any authority, other than authority under this section, to require that petroleum products be allocated to other countries for the purpose of implementation of the obligations of the United States under the international energy program.

INTERNATIONAL VOLUNTARY AGREEMENTS

SEC. 212. (a) The requirements of this section shall be the sole procedures applicable to—

(1) the development or carrying out of voluntary agreements to implement the allocation and information provisions of the international energy program, and

(2) the availability of immunity from the antitrust laws respecting the development or carrying out of such voluntary agreements.

(b) The Administrator, with the approval of the Attorney General, after each of them has consulted with the Federal Trade Commission and the Secretary of State, shall prescribe, by rule, standards and procedures by which persons engaged in the business of producing, refining, marketing, or distributing petroleum products may develop and carry out voluntary agreements which are required to implement the allocation and information provisions of the international energy program.

(c) The standards and procedures prescribed under subsection (b) shall include the following requirements:

(1)(A)(i) Except as provided in clause (ii) or (iii) of this subparagraph, meetings held to develop or carry out a voluntary agreement under this subsection shall permit attendance by interested persons, including all interested segments of the petroleum industry, consumers, committees of Congress, and the public; shall be preceded by timely and adequate notice with identification of the agenda of such meeting to the Attorney General, the Federal Trade Commission, committees of Congress, and (except during an international energy supply emergency) the public; and shall be initiated and chaired by a regular full-time Federal employee.

(ii) Meetings of bodies created by the International Energy Agency established by the international energy program need not be open to interested persons and need not be initiated and chaired by a regular full-time Federal employee.

(iii) The President, in consultation with the Administrator, the Secretary of State, and the Attorney General, may determine that a meeting held to develop or carry out an agreement shall not be open to the public and that attendance may be limited, if the President finds that a wider disclosure would be detrimental to the foreign policy interests of the United States. A meeting which is held to develop a voluntary agreement and which is not open to the public shall not be considered as a meeting "in a course of developing a voluntary agreement"; no action taken in such a meeting shall be considered to be a "voluntary agreement authorized and approved in accordance with this section" as such term is used in subsections (f)(1)(A) and (k) of this section; and subsections (f) an (k) shall not apply to such an agreement; unless the terms of such agreement are wholly disclosed in a meeting which is not closed to the public. The terms of any such agreement shall not be amplified, modified, or construed by reference to any action taken in such a closed meeting.

(B) No meetings may be held to develop or carry out a voluntary agreement under this section, unless a regular full-time Federal employee is present.

(2) Interested persons permitted to attend such a meeting shall be afforded an opportunity to present in writing and orally, data, views, and arguments at such meetings.

(3) A verbatim transcript (or if keeping a verbatim transcript is not feasible, full and complete minutes) shall be kept of any meeting held or communication made, between or among persons who are or may become parties to a voluntary agreement under this section, to develop or carry out such an agreement. Such minutes or transcript shall be deposited, together with any agreement resulting therefrom, with the Administrator, and shall be available to the Attorney General and the Federal Trade Commission. Such transcripts or minutes and agreements shall be available for public inspection and copying, except as otherwise provided (A) in sections 552(b)(1), (b)(3), and so much of (b)(4) as relates to trade secrets, of title 5, United States Code, or (B) pursuant to a determination by the President, in consultation with the Secretary of State, the Administrator, and the Attorney General, that such disclosure would be detrimental to the foreign policy interests of the United States.

(4) No provision of this section may be exercised so as to prevent committees of Congress from attending meetings to which this section applies, or from having access to any transcripts, minutes, and agreements kept or made under this section.

(d)(1) The Attorney General and the Federal Trade Commission shall be afforded an opportunity to participate from the beginning in any meeting to develop or carry out any voluntary agreement under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of this Act. A voluntary agreement under this section may not be carried out unless approved by the Attorney General, after consultation with the Federal Trade Commission. Prior to the expiration of the period determined under paragraph (2), the Federal Trade Commission shall transmit to the Attorney General its views as to whether such an agreement should be approved, and shall publish such views in the Federal Register. The Attorney General, in consultation with the Federal Trade Commission, the Secretary of State, and the Administrator, shall have the right to review, amend, modify, disapprove, or revoke, on his own motion or upon the request of the Federal Trade Commission or any interested person, any voluntary agreement at any time, and, if revoked, thereby withdrawn prospectively any immunity which may be conferred by subsection (f) or (k) or this section.

(2) Any voluntary agreement entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission 20 days before being implemented (where it shall be made available for public inspection and copying to the extent provided in the last sentence of subsection (c) (3)); except that during an international energy supply emergency, the Administrator, subject to approval of the Attorney General, may reduce such 20-day period. Any action taken pursuant to such voluntary agreement shall be reported to the Attorney General and the Federal Trade Commission pursuant to such regulations as shall be prescribed under subsections (e) (3) and (e) (4).

(e) (1) The Attorney General and the Federal Trade Commission shall monitor the development and carrying out of voluntary agreements authorized under this section in order to promote competition and to prevent anticompetitive practices and effects, while achieving substantially the purposes of this Act.

(2) In addition to any requirement specified under subsections (b) and (c) of this section and in order to carry out the purposes of this section, the Attorney General, in consultation with the Federal Trade Commission and the Administrator, shall promulgate rules concerning the maintenance of necessary and appropriate records related to the development and carrying out of voluntary agreements authorized pursuant to this section.

(3) Persons developing or carrying out voluntary agreements authorized pursuant to this section shall maintain those records required by rules under paragraph (2). The Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and upon reasonable notice.

(4) The Attorney General and the Federal Trade Commission may each prescribe such rules as may be necessary or appropriate to carry out their respective responsibilities under this section. They may both utilize for such purposes and for purposes of enforcement any powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by the antitrust laws or the Antitrust Civil Process Act; and wherever any such law refers to "the purposes of this Act" or like terms, the reference shall be understood to be this section.

(f) (1) There shall be available as a defense to any civil or criminal action brought under the antitrust laws (or any similar State law) with respect to any action taken in good faith to develop or carry out a voluntary agreement by a person engaged in the business of producing, refining, marketing, or distributing petroleum products that—

(i) in the course of developing a voluntary agreement pursuant to this section, or

(ii) to carry out a voluntary agreement authorized and approved in accordance with this section, and

(B) such person complied with the requirements of this section and the rules promulgated under this section.

(2) Except as provided in paragraph (3), a person availing himself of the defense specified in paragraph (1) shall have the burden of establishing and proving such defense.

(3) For purposes of paragraph (1), action taken by a person asserting the defense specified in paragraph (1) shall be considered taken in good faith unless the person against whom such defense is asserted proves—

(A) such action was taken by the person asserting such defense for the purpose of injuring competition, or

(B) the person asserting such defense knew, or reasonably should have known under the circumstances that—

(i) the action would have the effect of injuring competition, and

(ii) an alternative to such action was available which would be substantially less injurious to competition and which would be at least as effective in carrying out the purposes for which the voluntary agreement was entered into.

(g) No provision of this section shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any act or practice which occurred prior to the date of enactment of this Act or subsequent to its expiration or repeal.

(h) Upon the expiration of the 90-day period which begins on the date of enactment of this Act, the provisions of section 708 of the Defense Production Act of 1950 shall not apply to any agreement or action undertaken for the purpose of developing or carrying out (1) the international energy program, or (2) any allocation, price control, or similar program respecting petroleum products under this Act or under the Emergency Petroleum Allocation Act of 1973.

(i) The Federal Trade Commission shall submit to the Congress and to the President, at least once every 6 months, a report on the impact on competition and on small business of actions authorized by this section.

(j) (1) The authority granted by this section shall terminate June 30, 1979; except that such authority shall terminate on June 30, 1985, if, before July 1, 1979, the Attorney General prescribes rules which meet the requirements of paragraph (2) of this subsection.

(2) The Attorney General shall prescribe rules with respect to any voluntary agreement entered into pursuant to this section and in effect after June 30, 1979. Such rules shall—

(A) provide that any such voluntary agreement will be carried out by an organization of which any person subject to the jurisdiction of the United States who is engaged in the producing, refining, marketing, or distribution of petroleum products or who is a consumer of petroleum products may become a member,

(B) provide that each such member will have voting rights (weighted in accordance with such rules) and may participate in policymaking and in choosing representatives of the organization who will carry out any such voluntary agreement on behalf of the organization,

(C) assure that any person who will be eligible for membership has an adequate opportunity to participate in the development of any such agreement, and

(D) assure that competition is protected in developing and carrying out any such agreement.

(3) Effective July 1, 1979, the Attorney General shall disapprove any voluntary agreement under this section which does not meet requirements of rules under this subsection.

(k) In any action in any Federal or State court for breach of contract, there shall be available as a defense that the alleged breach of contract was caused by action taken during an international energy supply emergency to carry out a voluntary agreement authorized and approved in accordance with this section.

(l) As used in this section and section 214:

(1) The term "international energy supply emergency" means any period (A) beginning on any date which the President determines allocation of petroleum products to nations participating in the international energy program is required by chapters III and IV of such program, and (B) ending on a date on which he determines such allocation is no longer required. Such a period may not exceed 90 days, but the President may establish one or more additional periods by making the determination under subparagraph (A) of the preceding sentence. Any determination respecting the beginning or end of any such period shall be published in the Federal Register.

(2) The term "allocation and information provisions of the international energy program" means the provisions of the international energy program which relate to international allocation of petroleum products and the information system provided in such program.

ADVISORY COMMITTEES

SEC. 213. (a) To achieve the purposes of the international energy program with respect to international allocation of petroleum products and the information system provided in such program, the Administrator may provide for the establishment of such advisory committees as he determines are necessary. In addition to the requirements specified in this section, such advisory committees shall be subject to the provisions of section 17 of the Federal Energy Administration Act of 1974 whether or not such Act or any of its provisions expire or terminate before June 30, 1985, and shall be chaired by a regular full-time Federal employee, and shall include representatives of the public. The meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

(b) A verbatim transcript shall be kept of such advisory committee meetings, and shall be deposited with the Attorney General and the Federal Trade Commission. Such transcript shall be made available for public inspection and copying; except as otherwise provided (1) in subsections (b) (1), (b) (3), and so much of (b) (4) as relates to trade secrets, of section 552 of title 5, United States Code, or (2) pursuant to a determination under subsection (c).

(c) The President after consultation with the Secretary of State, the Federal Trade Commission, the Attorney General, and the Administrator, may suspend the application of—

(1) sections 10 and 11 of the Federal Advisory Committee Act,

(2) subsection (b) and (c) of section 17 of the Federal Energy Administration Act of 1974,

(3) the requirement under subsection (a) of this section that meetings be open to the public, and

(4) the second sentence of subsection (b) of this section;

if the President determines in each instance that such suspension is essential to the developing or carrying out of the international energy program and relates solely to the purpose of international allocation of petroleum products and the information system provided in such program and that the application of such provisions would be detrimental to the foreign policy interests of the United States. Such determination by the President shall be in writing, shall set forth a detailed explanation of reasons justifying the granting of such suspension, and shall be published in the Federal Register at a reasonable time prior to the effective date of any such suspension.

EXCHANGE OF INFORMATION

SEC. 214. (a) (1) Except as provided in subsections (b) and (c), the Administrator, after consultation with the Attorney General, may provide to the Secretary of State, and the Secretary of State may transmit to the International Energy Agency established by the international energy program the information and data related to the energy industry certified by the Secretary of State as required to be submitted under the international energy program.

(2) (A) Except as provided in subparagraph (B) of this paragraph, any such information or data which is a trade secret or commercial or financial information to which section

552(b)(4) of title 5, United States Code, applies shall, prior to such transmittal, be aggregated, accumulated, or otherwise reported, in such manner as to avoid, to the fullest extent feasible, identification of any person who submitted such information or data.

(B) Notwithstanding subparagraph (A) of this paragraph, during an international energy supply emergency (as defined in section 212(l)(1)), any such information or data with respect to the international allocation of petroleum products may be made available to the International Energy Agency if otherwise authorized to be made available to such Agency by paragraph (1) of this subsection.

(b) If the President determines that the transmittal of data or information pursuant to the authority of this section would prejudice competition, violate the antitrust laws, or be inconsistent with United States national security interests, he may require that such data or information not be transmitted.

(c) Information and data the confidentiality of which is protected by statute, shall not be provided by the Administrator to the Secretary of State under subsection (a) of this section for transmittal to the International Energy Agency, unless the Administrator has obtained the specific concurrence of the head of any department or agency which has the primary statutory authority for the collection, gathering, or obtaining of such information and data. In making a determination to concur in providing such information and data, the head of any department or agency which has the primary statutory authority for the collection, gathering, or obtaining of such information and data, shall consider the purposes for which such information and data was collected, gathered, and obtained, the confidentiality provisions of such statutory authority, and the international obligations of the United States under the international energy program with respect to the transmittal of such information and data to an international organization or foreign country.

(d) For the purposes of carrying out the obligations of the United States under the international energy program, the authority to collect data granted by sections 11 and 13 of the Energy Supply and Environmental Coordination Act and the Federal Energy Administration Act of 1974, respectively, shall continue in full force and effect without regard to the provisions of such Acts relating to their expiration.

(e) The authority under this section to transmit information shall be subject to any limitations on disclosure contained in other laws, except that such authority may be exercised without regard to—

(1) section 11(d) of the Energy Supply and Environmental Coordination Act of 1974;

(2) section 14(b) of the Federal Energy Administration Act of 1974;

(3) section 7 of the Export Administration Act of 1969;

(4) section 9 of title 13, United States Code;

(5) section 1 of the Act of January 27, 1938 (15 U.S.C. 176(a)); and

(6) section 1905 of title 18, United States Code.

Subpart 3—Materials Allocation

MATERIALS ALLOCATION

Sec. 221. (a) During the period of any severe energy supply interruption, the President may, by rule or order, require the allocation of, or the performance under contracts or orders (other than contracts of employment) relating to, supplies of materials and equipment if he finds that such supplies are scarce, critical, and essential to maintain or further exploration, production, refining, transportation of energy supplies or for the construction and maintenance of energy facilities under such terms and conditions as he determines to be appropriate and necessary to carry out the purposes of this Act.

(b) Not later than 30 days after the date of enactment of this Act, the President shall report to the Congress with respect to the manner in which the authorities contained in subsection (a) will be administered. Such report shall specify the office or agency which will administer the authorities contained in subsection (a), the procedures for petitioning such office or agency, criteria for determining priorities among competing requests, and procedures with respect to appeals.

(c) The authority granted in this section may be used to control the general distribution of any supplies of materials and equipment in the marketplace only to the extent that maintenance or furtherance of exploration, production, refining, or required transportation of energy supplies or the construction or maintenance of energy facilities cannot practically be accomplished during the period of any severe energy supply interruption without exercising the authority specified in subsection (a) of this section.

Part B—National Civilian Strategic Petroleum Reserve

DECLARATION OF POLICY

Sec. 251. It is hereby declared to be the policy of the United States to provide for the creation of, subject to congressional review, a National Civilian Strategic Petroleum Reserve of not more than one billion barrels of petroleum products, such Reserve to be established for the purpose of reducing the impact of disruptions in imports of petroleum products. It is further declared to be the policy of the United States to provide for the creation, as part of such Reserve, of an Early Storage Reserve of not more than 150,000,000 barrels of petroleum products, such Early Storage Reserve to be established for the purpose of providing limited protection from the impact of near term disruptions of imports of petroleum products. The National Civilian Strategic Petroleum Reserve shall provide for meeting regional needs for residual fuel oil and refined petroleum products in the event of disruptions in imports of such petroleum products.

DEFINITIONS

Sec. 252. As used in this part:

(1) The term "interests in land" includes fee ownership, easements, leaseholds, subsurface and mineral rights.

(2) The term "storage facility" means any facility which is capable of storing significant amounts of petroleum products.

(3) The term "related facility" means any necessary appurtenance to a storage facility. including pipelines, roadways, reservoirs, and salt brine lines.

(4) The term "Plan" means the National Civilian Strategic Petroleum Reserve Plan described in section 253(b), the Early Storage Reserve Plan described in section 254(b). and any proposal described in section 255(b).

(5) The term "National Civilian Strategic Petroleum Reserve" means petroleum products stored in storage facilities pursuant to this part and includes the Industrial Civilian Petroleum Reserve and the Early Storage Reserve.

(6) The term "Industrial Civilian Strategic Petroleum Reserve" means that portion of the National Civilian Strategic Petroleum Reserve which consists of petroleum products owned by importers or refiners and acquired, stored, or maintained pursuant to section 255(e)(7).

(7) The term "Early Storage Reserve" means that portion of the National Civilian Strategic Petroleum Reserve which consists of petroleum products stored pursuant to section 254.

(8) The term "Reserve" means the National Civilian Strategic Petroleum Reserve.

NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE AND NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE PLAN

Sec. 253. (a) Provision is hereby made for the creation of a National Civilian Strategic Petroleum Reserve.

(b) Within one year after the date of enactment of this Act, the President shall prepare and transmit to the Congress, in accordance with section 751(b) of this Act, a National Civilian Strategic Petroleum Reserve Plan which details his proposals for designing, constructing, and filling the storage and related facilities of the Reserve. The Plan shall include the following:

(1) a comprehensive environmental assessment;

(2) the type and proposed location of each storage facility;

(3) the proximity of each storage facility to related facilities;

(4) the volumes and types of petroleum products to be stored in each storage facility;

(5) the aggregate size of the Reserve and the most economically efficient storage levels;

(6) a program schedule for the development of the Reserve, taking into account the capability to construct related facilities and obtain sufficient petroleum products to complete programed storage in the desired time frame;

(7) an estimate of the direct cost of the Reserve, including:

(A) the cost of storage facilities;

(B) cost of petroleum products to be stored;

(C) cost of related facilities; and

(D) maintenance and operation costs;

(8) an evaluation of the market impact of developing the Reserve, taking into account:

(A) availability and price of oilfield supplies and equipment and the effect upon domestic production of acquisition of such supplies for the Reserve;

(B) fluctuations in world market prices for petroleum products resulting from the acquisition of petroleum products for the Reserve;

(C) the extent to which acquisition of petroleum products for the Reserve may hold up otherwise declining market prices; and

(D) the extent to which acquisition of petroleum products for the Reserve will affect competition;

(9) identification of the ownership of storage and related facilities, by facility;

(10) identification of the ownership of the stored petroleum products; and

(11) a Disposal Plan setting forth the method of drawdown and distribution of the Reserve.

(c) After the expiration of the one-year period which begins on the date of submission of the Plan to the Congress pursuant to subsection (b), the President shall prepare and transmit to the Congress an annual report summarizing all actions taken under the authority of this part, analyzing their impact, and evaluating their effectiveness in implementing the Plan.

EARLY STORAGE RESERVE

Sec. 254. (a) Provision is hereby made for the creation of an Early Storage Reserve.

(b) Within 60 days after the date of enactment of this Act, the President shall prepare and transmit to the Congress, in accordance with section 751(b) of this Act, an Early Storage Reserve Plan which details his proposals for the immediate storage of up to 150,000,000 barrels of petroleum products.

(c) To the maximum extent practicable, the Early Storage Reserve Plan shall indicate the manner by which Early Storage Reserve facilities will be incorporated into the National Civilian Strategic Petroleum Reserve and include information regarding the Early Storage Reserve similar in nature to the information required by section 253(b) to be included in the National Civilian Strategic Petroleum Reserve Plan, including an Early Storage Reserve Disposal Plan.

CONGRESSIONAL REVIEW AND IMPLEMENTATION OF THE NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE PLAN

SEC. 255. (a) The National Civilian Strategic Petroleum Reserve Plan and the Early Storage Reserve Plan may not take effect unless—

(1) the President has transmitted each such Plan to the Congress in accordance with section 751(b) of this Act, and

(2) neither House of Congress has disapproved (or both Houses have approved) such Plan in accordance with the congressional review procedures specified in section 751 of this Act.

(b) Prior to transmission of the National Civilian Strategic Petroleum Reserve Plan to the Congress, the President may prepare and transmit to the Congress any proposals for designing, constructing, and filling the storage and related facilities of the Reserve. Such proposals shall be accompanied by a statement explaining the need for action on such proposals prior to completion of the National Civilian Strategic Petroleum Reserve Plan, the anticipated role of the proposed storage or related facilities in such Plan and, so far as practicable, the elements required by section 253(b) to be included in such Plan.

(c) The President may prepare and transmit to the Congress amendments to the National Civilian Strategic Petroleum Reserve Plan or the Early Storage Reserve Plan. Any such amendment shall be accompanied by a statement explaining the need for such amendment to the Plan and, so far as practicable, the elements required by section 253 (b) to be included in the Plan.

(d) No proposals transmitted to the Congress under subsection (b) and no amendment to the Plan transmitted to the Congress under subsection (c) may take effect, unless the President has transmitted such proposal or amendment to the Congress in accordance with section 751 of this Act and neither House of Congress has disapproved (or both Houses of Congress have approved) such proposal or amendment in accordance with the congressional review procedures specified in section 751 of this Act.

(e) To implement the Plan, or any amendment thereto, which has taken effect pursuant to the procedures specified in section 751 of this Act, the President may:

(1) promulgate rules, regulations, or orders necessary or appropriate to implement the provisions of the Plan;

(2) acquire by purchase, lease, or otherwise (except by condemnation) land or interests in land for the location of storage and related facilities;

(3) construct, purchase, lease, or otherwise acquire (except by condemnation) storage and related facilities;

(4) use, lease, maintain, sell, or otherwise dispose of storage and related facilities acquired pursuant to this part;

(5) acquire petroleum products for the Reserve and the Early Storage Reserve, subject to the limitations of section 259;

(6) execute any contracts necessary to carry out the provisions of the Plan;

(7) create an Industrial Civilian Strategic Petroleum Reserve as part of the National Civilian Strategic Petroleum Reserve by requiring any person engaged in the importation or refining of petroleum products to acquire, store, or maintain reserve of petroleum products under such terms as the President deems necessary;

(8) require that the Industrial Civilian Strategic Petroleum Reserve portion of the National Civilian Strategic Petroleum Reserve be stored pursuant to such reasonable terms as the President may specify in storage facilities owned and controlled by the United States or in storage facilities owned by others if such facilities are subject to audit by the United States;

(9) require the replenishment of the Industrial Civilian Strategic Petroleum Reserve; and

(10) replenish the National Civilian Strategic Petroleum Reserve.

AUTHORIZATION AND REVIEW OF EXTRAORDINARY MEASURES TO IMPLEMENT THE PLAN

SEC. 256. (a) Authority may be exercised under this section only if the President has transmitted to the Congress in accordance with section 751(b) of this Act a request to exercise such authority; except that such authority may not be exercised if both Houses of Congress have disapproved such request in accordance with the congressional review procedures specified in section 751 of this Act.

(b) To implement the Plan, or any amendment thereto, which has taken effect pursuant to the procedures specified in section 751 of this Act, the President may:

(1) acquire, by condemnation, land or interests in land for the location of storage or related facilities;

(2) acquire, by condemnation, storage or related facilities;

(3) require that performance by any person under contracts or orders (other than contracts of employment) which the President finds necessary or appropriate to implement the Plan shall take priority over performance by such person of any other contract or order, and, for the purpose of assuring such priority, require any person to accept and perform such contracts or orders in preference to other contracts or orders;

(4) allocate materials and facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate to achieve the implementation of the Plan; and

(5) cause proceedings, whenever he finds it necessary to implement the Plan, to be instituted in any court having jurisdiction of such proceedings to acquire by condemnation, any real or personal property, temporary use thereof, or other interests, which he finds necessary to achieve the objectives of this part.

In any condemnation proceeding instituted pursuant to this subsection, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the Act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court, upon application, shall promptly pay to the owner at least 75 per centum of the amount so deposited, but such payments shall be made without prejudice to any party to the proceeding. Property acquired under this section may be occupied, used, and improved for the purpose of this part prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

(c) The actions authorized by this section shall not be undertaken by the President unless—

(1)(A) with respect to actions authorized by subsections (b)(1), (b)(2), and (b)(5), an effort has been made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would have involved, in the judgment of the President, such delay in acquiring the property as to be contrary to the national interest and would have unreasonably interfered with implementation of the Plan;

(B) with respect to actions authorized by subsection (b)(3), an effort to obtain preferential acceptance or performance of contracts or orders on a voluntary basis has been made and failed, and the President finds that failure to obtain preferential acceptance or performance of such contracts or orders would result in delay in, and unreasonable interference with, implementation of the Plan;

(C) with respect to actions authorized by subsection (b)(4), the President finds that essential materials or facilities are in short supply and that allocation of such materials or facilities is essential to avoidance of delay in, and unreasonable interference with, implementation of the Plan; and

(2) the President has accompanied the request to exercise such authority required by subsection (a) with a statement setting forth:

(A) the basis for the need to exercise such authority;

(B) a description—

(i) of the interests in the real or personal property or storage or related facility to be acquired by condemnation;

(ii) of the contract or order, the acceptance or performance of which is to be required on a preferential basis; or

(iii) the material or facility to be allocated.

PURCHASE OF PETROLEUM PRODUCTS FOR STORAGE IN THE RESERVE

SEC. 257. The President shall acquire the petroleum products for the Reserve and the Early Storage Reserve consistent, to the greatest extent practicable, with the following objectives:

(1) minimization of the cost of the Reserve;

(2) orderly development of Naval Petroleum Reserves as may be authorized by law;

(3) minimization of vulnerability to an interruption of petroleum products imports;

(4) minimization of the impact of such acquisition upon supply levels and market forces of petroleum products; and

(5) encouragement of competition in the petroleum industry.

DISPOSAL OF THE RESERVE

SEC. 258. (a) Subject to the provisions of this section the President may drawdown and distribute the Reserve.

(b) Except as provided in subsection (c), no drawdown and distribution of the Reserve may be made except in accordance with the Disposal Plan transmitted to the Congress pursuant to section 253(b) of this Act.

(c) Prior to transmission of the Disposal Plan to the Congress pursuant to section 253(b) of this Act, drawdown and distribution of the Early Storage Reserve may be made in accordance with the Early Storage Disposal Plan included in the Early Storage Reserve Plan pursuant to section 254(c) and transmitted to the Congress pursuant to section 254(b) of this Act.

(d) The Disposal Plan and the Early Storage Disposal Plan may not be implemented and no drawdown and distribution of the Reserve or the Early Storage Reserve in accordance with the Disposal Plan or the Early Storage Disposal Plan, as the case may be, may be made unless—

(1) the President has found that implementation of the Disposal Plan or the Early Storage Disposal Plan and drawdown and distribution of the Reserve is required by a severe energy supply interruption or by the international energy program;

(2) the President has transmitted such finding and a proposal to drawn down and distribute the Reserve or the Early Storage Reserve to the Congress in accordance with section 751(b) of this Act; and

(3) neither House of Congress has disapproved (or both Houses of Congress have approved) such proposal to drawn down and distribute the Reserve or the Early Storage Reserve in accordance with the congressional review procedurals specified in section 751 of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 259. There are authorized to be appropriated:

(1) $10,000,000 for the purpose of carrying out the provisions of sections 253(b), 254 (b), and 255(b) of this Act;

(2) $260,000,000 in fiscal year 1976, $650,000,000 in fiscal year 1977, and $1,040,000,000 in fiscal year 1978, for the purchase of petroleum products for storage in the Early Storage Reserve;

(3) $250,000,000 in fiscal year 1976, $10,000,000 in fiscal year 1977, and $10,000,000 in fiscal year 1978, to implement the Early Storage Reserve Plan, except with respect to the purchase of petroleum products for storage; and

(4) $200,000,000 in fiscal year 1976, $400,000,000 in fiscal year 1977, and $500,000,000 in fiscal year 1978, to implement the National Civilian Strategic Petroleum Reserve Plan and proposals transmitted to the Congress pursuant to section 255(b) of this Act except with respect to the purchase of petroleum products for storage.

COORDINATION WITH IMPORT QUOTA SYSTEM

SEC. 260. No quantitative restriction as may be imposed by law on imports of petroleum products into the United States shall apply with respect to any quantity of petroleum products imported into the United States during any calendar year for storage in the Reserve or the Early Storage Reserve.

TITLE III—OIL PRICING POLICY AND MEASURES TO MAXIMIZE AVAILABILITY OF ENERGY SUPPLIES

OIL PRICING POLICY

SEC. 301. (a) The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATIONS

"SEC. 8. (a) For the purposes of this section:

"(1) The term "crude oil" means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right to produce domestic crude oil which arises from a lease or from a fee interest.

"(5) The term 'base period control volume' means—

"(A) the total number of barrels of domestic crude oil produced and sold from a property in the months of May through December 1972; divided by—

"(B) the number of months in which domestic crude oil was produced and sold during the months of May through December 1972 (excluding any month in which there occurred any shutdown in production from the property).

"(6) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and production condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(7) The term 'tertiary recovery techniques' means techniques which employ fluid, heat, or inert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

"(8) The term 'inflation adjustment factor' means an amount which equals—

"(A) in the case of subsection (c)(2) and subsection (c)(3)(A)—

"(i) during the 45-month period commencing with the first full month after the date of enactment of this section, zero; and

"(ii) after such 45-month period, (I) in the case of subsection (c)(2), two-thirds of 1 percent (rounded to the nearest whole cent) of the ceiling price established by subsection (c)(2) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 45-month period, up to and including the current month of crude production; and (II) in the case of subsection (c)(3)(A), two-thirds of 1 percent (rounded to the nearest whole cent), of the ceiling price established by subsection (c)(3(A) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 45-month period, up to and including the current month of crude production.

"(B) in the case of subsections (c)(3)(B), (c)(3)(C), and (c)(4)—

"(i) during the 88-month period commencing with the first full month after the date of enactment of this section, zero; and

"(ii) after such 88-month period, two-thirds of 1 percent (rounded to the nearest whole cent), of the respective ceiling price established pursuant to subsection (c)(3) (B) or (c)(3)(C), or subsection (c)(4) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 88-month period up to and including the current month of production.

"(9) The field price on a particular date for a particular grade of crude oil in a field is the highest posted price at 6 o'clock antemeridian, local time, on such date for such grade of crude oil at such field; or if there was no such posted price for such grade of crude oil at that field, the related price for such grade of crude oil which is most similar in kind and quality at the nearest field for which prices were posted at such time and date.

"(b) No producer may charge a price which is higher than the ceiling price established under subsection (c) for the first sale of domestic crude oil.

"(c) The ceiling price for the first sale of a particular grade of domestic crude oil shall be—

"(1) except as provided in paragraph (4), in the case of sales from a property (other than sales from a stripper well lease) in a month in volume amounts equal to or less than the base period control volume, the sum of (A) the field price on May 15, 1973; and (B) a maximum of $1.35 per barrel;

"(2) except as provided in paragraph (4), in the case of sales from a property (other than sales from a stripper well lease), from which domestic crude oil was produced and sold in one or more of the months of May through December 1972, in a month in volume amounts greater than the base period control volume, the sum of (A) the field price on May 15, 1973; and (B) $3.60 per barrel, plus an inflation adjustment factor;

"(3) commencing with the third full month after the date of enactment of this section, in the case of sales from any stripper well lease or in the case of sales of domestic crude oil to which paragraph (1), (2), or (4) does not apply—

"(A) except as provided in subparagraphs (B) and (C), the lesser of—

"(i) $7.50 per barrel, plus an inflation adjustment factor; or

"(ii) the sum of—

"(I) the field price on January 31, 1975 (excluding any field price applicable to 'old crude petroleum' under section 212.73 of title 10 of the Code of Federal Regulations, as in effect on January 31, 1975), less $3.82 per barrel; plus

"(II) an inflation adjustment factor;

"(B) in the case of such sales from a property (i) located above the Arctic Circle or (ii) located in the Outer Continental Shelf, such higher price as the President may, upon his own motion or upon petition, establish for such property, by rule, based upon a determination that such higher price is reasonable and justified by disparities in the kind and quality of crude oil produced or the cost of production (including costs associated with enhanced recovery techniques) from such property, but in no case may such price exceed an average of $10.00 per barrel plus an inflation adjustment factor for sales from such properties; and

"(C) in the case of such sales from a property classified by the President, on a property-by-property basis, as a 'high cost property', such higher price as the President may, by rule, establish for such property based upon a determination that such higher price is reasonable and justified in relation to the costs of production from such property, the geological formations involved, the depth of the well, and the types of recovery techniques involved, but in no case may such price exceed an average of $10.00 per barrel, plus an inflation adjustment factor, for sales from such properties. The classification of a property as a 'high cost property' for purposes of this subparagraph, shall be made pursuant to procedures which shall be incorporated in a rule promulgated by the President which takes effect in accordance with the congressional review provisions specified in section 751 of the Energy Conservation and Oil Policy Act of 1975.

"(4) in the case of such sales from a property which the President, upon petition certifies on a property-by-property basis,

"(A) as having made bona fide application of tertiary recovery techniques, and

"(B) that such application has or will significantly enhance production from such property;

such higher price as the President may, by rule, establish for such property, based upon a determination that such higher price is reasonable and justified in relation to the increased costs associated with such recovery techniques and taking into consideration any enhanced recovery which has or will result from such techniques, but in no case may such higher price exceed an average of $10 per barrel, plus an inflation adjustment factor, for sales from such properties.

"(d) If the President determines that the ceiling price amount specified in subsection (c)(1) should be modified, he shall publish notice of such determination in the Federal Register and afford interested persons an opportunity to present written and oral data, views, and arguments with respect to such modification. The modification shall become effective—

"(1) if the President transmits to the Congress a proposal to modify such amount in accordance with section 751(b) of the Energy Conservation and Oil Policy Act of 1975, accompanied by his findings with respect to the following matters:

"(A) the need for the proposed modification;

"(B) the prices of imported and domestic crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy which are in fact anticipated to result from such modification;

"(C) the impact of such modification upon domestic production and consumption of crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy;

"(D) the impact of such modification and of the resulting prices of crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socioeconomic groups, and industrial sectors of the United States;

"(E) the impact of such modification on competition in the petroleum industry; and

"(F) the anticipated effects, with respect to the considerations in subparagraphs (C) and (D) of this paragraph, of reasonable alternatives to such modifications; and

"(2) if either House disapproves (or both Houses approve) such proposal in accordance with the congressional review procedures specified in section 751 of such Act.

"(e) Notwithstanding section 4(e)(2) of this Act and section 405 of the Act entitled 'An Act to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes', approved November 16, 1973 (Public Law 93–153), the ceiling price for any first sale of domestic crude oil shall be as specified in subsection (c) of this section, as such ceiling price may be modified pursuant to subsection (d).".

(b) Section 5(a) of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following:

"(3) A violation of section 8(b) of this Act shall be treated as if it were a violation of the regulation promulgated under section 4(a) of this Act.".

(c) The amendments made by this section shall take effect on the first day of the first full month following the date of enactment of this Act.

MARGINAL WELL RECOVERY PRICING POLICY

SEC. 302. (a) In the interest of promoting maximum recovery and eliminating waste, there is hereby created a category of domestic crude oil denominated as "marginal well production", and, for purposes of section 8 of this Act, oil produced from these wells shall be treated as high cost property production under section 8(c)(3)(C).

(b) For purposes of this section, the term "marginal well" shall mean any oil well which is incapable of producing its maximum capacity of oil except by pumping, gas lift, or other means of artificial lift, and which well so equipped is capable, under normal unrestricted operating conditions, of producing such daily quantities of oil as herein set out, as would be damaged, or result in a loss of production ultimately recoverable, or cause the premature abandonment of same, if its maximum daily production were artificially curtailed. The following described wells shall be deemed "marginal wells":

(1) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production often ten barrels or less, averaged over the preceding thirty consecutive days, producing from a depth of two thousand (2,000) feet or less.

(2) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production of twenty barrels or less, averaged over the preceding thirty consecutive days producing from a horizon deeper than two thousand (2,000) feet and less in depth than four thousand (4,000) feet.

(3) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production of twenty-five barrels or less, averaged over the preceding thirty consecutive days, producing from a horizon deeper than four thousand (4,000) feet and less in depth than six thousand (6,000) feet.

(4) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial list, and having a maximum daily capacity for production of thirty barrels or less, averaged over the preceding thirty consecutive days, producing from a horizon deeper than six thousand feet and less in depth than eight thousand feet.

(5) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production of thirty-five barrels or less, averaged over the preceding thirty consecutive days, producing from a horizon deeper than eight thousand feet.

The words "gas lift", when used in this section shall mean gas lift by the use of gas not in solution with oil produced.

LIMITATIONS ON PRICING AUTHORITY

SEC. 303. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following new section:

"LIMITATIONS ON PRICING AUTHORITY

"SEC. 9. (a) The President shall have no authority, by amendment to the regulation under section 4(a), by order under this Act, or by rule, order, or any other means under any authority, to prescribe minimum prices for crude oil (or any classification thereof), residual fuel oil, or any refined petroleum product.

"(b) The President shall, by amendment to the regulation under section 4(a) of this Act, provide that the specification of (or manner for determining) prices of residual fuel oil and each refined petroleum product which is refined and sold, or distributed in commerce, by a refiner during any month, after the month during which the date of enactment of this section occurs, whose refinery facilities are located in the United States, shall reflect—

"(1) in the case of a refiner engaged in business during calendar year 1972, the proportionate distribution of costs to such oil and each such product as was customarily maintained by such refiner for comparable months in such year, or

"(2) in the case of a refiner which was not engaged in business in 1972, the direct proportionate distribution of costs to such oil and each such product,

except that, the President may, by order, permit any refiner to deviate from such proportionate distribution of costs if the President finds that the methods of operation of such refiner justify such deviation and further finds that to permit such deviation would be consistent with the attainment of the objectives in section 4(b) and would not result in inequitable prices for a class of user of such a product or residual fuel oil which is refined and sold, or distributed in commerce, by any such refiner."

PRODUCTION OF OIL OR GAS AT THE MAXIMUM EFFICIENT RATE AND TEMPORARILY EMERGENCY PRODUCTION RATE

SEC. 304. (a) Except as provided in subsection (e), the President may, by rule or order, require crude oil or natural gas, or both, to be produced from fields designated by him at the maximum efficient rate of production, or, during a severe energy supply interruption, at the temporary emergency production rate determined for such field.

(b)(1) The Secretary of the Interior, by rule on the record after an opportunity for a hearing, shall determine the maximum efficient rate of production and, if any, the temporary emergency production rate, for each field on Federal lands.

(2) Each State or the appropriate agency thereof shall determine the maximum efficient rate of production and, if any, the temporary emergency production rate, for each field (other than a field on Federal land) within such State.

(3) If, at the end of the 180-day period which begins on the date of enactment of this Act, a State or the appropriate agency thereof has not determined the maximum efficient rate of production for any field (other than a field on Federal land) within such State, the Administrator may, by rule on the record after opportunity for a hearing, specify such maximum efficient rate of production for any such field.

(c)(1) The authority under subsection (a) to require production from any field at such field's temporary emergency production rate may be exercised only during a severe energy supply interruption.

(2) If loss of ultimate recovery of crude oil or natural gas, or both, occurs or will occur as the result of an order to produce at the temporary emergency production rate, such loss shall be deemed a taking by condemnation, and the owner of any property right diminished by such taking may bring an action in the United States Court of Claims to recover just compensation.

(d) For purposes of this section—

(1) The term "maximum efficient rate of production" means the maximum rate of production of crude oil or natural gas, or both, which may be sustained without loss of ultimate recovery of crude oil or natural gas, or both, under sound engineering and economic principles.

(2) The term "temporary emergency production rate" means the maximum rate of production for a field—

(A) which rate is above the maximum efficient rate of production established for such field; and

(B) which may be maintained for a temporary period of less than 90 days without reservoir damage and without significant loss of ultimate recovery of crude oil or natural gas, or both, from such field.

(e) Nothing in this section shall be construed to authorize the production from any Naval Petroleum Reserve subject to the provisions of chapter 641 of title 10, United States Code.

FEDERAL OIL, GAS, AND COAL LEASING ARRANGEMENTS

SEC. 305. (a) Notwithstanding any other provision of law (other than the National Environmental Policy Act of 1969, the Federal Water Pollution Control Act, the Clean Air Act, the Refuse Act of 1899, the Fish and Wildlife Coordination Act, section 4(f) of the Department of Transportation Act, and other laws and regulations concerning health and safety of persons) no agreement related to mineral rights on Federal lands which agreement grants a right of development of crude oil, natural gas, or coal on such lands may be entered into between the United States and any person, unless such agreement includes:

(1) a requirement that the person granted such right shall promptly prepare and submit to the Administrator and to the Secretary of the Interior, for the Secretary's approval, a plan for the diligent exploration and development of crude oil, natural gas, or coal which plan shall include a timetable, and be designed to provide, for the exploration and development of such lands as fully and as soon as is practicable under the circumstances;

(2) a requirement that the person granted such right shall promptly inform the Administrator and the Secretary in writing upon the discovery of any coal deposit or crude oil or natural gas reservoir on any such lands, which notice shall include an estimate of the amounts of such crude oil, natural gas, or coal discovered.

(3) a requirement that, within 90 days after the date of the discovery of any coal deposit or crude oil or natural gas reservoir on any such lands or after the date of the granting of such right of development (whichever is later), the person granted such right shall submit to the Administrator and the Secretary, for the Secretary's approval, a production plan, which plan shall include a timetable, and be designed for obtaining maximum production of such deposit or reservoir as soon as practicable under the circumstances but, except as may be provided in subsection (b), in no case may such time-

table provide for the commencement of production and sale from such deposit or such reservoir at a date which is later than two years after the date of the discovery of the deposit or reservoir or the date of the granting of such right of development (whichever is later); and

(4) terms which provide for the termination by the Secretary of any such agreement and the forfeiture of rights thereunder if the person granted such right—

(A) fails to comply with any provisions of the agreement described in paragraphs (1), (2), and (3);

(B) fails to obtain the approval of the Secretary of any plan required by the provisions of the agreement described in paragraphs (1) and (3);

(C) fails to implement or carry out any approved plan, required by the provisions of the agreement described in paragraph (1) or (3);

(D) fails to adhere to the timetable contained in any such plan, except as may be permitted under subsection (b).

(b) Any person granted such right of development may petition the Administrator for permission to depart from the timetable contained in any approved plan, required by the provisions of the agreement described in subsection (a)(1) or (a)(3). The Administrator may, notwithstanding such approval and, after notice, and affording interested persons an opportunity for the submission of written comments and oral presentation of data, views, and arguments, permit such departure if he finds that there is reasonable excuse for failing to conduct exploratory and development activities, or that the amounts of crude oil, natural gas, or coal discovered or developed are not sufficient to be commercially producible, or that other valid reasons (not including marketing demand prorationing) exist which justify a failure to obtain production, on such lands in accordance with such timetables. Pursuant to any permission to depart from such a timetable, the Administrator may permit a delay in actions necessary to obtain commencement of production and sale of crude oil, natural gas, or coal within 2 years after the date of the issuance of the agreement or the discovery of such deposit or reservoir (whichever is later). If the Administrator permits any such delay, he shall, unless he finds reasonable justification to excuse such person from his obligation to obtain production from such deposit or reservoir, require such person (1) to submit a revised timetable designed to obtain maximum production as promptly thereafter as is practicable under the circumstances and (2) to submit monthly reports on production activities.

(c) The Secretary shall, by order after notice and opportunity for hearing, compel the termination of any such agreement and the forfeiture of rights to develop crude oil, natural gas, or coal on Federal lands, granted under such agreement if the Secretary finds on the record of such hearing that (1) such person has failed to comply with terms of the agreement described in subsection (a); and (2) such failure is not solely the result of a departure from a timetable required to be included in an approved plan, which departure has been permitted by the Administrator pursuant to subsection (b) of this section.

(d) In any proceeding in which rights to develop crude oil, natural gas, or coal on Federal lands are to be granted with respect to Federal lands for which rights to develop crude oil, natural gas, or coal were terminated under subsection (c), no person (whether for himself or as a participant in any joint venture) whose rights to develop crude oil, natural gas, or coal on such Federal lands have been terminated under subsection (c) of this section and no other person controlling, controlled by, or under common control with, such person, shall be eligible to receive either from the United States or any agency thereof, by assignment or otherwise, any rights to develop crude oil, natural gas, or coal on such Federal lands.

(e) The requirements of this section shall not be applicable with respect to any agreement, pertaining to crude oil, natural gas, or coal development on Federal lands, entered into prior to the date of enactment of this Act. Any such agreement shall be renegotiated at the earliest date to include the provisions described in subsection (a), unless the Secretary finds that the requirements of such provisions are not necessary under the circumstances or that such renegotiation would jeopardize existing Federal interests under the agreement.

(f) For purposes of this section:

(1) The term "Agreement" includes any renegotiated agreement except as provided in subsection (e).

(2) The term "Secretary" means the Secretary of the Interior.

(3) Any sale of crude oil, natural gas or coal from Federal lands with respect to which an agreement subject to the provisions of this section is in effect shall be deemed a sale in interstate commerce.

(4) The requirements of subsection (a)(3) shall not apply and nothing in this section shall be construed to compel the production from any Naval Petroleum Reserve subject to chapter 641 of title 10, United States Code.

LIMITATIONS ON EXPORT

SEC. 306. Any oil or gas produced from the Outer Continental Shelf except such oil or gas which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of a foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any oil or gas subject to this section may be exported under the limitations and licensing requirements and penalty and enforcement provisions of the Export Administration Act of 1969 the President must make and publish an express finding that such exports will not increase reliance on imported oil or gas and are in the national interest and are in accord with provisions of the Export Administration Act of 1969: *Provided*, That the President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passed a concurrent resolution of disapproval stating disagreement with the President's finding concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.

DOMESTIC USE OF ENERGY-RELATED MATERIALS AND EQUIPMENT

SEC. 307. (a) The President may, by rule or order, restrict exports of supplies of materials or equipment which he determines to be necessary to maintain or further exploration, production, refining, or transportation of energy supplies or for the construction or maintenance of energy facilities within the United States, under such terms and conditions as he determines to be appropriate and necessary to carry out the purposes of this Act.

(b) In order to implement any rule or order promulgated under subsection (a) of this section, the President may request and, if so, the Secretary of Commerce shall, pursuant to the procedures established by the Export Administration Act of 1969 (but without regard to the phrase "and to reduce the serious inflationary impact of foreign demand" in section 3(2)(A) of such Act), impose such restrictions as specified in any rule or order under subsection (a) on exports of supplies of materials and equipment which the President determines to be necessary to maintain or further exploration, production, refining, or transportation of energy supplies or for the construction or maintenance of energy facilities within the United States, as the President determines to be appropriate and necessary to carry out the purposes of this Act.

DOMESTIC USE OF ENERGY SUPPLIES

SEC. 308. Section 4(d) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(d)(1) The President shall, by amendment to the regulation under subsection (a) of this section, by order, or pursuant to paragraph (2), prevent the export of coal, natural gas, crude oil, residual fuel oil, any refined petroleum product, and any petrochemical feedstock as he determines may be necessary and practicable to attain the objectives specified in subsection (b) of this section.

"(2) In order to implement any amendment to the regulation or any order under paragraph (1) of this subsection, the President may request and, if so, the Secretary of Commerce shall, pursuant to the procedures established by the Export Administration Act of 1969 (but without regard to the phrase 'and to reduce the serious inflationary impact of foreign demand' in section 3(2)(A) of such Act), impose such restrictions as specified in any such amendment to the regulation under subsection (b) or order on exports of coal, natural gas, crude oil, residual fuel oil, any refined petroleum product, and any petrochemical feedstocks as the President determines necessary to carry out the purposes of this Act.

"(3) Any amendment to the regulation, or any order, under paragraph (1) of this subsection and actions by the Secretary of Commerce pursuant to paragraph (2) of this subsection shall take into account the historical trading relations of the United States with Canada and Mexico.".

ENTITLEMENTS

SEC. 309. (a) Section 4 of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following:

"(g) Any provision of the regulation promulgated under subsection (a) of this section—

"(1) which requires the purchase of entitlements, or the payment of money through any other similar cash transfer arrangement, the purpose of which is to reduce disparities in the crude oil acquisition costs of domestic refiners, and

"(2) which is based upon the number of barrels of crude oil input of any such refiner, shall not apply to the first 50,000 barrels per day of input of any refiner whose total refining capacity (including the refining capacity of any person who controls, is controlled by, or is under common control with such refiner) did not exceed on January 1, 1975, and does not thereafter exceed 100,000 barrels per day. The preceding sentence shall not affect any provisions of the regulation under subsection (a) of this section with respect to the receipt by any small refiner as defined in section 3(4) of payments for entitlements or any other similar cash transfer arrangement."

(b) Subsection (a) of this section shall apply with respect to payments due on or after the last day of the month during which the date of enactment of this Act occurs.

RECYCLED OIL

SEC. 310. (a) The purposes of this section are—

(1) to promote the use of recycled oil;

(2) to encourage the recycling of used oil;

(3) to reduce consumption of new oil by promoting increased utilization of recycled oil; and

(4) to reduce environmental hazards and wasteful practices associated with the disposal of used oil.

(b) As used in this section:

(1) The term "used oil" means any oil which has been used and as a result of such use has been contaminated by any physical or chemical impurities.

(2) The term "recycled oil" means used oil, from which any physical and chemical contaminants acquired through use have been removed by re-refining or other processing, or any blend of oil, consisting of such re-refined or otherwise processed used oil and new oil or additives, which re-refined or otherwise processed used oil or blend containing such oil has been determined pursuant to the rule promulgated under subsection (c)(1), to be substantially equivalent to new oil intended for the same purpose.

(3) The term "new oil" means any oil which has been refined from crude oil and may or may not contain additives, and has not been used. Such term does not include used oil or recycled oil.

(4) The term "lubricating oil" means any oil, regardless of origin, which—

(A) is suitable for use as a lubricant, and

(B) is sold for use as a lubricant.

(5) The term "hydraulic oil" means any oil which is used primarily to transmit power or pressure, but which may also be used for other purposes.

(6) The term "cutting oil" means any oil which is used primarily in cutting, milling, and machining operations (including forging, drawing, rolling, shearing, punching, and stamping), but which may also be used for other purposes.

(7) The term "automotive oil" means any oil, including lubricating oil and hydraulic oil, which is used in automobiles, trucks, buses, motorcycles, and other vehicles which travel on roads and highways.

(c) Within 180 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall, by rule, promulgate:

(1) Performance standards, specifications and testing procedures to facilitate comparison of re-refined or otherwise processed used oil with new oil for the purpose of determining whether such re-fined or otherwise processed used oil is substantially equivalent to new oil intended for the same purpose.

(2) Labeling standards applicable to containers of recycled oil in order to carry out the purposes of this section. Such standards shall permit the container of any re-refined or otherwise processed used oil, which has been determined, pursuant to the rule promulgated under subsection (c)(1), to be substantially equivalent to new oil intended for the same purpose, to bear a label indicating the intended purpose of the contents and the fact of the determination pursuant to the rule promulgated under subsection (c)(1), of substantial equivalency of the contents with new oil intended for the same purpose.

(3) Labeling standards applicable to containers of automotive, lubricating, hydraulic and cutting oils relating to the proper disposal of such oils after use, which standards shall be designed to reduce environmental hazards and wasteful practices associated with the disposal of used oil.

(d) Beginning on the effective date of the standards required to be promulgated pursuant to subsection (c)(2), no regulation or order of the Federal Trade Commission and no law, regulation, or order of any State or political subdivision thereof may remain in effect if such law, regulation, or order requires that containers, of re-refined or otherwise processed used oil which has been determined pursuant to the rule promulgated under subsection (c)(1), to be substantially equivalent to new oil intended for the same purpose, which containers bear a label in accordance with the terms of the rule promulgated pursuant to subsection (c)(2), bear any label with respect to the comparative characteristics of such recycled oil with new oil intended for the same purpose. Specifically, no regulation or order of the Federal Trade Commission may require any container of recycled oil which bears a label in accordance with the terms of the rule promulgated pursuant to subsection (c)(2) to also bear a label containing the words "used oil".

(e) All Federal officials shall act within their authority to encourage the use of recycled oil, including—

(1) procuring recycled oils for use as automotive, lubricating, hydraulic, and cutting oils for military and and nonmilitary Federal uses whenever such recycled oils are available at prices competitive with those of new oil used for the same purposes;

(2) educating persons employed by Federal and State governments and private sectors of the economy as to the merits of recycled oil, and the need for its use in order to reduce the drai on the Nation's oil reserves and educating such persons as to appropriate means of disposal of used oil to avoid waste of such oils and to minimize environmental hazards; and

(3) assisting in and encouraging the development of performance standards, specifications and systematic and economical testing procedures to facilitate the comparison of recycled oil and other oils with new oil.

(f) Within 18 months after the date of enactment of this Act, the General Services Administration, the Department of Defense, and other Federal agencies shall revise their procurement regulations and specifications to promate the use of recycled oil, encourage the production of recycled oil by the re-refining or other processing of used oil, and reduce consumption of new oil by promoting increased utilization of recycled oil.

TITLE IV—ENERGY CONSERVATION MEASURES

PART A—ALLOCATION ACT AMENDMENTS AND OTHER ENERGY CONSERVATION MEASURES

RESTRUCTURING OF ALLOCATION ACT

SEC. 401. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following new section:

"REEVALUATION OF SECTION 4(A) REGULATION

"SEC. 10. (a) Not later than 30 days after the date of enactment of this section, the President shall give appropriate notice and afford interested persons an opportunity to submit written comments and make an oral presentation of data, views, and arguments respecting the appropriateness and efficacy of, or the continuing need for, any of the provisions of the regulation promulgated under section 4(a) as related to the attainment of the objectives specified in subsection (b) of section 4. A transcript shall be kept of any such oral presentation of data, views, and argument.

"(b) Not later than 90 days after the date of enactment of this section, the President shall, after consideration of such written comment and oral presentations and such other information as may be available to him, propose such amendments to the regulation promulgated under section 4(a) as he determines are necessary or appropriate to modify or eliminate provisions which are inconsistent with the objectives specified in section 4(b) or no longer necessary to the attainment of such objectives.

"(c) Except as provided in section 11, any amendment to the regulation referred to in subsection (b) shall take effect under the terms of such amendment."

CONVERSION TO STANDBY AUTHORITIES

SEC. 402. The Emergency Petroleum Allocation Act of 1973 is amended by striking out section 4(g) of such Act (as in effect prior to the effective date of this Act) and by adding at the end of such Act, as amended by this Act, the following new section:

"CONVERSION MECHANISM TO STANDBY AUTHORITY

"SEC. 11. (a) Except as provided in subsection (b) of this section, the President may amend the regulation under section 4(a) if he determines that such amendment is consistent with the attainment, to the maximum extent practicable, of the objectives specified in section 4(b) and that the regulations, as amended, provides for the attainment, to the maximum extent practicable, of such objectives.

"(b)(1) An amendment which proposes to exempt crude oil, residual fuel oil, or any refined petroleum product from the provisions of the regulation under section 4(a) as such provisions pertain to either (A) the allocation of amounts of any such oil or product, on (B) the specification of price or the manner for determining price of any such oil or product may take effect only pursuant to the provisions of this subsection. For the purposes of this section, any amendment which proposes to exempt a product or oil from the regulation as it applies to an entire market level shall constitute a proposed exemption of such oil or product which may take effect only pursuant to the provisions of this section. The term 'market level' refers to the production, refinery, wholesale distribution, and retailing levels.

"(2) The President shall transmit (A) any such amendment to the Congress in accordance with the procedures specified in section 751 of the Energy Conservation and Oil Policy Act of 1975 and any such amendment shall be accompanied by a specific statement of the President's rationale for such amendment, and (B) the matter described in subsection (c) of this section. Such an amendment may apply only to one oil or one product with respect to either allocation or price and may provide for scheduled or phased implementation.

"(3) No such amendment may become effective, unless neither House of Congress has disapproved (or both Houses of Congress have approved) such amendment in accordance with the procedures specified in section 751 of the Energy Conservation and Oil Policy Act of 1975.

"(c)(1) The President shall support any proposed amendment to the regulation under subsection (a) which is transmitted to the Congress under subsection (b) of this section with a finding that such amendment is consistent with the attainment of the objectives specified in subsection 4(b) and in the case of—

"(A) any proposed exemption of an oil or product pursuant to subsection (b)(1)(A), with a finding that such oil or product is no longer in short supply and that exempting such oil or product will not have an adverse impact on the supply of any other oil or product subject to this Act, and

"(B) any proposed exemption of an oil or product described in subsection (b)(1)(B), with a finding that competition and market forces are adequate to protect consumers from price gouging and to assure that prices of such oil or product will be just and reasonable.

"(2) Any amendment which the President transmits to the Congress under subsection (b) of this section shall be accompanied—

"(A) by a statement of the President's views as to the potential economic impacts (if any) of such amendment which, where practicable, shall include his views as to—

"(i) the State and regional impacts of such amendment (including effects on governmental units),

"(ii) the effects of such amendment on the availability of consumer goods and services; the gross national product; competition;

small business; and the supply and availability of energy resources for use as fuel or as feedstock for industry; and

"(iii) the effects on employment and consumer prices; and

"(B) in the case of an amendment described in subsection (b)(1)(B) of this section, by an analysis of the effects of such amendment on the rate of unemployment for the United States and the Consumer Price Index for the United States.

"(3) Nothing in this section shall permit the President to amend the regulation to exempt any first sale of domestic crude oil from the provisions of section 8 of this Act.

"(d) In any judicial review of an amendmen required to be submitted under subsection (b) or of the regulation under section 4(a), as amended by such amendment, the reviewing court may not hold unlawful or set aside any such amendment or the regulation, as amended by such amendment, solely on the basis that a ground for holding unlawful or setting aside agency action specified in subparagraph (A), (D), or (E) of section 706(2) of title 5, United States Code, applies with respect to one or more of the findings or views required to be made by the President under this section and submitted to the Congress pursuant to subsection (c).

"(e) With respect to any oil or product which is exempted pursuant to subsection (b), the President shall have authority at any time thereafter to prescribe a regulation or issue an order respecting either the allocation of amounts, or the specification of price or the manner for determining the price, of any such oil or product upon a determination by him that such regulation or order is necessary to attain, and is consistent with, the objectives specified in section 4(b). Any such oil or product for which allocation or price controls are reimposed under authority of this subsection may subsequently be exempted without regard to the provisions of subsection (b) of this section."

DEFINITIONS IN ALLOCATION ACT

SEC. 403. Section 3 of the Emergency Petroleum Allocation Act of 1973 is amended—

(1) by inserting before the period at the end of paragraph (7) of such section "and the Outer Continental Shelf"; and

(2) by adding at the end of such section the following:

"(8) The term 'Outer Continental Shelf' has the same meaning as such term has under section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331).

"(9) The term 'motor gasoline' means a mixture of volatile hydrocarbons, suitable for operation of an internal combustion engine, whose major components are hydrocarbons with boiling points ranging from 140° to 390° F and whose source is distillation of petroleum and cracking, polymerization, and other chemical reactions by which the naturally occurring petroleum hydrocarbons are converted to those that have superior fuel properties.

"(10) The term 'including' means including but not limited to."

AMENDMENT TO SECTION 4 OF THE ALLOCATION ACT

SEC. 404. Section 4(b)(1)(A) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(A) protection of public health (including the production of pharmaceuticals), safety, and welfare (including maintenance of residential heating, such as individual homes, apartments and similar occupied dwelling units), and the national defense;".

MANDATORY GASOLINE ALLOCATION SAVING PROGRAM

SEC. 405. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following new section:

"MANDATORY GASOLINE ALLOCATION SAVING PROGRAM

"SEC. 12. (a)(1) Not later than 45 days after the first day of the first month which begins after the date of enactment of this section, the President shall amend the regulation under section 4(a) of this Act, and prescribe any orders as are authorized under other sections of this Act as he determines are necessary and appropriate, to prevent any increase in the consumption of motor gasoline above the base volume during the entirety of the three-year period which begins on the first day of the fourth month which begins after the date of enactment of this section, and, except as provided in paragraph (2), shall by such additional amendments or orders as he determines are necessary or appropriate, cause a percentage reduction of 2 per centum in the base volume for the entirety of such period.

"(2) The President need not require the 2 per centum reduction specified in paragraph (1) if he finds that such reduction would prevent the attainment of the objectives specified in section 4(b) of this Act and submits to the Congress such finding, together with a supporting analysis of the factors upon which such finding is based. In any such case, the President shall achieve as much of such reduction as he determines would be consistent with the attainment of such objectives.

"(3) In addition to the reductions specified in paragraphs (1) and (2), the President may by additional amendment or order require—

"(A) a percentage reduction of an additional per centum in the base volume during the one-year period which begins one year after the first day of the fourth month which begins after the date of enactment of this section, if the President finds that such reduction can be accomplished consistent with the objectives specified in section 4(b) of this Act; and

"(B) in addition to the reductions specified in paragraphs (1) and (2) and subparagraph (A) of this paragraph, a percentage reduction of an additional per centum in the base volume in the one-year period which begins two years after the first day of the fourth month which begins after the date of enactment of this section, if the President finds that such reduction can be accomplished consistent with the objectives specified in section 4(b) of this Act.

"(4) In exercising his authority under this subsection, the President may adjust the base volume above or below the daily average demand for motor gasoline as specified in paragraph (8)(B) to take into account the historical patterns of seasonal disparities in consumption of motor gasoline, as long as such adjustments do not result in an increase in the base volume above the amounts specified in paragraphs (1) (taking into account any modification of such amounts pursuant to paragraph (2)) and (3) over the entirety of the three-year period or one-year period, as the case may be, as specified in such paragraphs.

"(5) To the maximum extent practicable, the amendment or orders prescribed under this subsection shall take into account—

"(A) the historical pattern of regional disparties in consumption of motor gasoline;

"(B) regional population growth or decline as may have occurred since 1972 and as may occur during the period in which any amendment or order under this subsection is in effect; and

"(C) regional differences in the availability of public transit facilities.

"(6) To the maximum extent practicable, the amendment or orders prescribed under this subsection shall assure that any reductions required or permitted under this subsection shall be accompanied by per barrel equivalent reductions in total volume of imports of crude oil and refined petroleum products.

"(7) The amendment and orders specified in paragraph (1) shall take effect no later than the first day of the fourth month which begins after the date of enactment of this section.

"(8) For purposes of this section:

"(A) The term 'percentage reduction' means a reduction in the volume of motor gasoline produced or sold for purposes of resale in any year as measured against the base volume.

"(B) The term 'base volume' means the daily average demand for motor gasoline in the United States, calculated on the basis of the amount of motor gasoline demand for a twelve-month period using historical daily average demand figures for months of either calendar year 1973 or calendar year 1974, whichever is higher, as compiled by the Federal Energy Administration or the Bureau of Mines, whichever is higher.

"(b) The President shall take such action under the authority of this Act, the Trade Expansion Act of 1962, or other law vested in him to disallow, or impose volumetric limitations on, the importation of motor gasoline to such extent or in such amounts as may be necessary to assure the attainment of the goals specified in subsection (a).

"(c)(1) The President shall have authority under this Act to make such amendments to the regulation under section 4(a) and issue such orders respecting the allocation of amounts of crude oil, residual fuel or any refined petroleum product as are necessary or appropriate to the attainment of the goals specified in subsection (a) of this section.

"(2) In prescribing any amendment under paragraph (1), or any order under paragraph (1), the President shall, to the maximum extent practicable, seek an accommodation and harmonization of the goals specified in subsection (a) of this section with those objectives specified in section 4(b) of this Act."

RETAIL DISTRIBUTION CONTROL MEASURES

SEC. 406. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following new section:

"RETAIL DISTRIBUTION CONTROL MEASURES

"SEC. 13. (a) The President shall by rule promulgate standards and procedures by which persons engaged in the retailing of motor gasoline may develop and carry out voluntary agreements respecting the hours of operation of retail establishments, or other aspects of retail operations as the President determines are necessary and appropriate to minimize motorists' inconvenience in purchasing motor gasoline during the period within which the mandatory gasoline allocation savings program under section 12 is in effect. Voluntary agreements developed under this section by persons engaged in the retailing of motor gasoline shall include provisions for the designation of retail establishments with assigned hours of operations as may be appropriate to provide a reasonable opportunity to purchase available supplies of motor gasoline during evening hours on weekend days and holidays.

"(b) The standards and procedures under subsection (a) shall include the following:

"(1) A written copy of any voluntary agreement under this section shall be submitted to the Attorney General and the Federal Trade Commission and be available for public inspection.

"(2) Meetings held to develop or carry out a voluntary agreement under this section shall permit attendance by interested persons and shall be preceded by timely notice to the Attorney General, the Federal Trade Commission, and to the public in the affected community.

"(3) Interested persons shall be afforded an opportunity to present, in writing, and orally, data, views, and arguments at such meetings.

"(4) A written summary of the proceedings of any such meeting together with copies of any written data, views, and arguments presented by interested persons shall be submitted to the Attorney General and the Federal Trade Commission and be available for public inspection.

"(c) The Federal Trade Commission may exempt types or classes of meetings, conferences, or communications from the requirements of subsection (b) where such types or classes of meetings, conferences, or communications are determined to be ministerial to carrying out of any such agreement. Such meeting, conference, or communication may take place and be ordered in accordance with such requirement as the Federal Trade Commission may prescribe, by rule, as consistent with the purposes of this section.

"(d)(1) There shall be available as a defense to any civil or criminal action brought under the antitrust laws as defined in section 6(c)(2) of this Act (or any similar State law) in respect of actions taken in good faith to develop or carry out a voluntary agreement by a person engaged in the business of the retailing of motor gasoline that—

"(A) such action was taken—

"(i) in the course of developing a voluntary agreement pursuant to this section, or

"(ii) to carry out a voluntary agreement authorized and approved in accordance with this section, and

"(B) such person complied with the requirements of this section and the rules promulgated hereunder.

"(2) Except as provided in paragraph (3), a person availing himself of a defense under this subsection shall have the burden of establishing and proving such defense.

"(3) For purposes of paragraph (1), action taken by a person asserting a defense under this section shall be considered taken in good faith unless the person against whom the defense is asserted proves—

"(A) such action was taken by the person asserting the defense for the purpose of injuring competition, or

"(B) the person asserting the defense knew, or reasonably should have known under the circumstances that—

"(i) the action would have the effect of injuring competition, and

"(ii) an alternative to such action was available which would be substantially less injurious to competition and which would be at least as effective in carrying out the purposes for which the voluntary agreement was entered into.

"(4) No provision of this section shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practice which occurred prior to the date of enactment of this section or subsequent to its expiration or repeal.

"(5) In any action in any Federal or State court for breach of contract there shall be available as a defense that the alleged breach of contract was caused by action taken in accordance with a voluntary agreement authorized under the provisions of this section.

"(e) Any voluntary agreement entered into pursuant to subsections (a) and (b) of this section shall be submitted in writing to the Attorney General and the Federal Trade Commission twenty days before being implemented. Such agreement shall be available for public inspection in accordance with the provisions of section 552 of title 5, United States Code. The Attorney General or the Federal Trade Commission, at any time, on motion or upon the request of any interested person, may modify, amend, disapprove, or revoke any such voluntary agreement and, if revoked, thereby withdraw prospectively the immunity conferred by subsection (d) of this section.

"(f)(1) This section shall apply in lieu of section 6(c) respecting any voluntary agreement respecting retailing of motor gasoline under the mandatory gasoline allocation savings program.

"(2) The provisions of section 708 of the Defense Production Act of 1950 shall not apply to any agreement or action undertaken for the purpose of developing or carrying out any voluntary agreement respecting retailing of motor gasoline."

DIRECT CONTROLS ON REFINERY OPERATIONS

SEC. 407. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following new section:

"DIRECT CONTROLS ON REFINERY OPERATIONS

"SEC. 14. The President may, by amendment to the regulation under section 4(a) of this Act or by order, as may be consistent with the attainment of the objectives specified in section 4(b) of this Act, require adjustments in the processing operations of any refinery in the United States with respect to the proportions of residual fuel oil or any refined petroleum product produced through such operations if he determines such adjustments are necessary to assure the production of residual fuel oil or any refined petroleum product in such proportions necessary to attain the objectives specified in section 4(b), or section 12 relating to the mandatory gasoline allocation savings program."

INVENTORY CONTROLS

SEC. 408. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following new section:

"INVENTORY CONTROLS

"SEC. 15. The President may, by amendment to the regulation under section 4(a) of this Act or order, as may be consistent with the attainment of the objectives specified in section 4(b), require adjustments in the amounts of crude oil, residual fuel oil or any refined petroleum product which are held in inventory by persons who are engaged in the business of importing, producing, refining, marketing, or distributing such oils or products. Such authority may be exercised to require either (1) a distribution from such inventories at specified rates of distribution or to specified levels, or (2) the accumulation of inventories at specified rates of accumulation or to specified levels, as the President determines may be necessary to the attainment of the objectives of section 4(b), the objectives specified in section 12 (relating to the mandatory gasoline allocation savings program) or as may be necessary to carry out the obligations of the United States under the international energy program, as defined in section 103(8) of the Energy Conservation and Oil Policy Act of 1975. The authority to require an accumulation of inventories may be employed to compel the maintenance of inventories in excess of such person's normal business or operating requirements; except that such amounts shall not exceed the amount of oil or product, as the case may be, such person would use or distribute during any 90-day period under normal conditions and in no case may the requirement to accumulate inventories be applied to any person in a manner which would necessitate such person making physical additions to storage facilities in order to comply with any such rule or order."

HOARDING PROHIBITIONS

SEC. 409. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following new section:

"HOARDING PROHIBITIONS

"SEC. 16. Except as may be required, by the regulation under section 4(a) of this Act or order, of persons engaged in the business of producing, refining, distributing, or marketing crude oil, residual fuel oil, or any refined petroleum product pursuant to section 15, it shall constitute a violation of the regulation under section 4(a) for any person during a severe energy supply interruption, as defined in section 103(9) of the Energy Conservation and Oil Policy Act of 1975 to accumulate amounts of such oils or products in inventories or otherwise which are in excess of such person's reasonable needs."

SUPPLEMENTAL AUTHORITIES TO ASSURE REASONABLENESS OF PETROLEUM PRICES

SEC. 410. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following new section:

"SUPPLEMENTAL AUTHORITIES TO ASSURE REASONABLENESS OF PETROLEUM PRICES

"SEC. 17. (a) It is the purpose of this section to insure the free flow of oil in foreign and interstate commerce at the lowest possible price.

"(b) For the purpose of this section:

"(1) The term 'qualified buyer' means a citizen of the United States, a domestic corporation, a domestic agricultural cooperative, a domestic partnership or other unincorporated busines organization, or any department, agency, or other instrumentality of the United States or of any State or political subdivision thereof.

"(2) The term 'responsible offeror' means any company, sovereign State, or person acting on its own or on behalf of others who has been found by the President, in accordance with such rules as he may prescribe, to be capable of performing in accordance with the terms of such person's offer.

"(c)(1) The President may, at any time after the expiration of the 180-day period which begins on the date of enactment of this section, act as the exclusive agent of the United States in—

"(A) purchasing crude oil, residual fuel oil and refined petroleum products produced or refined outside the United States for importation into the United States; and

"(B) purchasing crude oil produced outside the United States for sale to refiners outside the United States pursuant to subsection (f)(2)(B) of this section.

"(2) Any crude oil, residual fuel oil and refined petroleum product purchased by the United States pursuant to paragraph (1) of this subsection shall be sold to qualified buyers free on board the point of purchase. The President shall not have authority under this section to engage in the business of producing, transporting, or refining crude oil, residual fuel oil or refined petroleum products.

"(3) The President shall endeavor to buy and sell without profit or loss, except that the President may—

"(A) sell crude oil, residual fuel oil or any refined petroleum product at a price above or below the cost of such oil or product if, in the judgment of the President, such sales may result in progress toward a lower price for oil sold in international commerce; and

"(B) as he determines may be necessary to carry out the purposes of this section periodically establish posted prices which shall apply to all sales and outstanding contracts for sale of crude oil, residual fuel oil and refined petroleum products made pursuant to the authorization of this section according to the particular gravities, qualities, grades, varieties, and locations of such oils and products.

"(d) The President shall, for any period in which he exercises the authority under subsection (c) of this section prohibit, by amendment to the regulation under section 4(a) or order, the importation into the United States by any person of crude oil, residual fuel oil or any refined petroleum product unless such crude oil, residual fuel oil or refined petroleum product has been purchased from the United States or manufactured from crude oil purchased from the

United States under the provisions of this section or amendments to the regulation under section 4(a) promulgated pursuant thereto.

"(e)(1) Persons qualifying as responsible offerors wishing to sell crude oil, residual fuel oil or any refined petroleum product to the United States pursuant to the authorization of this section shall submit sealed offers of sale to the President in accordance with such rules as the President prescribes governing such offers.

"(2) All such sealed offers submitted to the President shall be in United States dollar amounts and shall show price, specifications, volume, terms of delivery and schedule of delivery. The President shall accept those offers the terms of which are most favorable to the United States. The President shall have the power to negotiate with the offerors for terms more favorable to the United States. No contract, the duration of which is more than 2 years, may be accepted under the authority of this section.

"(3) The terms of any offer, or of any contract or agreement entered into by the President to purchase crude oil, residual fuel oil, or any refined petroleum product shall be kept secret by the President and any officers, or employees of the United States. The requirement of this subsection shall not prevent or interfere with access to such data by the General Accounting Office in the performance of its responsibilities under subsection (i). Such terms may, however, be made public five years after the termination of the transaction to which such terms apply, except that the identities of particular offerors and contracting parties shall not be disclosed.

"(f)(1) Prior to implementation of the authority of subsections (c) and (d) the President shall, by amendment, to the regulation under section 4(a), prescribe a system, consistent with the objectives specified in section 4(b) of this Act, by which sales of crude oil, residual fuel oil, and refined petroleum products purchased by the United States pursuant to this section shall be made to qualified buyers.

"(2)(A) Except to the extent that he may be required to do so under the international energy program, as defined in section 103(8) of the Energy Conservation and Oil Policy Act of 1975, or as provided in this subsection, the President shall not sell crude oil, residual fuel oil or any refined petroleum product purchased by the United States under the authority of this section other than for importation into the United States.

"(B) The President may sell crude oil to qualified buyers intending to refine it outside the United States for future importation into the United States in the form of residual fuel oil or refined petroleum products, if the following conditions are met:

"(i) the refinery in which the crude oil is to be run is owned by a qualified buyer;

"(ii) the qualified buyer has contracted with the President to export to the United States all refined petroleum products manufactured by it from crude oil sold to it by the United States; and

"(iii) the President has taken care, pursuant to subsection (f)(4)(B) of this section, to insure the maximum utilization of petroleum refining facilities located within the United States.

"(3) Any regulation promulgated under the authority of this subsection shall be promulgated pursuant to section 553 of title 5, United States Code.

"(4) Any regulation promulgated under authority of this subsection shall, to the maximum extent practicable—

"(A) preserve and encourage an economically sound and competitive domestic petroleum industry including the priority needs of independent and small refiners;

"(B) provide for the allocation of suitable types, grades and quality of crude oil to refineries to insure the maximum utilization of existing petroleum refining facilities located within the United States;

"(C) provide for the equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry, including independent and small refineries;

"(D) minimize economic distortion, inflexibility, and unnecessary interference with market mechanisms; and

"(E) assure adequate supplies of crude oil to new and expanded domestic refinery capacity as may be constructed or expanded by small or independent refiners.

"(g) To implement the authorities of this section, the President may—

"(1) make, promulgate, issue, rescind, and amend rules governing the manner of operation and the exercise of powers vested in him by this section;

"(2) appoint and fix compensation of such officers and employees as may be necessary to carry out such authorities;

"(3) contract, in such amounts as may be approved in appropriations acts for the purchase of crude oil, residual fuel oil, and refined petroleum products from any private individual, foreign state, or foreign or domestic corporation; and

"(4) delegate any authority conferred upon him by this section to such officers, departments, and agencies of the United States as he deems appropriate.

"(h) All contracts and other obligations entered into by the President shall be guaranted by the full faith and credit of the United States.

"(i)(1) Upon implementation of the authorities of this section, the President shall prepare and transmit to the Congress, in January of each year, a report which shall include a financial accounting of purchases and sales of crude oil, residual fuel oil, and each refined petroleum product by the United States under this section during the prior calendar year. Such report shall not, however, disclose any information required to be kept secret under the provisions of subsection (d)(3) of this section.

"(2) Any report made under this subsection shall contain such recommendations for additional legislation as the President may consider necessary or desirable to accomplish the purposes of this Act.

"(j) The General Accounting Office shall audit the administration of this section semiannually and report the results thereof to the President and the Congress. Such report shall not disclose any information required to be kept secret under the provisions of subsection (e)(3) of this section.

"(k) In any action in any Federal or State court for breach of contract, there shall be available as a defense that the alleged breach of contract was caused solely by compliance with the provisions of this section, or any rule or order issued pursuant to this section.

"(l) The provisions of subsection (i) of section 7 of the Federal Energy Administration Act of 1974 shall apply to any rule or any order having the applicability and effect of a rule as defined in section 551(4) of title 5, United States Code, issued pursuant to this section.

"(m) There are hereby authorized to be appropriated such sums as may be necessary to make payments pursuant to contracts entered into pursuant to subsection (g)(3)."

ASPHALT ALLOCATION AUTHORITY

SEC. 411. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following new section:

"ASPHALT ALLOCATION AUTHORITY

"SEC. 18. (a) The President may amend the regulation under section 4(a) of this Act to provide for the mandatory allocation of asphalt in amounts specified in (or determined in the manner prescribed by), or at prices specified in (or determined in a manner prescribed by) such amendment to the regulation, or both.

"(b) The President may put into effect an amendment promulgated under subsection (a) of this section which he finds is consistent, to the maximum extent practicable, with the attainment of the objectives specified in section 4(b) of this Act."

ENERGY CONSERVATION IN POLICIES AND PRACTICES OF FEDERAL AGENCIES

SEC. 412. (a)(1) The Civil Aeronautics Board, Interstate Commerce Commission, Federal Maritime Commission, Federal Power Commission, Environmental Protection Agency, and the Federal Aviation Administration (hereinafter in this section referred to as the "agencies") shall conduct a study and report to the Congress within 60 days after the date of enactment of this Act with respect to energy conservation policies and practices which such agencies have instituted subsequent to October 1973.

(2) The agencies shall, within 6 months after the date of enactment of this Act, propose to the Congress programs for additional savings in energy consumption which have as a minimum goal a 10-percent reduction within 12 months of the institution of such programs in energy consumption from the amount of energy consumed during calendar 1972 by the persons regulated by each such agency, including any legislative recommendations such agencies find are necessary to achieve such goal.

(3) The agencies, in consultation with the Office of Energy Conservation and Environment of the Federal Energy Administration and with such other Federal agencies as are appropriate, shall each conduct a study and prepare a report with respect to all policies or practices, both past and present, of such agencies which promote or perpetuate the inefficient use of petroleum products, coal, natural gas, electricity, and other forms of energy. Each such report shall be submitted to the Congress within one year after the date of enactment of this Act.

(b) Except as provided in subsection (c), the agencies shall, to the greatest extent possible exercise their authority—

(1) so as to prevent or minimize the inefficient use of petroleum products, coal, natural gas, electricity, and other forms of energy; and

(2) include in any major regulatory action taken by such agencies, a statement of the probable impact of such major regulatory action on energy consumption and supply and the energy costs and benefits of such major regulatory action.

(c) Subsection (b) shall not apply to any authority exercised under any provision of law by the agencies designed to protect the health or safety of individuals.

PUBLIC INFORMATION PROGRAM

SEC. 413. (a)(1) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1976, and for each of the two succeeding fiscal years for the purpose of making grants to State and local agencies to carry out public information programs described in paragraph (2).

(2) In order to be eligible to receive a grant under this subsection, a State or local agency shall submit to the Administrator an application describing the program the State or local agency proposes to conduct. Such an application may be approved if it provides for a program of—

(A) dissemination to consumers and businesses of information respecting energy conservation and improvement of energy efficiency;

(B) inspections at the request of individual homeowners, tenants, and small businesses for the purpose of assessing the potential for installing insulation and storm windows and improving the efficiency of heating and air conditioning equipment of such homeowner's or tenants' residence or such businesses' premises; and

(C) dissemination of information respecting tax benefits and grant programs which are available to assist individuals and small businesses to achieve energy conservation and to improve energy efficiency.

Such a program may also include a system to assist consumers to locate businesses providing energy conservation services which are eligible for such tax benefits or grants.

(3) Upon approval of an application the Administrator may pay not more than 90 per centum of the cost of the program described in the application.

(b)(1) The Administrator may carry out a public information program designed to encourage energy conservation and improvement of energy efficiency. In carrying out such a program the Administrator may contract for periodical advertising space and broadcast advertising time.

(2) There are authorized to be appropriated $200,000 for the fiscal year ending June of 1976, and each of the 2 succeeding fiscal years to carry out the program authorized by this subsection.

REPORT ON ENFORCEMENT OF NATIONAL MAXIMUM SPEED LIMIT

SEC. 414. (a) Within 6 months after the date of enactment of this Act, each State shall prepare and transmit to the Secretary of Transportation a National Speed Limit Enforcement Report.

(b) The report shall include—

(1) an estimate of the number of vehicle miles traveled on public highways within the jurisdiction of the State which are subject to the National Maximum Speed Limit of 55 miles per hour;

(2) the number of violations cited;

(3) the penalties applicable (including loss of license, assessment of points, and fines);

(4) the penalties imposed upon convicted violators; separately for the calendar year 1974 and the first quarter (January through March) of calendar year 1975.

(5) the impact on highway safety, including the impact on traffic fatalities, serious injury, and property damage, of the speed limit requirement.

(c) Beginning with the expiration of the 6-month period which begins on the date of enactment of this Act, each State shall file semiannual National Maximum Speed Limit Enforcement Reports with the Secretary of Transportation and each House of Congress. Such reports shall include the type of information required by subsection (b) of this section for the preceding two calendar quarters, separately reported for each quarter.

ENERGY CONSERVATION THROUGH VAN POOLING ARRANGEMENTS

SEC. 415. (a) The Administrator shall establish a program which shall encourage employers to provide for van pooling arrangements for their employees.

(b) The Administrator, in carrying out the program specified in subsection (a), shall take into account the special need for such arrangement in nonurban areas and in areas where public transportation is not available.

(c)(1) The Administrator shall carry out a public information program designed to encourage energy conservation in transportation through the use of van pooling arrangements. In carrying out such a program, the Administrator may contract for periodic advertising space and broadcast advertising time.

(2) The Administrator shall develop van pooling arrangements for use by executive agencies. Such programs shall be designed for use by Federal employees in locations throughout the United States.

(d) For purposes of this section:

(1) The term "van" means any automobile (as defined in section 501(1) of the Act) which the Administrator determines is manufactured primarily for use in the transportation of not less than 8 individuals and not more than 15 individuals.

(2) The term "van pooling arrangement" means an arrangement for the transportation of employees between their residences or other designated locations and their place of employment on a nonprofit basis in which the operating costs of such arrangement are paid for by the employees utilizing such arrangement.

(e) The Administrator shall report to the Congress, within 2 years after the date of enactment of this Act, with respect to such program and any legislative recommendations for change in Federal law to encourage such arrangements.

USE OF CARPOOLS

SEC. 416. (a) The Secretary of Transportation shall encourage the creation and expansion of the use of carpools as a viable component of our nationwide transportation system. It is the intent of this section to maximize the level of carpool participation in the United States.

(b) The Secretary of Transportation is directed to establish within the Department of Transportation an "Office of Carpool Promotion" whose purpose and responsibilities shall include—

(1) responding to any and all requests for information and technical assistance on carpooling and carpooling systems for units of State and local governments and private groups and employees;

(2) promoting greater participation in carpooling through public information and the preparation of such materials for use by State and local governments;

(3) encouraging and promoting private organizations to organize and operate carpool systems for employees;

(4) promoting the cooperation and sharing of responsibilities between separate, yet proximately close, units of government in coordinating the operations of carpool systems; and

(5) promoting other such measures that the Secretary determines appropriate to achieve the goal of this subsection.

(c) The Secretary shall encourage and promote the use of incentives, such as special parking privileges, special roadway lanes, toll adjustments, and other incentives as may be found administratively feasible to the furtherance of carpool ridership and the use of mass transportation, and consistent with the obligations of the State and local agencies which provide transportation services.

(d) Within 12 months after the date of enactment of this Act, the Secretary of Transportation shall make a report to Congress of all his activities and expenditures pursuant to this section. Such report shall include any recommendations as to future legislation concerning carpooling.

(e) As an example of the rest of the Nation's automobile users, the President of the United States shall take such action as is necessary to require all agencies of Government, where practical, to use economy motor vehicles.

GOVERNMENT USE OF LIMOUSINES

SEC. 417. (a) As used in this section:

(1) The term "limousine" means a type 6 vehicle as defined in the Amendment to Interim Federal Specification, Automobile, Sedans, issued by the General Services Administration, December 1, 1974.

(2) The term "passenger automobile" has the same meaning as such term has under section 501 of this Act.

(3) The term "Government agency" means any department, agency, instrumentality, or authority of the executive, legislative, or judicial branch of the Federal Government, or any independent agency thereof.

(b) Except as provided in subsection (c), a Government agency may not—

(1) purchase, hire, lease, operate, or maintain any limousine;

(2) employ or procure the services of any person as a driver for a single officer or employee of a Government agency; or

(3) purchase, hire, lease, operate, or maintain passenger automobiles for the transportation of any officer or employee of a Government agency between his dwelling and his place of employment, except in the case of (A) a medical officer on outpatient medical service, or (B) an officer or employee engaged in field work in remote areas, the character of whose duties make such transportation necessary, and in either such case, only when such exception is approved by the head of the Government agency concerned or (C) a vehicle regularly used by a Government agency in the performance of investigative, law enforcement, or intelligence duties, if the head of such agency determines that exclusive control of such vehicle is essential to the effective performance of such duties.

(c) Subsection (b) does not apply to the purchase, hire, lease, operation, or maintenance of—

(1) motor vehicles for the transportation of Ambassadors stationed or conducting business abroad, or for the personal use by the President, and one each for use by the Vice President of the United States, the head of each Executive Department, the Chief Justice of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, the Majority and Minority Leaders of the Senate and of the House of Representatives, the Majority and Minority Whips of the Senate and of the House of Representatives, the United States Representative to the United Nations, and those officials of Government agencies whose personal safety is placed in danger by reason of their duties, or

(2) motor vehicles primarily designed for military field training, combat, or tactical purposes.

(d) No officer or employee of a Government agency, other than those referred to in subsection (b)(3) or subsection (c), may be furnished a passenger automobile for his exclusive use if such vehicle is to be operated by a person other than such officer or employee.

ENERGY CONSERVATION TRAFFIC STUDY

SEC. 418. (a) The Administrator shall conduct a study of the potential energy savings which may result from the adoption in all States of a uniform traffic regulation which allows a driver of a motor vehicle to turn right on a red signal after stopping.

(b) The Secretary of the Department of Transportation shall conduct a study of any safety implications relating to the adoption in all States of the regulation specified in subsection (a).

(c) The Administrator and the Secretary shall each report to the Congress and make available to the States the results of such studies not later than six months after the date of the enactment of this Act, together with any legislative recommendations for change in Federal law to encourage such traffic regulation.

TITLE V—IMPROVING ENERGY EFFICIENCY OF CONSUMER PRODUCTS

PART A—AUTOMOBILE FUEL MILEAGE

DEFINITIONS

SEC. 501. As used in this part:

(1) The term "automobile" means any four-wheeled vehicle propelled by fuel, which the Secretary determines, by rule, (A) is manufactured primarily for use on public streets, roads, and highways (except any ve-

hicle operated exclusively on a rail or rails) and (B) is rated at 10,000 pounds gross vehicle weight or less.

(2) The term "passenger automobile" means any automobile which the Secretary determines, by rule, is manufactured primarily for use in the transportation of not more than 10 individuals.

(3) The term "average fuel economy" means average fuel economy, as determined under section 503 of this Act.

(4) The term "dealer" means any person engaged in the business of selling new automobiles to purchasers who buy for purposes other than resale.

(5) The term "fuel" means any liquid or gaseous fuel.

(6) The term "fuel economy" means the average number of miles traveled by an automobile per gallon of gasoline (or equivalent amount of other fuel) consumed, as determined by the EPA Administrator in accordance with test procedures established under section 503(d) of this Act.

(7) The term "manufacturer" means any person engaged in the business of manufacturing automobiles.

(8) The term "manufacture" (except for purposes of section 502(c) of this Act) means produce or assemble in the United States or to import into the United States.

(9) The term "model type" means a particular class of automobile as determined, by rule, by the EPA Administrator.

(10) The term "model year" with reference to any specific calendar year means a manufacturer's annual production period (as determined by the EPA Administrator) which included January 1 of such calendar year. If a manufacturer has no annual production period, the term "model year" means the calendar year.

(11) The term "Secretary" means the Secretary of Transportation.

(12) The term "EPA Administrator" means the Administrator of the Environmental Protection Agency.

AVERAGE FUEL ECONOMY STANDARDS APPLICABLE TO EACH MANUFACTURER

SEC. 502. (a)(1) Except as otherwise provided in paragraph (4) or in subsection (c), the average fuel economy for passenger automobiles manufactured by any manufacturer in any model year after model year 1977 shall not be less than the number of miles per gallon determined for such model year under the following table:

Model year:	Average fuel economy (in miles per gallon)
1978 ------	18.5
1979 ------	19.5.
1980 ------	20.5.
1981 ------	Determined by Secretary under paragraph (3) of this subsection.
1982 ------	Determined by Secretary under paragraph (3) of this subsection.
1983 ------	Determined by Secretary under paragraph (3) of this subsection.
1984 ------	Determined by Secretary under paragraph (3) of this subsection.
1985 and thereafter_	28.0.

(2) Not later than January 15 of each year, beginning in 1977, the Secretary shall transmit to each House of Congress, and publish in the Federal Register, a review of average fuel economy standards under this part which will take effect in future model years. The review required to be transmitted not later than January 15, 1979, shall include a comprehensive analysis of the program required by this part. Such analysis shall include an assessment of the ability of manufacturers to meet the average fuel economy standards for model year 1985 as specified in paragraph (1) of this subsection, and any legislative recommendations the Secretary may have for improving the program required by this part.

(3)(A) Not later than July 1, 1977, the Secretary shall prescribe, by rule, average fuel economy standards for passenger automobiles manufactured in model years 1981 through 1984. Such standards, which shall apply to each manufacturer (except as provided in subsection (c)), shall be set for each such model year at a level which is not less than 20.5 miles per gallon, which the Secretary determines is the maximum feasible average fuel economy level, and which will result in steady progress toward meeting the average fuel economy standard established under this subsection for model year 1985.

(B) The Secretary may, by rule, from time to time upon the basis of new information, amend any average fuel economy standard prescribed under subparagraph (A), so long as such standard, as amended, meets the requirements of such subparagraph. Any amendment prescribed under paragraph (3) or (4) which has the effect of making any average fuel economy standard more stringent shall be promulgated at least 18 months prior to the beginning of the model year to which such amendment will apply.

(4) If, in the course of preparing the review required pursuant to paragraph (2) to be published by January 15, 1979, the Secretary finds that the model year 1985 average fuel economy standard specified in paragraph (1) should be modified because such standard is not the maximum feasible average fuel economy level, the Secretary may, by rule, modify such standard, to a level which he determines is the maximum feasible average fuel economy level. The Secretary shall transmit to the Congress notice of such modified standard in accordance with section 751(b) of this Act. Such modified standard shall take effect unless either House disapproves such modified standard in accordance with the congressional review procedures specified in section 751 of this Act.

(5) For purposes of this subsection, in determining the maximum feasible average fuel economy, the Secretary shall consider:

(A) technological feasibility;

(B) economic practicality;

(C) relationship to other Federal motor vehicle standards (except as otherwise provided in subsection (d)(4)); and

(D) the purposes of this Act.

(b) The Secretary shall, by rule, prescribe average fuel economy standards for automobiles other than passenger automobiles manufactured by any manufacturer in each model year which begins more than 30 months after the date of enactment of this Act. Such rules may provide for separate standards for different classes of such automobiles, other than passenger automobiles, and shall be based upon the maximum feasible average fuel economy which the Secretary determines such manufacturers are able to achieve in each model year to which this subsection applies. Any standard applicable to a model year under this subsection shall be promulgated at least 18 months prior to the beginning of such model year.

(c) On application of a manufacturer, who manufactured (whether or not in the United States) fewer than 10,000 automobiles in the second model year preceding the model year for which the application is made, the Secretary may, by rule, exempt such manufacturer from subsection (a). Such exemption may only be granted if the Secretary determines that the average fuel economy standard otherwise applicable under subsection (a) is more stringent than the maximum feasible average fuel economy level which such manufacturer can attain. The Secretary may not issue such exemption unless, at the time such exemption is issued, he establishes, by rule, alternative average fuel economy standards for passenger automobiles manufactured by such manufacturer which the Secretary determines is the maximum feasible average fuel economy level for such manufacturer. An exemption under this subsection shall apply to a model year only if the manufacturer manufactures (whether or not in the United States fewer than 10,000 automobiles in such model year.

(d)(1) If the Secretary (after consultation with the EPA Administrator) determines in a proceeding under paragraph (3) that in any model year there will be an emission standards penalty which exceeds .5 mile per gallon, he shall, by rule, adjust the average fuel economy standard applicable under subsection (a) to such year by subtracting a number of miles per gallon (rounded off to the nearest tenth of a mile per gallon) equal to the amount of such excess.

(2) For purposes of this subsection:

(A) The term "emission standards penalty" means the number of miles per gallon by which—

(i) the average fuel economy which all passenger automobiles to be manufactured in a model year would be likely to achieve, if such automobiles were subject only to the 1975 emission standards, exceeds

(ii) the average fuel economy which all such automobiles are likely to achieve while meeting the emission standards actually applicable to such automobiles;

as determined by the Secretary.

(B) The term "1975 emission standards" means the following standards:

(i) For hydrocarbons, 1.5 grams per mile.

(ii) For carbon monoxide, 15 grams per mile.

(iii) For oxides of nitrogen, 3.1 grams per mile.

(3) The Secretary shall commence a proceeding with respect to a determination under paragraph (1) on petition of any manufacturer. Such a petition may be filed only within the 18-month period preceding the beginning of the model year to which it relates. The Secretary shall allow interested persons an opportunity for oral as well as written presentations of data, views, and arguments. He shall render a decision in any such proceeding within the 60-day period after the date of filing of the petition.

(4) The Secretary may not make any modification of average fuel economy standards under subsection (a) to take account of any decrease in fuel economy associated with emissions standards, except in accordance with this subsection.

DETERMINATION OF AVERAGE FUEL ECONOMY

SEC. 503. (a)(1) Average fuel economy for purposes of section 502 (a) and (c) shall be determined by the EPA Administrator by dividing—

(A) the total number of passenger automobiles manufactured in a given model year by a manufacturer, by

(B) a sum of terms, each term of which is a fraction created by dividing—

(i) the number of passenger automobiles of a given model type manufactured in such model year, by

(ii) the fuel economy measured for such model type.

(2) Average fuel ecenomy for purposes of section 502(b) shall be determined in accordance with rules of the EPA Administrator.

(b)(1) In calculating the average fuel economy under subsection (a)(1), the EPA Administrator shall separate the total passenger automobiles manufactured by a manufacturer into two categories:

(A) Passenger automobile domestically manufactured by such manufacturer.

(B) Passenger automobiles not domestically manufactured by such manufacturer. The EPA Administrator shall calculate the average fuel economy of each such separate category and each category shall be treated as manufactured by a separate manufacturer for purposes of this part.

(2) For purposes of this subsection, an automobile shall be considered domestically manufactured if at least 75 percent of the cost to the manufacturer of such automobile is attributable to value added in the United States or Canada, unless the assembly of such automobile is completed in Canada and such automobile is not imported into the United States prior to the expiration of 30 days after the end of such model year.

(c) Any reference under this part to automobile manufactured by a manufacturer shall be deemed—

(1) to include all automobiles manufactured by persons who control, are controlled by, or are under common control with, such manufacturer; and

(2) to exclude all automobiles manufactured (within the meaning of paragraph (1)) during a model year by such manufacturer which are exported prior to the expiration of 30 days after the end of such model year.

(d) Average fuel economy of a manufacturer, and fuel economy for any model type, shall be measured, in accordance with test procedures established by the EPA Administrator, by rule, after consultation with the Secretary. Test procedures so established shall be the procedures utilized by the EPA Administrator for model year 1975 (weighted 55 percent urban cycle, and 45 percent highway cycle) or procedures which yield comparable results. Test procedures under this subsection, to the extent practicable, shall require that fuel economy tests be conducted in conjunction with emissions tests conducted under section 206 of the Clean Air Act (42 U.S.C. 1875f-5). The EPA Administrator shall report any measurements of average fuel economy and fuel economy to the Secretary.

(e)(1) Any measurement of average fuel economy of a manufacturer for purposes of this part shall be rounded off to the nearest one-tenth gallon (in accordance with rules of the EPA Administrator).

(2) Any measurement of fuel economy of a model type for purposes of this part shall be rounded off to the nearest mile per gallon (in accordance with rules of the EPA Administrator).

JUDICIAL REVIEW

SEC. 504. (a) Any person who may be adversely affected by any rule prescribed under section 501, 502, 503, or 506 may, at any time prior to 60 days after such rule is promulgated, file a petition in the United States Court of Appeals for the District of Columbia, or any circuit wherein such person resides or has his principal place of business, for judicial review of such rule. A copy of the petition shall be forthwith transmitted by the clerk of such court to the officer who prescribed the rule. Such officer shall thereupon cause to be filed in such court the record of the proceeding upon which such rule was based, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter.

(b) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the officer who prescribed the rule, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before such officer, and be adduced in a hearing, in such manner and upon such terms and conditions as the court may deem proper. Such officer may modify any earlier finding as to the facts, or make new findings, by reason of the additional evidence so taken, and shall file such modified or new findings, and recommendations, if any, for the modification or setting aside of the previously prescribed rule, with the return of such additional evidence.

(c) The judgment of the court affirming or setting aside, in whole or in part, any such rule of the officer who prescribed the rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(d) The remedies provided for in this section shall be in addition to and not in lieu of any other remedies provided by law.

INFORMATION AND REPORTS

SEC. 505. (a)(1) The Secretary shall prescribe rules requiring each manufacturer to submit a report to the Secretary during the 30-day period preceding the beginning of each model year after model year 1977, and during the 30-day period beginning on the 180th day of each such model year. Each such report shall contain a statement as to whether such manufacturer will comply with applicable average fuel economy standards under section 502; a plan which describes the steps the manufacturer intends to take in order to comply with such standards; and such other matter as the Secretary may require.

(2) Whenever a manufacturer determines that a plan submitted under paragraph (1) which he stated was sufficient to insure compliance with applicable average fuel economy standards is not sufficient to insure such compliance, he shall submit a report containing a revised plan which specifies any additional measures which he intends to take in order to comply with such standards, and a statement as to whether such plan is sufficient to insure such compliance.

(b)(1) For the purpose of carrying out the provisions of this part, the Secretary or the EPA Administration, or their duly designated agents, may hold such hearings, take such testimony, sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, papers, correspondence, memorandums, contracts, agreements, or other records as the Secretary, EPA Administrator, or their duly designated agents, shall at all reasonable times have access to, and for the purpose of examination, the right to copy any documentary evidence of any person having materials or information relevant to any function of the Secretary or EPA Administrator under this part. The Secretary or EPA Administrator may require, by general or special orders, any person to file, in such form as the Secretary or EPA Administrator may prescribe, reports or answers in writing to specific questions relating to any function of the Secretary or EPA Administrator under this part. Such reports and answers shall be made under oath or otherwise, and shall be filed with the Secretary or EPA Administrator within such reasonable period as he may prescribe.

(2) The district courts of the United States for a judicial district in the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a duly authorized subpena or order of the Secretary, the EPA Administrator, or their duly designated agents, issued under paragraph (1) of this subsection, issue an order requiring compliance with such subpena or order. Any failure to obey such an order of the court may be punished by such court as a contempt thereof.

(3) Witnesses summoned pursuant to this subsection shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(c)(1) Every manufacturer shall establish and maintain such records, make such reports, conduct such tests, and provide such items and information as the Secretary or EPA Administrator may, by rule, reasonably require to enable the Secretary of EPA Administrator to carry out their duties under this part and under any rules promulgated pursuant to this part. Such manufacturer shall, upon request of a duly designated agent of the Secretary or EPA Administrator, permit such agent to inspect finished automobiles and appropriate books, papers, records, and documents. Such manufacturer shall make available all of such items and information in accordance with such reasonable rules as the Secretary or EPA Administrator may prescribe.

(2) The district courts of the United States for a judicial district in which an inspection is carried out or requested may, if a manufacturer refuses to accede to any reasonable requirement or request, issued or made under paragraph (1) of this subsection, issue an order requiring compliance with such requirement or request. Any failure to obey such an order of the court may be punished by such court as a contempt thereof.

(d)(1) Except as provided in paragraph (2), the Secretary and EPA Administrator shall each disclose any information obtained under this part to the public in accordance with section 552 of title 5, United States Code, except that information may be withheld from disclosure on the grounds specified in subsection (b)(4) of such section only if it contains a trade secret which if disclosed would result in significant competitive damage.

(2) Information contained in a report submitted under subsection (a) of this section, disclosure of which the Secretary determines may cause significant competitive damage, may not be disclosed until after the close of the model year to which such report relates; except such information may be disclosed prior to the close of such model year, (A) in a proceeding under section 502; (B) to duly authorized officers or employees of the United States; or (C) to committees of Congress.

LABELING AND ADVERTISING

SEC. 506. (a) Beginning no later than 90 days after the date of enactment of this Act, each manufacturer shall cause to be affixed and each dealer shall cause to be maintained on each new automobile, in a prominent place, a sticker indicating—

(1) the fuel economy of such automobile,

(2) representative average annual fuel costs associated with the operation of such automobile, and

(3) the range of fuel economy of automobiles of similar size and weight

as determined in accordance with rules of the EPA Administrator. If the fuel economy of an automobile manufactured in a model year is less than the miles per gallon level specified in the average fuel economy standard applicable under section 502 of this Act, such sticker shall disclose that such automobile's fuel economy is less than the Federal standard for average fuel economy standard established under this part. Such sticker shall include a statement that a written information respecting the fuel economy of other automobiles manufactured in such model year is available from the dealer in order to facilitate comparison among the various model types. The form and content of such sticker shall be prescribed by the EPA Administrator, by rule, after consultation with the Federal Trade Commission and the Secretary. The EPA Administrator may permit a manufacturer to comply with this paragraph by permitting such manufacturer to disclose the information required under this subsection on the label required by section 3 of the Automobile Information Disclosure Act (15 U.S.C. 1232).

(b)(1) The EPA Administrator shall compile and publish in a simple and readily understandable form comparative data on fuel economy of automobiles manufactured in each model year.

(2) The EPA Administrator, not later than February 1, 1976, shall by rule establish procedures requiring dealers to make available to prospective purchasers information compiled by the EPA Administrator under paragraph (1).

(c) A violation of subsection (a) shall be treated as a violation of section 3 of the Automobile Information Disclosure Act (15 U.S.C. 1232).

(d) As used in this section, the term "dealer" has the same meaning as such term has in section 2(e) of the Automobile Information Disclosure Act (15 U.S.C. 1231(e)).

PROHIBITED CONDUCT

SEC. 507. The following conduct is prohibited:

(1) the failure of any manufacturer to comply with any average fuel economy standard applicable under section 502 (a) or (c),

(2) the failure of any manufacturer to comply with any average fuel economy standard under section 502(b), or

(3) the failure to comply with any provision of this part (other than section 502 or 506(a) of this Act) or any standard, rule, regulation, or order issued pursuant to such a provision.

CIVIL PENALTY

SEC. 508. (a) (1) If on the basis of average fuel economy measurements reported under section 503(d) of this Act, the Secretary determines that any manufacturer has violated section 507 (1) or (2) of this Act, he shall immediately notify such manufacturer and shall publish notice of such determination in the Federal Register. The notification to the manufacturer shall include all information upon which the determination of the Secretary is based. Such notification (including such information) shall be available to any interested person. The Secretary shall afford such manufacturer and other interested persons an opportunity to present data, views, and arguments respecting the determinations of the Secretary.

(2) If, after such presentations by the manufacturer and interested persons, the Secretary determines that such manufacturer has violated section 507 (1) or (2) of this Act, the Secretary shall assess the penalties provided for under subsection (b).

(3) In determining whether a manufacturer has complied with section 507(1)—

(A) if the average fuel economy of a manufacturer is less than the applicable standard under section 502 (a) or (c) by an amount which does not exceed 0.5 mile per gallon, the manufacturer shall be deemed to have complied with section 507(1), and

(B) if the average fuel economy of a manufacturer exceeds the applicable standard under 502 (a) or (c) for a model year by more than 0.5 mile per gallon—

(i) he may carry back such excess to the preceding model year to the extent that his average fuel economy exceeded the applicable standard for such preceding year by more than 0.5 mile per gallon, and

(ii) to the extent such excess was not carried back to such preceding year, he may carry forward the excess to the year succeeding the year of the excess.

The Secretary shall prescribe rules to carry out this subsection. To the extent that a carryback under clause (i) reduces a manufacturer's liability for civil penalty paid under subsection (b), such manufacturer shall be entitled to a refund from the United States of an amount equal to the amount of such reduction.

(b) (1) (A) Any manufacturer who the Secretary determines under subsection (a) to have violated a provision of section 507(1) of this Act, shall be liable to the United States for a civil penalty equal to (i) $5 for each tenth of a mile per gallon by which the average fuel economy of the passenger automobiles manufactured by such manufacturer during such model year is exceeded by the applicable average fuel economy standard established under section 502 (a) or (c) of this Act, multiplied by (ii) the total number of passenger automobiles manufactured by such manufacturer during such model year.

(B) Any manufacturer who the Secretary determines under subsection (a) violated section 507(2) by failing to comply with an average fuel economy standard under section 502(b), shall be liable to the United States for a civil penalty equal to (i) $5 for each tenth of a mile per gallon by which such standard exceeds the average fuel economy of automobiles to which such standard applies and which are manufactured by such manufacturer during such model year, multiplied by (ii) the total number of automobiles to which such standard applies and which are manufactured by such manufacturer during such model year.

(2) Any person who the Secretary determines after opportunity for presentation of data, views, and arguments to have violated a provision of section 507(3) of this Act shall be liable to the United States for a civil penalty of not more than $10,000 for each violation; each day of a continuing violation constituting a separate violation.

(3) The amount of such civil penalty shall be assessed by the Secretary by written notice and collected in a civil action brought by the Attorney General. The Secretary shall have the discretion to compromise, modify, or remit, with or without conditions, any civil penalty assessed against a manufacturer only to the extent (A) necessary to prevent the insolvency or bankruptcy of such manufacturer, or (B) such manufacturer shows that noncompliance resulted from an act of God, a strike, or a fire.

EFFECT ON STATE LAW

SEC. 509. After the effective date of any standard under this part relating to average fuel economy for any automobile or any requirement under this part relating to fuel economy labeling or advertising of any new automobile, no State or political subdivision thereof may adopt or enforce any law or regulation which is applicable to such automobile and which relates to the subject matter of such Federal standard or requirement, unless such law or regulation is identical to such Federal standard or requirement under this part.

USE OF FUEL EFFICIENT PASSENGER AUTOMOBILES BY THE FEDERAL GOVERNMENT

SEC. 510. (a) The President shall, within 60 days after the date of enactment of this Act, promulgate rules which shall require that all passenger automobiles purchased or leased (for a period of one year or more) by all executive agencies in each fiscal year which begins after such date of enactment achieve a fleet fuel economy for such year not less than—

(1) 18 miles per gallon, or

(2) the average fuel economy standard applicable under section 502(a) for the model year which includes January 1 of such fiscal year;

whichever is greater.

(b) The President shall, within 60 days after the date of enactment of this Act, prescribe rules which shall require that each agreement to which an executive agency is a party and which provides for leasing (for a period of less than one year) of passenger automobiles shall contain provisions designed to assure, to the maximum extent practicable, that no agency rents any model type of passenger automobiles the fuel economy of which is less than—

(1) the number of miles per gallon under section 502(a) for the model year in which such automobiles were produced, or

(2) 18 miles per gallon;

whichever is greater.

(c) For purposes of this section:

(1) The term "fleet average fuel economy" means (A) the total number of passenger automobiles purchased or leased in a fiscal year by all executive agencies (excluding passenger automobiles designed to perform combat related missions for the Armed Forces or designed to be used in police work or emergency rescue work) divided by (B) a sum of terms, each term of which is a fraction created by dividing—

(i) the number of passenger automobiles so purchased or leased of a given model type, by

(ii) the fuel economy measured by such model type rounded to the nearest mile per gallon, as determined by the EPA Administrator.

(2) The term "executive agency" has the same meaning as such term has for purposes of section 105 of title 5, United States Code.

PART B—ENERGY LABELING AND EFFICIENCY STANDARDS FOR CONSUMER PRODUCTS OTHER THAN AUTOMOBILES

DEFINITIONS AND COVERAGE

SEC. 551. (a) For purposes of his part:

(1) The term "consumer product" means any article (other than an automobile, as defined in section 501(1)) of type which, to any significant extent, is distributed in commerce for personal use, consumption, or enjoyment of individuals, in or around a permanent or temporary household or residence or a school, in recreation, or elsewhere (without regard to whether such article is in fact sold or used by an individual).

(2) The term "energy" means electricity or fossil fuels.

(3) The term "energy use" means the units of energy resources consumed by a consumer product under conditions of use which the Commission determines approximate, to the greatest extent practicable, actual operating conditions.

(4) The term "energy efficiency" means the relationship of the energy use of a consumer product to its output of services.

(5) The term "energy efficiency standard" means a performance standard which—

(A) prescribes a minimum level of energy efficiency for a consumer product, and

(B) includes (i) testing procedures (prescribed under section 552), and (ii) other requirements which the Commission determines are necessary to assure that any consumer product to which such standard applies meets such required minimum level of energy efficiency.

(6) The term "class of consumer products" means a group of consumer products the functions of which are similar (as determined by the Commission).

(7) The term "manufacturer" means any person who manufactures a consumer product or imports a consumer product into the customs territory of the United States.

(8) The term "distributor" means a person (other than a manufacturer or retailer) to whom a consumer product is delivered or sold for purposes of distribution in commerce.

(9) The term "retailer" means a person to whom a consumer product is delivered or sold for purposes other than resale.

(10) (A) The term "private labeler" means an owner of a brand or trademark on the label of a consumer product which bears a private label.

(B) A consumer product bears a private label if (i) the consumer product (or its container) is labeled with the brand or trademark of a person other than a manufacturer of the consumer product, (ii) the person with whose brand or trademark the consumer product (or container) is labeled has authorized or caused the consumer product to be so labeled, and (iii) the brand or trademark of a manufacturer of such consumer product does not appear on such label.

(11) The term "manufacture" means to manufacture, produce, or assemble or to im-

port into the customs territory of the United States.

(12) The terms "to distribute in commerce" and "distribution in commerce" means to sell in commerce, to import, to introduce or deliver for introduction into commerce, or to hold for sale or distribution after introduction into commerce.

(13) The term "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A).

(14) The terms "import" and "importation" mean to import into the customs territory of the United States include reimporting a consumer product manufactured or processed, in whole or in part, into such customs territory.

(15) The term "Commission" means the Federal Trade Commission.

(b) This part shall apply to the following types of consumer products:

(1) Room and central air-conditioners.

(2) Refrigerators.

(3) Freezers.

(4) Dishwashers.

(5) Clothes dryers.

(6) Kitchen ranges and ovens.

(7) Water heaters.

(8) Home heating equipment, including furnaces.

(9) Television sets.

(10) Clothes washers.

(11) Humidifiers and dehumidifiers.

(12) Any other type of consumer products, if the Commission determines that the average annual per household energy use by products in such type exceeds 100 kilowatt hours per year. For purposes of this paragraph, (A) the term "average annual per household energy use" with respect to a type of products means the aggregate energy use (in kilowatt hours, or the Btu equivalent) of consumer products of such type which are used by households, divided by the number of households in which products of such type are used, and (B) the Btu equivalent of a kilowatt hour is 3,412 British thermal units.

TEST PROCEDURES

SEC. 552. (a) (1) The Commission by rule—

(A) shall prescribe test procedures for determining energy use or energy efficiency (or both) for each class of consumer products which is included in the types of consumer products described in section 551(b)(1) through (11), and

(B) may prescribe such test procedure for any other class of consumer products,

unless the Commission determines that information respecting the energy efficiency or energy use of such class of consumer products is not likely to influence purchasing decisions and that uniform testing procedures for such class are not in the public interest. Any such procedure shall be reasonably designed to produce test results which reflect energy efficiency or energy use, shall be technologically feasible, and shall not be unduly burdensome to conduct.

(2) If the Commission determines that (A) there exists a test procedure which has been issued or adopted by any Federal agency or by any other qualified agency, organization, or institution, and (B) such test procedure, if prescribed under this section, would meet the requirements of paragraph (1), the Commission may prescribe such procedure under this section.

(b) No manufacturer, distributor, retailer, or private labeler may make any representation—

(1) in writing (including a representation on a label), or

(2) in any broadcast advertisement,

respecting the energy use or energy efficiency of a consumer product to which a rule under subsection (a) applies or costs of energy consumed by such product, unless such product has been tested in accordance with such rule and such representation fairly discloses the results of such testing.

(c) (1) A rule may be proposed under subsection (a) only after manufacturers and private labelers of consumer products to which the rule will apply have been afforded an opportunity to consult the Commission.

(2) A rule under this section shall be effective on the 180th day after the date of publication in the Federal Register. A rule under this section (or an amendment thereto) shall not apply to any consumer product, the manufacture of which was completed prior to the effective date of such rule or amendment, as the case may be.

LABELING

SEC. 553. (a) (1) (A) Not later than one year after the date of enactment of this Act, the Commission shall promulgate rules under this section applicable to each class of consumer products which is included in the types of consumer products described in paragraphs (1) through (9) of section 551 (b), unless the Commission determines that the application of labeling requirements under this section to such class of consumer products is not technologically or economically feasible and publishes such determination in the Federal Register.

(B) The Commission shall on application of any person (and may on its own motion) promulgate rules under this section applicable to any class of consumer product of a type described in section 551(b) (10), (11), or (12), if the Commission determines that the application of labeling requirements under this section to such class is economically and technologically feasible and if the Commission determines that such a rule is likely (i) to assist purchasers in determining which consumer products within such class have low energy use or high energy efficiency or (ii) to encourage manufacturers or private labelers to distribute in commerce consumer products of such class which have low energy use or high energy efficiency.

(C) Whenever the Commission prescribes a rule under this section applicable to a class of consumer products, it shall prescribe a test procedure applicable to such class under section 552. Such procedure under section 552 shall apply to such class—

(i) on the effective date of the rule under this section (without regard to section 552 (c) (2)), and

(ii) without regard to any determination required under the first sentence of section 552(a) (1).

(2) If (i) before the date of enactment of this Act, the National Bureau of Standards had issued a voluntary energy conservation specification applicable to any class of consumer products of a type described in paragraphs (1) through (11) of section 551(b) and (ii) the Commission determines that such specification meets the requirements of subsection (b) of this section, it may prescribe such specification as a rule under this section, and it may prescribe any testing procedure included in such specification as a test procedure under section 552. In any proceeding to prescribe such a specification as a rule under this section and section 552, the second sentence of section 564(a) of this Act shall apply only to a person who did not present data, views, or arguments with respect to such voluntary energy conservation specification.

(b) A rule prescribed under this section shall require that any consumer product in the class to which the rule applies bear a label which states the energy efficiency or energy use (or both) of the consumer product (measured in accordance with the test procedure applicable to that class of products under paragraph (3)) and shall include the following:

(1) A description of the class of consumer products covered by such rule.

(2) Subject to subsection (1) (2), data respecting the range of energy efficiency and energy use for such class of consumer products, as determined by the Commission.

(3) A description of the test procedure under section 552 used in measuring the energy efficiency or energy use (or both) of the class of consumer products.

(4) A prototype label and directions for displaying the label. The rule shall require that the label be prominently displayed, readable, and visible to any prospective purchaser at time of purchase. The rule may specify any information in addition to a statement of energy use or energy efficiency which shall be included on the label. Such additional information may include information respecting cost of operation and information to assist the prospective purchaser in comparing, by cost or amount of energy used or otherwise, the energy efficiency or energy use (or both) of a particular consumer product with the others in its class.

A rule prescribed under this section applicable to a product may require disclosure, in any printed matter distributed at the point of sale of such product, or energy use or energy efficiency of the product (or any other information which may be required under this section to be disclosed on the label of such product). Such requirements shall not be applicable to any broadcast advertisement or any advertisement in any newspaper, magazine, or other periodical.

(c) (1) A rule under this section shall be effective on the 180th day after the date of publication in the Federal Register, unless the Commissioner finds that a later effective date is in the public interest.

(2) If the range of energy efficiency or energy use (or both) for the class of consumer products to which the rule applies is not known at the time of publication of a rule under this subsection, the requirement of subsection (b) (2) shall not apply until one year after the effective date of such rule.

(3) A rule under this section (or an amendment thereto) shall not apply to any consumer product, the manufacture of which was completed prior to the effective date of such rule or amendment, as the case may be.

ENERGY EFFICIENCY STANDARDS

SEC. 554. (a) (1) Not later than 90 days after the date of enactment of this Act, the Commission shall, by rule, prescribe an energy efficiency improvement target for each type of consumer products described in paragraphs (1) through (11) of section 551(b). The targets for such types (other than the targets for furnaces and central air conditioners) shall be designed so that if met, aggregate energy efficiency of consumer products of all such types (other than furnaces and central air conditioners) which are sold in 1980 will improve by 25 percent over the aggregate energy efficiency achieved by products of all such types (other than furnaces and central air conditioners) sold in 1972. The targets for furnaces and central air conditioners shall be designed to achieve the maximum energy efficiency which it is economically and technologically feasible to attain for furnaces and for central air conditioners sold in 1980. The Commission shall require each manufacturer of consumer products of any such type to submit such reports, respecting improvement of such products, as the Commission determines may be necessary to determine whether consumer products of such type will achieve the degree of improvement prescribed by the energy efficiency improvement target for such type. If, on the basis of such reports, or of other information available to the Commission, it determines that consumer products of such type will not achieve the energy efficiency improvement target for such type, the Commission shall (subject to subsection (c)) commence a proceeding under subsection (b) to prescribe an energy efficiency standard for such type. The Commission shall prescribe a standard for such type if he determines—

(A) it is technologically and economically feasible to improve the energy efficiency or reduce energy use of consumer products of such type,

(B) the application of the labeling rule applicable to such type is not sufficient to induce manufacturers to produce, and consumers and other persons to purchase, consumer products of such type which achieve the maximum energy efficiency or minimum energy use which it is technologically and economically feasible to attain, and

(C) that the benefits of reduced energy consumption and savings in operating costs throughout the estimated average life of the consumer product (determined through use of a suitable discount rate) outweigh (i) the costs of any increase to the purchaser in initial charges for, or maintenance expenses of, the consumer product, (ii) any lessening of the utility or performance of the consumer product, and (iii) any negative effects on competition.

For purposes of subparagraph (C)(iii), the Commission shall not determine that there are any negative effects on competition, unless the Attorney General makes such determination and submits it in writing to the Commission, together with his analysis of the nature and extent of such negative effects. The determination of the Attorney General shall be available for public inspection.

(2) The Commission may (without regard to paragraph (1)) prescribe an energy efficiency standard applicable to any class of consumer products among the types of consumer products listed in paragraphs (1) through (11) of section 551(b) if the Commission makes the determinations specified in subparagraphs (A), (B), and (C) of paragraph (1) of this subsection.

(b) Any energy efficiency standard shall be prescribed in accordance with the following procedure:

(1) The Commission shall (A) publish an advance notice of proposed rulemaking which specifies (i) the type or class of consumer products, and (ii) the energy efficiency level which the Commission proposes to require by such energy efficiency standard, and (B) invite interested persons to submit within 90 days after the date of publication of such advance notice—

(i) written or oral presentations of data, views, and argument as to the proposed level of energy efficiency, and

(ii) a proposed energy efficiency standard applicable to such class of consumer product.

(2) Not earlier than 120 days after the date of publication of advance notice of proposed rulemaking, the Commission may publish a proposed rule which prescribes an energy efficiency standard for such class of consumer products.

(3) Subsections (c) and (d) of section 18 of the Federal Trade Commission Act shall apply to rules under this section to the same extent that such subsections apply to rules under section 18(a)(1)(B) of such Act.

(4) Not earlier than 60 days after the date of publication of the proposed rule, the Commission may, if it makes the findings required under subsection (a), promulgate a rule prescribing an energy efficiency standard for such class of consumer products, which rule shall take effect not earlier than 180 days after the date of its publication in the Federal Register. Such rule (or any amendment thereto) shall not apply to any consumer product the manufacture of which was completed prior to the effective date of the rule or amendment as the case may be.

(c) A rule may be promulgated under this section respecting a class of consumer products only if a rule under section 553 has been applicable to such class of consumer products for at least 18 months on the date of promulgation of the rule under this section.

REQUIREMENTS OF MANUFACTURERS AND PRIVATE LABELERS

Sec. 555. (a) Each manufacturer of a consumer product to which a rule under section 553 applies shall provide a label that meets, and is displayed in accordance with, the requirements of such rule. If such manufacturer or any distributor, retailer, or private labeler of such product advertises such product in a catalog from which it may be purchased by order, such catalog shall contain all information required to be displayed on the label, except as otherwise provided, by rule, of the Commission. The preceding sentence shall not require that a catalog contain information respecting a consumer product if the distribution of such catalog commenced before the effective date of the labeling rule under section 553 applicable to such product.

(b)(1) Each manufacturer of a consumer product to which a rule under section 553 applies shall notify the Commission, not later than 60 days after the date of such rule becomes effective, of the models in current production (and starting serial numbers of those models) to which such rule applies.

(2) If requested by the Commission, the manufacturer of a consumer product to which a rule under section 553 applies shall provide, within 30 days of the date of the request, the data from which the information included on the label and required by the rule was derived. Data shall be kept on file by the manufacturer for a period provided in the rule. Any manufacturer may, pursuant to rules issued by the Commission, use independent test laboratories or national certification programs to obtain information required by this part.

(3) When requested by the Commission, the manufacturer shall supply at his expense a reasonable number of consumer products to any laboratory designated by the Commission for the purpose of ascertaining whether the information set out on the label, as required under section 553, is accurate. Any reasonable charge levied by the laboratory for such testing shall be borne by the United States.

(4) Each manufacturer of a consumer product to which a rule under section 553 applies shall annually at a time specified by the Commission supply to the Commission relevant energy efficiency data or energy use data (or both) developed in accordance with the test procedure applicable to such product under section 552.

(5) A rule under section 552, 553, or 554 may require the manufacturer or his agent to permit a representative designated by the Commission to observe any testing required by this part and inspect the results of such testing.

(c) Each manufacturer shall use labels reflecting revised energy efficiency or energy use ranges (or both) on all consumer products to which a rule under section 553 of this Act manufactured after the expiration of 60 days following the date of publication of a revised table of ranges. Such ranges may be revised by the Commission only on an annual basis.

EFFECT ON STATE LAW

Sec. 556. (a) This part supersedes any State regulation insofar as such State regulation—

(1) may now or hereafter provide for the disclosure of energy use, energy consumption, energy efficiency, efficiency ratio, or annual energy cost of any consumer product—

(A) if there is any rule under section 553 applicable to such consumer product, and such State regulation is not identical to such rule, or

(B) if there is a rule under section 552 applicable to such consumer product and such State regulation requires disclosure of information other than information disclosed in accordance with such rule under section 552; or.

(2) may now or hereafter provide for any energy efficiency standard or similar requirement respecting energy efficiency or energy use of a consumer product—

(A) if there is a standard under section 554 applicable to such product, and such State regulation is not identical to such standard, or

(B) if there is a rule under section 552 appicable to such product and compliance with such State regulation cannot be determined from testing in accordance with the rule under section 552.

(b)(1) If (A) a State regulation provides for a standard which prescribes a minimum level of energy efficiency for a consumer product and (B) such State regulation is not superseded by subsection (a)(2), then any person subject to such State regulation may petition the Commission for the promulgation of a rule under this subsection which supersedes such State regulation in whole or in part. The Commission shall, within 6 months after the date such a petition is filed, either deny such petition or prescribe a rule under this subsection superseding such State regulation. The Commission shall issue such a rule with respect to a State regulation if and only if the Commission finds that there is no significant State or local interest sufficient to justify such State regulation, or that such State regulation unduly burdens interstate commerce. In making such findings, the Commission shall take into account the criteria set forth in subparagraphs (1), (2), and (3) of section 554(a)(1), and whether a Federal energy efficiency standard is being developed or proposed.

(2) Section 564(a) shall apply to a rule under this subsection. Any findings of the Commission under this subsection and any action prescribing a rule or denying a petition shall be subject to judicial review as provided for in section 564(b) of this Act in the same manner as a rule under section 553.

(c) For purposes of this section, the term "State regulation" means a law or regulation of a State or political subdivision thereof.

RULES

Sec. 557. The Commission may issue such rules as it deems necessary to carry out the provisions of this part. Section 564(a) shall apply to any rule prescribed under this section.

AUTHORITY TO OBTAIN INFORMATION

Sec. 558. For purposes of carrying out this part, the Commission may sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents and may administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of contumacy by, or refusal to obey a subpena served upon any persons subject to this part, the Commission may seek an order from the district court of the United States for any district in which such person is found or resides or transacts business requiring such person to appear and give testimony, or to appear and produce documents.

EXPORTS

Sec. 559. This part shall not apply to any consumer product if (1) such consumer product is manufactured, sold, or held for sale for export from the United States (or that such product was imported for export), unless such product is in fact distributed in commerce for use in the United States, and (2) such consumer product when distributed in commerce, or any container in which it is enclosed when so distributed, bears a stamp or label stating that such consumer product is intended for export.

IMPORTS

SEC. 560. Any consumer product offered for importation in violation of section 561 shall be refused admission into the customs territory of the United States under rules issued by the Secretary of the Treasury except that the Secretary of the Treasury may, by such rules, authorize the importation of such consumer product upon such terms and conditions (including the furnishing of a bond) as may appear to him appropriate to ensure that such consumer product will not violate section 561, or will be exported or abandoned to the United States. The Secretary of the Treasury shall prescribe rules under this section not later than 180 days after the date of enactment of this Act.

PROHIBITED ACTS

SEC. 561. (a) It shall be unlawful—

(1) for any manufacturer or private labeler to distribute in commerce any new consumer product to which a rule under section 553 applies, unless there is provided with such consumer product a label meeting the requirements of such rule, including any requirements as to manner of display;

(2) for any manufacturer or private labeler to distribute in commerce any new consumer product to which a rule under section 553 applies, if the label required to be provided with such a new consumer product contains misleading or inaccurate information concerning energy use or energy efficiency (or both);

(3) for any manufacturer, distributor, or retailer to remove from any new consumer product or render illegible any label required to be provided with such product under a rule under section 553;

(4) for any manufacturer to fail to or refuse to permit access to, or copying of, records or fail to or refuse to make reports or provide information required to be supplied under section 553(d)(2) or 555 or any other provision of this part;

(5) for any manufacturer to fail to or refuse to comply with requirements of section 555 (b)(3) or (b)(5) of this Act; or

(6) for any manufacturer or private labeler to distribute in commerce in the United States, any new consumer product which is not in conformity with an applicable energy efficiency standard under this part.

(b) For purposes of this section, the term "new consumer product" means a consumer product the title of which has not passed to the first purchaser for purposes of other than resale.

ENFORCEMENT

SEC. 562. (a) Except as provided in subsection (b), any person who knowingly violates any provision of section 561 shall be subject to a civil penalty of not more than $100 for each violation. Civil penalties assessed under this part may be compromised by the Commission, taking into account the nature and degree of the violation and the impact of the penalty upon a particular respondent. Each violation of paragraph (1), (2), (3), or (6) of section 561(a) shall constitute a separate violation with respect to each consumer product and each day of violation of section 561(a) (4) or (5) shall constitute a separate violation.

(b) As used in subsection (a) of this section, the term "knowingly" means (1) the having of actual knowledge, or (2) the presumed having of knowledge deemed to be possessed by a reasonable man who acts in the circumstances, including knowledge obtainable upon the exercise of due care to ascertain the truth of representations.

(c) It shall be an unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1) of the Federal Trade Commission Act) for any person to violate section 552(b).

INJUNCTIVE ENFORCEMENT

SEC. 563. The United States district courts shall have jurisdiction to restrain (1) any violation of section 561 and (2) any person from distributing in commerce any consumer product which does not comply with an applicable rule under section 553 or 554. Such action may be brouhgt in any United States district court for a district wherein any act, omission, or transactions constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action under this section process may be served on a defendant in any other district in which the defendant resides or may be found.

ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 564. (a) Rules under section 552, 553, or 557 shall be prescribed in accordance with section 553 of title 5, United States Code, except that the Commission shall afford interested persons an opportunity to present written and oral data, views, and argument with respect to any proposed rule. In addition, the Commission shall by means of conferences or other informal procedures, afford any interested person an opportunity to question—

(A) other interested persons who have made oral presentations, and

(B) employees of the United States who have made written or oral presentations,

with respect to disputed issues of material fact. Such opportunity shall be afforded to the extent the Commission determines that questioning pursuant to such procedures is likely to result in a more effective resolution of such issues. A transcript shall be kept of any oral presentation under this paragraph.

(b)(1) Any person who will be adversely affected by a rule promulgated under section 552 or 553 when it is effective may at any time prior to the sixtieth day after the date such rule is promulgated file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review thereof. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commission. The Commission thereupon shall file in the court the written submissions to, and transcript of, the proceedings on which the rule was based as provided in section 2112 of title 28, United States Code.

(2) Upon the filing of the petition referred to in paragraph (1), the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter. No rule under section 552 or 553 may be affirmed unless supported by substantial evidence.

(3) The judgment of the court affirming or setting aside, in whole or in part, any such rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(4) The remedies provided for in this subsection shall be in addition to and not in substitution for any other remedies provided by law.

(5) Section 18(e) of the Federal Trade Commission Act shall apply to rules under section 554 to the same extent that it applies to rules under section 18(a)(1)(B) of such Act.

COOPERATION WITH OTHER AGENCIES; DELEGATION

SEC. 565. (a) Section 16 of the Federal Trade Commission Act shall apply to the exercise of any functions by the Commission pursuant to this part to the same extent that such section applies to functions under sections 5(m), 9, and 13 of the Federal Trade Commission Act.

(b) The Commission may enter into an agreement with the National Bureau of Standards to aid the Commission, on a reimbursable basis, in performing research and analyses related to energy use and energy efficiency of products, and in developing and recommending to the Commission test procedures, labeling requirements, and energy efficiency standards.

TITLE VI—CONVERSION FROM OIL OR GAS TO OTHER FUELS

EXTENSION OF AUTHORITY TO ISSUE ORDERS

SEC. 601. Section 2(f)(1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by revising the date "June 30, 1975" to read "June 30, 1977".

EXTENSION OF ENFORCEMENT AUTHORITY

SEC. 602. Section 2 of the Energy Supply and Environmental Coordination Act of 1974 is amended as follows:

(1) Subsection (f)(1) of that section is amended by revising the date "January 1, 1979" to read "January 1, 1985".

(2) Subsection (f)(2) of that section is amended by revising the date "December 31, 1978" to read "December 31, 1984", and by revising the date "January 1, 1979" to read "January 1, 1985".

ADDITIONAL INSTALLATIONS SUBJECT TO PROHIBITION ORDERS

SEC. 603. Section 2(a) of the Energy Supply and Environmental Coordination Act of 1974 is amended to read as follows:

"(a) The Federal Energy Administrator—

"(1) shall, by order, prohibit any powerplant, and

"(2) may, by order, prohibit any major fuel burning installation, other than a powerplant,

from burning natural gas or petroleum products as its primary energy source, if the requirements of subsection (b) are met and if (A) the Federal Energy Administrator determines such powerplant or installation on June 22, 1974, had, or thereafter acquires or is designed with, the capability and necessary plant equipment to burn coal, or (B) such powerplant or installation is required to meet a design or construction requirement under subsection (c)."

ADDITIONAL INSTALLATIONS REQUIRED TO BE CONSTRUCTED WITH A COAL-BURNING CAPABILITY

SEC. 604. Section 2(c) of the Energy Supply and Enivronmental Coordination Act of 1974 is amended by inserting "or other major fuel burning installation" after "powerplant" wherever it appears.

AUTHORITY TO PROHIBIT USE OF NATURAL GAS AS BOILER FUEL

SEC. 605. (a) Section 2 of the Energy Supply and Environmental Coordination Act of 1974 is amended by redesignating subsections (e) and (f) as (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e)(1) The Federal Energy Administrator may, by order, prohibit any powerplant, from burning natural gas if—

"(A) the Administrator determines that—

"(i) an order has been issued to such plant under paragraph (3), or such powerplant had on June 30, 1975 (or at any time thereafter) the capability and necessary plant equipment to burn petroleum products.

"(ii) an order under subsection (a) may not be issued with respect to such plant,

"(iii) the burning of petroleum products by such plant in lieu of natural gas is practicable and consistent with the purposes of this Act,

"(iv) petroleum products will be available during the period the order is in effect,

"(v) the order will result in making natural gas available to users who will not use it as fuel for the production of steam and such natural gas will be used in substitution for petroleum products,

"(vi) the order will not result in an increase in consumption of petroleum products,

"(vii) the prohibition under this paragraph will not impair the reliability of service in the area served by the plant, and

"(viii) serious negative impact on consumers will not result.

"(B) the Administrator of the Environmental Protection Agency has certified that if such plant will be able to burn the petroleum products which the Administrator of the Federal Energy Administration has determined under subparagraph (A) (iv) will be available to it, such plant will be able to comply with the Clean Air Act (including any applicable implementation plan).

An order under this paragraph shall not take effect until the earliest date on which the Administrator of the Environmental Protection Agency has certified such plant can burn petroleum products and can comply with the Clean Air Act (including any applicable implementation plan).

"(2) (A) (i) The Federal Energy Administrator shall exempt from any order under this subsection the burning of natural gas for the necessary processes of ignition, start-up, testing, and flame stabilization by powerplants.

"(ii) The Administrator shall not issue any order under this subsection which applies to any powerplant which was in existence on June 30, 1975, which during the 12-month period preceding such date did not burn petroleum products, and which the Administrator determines will be operated on natural gas only for the purpose of providing electric power which would otherwise be provided by one or more of the base load powerplants of the same electric power system which cannot be operated because of an air pollution emergency or because of an unanticipated equipment outage or an act of God."

"(B) Subject to subparagraph (A), the Administrator may make an order under paragraph (1) apply to all natural gas burned by the powerplant to which it applies or may specify the periods and amounts to which such order shall apply.

"(3) The Federal Energy Administrator may, by order, require that any powerplant or fuel-burning installation in the early planning process (other than a powerplant or installation to which an order may be issued under subsection (c), or a combustion gas turbine or combined cycle unit) be designed and constructed so as to be capable of using petroleum products as its primary source of energy for production of steam. No powerplant or installation may be required under this paragraph to be designed and constructed if the Administrator determines that (A) in the case of a powerplant, to do so is likely to result in an impairment of reliability or adequacy of service, or (B) an adequate and reliable supply of petroleum products is not expected to be available. In considering whether to impose a design and construction requirement under this paragraph, the Federal Energy Administrator shall consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner to recover any capital investment made as a result of any requirement imposed under this paragraph.

"(4) The procedures specified in subsections (b) and (c) of section 18 of the Federal Trade Commission Act shall apply to orders under this subsection (e) to the same extent that such subsections apply to rules prescribed under section 18(a) (1) (B) of such Act. Any such order shall be reviewed in accordance with section 18(e) of such Act in the same manner as rules under such section 18(a) (1) (B)."

(b) Section 2(g) (1) of such Act (as redesignated by subsection (a)) is amended by striking out "(d)" and inserting "(e)".

INCENTIVES TO OPEN NEW UNDERGROUND MINES

SEC. 606. (a) The Administrator may, in accordance with regulations prescribed under subsection (d), guarantee loans made to persons described in subsection (c) (1) for the purpose of opening new underground coal mines.

(b) (1) A person shall be eligible for a guarantee under subsection (a) if the Administrator determines—

(A) that such person is capable of successfully developing and operating the mine with respect to which the loan guarantee is sought;

(B)—that such person has provided adequate assurance that the mine will be constructed and operated in compliance with the provisions of the Federal Coal Mine Health and Safety Act and that no final judgment holding such person liable for any fine or penalty under such Act is unsatisfied;

(C) that there is a reasonable prospect of repayment of the guaranteed loan;

(D) that such person has obtained a contract of at least 10 years duration for the sale of coal to be produced from such mine to a person (i) who requires such coal in order to meet requirements of section 111 or 119 of the Clean Air Act, or of an applicable implementation plan (as defined in section 110 of such Act); and (ii) in the case of coal which is not low sulfur coal, who the Administrator of the Environmental Protection Agency certifies can burn such coal without the use of a continuous emission reduction system for sulfur-related emissions;

(E) that the loan will be adequately secured; and

(F) that such person would be unable to obtain adequate financing without such guarantee.

(2) The total amount of guarantees issued to any person (including all persons affiliated with such person) may not exceed $30,000,000. The amount of a guarantee issued with respect to any loan may not exceed (A) 80 percent of the principal balance of the loan, in the case of a loan for the purpose of opening a mine which produces low sulfur coal, or (B) 40 percent of such principal balance in any other case.

(3) The aggregate outstanding principal amount of loans which are guaranteed under this section may not at any time exceed $750,000,000. Not more than 20 percent of the amount of guarantees issued under this section in any fiscal year may be issued with respect to loans for the purpose of opening new underground coal mines which produce coal which is not low sulfur coal.

(c) For purposes of this section—

(1) A person shall be considered eligible for a guarantee under this section if such person (together with all persons affiliated with such producer)—

(A) did not produce more than 1,000,000 tons of coal in the calendar year preceding the year in which he makes application for a loan guarantee under this section;

(B) did not produce more than 300,000 barrels of crude oil or own an oil refinery in such preceding calendar year; and

(C) did not have gross revenues in excess of $50,000,000 in such calendar year.

(2) A person is affiliated with another person if he controls, is controlled by, or is under common control with such other person.

(3) The term "low sulfur coal" means coal which, in a quantity necessary to produce one million British thermal units, does not contain sulfur or sulfur compounds the elemental sulfur content of which exceeds 0.6 pound. Sulfur content shall be determined after the application of any coal preparation process which takes place before sale of the coal by the producer.

(d) The Administrator shall prescribe such regulations as may be necessary or appropriate to carry out this section.

TITLE VII—GENERAL PROVISIONS

PART A—PROCEDURE, REVIEW, ENFORCEMENT, AND OTHER GENERAL PROVISIONS

ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 701. (a) (1) Subject to paragraph (2), (3), and (4) of this subsection, the provisions of subchapter II of chapter 5 of title 5, United States Code, shall apply to any rule, regulation, or order having the applicability and effect of a rule as defined in section 551(4) of title 5, United States Code, issued under title II or III of this Act (other than a provision of any such title which amends another law).

(2) Notice of any proposed rule, regulation, or order which is substantive and of general applicability described in paragraph (1) shall be given by publication of such proposed rule or order in the Federal Register. In each case, a minimum of 30 days following the date of such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time of notice and opportunity to comment may be reduced to no less than 10 days if the President finds that strict compliance would seriously impair the operation of the program to which such rule, regulation, or order relates and such findings are set out in such rule, regulation, or order. In addition, public notice of all rules, regulations, or orders of general applicability described in paragraph (1) which are promulgated by officers of a State or political subdivision thereof or to State or local boards pursuant to this Act shall, to the maximum extent practicable, be achieved by publication of such rules or orders in a sufficient number of newspapers of general circulation calculated to receive widest practicable notice.

(3) In addition to the requirements of paragraph (2) and to the maximum extent practicable, an opportunity for oral presentation of data, views, and arguments shall be afforded and such opportunity shall be afforded prior to the implementation of such rule, regulation, or order, but in all cases such opportunity shall be afforded no later than 45 days after the date of the implementation of any such rule, regulation, or order. A transcript shall be made of any oral presentation.

(4) Any officer or agency authorized to issue rules, regulations, or orders described in paragraph (1) shall provide for the making of such adjustments, consistent with the other purposes of this Act as may be necessary to prevent special hardship, inequity, or an unfair distribution of burdens and shall in rules prescribed by it establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or recission of, or an exception to or exemption from, such rules, regulations, and orders.

If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the officer or agency and may obtain judicial review in accordance with subsection (b) or other applicable law when such denial becomes final. The officer or agency shall, in rules prescribed by it, establish appropriate procedures, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

(b) The procedures for judicial review established by section 211 of the Economic Stabilization Act of 1970 shall apply to proceedings to which subsection (a) applies, as if such proceedings took place under such Act. Such procedures for judicial review shall apply notwithstanding the expiration of the Economic Stabilization Act of 1970.

(c) Any agency authorized, by titles II and III of this Act, to issue any rule, regulation, or order described in subsection (a)(1) shall, upon written request of any person, which request is filed after any grant or denial of a request for exception or exemption from any such rule, regulation, or order, furnish such person, within 30 days after the date on which such request is filed, with a written opinion setting forth applicable facts and the legal basis in support of such grant or denial.

PROHIBITED ACTS

SEC. 702. It shall be unlawful for any person to violate any provision of title II, or title III of this Act (other than a provision of any such title which amends another law), or to violate any rule, regulation, or order issued pursuant to any such provision.

ENFORCEMENT

SEC. 703. (a) Whoever violates section 702 shall be subject to a civil penalty of not more than $5,000 for each violation.

(b) Whoever willfully violates section 702 shall be fined not more than $10,000 for each violation.

(c) Any person who knowingly and willfully violates section 702 with respect to the sale, offer of sale, or distribution in commerce of a product or commodity after having been subjected to a civil penalty for a prior violation of section 702 with respect to the sale, offer of sale, or distribution in commerce of such product or commodity shall be fined not more than $50,000 or imprisoned not more than 6 months, or both.

(d) Whenever it appears to any person in whom is vested, or to whom is delegated, authority under this Act that any person has engaged, is engaged, or is about to engage in acts or practices constituting a violation of section 702, such person in whom is vested, or to whom is delegated, may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any rule, regulation, or order described in section 702.

DELEGATION OF AUTHORITY AND EFFECT ON STATE LAW

SEC. 704. (a) Within 30 days after the date of the approval of a gasoline rationing contingency plan pursuant to section 752 of this Act, the President shall, by rule, offer an opportunity for interested persons to make oral presentations to assist in—

(1) establishing criteria for delegation of his functions under this Act to officers or local boards (of balanced composition reflecting the community as a whole) of States or political subdivisions thereof; and

(2) establishing procedures for petitioning for the receipt of such delegation.

(b)(1) Offices or local board of States or political subdivisions thereof, following the establishment of criteria for delegation and procedures for petitioning in accordance with subsection (a) of this section, may petition the President for the receipt of such delegation.

(2) The President shall, within 30 days after the date of the receipt of any such petition which is properly submitted, grant or deny such petition.

(c) No State law or State program in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any rule, regulation, or order described in section 702 except insofar as such State law or State program is inconsistent with such provision, rule, regulation or order.

PROHIBITION ON CERTAIN ACTIONS

SEC. 705. Action taken under authority of this Act, or the Emergency Petroleum Allocation Act of 1973, resulting in the allocation of petroleum products and electrical energy among classes of users or resulting in restrictions on use of petroleum products and electrical energy shall not be based upon unreasonable classification of, or unreasonable differentiation between, classes of users. In making any such allocation the President or any agency of the Federal Government to which such authority is assigned, shall give consideration to the need to foster reciprocal and nondiscriminatory treatment by foreign countries of United States citizens engaged in commerce in those countries.

EXTENSION OF ENERGY INFORMATION GATHERING AUTHORITY

SEC. 706. Section 11(g)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "June 30, 1975" wherever it appears and inserting in lieu thereof "December 31, 1979".

EXPIRATION

SEC. 707. The authority under any provision of titles II and III of this Act (other than any provision of any such title which amends another law) and any rule, regulation, or order issued pursuant to such authority, shall expire at midnight, June 30, 1985, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight, June 30, 1985.

TRANSFER OF AUTHORITY

SEC. 708. In accordance with section 15(a) of the Federal Energy Administration Act of 1974, the President shall designate, after the termination of the Federal Energy Administration where applicable and not otherwise provided by law, an appropriate Federal agency to carry out the provisions of this Act which are vested in or delegated to the Federal Energy Administrator.

SEC. 709. Any employee of the Administrator, or of the Secretary of the Interior, who performs any function or duty under this Act, and who has a direct financial interest in any corporation, company, association, firm, partnership, or other private entity engaged in the business of exploring, developing, producing, refining, transporting by pipeline, or selling (other than at the retail level) coal, natural gas, or petroleum products, or has any interest in property from which coal, natural gas, or petroleum is commercially produced, shall, beginning on February 1, 1977, annually file with the Administrator (or the Secretary of the Interior, as the case may be) a written statement concerning all such interests held by such employee during the preceding calendar year. Such statement shall be available to the public. Whoever knowingly violates the provisions of this section shall, upon conviction, be punished by a fine of not more than $2,500 or by imprisonment for not more than one year, or both. The Administrator (and the Secretary of the Interior, as the case may be) shall (1) within ninety days after enactment of this act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions of this section will be monitored and enforced, including appropriate provisions for the filing by such employees and the review by the Administrator (or the Secretary of the Interior, as the case may be) of such statements, and (2) report to the Congress on June 1st of each calendar year on the actions taken and not taken during the preceding calendar year under this section. The Administrator (and the Secretary of the Interior, as the case may be) by regulation published in accordance with 5 U.S.C. 553, may identify specific positions within their respective agencies which are of a non-regulatory and/or nonpolicymaking nature and provide that employees occupying such positions shall be exempt from the requirements of this section.

PART B—CONGRESSIONAL REVIEW

PROCEDURE FOR CONGRESSIONAL REVIEW OF PRESIDENTIAL REQUESTS TO IMPLEMENT CERTAIN EXTRAORDINARY AUTHORITIES

SEC. 751. (a) For purposes of this section, the term "energy action" means:

(1) a request to put into effect an energy conservation plan under section 202 of this Act;

(2) a request to put into effect a gasoline rationing contingency plan under section 203 of this Act;

(3) a rule under section 211 of this Act related to international petroleum product allocation;

(4) the National Civilian Strategic Petroleum Reserve Plan developed under section 253(b), the Early Storage Reserve Plan developed under section 254(b), a proposal developed under section 255(b), or any amendment under section 255(c), of this Act;

(5) any request to exercise authority under section 256(a) of this Act;

(6) any proposal to draw down or distribute the National Civilian Strategic Petroleum Reserve under section 258 of this Act;

(7) notice of a modified average fuel economy standard under section 502(a)(4) of this Act; or

(8) any other action proposed to be taken, amendment proposed to be made effective, or authority proposed to be exercised, with respect to which congressional review is required pursuant to the procedures specified in this section.

(b) The President shall transmit any energy action (bearing an identification number) to both Houses of Congress on the same day and to each House while it is in session.

(c)(1) Except as provided in paragraph (2) of this subsection, if energy action is transmitted to the Houses of Congress, such action shall take effect at the end of the first period of 15 calendar days of continuous session of Congress after the date on which such action is transmitted to such Houses, unless between the date of transmittal and the end of such 15-day period, either House passes a resolution stating in substance that such House does not favor such action, or with respect to actions authorized by section 256, both Houses pass such a resolution.

(2) An energy action described in paragraph (1) may take effect prior to the expiration of the 15-calendar-day period after the date on which such action is transmitted, if each House of Congress approves a resolution affirmatively stating in substance that such House does not object to such action.

(d) For the purpose of subsection (c) of of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 15-calendar-day period.

(e) Under provisions contained in an energy action, a provision of such an action may take effect on a date later than the date on which such action otherwise takes effect pursuant to the provisions of this section.

(f)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of the House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress described in subparagraph (A) or (B) of this paragraph.

(A) A resolution the matter after the resolving clause of which is as follows: "That the ———— does not object to the energy action numbered ———— submitted to the Congress on ————, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled; but does not include a resolution which specifies more than one energy action.

(B) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not favor the energy action numbered ——— transmitted to Congress on ———, 19—.", the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; but does not include a resolution which specifies more than one energy action.

(3) A resolution once introduced with respect to an energy action shall immediately be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If the committee to which a resolution with respect to an energy action has been referred has not reported it at the end of 5 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such energy action which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same energy action), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same energy action.

(5)(A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to; except that it shall be in order to substitute a resolution described in paragraph (2)(A) of this subsection with respect to an energy action for a resolution described in paragraph (2)(B) of this subsection with respect to the same such action, or a resolution described in paragraph (2)(B) of this subsection with respect to an energy action for a resolution described in paragraph (2)(A) of this subsection with respect to the same such action.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decision of the Chair relating to the application of the rules of the Sente or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(7) Notwithstanding any of the provisions of this subsection, if a House has approved a resolution with respect to an energy action, then it shall not be in order to consider in that House any other resolution with respect to the same such action.

EXPEDITED PROCEDURE FOR CONGRESSIONAL CONSIDERATION OF CERTAIN AUTHORITIES

SEC. 752. (a) Any contingency plan transmitted to the Congress pursuant to section 201(a)(1) shall bear an identification number and shall be transmitted to both Houses of Congress on the same day and to each House while it is in session.

(b) No such contingency plan may be considered approved for purposes of section 201(a)(1) of this Act unless between the date of transmittal and the end of the first period of 60 calendar days of continuous session of Congress after the date on which such action is transmitted to such House, each House of Congress passes a resolution described in subsection (d)(2).

(c) For the purpose of subsection (b) of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-calendar-day period.

(d)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of the House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress the matter after the resolving clauses of which is as follows: "That the ———— approves the contingency plan numbered ———— submitted to the Congress on ————, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filed; but does not include a resolution which specifies more than one contingency plan.

(3) A resolution once introduced with respect to a contingency plan shall immediately be referred to a committee (and all resolutions with respect to the same contingency plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If the committee to which a resolution with respect to a contingency plan has been referred has not reported it at the end of 20 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such contingency plan which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same contingency plan), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same contingency plan.

(5)(A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even through a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to: except that it shall be in order to substitute a resolution to disapprove such contingency plan with respect to the same contingency plan.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(7) Notwithstanding any of the provisions of this subsection, if a House has approved a resolution with respect to a contingency plan, then it shall not be in order to consider in that House any other resolution with respect to the same such action.

TITLE VIII—ENERGY CONSERVATION THROUGH PROHIBITION OF UNNECESSARY TRANSPORTATION

SEC. 801. (a) In order to achieve more energy conservation, no vehicle using gasoline or diesel fuel may be used to transport any public school student to a school farther than the public school which is closest to his home offering educational courses for the grade level and course of study of the student and which is within the boundaries of the school attendance district wherein the student resides.

(2) Any person who violates section 1(a) of this title shall be subject to a civil penalty of not more than $5,000, for each violation of such section.

(3) This title shall not apply to any person—

(A) who is a parent using gasoline or diesel fuel to transport his child to a public school; or

(B) who is using gasoline or diesel fuel for the transportation of any public school student to any school for the purpose of participation in athletic, educational, social, or other extracurricular activities approved by the local educational authorities in charge of the public school such student attends.

SEC. 802. (a) No person may sell gasoline or diesel fuel for a vehicle which the seller of such gasoline or diesel fuel knows or has reason to know will use such gasoline or diesel fuel in violation of section 1(a) of this title.

(b) Any person who the Administrator of the Federal Energy Administration determines violates section 1(a) of this title shall not be entitled for the six-month period beginning on the date of such determination to any allocation of gasoline or diesel fuel under any Federal law which provides for the allocation of gasoline or diesel fuel.

TITLE IX—ENERGY DATA BASE

VERIFICATION AUDITS

SEC. 901. (a) The Comptroller General may conduct verification audits with respect to the books and records of—

(1) any person who is required to submit energy information to the Federal Energy Administration, the Department of the Interior, or the Federal Power Commission pursuant to any rule, regulation, order, or other legal process of such Administration, Department, or Commission; or

(2) any person who is engaged in the production, processing, refining, transportation by pipeline, or distribution (at other than the retail level) of energy resources—

(A) if such person has furnished, directly or indirectly, energy information (without regard to whether such information was furnished pursuant to legal requirement) to any Federal agency (other than the Internal Revenue Service), and

(B) if the Comptroller General determines that such information has been or is being used or taken into consideration, in whole or in part, by a Federal agency in carrying out responsibilities committed to such agency.

(b) (1) The Comptroller General may conduct oversight audits with respect to the financial statements which any vertically integrated petroleum company has filed with the Securities and Exchange Commission.

(2) The Comptroller General may conduct verification audits with respect to the financial statements which any integrated petroleum company has filed with the Securities and Exchange Commission if, on the basis of an oversight audit, the Comptroller General determines that the independent public accountant who certified such statements did not adequately examine books and records of any such company or further examination is necessary to determine the accuracy, reliability, or adequacy of such statements.

(c) The Comptroller General shall conduct verification audits of any person described in subsection (a) or (b) if requested to do so by any duly established committee or subcommittee of the Congress having legislative or investigative jurisdiction.

(d) For purposes of this title—

(1) The term "verification audit" means an examination of such books and records of a person as the Comptroller General determines necessary and appropriate to assess the accuracy, reliability, and adequacy of the energy information furnished or financial statements filed, as the case may be, by such person.

(2) The term "oversight audit" means an examination of the books and records of any independent public accountant who certified the financial statements filed by any person with the Securities and Exchange Commission and the books and records of such person which were examined by such independent public accountant in certifying such statements.

(3) The term "energy information" has the same meaning as such term has in section 11(e)(1) of the Energy Supply and Environmental Coordination Act of 1974.

(4) The term "person" has the same meaning as such term has in section 11(e)(2) of the Energy Supply and Environmental Coordination Act of 1974.

(5) The term "vertically integrated petroleum company" means any person engaged in the production, refining, and marketing of petroleum products.

(6) The term "financial statement" means any financial statement filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934.

POWERS OF THE COMPTROLLER GENERAL AND REPORTS

SEC. 902. (a) For the purpose of carrying out his authority under section 901—

(1) the Comptroller General may—

(A) sign and issue subpenas for the attendance and testimony of witnesses and the production of books, records, papers, and other documents;

(B) require any person, by general or special order, to submit answers in writing to interrogatories, to submit books, records, papers, or other documents, or to submit any other information or reports, and such answers or other submissions shall be made within such reasonable period, and under oath or otherwise, as the Comptroller General may determine; and

(C) administer oaths;

(2) the Comptroller General, or any officer or employee duly designated by the Comptroller General, upon presenting appropriate credentials and a written notice from the Comptroller General to the owner, operator, or agent in charge, may—

(A) enter, at reasonable times, any business premise or facility; and

(B) inspect, at reasonable times and in a reasonable manner, any such premise or facility, inventory and sample any stock of energy resources therein, and examine and copy books, records, papers, or other documents, relating to any such energy information.

(b) The Comptroller General shall have access to any energy information or financial statement within the possession of any Federal agency (other than the Internal Revenue Service) as is necessary to carry out its authority under this section.

(c) (1) Except as provided in subsection (d), the Comptroller General shall transmit a copy of the results of any verification audit conducted under section 901 to the Federal agency to which energy information or financial statement which was subject to such audit was furnished.

(2) Any report made pursuant to paragraph (1) of this subsection shall include the Comptroller General's findings with respect to the accuracy, reliability, and adequacy of the energy information or financial statement which was the subject of such audit.

(d) If the verification audit was conducted at the request of any committee or subcommittee of the Congress, the Comptroller General shall report his findings directly to such committee or subcommittee of the Congress.

(e) The Comptroller General shall prepare and submit to the Congress an annual report with respect to the exercise of its authorities under this title, which report shall specifically identify any deficiencies in energy information or financial statements reviewed by the Comptroller General and include a discussion of action taken, if any, to correct any such deficiencies.

(f) Any reports made by the Comptroller General under this section and any information obtained by the Comptroller General under this title (except reports and information made or obtained by the Comptroller General in response to a request of a duly established committee or subcommittee of the Congress pursuant to section 901(c)) shall be subject to section 552 of title 5, United States Code, except that any such report and any information obtained by the Comptroller General under this title shall be supplied to any duly established committee or subcommittee of the Congress having legislative or investigative jurisdiction over the subject matter to which such report pertains upon request of such committee or subcommittee.

ACCOUNTING PRACTICES

SEC. 903. (a) For purposes of developing a reliable energy data base related to the production of crude oil and natural gas, the Securities and Exchange Commission shall, by rule, after consultation with the Financial Accounting Standards Board, prescribe accounting practices to be followed in the preparation of accounts by persons engaged, in whole or in part, in the production of crude oil or natural gas in the United States. Such rules shall be prescribed not later than twenty-one months after the date of enactment of this Act and shall take effect with respect to the first accounting quarter of each such person which begins six months after the date on which such rules are prescribed and shall apply to each such person.

(b) In carrying out its authority under this section, the Commission shall consult with the Federal Energy Administration, the General Accounting Office, and the Federal Power Commission with respect to any rule proposed to be prescribed under subsection (a) of this section.

(c) The Commission, in prescribing such rules, shall require observances of accounting practices to be followed in the preparation of accounts which, to the greatest extent practicable, permit the compilation, treating domestic and foreign operations as separate categories, of an energy data base consisting of:

(1) The separate calculation of capital, revenue, and operating cost information pertaining to—

(A) prospecting,

(B) acquisition,

(C) exploration,

(D) development, and

(E) production,

including geological and geophysical costs, carrying costs, unsuccessful exploratory drilling costs, intangible drilling and development costs on productive wells, the cost of unsuccessful development wells, and the cost of acquiring oil and gas reserves by means other than development. Any such calculation shall take into account disposition of capitalized costs, contractual arrangements involving special conveyance of rights and joint operations, differences between book and tax income, and prices used in the transfer of products or other assets from one person to any other person, including a person controlled by, controlling or under common control with such person.

(2) The full presentation of the financial information of persons engaged in the production of crude oil or natural gas, including—

(A) disclosure of reserves and operating activities, both domestic and foreign, to facilitate evaluation of financial effort and result; and

(B) classification of financial information by function to facilitate correlation with reserve and operating statistics, both domestic and foreign.

(3) Such other information, projections, and relationships of collected data as shall be necessary to facilitate the compilation of such data base.

ENFORCEMENT

SEC. 904. (a) Any person who violates any general or special order of the Office issued under section 902(a)(2) of this Act may be assessed a civil penalty not to exceed $10,000 for each violation. Each day of failure to comply with such an order shall be deemed a separate violation. Such penalty shall be assessed by the Comptroller General and collected in a civil action brought by the Comptroller General through any attorney employed by the General Accounting Office or any other attorney designated by the Comptroller General, or, upon request of the Comptroller General, the Attorney General. A person shall not be liable with respect to any period during which the effectiveness of the order with respect to such person was stayed.

(b) Any action to enjoin or set aside an order issued under section 902(a)(2) may be brought only before the United States Court of Appeals for the District of Columbia. Any action to collect a civil penalty for violation of any general or special order may be brought only in the United States District Court for the District of Columbia. In any action brought under subsection (a) to collect a civil penalty, process may be served in any judicial district of the United States.

(c) Upon petition by the Comptroller General through any attorney employed by the General Accounting Office or designated by the Comptroller General, or, upon request of the Comptroller General, the Attorney General, any United States district court within the jurisdiction of which any inquiry under this title is carried on may, in the case of refusal to obey a subpena of the Comptroller General issued under this title, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

AMENDMENTS TO ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

SEC. 905. (a) Section 11(g)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "June 30, 1975" wherever it appears and inserting in lieu thereof in each case "September 30, 1980".

(b) Section 11(c) of such Act is amended by adding at the end thereof the following:

"(3) In order to carry out his responsibilities under subsection (a) of this section, the Federal Energy Administrator shall require, pursuant to subsection (b)(1)(A) of this section, that persons engaged, in whole or in part, in the production of crude oil or natural gas submit reports with respect to energy information kept in accordance with the accounting practices prescribed under section 904 of the Energy Conservation and Oil Policy Act of 1975. The Administrator shall file quarterly energy data base reports with the President and the Congress compiled from accounts kept in accordance with such section 903 and submitted to the Administrator in accordance with this paragraph. Such reports shall present energy information in the categories specified in subsection (c) of such section 903 to the extent that such information may be compiled from such accounts. Such energy information shall be collected and such quarterly reports made for each calendar quarter which begins six months after the effective date of the rules prescribed under such section 903.

TITLE X—LIMITATION ON PASS-THROUGHS OF PETROLEUM COST INCREASES

LIMITATION ON PASSTHROUGHS

SEC. 1001. Subparagraph (A) of section 4(b)(2) of the Emergency Petroleum Allocation Act of 1973 is amended by adding before the semicolon in such subparagraph the following: ", except that no passthrough of such net increases which are incurred after the date of enactment of the Energy Conservation and Oil Policy Act of 1975 may be permitted more than 60 days after the date on which such increases were incurred."

TITLE XI—PENALTIES UNDER THE ALLOCATION ACT

SEC. 1101. Section 5 of the Emergency Petroleum Allocation Act of 1973 is amended:

(1) by striking out "sections 205 through 211" in subsection (a)(1) of such section and inserting in lieu thereof "sections 205 through 207 and sections 209 through 211"; and

(2) by adding at the end of subsection (a) of such section the following:

"(3) (A) Whoever violates any provision of the regulation under section 4(a) of this Act or any order under this Act shall be subject to a civil penalty—

"(i) with respect to activities relating to the production or refining of crude oil, of not more than $20,000 for each violation;

"(ii) with respect to activities relating to the distribution of residual fuel oil or any refined petroleum product (other than at the retail level), to a civil penalty of not more than $10,000 for each violation; and

"(iii) with respect to activities relating to the distribution of residual fuel oil or any refined petroleum product at the retail level or any other person, a civil penalty of not more than $2,500 for each violation.

(B) Whoever willfully violates any provision of such regulation or any such order shall be imprisoned not more than 1 year, or—

"(i) with respect to activities relating to the production or refining of crude oil, shall be fined not more than $40,000;

"(ii) with respect to activities relating to the distribution of residual fuel oil or any refined petroleum product (other than at the retail level), shall be fined not more than $20,000;

"(iii) with respect to activities relating to the distribution of residual fuel oil or any refined petroleum product at the retail level or any other person shall be fined not more than $10,000; or both.

"(4) Any individual director, officer, or agent of a corporation who knowingly and willfully authorizes, orders, or performs any of the acts or practices constituting in whole or in part a violation of paragraph (3), and who has knowledge, or reasonably should have known, of notice of noncompliance received by the corporation from the President shall be subject to penalties under this subsection without regard to any penalties to which that corporation may be subject under paragraph (3).

TITLE XII—PROHIBITION ON CERTAIN LEASING ARRANGEMENTS

PROHIBITION ON CERTAIN LEASING ARRANGEMENTS

SEC. 1201. (a) The Secretary of Interior shall, by rule, prohibit the granting of any right to develop crude oil, natural gas, coal, oil shale on Federal lands to any person if more than one major oil company, more than one affiliate of a major oil company, or a major oil company and any affiliate of a major oil company, has or have a significant ownership interest in such person. The rules required to be promulgated pursuant to this subsection shall apply to the granting of any such right which occurs after the 60-day period which begins on the date of enactment of this act.

(b) For purposes of this subsection—

(1) The term "major oil company" means any person who, together with any affiliate of such person, produces 1.65 million barrels of crude oil, natural gas liquids, and natural gas equivalents per day.

(2) The term "affiliate of a major oil company" means any person (A) which, directly or indirectly, controls, is controlled by, or under common control with, any major oil company; (B) which has a significant ownership interest in any major oil company; or (C) in which any major oil company has a significant ownership interest.

(3) The term "significant ownership interest" means—

(A) with respect to any corporation, 20 percent or more in value of the outstanding stock or the capital assets of such corporation,

(B) with respect to a partnership, 20 percent or more interest in the profits or capital of such partnership,

(C) with respect to an estate or trust, 20 percent or more of the beneficial interests in such estate or trust, and

(D) with respect to any other unincorporated association, 20 percent or more of the beneficial interests or assets of such unincorporated association.

(4) One barrel of natural gas equivalent equals 5,626 cubic feet of natural gas measured at 14.73 pounds per square inch and 60 degrees Farenheit.

(c) This section shall not apply with respect to any agreement, pertaining to crude oil, natural gas, or coal development on Federal lands, entered into prior to the date of enactment of this Act.

TITLE XIII—INDEPENDENT PRODUCER EXEMPTION

SEC. 1301. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following:

"SEC. 18. (a)(1) Notwithstanding the provisions of section 8, a ceiling price equal to the sum of $11.50 per barrel plus an amount equal to $0.05 per barrel for each month beginning on the expiration of the first full month after the date of enactment of this section shall apply to—

"(A) the first 3,000 barrels per day of first sales of new crude oil by an independent producer, and

"(B) first sales by an independent producer of domestic crude oil produced from a stripper well lease (as defined in section 18 (a)(6)).

"(2) Paragraph (1)(A) shall not apply to production from a property which is not a qualifying property.

"(3)(A) The term 'qualifying property' means a property designated by the operator thereof under subparagraph (B).

"(B) An operator may designate for purposes of subparagraph (B) one or more properties of which he is the operator if the aggregate average production of crude oil from all such properties (whether or not such crude oil is owned by such operator when it is produced) does not exceed 3,000 barrels per day.

"(C) The term 'operator' means the person who has the right to produce crude oil from a property.

"(D) The President may prescribe regulations permitting a portion of the production from a property to be treated as the production of such property for purposes of designation under subparagraph (B).

"(E) A designation of a property under this paragraph shall include an identification of the property, and an identification of all ownership interests with respect to that property.

"(4) Paragraph (1) shall apply only upon application of the producer and only upon a producer-by-producer determination by the President that such producer qualifies under the requirements of this subsection.

"(b) For purposes of this section:

"(1) The term 'independent producer' means a person—

"(A) who produces crude oil or who owns crude oil when it is produced,

"(B) who does not engage, directly or through a related person, in both refining and retailing operations, and

"(C) whose average daily production in the preceding calendar year (including production by any related person) did not exceed 15,000 barrels per day.

"(2) The term 'refining operation' means the processing of crude oil, residual fuel oil, or any refined petroleum product in a refinery.

"(3) The term 'new crude oil' means domestic crude oil from a property from which domestic crude oil was not produced and sold in any one or more of the months May through December 1972.

"(4) A person is a related person with respect to a producer if a significant ownership interest in either the producer or such person is held by the other, or if a third person has a significant ownership interest in both the producer and such person, for purposes of the preceding sentence, the term 'significant ownership interest' means—

"(A) with respect to any corporation, 5 percent or more in value of the outstanding stock of such corporation,

"(B) with respect to a partnership, 5 percent or more interest in the profits or capital of such partnership, and

"(C) with respect to an estate or trust, 5 percent or more of the beneficial interests in such estate or trust.

"(4) RETAILING OPERATIONS.—The term 'retailing operations' means the sale of refined petroleum products through any retail outlet operated by—

"(A) the producer or a related person, or

"(B) any person or persons—

"(i) obligated under an agreement or contract with the producer or a related person to use a trademark, trade name, or service mark or name owned by such producer or a related person, in marketing or distributing crude oil, residual fuel oil, or refunded petroleum products, or

"(ii) given authority, pursuant to an agreement or contract with the produced or a related person, to occupy any retail outlet owned, leased, or in any way controlled by the producer or a related person.

"(5) RETAIL OUTLET.—The term 'retail outlet' means a marketing or distributing establishment, the principal retail product of which is crude oil, residual fuel oil, or any refined petroleum product which offers for sale to the general public such aforementioned principal retail product. The term 'retail outlet' does not mean an establishment in which sales of crude oil, residual fuel oil, any refined petroleum product are incidental to the primary business conducted.

"(c) BUSINESSES UNDER COMMON CONTROL; MEMBERS OF THE SAME FAMILY.—

"(1) COMPONENT MEMBER OF CONTROLLED GROUP TREATED AS ONE PRODUCER.—For purposes of this section, persons who, as members of the same controlled group of corporations, engage in the first sale of domestic crude oil from properties from which domestic crude oil was not produced and sold in one or more of the months of May through December of 1972, shall be treated as a one producer:

"(2) AGGREGATION OF BUSINESS ENTITIES UNDER COMMON CONTROL.—If 50 percent or more of the beneficial interest in two or more corporations, trusts, estates, or other entities is owned by the same or related persons (taking into account only persons who own at least 5 percent of such beneficial interest), the 3,000 barrel per day exemption provided by this section shall be allocated among all such entities in proportion to the respective sales by such entities of domestic crude oil from properties from which domestic crude oil was not produced and sold at any time during the months of May through December of 1972.

"(3) ALLOCATION AMONG MEMBERS OF THE SAME FAMILY.—In the case of persons who are members of the same family, the 3,000 barrel per day exemption provided by this section shall be allocated among such persons in proportion to the respective first sales by such individuals of domestic crude oil from properties from which domestic crude oil was not produced and sold during one or more of the months of May through December of 1972.

"(4) ALLOCATION AMONG MEMBERS OF PARTNERSHIPS.—In the case of a partnership, the 3,000 barrel per day exemption provided by this section shall be computed separately by each partner, and not by the partnership; except that, if a person is a member of more than one partnership, the aggregate amount of the exemption available to such a person shall not exceed 3,000 barrels per day.

(5) "DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(A) the term controlled group of corporations' has the meaning given to such term by section 1563(a) of the Internal Revenue Code of 1954, except that section 1563(b)(2) thereof shall not apply and except that 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a) thereof,

"(B) a person is a related person to another person if such persons are members of the same controlled group of corporations or if the relationship between such persons would result in a disallowance of losses under section 267 or 707(b) of the Internal Revenue Code of 1954, except that for this purpose the family of an individual includes only his spouse and minor children, and

"(6) the family of an individual includes only his spouse and minor children.".

TITLE XIV—EFFECTIVE DATE OF AMENDMENTS TO THE ALLOCATION ACT

SEC. 1401. The amendments made by this Act to the Emergency Petroleum Allocation Act of 1973 shall take effect on September 1. 1975.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7014) was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF S. 622

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendment to S. 622 the Clerk be authorized to correct section and title numbers, cross references and punctuation.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 622, STANDBY ENERGY AUTHORITIES ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill—S. 622—to provide standby authority to assure that the essential energy needs of the United States are met, to reduce reliance on oil imported from insecure sources at high prices, to implement U.S. obligations under international agreements to deal with shortage conditions, and to authorize and direct the implementation of Federal and State conservation programs consistent with economic recovery, with a House amendment thereto, insist on the House amendment, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, DINGELL, MACDONALD of Massachusetts, MOSS, ROGERS, BROWN of Ohio, and BROYHILL.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE CONFERENCE REPORT ON H.R. 8070, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATION ACT, 1976

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill (H.R. 8070) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill (H.R. 7014) just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERSONAL EXPLANATION

Mr. RISENHOOVER. Mr. Speaker, I would like the RECORD to show that I was 15 seconds late on the vote on final passage of H.R. 7014 because I had the Chief of the Osage Tribe, Sylvester Tinker, and the Osage Tribal Council in my office discussing congressional business.

Had I been present, I would have voted no.

INTERPARLIAMENTARY UNION CONFERENCE, LONDON, SEPTEMBER 3-12, 1975

(Mr. JARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JARMAN. Mr. Speaker, the Middle East situation dominated the sessions of the 62d Inter-Parliamentary Union Conference recently held in London.

Nine of our colleagues, two from the Senate and seven from the House of Representatives, ably represented the

U.S. group at the Conference. I was privileged once again to be their chairman.

The discussion on the Middle East was held in the midst of a separate controversy over the presence of observers representing the Palestine National Council, a quasi-parliamentary body associated with the Palestine Liberation Organization—PLO. Nevertheless, the Conference adopted constructive resolutions in other areas: disarmament, international economic development, women's rights, decolonization, and the use of technology in education.

The arrangements for the Conference in London's Royal Festival Hall were superb. The long parliamentary traditions of our British hosts, their organizational talents, generosity, and hospitality, were evident at every turn.

The Conference was opened in the presence of Her Majesty Queen Elizabeth II and His Royal Highness Prince Philip of Edinburgh. The first 4 days of the Conference were devoted to statements in plenary session on six of the seven subjects on the formal agenda.

Leading off the general debate for the U.S. delegation, I pointed out that much had been accomplished in international relations over the past three decades, particularly in worldwide economic growth, decolonization, and the avoidance of nuclear conflicts among the major powers. On the other hand, much remained to be done, primarily in the Middle East and southern Africa, and in the fields of arms control and international economic cooperation. Above all, the nations of the world had not acquired the habit of settling disputes by the peaceful means envisaged in the United Nations Charter.

THE MIDDLE EAST

The Middle East situation was debated against the background of Secretary Kissinger's success in negotiating the second interim agreement between Egypt and Israel. The debate was characterized by a hardline Arab stance, reflecting no doubt the criticism of Syria, Jordan, and the PLO toward the interim agreement.

Senator VANCE HARTKE of Indiana spoke on the Middle East. He underlined his deep concern for attaining overall peace and welcomed the just-concluded interim agreement. He asked the conference participants to provide affirmative answers to several fundamental questions. For example, he asked his Arab colleagues, including the PLO observers, explicitly to acknowledge the fact of Israel's continued existence within peaceful, recognized, and secure boundaries. He asked his Israeli colleagues to acknowledge the ultimate withdrawal of Israeli forces from occupied Arab territories and to indicate their willingness to participate with other interested parties in discussions to provide a national identity of a mutually agreeable nature for the Palestinian people.

The Union's Political Committee formed a small drafting group on the Middle East. Representative EDWARD DERWINSKI served on behalf of the U.S. delegation.

This group was unable to reconcile the Arab and western draft proposals before it. The western approach sought to avoid definitive political judgments and focus solely on the need to continue the negotiating process. The Arab draft condemned various Israeli actions and supported the rights of the Palestinians to national independence and sovereignty. Both drafts were put before the full committee, with the Arab draft gaining an easy parliamentary majority. Only two amendments to that draft were accepted by the committee, both despite Arab opposition: a preambular reference to U.N. Security Council resolution 242 as one of the existing bases for an overall political settlement, and a paragraph welcoming the interim agreement and considering it a step toward a definitive solution. This amended text was then adopted by the conference 483 to 215 (U.S.) with 57 abstentions.

This result reflects current political realities. Most Arab States, supported by the U.S.S.R., East Europeans, and many Asians and Africans, downplayed the recent interim agreement and demanded full censure of Israel and support of Palestinian rights. This outcome presages a difficult period ahead in Middle East peacemaking if other Middle East countries, particularly Syria, insist on a similarly uncompromising attitude in private diplomatic conversations regarding further steps toward peace in that area.

ARMS CONTROL AND DISARMAMENT

Senator BIRCH BAYH of Indiana spoke on disarmament. He called for specific steps to hasten progress on controlling the arms race: agreement on a comprehensive test ban treaty, new and significantly lower ceilings on strategic arms, agreement among nuclear nations never to employ such weapons in an initial hostile act against nonnuclear states, stronger safeguards against nuclear proliferation, greater attention to the dangers of conventional arms races in many parts of the world, and more broadly-based inputs into national decisionmaking on armaments issues. He stressed the need to devote more resources to human welfare and less on armaments.

The conference adopted a draft resolution which strongly urged additional measures to encourage adherence to the nonproliferation treaty, and to reach agreement on a ban on chemical weapons and on future attempts to modify the environment for military purposes.

DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION

Representaitve CLAUDE PEPPER of Florida addressed the plenary session on international economic matters. He called attention to Secretary Kissinger's important statement to the United Nations on September 1, stressing that cooperation, not political confrontation, is needed to solve current economic problems. He recalled there are no panaceas, but that all states must work together to build a better world. Mr. PEPPER represented our delegation on the economic committee.

The resolution adopted unanimously by the conference contained a constructive set of suggestions for further action on the wide range of economic development, trade, and financial relationships between the developed and the developing countries.

VOTERS' PARTICIPATION IN THE PARLIAMENTARY/LEGISLATIVE PROCESS

Representative J. HERBERT BURKE of Florida pointed out in the plenary sessions devoted to this topic the need for constant voter participation in the legislative process, especially after the elections. He said that complex, modern societies could not be created by a political oligarchy, no matter how talented. Policy must "bubble up" from the people through constant contact with their elected representatives, not "trickle down" from a single fountain of political, cultural, or economic guidance. The conference did not consider any draft resolutions on this subject. Mr. BURKE served as the U.S. representative on the Parliamentary, Juridical, and Human Rights Committee.

ROLE OF PARLIAMENTS IN ACHIEVING EQUAL RIGHTS FOR WOMEN

In the plenary debate, Representative ROBERT MCCLORY of Illinois stressed the importance of achieving equal rights for women and men throughout the world. He urged the Union to begin by making the ladies program of the conference available also to the male delegates. He emphasized the Helsinki Declaration—on East-West relations in Europe—and the Mexico City U.N. Conference on International Women's Year had established a framework in which concrete action to further equal rights must now proceed. Mr. MCCLORY again served as chairman of the Educational, Scientific, and Cultural Committee.

The conference adopted almost unanimously a resolution on women's rights urging parliaments to take specific steps paralleling many of those recommended in the "World Plan of Action" adopted at the Mexico City U.N. Conference. These steps require sympathetic implementation by parliamentarians everywhere.

USES OF MODERN TECHNIQUES IN EDUCATION

The conference adopted without debate a forward looking resolution on educational matters, calling for greater international cooperation in the development of technology for education and to consider innovations in the field of adult education, particularly those which would benefit women.

DECOLONIZATION

Representative LIONEL VAN DEERLIN of California spoke in the plenary sessions on this subject and represented the United States in the Committee on Non-Self Governing Territories and Ethnic Questions. He focused on achieving self-determination for the people of Namibia, urging South Africa to take the steps necessary to this end in fulfillment of pertinent U.N. Security Council resolutions.

The conference adopted a resolution covering many aspects of the few remaining colonial problems. However, the language of several paragraphs led some western delegates to oppose the resolution.

THE PLO OBSERVER ISSUE

The procedural decision of the IPU Council during its spring meeting in Colombo to invite the PLO as observers at the 62d conference, provoked further debate in London. Quite apart from the politics of the PLO issue, many members of the Union resented the majority action which was unprecedented and in disregard of the rules of the Union. Some members, including Representative Edward Derwinski, a member of the IPU Executive Committee, told the Council the Union should consider carefully any changes in its rules and avoid being stampeded into hasty action by the PLO problem.

Other delegates sought to legalize as soon as possible the status of the PLO in the Union. The Council, and afterwards the conference, adopted changes in their respective rules of procedure permitting invitations to international organizations and "other bodies" recognized as observers by the United Nations General Assembly. The Council also approved the presence of PLO observers at the spring 1976 meetings scheduled for Mexico City. The U.S. delegation opposed these decisions.

Partly as a result of the bloc voting on some issues and the nature of the general debate, some delegates commented on the drift in the traditional role and usefulness of the Union. In particular, they deplored what they saw as a growing absence of individual thinking and personal contact, which has heretofore marked truly democratic parliamentary institutions, and the substitution of well-prepared "governmental" attitudes by delegates.

There is validity in these observations. But whatever the current shortcomings of the Inter-Parliamentary Union, members from western Europe and North America must work even harder in order to regain the Union's will and ability to reconcile differing points of view, and to further its statutory goals of common action to establish and develop representative institutions and to advance international peace and cooperation.

Enroute to the conference, the U.S. delegation visited parliamentary colleagues in Denmark, Norway, and Sweden. In each of these countries, we met with representatives of their respective parliamentary groups, including Swedish Prime Minister Olaf Palme, and participated in informative tours of their parliaments.

Norway, Denmark, and Sweden are, of course, deeply devoted to a free and thriving parliamentary system. Each is firmly committed to the dignity and worth of its individual citizens, and each allocates significant resources to their social welfare and cultural advancement. We were reminded by our hosts in each country of the close ties that exist between our lands by virtue of the extensive emigration beginning in the 19th century, a movement of talented people that has been so beneficial to our own country. We learned much from our Scandinavian friends, and we warmly appreciated their marvelous hospitality.

BLACK LUNG BENEFITS ACT OF 1975

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, today I am introducing the Black Lung Benefits Act of 1975 to express my full support for identical legislation introduced earlier this year by my colleague, Carl Perkins.

There is no question about the desperate need for a complete overhaul of the black lung benefits program. Although the jurisdiction for carrying out this program has been transferred from the Department of Health, Education, and Welfare to the Department of Labor, we have not seen significant improvements in the processing of claims for disabled miners and widows of disabled miners. Over the past several years, I have continued to receive requests from my constituents in Wyoming asking for my assistance to obtain expeditious consideration of their black lung claims. Right now, my office is trying to unsnarl the bureaucratic redtape that has tied up the claims of more than 20 disabled miners and widows of disabled miners. Some of these cases have dragged on for more than 3 years before a final decision was reached.

I think the time has come to revise the present law and to establish a workable system that will more clearly define the requirements for benefits and procedures for processing claims and thus eliminate the unnecessary delays.

The measure I am introducing today includes many significant provisions that I think will do this.

Under this act, the definition of "miner" would be expanded to include individuals who worked around an underground coal mine in the extraction, processing, or transportation of coal. In addition, it redefines the term "total disability" to provide that a miner shall be considered totally disabled when pneumoconiosis prevents him from engaging in gainful employment requiring the skills and abilities comparable to those of any employment in a mine in which he previously engaged with some regularity and over a substantial period of time.

Another important provision states that if a miner, in specified situations, was employed for 15 years or more in or by one or more coal mines, there shall be an irrebuttable presumption that he is totally disabled due to pneumoconiosis or that at the time of death he was totally disabled by pneumoconiosis. However, miners with less than 15 years can qualify by submitting medical proof. Miners will also be able to choose their physician and the less strict standards of this act provide that affidavits can be used as evidence to support a claim.

A significant change designed to eliminate the unnecessary delay states that determinations on claims must be made within 60 days, and failure to make a determination within the time limits allows increased awards at the rate of 20 percent of monthly award multiplied by the number of months delayed.

If this bill is enacted, all claims which have been previously filed with either the Department of Health, Education, and Welfare or the Department of Labor and denied can be reconsidered to determine if they are eligible under the new law, and if found to be eligible, benefits will be paid.

The measure also sets up a black lung disability insurance fund, with mining companies required to pay premiums into the fund based on the number of tons of coal mined each year. Money from the fund would be used to provide totally disabled miners with medical services, nursing, hospital and home health services, medicine, therapy, and equipment need for black lung treatment.

Passage of this measure is critical important to thousands of coal miners who are the victims of black lung disease and I urge my colleagues to join me in supporting this legislation.

PRELIMINARY REPORT ON VISIT TO MAINLAND CHINA

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Illinois (Mr. Derwinski) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, I was a member of the eighth congressional delegation to visit the People's Republic of China. Our group received an invitation through President Ford from the Chinese People's Institute of Foreign Affairs, and we spent 10 days—August 20 through 29—on mainland China. The delegation included Senator Robert C. Byrd, of West Virginia; Senator James B. Pearson, of Kansas; Senator Sam Nunn, of Georgia; Representative John B. Anderson, of Illinois; Representative John Slack, of West Virginia; and myself.

I have drafted a preliminary report on our visit, and the other members of the delegation are also issuing their individual statements on our experiences in China.

Mr. Speaker, in order that I may share my reactions as a result of our visit to China with the Members, I include my report in the Record at this point:

Preliminary Report on Visit to Mainland China by Representative Edward J. Derwinski, September 23, 1975

Our visit to Communist China was certainly interesting and intriguing. We were treated with great courtesy by our hosts, but unfortunately, this does not change the important fact that we had a regimented schedule with visits to a lot of "Potemkin villages"—model factories, model communes, model workers' apartments—and little opportunity to see anything else.

I came away from these talks with ranking members of their government with one overriding impression: the Chinese leaders are preoccupied with a feeling of bitterness and distrust toward the Soviet Union. There were frequent references to the large number of Russian troops along the borders of China and Mongolia; it is well known that the Chinese are building massive air-raid shelters in and near all their large cities. We were told of Communist China's concern about events in Portugal and about the estrangement of Greece and Turkey from NATO. They put practically no stress on their official desire to see American troops pull out of South Korea, Japan or the Philippines. They do not object to the U.S. development of Diego Garcia, feeling that this is a necessary counterbalance to Soviet presence in the Indian Ocean. This is consistent with the obvious fact that the Peking regime is actually pleased to have U.S. forces in the Pacific area as a possible counterweight to the Soviet Union.

We were told often of China's wish to improve relations with the United States and of the good will of the Chinese people toward our people. The great accomplishments of the Communist government were emphasized. As far as I could see (and from what other observers report), the Chinese government does seem to be taking care of the basic food, clothing and housing needs of the people. Meeting minimum standards, especially in a country as rich in resources as China, however, is certainly not an amazing accomplishment for a modern government.

There is little doubt that the average Chinese is better off than he was in 1949 (after decades of civil wars and foreign invasions). The important point to ask, however, is whether or not the mainland Chinese would have a better life today under a free and democratic government. There is, in fact, no comparison between the economies of the People's Republic of China and the Republic of China (Taiwan). Although Taiwan has far fewer people and much less in the way of material resources, its annual GNP is now about $700 per capita, while the per capita GNP on the mainland is only about $240. The rice output per acre is 50% higher on Taiwan than on the mainland. The Chinese on Taiwan have made their small country the second wealthiest in East Asia, after Japan, on a per capita basis. They have built up a large and growing international trade; if present trends continue, Taiwan will be our seventh largest trading partner in 1976, ranking just behind France and Italy.

The island Chinese are the same people as inhabit the mainland; the difference is only that they live in a country with a generally democratic framework which allows them to plan their own lives and to keep most of the rewards of their work. Despite the fact that 80% of the mainland Chinese are farmers, China had to import large quantities of food last year. The failures of Communist agriculture are so notorious that there is a standard joke to the effect that Communism will immediately collapse as soon as it takes over the entire world, because there will then be no country left to sell them food.

Even more important than the vast material differences between the two Chinas, however, is the all-important fact that there is no freedom of thought or expression under the Peking regime. Communist China is one vast prison with every aspect of human life controlled by an autocratic government—so far as is humanly possible. Even those Western visitors who have returned to praise China admit that they themselves would not want to live there.

We were permitted very limited and carefully arranged conversations with selected factory and commune workers who had been coached in advance on what to say to us. No matter what questions we asked, we were told only the standard line of Chairman Mao with which the entire society has been brainwashed. It is, of course, impossible for an outsider to say to what extent any individual Chinese actually believes the official line.

At the official level there was a similar lack of genuine communication. Our delegation did have basically frank discussions with Vice Premier Teng Haiao-ping and Foreign Minister Chiao Kuan-hua; except for these two top Cabinet Ministers, however, no official would discuss policy in any detail (other than to parrot the latest version of Marxism-Leninism-Maoism).

Personally, I see no reason for the United States to grant formal diplomatic recognition to the People's Republic of China. While we should continue communications with them, to formally recognize their regime would be in conflict with our moral responsibility and inconsistent with our traditional policy. China has been uncooperative in easing tensions between the two Koreas; not at all helpful in gathering evidence on MIA's in Indochina; still openly advocates support of revolutionary movements (and has Chinese agents working to overthrow the governments of nations throughout Africa and Asia). Moreover, there is only a limited potential for increased trade between the People's Republic of China and the United States. They do not want consumer goods from us—they want sophisticated technological information. In 1974 the United States exported about $800 million worth of goods to the mainland (mostly agricultural products), and we imported only about $100 million of Chinese goods. By contrast, our trade with Taiwan is roughly four times that of our trade with the mainland. The immediate prospects for trade with the mainland are, in fact, stagnating. While concentrating on building up its agricultural base, the Chinese leaders have also chosen to regiment their people to build a powerful heavy industry and war material sector. They are open in acknowledging that it is not their policy at this time to give any priority to improving the standard of living of their people.

To sum up, the United States—People's Republic of China relations are unique. There are certain logical reasons why this uniqueness can and will be tolerated by both nations. The tremendous Chinese preoccupation with the threat posed by the Soviet Union makes it necessary for them to maintain reasonable relations with the United States. We, in turn, ought to be satisfied with the plateau of trade that has been reached and the lines of communication that are being maintained. However, we should be under no illusions that the deeprooted differences of opinion that exist can be resolved, and we should be under no illusions that China is a superpower. Since they vehemently deny that designation, we should not treat them as if they were.

Lastly, we must keep in mind that close to 900 million people are living under a totally regimented society, subject to as intense and effective political propaganda as any government ever directed towards its people.

COPPERWELD TAKEOVER OPPOSED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, the Government has a responsibility to put American interests first. This is particularly true in the area of American jobs and industry. The attempt by Societe Imetal, a French cartel controlled by Rothschild interests, to take over Copperweld is a case in point. Societe Imetal is a French cartel which would probably be illegal under the laws of the United States.

Employees and management of Copperweld are opposed to this attempt by the French company. Leaders of the communities in which Copperweld plants are located also have made their opposition known.

In Shelby, Ohio, hundreds of people have organized to get their views heard. Over 400 came to Washington to talk with officials. Questions have been raised about the tactics and methods of the French cartel in its effort to take over Copperweld. I have contacted the Chairman of the Security and Exchange Commission and the Attorney General of the United States calling for an immediate investigation into antitrust laws and other laws and regulations governing acquisitions.

The Labor Standards Subcommittee of which I am a member has held hearings in Shelby to investigate this whole matter. Chairman JOHN DENT and I took testimony from representatives from labor, management, and the community.

In his testimony to the committee, Bedford Foster, Jr., vice president of Copperweld and general manager of Ohio Steel Tube in Shelby, discussed the importance of Ohio Steel Tube for this country and for Shelby. Excerpts from his statement follow:

BEDFORD FOSTER STATEMENT

Thank you, Congressman Dent, Congressman Ashbrook, ladies and gentlemen, shareholders, employees and friends of Copperweld.

Those of us in the various operating divisions of Copperweld are concerned, and I believe with justification, that the takeover of Copperweld by Societe Imetal clearly would not be in the best interests of our shareholders and employees. In fact, I believe the very existence of the plant at Shelby could be threatened. This, as you all can imagine, would have a disastrous impact on Shelby.

There are several reasons why I say this. First, let me go into some of the facts about our operations here.

Shelby, Ohio is the birthplace of the seamless steel tube industry in America. The original tube mill was built here in 1889. When that mill caught fire in 1908, Shelby citizens rallied, raised local investment money and built a new tube mill. That became the Ohio Seamless Tube Company. Copperweld Corporation acquired Ohio Seamless Tube in 1952. It is now named Ohio Steel Tube Company.

Under Copperweld's ownership, Ohio Steel Tube has grown and prospered. Since 1952, Copperweld has invested $17.5 million in major expansion programs and replacement equipment. Ohio Steel Tube sales have grown from $12,733,439 in 1952 to $87,230,178 in 1974. Employment has risen from 650 in 1952 to 800 in 1974. Payroll in 1974 totaled $13 million.

Copperweld's successful management strategy for all operations is based on the conviction that if we can't be the biggest we must be the BEST. With a thorough knowledge of our manufacturing capabilities, our costs, our long-range opportunities, we have specialized in all of our basic product lines to develop strong *niche* positions.

Therefore, we are extremely important in various segments of the nation's economy in periods of peace as well as in war. Our products are vital to farm equipment, transportation, mining and drilling, construction equipment, and materials handling.

In times of national crisis, our production has been diverted to tactical weapons—tanks, military transportation equipment, ammunition, and aircraft components.

Ohio Steel Tube was a principal source of mortar shells during the Viet Nam conflict. At an earlier period, almost 80% of our seamless capacity was allocated to the production of airframe and aircraft mechanical tubing for military aircraft. We are now a leading producer of drill rods for exploration drilling to locate more coal, natural gas, oil and minerals.

It is significant that in 1952 when our plant underwent an expansion program, funding was undertaken by the Defense Production Administration with a tax amortization certificate in the amount of $3,140,000 because of 50 percent of the new facility was designated to be in the interest of the national defense program.

Products are electric welded and seamless steel tubing in carbon and alloy grades, cold drawn or hot finish; DOM and honed steel tubing; and forged and fabricated steel tubing. Ohio Steel Tube is the world's leading producer of DOM steel tubing for hydraulic cylinder applications.

It is evident that it would not be in our best national interests to have the production of Copperweld's plants under foreign control and management.

I should like to turn to what many have defined as a truly unique relationship—that between Ohio Steel Tube and the Shelby community.

Ohio Steel Tube is Shelby's largest employer. Approximately one-third of Shelby's population is directly dependent upon the Ohio Steel Tube payroll for its living. Employee wages and benefits are regarded as the best in the community; hence turnover is extremely low.

Ohio Steel Tube has been extremely generous in support of all community and area civic causes. . . .

Shelby's West Park is land donated by Ohio Seamless Tube Company to the City of Shelby. Skiles Field, named for the President of Ohio Seamless Tube, was donated to Shelby Schools for stadium and recreational fields. The Westside Little League Ball Field is on Ohio Steel Tube property, leased to the Little League for $1 per year.

Ohio Steel Tube and its employees were the major contributors to the fund which built Shelby Memorial Hospital. Ohio Steel Tube and its employees are the cornerstone of Shelby's United Appeal. Ohio Steel Tube actively sponsors the Shelby Junior Achievement program. All school bond issue and building programs have had Ohio Steel Tube's financial and executive-time support. . . .

Local taxes paid (real and personal property) supporting schools and other vital community needs totaled $440,000 in 1974. Ohio Steel Tube sent $1,630,000 for local goods and services.

This has not been a one-sided relationship. The citizens are aroused over the threatened takeover as they have not been over any other question for many, many years. . . .

The Town Meeting on Sunday, September 7, was packed with concerned citizens, anxious to learn what they could do to help. More than a thousand (of Shelby's 10,000 citizens) turned out Monday night to see the Steelworkers demonstrators off for their Washington demonstrations. . . .

In support I should like to read an editorial from Shelby's Daily Globe:

[From the Daily Globe, Shelby, Ohio, Sept. 6, 1975]

"EDITORIALLY: NOW TIME FOR SHELBY TO HELP

"OST no longer stands for Ohio Seamless Tube, but as the Ohio Steel Tube Company, a division of Copperweld Corporation, it is still the same firm which has played such a long and significant role in the community growth and life of the Shelby area.

"It is the firm which made the first seamless tube in America and which, in its early years, was almost destroyed by fire but then virtually rescued and rebuilt by the community itself.

"After this, it soon became one of the major sources of employment in the area and a vital participant in almost all phases of community life. This role was continued, and even expanded in some measures, following its union with the Copperweld Company.

"It is the stated policy of Copperweld to have its subsidiary companies play active parts in their respective communities. This, Ohio Steel Tube has most certainly done.

"Copperweld, itself, is now the subject of a takeover attempt by a French firm, Societe Imetal of Paris.

"It takes very little imagination to picture how much influence Shelby would have, or how much community concern would be considered, in a Paris headquarters.

"Nor does it take much imagination to decide what might happen to planned improvement programs at the local plant.

"Ohio Steel Tube has been a most prominent and helpful partner in our community; it now apparently needs whatever help the community can give it in this struggle against takeover by a foreign firm.

"Attendance at the special meeting this Sunday night, at 7:30 at the High School Little Theater, is one way to start helping, another is to write our Governor, other state officials, our U.S. Representative and our U.S. Senators, even the President, himself."

I have serious reservations about whether Ohio Steel Tube can continue to grow under the aegis of a foreign owner that is not as committed to growth as the present U.S. management—one that may be less interested in reinvesting for growth than it is in siphoning off cash for owners in Paris.

I have serious reservations, also, about the intentions of this French suitor. Its financial position is not that secure. And, for it to choose to sell off our licenses, our property, our know-how, and our patents in a desperate search for cash the next time they need it and the French Government won't or can't bail them out would not only be a disaster for Ohio Steel Tube and Shelby certainly but also a severe loss for the country.

I know you have heard from Mr. Smith and from Mr. Parker, my counterpart in Glassport. I would like to reiterate some of the things Mr. Parker said . . . They concern recommendations to the Sub-Committee on Securities of the Committee on Banking, Housing and Urban Affairs, U.S. Senate. These same points were made by Louis Aronson, President of Ronson. They are:

1) to change Federal regulations to require the offeror to give *several months advance notice to the target company.*

2) to require affirmative Presidential action in order to permit a foreign investment of more than 5 percent to proceed.

3) to control the function of broker-dealers and arbitrageurs in a tender offer. Mr. Aronson's reasoning on this point is that the additional premium paid to brokers and dealers motivates them to slant their advice to shareholders. Mr. Aronson also asked more control of arbitrageurs, who he contended, bid up the price of stock unrealistically. Those of you who are Copperweld shareholders will recall that Mr. Smith cautioned you about that same point in his letter of September 5, 1975. He said "Societe Imetal is offering to pay a commission of 80 cents per share to qualified brokers, dealers, bankers or trust companies as an inducement to them to persuade you to tender your shares. Therefore, a broker's interest may be different from yours."

4) to require the S.E.C. to obtain and clear foreign investment disclosure information prior to permitting the investment to proceed. Mr. Aronson feels that the elimination of "surprise" in a tender offer by foreign companies is *essential* to achieve a full disclosure policy for tender offers similar to that required in other financial activities. The Rothschildes have refused to make those financial disclosures.

5) to require financial statements and other hard facts as to all borrowed funds obtained by a foreign investor.

6) to provide for a sanction provision in the Williams Act against repeated nondisclosure in tender offers.

7) to require the imposition of responsibility on domestic professional advisers to a foreign offeror. Under this point, Mr. Aronson feels that a foreign company may make omissions or misrepresentations of facts while saying that these statements were made on the advice of counsel, the investment banker, or other professionals. Mr. Aronson contends that a foreign company could violate the law in several cases and explain these violations away by citing such advice.

(8) to require ownership reporting by brokerage firms, financial institutions, individuals or other entities.

Among the reasons Mr. Aronson gave for requiring advance notice was that later litigation against Liquifin, the foreign company that was attempting to take over Ronson, proved that material information had not been disclosed by Liquifin in its 13D.

If those recommendations had been in force today, I would not have to be appearing before you now, and Copperweld would not now be fighting for its life against foreign takeover.

Representatives of labor also testified against the attempted takeover. Mr. Weldon Strohn, president of United Steelworkers of America Local 3057, gave a short but strong statement:

WELDON STROHN STATEMENT

I pledge to the workers and families of Steelworkers Local 3057 to help prevent the takeover of Copperweld Corporation by the French Holding Company—Societe Imetal of Paris. According to published reports, this French Holding Company is trying to seize control of Copperweld because Copperweld is a profitable company. Like the citizens of Shelby, the Ohio AFL–CIO is fearful this French Corporation will then drain Copperweld of its profits and take the money back to France. Such an eventuality will seriously endanger the entire economy of the city of Shelby, and pose financial ruination of the 900 Union Members working at Copperweld. The Ohio AFL–CIO joins with our parent body—The National AFL–CIO—and The United Steelworkers of America in opposition to the spreading menace of Multi-National Conglomerates, whether they be domestic or foreign (Such as Societe Imetal). We appeal to the stockholders of Copperweld not to sell their stock to the French Holding Company, and we urge our Government Officials to do all in their power to stop this takeover.

In addition to Mr. Strohm, representing the views of labor, Mr. Forrest Reeder, subdistrict director of District "27–USWA, have testimony to the Labor Standards Subcommittee. He stated:

FORREST REEDER STATEMENT

We, of the United Steelworkers, believe in a strong economy and we constantly strive for full employment. This is the only way our people can have the many necessities and comforts of life, but, we want a solid economy, not one that shifts from one locality to another, and certainly not one that may shift to another country.

I feel that too many of us have a tendency to let our elected officials handle things because nothing is hitting us hard at home. We have known for years of foreign investments, but did not contact our Congressmen or Senators to put forth our protests, but only when it comes to our own doorstep do we say there should be a law.

Our large corporations have many holdings overseas and, sometimes, to the detriment of our own working people and our own companies at home, because of the dumping of inferior products on the American people, and the American people being gullible enough to buy these products and support foreign companies when we could have American Products made by American people.

I don't see any need for Volkswagen to build a plant in America. I don't see a need for Americans to buy inferior foreign cars.

We, the working people of America, need this type of work, and the corporations need all the business generated by this kind of work.

Now, the French say "free enterprise;" let them have free enterprise in France where it is needed; build or buy a plant in France; give their own people employment; give their own people a good product; and the same thing goes for other foreign investors. If they are bulging with money, then let them show the world how to build up a country, how to have a strong economy; then the working people in this country would not be saddled with such a ridiculous foreign aid program, and perhaps our own economy would look better.

I hear many people in high places say (and I heard this said many times in Washington the other day) that they believe it would be alright for a foreign investor to come into the United States and build from the ground up and compete with American Industry, but not take over an existing facility, like Copperweld.

I feel that the end results would be the same; it would merely be a long range project and the foreign investors would still own a piece of America. They would certainly have foreign people in the best jobs, such as Purchasing, Sales, President and Vice President, Chairmen of the Board, etc. They would then become a political power to run the cities and towns and, as such things grow, even be the main political power in a state, and continue to grow, and such a cancer could consume the entire nation.

American investors and large corporations have been welcome in all other countries because it was a boom to their economy. No nation would turn down the kind of things the Americans were able to do for them because they were poor. We are not poor so long as we get the right kind of government officials elected to keep the economy moving.

If the United States needs foreign investors to bring about a better economy, than I say it should be on an experimental basis, and the only way to do this is to make laws so that only a small amount of investment can be made by a foreign investor, and they should never be given ownership or controlling interest so as to own what we need for ourselves.

The United States is a country unlike any other. This country has given of its resources to rebuild, feed, and clothe millions of people in countries throughout the world. The result often seems to be that those countries which were helped then seek to take American markets at home and abroad. In addition, the Japanese buy up our timber, our agricultural products are given away, our industries are denied equal access to foreign countries while those same countries sell here—the examples are numerous.

Our trade policies are supposedly based on a general idea of reciprocity. If one country lowers its tariff barriers to our country's products, we do the same. But this is truer in theory than in actual practice. Trade is not only dependent on tariffs but on a number of nontariff barriers which include the internal laws of the country. Numerous countries have regulations governing licensing, composition of ownership, profit remittances, and currency transfers. We have observed only one-half of the reciprocity coin: when a country lowers barriers, we lower ours but when they raise barriers we do not.

For too long American interests have taken a subsidiary position. American aid and trade policies must be overhauled. American interests must be put first.

I urge this Congress to shake off its lethargy and address itself to the growing problem of foreign acquisition of American firms. The attempt to take over Copperweld is only one example.

ASSASSINATION AND LEFTWING FANATICISM: THE POLITICS OF DEATH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 10 minutes.

Mr. BAUMAN. Mr. Speaker, we are all shaken by the events of yesterday in San Francisco when for the second time in less than 2 weeks there occurred an attempt on the life of the President of the United States. Undoubtedly there will be many thoughts offered about this and similar events which have taken place in this Nation in recent years, and I will be painlessly brief in my own observations.

Reading the papers this morning, I was once again to regret the fact that there is a leadtime in journalism, so that we sometimes find ourselves reading something which, while appropriate when first written, is outdated by the time you receive it. For example, the Washington Post had the headline on this morning's edition, "She Didn't Know Why She Did It," referring to the motives of Sara Jane Moore, the most recent, apprehended near-assassin. Yet I submit that we do know why she did it. We do know why she, and Miss Fromme and the other men and women who practice violence and disorder in our national community do what they do. We learned about it in the statements they gave after their arrest. The reason is fanaticism, that disease in a democratic society when citizens redouble their efforts after losing sight of their original aim.

The case of Sara Jane Moore, at first impression, seems to fit into the pattern of the several other fanatics who have either killed or attempted to kill our national leaders during the last decade and more. Indeed, Ms. Moore apparently informed the Los Angeles Times last year that she was well into the activities of leftwing groups, describing herself as a serious student of a number of Communist thinkers, such as Marx, Lenin, and Mao Tse-tung.

Ms. Moore thus joins not only Lynette Fromme of recent infamy, but Arthur Bremer, the would-be assassin of Governor Wallace who was known for his anticapitalist views and his denunciation of the military establishment. She joins Sirhan Sirhan, the assassin of Robert Kennedy who filled his diary with love for communism. She certainly is part of the group which includes the murderer of President John Kennedy, an avowed Communist who had defected to Russia and praised Castro and his Cuba—Lee Harvey Oswald.

Despite the seasonal and overorganized cries of the antigun lobby, the enemy is of a fanatic, leftward revolutionary temperament. It is a guiding and psychopathically twisted ideology which holds that any means is acceptable in pursuit of a revolutionary end, even when that means includes killing a President, a Member of Congress, or any public official considered an opponent in the political arena. This fanaticism is the product of a temperament which has been appeased and actively encouraged by dominant opinionmakers in this country for over a decade; by our so-called national intelligentsia; and by the university professors whose leftist teachings lead to the logical extension of what is fast becoming the politics of assassination. Rather than encouraging governments to confiscate the arms many of our citizens keep in order to protect themselves, we should be encouraging the universities, the media and the leaders of this Nation that they must use their influence as molders of public opinion to bring us away from this festering radicalism which preaches violence with moral impunity. We should focus our attention not on lifeless weapons, but on the fanatics and revolutionaries who use them, and who remain the greatest standing threat to freedom and domestic tranquility.

Mr. Speaker, it is indeed ironic that the very people who have decried this violence, ignoring its leftwing and Communist origins, are in the forefront of those who would destroy our internal security agencies and laws. They have led the fight to abolish the House Committee on Internal Security and now have their own political guns leveled at the Federal Bureau of Investigation and the Central Intelligence Agency.

The noted author M. Stanton Evans has eloquently summarized the problem and origins of such violence in this week's issue of Human Events, and I include his column at this point:

The Politics of Death

(By M. Stanton Evans)

Early this month a handgun, motivation unknown, attempted to murder the President of the United States.

The handgun is now in custody and its characteristics established. As prominently noted in the media, it is a Colt .45 automatic, holding seven shells and loaded with a clip. Although it had managed to load itself before the attack, it failed in its mission because its accomplice, Miss Lynette Fromme, had neglected to pull the slide that raises cartridges to the firing chamber.

Thus stated, perhaps, the proposition seems ridiculous, and is. Handguns, like other material objects don't have intentions, and don't set out to commit assassinations. Yet a considerable effort is under way to convince us that the guilty party in the foiled attempt on President Ford is the .45 automatic, and that we should focus our concern accordingly.

Witness the treatment of the episode by *Newsweek* magazine, a reliable indicator of trendy opinion. The attack on Ford, according to *Newsweek*, proved that "handgun politics is still very much part of the American scene." To confirm the point we have a photo caption reading, "a chilling return to the madness of handgun politics." To this is added another photo caption on the 1972 attempt on Gov. George Wallace, "Arthur Bremer's handgun politics: A madness that hasn't run its course."

With that kind of objective reporting to set the pace, it is hardly surprising that editorialists have followed suit with demands that Congress respond to the attempt on Ford by passing one or another of the gun control bills that have been introduced in the current session. The common theme of our political assassinations, supposedly, is the utilization of handguns, and if we legislate against these terrible implements we can bring the assassinations to a halt.

For openers, there is the fact that all these political killings have not been committed with "handguns," (President Kennedy and Martin Luther King were killed with rifles, numerous people have been killed by bombs, others stabbed, others poisoned, and so on). The point is that assassins, not choice of weapons, are the problem, and that is a point the usual commentators for obvious reasons like to ignore.

Consider Miss Fromme. She is a member of the Charles Manson cult, arrested on a dozen charges including one for murder, though that was finally dropped for lack of evidence. The Manson group is into revolution, communal sex, drugs, and similar modern thrills. Prior to the attempt on Mr. Ford, Miss Fromme and her roommate spent a good deal of time firing off letters protesting "corporate polluters," worrying about mistreatment of whales, and decrying other certified enormities of the hour.

This outlook was amplified at Miss Fromme's arraignment when she delivered a harangue to the district judge on the subject of justice for redwoods. She pointed out that "there is an army of young people and children who want to clean up this earth, the redwood trees. I want you to order the Corps of Engineers to buy up the parks . . . You have jurisdiction over the redwood trees. The important part is the redwood trees."

Miss Fromme's roommate offered further enlightenment when she informed the press that 75 corporate executives had been marked for death by an international "people's court" for alleged offenses against the environment. "Assassinations are necessary," she told an interviewer. "Since people are asking for trouble by hurting earth and from what they are programming on television."

If that mentality is faintly recognizable, it becomes the more so in tandem with the views of Arthur Bremer. The man who tried to kill Wallace had written that we must "cut the goddamned military spending" and "get rid of the generals," and that he considered himself a part of the Third World outlook opposing America as the "land of bigotry." Bremer's high school teacher reported "he was strongly for the concept of socialism and kind of negative on the evils of capitalism." A fellow employe at the Milwaukee elementary school where Bremer worked said Bremer "favored dividing up the wealth of the country among everyone."

Then there is Sirhan B. Sirhan, who murdered Robert Kennedy. Sirhan was also a "Third World" type, filling notebooks with such sentiments as "long live Nasser," "long live Communism," we're keeping the economy going through our war spending," and the repeated statement, "RFK must die." Sirhan told an interviewer he saw himself as someone who struck the first blow of the Third World against the West. He further said he identified with America's black militants and that "Robert Kennedy was a fascist pig. Eldridge Cleaver said so."

Finally, we have the case of Lee Harvey Oswald, who murdered President Kennedy. Oswald was a defector to the Soviet Union, a devotee of Fidel Castro, and a member of the Fair Play for Cuba Committee.

In 1959, Oswald told a reporter that "capitalism has passed its peak; capitalism will disappear as feudalism disappeared." The FBI reported in 1961 that the Fair Play for Cuba Committee "has been heavily infiltrated by the Communist party and the Socialist Workers party. . . ."

From all of which it is apparent that Miss Fromme and Messrs. Bremer, Sirhan and Oswald are classic specimens of the leftward revolutionary temperament—albeit with an extra psychopathic twist. This is precisely the temperament that has been appeased and actively encouraged by dominant opinion-makers for better than a decade—even as internal security agencies that might protect us from it have been relentlessly destroyed. Small wonder the people responsible for such lunacy want to focus our attention on guns—and away from the revolutionaries who employ them.

ADMINISTRATION BLOCKS EFFORTS TO COMBAT ARAB BOYCOTT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 30 minutes.

Mr. DRINAN. Mr. Speaker, nearly 8 months have elapsed since President Ford spoke out on February 26 against the Arab boycott of companies which have commercial relations with Israel or are otherwise considered "Zionist" by the Arab League. During that period, the administration has taken no steps to counteract the enormous pressures being brought to bear upon American companies as a result of the boycott. The President has refused to use his existing authority to act against American firms which support the boycott by acquiescing to Arab demands. High officials in the Departments of Commerce, Treasury, State, and Justice, while paying lipservice to opposing the boycott, have testified against proposed legislation to strengthen the antiboycott provisions of existing law.

FORD ADMINISTRATION HELPING TO PERPETUATE ARAB BOYCOTT

Rather than working to undermine this insidious form of economic coercion, the administration is actively working in a number of ways to perpetuate the Arab boycott. One day after the President issued his statement condemning American participation in the boycott, Treasury Secretary Simon signed a joint private investment agreement with Saudi Arabia, a country which blatantly discriminates against all Jews, including Americans, in issuing visas. Under the terms of the agreement, the U.S. Government will help American companies to conduct business with Saudi Arabia, the instigator of most boycott-related demands reported by American exporters. Moreover, the administration continues to engage in massive arms sales to nations in the Middle East participating in the boycott.

COMMERCE DEPARTMENT DISSEMINATES BOYCOTT REQUESTS

Two recent episodes involving the Commerce Department add to the sorry record of administration complicity in the Arab boycott. I was startled to learn of the disclosure by the Anti-Defamation League of B'nai B'rith on August 11 that the Commerce Department was disseminating letters of offer or "tenders" containing boycott provisions to American firms. The Arab League could not have done much better if it had hired a public relations manager to promote its boycott.

As Seymour Graubard, national chairman of the ADL, wrote to Commerce Secretary Morton on August 11:

> It is ironic that your Department distributes warnings to American companies to remind them that the provisions of the Export Administration Act require a report to the Department of any request for boycott compliance—while your Department itself is disseminating proposed purchases which include such requests for Arab boycott.

To call such contradictory actions "ironic" is too generous—"hypocritical" would be a more accurate description. The complete text of Graubard's letter follows:

Anti-Defamation League,
of B'nai B'rith,
August 11, 1975.

Hon. Rogers Morton,
Secretary, Department of Commerce,
Washington, D.C.

Dear Sir: This letter is to protest the cooperation and assistance of your Department in the Arab boycott operations against the State of Israel.

Enclosed is a xerox of a nationally disseminated letter from the Department's Office of Business Research and Analysis to which the Department attached a June 1975 communication from Iraq. You will note that the Iraqi communication is a tender to purchase 3,550 pre-cast (prefabricated) buildings, the terms and conditions of which include a boycott provision against Israel. Paragraph No. 13 reads as follows:

"Country of Origin: The tenderer should not incorporate (sic) this tender any material that has been manufactured in Israel or *by companies boycotted officially by Iraqi Government*." (Emphasis ours)

When the matter came to our attention, we telephoned the Commerce Department desk which circulated this national mailing. Mr. Charles Pitcher, the writer of the circular letter, advised us that it is routine practice to disseminate such tenders as they arrive from foreign lands. In some cases, we were told, the Commerce Department "writes them up"; in other cases, the distribution is arranged by computer. We were informed, too, that these tenders are received by Commerce from the U.S. State Department. The letter itself states that Commerce received the tender from a "U. S. Foreign Service Post".

With the foregoing in hand, we assigned one of our representatives to visit our Department of Domestic and International Business-Trade Operation Office, and examine tenders that have been distributed by it from about June 1974 to the present. Our search only spot-checked tenders from Iraq, Saudi Arabia, Libya, Syria, Qatar, Egypt, Lebanon, Jordan and the United Arab Emirates. We found at least one other instance in which your Department distributed a tender containing Arab boycott provisions. In the Department's Iraqi folder, there is a bid received March 4, 1975 inviting tenders for a supply of industrial locomotives for the Samawah Cement Public Company, P.O. Box 5, Samawah, Iraq. Attached to the standard telegraphed form from the Trade Opportunities Officer, is a listing of "General Terms and Conditions." It states in Section 13: (titled Certificate of Origin).

"Tenderer must submit certificate of origin specifying that the goods are not of Israeli origin, not the company having a branch in Israel, and that they will not be shipped on Israeli or blacklisted vessels. This certificate must be legalized by the Iraqi or any Arab consulate or representative and in the case of their non-existence, legalization by Chamber of Commerce or Industry in the Country of Origin or port of shipment will suffice."

In addition to this latter instance, our search at the Department turned up other questionable informational requirements in tenders circulated by Commerce; questionable, because if complied with, these provisions would enable the Arab country to take the next step of rejecting bids that violate their boycott rules. For example:

1. Egypt: bidders must submit offers through Egyptian commercial companies or through an Egyptian agent (which may limit freedom of trade by having to go through such contacts).

2. Qatar: in a bid for tenders received September 24, 1974 re Communication Pipes, "Tenders should include product's country of origin and name of producers . . ."

3. Libya: bid for tenders received August 16, 1974, requires bidding through Libyan agent. Further, this bid request for x-ray diagnostic units for eight Libyan hospitals states "Restricted Tender Board can reject any tender without explanation."

Because your Department advised us, as indicated above, that the tenders it disseminates are received from the U.S. State Department, we communicated with that office. There, we talked by telephone with Nicholas Lakas, the Director of the Office of Commercial Affairs, who promised to look into the matter. Because the subject is so important, we are writing to you, copy to the U.S. Secretary of State, pending the results of his inquiry.

It is ironic that your Department distributes warnings to American companies to remind them that the provisions of the Export Administration Act require a report to the Department of any request for boycott compliance—while your Department itself is disseminating proposed purchases which include such requests for Arab boycott. We wonder how many companies receiving these mailings have reported, as required under the Act, that the Commerce Department itself is guilty of violating the publicly announced policy of our government.

We ask that the Commerce Department comply with American public policy as set forth in the Export Administration Act, which opposes submission to boycott demands of friendly countries by other foreign powers.

Very truly yours,

SEYMOUR GRAUBARD,
National Chairman.

On August 22, Charles W. Hostler, Deputy Assistant Secretary of Commerce for International Commerce, replied to Mr. Graubard. In an attempt to counter the charge that the Commerce Department was abetting the boycott by distributing tenders containing boycott provisions, Mr. Hostler promised that all such tenders would be accompanied in the future by a statement indicating that U.S. policy opposes boycotts and compliance with boycott requests. Such a self-contradictory and self-defeating plan could come only from an administration whose words and actions on this issue are so far apart. If the United States were opposed to the boycott, why would the Commerce Department continue to disseminate information which serves to broaden its impact? And if the United States were simply interested in acquiring petrodollars at any cost, why bother enclosing a statement of policy with the invitation to do business with the Arabs by participating in the boycott?

Mr. Hostler revealed the true attitude of the Commerce Department when he explained that the purpose of departmental policy was to permit companies to decide "in the exercise of their business judgment whether or not to comply with the particular Arab boycott request." Thus, in the eyes of the administration, the decision of whether or not to participate in the Arab boycott should be based solely on where the greatest financial profit lies. One might easily forget that the law of the land, as stated in the Export Administration Act of 1969, is as follows:

> It is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (b) to encourage and request domestic concerns engaged in the export of articles, materials, supplies, or information, to refuse to take any action, including the furnishing of information or the signing of agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States.

The complete text of Mr. Hostler's letter appears below:

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., August 22, 1975.

Mr. SEYMOUR GRAUBARD,
National Chairman, Anti-Defamation League of B'nai B'rith, Washington, D.C.

DEAR MR. GRAUBARD: This is in response to your letter of August 11, 1975, to Secretary Morton in which you advise that it has come to your attention that this Department recently disseminated to interested American firms a bid tender for the purchase of precast buildings by the Government of Iraq which contained a provision excluding the use of materials of Israeli origin or materials manufactured by firms boycotted by the Government of Iraq.

We were quite disturbed to learn that, contrary to longstanding Departmental policy, copies of this tender and other trade opportunity documents were disseminated without attaching thereto a statement of United States policy opposing such restrictive trade practices and requesting the American firms concerned not to comply with them. Secretary Morton appreciates your bringing this matter to his personal attention. In order to avoid this occurring again, we have instructed appropriate officials in the Domestic and International Business Administration that henceforth a statement should be *stamped* on any documents containing such restrictive trade clauses which are disseminated by this Department. Such statement will direct the reader's attention to the particular restrictive clause and advise him of U.S. policy in opposition thereto.

Although the issue of discrimination because of race, color, religion, sex or national origin does not arise in the case you have cited and, in fact, very seldom arises in connection with an Arab boycott request, I want to assure you that tenders and other trade opportunity documents which would have the effect of discriminating against certain U.S. citizens on such grounds will not be, and to our knowledge have not been, disseminated by the Department of Commerce.

This Administration is fundamentally opposed to the premises upon which the Arab boycott is based and the Department of Commerce has made every effort to acquaint the business community with the declaration of United States policy currently contained in Section 3(5) of the Export Administration Act. The Department form on which exporters report receiving Arab boycott requests includes a statement of that policy, prominently displayed at the top of the form. Reprints of this form and of the pertinent provisions of the Export Administration Regulations were recently mailed to approximately 30,500 U.S. firms which are listed in the American International Traders' Index. A copy of this document is enclosed for your information. In addition, the Department has issued several press releases over the past few months concerning our policy towards the Arab boycott and actions taken to enforce our reporting requirements.

We do not believe that any useful purpose would be served if the Department of Commerce refused to disseminate bid invitations subject to restrictive clauses, thereby denying U.S. firms prompt access to business opportunities in the Arab markets which they are lawfully permitted to pursue. Our firms might to some extent compensate for loss of this source of information by attempting to obtain the opportunities directly from Arab sources or through private trade channels. Forcing them to do so, however, would put them at a competitive disadvantage with foreign competitors having prompt access to such opportunities through their own governments. The approach which we have chosen to use in handling these trade opportunity documents affords us the means of reminding American firms of the U.S. policy of opposition to such restrictive trade practices, before such firms have decided in the exercise of their business judgment, whether or not to comply with the particular Arab boycott request.

In conclusion, a refusal by the Department to disseminate such opportunities could have an adverse impact on our balance-of-trade, and increase unemployment in the United States without having any impact on the worldwide application by the Arab countries of their boycott against firms engaging in extensive commercial relations with the State of Israel. We firmly believe that the only means of ending this boycott rests in the successful settlement of the Middle East conflict and the issues underlying it. I am sure that you share our hope that such a settlement will be achieved in the very near future.

Sincerely,

R. SHAW,
(For Charles W. Hostler, Deputy Assistant Secretary for International Commerce).

The ADL has filed suit against Commerce Secretary Morton in U.S. District Court of New York, to prevent the further dissemination of tenders containing boycott provisions to American firms at taxpayer expense. In its complaint, the ADL charges that the Commerce Department's activity "promotes, supports, aids, and abets" the boycott.

COMMERCE REFUSES TO DISCLOSE NAMES OF FIRMS WARNED FOR VIOLATING BOYCOTT REPORTING REQUIREMENTS

The Commerce Department acted for the first time to enforce the boycott reporting requirements of the Export Administration Act on June 27 when it fined four companies $1,000 each for knowingly failing to report boycott requests. All of the firms penalized had been warned orally about violating the act during 1968. In finding the four firms formally charged, the Department also issued warning letters to some 162 firms "based on the reasonable belief that they failed to report Arab boycott requests." These were the first formal warnings ever issued for boycott reporting violations.

On July 17, Representative Benjamin S. Rosenthal, in his capacity as chairman of the House Government Operations Subcommittee on Commerce, Consumer, and Monetary Affairs, wrote to Commerce Secretary Morton to request the names of those companies which were issued warning letters. In his letter, Congressman Rosenthal denied that section 7(c) of the Export Administration Act, which stipulates that certain information acquired under the act be kept confidential, was applicable to the names of companies charged with violating the act. "Because either an exporter or the Department of Commerce does not wish it to be known that the exporter has violated the law does not make that fact confidential," Rosenthal observed. He also cited a legal analysis performed by the American Law Division of the Library of Congress in support of his demand for disclosure. The text of Representative Rosenthal's letter follows:

July 17, 1975.

Hon. Rogers C. B. Morton,
Secretary, Department of Commerce, Washington, D.C.

Dear Mr. Secretary: The Commerce, Consumer and Monetary Affairs Subcommittee of the House Government Operations Committee has the oversight responsibility for the Department of Commerce and its agencies. This includes the administration of the Export Administration Act. The Act provides both criminal and civil penalties for violations.

The Subcommittee desires to know what civil penalties for reporting violations have been imposed by the Secretary or any official of the Department of Commerce under the Export Administration Act. Kindly cite the number of cases, the penalty by case, and names of the individuals or companies involved by year. The Subcommittee also desires to know for each annual year the number and names of the individuals or companies who have been warned by the Department of Commerce for their failure to report in accordance with the Export Administration Act.

The Subcommittee also desires to know if ever criminal penalties for violations of the reporting requirement have been referred to prosecution and if fines or penalties have been imposed in accordance with the Act. Kindly cite the number of cases, the penalty or fine by case and names of the individuals or companies referred for prosecution as well as the fines or penalties imposed by year.

Recently your Department charged five U.S. exporters with violating the boycott reporting requirement and warned over 100 others about reporting violations under the Export Administration Act. On May 29, 1975, the Subcommittee staff orally requested of the Department's Assistant General Counsel, Richard Mull, the names of the U.S. exporters involved. Mr. Mull asked that we redirect this request in writing to you. In the past the Department has responded it is barred from diclosing this information by the provisions of Section 7(c) of the Export Administration Act:

"No department, agency or official exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the head of such department or agency determines that the withholding thereof is contrary to the national interest."

A reading and review of the statutory language does not substantiate the Department's position that it has the authority to withhold from a committee of the Congress the names of the five U.S. exporters recently charged with violating the boycott reporting requirements or the names of the 100 U.S. exporters who were warned about reporting violations. The plain and ordinary meaning of the text of Sec. 7(c) is that, if in the administration of the Act, the agency or any of its officials come in contact with or gain some knowledge of a confidential aspect of an exporter's business, such cannot be disclosed. Because either an exporter or the Department of Commerce does not wish it to be known that the exporter has violated the law does not make that fact confidential.

A legal analysis of the issue by the American Law Division, Congressional Research Service, supports the Subcommittee's position. The American Law Division's study also concluded that the legislative history of Section 7(c) does not seem to lend support to the position taken by your Department.

If there are any questions relative to the above request and the Subcommittee's position, please contact Mr. Herschel F. Clesner, Subcommittee counsel.

Thanking you in advance for your cooperation, I am

Sincerely,
Benjamin S. Rosenthal,
Chairman.

Six weeks later, on August 27, Representative Rosenthal received a reply from Secretary Morton. In his letter, the Secretary reiterated his legal claim that the information requested could not be disclosed. In making that claim, Secretary Morton ignored the nature of the information being requested, confusing it with data supplied by American firms under a promise of confidentiality. But Mr. Rosenthal was not asking for proprietary information disclosed by exporters; he simply wanted to know who the Commerce Department had taken action against. To draw a parallel with criminal procedures, he was, in effect, asking who had been indicted.

In refusing to release the information, Secretary Morton admitted that he was keeping the names of the companies who had been warned a secret in order to shield such companies from adverse publicity. He said:

> I feel that such disclosure would cause particular damage to the exporting companies now developing their trade with Middle Eastern markets and gaining a toehold in this highly competitive region.

Here again, the Commerce Department revealed its intent to maximize and protect corporate profits regardless of countervailing interests. Morton ignored the fact that the boycott reporting requirements and the issuance of warning letters are totally useless unless public pressure can be brought to bear against companies cooperating with the Arab boycott or violating the law. By keeping all possible information secret, the Secretary of Commerce is helping to insulate American firms from anti-boycott pressure and insuring that the boycott will continue to wield tremendous economic influence in the United States. The complete text of Secretary Morton's letter follows:

The Secretary of Commerce.
Washington, D.C., August 26, 1975.

Hon. Benjamin S. Rosenthal,
Chairman, Subcommittee on Commerce, Consumer, and Monetary Affairs, Committee on Government Operations, House of Representatives, Washington, D.C.

Dear Mr. Chairman: This is in further response to your letter of July 17, 1975, in which you inquire as to any civil or criminal penalties imposed, or warnings issued, in prior years for failure to comply with this Department's boycott reporting regulations, 15 CFR §§ 369.1 and 369.4, which implement Section 3(5) of the Export Administration Act of 1969, as amended (50 U.S.C. App. § 2402 (5)). You also inquire as to the identity of the exporters who were issued charging and warning letters for violations of these regulations.

No firms have been issued formal warning letters prior to 1975, for violation of the boycott reporting requirements. The Department did conduct a survey during the latter part of 1968 and early 1969, which revealed that eighteen firms had received boycott requests which they had not reported. At that time, these firms were orally warned of the reporting requirements; each firm assured the Department that it would comply thereafter. Four of these firms were those against which a civil penalty was recently imposed for a subsequent violation of the reporting requirements. The identities of those four firms and the circumstances are described in the enclosed news release which was issued on June 27, 1975. I am also enclosing copies of the Department Orders issued against these firms. It is anticipated that charges against the fifth firm will be withdrawn and a warning letter issued instead. That firm failed to report a boycott request which it received in 1974, a year before our publicity campaign.

A charging letter was issued on the erroneous belief that the same firm had failed to report the receipt of a boycott request in 1968 and had been warned at that time to comply with our boycott requirements. In fact, this firm had never been contacted and it should therefore have been treated in the same manner as those firms which were found to have violated our reporting requirements through inadvertence or ignorance of our regulations. There have been no previous cases with respect to the boycott reporting requirements in which civil or criminal penalties have been imposed. To date, 162 firms have been issued a warning letter during 1975, based on the reasonable belief that they failed to report Arab boycott requests.

Turning to your request for the identity of exporters who were issued charging and warning letters, Section 7(a) of the Export Administration Act of 1969, as amended (50 U.S.C. App. § 2406(a)), authorizes the Department to make investigations and obtain information to the extent necessary or appropriate to the enforcement of the Act. Section 7(c) of that Act requires that:

"No department, agency, or official exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, *unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.*" (Emphasis added.) (50 U.S.C. App. § 2406(c))

Thus, Section 7(c) *requires* that information obtained under the Act which is deemed confidential be withheld unless I determine "that the withholding thereof is contrary to the national interest." In other words, it is not a question of not being required to disclose the information, but rather of being required not to disclose it, unless I expressly determine that it is contrary to the national interest to withhold it.

The statutory privilege contained in Section 7(c) of the Export Administration Act of 1969 was enacted both for the benefit of government, and the persons supplying information to the government. Thus, the disclosure of material under the exceptional circumstances warranting a national interest determination is not one to be arrived at lightly whenever it appears expedient for government to do so. In considering the national interest in the context of the Export Administration Act, the threshold criterion is the extent to which the disclosure of information to which the Congress has accorded confidential status could impair the continued ability of this Department to obtain the timely, complete and accurate data that is essential to the effective discharge of its statutory duties and responsibilities.

The information on which the warning and charging letters were based, including the identities of the companies involved, was initially developed by this Department primarily on the basis of analysis of Shippers' Export Declarations which are required pursuant to the Act to be submitted to the Department by all exporters. You will note from the enclosed copy of the declaration form, that exporters are expressly advised that the information they submit is confidential. The review of Export Declarations for exports to selected destinations, supplemented with inspection of individual company export control documents, other company records, field investigations and comparison against boycott reporting forms, are all conducted under the authority of Section 7(a) of the Act, and information obtained thereunder by the Department is, therefore, deemed confidential under Section 7(c).

Having in mind the prohibition against disclosure contained in Section 7(c), I must consider whether there exists in this case any overriding national interest which would authorize me to accede to your request for access to those charging and warning letters.

The identities of the firms receiving charging and warning letters for which you request disclosure are deemed confidential by this Department for purposes of Section 7(c). The charging letters are an integral part of compliance proceedings which are declared confidential by 15 CFR § 388.14. The warning letters have been treated as confidential by administrative practice over the years.

Disclosure of the identity of the firms which were issued the letters could expose many of these to countermeasures and pressure by various individuals and groups, notwithstanding that, in the case of firms receiving warning letters, the violations of the Export Administration Regulations were considered to have been inadvertent.

Thus, I do not think that disclosure of the identities of the firms receiving warning letters would serve a constructive purpose or be in the national interest and in fact, I am convinced that such disclosure might very well have the opposite result. I feel that disclosure would cause particular damage to the exporting companies now developing their trade with Middle Eastern markets and gaining a toehold in this highly competitive region. In terms of the public interest, it should be far more important to publish information as to the aggregate number of warning and charging letters issued by this Department, rather than to disclose the names of the individual firms, and expose them to economic reprisals.

From the standpoint of enforcement of our reporting requirements, all the firms which have been warned will be subject to periodic monitoring to ensure that they are complying fully with our regulations. In the event that any of these firms are found to have failed to report a subsequent boycott request, these will be charged and their identity disclosed, following compliance proceedings, if the violation is found to have occurred. I believe that the enforcement actions taken by the Department to date, coupled with the publicity given thereto, and our extensive educational campaign on the reporting requirements are proving to be a sufficient deterrent against future violations, and that no useful purpose would be served in disclosing the identity of firms which have been warned.

In light of the foregoing, and other considerations, I am unable to conclude that it would be contrary to the national interest to withhold the identities which you request and, therefore, I must decline your request. However, with respect to this general matter, I wish to state that I am fundamentally opposed to the premises upon which the Arab boycott is based, and sincerely hope that a resolution of the issue satisfactory to all concerned can be achieved as quickly as possible.

Sincerely,

ROGERS MORTON,
Secretary of Commerce.

The House Committee on Interstate and Foreign Commerce issued a subpena to Commerce Secretary Morton to release this information. Yesterday, testifying before the Subcommittee on Oversight and Investigations, Secretary Morton refused to comply with the subpena, creating the possibility that he will be charged with contempt of Congress.

CONGRESSIONAL ACTION NEEDED

While the administration continues to condone or at least keep hands off the Arab boycott, the boycott exerts a growing influence upon the American economy. Companies are encouraged to sever commercial ties with Israel, direct or indirect, in order to remain off the blacklist. Most recently, companies have been pressured to discriminate against Jews, in addition to Israeli nationals, in their employment and business practices, in order to curry Arab favor.

Contractual boycott provisions may be general in nature, leaving their meaning open to the interpretation of the participating company and the Arab League. For example, the Architects Collaborative, Inc., of Cambridge, Mass., recently concluded a contract with the Institute of Public Administration of Saudi Arabia. Article 17 of that contract stipulates:

> The consultant should not in any way perform any functions that will be contrary to the regulations of the Boycott of Israel office.

In effect, this American firm has agreed to abide by the policy decisions of a foreign governmental agency whose sole purpose is to cripple the economy of one of America's staunchest allies. There is no way of learning how many other companies have signed similar boycott agreements. There is no way of learning what discriminatory actions these and other firms have engaged in to lure Arab petrodollars. The Commerce Department will not even tell us which companies have failed to abide by the simple boycott reporting regulations of the Export Administration Act.

At the present time, actions by American companies which further the Arab boycott are discouraged, but not prohibited, by Federal law. In the absence of remedial action by the administration, it is up to Congress to implement the antiboycott policy of the United States which dates back to 1949. The Foreign Discriminatory Commercial Practices Act (H.R. 5913), which I filed in April along with 28 cosponsors, remains stalled in the House Committee on International Relations. Until Congress acts to approve this or one of the other legislative remedies which have been proposed, the Arab boycott will continue to be used to blackmail American companies into engaging in discriminating commercial practices and waging economic war against Israel.

EXECUTIVE BRANCH INEFFICIENCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, it is ironic that the Ford administration, which has vetoed numerous antirecessionary measures on the ground that they are too expensive, continues to engage in a wide range of activities that are very wasteful of tax dollars and that greatly reduce the efficiency of Federal workers. One of the most recent examples that has come to my attention involves a costly, unnecessary, and inefficient relocation of a California Customs office, as reported in the Long Beach Press-Telegram article of August 22, 1975 under the heading: "Immovable Customs Office Mover."

IMMOVABLE CUSTOMS OFFICE MOVER

In almost 20 years of watching bureaucrats in action, the two who are spearheading the controversial move of customs personnel from the Terminal Island Customs House to downtown Los Angeles should take some sort of prize.

U.S. Commissioner of Customs Vern Acree and Los Angeles District Commissioner Albert Bergeson seem to be insulated against everything—public outcry, employe dissatisfaction, expensive studies which show they're wrong and wasting money, and even legislative opposition.

Despite it all, the two men continue to push ahead with their plan to collocate—which in their mind means moving key customs personnel all into one building. The building they want everyone to occupy is the overcrowded Federal Building in downtown Los Angeles.

The two-story Customs House on Terminal Island was specifically built for customs operations in 1967 following a lengthy General Accounting Office survey which showed that customs activity should be centered in the harbor, where, the survey said, the business is obviously done.

The survey indicated the District Commissioner and 27 members of his staff could remain in downtown Los Angeles. And that, apparently, is all the two executives believe valid in the survey, although the District Commissioner's staff has grown more than five times that size.

Without benefit of another survey, the two men decided that customs operations—at least what they consider key personnel—should be all in one location. Reason, says Bergeson, is that it is easier to get together for their once-a-month formal meetings and if they're all in one building it's easier to meet informally.

Why they're moving the complex, highly sophisticated communications center—which admittedly is used only by personnel in the harbor area—is never explained. And Bergeson shuns the fact that the other customs directors, specifically those involved in the move, object to the plan as do all the employes involved.

Costs, which in a memo he said would run about $650,000 for moving personnel, he considers immaterial.

The entire move—only admitted to after departmental memos were published in a newspaper story—is almost unbelievable.

The eight-year old Customs House is designed to meet customs needs. There are numerous spacious offices that are vacant and have been vacant for many months, and in December the second floor will be further emptied when Coast Guard personnel leave for new quarters in Long Beach.

Yet, Bergeson is spending additional federal funds to move people out of the overcrowded downtown Los Angeles building into privately leased offices to make room for the men he is moving out of the Terminal Island facility, leaving it even more empty.

Somehow it's hard to understand the customs officials' thinking—especially when the idea is brought forward that perhaps instead of moving people into downtown Los Angeles, Bergeson and his staff should move to the spacious and built-for-them facility on Terminal Island.

It would save the taxpayers money and leave the Federal Building in Los Angeles available to those who need to work in the crowded city.

The round-about rationalization of the two men is reminiscent of the Nixon men's penchant to "stonewall it." But Acree, as the Watergate hearings revealed, is familiar with the term.

As assistant commissioner with the Internal Revenue Service, Acree was the one Nixon aides would go to for tax information—one of their biggest weapons against those on their "enemy" list. The Nixon men would bypass other reluctant IRS commissioners, according to Watergate testimony, and deal with Acree who provided them with whatever they needed.

Apparently for his cooperation—which other more ethically minded IRS officials refused to do—Nixon appointed Acree as Commissioner of Customs. Nixon lost his job, but Acree survived.

Now he's challenging surveys, employe objections, government economy programs, taxpayers and even legislators—something most bureaucrats won't do—to move his customs people 25 miles away from where they work.

But if Watergate couldn't move him—something that cost a president his job—it's doubtful that this plan, despite legislators, etc.—will stir him.

THE FIRST BUDGET RESOLUTION TARGETS AND SUBSEQUENT REVENUE AND SPENDING ACTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. ADAMS) is recognized for 60 minutes.

Mr. ADAMS. Mr. Speaker, the Congress is well along in its first-year implementation of the new congressional budget process.

In February the Congressional Budget Office was established.

In March the new controls on new backdoor spending legislation became effective and are being implemented with the cooperation of House committees.

In May the first budget resolution was adopted, setting targets for revenue and spending legislation, the amount of budget deficit, and changes in the public debt for fiscal year 1976.

Subsequently, action began on authorization and appropriations bills for the fiscal year, accompanied by scorekeeping reports from the CBO and the House and Senate Budget Committees. These reports indicate that the Congress's spending actions are generally consistent with the revenue and spending targets established in the first resolution.

Finally, both the House and Senate Budget Committees have announced general schedules for the consideration and adoption this fall of a second budget resolution for fiscal year 1976. That resolution will set ceilings on congressional revenue, spending, and debt actions for the balance of the fiscal year.

Generally, the new budget process is being implemented in a reasonable and effective manner.

In recent weeks, however, there has been considerable discussion concerning the meaning and effect of the targets set in the first budget resolution. Do the first budget resolution targets bind subsequent congressional actions? If, for example, a particular functional category target is exceeded, must another functional category target be reduced by an equivalent amount? If the targets are not binding, can they be safely ignored? And if they are not binding, what is their real function?

Today I wish to answer these questions in general, and also to set forth for the benefit of House Members the approach the House Budget Committee plans to adopt on appropriations and other spending bills which substantially exceed or fall short of the first resolution targets.

Before doing so, however, I wish to note an important difference between the budget process in effect this year, and the full process mandated by the Budget Act for next year and subsequent years. This year the budget resolution adopted by the Congress in mid-May established targets only for the five principal budget aggregates—revenues, budget authority, outlays, amount of deficit, and changes in the public debt. It did not establish targets for the major functional categories of the budget—defense, international affairs, income security, and so forth—as is required next year. Consequently, this year and this year only, the committee did not establish formal targets for defense or income security or education and manpower so that the scorekeeping process can formally say that a target has or has not been breached. The estimates established for these functional categories were intended, according to the Statement of Managers, "to serve as guidelines for the Congress, to explain the steps by which the conference reached the aggregate totals, and to provide a benchmark for the Second Concurrent Resolution."

Thus, this year only five targets have been established formally by the resolution—those relating to the budget aggregates—and to the extent that the Congress adheres to or violates the first resolution targets, it should be clear that only these budget aggregate targets are involved. Next year targets will be set for both budget aggregates and functional categories.

The effect of the targets is the same, however, both this year and next, whether only aggregates or functional categories as well are involved. The targets are guidelines for subsequent congressional action. Thus, appropriations and other spending bills—as well as revenue measures—may exceed or fall short of the targets without violating either the letter or the spirit of the budget process; but this will mean that the second resolution may be more difficult to adopt and that a significant reconciliation process may be required. In fact, it is fair to say that during consideration of the new budget process, the Congress anticipated that the targets might be breached through congressional actions or as a result of the impact of the economy on the budget, and therefore provided for a second resolution and a reconciliation process to deal with that eventuality.

As Members know, the original budget reform legislation recommended by the Joint Study Committee on Budget Control conceived of the first budget resolution as setting rigid ceilings which would limit subsequent congressional action on spending bills. The amounts set in the resolution would have been "overall limitations" which could not be exceeded by Congress when it acted upon appropriations and other spending bills.

This recommendation of the Joint Committee, one of the most debated issues in the budget reform legislation, was rejected by the Congress for three principal reasons:

First, because spending ceilings established early in the year would have deprived the Congress of a flexible response to changing economic and other circumstances;

Second, because early ceilings would have downgraded the utility of the traditional appropriations process; and

Third, because early ceilings would have reinforced the notion that unanticipated budget deficits result only from excessive spending and failed to recognize that such deficits can result from unrealistically high revenue estimates as well.

The first two arguments were set forth in the report of the House Rules Committee, the third by the Senate Rules and Administration Committee.

According to the House Rules Committee, if early spending ceilings had been set in 1973, for example, the Congress could not have responded—without adopting another concurrent resolution—to the increased spending needs occasioned by the dollar devaluation, the effect of inflation upon social security recipients, and the military requirements of the Arab-Israeli conflict. Furthermore, in the view of the committee, the setting of ceilings would have made the first concurrent resolution the main forum for establishing expenditure levels, prior to detailed congressional review through the appropriations process of specific justifications by executive agencies. The result would have been to lock in major budget decisions prior to the appropriations process.

The Senate Rules and Administration argument was aimed primarily at a complicated procedure, recommended by the Senate Government Operations Committee, for dealing with appropriation bills in excess of the levels set in the first budget resolution. The Rules and Administration Committee rejected that procedure as "overly rigid"; as focusing exclusively on excessive spending as the cause of budget deficits; and as failing to recognize adequately the potential for achieving reconciliation—between spending legislation and the levels set in the first resolution—through adjustments in revenues and debt, as well as in budget authority. "The requirement that Congress first consider budget cuts assumes that this is always the preferred course of budget control. Yet in the period between adoption of the first budget resolution and the reconciliation stage, many things may have changed, only a part of which is congressional action on appropriations and other spending bills."

The establishment of targets that do not rigidly bind subsequent congressional spending actions is an integral part of the new budget process. That process involves three major steps:

First, a tentative determination of fiscal policy and budget priorities for the ensuing fiscal year made through the vehicle of the first budget resolution;

Second, detailed spending decisions made through the traditional appropriations process and through action on other spending bills; and

Third, firm spending ceilings made after a second and more timely look at the Nation's economy and with full knowledge of Congress's completed—and specific—spending decisions.

The targets established in the first budget resolution should serve as guides to subsequent spending actions. New spending needs may arise and others disappear; estimates for such "uncontrollables" as social security, medicare, and interest on the public debt may also be sharply revised; and revenue estimates may rise or fall as a result of economic factors.

Furthermore, since the first budget resolution targets must be adopted prior to detailed congressional review of the Executive's spending requests, they simply cannot be set with sufficient precision to regard them as binding on subsequent spending actions. For example, while the first resolution may provide for $1 billion to be spent on certain activity, subsequent appropriations action, based on detailed hearings, committee deliberation, and floor action, may well determine that $1.2 billion or $800 million is the amount that reasonably can or should be spent. That is why the Budget Act speaks in terms of setting "appropriate levels" of budget authority and outlays, and not "overall limitations" as proposed by the Joint Study Committee.

Thus the first resolution targets represent a first look at both the fiscal policy and budget priorities requirements of the ensuing fiscal year. And just as any first look, it is likely to change to some extent over the succeeding months. Neither the budget nor the economy is static: they change constantly, and, in a fast moving and complex world, often sharply.

To deal with these realities, the Budget Act established three mechanisms: first, a scorekeeping process through which the Congress could compare its spending actions against the first resolution targets; second, a procedure whereby the Appropriations Committee would, if practicable, prior to reporting its first regular appropriations bill, submit a summary report to the House comparing all of its recommendations with the targets set in the first resolution; and third, a reconciliation process through which the Congress can reconcile its actual spending decisions with the later firm decisions made in the second budget resolution.

The overall process was best summarized by Congressman RICHARD BOLLING, a principal architect of the Budget Act, in his summary of the conference report on the budget reform legislation:

> The first budget resolution, which (as previously noted) is to be adopted by May 15, will be in the form of a target. I am convinced that the ultimate effectiveness of the new budget process will depend in good part on the extent to which Congress utilizes these guidelines in considering subsequent spending and revenue legislation. Built into the new process will be various scorekeeping procedures to enable Congress to compare its spending decisions with the levels specified in the targeting resolution.
>
> Firm budget decisions will be made in the second budget resolution to be adopted before the start of the next fiscal year. In considering this ceiling resolution, Congress will have the benefit of updated budget figures, and most importantly, concrete knowledge of its previous actions on entitlement and spending measures. Congress will be in a position to affirm these decisions or to set into motion a reconciliation process whereby spending, revenue, and debt legislation are adjusted in conformity with the second resolution. The reconciliation process thus will be able to reach any or all components of the budget and it will provide the context for establishment of a comprehensive and consistent budget policy.

Does this mean then that the targets really have no effect? That they can be ignored by the Congress until the reconciliation stage is reached? And if so, is it not then too late in the process to begin the task of increasing or decreasing budget authority amounts already enacted into law?

Not at all. The targets are extremely important. They represent deliberate congressional decisions on the proper role of fiscal policy and Federal spending priorities for the ensuing fiscal year; and as such they will affect Congress's specific spending decisions. We have already seen the impact of certain of the targets on proposed spending actions; some have been deterred and others strengthened through the mere disclosure of their relationship to the targets.

Ordinarily, the House will be reluctant to violate its own spending targets without justifying the reasons for the differences between spending proposed in the bill involved and the applicable targets. Next year these differences will be highlighted through implementation of section 302 of the Budget Act which calls for the allocation of budget authority and outlay amounts to various committees. Committee reports on budget authority and spending bills will be required to display comparisons of the amounts in the bill with the amounts provided in the first resolution. It would be helpful to House Members if committee reports on spending bills provided a brief explanation of the reasons for differences between proposed spending bills and the applicable targets.

I have no doubt that, as the Budget Committees and the Congress gain further experience with the new process, the targets will be set with greater and greater degrees of precision and authoritativeness. But no matter how precisely and authoritatively set, they can never shed entirely the characteristics of the "first look" and the tentative decision. The uncertainties of fiscal policy and budgeting make that virtually impossible. New spending needs will arise, estimates will be revised, and more detailed information and data will force changes in earlier judgments.

In short, the targets should guide and influence, but not bind. Later spending actions, unlike the earlier targets, are a result of detailed hearings and committee deliberations. To the extent that such actions may need to be reconsidered, the second resolution and reconciliation stage is the proper place to do so. As stated by the House Rules Committee: "Under this sequence, the spending level would derive from rather than supersede the appropriations process."

In light of the above, I plan, on behalf of the House Budget Committee, to take the following course of action on spending bills which substantially exceed or which are substantially below the targets:

First, to inform the House on each major spending bill of the relationship between the bill and the first resolution targets—both with respect to the functional category involved and the overall budget aggregates;

Second, to set forth for the House, using the most recent information available, the consequences of the spending proposed in the bill with respect to the Congress's fiscal policy and budget priorities decisions as established in the first resolution; and

Third, to preserve the integrity of the fiscal policy and budget priorities decisions made in the first resolution—to the extent that they remain applicable—by supporting amendments intended to bring specific spending bills closer to the first resolution targets.

If the House rejects raising or lowering spending in order to conform more closely to the targets, such action should be regarded as a more recent reflection of the House's spending priorities. To the extent that a particular spending action should be reconsidered, the next proper place to do so will be at the second resolution and reconciliation stage, where such action can be considered in the broader context of then current fiscal policy and spending needs.

It should also be clear that the first budget resolution targets are applicable not only to expenditures, but to revenues as well. The revenue target is an integral part of the fiscal policy decisions embodied in congressional adoption of the first budget resolution. Congressional actions increasing or decreasing revenues from the level set in the first resolution should receive the same scrutiny as is accorded actions substantially exceeding or falling short of the spending targets.

As chairman of the Budget Committee, I believe this approach to congressional spending and revenue actions subsequent to the first budget resolution is a practical one. It provides a method of preserving Congress's fiscal policy and budget priorities determinations while, at the same time, enhancing and strengthening the traditional appropriations process. And, finally, it would help to achieve a major objective of the new budget process by providing the Congress with full information as to the consequences of its spending and revenue decisions.

STRIKE ME—I'M EXEMPT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

Mr. FUQUA. Mr. Speaker, very shortly this body will consider H.R. 7575 to create a new, independent Federal Agency for Consumer Protection—ACP. In its previous incarnations in the 92d and 93d Congresses, I have supported similar proposals to create a consumer agency. I intend to do so again this Congress.

I have pointed out to my colleagues before what I consider to be a major flaw in this proposal—the prohibition of consumer agency input into any Federal agency proceeding relating to labor disputes or agreements. How can there be true consumer representation, I reasoned, if a major segment of the economy—namely, organized labor—is allowed to muscle their way out from under the umbrella of Federal consumer protection?

When the Government Operations Committee, on which I serve, was considering H.R. 7575, I offered an amendment to bring labor under the consumer protection umbrella. That amendment was defeated because, its opponents argued, labor matters really were not a consumer issue.

Mr. Speaker, I have just returned from Florida and the difficulty Floridians are having in securing air transportation firmly convinced me that labor disputes are a consumer issue which must be included within the purview of the new consumer agency.

Specifically, I refer to the strike by National Airlines' cabin attendants which has grounded "the airline of Florida." All of National's flights—which can carry 18,000 consumer-passengers a day—have been grounded by this strike.

Florida consumers are stranded, unable to secure reservations on other fully booked airlines. Consumers who had planned to come to Florida have been similarly inconvenienced and possibly even kept away.

The Federal Mediation and Conciliation Service stepped into the negotiations after mediators reported no progress between the union and the airline. For the life of me, I cannot understand why the Federal representative of air-traveling consumers should not also have its voice heard in negotiations such as these.

It seems to me that if 18,000 airline seats are suddenly denied consumers—for whatever reason—the consumer agency has a responsibility to represent the interests of the disenfranchised air traveler.

For organized labor to oppose such consumer representation and demand an exemption from the consumer agency bill is shameful.

Mr. Speaker, this is the second strike in less than a year to ground National Airlines. The previous strike by machinists denied service to Florida consumers for 108 days. We all know National's catchy "fly me" advertising slogan. After two strikes in less than a year Florida consumers, knowing that labor disputes are exempt from consumer agency representation, have a right to feel the slogan should be "Strike me—I'm exempt."

TITLE XX AND THE INDIVIDUAL MEANS TEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

Mr. CORMAN. Mr. Speaker the social services programs authorized under the new title XX of the Social Security Act will be initiated on October 1. Title XX continues the authorization for $2.5 billion for such social services as foster care, child care, homemaker services, special services for the mentally and physically handicapped, senior citizen centers, and many other services for welfare recipients and other low-income families and individuals. States plan and administer these programs. The funds are available to the State within the $2.5 billion ceiling on the basis of population of a State in proportion to the population of the entire country.

Prior to October 1, many of the same social services programs which will be funded through title XX are now being funded through titles IV-A and VI of the Social Security Act. Department of Health, Education, and Welfare regulations which govern the administration of social services programs under titles IV-A and VI provided that groups of individuals could be determined to be eligible for social services without an individual means test. While these regulations have been rather loosely interpreted and have caused some of the problems and controversy which relate to the enactment of title XX, they also enabled the funding of senior citizen centers to serve the aged in a low-income area.

When title XX was enacted as part of the Social Services Amendments of 1974 (Public Law 93-647), the policy was established of two priorities as far as recipients of services funded through title XX. First, there is a priority for the provision of social services to AFDC, SSI, and medicaid recipients by requiring that 50 percent of the Federal social services funds in a State be for services for such individuals and families. Second, the remainder of the social services funds under title XX in a State should be for low-income people as a mandate established in law so as to insure the most needy are not denied services in the competition for limited public funds. There are two modifications of these principles in title XX. Information and referral services, and a service directed to the goal of "preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests," may be provided without regard to the income of the individual or families.

The implementation of these priorities requires establishing certain administrative procedures to determine eligibility. The Department of Health, Education, and Welfare in regulations, which they published on June 27, requires that in all cases there be individual eligibility determination of income with extensive documentation of such income. This requirement was objected to by many of the aged, who have been eligible for some of the same social services under the Older Americans Act without an individual means test or under title VI group eligibility. Particular concern was raised in regard to the means testing of the elderly to attend a senior citizen center. In response to these concerns, a number of the Members of the House supported legislation to eliminate the individual means test for certain social services for the aged.

In lieu of legislation HEW has agreed to provide temporary relief from the individual means test requirements for social services by changes in certain Federal regulations affecting the eligibility determination process. The most notable of these changes will be that the social service eligibility provisions of title IV-A and VI of group eligibility without an individual means test may continue until April 1, 1976. The Department of Health, Education, and Welfare will begin immediately a study, to be completed before the end of next February, to establish whether some of the services provided in senior citizen centers should be exempted from the means test or whether the vast majority of individuals served by such centers are so likely to be eligible that procedures less burdensome than individual determinations of eligibility could be justified. This study will also encompass other groups of social service recipients.

Futhermore, HEW has recognized the administrative cost and difficulty of dedetermining eligibility for all the title XX recipients every 3 months as now required and so will permit States to conduct semiannual redetermination.

Recommendations will be made to the Congress based on the HEW study for its further consideration of this issue.

The Department of Health, Education, and Welfare has indicated that it will be working closely in conducting the study with the States and with the groups having a special interest in the social services program.

I am inserting a copy of the letter making these commitments that I have received from Mr. Stephen Kurzman, Assistant Secretary for Legislation of the Department of Health, Education, and Welfare:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C. September 12, 1975.

Hon. JAMES C. CORMAN,
House of Representatives,
Washington, D.C.

DEAR MR. CORMAN: In light of our recent discussions, the Department has been considering several possible steps to ease the expected difficulties of the States in implementing the eligibility provisions of Title XX of the Social Security Act.

We share the Congressional concern explicit in Title XX that it is important to maintain the priority treatment of low-income people which was intended to ensure that the most needy are not denied services in the competition for limited public funds.

However, as the Congress noted in the Act itself, there are some instances where it is not logical or administratively feasible to apply a means test. Thus, it is possible that the exemptions from income testing could reasonably be expanded to include other service categories in addition to those now specified in the law. It may also be possible that some groups of individuals have such a high likelihood of being eligible under the income standards of a State that it would be a waste of program funds to make individual determinations of eligibility.

We do not believe, however, that it would be advisable to amend Title XX with respect to either issues until the States and the Department have had sufficient experience with this new program to determine whether or not statutory remedies are, in fact, necessary.

We understand that a major focus of concern in this area has been on services provided in Senior Citizens Centers around the country. To determine the validity of that concern, we will undertake a study immediately to establish whether some of the services provided in such centers should be exempted from a means test, or whether the vast majority of individuals served by such centers are so likely to be eligible that eligibility procedures less burdensome than individual determinations could be justified. This study will also encompass other identifiable groups of service recipients.

On a closely related issue, we are sensitive to the cost of frequent redetermination of eligibility, and propose to publish very shortly a change in program regulations that would permit States, if they wanted to do so, to redetermine the eligibility of all program recipients every six months, rather than every three months as now required. We further propose to amend the regulations to permit States to permit persons currently receiving services under Titles IV-A and VI to continue in any such service programs which are continued under Title XX until April 1, 1976, at which time their eligibility would have to be redetermined. Also, we are prepared to interpret this provision so that persons who first receive service after October 1, 1975, but who would have been eligible for services under Titles IV-A and VI in a service project that has been covered by group eligibility, would be eligible for Title XX without individual eligibility determination until April 1, 1976.

In the interim, we plan to have the results of the study discussed above before the end of February, on the basis of which we will be able to recommend whether some service recipients or types of services might be additionally exempted from income determinations without warping the original intent of the program. As in the past, we will work closely in conducting the study with the States and with groups that have a special interest in the Social Services Program.

I look forward to further discussions with you and the Committee to ensure that the study envisioned here will provide useful answers to our questions in this difficult field.

In view of their interest in this matter, I have taken the liberty of sending identical letters to Messrs. Rangel and Vander Jagt.

Sincerely yours,

STEPHEN KURZMAN,
Assistant Secretary for Legislation.

STATEMENT BY THE HONORABLE FRED B. ROONEY ON INTRODUCTION OF THE RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 5 minutes.

Mr. ROONEY. Mr. Speaker, we have all heard the reports of the troubles of our Nation's railroads, and they are problems which face all the railroads, not just those of the Northeast. The Subcommittee on Transportation and Commerce has conducted extensive hearings on these problems and on proposals for their solution. This week we are continuing hearings on the financial needs of the Nation's railroads and financing for ConRail.

Because the problems of the railroads are complex and interrelated, I believe the only true solution to the railroad problem is a comprehensive approach which addresses all the problems which have resulted in the current situation. It is in that belief that I would like to introduce, with my friend and colleague JOE SKUBITZ of Kansas, the ranking minority member on the subcommittee, the Railroad Revitalization and Regulatory Reform Act of 1975.

I believe we must act now with regard to the railroad situation before we pass up our last opportunity to save the railroads from nationalization, a clearly unacceptable last resort. This act ties together many of the ideas which have been proposed to deal with specific problems contributing to the total rail problem, and although these specific solutions may have merit I believe only a system approach as represented in the Railroad Revitalization and Regulatory Act of 1975 can return the railroads to private sector financial health and adequate levels of service.

CASTRO MEDDLER IN U.S. AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, in recent months there has been an increase in the number of public figures who have suggested the time has come to change our policy toward Cuba. Most of these well intentioned individuals imply that Castro has changed his stripes, that he is no longer trying to interfere in the affairs of other hemisphere nations. Unfortunately, such is not the case. In recent weeks Castro has meddled directly in the affairs of this country and trumpeted propaganda around the world about alleged U.S. colonialism in Puerto Rico. As Castro must know, Puerto Rico is associated with the United States freely, by a vote of the people of that island. At any time the people of Puerto Rico are free to choose to disassociate themselves from the United States. It is indeed unfortunate that the people of Cuba do not have similar freedom to vote on their future status. Despite early pledges of elections Castro has not been willing to let the poeple of Cuba vote on his dictatorship nor has he given the Cuban people a chance to vote on his policy of colonial dependency on the Soviet Union.

Mr. Speaker, on September 11 the Miami Herald carried an editorial on Castro's recent shenanigans with respect to Puerto Rico. I am sure all Members concerned about our Cuban policy will find it of interest.

[From the Miami Herald, Sept. 11, 1975]

CASTRO DISPLAYS REAL GALL MEDDLING WITH PUERTO RICO

Secretary of State Henry Kissinger is certainly correct in stating that Fidel Castro has set back chances for normalization of relations between the United States and Cuba. This has happened before, of course, but this time after what appeared to be some conciliatory moves by Fidel.

The Castro two-step, which consists of one step forward and one (at least) backward, was again executed in Havana Monday with the conclusion of an "International Conference of Solidarity with the Independence of Puerto Rico," a follow-up to the raucous gathering in Lima of Third World nations, which insist on terming themselves, euphemistically, as nonaligned.

They are aligned, of course, in opposition to the United States, Israel, the industrial nations and anybody else that might have something they'd like to have.

Among the things they would not like to have is a free choice of direction by the inhabitants of a nation. Fidel and his captive conference have indeed meddled in U.S. affairs in the matter of Puerto Rico, but even more are they meddling in Puerto Rico's affairs.

In vote after vote, the people there have indicated their preference for commonwealth status with the United States rather than independence. Statehood is an option Puerto Rico may consider again, but if so, the people will be able to vote on it. Perhaps Fidel would be willing to have his name and proposal on a ballot for a change. That hasn't happened yet in Cuba.

THE CASE OF T. SGT. MATLOVICH

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, a three-member panel of Air Force officers has found T. Sgt. Leonard P. Matlovich, a homosexual, unfit for military service and has recommended that he be forced to leave the Air Force with a general discharge.

Sergeant Matlovich is the holder of a Bronze Star and a Purple Heart for wounds suffered in the Vietnam war.

In the testimony taken before the panel, evidence was produced which showed that Sergeant Matlovich had received the highest rating in critiques by an overwhelming number of 1,500 Air Force students who had taken his course in human relations.

As his attorney, David Addlestone, a civilian attorney for the American Civil Liberties Union who acted in the sergeant's defense said:

> No case has been made that his ability to serve has been compromised.

Mr. Addlestone also said of Sergeant Matlovich that he had "12 years of unblemished service and testimony of 11 fellow instructors that Sergeant Matlovich 'was the best there is.'" It is bizarre, that Lt. Col. Richard L. Friesz, a panel member, asked Sergeant Matlovich if he "would contract to be celibate, not practice his homosexuality." Colonel Friesz' question would have been reasonable if restricted to Air Force time. Homosexuals in the Armed Forces should be held to the same standards of conduct required of heterosexual members of the

Armed Forces, namely that, their sexual acts should be confined to those times when one is off duty and in private. But as Prime Minister Pierre Trudeau so brilliantly said years ago:

> The state has no business in the bedrooms of this nation.

The court-martial panel cannot exculpate itself from having participated in a gross miscarriage of justice by blaming the outcome on Air Force regulations and the law itself, for even the current Air Force regulations do permit exceptions to the policy of discharging homosexuals. It is incumbent upon the Congress to correct the injustice done not only to Technical Sergeant Matlovich but to others who have served their country with honor, who are serving it now or who want to serve it in the future and whose affectional or sexual preferences are those of a minority.

How can the Government grade sexuality and provide higher marks for heterosexuality or celibacy? These are personal matters and should not be subject to the sanctions of Government and certainly not such as to permit discrimination in the areas of public accommodations, public facilities, public education, federally assisted opportunities, equal employment opportunities, intervention and procedure, housing sale, rental, financing and brokerage services, prevention of intimidation, and education programs receiving Federal financial assistance. For these reasons, I urge the cosponsorship of our colleagues of H.R. 166 which would remove these discriminations including the discrimination that Technical Sergeant Matlovich is being subjected to in the Air Force. I think that our colleagues would find of interest the profile on Technical Sergeant Matlovich which appeared in the New York Times of September 20 which I am appending:

AIR FORCE SERGEANT FEELS HE IS A PATRIOT FIGHTING FOR FREEDOM

HAMPTON, VA., September 19.—T. Sgt. Leonard Philip Matlovich, a one-time Goldwater conservative who flew the flag each day from an 18-foot staff in front of his apartment, says that he is still a patriot. He served three tours in Vietnam, was severely wounded when he stepped on a land mine there and can, when he chooses, wear the Bronze Star and the Purple Heart on his Air Force blues.

But at home in his two-bedroom apartment across town from Langley Air Force Base, where he was a race relations counselor, the lanky, chestnut-haired sergeant favors bell bottom bluejeans and an open-collared shirt. On his walls are placards that say, "Legalize Freedom" and, in red, white and blue. "Trust God—She Provides."

The matches on his coffee table carry the inscription:

"Say It Loud Gay and Proud."

Sergeant Matlovich is 32 years old and has been in the Air Force for 12 years.

PROCEEDINGS STARTED

Until last March, when he handed his superior officer a statement declaring himself a homosexual and setting in motion the proceedings that will decide whether that condition is enough to bring about his discharge, Sergeant Matlovich was just another soldier, although one with a distinguished record of service.

Now, framed on his wall, is a recent Times magazine cover featuring a picture of the uniformed, beribboned sergeant with the pronouncement "I Am a Homosexual" emblazoned in bold black letters across his chest.

Why did he do it—"come out of the closet," as the expression goes?

Sitting cross-legged on the floor of his apartment, boyish and at ease, the sergeant recalled that when he had handed his "coming-out" statement to his superior, a black captain, the captain said, "What does this mean?"

"I said, 'It means Brown v. the Board of Education'—a test of sexual rights of landmark proportions equal to that of the 1954 Supreme Court decision outlawing school segregation.

"I told him to sit down before he read it. He didn't, but he sat down after he read it."

"SIMPLY ANOTHER CAUSE"

For his parents, devout Roman Catholics living in Florida, the jolt was far more severe. When Sergeant Matlovich told his mother by phone, her stunned reply was, "God is punishing me for something I've done."

"Her next reaction," the sergeant recalled, "was that I hadn't prayed enough, that I hadn't seen enough psychiatrists."

Mrs. Matlovich told her son that she had known, or suspected, the truth since he was 19, but then settled on the conviction that her son was "simply trumpeting another cause," the sergeant said.

She refused to tell the sergeant's father, himself a former Air Force sergeant who now operates a refrigeration business. It was left for him to read about it in the newspapers.

"He cried for about two hours," Sergeant Matlovich said, "and then he told my mother, 'If he can take it, I can take it.' "

"They both say they still love me, and I talked to them by phone, but I haven't been home since then.

"I'm sure they're much different people now, hopefully, much better people."

Although Sergeant Matlovich said that he knew, or suspected, that he was homosexual as early as 12 ("I've never liked women, sexually, my whole life"), he did not act on that knowledge until two years ago when he was 30 and went into a "gay bar" in Pensacola, Fla., where he was stationed.

EXCLUSION CHALLENGED

Frightened by his own feelings—"I'd read that all homosexuals were sadists or masochists"—and fearing to put himself into a den of homosexuals—My God, I've heard of those 27 [homosexual] killings in Texas"—Sergeant Matlovich found that the bar was low-key and filled with people pretty much like himself, he said. Later, he became a practicing homosexual—his first sexual experience.

The experience, Sergeant Matlovich said, led him to challenge the exclusion of homosexuals from military service.

But why not go into a civilian profession more tolerant of homosexuals?

First of all, I love the military," he said. And the first time in the bar. I met a bank president who was petrified he'd be found out. I decided then and there I was not going to jump from job to job."

Also, Sergeant Matlovich contends that his military oath to uphold the Constitution requires him to fight what he believes is a deprivation of equal rights and protection under the law.

The acceptance of his homosexuality by his "straight" friends, whom he avoided at first, has been heartening, the sergeant said.

"Last night, I got a call from my third-grade teacher wishing me luck," he said.

A 46-year-old man from Massachusetts was calling me, but he's stopped. I'm afraid he's committed suicide. He was still celibate at 46, and he called and cried and cursed God. Then it stopped.

I keep my phone listed because of things like that."

Increasingly liberal over the last few years, Sergeant Matlovich said that his days as a conservative were over.

Among his major supporters have been several blacks on the base who have testified to his abilities as a race-relations counselor.

As each black witness got up there [at the Air Force hearing on his discharge], I felt a little shame, because a few years ago, I used the word nigger," he said. "When the blacks were seeking freedom in the sixties, I was against them; now they're defending me."

If his battle against discharge fails, the sergeant said, he will "go anywhere there's a soapbox to preach for equality and justice for all, not just gays." He went on:

"I'm going to hold up a Bicentennial 50-cent piece that says 200 years of freedom and say, Not yet—maybe someday, but not yet."

CONFERENCE REPORT ON H.R. 8070

Mr. BOLAND submitted the following conference report and statement on the bill (H.R. 8070) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 94-502)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8070) "making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 16, 17, 38, 45, and 58.

That the House recede from its disagreement to the amendments of the Senate numbered 9, 10, 12, 18, 20, 22, 23, 24, 25, 26, 28, 30, 34, 35, 46, 47, 48, 49, 51, 53, and 54, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following:

"EMERGENCY HOMEOWNERS' RELIEF FUND

"For emergency mortgage relief payments and for other expenses of the Emergency Homeowners' Relief Fund, as authorized by title I of the Emergency Housing Act of 1975 (Public Law 94-50), $35,000,000, to remain available until September 30, 1976."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$375,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$535,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$535,000,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$199,000,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$52,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$75,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,089,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,319,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$40,500,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$41,820,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,355,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "375,766,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,677,380,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$710,000,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$50,000,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,500,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,500,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$37,500,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$462,450,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the matter stricken by said amendment insert a comma"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 3, 5, 11, 42, 43, 55, 56, 57, and 59.

Edward P. Boland,
Joe L. Evins,
George E. Shipley,
J. Edward Roush,
Bob Traxler,
Max Baucus,
Louis Stokes,
Yvonne Brathwaite Burke,
George Mahon,
Burt L. Talcott,
Joseph M. McDade,
Elford A. Cederberg,
Managers on the Part of the House.

William Proxmire,
John O. Pastore,
John C. Stennis,
Mike Mansfield,
Birch Bayh,
Lawton Chiles,
Walter D. Huddleston,
John L. McClellan,
Charles McC. Mathias, Jr.,
Clifford P. Case,
Hiram L. Fong,
Henry Bellmon,
Milton R. Young,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8070) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report:

TITLE I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 1: Appropriates $35,000,000 for the Emergency Homeowners' Relief Fund as authorized by title I of the Emergency Housing Act of 1975, to remain available until September 30, 1976, instead of $75,000,000, to remain available until expended, as proposed by the Senate. Language permitting the use of funds for administrative expenses has been deleted. The Committee of conference is agreed that any funds necessary for this purpose may be made available from other appropriations.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $15,000,000 for interest grant payments to State housing finance and development agencies, and provide authority to contract for annual payments not to exceed $15,000,000 with new budget authority of not to exceed $600,000,000, instead of an appropriation and authority to contract for annual payments not to exceed $35,000,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment containing revised language to replace that stricken out and inserted by the Senate.

The amendment will include a limitation of $17,000,000,000 on the total amount of budget authority that can be obligated by use of the additional $662,300,000 of annual contract authority being made available. The conference committee believes there is a need for establishment of a realistic level for the budget authority (runout costs) for this program for congressional and executive budgetary, appropriation and accounting actions. This approach will further the congressional objective of realistic disclosure of program costs and establish a basis for congressional budgetary control by establishing a program level from which Congress can determine whether actual program levels exceed or fall short of expectations.

With respect to the $662,300,000 of additional annual contract authority covered by this bill, the House and Senate have proposed two significantly different amounts for the resulting budget authority. The budget authority of $26,000,000,000 included in the President's budget and in the first concurrent resolution on the budget represents the maximum runout cost if all contracts entered into by HUD had a 40-year duration. HUD's program plan is for a mix of 15, 20, and 40-year contracts. The $26,000,000,000 could therefore be unrealistic and misleading and would not serve as an effective control over the program.

Using HUD's program plan and available cost data, various estimates of realistic anticipated costs have been prepared ranging from about $16,300,000,000 to $17,400,000,000. The conference committee established the limitation at $17,000,000,000. Since this estimate is based on the program plan and available cost data, both the Congress and the executive have an understanding of the extent of the authority being granted and Congress has a basis for monitoring HUD's program implementation.

The conference committee recognizes that this is a new program and thus actual experience will no doubt vary from the plan. The committee is also very concerned that HUD meet its 400,000 unit program objective and stay within the authorized levels of annual contract authority and budget authority. To meet these objectives, HUD should establish management and accounting procedures and controls for (1) the number of housing units by type of housing and type of contract, (2) the amounts of annual contract authority, and (3) the amounts of budget authority (runout cost). Furthermore, HUD is expected to keep the Congress advised of its progress in these terms.

The conference committee also recognizes that HUD's program for assisted housing for FY 1976 is for 400,000 units, utilizing the $662,300,000 of annual contract authority covered by this bill *plus* about $920,000,000 carried over from FY 1975. The use of the combined annual contract authority of $1,582,300,000 for the mix of housing planned will result in the obligation of budget authority of about $39,000,000,000. The conference committee chose not to establish a limitation on this aggregate amount of budget authority at this time. However, to implement fully the congressional budget control procedures and to establish realistic program cost bases for congressional oversight, such additional limitations will probably be needed in future years.

The amendment includes language earmarking $50,000,000 to assist in financing the development or acquisition of low-income housing projects to be owned by public housing agencies other than under the section 8 program, instead of $75,000,000 as proposed by the Senate. The amendment also includes language limiting the fair market rent basis for housing assistance under the section 8 program to an aggregate escalation of 10 per centum, and 20 per centum in individual market areas, based on rates published in the Federal Register through Spetember 8, 1975, instead of the language proposed by the House. Finally, the amendment includes language requiring at least 50 per centum of the funds made available to be used for newly constructed housing, instead of 75 per centum as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees concur in the statement in the Senate report relating to the Kendall Square Urban Renewal program to permit its completion in a sound and orderly manner.

Amendment No. 4: Establishes a limitation on the aggregate loans that may be made for housing for the elderly or handicapped at $375,000,000 instead of $300,000,000 as proposed by the House and $500,000,000 as proposed by the Senate.

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to provide for 100 per centum permanent financing loans with any cash equity or other financial commitments imposed as a condition of loan approval to be returned to the sponsor if sustaining occupancy is achieved in a reasonable period of time.

The committee of conference recognizes the outstanding achievements of the Section 202 housing for the elderly or handicapped program. The conferees believe that permanent financing of such housing must remain under the jurisdiction of the Federal Government and must be administered flexibly and with concern for helping nonprofit sponsors solve operating and financial problems without resorting to foreclosure actions. The temporary cash equity provision is to provide an incentive to encourage effective management of elderly and handicapped projects, and prevent the misuse of the program by speculators or unqualified sponsors. Because it is not intended to place any financial hardship on nonprofit sponsors, the committe of conference is agreed that a cash equity requirement should not exceed $10,000.

The managers on the part of the Senate will offer a motion to concur in the amendment of the House to the amendment of the Senate.

Amendments Nos. 6 and 7: Appropriates $535,000,000 for payments for operation of low-income housing projects, instead of $525,000,000 as proposed by the House and $550,000,000 as proposed by the Senate. The committee of conference has provided this additional funding in the belief that it will be needed to meet inflationary increases in the costs of operating public housing projects. These added funds are not to be used to dilute or in any way interfere with the implementation of the performance funding system.

Amendment No. 8: Appropriates $199,000,000 for salaries and expenses, housing programs, instead of $195,116,000 as proposed by the House and $199,616,000 as proposed by the Senate.

Amendment No. 9: Inserts language as proposed by the Senate transferring $158,650,000 from the various funds of the Federal Housing Administration for salaries and expenses, housing programs.

Amendment No. 10: Inserts language proposed by the Senate to transfer $39,850,000 from the various funds of the Federal Housing Administration for salaries and expenses, housing programs, for the transition period.

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to insert language providing not to exceed $5,000,000,000 for emergency mortgage purchase assistance. The committee of conference urges the Department to move as soon as possible to use a part of these funds to meet emergency housing requirements at Guam.

Amendment No. 12: Appropriates $50,000,000 for the rehabilitation loan fund as proposed by the Senate. The committee of conference is concerned by the large number of initial loan reservations that never reach fruition and urges the Department to consider eliminating the early commitment procedure.

Amendment No. 13: Appropriates $2,700,000,000 for community development grants as proposed by the House, instead of $2,664,000,000 as proposed by the Senate.

Amendment No. 14: Appropriates $52,000,000 for community development grants for the standard metropolitan statistical area balance, instead of $40,000,000 as proposed by the House and $100,000,000 as proposed by the Senate.

Amendment No. 15: Appropriates $75,000,000 for comprehensive planning grants, instead of $50,000,000 as proposed by the House and $125,000,000 as proposed by the Senate. The committee of conference directs that a reasonable level of the funds provided for comprehensive planning grants be allocated to localities under 50,000 population which do not receive community development grants. The committee of conference is also agreed that community development grant funds shall be used for essential comprehensive planning for large cities.

Amendment No. 16: Appropriates $53,000,000 for research and technology as proposed by the House, instead of $53,200,000 as proposed by the Senate.

Amendment No. 17: Earmarks $400,000 for the Housing Assistance Council as proposed by the House, instead of $600,000 as proposed by the Senate.

Amendment No. 18: Inserts language as proposed by the Senate earmarking $1,000,000 for mobile home construction and safety standard activities. The committee of conference is agreed that adequate staff should be available for developing mobile home construction and safety standards and implementing a solar heating and cooling demonstration program from within the funds provided for salaries and expenses, policy development and research.

Amendment No. 19: Appropriates $5,089,000 for salaries and expenses, Office of General Counsel, instead of $4,964,000 as proposed by the House and $5,214,000 as proposed by the Senate.

Amendment No. 20: Inserts language as proposed by the Senate transferring $1,750,000 from the various funds of the Federal Housing Administration for salaries and expenses, Office of General Counsel.

Amendment No. 21: Appropriates $1,319,000 for salaries and expenses, Office of General Counsel, for the transition period, instead of $1,287,000 as proposed by the House and $1,350,000 as proposed by the Senate.

Amendment No. 22: Inserts language as proposed by the Senate transferring $465,000 from the various funds of the Federal Housing Administration for salaries and expenses, Office of General Counsel, for the transition period.

Amendment No. 23: Inserts language as proposed by the Senate transferring $3,035,000 from the various funds of the Federal Housing Administration for salaries and expenses, Office of Inspector General.

Amendment No. 24: Inserts language as proposed by the Senate transferring $810,000 from the various funds of the Federal Housing Administration for the transition period for salaries and expenses, Office of Inspector General.

Amendment No. 25: Inserts language proposed by the Senate to transfer $31,092,000 from the various funds of the Federal Housing Administration for administration and staff services.

Amendment No. 26: Inserts language proposed by the Senate to transfer $7,195,000 from the various funds of the Federal Housing Administration for administration and staff services for the transition period.

Amendment No. 27: Appropriates $40,500,000 for regional management and services, instead of $36,032,000 as proposed by the House and $41,024,000 as proposed by the Senate.

Amendment No. 28: Inserts language as proposed by the Senate transferring $15,580,000 from the various funds of the Federal Housing Administration for regional management and services.

Amendment No. 29: Appropriates $10,000,000 for regional management and services, for the transition period, instead of $9,077,000 as proposed by the House and $10,334,000 as proposed by the Senate.

Amendment No. 30: Inserts language as proposed by the Senate transferring $3,905,000 from the various funds of the Federal Housing Administration for regional management and services, for the transition period.

TITLE II—INDEPENDENT AGENCIES

Consumer Product Safety Commission

Amendment No. 31: Appropriates $41,820,000 for salaries and expenses, instead of $42,790,000 as proposed by the House and $40,849,000 as proposed by the Senate.

Amendment No. 32: Appropriates $10,355,000 for salaries and expenses for the transition period, instead of $10,697,000 as proposed by the House and $10,213,000 as proposed by the Senate.

Environmental Protection Agency

Amendment No. 33: Appropriates $375,766,000 for abatement and control, instead of $370,766,000 as proposed by the House and $380,766,000 as proposed by the Senate. The committee of conference is agreed that the EPA may not reprogram existing or new positions otherwise authorized for work in connection with Chesapeake Bay research projects. The committee of conference directs that the additional positions required for this activity above existing and other new positions authorized in the bill shall be released by the Office of Management and Budget.

The committee of conference also notes that within the $2,000,000 increase provided for academic training, funds are provided for a national work force for environment and energy. The committee is of the opinion that improved State efficiency in environmental training is needed in post-secondary education and that multi-categorical skills can be developed with the help of a national program.

In connection with the language in the House Report that EPA research and development on current industrial waste research programs should be continued at the present locations in Corvallis, Oregon; Edison, New Jersey; Ada, Oklahoma; Athens, Georgia, and Grosse Ile, Michigan; in order to maintain regional responsiveness to industrial needs, the Congress desires that the research effort be carried on in the affected regions. This research work can be distinguished from the management functions, such as the letting of contracts. Such consolidation as is needed under the EPA Office of Research and Development Reorganization Plan to more effectively administer research and to make more personnel available for the research function should be implemented.

Amendment No. 34: Appropriates $4,000,000 for scientific activities overseas as proposed by the Senate, instead of $6,000,000 as proposed by the House.

Amendment No. 35: Appropriates $670,000 for scientific activities overseas for the transition period as proposed by the Senate, instead of $1,000,000 as proposed by the House.

National Aeronautics and Space Administration

Amendment No. 36: Appropriates $2,677,380,000 for research and development, instead of $2,628,980,000 as proposed by the House and $2,685,380,000 as proposed by the Senate. The committee of conference is agreed that NASA may reprogram $7,000,000 from within the total provided for research and development for an upper atmosphere research, technology and monitoring program. The committee of conference is also agreed that $1,000,000 of the total funding of $48,400,000 proposed for Pioneer-Venus may be reprogrammed for further planning of a Large Space Telescope in fiscal year 1976. Finally, the Committee is agreed that NASA may not obligate funds beyond evaluation of LST Phase B studies.

National Science Foundation

Amendment No. 37: Appropriates $710,000,000 for salaries and expenses, instead of $707,100,000 as proposed by the House and $713,100,000 as proposed by the Senate. The committee of conference is agreed that $11,500,000 may be used for the Ocean Sediment Coring Program. No funds in this appropriation are included for construction of coastal research vessels.

Amendment No. 38: Earmarks not more than $60,000,000 for Research Applied to National Needs as proposed by the House, instead of $65,000,000 as proposed by the Senate.

Amendment No. 39: Earmarks not more than $50,000,000 for science education programs instead of $60,000,000 as proposed by the House and $41,000,000 as proposed by the Senate.

Amendments Nos. 40 and 41: Earmark not more than $4,500,000 for Intergovernmental Science and Research Utilization, instead of $4,000,000 as proposed by the House and $5,000,000 as proposed by the Senate; and of which not more than $2,500,000 shall be for Intergovernmental Science instead of $2,000,000 as proposed by the House and $3,000,000 as proposed by the Senate.

Amendments Nos. 42 and 43: Reported in technical disagreement. The managers on the part of the House will offer motions to recede and concur in the amendments of the Senate to insert technical language clarifying the proportional concept of fund allocation.

Selective Service System

Amendment No. 44: Appropriates $37,500,000 for salaries and expenses, instead of $40,000,000 as proposed by the House and $33,000,000 as proposed by the Senate.

The committee of conference recommends that the responsible legislative committees of the Congress make a general review of the program and future plans of the Selective Service as a basis for funding beyond fiscal year 1976.

Amendment No. 45: Appropriates $8,300,000 for salaries and expenses for the transition period as proposed by the House, instead of $6,850,000 as proposed by the Senate.

Veterans Administration

Amendment No. 46: Appropriates $7,699,700,000 for compensation and pensions as proposed by the Senate, instead of $7,499,700,000 as proposed by the House.

Amendment No. 47: Appropriates $1,966,400,000 for compensation and pensions for the transition period as proposed by the Senate, instead of $1,885,400,000 as proposed by the House.

Amendment No. 48: Appropriates $5,414,475,000 for readjustment benefits as proposed by the Senate, instead of $4,214,475,000 as proposed by the House.

Amendment No. 49: Appropriates $1,039,472,000 for readjustment benefits for the transition period as proposed by the Senate, instead of $854,472,000 as proposed by the House.

Amendment No. 50: Appropriates $462,450,000 for general operating expenses, instead of $462,300,000 as proposed by the House and $463,756,000 as proposed by the Senate. The committee of conference has provided funds for 1,050 additional positions to meet increased benefits workload but has denied the 100 additional vet-rep positions.

Amendment No. 51: Appropriates $297,464,000 for construction, major projects as proposed by the Senate, instead of $299,924,000 as proposed by the House.

Amendment No. 52: Deletes the word "and" as proposed by the Senate and adds a comma.

Amendment No. 53: Earmarks $6,700,000 for construction of a research and education facility at Jackson, Mississippi, as proposed by the Senate.

TITLE III—CORPORATIONS

Amendment No. 54: Deletes language proposed by the House to reimburse the Treasury out of Federal Housing Administration funds as proposed by the Senate.

TITLE IV—GENERAL PROVISIONS

Amendment No. 55: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to permit the Secretary to increase travel restrictions as necessary to cover FHA inspection and appraisal workload requirements. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 56: Reported in technical disagreement. The managers on the part of the House will offer a motion to restore language proposed by the House and stricken by the Senate to prohibit use of funds in this Act to administer any program to tax, limit, or otherwise regulate parking or the review of indirect sources, amended to prohibit the use of funds in this Act by the Environmental Protection Agency to promulgate any program to tax, limit or otherwise regulate parking that is not specifically required pursuant to subsequent legislation. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will offer a motion to restore language proposed by the House and stricken by the Senate relating to certain noise control restrictions, amended to limit the application of such provision to Merced County, California. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 58: Deletes language proposed by the Senate relating to any illegal usage of passenger motor vehicles. The committee of conference is deeply concerned over the continuing use of government vehicles and drivers to transport agency heads and others to and from work that may be in violation of the letter as well as the spirit of the law. In deleting the language of the Senate, the committee of conference does not in any way condone or accept any illegal use of government vehicles.

Amendment No. 59: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to insert language requiring all funds provided in the bill to be subject to voucher and audit by the General Accounting Office.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1976 and the transition period recommended by the committee of conference, with comparisons to the fiscal year 1975 amounts, the 1976 budget estimates, and the House and Senate bills for 1976 follows:

New budget (obligational) authority, fiscal year 1975	$26, 498, 814, 000
Budget estimates of new (obligational) authority (as amended), fiscal year 1976	[1] 48, 779, 570, 000
Transition period	5, 672, 703, 000
House bill, fiscal year 1976	[1] 42, 366, 024, 000
Transition period	5, 434, 617, 000
Senate bill, fiscal year 1976	[1] 50, 275, 314, 000
Transition period	5, 647, 448, 000
Conference agreement	[1] 49, 344, 914, 000
Transition period	5, 648, 675, 000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1975	+22, 846, 100, 000
Budget estimates of new (obligational) authority (as amended), fiscal year 1976	+565, 344, 000
Transition period	−24, 028, 000
House bill, fiscal year 1976	+6, 978, 890, 000
Transition period	+214, 058, 000
Senate bill, fiscal year 1976	−930, 400, 000
Transition period	+1, 227, 000

[1] The conference agreement includes $17,000,000,000 in new budget (obligational) authority for the annual contributions for assisted housing program, instead of $26,063,000,000 as in the 1976 budget request

and House report, and $662,300,000 in the Senate report.

Edward P. Boland,
Joe L. Evins,
George E. Shipley,
J. Edward Roush,
Bob Traxler,
Max Baucus,
Louis Stokes,
Yvonne Brathwaite Burke,
George Mahon,
Burt L. Talcott,
Joseph M. McDade,
Elford A. Cederberg,
Managers on the Part of the House.

William Proxmire,
John O. Pastore,
John C. Stennis,
Mike Mansfield,
Birch Bayh,
Lawton Chiles,
Walter D. Huddleston,
John L. McClellan,
Charles McC. Mathias, Jr.,
Clifford P. Case,
Hiram L. Fong,
Henry Bellmon,
Milton R. Young,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Sikes (at the request of Mr. O'Neill), for today and tomorrow, Wednesday, September 24, on account of official business due to hurricane damage in congressional district.

Mr. Alexander (at the request of Mr. O'Neill), for today, on account of illness in the family.

Mr. Derrick (at the request of Mr. O'Neill), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Jeffords), to revise and extend their remarks, and to include extraneous matter:)

Mr. Derwinski, for 5 minutes, today.
Mr. Buchanan, for 1 hour, on September 24.
Mr. Ashbrook, for 30 minutes, today.
Mr. Bauman, for 10 minutes, today.

(The following Members (at the request of Mr. Nolan) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Drinan, for 30 minutes, today.
Mr. Patman, for 10 minutes, today.
Mr. Adams, for 60 minutes, today.
Mr. Fuqua, for 5 minutes, today.
Mr. Corman, for 5 minutes, today.
Mr. Rooney, for 5 minutes, today.
Mr. Fascell, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Ottinger, to follow Mr. Collins of Texas during debate on his amendment today.

(The following Members (at the request of Mr. Jeffords) and to include extraneous material:)

Mr. Erlenborn.
Mr. Michel in two instances.
Mr. Fish.
Mr. Grassley.
Mr. Kelly in three instances.
Mr. McCloskey in two instances.
Mr. Crane.
Mr. Steiger of Arizona.
Mr. Anderson of Illinois in two instances.
Mr. Peyser.
Mr. Martin.
Mr. Brown of Ohio.
Mr. Walsh.
Mr. Lent in two instances.
Mr. du Pont.
Mr. Gude.
Mr. Ashbrook in three instances.

(The following Members (at the request of Mr. Nolan) and to include extraneous matter:)

Mr. Murtha in 10 instances.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Hébert.
Mr. Miller of California.
Mr. Badillo in 10 instances.
Mr. Mottl.
Mr. Ottinger.
Mr. Howe.
Mr. Matsunaga in two instances.
Mr. Waxman.
Mr. Stark in two instances.
Mr. Boland in two instances.
Mr. Ambro.
Mr. Young of Georgia.
Mr. Rangel.
Mr. McDonald of Georgia in two instances.
Mr. Neal.
Mr. James V. Stanton.
Mr. Nix.
Mr. Obey.
Mr. Maguire.
Mr. Conyers.
Mr. Barrett.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 543. An act to expand coverage of the Rehabilitation and Betterment Act (Act of October 7, 1949, 63 Stat. 724); and

H.R. 1401. An act for the relief of Robert M. Johnston.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on September 22, 1974, present to the President, for his approval, a bill of the House of the following title:

H.R. 4222. An act to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.

ADJOURNMENT

Mr. NOLAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 53 minutes p.m.), the House adjourned until Wednesday, September 24, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1781. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed cost accounting standard entitled "Part 412—Composition and Measurement of Pension Costs," pursuant to section 719(h)(3) of the Defense Production Act, as amended; to the Committee on Banking, Currency and Housing.

1782. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission on docket No. 295–A, *The Mohave Tribe of Indians of Arizona, California and Nevada, Plantiff*, v. *United States of America, Defendant*, pursuant to section 21 of the Indian Claims Commission Act [25 U.S.C. 70t]; to the Committee on Interior and Insular Affairs.

1783. A letter from the Chairman, Federal Power Commission, transmitting a draft of proposed legislation to amend section 206 of the Federal Power Act; to the Committee on Interstate and Foreign Commerce.

1784. A letter from the Chairman and members, U.S. Commission on Civil Rights, transmitting a report entitled "The Navajo Nation: An American Colony," pursuant to section 104(b) of Public Law 85–315; to the Committee on the Judiciary.

1785. A letter from the Secretary of the Army and the Secretary of Agriculture, transmitting notice of the intention of the Departments of the Army and Agriculture to interchange jurisdiction of civil works and Forest Service acquired lands at Sam Rayburn Dam and Reservoir Project, Texas, pursuant to 70 Stat. 656; jointly, to the Committees on Agriculture, and Public Works and Transportation.

1786. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements pertaining to insurance operations of the Federal Housing Administration, Department of Housing and Urban Development, for fiscal year 1974, pursuant to section 106 of the Government Corporation Control Act, as amended [31 U.S.C. 851] (H. Doc. No. 94–259); to the Committee on Government Operations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOAKLEY: Committee on Rules. House Resolution 731. Resolution providing for the consideration of H.R. 8617. A bill to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes. (Rept. No. 94–501). Referred to the House Calendar.

Mr. BOLAND: Committee of conference. Conference report on H.R. 8070. (Rept. No. 94–502). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR (for himself and Mr. Pressler):

H.R. 9776. A bill to amend section 3(d)(2)(B) of the act of September 30, 1950 (Public Law 874, 81st Congress) to provide for local educational agencies having property of insufficient assessed evaluation; to the Committee on Education and Labor.

By Mr. RHODES (for himself, Mr. Michel, Mr. Anderson of Illinois, Mr. Conable, Mr. Frey, Mr. Devine, Mr. Schneebeli, Mr. Quillen, Mr. Vander Jagt, and Mr. Brown of Ohio):

H.R. 9777. A bill to provide for the phased decontrol of crude oil prices, to provide for a gradual transition from mandatory price and allocation controls, to amend the Emergency Petroleum Allocation Act of 1973, as amended, to provide for a deregulation tax, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. CLAY (for himself and Mr. Beard of Rhode Island):

H.R. 9778. A bill to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CLEVELAND:

H.R. 9779. A bill to amend title II of the Social Security Act to provide that when an adverse decision is made on a claim for benefits thereunder, the claimant shall have the right to reconsideration, including an informal conference and a statement of the case, prior to hearing; to impose time limits and make other improvements in the procedures for determining such claims; and to regularize the appointment of administrative law judges hearing such claims; to the Committee on Ways and Means.

Mr. CONYERS:

H.R. 9780. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, and antique collectors; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. Krueger, Mr. Whitehurst, Mr. Matsunaga, Mr. Harris, and Mr. Moffett):

H.R. 9781. A bill to revise the laws relating to the establishment, administration, and management of the National Wildlife Refuge System, to establish a Bureau of National Wildlife Refuges, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GINN:

H.R. 9782. A bill to amend section 206 of the Federal Water Pollution Control Act relating to reimbursement and advance construction; to the Committee on Public Works and Transportation.

By Mr. GOODLING:

H.R. 9783. A bill to amend title 18 of the United States Code to provide a mandatory death penalty for attempts to kill the President of the United States; to the Committee on the Judiciary.

By Mr. HEINZ (for himself and Mr. Murtha):

H.R. 9784. A bill to authorize the creation of a fossil fuel rail bank to assure the preservation of rail trackage, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES of Alabama (for himself, Mr. Harsha, Mr. Anderson of California, Mr. Snyder, Mr. Oberstar, and Mr. Goldwater):

H.R. 9785. A bill to amend the Airport and Airway Development Act of 1970; to the Committee on Public Works and Transportation.

By Mr. KELLY:

H.R. 9786. A bill to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests; to the Committee on Agriculture.

By Mr. LLOYD of California:

H.R. 9787. A bill to amend title 18 of the United States Code to provide for a mandatory death penalty for assassination or attempted assassination of a President; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 9788. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits occurring after December 31, 1974; to the Committee on Veterans' Affairs.

By Mr. NEAL (for himself, Mr. Andrews of North Carolina, Mr. Broyhill, Mr. Fountain, Mr. Hefner, Mr. Henderson, Mr. Jones of North Carolina, Mr. Martin, Mr. Preyer, Mr. Rose, and Mr. Taylor of North Carolina):

H.R. 9789. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the New River in North Carolina as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. OBERSTAR:

H.R. 9790. A bill to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and the Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 9791. A bill to amend title II of the Social Security Act to provide for an increase in benefits computed under the special minimum formula to coincide with the 1975 cost-of-living increase in benefits computed under the regular formula; to the Committee on Ways and Means.

H.R. 9792. A bill to amend title II of the Social Security Act to provide full benefits for disabled wives, husbands, widows, and widowers without regard to age, to provide benefits for essential spouses of disability beneficiaries without regard to age or children in care, to provide child's benefits on the wage record of a supporting relative in certain cases, to provide dependent's and survivor's benefits for certain additional relatives of an insured individual, to provide for the computation of a couple's benefits on their combined earnings record, to liberalize eligibility for disability benefits and expedite certain disability-related determinations, to repeal the earnings test, and for other purposes; to the Committee on Ways and Means.

H.R. 9793. A bill to amend titles II and XVIII of the Social Security Act to provide medicare coverage for disabled individuals under age 65 from the first month of their entitlement to benefits based on disability, in cases where the individuals involved are becoming reentitled to such coverage after a previous coverage period which ended during the preceding 5 years; to the Committee on Ways and Means.

By Mr. PATTISON of New York (for himself, Mr. Bedell and Mr. Edgar):

H.R. 9794. A bill to regulate lobbying and related activities; to the Committee on Standards of Official Conduct.

By Mr. RONCALIO:

H.R. 9795. A bill to amend the Federal Coal Mine Health and Safety Act of 1969; to the Committee on Education and Labor.

By Mrs. SPELLMAN (for herself and Mr. Harris):

H.R. 9796. A bill to limit the 1975 cost-of-living adjustment of Federal executive salaries to 5 percent; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST (for himself, Mr. Anderson of Illinois, Mr. Ashley, Mr. Badillo, Mr. Bedell, Mr. Brodhead, Mr. Dan Daniel, Mr. Danielson, Mr. Duncan of Tennessee, Mr. Duncan of Oregon, Mr. Edgar, Mr. Fuqua, Mr. Harrington, Mr. Hastings, Mr. Hechler of West Virginia, Mr. Hyde, Mr. Jones of North Carolina, Mr. Kemp, Mr. Ketchum, Mr. Krebs, and Mr. Lent):

H.R. 9797. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself, Mr. Litton, Mr. Long of Maryland, Mr. Mazzoli, Mr. McHugh, Mr. Mosher, Mr. Nowak, Mr. Preyer, Mr. Pritchard, Mr. Rinaldo, Mr. Robinson, Mrs. Spellman, Mr. Charles Wilson of Texas, Mr. Wirth, and Mr. Young of Florida):

H.R. 9798. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. SEIBERLING:

H.R. 9799. A bill to prohibit certain incompatible activities within any area of the National Park System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. MINK (for herself, Mr. Seiberling, Mr. Bingham, and Mr. Tsongas):

H.R. 9800. A bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DEL CLAWSON (for himself, Mr. Andrews of North Dakota, Mr. Broyhill, Mr. Don H. Clausen, Mr. Cleveland, Mr. Cochran, Mr. D'Amours, Mr. Dan Daniel, Mr. du Pont, Mr. Edwards of Alabama, Mr. Emery, Mr. Hanley, Mr. Hannaford, Mr. Lagomarsino, Mr. McCollister, Mr. Mathis, Mr. Miller of Ohio, Mr. Patterson of California, Mr. Ruppe, Mr. Shriver, Mr. Snyder, Ms. Spellman, Mr. Steiger of Arizona, Mr. Treen, and Mr. Charles H. Wilson of California):

H.R. 9801. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly to the Committees on the Judiciary, and Rules.

By Mr. ROONEY (for himself, Mr. Skubitz, and Mr. Devine):

H.R. 9802. A bill to improve the adequacy, efficiency, and financial viability of the rail system of the United States by reforming the regulatory process under which such rail system operates, by providing long-term financial assistance for such rail system, and by amending the Regional Rail Reorganization Act of 1973 to enhance and insure the private enterprise character of the Consolidated Rail Corporation; jointly to the Committees on Interstate and Foreign Commerce, Public Works and Transportation, and Ways and Means.

By Mr. McFALL:

H.J. Res. 666. Joint resolution to provide for the recognition of Filipinos as a significant minority group in the United States; jointly to the Committees on Post Office and Civil Service, and Education and Labor.

By Mr. BELL (for himself, Mr. Addabbo, Mr. Brodhead, Mr. D'Amours, Mr. Howard, Mr. Kemp, Mr. Lagomarsino, Mr. McCollister, Mr. McDonald of Georgia, Mr. Mitchell of New York, Mr. Oberstar, Mrs. Pettis, Mr. Riegle, Mr. Roybal, Mr. Russo, Mr. Sarasin, Mr. Solarz, Mr. Traxler, Mr. Treen, Mr. Walsh, and Mr. Bob Wilson):

H. Con. Res. 403. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. STARK:

H. Con. Res. 404. Concurrent resolution disapproving the proposed sale of certain defense services to Saudi Arabia; to the Committee on International Relations.

By Mr. HUBBARD:

H. Res. 729. Resolution to cancel the Columbus day and Veterans Day recesses; to the Committee on Rules.

By Mr. STEIGER of Wisconsin (for himself, Mr. Eckhardt, Mr. Cleveland, Mr. Fraser, Mr. Frenzel, Ms. Keys, Mr. Erlenborn, Mr. Sisk, Mr. Bolling, Mr. Frey, Mr. Burgener, Mr. McKinney, Mrs. Schroeder, and Mr. McEwen):

H. Res. 730. Resolution to amend the Rules of the House of Representatives to provide that the Congressional Record shall contain a verbatim account of remarks actually delivered on the floor, and for other purposes; to the Committee on Rules.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6844

By Mr. BUTLER:

Page 31, insert after line 25, the following new section:

CONGRESSIONAL REVIEW OF ADMINISTRATIVE ACTIONS OF THE COMMISSION

Sec. 15. Section 27 of the Consumer Product Safety Act (15 U.S.C. 2076) is amended by adding at the end thereof the following new subsection:

"(l) (1) (A) The Commission shall transmit to the Congress and the Commerce Committee of the Senate and the Interstate and Foreign Commerce Committee of the House of Representatives each consumer safety standard promulgated under this Act after the date of the enactment of this subsection and each rule, regulation, and order promulgated by the Commission after such date pursuant to a specific authorization or requirement prescribed by this Act, the Federal Hazardous Substances Act, the Poison Prevention Packaging Act of 1970, or the Flammable Fabrics Act. If, during the first period of 30 calendar days of continuous session of Congress after the date of its transmittal pursuant to the preceding sentence, neither House passes a resolution stating that that House does not approve such standard, rule, regulation, or order, such standard, rule, regulation, or order shall, except as provided under paragraph (2), be effective upon the expiration of such period or the effective date prescribed by the Commission for such standard, rule, regulation, or order, whichever is later.

"(B) For purposes of subparagraph (A) of this paragraph—

"(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 30-day period.

"(2) (A) If, after the date a standard, rule, regulation, or order is transmitted pursuant to paragraph (1) to the Congress and the committees referred to in such paragraph, both Houses of Congress pass a concurrent resolution (described in subparagraph (B)) authorizing such standard, rule, regulation, or order to take effect before the expiration of the 30-day period applicable to it under paragraph (1), such standard, rule, regulation, or order may take effect on the date authorized by such concurrent resolution (unless the Commission specifies a later effective date).

"(B) The concurrent resolution referred to in subparagraph (A) is a concurrent resolution the matter after the resolving clause of which reads as follows: "The Congress authorizes ______, which was transmitted to Congress on ____, 19__, to take effect on ________."; the first blank space therein being filled with an identification of the standard, rule, regulation, or order which is the subject of the resolution, the second blank space being filled with the date of transmital of the standard, rule, regulation, or order, and the third blank space being filled with the effective date being authorized by the resolution."

H.R. 8841

By Mr. KELLY:

H.R. 8841, as amended, is amended as follows:

(a) by striking everything after the words "is amended—", section 1, page 2, line 2, through page 3, line 11, and inserting in lieu thereof the following:

"(1) by inserting after the words, 'the environment, the Administrator' the words 'with the concurrence of the Secretary of Agriculture'; and,

(2) by inserting after the words 'or classification issued' in subparagraph (2) the words 'by the Administrator with the concurrence of the Secretary of Agriculture.' "

(b) by striking everything after the words "as amended," page 3, line 13, through page 5, line 10, and inserting in lieu thereof the following: "is amended by inserting after the words 'the Administrator' the words 'with the concurrence of the Secretary of Agriculture.' "

EXTENSIONS OF REMARKS

HARBOR AREA CELEBRATES CULTURAL HERITAGE—II

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. ANDERSON of California. Mr. Speaker, one of the most unique aspects of the district I am proud to represent is the remarkable diversity of cultural and ethnic backgrounds displayed by the residents of the Los Angeles Harbor area.

On September 20-21, the community of San Pedro held an International Jubilee at Peck Park in order to give recognition to the various cultures that have contributed so much to the area. As a part of that effort, the San Pedro News-Pilot, a local newspaper, ran a serious of articles on the various ethnic groups.

People from Eastern and Central Europe, the Mediterranean, Asia, and Mexico have all contributed their share to the Harbor area, and the articles have done an excellent job of presenting the contributions, and the problems, of some of the many nationalities which make our district their home.

The following article deals with the Filipino community in the Harbor area. Los Angeles has one of the largest Filipino populations in the United States, and these proud people have made many positive contributions to our local heritage. Their cultural background is rich and colorful, and historically their native land has had close ties with the United States:

THE MELTING POT—TWO

FILIPINO DESCENDENTS FORM VIABLE PART OF HARBOR LIFE

By Emanuel Parker

Editor's note: We have long called our land "the melting pot," but few communities within the United States have remained such a patchwork of different cultures and national backgrounds and races as the San Pedro and Harbor Area. This is another in a series of articles spotlighting the international composition of this area.

The final goal of most ethnic minorities is to join the American mainstream. The members of San Pedro and Wilmington's Filipino community are doing this but their success is causing unforeseen problems.

As members of the second and third generations have become more Americanized a painful generation gap has developed between them and their parents and grandparents.

Older Filipinos feel their children have become so assimilated into American culture they're in danger of completely forgetting their Filipino heritage.

The senior members of the community also feel powerless to reverse either of these processes because of deep divisions, brought with them from the islands, among the members of their own generation.

English is the lingua franca of the Philippines and the third most popular language behind Cebuano and Tagalog. Young Filipinos in America grow up speaking English but must make an effort to learn their native tongue.

The exact number of Filipinos in the Harbor Area is difficult to determine. Estimates by members of the community range from 4,000 to 7,000 in Wilmington and San Pedro with an equal or slightly larger number in Carson.

Because of their scarcity, young Filipinos in the Harbor Area find it difficult to mix with one another and frequently admit knowing few other Filipinos or to not being deeply involved in their community.

The last statements are common among young Filipinos striving for success in American society.

"On and off the job I find myself associating mainly with whites," said Michale Smith, 25, an accountant.

Smith said he doesn't speak Filipino and has never visited the Philippines, about which he expressed curiosity though admitting he doesn't pay much attention to developments there.

The same lack of interest in their cultural and ethnic past afflicts most of the young Filipinos he's acquainted with and manifested itself plainly during his college days, Smith said.

"While other ethnic groups were forming clubs and organizations to celebrate their ethnic roots, the Filipinos did nothing, and usually ended up joining other groups."

Vicky del Rosario of San Pedro said passivity was a Filipino trait. "Filipinos aren't aggressive or pushy and don't usually like to draw attention to themselves by individual action."

It isn't in the Oriental make up to be aggressive, said Mrs. Cynthia Madolora. "One of the biggest adjustments a newly arrived Filipino has to make in America is learning to become aggressive."

Col. Frank Smith (USA-Ret) of San Pedro said he felt the entire Filipino community of Los Angeles hadn't done all it could to foster its cultural heritage.

"Los Angeles' Japanese and Chinese communities have their own businesses, churches and schools but the Filipino community is scattered all over the place."

As younger Filipinos become evermore a part of the American mainstream, the gap between themselves and their parents widens.

"It isn't so much a generation as a cultural gap," Miss Rosario said. "You'd find it among Filipinos the same age if one of them was from America and the other from the islands.

"American and Filipino culture can't run hand-in-hand. You have to choose between them. The need to make a choice isn't as urgent in San Pedro because ethnic pride is emphasized here."

Parents can't prevent their children from becoming Americanized, she said. She recalls that her parents tried to foist Philippine culture on her and their efforts failed.

"Filipino parents aren't as attuned to American society as their kids are," Smith said. "Family ties are still strong but parents often don't understand what their kids are doing."

The Philippine custom of the tight-knit family with a dominant father prevails in the Filipino community. Pride in family is emphasized and a family member's action, good or bad, reflects upon the entire family.

Children, male as well as female, are expected to live with their parents until they marry.

"Parents are more aware of what others think of their children," Miss Rosario said, "it's a status thing. A good or successful child brings joy to his parents.

"A child who isn't successful or doesn't live up to his parents' expectations is hardly mentioned."

Some young Filipinos feel their parents didn't do all they could to improve their lot in society, Col. Smith said.

He explained that the first Filipino immigrants to this area were migratory workers, domestics and gardeners and 90 per cent of these were men.

"They married late in life and didn't have the time or interest in improving things for their children. They thought about themselves, not their kids."

Mrs. Madolora said the blame for the generation or cultural gap lay with both parents and children.

"Older Filipinos should be finding out more about America, its customs, culture and morals. The youngsters should study about the Philippines, its customs, their language and their past."

But she doubted this would happen. The seniors are stubborn and set in their ways, she said, and their children grow more rebellious.

"Parents want their children to take a hand in running the community but don't want to delegate any authority to them. That's why the young people aren't joining the neighborhood clubs and organizations, which are slowly dying out."

Another reason for the lack of participation in community clubs and organizations is the numerous divisions which keep the Filipino community from acting in a united fashion.

The Philippines are composed of more than 7,000 islands whose inhabitants speak more than 70 dialects. In the islands, a person's loyalty lies with his family, village, province or island, no further.

The older Filipinos brought this attitude with them and Mercedes B. Arnado, president of the Filipino Community Center, said there are several clubs in the community composed of people from the same province.

"People from the same province or who speak the same dialect stick together," he said. "It gets very tribal. We don't cooperate with one another and lack of unity is the main problem of the community."

As an example he said people from the same province as Philippine President Ferdinand Marcos won't talk about him or his actions in public.

"They talk about him among themselves," he said, "but there is the feeling one shouldn't criticize your own country, or people from your province, in front of outsiders."

Col. Smith also acknowledged that numerous divisions exist within the community.

"Jealousy is rampant among us," he said. "We hate to see one another succeed and this causes divisiveness."

Compared to the problems of other minorities, those of the Filipino community are minor. They are the problems of a minority which is slowly becoming part of the majority.

And some members of the community are distressed that this might also mean giving up one heritage for another.

FINANCIAL STATUS OF CORPORATIONS INVOLVED IN ENERGY ISSUE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. BROWN of Ohio. Mr. Speaker, after months of serious debate, House action on H.R. 7014 should come to an end today. Contributing greatly to the arguments on both sides of the aisle, is the financial status of those corporations involved in the energy issue, and how our legislation would affect them. In light of this, I would like to provide my colleagues with some independent information contained in the Chase Manhattan Bank's monthly Petroleum Situation report. I feel the article clarifies the financial aspect of the petroleum industry today and may assist Members in their analysis of the decontrol issue:

PROFITS, TAXES, AND CAPITAL EXPENDITURES

Figures don't really lie—but sometimes they seem to, and that can lead to confusion and misunderstanding. The decline in the profits of petroleum companies this year is an example.

Although they acknowledge that profits are lower, some of the news media and other critics are quick to point out that the decline is not nearly as large as the increase last year. In making a comparison of that sort, however, they ignore something that all statisticians and most businessmen know: a percentage increase and decrease involving the same combination of numbers can be vastly different. For example, if a company raised its profits from 5 million dollars in 1973 to 10 million in 1974, that would be a 100 percent increase, obviously. But, if profits slipped back to the 5 million dollar level in 1975, that would be only a 50 percent decline even though the actual numerical decrease was exactly the same as the increase the year before. It is worth bearing in mind that conceivably there can be an increase of several hundred percent, and even more. But a decrease of 100 percent would reduce profits to zero. It's a simple statistical fact often overlooked.

In the first half of 1975, the combined profits of the 29 petroleum companies comprising this Bank's survey group were 35 percent lower than in the same period last year. At first glance, the decline appears to fall far short of offsetting the 78 percent increase achieved last year. But a comparison of the actual dollar amounts involved reveals a much closer relationship. The decline amounted to 3 billion dollars and the increase was 3.7 billion. Thus, the companies have lost in 1975 more than four-fifths of the gain registered in 1974. As of now, it is quite certain that the group's profits for the year as a whole will be much less than in 1974. And, conceivably, they may be lower than in 1973, as well.

Considering the rise in the price of petroleum products, many of the readers of this review may well be wondering why profits are down. The reason, however, is not hard to find. It is true that higher product prices led to an 11 billion dollar increase in gross operating revenue in the first half of the year. But the costs of doing business rose even more—by 15 billion dollars. Of all the operating revenue received by the group, as much as 79 percent had to be used to pay day-to-day business costs compared with 73 percent last year. Although most business costs are rising, the higher price the group had to pay for crude oil purchased from various governments was mainly responsible for the 15 billion dollar increase.

After paying the higher costs of doing business, the group had 24.9 billion dollars left—4.1 billion less than in 1974. But, as much as 78 percent of that money had to be used to pay taxes—substantially more than the 71 percent utilized in 1974. Because its taxable income had declined, the group's actual tax payment of 19.4 billion dollars was 5 percent less than in 1974. Although governments received somewhat less tax revenue, their loss was much more than offset by the additional revenue received from the sale of crude oil to the group.

Together, the day-to-day costs of doing business and taxes absorbed 95.3 percent of all the money the group took in from its operations in the first half of 1975. Thus, only 4.7 percent of the gross operating revenue remained as profits. That was the smallest proportion on record. Last year, 92 percent of the operating revenue was used to pay business costs and taxes, leaving 8 percent as profits. Amounting to 5.5 billion dollars, the combined profits of the group of companies in the first half of 1975 were equal to 28 percent of the taxes paid. Last year, the profits totaled 8.5 billion dollars and were equal to 41 percent of the tax payments.

In tracing historically the disposition of the group's operating revenue, it is evident the doubling of the costs of doing business within only two years time. As noted earlier, that rise reflects mostly the cost of the crude oil the group must now purchase from governments. Also revealed is the fact that taxes have increased much more than net income. Thus, most of the proceeds of the higher prices all consumers now must pay for petroleum are flowing to various governments rather than to the petroleum companies, as is commonly believed.

As of this writing, the question of whether oil prices in the United States should be decontrolled continues to be debated. Valid arguments can be presented for both sides. But the fact remains that price controls without equally effective controls over costs create a situation that is not viable and therefore a climate for investment that is not healthy. And there is no practical political means of controlling costs. Until politicians and consumers alike open their eyes to these realities and come to grips with the problem, there can be no real hope that the United States, and the rest of the world too, can have enough energy in the future. To say that government should take over—as some do—is no solution, because government can no more avoid paying the costs than can private industry. And government has many additional high priority political needs for money that private industry does not have.

Clearly, the amount of petroleum available to the world's markets in the future will depend upon the size of the capital expenditures made now and from now on. And it should be obvious to all that the petroleum companies can only invest the money available for that purpose—and no more. Historically, there has always been a close relationship between capital expenditures and profits—they rise and fall together. However, that relationship did not exist in the first half of 1975. Although profits declined by 3 billion dollars, capital expenditures nevertheless increased by 1.5 billion. Six months, of course, is too short a period for a realistic comparison. And, in the longer run, the historical relationship can be expected to continue—because profits are the principal source of capital funds and they influence the availability of funds from other sources. Capital expenditures of the group totaled 11.7 billion dollars in the first half of the year—15 percent more than last year. The group, therefore, invested more than twice as much as it earned. Relative to the long term past, that was an unusually high proportion and a reaction sometime in the future is in prospect. The group was able to spend twice as much as it earned because it used funds generated from capital recovery and borrowed in the capital markets. But those sources have limits that cannot be exceeded. The amount of capital recovery available depends upon the amount of investment and tax regulations which can and do change. The elimination of the depletion allowance is a recent example of a change in tax regulations which restricts capital recovery. And the amount of capital funds that can be borrowed is influenced by the prospects for future cash income.

Therefore, if the supply of petroleum is to grow, investment must also grow. And, if investment is to grow, so must profits. But profits can't grow adequately if governments won't let it happen.

U.S. PETROLEUM STATISTICS—SUMMARIZED

	July			3 mo ended July 31			Year to date		
	Thousands of barrels daily		Change percent	Thousands of barrels daily		Change percent	Thousands of barrels daily		Change percent
	1975	1974		1975	1974		1975	1974	
Demand:									
Gasoline	7,192	7,005	+2.7	7,095	6,921	+2.5	6,689	6,499	+2.9
Kerosene	917	944	−2.9	918	876	+4.8	981	918	+6.9
Distillate	2,129	2,305	−7.6	2,185	2,382	−8.3	2,948	2,964	−.5
Residual	2,253	2,439	−7.6	2,208	2,389	−7.6	2,520	2,597	−3.0
All other	3,600	3,875	−7.1	3,364	3,756	−10.4	3,379	3,652	−7.5
Total demand	16,091	16,568	−2.9	15,770	16,324	−3.4	16,517	16,630	−.7
New supply:									
Domestic	10,520	10,959	−4.0	10,467	10,999	−4.8	10,563	11,117	−5.0
Crude oil	8,350	8,754	−4.6	8,363	8,812	−5.1	8,430	8,911	−5.4
Natural gas liquids	1,650	1,697	−2.8	1,648	1,716	−4.0	1,662	1,735	−4.2
Processing gain, etc	520	508	+2.4	456	471	−3.2	471	471	
Imports	6,138	6,488	−5.4	5,642	6,465	−12.7	5,814	5,886	−1.2
Crude oil	4,292	4,091	+4.9	3,896	3,975	−2.0	3,798	3,193	+18.9
Refined products	1,846	2,397	−23.0	1,746	2,490	−30.0	2,016	2,693	−25.1
Total new supply	16,658	17,447	−4.5	16,109	17,464	−7.8	16,377	17,003	−3.7
Crude oil refined	12,925	12,811	+.9	12,403	12,613	−1.7	12,195	11,954	+2.0
Stock change in million barrels	+17.6	+27.2		+31.2	+104.9		−29.7	+79.1	
Stocks end of period in million bbls.[1]:									
Gasoline	202.4	222.2	−8.9						
Kerosene	38.1	42.4	−10.2						
Distillate	167.9	182.5	−8.0						
Residual	60.4	59.8	+1.0						
Other products	305.7	311.9	−2.0						
Total products	774.5	818.8	−5.4						
Crude oil	269.5	268.7	+.3						
Total all oils	1,044.0	1,087.5	−4.0						

[1] Exclude additional bulk terminal stocks included in 1975 U.S. Bureau of Mines statistics.

Sources: American Petroleum Institute, Chase Manhattan Bank, United States Bureau of Mines

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CHAMBER OF COMMERCE OPPOSES TAKEOVER ATTEMPT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. ASHBROOK. Mr. Speaker, the attempted takeover of Copperweld by the French cartel Societe Imetal has resulted in united action by the citizens of Shelby to oppose it.

Recently, at a congressional hearing in Shelby by a labor subcommittee, Mr. Reece T. Clemens, president of the Shelby Chamber of Commerce, submitted the following statement:

REESE CLEMENS STATEMENT

Gentlemen: The proposed takeover of Copperweld Corporation by Societe Imetal raises many questions to each of us individually. If you are an employee, you undoubtedly have questions about job security, wages, fringe benefits, working conditions and other individual concerns. As a stockholder, you have other questions, and as a supplier to Ohio Steel Tube, you have yet another set of wonderings about the proposed takeover.

While all of us have different questions, we all have a common bond—all of us are part of the Shelby-Richland County Community. As citizens of this area, we are interested in building and maintaining a community where we have a chance to exercise a lifestyle that fits us. I believe the action of Imetal can have an effect on our community—and is of common concern to all of us. I wonder what effects an Imetal takeover would have on our community.

Ohio Steel Tube's payroll annually pumps 13 million dollars into the Shelby-Richland County economy—every merchant, every businessman, every family in this community has profited from Ohio Steel Tube's payroll and profit sharing plan. I wonder what Imetal's payroll and profit sharing plan would look like! I wonder what our hospital facilities would be today if we had not had Ohio Steel Tube's help.

With an Imetal takeover, I wonder what would happen to the 1½ million dollars paid by Ohio Steel Tube for goods and services to the businesses in this area.

Ohio Steel Tube has maintained a strong and active interest in the Shelby Chamber of Commerce and its various community programs. I wonder if Imetal would be interested in the Shelby Chamber! I wonder if Imetal would be as concerned about Shelby's Junior Achievement program as Ohio Steel Tube is.

The 'Tubey' pays almost a half million dollars annually in Real Estate and Property taxes to support our schools and other vital community needs. Think about our schools, the yearbook, the football programs, the honors banquets, the sports banquets and other school activities. I know the valuable contributions made by Ohio Steel Tube—I wonder about Imetal.

I wonder if Ohio Steel Tube's interest in supporting Shelby's many service clubs and organizations, the Boy Scouts, the Police Auxiliary—can be matched by Imetal.

I wonder if Imetal could be as generous as Ohio Steel Tube is to the Shelby United Fund. The 'Tubey' is the cornerstone of our United Fund. Without their assistance, in money and manpower—we would not be able to support the community agencies that make such a valuable contribution to the quality of each of our lives.

Copperweld Corporation has demonstrated over the years that they view the 'Tubey' as a valuable element in their corporate growth. This growth means job security and job opportunities for our friends and neighbors. I wonder what plans Imetal has for the Shelby plant employees.

All of us can list many other ways that Ohio Steel Tube makes its contributions to the well-being of Shelby. And because of its concern for Shelby, we recognize 'The Tubey' as a leading citizen of our town. I wonder—No! I think we all wonder what kind of Shelby citizen you can be, sitting in Paris.

The Shelby Community does not want to wonder about these things. We do not want to lose a leading citizen. Our concern is real and deep. We view Imetal's attempt to take over Copperweld as a very real threat to our security—a threat just as real and dangerous as any foreign invasion of American soil.

NORTHROP REPORTS TO WIN A-10 CONTRACT MERIT INVESTIGATION

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. AMBRO. Mr. Speaker, a recent editorial broadcast by WGSM, a prominent radio station in my congressional district, reports an apparent effort by Northrop Corp. of Los Angeles to pay a Fairchild Republic consultant for his knowledge, in an attempt to win the A-10 contract.

I believe this broadcast is an excellent piece of investigative reporting which merits further congressional inquiry, and I would like to submit the full text of this editorial broadcast for the RECORD:

RADIO BROADCAST BY WGSM, JULY 23, 1975

In an effort, apparently to block Fairchild's efforts at winning the A-10, Northrop Corporation of Los Angeles indirectly paid a Fairchild consultant for his knowledge.

WGSM NEWS has learned that the consultant in question is John Blandford, one-time counsel for the House Armed Services Committee. Blandford became a consultant for Fairchild in July, 1972. Two months later, Northrop official Frank DeFrancis began paying Blandford $12 thousand a year to do consulting work on a firm DeFrancis owned.

The money DeFrancis used came from Northrop, and the disbursement was authorized by Northrop president Frank Jones. DeFrancis allegedly told a congressional subcommittee, "Blandford came to me, and indicated that Northrop should retain him as a consultant. Because of his apparent competing relationship with Fairchild-Hiller, I thought it best to keep him outside of a direct relationship, but still on our side."

Our investigation discovered that the only plane over which Fairchild and Northrop competed in 1972 was the AX. Fairchild eventually got the Air Force contract, and AX became the A-10.

There are several questions raised by this sort of practice. For example:

Is the cost of an airplane driven up by a consultant who works for competing contractors?

Has Fairchild fired Blandford for his activity with Northrop?

Those questions can't be answered now—both Fairchild officials and Blandford refuse comment. But West Islip Congressman Tom Downey, a member of the House Armed Services Committee, expressed his interest in the findings, and asked to see the complete report.

WHAT THEY SAY IN PEORIA

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. ERLENBORN. Mr. Speaker, each of us in this House likes to keep in step with the people in his hometown, but few of us do as well in this endeavor as Representative ROBERT H. MICHEL. In Peoria, people like a Congressman who says what he thinks, and acts accordingly.

Recently, the Peoria Journal Star had some comments about our distinguished minority whip and his willingness to speak out for what he believes in:

[From the Peoria (Ill.) Journal-Star, Aug. 30, 1975]

MICHEL AND THE ADA

Americans for Democratic Action, the long-time liberal arm of the Democratic party, has proclaimed that a candidate running against an incumbent faces a $488,505 handicap.

It's a bit of an exaggeration but the essence is quite true, and ADA could have pointed it out a few months ago when it might have counted.

In simple fairness, Congressman Bob Michel did protest mightily that the so-called "election reform" bill, far from being "reform" was rigged to increase the advantages of incumbents and meanwhile restrict challengers. He protested against the liberal steamroller in this massively Democratic Congress trying to lock themselves into office and calling the action "election reform."

Nobody listened.

Nor was Bob Michel, necessarily, being noble about it. It is true that he, himself, is an incumbent and a personal beneficiary of any advantages thus bestowed and any disadvantages bestowed on challengers.

But it is also true that he is a Republican, and when a landslide "Watergate" Congress, overloaded with Democrats, sets up such an arrangement its partisan result is to lock in "new" Democrats and lock out Republican challengers.

Whether his motives were noble or practical, Bob Michel was right and said so when hardly anybody else had the guts to say so.

Now, months later ADA comes along to play its usual angelic role after the question is moot.

Where were they when chastising their own "liberal" gang would have meant something? Silent.

Their brand of liberalism seems to be more for "show" purposes than for real performance.

This way they have it both ways—the noble pronouncement and also the unconscionable advantage for their partisans in the coming elections.

That is modern "idealism," it seems.

Keep it purely academic. But when you get a chance to really grab—grab.

It's worse than plain, unadorned politics, because it is the ultimate hypocrisy.

—C. L. DANCEY.

CHICKEN OR OSTRICH?

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, yesterday, our distinguished majority leader took exception in this well to President Ford's characterization of the Congress as "chicken" on the energy issue. It is understandable that our majority leader would cry "fool" since he recently claimed on national television that we really do not have an energy problem. What easier way could there be to rationalize congressional inaction on energy over the last 9 months than to deny that a problem exists?

All this despite the unveiling of the congressional Democratic economic and energy program last January 13 which called for action on an energy program within 90 days. To quote from that manifesto which the majority leader has apparently discarded in the interim:

> It now is apparent to all with the will to see that the alarmingly increasing gap between domestic production and domestic consumption of energy (especially petroleum) in the United States threatens not only our basic national economy but our national security as well. Just as the long term solution must lie in discovering ways to increase our production of energy, our interim salvation can be found only in vastly more effective conservation measures. We must control runaway energy consumption if the nation is to retain economic independence, let alone achieve stable and enduring economic growth. Voluntary restrictions simply have not worked. More stringent short-term measures are imperative.

And yet, our majority leader apparently now sees no dangers in congressional procrastination on energy. I think it is ironic to note that the President's "chicken" speech at the Oklahoma State Fair last Friday merely echoes the warnings of the Democratic energy statement of last January. The President said that congressional delays on energy legislation "could cause an explosion in our economy." In terming the Congress "just plain chicken" on the energy issue, the President explained that "too many Members of Congress refuse to acknowledge the realities of the energy situation." How else can one explain the fact that the 3-month deadline on energy legislation has now been stretched to 9 months with still no solution in sight, and that the Democrats wanted to further delay the day-of-reckoning by another 6 months—well into an election year? Fortunately, the veto of that extension was sustained.

Mr. Speaker, if anything the President was being kind to the Congress in using the term "chicken." If anything, the Democratic leadership has displayed all the qualities of an ostrich with its collective head in the sand when it comes to energy. And one need only observe the size of the egg the Democrats have laid to date on energy to demonstrate the proof of that statement.

WHOSE WHEAT IS IT?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. MICHEL. Mr. Speaker, recently, we have witnessed a considerable uproar over whether or not to sell "our" grain to the Soviets. Some have said we should, and so assist the U.S. economy and the balance of trade. Others have argued that we should not, and thereby help keep consumer prices down.

Lost in the whole argument has been a very simple fact, and that is that "our" grain is not "ours" at all. It belongs to the farmers who, by dint of their investment and hard work, produced it. In a free society, it is just not possible to rationalize the right of politicians, or anyone else, to dictate to a farmer to whom he may sell his wheat. It is his, and not ours.

An excellent exposition of this truth appeared recently in the Peoria Journal Star, and I would like to include that editorial in the RECORD at this point:

> WHOSE WHEAT IS IT?
>
> The real core of national attitudes is revealed not in the policy arguments we have, but in the assumptions we make as the basis for those arguments—and some of them today in this whole "wheat for Russia" discussion are truly alarming.
>
> Everybody has his own opinion on what we ought to do with our wheat.
>
> So it all starts with the assumption that it is "our wheat."
>
> Is it?
>
> Hell, no! Not if this is still America and not some totalitarian state.
>
> It's wheat that belongs to the farmers who produced it. It isn't the property of the labor unions or the politicians. It doesn't belong to me, or to Sen. Percy or Sen. Stevenson or President Ford or George Meany.
>
> Yet, the very first step of the whole argument jumps that hurdle automatically and expropriates the wheat by making it "ours."
>
> It is no more "our" wheat than your house and car—and kids—are "ours" to be disposed of as the politicians see fit.
>
> This habit of thinking which simply resumes to extinction the rights of growers, builders, makers, and owners and simply leaps the gap to assume a right of public disposition of anything that politicians discuss is a habit that wipes out, subtlely, the very essence of American society and people's rights.
>
> There has to be, indeed, a compelling overriding and demonstrable reason for the government—or the majority—to "take over" those rights in any given instance.
>
> When it is debatable, the doubt should be resolved on the side of freedom and the rights of the real creators of the material. Instead, we simply bypass that whole principle and the very act of debating starts out with an assumption that the subject matter is automatically "ours" to do with as we choose. "Ours" meaning Congress!
>
> That kind of persistent and growing presumption is a grave danger to this free society. It is socialism by assumption.
>
> It is more sinister a trick of the language influencing the habits of mind than any of the language claims from "Ms" to "persons" that some folks are trying to straighten out. It's a road we can't afford to travel until we find ourselves at the wrong destination without even realizing where we are going.
>
> You ought to have to do something more than just "win the argument" before you run roughshod over the rights of those directly involved to dispose of their own production.
>
> This habit of mind will not stop with wheat if we persist in it. It will invade the basic rights of every one of us.
>
> And there isn't a good enough reason around.
>
> C. L. DANCEY.

SENECA FALLS, N.Y.—A LANDMARK IN WOMEN'S RIGHTS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. WALSH. Mr. Speaker, in 1848, Seneca Falls was the site of the first women's rights convention in the United States. Since that time, this small Finger Lakes community has continued to serve as a milestone in the long battle for feminine equality.

In 1948, Seneca Falls was chosen as the site for the first day of issue ceremony for the Progress of Women Commemorative Stamp. Finally, just last month, Seneca Falls was again picked for a first day of issue ceremony, this time honoring the stamp for International Women's Year.

I think it is especially fitting that the Postmaster General of the United States, Benjamin F. Bailar, decided to hold the ceremony at Eisenhower College, one of the newest and brightest additions to the Seneca Falls community.

The primary design feature of the stamp is a white dove emerging from the top of the symbol representing woman. In the upper right corner is an equal sign representing the equality of women. In the background, in blue and white, is an artistic representation of a pattern which globe makers might use in making a globe. This emphasizes the international significance of International Women's Year.

Participating in the ceremony were the acting president of Eisenhower College, Joseph D. Coffee, Jr.; the postmaster of Seneca Falls, Frances J. Pagano; Rev. Charles E. Bollinger, rector, Trinity Episcopal Church; Kirk Casey, Seneca Falls American Legion Post 366; and the Mynderse Academy Concert Band with Director John S. Pratt.

There are plans afoot to make Seneca Falls the permanent seat for the future recognition of women in America by creating a Women's Hall of Fame there. Because of its participation in the history of the fight for female equality, I can think of no more appropriate location for such a hall of fame than Seneca Falls.

A PLEA FOR COMMON SENSE IN CAMPAIGNING BY HON. ROBERT N. C. NIX

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. NIX. Mr. Speaker, the obscene and sad gesture by the deranged woman in San Francisco yesterday in attempting to murder our friend, our former colleague and the President of the United States is one that would give comfort only to those critics of America who imply that we are not a civilized society.

The media coverage given to assassins, kooks and conspiracy theories like the full moon in gothic literature brings out the latent impulses in those among us who lust after notoriety.

This type of incident is a seasonal type of event. It will inspire others. A moment in the publicity sun is something that the most lonely and unhappy among us crave. Arthur Bremmer who after his attempted murder of a Presidential candidate, as he was being dragged to his cell, asked how much his jailer thought he should ask for his book.

The American people understand the terrible need to find new forms of communication with them.

It is time to return to the fireside chat.

It is time to return to the front porch campaign.

It is time to abandon slogans, hoopla, frenzied crowds and send the theories, stage props and other devices that go with it back to Hollywood where it sprang from in the first place.

It is time to bring back the Lincoln-Douglas type of campaigning.

The next Presidential campaign is one to look forward to in dread. If we have not learned the lesson of San Francisco, and Sacramento, a new tragedy may be in store for us.

The American people look for a return to plain talk, clarity, logic, and just plain common sense. The front porch of the White House, the front room of Presidential candidates homes and the miracle of radio and television lie at hand. These are just as worthy platforms as media events.

For the above reasons I would urge that the President set an example for the Presidential campaign by beginning a series of fireside chats now, and base his appeal for the understanding of his views on this means. It served Franklin Roosevelt well in another difficult time in American history.

If the President does so, his rivals will have to meet the same challenge by abandoning the propaganda of created mass frenzy in staged media events on street corners throughout the land.

This is a time for commonsense. Most

Americans know this because we are a reflective people. After all, how many people have rushed to street corners to touch any candidate for public office?

We are still impressed by clarity of thought and by common sense.

The American people are ready for quiet communication. The time to begin is now.

ENCYCLOPEDIA BRITANNICA GOES LEFT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in the June issue of Slavic Review, American Quarterly of Soviet and East European Studies, a book review of "The New Encyclopedia Britannica in 30 Volumes," 15th edition by Prof. Romuald J. Misiunas of Williams College, revealed that Soviet authorities had written the articles on the 15 Soviet Republics for Britannica. This, of course, resulted in some very propagandistic material. The Washington Post of September 19, 1975, further reported that a member of the Polish Communist Party wrote the article on Poland as did a Czech Communist for Czechoslovakia and who did not even mention the Soviet invasion of 1968 in the article on his country. If an encyclopedia is supposed to contain basic facts, they are just not going to be there when written by Soviet propagandists from Novosti or other East European Communists. The review from Slavic Review follow so that my colleagues can have the benefit of the full review that has been mentioned in the press:

ENCYCLOPAEDIA BRITANNICA GOES LEFT

The *Encyclopaedia Britannica* has long enjoyed a reputation for high standards; in one respect, the recent new edition falls disappointingly short of the quality of previous editions. At a time of increased American interest in the USSR, it would seem particularly important that the principal American general source of reference contain accurate information about the Soviet Union. The fifteen articles included on the constituent republics of the USSR, written by Soviet scholars, and translated (sometimes rather poorly) into English, demonstrate a clear disregard by the editors of the *Britannica* of their own guidelines as expounded in the *Propaedia*: "Objectivity and neutrality: (*a*) Articles should be so written that they avoid expressions of bias or prejudice on any matter about which a respectable and reasonable difference of opinion exists. (*b*) Further, in all areas in which the scholarly world acknowledges significant and reputable differences of opinion, diverse views concerning such differences should be fairly presented, though the majority or accepted view may be so designated" (p. xv).

The use of Soviet experts for articles which touch on aspects of internal Soviet politics is bound to result in a rehash of the official point of view current at the moment, which in many cases enjoys only a tenuous connection with what we in the West consider objective fact. The peculiar style of the prose and the organization of the content, the usual overdone statistical paean to an ever-rising standard of living wrought through the beneficence of Soviet power, at times render portions of these articles worthy contributions to *Soviet Life* or any similar organ. Since Macmillan is in the process of publishing an English translation of the *Great Soviet Encyclopaedia*, which will provide the American reader with a cornucopia of the most recent official Soviet views on almost any topic imaginable, the use of the *Britannica* as a vehicle for a similar exposition becomes even more questionable.

The greater portions of the articles are devoted to geography, flora, and fauna. With these presentations no argument can be made. It is rather the areas of history, social organization, economics, and culture which are replete with dubious statements or insinuations. Much of this is the result of the unawareness on the part of the editors of the *Britannica* of differing Soviet and Western definitions of such key terms as "democracy" and "elections." Unqualified statements about communal ownership of the means of production, about elections to organs of political representation, or about the size of affairs. At times, this is coupled with subtle disinformation. Various designations of the Communist Party: "the guiding political organization," "the leading political organization," "the most important political organization," "the dominant political group, "the major political party," or the organization by which "political life in the republic is largely determined," all may imply the existence of other political organizations as well. Only the article on the Georgian SSR makes the statement, unintelligible to those unfamiliar with Soviet political institutions, that "all the elections for the organs of power and justice take place according to a single system."

The articles on the non-Russian republics suffer more particular shortcomings than the lengthy article on the RSFSR. Only five of the fourteen articles (Estonia, Georgia, Latvia, Lithuania, and the Ukraine) were written by residents of their respective republics. Of these only the authors of three (Estonia, Georgia, and Lithuania) are unmistakably members of the respective republican majority nationality.

It is not surprising that much that is debatable in the area of Soviet nationality questions is presented uncritically solely from an official point of view. In accordance with long-establish Soviet practice, there is an effort to downplay the linguistic affinities between certain republican nationalities and neighbors beyond the Soviet frontiers. The most striking case is the claim in the article on the Azerbaijan SSR that "many experts agree that the languages of these peoples [Medes, Albanians, and Caspians] formed the basis of modern Azerbaijanian, its Turkish elements being the result of later borrowings." For similar political reasons there naturally cannot be any hint that Moldavian is considered by many non-Soviet experts to be a dialect of Rumanian. The article on the Moldavian SSR carries no general description of the Moldavian language. Even the wartime Rumanian occupation in metamorphosed into the "Nazi aggression and occupation."

The sections on history are particularly deficient. Most of the articles avoid pre-Soviet history altogether. In some cases, this is compensated for by other articles by non-Soviet scholars under a number of different headings, such as "Russia, History of," "The Baltic States, History of the," or "Urartu and Armenia, History of." Although these do in a sense balance some of the lack of coverage of the past of non-Russian areas in the USSR, some areas such as the Ukraine, Georgia, or Azerbaijan receive very little historical coverage. The pre-Soviet histories of the Central Asian peoples are covered in the article "Turkistan, History of," to which there is not even a cross reference in the separate articles on the Central Asian republics.

Peculiar slants occur also in references to cultural history. None of the descriptions of the cultural heritage of the Central Asian peoples makes any mention of connections with the Islamic world. The only reference to Islam is its identification as the religion of the believing minority of the Tadzhik population.

Another result of the uncritical presentation of Soviet articles on the national republics is a whole host of linguistic fallacies and inconsistencies. While the distortions of fact are virtually an unavoidable result of the use of Soviet authors, linguistic sloppiness is clearly the fault of the *Britannica* editorial staff. The national languages of the constituent republics are not reflected in most of the articles, all of which show unmistakable signs of being translations from the Russian. There is no uniformity of treatment of geographical or personal names, or of literary titles. Some are rendered in English, but many are left untranslated in Russian posing as the originals. The twelfth-century Georgian poet Shota Rustaveli would have been most surprised that he demonstrated the Georgian "national genius" by writing *Vityaz v tigrovoy shkure*. The Ukrainian name for its Soviet republic is not "Sovetskaya Ukraina" as in Russian but rather "Radianskaia Ukraina." Had Ivan Franko been writing in Russian, he would have written *Borislav Smeyetsa*; the appropriate Ukrainian is *Borislav usmikhaetsia*.

A certain amount of orthographical variance in Latinized spellings of transliterations from the Russian in relation to languages which are not written in a Latin alphabet can be expected because of varied systems of transliteration. But these should be consistent. Why, for instance, is the capital of Armenia spelled Yerevan when the Belorussian SSR is not spelled Byelorussian SSR? In dealing with the Baltic republics whose languages are written in the Latin alphabet, the various uncorrected transliterations by way of Russian produce veritable orthographical eyesores to anyone familiar with these languages. The only merit of such transliterations is an approximation of pronunciation. But if that be a virtue, one could suggest, among others, improvements in rendering the capital of France as "Pahree," Zurich as "Tsyurikh," or Marseilles as "Mahrsay."

While the articles on the Estonian and Latvian SSR's do not seem to be great offenders in this regard, the linguistic and orthographic legerdemain becomes most remarkable in the articles on the Lithuanian SSR. Some geographic names are neither Lithuanian nor Russian, such as *Zheymay-Myarkis* Plain or the *Zhemay* Upland. The rest of the geographical and personal names are given in Russian transliteration only as if they were the Lithuanian originals. Mr. Miezelaitis might be offended to see himself listed as Mezhelaytis and to discover that he wrote *Chelovek* instead of *Zmogus*. Juozas (not Yuozas) Baltusis wrote *Parduotos vasaros* (*Sold Summers*) instead of *Prodannye gody*. *Krov i pepel* should be *Kraujas ir pelonos*, and its author's name should be spelled Justinas Marcinkevicius instead of the tortuous Yustinas Martsinkyavichyus. The Lithuanian folk songs are *dainos* rather than *dayny*, and the composer-painter who died in 1911 was M. K. Ciurlionis rather than Chyurlionis.

On the basis of the foregoing, which by far does not represent an inclusive list of errors, inconsistencies, infelicities, and highly debatable statements, it can only be concluded that the fifteen *Britannica* articles on the republics of the USSR are not a reliable source of information on the USSR. The editors state in their *Propaedia:* "No matter how clearly the new *Britannica* manifests its other qualities, it will fail to the extent that inaccuracy renders its contents undependable" (p. xiv). This should suggest that the policy of unqualified use of Soviet sources in future editions needs re-evaluation.

ROMUALD J. MISIUNAS,
Williams College.

THE NEW RIVER—LIKE IT IS

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. NEAL. Mr. Speaker, I am today introducing legislation which will designate a 26.5-mile segment of the New River in North Carolina as a component of the National Wild and Scenic Rivers System. Despite its name, the New River is, in fact, the second oldest river in the world and the oldest in the Western Hemisphere. The valley through which it flows was a migratory route for prehistoric men and contains invaluable archeological evidence of the earliest human life in North America. In addition, the New River is one of the last free-flowing, unpolluted streams in the eastern United States and is a favorite haunt of canoeists and fishermen.

The New River is geologically significantly because it was spared the destruction wrought by the glaciers of the Pleistocene era. Yet it now faces destruction, equally as final, by the bulldozers of Appalachian Power Co.: Appalachian proposes to dam the river in order to build a twin-dam, pumped storage facility to provide peak load power for its customers in the Midwest. The Federal Power Commission has granted a license, which became effective January 2, 1975, permitting construction of these dams. However, the State of North Carolina has contested the propriety of the license on grounds that the FPC did not give sufficient consideration to the environmental damage which would result from building the dams. The U.S. Court of Appeals in the District of Columbia has suspended the license pending disposition of North Carolina's petition. Even if the State of North Carolina should be successful in its suit, there is every indication that the Federal Power Commission would once again license this questionable project. Congressional action is necessary to insure that the New River will be protected. This can be accomplished best by placing the river in our National Wild and Scenic Rivers System.

In deciding to grant a license to this project the Federal Power Commission has demonstrated that it, like other independent regulatory agencies, appears to be more responsive to the desires of the industries it regulates than to the needs and concerns of the public, whose interests it is intended to protect. Appalachian Power Co.'s twin-dam proposal is questionable from any point of view—whether economic, environmental, or recreational.

The proposed project for which the river would be sacrificed would serve primarily as a storage facility for electric power generated elsewhere. During periods of relatively low demand, power generated by other facilities would be used to pump water uphill from the lower reservoir to the upper reservoir. During peak demand periods, water from the upper reservoir would flow through the generators, creating additional power for transmission to distant points, and the flow would be impounded once again in the lower reservoir until another repumping cycle began.

Because more energy is required to pump water uphill than can be generated by its release, the project would be a net energy user. In fact, it would consume four units of energy for each three units it produced. A more sensible approach to the peak load demand problem would be a reduction in demand through peak load pricing. To obliterate a national treasure such as the New River in order to build another peak load generating facility is hardly a practical solution, particularly when such a facility would be a net energy consumer.

In addition to the dubious claims of energy benefits, the FPC, in its decision to grant the license, placed heavy emphasis on its projections of the recreational benefits which would derive from the project. Those "benefits" are highly questionable. The two reservoirs would be subject to wide fluctuations in water level during both phases of the weekly pumping cycle. Only the upper reservoir would have significant recreation potential, and it would experience up to a 10-foot drawdown. Because the shoreline-vertical ratio is 5 to 1 in that topography, a 10-foot drawdown would produce a 50-foot mudflat. Moreover, the water level would be lowest on Friday nights, the beginning of its heaviest period of recreational use. Access to the shoreline would be impeded, and instead of a serene vista, the visitor would behold a quagmire fit for turtles, perhaps, but not for sunbathers. Even more important, that area of North Carolina already abounds in flatwater expanses suitable for recreation, whereas the New River, in its free-flowing state, has a unique recreational potential. According to the North Carolina Department of Natural and Economic Resources, it is the best smallmouth bass fishery in the State. It would be replaced, if the dams were built, by reservoirs which the Environmental Protection Agency has characterized as being of "questionable biological productivity."

Although construction of the dams would provide perhaps as many as 1,500 jobs on a temporary basis, it would inundate between 1,000 and 1,500 family farms. Nearly 3,000 persons would be displaced and dispossessed. Approximately 40,000 acres of land—including 29,000 acres now devoted to agricultural uses—would be flooded, wiping out an annual farm income of $13.5 million. Proponents of the power project claim it would save $3 million a year over alternative peak load operations. But even if one grants that such peak load facilities are necessary, the $3 million benefit must be balanced against the $13.5 million loss.

Finally, construction of the dams would destroy a way of life for the people who live along the river—some on plots granted to their ancestors by Charles of England in pre-Revolution times. These people are, almost unanimously, overwhelmingly opposed to construction of the dams.

The bill I am introducing today is similar to a New River study bill which was considered by the 93d Congress. That bill, which would have been the first step toward permanent preservation of the river, passed in the Senate by a margin of 49 to 19 and received a favorable vote of 196 to 181 in the House. Unfortunately, the bill reached the House floor under a suspension of the rules and the necessary two-thirds majority was not achieved. Nevertheless, a clear majority in both houses of the Congress demonstrated their desire to block construction of the dams and preserve the river. With respect to the bill I am now introducing, the substantive issues are exactly the same. Furthermore, since the vote last year on the study bill, the North Carolina General Assembly has included the 26.5-mile segment in the State's Natural and Scenic Rivers System. The State has prepared a management plan for the segment and has secured, or will secure, necessary easements and land acquisition. Under State management—which my bill would authorize—the Federal Government would acquire no substantial financial burden or responsibility. The State of North Carolina has petitioned the Department of the Interior to accept its management plan and to designate the chosen section a component of the National Wild and Scenic Rivers System. However, four recent changes in Secretaries of the Interior have delayed consideration of the State's request and have created an air of uncertainty.

If the river is to be protected in all its natural grandeur from the ravages of technology, it is necessary that the Congress act in this case as it has acted to protect many other wild and scenic rivers. My bill would accomplish that purpose. Specifically, it would designate as a component of the National Wild and Scenic Rivers System a 26.5-mile portion of the New River which is included in the management plan developed by the State of North Carolina. Furthermore, it provides that the designated segment of the river be managed in accordance with the State's plan, which Department of the Interior already has acknowledged meets appropriate criteria as set forth in the Wild and Scenic Rivers Act.

The time is growing late, Mr. Speaker, for the Congress to intercede. The dark curtain of history is being drawn across the valley of the New, where thousands of years ago the truly first Americans huddled about their fires, shaping their spears or gazing into the starry night. It is a river and its valleys which was once described by Senator Sam Ervin, in pleading that the New River be preserved, as "the handiwork of Almighty God, which was present when the morning and evening stars sang together at the dawn of creation."

PARMADALE CELEBRATES 50TH ANNIVERSARY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. MOTTL. Mr. Speaker, I ask my colleagues to join with me in paying tribute to one-half century of progress of Parmadale Children's Village of St. Vincent DePaul which is "home" to some 250 youngsters between the ages of three and 21.

This fine institution, located in my district, will officially celebrate its 50th anniversary on Saturday, September 27.

An article by Peter Almond in the Cleveland Press on September 8, 1975, portrays the role played by Parmadale in Greater Cleveland. The article reads as follows:

PARMADALE TO MARK ITS 50TH ANNIVERSARY

(By Peter Almond)

Fifty years ago, State Road in Parma, an area of gentle, wooded hills in the countryside, became home to a group of orphan boys. It was a unique experiment, the first cottage-plan institution in the world.

This week the Instituion, Parmadale Children's Village of St. Vincent DePaul, is preparing to celebrate its 50th anniversary by trying to tell the world how it has progressed since those early days.

When it was opened by the Cleveland Catholic Diocese and St. Vincent De Paul Society on Sept. 27, 1925, Parmadale consisted of a school, church, 14 cottages, gymnasium, parish house and laundry on 360 acres of land.

Basically nothing has changed.

But now there are 17 cottages, a hospital, dental clinic, variety of recreational equipment, facilities for students with learning disabilities, and a budget of $1,200,000 a year.

The land area has been cut down to 178 acres, but other changes have opened the facility to girls—100 of the 250 youngsters there are girls—and the village has become home to "problem" children as well as those who have no families.

Parmadale takes children from the ages of three to 18 or 21. Most are referred to Cuyahoga County social workers or Juvenile Court authorities, but others come from surrounding counties.

According to Parmadale administrator Father John Leahy, there is now only one child there who could truly be described as an orphan.

"The average age of our youngsters is 13½," said Fr. Leahy. "Ten years ago, it was seven. It seems the early teens are becoming increasingly difficult for more children."

For much of the year, the children who would normally be at public or private schools in grades one through eight attend the non-graded school on the grounds. Fr. Leahy said they get individualized instruction and class size averages 13 pupils.

The high school students go out to nine high schools in the county, both public and parochial.

The average length of stay at Parmadale is three years, during which time they live in the cottages with youngsters their own age and sex.

These children, including those from the newly-merged St. Anthony's Home for Boys, are cared for by house parents and a staff of 130 who work to give each child the concentrated attention he or she needs.

Funding comes from a variety of sources, including the United Torch Fund and Catholic Charities.

The 50th anniversary celebration starts this Saturday with an "all-American picnic" sponsored by the Knights of Columbus. It continues with various events until an anniversary Mass and dinner Saturday, Sept. 27, concelebrated by Bishop James Hickey, Bishop Raymond Gallagher of Lafayette, Ind., and diocesan priests.

A public open house will be held from 2 to 5 p.m. Sunday, Sept. 21. Parmadale is at 6753 State Rd.

FOUL

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. HOWE. Mr. Speaker, I note that our distinguished majority leader, the Honorable TIP O'NEILL, recently cried "foul" at President Ford's attempt to pluck at the emotions of the people by calling the Congress "chicken."

I, too, would like to object to this attempt by the President to duck his own responsibility by trying to make it appear that the Members of Congress have egg on their faces. I think the Members of this distinguished body have a lot to crow about.

The President, evidentally, would like the Congress to take under its wing, every scheme he hatches and make it work. But this Congress, fortunately, has not been content to follow the President's rather scrambled approach to solving this Nation's problems. Not that we are hardboiled about it—when the President has proposed good programs this Congress has not been reluctant to pronounce them "grade A" and pass them. But, frankly, very often when the President proposes a program, he simply lays an egg. If this Congress had passed some of the President's programs that were obviously doomed to failure, we would now be in the position of having to recoup our losses.

But this Congress has worked and is working hard at good solutions to America's problems—we have taken up the yoke and we are rolling along toward responsible programs.

Some people may charge that the progress of Congress toward solutions to such problems as the economy and energy is so slow, that the Congress is working by the hunt and peck method. But, if it is true that we are pecking away at problems and that we sometimes seem to be scratching around for ideas, it is equally true that this Congress is taking such a slow and deliberate course of action in order to make sure that in curing our Nation's ills, we do not kill the goose that lays the golden egg by attempting to gain too much too soon. Of course, we cannot brood over problems forever, and I do not think this Congress has.

The President's charges against Congress are, in my opinion, simply a politically motivated attempt to feather his own nest. But, I think the people of America will soon come to realize this, and then the chickens will come home to roost.

SECRET SERVICE

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. MARTIN. Mr. Speaker, the attempted assassination of President Ford yesterday is alarming and cause for concern. It is also alarming and cause for concern that Members of Congress are using this as a springboard to call for a congressional investigation of the Secret Service.

While it is proper for any citizen to raise questions about the effectiveness of the procedures used to protect the President, a question must also be raised as to what good it would do to intrude congressional expertise into those procedures. The Secret Service does not need exposure of its operations by congressional committees. All that would achieve would be: First, headlines for Congress, and second, blueprints for potential assassins.

These recent events spotlight the essential problem that protective procedures can never be foolproof. To approach that standard would require wholesale violation of the rights of law-abiding citizens. These events focus on two potential assassins who got through the protective net, but ignore the hundreds who were kept from the vicinity. Even so, the Secret Service is itself more acutely aware of any procedural shortcomings than anyone else. They do not need to be told publicly how to revise their procedures.

Certainly, the President, if he has reservations about the level of protection he gets, can deal with those arrangements directly. He should not have to disclose how he does it. If he needs congressional help, be knows he can get it on request.

For example, while I do not expect the President to isolate himself from the people, I do expect unannounced changes in his modus operandi that will decrease risks as they are perceived. It would destroy the protective purposes of those changes if the curiosity of Members of Congress or reporters insisted on knowing the details.

Do we really need to know or comment knowingly on the type of protective clothing he wears or does not wear? Do we really need to advertise the vulnerable points in his schedule? Do we really need to publicize the kinds of personality traits that attract the attention of the Secret Service investigations of potential assassins?

Let us simply be thankful that President Ford has been spared. Let us leave to his office and the Secret Service the uncluttered responsibility of a very difficult job on our behalf. And let us avoid doing for the Secret Service what we are doing to the CIA.

THE ENVIRONMENT: A DISMAL PROSPECT

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. OTTINGER. Mr. Speaker, we are hearing frequently these days that environmental considerations are interfering with the Nation's ability to move ahead, that that segment of our society which advocates increased environmental protection is a small minority that should not be heeded in these troubled times.

I would like to commend to my colleagues the excellent article by Marquis Childs in today's Washington Post, in which he describes extremely well just how deeply imbedded in our national consciousness is an environmental ethic, a concern for the Earth. In the interest of sharing this thoughtful statement with my colleagues, I am entering it in the RECORD for today:

THE ENVIRONMENT: A DISMAL PROSPECT

(By Marquis Childs)

The epitaph that the poet John Keats proposed in despair at the close of his short life was, "Here lies one whose name was writ on water." While the enduring beauty of Keats' poetry has stood the test of time, that epitaph could serve for those swelling the flow of ephemeral writing that is pouring off the presses in increasing volume.

But there are notable exceptions and one is a book that stirred a storm of controversy and brought a major change in the national environment. Rachel Carson's "Silent Spring," published in 1961, dramatized the threat of the pesticide DDT to bird and animal life. So strong was the protest "Silent Spring" aroused that Congress enacted drastic restraints on the indiscriminate use of DDT.

Once again the issue is in the news over proposed amendments that environmentalists charge would greatly weaken these restraints. The Department of Agriculture would be given in effect a veto power over rulings of the Environmental Protection Agency. The way would be open for wholesale use of the pesticide that had begun to work such havoc on wildlife.

The issue is, however, broader than DDT. It covers a wide range, pitting the environmentalists against business and industrial interests who contend that crusading extremists are seriously hampering American productivity. This argument is reinforced by the recession and its import on industrial output.

Russell Train, the embattled head of the Environmental Protection Agency, is fighting to hold emission standards on the motor car while Detroit insists that this will increase car prices, contributing to inflation, and cut down output. Standards are being pushed back in response to this contention and the smog pollution hanging over most major cities is not likely to decrease.

A considerable part of the scientific community has expressed concern over the aerosol spray device and the possible degradation of the protective layer of ozone in the upper atmosphere. Not so, says Robert H. Ablanalp whose patents cover the device on shaving cream, hair sprays and a multitude of other uses. Thanks to his large fortune, this close friend of Richard Nixon was able to provide the former President with a retreat on the Bahamian bay he owns as the network of Watergate closed around him.

The conflict over admission of the Concorde, the supersonic aircraft on which Britain and France have put such a large stake, is certain to grow. The environmentalists charge that allowing it to land at Kennedy and Dulles airports would contribute not only to noise pollution but it would also endanger the protective layer that screens radiation from the sun.

The federal government has authority to grant landing rights at Dulles while the power over Kennedy rests in New York. In any event, a court suit is certain to challenge any affirmative action. This could mean long delays with the British and French increasingly annoyed, since New York in particular is a major traffic center. Denial might even mean some form of retaliation on landing rights for Paris and London, so intense is the feeling about the Concorde and the chances to recover some of the several billion dollars put into its development.

This is only to touch on certain of the areas where environment is pitted against development and production. Strip mining and the exploitation of coal deposits in the wide open spaces of the West are the focus of sharp controversy as the demand for sources of energy to supplant oil grows in volume.

The environmentalists have their freak, far-out fringe. But the roots of conservation and saving America's natural beauty go deep into the early years of this century. We had great naturalists such as John Muir who wrote with devotion and a kind of poetry of the splendors of an America untouched by the developer and the highway builder.

A country sealed over with concrete is a sterile and depressing prospect. The ever growing number of species vanishing before the onrush of "progress" leave us with precious survivors. It was a response to this dismal prospect that Rachel Carson stirred in "Silent Spring." And the environmentalists are going into action to try to save the gains she helped to bring about.

NOW AND THEN

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. STEIGER of Arizona. Mr. Speaker, Mr. Budge Ruffner of Prescott, Ariz., is a man of many interests and talents, one of which is writing an editorial page column in the Paper, a Prescott weekly. In his column of September 11, Mr. Ruffner comments on the Federal Voting Rights Act and its application to Arizona.

The editorial follows:

[From the Prescott (Ariz.) Paper, Sept. 11, 1975]

NOW AND THEN

(By Budge Ruffner)

When you live in a country that legalizes abortion and outlaws bingo, that should tell you something. I knew a man once who saw it coming. He maintained that all was well in the land when people ate their meals in the house and went to the bathroom outside the house. When this procedure was reversed, he knew the country was doomed. He fought the trend to his dying day.

Now comes the happy news from Disneyland East that under the recent amendments to the Federal Voting Rights Act all of Arizona's 14 counties must print all ballots and election materials in both English and Spanish since Spanish (to quote the governmentese) is the "major minority language". What about the minor minorities? As usual, the Texans are being totally ignored.

I called a friend of mine when I heard about this racial rip-off and he agreed with me that it was the most flagrant case of discrimination he had ever encountered. My friend, Billy Jim Culpepper, was born in Middlin, Texis (Texanese for Midland, Texas). Billy Jim voted for F.D.R. but claims he never understood a word that was uttered in a fireside chat. He can't even understand a Gallo Wine commercial. In spite of this social handicap, he owns a caddylack equipped with a redlot and sireen. He has an areplane too, that he uses in his bidness. While he lives in Fote Wooth, he owns some cotton fields south of Chandler which the guvment pays him a substy on. Billy Jim usually wears white socks and Countess Mara ties and belongs to the Peetroleeum Club in Dallis. His boots are made by an ol'boy who wuks ot of the back room of a meat market in Austin. He belongs to the Lone Star Cuntneyclub in Odessa, he wants to move to Ripton, Vermont but kaint speak the language.

Billy Jim likes the new Federal Voting Rights amendment and is mounting a strong drive to have all ballots printed in Texan. He hopes the guvment will go a step faather and make all the pollyticians give their campain speaches in his native tongue. Next time he wants to know who the hell he is votin' for.

CATHY ELIZABETH EVERETT RECEIVES AMERICAN RED CROSS CERTIFICATE OF MERIT

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. FUQUA. Mr. Speaker, on September 16, 1975, Cathy Elizabeth Everett, 16-year-old daughter of Mr. and Mrs. John W. Everett of Gainesville, Fla., received the American Red Cross Certificate of Merit.

This is the highest award given by the Red Cross to a person who saves or sustains a life using skills learned during Red Cross training programs.

Miss Everett's act was a real call of courage and selfless dedication and one that we can all be very proud of.

On April 26, 1975, Cathy, trained in Red Cross water safety, was present when an accident occurred at a condominium swimming pool.

A young woman had submerged, failed to surface, and was lying face down on the bottom of the pool. At once Cathy jumped into the water, retrieved the victim and brought her to the edge of the pool where she was assisted in placing the victim on the deck.

There were no apparent life signs and Cathy immediately began to administer mouth-to-mouth resuscitation. She continued until breathing was resumed and medical assistance was given. The victim was taken to a hospital and dismissed after observation, fully recovered. Without doubt, Cathy's use of her skills and knowledge in this rescue and resuscitation saved the victim's life.

This meritorious action exemplifies the highest ideals of the concern of one human being for another who is in distress and one in which she placed her own life in danger to save that of another.

This is certainly an honor that Cathy and all who know her can be proud of.

MESSAGE TO THE HOUSE FROM A FORMER MEMBER

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. PATTERSON of California. Mr. Speaker, I am inserting in the RECORD today a letter recently received from my predecessor in Congress the Honorable Richard Hanna. I know that many of the Members here had worked closely with Dick Hanna and have a high regard for his views on many varied public policy issues.

AUGUST 22, 1975.

Congressman JERRY PATTERSON,
Washington, D.C.

DEAR JERRY: I hope you will bear with me and summon the patience to read and consider my views on the pending Panama Canal treaty. To me, this issue very clearly highlights what I deem to be a critical turning point in modern American politics.

Since the late 1800s and the "gun boat" diplomacy of Theodore Roosevelt, there has been a continuing presence and a growing dominance of military influence in our foreign policy. Military dominance and the preeminence of the Pentagon's interpretation of our national security reached a zenith during the cold war. It ultimately led us to a disastrous climax in Vietnam. A careful analysis of this history, when studied in parallel with the changed conditions in today's world and the effect such changes have in expressions of world power, suggest the need for substantial change in the U.S. foreign policy posture.

Characteristically, power in the history of nations has been expressed in several forms; moral power, political power, economic power and military power. At no time is any one of these present alone, but at various times they have been aligned in different order of dominance. Usually, military power has been behind and not in front. It was the Germans who, in modern times, bared the naked military power as clearly in the front of political Nazism. It is, to me, ironic that the United States which, from its inception, had used moral power up front, economic power next and military power in third place, made after World War II, a dramatic switch. We so militarized our anti-communism, that its morality was debased and our economic power became the servant of the military. The political power was reduced to expressing justification for the military decisions. Eisenhower saw the framework of this alignment and, as a parting contribution, warned an unheeding country against it.

It sticks in the throat to say it, but the "arrogance of power" referred to by Senator Fulbright, was telling us that we, to a degree, had come to militarized anti-Communism just as the Germans militarized Nazism. We remained selective in application, but the brutality in its action was certainly demonstrated in the Mai Lai incident and the general world-wide disenchantment with our course of conduct has been for some time now painfully evident.

We are in a transitional period now, when our power posture can be adjusted to the new imperatives and the operative facts in the world. The necessary change in the dominant leadership role does not presage nor would it dictate any lessening of our national security. Rather, it should recognize that in today's world, our economic power must be linked with our moral power in the dominant leadership of foreign policy. The military should be relegated to its proper stance of supporting that leadership policy, not dictating that policy.

The public argument surrounding the Panama Canal issue and the determination of a new treaty is distorted by the battle for the specific interests of the military, the conservatives, who are their allies, and certain shipping interests whose stake is less obvious. It would be tragic if the final flare of a dominating force, which too long has held sway, is able to direct a policy which must serve the future and realistically respond to our national interest, morally and economically.

I personally visited several times in Panama on this subject. My discussions were with responsible and reliable persons, both in and out of public life. There is great need to forge a more fair and equitable relationship to be worked out in the words of partnership, rather than in terms of the super sovereignty of the United States in Panama. The accommodation should be the work of our political and diplomatic leaders and not our military leaders.

Please give this matter your serious thinking as you face efforts from the Sub-Committee of Appropriations and special efforts of certain members of the Merchant Marines and Fisheries. Thank you for your patience and consideration and I will be glad to provide answers to any questions my presentation generates.

Warmest regards,
RICHARD T. HANNA,
Member of Congress (Ret.).

INTRODUCTION OF LEGISLATION TO COMBAT MENACE TO CITRUS

HON. RICHARD KELLY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. KELLY. Mr. Speaker, it is my pleasure today to introduce legislation to clarify the authority of the Secretary of Agriculture to carry out pest eradication programs in cooperation with other countries. Developed under the guidance of the distinguished gentleman from Texas (Mr. DE LA GARZA), this bill would authorize USDA to enter into cooperative agreements with Canada and the Latin American countries for the purpose of combating, eradicating, and controlling injurious insects, plant diseases, and other plant pests, particularly the Mediterranean fruit fly. USDA's current authority is limited to agreements with Mexico.

The fruit fly is presently working its way northward from Latin America, and its entry into the southern United States would result in substantial damage to fruit and vegetable crops in Florida, Texas, Louisiana and elsewhere. It is a threat to almost 200 varieties of citrus fruits, stone fruits, tomatoes, peppers and other plants.

Similar legislation was passed by the other body last week, and the House Agriculture Committee, on which I have the privilege to serve, will be considering this important legislation very shortly.

A QUITE MOVER: DR. RALPH BUNCHE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. RANGEL. Mr. Speaker, as the United Nations approaches its 30th anniversary and as a negotiated accord has been reached between Israel and Egypt, it is only fitting that we pay tribute to one of the men who was associated with that body for over a quarter of a century, Dr. Ralph Bunche.

A Nobel Peace Prize recipient, Dr. Ralph Bunche won national acclaim for his tireless efforts in bringing about an armistice between the newly created State of Israel and her Arab neighbors. He served as Under Secretary for special assignments in such trouble spots as the Congo, Cyprus, Yemen to name just a few.

Porter McKeever recently completed a tribute to this great statesman for the summer issue of the Inter-Dependent, a publication put out by the United Nations Association of the United States of America. I believe that my colleagues should have the benefit of this excellent portrayal of Dr. Bunche as we begin to discuss the recent Middle East peace agreement which I am certain Dr. Bunche would have been very happy to see. The article follows:

IN TRIBUTE: RALPH BUNCHE 1904–1971

(By Porter McKeever)

(NOTE.—Porter McKeever, currently an Associate with John D. Rockefeller 3rd, was the first president of UNA–USA and is now a member of the Board of Governors.)

Ralph Bunche's extraordinary 25 years in the top ranks of the UN Secretariat was a career of dangerous tasks and priceless achievement.

It is replete with lessons for all those groping toward a viable world community. In some ways, his career was surprising and even paradoxical for a man of his background and temperament. Embarked as a young man on the academic life, he spent himself instead in the bruising arena of international politics. Grandson of an American Negro slave and a passionate advocate of racial equality, he performed his greatest services in a world context where a man's race is less important than his humanity. He shunned personal publicity and fame as obstacles to his chosen art of diplomacy but he gained glory in spite of himself—the Nobel Peace Prize at age 46—and became a legend in his own time.

The episode that won him the Nobel Prize vividly illustrates the dangerous art of the UN peacemaker and the rare qualities it requires. It was 1948, the year of the bitter conflict in which the new state of Israel was born. Bunche was serving then as chief adviser to the UN Mediator for Palestine, Count Folke Bernadotte. But for a minor hitch in the day's plans, he would have been beside

Bernadotte in Jerusalem that afternoon when the Count was assassinated. Bunche immediately took over as UN Mediator and, within months, achieved the remarkable feat of bringing representatives of Israel and her four Arab neighbors together for armistice talks on the island of Rhodes. From January to July 1949, with his rare combination of tact and stubborn integrity, he kept the five delegations at their task until the armistice agreements were signed.

The following year, when the Nobel Prize Committee announced him as its choice, this modest man at first wanted to decline. "Peacemaking at the UN," he said, "is not done for prizes." Secretary-General Trygve Lie overruled him.

Soon after Dag Hammarskjold became Secretary-General, he made Bunche an Under-Secretary for special assignments. As such, he became the chief architect of the first full-scale UN peacekeeping force (UNEF in the Middle East, 1956–67) and of every subsequent peacekeeping operation while he lived: Lebanon, the Congo, India-Pakistan, Yemen and Cyprus.

For 18 months in his last years, already mortally ill and in pain, he carried on the unpublicized negotiation that led to the peaceful independence of Bahrain in the Persian Gulf—an example of the UN's quiet diplomacy at its best.

To visualize the character of the ideal peacemaker, one could scarcely do better than to study Ralph Bunche. Passionately devoted to human equality—he was at the same time utterly realistic and abhorred mere rhetoric about brotherhood. "Mankind will be much better off," he said once, "when there is less reliance on lip service to 'brotherhood' and 'brotherly love' and much more practice of the sounder and more realistic principle of mutual respect."

U.N.'S ARAFAT—ENEMY OF PEACE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. MICHEL. Mr. Speaker, most Americans recognize that the resolution of the Palestinian problem is the key to permanent peace in the Middle East, and most, I am confident, are prepared to be fair-minded about the matter.

But Yasir Arafat, whose claim to the leadership of the Palestinians has been given official sanction by the United Nations, has spat upon our open hand of friendship. In an act of almost unspeakable calumny, he has publicly called for the assassination of the American technicians who are going to be assigned peace-keeping duty along the Israeli-Egyptian frontier, at the request of both nations.

By such totally barbarous activity, he has done irreparable damage to his cause, making a mockery of the status bestowed upon him by the U.N., and the U.N. itself.

In further support of this point, I would like to call to the Members' attention an editorial from a recent issue of the Peoria Journal Star, which I am asking be printed here in the RECORD:

[From the Peoria Journal Star, Sept. 12, 1975]

UN'S ARAFAT—ENEMY OF PEACE

(By C. L. Dancey)

Yasir Arafat's public call for the assassination of American electronics civilians on the peace line between Israel and Egypt under the new agreement is another blow at the United Nations.

The General Assembly has made Arafat a "state," which is ridiculous in itself. But by their votes and invitation they invented this paper "nation" and bestowed upon it verbally a national sovereignty.

Thus the great organization whose function is to foster peace and international responsibility has created first a farce on its face, and now sponsors a "state" which openly calls for murder of Americans who serve as peace-keepers by an agreement of the parties!

If the UN can swallow that and still maintain its political "official" fiction that the Palestine Liberation Organization is a "state" and that Arafat is the PLO, the UN not only perpetrates a farce but becomes a farce, itself.

It will have placed itself in the position of being the enemy of peace rather than its protector.

It is increasingly hard to support the United Nations on the basis of its twenty-five year old paper principles—when what it has become is such an irresponsible agency for threatening peace, itself, and an international organ that gives official support to the criminals who preach international lawlessness and murder.

It is high time we got rid of the smug parlor games about "two sides to everything," and recognize that where this kind of action is concerned, as in Hitler's day, there is no real compromise with the Devil that is moral or workable.

There are indeed two sides.

One right, and one wrong.

And the General Assembly is on the wrong side.

What do you do with an international organization created as a peace mechanism that not only sustains countries which violate its charter, but has a General Assembly that violates its own charter?

Like a horse with a broken leg, we seem to be approaching the day when the only thing to do is put it out of its misery.

GARI LEE ALLEN, LIFE SAVER

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. HANSEN. Mr. Speaker, one of my constituents, Mr. Gari Lee Allen, 216 13th Avenue, North, Buhl, Idaho, has been named to receive the Red Cross Certificate of Merit and accompanying pin for meritorious action. This is the highest award given by the American National Red Cross to a person who haves or sustains a life by using skills and knowledge learned in a volunteer training program offered by the Red Cross in first aid, small craft, or water safety. The certificate bears the original signatures of the President of the United States, honorary chairman, and Frank Stanton, chairman of the American National Red Cross.

On February 25, 1975, Mr. Allen, then a student at Boise State University and trained in Red Cross lifesaving and first aid, was on lifeguard duty at a pool when he observed a young man being lifted from the bottom of the pool, apparently unconscious. Mr. Allen immediately went to his aid and began administering mouth-to-mouth resuscitation to the lifeless victim. His breathing was restored and an ambulance arrived to transport him to a nearby hospital where he later recovered. Without doubt, the skills and knowledge used by Mr. Allen saved the victim's life.

This meritorious action exemplifies the highest ideals of the concern of one human being for another who is in distress. I am proud to present Mr. Allen to my colleagues in recognition of his timely expertise and a fine program which made it possible.

THE CONDITION OF SYRIAN JEWRY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. LENT. Mr. Speaker, one of my constituents, Mr. Michael Sabin of Oceanside, N.Y., has brought to my attention a wealth of information in regard to the Syrian Government's treatment of its Jewish population.

At Mr. Sabin's request, I am including in the RECORD an "Information Alert" published by the Jewish Community Council of Metropolitan Boston in regard to this situation. Of course, we all want to see peace in the Middle East, but no lasting peace can come unless the tragic condition of Syrian Jewry is improved, and those Syrian Jews wishing to emigrate are allowed to do so.

[From the Jewish Community Council of Metropolitan Boston]

THE CONDITION OF SYRIAN JEWRY IS CRITICAL AND WORSENING!

Jews in most Arab lands suffer continuously from oppression and harassment, but Syria is by far the worst offender in its treatment of Jewish citizens. In direct violation of the United Nations Declaration of Human Rights, of which Syria is signatory, not one of Syria's 4,500 Jews is permitted to emigrate to escape torture. Further, Syrian Jews are

1. Prohibited from traveling more than 2½ miles from home without government authorization.
2. Compelled to carry identification cards which are stamped in red "JEW," for the purpose of singling Jews out for harassment.
3. Not allowed voting rights.
4. Not permitted to hold government, police, or armed service jobs.
5. Not allowed to have telephones.
6. Forbidden to study Hebrew.
7. Not allowed to inherit property without payment of a "rental fee" to the government.
8. Not permitted to obtain driver's licenses.
9. Restricted from matriculation to universities.
10. Forced to comply with strict curfews.
11. Forced to live in specially-marked houses in poverty-stricken ghettos.
12. Interrogated constantly, imprisoned on false charges, beaten, tortured, and raped.

ADDITIONALLY

I. In March, 1974, four Jewish women from Damascus—three sisters (Sara, Lora, and Tony Zebah) and their cousin (Eve Saad) were robbed, raped, and brutually murdered; their bodies were left in a cave near Asfura on the border between Syria and Lebanon.

Two respected members of the Jewish community—Yussef Shalouh, a textile trader, and Azur Zalta, a schoolteacher—were falsely charged with the multiple murder. After a public outcry, however, the charge has been "reduced"—from murder to "smuggling of Syrian nationals to a foreign country." Their trial continues in Damascus.

(More than thirty members of the National Association of District Attorneys have forwarded a joint letter to the President of Syria urging Syrian judicial authorities to grant Shalouh and Zalta a "fair, open, and public trial" and to pledge themselves "to a full implementation of morality and justice.") [1]

II. Five Jewish men have been left deaf, dumb, and mad after incarceration in a Syrian prison. A Jewish woman left prison with her breasts severely burned by cigarettes, and another, after having been tortured by red hot pokers. Yet another imprisoned Jewish woman had her hands and feet tied with wire, was strapped inside a tire, and was given electric shocks every five minutes for thirty-six hours.[2]

III. Two Jewish girls were recently raped in the streets of Damascus. When one of them complained to the police, she was raped again—by the policemen.[3]

IV. When tefillin (phylacteries) arrived for Syrian Jews, they were burned in the presence of those to whom they were addressed.[4]

V. Jews were forbidden to leave their homes this year on Rosh Hashanah, Yom Kippur, and Succot.

WHAT WE'RE DOING TO HELP

The Jewish Community Council has established a Task Force on Jewish Life in Arab Countries to promote public awareness of the plight of Syrian Jewry, and of other Arab Jewish communities. Through the utilization of newspapers, radio, television, public workshops, press conferences, newsletters, letter-writing, and personal contacts, we hope to initiate public action on behalf of Syrian Jews.

EQUAL VOICE FOR AGRICULTURE IN PESTCIDE DECISIONS

HON. RICHARD KELLY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. KELLY. Mr. Speaker, later this week the House will consider H.R. 8841, legislation to extend the Federal Insecticide, Fungicide and Rodenticide Act, as amended, for 1 year. Today, I am introducing an amendment to that bill which would require the concurrence of the Secretary of Agriculture in any procedure leading to the cancellation or change in classification of a pesticide, and would require the concurrence of the Secretary of Agriculture for any regulation issued by EPA subsequent to the enactment of this provision. My colleagues on the Agriculture Committee will recognize this amendment as the object of considerable discussion during committee consideration of H.R. 8841.

I have no quarrel with the intent of FIFRA. Concern for the environment is a valid national priority. I do believe, however, that the implementation of this law is being carried out in a vacuum, without regard for the importance of the most significant use to which the environment is put—the production of food. There is a proper balance which can be achieved between the necessary goal of agricultural production adequate to meet our domestic needs and our foreign commitments.

There was a clear majority sentiment in the Agriculture Committee that the balance had tipped in favor of environmental considerations and is likely to go even further in that direction, to the detriment of food production, and I believe this question is important enough to be brought to the floor for the consideration of all Members. I urge my colleagues to give thought to this proposal and to recognize the long-term consequences for the economy, the consumer, and our agricultural capabilities should the balance between environmental and food production requirements be disrupted.

EIA—MUST WE REPEAT NEW YORK'S MISTAKES?

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. BAUMAN. Mr. Speaker, the administration has only recently introduced a plan for a public corporation, the so-called Energy Independence Authority, which is intended to guarantee private loans in industry, and to supplement private sector projects in various ways for various noble purposes. Although this plan was proposed in whispers, the administration choosing to understate its size and power, it portends to be a radical departure by an administration from an economic policy which has until now always stopped short of effectual economic nationalization.

After all the official salesman's talk has subsided, the bill to the taxpayer comes to about $110 billion. Its vehement opponents were and are William Simon, our Treasury Secretary; Alan Greenspan, Chairman of the President's Council of Economic Advisers; James Lynn, Director of the White House's OMB and a Who's Who in economics both from outside and within the administration. Before all of us rush to the well with our constituents' credit cards, I would propose that we take a closer look at the merchandise; and for this reason, I submit for your consideration a fascinating analysis of the administration's proposal, originally a Rockefeller invention, which appeared in last Sunday's Washington Star News:

HOW ROCKEFELLER'S MIDAS-TOUCH TRICK WENT SOUR

(By William Ringle)

In Nelson A. Rockefeller's baggage when he came to Washington was a formula for his equivalent of the philosopher's stone and the universal solvent rolled into one.

Like the Philosopher's stone, this wonder-working device seemed to turn baser substances (in Rockefeller's case, paper bonds) into gold, or at least money.

Like the universal solvent, it seemed to dissolve obstacles—especially public debt, the need for more taxes, troublesome legislators, recalcitrant voters, reluctant union bosses and political liabilities.

The magic device was called the public authority.

Almost any time Rockefeller had a major money problem in New York—how to provide university or mental hospital buildings, housing for those of low and middle incomes, or commuter railroad cars—he created a public authority.

Last spring, the public authority turned out to have still another, political advantage: If it goes belly up, it does so after the creator is long gone and it gives big trouble to his opposition.

In April one of Rockefeller's pet authorities, the Urban Development Corporation, became the first major public agency in New York State ever to declare itself unable to meet its debts. "The Impossible Happens: UDC Goes Broke," said a *New York Times* headline. By that time Rockefeller was comfortably ensconced far away in Washington. His Democratic successor, Gov. Hugh Carey, who by then had scarcely had time to learn the way to his office, was forced to pick up the pieces.

Republicans in New York have yet another bonus in prospect. The UDC was bailed out, to the tune of a half billion dollars, but only temporarily (until Nov. 1, 1976): The odds are that Carey next year again will be forced into the time-consuming, distracting and embarrassing business of cleaning up another UDC mess.

In addition, New York State's Housing Finance Agency, still another Rockefeller public authority (it is the agency that markets bonds for public authorities) which needs to borrow $100 million a month just to tread water, served notice on the state just last week that it has no reliable source of funds in sight.

Yet, with the smoke from UDC still on the horizon and the HFA troubles looming, Vice President Rockefeller—whose sense of timing in the past has been less than exquisite—has been pushing for the same general kind of answer to the nation's energy problems: a public authority that would float bonds and raise up to $100 billion.

Rockefeller's idea was to create a "new government corporation" that would:

Guarantee loans for private industry, or

Raise money by selling its own government-guaranteed bonds and then make direct loans to industry.

"Theoretically," explained *The Wall Street Journal*, which first revealed the scheme, "Washington would be able to steer great quantities of private money into vital areas without tying up great quantities of public money."

Because this is almost exactly the language Rockefeller used in promoting his authorities in New York States, it may be worthwhile to look at how and why these developed and what has happened to them.

The public authority—sometimes called the "public benefit corporation"—in its pristine form is simply a means of letting the users of public projects pay for them.

For example, an authority might be set up to build and operate an expressway or a bridge. To raise the money, it would sell bonds. Over the years, to pay off the bonds with interest, and to pay for operating the road or bridge, it would charge tolls. The project successfully financed by an authority would literally pay for itself—be "self liquidating," in the government lingo.

The authority classically is used to do a job that has an extra dimension or is not in the state's usual line of work. For example, an authority might operate power plants to generate and sell electricity in partnership with a foreign government. Or it might provide a facility that transcends ordinary political boundaries (such as building and operating a sports stadium to serve two counties, or a farmer's market serving a vast region of many cities and counties; or a seaport or airport serving a wide region).

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[1] Source: National District Attorneys Association, Chicago, Illinois.

[2] Source: International Conference for the Liberation of Jews in the Middle East, Paris, November 5, 1971.

[3] Source: Report distributed in Geneva, February 26, 1973.

[4] Source: Report distributed in Geneva, February 26, 1973.

The members of an authority, often three to six in number, operate as a kind of freewheeling board of directors. They combine the flexibility and independence of a private business with the power of government.

In any narrative of Rockefeller's enchantment with public authorities, two men loom large. One is his formal all-purpose brain truster, William J. Ronan. The other is John N. Mitchell, once one of the nation's leading municipal bond lawyers who was later to become President Nixon's attorney general.

In the early 1950s, Ronan, then dean of the New York University Graduate School of Public Administration and Social Science, directed a state commission's pioneering study of public authorities. It is still somewhat of a collector's item among students of government. In 720 pages it described the uses and abuses of public authorities.

They operate—in secret, if they wish—outside the conventional controls by elected officials.

And they can, by selling bonds, run up debt without the approval of the voters or the legislature. This is perhaps the most important aspect of the authority because many state governments are forbidden by their constitutions to go into debt (that is, to borrow by selling bonds or notes) without obtaining the voters' approval. The public authority is a way around that obstacle.

(A few may recall that Rockfeller became governor in 1958 after taking the hide off his predecessor for running up an $879 million debt, all approved by the voters. Fifteen years later, when Rockefeller left office, the state debt was listed as $11 billion, with only $3 billion of its approved by the voters. The rest had been run up by public authorities.)

Ronan's study also noted that the debt acquired by authorities is not subject to those early-warning systems, state or municiptal debt ceilings. A public authority's debt is its own obligation and is not lumped in with total state debt. ". . . Many public authorities in New York have been created to avoid debt limits," said the Ronan-directed study.

Despite the authorities' freedom from state restrictions, Ronan's study conjectured that if an authority could not meet the payments on its bonds and went broke, the state's taxpayers would have a tacit obligation to pay its debts. This, he said in 1956, could be a "moral obligation." (Prophetic words: That is exactly what happened after the UDC declared insolvency in April.)

Rockefeller laid the foundation for public authority financing in 1960 with the Housing Finance Agency. By then, Ronan, the old maestro of the public authority, was Rockefeller's administrative alter ego. And Mitchell generally gets credit for drafting the HFA legislation, of which more will be said later.

Gradually, authorities proliferated. In 1962, confronted with the need for hundreds of millions, perhaps billions, to enlarge the state university. Rockefeller created the State University Construction Fund.

Then, there was the Mental Hygiene Facilities Improvement Fund to erect buildings at mental hospitals (in those days a big part of every state's budget). Both sold their bonds through the HFA.

The UDC came along in 1968, after voters had defeated two low-income housing bond issues. By then even the legislature was balky. An angry Rockefeller—who had hoped to get the "revolutionary" legislation enacted to counter black hostility after the assassination of Martin Luther King Jr.—threatened to withhold patronage and veto bills the legislative rebels were interested in. The UDC bill passed.

Rockefeller's authorities had a twist. The projects they financed did not exactly pay for themselves—they were not "self-liquidating," although he continues to insist they were.

What Rockefeller did was to spin off some conventional state responsibilities, such as the construction of college buildings or mental hospitals, and give the job to a public authority.

Since these kinds of structures did not themselves generate any new revenues, as a new toll road or a bridge would, he then earmarked students' fees and mental hygiene patients' fees to pay off the bonds.

Because such fees previously had been going into the state's general funds, this meant the slack would have to be taken up by tax revenues. So, the bonds indirectly were being repaid by the taxpayers, even though the debt technically had been shifted from the state's books to the authorities'.

Besides the bookkeeping sleight of hand, the authority device provided a number of advantages.

One, whether he intended it or not, was political. Rockefeller was then running for president and trumpeting "pay as you go." The authority gimmick enabled him to go around the nation and claim that he was doubling the size of the state university or adding $300 million in mental hospital space without adding to the state's debt and without raising taxes. This claim, a legal truth but a practical misrepresentation, made Rockefeller seem like some kind of administrative miracle worker, an aura that he retains in some quarters today.

Another was that authorities enabled Rockefeller to avoid the cumbersome, time-consuming process of government—the approval by legislators, whom Rockefeller does not hold in high esteem at any level, and the voters, who were demonstrably against more public housing and might have resisted the badly needed state university expansion. The authorities enabled Rockefeller to exercise his considerable "papa-knows-best" instincts.

Finally, the authorities had the benefit of postponing, if only for a while, the need to raise taxes.

It was not long after Rockefeller's first venture into public authorities that his tactics began to draw fire.

As early as 1963, two corporations that rated state bonds—Dun & Bradstreet and Moody's Bond Survey—were warning of the consequences. ". . . The state, in a shower of politically oriented slogans, is resorting to borrowing through special agencies and is increasingly earmarking revenues for this new debt," said D&B. "A continuation of these policies could eventually affect the state's credit standing . . ."

After several years, D&B and Moody's, followed by Standard & Poor's lowered New York's triple-A credit rating a notch.

Instead of acting to curb Rockefeller, the pliant legislature turned on the bond-rating companies with threats to outlaw them.

The dour state comptroller, Arthur Levitt, repeatedly lambasted Rockefeller's "backdoor financing" "fiscal legerdemain" and "phantom debt."

Robert Morgenthau, the Kennedy-picked Democrat who ran against Rockefeller in 1962, articulated the case against the authorities. But he proved such an insipid campaigner that no one listened. Besides, his criticism, like Levitt's was discounted as coming from a Democrat.

The fledgling Conservative party, made up largely of apostate Republicans, also had the authority issue pined down in 1962, but its strident across-the-board objections to any government spending all but drowned it out.

Mitchell played a major role in making the authority bonds more palatable to bond buyers. Since the bonds were issued by public authorities alone—mainly the UDC or HFA—they did not have the "full faith and credit" of the state behind them.

Obtaining that would require the approval of the voters, which Rockefeller, after his setbacks, was reluctant to seek.

Mitchell is given credit for language in the HFA law acknowledging the "moral obligation" of the state to make good on bonds should an authority collapse. Other states adopted the same language.

Theoretically, this would reduce the risk so that buyers would accept them at a lower interest rate. However, since the collapse of UDC and New York City's latest insolvency, that hope is somewhat beside the point. New York's "moral obligation" is indeed being ealled upon—to the tune of $285 million of the taxpayers' money for UDC bonds, to date.

The other money to meet UDC's debts was borrowed last spring from such places as a state fund that pays claims when there's no insurance after an accident, from the state employes' retirement system and from a consortium of savings banks. Thus, it is possible that the taxpayers will have to reimburse them and may end up paying the entire half billion. Yet the UDC was to have been a device, like Rockefeller's proposal for a federal energy agency, to avoid "tying up great quantities of public money."

How did New York State get in such a pickle?

One reason was that the legislature was not only tractable, but found the hazards of authority borrowing, although simple in concept, beyond its narrow attention span.

Many others contributed to the mess. They include: A subservient State Budget Division; a trusting and adulatory press (with the exception of the *New York Times*, which spoke out early and often against the backdoor borrowing): a neutralized band of liberals who didn't question the means so long as they approved of the ends; and trade unionists who savored the good jobs that the subsequent construction generated.

Rockefeller's new federal proposal—for an Energy Resources Financing Corporation—seems to be getting more scrutiny than he was accustomed to in Albany.

Alan Greenspan, chairman of the Council of Economic Advisers, blasted draft proposals because of the "virtually unconstrained" scope of the corporation's operations. The corporation itself could get into almost any aspect of the energy business, or could bankroll others.

The corporation could avoid dealing with those persnickety bond buyers who were such a nuisance in Albany. The draft legislation would permit it to sell bonds to trusts and fiduciaries that are under federal control.

That means that money going into Social Security "trust fund" or other retirement money could be "invested" in ERFCO. And if ERFCO performed in the manner of UDC or HFA, pension money would be lost and the United States would have to step in and make up the difference.

With his new corporation, Rockefeller wouldn't have to resort to John Mitchell-inspired suggestions of "moral obligation" in order to make the bonds attractive. The bills say they'd be backed by the "full faith and credit" of the United States.

TANKERS AREN'T SO SUPER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. ANDERSON of California. Mr. Speaker, besides being concerned about the impact of offshore oil drilling on the marine and coastal environment, I also recognize that firm oil tanker pollution regulations are necessary.

An excellent commentary on just this topic appeared in the Los Angeles Times of September 23. James J. Kilpatrick comes down hard on new U.S. Coast Guard regulations, and rightly so:

[From the Los Angeles Times, Sept. 23, 1975]

Tankers Aren't So Super

(By James J. Kilpatrick)

WASHINGTON.—The U.S. Coast Guard will soon have new regulations governing the construction and operation of oil tankers that navigate in domestic waters. These are final regulations, of particular importance to all those who live by the sea. The rules ought to be the best and wisest that can be drafted—and there is much concern that they are not.

The tanker regulations have serious meaning for all mankind. The world consumes some 2.7 billion tons of petroleum annually; of this amount, roughly 1.7 billion tons must be transported by tanker. On any given day, 30 million to 35 million barrels of petroleum products are on the seas.

The world tanker fleet consists of 6,800 vessels. Of these, only 623 are supertankers—those in excess of 100,000 tons; but the supertankers have greater deadweight than all the others put together. Another 700 supertankers are under construction or under contract. They are enormous vessels—as large as aircraft carriers, drawing 60 to 90 feet of water—automated, manned by crews of only 25 to 35 men, the supers ply the sealanes of the world. and they are enormously efficient. Highly And they are a source of world concern.

According to a recent study by the Office of Technology Assessment, the tanker fleet as a whole pollutes the seas with more than half a billion gallons of oil every year. Two-thirds of this pollution results from standard operations, chiefly the washing of tanks; another part results from drydock operations; the remainder results from 600 to 700 accidents each year that leak 200,000 tons of oil into the oceans.

The worst damage from spillage occurs close to shore, where the oil suffocates marine life, kills birds and does vast harm to the whole ecosystem on which fish, crabs, oysters, shrimp and other marine creatures depend. Less is known of the harm done far at sea, but common sense would suggest that cumulative oil pollution is cause for apprehension.

Most of the world's tankers are under foreign registry—Liberian, Panamanian, Greek, Norwegian, Japanese and British. The U.S. fleet is only the seventh largest. The United States is thus not able to control international standards, but our position as the largest importer gives the United States significant clout. The Coast Guard could lay down stiff regulations for the protection of U.S. waters and make the regulations stick.

Are the new regulations stiff enough? Experts disagree. The Coast Guard could have required double bottoms. Two years ago, the Coast Guard was strongly in favor of such a requirement. Now the Coast Guard has retreated. These will not be required. Rear Adm. Sidney A. Wallace says the feeling now is that the original assumptions were not valid; double bottoms may present safety hazards (because of trapped vapors), and may create navigational hazards also. A double-bottomed vessel, having run aground, is difficult to salvage. There are arguments both ways.

Neither will the Coast Guard regulations require double hulls. Requirements as to segregated ballast reportedly double hulls. Requirements as to segregated ballast reportedly are mild. Little will be demanded in terms of braking and stopping devices. One of these behemoths, traveling at 16 knots, needs three miles to stop; at 6 knots, approaching port, a supertanker has to have three-fourths of a mile.

Sen. Lee Metcalf (D-Mont.) says flatly that the regulations amount to a sweetheart deal between the Coast Guard and the great petrolum companies. The Coast Guard's rules plainly are derived directly from rules proposed by an industry committee created by the American Petroleum Institute. Adm. Wallace denies that this technical study committee was a formal "advisory committee," subject to federal procedural rules, but the distinction is not critical. It appears evident that, so far as these regulations are concerned, what the industry wanted, the industry got.

Double bottoms, double hulls, braking devices, segregated ballast, added radar, tough requirements for the training and licensing of tanker crews—all these would cost money. The retrofitting of old vessels to comply with new regulations would be especially expensive and time-consuming.

But if the world is going to have to live with supertankers, the world has a right to demand that, whatever the cost, their operations be subject to strict rules that will prcmote safety and deter pollution.

The United States, through the Coast Guard, should be leading in this effort. An uneasy feeling will not go away that the Coast Guard is not leading, but merely trailing along.

WE ARE ON THE ROAD TO A WELFARE STATE—AND SPEEDING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. ASHBROOK. Mr. Speaker, Mr. Creed Black, presently editor of the Philadelphia, Pa., Inquirer, spent almost 2 years in what he describes as the "biggest of all bureaucratic vineyards, the U.S. Department of Health, Education, and Welfare." In his column of July 27 he noted:

> When I went to HEW in 1969, the department's annual budget was $60 billion. This year it is $120 billion. Thus the department's spending has doubled. In this same period, the Gross National Product has increased only 57 percent.

Another statistic cited by Mr. Black which helps to explain increasing Federal indebtedness concerns what are known as "transfer payments"—cash the Government takes from people who are producing and then gives to people who are not producing. Such payments include social security, welfare, health insurance benefits, black-lung money, food stamps, unemployment benefits, and Government pensions of all kinds. Observing that transfer payments are made at all levels of government and not just HEW, the Inquirer editor observed:

> As recently as 1965, such payments totaled only $37 billion, but by the end of last year they had climbed to $155.9 billion—or four times as much as they were just a decade earlier.

Mr. Creed's remarks were occasioned by a report on retiring HEW Secretary Weinberger's speech of July 21 which boldly warns of the dangers of a U.S. welfare state. The Chicago Tribune, in its lead editorial of yesterday, July 27, also emphasize the importance of Mr. Weinberger's remarks, calling him "the man who runs the biggest bureaucracy and the biggest welfare system in the world."

Although I inserted the Weinberger speech in the CONGRESSIONAL RECORD of July 24, his welfare state theme bears constant repeating, and the two above-mentioned items from the Inquirer and Tribune are herewith inserted as useful warnings of a dangerous governmental trend.

The articles follow:

We're on the Road to a Welfare State—and Speeding

(By Creed Black)

Since I spent almost two years of my life toiling in the biggest of all the bureaucratic vineyards, the U.S. Department of Health, Education and Welfare, I probably am more sensitive to the news coming out of there than most people are.

But an HEW story which caught my eye last week ought to have the undivided attention for a few minutes of every American for it was a real mind boggler.

It was a report on HEW Secretary Caspar Weinberger, who is resigning after two and a half years in one of Washington's most frustrating jobs. His valedictory was not cheerful.

The United States, he warned, is headed for bankruptcy unless it makes wholesale changes in its social welfare policy.

"If social programs continue growing for the next two decades at the same pace they have in the last two, we will spend more than half of our whole Gross National Product for domestic social programs alone by the year 2000."

If that didn't sink in, go back and read it again. And then listen to Mr. Weinberger explain its meaning.

Should that day ever come, half of the American people will be working to support the other half. At that point, government would be like a gigantic sponge, sopping up all the nation's surplus capital needed for industrial growth and modernization."

There may be a tendency in some quarters to dismiss that as right-wing rhetoric, since Mr. Weinberger won the nickname "Cap the Knife" by whittling away at California's budget when Ronald Reagan was governor.

But anybody who dismisses the Weinberger warning on that or any other grounds is indulging a dangerous delusion.

To begin with, the figures are on his side.

When I went to HEW in 1969, the department's annual budget was $60 billion. This year it is $120 billion. Thus the department's spending has doubled. In this same period, the Gross National Product has increased only 57 percent.

That's no aberration, either. Nor is Caspar Weinberger the first departing HEW Secretary to try to alert the American public to this alarming trend.

Three years ago, Elliot Richardson said—in what he called his "Castro speech," because it was so long—that "HEW's budget has been rising at an annual rate of 15 percent, more than twice the average rate of increase in the GNP over the past 10 years."

Most of this increase can be attributed to what are known as "transfer payments"—cash the government takes from people who are producing and then gives to people who are not producing.

By definition, such payments include Social Security, welfare, health insurance benefits, black-lung money, food stamps, unemployment benefits, and government pensions of all kinds.

As this list indicates, HEW is by no means the only government agency making transfer payments. The same thing is happening at all levels of government. As recently as 1965, such payments totaled only $37 billion, but by the end of last year they had climbed to $155.9 billion—or four times as much as they were just a decade earlier.

None of this means that the United States must abandon its compassion for the poor, the elderly or the weak. But it does mean that we cannot continue barreling down the welfare state road toward a point where half the American people would be called on to support the other half.

Solutions are harder to come by than the problem is to define, but the first step is a clear understanding of the problem and a willingness to face up to it.

"Cap" Weinberger, then, has done us all a favor with his bluntness. And so has President Ford, who issued a similar warning back in January.

"We must turn this trend around," the President said then. "That is what I intend to do."

It won't be easy, for the fashion is to attack such common sense from Jerry Ford as a throwback to Herbert Hoover and as a lack of concern for the needy in our society.

But politicians of both parties should give some thought to something said earlier this year by a certified liberal among them—Ted Van Dyk, who has been active in Democratic administrations and campaigns since 1964 and who was a campaign aide for Sen. McGovern in 1972. Writing in the Wall Street Journal, he observed:

"We Democrats, as a party, have promised so many federal goodies, for so long, to so many interest groups, that we've all but lost track of the promises and their price tags. If in doubt, and faced with a public need, we seem able to do no more than reflexively reach for More New Deal. Tax and spend; spend and elect.

"The voters, on the other hand, seem to have far more common sense. They recognize that the economy's in trouble, and that it's not all Jerry Ford's fault that it got that way. . . .

"I love the Democratic Party for its heart, for its unending fight for society's underdogs, and for the innovative, caring instrument of change it has sometimes been. But right now, we don't deserve to be taken seriously unless we can begin to offer the American people sensible alternative policies to fit *these* times, rather than insulting their intelligence with empty carping and political oneupmanship."

Surely there are alternatives to the grim prospect Casper Weinberger has painted. Until and unless they are found, America is flirting with disaster.

WEINBERGER'S PARTING WISDOM

Caspar Weinberger's farewell speech as Secretary of Health, Education, and Welfare was thoroughly in character for a man who has always said what needs to be said rather than what politicians like to hear. Understandably enough, this has not won him any popularity contest in a city where politicians are fonder of talking about handouts and benefits than about prudence and discipline.

But there is the man who runs the biggest bureaucracy and the biggest welfare system in the world, speaking in his home town of San Francisco and warning us against the encroachment of government and against the evils of the welfare state. Surely it is worth listening to a man who acknowledges that his own job has become too powerful. What he said cannot be brushed off with the superficial sob-sister complaint that he is "insensitive" to the needs of the poor.

The truth is that the poor themselves are the ultimate victims when a welfare system runs amok. Thanks mainly to Congress' eagerness to satify what it perceives as the public needs, Mr. Weinberger said, "we have built an edifice of law and regulation that is clumsy, inefficient, and inequitable. . . . The unplanned, uncoordinated, and spasmodic nature of our responses to these needs—some very real, some only perceived—is quite literally threatening to bring us to national bankruptcy."

Mr. Weinberger cited warnings that at the present rate of growth, half of the country will be receiving welfare payments of one sort or another by the year 2000. And if that day should come, he warned, "government would be like a gigantic sponge, sopping up all of the nation's surplus capital needed for industrial growth and modernization."

We're told that the United States is too wealthy to have to worry about bankruptcy; that "it can't happen here." But that's what they said about New York City—the wealthiest city in the world and now one of the closest to bankruptcy. When the burden of welfare and public employment becomes too great, the productive taxpayers will flee rather than support it. And if the burden persists in growing, it will reach a point that cannot be supported and, as Mr. Weinberger said, "we may undermine our whole economy."

What is worse, as Mr. Weinberger said, is that the present welfare system, with scores of programs piled helter-skelter on top of one another, offers a disincentive to work. He cited one instance in which a welfare family received $20,000 a year in assorted benefits for not working. This helps to explain why, even as the country deplores the level of unemployment, countless jobs—perhaps millions—remain unfilled because they are relatively low-paying, are "demeaning," or involve "stoop labor"—the alleged inconvenience of having to stoop to work on the ground.

What would the sturdy American pioneers have said? On second thought, don't answer that question too hastily. Many of them might have been green with envy. The fault is with the system, not the individuals. The pioneers worked hard because they had to and because they saw in work the only path to survival. If they had lived in a welfare state, they might never have been able to achieve the prosperity that permits the welfare state we have today.

Mr. Weinberg sees a way out, but it is not one that will appeal to a Congress that "believes that the road to popularity and reelection is to say 'yes' to every demand." The people, he said, will have to "let Congress know in unmistakable terms that more and more increases in the old, tired programs that we know do not work" is not what they want.

Mr. Weinberger's prescription is "a completely new system that would be coordinated and administered thru our tax system. We should abolish Aid to Families with Dependent Children, food stamps, and Supplementary Security Income right now, and substitute a simple cash grant, based on need, measured by income, and payable only to those who meet a strong work requirement if they are able to work."

This, he said, is the "only way we can escape the present welfare jungle" and have a program that will treat everyone equally, eliminate the incentive to stay on welfare, and end the mounting intrusion of government into our private lives.

The chances of agreeing on any such new system are slim unless Congress is prodded into action. We hope, therefore, that Mr. Weinberger's successor will be equally persistent and articulate in enunciating truths that ought to be apparent to anyone, even a congressman.

AS I SEE IT FROM MY DESK

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. OBEY. Mr. Speaker, I recently received a copy of the following newsletter from Mr. Harry Heinemann, the owner of a clothing store in my hometown. I think it better describes the source of the current inflation than all the administration pronouncements on consumer belt tightening, excess Federal spending on education, and restraint in maintaining Federal price supports for agriculture combined.

The crux of the problem is that although small businesses in this country may face the stiffest kind of competition, in several key industries giant corporations often set prices almost at will, and their will is to make the highest profits possible. Until we confront that fact, no degree of budget restraint will save us from the spiraling prices which have been robbing prosperity from the pocketbook of all but the most privileged Americans.

The newsletter follows:

AS I SEE IT FROM MY DESK

AUGUST 15, 1975.

Monsanto, Eastman Chemical, Allied Chemical and American Cyanamid, following DuPont's lead, have all announced price increases in their man-made fibres. It is peculiar how they all arrive at the same price for a given fibre and even more peculiar how first one chemical company announces a price increase and then all the others follow suit. Strange, too, is the fact that they take turns in leading off with the price increases.

Of course, I have no evidence of collusive action, but I am certain that if the Justice Department or the Wage and Price Board were to do a little digging, they could easily put an end to this unconscionable disregard for the welfare of our country and our economy.

While the announced increases will have little effect on the prices for Christmas, they *will* result in *price increases* ranging from $3.00 to $9.00 per dozen for Spring 1976, which means a 50¢ to $1.50 increase at the retail level.

What the chemical companies are doing is no different from the actions of the Automobile Industry, the Steel Mills, the Aluminum Mills and the Fabric Mills. In each of these industries—almost by a prearranged signal—one company announces a price increase and then all the others follow suit. Rarely, if ever, does any government agency—and we have far too many of them—step in and say "You can't do that!"—not to the "Big Boys". They do crack down on Retailers, as they recently did to Saks Fifth Avenue and Bergdoff Goodman, Bonwit Teller and a few others whose only crime—if it can be called that—was asking vendors to insist on "price maintenance".

If the retail business were booming—which it is not—I could understand the rationale for increasing prices. Obviously, the giants who dominate the fibre field, feel that they are above the law and that every vendor must dance to their tune—and the "public" and the nation's welfare—be damned.

Of course, the consumer has played right into the hands of the chemical companies by insisting on *Permanent Press* and in so doing, has practically killed cotton as a viable fibre and made the "man made fibres" all important. With no outside competition, it became a very simple thing for the chemical companies to "rig" prices.

In Europe, "Cartels" are a recognized way of life. In the United States, cartels supposedly are illegal—but are they? Perhaps, the name "Cartel" is illegal—but what difference does it make whether the actions of our giants have a name? I find it difficult to believe that "Collusion" and "Conspiracy" does not exist in the chemical field, in fibres, in steel, in aluminum, in automobiles and what have you.

The Consumer needs no protection from the Retailers because, first of all, the average retailer is afraid of his shadow and secondly, competition for the consumer dollar is so keen that no retailer dares step out of line. What we really need is protection from the Giants in Industry who subscribe to the philosophy expressed by Mr. Wilson of General Motors: "What's Good for General Motors—is Good for the Country." But who does the government pick on—the *Retailer*, naturally!—not DuPont—not General Motors—not U.S. Steel! Occasionally, they get a little tongue lashing—but I am sure it is with "tongue in cheek".

Get yourself prepared to another round of Price Increase for Spring 1976!

NATHANIEL H. MENDELSON,
Executive Director.

TAX DOLLARS UP IN SMOKE

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. PEYSER. Mr. Speaker, three of the major causes of death in the United States are cancer, lung disease, and heart disease. The causal relationship between these conditions and cigarette smoking is well-established. This is the reason behind the Surgeon General's warning on cigarette packs, the ban of cigarette advertising on television and radio, and the proposed ban of high tar and nicotine cigarettes.

Yet, Congress continues to subsidize the tobacco industry, and recently sent a bill to the President which would cost taxpayers $78 million this year. Furthermore, approximately $30 million of tobacco is shipped abroad under the auspices of the food for peace program.

The cost to the consumer and taxpayer in both real dollars and physical health is appalling, but this situation is greeted with indignant self-righteousness by the tobacco lobby and, worse, with silence by segments of part of the media.

However, on September 16, 1975, Newsday offered a lucid and cogent editorial entitled "Using Tax Money to Subsidize Cancer," which points out the contradictory and egregious effects of Congress' continued subsidization of the tobacco industry.

The following is the entire text of that editorial:

USING TAX MONEY TO SUBSIDIZE CANCER

Back in the days when the United States' biggest quarrel with Turkey was opium poppies, Washington spent millions trying to get Turkish farmers to raise something that couldn't be turned into heroin. But while the United States was paying hard cash to discourage poppygrowing in Turkey, it was also shelling out $60 million a year to keep the American tobacco industry healthy. It still does. The figure takes on more meaning if you figure out, as Ralph Nader did, that the federal government gives tobacco growers almost $1,000 for each smoking-caused lung cancer death in the country but spends only $14.30 per death on anti-smoking education.

This is the same government whose Department of Health, Education and Welfare for the second year in a row is asking Congress to ban high-tar-and-nicotine cigarettes.

While the Tobacco Institute, a trade association for the industry, labeled the latest HEW report "a dose of unreliable propaganda," it mustered some peculiar logic in defense of subsidies: "If there were no controls on how much tobacco is grown, obviously there would be more tobacco. If there were more tobacco, it would cost less. Cheaper tobacco imports would be more widely available."

It's far more likely that without subsidies many growers would find the going too tough and quit, thus reducing the supply and upping the price. After all, government subsidies are intended to ensure a steady supply of a product.

The fact remains that a government that's aware of the dangers to its citizens from their use of a substance shouldn't be underwriting its production. And if Nader is right in his contention that the U.S. government spends $36 million a year through the Food for Peace program to promote overseas sales of tobacco, how can it keep a straight face while telling Turkey it should quit growing poppies?

Considering that Americans smoked 640 billion cigaretts last year, asking them to quit cold would be too much. But Congress should take Nader's advice and eliminate the subsidies, allocate transitional funds to growers willing to shift to different crops and step up the anti-smoking campaign. Adopting HEW's recommendation to ban the most harmful cigarettes would be a good start.

SANTA FE

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. LUJAN. Mr. Speaker, the U.S. Information Agency recently produced a film entitled "Santa Fe" about the city which is not only the capital of New Mexico, but is also a city filled with history, beauty, and color.

In the best traditions of moviemaking, the film brings us all the charm and ambience of this city, making all of us wish we could visit there and participate in the life of this area. As the Representative from this region, I have had the opportunity to view this film, and if it were available for viewing in the United States, I would recommend it to everyone.

I am not alone in my support for this film, and I would like to take this opportunity to insert in the RECORD the remarks of Robert Sibley, the film critic for the Federal Times. The following is what he had to say about this film:

SANTA FE EXPERIENCE, A FILM REVIEW BY ROBERT SIBLEY

This film is what all travelogs should be like. A unique city is handled graphically from its earliest roots in history as an Indian settlement through Spanish "dominance," American cavalry control and homesteaders on up to the present day. There is superb photography, well-selected music and no narration whatsoever.

This technique works effectively because it allows the viewer to experience Santa Fe on his own without the unnecessary aid of a guide.

It is no wonder, then, that this film has won awards for its excellence, one from CINE (the Council on International Non-Theatrical Events) in this country and one from an international film festival in Yugoslavia.

Santa Fe begins with dramatic shots of the landscape in and around the city of Santa Fe, hills, rivers, rock formation. No people are present. We then see the outlines of some Indians, shadowy and uncertain. As they come closer on the horizon, we see that they are doing a rain dance. Slowly, ominously, clouds begin to appear. The rain dance continues. More clouds. More dancing. Finally, after numerous cuts back and forth, it actually begins to rain. A simple concept turns into a marvelous filmic execution before our very eyes.

After the Indian influence, Santa Fe was dominated by the Spanish. We see Conquistadores and missionaries ride into the growing community on horseback. They are wearing colorful costumes and grim faces—perhaps indicative of their exploitative attitude toward the new world and its inhabitants. The remnants of their civilization are still seen in some of Santa Fe's architecture and in the life-styles, music, dancing and culture of their descendants.

After a section on the expansion of the United States to include the New Mexico territory, we see Santa Fe as it is today. Its people, its sights, its natural beauty in the daytime and its mysterious charm at night. (And all this done in just 15 short minutes total!)

After the movie, I was ready to hop a plane for Santa Fe to experience it in person. What better recommendation can a travel film have?

Unfortunately, this movie is limited by congressional decree to distribution outside the United States and cannot be seen by Americans at home. It is receiving worldwide distribution through USIA facilities abroad and has got to be creating a good impression of our country among foreigners.

Kudos for Santa Fe belong to producer Burt Rashby of New York and executive producer Bob Butler of USIA in Washington, D.C.

RIGHT TO STRIKE VERSUS PUBLIC SAFETY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. ANDERSON of California. Mr. Speaker, the past few weeks have seen several of our Nation's greatest cities paralyzed by public employee strikes.

Certainly, we can see some justification for our public employees to become upset when their salaries lag far behind the cost of living. And certainly we can see how that frustration can grow until a strike becomes reality.

However, the public welfare must, of course, be kept in mind also. When public safety employees go out in a labor dispute, they hurt both themselves and the public they serve. A police strike has very serious ramifications for the citizens served by the officers involved. The same is true of strikes by firemen and other public workers.

Somehow, the right of public employees to demand better pay and working conditions must be balanced with the public's right to protection and service from those same employees. As our Nation continues to be assaulted by recession and inflation, economic pressure on these employees will continue—which means that we can expect more strikes in the future unless something is done very soon.

In the long run, the best answer would be economic recovery, but I feel that no one is suggesting that we wait for that solution. Instead, Congress, and State legislatures as well, will eventually have to deal with this issue firmly, but fairly.

The following article from the Los Angeles Times gives an excellent analysis of the problems involved, and I think is well worth reading:

Arbitration Could Cap Those Walkouts

(By Harry Bernstein)

Strikes by public employes touch a raw nerve in American society, as shown by the shock waves reverberating from the recent walkout by San Francisco police and firemen, and Mayor Joseph Alioto's handling of the ensuing crisis.

Gov. Brown probably spoke for many when he said that Alioto's settlement with the police and firemen set a "dangerous precedent" because it allowed the strikers "to get their way through illegality and brute force."

The situation though, is hardly a new one. Every few years, some strike by government workers brings cries of outrage, and demands for laws to prevent such walkouts.

Despite the outcries, the problem remains because critics of public employe strikes have yet to come up with a viable alternative. Leaders such as Gov. Brown denounce such strikes, but have not provided a method of avoiding them.

Nor is San Francisco the only current trouble spot: Firemen in Berkeley walked out to back their demands for higher pay, and there was strike talk in the uniformed services of other cities across the country.

"We found over the years that the politicians won't take care of you," said Edward J. Kiernan, president of the 180,000-member International Conference of Police Associations. "This action in San Francisco is going to give a lot of people something to think about."

New Orleans Mayor Moon Landreau registered disapproval. The San Francisco strike "portends a growing militancy on the part of public safety officers, a sacrifice of principles that have been a part of their jobs for a long time," said Landreau, who is president of the U.S. Conference of Mayors.

Last year, there were 384 strikes involving 161,000 public employes—a small fraction of the nearly 13 million civilians employed by government at all levels. Two of those strikes were by federal employes, 34 by state workers, 32 by county employes, and 116 by city workers. The others were in special units of government, including school teachers.

Police strikes accounted for 12 of last year's total, a drop from the peak of 17 police strikes in 1971.

Public employe strikes arouse strong emotions because they pit workers against taxpayers and the politicians who represent them, and because they can deprive a community of essential services, or leave it without its usual defenses against fire and crime.

"An intolerable crime against civilization," President Woodrow Wilson said of the Boston police strike of 1919.

"Strikes against the machinery of government cannot be tolerated in a free society," conservative Sen. Jesse Helms (R-N.C.) said recently.

But public workers insist that they have a right to organize and bargain with their employers just as other workers do. Their move into unions has made public employe unions the faster growing employe organizations in the country.

Their leaders, such as Jerry Wurf, head of the American Federation of State, County and Municipal Employes, believe the tide of public opinion now favors the treatment of public employes "as first-class citizens."

Wurf agrees that strikes by public employes are a bad thing, but asserts that it is worse to have Americans compelled to work for wages or conditions they find unacceptable.

Dramatic showdowns such as the one in San Francisco spotlight the problem: There is no effective law to head off such strikes. In fact, with public opinion sharply divided, no real consensus seems to have emerged in this country on any proposed law that would give public workers the voice now enjoyed by employes in private industry in setting their wages and working conditions, while also preventing strikes by public employes.

Perhaps no such law is possible in a free society where workers can move from job to job, and are not required to remain at jobs they do not like.

Nevertheless, demands persist for a law to "do something" about such strikes, especially ones that threaten the health and safety of the community. Legislators in Washington and the state capitals have tried, and generally failed, to devise ways to protect workers' rights and freedom, and protect the community.

The latest failure came last week in Sacramento. After months of what seemed to be dramatic progress, a bill to set up a comprehensive collective bargaining system for state employes was killed in a Senate committee. The bill's original version, later watered down by amendments, would have covered all of California's 1.2 million public workers.

Assemblyman Howard L. Berman, coauthor of the original comprehensive bill, said its defeat probably means there will be no legislation on the subject for two years or more—except perhaps a bill dealing only with public school teachers.

Berman said many legislators drew the wrong conclusion from the San Francisco police strike.

"The truth is, there is no system for collective bargaining for police in San Francisco, and certainly no legal right for them to strike," he said.

"When they did strike, the action proved more than ever the need for legislation, but instead, many of my colleagues went in the exact opposite direction and voted against a legal mechanism to deal with such dilemmas."

UCLA law professor Benjamin Aaron, one of the nation's most knowledgeable experts on public employe laws, called the Senate action "a tragedy."

Aaron and others had been working for more than two years on machinery to reduce public employe strikes and improve labor relations in government.

"It now seems as though we frittered away at least two full years during which legislation could and should have been adopted," Aaron said.

"The legislators acted in an irresponsible fashion," Aaron added. "I'm afraid the next time, the Legislature will act in haste, alarm and anger in response to a rising tide of strikes and other manifestations of unrest in the public sector."

The bill killed last week in Sacramento did not contain provisions for settling disputes such as a police strike: That provision had been eliminated earlier.

Gov. Brown had pledged during his election campaign to seek a bill giving collective bargaining rights to public employes, and he pushed hard for that law as governor.

But Brown did not support either the right of public employes to strike, or any alternative such as arbitration. Partly for lack of support from the governor, the arbitration provision was dropped from the bill, and the measure that ultimately failed to pass was silent on both the public employes' right to strike, and on methods to avert an impasse and forestall strikes.

In the wake of the bill's defeat, and the police and firemen's strikes in the Bay Area, it is clearer than ever that society urgently needs a better alternative than the two courses now available—unilateral and sometimes arbitrary actions by government officials dealing with public employes, and strikes by workers with no other way to back up their demands.

Laws simply prohibiting strikes by public workers are no solution. In every state where such laws exist, strikes have taken place in defiance of the law, with no serious punishment as long as those who defied it were too numerous to be jailed.

For that matter, strikes in critical private industries—electric utilities, for example—could cripple a community as severely as any strike by public employes. Legislators searching for ways to head off public strikes might also give some thought to these key private industries.

Support is growing for some form of arbitration to handle disputes which endanger health and safety. But some government officials reject this method: Elected officials are the ones authorized to raise taxes to pay for higher wages, they say, and therefore elected officials, not outside neutral arbitrators, are the only ones with authority to decide what the wages of public employes should be. Better to have a strike than accept arbitration, some officials contend.

Most public employe unions, on the other hand, say they will give up any right to strike if they are not forced to rely entirely on the generosity of government managers or the mood of political leaders to fix their wages and working conditions unilaterally.

Variations on the arbitration method have been proposed by labor specialists.

UCLA professor Aaron says that "We need comprehensive legislation which will provide for an independent labor relations board to administer the statute, and which will among other things emphasize fact-finding and mediation, but would finally, if necessary, provide for some form of final and binding arbitration of disputes which affect the public health and safety."

Others propose that a system comparable to one being tried in the steel industry might be devised for public employes.

In the steel industry, union and management agreed months ahead of their negotiations to submit unresolved disputes to arbitration, the arbitration to be binding on both sides even though they disliked the results.

But if management or workers felt badly abused by the arbitration outcome, either side could refuse to agree in advance to arbitration when the contract expired and talks were reopened for the next round.

That modified arbitration arrangement preserved the voluntary nature of collective bargaining, without government interference. But it also presumed full acceptance of collective bargaining itself, a concept that so far has not been fully realized for public employes, though it almost inevitably will be.

In time, a free society must accept the reality that public workers of all kinds will use the strike weapon to get what they regard as justice for themselves unless a viable alternative is provided, and so far, the only such alternative appears to be some form of arbitration.

WIDESPREAD EDITORIAL AND POPULAR SUPPORT GIVEN TVA ACT AMENDMENT INTRODUCED BY TENNESSEE HOUSE DELEGATION

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the Tennessee House delegation recently introduced a bill designed to improve operations of the Tennessee Valley Authority and to reverse the current policy of electric power rate increases by TVA—14 such increases in 8 years.

This bill has drawn widespread editorial and popular support from the people and in this connection, the Nashville Banner in a recent editorial commended the bill and said it would:

> Restore an element of sanity to the revolving-door type of rate structure that has dumbfounded home-users of electricity and made it impossible for business and industry to make rational plans for their future operations.

A recent news release described the bill and its purposes and objectives in more detail.

Because of the interest of my colleagues and the American people in this matter, I place the editorial and the news release in the Record herewith.

The editorial and news announcement follow:

[From the Nashville Banner, Sept. 16, 1975]

Evin's TVA Measure Deserves Support from Congressmen

One of the most exasperating features of the Tennessee Valley Authority's seemingly endless series of rate increases is the frequency with which they have come about. Each time, TVA spokesmen simply say, "The price of coal has gone up—we had no choice."

Rep. Joe L. Evins, a Democrat from Tennessee's Fourth District, has now introduced a far-reaching bill that would at the very least put this escalation on a more rational basis.

It would prohibit the TVA from raising electrical power rates more often than once every two years and it would require that appropriate public hearings be held prior to each proposed rate increase. While this part of Rep. Evins' bill may require some careful study and perhaps some loosening of the two-year limitation, it is certainly a step toward curtailing consecutive rate boosts.

While the proposal will not guarantee that power rates will not go up, it will restore an element of sanity to the revolving-door type of rate structure that has dumfounded home users of electricity and made it impossible for business and industry to make rational plans for their future operations.

Among other noteworthy features included in the Evins bill which, incidentally, is co-sponsored by the entire Tennessee delegation in the House and by Reps. Tim Lee Carter, R-Ky., and Jamie Whitten, D-Mississippi are the following:

The TVA Board would be expanded from three to five members to provide greater diversity at the top management level.

All meetings of the TVA board of directors would be open to the public, assuring continuation of the "open door" policy which TVA only recently adopted.

Rep. Evins, the "dean" of the Tennessee delegation, has long been a leader in the effort to keep TVA in the role it originally established—a source of low-cost energy to the people of this region and a yardstick for power rates throughout the country.

The Subcommittee on Public Works Appropriations, which he serves as chairman, has held extensive hearings that have pointed up the need for a closer look at TVA's overall policies, among them:

TVA rates are designed to yield a profit margin of at least 10 per cent—retained earnings of 10 cents for every dollar of revenue—while investor-owned utilities in the United States average only 4 per cent.

TVA employs 400 persons to operate its Paradise steam generation plant, while the Duke Power Company employs only half as many—200—to operate a comparable-sized plant.

TVA has more than 200 employes on its rolls with salaries in excess of $25,000 annually.

Of course, TVA rates are still below the average of the private utilities but the difference is not so great and it is diminishing.

Clearly, the Evins recommendations are strong and deserve throughtful consideration by Congress.

Evins Introduces Bill To Improve Operations of the TVA and To Reverse Current Policy of Power Rate Increase

Congressman Joe L. Evins (D-Tenn.) today introduced legislation designed to offer protection to electric power consumers of the Tennessee Valley Authority against rapidly escalating power rates and to provide better management for the agency.

The Evins bill would amend the TVA Act by adding the following provisions:

Expand the TVA Board of Directors from three to five members in order to provide for greater diversity at the top management level;

Require that meetings of the TVA Board of Directors be open to the public, thus assuring continuation of the "open door" policy which TVA only recently adopted; and

Prohibit the raising of electric power rates by TVA more often than once every two years, and require that appropriate public hearings be held prior to each proposed rate increase;

In this connection, Representative Evins said:

"In my view, these changes in the TVA Act are needed to provide some protection for the people of the Tennessee Valley region against rapidly escalating electric power rates.

"Power consumers served by the TVA recently were burdened with the 14th rate increase in eight years. This incredibly rapid escalation of electric power rates by TVA totals more than 125 percent.

"TVA rates are rising more rapidly than the Nation as a whole, and TVA customers are paying a higher electric bill because four out of ten homes in the services area are all-electric.

"In addition, this TVA rate escalation policy is eroding TVA's image as a low-cost power yardstick throughout the Nation."

Evins said the present bill, which he introduced today is the result of months of study and extensive hearings by the Subcommittee on Public Works Appropriations which Evins serves as Chairman.

The bill is being co-sponsored by the entire Tennessee House delegation—both Democrats and Republicans—including Representatives James Quillen, John Duncan, Marilyn Lloyd, Robin Beard, Ed Jones and Harold Ford. Also co-sponsoring the bill are Representatives Tim Lee Carter (R-Kentucky) and Jamie Whitten (D-Mississippi).

Congressman Evins said that his proposal to expand the TVA Board of Directors from three to five members is designed to provide better management of the power agency.

"The TVA Board needs greater diversity at its top management level. Expansion of the Board membership will provide for broader vision among TVA's directors in the difficult times and crucial years ahead," the Congressman said.

Evins has led the fight in the Congress against TVA's rate escalation policy, including the holding of extensive hearings over the past several years by the Subcommittee on Public Works Appropriations which he serves as Chairman.

For instance, the Subcommittee on Public Works Appropriations annually reviews the TVA budget. During hearings in April of this year, the Congressman again vigorously protested the continued power rate increases and urged TVA to develop, mine and use its own coal reserves to inject some competition into the coal market.

Evins also strongly urged TVA to initiate antitrust action against the oil-coal monopoly to bring down coal prices—the TVA buys an estimated 80 percent of its coal from coal companies owned by big oil companies or from big energy conglomerates.

In earlier hearings, the Subcommittee employed an electric power rate expert to assist in conducting an in-depth study of TVA's power rate structure and management procedures.

These hearings developed evidence that:

TVA has designed its rates to yield a profit margin of at least 10 percent—retained earnings of 10 cents for every dollar of revenue—which the law does not require. Such an arbitrary requirement is greatly in excess of the profit margins realized by the investor-owned electric utilities in the United States, which averaged only 4 percent;

TVA's large steam-electric generating plants seem to require more than twice the number of employees as do privately owned plants. For instance, it was disclosed that TVA employs 400 persons to operate its Paradise steam generation plant while the Duke Power Company employs only 200 to operate a comparable-sized plant—a situation that contributes to rising electric power rates by TVA; and

That TVA had on its rolls more than 200 employees with salaries in excess of $25,000 per annum.

In hearings this year, it was disclosed that cost overruns on some present TVA construction projects totaled almost $2½ billion in only one year.

The House Committee on Small Business, which Evins also serves as Chairman, recommended in a series of reports that the Federal Trade Commission investigate the monopolistic practices of the major oil companies' controlling interests in coal mines—the price of coal affects TVA rates. Subsequently, the FTC filed actions against the Nation's eight largest oil companies and other conglomerates that control the oil and coal industries.

REEXAMINING NATIONAL PRIORITIES: A STATEMENT BY WILBUR J. COHEN

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. BRADEMAS. Mr. Speaker, I include in the Record a statement by the distinguished former Secretary of the Department of Health, Education, and Welfare, the Honorable Wilbur J. Cohen, now dean of the School of Education at the University of Michigan.

Dean Cohen's statement entitled "Reexamining National Priorities" appears in the August 28, 1975, issue of "College and School Innovator published by the University of Michigan School of Education:

REEXAMINING NATIONAL PRIORITIES

There has been in recent years an increasing crescendo of criticism—both in the press and from the public—against the "welfare mess" and the rising costs of welfare programs. A result is that federal and state governments are having increasing difficulty in adequately financing education. If we could solve our national welfare problems, states would be able to support K-12, higher, and early childhood education more adequately.

Certainly a consequence of the recession will be a further examination of reform in many components of our welfare system. There are now some twenty-five million people in the nation with incomes below the poverty line; some ten million of this number do not receive cash aid. The poor and disabled and the many on fixed incomes will become more visible as applications for assistance, food stamps, and Medicaid increase in the months ahead.

If significant unemployment continues and unemployment insurance for many is exhausted, many middle-class Americans will experience for the first time a lowered living standard and the feeling that they are not in control of their own fortunes. The public awareness of economic instability and poverty will thus be heightened, and it will probably not be long before Congress will again debate crucial issues: a welfare reform plan, improvement in the financing and benefits of the Social Security System; national health insurance; and increased funding for early childhood education and social services. At the same time, public awareness will be directed toward more basic tax and economic reforms needed to support and improve existing government programs.

The recession has highlighted the need for both emergency and permanent measures to reduce poverty; provide more employment opportunities; and protect the American family from the corrosive impact of unemployment, catastrophic medical costs, and loss of income. We should give consideration to amending the Employment Act of 1946 to make full employment a national goal and priority.

We should remember that none of the important social reforms of the past forty years came about by adoption of the "instant millennium." Steady, persistent, incremental improvements have been the prevailing pattern. Though some changes have been "disjointed increments," they should and can be modified as the result of experience.

The next three years are crucial for further reform and advancement in health, education, and welfare. We have the opportunity—indeed, the obligation—to influence the reordering of national priorities and to reaffirm our commitment to the "welfare"—in the term's largest meaning—of the American people.

INTRODUCTION OF THE HANDGUN CONTROL ACT OF 1975

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. CONYERS. Mr. Speaker, today, I am introducing a bill to prohibit the civilian possession and use of handguns. The bill is based on an indisputable body of evidence that is available to all who are interested. It is contained in some 15 years of congressional hearings, FBI statistics, reports of special national commissions, and a seemingly endless debate in the news media.

The Subcommittee on Crime of the House Judiciary, which I chair, is considering some 150 gun control measures. These bills were spawned by public demand.

It is the level of violence in our daily lives which fires the great debate in which we are all involved. It is the growth of violent crime that brings public pressure on Congress to find solutions. After almost a generation of study, we know that the availability of firearms has a direct effect on the crime rate, and an even greater affect on the level of violence involved in crime. These are serious problems which deeply affect the Nation. The public is sincere in its search for an answer, a real answer.

Mr. Speaker, it is the seriousness of the problem which demands the extensive remedy I propose today, and I do not make the proposal lightly. In arriving at my position I drew from a lifetime of experience—in the streets, in the courts, and in the legislature. The bill is a distillation of millions of words of congressional testimony, of the views of thousands of witnesses representing the broadest possible spectrum of public opinion—all considered calmly, carefully, and without preconceived notions. The conclusion is unavoidable that violence in crime is multiplied by the use of firearms, and in our Nation today it is multiplied disproportionately by the use of handguns which are more available now than at any time in our history.

We have been told this repeatedly in our hearings. Police Director Hubert Williams of Newark, N.J., said:

> The correlation of handguns and crime is an easy relationship to document, particularly if one doesn't lose oneself in a futile debate about whether guns cause crime or whether people cause crime. The inescapable facts are that handguns are used in a large and an increasing proportion of violent crimes and that handguns are terribly effective in accomplishing their intended purpose.
>
> We must ask whether our nation can continue to permit the virtually free and uncontrolled commerce which presently exists in handguns, a commodity which is carefully designed and skillfully manufactured with one basic purpose, and this is to provide an instrument of death which can be concealed readily, drawn without warning and used with awesome speed and effectiveness on friend and foe alike.

The conclusion is inescapable: The handgun is the criminal's first choice as a weapon. It is not a pretty picture. We studied the facts carefully and even by conservative standards; we found:

That handguns play a major role compared to other weapons in the commission of homicide, aggravated assault, and armed robbery—and the percentage of violent crime in which handguns are used is increasing;

That most homicides with handguns are committed in altercations between relatives, neighbors, or other acquaintances rather than in confrontations between strangers;

That handguns are in fact of little value in defending the home against intruders and are in fact likely to increase the danger of a firearm fatality to the residents than to enhance their personal safety;

That the large proportion of handguns used in crime in States and cities with strong gun control laws tend to originate in loose control jurisdictions, and that private possession of handguns increases the likelihood that they will be stolen or otherwise transferred in interstate commerce to criminals or to persons intending to commit criminal offenses;

That more than half of all handguns are acquired secondhand and that licensing and restrictions on the sale of new handguns will not significantly reduce handgun crime and handgun violence;

That violent crimes perpetrated with handguns constitute a burden upon and interfere with interstate and foreign commerce and threaten the internal security and domestic tranquility of the Nation;

That fear of firearms crimes discourages citizens from traveling between the States for pleasure or to conduct business; and

That crimes committed with guns have disrupted our national political processes, and threaten the republican form of government within the States as guaranteed by article IV of the Constitution.

These facts are true to the point of being self-evident. They argue for themselves and suggest the formulation of a national firearms policy restricting the availability of handguns to law enforcement and the military to the end of reducing the violence in crime, reducing deaths from handguns and reducing other physical and emotional violence caused by handguns in the United States.

And so, Mr. Speaker, although any firearm may be, and is, used for criminal purposes, it is the handgun that figures in the great majority of violent crimes in the United States. There is little doubt that when we speak of firearms being used in crime we are speaking principally of handguns. It is a commonsense observation that a concealable weapon is more likely than others to be selected for criminal purposes, but there is also ample statistical data to substantiate this assumption.

Nationwide FBI statistics show that handguns have annually accounted for a majority of all homicides during the past 6 years—through 1973—and that the percentage has been increasing. In relation to all homicides caused by firearms, handguns were used in over 70 percent every year during the past 10 years and in over 75 percent during the past 7.

A special analysis of the FBI murder statistics from 1968 through 1973 by circumstance and type of weapon shows that of all "crime related" murders reported in those years, 83 to 84 percent of those committed with a firearm were attributable to handguns. "Crime related" murders include gangland killings, felony murder, suspected felony, and illegal abortion. Not included are murders taking place within the family unit or within argument or "barroom brawl" situations. In family gun killings over the same 6-year period the handgun percentage was in the 69- to 74-percent range, and in the case of nonfamily argument type killings it was in the 78- to 82-percent range.

The conclusion is inescapable: The criminal's primary firearm is the handgun.

The Subcommittee on Crime heard testimony again and again in corroboration of both the FBI nationwide statistics and of common observation. In almost all of the cities in which hearings were held, the local experience confirmed the view that the handgun is the weapon of choice for persons bent on crime or acts of violence.

In Chicago, Prof. Richard Block, of Loyola University, said that handguns contribute excessively to the commission of violent crime. Although only about 27 percent of the firearms in the United States are handguns, he testified, these are the guns used in 76 percent of all firearm homicides, 86 percent of all firearm assaults, and virtually all robberies involving the use of firearms. In urban areas, Professor Block said, these percentages are even higher.

In Cleveland, the city's chief of police, Lloyd F. Garey, said that the handgun was used in 73 percent of all reported murders in Cleveland during 1974. It was the handgun used in 86 percent of all robberies with a firearm.

That the handgun is the weapon used in an increasing percentage of homicides in recent years is established by a review of FBI statistics for 1964–73. During those 10 years the national homicide rate rose 94 percent. By contrast, during the same span the handgun homicide rate rose 158 percent. In relation to the total, handgun homicides increased from 39 to 53 percent.

As for robbery, a special Cleveland, Ohio, Police Department study reveals that if the exceptional year 1972 is excluded, 52 percent of the robberies reported from 1970 through 1974 involved the use of guns. In 1973 and 1974, an average of 42 percent of robberies involved handguns. In relation to total gun robberies, the handgun robberies accounted for over 90 percent from 1970 through 1973 and 86 percent in 1974.

The public mood favors strong gun control measures. Indeed, it demands them. In the last 6 or 7 years since "law and order" has been the rallying cry to increased street crime, billions of dollars have been spent in efforts to control it. Yet, we have unprecedented increases in crime and violence—and in the use of handguns in the commission of it.

There is no question that many people have elected to view the gun regulation problem as an all-or-nothing-at-all matter. Thus, a proposal for registration often generates the same heat and many of the same arguments as a call for an outright ban of handguns. The failure of some of the "antigun control" groups to make distinctions has made debate on the issue difficult.

Despite the strong feelings aroused in many citizens by what they may see as a threat to their heritage and way of life, it is clear that a majority of American citizens do not share the attitude that any restriction on gun ownership or use is an erosion of a basic freedom. Going back as far as the 1930's, public opinion polls in the United States have demonstrated again and again that the majority of people who live in this country have a favorable attitude toward the imposition of legal restrictions on such ownership or use. In 1938, 84 percent favored them, in 1975, 75 percent favored a strict control.

Short of an outright ban on the possession of handguns, there appears to be no way legally to prevent the acquisition of these weapons by criminals and by the generally law-abiding person who may at some time be driven to use them in assault.

Director Williams of Newark accurately described the situation. He said:

> As a police administrator, it is my conclusion that the proliferation of handguns contributes to more serious crime, which contributes to more fear of crime, which contributes to more handgun sales, supposedly for protection, which in turn contributes to another round of the same cycle. The only winners in this self-perpetuating cycle are the handgun manufacturers. The public is the clear loser. And the police are caught in the middle with a massive problem which is beyond their present powers to control. I am persuaded that the hazards of the handgun are so great that they could no longer be manufactured or sold to the public and that a mechanism should be created to drastically reduce the supply and possession of existing handguns.

That view was echoed repeatedly. Dr. Stefan A. Pasternack, a Georgetown University psychiatrist, posed the problem in a similar vein. He said:

> Will our society say it is willing to pay the price? Can we really accept needless deaths? . . . We live in a democracy. There are always struggles between individual rights and group welfare. In order to maintain some balance we are constantly redrawing the lines. We now have to redraw the line for the individual gun owner and control guns. It is too dangerous to ignore any longer.

I share the view of Representative JONATHAN B. BINGHAM, who in subcommittee testimony said:

> I recognize that even if we could pass [a] bill today, we wouldn't be rid of handguns tomorrow. It will take time, even with reasonable compliance and intelligent enforcement, to reduce the handgun supply and the attendant crime and death. But I know we can agree that a society free of death by handgun is a goal worthy of great striving. It is incumbent on this Congress to take the first step down that road.

It is obvious that no statutory control is absolutely successful. Just as the ultimate solution to the Nation's drug abuse problem cannot lie solely in prohibitory narcotics statutes but in a curb in drug demand, so the ultimate solution to the violent crime problem is to rid our society of people who are willing or compelled to commit crimes and the problems that foster crime. Since these utopian conditions are not now within our grasp, it becomes necessary to take measures directed at the objects of abuse themselves: the drugs or the guns, as the case may be.

As I introduce this bill I would echo the words of my friend and colleague, Representative RONALD V. DELLUMS, of California, when he addressed the House on April 24 last, following the tragic shooting of his nephew in what he described as an "absurd and insane robbery." Mr. DELLUMS said:

> I challenge all the members of Congress in this Congress, if they do nothing else, strike one blow for humanity; strike one major blow against insane violence; strike one blow to take the guns and weapons of death and destruction off the streets of this country.

Basically, my bill:

Prohibits the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, and antique collectors.

Provides for the voluntary transfer of handguns owned at the time of passage to the Secretary of the Treasury, or those designated by him.

Provides for an allowance of a credit against Federal income tax in an amount equal to the fair market value of handguns and handgun ammunition at the time the measure becomes law, from the time of its passage through December 31, 1977, after both title and possession are transferred to the designated agency.

Provides penalties for violations of $5,000 or 5 years' imprisonment or both.

Exempted from the provisions of the bill are:

The United States or any department or agency thereof of any State or any department, agency, or political subdivision thereof.

Professional security guard services licensed by the State with provisions for strict recordkeeping as prescribed by the Secretary and licensed pistol clubs.

Exempted also are any handguns manufactured before 1890, or any other handgun which the Secretary determines is unserviceable, not restorable to firing condition, and intended for use as a curio, museum piece, or collector's item.

FISH: MAN'S EARLY WARNING SYSTEM

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. GUDE. Mr. Speaker, the following article, from the Washington Post, Sunday September 14, 1975 by Abigail Trafford Brett, effectively relates the problems of pesticides and related compounds as they affect innocent animal species. As is pointed out in this article, a number of species of water-living animals are excellent indicators of low concentrations of toxic substances.

I recently completed a trip along the entire length of the Potomac River and was able to observe the several types of pollution and their deleterious effect on the river ecosystem. The river indeed supports a very fragile life system, for example three parts per billion of chlorine is toxic to oyster larvae. In this context, we should consider carefully Abigail Brett's admonitions.

The article follows:

FISH: MAN'S EARLY WARNING SYSTEM

(By Abigail Trafford Brett)

Mirex is the most effective insecticide against fire ants. About 50,000 pounds of this stable chlorinated hydrocarbon are produced a year. Initially, mirex passed all the standard screening tests for being toxic to marine life. Then, at a government laboratory in Florida, juvenile blue crabs fed corn cob grits contaminated with low levels of mirex displayed an ominous delayed reaction.

They could no longer use their pincers to catch prey for food.

The crabs became disoriented and more and more paralyzed. In the sea jungle, a paralyzed predator quickly becomes prey and a crab who cannot use his scissors does not survive. In the controlled water tank of the laboratory, the crippled crab becomes scientific testimony to the invisible erosion of the environment.

Acute poisonings such as a massive fish kill are easy to see. It is what you don't see that may have a more devasting impact on the future. The slow, sublethal, almost invisible changes caused by pollutants in the environment produce slow, sublethal, almost invisible changes in living creatures. It is precisely these subtle changes that one government scientist describes as "dying over a long period of time . . . chronic mortality."

Just how fish respond to new factors in the environment is a clue to how man also is being changed by a world he is constantly changing.

In the North Sea, eels have cauliflower growths on their lips. Sole and flounders along the U.S. Pacific Coast have large lesions on their skin. White croakers feeding around sewage outfalls along the coast of California develop tumors around the mouth. Thousands of halibut have had to be thrown away because they were listless, underweight, their skin soft to touch.

In Japan, the gobie fish develop mouth tumors. Cunner in Rhode Island have cancerous tooth tumors. Large catfish in the central lakes of Florida grow tumors the size of a finger joint. Oysters are found with leukemia. A dogfish in Maine has a brain tumor. In the tributaries of the Chesapeake Bay, a cancer epidemic has broken out among the small unedible clams that live in the mudflats.

Channel catfish in Arkansas have broken backs. Oysters have trouble growing thick enough shells. Finless fish are seen off both coasts—victims of fin rot disease. Two species of fish in the Chesapeake Bay are said to have increased the overall size of their livers by a factor of two. In fish, as in human beings, the liver is the organ that handles toxic materials.

"Diseases in fish have been directly linked with chemicals in the environment," explains Dr. John C. Harshbarger, pathologist with the Smithsonian Institution. "While no one has directly linked a pollutant with cancer in fish, the circumstantial evidence is there."

Since the 1930s marine explorer Capt. Jacques Cousteau has been diving in the waters of the Mediterranean, Red Sea, Indian Ocean, North and South Atlantic, Pacific Oceans, Arctic and Antarctic. He estimates that the overall fish population of the world has decreased at least 30 per cent in the last 20 years.

A CHEMICAL AGE

Since World War II man has been living in a chemical age. High-energy transformers are taken for granted. New drugs and chemical therapy have successfully treated mental illness and cancer. Insecticides have increased food production and radicated diseases like malaria, yellow fever and encephalitis. Plastic bags, vinyl seat covers and instant-freeze dried food are household words.

At the same time, according to the National Cancer Institute, an estimated 70 to 90 per cent of all human cancers are associated with environmental factors. Many birth defects and neurological disorders have been linked to chemical causes. The National Institute for Occupational Safety and Health has put over 12,000 compounds on their toxic substances list; 1,500 of these chemicals are suspected of causing tumors. Before Congress is a Toxic Substance Bill to regulate the registration, production and use of new chemicals.

A number of government agencies are trying to determine what the risks really are in the environment and to do something about them; the Environmental Protection Agency, the Food and Drug Administration, the Fish and Wildlife Service, the National Cancer Institute.

More and more, scientists and government officials are turning to fish as an early-warning system. Midway on the predator-prey food chain, fish serve a dual purpose—first as indicators of what chemicals persist in the environment, second as test animals in the laboratory.

Fish are a first-grade Dick and Jane textbook of human physiology. Metabolically speaking, they are like mammals in slow motion. But simplicity aside, the basic functions are similar. "If you have an effect on the liver of a fish which is a vertebrate, then you might expect to have the same effect on mammals, including human beings," explains research ecologist Delawaye R. Nimmo of the U.S. Environmental Protection Agency's Gulf Breeze Environmental Research Laboratory in Florida.

Scientists know, for example, that DDT attacks the nervous system of fish. Stored up in the liver, it can send a lobster under stress into convulsions. In the laboratory low levels of the toxic compound polychlorinated biphenyls (PCB) affect the thyroid gland in fish. In higher amounts, PCBs cause the fins of fish to rot off. Low levels of the insecticides aldrin and dieldrin alter the amino acid metabolism in fish and produce signs of mental retardation. Toxaphene, another insecticide, attacks bone composition. Only recently has the drama of chronic changes in the environment been documented in the laboratory.

IMMUNITY BUILT UP

The critical difference between nature and the laboratory is that, in the environment, no one chemical exists in isolation. In the central lakes of Florida, for example, where the large catfish are found with tumors, more than 50 toxic compounds were analyzed in the water.

What's more, only the strong survive. In the polluted Mississippi River, the large mouth bass have disappeared and the mosquito fish is king. It turns out that this rugged little fish has built up an immunity to toxic chemicals. In laboratory tests, scientists find that the 1½-inch-long mosquito fish is 100 to 1,000 times more resistant to insecticides than the larger—and commercially edible—fish.

In this survival of the fittest, what makes the large mouth bass a modern dinosaur? The key to adapting to a new chemical environment may lie in how often an organism reproduces. The little mosquito fish produces young every month. The larger fish produce only once or twice a year.

"The phenomenon of the mosquito fish is a sign that one species is better able to cope with pollution than another," explains David J. Hansen, aquatic ecologist with EPA's Florida Laboratory. "Resistance may go to those species who can reproduce the most often so the resistance trait is passed on."

In general, fish are much more vulnerable to diseases and biochemical change than human beings. If a chemical is toxic in low levels to fish, it does not automatically mean that it is toxic to man. At the same time, it is a red flag.

The National Pesticide Monitoring Program of the Fish and Wildlife Service has 100 stations across the country. Whole bodies of fish from the local areas are ground up and analyzed. Instead of isolated water quality measurements, fish residues give an average profile of what exists in the environment on a quasi-permanent basis. And since waterways are a major chemical sink, if there is a pollutant in the environment, fish are likely to get it first.

A regional map of pollution emerges. In industrial areas of the Northeast and Midwest—the Great Lakes Region or along the Hudson River—scientists find high levels of the toxic industrial compound PCBs. In the agricultural areas of the Southeast they find high residues of insecticides like DDT, aldrin, dieldrin and toxaphene.

The residue levels of these compounds are then supplied to research laboratories to study the response of living organisms to these persistent chemicals. The Department of Interior's Fish-Pesticide Research Laboratory in Columbia, Mo., for example, works with fresh water fish. The Mt. Desert Island Biological Laboratory in Maine and EPA's Gulf Breeze Laboratory in Florida concentrate on marine species.

A major emphasis is on chronic effects. It is one thing to expose a rat or a monkey to high levels of a chemical and produce a tumor. It is another to relate that phenomenon to the realities of nature. With fish, the levels that are detected in the environment are used in the experiments. The laboratory becomes a microcosm of what is actually taking place.

CRIPPLED CATFISH

About six years ago, a strange phenomenon cropped up in the commercial fish farms of Arkansas. Some of the channel catfish had broken backs. They couldn't swim properly. They flopped from side to side. They couldn't maintain their normal position in the water. Under nature's law of survival, these crippled creatures quickly disappeared. But the mystery of the so-called broken back syndrome remained.

Recently, two government scientists at Missouri's Fish-Pesticide Laboratory linked this crippling in fish with one of the most widely used insecticides in the United States—toxaphene.

What's more, the broken back syndrome was only the tip of the iceberg. Drs. Foster L. Mayer Jr. and Paul M. Mehrle discovered that the overall size of the fish was stunted by almost a third. Reproduction was down by 30 per cent. Skeletal deformation was so widespread that 80 per cent showed signs of broken back syndrome. At first, the fish appeared to be normal, but X-rays revealed that dramatic anatomical changes had taken place. It was only a question of time before the bones becames so brittle that the spine snapped.

All it took to produce these changes were low levels of the insecticide over a long period of time—levels that correspond to what has been measured in the environment.

Since DDT and aldrin and dieldrin have been banned by the EPA, toxaphene is now the country's leading pesticide. It is used predominantly in the South on cotton. According to EPA figures, 76 million pounds of toxaphene are produced a year. Since the chemical revolution began after World War II, more than a billion pounds have been added to the environment.

In Arkansas, many commercial catfish farms are next to the cotton fields.

LIVER DAMAGE

Another quasi-permanent factor in the environment are the industrial PCBs, essential in the electronics industry. Highly resistant to heat, PCBs are used, for example, in hydraulic fluid for high-energy transformers. An efficient plasticizer, PCBs have also been used in household paints, calking materials and copy paper. In 1970 the Monsanto Company produced 85 million pounds of the super chemical.

Meanwhile, scientists discovered that high amounts of PCBs caused liver damage in experimental animals and affected reproduction. An outbreak of PCB poisoning from contaminated rice oil took place in Japan where roughly a thousand people suffered from a skin disease and more than a dozen died.

Monsanto alerted its customers to the toxic effects of PCBs and limited the use of the compound to closed system heat exchangers. The FDA set regulations of 5 ppm (parts per million) and under for food and animal feed. Production is now down to 40 million pounds a year.

But the damage has been done. Results from the national pesticide monitoring program show that PCBs are still a major pollutant in the environment. High residues exist in fish, particularly in industrial areas. In 1971, before the curb on production, residues reached as high as 200 ppm in Hudson River fish. Levels currently detected in the Great Lakes are still eight times above FDA regulations.

As a result of PCB contamination, commercial fishing in Lake Michigan essentially has been stopped since 1971. Recently, state officials in New York warned consumers not to eat striped bass from the Hudson River or salmon from Lake Ontario. The city of St. Louis just closed its public fishing pond stocked with carp because the fish were found to be polluted.

The environmental problem is that PCBs accumulate in the tissues of fish. While water samples may only show trace amounts of the chemical, fish are a living storehouse of the toxic substance.

What haunts scientists is not just the fact PCBs are lethal in high amounts. Of far more reaching significance may be the biochemical changes produced by very low amounts of PCBs. At EPA's Florida laboratory, scientists determined that roughly 1/100th of the lethal dose seriously affects reproduction of salt water species. In one experiment, sheepshead minnow were exposed to 11 ppm of PCBs for a month. After the fish spawned, the eggs were placed in clean water. Only 26 per cent of the young from these eggs survived.

While no such dramatic effect took place with fresh water fish, significant changes occurred. In channel catfish exposed to only 2.4 ppm, the thyroid activity increased by 60 to 80 percent. In salmon the same effect was seen with one half of a part per million—1/1000th of the lethal dose.

The thyroid gland is the key regulator in fish. It is associated directly or indirectly with all physiological functions such as oxygen consumption and carbohydrate metabolism.

"We are looking at the sublethal, biochemical effects that are not really causing mortality," explains Dr. Mehrle at the Fish Pesticide Laboratory in Missouri. "But when the sublethal effects concern a parameter like the thyroid gland which controls the behavior of fish, you are talking about chronic mortality."

INSECTICIDES BANNED

Aldrin and dieldrin have a similar story to tell. In 1972, 13 million pounds were produced in the United States. The two insecticides have been banned because they caused cancerous tumors in experimental animals. But like DDT, PCBs and toxaphene, aldrin and dieldrin seem to be persistent in the environment and residues still are found in fish. The levels are relatively low, but these low levels are capable of producing significant physiological changes. At the Fish-Pesticide Laboratory in Missouri, scientists showed that dieldrin alters the amino acid metabolism of fresh water fish. In rainbow trout, for example, dieldrin produces all the biochemical trademarks for PKU, the metabolic disorder in human beings that leads to mental retardation.

It only took 3/10ths ppm for 300 days to produce this effect. To be sure, scientists noticed no visible changes in the fish in terms of overall size or in general behavior. Nor could they say that a change in amino acid metabolism was not a healthy adaptive response for a fish to a chemical change in his environment.

"The point here is that the residues of dieldrin it took in the fish to affect the amino acids and produce the biochemical signs for PKU were in the same range of the dieldrin residues measured in fish by the national monitoring program," Dr. Mehrle points out.

FOUR QUESTIONS

There are four questions scientists ask about each chemical tested: 1. Does the compound degrade, leaving no chemical trace, or does some form of it persist, becoming a quasi-permanent factor in the environment? 2. If the compound persists, is it readily absorbed by living organisms, starting at the bottom of the food chain in plants and on up to man? 3. If the chemical is taken in, does it build up inside the organism? 4. What are the biochemical consequences?

Scientists quietly are testing chemical after chemical on fish. Only in the last three years has this type of research taken on a major responsibility in the screening of toxic substances. The process is slow.

"If we see an accumulation of a chemical in food or in fish, it's a red flag," explains Dr. B. Thomas Johnson, microbiologist at the Fish-Pesticide Laboratory in Missouri. "We're not saying a compound should not be used. We are saying it should be more extensively studied before it is released into the environment."

Last year, the Missouri laboratory tested 76 chemicals for effects on fish. The majority turn out to be benign with a few notable exceptions and it is the exceptions that are significant.

The object not only is to determine the consequences of chemicals already in the environment but to assess the potential damage in new compounds.

The stakes are high. Chemicals have become an integral part of people's lives.

"For these reasons, we have to be very careful," explains Dr. Mayer, chief chemist at the Fish-Pesticide Laboratory. "Every night I lie awake thinking. Have we forgotten something in our experiment? Just one little thing can make the experiment go either way. Either the use of a chemical is crushed or a compound slips through that will crush the environment."

ATTACKING THE INTELLIGENCE COMMUNITY: THE NATIONAL EMERGENCY CIVIL LIBERTIES COMMITTEE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the Nation's intelligence and law enforcement agencies have been under attack from many quarters. Critics range from opportunist members of the press who find that exposure of intelligence operations makes good "copy," through radical interpreters of the Bill of Rights who would brook no Government scrutiny of revolutionary, totalitarian and extremist groups, to organizations and individuals working in support of various Communist regimes such as Cuba and the Soviet Union.

One of the incidents being used to justify calls for the abolition or dismemberment of the Central Intelligence Agency has been the recent revelation that nearly a quarter century ago a CIA employee tragically killed himself after drug experiments into the techniques of brainwashing and how to counter them. It has been announced that attorney David Kairys of the Philadelphia office of the National Emergency Civil Liberties Committee—NECLC—is filing suit against the CIA in this matter.

In connection with the third category of CIA attackers, the record of Mr. Kairys and the National Emergency Civil Liberties Committee is worth examining.

According to an adulatory article from the Today magazine of the Philadelphia Sunday Inquirer—reprinted by the NECLC's publication, Rights—David Kairys graduated from Columbia Law School in 1968 where he allegedly was "radicalized" during the 1968 Students for a Democratic Society riots. Kairys and his law partner, David Rudovsky, both received fellowships from the University of Pennsylvania Law School to work as interns in the Philadelphia Public Defender's office, where they remained until the spring of 1971 when they entered private practice. Reported the article:

> Kairys is a revolutionary who drives a Porsche, chuckles one friend, more by way of observation than of criticism.

In addition to their position as Philadelphia counsel for the NECLC, Kairys and Rudovsky are both members of the National Lawyers Guild—NLG—an organization whose publications and task forces argue for carrying "armed struggle politics", that is, terrorism, into the prisons and which has stated, "we are a body of radicals and revolutionaries who propose to carry the struggle for social change into our lives and our professions."

At its 1973 convention, the National Lawyers Guild, which operated until the late 1960's as a Communist Party, U.S.A.—CPUSA—front but which now contains a wide range of Maoist and New Left lawyers, law students and legal workers, stated that:

> The main component of the socialist revolution in the United States will be an organized revolutionary working class, including a neutralized military * * * We of the guild are attempting to support those organizing within the American working class since we believe it is only the workers who have the power to seize control of the means of production * * *.

In keeping with the above statement of the National Lawyers Guild, Kairys has been active in legal work against military regulations, including a suit on behalf of Linda Jenness, a leader of the Trotskyist Communist Socialist Workers Party, and Dr. Benjamin Spock against restrictions on political rallies on military bases; playing a prominent role in the defense of 28 draft board raiders arrested in Selective Service offices in Camden, N.J.; and representing and participating in rallies on behalf of the Philadelphia resistance when that group was under investigation by the FBI in connection with the burglary and theft of confidential files from the FBI's Media, Pa., office.

From the time of the formation of the International Labor Defense in the United States by the Comintern more than 50 years ago, the Communist Party, U.S.A.—CPUSA—has developed a series of legal defense and propaganda apparatus to defend the causes of Communist, revolutionary and extremist lawbreakers. Since 1951, one of the most active of these has been the Emergency Civil Liberties Committee—ECLC—"National" was added to the name in the mid-1960's.

The NECLC was formed as a vehicle for organizing Marxist and liberal support for Communist Party members then being prosecuted under the Smith Act. At the time of ECLC's creation, the American Civil Liberties Union had moved to stem criticism of its policies by removing the two open leaders of the totalitarian Communist Party, U.S.A.—Elizabeth Gurley Flynn and William Z. Foster—from the ACLU's national board. However, the ACLU did nothing to remove its other known CPUSA members, or to determine the extent of penetration by covert CPUSA personnel.

While the involvement of open Communist Party, U.S.A. members in the Emergency Civil Liberties Committee was limited, virtually without exception the officers, executive committee and national council members have had extensive records of multiple involvement in other CPUSA fronts and causes; and among them, in key positions, have been open and identified CPUSA members. In considering the recording of service to the CPUSA and the Russians by someone like Corliss Lamont, the question of whether he has ever paid party dues becomes of minimal importance.

Among the most prominent CPUSA fronts with which NECLC officers and council members have been associated are the National Lawyers Guild, National Council of American-Soviet Friendship, Jefferson School of Social Science, National Council of the Arts, Sciences and Professions, National Committee Against Repressive Legislation, World Peace Council and the Southern Conference Educational Fund.

After thorough investigation, both the House Un-American Activities Committee and the Senate Internal Security Subcommittee found the Emergency Civil Liberties Committee to be a front for the Communist Party.

In 1957, the ECLC was chosen to launch CPUSA's "Operation Abolition" drive against the House Un-American Activities Committee, a drive coordinated by CPUSA members Harvey O'Connor, who was then serving as ECLC's chairman, and Frank Wilkinson. It will be recalled that in 1961, when the Operation Abolition campaign moved into high gear, a second Communist Party front was developed from ECLC to handle the volume of work required. This group, the National Committee to Abolish HUAC, now called the National Committee Against Repressive Legislation, is still run by Wilkinson and O'Connor, who also retain their memberships in the NECLC National Council.

During the 1960's, the National Emergency Civil Liberties Committee moved to defend New Left activists ranging from members of the Marxist-Leninist Progressive Labor Party who traveled to Cuba, through demonstrators involved in antidraft riots, to members of the armed services involved in "antiwar" organizing in support of the North Vietnamese Communists.

In 1965, NECLC moved into a multipronged attack on U.S. military involvement in support of South Vietnam. Early in 1965, NECLC leaders Corliss Lamont, chairman; Leonard B. Boudin, general counsel; Victor Rabinowitz, Boudin's law partner and a members of NECLC's National Council; and Joseph Crown, another NECLC National Council member and veteran of the old Lawyers Committee on American Relations with Spain, a "Communist lawyers' front organization," met on the initiative of Harold Cammer, another old Lawyers Committee on American Relations with Spain activist, to develop legal arguments against U.S. involvement in Vietnam. From that meeting was developed the Lawyers Committee on American Policy Towards Vietnam which, in NECLC's words, "initiated and participated in numerous international conferences of lawyers designed to develop international support for its position concerning the illegality of Washington's intervention in Indochina." In October, 1972, a Lawyers Committee delegation to Hanoi met with Premier Pham Van Dong to discuss the necessity of obtaining U.S. aid for the Communist regime.

Also in 1965, the NECLC National Council decided to develop court challenges to the draft, on grounds that U.S. actions in Vietnam were "crimes against humanity and violations of international law." As an example of NECLC's dedication to preventing further U.S. assistance to those resisting Communist armed aggression, in August, 1971, lawyers acting for NECLC brought suit in all 14 Federal Appeals Courts seeking injunctions against further prosecution of the war.

NECLC and the National Lawyers Guild have maintained a close relationship for more than three decades, the NLG serving as the professional legal resource group, while the NECLC raises funds and distributes propaganda.

In June 1968, the NECLC and the NLG set up jointly the New York Draft and Military Law Panel to assist radical attorneys across the country to provide legal assistance to draft resisters and antiwar agitators organizing against military discipline within the Armed Forces. Among the most prominent NECLC attorneys involved in the panel's activities were NECLC staff attorney Michael J. Kennedy; Jonathan Lubell, the official National Lawyers Guild representative on the panel who in the early 1950's was a CPUSA youth organizer at Harvard University; Douglas Kramer; Loni Levy; David Rein, an identified CPUSA member; and NECLC's codirectors at that time, Henry diSuvero and Ramona Ripston diSuvero.

NECLC has not, however, restricted its activities exclusively to CPUSA cases and causes. A few select cases have been undertaken on behalf of CPUSA's rival Trotskyist Communists in the Socialist Workers Party. In 1969, NECLC filed suit against the denial of a visa to the Belgian Trotskyist leader, Ernest Mandel, also known as Ernest Germain, who heads the proterrorist majority of the Fourth International, the international coordinating body for Trotskyist Communist parties.

With its national headquarters at 25 East 26th Street, New York, N.Y., NECLC maintains three local affiliated offices. They are:

David Rein, Forer and Rein, 430 National Press Bldg., Washington, D.C. 20004. Rein, an identified CPUSA member, has handled a series of military law cases for NECLC. His partner, Joseph Forer, has been co-counsel with CPUSA General Counsel John Abt on behalf of the Communist Party itself. It is interesting to note that an associate of the firm, Alan Dranitzke, serves as legal counsel to the Organizing Committee for the Fifth Estate (OC–5), which devotes itself to spying on Big Brother, the intelligence community. OC–5's leading Advisory Board member, Phillip Agee, has admitted working with the Cuban Communist Party against the CIA. All three are also active with the National Lawyers Guild.

Kairys and Rudovsky, 1427 Walnut Street, Philadelphia, Pa. 19102.

The Law Office, 505 Court Place, Pittsburgh, Pa. 15219. An affiliate also of the National Lawyers Guild.

The NECLC's objectives were summarized in the late 1950's by the House Committee on Un-American Activities as including:

Extinction of the investigative powers of the Congress in the field of subversive activities;

Restriction of important functions of the Federal Bureau of Investigation in the investigation of subversive activities; and

Creation of a general climate of opinion against the exposure and punishment of subversion.

In pursuit of these goals, NECLC, in conjunction with the Political Rights Defense Fund—PRDF—a "united front" legal support organization created by the Trotskyist Communist Socialist Workers Party to raise funds and develop propaganda on behalf of the SWP's suits against the FBI and other law enforcement agencies whose sponsors include many members of NECLC, the NLG, and even known CPUSA members, held a "teach-in" against the FBI's scrutiny of revolutionary organizations on May 28, 1975, in New York City.

Participants in the anti-FBI seminar included Anne Braden of the CPUSA, an NECLC National Council member; Frank Donner, whose membership in the CPUSA dates back at least to his days in the NLRB in the early 1940's, presently serves as head of the American Civil Liberties Union's political surveillance project and as a member of the advisory board of the organizing committee for the Fifth Estate; Dr. Morris Starsky, Social Workers Party; Leonard Boudin; Henry Foner of the NECLC National Council and innumerable other CPUSA fronts and causes; David McReynolds of the War Resisters' League, a militant "pacifist" group which sees capitalism as the prime cause of war; and Judy Palouso of the New York Women's Grand Jury Group who attacked the FBI's investigation of several homosexual women's communes in Connecticut and Kentucky which may have harbored "urban guerrillas" Susan Saxe and Kathryn Powers.

NECLC reported that among those who sent messages to be read at the NECLC/PRDF anti-FBI meeting were Kathy Kelly of the National Student Association, and Julian Bond.

A considerable proportion of NECLC's lawsuits are handled by Leonard Boudin and his law firm, Rabinowitz, Boudin and Standard. Leonard Boudin has an impressive record of support for Communist and Marxist-Leninist fronts and causes. Victor Rabinowitz refused to discuss under oath before the Senate Internal Security Subcommittee whether or not he was a member of the Communist Party on fifth amendment grounds. Rabinowitz, Boudin, and Standard have for over a decade represented the legal interests of the Cuban Communist regime in the U.S. courts.

Among the attorneys associated with the firm who have represented the NECLC in cases in recent years are Michael B. Standard, Dorian Bowman, K. Randlett Walster, Michael Krinsky, Eric Lieberman, and Herbert Jordan.

A recent docket listing of NECLC's significant cases, both pending and new, in the April/May issue of Rights, included:

M'LUCAS VERSUS DE CHAMPLAIN

DeChamplain was charged with conspiracy to commit espionage. The Air Force would not allow his chosen defense counsel to have meaningful access to the documents upon which the charges were based. The United States District Court for the District of Columbia enjoined the pending court-martial on the grounds that the Air Force's actions precluded an effective defense.

The government appealed directly to the Supreme Court, arguing that the restrictions imposed by the Air Force were proper, * * *.

The case was argued by General Counsel Leonard B. Boudin on behalf of NECLF (National Emergency Civil Liberties Foundation) on December 9, 1974.

DECHAMPLAIN VERSUS LOVELACE

* * * the Court of Appeals for the Eighth Circuit recently held that a serviceman may not be confined by the military prior to trial without being afforded an evidentiary hearing before a neutral officer or military judge. The government must bear the burden at such a hearing of showing that the accused would not appear at trial if released. * * *

DeChamplain is represented by Eric Lieberman of Rabinowitz, Boudin & Standard, on behalf of The National Emergency Civil Liberties Foundation.

The government has obtained a stay of the Court of Appeals' decision from the United States Supreme Court, pending possible application for *certiorari*. * * *

FORTUNE SOCIETY VERSUS ROCKEFELLER

This action challenges the constitutionality of the disciplinary procedures employed by the New York State Correctional Department. The case is being handled by Eric Lieberman.

AVRECH VERSUS SECRETARY OF THE NAVY

* * * Avrech was court-martialed and convicted for violating the General Article of the Uniform Code of Military Justice, which forbids all disorders and neglects to the prejudice of good order and discipline in the armed forces and all conduct of a nature to bring discredit upon the armed forces.

Subsequent to his conviction, Avrech * * * challenged his conviction on three grounds: (1) that the General Article was unconstitutionally vague, * * * (2) that the disloyalty specification upon which Avrech was tried was unconstitutionally vague * * *, and (3) that the attempt to circulate the antiwar statement was protected by the First Amendment. The Court of Appeals for the District of Columbia * * * overturned Avrech's conviction. On appeal the United States Supreme Court reversed, upholding the Article and reinstating the conviction.

The case is now back before the Court of Appeals for the District of Columbia on the two remaining issues. * * *

The case was argued on behalf of NECLC by Dorian Bowman of Rabinowitz, Boudin & Standard, and David Rein of Forer & Rein.

HARRINGTON VERSUS COLBY

Congressman Michael Harrington (D-Mass.) has launched the first full-scale legal attack on CIA activities—both domestic and foreign. The recently filed complaint alleges the CIA to be engaging in lawless behavior in that its activities far exceed its statutory authorization simply to collect foreign intelligence information.

General Counsel Boudin and Michael Krinsky and Eric Lieberman of Rabinowitz, Boudin & Standard are representing Congressman Harrington on behalf of NECLF.

William M. Kunstler, a member of NECLC's national council and a founder of the Center for Constitutional Rights, which works in cooperation with NECLC and the National Lawyers Guild and states its role is as "activists in a struggle * * * against illusory democracy," recently expressed in personal terms the goals of the revolutionary lawyers:

> The thing I'm most interested in is keeping people on the street who will forever alter the character of this society: the revolutionaries. Whether its the American Indian Movement, or the Black Liberation Army, or H. Rap Brown—a person or an organization—I'm really interested only in spending my talents, and any assets I have, to keep the revolutionaries functioning.

The attacks on intelligence gathering agencies by the National Emergency Civil Liberties Committee, a front for the Communist Party, U.S.A., and by other associated revolutionary legal organizations increase both in skill and in number.

Perhaps those who have been involved in disclosures of classified information should examine their actions carefully in light of who ultimately benefits from them.

NECLC's officers include:

Corliss Lamont, Chairman.
Edith Tiger, Director.
Sidney J. Gluck, Secretary.
Leonard B. Boudin, General Counsel.
Mary Mothersill, Vice-Chairwoman.
John M. Pickering, Vice-Chairman.
John H. Scudder, Treasurer.
Clark Foreman, Director Emeritus.

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HOW NOT TO MANAGE A CITY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. OTTINGER. Mr. Speaker, I would like to call the attention of my colleagues to a piece written by Tom Wicker in the New York Times about the inadvisability of constructing a new west side highway in New York City. The article, which follows, presents strong arguments against building this highway on many grounds including energy use, environmental considerations, need, cost and community sentiment:

[From the New York Times, Sept. 14, 1975]

HOW NOT TO MANAGE THE CITY

(By Tom Wicker)

The New York Legislature has passed and Governor Hugh Carey has signed legislation designed to stave off financial default by New York City and to restore investor confidence in the city's borrowing ability. But what good will such legislation do if the city persists in supporting inept financial management and improvident public planning, as represented for one bad example by the proposal to build a new West Side Highway from the Battery to 42d Street at a possible cost to the city of $110-million?

That is only 10 per cent of the total cost, and the other 90 per cent—about $1 billion—will be paid for in Federal funds, although no Federal funds will be forthcoming, apparently, to save the city from default. What kind of insanity is that? Particularly since:

If the city chose, it could opt under Federal legislation to receive about $550 million for mass transit capital expenditures, instead of the $1 billion plus for building the highway.

An interstate from the Battery to 42d Street almost demands continuation at least to the George Washington Bridge, which would incur further enormous costs; and the State Department of Transportation has in fact already filed for an extension to 72d Street.

At best, and only for the route length now approved, construction would take ten to fifteen years by various estimates.

The new highway will bring vastly increased traffic, particularly in trucks coming from New Jersey; this increased traffic will escalate the city's problems in meeting Federal clean-air standards; when, in fact, the city is estimated to need a 30 to 50 per cent *reduction* in traffic levels to meet those clean-air standards.

Unless someone solves the energy crisis in the next year or so, the construction of grandiose new highways—this one largely on landfill in the Hudson River—to carry more gas-guzzling cars and trucks is a self-defeating policy that runs counter to every warning from the Federal Government and every common-sense consideration; what New York and every American city needs is improved mass transit, not more concrete to accommodate more internal combustion engines.

Who would benefit, if anybody would, from the new highway? According to Action for Rational Transit, a coalition of groups opposed to its construction, more than 78 per cent of all Manhattan residents do not own cars; nor do 57.5 per cent of *all* New Yorkers. On the other hand, A.R.T. asserts, 90 per cent of all rush-hour trips to midtown Manhattan are taken on the subways.

While the $50 million the city could obtain for mass transit would not be directly available for operating subsidies, there might well have been ways in which this sum could have been used to save the 35-cent fare; it surely could be used in a manner designed to attract more riders, hence more revenues.

And while the city goes ahead with its incomprehensible plan to build the new highway, the Ford Administration has announced legislative plans to downgrade urban interstate stretches and to give greater weight to the necessity of completing cross-country links of interstate highway. In almost every aspect, therefore—energy, environment, need, cost, community sentiment, common sense and legislative trends—the new West Side Highway is the wrong plan at the wrong time for the wrong place.

Why should this be? One reason, not necessarily the most important, is the so-called "highway lobby," the conglomeration of big interests that benefit from highway construction—suppliers, builders, engineers, labor, banks that handle huge deposits for construction purposes, some real estate interests. All these interests have good friends in Congress, state legislatures, state highway agencies, and important local authorities.

Perhaps more to the point is the persistent American failure to recognize that the day of cheap and abundant energy is either over, or so precariously preserved that no one can count on it beyond the moment. As long as it is believed that American drivers can go on forever in profligate wasting of energy—the voracious consumption of gasoline in automobiles—there will be public demand for more and more highways and there will be politicians and bureaucrats to yield to those demands.

In the final analysis, however, it is the mystical American fixation on the automobile that produces such perversions of common sense as the West Side Highway plan. Among public officials, planners, even most commentators, it is an article of faith that an American cannot be lured out of his car, that mass transit is at best a losing proposition, that no matter what the dollar or environmenal or energy cost, highways and autos are the only mode of transportation Americans will accept.

That is not true, as can be demonstrated by the acceptance of improved transit in any number of American cities. But what people *think* is true might as well be true, which is why New York will no doubt persist in the folly of the West Side Highway, even while trying to prove that it really does know how to handle its money.

HAWAII SCIENTISTS DISCOVER NEW HEART DRUG

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. MATSUNAGA. Mr. Speaker, Federal funds from the National Heart Institute and funds from the Hawaii Heart Association have made possible vitally important research in heart disease at the University of Hawaii. Dr. Ted Norton and Dr. Shoji Shibata, two University of Hawaii pharmacologists have discovered a chemical extract from a sea anemone which appears to offer promise as a resuscitating agent for the failing heart.

The new chemical is called anthopleurin-A(AP-A). The sea anemone is commonly found in coastal waters from Alaska to Mexico, but it is not easy to collect, since it does not grow in huge clusters in any one spot.

The first report of the pharmacologists' findings was made at the American Society of Pharmacology and Experimental Therapeutics in Davis, Calif. The report proved to be of considerable interest and it is anticipated that several companies will soon seek FDA approval of the new medicine.

Knowing that my colleagues will find of interest this medical breakthrough made possible by Federal support, I am inserting in the CONGRESSIONAL RECORD a Honolulu Star-Bulletin article which describes the research of Doctors Norton and Shibata:

UH SCIENTISTS DISCOVER HEART DRUG

(By Tomi Knaefler)

Two University of Hawaii pharmacologists today announced the discovery of a chemical extracted from a common sea anemone found in West Coast waters that appear to be highly promising as a resuscitating agent for the failing heart.

The new chemical is called anthopleurin-A (AP-A) and is derived from the sea anemone Anthopleura xanthogrammica found commonly in coastal waters from Alaska to Mexico.

The isolation and characterization of the new natural drug was done by Dr. Ted Norton, professor of pharmacology with the University's Pacific Biomedical Research Center.

Pharmacological work, including testing of the drug in the laboratory and in animals, was done by Dr. Shoji Shibata, professor of pharmacology with the John A. Burns medical school.

The first report of their findings was made at the American Society of Pharmacology and Experimental Therapeutics in Davis, Calif., a few weeks ago.

Norton said the report provoked considerable interest among scientists and that discussions are now under way with drug companies regarding substantial work that would have to be made before the drug can win approval from the Food and Drug Administration.

Norton said AP-A's properties that appear to make it medically significant were discovered almost by chance two years ago. He was working on potential anticancer agents in sea animals. It took him about a year to work out a process of extracting AP-A.

He said Shibata picked up on AP-A's possibilities because of his longstanding interest in cardiovascular pharmacology.

Shibata's laboratory tests indicate that AP-A, a polypeptide (small protein), is significantly more potent than drugs currently in use, such as digitalis, to energize a failing heart.

Further, Shibata reports that AP-A appears to be more potent without the usual side-effects, such as increased blood pressure and arrythmia (uneven beating of the heart).

Both scientists emphasized that a huge amount of very costly work still has to be done before the drug can be made available commercially.

They believe a drug company would be best able to make the follow-up studies.

Norton said that while the sea anemone is very common, it isn't easy to collect as it doesn't grow in huge clusters in one spot.

The process Norton devised from extracting the chemical enables a harvest of some 15,000 doses of the drug from about 10 to 20 anemones.

Norton was assisted in his work by Midori Kashiwagi. Shibata's associate was Dr. Takashi Izumi, a pharmacologist from Asahikawa Medical College in Japan on sabbatical leave here.

The AP-A study was funded by the Heart Lung Institute of the U.S. Department of Health, Education and Welfare and the Hawaii Heart Association.

IF YOU WANT FOOD, LET THE FARMER FARM

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. GRASSLEY. Mr. Speaker, on September 13, I had the honor of speaking at the annual farm fest in Cresco, Iowa, along with Senator Dick Clark and Iowa's secretary of agriculture, Mr. Bob Lounsberry. The remarks I made there were received very well by the farmers in attendance, and so I thought that my colleagues here in the House would be interested to hear what a farmer has to say about this Nation's policy toward agriculture.

Remarks at Farm Fest

As most of you probably know, I was a farmer before being elected. My family and I still live on a farm. Farming for me is both enjoyable and rewarding. And it has been good to me. But farming as a way of life for millions of American families seems to be on its way out. The reason for that is, surprisingly, not our vulnerability to natural processes and disasters; in fact, farming is perhaps one of the most productive enterprises that exists today.

What threatens the individual farmer is a man-made problem; it is a loss of control over how he does business to big Government and powerful interest groups. It seems strange, but control of agriculture in this nation is going more and more into the hands of people who have probably never spent a day farming in their whole life. What is even more unbelievable is that farmers are losing control largely because they are so productive; that's right, because we are able, through hard work and technological advancement, to produce more than this society needs, our crops have become a tool of both foreign and domestic policy makers.

Examples are not hard to find. Just a few weeks ago, Henry Kissinger said that grain would be used to help fix the price of imported oil. And, of course, the role of George Meany, the longshoremen, and the President in telling farmers just when and to who they can sell grain is infamous.

There are many other examples, too. Investigation has shown that the major policy maker on the packer bonding issue was a lawyer in the Justice Department. Yet he admitted knowing nothing about agriculture. And Congress has passed legislation giving the EPA and OSHA a large say in how we, as farmers, must grow our crops, and how we, as farmers, must deal with our employees and our farm equipment. Then there is Secretary of the Treasury Simon who appears unwilling to impose counter-vailing duties on cheese imports, when other nations are using subsidies to the fullest. And it was only recently that the Senate, heavily influenced by liberal environmental groups, passed legislation barring the use of DES in cattle.

What is even more shocking is that now union leaders and other persons are demanding that food must remain cheap. That's right, they are asking that we, as farmers, grow lots of food and charge little for it. Even as the EPA bans the use of economical pesticides, even as OSHA tells us that we must buy more expensive equipment, even as the Senate says that DES can no longer be used in fattening cattle, even as packing houses go bankrupt before the cattle raiser has been paid off, we are supposed to provide cheap food. Even when we are subjected to risks far beyond what the average businessman is exposed to—the risk that we cannot sell our crops in a free market, the risk that we will have no way to kill pests that infest our crops, the risk that in any given year, zealous politicians and union leaders will decide that it is time for the farmer to bite the bullet for the rest of society, we are told that food must be cheap.

Friends, I'm not known for being a radical. But I want to submit to you a radical proposal. Why don't we tell our elected officials, and leaders of powerful unions and other interest groups, that it is time that the farmer had something to say about farming?

BELLA ABZUG: TODAY'S HAPPY WARRIOR

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. STARK. Mr. Speaker, I request unanimous consent to insert in the Record a first-rate column about one of our most distinguished colleagues. The column appeared in the East Hampton, Long Island, Star, on September 11, and describes Bella Abzug as well as anyone has—how she is always right on the issues, how she is always out front, how she mixes courage and conviction with practical political realism.

We are lucky to have Bella here in the House, but if she decides to move across the Hill, our loss will be the Senate's gain.

Mr. Speaker, the article follows:

Politics in Perspective

(By Richard Cummings)

At the recent, splendid bash for Bella Abzug at Jimmy and Dallas Ernst's home in East Hampton, Bob Aurthur pointed out that Bella Abzug is the best dancer in Congress. Aurthur claims to have done the jitterbug with Bella, and if they agreed to do it again in public, this would be a way to raise a great deal of money. It would be worth any price to see Bob and Bella jitter-bug, and if we could get Burton Lane on the piano, we could open on Broadway.

But Bella does not have to open on Broadway to get attention. She gets it by walking down the street, simply by virtue of the fact that she is the embodiment of what is best in American politics today. The gimmicks, the hat, and all the publicity that follows her everywhere, are reminiscent of FDR and his cape and cigarette holder, or Al Smith and his bowler.

Bella is today's Happy Warrior, a superb urban populist with a natural broad-based appeal, with only the fact of her womanhood holding her back in the minds of some.

THE RECORD

As Al Smith used to say, let's look at the record. It is very hard to find an important issue about which Bella Abzug has been wrong. Impeachment, the war, the economy. Bella Abzug has consistently been not only right, but usually right first.

Why is this? Why does this person, with a background in the law, not a subject that generally produces prophets, have this uncanny ability to ses things so clearly?

The answer might have been given easily by Thomas Paine. Bella Abzug has Common Sense. Not just as those words are used today, to mean a practical vision of reality, but in the context that Paine used them. Bella Abzug has the ability to perceive reality, and to articulate that reality, in a way that corresponds to the perception of large numbers of people who lack her strength to speak out about the way things really are. This is why conservative audiences around the State of New York, who have been prejudiced against her by denunciations from the right in both the Democratic and Republican parties, respond so favorably to her speeches.

"THE WAY THINGS ARE"

All you can do when you are listening to Bella Abzug speak is to say, "That's right. That's the way things are."

But even more than that, Bella then moves to the realm of possible action. She is a person with community experience. She knows how to get people organized to accomplish legitimate goals. She is one of the rare political experts in America who remembers that politics is a way of getting real things done for the people who need things done. Terry Sanford wrote a book called "What About The People?", and that is the question Bella Abzug is always asking.

Her positions on issues are based on a solid foundation of reality. It is wrong to put a political label on her because she does not have ideological concerns. She is in the great tradition of Smith and Roosevelt in having one assumption; that the purpose of government is to help the people. Bella is searching for new ways to deliver services that are desperately needed in America, services that other nations have been providing to their people for years.

HOPELESSNESS

Bella's biggest problem is not that she is a woman, however. It is that there is a prevailing sense of hopelessness, that you can't do anything any more. The political movements have died out; new opportunities, the Nixons of tomorrow, take advantage constantly.

* * * * *

The Democratic Party, each day, appears to be increasingly without purpose and often against constructive change.

But the best minds of our time, the most talented people, retreat into safe corners, hoping to save themselves and to remain in some way, uncontaminated by the plague of hypocrisy that is sweeping the nation.

I would submit that Bella Abzug's great mission at this time, in her campaigns and in her work, is as a catalyst against despair. If she became a United States Senator, you know that the stuffy upper chamber would never be the same. But whatever she does, she can use her power in the State of New York for vitally important ends.

The more support she has, the less power the backward reactionaries in the Democratic Party will have. Backing Bella is a vital way of resuming the constant fumigation that the Democratic Party needs.

SENSE

This is because Bella makes sense on the issues. Unlike some of her younger colleagues in Washington, who have a propensity to cave in under pressure, Bella Abzug knows that it is her responsibility to take strong positions, which she considers, after considerable deliberation, to be correct and worth fighting for.

She is a practical politician and knows the ins and outs of power, and she can deal and bargain with the best of them, but she does not sell out her positions on the issues. Herein lies her greatest strength.

Even locally, people who have supported the Democratic Party must be aware that a lack of purpose, of strong positions on issues that concern the people, is destroying the credibility of that organization. To get back a sense of purpose, the local Democrats must now move to a larger arena; to start speaking out against the kind of leadership that has prevented the party from fulfilling its proper mission.

And while that undertaking is launched, the Democrats must begin to define the proper objectives of a political party that claims to be the party of the people and not the special interests.

In doing this in New York State, they are fortunate to have such an exemplary model in Bella Abzug. In rallying to her support, they rally to their own.

FOOD STAMPS PROGRAM

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. YOUNG of Georgia. Mr. Speaker, during the past few months the media-have been full of attacks on the food stamp program. Treasury Secretary Simon and Vice President Rockefeller have been at the forefront of the campaign. This sudden and unjustified assault seems to reflect a new administration position on food stamps which, if allowed to become policy, would result in a severe curtailment of the only program that has as its purpose to make available a nutritionally adequate diet for all Americans.

As we approach another year of national electoral politics, it is my sincere hope that the food stamp program will not become the target of conservative rhetoricians that busing for school desegregation was in 1972. It is my sincere hope that the specter of hunger in America will not be ignored nor manipulated by persons willing to misrepresent facts in order to achieve their political goals.

The following articles appeared in the CNI Weekly Report, a newsletter published by the Community Nutrition Institute of Washington, D.C. The Community Nutrition Institute has assumed responsibility for presenting accurate facts about the food stamp program. CNI answers questions asked about food stamps such as, who is really getting food stamps; what factors lie behind the growth of the food stamp program in recent years; and what percent of the persons participating are ineligible. To answer these questions, CNI uses the U.S. Department of Agriculture's own figures.

I commend CNI for its fine work in clearing away a number of myths about food stamps and accurately presenting the facts concerning a program vital to one of our most important national goals: The end of hunger in America.

The articles follow:

Lies and Distortions Mark Food Stamp Attack

In recent weeks there has been a tremendous amount of misinformation about the food stamp program disseminated by Ford Administration spokesmen and supporters of the Buckley-Michel bill, a legislative proposal that would cut at least 10 million Americans out of the food stamp program and would ravage the working poor (see CNI Vol. V:32).

The current campaign against food stamps is based on several erroneous beliefs:

That families of four earning up to $16,000 a year are eligible for food stamps;

That the food stamp program is wildly out of control.

That the food stamp program is filled with cheaters and chiselers.

The campaign against food stamps reached a zenith several weeks ago when Treasury Secretary William Simon charged that the food stamp program has grown 47,000 percent since 1962, has gone out of control, and provides a "well-known haven for chiselers and rip-off artists." Simon also cited an advertisement showing that families earning $16,000 a year qualified for food stamps.

Last Sunday on NBC's "Meet the Press", Simon broadened his attack by claiming that "food stamp eligibility rules are so loose and so lax that virtually anyone can get food stamps."

All Simon's allegations are serious deceptions or outright falsehoods, however. The national advertisement (which appeared in *Parade* Magazine on May 18) forms the basis for the claim that families earning $16,000 a year are receiving food stamps. The facts, according to USDA statistics, are that virtually no one earning $16,000 a year (or even $12,000 a year) is receiving food stamps. Indeed, USDA considers this ad so misleading that it has referred it to the Federal Trade Commission (FTC) for investigation and possible legal action as misleading advertising. Even so, Simon cited the ad as unvarnished truth.

The USDA statistics show that the food stamp program is overwhelmingly a program for low-income families. A major USDA report on the program presented to Congress in June found that only 13 percent of all food stamp participants are in households with incomes of over $6,000 a year. In addition, the USDA report shows that the great bulk of those with incomes above $6,000 a year are households of five or more persons.

The USDA report also shows that 92 percent of all participants are in households with incomes under $7,000 a year; 95 percent in households with incomes under $8,000 a year; 97 percent in households with incomes under $9,000 a year; and, for statistical purposes, 100 percent are in households with incomes under $10,000 a year. In addition, some 45 percent—or nearly half-live in households with incomes under $3,000 a year.

What makes these figures especially striking is the fact, documented by USDA's "participant profiles," that 49 percent of all food stamp participants live in households of five or more persons. Thus, even though large households make up half the food stamp caseload, there still are very few food stamp households with incomes over $6,000 a year, and virtually none with incomes over $10,000 a year.

This data comes from USDA's National Survey of Food Stamp Participants. Census Bureau data show similar results. The Census Bureau's "Current Population Survey" found that 90 percent of food stamp participants are in households with gross incomes under $6,000 a year.

CENSUS STATISTICS

Another way to look at this picture is to see what percentage of Americans in each income bracket actually participate in the food stamp program. Here again, the USDA report demonstrates that food stamps are overwhelmingly used by low-income families. The report shows that 72 percent of those households with incomes below $2,000 a year receive food stamps, and 51 percent of those with incomes under $4,000 a year get stamps. However, only 7 percent of the households in the $5,000 to $10,000 range get food stamps. The percentage of families above $10,000 who get food stamps is, for statistical purposes, zero.

Finally, it is useful to examine the income of four-person families that receive food stamps. The USDA report shows that 93.5 percent of all four-person households getting stamps have incomes under $6,000 a year. Some 97 percent have incomes under $7,200 a year. The income of the average four-person family on food stamps is $3,456 a year.

Moreover, while 58 percent of all four-person households with incomes under $3,000 a year participate in the food stamp program, only 1.6 percent of all four-person households with incomes in the $6,000 to $10,000 range participate in the program.

These statistics clearly show why the USDA report concluded: "Participants tend to be the poorest of the poor," and "highest rates of participation are shown by the extremely needy." Of course, one reason why this is the case is the food stamp benefit structure. The higher a household's net income, the more the household has to pay for its stamps and the smaller the benefit it receives. Households of four that just manage to qualify for food stamps have to pay out $138 in cash each month to get back $162 in stamps. As the USDA report notes, "At the top of eligibility, the program is designed to be only marginally attractive. For this reason, participation is relatively high at the lowest income levels and low at the highest levels."

Simon also charged that the food stamp program is "out of control," citing as evidence the "fact" that the program has grown 47,000 percent since 1962.

This statement, although not strictly untruthful, is extremely deceptive and misleading. It fails to explain that the food stamp program operated in only eight counties in 1962, while today it is a nationwide program operating in over 3,000 counties. The statement also fails to explain that in the 1960s the principal federal food assistance program in the U.S. was the "surplus commodity distribution program," not food stamps. In 1962 commodity distribution served nearly 7.5 million Americans. Since the 1960s, Congress has terminated the commodity program and switched millions of commodity recipients to food stamps. Those who claim the program has grown explosively since the 1960s fail to explain that 7.5 million of the people counted as part of this "growth" were simply transferred from one federal food program to another.

An accurate picture of the growth of food programs in this country tells a different story from what the critics are claiming. USDA records show that the commodity program served 12.7 million Americans in 1939 during an earlier period of high unemployment. In the early 1960s, the food stamp program was established on a pilot basis alongside the far larger commodity program, which then served over seven million persons. By the end of 1962, the food stamp program operated in eight counties, and the commodity program in 1,741 counties. About 1,300 counties had no food relief program whatsoever for their low-income populations.

EXPERIMENTAL STATUS

In 1964 Congress passed the Food Stamp Act, and the program left its experimental status behind. Still, by 1965 the program ran in only 110 counties. The commodity program then operated in 1,864 counties. Over 1,100 counties still had no food program. Between 1965 and 1971, nearly all of these 1,100 counties started a food program. As a result, by December 1971 there were 14.9 million Americans participating in the food stamp program or the commodity program. Over 1,000 counties still had commodities rather than food stamps at this point.

Once the programs had extended to virtually all counties, program growth came largely to a halt. From December 1971 to August 1974, the size of the programs remained close to 15 million. In August 1974, some 14.9 million persons participated in the programs, the same number as in December 1971. This lack of growth is particularly striking, because during this period food prices rose by enormous margins (22 percent in 1973 alone), making more Americans eligible for stamps and increasing the average food stamp benefit.

In addition, in many states (particularly in the South) new federal income eligibility limits for food stamps replaced old state income limits that had been substantially lower. In spite of these higher income limits, little growth occurred in the programs.

Then, a year ago, the recession hit with full force. Unemployment rose from 5.4 percent last August to 9.2 percent this spring. During this period, the food programs grew substantially—for the first time in nearly three years—from 15 million to 19.5 million persons in April. As unemployment grew by more than 70 percent, the food programs grew by about 30 percent. Then, as unemployment began to abate, food stamp rolls began to decline. In July, only 19.1 million persons received food stamps, the lowest number since February.

Thus, the growth in the food stamp program since the early 1960s appears due almost entirely to three factors:

The entry of many counties into a food program for the first time;

The transfer of nearly 2,000 counties from the commodity program to the food stamp program;

The sharp rise in unemployment since mid-1974.

Additional USDA data provides further evidence that the food stamp program is not "out of control". The USDA report to Congress observes that under the "most likely" economic conditions, the number of persons eligible for food stamps in fiscal year 1980 will be 20 percent *lower* than the number of persons eligible today, because of expected improvements in the economy. The USDA report also projects that the food stamp program will cost less in fiscal 1980 than the $5.8 billion it is expected to cost in fiscal 1976.

REASONABLE NUMBERS

In addition, the number of persons nationwide who currently receive food stamps is not inordinately large, despite the critics' charges. Today, 17.7 million Americans receive food stamps (with an additional 1.4 persons participating in the program in Puerto Rico, Guam, and the Virgin Islands). According to the Census Bureau, the number of U.S. residents who lived below the poverty line in 1974 was 24.3 million, with this number likely to be higher today due to increases in unemployment since 1974.

Moreover, the number of food stamp recipients nationwide is significantly less than the number of persons receiving welfare or unemployment insurance. Some 10.8 million Americans receive Aid to Families with Dependent Children (AFDC), even though this program is limited to fatherless families with children. An additional 500,000 persons receive assistance through a companion program run in 25 states for families with children in which the father is present but is incapacitated or unemployed.

Some 4.2 million aged, blind and disabled poor receive Supplemental Security Income (SSI), and the HEW Department estimates that more than seven million persons are needy enough to qualify for this program.

Finally, some 7.8 million Americans are now unemployed, according to the Department of Labor, and over 6 million are drawing unemployment insurance benefits. Many of these unemployed workers have families to support, so the number of persons affected by unemployment is probably well in excess of 10 million.

The fact is that large numbers of Americans remain poor. Given the present state of the economy, it is not unreasonable for 17.7 million Americans (and 1.4 million persons in American territories) to be using food stamps. The large majority of food stamp recipients are AFDC beneficiaries (who constitute about 45 percent of the food stamp caseload), SSI recipients, or families whose main wage-earner is unemployed.

Secretary Simon's final claim was that the food stamp program is a well-known haven for chiselers and rip-off artists. This statement is a falsehood. USDA reported to the Senate Agriculture Committee in May that the percentage of households fraudulently receiving food stamps is only 0.08 percent.

"ERROR RATE" ANALYZED

There is an "error rate" that is much higher, but much of the error rate is due to procedural errors by food stamp caseworkers. For example, USDA is planning to release shortly the latest "error rate" tabulations, which will show that about 17 percent of the non-welfare participants in the program are ineligible. However, about half of those who are supposedly "ineligible" received this designation only because a work registration card for them could not be found in the proper file. In every other respect, these people were found to be fully eligible.

Several additional percentage points of this 17 percent figure are due to persons termed "ineligible" because of a technicality such as no signature at the bottom of an application or a caseworker's worksheet.

As a result, the percentage found to be ineligible for substantive reasons is about 5 to 8 percent, not 17 percent. And since this applies only to nonwelfare households (because welfare households are automatically eligible for food stamps), it means that only 2.5 to 4 percent of the total food stamp caseload is involved.

In addition, USDA says that about 7 percent of those who are denied food stamps are improperly denied and thus actually eligible. This figure is about the same as the percentage of non-welfare recipients who are getting stamps but are ineligible for substantive reasons.

Charges are also being made that the food stamp program is filled with middle-income students. However, virtually every politician and magazine making this charge has failed to explain that Congress recently passed an amendment to deal with this issue. The amendment makes any student ineligible for food stamps if the student is claimed as a tax dependent by a household that is not itself eligible for stamps. The amendment takes full effect this month when colleges reopen for the new school year.

In addition, USDA's National Survey of Food Stamp Participants shows that even before this new amendment passed, only a tiny percentage of the food stamp caseload consisted of students living away from their families. The survey found that in 99 percent of the food stamp households, all members of the household are related. The remaining one percent with unrelated members includes low-income persons (such as the elderly) who are sharing living quarters, as well as students or members of communes. Thus, only a fraction of one percent of the food stamp caseload consists of groups of students or of communes.

Some students do receive food stamps as one-person households, but the number of such students is small. The USDA survey found that less than 0.1 percent of the food stamp caseload consists of persons under 22 who live in one-person households. The number of persons aged 22 to 44 who receive food stamps as one-person households is only 0.6 percent of the caseload, and many of these persons (especially in the 30 to 40 age bracket) are not students.

Thus, the percentage of students in the food stamp program (other than students who live with their families in cases where the entire family is genuinely poor) appears to be only one percent or less of those receiving stamps.

A final point concerns the powerful effect that the food stamp program plays in stimulating the national economy. When USDA's Economic Research Service (ERS) conducted a study of the effect of food stamps on the economy of Texas in 1972, it found that the $63.9 million in food stamp benefits distributed in the state that year had generated $232 million in new business and 5,031 new jobs for the Texas economy. Applying the same "multiplier effect" to the U.S. as a whole, one can estimate that the food stamp program is responsible for generating $19.6 billion in new business and 425,000 jobs each year.

The Texas study also showed that the new business generated by food stamps in that state created $4 million in new federal tax revenues and $12.5 million in new state tax revenues. This $16.5 million in new tax revenue represented six times the amount of money spent to administer the program in Texas in 1972. The ERS report concluded:

"Increased business induced by the Food Stamp Program is spread far and wide beyond the food and agriculture business. As a result, nonparticipating households (the balance of the economy) come close to benefitting about as much from the Program indirectly as program participants benefit directly."

The ERS study thus indicates that the food stamp program plays a major anti-recessionary role in stimulating the economy and preventing the unemployment rate from rising to even higher levels.

In other words, critics to the contrary, food stamps are good business as well as good government.

USDA REPORTS ON FOOD STAMP ERRORS

USDA released its long-awaited report on food stamp "error rates" last week and announced that 91.2 percent of all non-welfare households receiving food stamps satisfy the program's basic eligibility requirements

The Department said that 8.8 percent of the nonwelfare households failed to meet eligibility criteria, while another 8.5 percent were technically ineligible because of a procedural infraction such as the lack of a work registration card on file or lack of a signature on an application. These 8.5 percent did meet all basic eligibility requirements, however, USDA reported.

These figures apply only to non-welfare households, which constituted slightly less than half of all households getting food stamps in the last six months of 1974 when the error rate study was performed. Since welfare households are automatically eligible for stamps, the USDA report shows that only 4.3 percent of the entire food stamp caseload (when both welfare and non-welfare households are counted) were found to fail the program's eligibility tests. Slightly over 4 percent of all food stamp benefits were erroneously issued to these households.

The USDA report also provides several pieces of evidence that together provide further refutation of the claim by Treausry Secretary William Simon that the food stamp program is a "well-known haven for chiselers and rip-off artists" (see CNI Vol. V:36). First, the report shows that over 45 percent of all errors are committed by caseworkers, not recipients. Thus, of the 4.3 percent ineligible rate, only about 2 to 3 percent were ineligible due to recipient-caused error rather than error by the food stamp office.

In addition, the USDA report observes that "errors caused by recipients are usually unintentional, arising from carelessness or lack of knowledge concerning the program."

If only 2 to 3 percent of all households in the program are ineligible households that are getting food stamps due to errors they themselves have committed, and if most recipient-caused errors are inadvertent, then apparently less than one percent of persons receiving food stamps represent ineligible households that are getting benefits through an intentional effort to cheat or deceive the food stamp program.

Further evidence of the unintentional nature of most errors is provided by a finding that nearly half of all errors do not even occur when a household is certified for stamps but happen at a later date when a household neglects to report a change in income, expenses or other household circumstances, or when a caseworker fails to redetermine eligibility in accordance with changes that a recipient does report.

Moreover, the USDA report shows that errors often do not operate in the recipient's favor. In 7.3 percent of all cases where a household was declared ineligible for stamps or had its food stamp benefits cut off, this negative action was found to be improper. The report shows that 9,000 non-welfare households have their benefits incorrectly denied or terminated each month.

In releasing the "error rate" report, USDA administrators fairly presented the facts about error rates and avoided any attempt to sensationalize the findings.

ABOUT POLLS ON GUN CONTROL

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. HÉBERT. Mr. Speaker, I am not one who puts a whole lot of stock in polls, but many of the more liberal news media do, particularly when it suits their own philosophy.

That is why it is interesting to note the way a particular poll on gun control was handled by the New York Times, the Washington Post, and others.

The editorial from the American Rifleman which I insert at this point in the RECORD shows what I mean:

BIG NEWS THAT ALL NEWS MEDIA MISSED OR SO MUCH (AND NO MORE) FOR POLLS

When the American public supposedly changes its mind on a major national issue, it would seem to be top-ranking news. When that change signals a defeat of an enormous news media campaign, it would seem that the defeated media might have the honesty to mention it.

But it remains for *The American Rifleman* to report here, apparently as an "exclusive," not one but two newsworthy developments which the daily newspapers subscribing to the Gallup Poll and innumerable other news media that parrot it seem to have totally overlooked. If one chooses to believe the unpublicized Gallup Poll findings, then:

1. The percentage of Americans favoring some form of gun controls sank to its lowest level last spring since the Gallup Poll in 1959.

2. Even more startling and newsworthy, where a majority of Americans supposedly favored outlawing private handguns in 1959, a clear and strong majority in 1975 opposed banning handguns.

Again, if one accepts public opinion surveys, anybody researching the published files on the subject could have learned what an *American Rifleman* researcher ascertained.

The supposed sentiment for gun controls as reflected by the Gallup Poll peaked at 78% around January, 1964, after President Kennedy's assassination. In seven of eight other polls taken from 1959 through 1974, it ran anywhere from 71% to 75%. And now, 67%.

On the specific issue of banning handguns, the change in sentiment as recorded by Gallup Polls appeared even more dramatic. When this question was first raised in 1959, Gallup reported that 59% agreed that all private handguns should be outlawed, 35% said "No," and 6% held no opinion. On the 1975 poll on the same question, only 41% favored the handgun ban and only 4% had no opinion. A thumping 55% registered "No."

Yet this significant information—that 55% of those polled objected to handgun prohibition—was buried in the fourth paragraph of an obviously slanted Gallup news release. Furthermore, nowhere did published versions of that release emphasize the strong support, 55 to 41%, that handgun ownership developed after more than a decade of virulent anti-gun propaganda.

"Firearms Control Has Wide Backing," the anti-gun New York Times headlined June 5, 1975, and under that: "Gallup Surveys Find 67% Favor Gun Registration."

"Poll Finds 67% Favor Gun Control," The Los Angeles Times blazoned the same day in large black type, though it did in fairness add in smaller type: "But Handgun Ban Opposed."

"67% Favor Registration of All Guns," the anti-gun Washington Post headlined happily.

Other newspapers which subscribe to the Gallup Poll include The Philadelphia (Pa.) Inquirer, Newark (N.J.) Star-Ledger, Boston Globe, Chicago Sun-Times and Detroit Free-Press. All of those named happen to advocate restrictive gun controls. Nearly all of their headlines followed the pattern set by the poll's own news release. It read, unrestrainedly, "Public overwhelmingly favors registration of all firearms."

Far from hinting that the public support was at least a trifle less "overwhelming" than in the past, the news release began with an assertion that it was in line with previous polls on the subject although actually 11% below the highest.

Why did so many of the nation's so-called great newspapers squirm to a worm-low level in their handling or mangling of this news? Part of the answer may lie in a blind faith in good old George, for the news release bore the George Gallup byline and George has done no notable wrong since Thomas Dewey ran for President.

Further, under the subscription agreement or contract, subscribing newspapers cannot "substantially change" the text of the Gallup release though they may alter the headline. This presumably presents no problem on slanted firearms surveys, for most of the newspapers involved are anti-gun anyhow.

The big loser under this remarkable arrangement is the American public. The news media involved have already lost so much credibility that losing a little more can hardly hurt them.

RIVER OF NO RETURN

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. HANSEN. Mr. Speaker, Idaho is a big State with a lot to share with her visitors. One of these attractions, however, is reserved for the most bold of outdoorsmen—white-water rafting on the untamed River of No Return.

Shooting the rapids and rocks of this river is one of the most complete adventures a person can have. I would like to submit for the RECORD an article from Frontier magazine that covers all the highlights of a trip on the stretch of the Salmon River known as the River of No Return:

RIVER OF NO RETURN

(By Bob Halverson)

Most days you'll find Captain Woodrow Hassinger piloting Twin Otters for Frontier Airlines out of Great Falls, Montana. But when he's not flying, he's likely piloting white-water river rafts down the River of No Return.

Woody Hassinger is a genuine airplane flyin', mountain climbin', river raftin' throwback to days gone by in the Rocky Mountain wilderness. Following a stint in Vietnam, 550 parachute jumps around the world and proposing to his wife, Linda, on the slopes at Park City, Utah, Woody settled back in the cockpit of the Twin Otter aircraft for Frontier. But he spent his spare time running wild rivers in green river rafts. Woody became fast friends with another unique river character—a tall Texas trampoline expert-turned river runner named Jack Tillinghast.

Jack had been running wild rivers for 15 years and had acquired over 8,000 miles of rafting experience. The two river buddies decided to form their own little outfit and with Frontier Airlines' permission, called it Frontier Expeditions. They began running the 70-mile stretch of the Salmon River known as the River of No Return in May of 1974. That first summer over 200 adventurers joined with Frontier in what many call the thrill of a lifetime.

Frontier Expeditions runs a five-day river trip from June through August beginning near Corn Creek, Idaho and taking out at Riggins, Idaho after lunch on the fifth day. It is a safe and comfortable, and thoroughly exciting, river experience.

The other Frontier boatmen are cut from the same timber as their employers. Phil Huebner, formerly an Otter pilot with Woody, and now a 737 pilot for Frontier, spends his vacations piloting a raft for Frontier Expeditions. Phil became an easily recognizable figure on the river with his full beard and cowboy hat. Since starting to fly the 737 Phil's beard is gone, but his deep love of river rafting remains. He is the expert soapmaker of the crew and tells a great story about the time he helped recover a sunken ship off the coast of Mexico.

The boatmen are all rugged individuals hand-picked by Woody and Jack. Tom Harrison came to Frontier by way of the University of Utah with a biology degree. He's an easy goin' part-time mountain climber, part-time skier, part-time construction worker and full-time lover of whitewater river drafting. He's acquired over 4,000 miles on wild rivers and is an expert chef using old black magic and dutch ovens.

Jack's normal life centers around a career teaching physical education at West Texas State University. His immense number of hours on the river earns him the right to pilot the first boat down the river—he calls his raft "Portia II" after his wife Portia. He's an expert trampolinist and has been known to do a perfect back flip off a moving river raft.

The River of No Return presents river rafters with majestic scenery, total isolation and the challenge of running a truly beautiful river. Thirty sets of rushing rapids will greet the boats as they carve their way downriver.

An indication of what lies ahead is given by both Woody and Jack on the bank of the river the first day out. Members of the group are lectured on ecology, safety, health and are reminded that the words "please and thank you" are the most important used on the trip. Each member and boatmen don life-jackets prior to embarking on their adventure—at no time will any rafter ever be on the water without a jacket.

They are also issued a red plastic cup used for soup, water, wine and Tom's fantastic desserts. Anyone losing the red cup is issued a green replacement and if that one is lost, that's all! After sampling one fantastic meal, no one ever loses his cup.

All of Frontier's trips have been without accident; the boatmen ensure safety through careful concern over their little groups. Ages of rafters have varied from a nine-year-old boy to Woody's 74-year-old father.

They come from all over America to ride with Woody and Jack, and all walks of life have been represented on Frontier trips. Total strangers before departing, they fast become a tight little unit with an absorbing feeling of comradeship surfacing early in the trip. Left behind are newspapers, television, cars, watches, pollution and the normal cares of the outside world. It takes only moments on the river to realize that you've entered a truly primitive world.

First day out, the boats glide peacefully though rather placid pools of crystal-clear water. As if by design, the first contact with the water is smooth as the river welcomes strangers before throwing them into the waiting rapids. Evening brings the rafters face-to-face with their first real meal concocted by the boatman—and what a treat it is. Hungry trippers dig into friend chicken, corn on the cob and a wild concoction they call cowboy soup which defies description. The Frontier crew has earned a reputation for providing the best food on the river, and the boatmen make every effort to ensure that reputation.

After a cheery sing-a-long around the proverbial campfire, bedrolls are laid out for the first night's sleep on the bank of the river. Campfire stories unfold under star-filled skies as the boatmen regale the group with river lore. They pass on age-old stories about the Indians naming the River of No Return because they felt there was no way back up river once they canoed down. Another version is that they so named it because once downriver, the countryside was so beautiful no one would ever want to return. They also tell the one about Lewis and Clark spending only a half-day on the river before declaring it was totally unnavigable.

After the bedrolls air out, the weary travellers climb in for the night. No air matresses or tents are provided, and each tripper is allowed only 20 pounds of gear. They pack lean and carry only necessities in the waterproof bags.

Sleep comes easy under the star-filled skies. The total silence of the river is deafening—the quiet blocks out all thoughts except dreams of rugged Salmon Falls waiting just around the next bend of the river.

Following a great bacon and cheese omlet, the rafters prepare for their first encounter with real whitewater as they plunge into Salmon Falls. Salmon presents a real challenge to the boatmen's skills, for it drops 10 vertical feet, crashing and thundering over boulders and river rocks, creating hazardous holes and currents. The boatmen search out the safest route through the falls, and all the rafters breathe a bit easier after conquering the first of many rapids to come. After Salmon they come fast and furious: Bargeman Rapids, Split Rock, Big Mallard.

One of the highlights of the trip is the hot bath. That's right, a hot bath! It seems long ago some big, old cowboy carried this bathtub halfway up the side of a mountain near Barth Hot Springs and set it under where the hot springs pour out of the mountain. It's an absolute treat to climb up and jump into this refreshing hot bath while looking down on one of the most beautiful rivers in the world.

The group gains confidence and courage as they blast through more rugged rapids over the third and fourth days. They eagerly look forward to more whitewater while the majestic countryside brings ooohs and aaahs at every bend in the mighty river. Mountain goats graze peacefully on the mountainside unaware of rafts gliding by below. Eagles soar overhead hardly wondering who these intruders from another world really are.

Near the end of the trip, a true feeling of accomplishment fills the group. They begin to regret that it's almost over. They will go back to families, jobs, cities, and the normal work-a-day world with its many hassles and problems. They all will have returned from the River of No Return—but they will return a different person. Somehow, this great river lady touches the soul of every one who treats her with respect and dignity. She gives each rafter an indelible mark which they carry out to civilization.

WEST GERMANY HEALTH INSURANCE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. CRANE. Mr. Speaker, the concept of national health insurance has been debated for nearly 30 years. Recently, this debate has accelerated.

Considering the magnitude and complexity of a nationalized health care industry, I am particularly pleased that the Health Subcommittee of the House Committee on Ways and Means took time to permit physicians from the British, Swedish, and Canadian national health services to testify on the European health systems that many would have our country adopt.

One nation that was not represented at those hearings was West Germany, which possesses a massive but faltering health insurance system. A recent article in the New York Times discusses that system, where there are simply not enough funds available to pay for the "free" benefits promised by the government.

The example of the European socialized health systems is an example this Nation should not follow. I commend the New York Times discussion on the problems of the West German system to the attention of my colleagues:

[From the New York Times, July 20, 1975]

RAISING COSTS STRAIN WEST GERMANY HEALTH INSURANCE

(By Craig R. Whitney)

BONN, July 19.—Udo Halata drove his pregnant wife, Erika, to the Bonn University Hospital the morning of July 8 for her last prenatal checkup.

Since the baby was a week overdue, Dr. Karlfried Schander kept her in the women's clinic and induced labor on July 10. She and her son, Achim, remained eight days.

The Halatas did not worry about money. They, like nearly everyone else in West Germany, will not have a single unavoidable medical bill that is not covered by their medical insurance.

And that is beginning to cause a monumental headache here. Health care is a patchwork of private practice and public hospitals and insurance funds that looks as if it had been designed to please both the American Medical Association and Ralph Nader.

In the years of prosperity West German governments steadily broadened the scope of health insurance. Now the recession has ground on for a year and there is not enough money to finance the program. Officials are desperately asking what can be done to cut costs, but so far no one has suggested cutting benefits.

BEGAN UNDER BISMARCK

Comprehensive medical insurance began for factory workers in Germany under Bismarck, who introduced the first health-care plan in 1883 to ward off his enemies, the Social Democrats. Ninety-two years later they are in power.

Recently there was a joke that by 1985 the average worker would be so healthy that he would starve to death because it would take all his pay just to keep up on medical-insurance premiums.

Jokes aside, there is serious apprehension that the postwar experiment in enlightened social reform may be dangerously close to financial failure. Health insurance alone cost as much as 12 per cent of pay, though this is split between worker and employer. Only seven years ago the maximum was 8 per cent.

The highest anyone has to pay to the statutory health insurance plan is a bit more than $100 a month; most of the 92 per cent of the West German population who are covered pay less.

The Halatas pay $40 a month; because the head of the family is a fireman, the Bad Godesberg City Employes Association pays for extra insurance. Mrs. Halata is occupying a semiprivate room that costs $110 a day for her and her baby. All medical costs are extra, which means a big burden on the insurance funds.

"I had my first baby in a ward," Mrs. Halata said, "but it is really hard to take. The toilets are always clogged and there is no privacy. Besides, nowadays, it is mostly Turks and Greeks down there, and some of them move their whole families in." (Foreign workers are also covered.)

ROOM RATE UP SHARPLY

Medical costs are rising all over Europe, but nowhere as fast as in West Germany. Some of the reasons are these:

The average hospital stay is 17.1 days, twice that in the United States. The Health Ministry estimates that taking just one day off the average would save $400-million a year.

Hospital cost have risen from less than $1-billion a year in 1960 to more than $6.3-billion last year. Nurses, assistants, and custodial staff work shorter hours and are better paid.

Statutory health insurance is fragmented into 1,600 nonprofit funds, scattered around almost every major city occupation and large company. This means costly inefficiency in management and puts the insurance groups at a disadvantage in negotiating with the hospitals and private doctors associations.

The Bonn clinic, for example, recently got the state government to decree a rise in its basic daily room rate—four beds to a room—from $45 to $75. Heinz Stollenwerk, an official of one of the Bonn health funds, said: "We have taken it to court and are trying to get the rate revised. The problem is that the clinics need money badly, and neither they nor we can really determine what a fair room rate should be."

FAR FROM EGALITARIAN

A university hospital like the one in Bonn, covering most of a wooded hilltop with specialized clincis, laboratories, and research institutes, is also a teaching institution. But the state governments, running billions of dollars in the red in this recession year, have ordered drastic cuts at all the universities.

The health funds believe that the hospitals are finding an easy way out. "They are trying to get the money any way they can, and we are at a big disadvantage," Mr. Stollenwerk said.

Personnel costs are 70 per cent of a West German hospital's expenses. During the birth of a baby named Alexandra last week, a midwife—midwives are still common here, though they have almost disappeared in America—did most of the work and directing.

She cajoled, urged, consulted and manhandled during three hours of labor: "Now no tears! Breathe as we taught you—out with the baby. Out with it." She was impressing three students, as delivery-room nurse, two interns and the baby's father with her knowledge and skill. Dr. Schander arrived only for the crucial final half-hour.

After four hours one of the interns leaned against a wall and sighed: "Now you can see how we earn our pay. I cannot tell you what nonsense has been written about German medicine lately."

Under German law everyone who belongs to a health fund—unless one earns more than $1,000 a month or is self-employed he must—is entitled to the same care.

The system is far from egalitarian, however. Only patients who have the money or private supplementary insurance can have private rooms or, say, extra attention from the chief obstetrician. The "third class" fare entitles a patient only to go to the hospital and be treated, not to choose who gives the treatment or how often.

In many hospitals it takes a tip to the

nurse to get fussed over, which seems perfectly reasonable to the patients.

Many German doctors take only private patients, and most who do take standard patients let them wait and give appointments only to the wealthier ones. The average income of West Germany's 79,000 doctors is reported to be more than $66,000 a year.

For all that, even the ordinary health-system patient—and all the million Germans who are out of work and their families—are assured of comprehensive coverage without regard to the cost of an operation or the length of a hospital stay. Little Achim Halata will be covered until the day he dies, and as a pensioner, under current law, he will not even have to pay premiums.

"There are limits to what you can ask people to pay in taxes and social-security contributions," said Dr. Ernst Wanner, a Labor Ministry official. "Right now all payroll deductions come to about a third of the paycheck. When it reaches half then something will have to be done."

He added that the health funds had had difficulty putting a brake on costs because "doctors are much better organized here than the health funds are."

FRENCH COSTS UP 10 PERCENT

The West Geman system, still governed by a 1911 law called the Imperial Insurance Code, is parallel in many respects to the one in France, where medical costs rose by more than 10 percent last year.

In Britain, where a private bed in a London teaching hospital costs $80 a day, the expense of the cradle-to-grave National Health Service is expected to rise from $7.35-billion in 1973–74 to $10.32-billion this year. The British system is financed mainly by general tax funds: a worker who makes $150 a week pays only 60 cents in fees directly to the system.

Of the major industrial countries only the United States still has no national system of comprehensive health care. Leonard Woodcock, head of the United Auto Workers, estimates that the average U.A.W. member has to work a month a year to pay for health insurance, which covers 69 percent of the family's medical expenses. Many Americans have no health insurance.

As the Germans are discovering, when a system is good, it is expensive. The health funds took in and paid out $21-billion last year, $3-billion more than in 1973. In a country of 61 million people who go to the doctor an average of seven times a year, health insurance may be hard to control, but the feeling is strong here that it must be controlled.

ISRAEL AND WHO

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. WAXMAN. Mr. Speaker, the weeks preceding the opening of the current General Assembly of the United Nations were filled with reports that the Arab bloc and third world nations would seek Israel's expulsion from that world body. The careful orchestration of events leading to such a drastic and unconscionable action had proceeded smoothly over the past several months. In December 1974, Israel was censured and shunned from UNESCO for the alleged desecration of religious sites by architectural excavation. The UNESCO action was taken even though the officials it charged with investigating Israel's conduct reported that the allegations were groundless.

Encouraged by this earlier success, the Arabs used the World Health Organization meeting in Geneva last May as a stage for the passage of a one-sided resolution calling on Israel to immediately allow the Palestinians to return "to their homes." Forty-five Members of Congress cabled the WHO meeting and warned that any further action along these lines would lead to a dimunition of U.S. support for United Nations activities.

For years, Israel has been an active and generous member of both these U.N. agencies. The vicious attacks against Israel's participation in UNESCO and WHO reflect the trend begun by the Arab-third world bloc during last year's General Assembly to impose their political orientation on the rest of the world by virtue of their numerical superiority in complete disregard of the integrity of the minority.

Instead of becoming a forum for the resolution of differences—which can only come about through consultation, and not domination—the U.N. General Assembly has degenerated into a vehicle for the passage of unfair and arbitrary resolutions which violate the spirit and letter of its charter.

With the recent conclusion of the interim Sinai disengagement an agreement between Israel and Egypt, the momentum leading toward Israel's expulsion from the U.N. has been halted—but not forgotten.

In a recent speech in San Francisco, Faye L. Schenck, chairman of the Hadassah Medical Organization, delivered an address on Israel and the World Health Organization to Hadassah's national convention in San Francisco. Her address documents Israel's unceasing commitment to the very third world nations which are now seeking to exclude her from WHO.

I commend Faye Schenck's speech to my colleagues for the perspective on this crucial issue it provides:

MEDICAL SCIENCE FOR WORLD SURVIVAL

(Edited address by Faye L. Schenk, chairman, Hadassah Medical Organization)

In May of this year, the 28th World Health Assembly met in Geneva and passed a resolution by a vote of 63 to 5, with 25 abstentions, which in effect says "we record the deep alarm felt by the deterioration of the healtn and living conditions of the Palestine refugees, the displaced persons and the population of the occupied territories. . . . We call upon Israel to implement the relevant UN and World Health Assembly resolutions . . . calling for the immediate return of the Palestinian refugees and displaced persons to their homes. . . ."

Further, the resolution requests the Director-General of the WHO to cooperate with the PLO concerning assistance to be rendered to the Palestinian population.

My purpose tonight in citing the foregoing, which I am proud to say our own government opposed, is not to enter into a detailed delineation of the entire WHO story, which has many peripheral ramifications, but rather to point up a vicious trend which is taking shape in international bodies. The ugly UNESCO episode, in which Israel was condemned for insensitivity toward archeological sites despite an official report clearing Israel, is the classic prototype. Bodies dedicated, presumably, to humanitarian causes—as in the case of WHO, and to cultural causes as in the case of UNESCO—are becoming patently politicized.

It is a shabby irony, indeed, that Israel in its struggle for peaceful existence has been condemned by those very nations also struggling for freedom, to whom she has extended generous assistance in every area contributing to their growth potential.

Among these lavish proffers of aid is health assistance, in which the Hadassah Medical Organization in Israel has played a dominant role.

It behooves us, when small nations thinking mainly in terms of political expediency exchange friends for foes—responding to the blanishments or the threats of power-drunk nations. Let us set the record straight. Let it be known that the very nations that have turned against a people who have given out of moral decency, had been at an earlier date recipients of that people's kindness and largesse.

Before I turn to this citation of facts, let me make one statement relative to the unwarranted WHO resolution:

It is a fact that the health and living conditions of the refugees and population of the administered territories has not deteriorated. On the contrary it has noticeably improved, thanks to the continuous efforts of the Israeli health authorities. Standards of living and health indices in the West Bank, Gaza and Sinai are far higher than those of any Arab country. Infant mortality was 30.7 per 1,000 as against 100 per 1,000 in some neighboring countries. The expectation of life had risen faster and to higher levels than those of any other territory in the Middle East (69 for men—72 for women).

While WHO, the condemning body, gave assistance to the United Nations Relief and Works Agency (UNRWA) in the amount of $194,000, Israel in the same year spent $16.8 million on the health services of the West Bank, Gaza and Sinai.

As to involving the PLO in medical services—this is, indeed, the *coup d'grace* of the whole dismal affair. PLO is an organization dedicated to terrorism—killing both Jews and Arabs—which has no legal status in the administered territory and could not provide health services of any kind at any level.

But now to return to the main burden of my presentation to you tonight:

Between 1960–1975, 200 people from developing countries came to the Hadassah-Hebrew University Medical Center for training.

During this same period 43 physicians from Hadassah travelled numerous times to these same countries to make surveys, to consult, to operate, to advise, to follow up, and especially to help establish medical facilities.

Between 1961–1965, 69 medical students studied at the Hebrew University-Hadassah Medical School. Among those countries from which they came are Ethiopia, Nigeria, Uganda, Kenya, Liberia, Malawi—17 developing countries in all.

In 1963 the late Mrs. Margalith Kochen, principal of the Henrietta Szold-Hadassah School of Nursing, made a survey tour of various African countries to study their nursing needs. As a result, 33 students from Malawi, Nigeria, Liberia, Tanganyika, Swaziland, Zambia have attended our School of Nursing.

Master of Public Health courses have been given to 51 students in four 2-year courses in our Department of Public Health. Physicians, nurses, public health officers, dentists, sociologists, social workers, psychologists, etc. came from Africa as well as South Vietnam, Thailand, Phillipines, India, and South and Central American countries.

Professor Sidney Kark, Chief of Hadassah's Department of Public Health, served in 1964 as Visiting Professor at the University of

East Africa and Makere Uganda. Reconcile this, if you can, with General Amin's behavior to Israel and his remarks about the Jewish people.

Hadassah and the Hebrew University medical schools have given a variety of diploma and post-graduate courses in ophthalmology, orthopedics, operating room techniques, postgraduate courses for nurses, all part of the comprehensive training program to raise the level of qualified teachers and practitioners.

At a time when hour-long television programs by distinguished journalists such as Bill Moyers bemoan the paucity of medical assistance in the battle against River Blindness in Africa, let me tell you about Hadassah's record of service, which is perhaps the most significant contribution to international cooperation given by Hadassah:

During the years 1969–1971, Professor Isaac Michaelson, recently retired Chief of Hadassah's Department of Ophthalmology and a world leader in the fight against blindness, made 11 survey tours to various African countries. In some countries help was given on the spot. In others, the help was more general involving an integration of service, teaching and research. Specialized help was also given to Cyprus with regard to the prevention of blindness due to hereditary causes.

There was a mutual exchange of physicians between Hadassah's Eye Department and different African countries arranged through the Department of International Cooperation of the Ministry of Foreign Affairs. These countries were Ethiopia, Malawi, Nigeria and Cyprus. Eye Departments were opened in five African countries by our own physicians.

Professor Zauberman, present Chief of Hadassah's Department of Ophthalmology, spent two years in Liberia in the Government Hospital in Monrovia. From 1963–1970 over 20 Hadassah doctors served for from one to two years in eye departments of these recipient countries. Physicians from these countries trained in our eye department along with nurses and paramedics.

Only last year Professor Zauberman was invited by the Ministry of Health of Swaziland and Lesotho to visit their country with a view to opening eye departments as well as training local physicians in the field of ophthalmology. If Israeli doctors and nurses are no longer in Africa it is because they were asked to leave for political reasons. It is a pity, because we were getting excellent results from these programs which took years to establish.

Perhaps the recent vote in Uganda where the Organization of African State moderated its statement on Israel's membership in the General Assembly is in tacit recognition of the humanitarian contribution that Israel has made to the African people. I would like to think so.

The Director-General of the HMO, Dr. Kalman J. Mann, made two survey tours to Africa to study the needs of African countries in medicine and what assistance could be given by Hadassah to serve these needs. His first trip was in 1963 to Nyasaland, Bosutoland, Swaziland, Botsuanaland and N. Rhodesia. The second was in 1971 to Zaire and the Ivory Coast.

Professor Zauberman also toured countries of the Carribbean and South America (Haiti, Dominican Republic, Ecuador, Peru, Argentina, Brazil, Venezuela, Bolivia) with a view to setting up a cooperative exchange.

Our Department of Dermatology received two post-doctoral fellows from Thailand in 1962.

Our Department of Hematology formed ties with Burma when Professor G. Izak, Head of Hematology, went to Burma in 1961 where he remained for four months. While there he established a laboratory for the study of Nutritional Anemia and selected three people for study in his laboratory at Hadassah.

In 1965 a doctor from India came to Dr. Izak for a seven-month training period, and in 1971, one of our senior physicians was sent to Nairobi and Kenya to do research on Burkitt Lymphoma. Professor Izak spent several months during this year in Mexico for the purpose of establishing cooperation between the Medical Academy of Mexico and HMO's Department of Hematology. His plan is to send four of his physicians to Mexico and train two Mexican physicians in his own Department next year.

The list of credits is long and impressive, and I have only summarized our work. But it should be known that Hadassah helped willingly and productively to improve the human condition of people who then, it was hoped, would be able to help themselves, which according to the Maimonides Code, is the highest form of giving. Be it our psychiatrist who went to Liberia, our public health dentist who went to Nigeria, our blood bank specialist who opened blood bank services in Ethiopia, our Chief of Neurosurgery who taught neurosurgery to local surgeons in Ethiopia or our chief plastic surgeon who went to Nicosia, not only to operate on patients in the Burns Unit but to advise on leprosy and general plastic surgery, or our Chief of Anesthesiology to Liberia, Malawi and Singapore—to advise and teach modern methods in anesthesiology.

This tiny Israel, a fount of learning—a supply source of good and honorable men and women whose knowledge and skills belong to mankind—asks not for thanks but only for friendship—for the right to live and work and teach and heal and share in peace.

Will the fact that world politics—greased with oil—has turned them away dismay our people here or in Israel? The answer is a defiant no. The world was made for all mankind to enjoy and concomitantly to help.

CONGRESS CONSIDERING WHETHER TO WEAKEN STANDARDS SET IN THE CLEAN AIR ACT OF 1970

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. MAGUIRE. Mr. Speaker, Congress will soon be considering the question of whether to weaken standards set in the Clean Air Act of 1970 to control pollution created by automobile emissions. The principle question which will arise is whether the technology is available to meet these standards at reasonable cost. Recent studies on this question indicate that the statutory standards can and should be met. Unfortunately, the automobile industry has launched a national campaign attempting to convince the Nation that meeting the statutory standards would add "only marginal improvement to air quality," is technologically unfeasible, would result in a significant fuel penalty, and would substantially increase the cost of an automobile. On September 3, 1975 the four major automobile makers sponsored an advertisement in most daily newspapers entitled, "You'll be paying the bill, so let Congress know your choice," which contained a number of distortions, false information and misleading statements. In the interest of providing Congress with more objective information, I feel compelled to offer some facts about the matter.

The costs of pollution: While most of the debate over standards to control pollution has centered on the cost of meeting such standards, the cost of permitting pollution has largely been ignored. Pollution costs money, and a great deal according to reliable studies on the question. The Environmental Protection Agency issued a report in 1974 entitled "Economic Damages of Air Pollution" which estimated the costs of air pollution in 1970 at $12 billion. It should be emphasized that this estimate represents the costs of air pollution "for measured effects only," and does not include the cost of polluttion for such industries as tourism and others dependent upon clean air for their continuation. The EPA report stated that the cost information "on air pollution damages provides policymakers with some understanding of the seriousness of the air pollution problem, and with some knowledge of the potential benefits of abating air pollution emissions." The National Academy of Sciences—NAS—recently estimated the cost benefit of eliminating auto emissions at between $2.5 and $10 billion per year. This represents costs to the public in regard to medical bills, lost work hours, and damage to materials and plant life. This salient fact must be considered when opponents of the statutory requirements for automobile emission control allege that such requirements would result in an unbearable cost to the consumer.

The availability of technology: The automobile industry has long resisted the utilization of demonstrated and cost-effective technology for minimizing automobile pollution. Yet General Motors, in advertisements published in leading magazines, boasted of world leadership in fuel economy gains in their cars with catalysts. It is also noteworthy that a study performed by the Jet Propulsion Laboratory at California Institute of Technology for the Ford Motor Co., concluded that the technology is or will be available on a mass-production basis to attain goals for emission reduction and energy conservation for the automobile over the next 10 years. Such goals can be attained with improvement in the conventional engine and to the vehicle. The June 5, 1975 "Report of the National Academy of Sciences, Conference on Air Quality and Automobile Emission" concluded that 1978 emission standards for hydrocarbon—HC—and carbon monoxide—CO—"is both feasible and worthwhile." The NAS Report further concluded that nitrogen dioxide—NO_x—emission control is probably feasible with catalyst technology to achieve the 1978 emission standards. It is interesting to note that the NAS Report stated in regard to the NO_x emission standard: "There would be less uncertainty today if there had not been a slackening of effort in pursuing this goal."

The Costs of Automobile Pollution Control: The automobile manufacturers allege that meeting the 1978 statutory automobile emission standards would likely result in a fuel penalty of between 5 and 30 percent. It should be noted that by their own admission, this conclusion was based on "publicly stated company estimates." More objective estimates lead to a different conclusion on the matter. A 1975 EPA evaluation stated that, "There is no inherent relationship between exhaust emission standards and fuel economy. In fact, according to the June 5, 1975 NAS Report, attainment of statutory emission standards may result in better fuel economy. The report states,

> The improved technology required to meet emissions standards may assist in improving fuel economy. Current catalyst technology provides such an example: a technology that was introduced to meet an emissions requirement also allowed the improvement of fuel economy.

The automobile manufacturers allege that another probable cost of the emission standards would be "an increase by an estimated $150 to $400" for pollution control equipment. These figures once again are "according to company estimates." And once again, more reliable figures are available from more objective sources. The National Academy of Sciences found that compared to a conventional engine with a catalyst meeting the 1975 standards, the added cost to meet the statutory standards would be only $126 to $203. Furthermore, the developing three-way catalyst meeting statutory standards would add to initial cost, but would save $19 over the life of the car.

The Health Effects of Automobile Emissions: In the heat of the debate over cost-effectiveness and technological capability, it is too easy to lose sight over the very reason Congress is concerned with automobile emissions: the imperative need to protect the public health. As new scientific data is compiled, it becomes increasingly clear that the human body can tolerate very little pollution without adverse effects. The results of the Conference on Health Effects of Air Pollution conducted under the aegis of NAS found that, "it is impossible at this time to establish an ambient air concentration of any pollutant—other than zero—below which it is certain that no human beings will be adversely affected." Dr. John Finkles of EPA stated in testimony before the Health Subcommittee in 1973 that "our new information does show that even low levels of pollutant can adversely affect health." Members must ask what would be the health effects if the statutory standards are delayed until the mid-1980's. If the statutory standards are delayed, total carbon monoxide and hydrocarbon emissions would be about 50 percent higher than current levels. Similarly, nitrogen dioxide emissions would rise considerably. The total effect of these automobile pollutants is great. NAS has estimated that they cause as many as 4,000 deaths and 4,000,000 days of illness per year. The individuals most vulnerable to the health effects of these pollutants are older persons, those with respiratory or heart ailments, and comprising nearly 20 percent of the population.

Congress has the responsibility to reasonably protect the Nation's health, and it is clear that delaying pollution standards for automobile emissions would constitute an abrogation of that responsibility. On the other hand, an objective analysis of the evidence will show that it is both cost-effective and technologically feasible to maintain the statutory standards to minimize dangerous automobile emissions.

Supporting data, analyses, and argument action for the above are contained in two important documents which I ask be included at this point in the RECORD. A fact sheet "Future Emission Standards" prepared by the U.S. Environmental Protection Agency in September 1975, and a "Report of the Conference on Air Quality and Automobile Emissions" prepared for the National Research Council, the National Academy of Sciences and the National Academy of Engineering, dated June 5, 1975:

FACT-SHEET—FUTURE EMISSION STANDARDS

On September 3, 1975, most daily newspapers in the U.S. carried a full-page advertisement entitled "You'll be paying the bill, so let Congress know your choice." The ad was sponsored by the four major U.S. automakers, and discussed a revision of the Clean Air Act that is currently being considered by the Congress. The ad urged readers to write to their Senators and Representatives on this issue.

The U.S. Environmental Protection Agency has received many inquiries about this advertisement. To respond efficiently to these inquiries, this Fact Sheet has been prepared.

BACKGROUND

To fully evaluate this extremely complex and important issue some additional background is needed.

In 1970 the Congress amended the Clean Air Act. Among the changes in that law made at that time was a requirement that by the 1975 model year newly-produced automobiles meet very stringent emission standards for the three major automotive pollutants—unburned hydrocarbons (HC), carbon monoxide (CO), and oxides of nitrogen (NOx). The emission of these pollutants from the tailpipes of automobiles contributes significantly to polluted air in our cities where most Americans live. Polluted air is harmful to health, damages materials, and reduces visibility. Last year the National Academy of Sciences, in a report to the Congress, estimated that automotive air pollution each year causes 4,000 premature deaths, and 4,000,000 hospital days.

As a safety valve against the possibility that the auto industry might not be able to meet the schedule of emission reductions required by the 1970 amendments to the Clean Air Act the Congress authorized the Administrator of the EPA to grant a limited number of one-year extensions of the deadline for meeting the statutory emission standards. As a result of applications for such extensions by the auto industry three such extensions have been granted. Current law provides no further authority for extensions of the deadline. Thus, unless current law is changed, the statutory emission standards will go into effect with the 1978 model year.

Since the 1970 amendments were enacted there has been much additional study of these issues. These studies have confirmed the need for the stringent control of HC and CO that is called for by the law, but have raised some question about the need for extremely stringent control of NOx from automobiles. Over two years ago the EPA recommended to the Congress that the statutory NOx standard be substantially eased because the data on which that standard had been based had been found to be of questionable accuracy and because more study was needed to resolve these issues.

In addition, more recently it has become apparent that there is a possibility that the principal emission control technique so far used by the auto industry to control the emissions of HC and CO has the potential of causing other health hazards. The catalyst accelerates the conversion of the small amounts of sulfur dioxide that has always come from the tailpipes of cars to sulfur trioxide which, when mixed with water vapor in the exhaust, is emitted as sulfuric acid. Whether or not these extremely low levels of sulfuric acid emissions will ever turn out to be a real health hazard is yet to be determined; however, because of concern about this possibility the Administrator of the EPA early this year suggested a five-year program of less stringent emission control than is currently called for by the law. Such a delay would avoid increasing emissions of sulfuric acid while further studies are made of the significance of these emissions, and while control technology for such emissions is being developed. This suggestion was made in spite of the fact that the Administrator of the EPA had determined that technology for meeting the statutory HC and CO standards is available; if it had not been for the need for caution about the possibility of adverse health effects from sulfuric acid, the EPA Administrator would have denied the request of the automakers for yet another extension of the deadline for meeting the statutory HC and CO standards.

Subsequent to the EPA Administrator's decision on the extension and his suggestions for a five-year program, the President—on the basis of broader considerations than the EPA Administrator could under the law take into account in his decision—recommended to the Congress that a somewhat less stringent schedule for emission controls be required through the 1981 model year. The Congress is currently considering these and other alternative mission control schedules.

SPECIFIC COMMENT ON THE SEPTEMBER 3 ADVERTISEMENT

The advertisement tends—as is perhaps inevitable in such communications—to oversimplify the issues involved. In the following commentary there are first presented the relevant statements from the advertisement followed by EPA's comment on the point raised:

1. You'll be paying the bill . . .

Of course the car buyer will pay the bill for the cost of emission controls on the car that he buys, just as he pays the bill for the air conditioner, chrome trim, carpeting, and vinyl roof that may be installed on his new car. But in another sense each citizen is and will continue to be "paying the bill" for the damage to the public health that is caused by automotive air pollution—in terms of his own and his family's degraded health, in terms of tax dollars to help care for those who must receive medical treatment at public expense, or to help support those who because of degraded health cannot support themselves. The bill for emission control on a new car is low compared to the cost of the many luxury items on new cars that are sold as options, and represents a far better bargain for the Nation than do many of such items of optional equipment.

2. There will be continued improvement of air quality as new cars replace old cars.

Yes there will be, but at a lesser rate than the improvement that would be achieved at emission standards more stringent than the current standards. This will be particularly important in future years if the entire fleet of cars is controlled to today's emission standards instead of to more stringent levels.

3. Compared to pre-controlled cars, today's standards result in reductions of over 80% for hydrocarbon and carbon monoxide and about 40% for oxides of nitrogen.

The 80% reduction estimate for HC and CO is consistent with EPA's data, but the 50% reduction estimate for NOx is not. Today's reduction of NOx from precontrolled cars is only about 11%. The industry's 40% reduction estimate appears not to be based on NOx emissions from pre-controlled cars, but rather on the substantially higher level of NOx emitted from earlier models of cars that were controlled for HC and CO but were not required to be controlled for NOx. Prior to imposition of an NOx control requirement beginning with the 1973 model year the industry allowed NOx emissions to rise sharply from what they had been on uncontrolled cars.

4. With current standards automakers can improve industry-wide gas mileage between 1974 and 1980 by an average of at least 40%.

That is true, but a joint study made last year by the Department of Transportation and the EPA at the request of the Congress concluded that better than a 40% fuel economy improvement by 1980 could also be achieved at the statutory emission standards for HC and CO, and that only the NOx standard needs to be relaxed to achieve this goal.

5. Stricter standards would add only marginal improvement to air quality.

The improvement in air quality from stricter standards would be greater in future years than in the near term, simply because most of the auto air pollution today still comes from older, less-controlled or uncontrolled cars. In the long run the statutory emission standards for HC and CO, and possibly for NOx, continue to be needed, according not only to EPA estimates but also estimates from the National Academy of Sciences.

6. No auto manufacturer yet knows how to meet the 1978 standards on a mass production basis.

That is true only if *all* the 1978 standards are referred to, including the stringent 0.4 grams per mile 1978 statutory emission standard for NOx. The statutory emission standards for HC and CO can be met, although as noted above a deferral of these standards is in order to allow time for future study of, and if needed development of control technology for, the sulfuric acid emissions that can result from the use of catalytic HC and CO emission controls. The cost estimates in the advertisement are also for meeting all three emission standards. The costs of meeting only the statutory HC and CO standards at an NOx control level of 2.0 grams per mile would not be so high; instead of from $150 to $400, as stated in the ad, the increase in costs would range from $50 to $100.

CONCLUSIONS AND RECOMMENDATIONS

1. Emission standards for HC and CO (.41 and 3.4 gm/mi) for the 1978 and subsequent model year light-duty vehicles should be maintained at the current statutory levels. Attaining these levels by 1978 is both feasible and worthwhile. These levels can be achieved while steps are taken to insure against excessive emissions of sulfuric acid and acid sulfates (see Conclusion 4).

2. With respect to nitrogen oxide emission control:

(a) It is probably feasible with catalyst technology to achieve the statutory emission standard for NO_x (0.4 gm/mi) in 1978.

There would be less uncertainty today if there had not been a slackening of effort in pursuing this goal.

(b) The costs of achieving 0.4 gm/mi NO_x emissions, estimated by the Committee on Motor Vehicle Emissions in its November 1974 report, are summarized in the body of the present report (see p. 9).

(c) Adherence to the statutory NO_x standard (0.4 gm/mi in 1978) will discourage the development and use of technologies (e.g., direct-fuel-injected stratified-charge, diesel) that could be available for limited production in the early 1980s and which offer benefits such as better fuel economy. These technologies cannot be in mass production by 1978 and, with them, a high degree of NO_x control is inherently difficult. The statutory NO_x standard will necessitate the continued development and use of catalyst technologies which have the potential for meeting this goal by 1978.

The conference participants were not of one mind as to whether the marginal benefits of achieving in 1978 the statutory emission standard (0.4 gm/mi) for NO_x exceed the marginal costs. Some members felt that the known marginal benefits would accrue in only a few areas, so the nationwide standard could be relaxed somewhat. Others felt that, as more was learned about the health and other adverse effects of NO_x and its reaction products, the marginal benefits of attaining the statutory standards might well exceed the marginal costs; also, they believed, the actual costs might be less than estimated because of a smaller fuel economy penalty than was assumed in earlier calculations.

3. If the statutory emission standard for NO_x (0.4 gm/mi) is related, a two-tier strategy should be implemented. This would require vehicles that are registered and/or used in areas with more severe pollution problems to meet more stringent emission standards.

4. All of the above can, and should, be done in a manner that does not significantly increase ambient concentrations of sulfuric acid and acid sulfates. Accordingly, to insure that the choice of technology in meeting the HC, CO, and NO_x standards is consistent with this goal, a sulfuric acid light-duty motor vehicle emission standard for 1978 and subsequent model years should be established. The conference participants noted that relaxing the statutory HC, CO, and NO_x standards in itself is unlikely to result in reduction of sulfuric acid emissions below levels from 1975 model automobiles. Vehicle manufacturers may well choose to continue the use of present catalyst systems, even if the standards are relaxed, for reasons of fuel economy and their investment in catalyst technology.

5. There is no evidence to justify relaxing the existing ambient air quality standards for the regulated pollutants. A short term (one hour) ambient air quality standard for nitrogen dioxide and ambient air quality standards for sulfuric acid and acid sulfates, and perhaps other acid aerosols, should be developed. High priority should be given to a study of the atmospheric chemistry and health impacts of these species.

6. It is important to examine carefully the emissions and the health effects of other non-regulated pollutants from motor vehicles.

7. All of the above could, and should, be achieved while improving fuel economy. A significant improvement can be achieved by changes that are independent of the level of emissions.

8. There is a need to complete the development of emission standards and more effective controls for sources (both mobile and stationary) other than light-duty motor vehicles of HC, CO, NO_x and sulfuric acid. Of particular concern are exhaust emissions from heavy-duty vehicles and motorcycles, evaporative emissions from vehicles, and emissions from various stationary sources.

PROTESTS NOMINATION OF RICHARD L. DUNHAM AS A MEMBER AND CHAIRMAN OF THE FEDERAL POWER COMMISSION

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. MOTTL. Mr. Speaker, I would like to call the attention of this House to a letter I have written to the Honorable WARREN MAGNUSON, chairman of the Senate Commerce Committee, protesting the nomination of Richard L. Dunham as a member and Chairman of the Federal Power Commission.

President Ford has recommended Dunham, an aide to Vice President NELSON ROCKEFELLER, to succeed John Nassikas.

I have written Senator MAGNUSON, chairman of the Senate Commerce Committee which is reviewing the nomination, to voice my objection and to urge the Senate to reject the nomination.

The Federal Power Commission has been dominated by industry interests for some time. It is time a true watchdog for consumerism was placed in this important Commission to look after the best interests of the public.

I have been critical of the FPC and its repetitious efforts to deregulate natural gas prices.

I do not take issue with Dunham's integrity or motives. I feel that numerous others might be more consumer-oriented or more highly qualified to serve as FPC Chairman.

My letter to Chairman MAGNUSON reads as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 18, 1975.

Hon. WARREN MAGNUSON,
Chairman of Senate Commerce Committee,
Dirksen Building.

DEAR SENATOR MAGNUSON: I wish to emphatically protest President Ford's appointment of Richard L. Dunham to be a member and chairman of the Federal Power Commission.

This is a position of great importance to the American public. The Federal Power Commission, among other functions, regulates natural gas and electric prices throughout the United States.

It is essential to the American public that this commission be composed of men and women who are qualified to protect the consumer's interest. I submit that an unqualified chairman of the Federal Power Commission could cost the American public billions of dollars in excessive rates.

A study of Mr. Dunham's record discloses no indication of any particular dedication to the consumer, but rather to the interests of big business. Through most of his career, Mr. Dunham has been closely associated with Vice President Nelson Rockefeller. Mr. Rockefeller and his family have enormous interests in industries and companies which the Federal Power Commission is charged with regulating.

I do not intend to suggest that Mr. Dunham would necessarily be a tool of Mr. Rockefeller's financial interests. As an individual, Mr. Dunham is most likely a man of integrity. However, it seems to me that there are a large number of potential candidates for appointment to the Federal Power Commission who have far better technical qualifications for this position and who are more sympathetic to the public interest. The chairmanship of such an important commission should not be handed to a candidate whose only qualification is that he has been a faithful lackey of Mr. Rockefeller.

I think it is high time that Congress insist that presidential appointees to important policy-making positions be qualified in some way by past experience for the post, as well as having a demonstrated dedication to the public interest and the welfare of the consuming public.

I urge the Senate to reject the nomination of Mr. Dunham, and request that my opposition to his confirmation be included in your committee record.

Sincerely,

RONALD M. MOTTL,
Member of Congress.

DISNEYLAND NOW 20 YEARS OLD

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 23, 1975

Mr. ANDERSON of California. Mr. Speaker, it was 20 years ago that a now-famous amusement park first opened in Anaheim, Calif. Today, Disneyland is probably the most famous amusement park in the world. Almost 140 million guests have enjoyed Disneyland's fantastic variety of attractions since it opened in 1955.

Disneyland is not only a highly successful and imaginative business venture: it is also a monument to Walt Disney, the man who conceived of the original plan and made it a reality. Even though he passed away 9 years ago, his creation has continued to grow, adding new attractions for the enjoyment of its guests.

Disneyland is not just a "must" attraction for the many visitors who come to southern California. It is also a year round source of family enjoyment to those of us fortunate enough to live nearby.

At this time, I would like to introduce the following article from the Los Angeles Enterprise into the RECORD, as it gives an excellent summary of the history of "The Magic Kingdom."

140 MILLION GUESTS: DISNEYLAND CELEBRATES 20TH YEAR OF MAGIC

It may come as a surprise to some, but Disneyland is no longer a teenager. In fact the world famous "theme" park, one of Walt Disney's most ambitious creations, celebrated its 20th birthday last week.

As Disneyland completes a second decade of operation nearly 140 million guests have visited the Park since opening day in 1955. Total investment for the undertaking has grown from $17 million to more than $150 million.

Plans for the amusement park took shape in Disney's mind 20 years before actual construction began and involved land next to the Disney studios in Burbank.

During those early years, when the idea was still a dream, Disney spent most of his free time visiting various parks and "kiddie lands" with his wife and two daughters. He never let go of a desire to create a place of fantasy where grownups as well as children could enjoy themselves.

In 1954 the company finally settled on buying a site for Disneyland. It was 244 acres made up mostly of orange groves in the sleepy community of Anaheim. "I needed flat land that I could shape up," Disney said.

Building the Park presented demanding challenges for the Disney team. Entirely new concepts of construction had to be developed. Landscapers were called upon to create jungles and forests, as well as river banks and immaculate flower beds.

Carpenters and painters along with hundreds of craftsmen, from dozens of trades, toiled to complete a circa 1900 town featuring a City Hall, Opera House, Train Station, Town Square and many stores, shops and restaurants.

"Imagineers" at WED Enterprises, Disney's new design and engineering firm, went to work making elephants that could fly, tea cups you could sit in and spin, along with ships that also flew through the air in Peter Pan's Flight.

Wild animals had to be fashioned for an exciting Jungle Cruise adventure, a "modern" freeway of the future was laid out in Tomorrowland called the Autopia, while at the same time Indian villages, a fort and settler's cabin were sprouting up along the banks of the "Rivers of America."

As each obstacle was overcome Disneyland began to become a reality after more than 20 years of dreaming. Disney's flat orange groves were indeed shaping up.

Getting the Park ready for opening day was not easy and when some 30,000 invited guests entered for their first look things were not exactly just right. The hot dogs and soft drinks ran out, trash piled up faster than it could be picked up, and restrooms were at a premium.

However, Disney immediately went to work creating his own staff of special experts to handle the Park and during the first year of operation 3,800,000 visitors had flocked into Disneyland.

Disney has again accomplished the "impossible" in spite of the many who doubted he would be successful, and they were always there. Hollywood producers in the 1930's told Disney he was making his biggest mistake by trying to make a full-length cartoon feature—they were talking about "Snow White and the Seven Dwarfs."

Some businessmen and bankers in 1954 told Disney his idea for a $17 million amusement park would be his biggest mistake—as it turns out, the Park is one of his greatest accomplishments.

Disneyland's fantastic growth over the years is almost common knowledge throughout the world. The Park now boasts more than 50 major attractions and adventures, from an original 22.

One of the basic reasons Disneyland continues to grow and change, while remaining unique, is that Disney took literally what he said on opening day. "Disneyland will never be completed as long as there is imagination left in the world."

This well-worn quote was thought of then as a nice bit of sentiment. Today, nine years after Disney's death, it has proved to be one of the most positive motivations behind the Disney organization.

SENATE—*Wednesday, September 24, 1975*

(Legislative day of Thursday, September 11, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, to whom all hearts are open and from whom no secrets are hid, deliver us this day from all that would keep us from serving Thee and from serving our fellow man as we ought. Deliver us from coldness of heart, from weakness of will, from narrowness of mind, from weariness of spirit. Help us in the struggle of these contentious times "to put on the whole armor of God . . . to take the shield of faith, and the helmet of salvation and the sword of the Spirit which is the Word of God" that we may ever stand for truth and righteousness in the higher order of Thy kingdom.

We pray in the Redeemer's name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, September 23, 1975, be approved.

The President pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ENOUGH, MR. PRESIDENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a commentary by Mr. James Wieghart, appearing in the New York Daily News of the 24th of September, this year, entitled "What Can Good People Do to Protect the President?", and also an editorial in the Baltimore Sun, entitled "Enough, Mr. President," written, I believe, by the editorial page editor, our old friend, J. R. L. Sterne, be printed in the RECORD under the heading "Enough, Mr. President."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Daily News, Sept. 24, 1975]

WHAT CAN GOOD PEOPLE DO TO PROTECT THE PRESIDENT?

(By James Wieghart)

WASHINGTON, Sept. 23.—It should be abundantly clear by now, after three attempts on President Ford's life within the past 17 days, that keeping a President alive and well in these United States in 1975 is no easy task.

This is so even though Ford is undoubtedly right in his assessment that the overwhelming number of Americans are "good people" and the "wrong element . . . who want to destroy everything that's best about America" consist of only a "infinitesimal" percentage of the population.

So the real question boils down to this—what can the "Good people" do to protect the President from harm at the hands of this infinitesimally small percentage of nuts, cranks, haters, revolutionaries and others who fall into the category of would-be assassins? And how can this be done without doing violence to the Constitutional freedoms that are accorded to us all, the "good people" and the "wrong elements?"

A good place to start would be with Ford himself. Is it really necessary, with more than a year to go before the 1976 election, for him to carry on such a heavy political travel schedule?

In little over one year in office Ford has already traveled more than 80,000 miles across 39 states at home and 45,554 miles abroad, including two trips to Europe and one to Asia. In addition, Ford plans almost weekly trips to virtually every part of the country for the rest of this year and is also firming up plans for a two-week trip to Red China, Southeast Asia, Australia and New Zealand next month.

While nobody wants Ford to be "a hostage in the Oval Office," surely there is a safer middle ground between no travel and perpetual motion. And on those trips that Ford considers absolutely essential, it might be wise, at least until emotions calm a bit, for him to call a halt to his usual practice of wading into crowds to "press the flesh."

Secondly, it might not hurt the Secret Service to do some deep soul-searching to determine whether any of its protective procedures need modification in view of the two near-misses in California and the still unidentified man with the gun who stalked Ford in St. Louis on Sept. 12.

Without, questioning for one moment the dedication, courage and professionalism of the Secret Service, one can sensibly ask why Lynette (Squeaky) Fromme was not questioned and placed under surveillance on the eve of Ford's visit to Sacramento, even though her connection with Charles Manson and his cult of violence were common knowledge. One can also ask why Sara Jane Moore was out in front of the St. Francis Hotel in San Francisco when she had been questioned by the Secret Service was caught with a gun only the day before, and even asked to be arrested.

The Secret Service's record of protecting presidents is not so good that it can relax its guard, what with the assassination of John F. Kennedy in 1963 and the shooting of Alabama Gov. George Wallace during the 1972 campaign. Thus far, the Service's record on Ford is good, but the President's guards were greatly aided by the fact that Miss Fromme apparently didn't know how to operate her Colt .45 automatic and that Mrs. Moore was unable to purchase real bullets for her .38 and had to use hot wadding target cartridges.

And finally (and gingerly) there is a need for the nation's press to examine its own conscience. There is no question about the news value and public interest in revolutionaries like Patty Hearst and would-be political assassins like Squeaky Fromme and Sara Moore.

It doesn't take a psychologist to figure out that by putting their pictures on TV and on the covers of national magazines and newspapers and carrying sensational accounts of their exploits, the nation's news media might be inadvertently encouraging other alienated or unbalanced people to seek similar notoriety by emulating them.

Nor does it make the Secret Service's Presidential protection job any easier when the President's travel plans are publicized in detail weeks in advance or when security precautions, like the fact that Ford wore a bullet-proof vest in New Hampshire, are given widespread coverage. This list of what some of the "good Americans" can do to help protect the President, is, of course, not complete. But perhaps it is a start.

[From the Baltimore Sun, Sept. 24, 1975]

ENOUGH, MR. PRESIDENT

The time has come again, Mr. President, for "a little straight talk among friends." You used that phrase in your first address as President, an address in which you declared with considerable prescience that the "long national nightmare (of Watergate) is over." Now, we are going to give you a little straight talk. We are going to tell you that we don't want to recover from the Watergate nightmare only to go through the nightmare of another presidential assassination. Not only do we like you and your family but we selfishly don't want our country to go through another period of hurt and upheaval.

You are a courageous man. You don't have to prove that to us by exposing yourself to every crank with a gun. You are a man who believes deeply in an open dialogue between a President and the citizens of a free society. But surely the essence of American democracy does not depend on your plunging recklessly into crowds where some twisted individual awaits her or his instant of notoriety. You have a deep responsibility to take care of yourself, and to maintain a continuity in the presidency as we await next year's election results.

Let's be frank. You are already a candidate. You are intent on proving for all time that the nation's first unelected President can become an elected President. But your life has now been spared twice, with strong elements of luck both times. Don't press that luck. Don't cling to the campaigning habits of a Grand Rapids congressman on the creamed chicken circuit. Don't think you will get a mandate from the people by shaking ten thousand hands, by making ten hundred stump speeches, by risking ten bullets. If you are to be elected in November, 1976, it will be because you have shown yourself to be a man of probity and sound policy—qualities that will be demonstrated not by mindless politicking but by sound performance.

Our advice, among friends, is that you reduce your public appearances especially during the immediate future, when guns will be coming out of the woodwork after the stimulation of two assassination attempts in 17 days. This is not "cowering" (to use your word). It is not isolating the presidency from the people. In one good television address, when you have something of substance to tell the people, you can reach more voters than in a year of frenetic exposure to the arsenal of guns plaguing this country. A curtailment of your campaigning would not be half as damaging to democracy as the spectacle of mass preventive arrests of "dangerous persons" in advance of a presidential visit.

You say you want to "stand tall and strong" as President. We want you to stand tall and strong. And you will not be standing tall and strong if you are cut down by an assassin. In your first presidential speech to the Congress, you said you were no longer your "own man" but had become the "people's man." Please remember those words. Please keep in mind that accepting the presidency deeply obligated you to preserve yourself to serve the American people in the nation's greatest office.

THE IMPACT OF THE AMENDMENTS OF SENATORS BIDEN AND ROBERT C. BYRD

Mr. HUGH SCOTT. Mr. President, at my request the U.S. Commission on Civil Rights has prepared a statement on the impact of the Biden and Byrd of West Virginia amendments. I ask unanimous consent that a letter to me from the Chairman of the U.S. Commission on Civil Rights, Arthur S. Flemming, which contains this analysis be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Commission on Civil Rights,
Washington, D.C., September 23, 1975.
Hon. Hugh Scott,
Minority Leader, U.S. Senate, The Capitol, Washington, D.C.

Dear Senator Scott: This is in response to your request for the views of the United States Commission on Civil Rights with respect to the Biden Amendment and the Byrd Amendment to H.R. 8069 which provides appropriations for the Department of Labor and the Department of Health, Education, and Welfare.

The Biden Amendment, as we understand it, would deny to the Department of Health, Education, and Welfare the use of funds appropriated under H.R. 8069 to exercise its authority under Title VI of the Civil Rights Act of 1964. The Biden Amendment states:

> None of the funds appropriated under this act shall be used to require any school, school system, or other educational institution as a condition for receiving funds, grants, or other benefits from the federal government to assign teachers or students to schools, classes, or courses for reasons of color.

The Commission on Civil Rights has consistently opposed all legislative initiatives in the area of school desegregation designed to weaken in any way the rights of citizens under the 14th Amendment to the Constitution as interpreted by the United States Supreme Court in the matter of *Brown vs. Board of Education*. The Biden Amendment is unquestionably the most sweeping attack on a civil rights act passed by the Senate in recent years.

The Biden Amendment, which is probably unconstitutional, would render impotent the enforcement efforts of the Department of Health, Education, and Welfare by making Title VI virtually inoperable in the area of school desegregation. Such an amendment if enacted into law would thrust upon an already overburdened judiciary the full burden of desegregating the schools of the nation, an unnecessary burden which Title VI was designed to avoid through the use of administrative procedures.

The Byrd Amendment, as we understand it, would, if enacted, have the purpose and effect of severely limiting the ability of the Department of Health, Education, and Welfare to desegregate the public schools by prohibiting the Department from requiring students to attend any school other than that nearest their homes. The Byrd Amendment states that:

> None of the funds appropriated by this act shall be expended to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest to the student's home, and which offers the courses of study pursued by such student, in order to comply with Title VI of the Civil Rights Act of 1964.

This Commission has previously stated in testimony before committees of the Congress that while no parents have an absolute right to send their children to the school nearest to their home, the government does have the responsibility to protect the constitutional rights of all school children as defined by the United States Supreme Court.

By limiting a remedy to school segregation by prohibiting the assignment of students to any but the nearest school is no remedy at all. The effect of such a restriction on HEW could, and in many cases would, lock minority students to attendance only at unconstitutionally segregated schools inasmuch as many school districts have deliberately constructed and maintained schools in such a way as to create and perpetuate segregation. As the Supreme Court noted in the case of *Swann vs. Charlotte-Mecklenburg*, the siting, initial construction, expansion and closing of school facilities ". . . have been used as a potent weapon for creating and maintaining a state segregated system". The Byrd Amendment is little more than an effort to reinstate the separate but equal doctrine under which constitutional rights of minority school children were denied for more than half a century.

Further, it is unclear as to whether this amendment would deny to a school district ordered to desegregate by a Federal court, funds appropriated under this act to effect the transition from an unconstitutional dual school system to a unitary one. Because the amendment uses the phrase "directly or indirectly", the Department could be placed in a position where compliance with the statute would require defiance of the court's order to desegregate using Federal financial assistance, e.g. Title IV funds, ESAA funds, etc.

It is our view that by doing violence to Title VI in the area of school desegregation as both these Amendments do, the Congress would not only restrict the Department of Health, Education, and Welfare from carrying out a constitutional responsibility but it would also be opening the door to attacks on every piece of civil rights legislation enacted since 1957. We, therefore, oppose the enactment of both the Biden and the Byrd Amendments.

Respectfully,
ARTHUR S. FLEMMING,
Chairman,
(For the Commissioners).

Mr. HUGH SCOTT. Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

HANK PRICE

Mr. WEICKER. Mr. President, my friend, Hank Price, died the other day.

We met in 1965 at the Capitol in Hartford. I was a legislator. He is a political reporter and columnist.

Then, in 1968 just as security made its way into Hank's life in the form of a managing editor's position, I asked him to be press secretary for my quest of Connecticut's 4th Congressional District seat. He threw security to the winds and we started down the campaign trail of 1968.

There follow some memories that flashed across my mind when I heard that Hank had passed away suddenly in Chicago at age 45.

With Price on the scene, Brooklyn came to Greenwich, Darien, and New Canaan.

Thanks to Hank this Republican met humanity in un-Republican places such as gin mills, back yards, public beaches, and bowling alleys.

His press releases were not Wall Street Journal, they were Daily News.

Price the ex-political reporter "didn't want no bull" from his candidate, "just da trut."

He loved Bridgeport and showed it to his Republican friend, not as a Democratic stronghold but as a gathering of very solid, warm people.

When as a nothing I could not ride in the Darien Festival Parade it was Hank who took the campaign to the sidewalks where the people, and the votes, were.

There was Hank Price, the pitchman, wrestling the toughest imaginary jar lid in the world with a Weicker jar opener—and getting a vote.

No IBM selectrics or secretaries just Hank, portable typewriter in his lap, banging out the release.

Then victory and two turbulent, overcrowded years in the House of Representatives. Hank the editor back at work. Only this time working on a newsletter rather than a newspaper.

Hank Price and Carey Cronan. What friends.

Hank Price and Dick McGowan. What friends.

People talk about a free press. Hank Price and friends were a human press. That is also important.

The Capitol Hill version of "Upstairs, Downstairs." Hank Price and his army of cockroaches (I hear 'em marchin', Hank) in the basement with the Congressman above.

Chewed out for oversleeping, Hank roars out of the house upon hearing the footsteps of his boss. Not realizing until actually in the Longworth Building at 5 a.m. that the Congressman had been coming in to bed—not going out to work.

Hank Price throwing security to the winds again and urging LOWELL WEICKER not to hold the safe House seat but to run for the Senate.

Another campaign but different. A whole State. There hardly seemed time to get from one town to another, never mind one tavern to another. And so victory came but it was no longer two "let the dice roll" companions. It was Senator and press secretary and both envied the past over power present.

Hank was a great press secretary to a Senator but after 4 years he was not going to let the office life bury the reporter or free spirit. And so off to the Bureau of Narcotics and Dangerous Drugs.

That event, not his death, closed a very special and wonderful chapter in my life. There was a humanity and rough hewn gentleness in Hank Price's professionalism and politics. To say he was a rarity in this country would not be true. What was so great for me was that Hank Price is America. And that beats anything—even being a Senator.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered.

RESOLUTION ON U.S. AGREEMENTS, UNDERSTANDINGS, AND COMMITMENTS WITH RESPECT TO ISRAEL AND EGYPT—SENATE RESOLUTION 245

ADDITIONAL COSPONSORS

Mr. HASKELL. Mr. President, a week ago today the distinguished Senator from Oregon (Mr. HATFIELD) and I introduced a resolution expressing the sense of the Senate that the President make all agreements, understandings, and commitments involved in the Sinai matter a matter of public record. That resolution was referred to the Committee on Foreign Relations. I ask unanimous consent to have added as cosponsors of that resolution the names of the distinguished Senator from South Dakota (Mr. ABOUREZK) and the distinguished Senator from California (Mr. CRANSTON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. I point out that both of those Senators wrote articles for the Washington Post which appeared yesterday. One of the Senators, based upon the knowledge that he then had of the agreements, was for them. The other Senator was opposed.

It seems to me that this demonstrates that even those who have taken positions on the so-called Sinai settlement feel that this matter must be of public record, and I think it is quite significant that those two Senators with opposing views both cosponsor the resolution.

Moreover, Mr. President, I observed in the CONGRESSIONAL RECORD that the distinguished Senator from North Carolina (Mr. HELMS) made a statement on this floor yesterday in effect expressing the need for public airing, to focus the eyes of the public on whatever these agreements are. We do not know what they are.

So, with that, I simply ask unanimous consent that the names of Senators ABOUREZK and CRANSTON be added as cosponsors of Senate Resolution 245.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. HASKELL. I yield to the distinguished Senator from Virginia.

Mr. WILLIAM L. SCOTT. I have not seen the Senator's resolution, and do not know the content of it. I entered the Chamber during the time he was discussing the resolution.

As I take it, the Senator is talking about the public generally knowing the content of all agreements reached with regard to the interim peace settlement in the Middle East.

Mr. HASKELL. The Senator is correct. The resolution would ask that the President make public all agreements, understandings, and commitments entered into by the United States involving the Sinai settlement. Presumably that is just between Egypt and Israel.

Mr. WILLIAM L. SCOTT. Let me say to the Senator that while I favor as wide a dissemination of information such as this to the general public as is possible consistent with our national defense interests, there may be matters that I would feel should not be made available to the general public, but at the same time they should be made available to the Members of the Senate and the Members of the House of Representatives.

I do not like this concept of us trying to make a decision without knowing all the facts. It seems unreasonable to ask Senators to ratify a portion of an agreement, but not furnish them with a full account, not let them know every phase of an agreement.

I am going to vote against this type of procedure. During an executive session, I indicated to the Secretary that if he did not make complete information available to the members of the Committee on Armed Services I was going to make a statement to the effect that I felt that he was not doing what he should do. How can we pass on something when we do not have all of the facts? He indicated that he had the legal adviser to the Department of State look over all of these documents, and he did make available to the chairman and to the ranking Republican on the Committee on Foreign Relations the total information as edited by his chief legal adviser. Then he made available to all members of the Committee on Foreign Relations the matters that related directly to the United States. But, of course, that was a decision by his lawyer, the lawyer for the Department of State. We were told that if we wanted to go to the Committee on Foreign Relations and ask to look at these documents that were made available to all of the Members but those shown to the chairman and the ranking Republican had not been left with the committee and would not be available to other Senators.

Mr. HASKELL. Mr. President, will the Senator yield?

Mr. WILLIAM L. SCOTT. The Secretary said what was made available to the chairman and the ranking member was taken away from them again, and they do not even have it in their custody.

Yes, I am glad to yield.

Mr. HASKELL. I appreciate the Senator's remarks.

Clearly, we cannot buy a pig in the poke. As Senators, we cannot vote on something we do not know about.

I will go one step further than the Senator from Virginia, in that I would feel, if we are going to have public support, if we are going to operate in a truly democratic way, the public must know. My position is negotiations certainly have to proceed in secret. There is no question about it.

When agreements are reached, if they are going to be honored, they better be revealed to the public, and that is where I think possibly the Senator from Virginia and I might disagree.

Mr. WILLIAM L. SCOTT. We may not have a very wide range of disagreement, because I am in general agreement, unless national security matters are involved, that perhaps we would not want a potential adversary to know about. I would make a very narrow restriction.

Mr. HASKELL. I understand the Senator's position.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HASKELL. I certainly will.

Mr. HELMS. Mr. President, I am delighted to hear colloquy between the distinguished Senator from Colorado and the distinguished Senator from Virginia. As Senator HASKELL has just indicated, I spoke at some length on this matter yesterday afternoon in this Chamber, and I gather that the Senator from Colorado is not interested in any more faits accomplis being presented to the Senate, for, as some would like to be, automatic approval. Is that the Senator's position?

Mr. HASKELL. The Senator states my position correctly.

Mr. HELMS. As far as the American people are concerned, I think they are sick and tired of all of these agreements being made in secret and brought back and approved by Congress with little or no discussion or debate.

Mr. HASKELL. If the Senator will yield, it seems to me that the American people would quite rightly refuse to honor agreements that are secret and kept from them.

Mr. HELMS. The Senator is absolutely correct. Here we have a matter where no one is certain how many billions of dollars are involved. We hear about 200 people being sent over there, and we are putting them in a position of being hostages from the time they arrive. Yet most of the information I have, as a U.S. Senator, has come to me from the news media, and that has been leaked, and I might add selectively leaked. I am getting sick and tired of it, and I think the people of this country are getting sick and tired of it.

At the very minimum, I will say to the Senator, I think there ought to be a secret session, a closed session of the Senate so that all 100 Senators can have an opportunity to find out everything that is involved in this proposition. I do not want to withhold anything from the American people. But there may be, as the Senator from Virginia has said, some security aspects which should be guarded. But, otherwise, I think the American people ought to know to what we are committing their resources and their lives.

I commend the Senator from Virginia and the Senator from Colorado for their statements.

Mr. BIDEN. Mr. President, will the Senator yield?

Mr. HASKELL. I thank the Senator and yield to the distinguished Senator from Delaware.

Mr. BIDEN. I thank the Senator very much.

I did not intend to participate in this debate. I just came from a 2-hour meeting of the Committee on Foreign Relations where the very subject was discussed. It will come I think as some assurance to the Senator from Colorado that some of us, from the very beginning, have insisted that everything, whether or not they are security items, no matter what, any and every single, solitary aspect in its actual written form, as submitted to the Committee on Foreign Relations, or in the hands of the Executive, should be made not only fully public to the Members of the U.S. Senate, but also to the American press, not in executive session, not with any agreements, regardless of what the security aspects may be.

I inform the Senator from Colorado that we received his letter this morning, signed by him and Senator HATFIELD. I think he would be pleased to know that, even prior to receiving it, the committee had agreed that it is a strong feeling of the committee that we, in fact, have disclosure.

The only elements of it are how, when, where, and what form; but there are those of us who are insisting, and some insisting to slight modifications, that the thrust of what the Senator from Colorado is suggesting be fully complied with. Although I cannot speak for the Committee on Foreign Relations, being the most junior member of that committee, I think it is fair and accurate to say that there will be no doubt that Members of the U.S. Senate will become privy to everything to which that committee has been privy. I would sincerely hope that the American public becomes privy to every single solitary word that has been written that constitutes any semblance of assurance or agreement to Israel, to Egypt, or to any other Middle Eastern nation, and in any way relates to this so-called Sinai Accords.

I compliment the Senator.

Mr. HASKELL. I am very pleased to hear the Senator from Delaware say that, because I concur heartily that it must be made available to the American people. It is the American people, if we make a commitment, that we are committing, not just ourselves as Senators, and it is the American people that we are asking to honor the commitment. How in the world in a democratic society can we bind people behind closed doors?

Mr. BIDEN. If the Senator would yield on that point, it seems to me, as different and divergent points of view may have been with regard to Vietnam, that there is one thing we must have all learned: That we cannot commit the will of the American people, the tenacity, and fortitude of the American people for a long duration, or even a short duration, unless the American people are in fact made aware of what they are committing to.

I suspect that maybe that war would have taken a different course—I do not know what the course would have been—had the American people been leveled with from the beginning. The President a long time ago said something about secret covenants arrived at openly, or that was his whole discussion and thrust, and talked about open covenants arrived at openly is the way we should conduct our foreign policy.

So I hope we have learned one lesson, at least, from our encounter in Vietnam. I think it is really ludicrous for us in the U.S. Senate, whether it be in committee or as a whole, to pretend to the press and to the American people that we in fact have revealed everything to them, when in fact they probably have learned more from the American press about the documents and agreements than we even admit exist.

Mr. HASKELL. Mr. President, if the Senator will yield at that point, I agree with the Senator. I have learned much more from the press than I learned in an executive meeting of the Committee on Foreign Relations some 2 weeks ago, where Dr. Kissinger was present.

I appreciate the Senator's remarks.

I yield the floor.

The PRESIDING OFFICER. Without objection, the unanimous-consent request of the Senator from Colorado is agreed to; and the names of Senator ABOUREZK and Senator CRANSTON will be added as cosponsors.

Mr. WILLIAM L. SCOTT. Mr. President, I do not believe that this is the time to go into any extensive debate about the Middle East interim agreement. However, I read an item in the newspaper or news magazine last night indicating that some Russian troops might be used as observers between Syria and Israel in the event of a peace agreement between those counties.

I believe that when things such as this, remote as they may be, are a possibility, where two major world powers might be in this very small area of the Middle Eastern portion of the world, we should think long and hard before we commit any American observers to the area, between two former enemies, Egypt and Israel, and so close to a potential enemy, the other major world power.

I have very serious reservations about our commitment in the Middle East and would like to be fully informed of its extent. I have not yet been fully informed, nor has the Committee on Armed Services. The chairman of our committee has indicated that he wanted to get the Secretary back before the committee to inform us more fully, but I feel that it must go beyond an individual Senator or an individual committee. I believe that both the Senate and the House should be fully informed before any action is taken on this important matter.

EXTENSION OF PERIOD FOR MORNING BUSINESS—ORDER FOR RECESS TO 1 P.M.

The PRESIDING OFFICER. The time for morning business has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business be extended to 7 minutes, and that at the conclusion of 7 minutes, the Senate stand in recess until 1 p.m. today.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DIEGO GARCIA—A QUESTION OF HUMAN RIGHTS

Mr. CULVER. Mr. President, yesterday, I reported to the Senate that certain vital questions relating to the conversion of a peaceful island in the Indian Ocean, Diego Garcia, into a military base and the apparent deportation of its native inhabitants to make way for the installation, remain unanswered. I stated my conviction that Diego Garcia has an importance relating to our moral consistency in international relations and our basic foreign policy objectives far beyond its dimension as just one more military installation in a remote part of the world.

As Senators know, an amendment which I introduced to the State Department authorization bill was enacted and called for a full report on Diego Garcia by November 1. In the meantime, press reports from outside sources provide additional information which, if confirmed, is deeply disturbing and suggests the need to reassess, in the overall context of our foreign and defense policy objectives, the wisdom of proceeding with a provocative military expansion in a hitherto peaceful and stable area of the world.

The London Times of September 21, 1975, carried a comprehensive article entitled "Diego Garcia—The Islanders Britain Sold" which details the history of the acquisition of the island for Mauritius by Britain, the leasing of the island to the United States, some previously undisclosed reports of the financial arrangements involved, the reportedly coercive deportation of the native Diego Garcians from their homes, and their present impoverished plight in Mauritius.

The story of Diego Garcia, according to the Times:

> Is a mixture of desert island intrigue, world power rivalries, and insensitive muddling. Caught up in it are 1,000 British citizens who were living and working peacefully on three islands in the Chagos group until the late sixties when the British Government entered into secret negotiations with the United States to use them as part of the Indian Ocean defense complex against Soviet Union activity. In a remarkable period of post-imperial dealing, Britain bought the islands and then recreated them so that they could be rented as "uninhabited" to the American military.

If the version of what happened in Diego Garcia that appears in the Times and other recently published news reports is confirmed, it is plain that our Government has been in complicity with a manifest, insensitive violation of the human rights of these people, and a sordid and deceitful coverup of the facts.

Apart from our own moral principles as a nation, the Universal Declaration of Human Rights of the United Nations, which our country had a major role in drafting, explicitly prohibits such forceful expulsion of a people from the homeland, as reported.

Article 9 of the Universal Declaration states:

> No one shall be subjected to arbitrary arrest, detention or exile.

Article 12 states:

> No one shall be subjected to arbitrary interference with his privacy, family, home.

Article 2 states that no distinction shall be made in the entitlement to the rights and freedoms set forth "on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty."

In addition to documenting the gross and arbitrary violation of the human rights of the Diego Garcians, the Times article underscores questions that have already been asked about the propriety of the financial arrangements between our country and Britain, the understated significance of the base in terms of future military expansion, and the overplaying of the Soviet expansionary "threat" in the Indian Ocean.

Mr. President, I will have more to say about Diego Garcia in the days ahead. But at this point, I believe it is extremely important for my colleagues to have the information contained in the full text of the London Times article. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Diego Garcia: The Islanders Britain Sold

The story of Diego Garcia, told on these two pages, is a mixture of desert island intrigue, world power rivalries, and insensitive muddling. Caught up in it are 1,000 British citizens who were living and working peacefully on three islands in the Chagos Group until the late sixties when the British Government entered into secret negotiations with the United States to use them as part of the Indian Ocean defence complex against Soviet Union activity. In a remarkable period of post-Imperial dealing, Britain bought the islands and then recreated them so that they could be rented as "uninhabited" to the American military.

Whether Britain has profited from the buying and selling is not yet clear. We paid a total of £4m for them and in a complex deal seem to have received at least as much in dollars. But what is clear is that:

The islanders deported to Mauritius are as a result considerably poorer (as William Ellsworth Jones reports). They still await compensation and one of them is suing the British Government.

Despite assurances on the joint-use of the island as a communications facility, it has been handed over almost entirely to the Americans, who apparently paid the British Government for the clearance costs.

Both British and American governments have persistently underplayed the defensive role Diego Garcia was to perform in the US Navy's burgeoning world strategy.

Even when strident opposition to the construction of a major US base on Diego Garcia was being voiced in Washington—not least by the CIA—both Labour and Tory British Governments have quietly allowed the expansion of the facilities to proceed.

One thousand British citizens lost their homes and livelihoods to make way for an American naval base in the British island colony of Diego Garcia in the Indian Ocean. And they are still without compensation promised to them, though the British Government has given Mauritius £650,000 for their resettlement.

Even that sum is dismissed as inadequate by the islanders' legal adviser, Gaetan Duval, who said in Port Louis yesterday that £15m was needed.

The story of Diego Garcia, pieced together last week by Sunday Times reporters in Mauritius, Washington and London, contrasts vividly with statements issued by the British, American and Mauritian governments, both at the time and in recent weeks when a Congressional inquiry in Washington has begun to uncover this bizarre episode in Britain's colonial history.

The islanders were moved from Diego Garcia after 1968 and deposited in Mauritius. There they have been living in squalor.

The official British attitude has been that there was no settled community on the island, simply a group of copra factory contract workers. Our inquiries suggest, on the contrary, that some of the deported islanders had family roots and had lived there for up to five generations: there was a church and a school as well as the factory.

The Foreign Office has suggested that the 1,000 inhabitants of Diego Garcia and its neighbouring islands, Peros Banhos and Salamon, left willingly. Britain, in fact, left the responsibility for clearance to a private contractor; no British official supervised it or has followed up the islanders' fate.

So muddled was the last stage of evacuation that 35 islanders had to spend their first nine days in the Seychelles in prison because no one provided anywhere else for them to stay. The 35, who included women and children, were allowed out of prison by day, but locked up again at nine each night.

In Mauritius last week groups of islanders, interviewed by Will Ellsworth-Jones of The Sunday Times, made it clear that none of them had left willingly. They had left peacefully simply because they had no choice, and they were bitter about the way they had to abandon their homes and their chickens and ducks, their biggest source of wealth.

Tracking the islanders down in the slums around the Mauritian capital of Port Louis, Ellsworth-Jones reports two things are common to almost all their hovels. First, there is nearly always a framed portrait of the Queen and Duke of Edinburgh staring embarrassingly from the walls, which are sometimes no more than tin canisters beaten flat. Secondly, from some dark corner, they usually manage to dig up their other prized possession: a birth certificate showing they were born on one of the three Chagos islands. Seldom can they read it, but they know its importance since one of them, Michel Vencatassen, began to sue the British Government, claiming that he was "ordered, coerced or compelled" to leave his home.

Roche Bois, where both Michel and Marie Vencatassen live, is beside the Port Louis municipal rubbish dump. Many of the islanders have gravitated to the area because, being about the most unattractive part of a beautiful island, it is also the cheapest. In Roche Bois lives Mrs. Elian Chamona. Six small strips of corrugated iron make up her home. In Britain, it would be thought of as a dry shack for chickens. Even among the poorer parts of Mauritius it would probably be considered a disgrace that anyone should live here, let alone a mother and her seven children.

Mrs. Chamona was born in 1936 on Peros Banhos island. She visited Mauritius twice on holiday. Her husband, who was born on Salomon, never paid a visit. They were among the last group of islanders to leave their homes, and arrived in Mauritius early in 1973.

She left behind a three-roomed house, about ten ducks, and a few chickens. She has been living for the last two years in a hovel. It is not that it is dirty. In fact, one of the traits of these islanders is that despite their conditions, they manage to keep themselves and their homes remarkably clean. It is just appalling to see a woman and her seven children try to live in a tin hut where there is only room for an iron double bed, four chairs and a cupboard. At night a mattress is put on the floor so that the children who do not share her bed can sleep on the floor between chairs.

Her husband left Mauritius 23 days ago, contracted to go fishing on a nearby island. It was the only job he could get. It means that she will not see him again until December.

"We were told that we had no right to stay on the island," she says. "We were told that if we were permitted to stay there would be no ship to feed us. . . ."

The islanders claim that when they were deported they were promised a piece of land and money for a house when they arrived in Mauritius. They have received neither land nor the house. The last group of islanders who arrived from Peros Banhos in 1973 refused to leave the boat that brought them when they found no help ready for them.

This unexpected militancy brought results. They were housed partly in a complex of dockers' flats, and partly in Government housing. After two months in the Government houses, rent demands started to appear.

The Mauritian Government can claim that as a developing country it has huge problems but the fact remains that islanders have to go begging to survive, and live in shacks which are little more than chicken coops. The Government has got no further than acquiring one piece of land in Pointe aux Sables, which is generally known as the brothel district of Mauritius, and is negotiating for a second piece of land in Roche Bois, known as the worst slum in Port Luis.

HOW A QUIET DEAL EVOLVED INTO A MAJOR U.S. COMMITMENT

From its earliest discovery by the Portuguese in the 16th century, Diego Garcia seems to have fulfilled each visitor's schoolboy dream of a desert island. A long V-shaped atoll of coral reefs, dazzling sand and coconut trees encircles a huge lagoon 14 miles long and four miles across—regarded by many sailors as one of the finest natural harbours in the world. As Englishman, James Horsburgh, who was shipwrecked on the island in 1786, described it as "one of the wonderful phenomena of the globe."

By the 1780s a French company had already begun extracting coconut oil from the palms and the population, including slaves and a small leper colony, numbered 275. With the defeat of Napoleon, Diego Garcia passed from French to British sovereignty, though like all the former French possessions in the Indian Ocean it has retained strong French connections to the present day.

The copra (dried coconut) industry continued to flourish, with the emancipation of the slaves and their conversion to "contract workers" causing little alteration to the islands' life-style—or it, seems, to the British government's conception of their national status.

By the turn of the century, Diego Garcia boasted three flourishing copra factories, a less successful coaling station for ships on the Australia run, a church, a hospital, a jail, a light railway, some handsome French-colonial style houses and more than 500 inhabitants. Already those on "written contract" with the copra company were in a minority of the residents and than three-quarters considered themselves permanent settlers. As early as 1870, inhabitants were building their own thatched cottages rather than living in company quarters.

Diego was empoyed as a naval radio and flying boat base in the last war. Two catalina flying boats destroyed in a 1944 cyclone still lie wrecked in the jungle. And when the traveller, Robert Scott, toured the Chagos group in the nineteen-fifties he could report on a thriving settlement at East Point, together with three or four other villages and numerous smaller hamlets. "East Point has a look of a French coastal village miraculously transferred whole to this shore," he wrote in 1961.

He described "the touches of old-fashioned ostentation in the chateau and its relation to the church . . . the neighbourly way in which whitewashed stores, factories and workshops, shingled and thatched cottages, cluster round the green. The lamp standards along the roads and the parked motor lories." He also noted the warm welcome of the islanders and the habit of the schoolchildren of bringing out British flags to greet all and every visitor. It was, as the Diego Garcians now recall in their Creole patois, 'la vie facile'.

The islanders owned their own boats, fished, cultivated gardens and livestock and lived in a community in which, in Scott's words, "roots have been struck and a society peculiarly suited to the islands' have been developed." In the early sixties the copra industry was entering a period of increasing prosperity and quantities of guano (used for phosphate) were being shipped out as well. With the prospect of independence for the islands' administrative capital in Mauritius, the Chagos group might reasonably have expected to continue its untroubled life indefinitely—one day perhaps casting a hopeful nod in the direction of the international tourist trade. But it was not to be.

The islands of the Chagos Archipelago first swam into the collective consciousness of Western defence strategists in the late fifties. It was then that American experts began to realise the need for communications facilities across the Indian Ocean—there was none at that stage between Eritrea in Ethiopia and the Philippines. And both the British and the Americans were aware of the geographical and physical suitability of the Diego Garcia lagoon.

PROMISE TO INDIA

Already in 1963–64 initial discussions began between the two governments on the future of the Indian Ocean islands, and they took on a new urgency for the British with the impending loss of Aden and the need for an alternative refueling base to Gan on flights to the base in Singapore, which the first Wilson administration was still intending to retain.

So public did these discussions become that the Labour Government felt it necessary to assure the Indian Government quite categorically that neither it nor the U.S. had any intention of setting up "a military or naval base in the Indian Ocean." Besides, as Harold Wilson frequently found occasion to say at this time, the British Government would never impose a military base upon an unwilling native population.

Both these assurances were shortly to experience some imaginative reinterpretation. In April 1965, the Colonial Secretary, Anthony Greenwood, travelled to Mauritius for independence talks at which the hiving off of some of the smaller islands, especially the Chagos group, was agreed. The islands were to remain as colonies, renamed the British Indian Ocean Territories (BIOT).

The case for retaining Diego Garcia, Greenwood recalled last week, "was to make the withdrawal from Aden more palatable especially to the Americans." The Government paid the Seychelles and Mauritius the princely sum of three million pounds in compensation for "loss of sovereignty" over the islands.

Anthony Greenwood now says he thought at the time that the inhabitants of the islands were "a handful of fishermen and turtle hunters." The islands were anyway to be cleared of their occupants, and the reason was quite simply security, about which the Americans had apparently felt most strongly.

Dissident locals and violent neighbours were becoming the curse of American overseas bases. The job of Chagos was, so the British appear to have assured the Americans, that it was to all intents and purposes uninhabited. The plantation company would be bought out and the "contract workers" would by the same token dematerialise. The company, Chagos-Agalega Ltd., received £1,100,000 for the "freehold" of the islands which passed to the BIOT.

The logic of this was conveyed by an announcement in May, 1966, that the government intended to "depopulate" the BIOT islands as soon as possible. At the same time an agreement was signed between a junior minister at the Foreign Office, Lord Chalfont, and the U.S. Ambassador, David Bruce, which stated that the island of Diego Garcia would "remain available for defence purposes for 50 years."

At this stage neither the Americans nor the British have been able to explain why it was necessary to depopulate the islands for what was then seen as no more than a "communications facility," nor why such a facility should require the closure of a thriving copra business. Nor, since even today it is only Diego Garcia that is being used, can they explain why the Salamon and Peros Banhos islands in the Archipelago had to be cleared as well—except for the ubiquitous excuse of "security."

Considerable mystery also surrounds what exactly the British Government—and taxpayer—received in return for providing the Americans with one of the world's finest "uninhabited" potential bases. Retaining Diego Garcia cost no less than four million pounds (in compensation to Mauritius, the Seychelles and to the plantation company). Ostensibly the original agreement suggested that the island would be freely available to both British and American governments, each paying for whatever they wanted, with the Americans paying no rent.

However, it emerged in Washington last week that there was indeed a financial tradeoff. At least $11.5 million worth of "bills" or expenses incurred by Britain in securing the real estate of the island and emptying it of its inhabitants has been paid by the U.S. Government—the last payment being made in July this year.

These payments were not in fact approved by Congress, and it has been suggested that they came either from offsetting the research and development costs on Britain's Polaris missiles bought from the Americans or from a straight payment from Presidential or Secretary of Defense discretionary funds. At any rate, it seems the British did not get so bad a deal as at first appears.

The British colonial authorities in the Seychelles, however, were now left with the problem of providing the Americans with vacant possession. And they were more aware than the Colonial Office in London appears to have been of the nature of the settlements—they had been administering them and sending magistrates to them for a century and a half.

In 1967, the BIOT took over the freehold of the islands and entrusted the management of Diego Garcia to a Mr. Marcel Moulinie, whose family had owned a third of Chagos-Agalega Ltd. He said: "We were not told when we took over that we should run the plantations down." But the rundown commenced in 1968 with workers who went on holidays or visits to other islands simply not being allowed passages to return. About half of the 1965 total of roughly 700 inhabitants had departed by the end of 1970.

THE NEGOTIATOR

The British authorities appear to have played no part at all in the clearance. The first Governor of the BIOT, Lord Oxford and Asquith, stated last week that he regarded Diego Garcia as the "more settled" of the islands. But negotiation over the clearances was left in the hands of his deputy, Mr. John Todd.

The Treasury Solicitor last week "strictly instructed" Mr. Todd to make no comment on any aspect of the case. But the Foreign and Commonwealth Office concede that no government official of any kind supervised the clearance. It was left to Moulinie and to the time-honoured principle that the inhabitants were "contract workers" and therefore the responsibility of their employer, and not the British Government. The fact that they were previously resident on British soil and were to be transported to what was now a foreign country, Mauritius—1,200 miles away—was neither here nor there.

Moulinie himself clearly had this qualms about the operation. "The moment I saw these islands, I took to them," he says. "It was a paradise there." He added, "It wasn't very pleasant telling them they had to go. We told them we had orders from BIOT. We just said, sorry fellows but on such-and-such a day we are closing up. They didn't object, but they were very unhappy about it, and I can understand this because I am talking about five generations of ilois (islanders) who were born there."

Work on the plantations actually stopped in 1971. In March of that year, the Americans arrived and, according to one of the islanders. Michel Var, told them that "no one has the right to stay"—the first they knew that one day they would definitely have to leave. The Americans were friendly towards the islanders, taking them on a tour of their installations and handing out Coke and candy to the children and beer to the adults. Eventually some of the islanders were to sell them their boats.

Two ships were used for the eventual clearances, the Nordvaer, owned by the BIOT, and another vessel, the Isle of Farquhar. At first the islanders were given a choice: either be taken to Mauritius or to the neighbouring islands in the archipelago.

ANIMALS LEFT BEHIND

The last inhabitants to leave Diego Garcia went, according to Michel Var, in September 1971. The Nordvaer steamed into East Point and the islanders discovered that instead of bringing the provisions they had expected to replenish their store it had come to take him off. On September 28 it was loaded up by the islanders with copra and the plantation machinery that could be salvaged. Late that night the last 35 islanders were paid off and allowed to load their own baggage, although their most valuable possessions, their animals, they had to leave behind.

Michel Var was himself one of the "written contract" workers. He signed his contract with the Chagos-Aralega company on February 18, 1963, and his thumbprint was witnessed by a Port Louis magistrate. Since he never left the island again after that, his contract although technically only for two years, was simply continued on with his salary starting at 18 rupees a month, slowly rising as his responsibility increased.

Michel Var contracted to work for eight hours a day on the upkeep of the plantation, collecting coconuts, digging and sifting guano and loading and unloading ships. In return, apart from his pay, he was given a free house, ten and a half pounds a week of rice, flour or maize, 125 grammes of salt per week, 500 grammes of coconut oil, plus medical treatment and even burial expenses.

Some controversy surrounds the degree of coercion used in the departure. One islander, Michael Vencatassen, is bringing a test action against the British Government on the grounds, according to his London solicitor, Bernard Sheridan, that he was "ordered, coerced and compelled" to leave. The British authorities deny this strongly, saying the islanders were not a British responsibility and left of their own accord.

The British, however, are relying on a confidential report on the clearance given them by Moulinie himself, and on the fact that a sum of £650,000 was made available to help in the islanders' resettlement. After meeting about 50 of the islanders in Mauritius last week, we were told that the most plausible explanation was they left peacefully for the simple reason that they had no choice. They were also told there would be land and money for them in Mauritius.

Another islander, Marie Vencatassen, said, "We asked to stay but we were told it wasn't possible. The Americans had bought all the islands and we had to leave. We were told it was the last boat." The islanders who first moved to the Peros Banhos and Salamon islands were finally transported on to Mauritious in 1973. Each of the voyages, cramped under tarpaulins above the copra on the rolling decks of the *Nordvaer*, were clearly a nightmare for the islanders. But it was only a foretaste of what was to come.

Having been promised a home and land in Mauritius, the islanders on the last trip were taken first to the Seychelles so that the ship's cargo could be disembarked. "We were vaccinated and went through customs," says Marie. "We asked for Mr. Paul Moulinie [Marcel's uncle] and we walked about one and a half miles to his office. He tried to get us somewhere to stay but he couldn't, and he told us the only place that was empty was the prison. We slept in cells on prisoners' mattresses. The prisoners served us food. It was bad. The doors were locked at nine o'clock."

Marcel Moulinie said last week that the jail idea was suggested by the administrator of the BIOT. Nine days later the islanders were put back aboard ship and taken 1,000 miles to Mauritius.

When they arrived in Mauritius neither the promised land nor money for housing was provided. The last group of islanders who arrived from Peros Banhos in 1973 refused to leave the boat that brought them when they found that no help was waiting for them: a rare show of militancy which secured them accommodation in dockers' flats and government housing. But all the islanders are bitter about the fate of the £650,000 which the British Government paid the Mauritian authorities for "relief and resettlement." They have yet to see any evidence of this being spent and ask. "Why the delay?"

"That of course is the £650,000 question," replied one Mauritius government official when asked the same question last week. The Mauritius Government blames everything from the difficulty in buying land to this February's cyclone Gervaise which left 90,000 people homeless. For the present, it has got no further than acquiring one piece of land in Pointe aux Sables, which is popularly known as the brothel district of Mauritius, and negotiating for a second piece of land in Roche Bois, which is known as Port Louis' worst slum.

A particular source of bitterness among the older islanders is their loss of the pensions to which they felt they were entitled if not by contract at least by well-established custom. Jean Desir, who received what by island standards was a high salary—80 rupees a month—says he considers he was entitled to a pension of half his pay on tip of the 80 rupees if he continued to work.

The Mauritius Government has paid out old age pensions to 57 islanders, public assistance to 74 and family allowances to 78. Sir Veerasamy Ringadoo, the finance minister says "conditions may be bad for some of these people, but not worse than for a lot of our people who have been living here all the time. He says that none of the money has walked away (it is still there on trust. He argues—convincingly—that it would have been foolish just to dole out all the money in a lump sum to islanders who had very little concept of a society based solely on a money economy. But he is hard put to explain what has caused the delay in providing any kind of help for the islanders other than to say that it takes time to ensure that the money is spent in the right way.

He estimates that about half the islanders would like to return to their homes and he says the Mauritian Government has now begun to consider the possibility of setting them up as co-operative on Agalega island where there is already an established coconut plantation. Unlike some government officials Sir Veerasamy is not demanding more money from the British unless it can be shown that the British actually made money on the deal by getting cheap Polaris missiles. He says sadly: "It is easy to be wise after the event. But the problem is that when we talked about these islands in 1965 nobody realized that these people would not settle all right in Mauritius."

Tracking the islanders down in the slums around the Mauritius capital of Port Louis, two things are common to almost all their hovels. First there is nearly always a framed portrait of the Queen and the Duke of Edinburgh, staring embarrassingly from walls which are sometimes no more than tin cannisters beaten flat. Second, from some dark corner, they usually manage to dig up their other prized possession: a birth certificate showing they were born on one of the three Chagos islands. Seldom can they read it, but they know at least that it is important.

The islanders' former home was meanwhile being swiftly built up by the Americans from a "shared communications facility" into being the apple of the eye of naval strategists. For the past nine years, US Navy officials have worked assiduously, secretly and ultimately successfully to turn a British colony into what is now on the road to becoming a new Okinawa.

In the process an ocean which American diplomats, including the present US United Nations delegate, Daniel Moynihan, have described as marginal to American interests and best left as a neutral zone, has been transformed into yet another area of potential confrontation between East and West. In the resultant battle between Washington departments, the hawkish Pentagon has throughout been able to rely on the assistance of successive British Governments, for its side of the argument.

When the 1966 Agreement with Britain on Diego Garcia was signed, the Americans were preoccupied with Vietnam. But in 1967 another Anglo-American scientific mission surveyed the islands. Their first choice for development, Aldabra, was rejected after an outcry from conservationists. But the Americans seemed happy with the second choice. "It's the Malta of the Indian Ocean," said Admiral John McCain, US Commander in the Pacific. After Nixon took office in 1969 the Pentagon urged that the 1966 Agreement be implemented, particularly since the Russians were now "threatening" the Indian Ocean.

The Russians had arrived in 1968 with about six ships, had recovered their Zond 5 satellite off Mauritius, had laid buoys around the Seychelles and paid visits to several ports. Over 1968–69 the number of Russian ship-days they spent in the area increased from 529 to 1,138, according to Washington. "They have every intention of filling the gap left by British withdrawal," warned Admiral McCain.

The Senate, however, fearful of another Asian imbroglia, refused the funds for developing the facility. This led one British official to admit to the Commons Public Accounts Committee that we appeared to have paid "a million pounds for a copra plantation."

US Navy chiefs were prepared to wait; they were anyway concerned about the strength of the Labour Government's commitment to "facilities" on the island. And after the Conservative election victory of June 1970 Admiral Elmo Zumwalt, chief of US Naval Operations, wrote a personal letter to the new foreign secretary, Sir Alec Douglas-Home, to congratulate him and look forward to close co-operation in the Indian Ocean.

Sir Alec, who considered that the Soviet presence there alone justified the sale of arms to South Africa, was more than game. In December the two governments agreed in principle to build "a naval communications facility."

It is likely that the island's communications role will be as a transmitting station for Very Low Frequency (VLF) radio signals in the Omega navigational system developed by America to help nuclear submarines position their missiles accurately. Omega requires eight such stations for global coverage, and if Australia refuses to allow one on her territory—as seems possible in view of the intense controversy the suggestion has created—Diego Garcia, in the middle of the Indian Ocean, would be an obvious alternative. The Australians fear that an Omega station on their soil would present an obvious target for nuclear attack.

But the US Navy seemed to have wider hopes for the use of Diego Garcia—probably closer to those of its War College which in October 1970 recommended "a highly visible multilateral military presence, preferably naval, in the area."

Once the State Department had announced that the inhabitants of the island would be "relocated" the Navy flew in a command staff and several hundred Seabees—naval labourers—to build the sort of quarters Americans like. No attempt whatsoever was made to hire labour from the 360 people then inhabiting the island, despite the provisions of the 1966 Agreement which specified that local people should, if possible, be given work.

Since the end of 1970 there have been anything up to 1,000 Americans on the island plus 30 to 60 British naval ratings. The British are under a Lieutenant Commander who is also the Political Resident and is supposed to impose the rule of British law upon the Americans. The first Resident was Lt. Commander P. J. M. Canter.

Relations have not always been easy and British ratings report that many of the Seabees are "stoned out of their minds all the time." Their building programme has therefore lagged behind. The Americans, the ratings say, also cause something of a hazard by insisting on driving very fast, on the wrong side of what passes for a road (driving on the left still theoretically applies as in many other British colonies). Their superiors have also flouted the terms of the agreement by refusing to allow the British to use the communication facilities without American supervision. Lt-Commander Canter was given an M.B.E. after his time on the island.

In March 1973, just after Nixon had achieved his "peace with honour" in Vietnam, the communications station was opened, with a lack of publicity which has characterized the venture throughout. Later public pronouncements were limited to assurances to Congress that there were "no plans to transform this facility into something from which forces could be projected."

The Yom Kipper War, however, gave the U.S. Navy's ambitions a crucial boost. On November 30, 1973, Secretary of Defense Schlesinger announced that the Navy would pay the Indian Ocean far more attention than in the past and at the beginning of 1974 Congress was asked for more funds to convert the communications facility into a "naval support base"—to extend the runway from 8,000 feet to 12,000 feet and to build a fuel storage depot that could supply an aircraft carrier task force for 28 days.

According to a State Department memo marked "secret," both American and British Governments agreed to try and conceal the nature of this remarkable request—which would in effect override almost every assurance given before. Press spokesmen were instructed to say that the new plans were "just a natural extension" of what had been built before.

CONGRESS OBJECTS

It is, however, less easy to bamboozle the American Congress than the British Parliament. Under intense questioning from a Congressional committee, Admiral Thomas Morer, chairman of the U.S. Joint Chiefs of Staff, agreed that the new runway would allow the landing of B–52 bombers. Air Force Major-General George Loving announced that he would like to see the island used for the original purpose Denis Healey had in mind in the mid-sixties—as a base for F1–11s which have a range of 5,600 miles and can carry nuclear warheads. The lagoon was to be dredged and equipped for aircraft carriers and submarines. In its secret memo the State Department admitted that weapons would be stored on the island.

The American Congress initially refused to authorize the 29 million dollars requested by the Pentagon for the expansion. "It's only a down-payment," declared Senator Mike Mansfield who gave many examples of the way military costs escalated—and military intentions get out of hand. Congressman Robert Leggett added: "If you liked Vietnam, you'll love Diego Garcia."

Congress delayed the expansion for more than a year. But just before a crucial vote on the issue this summer, the Pentagon played another card in what is known as their traditional game of "The Russians are coming." They published aerial photographs purporting to show that the Russians were building a huge missile base at Berbera in Somalia. A congressional junket was organised to look at it. Inevitably "hawks" agreed and "doves" disagreed with the Pentagon's claims, although the Somalians refused to allow them to inspect the actual sites. But the claims were considered strong enough to force the necessary bill through the Senate. On July 28 this year, the Pentagon was empowered to expand Diego Garcia as it wished.

A week beforehand, the British Defence Secretary, Roy Mason, announced to an apparently complaisant House of Commons that the Americans were proposing not a base but only "a very austere communications facility for aircraft and ships." When asked the difference between a base and a communication facility, Mr. Mason replied that the former included "replenishment, stores and recreation." He also maintained that Diego Garcia was a much smaller facility than the RAF's staging post on the island of Gan. On the basis of evidence available both in Washington and on the ground in Diego Garcia itself, it is hard to see the factual basis for Mason's statement.

The effect of this expansion is difficult to predict. Throughout the last five years the main American argument has been the need to counter the Soviet threat. In fact the US Navy was eager for an island base long before the Russians ever touched a toe in the warm southern waters, and there is considerable disagreement even within Washington over whether the new base will deter or encourage Russian expansionism in what is one of the richest areas of the world.

Henry Kissinger has been lukewarm towards the project arguing that there is no direct relationship between influence in the area and the number of ships in the sea. He has dismissed Zumwalt's claim that the re-opening of the Suez canal will strengthen the USSR. And in July last year, the doves found themselves an unusual ally in the CIA Director, William Colby, who said that the Soviet forces in the Ocean "have been relatively small and inactive." In fact, he said, the Russians tended to compete with the United States, and an American build-up would force them to increase their own presence there. Such escalation is, of course, the fear of the many countries bordering the Indian Ocean, who have called for it to be declared a neutral zone.

The Russians apart, Diego Garcia fits well into what the Pentagon calls its "blue water strategy" for the defense of what remains of "free world" Asia. In 1972 the Military Review carried a major critique of US Defense policy in which it argued that in Vietnam "we have learned that, in strategic terms, ground power can be quite inflexible once committed. . . . while aircraft and ships can often reverse course and make a clean break, ground forces can rarely do so, once engaged." The Pentagon has thus developed a series of naval bases stretching from Yokusuka in Japan (which became the permanent home of the carrier Midway last year), through Tinian island, the Philippines to Diego Garcia and Simonstown in South Africa.

THE RISKS INVOLVED

In August 1973 American B-52 pilots who were bombing Cambodia out of Thailand complained that their next base would be on the British island. Now that the Americans are being forced to give up their berths for nuclear submarines in Sattahip, Thailand, and may also be denied berths in the Philippines, the isolated lagoon of Diego Garcia may prove their ideal southern base as well.

The way in which the Vietnam war ended, the Mayaguez adventure and the increasing difficulty the Americans now face in maintaining their bases in populous Asian countries have all confirmed President Ford in the need for Diego Garcia which he now describes as "essential to US security."

Senate liberals feel that all along it was more essential for US Navy self-aggrandisement than essential for the US security. And they feel that British help in clearing the island of potentially undesirable inhabitants was one of Diego Garcia's most attractive features. They fear that now that the US Navy is, for the first time, a three-ocean concern, it will use Diego Garcia to argue for maintaining more ships and more aircraft.

Yet the risks of the Diego Garcia venture are not only of increasing costs to the Americans, but of increasing tension in the one part of the world from which confrontation has until now been absent. The late Senator Richard Russell, who was chairman of the Senate Appropriations Committee and responsible for handing money to the services, once remarked: "If we make it easy for the navy to go places and do things, we will find ourselves always going places and doing things."

"Whoever heard of Diego Garcia?" asked Senator John Culver this summer. "But then whoever heard of the Gulf of Tonkin?"

The difference for Britain is that Diego Garcia is supposed to be British soil.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

REPORTS OF BUDGET DEFERRALS INVOLVING THE DEPARTMENTS OF TRANSPORTATION AND HEALTH, EDUCATION, AND WELFARE AND THE NATIONAL COMMISSION ON PRODUCTIVITY AND WORK QUALITY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Finance, the Committee on Public Works, the Committee on Banking, Housing and Urban Affairs, jointly, pursuant to the order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals totalling $106.4 million in budget authority. The three reports involve programs of the Departments of Transportation and Health, Education, and Welfare and the National Commission on Productivity and Work Quality.

The details of each deferral are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *September 24, 1975.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:30 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the bill (H.R. 4005) to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act.

The enrolled bill was subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Proposed Interchange Jurisdiction of Civil Works and Forest Service Acquired Lands at Sam Rayburn Dam and Reservoir Project, Texas

A letter from the Secretary of the Army and the Secretary of Agriculture, notifying, pursuant to law, as to the intention of the Departments of the Army and Agriculture to interchange jurisdiction of civil works and Forest Service acquired lands at Sam Rayburn Dam and Reservoir project, Texas (with accompanying papers); to the Committee on Agriculture and Forestry.

Report of Federal Contributions—Personnel and Administration—Obligations by States

A letter from the Director, Defense Civil Preparedness Agency, transmitting, pursuant to law, the report of Federal contributions—personnel and administrative, obligations by States, for the fiscal year ending June 30, 1975 (with an accompanying report); to the Committee on Armed Services.

Proposed Standards, Rules and Regulations Promulgated by the Cost Accounting Standards Board

A letter from the Chairman, Cost Accounting Standards Board, transmitting, pursuant to law, proposed standards, rules, and regulations promulgated by the Cost Accounting Standards Board (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Proposed Amendments to the Public Utility Holding Company and Federal Power Acts

A letter from the Chairman, Federal Power Commission, transmitting a draft of proposed legislation to provide for the transfer to the Federal Power Commission of all functions and administrative authority now vested in the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 (with accompanying papers); to the Committee on Commerce.

U.S. Railway Association Final System Plan

A letter from the Chairman of the Board, U.S. Railway Association, transmitting, pursuant to law, a supplement to the final system plan submitted on July 26, 1975 (with an accompanying document); to the Committee on Commerce.

Proposed Amendment to the Federal Power Act

A letter from the Chairman, Federal Power Commission, transmitting a draft of proposed legislation to amend section 206 of the Federal Power Act (with accompanying papers); to the Committee on Commerce.

Report of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on examination of financial statements pertaining to insurance operations of the Federal Housing Administration, fiscal year 1974, Department of Housing and Urban Development (with an accompanying report); to the Committee on Government Operations.

Lower St. Croix National Scenic Riverway—Boundaries, Classification, and Development Plan

A letter from the Secretary of the Interior, transmitting, pursuant to law, boundaries, classification, and development plan for the Lower St. Croix National Scenic Riverway, Minnesota and Wisconsin (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report on the Mormon Battalion Trail

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report on the Mormon Battalion Trail (with an accompanying report); to the Committee on Interior and Insular Affairs.

Proposed Legislation for Divestiture From the United States Ownership of the Mar-A-Lago National Historic Site, Florida

A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for divestiture from the United States of ownership of the Mar-A-Lago National Historic Site, Fla., and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Application for Supplemental Loan—Semitropic Water Storage District, Wasco, Kern County, Calif.

A letter from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, an application by the Semitropic Water Storage District on behalf of the Buttonwillow Improvement District of Wasco, Kern County, Calif., for a supplemental loan under the Small Reclamation Projects Act (70 Stat. 1044, as amended) (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report on Administration of the Federal Metal and Nonmetallic Mine Safety Act

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, the annual report on administration of the Federal Metal and Nonmetallic Mine Safety Act (Public Law 89-577) (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the President pro tempore:

A joint resolution from the Legislature

of the State of California. Referred to the Committee on Banking, Housing, and Urban Affairs:

"SENATE JOINT RESOLUTION NO. 12—RELATIVE TO FEDERAL-GUARANTEED OR INSURED MORTGAGES

"Whereas, At various times the 10-percent usury limitation in the State of California has and may again severely limit access to national and international secondary money markets by originators and sellers of home loans; and

"Whereas, The constitutional usury limitation in California precludes that segment of the California lending industry most interested and able to originate home loans for secondary markets from providing this service in times of high interest rates; and

"Whereas, The cyclical nature of the homebuilding industry, which is so important to the California economy, is often adversely affected by lack of available financing through FHA/VA, Federal National Mortgage Association, Government National Mortgage Association and the Federal Home Loan Bank at precisely the time when jobs are most needed; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Congress of the United States is requested to enact legislation which will exempt from the usury limitation in the State of California all mortgages, or deeds of trust which are insured or guaranteed by the federal government, or a mortgage intended for delivery to the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Bank or any other state or federal instrumentality; and be it further

"Resolved, That the Secretary of the Senate transmit a copy of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution from the Legislature of the State of California. Referred to the Committee on Commerce:

"SENATE JOINT RESOLUTION NO. 24

"Relative to the regulation of televised violence

"Whereas, Violent crime imperils the health and safety of every American, exposes many persons to suffering and even death, and decreases the quality of life by engendering a pervasive climate of fear; and

Whereas, Violent crime in the United States and in the State of California has in recent years shown an alarming rate of increase, and no readily available means of curbing this increase has been found; and

"Whereas, A particularly disturbing aspect of the current trend in violent crime is its rapid upsurge among juveniles; and

"Whereas, The character of much juvenile violence, in both school and nonschool situations, is marked by random, senseless aggression directed at both peer group and unknown individuals, and appears to be solely an expression of violence as an end in itself; and

"Whereas, Because of the deeply disturbing character of this trend, a thorough review should be made of the formative influences leading to attitudes which motivate widespread juvenile violence; and

"Whereas, It is widely suggested that television is a most significant influence upon most children growing up in America today, portraying many aspects of violence which many juveniles would not ordinarily witness in contemporary home, school, work, and criminal settings; and

"Whereas, The prevalence of televised violence may tend to habituate the viewer to violence as a mode of interpersonal relations, and may stimulate the tendency to indulge in violent acts by a vivid presentation of behavior and events beyond the scope of normal experience; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California memorializes the Federal Communications Commission to seriously consider the need for controls on televised violence and to determine ways in which televised violence may be reduced; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Chairman of the Federal Communications Commission, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution from the Legislature of the State of California. Referred to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION NO. 19— RELATIVE TO HEALTH BENEFIT PAYMENTS

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation providing for health benefit payments for the unemployed financed by general tax funds; and be it further

"Resolved, That the chief clerk of the assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

Resolution from the RAV TOV Committee To Aid New Immigrants, adopted by the Conference of Orthodox and Chassidic Jewry, relating to rejuvenation of traditional Orthodox Jewry as it lived and flourished in prewar Europe. Referred to the Committee on Foreign Relations.

A joint resolution from the Legislature of the State of California. Referred to the Committee on Commerce:

"SENATE JOINT RESOLUTION NO. 26—RELATIVE TO THE COLEMAN NATIONAL FISH HATCHERY

"Whereas the United States Bureau of Reclamation constructed the Coleman National Fish Hatchery in 1942 to mitigate the loss of salmon spawning grounds inundated by Shasta Dam, a unit of the Central Valley project; and

"Whereas expansion of the Central Valley project and development of hydroelectric facilities under Federal license has further impacted the natural production of both salmon and trout in northern California regions; and

"Whereas proposals for expanding the production capability of Coleman Hatchery have been evaluated and found to be both feasible and necessary: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to lend encouragement and provide funding for the expansion of facilities at the Coleman National Fish Hatchery; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of the Interior, to the Director of the Bureau of Sport Fisheries and Wildlife, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution from the Legislature of the State of California. Referred to the Committee on Public Works:

"SENATE JOINT RESOLUTION NO. 30—RELATIVE TO THE HIGHWAY TRUST FUND

"Whereas, H.R. 3786 was recently enacted as Public Law 94–30; and

"Whereas, The provisions of this law permit deferral of state matching funds for federal-aid highway projects until January 1, 1977; and

"Whereas, California has made use of this provision to advance construction projects as requested by the Federal Highway Administration; and

"Whereas, It is estimated that approximately $25 million will be needed for payment to the federal government by January 1, 1977; and

"Whereas, California is a donor state and is now receiving only approximately 65 percent of the revenue it contributes to the Highway Trust Fund; and

"Whereas, Such a low return is considered neither fair nor equitable; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to amend Public Law 94–30 (H.R. 3786) to exempt from the matching requirement of that law any state whose allocation from the Highway Trust Fund is less than 85 percent of the amount it contributes to that fund; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of Transportation, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution from the Board of County Commissioners, Collier County, Fla., for the Federal Government to forego foreign aid until its budget is balanced. Referred to the Committee on Foreign Relations.

A resolution from the Board of County Commissioners, Collier County, Fla., that ballots not be printed in foreign languages. Referred to the Committee on Rules and Administration.

A resolution from the Board of County Commissioners, Collier County, Fla., to permit residents to retain fee title within the Big Cypress purchase area and to remain in their homes so long as they shall live. Referred to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BURDICK, from the Committee on the Judiciary, with amendments:

S. 287. A bill to provide for the appointment of additional district court judges and for other purposes (Rept. No. 94–387).

By Mr. HRUSKA, from the Committee on the Judiciary, with amendments:

S.J. Res. 90. A joint resolution to authorize the President of the United States to designate "National Ski Week" (Rept. No. 94–389).

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with an amendment:

S.J. Res. 121. A joint resolution to provide for quarterly adjustments in the support price for milk (Rept. No. 94–388).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BEALL:

S. 2397. A bill for the relief of John E. DeFreitas. Referred to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. TUNNEY):

S. 2398. A bill to authorize the establishment of the Eugene O'Neill National Historic Site, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. DOMENICI:

S. 2399. A bill to amend the Comprehensive Employment and Training Act of 1973 to permit certain Indian tribes to qualify as prime sponsors under title I of that act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY:

S. 2400. A bill to strengthen the minimum tax, and for other purposes. Referred to the Committee on Finance.

By Mr. FONG:

S. 2401. A bill to amend the Internal Revenue Code of 1954 to permit the deduction of all expenses for medical care of a taxpayer and his spouse if either of them attained the age of 65. Referred to the Committee on Finance.

S. 2402. A bill to amend section 37 of the Internal Revenue Code of 1954 to make the tax treatment of retirement income comparable to that of social security income. Referred to the Committee on Finance.

S. 2403. A bill to relieve a substantial number of elderly individuals of the necessity of filing a declaration of estimated tax with respect to income from pensions or retirement annuities or income from interest and dividends not in excess of $2,000 per year. Referred to the Committee on Finance.

By Mr. PACKWOOD (for himself, Mr. CURTIS and Mr. MATHIAS):

S. 2404. A bill to provide that income from certain public entertainment activities conducted by organizations described in section 501(c) (3), (4), or (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization. Referred to the Committee on Finance.

By Mr. KENNEDY:

S. 2405. A bill to revise the Immigration and Nationality Act. Referred to the Committee on the Judiciary.

By Mr. HARTKE (for himself and Mr. PEARSON) (by request):

S. 2406. A bill to amend the Regional Rail Reorganization Act of 1973 to provide for the purchase of securities of the Consolidated Rail Corporation, and for other purposes. Referred to the Committee on Commerce.

By Mr. BUMPERS:

S. 2407. A bill to improve the administrative process by limiting the defense of sovereign immunity and for other purposes. Referred to the Committee on the Judiciary.

S. 2408. A bill to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress. Referred to the Committee on the Judiciary.

By Mr. BENTSEN (for himself and Mr. NELSON):

S. 2409. A bill to require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on private business as a result of the enactment of such proposed legislation. Referred to the Committee on Government Operations.

By Mr. HATHAWAY (for himself and Mr. BROOKE):

S. 2410. A bill to amend section 501(c) (5) of the Internal Revenue Code of 1954. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON (for himself and Mr. TUNNEY):

S. 2398. A bill to authorize the establishment of the Eugene O'Neill National Historic Site, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

THE EUGENE O'NEILL NATIONAL HISTORIC SITE

Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to establish the Eugene O'Neill National Historic Site.

This bill is nearly identical to H.R. 9126 sponsored in the House by Congressman GEORGE MILLER.

It is similar to legislation I offered in the 91st and 92d and 93d Congresses to establish the Eugene O'Neill National Historic Site and the Las Trampas Ridge National Park. Since first authoring this legislation in 1970, the East Bay Regional Park District of Contra Costa County has purchased approximately 2,000 acres along Las Trampas Ridge, preserving it as open space. Eugene O'Neill's home located in the Las Trampas wilderness near Danville, Calif., is still in private ownership.

Tao House was the residence of Eugene O'Neill from 1937 to 1944. It was at Tao House that O'Neill wrote all of his last and probably best plays including "The Iceman Cometh"—1939, "Long Day's Journey Into Night"—1940, "Hughie"—1941, and his last play "A Moon for the Misbegotten"—1943. While at Tao House, he also wrote scenarios for a number of plays and revised "A Touch of Poet."

O'Neill lived at Tao House for more than 6 years—longer than he lived anywhere else. He called Tao House his "final home and harbor." With his wife, Charlotta Monterey, O'Neill designed the house. It was built with the cash award of $40,000 which O'Neill received when he won the Nobel Prize for literature in 1936.

The O'Neills titled the resident "Tao House" after the Chinese philosophy Taoism which stresses the natural life of harmony, simplicity, and peace. Not only does its name invoke a kind of oriental magic, but the architecture also reveals a strong Chinese influence.

In addition, the house emphasized the Taoist sense of inwardness which O'Neill felt himself. Although the house faced east across the valley toward Mount Diablo, its hall was so designed that the mountain could only be seen reflected in darkened mirrors. In this setting, O'Neill turned inward to interpret the tragedies of his own early life and create his own tragic drama, "Long Day's Journey Into Night."

There is always some danger in proclaiming an artist's greatness too soon after his death. The ages have a way of discovering the genius overlooked by his peers, and conversely, of deflating the overblown excesses of a period's adulation for its passing heroes.

But regardless of where time eventually ranks Eugene O'Neill in the heirarchy of American literary giants, there is no question that he is a solid literary figure of great creativity and that his works will remain an important study in the field of American letters.

Tao House is a significant element in the American literary heritage of the 20th century. I believe we have a responsibility to preserve it for future generations.

The East Bay Regional Park District has an option to purchase Tao House and the surrounding 14 acres for $225,000. The Eugene O'Neill Foundation has been established to receive funds from private sources to be used for matching Federal and State grants. Upon acquisition, the East Bay Regional Park District wishes to donate the property to the Federal Government.

The legislation I am introducing today would establish the Eugene O'Neill National Historic Site and permit the Secretary of the Interior to accept the property by donation or to purchase the property with donated funds. The bill also authorizes the Secretary to work together with the Eugene O'Neill Foundation to preserve, restore and adapt Tao House for public use.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to accept the donation of, or purchase with funds donated for the acquisition of, all or any part of the property (comprising approximately fourteen acres) and improvements thereon at Danville, California, formerly owned by Eugene O'Neill. When acquired, such property shall be designated as the Eugene O'Neill National Historic Site and shall be used as a national public memorial and community cultural center in commemoration of the contribution of Eugene O'Neill to American literature and drama.

SEC. 2. The national historic site established pursuant to this Act shall be administered by the Secretary of the Interior in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 461–467). The Secretary of the Interior is authorized to enter into cooperative agreements with the Eugene O'Neill Foundation, Tao House, to preserve, interpret, restore, program, adapt for public use and/or provide technical assistance for the Eugene O'Neill National Historic Site in accordance with the provisions of this Act.

SEC. 3. There is authorized to be appropriated such sums as are necessary to carry out this Act.

By Mr. DOMENICI:

S. 2399. A bill to amend the Comprehensive Employment and Training Act of 1973 to permit certain Indian tribes to qualify as prime sponsors under title I of that act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. DOMENICI. Mr. President, I would like to take this opportunity to speak on behalf of an amendment to title I of the Comprehensive Employment and Training Act of 1973 (Public Law 93-203) which I am introducing today.

CETA provides a much-needed program of funding for State and local prime sponsors to plan and operate manpower programs meeting local needs.

Title I provides for a program of financial assistance to plan and operate comprehensive manpower programs for the development and creation of job opportunities, and for training, education, and other services enabling individuals to secure and retain employment at their maximum potential. This includes a range of programs and activities encompassing outreach, counseling, and testing, referral, basic education, institutional and on-the-job training, supporting services, and subsidized employment programs with public and not-for-profit employers.

Titles II and III of CETA provide that Indian tribes or entities meeting specified criteria may act as prime sponsors to receive funding for specified comprehensive manpower programs. This means that Indian groups may receive direct funding under these titles.

Under title I, however, prime sponsors are limited to units of State or local government and do not specifically specify Indian groups or tribes. Thus the degree of participation by Indian tribes under title I is a matter to be decided by units of local or State government—not by the tribes themselves. Many tribal governments, particularly among the Pueblos, are recognized as a general local government, but title I of this act does not make this distinction. The amendment I am introducing would alter title I to allow Indian tribes on Federal reservations to act as prime sponsors as allowed under titles II and III, thereby receiving and administering title I grants directly.

My amendment would insure an enhanced degree of Indian control in the administration of title I manpower programs. I feel that such direct control is essential to the full implementation of Indian self-determination—a vital aspect of which is Indian control of manpower development. The concept of self-determination has as its goal the economic self-sufficiency of Indians based on expanded development and utilization of Indian resources. The means of achieving this goal are invitably dependent upon allowing Indians increased control in the administration and planning of assistance programs.

Maximum use of Indian resources—especially manpower resources—is far from a reality today. Consider, for example, the following statistics:

> The Indian unemployment rate is nearly three times the national average. (1970 Census Figures)
>
> Nearly 40% of Indians are living at or below the poverty level—as compared with 13.7% of the total US population. Moreover, these figures vary widely among geographic areas, with nearly 60% of Indians in some metropolitan areas below the poverty level, and up to 80% on some reservations. (1970 Census Figures)
>
> Per capita annual income is estimated to average approximately $1,450. (BIA estimate, 1975)

Thus, the development of job skills and income is of vital importance to increasing the use of Indian manpower resources—especially the development of job skills which can be used on or near the reservation.

My amendment would be especially valuable in this regard, since Indian tribes themselves can assess their own needs and plan their response to those needs, far better than can units of State and local government who cannot view the issues at firsthand.

Already, the self-determination process in regard to other Federal programs is underway. It is essential to provide the same opportunities with respect to title I of CETA.

Self-determination is the hope of the future for the American Indian; it is his chance to achieve in full his long-denied share of the American dream. I, therefore, offer this amendment in the hope and expectation that its enactment will constitute a significant step toward achievement of this goal. It is in the American tradition that all men and women should have the opportunity to control their own destinies. It is the opportunity for this control which self-determination presents to the first Americans, as we approach the 200th anniversary of our Nation. Let us, at this crucial juncture in our history, make good on our promise of equal opportunity for all who live in this great land.

By Mr. KENNEDY:

S. 2400. A bill to strengthen the minimum tax, and for other purposes. Referred to the Committee on Finance.

STRENGTHENING THE MINIMUM TAX

Mr. KENNEDY. Mr. President, I send to the desk a bill to reform the minimum tax, and I ask that it be referred to the Committee on Finance.

The purpose of the bill is to close two of the most serious loopholes in the minimum tax: The so-called "deduction for taxes paid" and the $30,000 exemption. On the basis of estimates for calendar year 1975, the amendment will generate increased tax revenues of $549 million from individuals and $200 million from corporations.

The minimum tax is the imaginative technique enacted by Congress as part of the Tax Reform Act of 1969, in an effort to insure that all citizens with substantial income would pay at least some tax on their income, thereby ending the gross tax inequity by which thousands of wealthy taxpayers are able to use the loopholes in existing law to avoid large amounts of taxes they ought to pay, or even to avoid taxes altogether.

In effect, the minimum tax is supposed to be a "bucket under a sieve." It is designed to impose a modest tax on income that slips otherwise untaxed through the many loopholes and special preferences in the existing Revenue Code. If the minimum tax fulfills its function, no one with substantial income would be able to avoid paying a fair share of taxes on his income.

Under the present minimum tax, a person is taxed at the rate of 10 percent on the sum of his income from tax preferences, which include most, but not all, of the major tax loopholes, less a $30,000 exemption and less the amount of regular income taxes owed.

Unfortunately, the tax does not adequately fulfill its functions. In 1970, for example, the first full year of operation, the revenue yield was a paltry $121 million from individuals, compared to an anticipated yield of $290 million when it was enacted in 1969. In 1971, the yield was little better, only $169 million from individuals. In 1972, although the yield was somewhat higher, $206 million, it was still far below the substantial amounts that would be raised if the minimum tax really did its job. And in 1973, the most recent year for which information is available, the revenue yield declined to $182 million.

Because of the loopholes in the minimum tax—principally the deduction for taxes paid and the $30,000 exemption—its effective rate in 1971 on individuals was only 2.6 percent, compared to the statutory rate of 10 percent, and the effective rate on corporations was only 4.8 percent. And, as a result of the loopholes in the minimum tax, 75,000 individuals, reporting tax loophole income totaling $2.2 billion, paid no minimum tax at all. Similarly, 75,000 corporations, reporting tax loophole income totaling $1.6 billion, paid no minimum tax at all.

Moreover, as the preliminary figures recently published by the IRS for the 1973 tax year make clear, there are still many extremely wealthy individuals who pay no Federal income tax at all. According to these figures, as the following table indicates, the ranks of "zero taxpayers" included individuals with incomes over $1 million who paid no Federal income tax in 1973; there were over 3,000 persons with incomes over $50,000, and over 10,000 individuals with incomes over $30,000 who paid no such tax.

And these figures are only the tip of the iceberg. For every "zero" taxpayer in the table, there are dozens more waiting in the wings in each income class who use the loopholes in the minimum tax to reduce their taxes to near zero, paying only a small proportion of the taxes they reasonably ought to owe.

Adjusted gross income class	Zero taxpayers	Cumulative
Over $1,000,000	7	7
$500,000–$1,000,000	15	22
$200,000–$500,000	142	164
$100,000–$200,000	458	622
$50,000–$100,000	2, 466	3, 088
$30,000–$50,000	7, 312	10, 400

Because of the exemptions and deductions written in at the beginning and in subsequent years, the minimum tax is itself a loophole-ridden tax—minimum in impact as well as name. As such, the minimum tax is the most aptly named provision in the tax laws. Instead of being a "bucket under a sieve," it is, instead, simply another sieve under the existing sieve.

The first of the two reforms I propose would eliminate the deduction for taxes paid. This deduction entered the revenue laws as an 11th hour Senate floor amendment to the Tax Reform Act of 1969.

In effect, this particular deduction has become an "Executive Suite" loophole, because it allows highly paid executives to use the taxes they pay on their large salaries to shelter large amounts of tax preference income against the minimum tax. Similarly, wealthy doctors and lawyers are able to escape the minimum tax by using this deduction to offset their tax preference income from various investments and other sources.

But simply because a wealthy individual pays taxes on his salary just like everybody else, it does not follow that the taxes he pays should give him free entry to the "loophole club," by allowing him to amass large amounts of sheltered income, free not only from the regular tax, but free from the the minimum tax as well.

Thus, the minimum tax works reasonably well in the case of individuals who pay little or no regular taxes, but it contains a gaping loophole in the case of individuals who pay substantial regular taxes. There is no justification for allowing this loophole in the minimum tax to remain open. Simple tax justice requires that the minimum tax be applied evenhandedly to all tax preference income. The bill I am proposing today will achieve that result by eliminating the deduction for taxes paid.

The second reform would reduce the current $30,000 exemption from the minimum tax to $10,000. The existing exemption allows the first $30,000 in tax loophole income to escape the minimum tax altogether. I believe the current exemption is excessive, and that a level of $10,000 would eliminate much of the tax avoidance feature of the current law while insuring that the minimum tax comes into play at a reasonable level of tax preference income.

The $30,000 exemption is also the loophole used by President Nixon to reduce his minimum tax to zero in 1971 and 1972, and to near-zero in 1970. According to the information available, the President filed the required IRS form for the minimum tax for the years 1970, 1971, and 1972, since he had many thousands of dollars in tax preference income derived from preferences such as interest on investments, accelerated depreciation, and capital gains. Yet in only one of those years, 1970, did the President actually pay any minimum tax, and the amount paid that year was extremely small, $792.81. In the other 2 years, in spite of his sizable tax preference income, the President was able to use the $30,000 exemption in the law to reduce his minimum tax to zero.

As the following figures indicate, the $549 million in revenue gain from individuals would be derived almost entirely from taxpayers in the highest income brackets, with 61.2 percent of the gain coming from those with incomes over $100,000 a year, and with 79 percent coming from those with incomes over $50,000 a year:

REVENUE GAIN

Income class	Gain (millions)	Percent	Cumulative Percent
Under $5,000	$19	3. 5	3. 5
$5,000–$10,000	2	0. 4	3. 8
$10,000–$15,000	6	1. 1	4. 9
$15,000–$20,000	14	2. 6	7. 5
$20,000–$30,000	27	4. 9	12. 4
$30,000–$50,000	46	8. 4	20. 8
$50,000–$100,000	100	18. 2	39. 0
Over $100,000	336	61. 2	100. 0
Total	549	100. 0	100. 0

The proposed bill does not affect the 10 percent rate of the minimum tax or the list of tax preferences to which the minimum tax applies.

At the present time, the major preferences subject to the minimum tax are: Accelerated depreciation on real property, accelerated depreciation on personal property subject to a net lease, amortization of certified pollution control facilities, amortization of railroad rolling stock, stock options, reserves for losses on bad debts of financial institutions, depletion, capital gains, and rapid amortization of on-the-job training and child care facilities.

The major preferences not subject to the minimum tax are: Interest on State and local government bonds, intangible drilling and development expenses, interest and taxes on real estate during construction periods, the investment credit, gain on property transferred at death, and gain on appreciated property given to charity.

In the course of its current deliberations, the House Ways and Means Committee is examining the minimum tax and has already tentatively agreed on a number of reforms. My hope is that House action will be completed early this fall, in time for the Senate to act on the legislation before the end of the year. It is time for Congress to write an end to the era of the "zero" taxpayer and the serious inequity his presence causes in the Nation's tax laws.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 56 of the Internal Revenue Code of 1954 (relating to imposition of minimum tax for tax preferences) is amended:

(a) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) IN GENERAL.—In addition to the other taxes imposed by this chapter, there is hereby imposed for each taxable year, with respect to the income of every person, a tax equal to 10 percent of the amount (if any) by which the sum of the items of tax preference exceeds $10,000.";

(b) by striking out "$30,000" in subsection (b)(1)(B) and inserting in lieu thereof "$10,000"; and

(c) by striking out subsection (c).

SEC. 2. The amendments made by this section shall apply to taxable years beginning after December 31, 1974.

By Mr. FONG:

S. 2401. A bill to amend the Internal Revenue Code of 1954 to permit the deduction of all expenses for medical care of a taxpayer and his spouse if either of them attained the age of 65. Referred to the Committee on Finance.

S. 2402. A bill to amend section 37 of the Internal Revenue Code of 1954 to make the tax treatment of retirement income comparable to that of social security income. Referred to the Committee on Finance.

S. 2403. A bill to relieve a substantial number of elderly individuals of the necessity of filing a declaration of estimated tax with respect to income from pensions or retirement annuities or income from interest and dividends not in excess of $2,000 per year. Referred to the Committee on Finance.

Mr. FONG. Mr. President, today I am introducing, for appropriate reference, three bills containing long needed amendments to the Internal Revenue Code of 1954 that will greatly benefit the Nation's older Americans. These bills would:

First. Permit the deduction of all unreimbursed medical expenses for medical care of a taxpayer and spouse if either of them has attained the age of 65;

Second. Update the retirement income credit provisions of the Internal Revenue Code so as to restore and maintain equitable tax treatment for those retirees who receive no social security benefits, or very small payments; and

Third. Relieve a substantial number of elderly individuals of the necessity of filing a declaration of estimated tax with respect to income from pensions or retirement annuities, or from interest and dividends when such income is no more than $2,000.

FULL DEDUCTIBILITY OF MEDICAL EXPENSES FOR OLDER AMERICANS

My bill, S. 2401, to restore full tax deductibility of medical expenses for persons age 65 and over to the same extent as was applicable for them prior to 1967 is identical to bills I have introduced for this purpose during previous sessions of the Congress. Each day the need for adoption of this proposal becomes more imperative.

The need for action is shown by the history of the Social Security Amendments of 1965. Prior to its passage, older Americans enjoyed full deductibility of medical and drug expenses. With its enactment, however, this benefit was lost.

The reason given for deletion of this tax benefit at that time was that full deductibility of medical and drug expenses for persons past 65 was justified only during the period when there was no broad-coverage health insurance plan for older Americans. Having presumably provided such broad health insurance coverage in the form of medicare through the 1965 Social Security Amendments, Congress reasoned that the justification for continuing the full deductibility of unreimbursed medical expenses, and medicines and drugs for persons past 65 no longer existed.

Therefore, after the advent of medicare, the 3-percent and 1-percent limitations in computing the medical expenses deduction of persons age 65 and over were restored. Since then, only those medical expenses in excess of 3 percent of adjusted gross income have been deductible, and medicines and drugs have been treated as medical expenses only to the extent they exceed 1 percent of this adjusted gross income.

Despite medicare, however, medical expenses have remained a major cost to older Americans. The need for treating them as a fully deductible item for income taxes may, in fact, be even greater than was the case prior to passage of the Social Security Amendments of 1965.

Medicare reimbursements now account for less than 40 percent of the medical expenses of persons past 65. Because of this, and the fact that medical expenses in general have been rising considerably since 1965, older Americans are finding that increasingly large portions of their retirement incomes are going to medical expenses. It is now more important than ever that we reinstate the full deductibility of unreimbursed medical costs as I propose in my bill.

FULL PARITY FOR THE RETIREMENT INCOME TAX CREDIT

My second older Americans tax relief bill, S. 2402, would make two changes in the current retirement income tax credit provisions of the Internal Revenue Code:

First. It would update the tax credit so as to give it full parity with the tax-free retirement income under social security, and

Second. It would provide that such tax parity would be maintained in the years ahead as social security benefits are increased.

Under present law, a single retiree is entitled to a tax credit of 15 percent on up to $1,524 income from private pensions and a married couple is entitled to the same credit on up to $2,286. Income eligible for the 15-percent tax credit must be reduced by social security and other tax-exempt pension income and by 50 percent of earned income before the tax credit is calculated.

The rationale of the retirement income credit is to provide equitable tax treatment to retirees who receive little or no social security income, in line with retirees receiving social security payments, which are entirely tax free. The $1,524 base income subject to the credit provided such equity when enacted 14 years ago. Since then social security benefits have increased considerably and have continued to be treated as tax free. As a result, the present maximum amount of non-social security income eligible for the credit is considerably below the maximum social security primary tax-free benefit of approximately $4,100 available for a retired worker and the maximum social security primary and supplementary tax-free benefit of approximately $6,050 for a retired worker and spouse.

My bill would apply the credit to the same income level or the maximum social security retirement benefit level paid to retired individuals and couples as such benefit level is certified each year by the Secretary of Health, Education, and Welfare.

Its immediate effect would be to raise the income subject to the retirement income tax credit to approximately $4,100 for an individual and $6,050 for a couple. The amount would be adjusted in the future as social security maximum retirement benefits increase so that the originally intended parity would be maintained on a constant basis.

I am strongly persuaded that such a permanent—and automatic—updating of the retirement income tax credit provision of the law is necessary because of the poor record we have had in the 14 years since the credit was last updated. Our failure to make changes has often worked a severe hardship on the many persons whose retirement income includes no social security payments, or whose social security benefits have been so low as to be of minor importance to them.

The people who would benefit from an updated tax credit include Federal retirees. But it also includes many others, such as teachers, police officers, firemen, and other State and local government employees who may have no social security coverage.

At a recent hearing of the Senate Special Committee on Aging in Chicago, for example, it was reported that there are now over 35,000 teacher retirees in Illinois who do not, as such, have social security. My bill would be of great assistance to many of these. Since their retirement income has no adjustment for cost of living, an updated retirement income credit can be doubly important to them.

In previous sessions of Congress, I have introduced a number of bills to update the retirement income tax credit—as have other Members. In each case I have tried to bring the tax credit fully into line with the tax-free status of social security retirement benefits. This is also the purpose of the bill I introduce today, but with a significant difference. By permanently tying the tax credit to the maximum social security benefit as certified each year by the Secretary of Health, Education, and Welfare, it would also assure that parity is maintained in the future.

With probable continuation of high inflation rates, the annual automatic adjustment in the income subject to the retirement tax credit becomes most important. Failure to include such a mechanism in any change in the law invites the prospect of inequities in the future comparable to those which now exist because of our failure to act during the past dozen years.

As a matter of fact, updating of the retirement income tax credit to any specific dollar amount—even if appropriate when introduced—is almost certain to be out of date by the time it is enacted and takes effect.

I urge the Congress to give flexibility and full parity to the retirement income tax credit provisions of the Internal Revenue Code by enacting my bill without delay.

It is my understanding that yesterday, as part of the tax reform bill on which it is now working, the House Ways and Means Committee, approved raising the income levels on which the retirement income tax credit is based to $2,500 for an individual and $3,750 for a couple.

Since this is identical to a bill I introduced April 4, 1973, I strongly approve this as a step in the right direction. The Ways and Means Committee action does not, however, reflect the increases in social security benefits which have occurred during the past 29 months as my bill does. Nor, so far as I can determine, does it make any provision for regular updating of the credit in the future. I hope, therefore, before final action is taken on the tax amendments, that they will be changed so as to include the more current provisions of the bill which I introduce today.

EXEMPTION OF MOST OLDER AMERICANS FROM DECLARATION OF ESTIMATED INCOME TAXES

Finally my third bill, S. 2403, amending the Internal Revenue Code would exempt a substantial number of persons past 65 from the requirement to file declarations of income tax estimates—with quarterly payments thereon—by exempting "retirement annuities and pensions" as well as wages and salaries from the declaration requirement, and by exempting $2,000 of interest and dividends from the declaration requirements, while still retaining the $200 current exemption for persons under 65.

Prior to retirement many Americans were never required to file a declaration of estimated tax because almost all of their wages were in the form of salaries and subject to withholding. Now all of a sudden after reaching 65 they must file a declaration of estimated tax-form 1040–ES if their estimated tax is $100 or more, and if their estimated gross income includes more than $500 of earned income not subject to withholding.

My bill would excuse those taxpayers who have attained the age 65 from filing 1040–ES forms—declarations of estimated tax—if their interest and dividend income did not exceed $2,000 regardless of the amount of their retirement or pension.

Thus, my bill eliminates this new and distressing form from being thrust upon the bewildered low and moderate income senior citizen, the very senior citizen who most likely would not be able to cope with or afford a professional tax consultant to file this new additional tax form. This bill, however, will not cost the Government anything since it does not waive the ultimate tax liability of the individual concerned.

It is my hope, Mr. President, that these three bills amending the Internal Revenue Code will go a long way to lightening the tax load on our alrealy overburdened senior citizens of America.

By Mr. PACKWOOD (for himself, Mr. CURTIS and Mr. MATHIAS):

S. 2404. A bill to provide that income from certain public entertainment activities conducted by organizations described in section 501(c) (3), (4), or (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization. Referred to the Committee on Finance.

TAXATION OF FAIRS AND EXPOSITIONS

Mr. PACKWOOD. Mr. President, today I am introducing a bill which is vital to the continued financial vitality of fairs and expositions, one of America's most popular traditional events.

Under present law, an otherwise tax-exempt organization which regularly conducts a trade or business which is not substantially related to its exempt function is subject to Federal income tax on the income generated by that unrelated trade or business. However, the tax does not apply if the trade or business is substantially related to the prescribed purpose of the exempt organization.

For some years, questions have been raised as whether income from public entertainment activities of fairs and expositions conducted by exempt organizations is subject to the tax on unrelated business income. The position of the Internal Revenue Service is that exempt organizations conducting public entertainment activities may be subject to assessment of tax for unrelated business income or termination of exemption.

The Internal Revenue Service lost the only Federal court case on this subject in 1955 (*Maryland State Fair and Agricultural Society* v. *Chamberlain*, (D.C.), 55-1 UTSC Para. 9399, 48 AFTR 1725). The court held that the operation of the public entertainment activity is substantially related to the agricultural purpose of the exempt organization conducting the fair. In spite of this court decision, the Internal Revenue Service has continued to seek to apply the tax on unrelated business income to the Maryland State Fair, and other fairs, such as the Los Angeles County Fair. This Internal Revenue Service action, the fact that several other organizations operating fairs and expositions have been selected for audit, and the fact that the Internal Revenue Service may contend that the information return filed by the exempt organization does not commence the running of the statute of limitations for purposes of assessment of the tax on unrelated business income, has threatened the affected organizations with the possibility of enormous accumulated and prospective tax liability and litigation expenses. For example, the Internal Revenue Service is seeking payment of back taxes from the early 1960's from the Maryland State Fair and the Los Angeles County Fair.

These events have threatened the financial stability and even continued existence of fairs and expositions in the United States. It is unfair and regrettable that fairs and expositions, traditionally one of the most heavily supported public activities throughout America, are being subjected to these pressures. State fairs—this does not include county or regional fairs—attracted more than 25 million patrons last year. Fairs remain popular and important to the areas they serve, including areas with an increasing urban population, in spite of competition from other entertainment activities.

The bill I am introducing today, with the cosponsorship of the distinguished Senator from Nebraska (Mr. CURTIS), and the distinguished Senator from Maryland (Mr. MATHIAS), is designed to rectify these problems. The bill applies to section 501(c) (3), (4), and (5) organizations, and has an effective date of taxable years beginning after December 31, 1959. This effective date provision is necessary because the Internal Revenue Service may contend that the information return filed by an exempt organization does not stop the statute of limitations for purposes of assessment of the tax on unrelated business income.

State statutes applying to public entertainment activities vary, and the specific provisions must be considered to assure equitable treatment of organizations located in different States. Therefore, this bill applies to the operation, by a section 501(c) (3), (4), or (5) organization, of a public entertainment activity if one of the following conditions is met:

First. The public entertainment activity is conducted in conjunction with a fair or exposition.

Second. The public entertainment activity is conducted in accordance with a State law limiting the conduct of such activities to exempt organizations or governmental units. This is consistent with the purpose of the tax on unrelated business income because there are no for-profit businesses competing with such public entertainment activities.

Third. The public entertainment activity is conducted pursuant to State law which grants such an organization a license to conduct not more than 30 days of such an activity on payment to the State of a lesser percentage of the revenue from the licensed activity than the State requires from organizations not described in section 501 (c), (3), (4), or (5). An example of such a State is Oregon.

The primary purpose of the tax on unrelated business income is to eliminate unfair competition by subjecting the unrelated business activities of exempt organizations to the same tax treatment as nonexempt businesses with which they compete. Oregon State law authorizes the licensing of a maximum of 10 days of racing to several county and regional fairs. A limited period of racing such as this does not usually justify construction of facilities at the fair sites, and so qualified organizations operating fairs usually use nearby commercial facilities. When the commercial facilities are used by exempt organizations, there is of course no competing for-profit business conducting racing at the same time. Therefore, it is consistent with the purposes of the tax on unrelated business income for income from such racing to be excluded from tax.

This legislation is vital to the continued financial vitality of fairs and expositions. I urge favorable Senate action.

Mr. CURTIS. Mr. President, I am pleased to join with the distinguished Senator from Oregon (Mr. PACKWOOD) and the distinguished Senator from Maryland (Mr. MATHIAS) in sponsoring legislation to clarify the application of the unrelated business income tax to public entertainment activities conducted by certain organizations which are otherwise exempt from Federal taxation.

I fully support the proposed legislation and, as the ranking minority member of the Committee on Finance, to which this bill will be referred, I shall work for its prompt consideration and enactment.

Under the bill, the tax on unrelated business income will not be applicable to public entertainment activities conducted by organizations described in section 501(c), (3), (4), or (5) of the Internal Revenue Code if, in a particular case, one of three specified conditions is met. One of these conditions is that the public entertainment activity be conducted in accordance with the provisions of State law which permit such an activity to be operated solely by an exempt organization or by an agency, instrumentality of subdivision of such State. Nebraska laws so provide.

The exclusion of activities conducted pursuant to such laws from the tax on unrelated business income is entirely proper. The primary purpose of the tax, since its enactment in 1950, has been to eliminate a source of unfair competition by placing the unrelated business activities of exempt organizations on the same tax basis as the nonexempt businesses with which they compete. In States having laws such as Nebraska, the critical element of unfair competition is necessarily lacking and there is therefore no reason to impose the tax. Quite frankly, I believe that this result can and should be reached under existing law. However, in view of the actions of the Internal Revenue Service described by Senator PACKWOOD, I believe that legislative action is necessary.

For these reasons, I am pleased to join as a cosponsor in this legislative effort and to work for its prompt enactment.

Mr. MATHIAS. Mr. President, I introduced S. 89 for the purpose of protecting the many worthwhile fairs across this country, which are dedicated to charitable purposes, from crippling taxation. At that time I thought my bill provided a complete and satisfactory solution to the problem. I have since learned that several important fairs would not be sufficiently protected by the provisions of my bill and for this reason I am pleased to cosponsor the legislation which Senator PACKWOOD introduces today. It is a balanced, reasonable and complete approach to the problem.

By Mr. KENNEDY:

S. 2405. A bill to revise the Immigration and Nationality Act. Referred to the Committee on the Judiciary.

IMMIGRATION AND NATIONALITY ACT AMENDMENTS OF 1975

Mr. KENNEDY. Mr. President, I am introducing today a comprehensive bill to amend the Immigration and Nationality Act.

The bill is similar to bills I have introduced in previous years, and closely follows many long-standing legislative recommendations of the American Immigration and Citizenship Conference in New York and other expert bodies in immigration and refugee affairs. A bill with intent similar to this bill is also pending in the House of Representatives.

The proposed legislation goes a long way in continuing the reform effort initiated in the Immigration Act of 1965, which repealed the national origins quota system. Among other things, the bill strengthens the traditional immigration objective of family unity. It facilitates the admission of mentally retarded family members. It removes some needless barriers to naturalization—including those involving the English language requirement. And it provides special immigrant visas to applicants in Ireland, Holland, Germany, and other countries disadvantaged in the transition under the act of 1965.

And finally, Mr. President, the proposed legislation accomplishes two long-sought objectives by those concerned with fair and humane immigration laws.

First, the proposed legislation refines and strengthens the new system established in 1965. It not only remedies the confused situation in the allocation of visas to applicants in Western Hemisphere countries—but it also provides a more orderly, flexible, and humane method of allocating visas to applicants of all countries, on a first-come, first-served basis.

And second, the proposed legislation establishes a new humanitarian policy of asylum for refugees and victims of natural disaster and war.

I would like to elaborate briefly on these two major objections.

REFINEMENT OF THE NEW SYSTEM ESTABLISHED IN 1965

Section 3 establishes a worldwide ceiling of 300,000 immigrants annually, exclusive of immediate family members of U.S. citizens and other special immigrants.

The worldwide ceiling becomes effective on July 1, 1978. In the interim, the present ceiling of 170,000 immigrants from countries in the Eastern Hemisphere continues to operate. The present ceiling of 120,000 immigrants from countries in the Western Hemisphere is raised to 130,000—and, owing to the special nature of the Cuban refugee program, refugees who adjust their status to permanent resident alien under the act of November 2, 1966, will not be counted against the ceiling.

Section 4 of the bill extends the present 20,000 annual limitation on immigration from any one country in the Eastern Hemisphere to Western Hemisphere countries as well—except that Canada and Mexico are given a maximum of 35,000 each.

Section 5 amends the preference system established in 1965. In addition to introducing flexibility into the allocation of visas among the seven preferences, this section applies the preference system on a worldwide basis simultaneously with the effective date of the world ceiling.

In the interim, the preference system, which is currently operative only in the Eastern Hemisphere is broadened to include the Western Hemisphere. But the preference system will operate separately in each hemisphere until July 1, 1978.

As suggested, section 5 of the bill introduces maximum flexibility into the allocation of visas within the preference system. This is accomplished, first of all, by making minor changes in percentage allocations from the pool of visas to each preference category, so as to better reflect the pattern of anticipated demands and, more importantly, by permitting the dropdown of unused visas in any category to meet excessive demand in the category that follows: Visas remaining after the dropdown through the seven preference categories will be issued to nonpreference immigrants.

ASYLUM FOR REFUGEES

Sections 5 and 7 of the bill establish a new humanitarian policy of asylum for refugees. First, the definition of a refugee is broadened from its present European and cold war framework, to include the homeless throughout the world. Second, the number of annual refugee admissions allocated within the preference system is raised from the current maximum of 10,200 to 36,000 Third, the Attorney General is authorized to parole into the country additional numbers of refugees in times of emergency, if he determines it to be in the public interest. This merely confirms what we have done over nearly 20 years in admitting those who left Hungary and Cuba and Czechoslovakia and Chile and Indochina. And, fourth, the bill provides a permanent authority to adjust the status of refugee parolees to that of permanent residence, thus avoiding the need for special legislation of the kind enacted for Hungarians and Cubans.

In practice, our country has always been generous in providing resettlement opportunities to refugees, but our permanent immigration law has never included a comprehensive asylum policy. As chairman of the Judiciary Subcommittee on Refugees, I believe it is extremely important that our law fully recognize refugee problems and resettlement needs throughout the world. The bill accomplishes this objective.

IMMIGRATION REFORM: A TRIBUTE TO THE BICENTENNIAL

Mr. President, in July of 1963, President Kennedy sent to Congress legislative recommendations to eliminate the national origins quota system. Little more than 2 years later, on October 3, President Johnson signed into law the Immigration Act of 1965.

I said at the time that a measure of greatness for any nation is its ability to recognize past errors of judgment, and its willingness to reform its public policy. Through the act of 1965, and the elimination of the national origins quota system, we made a good beginning in basic policy governing those who seek admission to our land.

The accomplished reform broadened a central theme in American history—equality of opportunity. And it stood with other legislation of the sixties—in civil rights, poverty, education and health—to reaffirm our Nation's continuing pursuit of justice, equality and freedom.

But the act of 1965 was only the beginning of an important task. It did not include a number of additional and needed reforms. It failed to resolve a number of issues relating to immigration from Western Hemisphere countries. And it fell short of the desired flexibility in immigration policy recommended by the executive branch.

Since 1965, however, no new reform has been accomplished, even though it was generally recognized at the time that additional legislation would soon be needed. And this failure to act over the past decade has not only been detrimental to fulfilling the intent of the 1965 act—it has also created some serious problems, which urgently require the active attention of Congress and the administration.

It has perpetuated needless discriminations against visa applicants in Mexico and Canada and all countries in the Western Hemisphere. It has brought confusion in our traditional policy of welcome to refugees. And it has fostered undue harshness in the administration of the law. In short, it has brought a needless measure of chaos to a significant area of public policy and concern.

Mr. President, the bill I introduce today does not alter the general flow of immigration, but it does meet some pressing needs in the immigration field—nagging needs which both Congress and the administration have failed to meet, for too long. In all candor, I must say that it is difficult at this time in our Nation's life—when we are faced with disruptive problems at home and abroad—to concentrate effort and concern in the currently less dramatic aspects of our country's progress and pursuit of justice.

But there is work to do in perfecting the policy which governs one of the oldest themes in our Nation's history. And in this time of Bicentennial, I call upon the President to actively join with Congress in giving immigration policy the attention it needs and deserves. The reform effort must continue.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text and a brief summary of the bill.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2405

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Immigration and Nationality Act Amendments of 1975".

SEC. 2. Subsection (a) (27) of section 101 of the Immigration and Nationality Act (8 U.S.C. 1101) is amended—

(1) by amending subparagraph (A) to read as follows:

"(A) an immigrant who is the spouse or child of a citizen of the United States or is the parent of a citizen of the United States at least twenty-one years of age: *Provided,* That in the case of a parent, the spouse and children of such a special immigrant shall be entitled to special immigrant status if accompanying or following to join him. The special immigrants in this subparagraph who are otherwise qualified for admission as immigrants shall be admitted as such, without regard to the numerical limitations in this Act."

(2) by striking out "carrying on the vocation of minister of a religious denomination" in subparagraph (D) and inserting in lieu thereof "performing duties which are related to the religious activities of a religious denomination"; and

(3) by amending subparagraph (E) to read as follows:

"(E) an immigrant who is an employee, or an honorably retired former employee, of the United States Government abroad, and who has performed faithful service for a total of fifteen years, or more, and his accompanying spouse and children: *Provided,* That the principal officer of a Foreign Service establishment, in his discretion, shall have recommended the granting of special immigrant status to such alien and the Secretary of State approves such recommendation and finds that it is in the National interest to grant such status."

SEC. 3. Section 201 of the Immigration and

Nationality Act (8 U.S.C. 1151) is amended to read as follows:

"SEC. 201. Exclusive of special immigrants defined in section 101(a)(27), and of alien refugees who may apply for adjustment of status to that of aliens lawfully admitted to the United States for permanent residence under the Act of November 2, 1966 (80 Stat. 1161; 8 U.S.C. 1255 note), the number of aliens who may be issued immigrant visas or who may otherwise acquire the status of an alien lawfully admitted to the United States for permanent residence, (a) shall not in any of the first three quarters of any fiscal year exceed a total of eighty thousand and (b) shall not in any fiscal year exceed a total of three hundred thousand: *Provided*, That, during the period from the effective date of the Immigration and Nationality Act Amendments of 1975 through June 30, 1978, the number of aliens specified in this section shall not in any of the first three quarters of any fiscal year exceed a total of forty-five thousand and shall not in any fiscal year exceed a total of one hundred seventy thousand for aliens ascribed to independent foreign countries of the Eastern Hemisphere, and (B) shall not in any of the first three quarters of any fiscal year exceed a total of thirty-five thousand and shall not in any fiscal year exceed a total of one hundred thirty thousand for aliens ascribed to independent foreign countries of the Western Hemisphere."

SEC. 4. (a) Subsection (a) of section 202 of the Immigration and Nationality Act (8 U.S.C. 1152) is amended—

(1) by striking out "section 201(b),";

(2) by striking out "and the number of conditional entries" in the first proviso;

(3) by amending the second proviso to read as follows: *"Provided further,* That, notwithstanding the preceding proviso, the total number of immigrant visas made available to natives of any country contiguous to the United States shall not exceed thirty-five thousand in any fiscal year".

(b) Subsection (c) of such section is amended—

(1) by striking out "or an immediate relative of a United States citizen as specified in section 201(B),";

(2) by striking out "shall not exceed 1 per centum" and inserting in lieu thereof "shall not exceed 3 per centum".

SEC. 5. (a) Subsection (a) of section 203 of the Immigration and Nationality Act (8 U.S.C. 1153) is amended—

(1) by striking out "201(a)" and inserting in lieu thereof "201", and by striking out "or their conditional entry authorized, as the case may be," in the portion which precedes paragraph (1);

(2) by striking out "201(a)(ii)" each place it appears in paragraphs (1) through (6) and inserting in lieu thereof in each place "201";

(3) in paragraph (1), by striking out "20" and inserting in lieu thereof "10";

(4) in paragraph (2), by striking out "20" and inserting in lieu thereof "24", by inserting a comma and "or parents" after "unmarried daughters", and by inserting after "permanent residence" the following: ": *Provided*, That in the case of parents, such alien lawfully admitted for permanent residence must be at least twenty-one years of age";

(5) in paragraph (3), by striking out "10" and inserting in lieu thereof "12", and insert after "201(a)(ii)," the following: "plus any visas not required for the classes specified in paragraphs (1) and (2),";

(6) in paragraph (5), by striking out "24" and inserting in lieu thereof "20";

(7) in paragraph (6), by striking out "10" and inserting in lieu thereof "12", and inserting after "201(a)(ii)," the following: "plus any visas not required for the classes specified in paragraphs (1) through (5),"; and

(8) by amending paragraph (7) to read as follows:

"(1)(A) Visas shall next be made available, pursuant to such regulations as the Secretary of State may prescribe and in a number not to exceed 12 per centum of the number specified in secton 201, to alien refugees described in subparagraph (B), who are not firmly resettled in any country and apply for admission to the United States.

"(B) The term 'alien refugee' means (i) any alien (I) who is outside the country of his nationality or who, not having a nationality, is outside the country of his habitual residence, and who is unable or unwilling to return to such country because of persecution or well-founded fear of persecution on account of race, religion, nationality, membership of a particular social group or political opinion, or (II) who has been uprooted by catastrophic natural calamity or military operations and who is unable to return to his usual place of abode, and (ii) the spouse and children of any such alien, if accompanying or following to join him.".

(9) in paragraph (8), by striking out "(6) and less the number of conditional entries and visas made available pursuant to paragraph".

(b) Subsection (d) of such section is amended to read as follows:

"(d) Every immigrant shall be presumed to be a nonpreference immigrant until he establishes to the satisfaction of the consular officer and the immigration officer that he is entitled to a preference status under paragraphs (1) through (7) of subsection (a), or to a special immigrant status under section 101(a)(27). In the case of any alien claiming in his application for an immigrant visa to be a special immigrant under section 101(a)(27)(a) or to be entitled to preference immigrant status under paragraphs (1) through (6) of subsection (a), the consular officer shall not grant such status until he has been authorized to do so as provided by section 204."

(c) Subsections (f), (g) and (h) of such section are repealed.

SEC. 6. Section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) is amended—

(a) in subsection (a), by striking "or to an immediate relative staus under section 201(b)," and insert in lieu thereof "or to a special immigrant status under section 101(a)(27)(A),";

(b) in subsection (b), by striking "an immediate relative specified in section 201(b)" and insert in lieu thereof "a special immigrant specified in section 101(a)(27)(A)";

(c) in subsection (e), by striking "an immediate relative under section 201(b)" and insert in lieu thereof "a special immigrant under section 101(a)(27)(A)".

SEC. 7. (a) Paragraph (1) of subsection (a) of section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended to read as follows:

"(1) Aliens who are mentally retarded, except that any such alien may be granted a visa and admitted to the United States if otherwise admissible upon a showing that the parent or legal guardian of such alien will provide for the support of such alien;"

(b) Paragraph (4) of subsection (a) of section 212 of the Immigration and Nationality Act (8 U.S.C. 1182 (a)) is amended by striking "or a mental defect".

(c) Paragraph (14) of subsection (a) of such section is amended to read as follows:

"(14) Aliens seeking to enter the United States, for the purpose of performing skilled or unskilled labor, unless the Secretary of Labor has determined and certified to the Secretary of State and to the Attorney General that (A) there are not sufficient workers who are able, willing, qualified, and available at the time of application for a visa and admission to the United States and at the place where the alien is to perform such skilled or unskilled labor, and (B) the employment of such aliens will not adversely affect the wages and working conditions of the workers in the United States similarly employed. The exclusion of aliens under this paragraph shall apply to preference immigrant aliens described in section 203(a) (3) and (6), and to nonpreference immigrant aliens described in section 203(a) (8). The Secretary of Labor shall submit quarterly to the Congress a report containing complete and detailed statements of facts pertinent to the labor certification procedures including, but not limited to, lists of occupations in short supply or oversupply, regionally projected manpower needs, as well as up-to-date statistics on the number of labor certifications approved or denied;".

(d) Paragraph (24) of subsection (a) is repealed; (e) Subsection (b) of such section is amended by striking out "paragraph (25) of subsection (a)" at the first place it appears, and inserting in lieu thereof "paragraph (1) or (25) of subsection (a)".

(f) Subsection (d) of such section is amended by adding at the end thereof a new paragraph as follows:

"(9)(A) If the Secretary of State shall find that it is in the national interest that all, or any portion, of the members of a group or class of persons who meet the qualifications set forth in section 203(a)(7) be paroled into the United States, he may recommend to the Attorney General that such aliens be so paroled.

"(B) Upon receipt of a recommendation pursuant to subparagraph (A) of this paragraph and after appropriate consultation with the Congress, the Attorney General may parole into the United States any alien who establishes to his satisfaction, in accordance with such regulations as he may prescribe, that he is a member of the group or class of persons with respect to whom the Secretary of State has made such recommendation and that he is not firmly resettled in any country. The conditions of such parole shall be the same as those which the Attorney General shall prescribe for the parole of aliens under paragraph (5) of this subsection.

"(C) Any alien paroled into the United States pursuant to this paragraph whose parole has not theretofore been terminated by the Attorney General and who has not otherwise acquired the status of an alien lawfully admitted for permanent residence shall, two years following the date of his parole into the United States, return or be returned to the custody of the Immigration and Naturalization Service and shall thereupon be inspected and examined for admission into the United States in accordance with the provisions of sections 235, 236, and 237 of this Act.

"(D) Notwithstanding the numerical limitations specified in this Act, any alien who, upon inspection and examination as provided in subparagraph (C) of this paragraph or after a hearing before a special inquiry officer, is found to be admissible as an immigrant as of the time of his inspection and examination except for the fact that he was not and is not in possession of the documents required by section 212(a)(20) shall be regarded as lawfully admitted to the United States for permanent residence as of the date of his arrival in the United States.".

(g) Subsection (g) of such section is amended by striking out "who is excludable from the United States under paragraph (1) of subsection (a) of this section, or any alien".

(h) Subsection (h) of this section is amended to read as follows:

"(h) Any alien, who is excludable from the United States under paragraph (9), (10), (12), or (19) of this section, who (A) is the spouse or the unmarried son or daughter, or the minor unmarried lawfully adopted child, of a United States citizen, or of an alien lawfully admitted for permanent residence, or of an alien who has been issued an immigrant visa, or (B) has a son or daughter who is a United States citizen, or an alien lawfully admitted for permanent residence, shall, if otherwise admissible, be issued a visa and admitted to the United States for permanent residence (1) if it shall be established to the satisfaction of the Attorney General that (A) the alien's exclusion would result in hardship to such spouse, parent, or son or daughter of such alien, and (B) the admission to the United States of such alien would not be contrary to the national welfare, safety, or security of the United States; and (2) if the Attorney General, in his discretion, and pursuant to such terms, conditions, and procedures as he may by regulations prescribe, has consented to the alien's applying or reapplying for a visa and for admission to the United States."

(i) Such section is amended by adding at the end thereof a new subsection as follows:

"(j) Any alien lawfully admitted for permanent residence whose principal, actual dwelling place is in a foreign country contiguous to the United States and who, subsequent to June 30, 1978, is returning from a temporary stay in such foreign country to seek or continue employment in the United States shall be admitted into the United States only if the Secretary of Labor has determined and certified to the Attorney General within six months prior to the date of admission that the employment of such alien will not adversely affect the wages and working conditions of workers in the United States similarly employed, and if such certification has not been revoked on any ground. The provisions of this subsection shall be applicable to any aliens lawfully admitted for permanent residence, whether or not such aliens were so admitted prior to or on or after the date of enactment of this subsection."

Sec. 8. Subsection (a) of section 222 of the Immigration and Nationality Act (8 U.S.C. 1202) is amended by striking "(a) an immediate relative within the meaning of section 201 (b) or".

Sec. 9. Section 223(b) (8 U.S.C. 1203) is amended to read as follows: "If the Attorney General finds (1) that the applicant under subsection (a) (1) has been lawfully admitted to the United States for permanent residence, or that the applicant under subsection (a) (2) has, since admission, maintained the status required of him at the time of his admission and such applicant desires to visit abroad and to return to the United States to resume the status existing at the time of his departure for such visit, (2) that the application is made in good faith, and (3) that the alien's proposed departure from the United States would not be contrary to the interests of the United States, the Attorney General may, in his discretion, issue the permit. The permit shall be valid for not more than three years from the date of issuance and shall be in such form as shall be by regulations prescribed for the complete identification of the alien."

Sec. 10. (a) Section 224 of the Immigration and Nationality Act (8 U.S.C. 1204) is amended by striking "immediate relative" each place it appears and inserting in lieu thereof "alien refugee".

(b) The section heading for such section is amended by striking "IMMEDIATE RELATIVE" and inserting in lieu thereof "ALIEN REFUGEE".

(c) The item relating to such section 224 in the table of contents of such Act is amended by striking "Immediate relative" and inserting in lieu thereof "Alien refugee".

Sec. 11. Section 241(a)(10) of the Immigration and Nationality Act (8 U.S.C. 1251 (a) (10)) is amended by striking out language within the parentheses and inserting in lieu thereof the following: "other than an aien who is a native-born citizen of any independent foreign country of the Western Hemisphere or of the Canal Zone".

Sec. 12. Section 244(d) of the Immigration and Nationality Act (8 U.S.C. 1254(d)) is amended by striking out "or is an immediate relative within the meaning of section 201 (b)".

Sec. 13. Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended to read as follows:

"Sec. 245. (a) The status of an alien, other than an alien crewman or any alien admitted in transit without visa under section 238(d), who was inspected and admitted or paroled into the United States may be adjusted by the Attorney General, in his discretion and under such regulations as he may prescribe, to that of an alien lawfully admitted for permanent residence if (1) the alien makes an application for such adjustment, (2) the alien is eligible to receive an immigrant visa and is admissible to the United States for permanent residence, and (3) an immigrant visa is immediately available to him at the time his application is filed: PROVIDED, That any alien who meets the qualifications of an alien refugee as set forth in section 203(a)(7) and determined by the Secretary of State, shall be eligible to make an application for adjustment regardless of such alien's means of entry into the United States.

"(b) Upon the approval of an application for adjustment made under subsection (a), the Attorney General shall record the alien's lawful admission for permanent residence as of the date the order of the Attorney General approving the application for the adjustment of status is made, and the Secretary of State shall reduce by one the number of the preference or nonpreference visas authorized to be issued under section 203(a) within the class to which the alien is chargeable, for the fiscal year then current."

Sec. 14. The first proviso contained in paragraph (1) of section 312 of the Immigration and Nationality Act (8 U.S.C. 1423) is amended by striking out "or to any person who, on the effective date of this Act, is over fifty years of age and has been living in the United States for periods totaling at least twenty years" and inserting in lieu thereof the following: "or to any person who, on the date of the filing of his petition for naturalization as provided in section 334, is over fifty years of age and has been living in the United States for periods totaling at least ten years".

Sec. 15. (a) Notwithstanding the provisions of section 245 of the Immigration and Nationality Act and without regard to the numerical limitations specified in that Act, any alien who, on or before the effective date of this Act (1) has been granted by the Secretary of Labor an indefinite certification for employment in the Virgin Islands of the United States which has not subsequently become invalid, (2) has been inspected and admitted to the Virgin Islands of the United States, and (3) has continuously resided in the Virgin Islands of the United States for a period of at least five years as of the date of enactment of this Act, and the spouse and minor unmarried children of any such alien, may have his status adjusted by the Attorney General, in his discretion and under such regulations as he may prescribe, to that of an alien lawfully admitted for permanent residence, or may be issued an immigrant visa, if the alien (i) is eligible to receive an immigrant visa, and (ii) is admissible to the United States.

(b) Upon approval of an application for adjustment of status under subsection (a) of this section, the Attorney General shall record the alien's lawful admission for permanent residence as of the date of the order of the Attorney General approving the application for adjustment of status.

(c) Applications for adjustment of status or for immigrant visas pursuant to the provisions of subsection (a) of this section may be initiated on or after the effective date of this Act, but not later than the last day of the third fiscal year beginning on or after the date of enactment of this Act. Applications for immigrant visas pursuant to the provisions of this action shall be considered in such order as the Secretary of State shall by regulations prescribe, except that no more than three thousand visas shall be issued in any one fiscal year.

(d) Except as otherwise provided herein, the definitions set forth in section 101 of the Immigration and Nationality Act shall be applicable.

Sec. 16. (a) Notwithstanding the numerical limitations in sections 201(a), 202(a), and 202(c) of the Immigration and Nationality Act, if in any fiscal year after June 30, 1974, the total number of immigrants admitted, or aliens who were adjusted to permanent resident status in the United States under the Immigration and Nationality Act, from any foreign state under paragraphs (1) through (6) and paragraph (8) of section 203(a) of such Act was less than three-fourths of the average annual number of such visas made available to immigrants from such foreign state under such Act during the ten-fiscal-year period beginning July 1, 1955, there shall be made available to immigrants from such foreign state an additional number of visas for the succeeding fiscal year equal to the difference between the number of visas made available to them under paragraphs (1) through (6) and paragraph (8) of section 203(a) of such Act in the preceding fiscal year and three-fourths of such average number, except that the number of such additional visas made available in any fiscal year to immigrants from such foreign state shall not exceed seven thousand five hundred. The additional visas authorized by the preceding sentence for immigrants from such foreign state shall be made available as follows:

(1) 40 per centum of the additional visas shall be made available to immigrants entitled to a preference status under paragraph (1), (2), (3), (4), or (5) of section 203(a) of the Immigration and Nationality Act, except that no more than 8 per centum of the additional visas may be made available to immigrants entitled to a preference status under any one of such paragraphs.

(2) 30 per centum of the additional visas plus any visas not issued under paragraph (1) shall be made available to immigrants entitled to a preference under paragraph (6) of section 203(a) of the Immigration and Nationality Act.

(3) 30 per centum of the additional visas plus any visas not issued under paragraph (1) or (2) shall be made available to immigrants who are not entitled to a preference under section 203(a) of the Immigration and Nationality Act.

In the case of immigrants entitled to a preference under paragraph (1), (2), (3), (4), (5), or (6) of section 203(a) of the Immigration and Nationality Act, the additional visas authorized by this subsection shall be issued in the order in which a petition in behalf of each such immigrant is filed with the Attorney General as provided in section 204 of such Act. In the case of immigrants not entitled to a preference under section 203(a) of the Immigration and Nationality Act, such visas shall be made available in the chronological order in which such immigrants qualify. The provisions of section 212 (a) (14) of the Immigration and Nationality Act shall not apply in the determination of an immigrant's eligibility to receive any visa authorized to be issued under this Act.

(b) No alien shall be issued a visa under the first section of this Act, nor have his status adjusted to that of a permanent resident alien under such first section, after the expiration of the four-fiscal-year period beginning with the first fiscal year commencing on or after the date of enactment of this Act.

(c) Except as otherwise specifically provided in this Act, the definitions contained in section 101 (a) and (b) of the Immigration and Nationality Act shall apply in the administration of this Act. Nothing contained in this Act shall be held to repeal, amend, alter, modify, affect, or restrict the powers, duties, functions, or authority of the Attorney General in the administration and enforcement of the Immigration and Nationality Act or any other law relating to immigration, nationality, or naturalization.

Sec. 17. Section 21 of the Act of October 3, 1965 (79 Stat. 916, 920), is hereby repealed.

Sec. 18. (a) The amendments made by this Act shall not operate to affect the entitlement to immigrant status or the order of consideration for issuance of an immigrant visa of an alien entitled to a preference status, under section 203(a) of the Immigration and Nationality Act, as in effect on the day before the effective date of this Act, on the basis of a petition filed with the Attorney General prior to such effective date.

(b) An alien chargeable to the numerical limitation contained in section 21(a) of the Act of October 3, 1965 (79 Stat. 921) who established a priority date at a consular office on the basis of entitlement to immigrant status under stautory or regulatory provisions in existence on the day before the effective date of this Act shall be deemed to be entitled to immigrant status under section 203(a)(8) of the Immigration and Nationality Act, as amended by section 5 of this Act. The numerical limitation to which such an alien shall be chargeable shall be determined as provided in sections 201 and 202 of the Immigration and Nationality Act, as amended by this Act.

Sec. 19. The foregoing provisions of this Act, including the amendments made by such provisions, shall become effective on the first day of the first month which begins more than sixty days after the date of enactment of this Act.

SUMMARY OF IMMIGRATION BILL INTRODUCED

(By Senator Edward M. Kennedy)

Section 1.—Designates the bill the "Immigration and Nationality Act Amendments of 1975."

Section 2.—Redesignates "immediate relatives" as special immigrants—provides special immigrant status to aliens "performing duties which are related to the religious activities of a religious denomination."

Section 3.—Provides for establishing a worldwide ceiling of 300,000 immigrants annually, exclusive of special immigrants, to become operative on July 1, 1978—in the interim the current ceiling of 120,000 for the Western Hemisphere is increased to 130,000—Cuban refugees who adjust their status to aliens lawfully admitted for permanent residence are removed from ceiling considerations.

Section 4.—Except for Canada and Mexico, extends to Western Hemisphere countries the 20,000 annual limitation on immigration from any one country which is currently applicable to countries in the Eastern Hemisphere—the annual limitation on Canada and Mexico is 35,000—raises from 200 to 600 the annual limitation on immigration from dependent areas.—

Section 5.—Amends the preference system.

(a) The preference system, currently operative only in the Eastern Hemisphere, becomes operative on a worldwide basis simultaneously with the effective date of the world ceiling—in the interim the preference system operates separately in each hemisphere.

(b) The percentum of first preference (unmarried sons and daughters of U.S. citizens) is changed from 20 to 10.

(c) The second preference, currently the spouses and unmarried sons and daughters of aliens lawfully admitted for permanent residence, is expanded to include parents of permanent resident aliens—the percentum is changed from 20 to 24.

(d) The percentum of third preference (members of professions or persons of exceptional ability in the sciences and arts) is changed from 10 to 12.

(e) The fourth preference (married sons or daughters of U.S. citizens) and its percentum of 10 remains unchanged.

(f) The percentum of fifth preference (brothers and sisters of U.S. citizens) is changed from 24 to 20.

(g) The percentum of sixth preference (skilled and unskilled workers in short supply) is changed from 10 to 12.

(h) The percent of seventh preference is changed from 6 to 12—instead of being given "conditional entry" in accordance with regulations prescribed by the Attorney General, refugees are issued regular immigrant visas in accordance with regulations prescribed by the Secretary of State—the definition of a refugee establishes a worldwide asylum policy for the United States: "The term 'alien refugee' means any alien who is outside the country of his nationality or who, not having a nationality, is outside the country of his habitual residence, and who is unable or unwilling to return to such country because of persecution or well-founded fear of persecution on account of race, religion, nationality, membership of a particular social group or political opinion, or who has been uprooted by catastrophic natural calamity or military operations. . . ."

(i) To permit maximum flexibility in the use of visas, available visas not required in any one preference are to be used in meeting excessive demand in succeeding preference categories—except the seventh—or in the non-preference category.

Section 6.—Technical amendments.

Section 7.—Facilitates the admission of the mentally retarded and others—provides a permanent authority for the Attorney General to parole refugees into the country for emergency reasons and subsequently adjust their status to permanent residence—regulates the flow of employable "commuter aliens" from Canada and Mexico.

Section 8.—Technical amendment.

Section 9.—Removes the renewal provision for re-entry permits, but extends their validity from one to three years—re-entry permits are required for aliens in the United States who wish to maintain their immigration status while temporarily outside of the country.

Section 10.—Technical amendments.

Section 11.—Technical amendments.

Section 12.—Technical amendments.

Section 13.—Provides for adjustment of status of Western Hemisphere aliens on the same basis as aliens from the Eastern Hemisphere—

Section 14.—Facilitates the naturalization of persons over 50 years who have been living in the United States for at least 10 years.

Section 15.—Establishes a temporary program to facilitate the adjustment of status of certain nonimmigrant aliens in the Virgin Islands.

Section 16.—Establishes a temporary program making additional immigrant visas available to certain countries disadvantaged in the transition from the national origins system to the first-come, first-served system, established by the Immigration Act of October 3, 1965.

Section 17.—Technical amendments.

Section 18.—Technical amendments.

Section 19.—Technical amendments.

By Mr. HARTKE (for himself and Mr. Pearson) (by request):

S. 2406. A bill to amend the Regional Rail Reorganization Act of 1973 to provide for the purchase of securities of the Consolidated Rail Corporation, and for other purposes. Referred to the Committee on Commerce.

SECOND REGIONAL RAIL REORGANIZATION ACT AMENDMENTS OF 1975

Mr. HARTKE. Mr. President, Senator Pearson and I are introducing, by request, the "Second Regional Rail Reorganization Act Amendments of 1975." It is my understanding that this legislative package was developed with the concurrence of the administration. It represents the financing package outlined in the final system plan of the association, and the Subcommittee on Surface Transportation of the Senate Commerce Committee has already held 2 days of hearings on this general proposition and the other railroad financing proposals that are currently pending before the Congress.

I ask unanimous consent that the bill be printed in the Record, together with a letter of transmittal from the Chairman of the U.S. Railway Association, Mr. Arthur Lewis.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 2406

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Second Regional Rail Reorganization Act Amendments of 1975."

GOVERNMENT INVESTMENT COMMITTEE

Sec. 2. Section 201 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711) is amended by redesignating subsections (i) and (j) thereof as subsections (j) and (k), respectively, and inserting a new subsection (i) reading as follows:

"(i) Government Investment Committee.—The Board of Directors of the Association shall have a Government Investment Committee which shall consist of the Chairman of the Board, the Secretary, and the Secretary of the Treasury or their duly authorized representatives. The Government Investment Committee shall be vested with the exclusive decisional power to (1) exercise or decline to exercise, as provided in the final system plan, the rights of the Association as holder of any securities of the Corporation issued to the Association under section 216 of this title, (2) make the affirmative findings and exercise any exclusive powers, as expressly provided in section 216 (b) of this title, and (3) exercise the authority expressly conferred on it under section 216(d)(2) of this title. The vesting of such exclusive decisional powers in the Government Investment Committee shall not be deemed to relieve the Board of Directors of the Association of any obligation to exercise all other decisional powers conferred on it under this Act, and the power to perform analyses and make advisory findings on any matter relevant to the role of the Association as an investor in the securities of the Corporation."

ASSOCIATION INVESTMENT IN CORPORATION

Sec. 3. (a) Section 202(a)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712(a)(2)) is amended to read as follows:

"(2) issue obligations under section 210 of this title; make loans under section 211 of this title; purchase or otherwise receive and hold securities (whether debt or equity) of the Corporation under section 216 of this title and exercise all rights, privileges and powers of a holder of any such securities; and issue certificates of value under section 306 of this Act;"

(b) Section 210(b) of the Regional Rail

Reorganization Act of 1973 (45 U.S.C. 720 (b)) is amended by striking everything following the phrase "of this Act" and adding the following:

": *Provided, however,* That after the date on which the Association first makes a purchase of securities under section 216 of this title, no additional obligations or proceeds thereof may be issued or made available to the Corporation under this section, and the aggregate amount of obligations of the Association which may be outstanding at any one time under this section shall be reduced by $1,000,000,000."

(c) Title II of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711, et seq.) is amended by adding at the end thereof the following new section:

"PURCHASE OF DEBENTURES AND SERIES A PREFERRED STOCK

"SEC. 216. (a) GENERAL.—The Association is authorized, in accordance with the provisions of this section and such rules and regulations as it may prescribe, to invest from time to time in the securities of the Corporation by purchasing up to $100,000,000 principal amount of Debentures issued by the Corporation and, after the acquisition of such Debentures, up to $850,000,000 principal amount of the Series A Preferred Stock of the Corporation and, subject to the conditions prescribed in subsection (b) of this section, up to an additional $250,000,000 principal amount of the Series A Preferred Stock of the Corporation.

"(b) PURPOSES AND PROCEDURE FOR INVESTMENT.—The Association shall purchase Debentures and thereafter Series A Preferred Stock of the Corporation, in accordance with terms and conditions governing such purchases, which shall be jointly prescribed by the Board of Directors of the Association and the Government Investment Committee, at such times and in such amounts as may be required and requested by the Corporation to provide for the modernization, rehabilitation and maintenance of rail properties of the Corporation; for the acquisition of equipment and other capital needs; for the refinancing of indebtedness incurred by the Corporation under section 211 of this title or incurred under Section 215 of this title and assumed by the Corporation; or to provide working capital as contemplated by the final system plan. Purchases of up to $1,000,000,000 of Debentures and thereafter of up to $850,000,000 of Series A Preferred Stock shall be made by the Association as required and requested by the Corporation unless the Government Investment Committee makes an affirmative finding that (1) the Corporation has failed in any material respect to comply with any covenant or undertaking made to the Association and such failure remains uncorrected, (2) the Corporation has failed substantially (as determined by performance within margins jointly prescribed by the Board of Directors of the Association and the Government Investment Committee) to attain the overall operating and financial results projected in the final system plan, as they may be jointly modified by the Board of Directors and the Government Investment Committee, or (3) taking into consideration all relevant factors, including its overall operating and financial results, it is not reasonably likely that the Corporation will be able to become financially self-sustaining without requiring Federal funds in excess of the amount authorized in this section: *Provided, however,* That the Government Investment Committee shall not be required to make any finding except as a condition for denying such approval. If the Government Investment Committee makes such a finding, it may (i) direct the Association not to purchase Debentures and Series A Preferred Stock of the Corporation after the date of such determination, or (ii) notwithstanding the provisions of subsection (d)(1) of this section, approve the purchase by the Association of Debentures and Series A Preferred Stock of the Corporation after the date of such determination only in such amounts, at such times, and on such terms and conditions as the Government Investment Committee determines to be appropriate to the role of the Association as an investor in the Debentures and Series A Preferred Stock of the Corporation. After the purchase of $1,000,000,000 of Debentures and $850,000,000 of Series A Preferred Stock, the Association, acting through the Government Investment Committee, may approve purchases, upon such terms and conditions as the Committee deems appropriate, of up to an additional $250,000,000 of Series A Preferred Stock.

"(c) TERMS AND CONDITIONS.—The Debentures and the Series A Preferred Stock shall have such terms and conditions not inconsistent with the final system plan as may be prescribed by the Board of Directors of the Association: *Provided, however,* That any terms and conditions which prescribe covenants or undertakings referred to in subsection (b), clause (1) of this section shall be prescribed jointly by the Board of Directors of the Association and the Government Investment Committee.

"(d) MODIFICATIONS AND WAIVERS.—(1) The Board of Directors of the Association and the Government Investment Committee, acting jointly, may agree with the Corporation to modify any of the terms and conditions governing the purchase of the securities of the Corporation held by the Association upon a finding that such action is necessary or appropriate to achieve the purposes of this Act or the goals of the final system plan. The Board of Directors of the Association and the Government Investment Committee may jointly agree with the Corporation to modify any terms and conditions of the securities of the Corporation which prescribe covenants or undertakings referred to in subsection (b), clause (1) of this section, and the Board of Directors of the Association may agree with the Corporation to modify any other terms and conditions of the securities of the Corporation in a manner not inconsistent with the final system plan.

(2) The Government Investment Committee may, in its discretion and upon a finding that such action is necessary or appropriate to achieve the purposes of this Act or the goals of the final system plan, waive compliance with any term, condition, provision or covenant of the securities of the Corporation held by the Association, including without limitation any provision of such securities with respect to payment or redemption of principal or issuance price or payment of interest or dividends, or any term or condition governing the purchase of such securities.

"(e) APPROPRIATION.—There is authorized to be appropriated to the Association the sum of $2,100,000,000 to be used for the purchase of securities of the Corporation in accordance with this section. All sums received by the Association on account of the holding or disposition of any such securities shall be deposited in the general fund of the Treasury."

(d) Section 202(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712 (e)) is amended by inserting after the words "obligations issued" in clause (4) a comma and the words "certificates of value issued, securities purchased;"

(e) Section 202(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712 (f)) is amended by adding after the word "section" in the first sentence the words "and receipts and disbursements under section 216 of this title and section 306 of this Act".

CAPITALIZATION OF CORPORATION

SEC. 4. Section 301(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741 (e)) is amended by striking the first two sentences thereof and substituting the following:

"In order to carry out the final system plan, the Corporation is authorized to issue Debentures, Series A Preferred Stock, Series B Preferred Stock, common stock and other securities. Debentures and Series A Preferred Stock shall be issued initially to the Association. Series B Preferred Stock and Common Stock shall be issued initially to the estates of railroads in reorganization in the region and to railroads leased, operated, or controlled by railroads in reorganization in the region and to other transferors of rail properties in exchange for rail properties transferred to the Corporation pursuant to the final system plan."

CERTIFICATES OF VALUE

SEC. 5. (a) Section 303 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743) is amended:

(1) by adding ", certificates of value" after the word "securities" in subsections (c)(1) (A)(i); (c)(2), and (c)(3);

(2) by adding the words "and certificates of value" after the words "of the Corporation" in subsection (c)(2)(A); and after the words "Corporation's securities" in subsections (c)(2)(B) and (c)(2)(C); and

(3) by striking out "obligations of the Association" wherever it appears and inserting in lieu thereof "certificates of value issued by the Association"; and by striking "obligations" each other time it appears and inserting in lieu thereof "certificates of value".

(b) Title III of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741, et seq.) is amended by adding the following section:

"CERTIFICATES OF VALUE

"SEC. 306. (a) GENERAL.—On the date the final system plan is delivered to the special court under section 303(a) of this title, the Association shall deliver to the Corporation for deposit with the special court under section 303(a)(1) of this title the certificates of value of the Association required by this section. The Secretary shall guarantee the payment of all certificates of value delivered to the Corporation in accordance with this section. All guarantees entered into by the Secretary under this section shall constitute general obligations of the United States of America. Such obligations shall be valid and incontestable in the hands of a holder, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

"(b) NUMBER AND DISTRIBUTION.—The number of certificates of value shall be equal to the number of shares of Series B Preferred Stock of the Corporation required to be deposited by the Corporation with the special court under section 303(a)(1) of this title. The certificates of value shall be distributed by the special court under section 303(c)(4) of this title at the same time and to the same transferors in the same numbers of units as shares of such Series B Preferred Stock.

"(c) REDEMPTION.—(1) Certificates of value shall be redeemed by the Association on December 31, 1987 or such earlier date as the Association may determine and specify.

"(2) Each certificate of value shall be redeemed for an amount equal to its base value on the redemption date minus a sum calculated according to the formula prescribed in the final system plan to be set forth in the certificates to give effect to the fair market value of the Series B Preferred Stock, dividends paid thereon, other distributions made to the initial holders of such stock, and the fair market value of the common stock applicable to such certificate.

"(3) The base value of each certificate of value shall be the lesser of (A) the value obtained by taking the constitutional minimum value (as determined by the special court), with such interest as may be constitutionally required to the redemption date, of the rail properties transferred to the Corporation by the transferor to which such certificate was intially distributed under section 303(c)(4) of this title, subtracting the value (as determined by the special court) of other benefits accruing to such transferor as a result of such transfer, and dividing the difference by the number of certificate of value distributed to such transferor or (B) the aggregate redemption value as certified by the Association under section 209(c) of this Act of the Series B Preferred Stock of the Corporation divided by the number of such shares issued, such value to be compounded at a rate of eight percent per annum from the date on which the special court enters its orders under section 303(b)(1) of this title to the date of redemption: *Provided, however*, That such aggregate redemption value shall not exceed the net liquidation value as then determined by the Association of the rail properties transferred by all transferors to the Corporation.

"(4) The fair market value of Series B Preferred Stock and of common stock shall be determined, in accordance with regulations prescribed by the Association, on the basis of the average price of each such security in an established market over a period of not less than 20 trading days preceding the redemption date, or, in the case of a security for which there is no established market, on the basis of the majority vote of three experts in the valuation of securities, one to be selected by the Association acting through the Government Investment Committee, one to be selected by the directors of the Corporation elected by the holders of the security to be valued, and one to be selected by the other two.

"(d) Authorization for Appropriations.—There are hereby authorized to be appropriated to the Secretary such amounts as are necessary to discharge the obligations of the United States arising under this section."

(c) Section 210(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 720(e)) is amended by inserting after the word "section" in the first sentence thereof the following:

"or under section 306(a) of this Act".

DIRECTORS OF THE CORPORATION

Sec. 6. (a) Section 301(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(c)) is amended by striking the second sentence thereof and substituting the following sentence:

"The members of the Executive Committee of the Association shall also adopt the initial by-laws of the Corporation and serve as the Board of Directors until all of the members of the Board of Directors have been selected in accordance with subsection (d) of this subsection."

(b) Section 301(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741 (d)) is amended to read as follows:

"Board of directors.—The Board of Directors of the Corporation shall consist of 15 individuals selected in accordance with the articles and by-laws of the Corporation as follows: six individuals appointed by the President by and with the advice and consent of the Senate, the President of the Association, two individuals selected by the holders of the Debentures and Series A Preferred Stock of the Corporation, voting as a class, the Chairman and President of the Corporation, two individuals selected by the holders of the Series B Preferred Stock of the Corporation, and two individuals selected by the holders of the common stock of the Corporation. Beginning on the sixth anniversary of the date the special court issues the orders described in section 303(b)(1) of this title, one director designated at the time of his appointment by the President from among the Presidential appointees shall resign when the aggregate outstanding principal amount of debt securities and the original issue price of equity securities of the Corporation held by the Association is reduced below $2,000,000,000, and one such director designated at the time of his appointment shall resign for each $400,000,000 reduction in such aggregate amount thereafter. The President of the Association and the two directors selected by the holders of the Debentures and Series A Preferred Stock of the Corporation shall resign when the Association no longer holds any securities of the Corporation issued to it pursuant to section 211 or section 216 of this Act."

(c) Section 301 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741) is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and inserting a new subsection (f) reading as follows:

"(f) For and during the period between the deposit of securities of the Corporation with the special court in accordance with section 303(a) of this title and the distribution of such securities in accordance with section 303(c) of this title, the special court may appoint one or more voting trustees for each class of securities so deposited. Any voting trustees shall exercise the rights of holders of such securities in behalf of the distributees as their interests may appear."

SUPPLEMENTARY ASSISTANCE

Sec. 7. Title III of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741, et seq.) is amended by adding the following section:

"SUPPLEMENTARY ASSISTANCE

"Sec. 307 (a) Purposes.—The Secretary is authorized to provide financial assistance in the form of grants or loans to, or by the acquisition of securities of, the Corporation or other railroads, any State or local or regional transportation authority, or any other responsible person, for the purposes of providing supplementary assistance to the Corporation, or facilitating the implementation of a supplementary transaction.

"(b) Terms and Conditions.—Financial assistance shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Secretary deems appropriate. Loans shall bear interest at a rate not less than the greater of a rate determined by the Secretary of the Treasury taking into consideration (1) the rate prevailing in the private market for similar loans as determined by the Secreary of the Treasury, or (2) the current average yield on outstanding marketable obligations of the Association issued under section 210 of this Act with remaining periods of maturity comparable to the average maturities of such loans, plus such additional charge, if any, toward covering costs of the Secretary as the Secretary may determine to be consistent with the purposes of this Act.

"(c) Loan Prerequisites.—The Secretary shall make a finding in writing, before making a loan to any applicant under this section, that—

"(1) the loan is necessary to achieve the purposes of this Act;

"(2) he is satisfied that the business affairs of the applicant will be conducted in a reasonable and prudent manner; and

"(3) the applicant has offered such security as the Secretary deems necessary to protect reasonably the interests of the United States.

"(d) Policy.—It is the intent of Congress that loans made under this section shall be made on terms and conditions which furnish reasonable assurance that any borrower will be able to repay them within the time fixed and that the purposes of this Act are reasonably likely to be achieved."

"(e) Loan Modifications.—The Secretary is authorized to modify, upon agreement with the borrower, or to waive any provision of a loan under this section, including without limitation any provision with respect to payment of interest or principal, upon a finding by the Secretary that the modification or waiver is necessary or appropriate to achieve the purposes of this section."

"(f) Authorization.—There are authorized to be appropriated to the Secretary $400,000,000, to remain available until expended, to carry out the purposes of this section."

TRANSFERS INVOLVING PROFITABLE RAILROADS

Sec. 8. (a) Section 214(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(a)) is amended by adding the following at the end thereof:

"There are hereby authorized to be appropriated to the Secretary such amounts as may be necessary to discharge the obligations of the United States of America arising under section 303(c)(5) of this Act."

(b) Section 303(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(c) (3)) is amended by adding at the end thereof the following:

"(5) Where, pursuant to an explicit recommendation in the final system plan, the Association certifies, at the time of delivery of a certified copy of the final system plan to the special court under section 209(c) of this Act, that finality of the terms of specified conveyances of rail properties to a profitable railroad is in its opinion essential to the achievement of the basic industry structure recommended in the final system plan, then the United States of America may, in its discretion, represent such profitable railroad in any proceedings before the special court that could result in a judgment against such profitable railroad under section 303(c)(3) of this title, and the United States of America shall pay any judgment entered against such profitable railroad plus interest thereon at such rate as may be determined by the special court. Any profitable railroad which is represented by the United States of America shall cooperate diligently in whatever manner the United States of America shall reasonably request of it in connection with such proceedings.

(c) Section 501 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 771(1)) is amended by:

(i) amending clause (3) to read as follows:

"(3) 'protected employee' means any employee of—

"(A) an acquiring or selling railroad adversely affected by a transaction;

"(B) the Corporation who, immediately preceding such employment by the Corporation, was employed by a selling railroad and who was adversely affected by the sale of rail properties to the Corporation pursuant to an offer designated under Section 206(c) (2) of this Act; and

"(C) a railroad in reorganization who, in any such case, has not reached age 65 on the effective date of this Act."

(ii) striking the word "and" at the end of subsection (8), by striking the period at the end of subsection (9) and by inserting at the end thereof the following:

"; and

"(10) 'Selling railroad' means a railroad which sells rail properties pursuant to an offer designated under section 206(c)(2) of this Act; and"

(d) Section 508 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 778) is amended by—

(1) changing the title thereof to read "ACQUIRING AND SELLING RAILROADS";

(ii) inserting after the words "Sec. 508" the words "(a) Acquiring Railroads. —";

(iii) striking the word "303" and inserting in lieu thereof the word "206(d)(4)"; and

(iv) adding at the end thereof the following:

"For purposes of this subsection, the Corporation shall be deemed to be an acquiring railroad with respect to employees described in clause (B) of section 501(3) of this title.

"(b) Selling Railroads.—A selling railroad shall offer such employment and afford such employment protection to its employees who are adversely affected by such sale as shall be agreed upon between the selling railroad and the representatives of such employees prior to said sale: *Provided, however,* That the protection and benefits provided for employees in such agreements shall be the same as those specified in section 505 of this title: *And provided further, however,* That unless and until such agreements are reached, the selling railroad shall not enter into selling agreements pursuant to section 206(d) of this Act."

SUPPLEMENTARY TRANSACTIONS

Sec. 9.(a) Section 102 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702) is amended by striking "and" at the end of paragraph (14), striking the period at the end of paragraph (15) and adding the following:

"; and

"(16) 'Supplementary transaction' means any transaction proposed under section 305 (a) of this Act as supplemental to the final system plan within six years after the date on which the special court orders conveyances of rail properties to the Corporation under section 303(b), under which the Corporation (which for purposes of supplementary transactions shall be deemed to include any subsidiary or affiliate thereof) would (A) acquire rail properties not designated for transfer or conveyance to it under the final system plan, (B) convey rail properties to a profitable railroad, a subsidiary or affiliate of the Corporation or, other than as designated in the final system plan, to the National Railroad Passenger Corporation or to a State or a local or regional transportation authority, or, for rail use, to any other responsible person, or (C) enter into contractual or other arrangements with any person for the joint use of rail properties or the coordination or separation of rail operations or services."

(b) Title III of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741, et seq.) is amended by adding at the end thereof the following section:

"SUPPLEMENTARY TRANSACTIONS

"Sec. 305. (a) Proposals.—If the Secretary, the Commission, or the Association determines that further restructuring of rail properties in the region through transactions supplemental to the final system plan would promote the establishment and retention of a financially self-sustaining rail service system in the region adequate to meet the needs of the region, the Secretary, the Commission or the Association, as the case may be, may develop proposals for such supplementary transactions as are necessary or appropriate to implement the needed restructuring. Transfers of rail properties included in proposals developed by the Association shall be limited to (1) rail properties which would have qualified for designation under section 206(c)(1)(A) of this Act but which were not transferred or conveyed under the final system plan, and which the Association finds to be essential to the Corporation's efficient operations, and (2) transfers, consistent with the final system plan, of rail properties from the Corporation to a subsidiary or affiliate thereof. Each proposal (other than a proposal developed by the Association) shall be submitted in writing to the Association and shall state the rail properties involved, the parties to any transactions, the financial and other terms of any transactions, the purposes of the Act or goals of the final system plan intended to be effectuated by any transactions, and such other information incidental thereto as the Association may prescribe. Within 10 days after receipt of a proposal developed by the Secretary or the Commission, and upon the development of a proposal developed by the Association, the Association shall publish in the Federal Register a notice which shall include a summary of the proposal and shall afford interested persons an opportunity to comment thereon.

"(b) Evaluation by Association.—The Association shall analyze each proposal for any supplementary transactions, taking into account the comments of interested persons and statements and exhibits submitted at any public hearings that may have been held, and shall, within 120 days after publication of the notice required by subsection (a), publish in the Federal Register a report evaluating the proposal. Such evaluation shall state whether the proposal for supplementary transactions is (1) in the public interest as defined by the purposes of the Act and the goals of the final system plan and (2) fair and equitable. Within 30 days after the Association publishes its report, each proposed transferor or transferee (other than the Corporation where it is a proposed transferor) shall notify the Association in writing whether the proposed supplementary transaction is acceptable to it. If any such proposed transferor or transferee fails to notify the Association that the proposed supplementary transaction is acceptable to it, no further administrative or judicial proceedings shall be conducted with respect to such proposed supplementary transaction.

"(c) Special Court Proceedings.—(1) If the Association makes the determination that a proposal for supplementary transactions is in the public interest as defined by the purposes of this Act and the goals of the final system plan and is fair and equitable, the Association shall, within forty days after the publication of its report, petition the special court for an order finding that the proposal for supplementary transactions is in the public interest as defind by the purposes of this Act and the goals of the final system plan and is fair and equitable, and directing the Corporation to carry out the supplementary transactions specified in the proposal. If the Association determines that a proposal made by the Secretary is not in the public interest or is not fair and equitable, the Secretary may, if he determines that the proposal is in the public interest and is fair and equitable, petition the special court for an order finding that the proposal for supplementary transactions is in the public interest and is fair and equitable, and directing the Corporation to carry out the supplementary transactions specified in the proposal.

"(2) Within 180 days after the filing of a petition under paragraph (1) of this subsection the special court shall decide, after hearing, whether any proposed supplementary transactions, considered in their entirety, are in the public interest as defined by the purposes of this Act and the goals of the final system plan and are fair and equitable. If the special court determines that any such proposed supplementary transactions, considered in their entirety, are in the public interest and are fair and equitable, it shall, upon making such determination, issue such orders as may be necessary to direct the Corporation to consummate the transactions. If the special court determines either that any such proposed supplementary transactions, considered in their entirety, are not in the public interest or are not fair and equitable, it shall file an opinion stating its conclusion and the reasons therefor. In such event the Secretary may, within 30 days after the filing of such opinion, certify to the special court that the terms and conditions of the proposal have been modified consistent with the opinion of the court and are acceptable to each proposed transferor or transferee (other than the Corporation where it is a proposed transferor), and may petition the special court for reconsideration of the proposal as so modified. Within 90 days after the filing of such petition, the special court shall decide, after hearing, whether the proposal as modified by the Secretary's certification is in the public interest and is fair and equitable, and shall enter such further orders as are consistent with that determination.

"(3) The special court shall make such rules for the conduct of proceedings under this subsection, including any necessary provisions for the representation of interests not otherwise represented, as it deems necessary or appropriate.

"(4) In proceedings under this subsection, the special court is authorized to exercise the powers of a district judge with respect to such proceedings and such powers shall include those of a reorganization court.

"(5) Any evaluation of the Association or the Secretary shall not be reviewable in any court except the special court in accordance with the provisions of this section. The supplementary transactions shall not be restrained or enjoined by any court nor shall they be otherwise reviewable by any court other than by the special court to the extent provided in this section.

"(6) Notwithstanding any other provision of this Act, no findings, determinations, or proceedings shall be required with respect to any proposal for supplementary transactions other than as expressly set forth in this section.

"(d) 'Fair and Equitable'.—For all purposes of this section, the term 'fair and equitable' means fair and equitable, in accordance with the standards applicable to the approval of a plan of reorganization or a step in such a plan under section 77 of the Bankruptcy Act (11 U.S.C. 205), to (1) the estates of railroads in reorganization, and railroads leased, operated, or controlled by railroads in reorganization, or other transferors who have conveyed rail properties under section 303(b) of this title in exchange for the securities of the Corporation, the securities of the Association and other profitable railroads and the other benefits provided by the Act, and to subsequent holders of such securities, if any, at the time of such supplemental transaction; and (2) to the holders of other securities of the Corporation. Whenever any property or securities of the Corporation are required to be valued in order to determine whether the terms of a supplementary transaction are fair and equitable, the special court shall give proper recognition to the contributions to the Corporation by all classes of security holders: *Provided, however,* That the special court shall not assign to the Series B Preferred Stock and common stock any values added to those securities by reason of the investment by the Association in the Debentures and Series A Preferred Stock issued by the Corporation in excess of any values required by constitutional principles applicable to a reorganization process.

"(e) Appeals.—Judgments of the special court entering or denying orders pursuant to this section may be appealed directly to the Supreme Court of the United States in the same manner that an injunctive order may be appealed under section 1253 of title 28, United States Code: *Provided, however,* That such appeal is exclusive and shall be filed in the Supreme Court not more than 20 days after the entry of such judgment."

EXEMPTIONS

Sec. 10. (a) Section 601(a)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791(a)(2)) is amended by striking the period at the end of such section and adding the following:

"and with respect to any action taken to formulate or implement any supplementary transaction as defined in section 102(16) of this Act."

(b) Section 601(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791(b) is amended by amending the title thereof to read "COMMERCE, BANKRUPTCY, AND SECURITIES LAWS", redesignating the existing provision as paragraph (1); striking the words "to the extent necessary" and substituting the word "taken"; striking everything that follows the word "plan" and inserting the following:

"where such action was in compliance with the requirements of such plan, or to any action taken to formulate or implement any supplementary transaction as defined in section 102(16) of this Act."

and by adding the following paragraph:

"(2) All securities of the Corporation issued to the Association as the initial holder or issued in connection with the transfer to the Corporation of rail properties under this Act shall be deemed for all purposes to have been issued subject to the provisions of section 20a of the Interstate Commerce Act, as amended (49 U.S.C. 20a)."

(c) Section 601(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791 (c) is amended by striking everything commencing with the word "before" and substituting the following:

"to formulate or implement the final system plan where such action was in compliance with the provisions of such plan, or to any action taken to formulate or implement any supplementary transaction as defined in section 102(16) of this Act."

DESIGNATIONS TO NATIONAL RAILROAD PASSENGER CORPORATION OUTSIDE NORTHEAST CORRIDOR

SEC. 11. Section 206(c)(1)(D) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(c)(1)(D)) is amended by:

(a) inserting following the word "by" the word "(i)"; and

(b) striking the word "; and"; at the end thereof and adding the following:

"or (ii) the National Railroad Passenger Corporation to meet the needs of improved passenger service over intercity routes, other than the Northeast corridor, identified by the Association pursuant to the final system plan; and"

MISCELLANEOUS AMENDMENTS TO TITLE II

SEC. 12. (a) Section 201(h) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711(h)) is amended to read as follows:

"(h) EXECUTIVE COMMITTEE.—The Board of Directors of the Association shall have an executive committee which shall consist of the Chairman of the Board, the Secretary, the Chairman of the Commission or his duly authorized representative, and two other members who shall be selected by the members of the Board."

(b) Section 203(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 713(a)) is amended by striking the last sentence thereof.

(c) Section 206(d)(3) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716 (d)(3)) is amended by adding the following after the first sentence:

": *Provided, however,* That all determinations made by the Association in the correction to the preliminary system plan published on April 11, 1975 (40 Fed. Reg. 16377) shall be treated for all purposes as if they had been made upon adoption and release by the Association of the preliminary system plan; *provided further,* That all determinations made by the Commission with respect to said correction shall be treated for all purposes as if they had been made within 90 days after adoption and release by the Association of the preliminary system plan; *and provided further,* That all determinations made by the Commission with respect to acquisitions by profitable railroads referred to in any supplement to the preliminary system plan published under section 207(b)(2) of this title (45 U.S.C. —) shall be deemed to be timely made if made before adoption of the final system plan under section 207(c) (45 U.S.C. 717(c))."

(d) Section 209 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 719) is amended by inserting the following new subsection at the end thereof—

"(e) INJUNCTIVE AND DECLARATORY ACTIONS.—Notwithstanding any other provision of law, any action—

(1) for injunctive or other relief from enforcement, operation or execution of any part of this Act or from any action taken pursuant to authority purportedly conferred under this Act,

(2) for a declaratory judgment of the unconstitutionality of any part of this Act or of the illegality of any action or of any failure to take action pursuant to authority conferred or purportedly conferred under this Act, or

(3) to enforce or declare rights under this Act,

shall be within the exclusive jurisdiction of the special court. An order or judgment of the special court in any such action shall be reviewable by direct appeal to the Supreme Court of the United States: *Provided, however,* That any such appeal is exclusive and shall be filed not more than 20 days after the entry of such order or judgment."

(e) Section 210(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 720(c)) is amended by adding at the end thereof the following:

"All guarantees entered into by the Secretary under this section shall constitute general obligations of the United States of America."

MISCELLANEOUS AMENDMENTS TO TITLE III

SEC. 13. (a) Section 301(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(f) is amended by striking the first sentence thereof.

(b) Section 303(c)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743 (c)(2)) is amended by striking out "shall—" and inserting "may do any or all of the following—" in lieu thereof, by striking out "and" at the end of paragraph (A), by striking everything before "order" in paragraph (B), by striking "and" at the end of paragraph (B), and by striking paragraph (C) and by inserting in lieu thereof the following:

"(C) enter a judgment against the Corporation if the judgment would not endanger the viability or solvency of the Corporation."

(c) Section 303(c)(4) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743 (c)(4)) is amended by:

(1) striking "subsection (b)" therefrom and inserting "subsection (a)" in lieu thereof; and

(2) inserting after the word "region" the following words:

"and to railroads leased, operated or controlled by railroads in reorganization in the region and to other transferors of rail properties".

(d) Section 201 of the Government Corporation Control Act (31 U.S.C. 856) is amended by adding "; and" at the end of subparagraph (7) and by striking therefrom the following:

", and (9) the Consolidated Rail Corporation to the extent provided in the Regional Rail Reorganization Act of 1973."

(e) Section 303(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743 (d)) is amended by striking out "5" and inserting "20" in lieu thereof and by striking out the last sentence.

(f) Section 403(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 763 (b)) is amended by inserting in the first sentence thereof after the word "assistance" the words "in the form of loans" and by striking the second sentence thereof.

ALTERNATIVE DESIGNATIONS TO PROFITABLE RAILROADS

SEC. 14. Section 206(c)(1)(B) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(c)(1)(B)) is amended by inserting after the word "paragraph" the following words:

"and what alternative designations shall be made under this subparagraph".

AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE FUNCTIONS OF THE ASSOCIATION

SEC. 15. Section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended by striking the words "not to exceed $40,000,000".

TRANSFERS TO SUBSIDIARIES OR AFFILIATES OF THE CORPORATION

SEC. 16. (a) Section 206(c)(1)(A) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(c)(1)(A)) is amended by striking the semicolon and adding the following:

": *Provided, however,* That the Corporation shall, within 45 days following the effective date of the final system plan, give notice to the Association of which rail properties, if any, designated hereunder are to be transferred to a subsidiary or affiliate of the Corporation in the event that the Board of Directors of the Association finds that such transfer would be consistent with the final system plan,"

(b) Section 206(c)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716 (c)(2)) is amended by striking the period and adding: "Any rail properties designated to be offered for sale to the Corporation may be sold instead to a subsidiary or affiliate thereof."

(c) Sections 206(d)(1), 209(c) and (d), 215(d), 303(c)(1)(A)(i), 303(c)(2)(A), 304 (e), and 501(1) and (2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716 (d)(1), 719(c) and (d), ——, 743(c)(1)(A) (i), 743(c)(2)(A), 744(e), and 771(1) and (2)) are amended by inserting following the word "Corporation" each time it appears in each of said sections the words "or any subsidiary or affiliate thereof";

(d) Section 303(a)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743 (a)(1)) is amended by inserting following the word "Corporation" the second time it appears the words "or any subsidiary or affiliate thereof";

(e) Section 303(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743 (b)) is amended by inserting following the word "Corporation" each time it appears therein except the first time the words "or any subsidiary or affiliate thereof";

(f) Section 501 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 771) is amended by inserting the following new subparagraph:

"(11) 'Corporation' as used in this title means the Consolidated Rail Corporation and (as may be appropriate in the context) any subsidiary or affiliate thereof."

U.S. RAILWAY ASSOCIATION,
Washington, D.C., September 12, 1975.

Hon. WARREN G. MAGNUSON,
Chairman, Commerce Committee, U.S. Senate, Washington, D.C.

Hon. HARLEY O. STAGGERS,
Chairman, Interstate & Foreign Commerce Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMEN: I have the honor to transmit herewith a copy of the proposed legislative amendments developed by the United States Railway Association for the purpose of implementing its Final System Plan, as adopted by the Association's Board of Directors and submitted to the Congress on July 26, 1975, together with a Section by Section Analysis. These proposals carry the concurrence of the Administration, with the single exception of the separate "Fossil Fuel Bank Bill". This remains as Working Draft #1 pending possible further comments from other interested Federal agencies.

The status of other related legislative proposals is set out in the attached transmittal letter from our General Counsel, Mr. Hillman, to your respective Staff Counsel.

Respectfully yours,

Arthur Lewis.

By Mr. BUMPERS:

S. 2407. A bill to improve the administrative process by limiting the defense of sovereign immunity, and for other purposes. Referred to the Committee on the Judiciary.

Mr. BUMPERS. Mr. President, I am today introducing for appropriate reference S. 2407, a bill to improve the administrative process by limiting the defense of sovereign immunity, and for other purposes.

All of us are familiar with the traditional principle of law that the United States, as sovereign, cannot be sued without its consent. Congress has granted consent to suit in the case of certain torts—the Federal Tort Claims Act—and in the case of certain actions for money damages for breach of contract, normally brought in the Court of Claims—the Tucker Act. There are still significant kinds of suits, however, in which sovereign immunity is successfully asserted as a defense, either to the suit as a whole, or to the granting of certain equitable relief that may be necessary to do justice between the parties.

Mr. President, as an original matter I would have questioned the whole concept of sovereign immunity in a nation in which the people, not the government, are sovereign. Interestingly, our Constitution nowhere mentions the doctrine, with the exception of the 11th amendment, which relates only to the sovereign immunity of States, and not to that of the United States. The courts following English precedents based upon the divine right of kings, have engrafted the doctrine of sovereign immunity on our law, and it seems to be ingrained as a part of American jurisprudence, however inappropriate it may be to the democratic foundations of our Nation. Relief from the oppressive effects of the doctrine must apparently come from Congress, not from the courts.

The largest remaining area in which sovereign immunity is a defense to suits against the United States relates to specific relief. Such traditional remedies as specific performance, quieting title, and ejectment are often unavailable. When a plaintiff, for example, is unable to allege that the defendant Federal officer or employee is acting beyond his statutory or constitutional authority, the defense of sovereign immunity is often applied, even though the Federal official involved may be committing a tort or breaking a contract in the traditional common-law sense. Damages in tort or contract may be available because of statutes waiving the defense, but damages are sometimes not an adequate remedy. If, for example, a Federal official appropriates a citizens' property, sovereign immunity may be a bar to an order directing the return of the property, if the Federal official has acted within an area delegated to him by statute.

This doctrine is grossly unfair and ignores the basic truth that "courts of justice are established, not only to decide upon controverted rights of the citizens as against each other, but also upon rights in controversy between them and the government." *United States* v. *Lee*, 106 U.S. 196, 220 (1882).

The proposal I introduce today is not new. It has been before the Congress at least once in the past, and portions of it are now pending as title IV of H.R. 6995, which was introduced on May 14 and referred to the House Committee on the Jduiciary. In addition, the Federal Government in our times has become so complex that a citizen who feels himself wronged by it often does not know exactly whom to name as a party defendant. It should not be the responsibility of a citizen to thread his way through the labyrinth of bureaus, agencies, and officers, in order to determine the appropriate named defendant and successfully resist a technical motion to dismiss. The burden should instead be on the Government, which after all knows more about its own business, presumably, than a citizen does, to locate and name the appropriate agency, bureau, department, or person who should be the defendant in the particular case. I am therefore proposing, as part of this same bill, that whenever a citizen files suit against any instrumentality of the United States, he may name either the United States itself or the Attorney General as defendant. It would then be the responsibility of the Attorney General, who has at his command the considerable resources of the Department of Justice, and who will ultimately be responsible for defending the action anyway, to find out who the appropriate named defendant is and to report the identity of that agency or person to the court. In this way, the denial of justice through technical dismissals because of a plaintiff's unknowing naming of the wrong defendant will be eliminated.

It is interesting to note that Great Britain adopted a similar reform as long ago as 1947. The Crown Proceedings Act, 10 & 11 Geo. VI., c. 44, Sec. 17(3) (1947), provides that if a plaintiff "has any reasonable doubt whether any and if so which of those departments [that is, departments of the government] is appropriate" as a defendant, he may name the Attorney General, who must then locate the proper governmental defendant. This kind of reform, adopted over 25 years ago on the other side of the Atlantic would be an improvement in the administration of justice in this country, and I urge its adoption. No less an authority than Kenneth Culp Davis has argued that such an amendment would improve the administrative process in this country.

Mr. President, I ask unanimous consent that an excerpt from the 1970 supplement to Professor Davis' Administrative Law Treatise, pages 916–19, be printed in the Record. This excerpt explains in detail several of the provisions of the bill I offer today.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

§ 27.00–8. THE PROPOSED STATUTE

Currently proposed by the American Bar Association and the Administrative Conference of the United States, acting in cooperation with each other, is an amendment of the Administrative Procedure Act, now S. 3568, the essence of which is abolition of sovereign immunity in suits in federal courts for specific relief. The proposal was adopted in October, 1969, by the Administrative Conference and by the Council of the Administrative Law Section of the Bar Association, and it was approved in principle by the House of Delegates of the Bar Association in February, 1970.

The proposal is to add provisions to §§ 702 and 703 of 5 U.S. C., the judicial review provisions of the Administrative Procedure Act. The provision to be added at the end of § 702 is as follows:

An action in a court of the United States seeking relief other than money damages and stating a claim that an agency or an officer or employee thereof acted or failed to act in an official capacity or under color of legal authority shall not be dismissed nor relief therein denied on the ground that it is against the United States or that the United States is an indispensable party. The United States may be named as a defendant in any such action, and a judgment or decree may be entered against the United States. Nothing herein (1) affects other limitations on judicial review or the power or duty of the court to dismiss any action or deny relief on any other appropriate legal or equitable ground; or (2) confers authority to grant relief if any other statute that grants consent to suit expressly or impliedly forbids the relief which is sought.

The provision to be added after the first full sentence of § 703 is as follows:

If no special statutory review proceeding is applicable, the action for judicial review may be brought against the United States, the agency by its official title, or the appropriate officer.

The amendment's main purposes. The two main purposes of the proposed amendment are to allow the plaintiff in any suit for relief other than money to name the United States as defendant and to authorize the court to enter a judgment or decree against the United States irrespective of sovereign immunity.

The basic ideal. The amendment pushes toward the basic ideal which was stated by the Supreme Court in 1882: "Courts of justice are established, not only to decide upon controverted rights of the citizens as against each other, but also upon rights in controversy between them and the government."[51]

The broad perspective. Congress has already abolished about two-thirds of sovereign immunity, especially through the Court of Claims Act of 1855 and through the Federal tort Claims Act of Claims Act of 1855 and through the Federal Tort Claims Act a hundred years and in tort for more than twenty years has been wholly successful. No movement has developed to restore the chunks of sovereign immunity that have been abolished; instead, Congress has from time to time strengthened those abolitions. The largest remaining area of federal sovereign immunity relates to specific relief. The present proposal is designed primarily to reach that area.

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[51] United States v. Lee, 106 U.S. 196, 220, 1 S.Ct. 240, 261, 27 L.Ed 171 (1882).

Inadequacy of present law. The present federal law of sovereign immunity in suits for specific relief is inadequate in many ways, as the preceding discussion shows, including frequent denial of substantive justice to parties who should be entitled to relief against governmental encroachments on their legal rights, denial of procedural justice when officers who are protected by sovereign immunity make final determinations affecting private rights without providing the customary procedural safeguards, and gross inefficiency resulting from depriving the courts of authority to resolve controversies the courts are especially qualified to resolve.

Limitation of proposal to relief other than money. Although the proposal refrains from using the term "specific relief," its principal effect is to allow suits for specific relief. The first sentence of the proposal limits it to "relief other than money damages." Perhaps ninety per cent of the cases affected will be suits for injunction or declaratory judgment or for both, and perhaps most of the rest will be suits for relief in the nature of mandamus. But all other specific relief is covered, including specific performance, quieting title, ejectment, and habeas corpus.

Prohibitions of relief in statutes granting consent to suits. The last sentence of the proposed addition to § 702 provides: "Nothing herein . . . (2) confers authority to grant relief if any other statute that grants consent to suit expressly or impliedly forbids the relief which is sought." The purpose of this clause is to avoid making any change in the interpretation of other statutes granting consent to suits against the government, including the Court of Claims Act, the Tucker Act, and the Federal Tort Claims Act. If any statute such as these is interpreted to forbid a suit for specific performance, then that interpretation remains unchanged by the present proposal. The intent of Congress as expressed or implied in other statutes remains undisturbed.

Officers as defendants. Although the proposed amendment does not change the law concerning suits against the government in the guise of suits against officers, such suits are subject to many uncertainties, including a possible holding that an officer who has not been named is indispensable or that the suit is barred by sovereign immunity. Because suits against the United States pursuant to the proposed amendment will be free from such uncertainties, suits against officers may be expected to decline and perhaps virtually disappear as parties and their representatives learn the advantages of naming the United States as a defendant.

Applicability of proposed amendment. Because the amendment is to be added to 5 U.S.C. §§ 702 and 703 (provisions of the Administrative Procedure Act concerning judicial review) it will be applicable only when those provisions are applicable. This means that the exceptions stated in § 701(b)(1)(H) will apply (relating mostly to specified wartime subjects); more importantly, it means that the proposed amendment will not apply "to the extent that . . . statutes preclude judicial review . . . or . . . agency action is committed to agency discretion by law." The case law concerning the two categories of review precluded by statute and action "committed" to agency discretion is thus untouched by the proposed amendment.

Law other than sovereign immunity unchanged. Government defenses other than sovereign immunity remain unaffected by the proposed amendment. Indeed, all law other than the law of sovereign immunity is unchanged. A very large proportion of all cases that have been disposed of on the ground of sovereign immunity, perhaps as many as nine-tenths, might have been won by the government on some ground other than sovereign immunity, including the merits.

Because nothing is changed except the law of sovereign immunity, and because all other constitutional law, statutory law, and common law remains unchanged, the government may still win cases on such grounds as unreviewability, standing, ripeness, exhaustion, primary jurisdiction, or any other legal or equitable principle. Yet to the extent that the proposed amendment will remove the defense of sovereign immunity, a larger proportion of the cases brought will be decided on their merits.

More government by judges? The proposed amendment will not mean a larger proportion of government by judges or a smaller proportion of government by executives and administrators. Courts will still be limited to deciding issues appropriate for judicial determination, and they will still be limited by the limitations on scope of judicial review prescribed by the Administrative Procedure Act in 5 U.S.C. § 706. Clearly, the courts will continue to develop and apply their own law about what the Supreme Court calls "the appropriateness of the issues for judicial determination." Gardner v. Toilet Goods Ass'n, 387 U.S. 167, 170, 87 S.Ct. 1526, 1528, 18 L.Ed. 2d 704 (1967). The lines between issues which are or are not appropriate for judicial determination will not be affected by the proposed amendment. To the extent that some issues may come to court that have heretofore been barred by sovereign immunity, the usual principles as to what issues are appropriate for judicial determination will apply. And the established limitations on scope of review will be fully applicable. The courts will thus have no authority to remake administrative policy or to exercise the discretionary power that statutes have conferred upon administrators. Courts will continue to be normally limited to such strictly legal questions as constitutionality, statutory jurisdiction, proper administrative procedure, substantiality of evidence, abuse of administrative discretion, and conformity to law. The proposed amendment will mean only that when a party who is hurt by governmental action seeks relief other than money, sovereign immunity will not be a bar to judicial determination of such strictly legal questions.

By Mr. BUMPERS:

S. 2408. A bill to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress. Referred to the Committee on the Judiciary.

Mr. BUMPERS. Mr. President, I am today introducing for appropriate reference S. 2408, a bill to improve the administrative process by making Federal agencies more responsive to the will of the people's elected representatives in Congress.

As this country approaches its 200th anniversary, our citizens seem more and more divided about some basic questions of national policy. A consensus is emerging, however, on a few such questions, and one of them is the extent of regulation by agencies and bureaus of the Federal Government. Both great political parties and officeholders and citizens of all persuasions seem to be approaching a broad agreement that the initiative and enterprise of the American people, long considered hallmarks of our national character, are being stifled by a mass of well-meaning but often misdirected regulation.

One need only glance at the Federal Register each day to appreciate the sheer volume of new and proposed rules, interpretations, and regulations that pour forth each day from the Federal establishment. My intention is in no way to denigrate the efforts of those thousands of dedicated employees who diligently approach their tasks each day and do their best within the framework laid down for them. The fault lies not with any individual employee, nor even with any individual agency or department of the Government, but rather with the system itself, under which Congress, vested by article I of the Constitution with exclusive legislation power, has in practice delegated much of this power to unelected officials of the Federal Government.

In theory delegation of legislative power is unconstitutional, and there are opinions of the Supreme Court that say so. In practice, every lawyer, every businessman, every citizen knows that Congress is daily divesting itself of its power by creating more and more agencies and bureaus and giving them the discretion to issue what are called rules or regulations, but what are really laws. At bottom, that is the reason for the calls from the President and others for deregulation, proposals which, for the most part, I applaud. The people of this country are entitled to be governed by laws considered and enacted by their elected representatives, rather than by confusing and sometimes duplicative regulations issued by Federal agencies who sometimes seem responsive to no one.

Many suggestions have been made as to how to cope with this problem. A great deal of these have merit, and I would not pretend to have the entire answer. The bill which I introduce today, however, seeks to approach the problem in a fundamental manner, by altering the disposition of power among Federal agencies, Congress, and the courts in such a way as to restore the disturbed balance.

Traditionally our Government has been thought of as composed of three equal branches, legislative, executive, and judicial. In practice, during the last 40 or 50 years much of the power customarily exercised by these three original branches has been taken over by what in truth amounts to a fourth branch of Government, the administrative branch, a branch that is not elected by anyone and, unlike the judiciary, is not insulated from political influence. A good bit of this shift in power was made necessary by the demands of modern industrial society, and no one, I trust, would want to turn back the clock to the 1930's. The great reforms instituted during that period, including the creation of the Securities and Exchange Commission, the National Labor Relations Board, and other important agencies, must not be jeopardized by an unthinking assault on administrative law and practice as such. On the other hand, the growth of the administrative branch has, I venture to say, far exceeded the expectations of any of those who advocated the reforms of the New Deal, and I believe that they would be the first to agree that a fundamental reexamination of this growth is now in order.

It was, after all, Franklin D. Roosevelt himself who wrote:

> The practice of creating independent regulatory commissions, who perform administrative work in addition to judicial work, threatens to develop a "fourth branch" of the Government for which there is no sanction in the Constitution. *See* Davis, *Administrative Law Treatise* Section 1.04 at p. 28 (1958).

In the beginning, it was understandable that Congress, in creating Federal regulatory agencies, should wish to insulate them, at least in part, from strict judicial review. It was believed, and with some justice, that the Federal judiciary was hostile to the social legislation that this country found necessary to pull us out of the Depression and makes us ready for the modern industrial world. Accordingly, a number of doctrines of administrative law were developed that in practice have conferred upon Federal agencies a large amount of unreviewable power. The Administrative Procedure Act, for example, limits fairly strictly the grounds on which a court may set aside agency actions, findings, or conclusions, 5 United States Code, section 706. Findings of fact are not to be set aside if they are supported by substantial evidence on the record as a whole, and orders or conclusions of agencies are commonly left standing except in those extraordinary instances where they have gone so far afield as to be fairly characterized as arbitrary, capricious, or an abuse of discretion, 5 United States Code, section 706 (2)(A).

In addition, although the Administrative Procedure Act provides that "the reviewing court shall decide all relevant questions of law" and "interpret constitutional and statutory provisions," 5 United States Code, Section 706, the practice in the courts of law is otherwise. Quite frequently a reviewing court will defer to the so-called "expertise" of an agency even on an issue of law. The holding of an agency itself that it is acting within the authority delegated to it by Congress becomes well-nigh conclusive. Thus, for reasons that were no doubt weighty at one time, the courts have abdicated a large measure of their traditional power to interpret and apply the laws of Congress.

As Prof. Louis Jaffe has remarked:

> . . . the practice of the Supreme Court, for example, shows the Court sometimes asserting the correctness of the agency rule, at other times going no further than to hold that the administrator can but is not required to adopt such a rule. It is this latter practice which has given rise to profound difficulties of description and analysis, and to intense controversy. It has seemed to some that a court which thus leaves to an administrator the power to bind and to loose is abandoning the prime function of a court of law (footnotes omitted). Jaffe, *Judicial Control of Administrative Action* 557–58 (1966).

Or, as another leading authority on administrative law has put it:

> The Supreme Court has consistently held that judicial judgment should not be substituted for administrative judgment on questions within the agency's statutory power of rule making. Davis, *Administrative Law Treatise* Section 30.10, at p. 247.

And this is true even in those instances where it is asserted by an affected citizen that the agency's rulemaking has exceeded the power delegated to it by Congress. The courts, it seems, have forgotten that Congress is the creator, and the agency the creature, of legislation. No person should be judge in his own cause, and neither should any agency determine the limits of its own power.

Perhaps the leading case stating this accepted doctrine is *NLRB* v. *Hearst Publications, Inc.*, 322 U.S. 111 (1944). The question there was the definition of the term "employee" in the National Labor Relations Act. The agency had held that certain newsboys were employees rather than independent contractors. The Supreme Court, in reviewing this determination, did not itself construe the words of the statute. Instead, it simply accepted the statutory interpretation of the Labor Board on the ground that it had "warrant in the record" and "a reasonable basis in law," 322 United States at 131.

It is worth saying at this point that I have no quarrel with the particular interpretation of the word "employee" involved in Hearst. Undoubtedly the Labor Board's interpretation of the statute in that instance was correct, and the Supreme Court properly approved it. The point for present purposes is simply that the Board in effect determined the limits of its own authority, even though in theory it has only so much power as has been delegated to it by Congress. To quote Professor Jaffee again:

> In administration most law is agency-made and much of it which is reviewed by a court will be approved as "reasonable" or "supported by evidence," without the court itself pronouncing the law. Judicial Control of Administrative Action 563.

A good deal of this looseness in judicial review can be accounted for by the fashionableness in legal circles of one word: discretion. Agencies, it is said, have been delegated the power by Congress to work out the details of public policy, and their judgment should not be disturbed so long as it is within their "discretion," or so long as their discretion is not "abused." Although this doctrine in its beginnings was healthy, designed to prevent unnecessary judicial interference with social policies adopted by the Congress, it has long since exceeded proper boundaries. As Mr. Justice Douglas has said in dissent:

> Law has reached its finest moments when it has freed man from the unlimited discretion of some ruler, some civil or military official, some bureaucrat. Where discretion is absolute, man has always suffered. At times it has been his property that has been invaded; at times, his freedom of thought; at times, his life. Absolute discretion is a ruthless master. It is more destructive of freedom than any of man's other inventions. *United States* v. *Wunderlich*, 324 U.S. 98, 101 (1951).

Similar judicial formulations have insured that almost every rule or regulation adopted by a Federal agency is upheld in the courts. There is a presumption, it is said, that such rules or regulations are within the authority granted by Congress, or by Executive order, to the particular agency involved. It is my view, simply put, that there should be no such presumption, and that administrative law has come to the point where the traditional doctrine should be reversed. The burden should be upon the Federal agency, which has at its command the resources of the sovereign, to establish the validity of its own action, instead of being placed upon the citizen to prove the reverse.

The bill I introduce today would do just that. First of all, it would restore the courts to their normal law-interpreting and law-applying role in our system of Government. It would insert the words "de novo" in the first sentence of 5 United States Code, section 706, the sentence that concerns decision by the courts of questions of law in actions to review Federal agencies. Courts could still defer to administrative "expertise," if there is in fact such a thing, when deciding issues of fact, and the traditional "substantial evidence" rule applied to such issues would be undisturbed.

In the realm of law, however, the supremacy of the courts, who are sworn to apply and uphold the statutes of Congress, would be restored. A decision by an agency on an issue of law would no longer be upheld simply upon a finding that there is "warrant in the record" for it. The court would actually use its own judgment on such issues.

Furthermore, the presumption in favor of the validity of agency rules and regulations would be eliminated, and the burden of establishing this validity would be shifted to the agency, a party better able to bear it. Only if a court were clearly and convincingly persuaded, for example, that a given rule or regulation was within the power delegated by Congress, would the rule or regulation be upheld.

In this way, Congress would be confirmed as the true and only source of legislative power in our society. Agency rules and regulations clearly within the congressional mandate would remain intact. Finally, a proviso in the bill would make clear that the traditional heavy burden of proof borne by the prosecution in criminal cases and, to a lesser extent, by the United States when seeking to enforce a civil penalty, would not be altered. In these instances, if a defendant asserted an agency rule or regulation in bar of a prosecution or action for civil penalties, the opposing party, usually the United States, would still have to sustain the burden of proof usually associated with these kinds of enforcement proceedings.

It may be objected that this proposal will intrude the courts into policy areas where they have no business. Courts have made policy, of course, ever since the common law was conceived, but in a society increasingly governed by specific statutory pronouncements enacted by an elected legislature—to say nothing of a written Constitution—it must be conceded that the courts' law-making power is largely interstitial. As statutes become more numerous and more detailed each year, the function of the courts becomes, or should become, rather to enforce the policies of the Congress, than to create and enforce policies of their own. To hold that agency decisions in conflict with a policy of Congress should be overturned by the courts, however, is to aid the legislative process, not to hinder it, for legislation can never be specific enough to insure that in every instance the specific will of the legislators is carried out. A statute, once enacted, escapes the control of its writers, as it were and becomes a living thing, with a life and growth of its own. Those chosen by the Congress to execute the statute may or may not do so faithfully. Political processes are not always sufficient to compel them to follow the spirit of the law. When they transgress it, a power of correction should reside somewhere and, under our system, that place is the courts.

Administrative agencies, after all, are no more law-making bodies than our courts. They are the creatures of Congress, possessing only those powers given them by legislation. It is not enough, for example, for an administrative official to argue that no law prohibits his action, and that, therefore, the courts should not intervene.

As one court has properly observed:

> This argument misses the point. The Secretary of Transportation is not so omnipotent that he must be presumed to possess the power to act as he chooses unless there is some law prohibiting him from so acting. He possesses only the power which Congress has given him, and the scope of that power is defined by Congress. *Named Individual Members of the San Antonia Conservation Society* v. *Texas Highway Department,* 446 F.2d 1013, 1023 n.18 (5th Cir. 1971).

Nor is it any answer to say that an administrative official who does not carry out the will of Congress may be corrected by Congress itself. The answer is true in theory: Congress could conceivably superintend each application of its laws and individually correct those applications with which it disagrees. But in practice such a function goes beyond lawmaking and transgresses upon the field of law interpreting that is a traditionally judicial preserve. Congress has neither the time nor the inclination to correct individual errors of law application. That function is traditionally for the courts, and I doubt that Congress would wish to assume it. It is better left to those at least partially insulated from political pressures.

Mr. President, I do not pretend to believe that the courts will ever wholly succeed in enforcing the will of Congress precisely as we would wish, in overruling those exercises of administrative power that truly go beyond the legislative mandate, and upholding those applications of statute that, while not perhaps to the judges' personal liking, are nevertheless within the range of choice left by Congress to the agency.

The courts, that is, cannot do everything. I am convinced, however, that they can do more than they have, if directed and encouraged by an amendment to the Administrative Procedure Act such as I am today proposing.

Judicial review, however imperfect, is at least a constant reminder to the administrative agencies that they are not all-powerful. Congress, after all, paints with a broad brush. That is the nature of our legislative process. It is for the courts to see that the broad policies commanded by Congress are not distorted in individual situations by the agents of Congress. The courts cannot write the tune, but at least they can see that those who are playing it maintain the key chosen by its composer. As Archibald MacLeish has argued, the courts is "the labor of order," *Apologia,* 85 *Harv. L.Rev.* 1505, 1508 (1972), to reduce the confusion, sometimes the chaos of the administrative process to order, so that that process will make sense for the individual citizen.

Mr. President, it is my hope that the bill I introduce today will be a step toward restoring order to the administrative process and, even more important, toward restoring our citizens' confidence in their own Government.

By Mr. BENTSEN (for himself and Mr. NELSON):

S. 2409. A bill to require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on private business as a result of the enactment of such proposed legislation. Referred to the Committee on Government Operations.

FEDERAL PAPERWORK REDUCTION ACT

Mr. BENTSEN. Mr. President, I am today introducing legislation with Senator NELSON to require all congressional committees to include in their legislative reports an estimate of the forms and recordkeeping requirements anticipated by the enactment of new legislative proposals. This legislation will insure that Congress gives much closer attention to the paperwork requirements that will be imposed on small businessmen by the enactment of new laws. This bill is similar to legislation introduced in the past by my distinguished colleague from New Hampshire, Senator MCINTYRE, who chaired comprehensive congressional hearings on the impact of the Federal paperwork burden on small business.

Under this proposal, the congressional committee report accompanying each bill will be required to contain a statement estimating:

The number of reports which would be required to be made, and records which would be required to be kept, by private business, and specifically by small business enterprises, as a result of the enactment of the bill;

The complexity of the forms which would be required in making these reports and keeping these records; and

The cost and time which would be required in making these reports and keeping these records.

In terms of dollars and cents, or frustration and irritation, the endless tangle of paperwork imposed by Government has become unbearable. With well over 5,000 forms in use in the Federal Government, excluding all tax and banking forms, the private citizen is inundated with requests for information. Some have referred to the endless series of forms and documents as "strangulation in triplicate." Others have referred to this as "Federal forms pollution." The Federal bureaucracy generates more than 2 billion pieces of paper annually. That is probably enough to fill several baseball stadiums.

There are 10 forms to be filled out each year for every man, woman, and child in the United States. It is estimated that small business spends well in excess of $18 billion annually on Government paperwork. It is particularly difficult for small firms to absorb the cost of this paperwork. Small businessmen must employ outside accountants and lawyers to fill out complex forms and keep the extra recordkeeping involved. Professional assistance, of course, is expensive. Having few employees, the small firms find it more difficult to spread the cost. A rise in per unit cost to cover paperwork can result in loss of sales and loss of competitive standing for small enterprises.

We have to cut the tangle of redtape. We have to hold back the growing number of Government forms. Enactment of this proposal will help achieve this goal.

By Mr. HATHAWAY (for himself and Mr. BROOKE):

S. 2410. A bill to amend section 501(c) (5) of the Internal Revenue Code of 1954. Referred to the Committee on Finance.

Mr. HATHAWAY. Mr. President, I am introducing a legislative proposal today which would clear the books of a legislative oversight and give our fishing organizations equal footing with our agricultural labor, medical and other tax exempt organizations. To do this, the proposal would simply include the harvesting of marine resources within a definition of agriculture. This would extend the benefits of having a tax-exempt organization to the Nation's fishermen. These include, but are not limited to, lobstermen, oystermen, clammers, fishermen, shrimpers, and all others who reap the harvest of the sea.

Labor and farm organizations were recognized long ago by the Congress and the Federal Government as institutions which provided a service to their constituents—a service that benefited society as a whole. Federal law offers these organizations tax-exempt status to enable them to provide information and counseling services, as well as publicize events which have particular meaning to those organizations.

As our efforts to increase the world's food supply grow, so then should our commitment to those who harvest those foods. The unity of those who labor on the high seas increases the potential benefit that comes from a coordinated effort to reap the harvest and at the same time prevent depletion of this resource. Providing a tax-exempt status for industry-wide organizations will strengthen that unity.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2410

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section

501 of the Internal Revenue Code of 1954 (relating to exemption from tax on corporations, etc.) is amended by redesignating subsection (g) as (h) and by inserting after subsection (f) the following new subsection:

"(g) DEFINITION OF AGRICULTURAL.—For purposes of subsection (c)(5), the term 'agricultural' includes, but is not necessarily limited to, the art or science of cultivating land, harvesting crops or marine resources, or raising livestock.".

SEC. 2. Effective Date.—The amendment made by this Act shall be in effect for all taxable years beginning after January 1, 1974.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 5

At the request of Mr. CHILES, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of the bill (S. 5) the Federal Government in the Sunshine Act.

S. 27

At the request of Mr. MOSS, the Senator from California (Mr. TUNNEY) was added as a cosponsor of the bill (S. 27) to establish a Department of Natural Resources and Environment.

S. 123

At the request of Mr. INOUYE, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of the bill (S. 123) to amend title XVIII of the Social Security Act to provide for the coverage of certain clinical psychologists' services under the supplementary medical insurance benefits program established by part B of such title.

S. 454

At the request of Mr. CHILES, the Senator from Indiana (Mr. HARTKE) was added as a cosponsor of the bill (S. 454) to amend the Occupational Safety and Health Act of 1970.

S. 1259

At the request of Mr. HATHAWAY, the Senator from Indiana (Mr. HARTKE) was added as a cosponsor of the bill (S. 1259) the Small Business Emergency Relief Act.

S. 1875

At the request of Mr. BEALL, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of the bill (S. 1875) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to add a requirement that the comprehensive State plan include provisions for the prevention of crimes against the elderly.

S. 2258

At the request of Mr. BROCK, the Senator from Maine (Mr. MUSKIE) was added as a consponsor of the bill (S. 2258) to establish a method whereby the Congress may assure a more effective use of tax dollars.

S. 2290

At the request of Mr. TAFT, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of the bill (S. 2290) to establish a Consumer Protection Study Commission in order to study the desirability and feasibility of establishing various administrative courts and transferring to such courts the adjudicatory, licensing, and rulemaking functions of various regulatory agencies, and for other purposes.

S. 2312

At the request of Mr. BURDICK, the Senator from Montana (Mr. MANSFIELD), the Senator from North Dakota (Mr. YOUNG), the Senator from Washington (Mr. JACKSON), the Senator from Vermont (Mr. STAFFORD), and the Senator from New Hampshire (Mr. MCINTYRE) were added as cosponsors of the bill (S. 2312) to amend the Tariff Act of 1930 so as to exempt certain private aircraft entering or departing from the United States and Canada or the United States and Mexico at night or on Sunday or a holiday from provisions requiring payment to the United States for overtime services of customs officers and employees.

S. 2344

At the request of Mr. BENTSEN, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of the bill (S. 2344) the Pension Paperwork Reduction Act.

S. 2350

At the request of Mr. SYMINGTON, the Senator from Minnesota (Mr. MONDALE), the Senator from Indiana (Mr. BAYH), the Senator from Kentucky (Mr. FORD), the Senator from Iowa (Mr. CULVER), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Louisiana (Mr. LONG) were added as cosponsors of the bill (S. 2350) to amend the National Security Act of 1947, as amended, to provide that the Secretary of the Treasury become a statutory member of the National Security Council.

S. 2386

At the request of Mr. TAFT, the Senator from Florida (Mr. STONE) was added as a cosponsor of the bill (S. 2386) to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress.

S. RES. 144

At the request of Mr. BURDICK, the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. MCGEE), the Senator from Indiana (Mr. HARTKE), the Senator from Montana (Mr. METCALF), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of the resolution (S. Res. 144) to urge the restoration of the status of amateur athlete for the late Jim Thorpe, and for other purposes.

S. RES. 228

At the request of Mr. BROCK, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of the resolution (S. Res. 228) to establish a temporary procedure for insuring coordinated Senate action on legislative proposals on energy.

S. RES. 245

At the request of Mr. HASKELL, the Senator from South Dakota (Mr. ABOUREZK) and the Senator from California (Mr. CRANSTON) were added as cosponsors of the resolution (S. Res. 245) to express the sense of the Senate that the President should make public immediately all agreements and understandings entered into and all commitments made by the United States with respect to Israel and Egypt.

S. RES. 253

At the request of Mr. DOMENICI, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of the resolution (S. Res. 253) relating to the conservation of helium.

S.J. RES. 119

At the request of Mr. ROTH, the Senator from Delaware (Mr. BIDEN), the Senator from Texas (Mr. TOWER), the Senator from Nevada (Mr. LAXALT) were added as cosponsors of the joint resolution (S. J. Res. 119) to establish a National Commission on School Busing.

S.J. RES. 125

At the request of Mr. KENNEDY, the Senator from New Jersey (Mr. CASE), the Senator from Hawaii (Mr. FONG), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. MONDALE), and the Senator from Florida (Mr. STONE) were added as cosponsors of the joint resolution (S.J. Res. 125) authorizing and requesting the President to issue a proclamation designating Sunday, September 14, 1975, as "National Saint Elizabeth Seton Day."

S. CON. RES. 60

At the request of Mr. ROTH, the Senator from Delaware (Mr. BIDEN), the Senator from Texas (Mr. TOWER), the Senator from Nevada (Mr. LAXALT) were added as cosponsors of the concurrent resolution (S. Con. Res. 60) to express the sense of Congress that compulsory school busing be discontinued until such time as an adequate study of the effects of such busing and alternatives to it is completed.

MOTION SUBMITTED FOR PRINTING

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1976—H.R. 8069

MOTION

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted the following motion intended to be proposed by him in connection with H.R. 8069, making appropriations for the Departments of Labor, and Health, Education, and Welfare and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes:

Motion that H.R. 8069 be recommitted to the Appropriations Committee with instructions to report said bill to the Senate not later than 10 a.m., Thursday, September 25, 1975, with the total amount proposed to be appropriated by said bill reduced by the total sum of $1,000,000,000, with the committee to exercise the discretion as to what appropriations shall be reduced and by what amount so as to accomplish said $1,000,000,000 reduction.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1976—H.R. 8069

AMENDMENT NO. 921

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

AMENDMENT NO. 922

(Ordered to be printed and to lie on the table.)

Mr. HUGH SCOTT submitted an amendment intended to be proposed by him to the bill (H.R. 8069), supra.

AMENDMENTS NOS. 923 AND 924

(Ordered to be printed and to lie on the table.)

Mr. BROOKE submitted two amendments intended to be proposed by him to the bill (H.R. 8069), supra.

AMENDMENTS NOS. 925 AND 926

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted two amendments intended to be proposed by him to the bill (H.R. 8069), supra.

FINANCIAL INSTITUTIONS ACT OF 1975—S. 1267

AMENDMENT NO. 927

(Ordered to be printed and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. PROXMIRE (for himself, Mr. McINTYRE, and Mr. TOWER) (by request) submitted an amendment to be proposed by them, jointly, to the bill (S. 1267) to expand competition, provide improved consumer services, strengthen the ability of financial institutions to adjust to changing economic conditions, and improve the flows of funds for mortgage credit.

Mr. PROXMIRE. Mr. President, today I am submitting, on behalf of the Federal Home Loan Bank Board, an amendment to S. 1267, the Financial Institutions Act of 1975. The Board has asked that this amendment, which comprises the Board's proposed revision of section 5(c) of the Home Owners' Loan Act of 1933, be introduced for consideration as a substitute to the amendment to section 5(c) contained in S. 1267.

The Board's proposed amendment to 5(c) would achieve all of the objectives embodied in the Financial Institutions Act, but would do so by revising existing 5(c) to eliminate the cumbersome and henceforth obsolete limitations in that section, not by adding to it.

Mr. President, I assure you that the Senate Banking Committee will give full consideration to this amendment during its forthcoming markup of S. 1267 and report its recommendations to the full Senate as soon as possible. I ask unanimous consent that the text of the amendment and the Board's descriptive letter of transmittal dated September 24, 1975, be printed in the RECORD.

There being no objection, the amendment and letter, were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 927

On page 21, beginning at line 17, through page 24 ending at line 13, strike all of subsections 301(a) and (b) and insert in lieu thereof the following subsections 301(a) through (d) and reletter subsections 301(c), (d), and (e) at lines 14, 19 and 25 respectively on page 24 as 301 (e), (f), and (g):

SEC. 301(a). Subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. § 1464(c)), with the exception of the fifteenth paragraph thereof, is amended to read as follows:

"(c)(1) In implementing the provisions of this subsection, the Board shall cause such associations to be primarily housing lenders. An association may, to such extent, and subject to such rules, regulations, definitions, and orders, as the Board may prescribe from time to time, invest in, sell, service, or otherwise deal with, the following loans and other investments. As used in this subsection, the term 'loans' includes obligations and extensions or advances of credit; and any reference to a loan or investment includes an interest in such a loan or investment.

"(A) loans secured by or made with respect to or for the acquisition, development, construction, improvement, repair, equipping, or alteration of real property which comprises or includes or is to comprise or include one or more homes or other dwelling units (including condominiums, cooperatives, and mobile homes):

"(B) loans to, or other securities or instruments issued by, or having the benefit of any insurance, guaranty, or assistance of, any one or more of the following:

"(i) the United States, a State or political subdivision of a State, including any department or agency of any one or more of the foregoing;

"(ii) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a Federal Home Loan Bank, or any other instrumentality of the United States, a State or political subdivision of a State, created to further any housing program;

"(iii) the National Housing Partnership Corporation and any partnership, limited partnership, or joint venture formed pursuant to sections 907(a) or 907(c) of the Housing and Urban Development Act of 1968, as heretofore or hereafter in effect; and

"(iv) the President of the United States, as authorized under sections 221, 222, or 224 of the Foreign Assistance Act of 1961, as now or hereafter in effect:

"(C) deposits in, other loans to, and bankers' acceptance of, any financial institution the accounts of which are insured by an agency of the United States;

"(D) loans or other investments secured by any type of loan or other investment authorized under the preceding subparagraphs (A) through (C);

"(E) loans secured by accounts in the association;

"(F) real property a substantial portion of which is used or will be used as a home office or other office facility of the association (or securities of a corporation substantially all of whose activities consist of the ownership or operation of such real property); and

"(G) the following additional loans and other investments, but no association may make an investment under this subparagraph (G) if its aggregate outstanding investments under this subparagraph (G) would thereupon exceed 30 per centum of its total investments under this paragraph (c)(1):

"(i) loans for the payment of expenses of college, university, vocational school, or other education;

"(ii) consumer loans;

"(iii) loans secured by or made with respect to other real property;

"(iv) to the extent not referred to in the preceding subparagraph (B), loans to, or other securities or instruments issued by, or having the benefit of any insurance, guaranty, or assistance of, the Student Loan Marketing Association, any other instrumentality of the United States, or any instrumentality of a State or political subdivision of a State;

"(v) loans or other investments for purposes related to community conservation, development, or improvement;

"(vi) loans or other investments secured by loans or other investments authorized under the preceding provisions of this subparagraph (G);

"(vii) loans to, or other securities or instruments issued by, any corporation incorporated under the laws of any State or of the United States, substantially all the activities of which are reasonably related to the activities of associations, but no association may make an investment under this subdivision (vii) if aggregate outstanding investments under this subdivision (vii) would thereupon exceed the greater of one per centum of its assets or 25 per centum of its net worth; and

"(viii) commercial paper and other corporate debt securities.

"(H) Any institution which has converted to a Federal association pursuant to subsection (i) of this section 5 may, to the extent permitted by the Board and subject to such terms and conditions as may be imposed by the Board:

"(i) make investments of a type permitted under subparagraph (G) of this paragraph (c)(1) without regard to the 30 per centum of assets limitation contained in said subparagraph (G) for a period not to exceed five years from the effective date of such conversion;

"(ii) retain, but not increase, investments which were lawful immediately prior to the effective date of such conversion where such investments are not authorized under this paragraph (c)(1) and are not included as an authorized investment for the converted association pursuant to subsection (a) of this section 5; and

"(iii) in the case of a mutual savings bank converting to a Federal association, continue and retain those investments included within subsection (a) of this section 5 to the extent permitted by said subsection, except that the Board may include any of such investments which are of a type authorized by subparagraph (G) of this paragraph (c)(1) within the 30 per centum of assets limitation contained in said subparagraph.

"(2) To such extent, and subject to such rules, regulations, definitions, and orders, as the Board may prescribe from time to time, an association may be and act as executor, administrator, custodian, testamentary trustee, or trustee of a living trust, or in any other fiduciary capacity, for any estate, trust, or assets owned by, or created, existing, or organized for the benefit of any individual or individuals, or as custodian or trustee of any individual or self-employment retirement account or plan, and all funds held in any such capacity by any such association may be commingled for appropriate investment. An association may also act as custodian or trustee with respect to any securities issued or guaranteed by any financial institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation or issued or guaranteed by an affiliate of one or more of such institutions. An arrangement which would otherwise be a trust having an association as trustee shall, for the purposes of this paragraph (2), the Internal Revenue Code of 1954, or any other provisions of law now or hereafter in effect, be considered to be a trust having an association as trustee without regard to the fact that all or part of such arrangement consists or has consisted of one or more deposits. One or more associations may establish, maintain, or invest in common funds. An association shall not, by reason of any service, activity, or business authorized by this paragraph, be considered not to be entitled to any exemption or favorable treatment, under any tax statute or other statute, it would have or receive in the absence of such service, activity, or business."

(b). Section 2 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. § 1462), is amended by adding at the end thereof the following new subsections:

"(e) The terms 'real property' and 'real estate' include leaseholds.

"(f) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and any territory or possession (including any trust territory) of the United States. The provisions of this Act shall apply to any State as herein defined".

(c). Section 7 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. § 1466), is repealed.

(d). The fifteenth paragraph of subsection (c) of Section 5 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. § 1464 (c)), is designated paragraph (c)(3).

Federal Home Loan Bank Board,
Washington, D.C., September 24, 1975.
Hon. Nelson A. Rockefeller,
President, U.S. Senate,
Washington, D.C.

Dear Mr. President: I transmit herewith on behalf of the Federal Home Loan Bank Board a draft of proposed amendments to S. 1267, the "Financial Institutions Act of 1975", for the purpose of amending proposed amendments to Section 5(c) of the Home Owners' Loan Act of 1933, as amended. The draft proposed amendments would strike the proposed amendment to Section 5(c) appearing in S. 1267 and substitute therefor a revised Section 5(c) for the purposes outlined below.

S. 1267 would leave intact the complex and cumbersome provisions of existing Section 5(c) of the Home Owner's Loan Act but would substantially expand the lending authority permitted Federal savings and loan associations under that section. It is the purpose of the proposed amendments to S. 1267, transmitted herewith, to simplify existing 5(c) while accomplishing this objective. There are several specific areas treated by the Board's revision which I would like to bring to your attention.

1. *Real Estate Loans.* The Board's revision would specifically divide real estate loans into two categories: the first relates to residential real estate loans, which would be placed in subparagraph (A), and would be without limitation; the second are other real estate loans, which would be placed in subparagraph (G)(iii) and be subject to a 30% limitation discussed below. You will observe, that the Board's revision of Section 5(c) would make a basic division between investments which may be unlimited in amount contained in subparagraphs (A) through (F) and investments which may be no greater than 30% of the total investments permitted Federal associations under paragraph (c)(1), found in subparagraph (G).

2. *Consumer Loans.* This power would be granted in section (1)(G)(ii) of the Board's proposed revised 5(c). You will notice that all categories of investment in subparagraph (G) are subject to the limitation that aggregate outstanding investments under that subparagraph may not exceed 30 per centum of the total permissible investments under paragraph (c)(1).

3. *Construction Loans.* Construction loans would be permitted under subparagraph (A) in connection with residential real estate loans. Construction loans would also be permissible investments under such categories as subparagraph (G)(v) relating to community conservation, development or improvement. Present 5(c) limits construction loans by location and, in amount, as a function of assets or of surplus, reserves and undivided profits.

4. *Community Welfare and Development Loans.* As discussed above, loans of this type would be permitted under subparagraph (G)(v), subject to the 30% limitation. The revision builds upon and expands the existing powers to invest for such purposes found in present section 5(c) in the authority to invest in State housing corporations and urban renewal areas.

5. *Commercial Paper and Corporate Debt Securities.* These investments would be permitted under subparagraph (G)(viii) subject to the 30% limitation.

6. *Federal, State, and Municipal Securities.* Under the Board's revision, investments of this type would be permitted under subparagraph (B)(i). Investments would also be permitted under subparagraph (G)(iv) where these investments were not backed by the United States, a State or political subdivision of a State, including any department or agency of the foregoing. Present Section 5(c) generally authorizes such investments.

7. *Deposits in Insured Institutions and Investments in Certain Securities.* Under the Board's revision, deposits in insured institutions would be permitted under subparagraph (1)(C). Investments could also be made in bankers' acceptances of institutions insured by an agency of the United States. This provision would clarify existing authority.

8. *Liquidity Investments.* The Board's revision of Section 5(c) would make provision for investments necessary for liquidity purposes under Section 5A of the Federal Home Loan Bank Act under subparagraphs (1)(B)(i) and (1)(C). It is intended, with respect also to paragraph (1)(C), that investments in Federal funds would be permitted.

9. *Service Corporation Investments.* The proposed amendments would permit investment in service corporations where the investment would not thereupon exceed the greater of 1 per centum of the assets of the association or 25 per centum of its net worth. This is a change from present Section 5(c) which uses only a 1 per centum of assets test.

10. *Trust and Other Fiduciary Powers.* A new paragraph (c)(2) would be added authorizing Federal associations to act in trustee and other fiduciary capacities. Present Section 5(c) generally limits Federal associations to acting as trustee or custodian only for investments in savings accounts in connection with individual or self-employment retirement accounts or plans.

On behalf of the Federal Home Loan Bank Board, I respectfully ask you to lay the proposed amendments to S. 1267 before the Senate. An identical bill is being transmitted to the Speaker of the House of Representatives.

Sincerely yours,

Charles E. Allen,
General Counsel.

CRIMINAL JUSTICE REFORM ACT OF 1975—S. 1

AMENDMENTS NOS. 928 THROUGH 933

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. MOSS submitted six amendments intended to be proposed by him to the bill (S. 1) to codify, revise, and reform title 16 of the United States Code; to make appropriate amendments to the Federal Rules of Criminal Procedure; to make conforming amendments to criminal provisions of other titles of the United States Code; and for other purposes.

Mr. MOSS. Mr. President, on August 1, I introduced several amendments to Senate bill 1, the Criminal Justice Reform Act of 1975, a bill which I cosponsored earlier this year. All of those amendments were intended to make chapter 11 of the bill reflect more accurately the many years of congressional and judicial action regarding the prosecution of offenders, who by their acts do damage or injury to the security of this Nation or its allies.

Mr. President, when I originally cosponsored S. 1, I realized at that time there were certain deficiencies in the bill and I announced that my cosponsorship would include amendments to better bring the bill in line with the requirements of the Constitution and justice. In that regard, I am introducing today additional amendments to chapters 5 and 10 of Senate bill 1.

As a cosponsor of this measure, I feel an obligation to participate very actively in the legislative considerations of the Criminal Justice Reform Act of 1975, and I intend to pursue that obligation very actively. I urge the Judiciary Committee to review these amendments very carefully.

The first amendment will amend section 511—Time Limitations.

The current time limitations for institution of criminal prosecutions are set forth at 18 U.S.C. sections 3281, capital offenses, and 3282, offenses not capital. Any indictment or information must be found or instituted within 5 years following the commission of the offense or prosecution is barred. S. 1 makes these same provisions. But the time has come to recognize that the statute of limitations should be applied to take cognizance of the offense committed. Since offenses are graded, it would seem propitious to also grade the applicable limitations. S. 1 already does this in a limited way by separating infractions and making the applicable period 1 year.

The amendment would leave the limitation for felonies at 5 years, and reduce the statute of limitations for misdemeanors to 3 years. The philosophy behind a statute of limitations, to insure that indictments and informations will not be brought on State crimes, the prosecution of which most often is not the best utility of a court's time. With that in mind it is only reasonable that because a misdemeanor is not considered to be as offensive to society as a felony the limitation for prosecution of the crime should consider the seriousness of the offense and reduce the statute for a misdemeanor offense.

The next consideration in this amendment is the provision for continuing offenses. By inference, there is within the provisions for acts of conspiracy question of concealment which would be a natural objective of any conspiracy. This would make conspiracy an eternal crime because the conspirators are hiding the conspiracy of an uncommitted act forever. The courts are currently split on whether concealment is a separate objective of conspiracy, thereby increasing the duration of a conspiracy. Although by analogy—misprison of a felon, harboring a fugitive—active concealment is usually required for the offense to occur. S. 1 defines conduct as "any act, any omission, or any possession," and would thereby bring concealment within the time limitation extension provided for. Also, the dichotomy between active and passive is usually an artificial one, without any objective certainty. One will inevitably actively conceal one's crime. In addition, the requirement that the coconspirators agree to the concealment will offer no salvation. All conspirators agree, explicitly or implicitly, to conceal their offenses; the act of any one conspirator will bind the others if it is reasonably foreseeable. These requirements, of agreement and active concealment, have no objective validity.

All crimes have as an objective secrecy and concealment—no criminal desires to be caught and conspiracy is no exception. But to raise its status to a legal objective of a conspiracy, thereby continuing the offense, insures that conspiracy will have no statute of limitations and prosecutors can and will always prosecute for concealment of a conspiracy when the applicable statute of limitations for the crime have expired. If such is the intent of Congress then we should specifically state that conspiracy, like any capital offense, shall have no limitation on the institution of a prosecution.

Also, within this amendment is a change in the limitation for prosecution for failing to register. As currently drafted, the statute of limitation does not begin to run until the individual registers, thereby insuring that the offense will have no limitation. The individual would have to proclaim his crime, by registering late, in order for the statute to begin running. If an individual has a duty to register by a certain date, his crime consists in not registering on that day—once the crime has been committed the applicable period should start to run without each succeeding day of failing to register becoming an additional day of criminal behavior. The philosophy of a statute of limitations should require that the time starts to run when the crime is committed and if this is a known legal duty an enforcement effort should discover the offense within that time. There is no overriding State interest which gives reason to require the person to have the possibility of prosecution over his head in perpetuity.

This amendment next changes the time limit for reinstitution of prosecution. S. 1 follows current law in providing 6 months for reinstitution of prosecution if it was originally dismissed for a defect in the complaint itself. However, 6 months is too much time to be allowed for the reinstitution of a prosecution, even if a new grand jury need be called. If the Government is serious about instituting a prosecution after a dismissal and after the statute of limitations has run, it can and should do it within 60 days of the dismissal. This amendment also will cause greater efficiency in the administration of justice.

I must add that it is explicit within the amendment that such an extension of the applicable limitation period will only apply when there is a defect or error on the face of the complaint, indictment, or information, as the current law states. The word "insufficiency" connotes evidence, and any dismissal based upon evidence may not be reinstituted.

The final part of this amendment is to change the tolling of the statute of limitations. S. 1 as drafted parallels current law. There is no reason to toll the period based upon the absence of the defendant unless it impedes the investigation of the crime. An indictment may be found, or an information filed in the absence of the defendant, and that will solve the limitation problem. The time limitation only requires the institution of criminal proceeding within the applicable period, it does not require that the defendant be brought to trial. The absence of the defendant is not a reason to find the indictment or file the information.

The second amendment will change section 522—Insanity.

The defense of insanity is not set forth in any statute, nor has it been precisely defined by the judiciary. The Supreme Court has recognized the defense, but has never set about to define it. See *Davis* v. *United States*, 160 U.S. 469 (1895) (Burden of Proof). Rather it has allowed the lower courts freedom to fashion various rules, and experiment with them, rather than solidifying the Federal court system with any one definition. However, the defense is probably constitutionally required. See *Robinson* v. *California*, 371 U.S. 905 (1962) (Dictum).

The definition in S. 1 requires that the defendant must lack the requisite state of mind for the commission of an offense as a result of a mental disease or defect. This would essentially negate the defense of insanity, and at the least codify the earliest test used in judicial history. If the defendant lacks the requisite state of mind, he is not guilty; but if he does so as a result of insanity, he is insane. The defense of insanity means more than that.

There have been, and are currently, various tests for legal insanity. The earliest was the "wild beast" theory, that the defendant was responsible for his actions unless he was wholly deprived of understanding and memory to such an extent as to not know what he was doing. As psychology developed, and recognition of incompetent individuals grew, an expanded definition arose, in the famous McNaghten case. The test enunciated there, known as the right/wrong test, was whether the defendant was laboring under such defect of reason, from a disease of the mind, as to not know the nature and quiry of the act he was doing; or if he did know, that he did not know that what he was doing was wrong. This test is still the sole test in most common law jurisdictions, and in some States by statute. Most courts interpret the right and wrong in the test as being moral right and wrong, although some hold it to be the legal right and wrong. This test has been often attacked as being based on outmoded and erroneous psychological theories, and as concentrating solely on defects of reason and not emotion.

Another test, which is used as a supplement to the McNaghten rule, is the irresistible impulse test, or the inability to control one's conduct. This test states that notwithstanding that the defendant could comprehend the nature and consequences of his actions, and knew that what he was doing was wrong, nevertheless if he was forced to its execution by an impulse which he was powerless to control as consequence of a disease or defect of the mind, his conduct will be excused.

The American Law Institute, in its Moral Penal Code, proposed another test which has been adopted in a number of States. The test states that a defendant is not responsible for criminal conduct if "at the time of such conduct as a result of mental disease or defect he lacks substantial capability to either appreciate the criminality—wrongfulness—of his conduct or to conform his conduct to the requirements of law."

Another test which has had limited success is variously known as the Durham Rule, the "product" test or the New Hampshire Rule. It states that a defendant is not responsible for his criminal conduct if his unlawful act was the product of a mental disease or defect. The test as to whether the conduct is a "product" is legally the "but—for" test often encountered in the theory of tort law and is left to the jury to determine. The court merely regards cognition, volition, and capacity to control behavior—that is knowledge, will and choice—as the three essential elements of sanity, which the Government must prove. Any instruction to the jury on the defense of insanity must have the jury find on all three elements to prove sanity.

The Federal courts are currently divided on the tests, and variously follow the McNaghten test; the McNaghten test supplemented by the irresistible impulse test; see *Pollard* v. *United States*, 282 F2d 450 (6th Cr. 1959), rehearing denied, 285 F2d (6th Cir. 1960); the Model Penal Code Test, see, *United States* v. *Freeman*, 357 F2d 606 (2d cir. 1966) (rejecting McNaghten for Model Penal Code); *Black* v. *United States*, 269 F2d 38 (9th cir. 1959), cert. den. 361 U.S. 938 (1960) (rejecting Durham for Model Penal Code); also second, fourth, and fifth circuits; a modification of the Model Penal Code known as the Currents Test, *United States* v. *Currens,* 290 F2d 751 (3d cir. 1961); the Three Elements Test, *Duskey* v. *United States,* 295 F2d 743 (8th cir. 1961) cert. den. 368 U.S 998 (1962); or the Durham rule as modified.

The formulation of insanity as a defense as presently drafted in S. 1 would essentially return the definition of insanity to the "wild beast" test. This is because in order to negate the mental elements in all but the public welfare offense—no mental requirements—such as known conduct, the defendant would have to be totally without understanding. That test predates McNaghten, which is itself criticized for being based on outmoded psychological thinking.

There is currently great controversy over what is the proper formulation of the insanity defense. The debate rages among psychiatrists and psychologists as to what is insanity, both legal and nonlegal definitions; and what constitutes incompetence. Legal theorists debate over the purposes of the insanity defense and the implicit fault concept in criminal laws.

The Supreme Court has taken the position that because the state of the art has not developed sufficiently, both in the law and in medicine it is too early to definitively define the defense. The better way is to allow experimentation to develop the most effective and proper formulation. In the Federal courts the most popular formulation is the Model Penal Code, but in the States the McNaghten, supplemented by the irresistible impulse test, is the most common. But a return to the earlier test, before the development of modern psychology, as S. 1 attempts, would reject the last 300 years of judicial and psychological history and learning. It is still too early to solidify the definition of insanity and until there is at least some moderate form of agreement the defense should not be codified. For that reason my amendment will eliminate from S. 1 a definition of the defense of insanity.

The third amendment changes section 551—Unlawful Entrapment.

The defense of entrapment to a Federal prosecution is judicially created. It is not presently set forth in any statute. The Supreme Court's latest statement of the defense is set forth in the case of *United States* v. *Russell,* 411 U.S. 423 (1973), which upheld the previous two entrapment cases of *Sorrells* v. *United States,* 287 U.S. 435 (1932), and *Sherman* v. *United States,* 356 U.S. 369 (1958). The Court stated that the defense will apply if the defendant was not predisposed to commit the offense and that the Government planted the intent to commit the offense in the mind of the defendant. Once this prior state of mind has been proven by the defendant the Government cannot thereafter punish the defendant for his unlawful conduct. The Court continued that the basis for the defense is that Congress did not intend that its criminal laws should be applied to such an individual who was previously, before the Governmental interference, not intending to break any law.

This formulation has become known as the subjective test, and was persuasively criticized by the dissents in Russell and by commentators thereafter. The competing formulation of the entrapment is known as the objective formulation, and was asserted by the minorities' opinions in the cases set out above.

There are basically three objections to the subjective formulation. The first is that it allows into evidence previously irrelevant and hearsay evidence on the predisposition of the defendant. To convict an individual the Government must show conduct on the part of the defendant—the actus reus—and also the requisite mental state of the defendant regarding his conduct and the consequences of the conduct—the mens rea. The subjective formulation raises the question of the origin of the mens rea of the defendant, and makes that origin the sole criterion of the defense.

The second objection is that the defense is all but disallowed for any individual who has been charged or convicted of any previous offense, or who is a "criminal." The evidence of any past criminality appears almost conclusively as showing that the intent to commit the crime arose within the defendant and that the Government merely allowed the opportunity for the individual to commit the crime; that is, did not entrap him. The agent's conduct toward people with past records, or with bad reputations, will therefore be less cautious and will not comport with a democracy's ideals of how its members should be treated by the police. Although it is true that criminals should be caught swiftly and dealt with by the courts, until that individual engages in specific conduct he should not be treated any differently than any other individual. Just because an individual has a past record or bad reputation he should not lose his rights to unwarranted police interference and persecution.

The third objection is more philosophical, but subsumes the other two objections. It is that the thrust of the entrapment should be an objective one, that the Government should not be allowed to follow certain courses of conduct in order to ensnare individuals into acting unlawfully for the purpose of gathering evidence of the unlawful activity. The focus of the defense should be the conduct of the law enforcement officers and the agents, and the propensity of their acts to cause criminal conduct. Some commentators have stated that if the conduct of the officers is flagrant enough, that the due process clause would bar a conviction. However, they state no cases in support of that position.

Entrapment is an affirmative defense. The defendant, under the subjective formulation, must prove by a preponderance of the evidence, that he had no predisposition to commit the offense and that the intent to commit the crime was implanted in him by Government agents. *Martinez* v. *United States,* 373 F2d 810 (10th cir. 1967). The defendant must first show his character as being law-abiding, and then prove that the conduct of Government did more than simply provide an opportunity for the defendant to commit a crime. The defendant must also show action by the Government to originate and implant in the defendant an intent to act unlawfully. The Government must merely show, by hearsay evidence, rumor and suspicion, that likely as not—defeat the defendant's burden of proof by a preponderance of the evidence—the defendant had a predisposition to criminal conduct.

By my amendment the defense is based on the American Law Institute's Model Penal Code, proposed Final Draft 1962, section s.13. It is an objective formulation, the thrust of which is the law enforcement officer's conduct and the probable consequences of that conduct. In order for the defense to arise, the officer must first induce or encourage the individual to engage in unlawful conduct. There are then two standards to judge the effects of the inducement to determine if the defense is applicable. The first is if the official knowingly makes false representations that the conduct will be legal if engaged in by the individual, then arrests them for the conduct. An example of this is the Cox against Louisiana case, where a sheriff told some demonstrators that in order for their protests to be legal they had to move to a parking lot nearby. When they did so they were arrested and convicted.

The second standard is that the methods of persuasion used by the officials in getting the defendant to engage in unlawful conduct create a substantial risk that the conduct will be engaged in by others than those ready to commit it. Any question of predisposition goes to the predisposition of the community at large, and will not foreclose the defense to individuals who have a "bad reputation." Individuals who commit crimes should be dealt with swiftly, but law-enforcement officials in the investigation of crimes and apprehension of criminals should be held to certain standards of conduct, and that standard is the very base of the defense of entrapment.

My amendment precludes the defense when the crime charged is causing or threatening bodily injury. Such conduct is clearly beyond social acceptability, and any time police conduct causes such crimes the defense should be governed by the standards of the defense of duress or the defense of protection of persons or property, which defenses are set forth in S. 1 at section 531, 542, and 543, respectively.

Mr. President, those are my amendments for chapter 5 of the Criminal Justice Reform Act of 1975. The first amendment for chapter 10 will change section 1001—Criminal Attempt.

In the statutes currently in force, there is no criminal attempt statute of general applicability. There are, however, crimes that are explicitly defined to include attempts. These are 18 U.S.C. 751 and 752—escape or assisting escapes; 18 U.S.C. 32 and 33—destruction of aircraft, motor vehicles or their facilities; 18 U.S.C. 351—congressional assassination, kidnapping and assault; 18 U.S.C. 1113—murder and manslaughter; 18 U.S.C. 1751—Presidential assassination, kidnaping, and assault; 18 U.S.C. 1751—actions at the residence of our President; 18 U.S.C. 1892—wrecking trains; 49 U.S.C. 1492—aircraft piracy; and 40 U.S.C. 193(h)—actions on Capitol Grounds. This section of S. 1, as an attempt statute of general applicability, is a significant extension of the Federal Criminal Law.

The Supreme Court has not heard a case on criminal attempt and the lower courts are not in total agreement on the common law tradition of the crime of attempt. One of the basic problems of an attempt statute is to define the line between mere preparation to commit an offense, which is not punishable, and conduct constituting "attempt." The bill as drafted states that the conduct must "indicate his intent to complete" the crime. This is a very broad standard, as almost any act of preparation may "indicate" his intent. The law as presently drafted is very close to allowing prosecution for only an "evil intent" with a minimal conduct requirement—conduct that poses little or no threat to society. Therefore, my amendment would require that the defendant's conduct "unequivocably" indicate his intent—thereby strengthening the requirement that there be conduct that poses a threat to society.

S. 1, in its present form, precludes the defense of legal or factual impossibility. Although some commentators have recommended that these defenses be precluded, it is urged that this not be done. If precluded, the criminal laws would allow prosecution for simple wrongful intent, as the individual's conduct cannot amount to a crime. This area has always been a law professor's darling, and numerous famous hypotheticals come to mind. The person who thinks he is a witch doctor and can kill people by sticking pins in a doll—he has the intent, his actions indicate his intent, but there is factual impossibility of consummation. Should this be punished as attempted murder? The Lady Blackmore hypothetical is another well known example. Lady Blackmore returns to her native England with some fine French silks. She believes that there is a law requiring a duty to be paid on them, which she does not want to pay. She therefore hides the silks in an effort to smuggle them into the country. They are discovered on her entry but it turns out there is no law requiring a duty to be paid on them. She has the intent, and her actions indicate her intent, but there is legal impossibility of consummation of the crime. Should this be punished as attempted smuggling? Under S. 1 both of these hypotheticals should be prosecuted.

The hypotheticals point out the reasons for the defenses. Without these defenses conduct that cannot amount to a crime is punishable, because of the evil intent. The reason for there being a crime of attempt is to allow police officers to arrest individuals before they complete a crime—catching them in the act—and to punish individuals when the executed plans are stopped just short of completion, through the intervention of some other force. Certainly there is a need for the codification of such a crime, such codification allows the prevention of an injury to society, and eliminates the requirement of after the fact correction of injury if correction is possible.

The fifth amendment I am introducing today, and the second amendment to chapter 10, will change section 1002—Criminal Conspiracy.

The current conspiracy statute is set out at 18 U.S.C. section 371, and states that if two or more persons conspire to commit an offense against the United States, or to defraud the United States, and any person who do any act to effect the object of such conspiracy, they can be punished by up to 5 years in prison plus a fine, unless the object of the conspiracy is a misdemeanor, and then the punishment is the maximum for the misdemeanor. Conspiracy is another of the inchoate crimes and has engendered a great deal of controversy over the years. The courts, in dealing with the statute, have maintained and engaged the common law traditions and requirements of conspiracy, and have also required a specific intent on the part of any defendant to commit the objective of the conspiracy.

Section 1002 of S. 1 reflects of those requirements, but leaves the conduct element—besides the agreement—loosely defined. My amendment will make it clear that the conduct must be specifically in furtherance of the conspiracy, thereby maintaining the requirement that there be a specific threat to society, not just the possibility of further concerted action, and the requirement that there be a specific intent to effectuate the conspiracy by engaging in conduct.

As presently drafted, S. 1 defines an "objective" of a conspiracy to include "any measure for concealing, or obstructing justice in relation to, any aspect of the conspiracy." This definition will accomplish two things, it will expand the scope of conspiracy and make it a crime of perpetual duration.

The act of concealment is an objective and an element of all criminal activity—nc one wants to be caught. To make this capable of being the objective of a conspiracy would negate the need for almost all other crimes. If a group of people observed a mugging, and they "constructively" agreed not to summon the police, they could be guilty of conspiracy if they went home and did not call the police. Although their conduct is reprehensible, it should not be punishable as conspiracy. Conspiracy is an inchoate crime, and to many people an objectionable crime. At least the crime should be defined circumspectually. To allow silence as an objective of a conspiracy, and thereby allow criminal sanctions, goes beyond the reason for a crime of conspiracy—to punish the agreement to commit unlawful concerted activity when there is conduct to effectuate the agreement.

This section is very much like the question of concealment which I addressed earlier when discussing my amendment to section 511. Much of the analysis stated there must be restated here. As presently drafted the section provides that the crime will have no end, as the participants of a conspiracy will not endeavor to come forward and prove they committed a crime, they will continually keep silent. Although the courts have usually required that there be active concealment—as in the case of harboring a fugitive—such cannot be assumed and should be made explicit. The bill defines "conduct" as including "any act, any omission, and any possession," at page 34, line 38, which raises doubts as to that interpretation. This provision, then, effectively removes the statute of limitations on conspiracy, and will possibly engender the use of conspiracy trials whenever the statute of limitations has run on some other crime. The amendment therefore returns the definition of conspiracy to its more commonsense meaning—the act of conspiracy to commit the offense, the immediate flight therefrom, and the division of spoils.

In the affirmative defense set forth in S. 1, the defendant, in order to absolve himself of criminal liability, must voluntarily and completely renounce his criminal intent, and must also prevent the objective of the conspiracy from occurring. This is too great a burden to force upon the individual. He should be required to voluntarily and completely renounce his intent, but should not be absolutely liable if the crime is completed. He should be required at the most to act in a manner reasonably designed to cause the prevention of the crime. As currently drafted, if an individual renounced his criminal intent and went to the police, who either were unable to prevent the crime through some fortuitous event, or decided to allow the crime to occur in order to apprehend the criminals for their conduct, the individual would be prevented from asserting his worthy conduct as a defense, but rather would be liable with the others.

In the defense precluded subsection of section 1002 the basic common law rules have been maintained, with one objectionable exception. This subsection would preclude the defense that because all of one's alleged coconspirators have been acquitted, the Government can still proceed against the remaining individual. By my amendment the Government would, and should, be stopped from denying the earlier verdict. This provision goes against the common law of conspiracy, the current law of conspiracy, and the spirit if not the letter of the most recent double jeopardy decision of the Supreme Court, *Ashe* v. *Swenson*, 1970, which was cast in terms of estoppel. If this defense were to be precluded, an individual could be found guilty of conspiring with himself, because all his alleged coconspirators would have been found innocent. Such a series of attempted prosecutions would be more closely approximate harassment rather than a search for just retribution against criminals.

As to the punishment for this offense, the current statute sets 5 years if the conspiracy was to commit a felony, and the possible term for the misdemeanor if the conspiracy was to commit a misdemeanor. S. 1 would set the punishment at the punishment for the objective of the conspiracy. This, it is urged, does not adequately equate the punishment with the offense. The threat to society from conspiracy is unlawful concerted activity, but it should be presumed that in a conspiracy prosecution the crime has not been completed. To hold an individual responsible for agreeing to commit a crime to the same degree as one who completed the crime does not comport with seriousness of their actions. My amendment would set the punishment at one-half the punishment of the objective of the conspiracy, which is sufficient to express the danger in concerted activity. The provision in some instances—Class A, B, or C felonies—would give longer prison terms, and in others a lighter sentence. The attempt is to equate the seriousness of the conduct with the punishment, which present law does not do, and which S. 1 fails to recognize.

The sixth amendment I am submitting today will change section 1003—Criminal solicitation.

There is currently no solicitation crime of general applicability. The only solicitation crime regards the soliciting of a bribe or public graft.

S. 1 basically sets forth the common law crime of solicitation. The affirmative defense, which allows for repentance of the act, although not accepted in all jurisdictions that have solicitation as a crime, is deemed appropriate as this is the third of the inchoate crimes—attempt and conspiracy being the other two—and as this is an extension of current Federal law. However, the requirement the defendant "prevent" the commission of the offense is too great a burden to place on the offender. My amendment will provide a more just standard which will require that the defendant takes reasonable steps to prevent the commission of the offense and acts to insure that he is not criminally liable if after his repentance and actions some fortuitous circumstance cause the commission of the offense.

NATURAL GAS EMERGENCY ACT OF 1975—S. 2310

AMENDMENT NO. 934

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS (for himself, Mr. Glenn and Mr. Talmadge) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 876

At the request of Mr. Abourezk, the Senator from Utah (Mr. Moss) and the Senator from Washington (Mr. Jackson) were added as cosponsors of amendment No. 876, intended to be proposed to the bill (S. 1816) the Foreign Assistance Act Amendments of 1975.

AMENDMENT NO. 903

At the request of Mr. Robert C. Byrd, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of amendment No. 903, proposed by him (for himself and others) to the amendment of the Senator from Pennsylvania (Mr. Hugh Scott, for himself and others) to the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

ORDER FOR STAR PRINT—SENATE RESOLUTION 256

Mr. KENNEDY. Mr. President, because of a typographical error in printing, I ask unanimous consent that a Star Print be made of Senate Resolution 256, the Senate resolution I submitted in support of the people of Portugal.

NOTICE OF GOVERNMENT OPERATIONS COMMITTEE MARKUP ON S. 957, TO AMEND THE INTERGOVERNMENTAL PERSONNEL ACT OF 1970

Mr. RIBICOFF. Mr. President, I wish to announce a markup by the Government Operations Committee on S. 957, which amends the Intergovernmental Personnel Act of 1970 to improve personnel administration in State and local governments.

The markup will be on Wednesday, October 1, at 10 a.m. in room 3302, Dirksen Senate Office Building. Other committee business may also be considered.

NOTICE OF HEARINGS

Mr. LEAHY. Mr. President, the Subcommittee on Environment, Soil Conservation, and Forestry of the Senate Agriculture Committee will hold hearings on S. 2308 in Bristol, Vt., on September 28, 1975, from 7:30 p.m. to 9:30 p.m. and on September 29, from 8 a.m. to 3:30 p.m.

This proposed legislation would revise the boundaries of the Bristol Cliffs Wilderness Area and is of great interest to the residents of the Bristol area. I want to thank Senator Talmadge, chairman of the committee, for his cooperation in permitting this unusual Sunday hearing which will permit property owners who could not otherwise do so to testify before the subcommittee.

ADDITIONAL STATEMENTS

DEVELOPMENT OF U.S. NUCLEAR POWER POTENTIAL

Mr. STEVENS. Mr. President, on September 18, 1975, Senator Howard Baker from Tennessee addressed the American Nuclear Society Executive Conference on Nuclear Legislation. As we are all aware, Mr. Baker, as a member of the Joint Committee on Atomic Energy, has developed considerable expertise in this field.

In this address Mr. Baker focused on the need for a sensible development of the U.S. nuclear power potential as the best means to decrease our dependence on the dwindling supply of petroleum products. He discussed the safety aspects of nuclear power and urged that all incidents regarding nuclear energy be discussed with all the facts known. When mistakes are made Mr. Baker has urged that they be examined and the necessary steps be taken to make sure they do not occur again. Mr. Baker also charted a course urging the cooperation of both the public and the private sectors to develop an abundant, safe source of nuclear energy.

Mr. President, I ask unanimous consent that this address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

"As Time Goes By"

(By Senator Howard H. Baker, Jr.)

Tonight I would like to focus my remarks on what I believe are some of the major problems and opportunities of the nuclear power program. I will also review the status of several bills before the Joint Committee on Atomic Energy, and suggest additional areas where legislative solutions or partial solutions may be needed to help the industry.

In the movie "Casablanca," Humphrey Bogart's piano playing friend played a famous song which included the words "the fundamental things apply as time goes by." Although the song was referring to items of a somewhat more esoteric nature than nuclear power, the thought can be applied almost as well to an overview of the nuclear world today. Let's look at some "fundamental things" relative to nuclear power and see how they have changed or remained constant with time.

NUCLEAR POWER GROWTH

In less than two decades we have seen nuclear power grow from an experimental energy source to a system that now provides that 8% of the nation's electrical needs. In some regions of the country, such as New England, the percentage of electricity generated by nuclear power is in the 30% range. This remarkable growth is due in part to the Power Demonstration Reactor Program, a cooperative venture of the Atomic Energy Commission and the civilian nuclear industry, strongly supported by the Joint Committee on Atomic Energy. It is a tribute to this cooperation that as of August 1st of this year, there were 54 nuclear power plants licensed to operate, and another 187 plants under construction, ordered or announced. By 1985 about 200 nuclear power plants should be in operation. By the year 2000 the figure may rise to 800.

It is particularly important at this time to underscore the fact that the use of nuclear power can significantly reduce the amount of *oil* this country consumes—much of which must now be imported. A recent survey by the *Public Utility Fortnightly* indicated that power from the atom in 1974 saved about one-quarter of a billion barrels of oil which might otherwise have had to be imported. By 1985, this saving should increase to about 2.4 billion barrels of oil per year—which is about the amount the U.S. is presently importing. Clearly, the role of nuclear power in our economy is changing "as time goes by."

NUCLEAR POWER SAFETY

One fundamental thing that has not changed, however, since the inception of civilian nuclear power is the devotion to safety by all involved. No one has ever been killed or injured in a nuclear accident at a commercial power plant. I won't take the time to dwell in detail on the measures that are employed to assure the safety of these plants, but they include research and development programs to identify potential safety problems and to find suitable solutions before accidents happen. Also included are the application of sound engineering standards and quality assurance procedures in reactor design, construction and operation; the use of engineered safety features to prevent the occurrence of accidents or to limit their effects in the highly unlikely event that an accident should occur; and the imposition of comprehensive technical reviews of all factors affecting plant design and safety.

Let's take a few moments to examine how these safety measures work out in practice by examining two incidents that occurred earlier this year. In one, which illustrates the operation of the inspection function noted above, the Nuclear Regulatory Commission took the position that there was concern about the safety of piping in the twenty-three operating boiling water reactors, as a result of defects found in several reactors. A directive was issued by the NRC that the piping in these reactors be inspected within 20 days. This action resulted in some curtailment in operation or temporary shutdown of several reactors. Detailed inspections were made, minor problems were uncovered and repaired, and the reactors were then put back into operation. The Joint Committee on Atomic Energy held a hearing on this subject, which served to assure the public that the situation and questions raised by it were properly aired.

In a more recent incident, a fire occurred on March 22, 1975, at the Browns Ferry Nuclear Plant located near Decatur, Alabama. As most of you know, the Joint Committee held a hearing on the circumstances and implications of this fire just two days ago. There are a few points worth emphasizing in relation to this important occurrence.

Because of the fire, all normally used shutdown cooling systems and other components which comprise the emergency core cooling system (ECCS) for Unit 1 were inoperable for several hours. The ability to monitor certain important components was also lost due to damage to about 2000 electrical cables in Units 1 and 2. A serious incident? Certainly. Extensive monetary damage? Yes. But it is important to note that failure or inoperability of the ECCS alone is not the equivalent of having a reactor "accident." The ECCS is designed to accommodate a pipe break accident, and no such event occurred. While some normally used shutdown cooling systems were also inoperative, plant operators were able to provide alternate means to cool the reactors. The important point is that duplicative and redundant systems were available, and successfully used. Such is what nuclear reactor safety demands. Both Unit 1 and 2 cores remained adequately cooled throughout the fire.

While the fire was costly, and the Joint Committee public hearing Tuesday showed that there is need for improving practices and procedures to prevent such an occurrence, I believe that this important accident showed that nuclear power plants indeed have a large margin of safety built into them.

PUBLIC RELATIONS

Every incident that occurs, however, no matter how large or small, contributes to the public relations problem that has haunted the peace-time nuclear industry from its inception. Too many have blindly assumed that since nuclear-release accidents have never occurred, the public would readily accept atomic energy sources. While acceptance has come on a widespread scale, so have serious doubts based on a couple of occurrences.

First, nuclear energy was presented to the world in 1945 as a weapon of destruction. We first saw it as an awesome military weapon and that stigma remains yet with us.

Second, the nuclear industry, it seems to me, did not present its initial case for nuclear power in a completely objective manner. The early promises of nuclear power as a panacea for all our energy problems were overly optimistic at the very least. There was also a tendency within the nuclear community to regard those who questioned the fledgling nuclear programs as infidels.

What is needed now is a concerted effort to "tell it like it is." If mistakes are made, we should all admit them and go on to solve the problem. The public has the right to know what is being done in such an important area.

In this connection, I believe you will note that the Joint Committee on Atomic Energy this year has assumed more of a "watch dog role" than we have in recent years. Again, truth and objectivity are fundamental things we should work toward that will serve us best in the long run.

LEGISLATIVE ISSUES

Not only is public safety a vital concern, but there are some significant legislative questions now under deliberation that merit all of our attention. Questions soon to come before the Joint Committee on Atomic Energy include the extension of the Price-Anderson Act, the question of current licensing and plant siting procedures, the entire area of uranium enrichment, and questions relating to nuclear waste disposal. Let's examine them one by one.

PRICE-ANDERSON

The Price-Anderson Act was enacted in 1957, as an amendment to the relatively new Atomic Energy Act of 1954, and was extended in 1965 to its current expiration date of August 1, 1977. Undoubtedly, all of you are aware that the Congress passed a five-year extension of the Act last year and that the President vetoed the bill on October 12, 1974. The President's veto was based on a constitutional infirmity in the section of the bill which allowed the Congress to prevent the legislation from becoming effective by passing a concurrent resolution within a specified time. In his veto message, however, the President cited his approval of the substantive sections of the bill and urged the Congress to reenact the measure without the offending provision.

Hearings are scheduled next week which hopefully will highlight some of the problems and advantages of Price-Anderson pursuant to Congressional action on the matter shortly. While I think it is important that all responsible opinions be aired, I am sure that a satisfactory bill will be reported and adopted before long. I have a considerable degree of faith in the ability of the Joint Committee and the Congress in toto to act responsibly and to strike the delicate balance which will protect the public and guarantee satisfactory incentives for private industry.

Personally, I have a generally favorable view of the proposal submitted by the Federal Energy Administration. With minor modification, I am sure that such a proposal or one like it will be the "new Price-Anderson." No matter what the outcome, the important overriding purpose has been and must continue to be, to protect the public.

SITING-LICENSING LEGISLATION

Some of the attempts to protect the public, however, have resulted in significant delays relative to the siting and licensing of nuclear facilities. The 9–10 years now required to construct and license nuclear plants must be reduced without endangering public safety. Perhaps some methodology can be developed that will provide potential licensees with some timely assurance as to the regulatory requirements that must be met.

Problems currently created by the ever-changing regulatory requirements continue, and there appear to be some who believe that the situation is worsening. Laudable goals such as standardization remain elusive. Are the reasons for this found in the existing licensing provisions of the Atomic Energy Act, or is the problem one which requires a solution by means other than amendments to the licensing provisions in the Act? It is very important that the problems and their causes be identified so that there can be constructive actions taken. In short, we need more than the annual discussions of the need to reduce the long lead-time. I can think of no better source of information on existing problems, their causes and recommended solutions, than the engineers and managers who personally are involved in satisfying regulatory requirements for the construction and operation of nuclear facilities.

I am inclined to believe that most, if not all, of licensing reforms can be handled without any major changes in the basic licensing legislation. In any event, any legislative change which would tamper with the traditional procedural rights of contestants in adjudicatory public licensing hearings must be avoided or enacted only after the most careful consideration. All relevant radiological safety and environmental impact information concerning a licensed nuclear facility should be readily and freely available to the public with language, at least in summary form, which candidly and in understandable terms states the bad along with the good.

URANIUM ENRICHMENT (NUCLEAR FUEL ASSURANCE ACT)

Perhaps, however, the area that will, in the long run, have the greatest impact on nuclear development is one which clusters around the general topic of uranium enrichment. As all of you certainly know, enriched uranium is necessary in increasing quantities to provide adequate fuel for plants now in operation. This problem will be compounded in the very near future when installations now under construction enter operable stages.

Currently, the government owns three operating enrichment plants. Their capacity for fuel production is essentially committed at the present time. We face the situation in the not too distant future where nuclear fuel for foreign countries and their utilities may be enriched elsewhere—in Western Europe, the Soviet Union, or possibly Japan. Certainly we will be unable, given the current trends, to meet our existing commitments at home and abroad unless we increase our capacity by 1983. Assuredly, if provisions are not made to "meet the market," we will see a proliferation of the troublesome sale of enrichment capacity to other countries, with the danger that the operation may not be appropriately supervised and carefully safeguarded.

In view of the long lead-times currently required to build the separation plants and supporting facilities, it is *imperative that the Congress act, and act now*. Unless we provide additional enrichment facilities soon, we are going to lose our leadership in the world in this vital field.

The "fundamental issue" here would appear to be whether future plants should be built by the government or by private industry, although I think there may be another solution, as I will discuss later.

The Administration has submitted a legislative plan to Congress which favors production by private industry by providing it with substantial governmental guarantees. Although my thinking is somewhat tentative at this point, I tend to lean in another direction for the immediate future. I believe the best solution in the short term is for the government to build add-on capacity at a current plant, probably at Portsmouth, Ohio, while encouraging private industry *at the same time* with whatever reasonable guarantees are necessary to bring a consortium together to build the first private plant. The need in the long term will be substantial enough that government and industry inexorably will view one another as partners rather than adversaries.

Not only do I believe the government must move now with add-on capacity *and* encouragement of the private sector, but I think Congress must shortly bring plans to fruition that lead us toward gas centrifuge technology as well.

It seems reasonable to me that the government proceed to build a gas centrifuge demonstration plant, prove the technology workable, and then let it enter the private market. The overall constraint in every area, however, is that something be done soon.

The foregoing is not meant to reject out-of-hand the Administration's proposal for UEA. Indeed there are many aspects of it that are uniquely attractive. For instance, I think it is superior to previous plans which call for the sale of government diffusion plants to private industry. I seriously doubt that we could ever agree on a price; I suspect that price would become a volatile political issue. However, several aspects of the plan will have to be dealt with as fundamental policy determinations. For instance, are we going to permit foreign equity ownership? Do we use the guarantee of technology and scientific efficacy of the gaseous diffusion system to serve the additional purpose of enhancing capital leverage beyond that which the private credit market might otherwise accept? How do we treat the "cut and run" provisions of the proposal? None of these problems is insuperable, and all are appropriate to pubic debate. I would be hopeful that an early resolution might be found.

In short, there is ample room for the continuing existence of government-owned diffusion capacity and private ownership of future facilities, both diffusion and centrifuge. The two, private and public, can live together. Time is of the essence, and that is the basic reason why I suggest that we may adopt this hybrid proposal.

BACKEND OF THE NUCLEAR FUEL CYCLE

Additional nuclear capacity, which new and existing plants will thankfully provide, will not be without problems, however. Perhaps, the most pressing of these will be the so-called "back-end" of the fuel cycle, or those operations which occur after fuel is discharged from the reactor. Somewhat surprisingly, the same Harris poll which highlighted overwhelmingly majority support (63%) for continuing the development of nuclear energy also showed that the public perception of radioactive waste disposal was a major concern. This reinforces the need to develop and implement solutions to this problem as well. The storage and reprocessing of fuel to recover uranium and plutonium presents a unique problem today, since there is currently no domestic capacity to do so. The Nuclear Fuel Services (NFS) plant in New York is unlikely to be back into operation before 1980. The GE plant at Morris, Illinois, is mothballed due to technical difficulties, and it is far from certain that the AGNES plant at Barnwell, South Carolina, will be able to come on line as rapidly as some project. Under the best of circumstances, it will be several years before sufficient reprocessing capacity is available.

In this light, the R and D program being planned by ERDA for developing new and improved processes and equipment for the backend of the fuel cycle is an encouraging note. I am happy to say that the plan, proposed in the ERDA FY 1976 authorization bill budget amendment, was passed by the Senate with only minor modification on July 31st.

Closely related to the reprocessing problem is the delay which has apparently developed with respect to the proposed large scale use of plutonium-bearing fuels in commercial reactors. The "provisional view" of the Nuclear Regulatory Commission announced last May was that a final decision on plutonium recycle could not likely be reached until mid-1978. While I appreciate the difficulties in rule-making technicalities, I would strongly urge the Commission to give thorough attention to this matter as rapidly as possible.

Another area that demands prompt attention and firm policies is that of high-level radioactive waste disposal. Although the basic technology, like reprocessing technology, has been known for some time, our performance in this area has been mediocre at best. The Joint Committee recognizes the importance of solving this matter in a safe, economical way, and at the time of the FY 1975 authorization hearings directed ERDA to prepare a comprehensive analysis of waste storage and disposal options in the 1975–85, 1985–2000, and beyond-2000 time intervals. This plan is to be submitted to the Committee by March 31, 1976. In the interim, the Committee may decide to hold hearings on the conduct of commercial waste management activities by ERDA, as well as the regulatory role of the NRC.

LIQUID METAL FAST BREEDER REACTOR

No overview of nuclear power these old days would be complete without at least some reference to the Liquid Metal Fast Breeder Reactor. In concise terms, I feel it is important that the Clinch River Breeder project proceed as rapidly as possible. I recognize the need for continued Congressional surveillance of this program and expect that the Joint Committee will exercise its watchdog function with special care, particularly in the areas of cost overrun and construction delay.

It is clear to me, however, that if we are to avoid the economic and social distress of dependence on foreign fuel in the future, we have to go forward with the breeder reactor technology. I am hopeful that the decision to move ahead has already been made, and that the breeder program will not come under serious attack in the future. That depends to a large extent on how well the management of the project performs in the time just ahead.

CONCLUSIONS

If my remarks tonight sound somewhat urgent, it is because they are meant to be. The problems of safe and sensible development and operation of America's nuclear energy capability are no more nor less important than America's energy problem as a whole. With the combined efforts of responsible legislators and gifted developers such as yourselves, we can solve this problem. We have no other choice but to cooperate. While nuclear energy has its considerable problems, I consider its development to be essential. Unless we act collectively and act now, the recent words of Howard K. Smith may come to haunt us:

". . . there are only two real resources: dig much more coal; build many more nuclear power plants, soon.

"After living with the literature on it for months, I am convinced nuclear is better. Our 56 plants now are safer than driving automobiles. Most European allies have made the decision so go flat out for nuclear power, and we should too: establish target plant numbers and dates of completion, allocate capital resources to build them, and get to work.

"Or else, sure as sunrise, the day will come probably in the near eighties, when homes will grow cold, auto traffic turn to a trickle and industries go on two-day weeks for lack of fuel."

Though the choice may not be as clear-cut as either coal or nuclear power, and while I suspect for the next two or three decades we may have to develop both, I generally agree with his not overly-dramatic glimpse of the future.

I pledge to you my efforts to assure that Mr. Smith's cold, empty 80's do not occur. I believe that nuclear power will play a substantial role in making this country ever more successful and energy-independent "as time goes by."

A LETTER FROM A DEPARTED SON

Mr. MONDALE. Mr. President, there is probably no experience more painful for a parent than the death of a child. Last August, Jon Bergland, the son of Representative BOB BERGLAND was killed in an automobile accident. The circumstances surrounding his death were tragic but not altogether extraordinary—thousands of young people are senselessly killed on our highways each year.

What was unusual is that before Jon died he had written a letter to his parents expressing his appreciation for the love, the wisdom and the understanding that they had shown him. It is one of the most moving letters I have ever read. Reflected in it is a young man with the insight and strength of character to be able to say without hesitation, "thank you Mom and Dad for being so loving."

Yesterday BOB BERGLAND agreed to make public this letter in the hope that it would serve as an inspiration to other parents who have suffered a similar loss. Despite the doubt and cynicism that often cloud family relationships today, in reading this letter I think each of us can get a better sense of how fragile life is and how much fuller it can be when we learn to recognize what is truly important.

Mr. President, I ask unanimous consent that an article discussing this letter from yesterday's St. Paul Pioneer Press by Al Eisele be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LETTER FROM SON NOW DEAD SPEAKS TO ALL PARENTS

(By Al Eisele)

WASHINGTON.—This is a story about a young man who wrote a letter to his parents telling them how much he loved them.

The letter is not particularly unusual or newsworthy, except that it goes against the stereotype of today's younger generation as blase and self-centered.

It contains no eloquent phrases nor any profound thoughts, and is filled with frequent spelling and grammatical errors. In fact, the young man who wrote the letter never even mailed it.

But it is now his parents' most prized possession, a precious document that they and their family will treasure and draw strength from for the rest of their lives.

The letter was written sometime in the last year by Jon Lynn Bergland and intended for his parents, Helen and Robert Bergland of Roseau, Minn., and Washington, D.C.

It was discovered by young Bergland's family in his personal effects on Aug. 21, four days after he was killed in an automobile accident near his family's farm in northwestern Minnesota.

His father, the Democratic congressman from Minnesota's 7th Congressional District, and his mother agreed to release the letter last week at the request of a reporter, but only after expressing their desire that it serve as a testimonial to their son and possibly as an inspiration to other parents who have suffered a similar loss.

The letter is undated, but the Berglands know it was written sometime between September 1974, when Jon enrolled as a student at a vocational-technical school in Staples, Minn., and March, 1975, when he turned 19 since he refers to being 18 at the time.

It was discovered the day after Jon's

funeral when the family was going through his personal effects taken from his apartment at Staples, where he intended to return this month to study agriculture and eventually take over the family farm.

The single-spaced typewritten letter, addressed "Dearest Mom and Dad," contains a reference to a childhood accident in which Jon was severely burned at age 6, and had to have extensive therapy to keep his legs from being damaged by scar tissue. It reads as follows:

"I know it may seem that I was not always grateful for my mother and father but, I, after looking at all of the other kid's parents, I relise how lucky I was for having you two as parents. There were times when I could not see your lodgic you used in raising me. But I now see I must have been the richest boy on earth to have you two as parents."

"I hope all of my brothers see someday, as I do now, how lucky and rich they really are. I do not think you goofed once in the raising of me. You have given me all that I ever needed, you have given me: Love, money when I need it, attention when I needed it, you have given me a good education, you have given me a common sense, and a realistic look at life and the world. With all that you have taught me, there is no way I can go wrong in life. How I feel about you two, words can not say, for words do it injustice.

"Mom, I know there were times when I tried my hardest to get under your skin, but you have always treated me right. Dad, hang on to Mom. I know there are a lot of people who search all of their lives for someone like her.

"Mom, I would like to thank you very, very much, for loving me enough, and caring for me enough to work with me when I was burnt. For straightening my legs out so I would not be a cripple all of my life. It was painful for me, but now that I am older, I can look back at it, and see it must have hurt you a million times more. Thank you!

"Dad, I thank you for being such a great father. For taking me camping, for taking me hunting and fishing, and teaching me how to be a real man. I hope that some day I am half the man you are. I thank you for being a person I could always look up to. I really look up to you both as a father and a man. You have shown to me what being a man is. You have shown me what positive thinking, persistence, hard work, real hard work, and determination can get a man in this life.

"I do not care what people say, if a kid takes drugs, or drinks until his mind is gone. It is not the child's fault. It is the fault of the parents. I am not any different from any other child and I have made it through life without any drugs for crutches, you know why? Because I have such great parents.

"If I ever get married and have kids, I hope I can raise them half as good as you raised me. You have given me the prime of your lives, and every possible break I could have. You have given me all of your love, my only regret is that it took 18 years of my life and 12 years of school to really realize all of the sacrifices you both have made in order to keep this greedy and ungrateful little kid happy.

"Thank you for everything!! I am happy that I realize how lucky I really am before I left home, so now I have the opportunity to thank you, an opportunity not all children have.

"Thank you Mom and Dad for being so loving."

(signed) JON.

"P.S. I will love you both for the rest of my life, no matter what may come up in the future. Remember that always. Look with your imagination, find out what you already know, and you will see how much I love you."

The elder Bergland said last week that although they knew their son had a "tender, serious, thoughtful side," it was usually disguised by his love of an active physical life, especially outdoor activities such as hunting and fishing.

"We never had any trouble with him," Bergland said. "He gave us 19 years of happiness for which we're thankful and we have six other children to enjoy."

Bergland said his family's close ties and their strong religious faith have helped them overcome the shock of Jon's death.

"I guess it teaches us the lesson that we tend to take life for granted and that we live by the grace of God," he explained. "Life is really very fragile and I guess we never really think it can happen to us until it does. But he was a good boy and we know he's in good hands."

As for the letter, Bergland made only a few copies to share with family and close friends. "We put the original in a safe where it will stay for the rest of our lives," he said. "It's our most prized possession."

THE OYSTER AND THE EAGLE

Mr. McCLELLAN. Mr. President, I received an exceptionally thought-provoking letter recently from Mr. D. B. Kurfees, president of Kurfees Coatings, Inc. It is so pertinent to prevailing conditions in our times that I would like to share it with my colleagues. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KURFEES COATINGS, INC.,
Louisville, Ky., September 5, 1975.

Hon. JOHN L. MCCLELLAN,
Senate Office Building,
Washington, D.C.

The thought below was shared with me by a friend. The author is unknown to me. When I read it, my thoughts were of you and your mantle of responsibility, so I'm sharing it with you.

"THE OYSTER AND THE EAGLE

"When God made the oyster, He guaranteed him economic and social security. He built the oyster a house, a shell to protect him from his enemy. When hungry, the oyster simply opens his shell, and the food rushes in.

"But when God made the eagle, He said, 'The blue sky is the limit. Go build your own house.' And the eagle went and built his house on the highest mountain crag, where storms threatened him every day. For food, he flies through miles of rain and snow and wind.

"The eagle, not the oyster, is the emblem of America!"

As you vote your conscience, remember the eagle. Don't secure us. Keep us free.

D. B. KURFEES,
President.

THE COSTS OF OVERREGULATION

Mr. FANNIN. Mr. President, the most persistent complaint that one hears about Government regulation concerns the mounting paperwork requirements and bureaucratic red tape. Businessmen are concerned that ordinary business decisions are increasingly controlled by Federal bureaucrats who are accountable to no one and do not understand or care about the problems involved in running a business and making a profit. Ordinary citizens are complaining loudly about "dumb government" and the mistakes and inefficiency of faceless bureaucrats in Washington which result in delay, higher prices and taxes, and numerous other frustrations they must put up with in their daily lives.

Criticism of Government agencies and bureaucrats is spreading as interest in regulatory reform increases. Perhaps no one has made a more informative analysis of Government regulation and regulatory problems than Murray L. Weidenbaum, the distinguished economist and author of "Government Mandated Price Increases" published by the American Enterprise Institute in Washington. Professor Weidenbaum, a former Assistant Secretary of the Treasury, is director of the Center for the Study of American Business at Washington. I recommend Dr. Weidenbaum's AEI study to my Senate colleagues.

In the Tax Foundation's August issue of "Tax Review," Professor Weidenbaum discusses the hidden costs of Government overregulation to industry and consumers. As he points out, the long held "notion of benign and wise officials making altogether sensible decisions in the society's greater interests" does not fit the facts. Instead, "we find waste, bias, stupidity, concentration on trivia, conflicts among regulators and arbitrary and uncontrolled power"—the professor's words but the same criticisms I find in talking to my constituents or in reading letters from Arizonans who denounce "dumb bureaucrats."

Dr. Weidenbaum contends that the proliferation of Government agencies exercising control over business is costing the American consumer and taxpayer huge sums. Recently U.S. News & World Report estimated that Federal employees with regulatory functions, estimated at over 63,000 in number, cost the public about $130 billion a year. While the estimates may vary, the result is the same: excessive Government regulation stifles productivity, eliminates competition, increases consumer costs and substantially contributes to inflation.

As the author demonstrates, regulators lack understanding of those they regulate and ignore cross-cutting concerns broader than the specific charter of their own agency—matters such as productivity, costs and inflationary impacts. Professor Weidenbaum cites several chilling examples to support his contention that Government regulation, however well-intentioned, is often harmful in its effect on society.

Regulatory reform is long overdue. As Dr. Weidenbaum suggests, alternative means of achieving important national objectives, such as job health, equal employment, energy conservation, and product safety, should be explored. The Congress must consider solutions that expand rather than reduce the role of the market.

Mr. President, I request unanimous consent that the full text of Murray Weidenbaum's article, "The Cost of Overregulating Business" be printed in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

[From Tax Review, August 1975]

THE COST OF OVERREGULATING BUSINESS

(By Murray L. Weidenbaum)

A massive expansion of governmental controls over private industry is clearly underway. Government officials are playing an ever larger role in what traditionally has been internal business decisionmaking. Yet the new wave of governmental regulations is not merely an intensification of existing activities; in good measure, it is a new departure.

In the cases of the Environmental Protection Agency, the Equal Employment Opportunity Commission, the Consumer Product Safety Commission, the Federal Energy Administration, and the Occupational Safety and Health Administration, regulatory powers are not limited to a single industry. In the case of each of these relative newcomers to the Federal bureaucracy, its jurisdiction extends to the bulk of the private sector and at times to productive activities in the public sector itself.

They are thus not concerned with the totality of any single company or industry, but only with the specific segment of operations which falls under their jurisdiction. This limitation can result in a total lack of concern over the effects of its actions on the company or industry as a whole.

Little if any attention may be given to the basic mission of industry—to provide goods and services to the public. Also ignored may be crosscutting concerns or matters broader than the specific charter of the regulating agency, such as productivity, economic growth, employment, cost to the consumer, effects on overall living standards, and inflationary impacts. Its perspective is that of the proverbial dentist who sees his patient as merely two rows of teeth, surrounded by a mass of miscellaneous material.

No realistic evaluation of the overall practice of government regulation comfortably fits the notion of benign and wise officials making altogether sensible decisions in the society's greater interests. Instead we find waste, bias, stupidity, concentration on trivia, conflicts among the regulators and, worst of all, arbitrary and uncontrolled power. These are not idle statements. Let me cite chapter and verse to support them.

Purchasers of new cars produced in the United States in 1974 paid over $3 billion extra for the equipment and modifications needed to meet federal requirements. Mandatory auto buzzers and harnesses (the widely detested "interlock" system) will rapidly fade into history due to recent congressional action, but not until after more than 40 percent of the owners of those expensive and annoying contraptions disconnect them or otherwise find ways of avoiding their use. Nevertheless, the phenomenon of government adding to the costs of private production is continuing.

The agencies carrying out federal regulation are proliferating. In the past decade alone, we have seen the formation of the Consumer Product Safety Commission, the Environmental Protection Agency, the Federal Energy Administration, the Cost Accounting Standards Board, the National Bureau of Fire Prevention, the Mining Enforcement and Safety Administration, the National Highway Traffic Safety Administration, and the Occupational Safety and Health Administration, to cite the better known ones.

The administrative costs of the army of enforcers (approximately $2 billion a year to support a regulatory workforce in excess of 63,000) represents but the tip of the iceberg. It is the costs imposed on the private sector that are really huge, the added expenses of business firms which must comply with government directives, and which inevitably have to pass on these costs to their customers. A direct cost of government controls is the growing paperwork burden imposed on business firms: the expensive and time-consuming process of submitting reports, making applications, filling out questionnaires, replying to orders and directives, and appealing in the courts from some of the regulatory rulings. There now are 5,146 different types of approved government forms. Individuals and business firms spend over 130 million man-hours a year filling them out.

Clearly, the regulators do not always understand those they regulate. One manufacturer who attended a federal meeting on the paperwork burden was advised not to worry about the matter personally but to have his staff complete the forms. He replied, "When I attend this meeting the staff is right here with me. It's me."

A small, 5000 watt radio station in New Hampshire reported that it spent over $26 just to mail to the Federal Communications Commission its application for renewing its license—and that was before the last rate increase. An Oregon company, operating three small television stations, reported that its license renewal application weighed 45 pounds. At the other end of the spectrum, one large corporation, with about 40,000 employees, uses 125 file drawers of back-up material just to meet the federal reporting requirements in the personnel area. The personnel manager contends that one-third of his staff could be eliminated if not for these requirements.

Another hidden cost of federal regulation is a reduction in the rate of technological innovation. The longer it takes for a change—a new product or a more efficient production process—to be approved by a federal regulatory agency, the less likely it is that the change will be made. Professor William Wardell of the University of Rochester Medical School has shown that as a result of the more liberal policy in the United Kingdom toward the introduction of new drugs, Britain has experienced clearly discernible gains by introducing useful new drugs, either sooner than the United States or exclusively. Professor Sam Peltzman of the University of Chicago estimates that the 1962 amendments to the Food and Drug Act are delaying the introduction of effective drugs of about four years.

BUREAUCRATS ENGAGE IN TRIVIA

An expected result of the lack of attention to the costs of regulation is the opportunity for bureaucrats to engage in all sorts of exercises in trivia and on occasion sheer nonsense.

Consider the plight of the small businessman who tries to deal with the Occupational Safety and Health Administration (OSHA) rules without paying for expensive outside assistance. The kinds of questions that he must face are: What size to establish for toilet partitions? How big is a hole? (it depends where it is). When is a roof a floor? What colors to paint various parts of a building? How frequently are spittoons to be cleaned? The public's taxes actually support people who are willing to establish and administer regulations dealing with these burning issues.

Take what should be a simple matter, the definition of an "exit." The dictionary tells us that "exit" means "a passage or way out." But the OSHA enforcers, defining "exit" is a challenge to their bureaucratic instincts, and they are not found wanting. To OSHA, an "exit" is "that portion of a means of egress which is separated from all other spaces of the building or structure by construction or equipment as required in this subpart to provide a protected way of travel to the exit discharge."

"Exit discharge," in turn, is defined merely as "that portion of a means of egress between the termination of an exit and a public way." And "a means of egress" is defined as "a continuous and unobstructed way of exit travel from any point in a building or structure to a public way and consists of three separate and distinct parts: the way of exit access, the exit, and the way of exit discharge. A means of egress comprises the vertical and horizontal ways of travel and shall include intervening room spaces, doorways, hallways, corridors, passageways, balconies, ramps, stairs, enclosures, exits, escalators, horizontal exits, courts, and yards."

Unlike the dictionary, OSHA is unable to provide a definition of exit which does not contain the word exit in it. And exit is a comparatively easy one. Try "ladder," where the reader literally has to cope with three renditions of the same tedious set of definitions plus one trigonometric function. The puzzlement over OSHA regulations extends even to the chairman of the Occupational Safety and Health Review Commission, the independent agency created to hear appeals from rulings by OSHA inspectors. After citing one vague standard, he lamented:

"What do you think it tells us to do?

"I have no idea—and I don't think OSHA could tell you either, before an inspection, citation, complaint, hearing and post-hearing brief.

"I submit that there isn't a person on earth who can be certain he is in full compliance with the requirements of this standard at any particular point of time."

OSHA does not have a monopoly on regulatory foolishness. An examination of the proposed Uniform Guidelines on Employee Selection Procedures is also quite revealing. The Guidelines were drafted by the U.S. Equal Employment Opportunity Coordinating Council to assure that the procedures, in both the public and the private sectors, do not discriminate on the basis of race, color, religion, sex or national origin. The objective surely is worthy. Yet the specific guidelines which the Council has developed have been challenged by such professional organizations as the American Society for Personnel Administration and the American Psychological Association.

A mere reading of the proposed regulations reveals the basis for the concern. Smaller employers would have great difficulty in just understanding the regulations, while large and small companies alike would find it extremely difficult and expensive to comply. Even when the Coordinating Council tries to ease the burden on employers, the result challenges the understanding of the business executive:

"A selection procedure has criterion-related validity for the purpose of these guidelines, when the relationship between performance on the procedure and performance on at least one relevant criterion measure is statistically significant at the .05 level of significance. . . . If the relationship between a selection procedure and a criterion measure is significant but nonlinear, the score distribution should be studied to determine if there are selections of the regression curve with zero or near zero slope where scores do not reliably predict different levels of jobs performance."

Should these guidelines be enforced, the result is not likely to be fairer testing but a shift from what would become more costly and cumbersome procedures back to the simpler but far more bias-prone subjective oral interview.

The proliferation of government controls has, to no one's surprise, led to conflicts between controls and controllers. In some cases, the rules of a single agency work at cross purposes with one another. OSHA, for example, mandates back-up alarms on vehicles at construction sites. Yet simultaneously the agency requires employees to wear earplugs, to protect them against noise, that can make it extremely difficult to hear the alarms.

BUREAUS WORK AT CROSS PURPOSES

More serious and more frequent are the contradictions between the rulings of two or more government agencies where the regulated have little recourse. The simple task of washing children's pajamas in New York State exemplifies how two sets of laws can pit one worthy objective against another. In this case the conflict is between ecology and safety. Because of a ban on phosphates in detergents, the mother who launders her child's sleepwear in an ecologically sound way may risk washing away its fire-resistant properties.

In 1973, New York State banned the sale of detergents containing phosphates, in an effort to halt water pollution. Less than two months later, a federal regulation took effect requiring children's sleepwear to be flame-retardant. New York housewives now face a dilemma, because phosphates are the strongest protector of fire-retardancy. They hold soil and minerals in solution, preventing the formation of a mask on the fabric that would inactivate flame-resistancy. What does a conscientious mother do in a phosphate-banned area to avoid dressing her child in nightclothes that could burn up? Smuggle in the forbidden detergent? Commit an illegal act of laundry?

The controversy over restrooms furnishes another example of the conflict between different regulations. It also demonstrates that common sense is in short supply in the administration of governmental controls. The Labor Department, under the Occupational Safety and Health Act, has provided industry with detailed instructions concerning the size, shape, dimensions, and number of toilet seats it must maintain for its employees. For well-known biological reasons, it also requires that some type of lounge area be adjacent to women's restrooms.

However, the Equal Employment Opportunity Commission demands that male toilet and lounge facilities, although separate, must be equal to those provided to women. Hence, either equivalent lounges must be built adjacent to the men's toilets or the women's lounges must be dismantled, OSHA and state laws to the contrary notwithstanding. To those who insist that nature did not create men and women with identical physical characteristics and needs, we can only reply that regulations, like justice, must be blind.

The instances of waste and foolishness on the part of government regulators pale into insignificance when compared to the arbitrary power they can exert. To cite a member of the Consumer Product Safety Commission, "any time that consumer safety is threatened, we're going to go for the company's throat." That this statement is not merely an overblown metaphor can be seen by examining the case of Marlin Toy Products of Horicon, Wisconsin.

The firm manufactured primarily two products: Flutter Ball and Birdie Ball. These were plastic toys for children, identical except that one contained a butterfly and the other a bird. The toys originally contained plastic pellets that rattled. This led the Food and Drug Administration in 1972 to place the products on its "banned" list. It was feared that, if the toys cracked, the pellets could be swallowed by a child. In response to the ban, the company recalled the toys and redesigned them to eliminate the pellets. Thus they could be removed from the ban list.

PUT OUT OF BUSINESS BY MISTAKE

The newly-formed Consumer Product Safety Commission in 1973 assumed responsibility in this area. Because of an "editorial error," it put the Marlin products on its new ban list, although there was no longer any reason to ban them. Apparently the Commission incorporated an out-of-date FDA list. The error was called to the Commission's attention, but it replied that it was not about to recall 250,000 lists "just to take one or two toys off."

Marlin Toy Products was forced out of the toy business and had to lay off 75 percent of its employees. It is ironic to note that the Commission specializes in ordering companies to recall their products if any defective ones have been produced, but refuses its own product when there is a defect in every single one.

A more humorous instance of the CPSC's failure to abide by its own standards involves the toy safety buttons which it intended to distribute in the Fall of 1974 in an effort to make consumers more safety conscious. Only after producing 80,000 buttons did the Commission learn that its product was dangerous to children, because of the lead paint and the possibility of breaking off and swallowing pieces of the button. Unlike the procedures that it expects of the companies it regulates, the Commission presumably ran its tests after rather than before production. Fortunately, it realized its error prior to making public distribution of the buttons. Hence, "only" wastes of resources and tax dollars were involved.

In addition, there is good reason to be concerned over the amount of power enjoyed by federal regulatory agencies because they tend to employ a double-standard: one for private businesses, and one for one another. Illustratively, the Environmental Protection Agency mandated catalytic converters for future automobiles. But these converters, designed to lessen pollution, themselves produce harmful amounts of sulphuric acid mists which can irritate the lungs. The converters are now being re-studied—quietly. But just think of the governmental and public outrage which would have resulted if a private business firm had taken such action prior to submitting a detailed environmental impact statement.

Finally, governmental agencies do not seem hesitant to share their power—in ways which seem anything but judicious. Thus the responsibility for doing the basic research underlying new job safety and health regulations, which was assigned to the National Institute of Occupational Safety and Health (NIOSH) in the Department of Health, Education, and Welfare, was, in early 1974, delegated by NIOSH to the Amalgamated Clothing Workers Union. This means that an official federal study of safety and health hazards in the clothing industry is being conducted by a union employee and paid for by the union. In reporting this strange arrangement, OSHA noted that the union would help to obtain the cooperation of plant managers. But to anyone other than an OSHA functionary, it must be painful to contemplate the reaction of management to an investigation of its premises by its union in behalf of the government!

Because of the very substantial costs and other adverse side-effects that they give rise to, society should take a new and hard look at the existing array of government controls over business. A substantial effort should be made to eliminate those controls that generate excessive costs. Rather than blithely continuing to proliferate governmental controls over business, alternative means of achieving important national objectives should be explored and developed, solutions that expand rather than reduce the role of the market.

A good beginning might be based on the environmental regulations themselves. In general, the society is supposed to examine the impact on the environment of the various actions that it takes. Would it not be just as appropriate to require each environmental agency to assess the impacts of its actions on the society as a whole and particularly on the economy? Surely a cleaner environment is an important national objective. But it is not the only national objective, and certainly society has no stake in selecting the most expensive and most disruptive ways of achieving its environmental goals.

Unpopular as it may be, I urge the same balanced attitude for the new regulatory programs, including product safety, job health, equal employment, energy, et al. As in most things in life, the sensible questions are not matters of either/or, but rather of more or less and how. Only in this way can business both help attain the nation's social goals, while continuing to achieve the basic economic function of more efficient production and distribution of goods and services.

BICENTENNIAL BEAUTIFICATION IN PRINCE GEORGES COUNTY, MD.

Mr. BEALL. Mr. President, throughout this country, many community groups are working in countless different ways, each seeking to prepare a meaningful and lasting observance of our Nation's 200th anniversary. One of the fine examples I am aware of is currently being conducted in nearby Prince Georges County, Md., where, in cooperation with the county bicentennial commission, the Prince Georges Beautification Committee is sponsoring a "Beautification for the Bicentennial" awards contest. The objective of this contest will be to promote the beautification of Prince Georges County through the general landscaping activities of its citizens, businesses, institutions, and communities.

The community rightly feels that the Bicentennial offers us a fine chance for individuals and groups alike to combine an environmental awareness with an enduring patriotic act.

The city of New Carrollton was the first county municipality to enter the county Beautify for the Bicentennial contest, submitting plans for a bicentennial park to be constructed on a wasted and eroded lot.

The city of College Park was the second municipality to participate. Spearheaded by the Berwyn District Civic Association, in cooperation with the city, an old abandoned trolley line is to be transformed into a parklike area. Old telephone poles, railroad ties, and ornamental plants will be used to enhance this area, now only a collector of litter.

Through community efforts such as the ones exhibited by Prince Georges County, communities through the Nation are using Bicentennial as a catalyst to beautify and preserve their environment. Programs such as these will, indeed, provide an enduring benefit from the celebration of our country's 200th anniversary.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, one of the arguments that has been raised against the Genocide Convention is that genocide is not a proper subject of international concern but should instead be handled by States.

But mass murder affects everyone and every country, no matter where it takes place. Acts defined as being genocidal nearly always have the potential for disrupting international peace and security. In addition, the eradication of any national, ethnic, racial or religious group deprives the world of that group's unique cultural heritage.

Very often when we consider the problem of genocide, it is framed in the context of Hitler's murder of 6 million Jews and other minority groups and it is not seen as a contemporary international problem. This is simply not true. As the tragic events in Biafra demonstrated several years ago, the specter of mass genocide has not yet been eliminated. The tragic conflicts in the Middle East and racial animosities in South Africa contain the terrifying prospects that this heinous crime may be repeated.

Granted, no single document will completely restrain the actions of a country that would contemplate such a monstrous act. Yet with the ratification of this treaty, the Senate of the United States can help to foster the development of an international climate which would not permit such actions. In many ways, Mr. President, this treaty will be effective in the same way that the Geneva Conventions for the Treatment of Prisoners of War have been—through moral force.

It is high time that the Senate do its best to give that moral force a chance to blossom. I urge my colleagues to join me in seeking prompt ratification of this treaty.

IMPROVING MANAGEMENT OF THE NATION'S FISCAL AFFAIRS

Mr. MOSS. Mr. President, I call to the attention of all Members the article by Steven S. Rosenfeld entitled "Budget Discipline and Defense," published in the Washington Post on September 19. The article comments on the September 17 column in the Washington Post, by Evans and Novak, regarding the new congressional budgetary process. But what is more, the Rosenfeld article also reflects an understanding of the objectives of the new congressional budget process and tells something about how it is being applied. I think the Rosenfeld article represents an astute analysis of the situation and some thoughtful actions which are worthy of consideration by all Members.

I would like to add that the budget act would have permitted us to put off until next year this concurrent resolution and the debate and the discipline which it implies. But because of the state of the economy, and with the concurrence of the Senate and the House leadership, the Budget Committees agreed to begin implementation this year.

The scorekeeping report which was referred to in the Evans-Novak article certainly has its limitations. But it not only supports the new budget process, it represents a vast improvement over the tools available to us in making budget decisions. In the past, a Member did not know what a particular project would do to overall spending. The committees approved programs without knowing if the revenues were available. This no longer needs to be the case. The new budget system can assist in moving toward greater fiscal responsibility by providing information which will enable us to know in advance the impacts of decisions with regard to total Federal spending, and even an indication of effect in the functional areas.

If we did not have a way to total up spending programs before we made commitments, in times like these, certainly we would be searching for one. After all, the people are looking to Congress for help in pulling the United States out of the worst recession since the thirties. Writing the Federal budget this year is certainly more than a sterile exercise in cost accounting. The new budget process will pinch if it is effective. It is supposed to.

That the committee's priorities differed with those of the President should come as no surprise, particularly now. This information was made clear during the Senate's consideration in April and May of the first concurrent resolution proposed by the Budget Committee. After all, the President's budget reflected a major increase in defense and a decrease in many other programs. Not only did it represent a cut in many areas, but it would not even have provided existing services in a number of programs and activities, for example, medicare, medicaid, and veterans. The committee moved about $4 billion from the President's budget for defense and international affairs to programs that would help people cope with the recession and the inflation. The committee felt more should be done to stimulate economic recovery and to reduce employment faster without a return to double-digit inflation.

The first concurrent resolution recommended by the Budget Committee and approved by the Senate in May reflected agreement by a substantial majority of the Budget Committee members. The committee was bipartisan. Like other products of the legislative process it reflected a lot of give and take. No member had his way. But despite that, in my view, it represented a significant improvement over the administration's budget.

The scorekeeping process which was referred to in the Evans-Novak article certainly has its limitations. However, it not only supports the new budget process, it represents a vast improvement over the tools available to us in making budgeting decisions. In the past, a member did not know what a particular project would do to overall spending. The committees approved programs without knowing if the revenues were available. This no longer needs to be the case. If we did not have a way to total up spending programs before we made commitments, in times like these, certainly we would be searching for one.

While the product is not as complete as it will be in future years, it does represent a giant step forward. The "pinch" of fiscal responsibility and realism is as frustrating to members of the Senate Budget Committee as it is to others. I believe members of the Budget Committee have taken their responsibilities seriously and performed with remarkable spirit of purpose and cooperation to make the new process work. Chairman MUSKIE and Senator BELLMON, the ranking minority member, are to be commended for their outstanding leadership and for their noteworthy contributions toward this end.

If we are to attain budgetary reform, and develop a more responsible method for managing the fiscal affairs of the Nation, we must make the best use of every tool available. The "scorekeeping report" is one such tool. Used properly, it can assist us in implementing the new budget process and improving fiscal responsibility by providing information to aid in making the tough calls and critical choices.

Mr. President, I ask unanimous consent that the Rosenfeld article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 19, 1975]

BUDGET DISCIPLINE AND DEFENSE

(By Stephen S. Rosenfeld)

In declaring the other day that the new congressional budgetary process is "really a Senate shell game to fleece the Pentagon," the Evans and Novak column was doing a good deal more than relaying the Pentagon's jitters that its budget is under the knife.

The column was displaying an unhappy lack of understanding of a fledgling process whose improvement and support as time goes on are surely a good deal more important to the country than whether the Defense Department gets a few billion dollars more or less in any given year. Since there may be some people in the Pentagon or elsewhere who thought the column described the budget process correctly, it seems worthwhile to point out a few things. If I can understand it, so can you.

First, Congress' purpose last May in deciding to set targets to guide individual committees as they consider federal spending was not to fleece the Pentagon or the school lunch program, as supporters of *both* now profess to believe, but to gain more control over the budget. The thrust, in brief, was fiscal responsibility, a neutral if painful concept as far as programs go.

Once the size of the pie was set by Congress—at $367 billion—a brisk arugment was bound to break out over how the slices should be distributed. Not surprisingly in this city of tough issues, strongly held views and political people, the Democratic Congress wanted to spend something less on defense than did the Republican President, and it is so indicated in the conference report on the budget resolution passed last May. Both houses, of course, accepted that action.

What happened then is extremely interesting. The budget committees decided to take their charge seriously and actually to do what the reform mandated them to do: to keep congressional spending deliberations within the limits agreed on by . . . Congress.

The approach of Senate Budget Committee chairman Edmund Muskie (D-Maine) is easy enough to understand. He had an interest not only in establishing the viability and integrity of the new budgeting process but in using it to support the programs he favored—in this instance, reduced defense spending. One notes, however, that he failed to win the funding he sought for his pet domestic project, counter-cyclical revenue sharing.

The approach of ranking minority member Henry Bellmon (R-Okla.) deserves special note for he was in the position of having his interest in the budgetary process go in one direction and his interest in certain programs go in the other. I asked him how he handled that one and he said: "I defended the higher defense figure in debate but once it was decided, I went along. I don't count myself as pro-defense or anti-defense, although I want the country to be strong. We can spend ourselves as poor in defense as in any other area, you know."

This, then, is the basis of the bipartisan pro-reform stand of the Senate Budget Committee in asking the Senate Appropriations Committee last month to bring its defense outlay figure down to the level that the Congress as a whole had suggested in the spring. A budget committee that did not make this request would not be worthy of the name.

The alternative, which Congress also provided for itself in its resolution last May, is to cut other programs in order to permit higher defense spending. The vehicle for this is a second resolution (binding, not advisory as was the first) due to be taken up later this fall.

To say that the Senate stand results from a "shell game" run by "liberal . . . anti-defense" Ed Muskie, or from the sly machinations of "soft-line" staffer Andrew Hamilton, is to miss quite completely the import of Congress' historic decision to try to impose upon itself the fiscal discipline so conspicuous by its absence in the past. "Muskie's tactics" constitute in fact the extremely promising, if tentative, new habit of legislative self-control.

As for the Evans and Novak charge that the budget committee's use of a certain $727 billion housing item involved "figure juggling . . . a clever anti-Pentagon operation" intended to conceal a damning rise in non-defense spending, a clear and conscientious footnote indicates precisely the opposite—not concealment of a rise but disclosure of a shortfall.

Where does that leave defense spending? It leaves it right where housing, school lunches and a host of other programs already are: competing with each other for slices of the budget pie. Frustrating as it may be for the Pentagon to have to make its case on substantive grounds, the Congress has given it no choice.

BASIS FOR AN EFFECTIVE FOREIGN POLICY: HOW THE AMERICAN PEOPLE SEE THEIR FUTURE

Mr. GOLDWATER. Mr. President, for the past several months I have from time to time prepared papers on different subjects which I feel are important to our country at this time and I have inserted them in the RECORD.

The one that I ask unanimous consent to have printed in the RECORD at this time is entitled, "Basis for an Effective Foreign Policy: How the American People See Their Future."

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

BASIS FOR AN EFFECTIVE FOREIGN POLICY: HOW THE AMERICAN PEOPLE SEE THEIR FUTURE

No great nation can have effective national policies either at home or abroad unless it can see itself triumphing over its future. Where a people envisage threats against their future which they cannot handle, or worse, which they cannot define, that people is on its way to insignificance. History tells us this much. For greatness, a people must have a justifiable optimism. They must feel that their children and their children's children will not merely survive but do so in dignity. They must feel a justifiable optimism that those difficulties that do exist can be managed if not mastered and the power to do this is within their own hands. A people with a future must sense that they can always call upon the talent that lies in every community to help them in their difficulties. A people with a future can never afford apathy, to feel that someone else and not they holds the reins with the power and authority to steer the chariot in any direction seen fit.

Tonight I would like to talk to you about our future here at home because unless we feel we have a future at home, we shall surely fail abroad. But I am not so much addressing this audience as I am the American people at large. I want to ask them a question:—Do you think you have a future as a citizen of the United States of America? Upon your answer to this question hangs your future.

I have a sense about our future. Our Third Century can be America's century of True Greatness. We face a century where civilization teeters between the apathy born of the mediocrities of socialism and the anarchy of reckless license. It is a world now nearly totally dedicated to the suppression of human freedom. It is a world for the most part where people are subordinated to omnipotent governments who, despite their omnipotence, are demonstrating a singular inability to meet even the most basic material needs of humanity, let alone to meet the spiritual essence basic to human dignity. An America remaining true to its fundamental principles shines like a beacon in such a world. We can offer an example, made more poignant by the absence of any rival, that will keep alive the noblest of human aspirations.

But before we can attain this lofty eminence, we have work to do. We have to put our own house in order here at home. The task before us here at home will not be easy. We have strayed so far ourselves along the path of centralized statism that our own liberties are in danger. We could at this stage in our history easily slide into the same situation that we find so many of our neighbors in this planet. But I believe we have not yet reached the point of no return. The latent strengths of the American people are still so great that once they realize the magnitude of the tasks needed to be done, they will respond with might and majesty. I would like to give you my version of those tasks needed to reform our internal situation. But before I do, let me briefly outline the dangers that face us at home, dangers which I have outlined before in other speeches.

I believe that our future is threatened and that the threats are many. At home, the enemy of our liberties, as these were designed to be, is government. By its spending on non-productive forces it has created a continuing inflation which on any prognostication must grow further. Inflation is a remorseless destroyer of all those institutions basic to freedom. By its hidden but nevertheless real distribution of income, government is slowly strangling the most productive elements in the Nation which, in addition to the psychic wounds this causes, accentuates inflation. The government has as well abrogated individual liberty by slowly but remorselessly assuming control of the individual destiny of each American citizen. As this home-based weakening of the national fibre continues and grows, abroad the threat to our survival, especially from the Soviet Union, increases. Our military strength relative to theirs, diminishes each year, thanks to a combination of a liberal Congress' machinations against defense but primarily due to that same liberal Congress' stimulation of inflation.

Again, thanks to a weak, fuzzy, vacillating, indecisive, unrealistic and an essentially liberal foreign policy over the past fifteen years, the world now gives less credence to the United States and its capabilities. At the same time in this same world enormous changes are occurring, a few which should give comfort to us, especially so as we either ignore or misunderstand them. Instead we offer, especially to the underdeveloped world, an image of insignificant and diminishing 'do goodism.' Yes, we face enormous difficulties. We face difficulties at home and abroad which historically kill civilizations. I believe we face this danger.

But the situation is far from lost. There is still time. We, as a people, still have the latent strength to do something about it. Our central issue is to reverse our slide to centralized statism, or if you like, state socialism. We must learn to rekindle our imagination because imagining is what the future is all about. Here then are some of the at-home tasks that we must be about. There are four of them. The first is the control of government which in turn means the control of politicians and their attendant bureaucrats. Here is where the core of the problem rests. It is Congress that is responsible for this drift but only the American people can remove state controls by controlling congress. If they will be about it, the task is not nearly as difficult as it first appears.

In a previous speech I once described the nature of government in unflattering terms. I said that historically the tendency of government everywhere is to spend monies they do not own profligately and thereby inflate the economy: Governments make promises they cannot keep: Governments have a high degree of operational inefficiency at all levels: And, governments are usually ignorant of the very people they are supposed to govern: Governments abuse power and they tend to drift into wars they cannot handle. I believe that if you ponder government in general and also ponder government in historical terms, you will see that my unflattering synopsis is right. As our Founding Fathers recognized two centuries ago, government is power and the freedom of a people is directly related to the degree that people limit those powers. Never was that maxim so pertinent as it is today.

Let me ask you a question—a major question, a personal question. "How much government do you as an individual feel you need?" Invariably almost, the answer of individuals to that question is, "Very little, with the conduct of foreign policy being the only exception." Then, why do we have so much of it and why does the degree of control which government exercises over your life and mine grow and grow? It is because you, the individual American, permit it and the remedy is in your hands. You must realize that the reason why most revolutions for freedom end by dying in totalitarisms is because the people who are the backbone of any revolution allow the demagogues and power seekers to assume control and from there abuse power. It is as simple as that. The people allow themselves to be convinced that this or that demagogue will assume the burden of the peoples' miseries and solve these but they fail to realize that all the demagogue truly seeks is power.

Each American, when he thinks about it, has no doubt in his own capacity for curbing his or her personal politico—but you must be about it. Let me give you my rules for judging politicians with a view to putting them on the leash. My formula is very simple and the first element of this, though simple, is a little philosophical. Does your politician put America first or his own political career? Will he, for example, destroy an important alliance, as was the case with Turkey, in order to pander to this or that ethnic vote in an effort to stay in power or does he put his nation's interest first? Does he seize upon this or that current dilemma and swamp you with promises as to what he will do about it regardless of the impact of his suggested action upon, say, the American economy or our status abroad. For example, during this recent recession many politicians declaimed about the economic plight of constituents and how "something "ought to be done," while they voted themselves a pay raise to be automatically adjusted in perpetuity at your expense. During the Vietnam war a man who was later to be a Presidential candidate likened the American system to Nazism—and I could go on indefinitely.

My next question regards judging politicians is, 'How much does he cost you?" Remember, you pay for government and all its actions—all of it. Politicians are notoriously proud of being responsible for legislation—rarely for the results and never for the cost. The time has come, however, when politicians need be required to tell you how much this legislation is going to cost you. We have recently become extremely investigatory as regards politicians' financial worth, who donates to their campaigns, how much and why. But I regard this kind of financial snooping insignificant relative to other financial data related to a politician's term in office. Namely, how much does he cost the taxpayer in terms of the legislation he sponsors? Politicians should be held accountable for this and then be judged along with the legislation as to whether it was all really worth it. Perhaps this kind of judgment by you is the very essence of the democratic process.

Another like issue regards evaluating politicians is, "Is he inflationary?" Does he advocate and enact programs which take from the productive sector and transfer the largesse to the nonproductive? Recently the oil companies were nominated by a majority of politicians as "scapegoat of the year." One of the resulting political acts, a punitive one in my opinion, was to remove the depletion allowance. I will guarantee to you that the removal of this incentive to oil production will not only place us further in the hands of foreign producers but will also insure that the price of oil goes up as the companies are forced to include what hitherto was a tax relief but is now a cost as part of their future pricing.

I have mentioned before that regulatory agencies of the Federal government cost you, the consumer, approximately One Hundred thirty-eight Billion Dollars per year. There is now a strong move to establish a consumer protection agency and there are already fifty-three pieces of consumer protection legislation in the mill. All of this, every regulatory agency and every piece of legislation, is a creation of Congress and is allegedly done for your protection. But, each one adds to the cost of most everything you buy. You must ask yourself, as you watch your dollar buying you less, is this alleged protection really worth it to me, or am I merely financing the careers of men who seek power over me even as that very power-seeking is demonstrably tempered by a high degree of stupidity.

If a politician does not pass these tests, he should be tossed out. But even this is not enough because historically the alternate choice offered has proven to be no better. I have often pondered on this lack of alternative, and my pondering was once called "A choice, not an echo." We must now ponder as to whether our ballots should not have a box marked, "No Candidate At This Time," along with a space for your "X." I believe such a move would have a salutary effect. In the 1972 election some fifty-eight percent of Americans did not vote at all. The process of the decline of political interest is already well advanced in America. The electors are voting by the indifference. Let us give them a choice to vote again in a way that sends a message to Congress and all persons who seek political office. As of now we cannot record the way we really think. Instead, those of us who still vote, or want to vote, are bludgeoned into supporting the lesser of two evils. But more and more of us are not voting at all. Whatever this is, it is not democracy or the proper way for a democracy to shape its political future. If we, the people, do not control the politicians, by default they will control us.

So much for politicians as we strive to limit government and its control over us in this Third Century as we endeavor to clean up America.

Let me now turn to another task and a very sensitive one at that, namely, education. For a democracy to survive, one critical element is that of resisting propaganda. By propaganda I mean the use of communication by those who control it to call things and actions by wrong names. In our Country today, in the world today, government is the greatest of all propagandists. The propaganda is ceaseless and is concerned with telling you what to do and how it is all for your own good. The propaganda comes in many forms; government regulations and directives, commissions and committees, campaigns, government interacting with the media on everything from "Smoky the Bear" to the Middle East crisis and it comes especially through political rhetoric.

We, the people, are the targets. We must be able to judge. I would commend education, therefore, to give priority to the study of the English language and especially its grammar and logic. We must regain our ability to see things as they are, to call things by their proper names and get the right term for everything. You have all read Orwell's "1984." Here language becomes so distorted into double think that "peace" means "war" and "slavery" means "freedom." Orwell was prophetic. The debasement of language is the precursor for the end of a civilization and for the rise of totalitarianism. The debasement of language precedes that time when the people no longer know what to believe or what to say, and turn over the responsibility for thinking to a master who soon becomes an oppressor. Confucius who lived nearly twenty-five hundred years ago put it well. The very first duty of a ruler who sought the common welfare, said Confucius, was the Rectification of Terms, that is, the insuring that everything is called by its proper name. Said Confucius "If language is incorrect, then what is said is not meant. If what is said is not meant, then what ought to be done, remains undone."

I cannot put it better. Yet, in Twentieth Century America, a Secretary of the Cabinet can use a term such as "advance downward adjustments," which is translatable as "a budget cut." And, there is other bureaucratic jargon which cannot be translated at all. A contemporary American writer, Saul Bellow, followed up on the Confucian maxim in words which all Americans will understand when in "Mr. Sammler's Other Planet" he had wise old Mr. Sammler say, "All map makers should put the Mississippi River in the same place. It may be boring and unoriginal but it lets one know where one is at."

In this age of specialization, education must find a central core around which to coalesce and help us to see things as they really are. In this age of dramatic social change, we must be able to judge. In this age of moral decay, we must have the capacity to determine right from wrong. In a democratic political system we must be able to make a choice. It is through the precise and accurate use of language that we think and take corrective action. Here is the educational challenge as I see it for this Third Century.

Let me give you one example of what I mean. I believe that we have created a nation of economic illiterates. Most of us have only the vaguest sense of how an economic system works. Thus, we have millions of Americans today who believe material well-being can be had for nothing where, in fact, for nothing, you get nothing. That is a precise use of language.

Whereas "something" for "nothing" is part of our "double think." Then there are millions who believe that enhanced productivity on the production lines means enhanced worker exploitation. Yet more millions believe that "profit" equals "evil" because they have been so told; whereas profit is a cost of doing business, a cost incidentally which even Communists have to figure if they want enterprises to maintain themselves. Double think is with us and the disease enervates us further. The propaganda grinds remorselessly on, made worse I believe because so much of it is unwitting propaganda. There is only one way to cut through it. Let us begin to use our magnificent language and its logic properly and here Mr. Educator is a challenge for you.

This brings me to a third task. I have talked about politicians and briefly about language. Yet another fundamental is our national ethic. By this I mean those values held in common by the American people. No nation can survive without these. In a recent speech I waxed a little philosophical upon this. I remarked that the most significant of our social ills could only be resolved when we, as a people, learn to develop and master self; practice compassion for others; and proffer forgiveness. Tonight I would like to be a little less philosophical and somewhat practical. In practical terms our practical common ethic ought to be the optimization of individual liberty but my question is, "Do you want it?"

We Americans rarely examine this premise. We, more or less, assume that there is a national desire for everyone to have personal freedom. But is this so? For example, several millions of Germans fled from the East to the West. A significant proportion of these refugees, however, have returned to the East. They found liberty too trying. They felt that to have the state look after everything from their toothache to their children's education is physically and psychically more acceptable than going it on their own. The fact that this was a form of benign slavery and a surrendering of all creative impulses mattered less than paying the price of liberty.

I believe it germane, therefore, to ask Americans, "How much do you desire liberty in your future?" Unless the answer to this is positive, I doubt if America has a future—as America. This is a further reason why the question must be asked and answered. I am certain the response will be for liberty but we must recognize liberty has a price. Liberty means facing most of the challenges of life by one's self, or with one's family, or with one's friends. Those who can truly help are really few in number because to help one must be personally close to one's fellow. Every dictator in history on the other hand has promised to take the burden on his broad shoulders and absolve you from the individual responsibility of handling your own life; to "help" you in a myriad ways. Now the centralized state, especially in its socialist form, promises the same thing.

It has an appeal. What the dictator and the modern state fail to point out, however, is that along with their taking over responsibility for you, there is also a prescription for how you must behave. But it does not stop there. It is not only one's behavior which is prescribed but also one's creativity. The victims become art, music, prose and writing, individual ingenuity whether it be for practical invention or new concepts of man's relationship to man, man's relationship to society, or man's relationship to his environment. Other victims are freedom of religion, of travel, of residence and work. And as resistance grows, the jails and concentration camps begin to fill. In fact, what dies are those very elements that give rise to human progress.

We see the onset of that dull grey level of mediocrity—a constancy common to all mature socialist societies. Most of us know this but it is useful to remind ourselves as we become enticed by the good intentions of the state as it seeks to act on our behalf and for our own good. Thus I believe we have, as yet, another task for our Third Century, not merely to philosophize about liberty but to take some practical steps to ensure its enhancement. As one example, we need substantial revisions, if not dramatic changes, in our economic system. To stimulate your imagination I suggest to you that one objective in our Third Century might be to make every American a capitalist—a concept compatible with the thrust of our Founding Fathers.

We should strive for as widespread ownership as possible of the American means of productivity. For example, rather than deleting inheritance as a few of my Senate colleagues have proposed, I would like to see every American inherit a stake in our productivity as his birthright—and be encouraged politically and culturally to make that stake bigger. Many of you will say this is a romantic notion. But, is it? Is this not a worthy goal for our Third Century? Is it not attainable?

If we cut the publicized Federal Budget in half, let alone the hidden Federal expenses such as that of the regulatory agencies, we could endow every American child born in 1976 at birth with at least Seventy-five Hundred Dollars of stock in America's productivity. By the time that child was sixty years of age, at seven and one-half per cent compounded interest, the sum would have grown to Four Hundred Eighty Thousand Dollars. This would be one way to supplant the Social Security Administration. This is the kind of equality that I would embrace.

But I am not an economist and perhaps my notion is unworkable for other reasons. I do, however, challenge you to review the dreary nonsense the economists have served up (and which is usually wrong) and instead ask for the probing of some new ideas. Perhaps my idea is loose but it is an idea. Just as the Homestead Act of 1862 led to an enormous burst of agricultural and related productivity so now do we need its contemporary equivalent but this time geared to a technological society. Shall we call it "The Cybernation Act of 1976?" Do I ask too much from your imaginative minds?

Along with new ideas there must, however, be the affirmation of some old ones. For example, regardless of how productive a new system became or how much we automated our production methods, there would be a continuing need for hard work by the majority of us. Many people, however, would prefer not to work and that is the case right now. I believe, however, the right not to work to be an American's right. But for most of us, the work ethic would be critical to us physically and vital to our Nation materially as regards our continuing productivity. It should, as it was in the past, be part of our cultural mores to exalt work and to further reward those that accomplish as opposed to those who do not.

We also need to re-affirm the worthiness of thrift and saving. How outmoded those words seem today and how sad. But even the Chinese Communists have learned that it is only by thrift, saving and subsequent investment that any productive system can be maintained, let alone improved. But the state now says to we Americans, "Not so.—And if it is so, you do not have to do it.—We shall." It is a horrible lie. That productivity arises from thrift, saving and subsequent investment by people is a law of nature and again we must re-affirm our dedication to these principles. So, I challenge America for new ideas and concepts as we re-affirm old ones.

And now for my fourth and last proposal for our Third Century—for that century when the United States can achieve its true greatness. We are people of the Constitution. To sanctify new ideas, we need constitutional reforms—reforms which solidify the concepts in precise language. The primary objective of these reforms should have two complementary parts. The first is to optimize individual liberty and the second is like unto it—to limit government. Let me again offer a practical example of what I mean by limited government.

I have visited the British Crown Colony of Hong Kong many times. I now offer you a theory of modern government which has arisen through watching the practical realities of this remarkable Hong Kong venture. Here is a tiny sliver of land, not much larger than the area of my City of Phoenix. It is without any natural resources, inhabited by more than four million Chinese and governed by a tiny handful of British civil servants. The population of Hong Kong has risen from six hundred thousand to its present four million in less than twenty years. Yet through incredible energy the Colony boasts one of the highest standards of living in Asia and if the Communist agitators from across their borders would leave them alone, a remarkable stability.

The governing British are largely responsible for Hong Kong's success. They practice limited government. The government keeps the traffic regulated, the drains unblocked, the streets clean and the police honest. Beyond that, the dynamics of Hong Kong belong to the Chinese. Thus untrammelled, the Chinese went to work. They practised thrift, they saved, they invested and then they worked harder. They handled their social problems through family and community. This is why Hong Kong has succeeded despite having every disadvantage possible piled against it. And the key was "limited government." Now many of you will say, "But today's society is so complex that limited government, your Hong Kong syndrome, simply will not work."

I challenge this assumption. Please define these complications that hinder limited government. If you do, you will find that the very complexities said to hinder limited government have, mostly, been created by that very government. I think today's situation to be the opposite of that commonly perceived. It is my view that the modern state with its intense inter-communication can, if its people are responsible and capable, be the first state in history to function with limited government. For the first time I believe Adam Smith's laissez faire has a chance to work. Smith's laissez faire has never really been tried under favorable conditions. Eighteenth Century England was a mercantile empire where trade and foreign trade had to be co-joined by government. The basic reason for this was that there was little inter-communication between people except by those possessed of the sailing ships, that is the state.

Then in Nineteenth Century England came the full intensity of the change over from agriculture to intensive technology, a situation where laissez faire was probably not the best policy. Laissez faire, and a limited government has never been tried in a modern state. Instead it has been the state that has used modern systems to enhance its power when in my opinion these very same systems should have been available to the individual to enhance his individual creativeness. Again, I ask you to exercise your imaginative minds. This is still one great privilege we have in America. We are not strictured by an ideology and, as yet, the state is afraid to prevent us from thinking.

Much of what I have given you tonight is simplistic and undeveloped. I recognize this but offer you these thoughts not to give you a blueprint but to stimulate and challenge. It will take all our efforts to turn America around—to control the politicians; to stimulate new views in education; to stimulate new concepts in economics as we reaffirm some old ones and to solidify these new creative urges in America, especially the limitation of government by constitutional amendment. Much of what I have suggested tonight is complex but it is not nearly so complex as politicians and bureaucrats have made it appear. We can do it all and more—if we have a mind to. We have slipped badly towards centralized statism but not so far that we cannot pull ourselves out.

And what an exciting prospect this all is—for every American. I feel privileged to be able to stand here and challenge you about our future because I know we can do it—and more. Now is the time to "summon the blood" and move our Country on to greatness—to set an example that the world will stand in awe of and to lay the basis for a future American role in the world that by example will surely preserve freedom and dignity for all human beings. I know of no other way and through no other country whereby this can be done. Here is our future and here is the basis for effective foreign policy.

DEFENSE OF S. 1281—HOME MORTGAGE DISCLOSURE ACT

Mr. PROXMIRE. Mr. President, the Wall Street Journal of September 16 ran a very misleading editorial on S. 1281, the Home Mortgage Disclosure Act, which was recently passed by this body. The Journal is one of my favorite newspapers, but this time it has missed the mark.

The editorial on redlining rehashes the stale argument that requiring lenders to disclose where loans are being made is either a disguised form of credit allocation or else the first step toward credit allocation.

I have always been against any scheme of bureaucratic allocation of credit, in which some official in Washington would be required to approve this loan and reject that one. But nobody is proposing this—least of all in S. 1281.

The Home Mortgage Disclosure Act simply recognizes what the Wall Street Journal and many of the lenders have forgotten—that lending institutions are chartered by the Government and given certain privileges in order that they may serve an area. Service means loan service as well as deposit service. But the Journal apparently thinks that there is nothing wrong when an institution arbitrarily denies loans to its own community.

S. 1281 does not tell institutions where to make loans. But it does give the community the right to see where its money is going. The Journal scoffs at the "touching" notion that depositors care about whether local lenders are harming or helping the community. All depositors may not be as hardheaded as the Journal editorialist, who only cares that the bank makes the highest possible profit. In fact, many depositors do care about what the bank is doing to the community, and we have seen many citizens' groups launch "green lining" drives in which lenders who give a fair break to the community at the loan window are rewarded with the community's deposits. This is hardly credit allocation. More nearly, it is old-fashioned consumer power in the marketplace, which the Journal always seems to endorse in the abstract, but less so when vested interests are concerned.

Finally, the Journal repeats the tired cliche that the poor banks are being made scapegoats for other causes of urban decline. But why does there have to be only one cause? Certainly, there are multiple causes of urban decay; however, the arbitrary prejudice of some lenders against existing houses, older neighborhoods, minority applicants, or all three, is undoubtedly one such cause. The Senate Banking Committee has persuasive evidence that it is not only "declining" neighborhoods that are redlined. We find that lenders shy away from stable middle-class areas such as Oak Park, Ill., because the homes are several decades old, and because some minorities have moved in or may do so in the future.

S. 1281 is a marketplace alternative to credit allocation. It is discouraging to see the Wall Street Journal reject this sensible approach, when to defect on S. 1281 would only intensify pressures for a more rigid approach.

A BALANCED FEDERAL BUDGET

Mr. TALMADGE. Mr. President, I testified yesterday before the Subcommittee on Constitutional Amendments in support of S. 93, my proposed amendment to require a balanced Federal budget, except in cases of national emergency declared by Congress.

In my testimony I discuss the devastating effect of multibillion-dollar deficits year after year since the end of World War II, and I noted that deficit spending and rampant inflation have gained momentum in particular the past 10 years.

There appeared in yesterday's edition of the Wall Street Journal an excellent analytical article on the problem, which also traced the Federal budget record back to 1965. The article dramatically illustrates the enormous extent of deficit spending over the past 10 years, and its effect on consumer prices. This is a matter of utmost importance to the future of the United States. Creeping inflation of the kind we have experienced for the past decade cannot be tolerated without risking hyperinflation which results in economic catastrophe, foments social unrest, which has caused many a government to fall throughout the course of history.

In short, the line must be drawn. The only way I know to bring spending back under control is to impose a constitutional prohibition against Congress spending money we do not have.

At this point in time, we have an option to do something about deficit Federal spending and to stabilize the American economy. If we continue on our present course for many more years, we may no longer have a choice in the matter.

I bring the Wall Street Journal article to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REVIEW OF CURRENT TRENDS IN BUSINESS AND FINANCE

The high cost of living. This seems to be the prime area of discontent at this stage of recession-and-recovery. It is the economic theme foremost in the minds of the citizenry up and down the land everywhere. And it is the worry of economists who fret that inflation isn't dying fast enough. So, since it is a subject invariably discussed with far more heat than understanding, maybe it is time for another effort at putting the high cost of living in perspective.

How did it get here? How high is it really in relation to American incomes? What are the chances of its going away?

There are many things that put up individual prices—Arabs vastly lifting the cost of oil, Russians buying grain. But the one primal force that puts all prices up in general inflation is the spending by the national government of more money than it takes in. This forces the banking system to pour out a flood of new money, new buying power, to cover the deficits. And it has become a habit in this country.

The table below traces the federal budget record back to 1965. "Surplus" means more money coming in than going out. "Deficit" denotes a bigger outgo. The figures cover fiscal years. Add six ciphers to each, making them represent billions of dollars.

Surpluses and Deficits

Year:	*Surplus*	*Deficit*
1965	------	$1,600
1966	------	3,800
1967	------	8,700
1968	------	25,200
1969	$3,200	------
1970	------	2,800
1971	------	23,000
1972	------	23,200
1973	------	14,300
1974	------	3,500
1975	------	44,200
1976	------	59,900

The deficits of half a dozen years alone in the above table add up to nearly $190 billion. It's a lot of money. The nation's entire gross national product wasn't much more than that as recently as just after World War II.

Pumping excessive buying power into the economy spreads a lot of happiness for awhile of course. As it filters out through the country, it puts more money into the pockets of the people. It fattens paychecks, inflates bank accounts. And the record shows clearly how vastly this has occurred.

The table below traces Commerce Department figures on per-capita disposable personal income in this country. The per-capita factor adjusts for population growth and the "disposable" means after taxes.

Consumer Spending Power

Year:	*Per-Cap. Disp. Pers. Income*
1965	$2,436
1966	2,604
1967	2,749
1968	2,945
1969	3,130
1970	3,376
1971	3,605
1972	3,843
1973	4,295
1974	4,623
1975 (2nd Q annual rate)	5,055

What the table adds up to:

Per-Cap Disp. Income: Up 107 percent, or more than doubled in a decade.

A very large factor in pushing up personal income in recent years has been the rapid growth of multiple paychecks feeding family coffers. This shows up in high employment of both adult women and teenagers of both sexes.

There are 10 million more adult women employed today than as recently as 1960—a jump of more than 50 percent. There are three million more teenagers at work—a gain of over 70 percent. These gains compare with a gain of only about 15 percent for adult men.

And, finally, such "transfer payments" as Social Security, welfare, and unemployment benefits now add nearly $180 billion yearly, over four times the 1965 total, to aggregate personal.

This, then, is the income side of the inflation coin, the buying power side, the side you never hear much about. Now how does it compare with the climb in prices?

Here is the record on both wholesale and consumer prices ("cost of living") as seen in Labor Department indices (1967=100).

The Price Climb Record

Year:	*Wholesale Prices*	*Consumer Prices*
1965	96.6	94.5
1966	99.8	97.2
1967	100.0	100.0
1968	102.5	104.2
1969	106.5	109.8
1970	110.4	116.3
1971	113.9	121.3
1972	119.1	125.3
1973	134.7	133.1
1974	160.1	147.7
1975 (Aug.)	176.7	162.8

The decade's record here is:
Wholesale Prices: Up 83%.
Consumer Prices: Up 72%.

The comparison between incomes and prices, of course, does not pretend to show that everybody's income has outrun the cost of living in the past decade. Not all individual incomes have doubled. Some have gained painfully little. The working man whose wife does not bring home a paycheck obviously has it rougher than the one who heads a two-paycheck family.

Millions of retired people with incomes remaining practically unchanged have suffered terribly in the vast upsurge in the cost of almost everything.

Still, unless the figures are all wrong, there is a tremendous amount of money sloshing around out there in the aggregate consumer pocket. In view of its magnitude, which goes almost unnoted in all inflation talk, present prices are hardly surprising. It may be wondered that they are not higher.

The outlook: Anybody who expects the cost of living to come down is just dreaming. The best that can be hoped for is a slowdown in the rise. And that's just a hope.

—JOHN O'RILEY.

1975 STATEMENT OF POLICY AND RESOLUTIONS—AIR FORCE ASSOCIATION

Mr. GOLDWATER. Mr. President, the Air Force Association held its annual meeting in Washington last week and during the course of their many discussions on subjects of vital interest to the defense of our country and our position in the world, a number of resolutions were drawn up and formally approved by the members assembled. The Air Force Association is only one of a number of groups made up of men and women who have served their Nation in peace and in war in the various branches of our services and I am sure that members of these other groups at their gatherings will be taking similar positions on what this country is doing, should not be doing, or should be doing better.

I ask unanimous consent that these decisions reached by the Air Force Association be printed in the RECORD.

There being no objection, the policy and resolutions were ordered to be printed in the RECORD, as follows:

1975 Statement of Policy, Air Force Association

Détente, according to the Administration, means moderate and restrained behavior by both superpowers; to quote the President, détente is "not a license to fish in troubled waters."

The Soviet Union obviously is using a different dictionary.

The three years since SALT I provide no evidence that the Soviets have restrained either their arms buildup or their political warfare abroad in most critical areas. They are eagerly fishing, and often in waters that they themselves have previously troubled.

In place of the Kremlin's quid pro quo from SALT and the Vladivostok accord, we find a virtual quid pro zero—in favor of the USSR. Soviet military power, already vast, is being force-fed at a rate far greater than concerns for self-defense or even deterrence can possibly warrant. In the most crucial area of strategic capability, Soviet power is surging toward broad and decisive superiority through rapid deployment of new and increasingly destructive weapons, underwritten by a military research and development program at a scale without precedent in history. Indeed, the Kremlin has exploited détente as a mask for accelerating its military Research and Development (R&D) effort beyond the growth rates that preceded détente.

It is ironic that the Soviets have been able to accomplish this without outright violations of the letter of SALT terms.

Arms negotiations create their own irreversible momentum.

In the case of SALT I, this momentum created ambiguities permitting the Soviet Union to increase by three or four times the throw weight of a single category of missiles—the SS–11 and its replacement, the SS–19. This ambiguity alone will enable the USSR to add to its strategic inventory an aggregate throw weight several times that of all U.S. ICBMs combined.

Additionally, the Soviets are working to utilize reloading techniques as a way to increase the number of their ICBMs beyond permitted, verifiable limits. On the basis of some current assessments, as many as 600 new missiles—SS–17s and SS–18s—may become available to the USSR through reloading, over and above the limits set by SALT.

Meanwhile, the Soviets are attempting to conceal, far beyond any reasonable limits, their work on the new, solid-fueled SSX–16 ICBM that can be deployed in fixed silos as well as in a ground-mobile mode.

Because of these and other Soviet actions, the 140,000 members of the Air Force Association urge the Administration to demand the elimination of such ambiguities as a nonnegotiable prerequisite of any current and future arms limitation negotiations.

We oppose any treaties or accords with the USSR designed primarily to sustain détente as an end in itself and not supported by demonstrated Soviet willingness to respond in kind to U.S. concessions. We believe that both negotiating parties must agree to clear and legally binding and enforceable commitments to essential equivalence if any degree of military stability is to be obtained through mutual arms limitation. This principle applies to the pending Nuclear Threshold Treaty, as well as to SALT.

The members of this Association support the goal of military stability through mutual arms limitations, that meet the principle of essential equivalence, while recognizing the dissimilar characteristics of the two parties. Soviet leaders have stated, over and over again, that they will exploit every opportunity afforded under arms limitations agreements and there is ample evidence that they are pursuing that intention.

The United States, in pursuit of further reductions in arms levels and expenditures, has at the same time exhibited restraint with the hope that the Soviets would do likewise. Such has not been the case—in fact, precisely the opposite has occurred.

In this context, the members of this Association see specific and crucial requirements arising out of the current and projected state of U.S. defense capabilities.

The President should request and the Congress approve a supplemental budget authorization, to become effective immediately should the SALT talks break down, an authorization large enough to make up for the destabilizing Soviet lead in strategic arms development and deployment.

But if SALT achieves mutually acceptable arms limits, the Department of Defense must undertake all essential steps to assure that qualitative parity within SALT ceilings is maintained over the long term.

In either case, the modest annual real growth rates proposed in the Defense Department's current five-year budget request must be met, or increased as necessary to maintain essential equivalency.

At the same time, the Air Force Association earnestly urges the Congress to reject proposed legislation that would subject virtually all Defense Department research and development projects to veto by the Arms Control and Disarmament Agency. To enact such a law would risk further damage to valid national security considerations in a euphoric, uncritical and imprudent pursuit of détente.

We deem it vital for the United States to initiate without further delay full engineering development of a prototype of the large throw-weight MX ICBM.

Because of the long lead time for MX, ten years from prototype initiation to full-scale production and deployment, commitments to improve the existing ICBM force must be made now. Higher yield warheads and improved guidance systems must be deployed, not merely developed. There is an overriding requirement to keep the Minuteman production line open, thus retaining the option to deploy an advanced variant of Minuteman III, up to the levels of the Vladivostok Understandings. Additional Minuteman IIIs and advanced variants carrying more than three warheads represent by far the most cost-effective and rapid means for upgrading U.S. strategic deterrence. Advanced technology makes it possible to increase the number of warheads significantly without reducing the ability to destroy hardened military targets.

We urge these actions in light of recent developments in the Soviet Union.

Three new ICBMs are now in the Soviet operational inventory. Each has greater throw weight and can carry more warheads than Minuteman III.

Soviet missile accuracy has improved to the point where there is evidence of terminally guided reentry vehicles.

The new Soviet SS–18 missile recently flew with a new, smaller warhead in the sub-megaton range, indicating improved accuracy which would permit using smaller warheads against hardened targets. This advantage translates into even higher numbers of MIRV's per missile and is compounded by the intolerable throw-weight advantage the Soviets now enjoy.

Countervailing the Soviet lead in missile numbers and throw weight is USAF's strategic bomber force. The production and deployment of the Air Force's new strategic bomber, the B–1, therefore becomes more urgent than ever before. Here, too, the USSR is busily altering the status quo. Some fifty Backfires, the most modern operational heavy bombers anywhere in the world, are currently in the Soviet inventory. The monthly production rate of Backfire is being increased from two to five. We endorse the Defense Department's recognition of the need to modernize and improve U.S. air defenses, particularly as the Backfire threat increases, and we believe that the time to begin is now.

This Association's deep concern with U.S. strategic deterrence as the principal guarantor of our national security and survival in no way diminishes our concern for the U.S. general purpose forces. The world is a less stable place under strategic parity than it was during the era of U.S. superiority; the offset must come from the conventional capabilities of the U.S. and its allies.

The first requirement here is to increase USAF's tactical combat forces to compensate for the Soviet and Warsaw Pact forces' numerical and technical superiority in armor and other ground forces. The minimum requirement is for twenty-six active and ten Reserve and Guard tactical fighter wings. The continued effectiveness of these forces will depend on the speedy introduction into service of the new tactical systems currently in development or planned.

A principal deficiency lies in U.S. defenses against chemical and biological warfare. This must be corrected. The number of Soviet troops trained in such warfare is twelve to fifteen times greater than that of this nation. Soviet tanks and armored vehicles incorporate sophisticated protection against chemical and biological weapons and there is evidence that the Soviet short-range surface-to-surface missile forces are equipped to fire chemical and biological warheads.

The ability to deliver rapidly U.S. tactical airpower and ground forces to conflict areas abroad is crucial as the global presence of U.S. forces is reduced and as NATO's southern flank is in jeopardy. Existing airlift capabilities can and should be greatly enhanced, to include adapting a wide body jet to an advanced tanker cargo aircraft, developing an advanced medium STOL tactical airlifter, expanding and modifying the Civil Reserve Air Fleet, and modifying both the C–5 and C–141.

At the heart of U.S. national security must be the sustained will of 214 million Americans to act as the champions of freedom and peace in the world. Last year this Association called for a public debate of the issues of strategic balance. That need is even greater now and so is the requirement for candor about the threat that is facing us. We support the Administration's pledge that "peace is crucial but freedom must come first." We look now for specific evidence that the pledge will be fulfilled.

New Policy Resolutions, 1975—Air Force Association

AFA POLICY RESOLUTION NO. 1: ICBM FORCE

Whereas, the SALT I Interim agreement and the 1974 Vladivostok accord in effect limit the United States to fewer silo-based ICBMs with less throw weight than the Soviet Union; and

Whereas, the Soviet interpretation and implementation of SALT places no significant constraints on the size and qualitative characteristics of its ICBMs; and

Whereas, the Soviet Union is engaged in an unprecedented and massive research and development program to improve its ICBM force; and

Whereas, the USSR has already tested four new ICBMs since SALT I and deployed three of them in quantity; and

Whereas, three of the new Soviet ICBMs have been tested with multiple independently targetable reentry vehicles (MIRVs) exhibiting improved accuracy; and

Whereas, it is paramount that the fixed silo-based ICBMs permitted the United States by treaty be made highly survivable and effective as a key element of flexible deterrence;

Now, therefore, be it *resolved* that the Air Force Association urges the Department of Defense, the Administration, and the Congress to implement Air Force programs to equip the land-based ICBM force with advanced guidance systems and higher yield warheads, to retain the option of deploying additional numbers of Minuteman III missiles by keeping the production line open, to authorize development and deployment of a variant of Minuteman III with more than three MIRV warheads, and to initiate development of the MX missile, a large follow-on ICBM with the option of flexible basing to replace Minuteman in the next decade.

AFA POLICY RESOLUTION NO. 2; AIRLIFT AND REFUELING

Whereas, the need for adequate, immediately available tactical and strategic airlift, supported by aerial refueling, is mounting because of geopolitical developments and declining numbers of foreign bases available to the US; and

Whereas, one of the most urgent requirements of the US general purpose forces is an increase in total strategic airlift capacity to permit the rapid deployment of ground troop reinforcements to Europe during the initial phase of a potential NATO-Warsaw Pact conflict; and

Whereas, under many conditions the absence of "stepping stone" bases will require that the tanker force supporting the deployment of airlift or tactical air units operate from the ZI; and

Whereas, the Air Force's airlift enhancement program calls for a number of vital actions—to improve the Civil Reserve Air Fleet program to provide aerial refueling and capabilities for the C–141 and C–5, to modify the C–141 and C–5, and to develop a wide-body Advanced Tanker/Cargo Aircraft, among others; and

Whereas, the Air Force has developed competitive prototypes of an Advanced Medium STOL Transport (AMST) to demonstrate new tactical airlift capabilities; and

Whereas, AMST's ability to land outsize military equipment in short, unprepared landing zones will improve the Army's combat effectiveness; and

Whereas, AMST can augment significantly the total strategic airlift capability;

Now, therefore, be it *resolved* that the Air Force Association urges the Congress to authorize and appropriate the funds required to assure that sufficient modern tactical and strategic airlift and refueling capability will be available to meet future military contingencies.

AFA POLICY RESOLUTION NO. 3: TURKISH ARMS EMBARGO

Whereas, the US arms embargo against Turkey has jeopardized the crucial southern flank of NATO, thereby weakening the West's conventional deterrent and increasing the risk of global nuclear war; and

Whereas, US military and intelligence bases in Turkey are irreplaceable and essential for the verification of present and future arms limitation and reduction accords, are crucial to the US early warning system, and are prerequisites for timely assessments of Soviet advances in strategic and tactical weaponry; and

Whereas, Turkey's military strength, in itself, is a major and potentially decisive element of NATO power;

Now, therefore, be it *Resolved* that the Air Force Association urges the Congress to reverse its stand on the arms embargo against Turkey in the interests of world security and peace.

AFA POLICY RESOLUTION NO. 4: INTELLIGENCE

Whereas, the speed and destructiveness of modern nuclear weapons, the intrinsic ability of the Soviet closed system to achieve military and technological surprise, and the enforcement of the terms of SALT require that US intelligence capabilities be second to none; and

Whereas, errors in judgment by a few individuals have resulted in the denigration of the many dedicated professionals who serve in the intelligence operations of the Armed Forces and other national intelligence agencies; and

Whereas, it is essential that intelligence, along with other national security functions, be subject to overview, control, and discipline by the Congress; and

Whereas, recent public Congressional hearings involving US intelligence activities have resulted in detailed disclosures of specific operations and techniques; and

Whereas, such public disclosures of vital secrets to our adversaries abroad are highly disturbing to our allies, compromise our intelligence sources, and have a demoralizing effect on the men and women who serve US intelligence;

Now, therefore, be it *Resolved* that the Air Force Association urges the Congress to exercise full control of its constitutional authority over the U.S. intelligence community but through appropriate and lawful procedures and in a manner that precludes the revelation of vital secrets to foreign powers; and

Be it further *Resolved* that the Air Force Association recommends that the Congress in its review of U.S. intelligence functions preserve the stature and capabilities of the military intelligence agencies to assure complete and balanced intelligence assessments.

AFA POLICY RESOLUTION NO. 5: HELSINKI CONFERENCE

Whereas, the United States and thirty-four other nations, at the European Security Conference in August of this year at Helsinki, Finland, sanctioned the Soviet military conquest of Eastern Europe and the subjugation of some 150 million people, by accepting the "inviolability" of the currently existing frontiers; and

Whereas, the Helsinki Conference's Declaration of Principles contains the signatories' pledge of nonintervention and the commitment to sovereign equality and territorial integrity but fails to provide for renunciation of the Soviet Union's Brezhnev Doctrine; and

Whereas, the Brezhnev Doctrine, first invoked at the time of the Czechoslovakian uprising in 1968, asserts the right of the Soviet Union to invade by military force the sovereign territory of its Warsaw Pact allies to assure Soviet hegemony over all satellite countries; and

Whereas, the Helsinki Conference perpetuates the myth of détente by trading off real concessions by the Free World for ambiguous promises by the Soviet Union; and

Whereas, Soviet interference in the internal affairs of Portugal, a key member of NATO, increased immediately upon the signing of the Helsinki Declaration;

Now, therefore, be it *Resolved* that the Air Force Association urges the Administration to insist on unambiguous Soviet adherence to the principles set forth by the Helsinki Declaration, including formal renunciation of the Brezhnev Doctrine; and

Be it further *Resolved* that if the Soviet Union fails to take the above actions, the United States could cancel the concessions it made at the Helsinki Conference.

AFA POLICY RESOLUTION NO. 6: ELECTRONIC WARFARE—EF–111A

Whereas, future tactical capabilities of the Air Force can be significantly improved through an advanced tactical electronic warfare system, the EF–111A, to provide electronic warfare jamming support to tactical air forces; and

Whereas, the use of support electronic countermeasures has already proved essential to the execution of tactical air missions and has saved lives and aircraft in recent tactical operations; and

Whereas, future improvements in enemy command and control nets will require improved jamming capabilities to protect tactical air forces from high losses resulting from early detection and targeting; and

Whereas, future self-protection systems for tactical aircraft are not expected to provide sufficient protection from increasing threats without the support of the EF–111A Tactical Support Jamming System;

Now, therefore, be it *Resolved* that the Air Force Association urges the Congress and the Department of Defense to support fully the expeditious development and procurement of the EF–111A tactical jamming system, through appropriate modification of existing F–111A aircraft inventories.

AFA POLICY RESOLUTION NO. 7: TACTICAL TRAINING RANGES

Whereas, continuing advances in enemy doctrine, in concepts of employment, and in the technology base lead to a steep increase in the sophistication and complexity of threats to U.S. tactical air warfare capabilities; and

Whereas, realistic tactical ranges, duplicating these threats, provide a vital arena in which to develop tactics and conduct training to counter current and future threats; and

Whereas, the diverse requirements of modern aerial warfare dictate the need for realistic ranges to train tactical aircrews, to conduct test and evaluation of new weapon systems in a combat-like environment, and to assure that maximum training benefits are realized from each training sortie; and

Whereas, there is a paramount need for improved equipment as well as additional land and air space in order to develop adequate ranges;

Now, therefore, be it *Resolved* that the Air Force Association urges the Congress and the Department of Defense to support fully the Air Force's tactical range improvement and development programs.

Be it further *Resolved* that the Air Force Association urges the Department of Defense and the Air Force to intensify, and accelerate educational efforts directed at the civil aviation community to explain this vital national security requirement.

AFA POLICY RESOLUTION NO. 8: WILD WEASEL AND HARM

Whereas, the Soviet Union has developed large numbers of radar-directed antiaircraft artillery and SAM systems that pose formidable threats to US tactical air forces; and

Whereas, current Wild Weasel forces that combat these threats are aging, thereby creating a requirement for an improved system based on the latest state of the electronic art; and

Whereas, there is an equally pressing need for an improved high-speed antiradiation missile (HARM) to supplement existing missiles of this type;

Now, therefore, be it *Resolved* that the Air Force Association urges the Congress and the Department of Defense to support the required procurement of advanced F–4G Wild Weasel systems and the continued development and procurement in sufficient numbers of the HARM high-speed antiradiation missile to enable the Air Force to effectively counter the radar threat.

AFA POLICY RESOLUTION NO. 9: HELICOPTERS

Whereas, the vertical takeoff and landing capability of the Air Force has made possible such varied operations as more than 2,600 combat rescues in Southeast Asia, the raid on the Son Tay prison camp outside Hanoi, the successful evacuation of Cambodia and South Vietnam, and on-base aircrash rescue; and

Whereas, the Air Force helicopter inventory has decreased to the point where now there remains less than half of the air rescue helicopters that the stated requirement calls for, with no new procurement authorized;

Now, therefore, be it *Resolved* that the Air Force Association urges the Administration and the Congress to support the Air Force in maintaining a strong air rescue helicopter force through replacement of those aircraft lost from the force structure through attrition.

AFA POLICY RESOLUTION NO. 10: LOW-COST TRAINER

Whereas, the energy crisis and budget constraints resulted in a sharp reduction in Air Force flying hours and flight training, thus leading to new approaches in pilot training; and

Whereas, the new training procedures are based on a judicious mix of simulator training, flight training in a low-cost trainer, and limited operation of actual mission aircraft; and

Whereas, the proficiency of USAF flight crews requires an irreducible minimum of actual flying to provide experience under stress, such as night and weather flying; and

Whereas, in the present austere environment adequate flight training is only possible with a low-cost trainer of high fuel economy;

Now, therefore, be it *Resolved* that the Air Force Association urges the Department of Defense to support the development and procurement of a new flight trainer of adequate performance and low acquisition and operating costs to assure the continued high proficiency of USAF flight crews.

SENATOR CHURCH

Mr. BIDEN. Mr. President, on September 21—last Sunday—Parade magazine carried a cover story on our colleague, Senator Frank Church. This article was given nationwide circulation.

I found the article an accurate portrait of a man who can only be described as a leader, and I commend it to any of my colleagues who missed it.

To that end, Mr. President, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Senator Frank Church

Sen. Frank Church, Democrat of Idaho, would like to be elected President of the United States next year. So, too, would a dozen other Democrats, declared and undeclared.

At 51, however, Church seems more qualified than most. He is honest, intelligent, semi-charismatic, personable, but most important, experienced.

A boy wonder of sorts, he was elected to the U.S. Senate in 1956, at age 32, the youngest Senator in the 85th Congress and then the fifth youngest in the history of the Senate.

Frank Church is into his fourth term, the first Democratic Senator from Idaho to be so honored, and he ranks 13th in seniority, which means he has power, prestige and precedence.

Soon he will become a nationwide TV celebrity as chairman of the U.S. Senate Select Committee on Intelligence. Intermittently the committee, with its revelations of questionable and illegal behavior by the CIA and FBI, has made headlines and prime time. But open TV hearings à la Watergate are scheduled to get underway any day now if they haven't already. And possibly TV will do for Frank Church what it did for Sen. Sam Ervin of North Carolina. It will boom him into a household name, a political celebrity, a widely known personality.

UNAFFORDABLE EXPOSURE

In an overcrowded field of Democratic Presidential candidates, the TV exposure, which under ordinary circumstances he would never be able to afford, will undoubtedly set Church aside from the pack. It may very well launch the "Church-for-President" campaign.

"I've thought about the Presidency," Church frankly admits. "Which one of us in the Senate has not? But I'm now engaged in an investigation that I can't mix with Presidential politics. So I've deferred any serious consideration of running for the Presidency until that investigation is completed."

When will Church and his committee finish running the members of the intelligence community through their filter?

"November may bring us to the close of public hearings," he estimates. "And possibly by February we will complete the reports and recommendations."

"And by then," adds his wife, Bethine, "it may be too late."

The tall, boyish-looking, full-cheeked Senator nods his black-haired head. "It depends on a lot of variables," he explains. "I think by February we might have a baker's dozen of announced Presidential candidates. If none of them has developed sufficient momentum to separate themselves from the pack, it might still be possible for a latecomer like myself to enter the race.

"Much depends on financing," he points out. "A late entrant would be handicapped in getting together the necessary funds in a very short time. Clearly he couldn't enter the first primary [New Hampshire in February]. He'd have to organize a campaign and collect money for the later primaries."

Church suggests that if he decides to run, "I would have to select a few of the later primaries in the East and the West, which would be fairly representational so that if I did well in those, I could then come to the convention, albeit with many fewer votes, but with a case to be made that I entered representational primaries late in the campaign and demonstrated a strong national potential."

POLITICAL FAMILY

Senator Church's wife is one of the most politically knowledgeable of all Congressional wives. Her father, the late Federal Judge Chase A. Clark, was Governor of Idaho; her uncle was also a governor; her cousin, the late Worth Clark, served as a U.S. Senator. Says Mrs. Church: "Frank is not thinking about the Presidency, he is concentrating on the intelligence investigation and his other committee hearings. Ever since his bout with cancer, he's become pretty much of a fatalist. When he was 24 the doctors gave him about six months to live."

Frank Forrester Church was born in Boise, Idaho, on July 25th, 1924, into the conservative Republican family of Frank and Laura Church, who owned a sporting goods store.

When young Church was in Boise High School he won first prize in the American Legion's National Americanism Oratorical Contest. It won him a $4000 scholarship to any college of his choice.

In 1942 he chose Stanford University at Palo Alto, Cal., then after one term quit at 18 to enlist as a private in the U.S. Army. He was sent as an officer candidate to Ft. Benning and later shipped overseas to the CBI (China-Burma-India) theater as a military intelligence officer. After the war Church returned to Stanford where he made Phi Beta Kappa, earned his B.A., then married Jean Bethine Clark, and decided to enter Harvard Law School.

MEDICAL DISORDER

At Harvard he came down with excruciating back pains. "At first," says his wife, "we thought it was the climate or that Frank was studying too hard. The pain kept getting worse, and the doctors couldn't diagnose it. We decided to go back to Stanford where it was warmer, and Frank could study at Stanford Law."

But life in Palo Alto did nothing to relieve the back pain. Finally the doctors found the cause: cancer of the testicles and abdomen. They operated and discovered that the cancer had spread to the lymph nodes. They pronounced it incurable, predicting death within six months.

"They were wrong," Church says happily. "There was a Dr. Wood in San Francisco. At that time he was one of the leading authorities in cancer at the Stanford Medical School. When he looked at the pathology report, the biopsy analysis, he said that what I had was a very rare type of cancer, frequently confused with incurable malignancy, but that in fact it was a type of cancer which was highly responsive to X-ray treatment.

DR. WOOD'S TREATMENT

"Dr. Wood insisted that I be given the full course of X-ray treatment, and in the end that saved my life."

Says Mrs. Church: "It was truly a miracle. There he was 6 feet tall and down to a little more than 80 pounds. The X-rays burned into him, turning him increasingly nauseous. It was almost unbearable. I read to him aloud during the treatments trying to divert his mind, trying to beat the nausea, trying for him to hold on. He did, yes, he did, and he beat it."

Trim, athletic, in good health, Church says, "Whenever I go out to Walter Reed or the National Institutes of Health for my yearly physical, they tell me I'm lucky to be alive. I tell them I'm lucky to have had Bethine. It was her determination which pulled me through."

Like most men who have cheated death, Frank Church believes passionately in the nowness of life. "Right now," he declares, "what I want most is to do a creditable job in this present intelligence investigation that I'm heading, because I think that's perhaps the most important service I can render in my whole career in the Senate."

CIA MURDER PLOTS

Of all the sins and crimes the CIA has been accused of, Church says, "The most shocking is that the agency was involved in murder plots and murder attempts directed against foreign governments with which we were not at war. These particular attempts were directed against small countries whose leaders could never have been a real threat to the United States.

"I think that when the committee makes its report, it will be clear that in these cases there was no possible justification, no urgent national interest that had to be protected.

"We must make certain in the future that assassination never again becomes an instrument of American foreign policy."

Church believes that it was a suggested instrument during four administrations—Eisenhower's, Kennedy's, Johnson's, and Nixon's—and that "there is evidence which tends to show that the CIA may have been behaving like a rogue elephant on a rampage.

"I am not in favor of abolishing the agency," he states, "but it needs to be restructured. The laws governing the agency need to be more strictly drawn. The control of the agency needs to be tightened. One thing that is clear from the present investigation is that in each of the administrations, from Kennedy's through Nixon's, there has been such looseness of control over the agency that it's always been possible for the agency itself to construe its authority more broadly than those concerned have intended.

"I think that in the future we will have to be more careful that the President, through his policy makers, has stricter control over the agency. Also it may be possible to establish a joint committee along the lines of the Joint Committee on Atomic Energy, as long as we make certain that the committee is fully empowered to deal with intelligence agencies.

"By that I mean it must have the authority to determine the money they should have. It must have full authority to know at all times what is happening, to know the full scope of covert actions. It must be advised in advance or concurrently of decisions that are made in this field so that the committee can make sure that the agency is living within the law."

Church is unsure whether the CIA should or should not partake in covert operations. "As regards covert activities," he says, "I think the agency is probably most proud of the support it gave to the constituting of democratic governments in Western Europe in the period following World War II. Now that kind of covert activity at least conforms to our traditional values. I'm not speaking of the methods that are used. I'm speaking of the objectives. The worst example of covert CIA activity that I can think of was our intervention in Chile where we undertook to depose a government that had been lawfully elected by the Chileans.

"What we've come to call covert operations has relatively little to do with collecting intelligence. They are clandestine efforts to maneuver things, to control events abroad.

"If we were to put the CIA back exclusively in the business of operating an intelligence agency and confine it to gathering the information we need for our own defense and to conduct an informed foreign policy, we would find, and the agency itself would today admit, that 95 per cent or 98 per cent of the information that is gathered comes from either overt sources or through the technical facilities that are available to the agency. The old cloak-and-dagger work which is connected romantically with the espionage methods of the past accounts for precious little."

According to the Senator, the intelligence agencies obtain the least amount of information from undercover agents in Communist countries.

A REAL JOB TO DO

"I have no objections whatever," he maintains, "to the utilization of whatever means there are at our disposal to collect essential information about foreign governments and their intentions and capabilities. That's intelligence work. I think most of it will come from our technical capabilities, but even if clandestine operations are necessary, I have no objection to them if they are confined to that purpose. But when it comes to manipulating events abroad through covert actions, then the first thing you must realize is that it's not intelligence. That is a method of concealed interference in the affairs of others in order to manipulate them."

Church also heads the subcommittee investigating multinational corporations such as International Telephone and Telegraph (which offered the CIA a million dollars to interfere in Chile), Exxon, Northrop, and Lockheed which for years have regularly been bribing government officials overseas. "What you have got," he explains, "is the American intelligence community and the American big-business community taking part in the internal affairs of foreign countries. We would not tolerate it if it were done to us. That's the double standard we live with all the time."

PUBLICIZING A MENACE

What Church hopes to do in the weeks to come in his open televised hearings is "to demonstrate the dangers that are implicit in the spreading use of illegal methods of surveillance, improper mail openings, and various other ways of spying on the American people.

"I suppose," he offers, "that George Orwell would have called it Big Brother government in this country. The sad truth is that the methods first adopted by law enforcement and intelligence agencies like the FBI and CIA have spread to other departments of the government. And if this isn't exposed and checked, then it could continue to grow into the beginnings of a police state in this country.

"I want to dramatize the dangers so that there will be sufficient public support for the changes in the law that must come to prevent this from spreading further.

"George Williams, one of the much beloved professors of theology at Harvard Divinity School, said to me one time something that I have always remembered, 'Choose your enemy very carefully, for you will grow to be more like him.' After World War II the Soviet Union became our perceived enemy and we undertook to contest with the Russians everything in the world.

"OUR OWN WORST ENEMY"

"To justify emulating their methods we said we had to treat fire with fire. And in the process, of course, we've become more like them. In a free society that can go only so far. We become our own worst enemy if we bring down a free society in the very name of defending it."

The Senator, having been a schoolboy orator, is, of course, a loquacious man. He has been accused of being overserious, a Boy Scout, too sincere, self-righteous, and a goody-goody who's intoxicated with the sound of his own voice.

When Church became one of the first Senators to oppose the Vietnamese war, an angry Lyndon Johnson began referring to him as Frank "Sunday School" Church. Later, apoplectic John Birchers in Idaho called him a "Commie-Symp," tried by petition to remove him from office by charging treason.

Convinced that the President did not have the right to order American troops into combat in Vietnam without Congressional consent, sure in his mind that the American involvement in Vietnam was a tragic mistake, Church refused to be swayed then by well-meaning friends who told him he was committing political suicide. In the end he was proved right.

Although he is pragmatic and willing to compromise—"I've always had the pragmatic view that you ought to legislate, and to legislate you have to remain in the realm of the possible"—Church is recognized by most of his colleagues as a man of integrity.

"Frankly," says one veteran Senator, "I'm not interested in what sort of image Church projects. Some members around here think he'd be better off if he stopped playing Mr. Clean or Mr. Nice Guy or Mr. Orator. I'm not interested in that. What interests me is the kind of work a Senator puts out. Church does good work. He does his homework. He works hard and long. I don't care about his style. I care about his substance. He's got plenty of that. One day he'll wind up succeeding John Sparkman as head of the Foreign Relations Committee, and I predict he'll do as good a job as Bill Fulbright did."

Says another Senator: "Personally I like Church. He's pleasant, intelligent, hard not to like, but if you ask him what time it is, you face the very real danger of getting an answer on the history of watchmaking."

A NEWSMAN'S VIEW

A journalist who's covered Church for years claims the Idaho Senator is "suspect because he never denounces anyone as a 'stupid son-of-a-bitch,' he doesn't tell off-color stories, he drinks hardly at all, and has a political braintruster in his wife the likes of which few other Senators have. Bethine Church is the ideal campaigner. Whither he goest, she goest, a politically supportive spark plug."

Frank Church is aware of his Boy Scout image and laughs at it. "They keep calling me an Eagle Scout," he says. "The truth is that I never got beyond Boy Scout Second Class."

"They also keep calling him the American Legion orator who uses words pompously," says his wife. "But he's not one bit pompous. I think Frank likes words. I think he's a Jeffersonian-type man. All the time he was in China during the war he wrote letters to me and they began, 'Darling Bethine' and ended with 'Love, Frosty.' In between they contained wonderful accounts of what was actually happening in China at that time. Frank is not pompous, he has the best sense of humor and laughs at himself more than anyone I've ever known.

"Just because he comes through as being very careful and serious on these intelligence hearings doesn't mean he's that way about himself at all."

Church is serious about matters of principle. And he believes that the people's right to privacy and freedom has been violated on occasion by the CIA, the FBI, the IRS, the Post Office, the Secret Service and other government agencies.

"I'm pretty relaxed about most things," he concedes. "But when it comes to the growing insidious danger to freedom in this country, when it comes to Big Brother government prying into every facet of our lives—I'm not relaxed about that. I'm alarmed."

If in that process, the public becomes grateful to Frank Church and catapults him into the top echelon of contenders for the Democratic Presidential nomination—that would not be half-bad. Ford versus Church would provide the nation with a very real ideological choice.

FIRST PUBLIC SPEECH BY JOHN E. ROBSON ON HIS NEW REGULATORY DUTIES

Mr. KENNEDY. Mr. President, the new Chairman of the Civil Aeronautics Board, John E. Robson, recently made his first public speech on his new regulatory duties. Last spring I chaired a lengthy series of hearings on the procedures of the CAB, and I therefore read his remarks with particular interest.

Mr. Robson's speech is notable for an openmindedness that is all too rare among Federal regulators. He forthrightly declares that, "No regulatory policy is entitled to the privilege of immortality. And the Board, above all, should not be immobilized because of nostalgia, timidity, or institutional resistance." I strongly concur. Such sentiments signal a most welcome thaw in the CAB policies of the past which have frozen out all new competitors and prevented any real price competition.

In his speech, Mr. Robson goes on to call for more studies and experiments and asks "that we urgently turn our intellects and energies to finding some answers." While I applaud this willingness to reexamine old solutions, I do not believe that we can overlook the fact that a great deal of study and thought has already been devoted to the issues of airline regulation.

In 1956 the House Judiciary Committee collected more than 3,000 pages of testimony and issued a comprehensive report of more than 300 pages which advocated "competition to the maximum extent practicable." This congressional study led directly to two major CAB investigations in the areas of fares and interairline cooperation, but, unfortunately, these investigations did not result in any significant Board actions to enhance competition in the airline industry.

The wisdom of the House committee report, however, was confirmed and the analysis refined in several scholarly studies of Federal regulation beginning with Professor Caves' excellent book in 1962. Since 1971, the Council of Economic Advisers has urged more competition among the airlines. Last July a special study by the CAB's own staff again reviewed all the arguments and again proposed essentially free competition. The Subcommittee on Administrative Practice and Procedure will shortly issue its comprehensive report which will detail the unfairness and inefficiencies brought on by excessive regulation.

Meanwhile, for 25 years the citizens of California have been able to choose between the CAB regulated carriers and intrastate airlines which offer more frequent flights at fares 25 to 50 percent lower than the CAB approved fares. Most have chosen to avoid the inefficiencies and frills induced by the CAB. In the last few years, exactly the same sort of "experiment" has been tried in Texas, and precisely the same results have occurred.

Mr. President, at some point the cries for "More proof" must end. Our Nation was not built by timid men. If the pilgrims had waited for every contingency to be investigated and every conceivable harm to be disapproved before they set sail, I suspect many citizens of Massachusetts would still be gathered on the dock in England waiting for the results of yet another experimental colony.

After listening to extensive hearings, I am convinced that the airline industry is ready to begin a new era, one in which fares and service are determined by healthy competition for the public's business rather than legal maneuvering before the CAB. I applaud the whole tone of Chairman Robson's speech which is very positive and forward looking. I want to commend him and to recommend this speech to my colleagues, and I therefore ask unanimous consent that it be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Remarks of John E. Robson, Chairman of the Civil Aeronautics Board

The story goes that Benjamin Franklin was once asked to define the form of government of the new nation he helped found. "A Republic", Franklin replied, "if we can keep it!"

Were I asked what kind of commercial aviation system America has enjoyed, I would answer, "a superb one". But I would also echo Ben Franklin by adding—"if we can keep it".

Even the most vocal and unyielding critics of the aviation industry and its regulatory framework—and they abound—would not disagree with my premise for today's remarks: it is, that this nation needs a dynamic, robust, and publicly responsive commercial air transportation system.

But I come today neither to praise nor bury the critics.

I come in a singularly troubled and turbulent hour for the aviation community: when a pernicious inflation, soaring fuel costs and a sagging economy have eroded the financial health of many carriers and threaten the existence of some; and when an often strident argument concerning the future of regulation swirls about the regulators and the regulated—challenging the premises of the past and the promises of the future.

The Civil Aeronautics Board is deeply concerned about the immediate difficulties confronting the aviation community. We know that fuel and other costs have risen and that traffic has been depressed. We know that abrupt domestic oil price decontrol and OPEC price increases would present special difficulties. They are problems which require action. The Board and all elements of the aviation community may not always share identical views as to the means for meeting these current problems.

But they are problems that command our urgent attention and will receive our energetic and objective efforts to implement actions that are effective, fair, reasonable and in the public interest.

An anecdote tells of the man who encountered a disconsolate friend and inquired as to the reason for his gloom. Upon being informed that the friend's wife had run off with another man just that morning, he tried to comfort him by remarking on his friend's youth and comeliness and assuring him that he would soon find a new spouse. "I know," declared the despairing friend, "but what will I do tonight?"

It is necessary and natural in times of turmoil and uncertainty to address the problems of the minute—to worry in the immediate tense. The responsibilities of my office require that I do so. And I do.

But, without at all intending to put aside the importance and necessity of dealing with aviation's most pressing problems of the moment, I ask your indulgence this afternoon to reach somewhat beyond—and to consider with me the question of how we can best assure for the longer term a healthy, responsive commercial air transport system—adequate to cope with the demands of a new economic era.

For it is my judgment that we have entered a new economic era, one characterized by a combination of economic forces which appears to make it qualitatively distinct from the past.

Previously we have had to contend with one or another of these forces only sporadically. But it appears now that these conditions will persist in significant degree into the indefinite future. Each of these factors affects the whole of the economic realm. But each also has its special impact upon the aviation community—by which I mean all classes of carriers, the manufacturers and suppliers, labor, financial institutions, airport operators, the travel business, the traveler, and those elements of the public sector with aviation responsibilities.

What are these factors?

First, there is inflation. We have, of course, faced inflation before. But the events of the past few years at home and the experiences of other industrialized nations suggest that, over the long term, America will be compelled to coexist with a persistent inflation at an average annual rate much higher than was ever considered likely.

Second, there is energy. I cannot predict what will emerge from the meanderings of Congress and the Administration or the machinations of the OPEC cartel. But few disagree that, for the long term, we can expect energy costs which will make historical prices look like giveaways.

Third, there is uncertainty as to the future extent, sources and mechanisms of capital formation and supply. Will there be adequate sources of capital? Will new financing devices be required? What will be the priorities among competing demands? And where will the aviation industry stand in a fierce competition for capital?

Fourth, there is the embedded and increasing cost of consumer and environmental protection. The consumer and environmental movements have matured from their crusade-like beginnings, and are now embodied in laws and regulations which touch virtually every aspect of economic endeavor. Aviation has already felt the impact.

Fifth, there are questions whether the U.S. will maintain, at least on as broad a front as in the past, the pace of technological advance which has historically made American innovation and productivity formidable weapons in the battle to maintain domestic economic growth and to compete abroad. While we have not had the prescience to forecast exactly where and when significant technical progress will appear, we have had some meaningful indications which point to communications, energy, agriculture, and perhaps medicine, as the most likely fields for important technological gains. Many now doubt whether the past pattern of "great leaps forward" in technology and productivity in aviation will be sustained in the future—a matter of special concern since this has allowed us to defer confrontation with some deep-rooted problems, such as those in the labor-management area.

Sixth, there is the emergence of a considerably more interdependent world economy. We now feel the impact of international economic events—events which are heavily imbued with world political considerations—with a velocity and intensity never before experienced. This adds new dimensions of complexity and volatility to economic and business planning for both the public and private sectors.

These observations are not discoveries of mine. Others have much more expertly made and analyzed them. It seems dubious, though, that these economic forces are readily amenable to effective control. And there is a dramatic significance in their combined impact and apparent permanence.

If that thesis is correct, we not only face a qualitatively different economic future, but we are as powerless to turn back the clock as King Canute was powerless to command the ocean to recede. I should emphasize, however, it is not an economic future that is necessarily bleak. It is simply different.

The implications for the aviation community are pervasive and profound. For this combination of economic factors will influence traffic growth, costs, productivity, financing, marketing, operations, the choices for equipment and facilities, relationships with labor and customers, and the actions of government.

And in the face of a future economic environment which differs markedly from the past, I am impelled to some further observations.

Admittedly, it is comfortable for all of us to dwell in the familiar. And it is tempting, like some wrinkled actress past her prime, to bathe in the happier circumstances of days past.

Whatever superlatives may be legitimately accorded the aviation regulatory policies conceived and developed under other economic conditions, one must ask whether those policies will serve the aviation community and the country to cope successfully over the long term with the realities of a different economic environment.

Will present regulatory policies foster rational fuel consumption?

Will they produce an adequate return on investment and assure access at reasonable cost to the capital necessary to finance equipment, facilities and other corporate needs?

Will they stimulate traffic growth through reasonable passenger fares and cargo rates, options in types of service, and broadening economic access to air transport for travelers and shippers?

Will they maximize technological innovation and productivity gains?

Will they adequately protect legitimate consumer interests?

Will they assure wide geographic access to air travel and the maintenance of a system which meets the needs of business and leisure travelers and shippers, including the maintenance of an adequate and reliable system of scheduled flights?

Will they insure this nation's effective and equitable participation in international air transport?

And will those policies enable management to plan and adequately control their business affairs, provide the capacity to respond to the inevitable peaks and valleys of economic life, and offer an opportunity for creativity?

If present regulatory policies will not, what regulatory policies will?

It would seem a stark imperative that we urgently turn our intellects and energies to finding some answers.

But we will not find answers to these complex issues by simply defending the past. We will not find answers in mere speculation as to the consequences of regulatory change. We will not find answers if we are too timid to experiment so that we may better know the facts and consequences of theories untested in this unique industry. And we will not find answers if we fear to ask questions.

The price of ignorance is too high. For that reason I value the current debate over the future of aviation regulatory policy. And, without ignoring the necessity of dealing with today's most pressing problems, I intend to participate in it. It will not always be a pleasant debate. Hopefully, it will stimulate the aviation community to a serious self-examination and help overcome our sometimes narcotic complacence with the familiar and the comfortable. It should encourage the testing of regulatory precepts against the demands of a future and different economic environment. It should impel us to experiment with new concepts. If it does these things, it will prove to have been a most worthwhile debate.

It is this process of analysis, testing of regulatory policies and experimentation to which I hope to devote much of my own thought and energies. I will do so not because I yearn to join those who so loudly criticize what has been done in the past. I will do so because I am convinced that it is essential to the future. In order to insure that America will maintain a vital and responsive commercial air transport system, we should probe, illuminate and evaluate regulatory alternatives—and adopt such changes as we become persuaded are sound and will help contend with the problems to be faced.

I believe the Civil Aeronautics Board should and can perform a constructive role in this process.

The Board can act as a catalyst and provide a forum to examine regulatory issues. However, the aviation community must realize that, while the Board has obligations to think for itself and think with you, it cannot think for you.

The Board can provide the laboratory in which to experiment with different regulatory concepts and stimulate innovation. In doing so, it can help expand the empirical data essential to reach sound decisions and illuminate techniques of desired change. As you are aware, the Board has recently decided to try a new charter concept. It has also proposed a line of suggested deregulatory experimentation. But I should observe that it is of little consequence whether the precise form of experimentation outlined in that or any other proposal of the Board is implemented. What is important is that experimentation go forward.

The Board can, and it will, modernize its procedures to maximize our own capacity to be responsive and flexible in the face of changing conditions.

Finally, the Board can maintain a responsible and objective sense of self-examination. No regulatory policy is entitled to the privilege of immortality. And the Board, above all, should not be immobilized because of nostalgia, timidity or institutional resistance. I do not believe that it will be.

During periods of widespread public dissatisfaction with government, politics, economic conditions, and the general states of affairs, there is a tendency to condemn the old and grasp for the new simply because it is new—a cult of change—what one British critic has called "neophilia". I am satisfied that I have reached the observations I make today free of that affliction. Indeed, I reject the concept of change only for the sake of change. Nor do I think it responsible, as some have advocated, to abruptly demolish the entire regulatory structure. I am willing to undertake some responsible remodeling of the structure—but not with a wrecking ball.

I have a deep conviction that a strong, publicly responsive and privately owned commercial air transport system is an essential asset to American life. And in cases where we become persuaded that changes in the regulatory framework or regulatory policy are necessary to maintain or improve that asset, we must have the guts and the good sense to make those changes—and the imagination and sensitivity to develop a responsible means of transition.

Hopefully, within the next several months, some of the most pressing and immediate problems which now threaten the aviation community will abate. Nothing would please me more. But I doubt that even this happy circumstance would alter the views I have expressed about long term changes which are occurring in the economic environment, or my conviction that a vital air transport system depends on equipping ourselves to grapple with that changed environment.

I say this with optimism and a firm confidence that the aviation community will, as it has in the past, respond creatively and forcefully to meet the future.

BRIMMER CALLS FOR MORE EXPANSIONARY MONETARY POLICY

Mr. HUMPHREY. Mr. President, I call attention to an excellent New York Times' article by Andrew Brimmer, professor of economics at Harvard and former governor of the Federal Reserve.

Mr. Brimmer shares the concern of many esteemed economists that without more stimulative fiscal and monetary policies we will not experience a strong, sustained recovery. He feels it will be necessary for the Federal Reserve to increase the supply of money at an annual growth rate of 8 percent in order to satisfactorily increase production and decrease the level of unemployment.

As Dr. Brimmer stresses, the inflation we will experience this year will not be due to excess demand or excessive pressure of wage costs on prices, but will be due to increases in food prices and the administration's energy policy of decontrol and a $2 import tariff. Thus, restrictive monetary and fiscal policies will not only exacerbate unemployment, but will be ineffective in dealing with inflation as well.

Mr. President, I feel that Mr. Brimmer's insights and recommendations deserve serious consideration. Therefore, I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INFLATION—IT'S NOT THE REAL PROBLEM

(By Andrew F. Brimmer)

The pace of inflation is the United States has accelerated in the last month, which has produced new cries of alarm throughout the land. The reaction, however, is both premature and grossly overdrawn.

In June, the Consumer Price Index rose by eight-tenths of 1 percent on a seasonally, adjusted basis. This represented an annual rate of advance of 9.6 percent—double the increase in May and the highest rate recorded this year. In July, the Wholesale Price Index rose by 1.2 percent—equivalent to a yearly climb of 14.4 percent and the second-largest monthly advance of 1975.

Although fairly large increases in both indexes had been widely expected, they still created general dismay and induced Federal Government officials to issue new warnings about the dangers of rekindling double-digit inflation.

It can be readily agreed that inflation remains a problem in this country. But it is also necessary to put the matter in perspective: The quickened pace of inflation and the somewhat lessened chances of making further progress in checking the general price rise over the next year or so are due almost entirely to exports of grain to the Soviet Union and, more important, the determination of the Ford Administration to press ahead with efforts to reduce American dependence on imported oil.

Without the large grain shipments and the impact of higher oil prices, the overall rate of inflation in the United States might have been in the 4.5 to 5.5 per cent range over the next 15 to 18 months versus the 6 to 7 per cent that now seems in prospect.

It is vital that this point be understood by the public. It is even more important that Federal policymakers, including those in the Federal Reserve System, understand it—and thus avoid pursuing economic policies which can do little to check the anticipated rise in food and fuel prices but which can further retard the already sluggish recovery from the worst recession we have had since 1937.

Over the next year or so, there is no chance whatsoever that excess demand would rekindle double-digit inflation in the United States. Expressed differently, the type of inflation that results from "too much money chasing too few goods" can be ruled out between now and the middle of 1977.

The reasons are clear. The slow pace of recovery, which virtually every observer agrees is now in prospect means that most businesses will be struggling with an extremely large backlog of unused capacity in the face of very weak demand for output.

For example in the second quarter of this year, production amounted to only 66 per cent of capacity in manufacturing, compared with 83 per cent during the peak of activity in the final quarter of 1973. According to econometric projections made by Data Resources, Inc., capacity utilization rate may not exceed 75 per cent for as far out as 1977. Moreover, even in primary processing industries, which encountered serious bottlenecks in 1973, the continued expansion of facilities and the moderate growth of demand will provide a sizeable margin of unused capacity over the next two years.

Under those circumstances, business will find it difficult to post and sustain large price increases, despite the pressure on profit margins. Consider the situation in the steel industry in which a scheduled increase of more than 9 per cent on certain products was canceled by two smaller companies when the industry leader announced an increase of less than 4 per cent.

The persistent weakness in labor markets, typified by the high level of unemployment—which may still be around 7.5 per cent at the end of next year—will continue to dampen wage inflation. For example, average hourly earnings, adjusted for overtime and industry mix, rose at an annual rate of 6.7 per cent in the second quarter compared with 8 per cent in 1974 as a whole and 8.3 per cent in the first quarter of this year.

Again, according to the Data Resources forecast, the increase in earnings may remain below 7 per cent through the first quarter of 1976 and may climb to 7.75 per cent only in the last quarter of next year.

And the adverse effects of wage inflation on unit labor costs and the general price level will be reduced appreciably by significant gains in productivity as the economy recovers.

Given the slow recovery, excess capacity, high unemployment and the easing of pressure on unit labor costs, the over-all rate of inflation, measured by consumer prices, may recede to just under 6 per cent by the end of this year, average 6.1 per cent in 1976 and 5.9 per cent in 1977. In 1974, the rise was 11 per cent.

The Wholesale Price Index, which rose by 18.8 per cent last year, may be rising at an annual rate of 5.3 percent in the fourth quarter of this year, then hit more than 7 per cent in 1977.

So, while the projected rate of inflation remains high, the pace is considerably below that registered a year ago. Furthermore, perhaps as much as one percentage point of the inflation forecast by Data Resources can be classed as Government-induced, through the plan to promote higher domestic energy prices

Behind the consumer price rise in June was a particularly sharp increase of 1.9 per cent in food prices. This represented a seasonally adjusted annual rate of 22.8 per cent. In both 1973 and 1974, food prices rose by about 14 per cent.

But ample harvests still seem to be in prospect here and abroad, including the Soviet Union, and domestic inflation in food prices should be limited to about 7 per cent in the second half of 1975—and within the 5 to 6 per cent range in 1976 and 1977.

A great deal has been said and written about the likely impact of grain exports on consumer prices, much of it, grossly distorted. There is at present no reason at all to expect a simple repetition of the unhappy results of the large grain shipments of 1972–73. In that period, the Soviet Union reportedly imported about 20.5 million metric tons of grains from worldwide sources, just under 75 per cent of which came from the United States.

This time, the Russians have bought about 14 million tons of wheat and other grains so far, with indications that they may attempt to buy abroad as much as 22 million tons during the 1975–76 season. Of this, perhaps 68 per cent would come from the United States.

In 1972, the Russians bought wheat in the United States for an average of $1.62 a bushel, but the 1975 sales so far have been contracted at an average price of about $3.64. In 1972, the gap between worldwide and subsidized United States prices was quite large. Today, there is little or no differential. Between early June, when the Soviet purchases were first rumored, and early August, wheat prices rose by about 30 per cent to $3.80 a bushel. Over the same period corn rose by 20 per cent and soybeans by 25 per cent.

We should appreciate that the main motivation behind the Soviet Union's demands on the world grain markets seems to be to provide feed to sustain a greatly expanded livestock industry and that there has been only a marginal shortfall in its own production. For example, the United States Department of Agriculture is currently anticipating a 1975 Soviet grain harvest of about 185 million metric tons. While this is a scaling down from the 210 million tons expected earlier, it is still quite close to the near record level of 187 million tons produced in 1970.

And, it should be noted, the Secretary of Agriculture has asked United States grain traders not to negotiate any new contracts with the Soviet Union until late September, when a better feeling for the actual harvest can be obtained.

On balance, then, given good crops and expert management of export policy, the grain sales to the Russians should have a relatively slight impact on food prices.

The most important obstacle to continued progress in checking inflation is the Ford Administration's energy policy—the keystone of which is a strong drive to reduce dependence on the foreign sources that provide about 35 per cent of our oil and petroleum products.

The precise content of the Administration's energy policy is still evolving in the face of strong Congressional opposition. However, the main elements are known. The President wants to deregulate "old" $5.25-a-barrel domestic oil (that produced from wells brought in during 1972 or earlier). For "new" oil, an initial price ceiling of $11.50 a barrel would be set to rise subsequently by 5 cents a month until all controls were eliminated.

The Administration recognizes that the price rises would have an adverse impact on the economy because of a sizable withdrawal of consumer purchasing power. To offset this, it is proposing tax reductions, mainly for middle-income and low-income persons. To finance the transfers, a windfall-profits tax would be imposed on producers and a tax of $2 a barrel would be applied against crude oil.

If the control of old domestic oil were to expire on schedule on Aug. 31, the shock to an already-weak economy would be extremely severe. The exact dimensions of the effect cannot be estimated, but one can get a rough idea of the consequences of pursuing the gradual deregulation approach.

Data Resources, which assumed a ceiling price of $13.50 a barrel for all oil—old, new and imported—and a decontrol period of 30 months, found that old oil alone, decontrolled at the rate of 3.3 per cent a month, would impose an added direct cost of $15-billion on the economy in two and a half years—an amount equal to eight-tenths of 1 per cent of G.N.P.

Indirect costs would also accrue as the higher prices of petroleum products filtered through the grid of industrial production.

In summary, the President's energy program—if it becomes law—would add about three-tenths of 1 per cent to the rate of inflation in 1976 measured by Consumer Price Index and another eight-tenths of 1 per cent in 1977. But the differential on wholesale prices would be far larger because of the greater weight of oil in that index. The inflation rate shown by the W.P.I. might be 1.3 per cent higher in 1976 and 2.5 per cent in 1977.

Aside from the sharp lift to inflation, the energy program would also dampen the rise in output and slow the decline in unemployment. Housing starts and business spending on fixed equipment would be restrained. The impact on the production and sale of automobiles would be especially adverse. Because of the importance of this industry for such a large network of suppliers, the economy-wide dampening effects would be multiplied.

From the foregoing discussion, an important conclusion emerges: The extra boost to inflation which we are likely to experience over the next year or so will have its roots in food prices and the Ford Administration's energy policy. Virtually none of the higher rate can be attributed to excess demand or excessive pressure of wage costs on prices.

Consequently, it would be extremely unwise for the Administration and the Federal Reserve to pursue the kind of restrictive fiscal and monetary policy that would be called for if the economy were running into capacity limitations and thus generating inflation of the traditional, excess-demand variety.

Yet, in mid-June the Federal Reserve began to restrain the provision of bank reserves and pushed up short-term interest rates just as the economy was beginning to pull out of the recession. Its motive, according to Congressional testimony, was to moderate what it believed was an excessive rise in the money stock.

In June, the narrowly defined money stock rose at a seasonally adjusted annual rate of 20 per cent—which mainly reflected the redeposit of income tax rebate checks. In July, there was virtually no growth. Moreover, the demand for bank loans by businesses has been shrinking during most of this year.

The Federal Reserve's last announced growth target for the money supply was a range of 5 to 7.5 per cent from the second quarter of this year through the second quarter of 1976.

No explicit target for interest rates was announced, but it is clear that the system expects some further rise in short-term rates, from the prevailing 6 per cent or so over the months ahead. Such an expectation would be consistent with its announced aim of seeking moderate growth in the monetary aggregates while pressing on in the fight against inflation.

In my view, the Federal Reserve's perception of its near-term task is mistaken and ought to be revised. Over the next year at least it should promote the growth of money and credit availability at a rate sufficient to assure a vigorous recovery and some further reduction in unemployment. I would urge an annual growth of 8 to 10 per cent in the money stock with associated easier credit conditions and lower interest rates. At this juncture, both short-term and long-term interest rates are too high, and a resumption of the interrupted down-trend should be encouraged. Otherwise, the restoration of corporate liquidity and the much-needed funding of short-term debt cannot occur.

If the economy remains on the sluggish course it is currently traveling, corporate profits after taxes (stripped of inflation) may still be in the neighborhood of $49-billion in 1977—an amount not even matching the $50-billion recorded in 1973. Under those conditions, the corporate sector could not finance the spending on fixed investment which will clearly be needed if we are to provide jobs for our expanding labor force in the years ahead.

The stimulus to economic activity can be undertaken safely, without any major risk of rekindling double-digit inflation.

SOVIET NAVY

Mr. TAFT. Mr. President, the July issue of the United States Naval Institute Proceedings contained one of the best statements I have seen on the current balance between the United States and the Soviet Navies. I ask unanimous consent that this article, "The Trend in Naval Power: A Crisis of Resolve" by Norman L. Stone be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. TAFT. Mr. President, there are

several points in this excellent article which I would particularly call to my colleagues' attention. It is noted that we commonly believe that we are far ahead of the Soviet Union in defense technology. As I have warned in the past, this is not necessarily true. Out of 167 major technology areas, in 1973 the United States had a major lead in 26 and the Soviets in 28, while 55 were about even. If one couples general Soviet quantitative superiority in with approaching Soviet technical parity, the prospect is frightening.

In the categories of quantity of naval forces, ship speed, propulsion technology, antiship missiles, and command and control the Soviets may or clearly do lead us. In such areas as submarine technology and aircraft deployed at sea, the Soviets are catching up to us.

I would finally note the author's observation that—

> It is by no means clear that the planned U.S. program—coupled with rising costs—permit us to narrow the gap within the nearly constant Navy budget. Little in the past five years leads one to the conclusion that normal steps will solve the problem . . . if the trend is to be reversed, we are simply going to have to do all we have been doing and allocate still more resources. In short we are going to have to spend more on the Navy.

I believe there may be a great deal of truth in that observation. It is something we in the Congress have a responsibility to think about. It is our task to develop the resources, or transfer resources from other elements of the defense budget, that may be needed to meet the Soviet naval challenge.

EXHIBIT 1

THE TREND IN NAVAL POWER: A CRISIS OF RESOLVE

(By Norman L. Stone)

At a recent Navy-industry symposium nearly all the speakers were career officers, mostly captains and admirals. For the first time in my 20-year association with the Navy, I detected an undercurrent of gloom. Each officer spoke to his subject with what he probably believed was optimism and enthusiasm. They talked of new U.S. plans and accomplishments. But, as each speaker compared our accomplishments and plans with those of the Soviets in similar areas, he also told of the narrowing gap between our technology and capabilities and theirs. Speaker after speaker had that point of view. Several spoke of our "catching up" with what the Soviet have already accomplished.

The same sense of pessimism was evident in the remarks of Admiral Elmo R. Zumwalt, Jr., in his valedictory as Chief of Naval Operations. Admiral Zumwalt warned:

". . . because of drastic reductions in naval forces and personnel, our Navy has reached a point where it no longer can, with certainty, guarantee free use of the ocean lifelines to U.S. and allied forces in the face of a new, powerful, and growing Soviet fleet."

Admiral Zumwalt's words seem to be an acknowledgement of a situation that Admiral of the Fleet of the Soviet Union Sergei Gorshkov predicted some years ago when he said, "Sooner or later the United States will have to understand that it no longer has mastery of the seas."

Let us review where we are, how we got there, and what might be done about it. The following are illustration of the trend in seven selected areas:

Defense Technology. Every year at budget hearing time, Navy and Department of Defense officials present a comparative picture of U.S. and Soviet relative strength in armed forces and related technology. During one such presentation in 1973, the Director of Defense Research and Engineering, Dr. Malcolm Currie, listed 167 comparative technology areas. In 26 of these the United States had a major lead; in 11 the U.S.S.R. had a major lead. The United States had some lead in 47 and the Soviets in 28. The remaining 55 were about equal. This compared with previous years when the United States had overwhelming technological superiority. The situation has worsened since 1973.

In 1972 there were 640,000 working engineers and scientists in the U.S.S.R., compared to 560,000 in the United States. The Soviets now have a 2:1 advantage in the number of engineers and scientists graduating annually.

This country has dismantled large parts of its research and development and its engineering development capability. One result is the declining engineering and science enrollment in U.S. colleges and universities.

Quantity of Naval Forces (1975): The following table tells the story:

	U.S.	U.S.S.R.
Manpower (estimated)	540,000	475,000
Active ships	502	* 2,000
New construction (1962–72)	263	911
Submarines	116	250

* About 1,200 of these are small coastal escorts, missile patrol boats, and mine warfare ships.

Ship speed: The average "modern" U.S. destroyer or frigate can make 31 knots. The Soviets have been building 36-knot destroyers since before 1957. Examples are the Kildin and SAM Kotlin-class destroyers.

Propulsion technology: The Soviets have one cruiser class (Kara) and two classes of gas turbine-powered guided-missile destroyers in being, the Krivak and Kashin. The first Kashins were completed in 1962. Our first DD-size class equipped with gas turbine propulsion is the *Spruance* (DD–963).

Antiship missiles: As a result of the 1967 sinking of the Israeli destroyer *Elath*, nearly every citizen knows that the Soviets have developed an effective antiship cruise missile. It was deployed years earlier. The missiles that sank the *Elath* were hand-me-downs given to Egypt. The Soviets keep the latest and best for themselves. Their cruise missile designs are maturing through second and third generation and are a cause of major concern in our Navy.

In 1971 the U.S. antiship missile, now evolving as Harpoon, began development. Surface-launched Harpoon has yet to be deployed. Encapsulated Harpoon for launch from submarines is still farther away.

Command and control: The Soviets have an elaborate, secure, real-time, worldwide naval command-and-control network in operation. The Navy Tactical Data System (NTDS) is installed in key U.S. ships, but we are only now beginning to plan and widely introduce secure fleet command-and-control links with sufficient real-time capability for tactical voice.

Submarine technology: This area where the United States once held an overpowering lead—particularly in nuclear propulsion and submarine-launched ballistic missiles—is changing rapidly. Not only have the Soviets now exceeded our nuclear construction (110 submarines to 105 for the United States), but they have launched the new Delta-class strategic SSBN carrying the SS–N–8 missile with a 4,200-mile range that surpasses the range of anything we have. According to Jane's Fighting Ships, the Soviet Delta-class ballistic missile submarines are the largest in the world.

Admittedly, these are selected areas. It is also true that the number of ships in a fleet and tonnage alone are not enough to measure naval power. Capabilities of the fleets must be considered in the light of their missions and their ability to perform them.

The picture is not all bleak. The Soviets are still deficient in antisubmarine warfare and have been weak in logistic support of a blue-water fleet. We have 15 conventional aircraft carriers compared to none for the Soviets. Our naval strike air power has no Soviet sea-based equivalent. The F–14 has no parallel. The Soviets, however, have *Moskva*-class helicopter carriers, which are a beginning. And their new 35–40,000-ton Kiev-class v/STOL carriers are about the displacement of our *Essex* class. The first has been launched, and a second is under construction. Soviets have more than 300 aircraft equipped with antiship missiles in their land-based naval air force. These can be supported by Soviet aviation within range of land bases.

The dependence of the United States on the sea for critical materials is much greater than that of the Soviet Union. The Soviets historically have been a land power. The Soviet-controlled land mass has vast material resources that do not require overseas shipment to reach Russian industry. Interestingly, much of the Soviet internal transport is by water. The U.S.S.R. has a long and elaborate network of inland waterways based on rivers and lakes with canals interlinking them.

The United States must be more than equal in naval power if it is to have adequate security of its sea supply routes. Yet the U.S. Navy has reduced the number of its ships by 49% and aircraft by 23% since 1968. That reduction came about because fleet operating costs had to be reduced in order to remain within the budget while paying for new ships and other weapons.

The time may well be fast coming when the Soviets can put all or most major U.S. surface combatants under direct surveillance and threat. Each ship would be so clearly at immediate peril to missiles that a "limited" U.S. response would not be possible. Such a situation would substantially reduce the "options" that our Secretaries of Defense have been seeking.

What will be the outcome of such trends? Can we reasonably project any final result? The stated reason for our present force reductions is to allow funds for rebuilding and modernization of our fleet. Nevertheless, many believe that our present path cannot reverse the trend.

The Navy has new programs under way that are intended to steadily build up both the numbers and capabilities of naval forces from our present low point. The reductions in ships and manpower were accepted in order to permit these programs. They include the F–14 Tomcat, the S–3A Viking, the *Spruance*-class destroyer, the *Los Angeles*-class (SSN–688) attack submarine, the *Pegasus*-class (PHM–1) patrol combatant missile (hydrofoil), the *Virginia*-class (CGN–38) nuclear cruiser, the *Tarawa*-class (LHA–1) amphibious assault ship, Harpoon, Trident, guided-missile frigate (FFG–7) class, and perhaps a small SSBN. The antiship missile defense program, Vulcan Phlanax, close-in weapon system, Aegis, and design-to-cost electronic warfare programs are intended to help solve the antiship missile and fleet air defense problems.

All were undertaken with the expectation that, once completed, they would put us at least on a par with the Soviets. These are impressive, well-thought-out programs and perhaps would have done the job had not the Soviets started even more ambitious enterprises. It is by no means clear that the planned U.S. programs—coupled with rising costs—permit us to narrow the gap within the nearly constant Navy budget. Little in the past five years leads one to the conclusion that normal steps will solve the problem. We have underestimated Soviet naval intentions and capabilities in the past. Current predictions by some of our leaders show a leveling off in Soviet introduction of new naval weapon systems and new construction. Presumably this leveling off, combined with our present initiatives, will permit us to regain leadership or at least maintain the status quo. The trend of the last five years, however, does not suggest that the Soviets are losing any resolution in their push for naval supremacy. What the Soviets do has a critical effect on our relative strengths. They continue to develop, build, and deploy ships and weapons systems at a rate that by most measures exceeds our future planned rate. Our highest naval leaders consider the training and professionalism of the Soviet Navy to be close to the level of that in our own Navy.

Let us examine two main differences between the Soviet approach to naval power and ours:

Continuity of approach.

Allocation of resources.

The Commander-in-Chief of the Soviet Navy and First Deputy Minister of Defense is Admiral of the Fleet of the Soviet Union Sergei Gorshkov. He is the Soviet equivalent of our CNO and Secretary of the Navy combined. Since 1956 he has rebuilt the Soviet Fleet and revised naval policy so that the Soviets can now project their power anywhere in the world. The Soviet humiliation caused by the U.S. naval blockade during the Cuban Missile Crisis helped accelerate the process.

In contrast to Admiral Gorshkov's career, we have a policy of rotating most of our leaders, no matter how capable, every two to four years. During Admiral Gorshkov's tenure we have had six CNOs and nine Secretaries of the Navy. A notable exception to this rapid turnover at decision-making levels is Admiral H. G. Rickover. Perhaps the notable results he has obtained tell us something. How can we have adequate continuity of direction if we change leaders in less time than it takes to bring any new weapon system or ship much past the planning and early development stages? There is now a move toward longer tenure in office for major weapon system program managers. It is a step in the right direction, but not nearly enough.

One consequence of the rapid changes in direction, not only in the Navy, but in DoD as well, is that different and not necessarily compatible directives and policies have been put forth.

When Robert S. McNamara was Secretary of Defense, "total package procurement," "commonality," and "cost-effectiveness" were watchwords. Results were mixed. Long-term, inflexible, fixed-price contracts in a period of severe inflation were made before proving out the initial hardware. These proved impractical in some well-known cases. For example, the F–111B did not meet the Navy's desired objectives. Thus, the attempt at commonality failed.

Next came a push for "quality" in weapon systems, since we couldn't hope to outdo the Soviets in quantity while maintaining austere budgets. The idea was to "think smart" and thereby cut costs. In some cases we got "quality." The F–14 is an example but at a price of $18.5 million per aircraft. We will probably get "quality" in Trident at $800 million per submarine fully armed. It is not so clear what happened to the 46 *Knox*-class frigates say these 46 ships were clearly inferior to Soviet new construction of similar class (Kashin) before they came off the ways. So "quality" was not obtained at $28 million per ship, and today the equivalent ship would cost much more.

We got the "fly before buy" "milestone" concepts that are still with us. These doubtless reduce waste but do not sufficiently close gaps in naval power. Now the key words are "design to cost." Under this concept, we select in advance a cost that a particular function or weapon system is worth and then design hardware which will cost no more than that. The idea is to reduce capability, if necessary, until the cost goal is met. That method is akin to what a commercial manufacturer must do in pricing his goods for the competitive market.

"Balanced force" means that we will have a mix of a few high-quality systems and ships and a larger number of moderately capable systems. Examples of the high end include the F–14, Trident, and DD–963. The low end would include the new FFG–7 class and the lightweight fighter.

Each administration pushes the approach which seems most promising at the time. Surely greater continuity of leadership could overcome some of the zigs and zags. The possibility exists to achieve superiority in neither quality nor quantity. To some we appear to be following that path now.

Selective development in several critical areas in which we excel or can hope to excel suggests itself as one approach. Germany, a land power waging war against sea powers, twice nearly brought her opponents down through selective excellence in a single area—submarine warfare. Submarine warfare is an area in which the United States still has some technological advantages and suggests itself for even more intensive development.

Let us move to the comparative allocation of resources. The publicly announced Soviet defense budgets do not include research and development and are estimated to leave out about 68% of the true costs. The Soviets piously compare their announced expenditures against ours to prove their peacelike intentions. As of fiscal year 1973 the Soviets were spending an estimated $80 billion on armed forces against our $74 billion. They allocate what is estimated to be 12–20% of their smaller gross national product to defense, compared to our 6%. Of the U.S. fiscal year 1976 proposed defense budget of $104.7 billion, the Navy's share is $34.1 billion. Of that about 47% goes for manpower. The Soviets, with their much lower standard of living and a per capita national income that is one-third of ours, pay only 25% of their defense budget for manpower. That much more is left for ships and weapon systems. Increases in our efficiency do not offset differences that large in fundamental approach.

Our present level of defense spending of more than $100 billion is about 6% of our GNP of $1.6 trillion. Individual income taxes provide about 42% of the federal income and corporate taxes, 14%. An increase in the Navy's proposed fiscal year 1976 budget of $34 billion by $8.5 billion or 25% would average $90 per taxpayer. Such an increase would begin to buy parity with Soviet sea power. Continued annually, it would amount to research and development of five additional major new weapon system programs per year plus new construction and manning of ten more major combatant ships or their equivalent in aircraft per year. This assumes $500 million per R&D program or ship, including an allowance for operations during the life of the ship. It would go a long way toward changing the trend.

If the trend is to be reversed, we are simply going to have to do all we have been doing and allocate still more resources. In short we are going to have to spend more on the Navy. That means convincing DoD, the executive, Congress, and the public that there is a problem and that it *must* be solved.

The United States—with her open society and competitive economy—must obtain agreement from the voter and taxpayer to a much larger degree than the Soviets with their controlled economy. Navy budgets are open to inspection and approval by the Congress and the people who elected them, which is as it should be. Priorities are not decided by a small, relatively continuous ruling group. Every new program that affects the amount of taxes paid or diverts funds from other non-military federal programs must eventually be bought by the public. The budget cycle—including annual approval—contributes to the lack of continuity of direction because DoD cannot depend on funding. Perhaps a two or four-year approval would make more sense.

Another factor must be considered—the principle of inertia. Large objects require a lot of force and time to get them moving. If already moving, they take a lot of force and time to change direction. The U.S. Government budget and our Navy are large objects. They take time to change. Speaking of our chance of maintaining overall qualitative superiority over the Soviets in the submarine area, Admiral Rickover said in 1970, "I think it is too late even now. I think if we work hard we can try to catch up."

A downward trend in naval power is hard to reverse. It takes lead time. Technology does not spring instantly into being. Neither do modern ships. The time to start is now.

That large programs are costly must be faced. Significant programs usually do cost significant money. That our leaders are forced to understate projected probable costs of programs in order to get them approved is wrong. If, as many indications suggest, our present policy of chronic insufficiency will lead to a Navy second to the Russians, we must be prepared to accept the consequences, or the policy must be radically changed. For this change to happen the following must come about.

Naval leaders and others in a position to know the facts must take an even more positive and aggressive stance than is evident. They must present more convincing evidence before the President, DoD, and Congress. The message must be gotten to the American people. Who says Americans won't agree to sacrifices if convinced of the worth of the objective? The significance of present trends and the critical importance of naval power must be brought out more strongly in the media and through other communication routes.

The country with one of the best and highest per capita living standards in the world (and the most to lose) can surely afford the Navy it needs. The public must be convinced of the benefits of increased naval strength and the proper balance of social and economic programs that also compete for funds. If increased taxation or federal budget reallocation is the only solution, it must be instituted.

To the degree controllable by the Navy, we must provide a mechanism for greater continuity of policy and leadership. It is true that CNOs are appointed and that the administrations who appoint them change. But there are also many other policymaking leadership jobs entirely within the control of the Navy where continuity could be maintained as is *not* generally done now.

It is not without reason that one of the most famous and ridiculed phrases in recent history illustrates the futility of negotiating from weakness. Neville Chamberlain's statement after Munich, "There will be peace in our time," heralded a war that resulted in more than 25 million deaths. How often must we relearn what history has taught?

(Note.—A graduate of Lehigh University, Mr. Stone earned a B.S. in Electrical Engineering, and an M.S. in Applied Physics from Adelphi University. He has spent much of his career in association with U.S. Navy development programs. He served with the U.S. Air Force as radar maintenance and communications officer and was General Manager of Ocean Systems Division with Sanders Associates in Nashua, New Hampshire. He is now Director of Reconnaissance and Surveillance, AIL Division of Cutler-Hammer, Deer Park, N.Y.)

LETTER TO CHAIRMAN WILEY

Mr. PROXMIRE. Mr. President, Chairman Richard E. Wiley of the Federal Communications Commission deserves credit for proposals he made public in a speech in New York City last week Tuesday. Because I have been a critic of governmental controls over broadcast programing, particularly in news, I have written Mr. Wiley to congratulate him for the steps he would have the Commission take.

The Chairman said that he would propose liberalization of the FCC's fairness doctrine and of its rulings on the equal time rule. I have introduced legislation, S. 2, to abolish both and to end FCC oversight over programing content. I will continue to press for passage of that bill. Yet, Mr. Wiley's proposals are welcome.

Mr. President, I ask unanimous consent that the text of my letter to Mr. Wiley be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., September 22, 1975.

Hon. RICHARD E. WILEY,
Chairman, Federal Communications Commission, Washington, D.C.

DEAR DICK: Congratulations on your speech to the International Radio and Television Society in New York last week.

Your proposals to ask the FCC to consider an experiment to suspend enforcement of the fairness doctrine in the larger radio markets and to liberalize interpretations of the equal time rule are most welcome.

I must be candid. I believe you are not going far enough. Yet, you deserve credit for speaking publicly and bringing attention to these important issues. The citizens of this country need to know more and hear more about the constitutional questions involved in regulation of electronic journalism. Your suggestions should help to accomplish that.

Any experimental suspension of the fairness doctrine for radio stations in the larger markets carries an inherent restraint on the licensees. The very knowledge that an experiment can or will end would, in my judgment, cause the licensees voluntarily to check the robust exercise of their new freedom. But perhaps a rule could be written in which the FCC would relinquish post-experimental sanctions against programs broadcast during the experiment.

As long as the FCC is in a position to void licenses or fine licensees, there would be a chilling effect despite the experiment.

In your speech you said you "have never seen any persuasive evidence that this requirement (of the fairness doctrine to cover controversial issues of public importance) has had a 'chilling' effect on broadcast journalism . . ." I would point out that the United States Supreme Court has recognized the chilling effect of punitive damages under State libel laws. In *Gertz v. Welch*, the Supreme Court said that ". . . jury discretion to award punitive damages unnecessarily exacerbates the danger of media self-censorship . . ." That is just one example of where the Court has taken upon itself the recognition of a chilling effect.

In *Red Lion*, the Court did not rule out the possibility of a chilling effect resulting from the fairness doctrine. At one point it said ". . . if experience with the administration of these doctrines indicates that they have the net effect of reducing rather than enhancing the volume and quality of coverage, there will be time enough to reconsider the constitutional implications."

One other problem I see with an experiment is that press freedom is of an intellectual and philosophical nature. Press freedom is not an empirical problem. I believe that broadcast journalism is as much a part of the free press as is the printed press. I could cite Supreme Court cases where the two are equated, and I have in floor statements. But you seem to agree to that in the last sentence of your speech.

As for your proposal on the equal time rule, I agree wholeheartedly with what you told Senator Pastore last week, ". . . that the Commission should reverse its prior holding of 10 years ago relative to debates and press conferences by Presidents, Governors, other public officials." Yes, the equal time rule, in absence of abolition, should be liberalized in its coverage of political offices at all levels.

Again, Dick, I believe you deserve a bouquet for your concern for the first amendment. I realize that as Chairman of the FCC you cannot change the law but are required to administer it. Yet, you and your fellow Commissioners do have much power in the interpretation of the law.

I hope your proposals are adopted by the FCC and that the studies begin soon. I will welcome a copy of your Notice of Inquiry when it is issued.

With warmest wishes,
Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

INNOVATIVE CLINICAL TEACHER EDUCATION PROJECT

Mr. STONE. Mr. President, since education has been organized into schools, parents, educators and politicians have been asking:

What should these children be learning?

What skills do teachers need?

And what would be the most effective and efficient means of finding out these answers?

There is special importance in answering these questions as they relate to mildly handicapped exceptional children in public school special education classrooms.

Six years ago a cooperatively funded Federal and State project was begun at Florida State University in Tallahassee to research the problem. Now, 6 years and $750,000 of support has dramatically demonstrated that the clinical teacher can produce 1 to 3 years of academic gains in basic reading and arithmetic skills in mildly handicapped children within 1 school year.

This innovative teacher education approach was recently cited as an "exemplary manpower preparation program for the education of the handicapped" by the U.S. Office of Education.

The clinical teacher model project of Florida State University was supported by the Bureau of Education for the Handicapped as a prototype study under provisions of Public Law 91–230. It was planed as an alternative noncategorical training approach to avoid the traditional labeling practices of special education, and for future incorporation into teacher preparation programs throughout the Nation.

The project focused on the behaviors required of children identified as mildly handicapped, mentally retarded, having learning disabilities, and emotionally disturbed for their success in regular public school classes. To do this, the clinical teacher program designed standards for individualizing instruction necessary to produce these skills. These teaching tools included "observation, diagnosis, intervention, and evaluation, which enabled the clinical teacher to assess each exceptional child, prescribe, and manage a personalized instructional treatment for his or her success in reading and arithmetic."

Planning and design of the prototype curricula was conducted during 1969–71. Field testing, revisions, and evaluation of the training materials was conducted during 1971–74. In a year long follow-up study, these clinical teachers, using materials developed by the project, produced from 1 to 3 years of academic gain in handicapped children. When compared to other special education teachers serving a similar group of children, these results further substantiated the fact that the clinical teachers can greatly increase the amount and rate of academic achievement.

In addition to aiding handicapped children this project offers reinforcement to Federal and State assistance in supporting research and development for improving education. The final report of the project, containing the individualized curriculums and the documentation as to their effectiveness, is being distributed to State educational agencies and to more than 500 colleges and universities.

PROGRESS IN WEAPONS ACQUISITION REFORM: NEW WHITE HOUSE POLICY DIRECTIVE

Mr. CHILES. Mr. President, for some 2 years now, my Government Operations Subcommittee on Federal Spending Practices has been pushing to institute some basic reforms in the Federal Government's major systems acquisition—weapons acquisition in particular.

After an extensive set of hearings during June and July, the executive branch has announced its intention to try to put into effect the 12 reform proposals originally put forward by the Commission on Government Procurement.

I am pleased that the new Office of Federal Procurement Policy, OFPP, which was established by Public Law 93–400 just last year, has stepped forward to take positive action in an area of vital importance to Federal spending and programmatic effectiveness.

I appreciate only too well that the really serious actions have yet to be taken: Actually issuing a strong, waterproofed circular; and gaining effective agency implementation.

But the dates have been set. The tasks have been paid out, and, I believe, some progress is being made. The first Administrator of the OFPP, Mr. Hugh Witt, deserves to be complimented for his steps to date and helped with the more difficult ones ahead.

For the information of my colleagues, I ask unanimous consent to have printed in the RECORD a recent press account of the proposals, and the draft circular now out for Agency comment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Excerpt from Aviation Week & Space Technology, Sept. 15, 1975]

BROAD WEAPONS POLICY SHIFT SET

(By Katherine Johnsen)

WASHINGTON.—Control over the initiation of major weapon system acquisitions would be shifted from the military services to the Office of the Secretary of Defense and Congress under a far-reaching draft policy directive by the Office of Federal Procurement Policy and issued by the White House Office of Management and Budget.

Once the Secretary of Defense determines a requirement for a new weapon system to meet a mission deficiency, and this finding is concurred in by Congress, industry would be challenged to come forth with innovative proposals to meet the mission requirement. There would be no rigid constraints on proposals.

The emphasis, the OFPP draft directive states, shall be "upon generating increased innovation, participation and conceptual competition from industry as opposed to undue reliance upon agency internally developed concepts and/or preliminary designs."

IMPLEMENTATION TIMETABLE

OFPP timetable for implementation of the directive entitled "Major Systems Acquisition," which would become governmentwide policy but is applicable primarily to the Defense Dept., is:

Formal comments from government agencies and industry are due Oct. 31.

The final directive will be published by the end of the year, including changes resulting from the outside comments.

Government agencies will be required to report to OFPP six months later on steps taken to put the directive into effect.

The directive is aimed at meeting widespread complaints in Congress, and by the General Accounting Office, that weapon systems grow for years within the military services without top-level direction by the Secretary of Defense or Congress.

It might be viewed as extending to the front end of the acquisition process the Defense System Acquisition Review Council (DSARC) procedure established by former Deputy Secretary of Defense David Packard in 1969.

DSARC comprises key officials in the Office of Secretary of Defense: director of Defense research and engineering, Defense comptroller, assistant Defense secretary for logistics and assistant Defense secretary for program analysis and evaluation.

The first formal DSARC review of a military service's major weapon system proposal, called DSARC-One, occurs when the service is seeking authority to initiate contract definition. Before this event, the service necessary has spent several years developing the proposal.

"What is needed is a DSARC-Zero," Sen. Lawton Chiles (D.-Fla.) said.

The OFPP directive would accomplish this. Under it, the services would continue to control the course of the basic research and exploratory research programs. These are not oriented toward a mission. But before a program could proceed into advanced development toward a new weapon system, the Secretary of Defense, through DSARC, would be required to make a finding on the question: Is there a requirement for the system to meet a mission deficiency or achieve a mission goal?

The mission need is to be "expressed in mission terms, not equipment terms," the directive states. "A mission need may be the result of an identified deficiency or the result of a technologically feasible opportunity."

If the secretary of Defense establishes the need for a new system, and Congress concurs, there would be a maximum solicitation of industry by the military service for innovative designs to achieve an optimal system. This procedure would mark a significant change in industry's present role of fitting system proposals into molds cast by the military services.

The OFPP directive also calls for "an improved communication with Congress" in accord with the 1974 Budget Control Act. This law requires the Defense Dept. to relate its major hardware systems to military missions, starting with the Fiscal 1979 federal budget that will be submitted in January, 1978. But the Defense Department has been working cooperatively with the House and Senate Budget committees to achieve the objective of stating funding requests in terms of mission requirements as soon as possible.

Key points made in the OFPP draft directive to maximize competition in the early conceptual phase of a system acquisition include:

"Care should be exercised during the initial steps . . . not to distort needs and goals by forcing their conformance into any known or offered systems or products that might foreclose consideration of alternative design concepts or alternative approaches under a single design concept."

"Requests for system concept design proposals shall contain explanations of the mission need, time, cost, and capability goals, and operating constraints. Each offerer shall be free to propose his own technical approach, main design features, subsystems and alternatives to time, cost and capability goals. In the conceptual . . . stages, the contractors should not be restricted by a wide spectrum of detailed government specifications and standards."

"Ideas, concepts or technology, developed by government laboratories or at government expense for which government rights have been established, may be made available to private industry. . . . Industry proposals . . . may be made on the basis of these . . . or on the basis of alternatives which industry considers superior."

"Focus competition more meaningfully on alternative design concepts as opposed to confining competition to price or performance differentiation within a single design concept."

"Increase levels of . . . early research and development funding for exploration of alternatives as relatively inexpensive insurance against the possibility that a premature or preordained choice may later prove to be either a less effective or a more costly means of fulfilling a mission need."

"Approval for development of a noncompetitively selected major system design concept should be considered only if justified by factors typified by either extreme urgency of need with only one viable approach, or physical and financial impracticality of demonstrating alternatives."

Deputy Secretary of Defense William P. Clements, Jr., concurred that the front end of the acquisition process "represents an area which has much potential for improvement," in testimony before the Senate Government Operations subcommittee headed by Sen. Chiles.

ESTABLISHED NEED

"Perhaps in the past, specific system identifications have been made to Congress too early," Clements said. "There may have been concern, after the fact, whether adequate consideration was given to other system alternatives or whether, in fact, the identified hardware system really represented a formally established need.

"Acquisition must be based on a sound understanding of the acquisition objective, and the costs with which the objective is to be achieved," Clements continued. "Further, this understanding must be shared by the Congress. Budget requests and appropriations should be tailored so that no constraint is offered to the exploration of alternative approaches for the satisfaction of a formally approved mission deficiency."

The OFPP directive is the outgrowth of a $7-million three-year study of federal procurement by the Commission on Government Procurement. In its final report in December, 1972, the commission proposed establishment of OFPP to implement its other recommendations.

The OFPP legislation was enacted last year, and Hugh E. Witt, formerly principal deputy assistant Defense secretary to the assistant secretary of Defense for logistics, was confirmed by the Senate as the first OFPP administrator on Dec. 31, 1974. OFPP reports directly to both Congress and OMB.

Sen. Chiles and Comptroller General Elmer B. Staats were members of the 1969–72 procurement commission.

In testimony to the Chiles subcommittee, firmly supporting the OFPP directive, Staats said: "Under current Defense Dept. policy, spelled out in Directive 5000.1, the military services determine their own needs for major acquisitions and they start acquisition programs several years before the secretary of Defense is asked to approve the program . . .

"For example, during a five-year period, preceding the first secretary of Defense decision, the Air Force spent about $140 million on studies to develop the operational requirements and specifications for the B–1."

Other systems preselected by the services without adequate consideration of competitive alternatives and before formal decision by the Secretary of Defense and Congress include the Navy/Grumman F–14, USAF Lockheed C–5A and USAF/McDonnell Douglas F–15, Staats said. He continued:

"The military service activity that leads to the secretary of Defense's initial approval is lengthy and informal and provides little visibility over how and why these early decisions were made. A major part of the program cost is preset by these early technical decisions on the system solution and its performance characteristics. And, there is usually no further competitive challenge to the system. While the agency head [secretary of Defense], the OMB, the Congress, and much cost, schedule and performance monitoring do enter the picture, they are all too late to do much about the program, except to question implementation details."

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., August 28, 1975.

Hon. LAWTON CHILES,
Chairman, Subcommittee on Federal Spending Practices, Efficiency, and Open Government, Dirksen Building, Washington, D.C.

DEAR MR. CHAIRMAN: During my appearance before your subcommittee in July, I submitted a draft OMB policy circular on major system acquisitions which was subsequently distributed to key executive agencies, industry associations, the GAO, and others for informal review.

As a result of the hearings you conducted and the informal comments we received, the attached circular has been considerably revised. Distribution has been made within the executive branch, to industry associations and to various individuals for formal comment. As indicated in the attached circular transmittal letter, we have asked for response by October 31.

We will keep you informed of our progress in establishing a uniform major system acquisitions policy within the executive branch.

Sincerely,

HUGH E. WITT,
Administrator for Federal Procurement Policy.

Attachment.

[From the Office of Management and Budget, Washington, D.C., Aug. 28, 1975]

To the heads of Executive Departments and establishments.

Subject: Request for comments on draft of Major System Acquisition Circular.

Attached is a copy of a draft circular on major system acquisitions for your review and comments. This is the result of informal comments on the previous drafts, the recent hearings of Senator Chiles' Subcommittee on Federal Spending Practices, Efficiency and Open Government, and deliberations within the Office of Federal Procurement Policy (OFPP). The circular is based on findings and conclusions growing out of executive branch consideration of the recommendations of the Commission on Government Procurement.

We would appreciate a response prior to close of business, Friday, October 31, 1975, so that we may incorporate appropriate revisions.

HUGH E. WITT,
Administrator for Federal Procurement Policy.

Attachment.

[From the Executive Office of the President, Office of Management and Budget, Washington, D.C., Circular No. A–]

To the heads of Executive Departments and establishments.

Subject: Major System Acquisitions.

1. *Purpose.* This Circular establishes policy to be followed in the acquisition of major systems from federally appropriated funds.

2. *Authority.* The "Office of Federal Procurement Policy Act," Public Law 93–400, 41 U.S.C. 401 *et seq*, the Budget and Accounting Act, 1921, the Budget and Accounting Procedures Act of 1950, Reorganization Plan No. 2 of 1970, and Executive Order 11541, July 1, 1970.

3. *Background.* The acquisition of major systems by the Federal Government constitutes one of the most important, vital, and expensive activities performed in the Nation. Its impact on the accomplishment of Government agency missions in such areas as defense, space, energy, and transportation, and on technology and the Nation's economy is critical. For a number of years, concern has been expressed by private citizens, Members of Congress, and representatives of industry regarding the effectiveness of the management of major system acquisitions. The report of the Commission on Government Procurement recommended fundamental changes in the process of acquiring major systems. This Circular is based on findings and conclusions growing out of executive branch consideration of the Commission's recommendations.

4. *Responsibility.* Each agency head shall insure that the policy provisions of this Circular are followed.

5. *Application.* This Circular applies to the management of the acquisition of major systems including: analysis of the agency mission, determination of mission needs and the setting of mission goals, system acquisition planning, programming, budgeting, funding, research, engineering, development, testing and evaluation, contracting, production, program control, and introduction of the system into use. The Circular is applicable to such acquisition programs even though some agencies may not have full responsibility for each of these functions. For instance, an agency may not procure systems for its own use but instead may create optional demonstration hardware for private sector choice, or may procure one-of-a-kind systems. Such variations do not justify the exclusion of programs from the management concepts of this Circular.

6. *Definitions.* As used in this Circular:

a. *"Agency head"* means the head or deputy head of an executive agency.

b. *"Executive agency"* means an executive department or an independent establishment within the meaning of sections 101 and 104 (1), respectively, of Title 5, United States Code.

c. *"Agency component"* means a major organizational subdivision of an executive agency. For example, the Army, Navy, Air Force, and Defense Supply Agency are agency components of DOD; the Federal Aviation Administration, Urban Mass Transportation Administration, and the Federal Highway Administration are agency components of DOT.

d. *"Mission need"* means within an agency's overall purpose a desired capability, including cost and schedule considerations, expressed in mission terms, not equipment terms. A mission need may be the result of an identified deficiency or the result of a technologically feasible opportunity.

e. *"Major system"* means equipment, construction or other improvements of real property, and related programs involving the acquisition process which meet an agency mission need of sufficient importance to warrant the allocation of large dollar resources or special management attention. Dollar thresholds and other criteria for the determination of agency programs to be considered major systems under the purview of this Circular shall be at the discretion of the agency head.

f. *"Acquisition process"* means the sequence of activities starting with reconciliation of mission needs and goals with capabilities, priorities and resources, and extending through the introduction of a system into operational use or the otherwise successful achievement of program objectives.

7. *General policy.* The guidelines of this Circular are designed to work as an integrated whole toward the improvement of the effectiveness and efficiency of the major system acquisitions process. They are based on the general policy that Federal agencies when acquiring major systems shall:

a. Establish needs and goals based on broad agency mission definition.

b. Perform planning, programming, and budgeting built on analysis of needs, goals and missions which implies: better resource allocation resulting both from improved agency articulation of missions and goals, and from improved communication with Congress in accord with the Congressional Budget Act of 1974, Public Law 93–344 (31 U.S.C. 1301).

c. Create and explore alternative system solutions within the broad agency "mission" context—with emphasis upon generating increased innovation, participation, and conceptual competition from industry as opposed to undue reliance upon agency internally developed concepts and/or preliminary designs.

d. Increase levels of agency early R&D funding for exploration of alternatives as relatively inexpensive insurance against the possibility that a premature or preordained choice may later prove to be either a less effective or a more costly means of fulfilling a mission need.

e. Focus competition more meaningfully on alternative design concepts as opposed to confining competition to price or performance differentiation within a single design concept.

f. Choose a final system from among alternative systems that are honed by a competitive development environment.

g. Manage systematically the entire requirements determination/development/production process.

h. Provide appropriate managerial level for decisionmaking and an improved management hierarchy of authority, responsibility and accountability.

i. Provide strong checks and balances for systems destined for production through a test and evaluation organization independent of deveolper and user.

8. *Management objectives.*

a. A major system acquired by the Government must fulfill a mission need, be affordable, operate effectively in its intended environment, and demonstrate a performance level and reliability that justify the allocation of resources to its acquisition, ownership, and support. Efforts shall be made to minimize life cycle costs by including the appropriate use of technology, means to promote competition, and incentives to achieve reliability of the system in its operating environment.

b. An "acquisition strategy" must be tailored for each individual system program as soon as a determination is made to solicit design concepts which could lead to the acquisition of a new major system. Such strategy should include test and evaluation criteria and business management considerations such as: the timing of essential elements of the acquisition process, the content of proposal solicitations, whom to solicit, methods for obtaining and sustaining competition, data rights, use of warranties, need for developing contractor incentives, and selection of contract types. The contracting process should be recognized as an important tool in system acquisitions.

9. *Management structure.*

a. Each agency that acquires major systems, or is responsible for the activities leading to the acquisition of major systems, shall have an acquisition executive, designated by the head of the agency, who shall be responsible for the agency's integrated acquisition management process and for monitoring policy implementation and practice under this Circular. There shall be clear channels of delegation of responsibility and authority within the agency's acquisition management process. Technical and program decisions normally should be made at the operating activity or component level with clear channels of accountability within the agency. However, the following key approval decisions should be retained by the agency head:

(1) Mission need and the goals that an acquisition program is to achieve.

(2) Selection of competitive candidate systems for demonstration, or noncompetitive (single concept) system development.

(3) Full-scale system development and limited production.

(4) Full production release.

b. Major system acquisition programs shall be managed by a program manager, who should be designated when a decision is made to fulfill a mission objective by pursuing design concept alternatives and who, with satisfactory performance, should be retained for a sufficient period to provide reasonable continuity and personal accountability. Program managers should have an understanding of user needs and constraints, familiarity with development principles, and program management skills and experience in the following functional areas where applicable: research and development, operations, engineering, construction, testing, contracting, prototyping and fabrication of complex systems, production, finance, and business. A program manager shall have a written charter which provides authority to accomplish recognized program objectives.

c. Each agency shall rely, to the greatest extent possible, on competitively derived concepts and designs, and shall insure that management layering, staff reviews, reporting procedures and paperwork requirements placed on program managers and contractors are minimized.

d. Each agency shall develop the capability to predict, review and control costs for system development, engineering, design, test, production, and operation and support (i.e., life cycle costs). Costs, schedules and performance shall be tracked against predictions and examined by the agency head at key decision points, and new cost/schedule/benefit analyses shall be performed where significant cost, schedule or performance variances occur. Life cycle cost techniques shall be employed during concept evaluation and selection, full-scale development, facility conversion, and production, to insure identification and achievement of the lowest lifetime costs in consonance with the capability being acquired.

e. Joint interagency working groups should be established where appropriate as a means to advance technology and reduce system costs, promote standardization and enhance the development of a competitive acquisition environment.

10. *Mission needs and goals.*

a. Initiation of all major system acquisition programs should be based on an analysis of an agency's mission and a determination of needs and goals reconciled with overall capabilities, priorities and resources. If analysis of an agency's mission shows that a need for a major system exists, such a need should be defined in terms of the mission objective, agency components involved, capability, schedule and cost goals, and operating constraints. Benefits to be derived should be optimized by competitive exploration of alternatives and trade-offs of capability goals, time, and cost. Care should be exercised during the initial steps of the acquisition process not to distort needs and goals by forcing their conformance to any known or offered systems or products that might foreclose consideration of alternative design concepts or alternative approaches under a single design concept.

b. Agencies having more than one component may complete the concepts and developments traditionally assigned to each in order to consider innovative approaches and select the most technically suitable and most cost effective approach to fulfilling a mission deficiency.

c. Each agency should maintain a strong technology base by conducting, supporting, or sponsoring basic research, applied research, system concept studies, proof of concept work, exploratory subsystem development, and tests and evaluations in both the private sector and Government in-house technical centers relevant to the agency's assigned responsibilities.

11. *Alternative systems.*

a. System concept design alternatives shall be solicited from all competent qualified sources in order to achieve the optimum system through encouraging innovation and competition. Conceptual designs are to be primarily solicited from private industry, including smaller businesses. Federal laboratories, federally funded research and development centers, educational institutions, and other not-for-profit organizations may also be considered as sources for conceptual system designs.

b. Ideas, concepts, or technology, developed by Government laboratories or at Government expense for which Government rights have been established, may be made available to private industry through the procurement process. Industry proposals to the agency may be made on the basis of these ideas, concepts, or technology or on the basis of alternatives which industry considers superior. Requests for system concept design proposals shall contain explanations of the mission need, time, cost, and capability goals, and operating constraints. Each offerer shall be free to propose his own technical approach, main design features, subsystems, and alternatives to time, cost, and capability goals. In the conceptual and less than full-scale development stages, the contractors should not be restricted by a wide spectrum of detailed Government specifications and standards. Selections from competing proposals shall be based on a review by a team of experts from inside and outside the agency component development organization. Such a review shall consider proposed system functional and performance capabilities to meet mission needs, resources required, and benefits to be derived by trade-offs of technical performance, acquisition costs, ownership costs, time to develop and procure and the accomplishment record of competitors.

c. During the uncertain period of identifying and exploring alternative system concepts, contracts covering relatively short time periods at planned dollar levels shall be used. A timely technical review of alternative concepts will be made to effect the orderly elimination of those least attractive.

d. Programs shall be structured and resources allocated to insure demonstration and evaluation of competing alternative concepts to mission accomplishments wherever economically feasible, including competition between similar or differing concepts throughout the entire acquisition process. Contractors shall be provided with operational test conditions, mission performance criteria, and lifetime ownership cost factors that will be used by the agency in the evaluation and selection of the system(s) for full-scale development and production.

e. Appropriate interaction between agency representatives with relevant operational experience and participating contractors should be encouraged as necessary in developing performance and other requirements for each system alternative as tests and trade-offs are made.

f. Development of subsystems which are intended to be included in a major system acquisition program shall be restricted to less than fully designed hardware (full-scale development) until the subsystem is identified as a part of a system candidate for full-scale development. Exceptions may be authorized by the agency head if the subsystems are long lead time items fulfilling a recognized generic need or if they have a high potential for common use among several existing or future systems.

g. Approval for development of a noncompetitively selected major system design concept should be considered only if justified by factors typified by either extreme urgency of need with only one viable approach, or physical and financial impracticality of demonstrating alternatives.

12. *Full-scale development and production.*

a. Full-scale development, including limited production, shall not be approved until agency mission needs and goals are reaffirmed and competitive demonstration results prove that the chosen technical approach is sound.

b. Full production shall not be approved until agency mission needs and goals are reaffirmed. In addition full production shall not be approved until system performance has been satisfactorily tested independent of the agency development and user organizations, and evaluated in an environment that assures demonstration in expected operational conditions. Exceptions to the independent testing portions of this policy may be authorized by the agency head if a cost benefit analysis shows that release of a system to production is clearly justified.

c. Selection of a system and system contractors for full-scale development and production should be made on the basis of: (1) system performance measured against current mission needs; (2) an evaluation of estimated costs of system development, production, operation, and support; (3) program schedule; and (4) the contractor's proven management, financial, and technical capabilities as related to the requirements of the contract.

d. System tests and contractor performance relative to meeting system performance, cost, and schedule commitments shall be monitored by the program manager. Significant actual or forecast variances shall be brought to the attention of the appropriate management authority for corrective action. The acquisition executive shall be informed of such variances and corrective actions.

13. *Budgeting and financing.* The agency's research and development budget should reflect an appropriate balance between the general technology base in support of the agency's overall mission and the technology in support of specific mission areas. Agencies shall insure that the research and development budget is developed and allocated in consonance with mission area needs and goals. Each agency should insure that research and development is not undesirably duplicated across its mission areas.

14. *Information to Congress.*

a. Agencies shall develop procedures, in conjunction with the Office of Management and Budget and the various committees of Congress having oversight responsibility for agency functional responsibilities, to inform Congress in the normal budget process about agency missions, capabilities, deficiencies and needs and goals related to new acquisition programs in consonance wtih Section 601(i) of the Congressional Budget Act of 1974, Public Law No. 93-344.

b. Disclosure of the basis for noncompetitive and undemonstrated system concept selections shall also be made to the appropriate congressional committees in the normal budget process.

15. *Implementation.* Agency guidelines or policy directives implementing this Circular shall be furnished the Administrator for Federal Procurement Policy (OMB) for review. Within six months after the date of release of the Circular, each agency shall develop and submit to the Administrator for Federal Procurement Policy (OMB) a time-phased plan for meeting the requirements of this Circular. During this period, the agencies shall work with the Administrator to resolve implementation problems.

JAMES T. LYNN,
Director.

AUTO EMISSION STANDARDS

Mr. ABOUREZK. Mr. President, we in Congress are being asked to delay auto emission standards. Increasing concerns due to the energy situation and recession have caused many to reevaluate our dedication to improving the quality of the air we breathe.

But clean air cannot be a concern only in good times.

Any standards must leave room for the shortcomings of emission technology, but suspensions of the standards should be limited to those cases in which technology is shown lacking.

I do not feel that we are presently facing such a situation. Much progress has been made in the technology for reducing emissions, but very little has been done about getting the devices installed on cars. Instead, American car makers continue to apply for extension after extension. On March 5, 1975, the Administrator of the EPA, Russell Train, suspended the 1977 auto emission standards, and recommended that the Federal standards, which are considerably tougher, be suspended also.

I feel that he was wrong in doing so because: First, a suspension will inhibit further development of several forms of new technology; second, the production of new devices and the incorporation of new designs can move faster than stated—they certainly do not have to be suspended as long as Mr. Train suggests, since the technology is available; and third, cleaner air is a necessity, and I do not feel that momentum we have already established should be lost.

The foreign manufacturers have shown that with responsibility, cleaner air can be achieved by implementing new technology. The American car makers have shown that they will not take any initiative until they are forced to. Then, after they have grudgingly complied, their ads dance across our papers and televisions showing what grand and glorious deeds they have done in service of the country.

If we continue to grant suspensions, we will allow the auto manufacturers to continue to fail to develop new systems, and may see the virtual end of the technology now being developed. The American car makers must put their efforts into solving the emissions problem, not avoiding it.

In direct contrast to the American car manufacturers, their foreign counterparts have been responsible in developing systems to improve emissions. In fact, they have left the American manufacturers far behind in applied technology.

Many foreign companies are utilizing alternative engines. Toyo Kogyo—Mazda—uses a rotary engine, which has low sulfate emissions; all domestic companies have dropped all plans for rotary engines. Honda has developed a stratified charge engine—CVCC—which delivers the best fuel economy when set for more stringent emission standards, and which is thought capable of great improvements; no domestic manufacturer plans to use it. Several foreign manufacturers, especially Mercedes-Benz, have developed diesel engines, which are capable of meeting the HC and CO standards effortlessly, and have excellent fuel economy; no domestic manufacturer plans to use it. GM produces a diesel car—but sells it only in Europe.

The foreign manufacturers have pursued other methods to reduce emissions. They have done extensive work with the catalyst, which is the most effective way to reduce emissions at this time.

The catalyst is the reason that Train suspended the standards. It was found that the catalyst produced sulfuric acid in small amounts, and the EPA felt that the sulfuric acid emissions created enough of a threat to warrant suspension of the standards. However, recent findings have indicated that the EPA overreacted. Dr. Robert Sansom, formerly of the EPA, said that the fears are groundless, and that the standards need not be suspended. Other sources have concurred, including the National Academy of Science's National Research Council.

There has been a distinct lack of investigation into the possibilities of a new "three-way catalyst," which has shown to be effective in reducing even sulfuric acid emissions. Again, the foreign companies have shown their willingness to experiment. A Volvo car, equipped with a three-way catalyst, was tested and proved to have extremely low sulfate emissions, while maintaining acceptable fuel economy.

Also, the foreign manufacturers have always utilized smaller cars—and Toyo Kogyo and Volvo plan to introduce new, smaller cars. As a rule, the smaller the car, the easier it is to improve both fuel economy and emissions. I wish that the domestic manufacturers had the same sense of competition and responsibility that the foreign companies have so readily displayed.

I am not against American companies. I am only surprised that the American car makers have allowed themselves to be surpassed to such a degree. Regardless of where a company is based—American or foreign—I think that it has a duty to keep its cars clean, and to do its best to advance and implement new technology.

If we now allow the emission standards to go unheeded, we stand a good chance of losing the momentum we worked so hard to achieve. We cannot let the auto manufacturers have their way when in the suspension hearings they had an attitude which led Train to say—

> Either the auto companies are already confident of their ability to achieve the standards, or . . . they do not believe that the standards will be enforced.

In either case, we cannot let the auto makers escape their responsibilities. If the technology exists, and the foreign car companies have shown us that it does, then it is the responsibility of the companies to use it to keep their cars from polluting our air any more.

I joined in the successful efforts to repeal the interlock law, and will continue to oppose oppressive standards which do not serve the public interest. But clean air is not frivilous or repressive. Americans have a right to a car which is clean, economical and safe. We also have a responsibility to protect Americans from having their health and well-being senselessly jeopardized.

I ask unanimous consent that an article which appeared in the New York Times June 5, reporting the findings of the National Academy of Science's National Research Council on the proposal to relax emission standards, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Researchers Back Strict Rules on Acid Exhausts for 1978 Cars

(By Harold M. Schmeck, Jr.)

Washington, June 4.—There is no need for delay beyond 1978 in applying strict standards for automobile exhaust emissions, a report from a special committee of the National Research Council said today.

The delays had been sought by the auto industry and, earlier this year, by the Environmental Protection Agency. The agency then said that newly recognized problems with sulphuric acid emissions from catalyst-equipped cars warranted a delay of several years.

The report made public today said that a strict standard for sulphuric acid emissions could and should be set for 1978 model cars and that the existing Federal statutory standards for hydrocarbons and carbon monoxide gas for 1978 should go into effect as scheduled.

Attaining the statutory levels for hydrocarbons and carbon monoxide is both feasible and worthwhile, said the report.

"These levels can be achieved while steps are taken to insure against excessive emissions of sulfuric acid and acid sulfates," it said.

FUEL ECONOMY

The council's report said that these and other recommendations it had made could be achieved while improving automobile fuel economy. The report said that there was no evidence to justify relaxing standards for the federally regulated pollutants.

The report was less emphatic concerning another class of auto emission pollutants—the oxides of nitrogen. It said the members of the committee that had drafted the report had not all agreed as to whether the benefits of achieving the 1978 standards for nitrogen oxides were worth the cost.

In its recommendations the committee said that adherence to the statutory 1978 standards would discourage the development of new and better technologies that could be available only for limited production for the 1978 model year.

If the nitrogen oxide standard is kept, the report said, a "two-car strategy" should be adopted nationally. This would require that vehicles registered and used in areas that have severe pollution problems meet stricter standards than cars used in areas where the air is cleaner.

The report also called for study of the health effects of other, currently unregulated, pollutants from motor vehicles. The document said there was a need to develop emission standards and more effective controls for pollution sources, other than light-duty autos, that emit hydrocarbons, carbon monoxide and sulphuric acid.

AREAS OF CONCERN

"Of particular concern," it said, "are exhaust emissions from heavy-duty vehicles and motorcycles, evaporative emissions from vehicles and emissions from various stationary sources."

An E.P.A. spokesman said today that the agency welcomed the new information provided by the report and was willing to take a flexible attitude toward emission standards in the light of data and analyses that are becoming available.

A spokesman for Chrysler Motors Corporation said that the company had not seen the report, but that the standards proposed "would cause a significant fuel economy penality and would put the national goal of a 40 to 50 per cent improvement in fuel economy by 1980 far beyond our reach."

DECLINE TO COMMENT

The Ford and General Motors auto corporations declined to comment, saying they had not yet studied the new report.

Hearings have been held this spring in the Senate on auto emission standards. A House subcommittee, which has also held hearings, is marking up a bill. Its chairman, Representative Paul Rogers, Democrat of Florida, predicted that the committee would finish its work in about two weeks. He said that the research council's report was encouraging in that it said the strict standards could and should be met.

The National Research Council is the operating arm of the National Academy of Science and the National Academy of Engineering, private organizations of leading scientists and engineers chartered to advise the Federal Government.

The Federal emission standards scheduled to go into effect in 1978 would require cars of that model year to emit less than one-third the amount of hydrocarbons permitted for 1975–76 model cars. The cut in emissions would be even greater for carbon monoxide.

For nitrogen oxides the 1978 limit would be about two thirds of the current permissible level. In California, emission limits have been more strict than the Federal standards both for current models and 1978 cars.

FREEDOM OF INFORMATION: DECIDED CASES

Mr. KENNEDY. Mr. President, the Freedom of Information Act continues to generate substantial support among the public and press who have found agency doors opening more swiftly when the law is invoked to support access to government records. Last week I inserted in the Record a list of pending cases involving the Freedom of Information Act—September 10, page 28428. The length of the list unfortunately suggests that many agencies may still be taking a "sue me" attitude toward information.

The cases alerady decided under the Freedom of Information Act provide an invaluable reservoir of interpretation and guidance for both agency officials and the public in terms of availability of information. This past summer the Department of Justice collected the cases decided under the act and referenced the exemption or other issue involved in the case. Because this compilation is not generally distributed by Justice, I ask unanimous consent that the entire list be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

FOI Case List—June 1975 Edition

(An alphabetical list of court decisions on the Freedom of Information Act, 5 U.S.C. 552, including cases with opinions not yet reported, with notations as to the exemptions or other issues involved in each case.)

Notice to Agency Counsel and Other Users:

Previous editions of this list included reported decisions, with a separate addendum for unreported opinions. With this edition, the reported cases and those with unreported opinions have been combined in a single alphabetical list.

Distribution of previous editions of this list was made to agency counsel and others upon request, with special distributions at symposiums or the like. With this edition, a mailing to agency counsel has been added, as a prompter method of distribution. *General Counsels are urged to make this list promptly available to lawyers in their agencies who handle Freedom of Information matters.* Agencies are also requested to make their own duplicates of this list as necessary.

The present edition of this list includes reported opinions through 389 F. Supp. No. 1 and 511 F. 2d No. 1. The cut-off date for research on unreported opinions was May 15, 1975, but it should not be assumed that all unreported opinions issued prior to that date have been included.

In this edition, the complete list is followed by (a) a special list of all FOI opinions issued since the prior case list was compiled (Dec. 1, 1974) and (b) a special list of reverse FOI cases. Reverse FOI cases are those in which a private party has sued to prevent disclosure by an agency of the Government, as opposed to the usual case in which a private party sues to compel disclosure.

It is contemplated that future editions of this list will be prepared several times a year. Comments, corrections, and suggestions for improvements in this list are invited, and may be sent to the Office of Legal Counsel (Attention: Chairman FOI Committee), Department of Justice, Washington, D.C. 20530.

X5, 6—*Ackerly* v. *Ley*, 420 F. 2d 1336 (D.C. Cir. 1969).

X5—*American Mail Line, Ltd.* v. *Gulick*, 411 F. 2d 696 (D.C. Cir. 1969).

X7—*Anchorage Building Trades Council* v. *HUD*, 384 F. Supp. 1236 (D. Alaska 1974).

X5, 7—*Ash Grove Cement Co.* v. *FTC*, 371 F. Supp. 370 (D.D.C. 1973), *remanded* 511 F. 2d 815 (D.C. Cir. 1975).

X5, 7—*Aspin* v. *Department of Defense*, 348 F. Supp. 1081 (D.D.C. 1972), *aff'd* 491 F. 2d 24 (D.C. Cir. 1973).

X3—*Association of American Railroads* v. *United States*, 371 F. Supp. 114 (D.D.C. 1974).

a(2), X5—*Astro Communications Laboratory* v. *Renegotiation Board*, Civ. No. 2403–70 (D.D.C., filed May 6, 1974).

Prohibiting termination of agency proceeding pending resolution of FOI request—*Automobile Club of Missouri* v. *NLRB*, Civ. No. 924–73 (D.D.C., decided May 15, 1973), to be found in 71 CCH Lab. Cas. ¶ 13,672.

Exhaustion of adm. remedies—*Aviation Consumer Action Project* v. *CAB*, 370 F. Supp. 945 (D.D.C. 1972), *aff'd* 480 F. 2d 1195 (D.C. Cir. 1972).

a(3), X3, 5, 7—*B & C Tire Co., Inc.* v. *IRS*, 376 F. Supp. 708 (N.D. Ala. 1974).

Enjoining agency proceeding pending resolution of FOI suit, a(3)—*Bannercraft Clothing Co.* v. *Renegotiation Board*, 466 F. 2d 345 (D.C. Cir. 1972), *rev'd and remanded* 415 U.S. 1 (1974).

X4, 7—*Barceloneta Shop Corp.* v. *Compton*, 271 F. Supp. 591 (D. Puerto Rico 1967).

Enjoining agency proceeding pending examination by plaintiff of a(2) indices—*Bayview Associates* v. *NLRB*, Civ. No. 74–1825 (D.D.C., decided Dec. 20, 1974), to be found in 75 CCH Lab. Cas. ¶10,524.

X7—*Black* v. *Cheraton Corp. of America*, 371 F. Supp. 97 (D.D.C. 1974).

X2, 4, 5—*Benson* v. *General Services Administration*, 289 F. Supp. 590 (W.D. Wash. 1968), *aff'd* 415 F. 2d 878 (9th Cir. 1969).

X7—*Benson* v. *United States*, 309 F. Supp. 1144 (D. Neb. 1970).

Discovery—*Bodner* v. *FTC*, Civ. No. 74–1189 (D.D.C., filed Oct. 31, 1974), to be found in 74–2 CCH Trade Cas. ¶74,289.

Vaughn v. *Rosen* index requirement—*Bodner* v. *FTC*, Civ. No. 74–1189, to be found in 1975 CCH Trade Cas. ¶60,118 (D.D.C., filed Jan. 9, 1975).

X5—*Bodner* v. *FTC*, Civ. No. 74–1189 (D.D.C., filed Feb. 24, 1975).

X3—*Brandon* v. *Sampson*, Civ. No. 73–2232 (D.D.C., filed April 24, 1974).

X4, 5, 7—*Bristol-Myers Co.* v. *FTC*, 284 F. Supp. 745 (D.D.C. 1968), *rev'd* 424 F. 2d 935 (D.C. Cir. 1970), *cert. denied*, 400 U.S. 824 (1970).

X4, 5—*Brockway* v. *Department of the Air Force*, 370 F. Supp. 738 (N.D. Iowa 1974). See Addendum, p. 15 below.

a(3), X7—*Center for Nat. Policy Review on Race & Urban Issues* v. *Richardson*, Civ. No. 2177–71 (D.D.C., filed Dec. 8, 1972), *rev'd* 502 F. 2d 370 (D.C. Cir. 1974) (v. *Weinberger*).

X6—*Chappell* v. *Hodgson*, Civ. No. 15,480 (D. Conn., filed July 23, 1973).

X4, reverse FOI case—*Charles River Park "A", Inc.* v. *HUD*, 360 F. Supp. 212 (D.D.C. 1973), *remanded* Civ. No. 73–1930 (D.C. Cir., decided March 10, 1975).

a(1), (2), (3), X2, 5—*City of Concord* v. *Ambrose*, 333 F. Supp. 958 (N.D. Cal. 1971).

X7—*Clement Brothers Co.* v. *NLRB*, 282 F. Supp. 540 (N.D. Ga. 1968), *aff'd* 407 F.2d 1027 (5th Cir. 1968).

X3, 4, 5, 7—*Cogswell* v. *FDA*, Civ. No. 51990–ACW (N.D. Cal., filed June 5, 1970).

X5—*Comey* v. *AEC*, Civ. Nos. 73–1258, 73–1358 (7th Cir., decided July 27, 1973).

FOI suits brought in D. Cts., not Cir. Ct.—*Commercial Envelope Mfg. Co.* v. *S.E.C.*, 450 F.2d 342 (2d Cir. 1971).

X7—*Committee to Investigate Assassinations, Inc.* v. *Department of Justice*, Civ. No. 71–1829 (D.C. Cir., decided Oct. 24, 1973).

X4—*Consumers Union* v. *Federal Reserve System*, Civ. No. 1766–73 (D.D.C., filed May 31, 1974).

X2, 4, 5—*Consumers Union* v. *Veterans' Administration*, 301 F. Supp. 796 (S.D. N.Y. 1969), *dis'd as moot* 436 F.2d 1363 (2d Cir. 1971).

X2, 5. 7—*Control Data Corp.* v. *FTC*, No. 4–74–Civ.–25 (D. Minn., filed May 3, 1974).

Ct. records are not agency records—*Cook* v. *Willingham*, 400 F. 2d 885 (10th Cir. 1968).

X7—*Cooney* v. *Sun Shipbuilding & Drydock Co.*, 288 F. Supp. 708 (E.D. Pa. 1968).

Declaratory relief—*Consumers Union* v. *Interstate Commerce Comm'n.*, to be found in 1975 CCH F. Carr. Cas. ¶ 82,528 (D.D.C., decided Aug. 13, 1974).

Declaratory relief, X4, 7—*Consumers Union* v. *Saxbe*, Civ. No. 921–73 (D.D.C., decided May 9, 1974), to be found in 1974 CCH Trade Cas. ¶ 75,057.

X7—*Cowles Communications, Inc.* v. *Department of Justice*, 325 F. Supp. 726 (N.D. Cal. 1971).

X2, 5—*Cuneo* v. *Schlesinger*, 338 F. Supp. 504 (D.D.C. 1972), *rev'd and remanded in part* 484 F.2d 1086 (D.C. Cir. 1973), *cert. denied.* 415 U.S. 977 (1974).

X3, 4—*Cutler* v. *CAB*, 375 F. Supp. 722 (D.D.C. 1974).

Fees—*Diapulse Corp.* v. *FDA*, 500 F.2d 75 (2d Cir. 1974).

X5, 7, discovery—*Distillery, Rectifying, Wine and Allied Workers* v. *Miller*, Civ. No. 7069 (W.D. Ky., decided May 17, 1972), to be found in 68 CCH Lab. Cas. ¶ 12,750.

X3, 4, 5, 7—*Ditlow* v. *Volpe*, 362 F. Supp. 1321 (D.D.C. 1973), *rev'd* 494 F.2d 1073 (D.C. Cir. 1974). (*Ditlow* v. *Brinegar*)

X4, 6—*Ditlow* v. *Schultz*, 379 F. Supp. 326 (D.D.C. 1974).

X1—*Epstein* v. *Resor*, 296 F. Supp. 214 (N.D. Cal 1969), *aff'd* 421 F.2d 930 (9th Cir. 1970), *cert. denied* 398 U.S. 965 (1970).

X5—*Equal Employment Opportunity Comm'n* v. *Los Alamos Construction, Inc.* 382 F. Supp. 1373 (D. New Mexico 1974).

a(3), X7, exhaustion of administrative remedies—*Etheridge* v. *IRS.*, Civ. No. 19460 (N.D. Ga., decided March 12, 1974), to be found in 74–1 U.S.T.C. ¶ 9354.

X4—*Ethyl Corp.* v. *EPA*, 478 F.2d 47 (4th Cir. 1973).

X3—*Evans* v. *Department of Transportation*, 446 F.2d 821 (5th Cir. 1971).

"Identifiable records", X5, 7—*Exxon Corp.* v. *FTC*, 384 F. Supp. 755 (D.D.C. 1974).

Ct. not entertain FOI suit until complaint filed—*Farrell* v. *Ignatius*, 283 F. Supp. 58 (S.D. N.Y. 1968).

X4, 5—*Fenster* v. *Fletcher*, Civ. No. 822–71 (D.D.C., filed Aug. 16, 1972).

X4, 5—*Fisher* v. *Renegotiation Board*, 473 F.2d 109 (D.C. Cir. 1973), *on remand* 355 F. Supp. 1171 (D.D.C. 1973).

X4, 5, 7—*Frankel* v. *SEC*, 336 F. Supp. 675 (S.D. N.Y. 1971), *rev'd* 460 F.2d 813 (2d Cir. 1972), *cert. denied* 409 U.S. 889 (1972).

X3—*Fruehauf Corp.* v. *IRS.*, 369 F. Supp. 108 (E.D. Mich. 1974).

X5, "agency"—*Gates* v. *Schlesinger*, 366 F. Supp. 797 (D.D.C. 1973).

X4, 7—*Getman* v. *NLRB*, 450 F. 2d 670 (D.C. Cir. 1971), *app'l for stay of order den.* 404 U.S. 1204 (1971).

X5—*Ginsburg* v. *Richardson*, 436 F.2d 1146, 1152–53 (3rd Cir. 1971).

X4, 7—*Green* v. *Kleindienst*, 378 F. Supp. 1397 (D.C. Cir. 1974).

Ct. not entertain FIO suit until complaint filed.—*Grissom* v. *NLRB*, 364 F. Supp. 1151 (M.D. La. 1973).

X3, 4, 5—*Grumman Aircraft Engineering Corp.* v. *Renegotiation Board*, 425 F. 2d 578 (D.C. Cir. 1970), *on remand* 325 F. Supp. 1146

(D.D.C. 1971), *aff'd* 482 F.2d 710 (D.C. Cir. 1973), *rev'd* 43 U.S.L.W. 4502 (U.S. April 28, 1975).

X7—*Harbolt* v. *Alldredge*, 464 F.2d 1243 (10th Cir. 1972).

Exhaustion of administrative remedies—*Hartford Fire Ins. Co.* v. *NLRB*, Civ. No. 74–255 (D.D.C., decided March 1, 1974), to be found in 73 CCH Lab. Cas. ¶14,409.

X2—*Hawkes* v. *IRS*, Civ. No. C–70–409 (W. D. Tenn., filed July 21, 1971), to be found in 71–2 U.S.T.C. ¶9640, *rev'd and remanded* 467 F.2. 787 (6th Cir. 1972), *on remand* Civ. No. C–70–409 (W.D. Tenn., filed Nov. 5, 1973), *aff'd* 507 F.2d 481 (6th Cir. 1974).

X2—*Hicks* v. *Freeman*, 397 F. 2d 193 (4th Cir. 1968).

a(2), X2, 5—*Hogan* v. *United States*, Civ. No. 73–1385 (S.D. Fla., decided Jan 25, 1974).

X7—*Holiday Magic, Inc.* v. *FTC*, Civ. No. 1878–72 (D.D.C., filed March 16, 1973).

X3 (42 U.S.C. § 2000e), 4, delegation of responsibility for promulgation of regulations, reverse FOI case—*Hughes Aircraft Co.* v. *Schlesinger*, 384 F. Supp. 292 (C.D. Cal. 1974).

Rule 34—*Hurt* v. *United States*, Civ. No. 72–3183 (9th Cir., filed Sept. 11, 1974).

X4, 5—*ITT Gilfillan, Inc.* v. *Froehlke*, Civ. No. 416–73 (D.D.C., filed June 28, 1973).

X4, 7—*In re Grand Jury Witness Subpoenas*, 370 F. Supp. 1282 (S. D. Fla. 1974).

"Agency"—*Independent Investor Protection League* v. *New York Stock Exchange*, 367 F. Supp. 1376 (S.D. N.Y. 1973).

X7—*Institute for Weight Control, Inc.* v. *Klassen*, 348 F. Supp. 1304 (D. N.J. 1972).

a(3), X5—*International Paper Co.* v. *FPC*, 438 F. 2d 1349, 1358–59 (2d Cir. 1971), *cert. den.* 404 U.S. 827 (1971).

X4—*Irons* v. *Schuyler*, 321 F. Supp. 628 (D.D.C. 1970), *aff'd in part and remanded in part*, 465 F. 2d 608 (D.C. Cir. 1972), *cert. denied* 409 U.S. 1076 (1972), *on remand* 369 F. Supp. 403 (D.D.C. 1914).

a(2)—*Kent Corp.* v. *NLRB*, Civ. No. 73–M–1090 (N.D. Ala., decided Feb. 27, 1974).

X6, 7—*Kerr* v. *U.S. District Court for Northern District of California*, 511 F. 2d 192 (9th Cir. 1975).

X5, 7—*Koch* v. *Dept. of Justice*, 376 F. Supp. 313 (D.D.C. 1974).

X4, 5, 6—*Kreindler* v. *Department of the Navy*, 363 F. Supp. 611 (S.D. N.Y. 1973), interim opinion; 372 F. Supp. 333 (S.D.N.Y. 1974).

X1—*Kruh* v. *GSA*, Civ. No. 73C1517 (E.D. N.Y., filed Sept. 19, 1974).

X7—*LaMorte* v *Mansfield*, 438 F. 2d 448 (2d Cir. 1971).

X3, 4, 7—*Legal Aid Society of Alameda County* v. *Shultz*, 349 F. Supp. 771 (N.D. Cal. 1972).

Enjoining agency proceeding pending resolution of FOI suit—*Lennon* v. *Richardson*, 378 F. Supp. 39 (S.D. N.Y. 1974).

X4, 6—*Levine* v. *Department of Treasury*, Civ. No. 73–1215 (S.D. Fla., filed March 22, 1974).

X2, 5, 7—*Long* v. *IRS*, 339 F. Supp. 1266 (W.D. Wash. 1971).

X2, 5—*Long* v. *IRS*, 349 F. Supp. 871 (W.D. Wash. 1972).

X3, 4, 5, 7—*M. A. Schapiro & Co.* v. *SEC*, 339 F. Supp. 467 (D.D.C. 1972).

X4—*McCoy* v. *Weinberger*, 386 F. Supp. 504 (W.D. Ky. 1974).

X2, 5, 7—*McIntyre* v. *Warner*, Civ. No. 1350–73 (D.D.C., filed Oct. 3, 1974).

X5—*Miller* v. *Smith*, 229 F. Supp. 55 (S.D. N.Y. 1968).

X5—*Mims* v. *United States*, No. 8935 Civil (D.N.M., filed July 8, 1971).

X1, 5—*Mink* v. *EPA*, 464 F.2d 742 (D.C. Cir. 1972), *rev'd* 410 U.S. 73 (1973).

X3, 4, 5—*Misegades & Douglas* v. *Schuyler*, 328 F. Supp. 619 (E.D. Va. 1971), *dis'd as moot*, 456 F.2d 255 (4th Cir. 1972).

X5—*Missouri Portland Cement Co.* v. *FTC*, Civ. No. 474–71 (D.D.C., filed Dec. 15, 1972), to be found in CCH Trade Cas. ¶74,124 or 74,279, *on reconsideration* CCH Trade Cas. ¶74,280.

X5—*Montrose Chemical Corp.* v. *Train*, 491 F.2d 63 (D.C. Cir. 1974).

X7—*Moore-McCormack Lines, Inc.* v. *I.T.O. Corporation of Baltimore*, 508 F.2d 945 (4th Cir. 1974).

X1—*Moss* v. *Laird*, Civ. No. 1254–71 (D.D.C., decided Dec. 7, 1971).

X5, Fed. Advisory Comm. Act.—*Nader* v. *Dunlop*, 370 F. Supp. 177 (D.D.C. 1973).

"identifiable records", X4, 5—*National Cable Television Ass'n* v. *FCC*, 479 F.2d 183 (D.C. Cir. 1973).

X4—*National Parks and Conservation Ass'n* v. *Morton*, 351 F. Supp. 404 (D.D.C. 1972), *rev'd and remanded* 498 F.2d 765 (D.C. Cir. 1974).

a(2)—*National Prison Project of the American Civil Liberties Union Foundation, Inc.* v. *Sigler*, Civ. No. 74–31 (D.D.C., decided Jan. 17, 1975).

"person", X3 (18 U.S.C. § 1905), 4, reverse FOI case—*Neal-Cooper Grain Co.* v. *Kissinger*, 385 F. Supp. 769 (D.D.C. 1974).

"record", X3—*Nichols* v. *United States*, 325 F. Supp. 130 (D. Kan. 1971), *aff'd* 460 F.2d 671 (10th Cir. 1972).

X1, 3 (44 U.S.C. §§ 2101, 2107, 2108), "agency"—*Nixon* v. *Sampson*, 389 F. Supp. 107 (D.D.C. 1975).

a(3)—*Owens* v. *U.S. Bureau of Prisons*, 379 F. Supp. 547 (D.D.C. 1974).

X4, 5—*Pacific Architects and Engineers, Inc.* v. *Renegotiation Bd.*, 505 F.2d 383 (D.C. Cir. 1974).

"prompt disclosure"—*Packer* v. *Kleindienst*, Civ. No. 1988–72 (D.D.C., filed July 8, 1974).

X3—*People of the State of California* v. *Richardson*, 351 F. Supp. 733 (N.D. Cal. 1972), *remanded for dismissal* 505 F.2d 767 (*People of the State of California* v. *Weinberger*).

X4, promise of confidentiality—*Petkas* v. *Staats*, 364 F. Supp. 680 (D.D.C. 1973), *rev'd and remanded* 501 F.2d 887 (D.C. Cir. 1974).

X5, 7—*Philadelphia Newspaper, Inc.* v. *HUD*, 343 F. Supp. 1176 (E.D. Pa. 1972).

X5, 7—*Pilar* v. *S.S. Hess Patrol*, 55 F.R.D. 159 (D. Md. 1972).

X2, 5—*Polymers, Inc.* v. *NLRB*, 414 F.2d 999 (2d Cir. 1969), *cert. denied*, 396 U.S. 1010 (1970).

a(3), X4, 5, personal notes not agency records—*Porter County Chapter of Isaak Walton League* v. *AEC*, 380 F. Supp. 630 (N.D. Ind. 1974).

X7—*Preferred Land Corp.* v. *SEC*, Civ. No. 74–559 (D.D.C. filed May 1, 1975), to be found in CCH Fed. Sec. ¶94,555.

X4, 5, 6—*Rabbitt* v. *Department of the Air Force*, 383 F. Supp. 1065 (S.D. N.Y. 1974).

X5, 7—*Rayner and Stonington, Inc.* v. *FDA*, Civ. No. 68–1995 (E.D. Pa., filed Aug. 14, 1969).

Fees—*Reinoehl* v. *Hershey*, 426 F.2d 815 (9th Cir. 1970).

X3—*Robertson* v. *FAA*, Civ. No. 1970–71 (D.D.C., filed Oct. 31, 1972), *aff'd* 495 F.2d 1031 (D.C. Cir. 1974) (*Robertson* v. *Butterfield*).

Discovery—*Robins & Weill, Inc.* v. *United States*, Civ. No. C–7–6–72 (M.D. N.C., decided February 25, 1974), to be found in 74–1 U.S.T.C. ¶9299.

X6—*Robles* v. *EPA*, 484 F.2d 843 (4th Cir. 1973).

a(1) (D)—*Rodriguez* v. *Swank*, 318 F. Supp. 289 (N.D. Ill. 1970).

X2, 5, 6—*Rose* v. *Department of the Air Force*, Civ. No. 72–1605, *rev'd and remanded* 495 F. 2d 261 (2d Cir. 1974).

a(2), X4, 6, 7—*Rural Housing Alliance* v. *U.S. Dept. of Agriculture*, Civ. No. 2460–72 (D.D.C., filed May 9, 1973), *rev'd and remanded* 498 F.2d 73 (D.C. Cir. 1974), *on bill of costs* 511 F.2d 1347 (D.C. Cir. 1974).

X1—*Schaffer* v. *Kissinger*, 505 F. 2d 389 (D.C. Cir. 1974).

X3—*Schecter* [*sic*] v. *Richardson*, Civ. No. 710–72 (D.D.C., filed July 17, 1972).

X3 (42 U.S.C. § 1306)—*Schechter* v. *Weinberger*, Civ. No. 2319–73 (D.D.C., filed June 7, 1973), *rev'd and remanded* 506 F. 2d 1275. (D.C Cir. 1974).

X5, reverse FOI case—*Schwartz* v. *IRS*, 75–1 U.S.T.C. ¶9389 (Sept. 23, 1974), *clarification ordered* 511 F. 2d 1303 (D.C. Cir. 1975).

a(3)—*Seafarers International Union, AFL–CIO* v. *Baldovin*, 508 F. 2d 125 (5th Cir. 1975).

X3 (18 U.S.C. § 1905, 7—*Sears, Roebuck & Co.* v. *GSA*, 384 F. Supp. 996 (D.D.C. 1974), *stay of order dissolved* 509 F. 2d 527 (D.C. Cir. 1974).

a(3) *Sears, Roebuck & Co.* v. *NLRB*, 433 F. 2d 210 (6th Cir. 1970).

a(2) (A), X5—*Sears, Roebuck & Co.* v. *NLRB*, 346 F. Supp. 751 (D.D.C. 1972), *aff'd* 480 F.2d 1195 (D.C. Cir. 1973), *aff'd in part, rev'd in part, and remanded* 43 U.S.L.W. 4491 (U.S. April 28, 1975).

Enjoining agency proceeding pending resolution of FOI case—*Sears, Roebuck & Co.* v. *NLRB*, 473 F.2d 91 (D.C. Cir. 1972).

"Identifiable records", X3, 4—*Sears* v. *Gottschalk*, 357 F. Supp. 1327 (E.D. Va. 1973), *aff'd* 502 F.2d 122 (4th Cir. 1974).

a(3)—*Secretary of Labor* v. *Farino*, 490 F.2d 885 (7th Cir. 1973).

X5, 6—*Seiler* v. *Department of Transportation*, Civ. No. 73–CV–143 C (W.D. Mo., decided March 25, 1975).

X3—*Serchuk* v. *Richardson*, Civ. No. 72-1212 (S.D. Fla., filed Nov. 28, 1972).

Use of FOIA as a discovery tool—*Shakespeare* v. *United States*, 389 F.2d 772 (Ct. Cl. 1968), *pet'n dis'd* 419 F.2d 839 (Ct. Cl. 1969), *cert. denied* 400 U.S. 820 (1970).

X5—*Simons—Eastern Co.* v. *United States*, 55 F.R.D. 88 (N.D. Ga. 1972).

a(3)—*Skolnick* v. *Campbell*, 454 F.2d 531 (7th Cir. 1971).

"agency"—*Skolnick* v. *Kerner*, 435 F.2d 694 (7th Cir. 1970).

jurisdiction—*Skolnick* v. *Parsons*, 397 F.2d 523 (7th Cir. 1968).

a(3), exhaustion of administrative remedies—*Smith* v. *Switzer*, Civ. No. 73–376 (W.D. Pa., decided May 30, 1973) to be found in 73–2 U.S.T.C. ¶ 9490.

X4, 5—*Soucie* v. *David*, 448 F.2d 1067 (D.C. Cir. 1971).

X5, 7, discovery—*Steadham Security Corp.* v. *SEC*, Civ. No. 2367–72 (D.D.C., decided Jan. 25, 1973), to be found in CCH Fed. Sec. ¶93–735.

X4, 5—*Sterling Drug, Inc.* v. *FTC*, 450 F.2d 698 (D.C. Cir. 1971).

X2, 5, 7—*Stern* v. *Richardson*, 367 F. Supp. 1316 (D.D.C. 1973).

X2, 5—*Stokes* v. *Hodgson*, 347 F. Supp. 1371 (N.D. Ga. 1972), *aff'd* 476 F. 2d 699 (5th Cir. 1973).

X4—*Stone* v. *Export-Import Bank of the United States*, Civ. No. 74–129 (N.D. Fla., decided April 17, 1975).

X3—*Stretch* v. *Weinberger*, 359 F. Supp. 702 (D.N.J. 1973), *aff'd* 495 F. 2d 639 (3d Cir. 1974).

X5—*Talbott Construction Co.* v. *United States*, 49 F.R.D. 68 (E.D. Ky. 1969).

a(2), X3 (26 U.S.C. §§ 6103(a)(1), 7213 (a)(1)), 4, 5—*Tax Analysts and Advocates* v. *IRS*, 362 F. Supp. 1298 (D.D.C. 1973), *modified in part and remanded* 505 F. 2d 350 (D.C. Cir. 1974).

X4, equitable jurisdication—*Tax Reform Research Group* v. *IRS*, Civ. No. 559–73 (D.D.C. decided April 17, 1974), to be found in 74–1 U.S.T.C. ¶ 9374.

X5—*Tennessean Newspaper, Inc.* v. *FHA*, 341 F. Supp. 1013 (M.D. Tenn. 1971), *rev'd* 464 F. 2d 657 (6th Cir. 1972).

Equity jurisdiction, *de novo* hearing—*Theriault v. United States*, 503 F. 2d 390 (9th Cir. 1974).

X2—*Tietze* v. *Richardson*, 342 F. Supp. 610 (S.D. Texas 1972).

X6—*Tuchinsky* v. *Selective Service System*, 294 F. Supp. 803 (N.D. Ill. 1969), *aff'd* 418 F. 2d 155 (7th Cir., 1969).

a(2)(C), a(3)—*United States* v. *Imbrunone*, 379 F. Supp. 256 (E.D. Mich. 1974).

a(2)—*United States* v. *Leichtfuss*, 331 F. Supp. 723 (N.D. Ill. 1971).

discovery—*United States* 7. *Wahlin*, 384 F. Supp. 43 (W.D. Wis. 1974).

"Records"—*United States* v. *Walker*, 491 F. 2d 236 (9th Cir. 1974).

X4, reverse FOI case—*United States Steel Corp.* v. *Schlesinger*, Civ. Nos. 183–74–A, 195–74–A (E.D. Va., decided Sept. 20, 1974), to be found in 8 CCH E.P.D. ¶ 9717.

a(3), injunction of agency proceedings—*United Telephone Co. of Pennsylvania* v. *FCC*, 375 F. Supp. 992 (M.D. Pa. 1974).

Agency's burden of proof, X2, 5, 6—*Vaughn* v. *Rosen*, 484 F.2d 820 (D.C. Cir. 1973), *cert. denied* 415 U.S. 977 (1974), *on remand* 383 F. Supp. 1049 (D.D.C. 1974).

X5—*Verrazzano Trading Corp* v. *United States*, 349 F. Supp. 1401 (U.S. Customs Ct. 1972).

X3, 6—*Vietnam Veterans Against the War* v. *Laird*, Civ. No. 2277–70 (D.D.C., filed Oct. 15, 1971).

a(2), X4, 5, 6—*Washington Research Project, Inc.* v. *HEW*, 366 F. Supp. 929 (D.D.C. 1973), *aff'd in part, rev'd in part, and remanded* 504 F.2d 238 (D.C. Cir. 1974).

X4, 5, 7—*Wecksler* v. *Shultz*, 324 F. Supp. 1084 (D.D.C 1971).

X7—*Weisberg* v. *Department of Justice*, 489 F.2d 1195 (D.C. Cir. 1973).

X4, 5, 7—*Wellford* v. *Hardin*, 315 F. Supp. 175 (D. Md. 1970), *aff'd* 444 F.2d 21 (4th Cir. 1961), *on motion for reconsideration* 330 F. Supp. 915 (D. Md. 1971).

X7—*Wellford* v. *Hardin* 315 F. Supp. 768 (D.D.C. 1970).

X4, 7—*Wellman Industries* v. *NLRB*, Civ. No. 73–74 (D.S. Car., April 13, 1973), *aff'd* 490 F.2d 427 (4th Cir. 1974).

X3 (42 U.S.C. § 2000e–8(e)), 4, 7, reverse FOI case—*Westinghouse Electric Co.* v. *Schlesinger*, Civ. No. 118–74–A (E.D. Va., filed April 2, 1974, permanent injunction issued April 19, 1974).

X5, 7—*Williams* v. *IRS*, 345 F. Supp. 591 (D. Del. 1972), *aff'd* 479 F.2d 317 (3d Cir. 1973).

X6, "similar files"—*Wine Hobby, U.S.A., Inc.* v. *United States Bureau of Alcohol, Tobacco, and Firearms*, 363 F. Supp. 231 (E.D. Pa. 1973), *rev'd* 502 F.2d 133 (3d Cir. 1974).

X1—*Wolfe* v. *Froehlke*, 358 F. Supp. 1218 (D.D.C. 1973), *aff'd* 510 F.2d 654 (D.C. Cir. 1974).

X5—*Wu* v. *Keeney*, 384 F. Supp. 1161 (D.D.C. 1974).

X5—*Wu* v. *Nat'l Endowment for Humanities*, 460 F.2d 1030 (5th Cir. 1972).

(A) NEW FOI OPINIONS (ISSUED SINCE COMPILATION OF PRIOR LIST, DEC. 1, 1974)

X7—*Anchorage Building Trades Council* v. *HUD*, 384 F. Supp. 1236 (D. Alaska 1974).

X5, 7—*Ash Grove Cement Company* v. *FTC*, 511 F.2d 815 (D.C. Cir. 1975), *remanding* 371 F. Supp. 370 (D.D.C. 1973).

Enjoining agency proceeding pending examination by plaintiff of a(2) indices—*Bayview Associates* v. *NLRB*, Civ. No. 74–1825 (D.D.C., decided Dec. 20, 1974), to be found in 75 CCH Lab. Cas. ¶10,524.

"Identifiable records," X5, 7—*Exxon Corp.* v. *FTC*, 384 F. Supp. 755 (D.D.C. 1974).

X5—*Grumman Aircraft Engineering Corp.* v. *Renegotiation Board*, 43 U.S.L.W. 4502 (U.S. April 28, 1975), *rev'g* 482 F.2d 710 (D.C. Cir. 1973), *aff'g* 325 F. Supp. 1146 (D.D.C. 1971), *on remand from* 425 F.2d 578 (D.C. Cir. 1970).

a(2)(C), X2—*Hawkes* v. *IRS*, 507 F.2d 481 (6th Cir. 1974), *aff'g* Civ. No. C–70–409 (W.D. Tenn., filed Nov. 5, 1973), *on remand from* 467 F.2d 787 (6th Cir. 1972), *rev'g and remanding* Civ. No. C–70–409 (W.D. Tenn., July 21, 1971), to be found in 71–2 U.S.T.C. ¶ 9640.

X3 (42 U.S.C. § 2000e), 4, delegation of responsibility for promulgation of regulations, reverse FOI case—*Hughes Aircraft Co.* v. *Schlesinger*, 384 F. Supp. 292 (C.D. Cal. 1974).

X6, 7—*Kerr* v. *U.S. District Court for Northern District of Cal.*, 511 F.2d 192 (9th Cir. 1975).

X4—*McCoy* v. *Weinberger*, 386 F. Supp. 504 (W.D. Ky. 1974).

X7—*Moore-McCormack Lines, Inc.* v. *I.T.O. Corporation of Baltimore*, 508 F.2d 945 (4th Cir. 1974).

a(2)—*National Prison Project of the American Civil Liberties Union Foundation, Inc.* v. *Sigler*, Civ. No. 74–31 (D.D.C., decided Jan. 17, 1975).

"Person", X3 (18 U.S.C. § 1905), 4, reverse FOI case—*Neal-Cooper Grain Co.* v. *Kissinger*, 385 F. Supp. 769 (D.D.C. 1974).

X1, 3(44 U.S.C. §§ 2101, 2107, 2108), "agency"—*Nixon* v. *Sampson*, 389 F. Supp. 107 (D.D.C. 1975).

X4, 5—*Pacific Architects and Engineers, Inc.* v. *Renegotiation Board*, 505 F.2d 383 (D.C. Cir. 1974).

X3—*People of the State of California* v. *Weinberger*, 505 F.2d 767 (10th Cir. 1974, *rev'g and remanding* 351 F. Supp. 733 (N.D. Cal. 1972) (v. *Richardson*).

X4, 5, 6—*Rabbitt* v. *Department of the Air Force*, 383 F. Sup. 1065 (S.D. N.Y. 1974).

X1—*Schaffer* v. *Kissinger*, 505 F.2d. 389 (D.C. Cir. 1974).

X3 (42 U.S.C. § 1306)—*Schecter* v. *Weinberger*, 506 F.2d 1275 (D.C. Cir. 1974), *rev'g and remanding* Civ. No. 2319–72 (D.D.C., filed June 7, 1973).

X5, reverse FOI case—*Schwartz* v. *IRS*, 511 F.2d. 1303 (D.C. Cir. 1975), *ordering clarification* of 75–1 U.S.T.C. ¶ 9389, Sept. 23, 1974.

a(3)—*Seafarers International Union AFL–CIO* v. *Baldovin*, 508 F.2d 125 (5th Cir. 1975).

X3, (18 U.S.C. § 1905), 7—*Sears, Roebuck & Co.* v. *GSA*, 509 F. 2d 527 (D.C. Cir. 1974), *dissolving stay of order in* 384 F. Sup. 996 (D.D.C. 1974).

X5—*Sears, Roebuck & Co.* v. *NLRB*, 43 U.S.L.W. 4491 (U.S. April 28, 1975), *aff'g in part, rev'g in part, and remanding*, 480 F. 2d 1195 (D.C. Cir. 1973), *aff'g* 346 F. Supp. 751 (D.D.C. 1972).

X5. 6—*Seiler* v. *Department of Transportation*, Civ. No. 73–CV–143 C (W.D. Mo., decided March 25, 1975).

X4—*Stone* v. *Export-Import Bank of the United States*, Civ. No. 74–129 (N.D. Fla., decided April 17, 1975).

a(2), X3(26 U.S.C. §§ 6103(a)(1), 7213(a)(1)), 4, 5—*Tax Analysts and Advocates* v. *IRS*, 505 F. 2d 350 (D.C. Cir. 1974), *modifying in part and remanding* 362 F. Supp. 1298 (D.D.C. 1973).

X2, 5, 6—*Vaughn* v. *Rosen*, 383 F. Supp. 1049 (D.D.C. 1974), *on remand from* 484 F. 2d 820 (D.C. Cir. 1973). *Cert. denied* in the latter 415 U.S. 799 (1974).

X4, 5, 6—*Washington Research Project, Inc.* v. *HEW*, 504 F. 2d 238 (D.C. Cir. 1974), *aff'g in part, rev'g in part, and remanding* 366 F. Supp. 929 (D.D.C. 1973).

X1—*Wolfe* v. *Froehlke*, 510 F. 2d 654 (D.C. Cir. 1974), *aff'g* 358 F. Supp. 1318 (D.D.C. 1973).

X5—*Wu* v. *Keeney*, 384 F. Supp. 1161 (D.D.C. 1974).

ADDENDUM

As has been indicated, the cut-off date for systematic research on unreported opinions was May 15. However, the following case has since come to our attention and in our judgment merits being appended to this issue of the case list.

X4, 5—*Brockway* v. *Department of the Air Force*, Civ. No. 74–1268 (8th Cir., filed June 6, 1975), *rev'g* 370 F. Supp. 738 (N.D. Iowa 1974).

(b) REVERSE FOI CASES

X4—*Charles River Park "A", Inc.* v. *HUD*, 360 F. Supp. 212 (D.D.C. 1973), *remanded* Civ. No. 73–1930 (D.C. Cir., decided March 10, 1975).

X3 (42 U.S.C. § 2000e), 4, delegation of responsibility for promulgation of regulations—*Hughes Aircraft Co.* v. *Schlesinger*, 384 F. Supp. 292 (C.D. Cal. 1974).

a(3) ("person"), X3 (18 U.S.C. § 1905), 4—*Neal-Cooper Grain Co.* v. *Kissinger*, 385 F. Supp. 769 (D.D.C. 1974).

X5—*Schwartz* v. *IRS*, 75–1 U.S.T.C. ¶ 9389, Sept. 23, 1974, *clarification ordered* 511 F. 2d 1303 (1975).

X4—*United States Steel Corp.* v. *Schlesinger*, Civ. Nos. 183–74–A, 195–74–A (E.D. Va., decided Sept. 20, 1974), to be found in 8 CCH E.P.D. ¶ 8717.

X3 (42 U.S.C.—*Westinghouse Electric Co.* v. *Schlesinger*, Civ. No. 118–74–A (E.D. Va. filed April 2, 1974, permanent injunction issued April 19, 1974).

TRIBUTE TO STAN G. GERTIE

Mr. DOMENICI. Mr. President, I am pleased to call to the attention of my colleagues the outstanding service of Lt. Col. Stan G. Gertie—retired—of Albuquerque, who was recently elected national third junior vice commander of the Disabled American Veterans. Mr. Gertie was unanimously elected to this office at the DAV's 54th national convention, held in Honolulu August 31 to September 4, and is the first New Mexican to hold a national office in the DAV.

Lieutenant Colonel Gertie is a veteran of more than 30 years in the armed services, beginning his distinguished career in the National Guard in Kansas in 1922, where he served until 1933. He was commissioned in the regular service in July 1942 and was assigned to Libya. After the Germans were driven out, he served in Cairo, Egypt until 1945, when he was sent to Palestine. He served there until August 1945, when he was sent back to Cairo. Mr. Gertie was discharged in January 1946, and served in the reserves until his retirement with the rank of lieutenant colonel in 1963.

Mr. Gertie was awarded three bronze stars and the Legion of Merit was conferred on him for his outstanding performance in Egypt. He was also recommended for a second Legion of Merit for his service in Palestine.

Mr. Gertie, a fullblooded Cherokee, was born in Gore, Okla., and was orphaned at the age of 6. He is a graduate of the Haskell Institute in Lawrence, Kans., and attended the University of Kansas.

Stan Gertie is a life member of the Albuquerque Cutting-Garcia Chapter No. 3 and immediate past department adjutant-treasurer of the Disabled American Veterans, a post he held for 8 years.

He is also active in the Elks, the Veterans of Foreign Wars, American Legion Post 13 of Albuquerque, and the Retired Senior Citizens of Albuquerque.

It gives me great pleasure to recognize Stan Gertie for his outstanding service to his State and Nation. I am proud to have the privilege to know such a patriotic American and outstanding citizen of New Mexico.

CRIMES AGAINST THE ELDERLY

Mr. RIBICOFF. Mr. President, older people in America face a number of problems. Many of them, such as the problems of health care and retirement income are well known to most of us. However, little attention has been focused on the problems of crime perpetrated against the elderly. Older Americans are increasingly the victims of crime. Generally they are more vulnerable and less able to protect themselves.

One of our Nation's experts on the problems of older Americans and a resident of Connecticut, Noel Tomas, has coauthored an excellent article which outlines the problem of crimes against the elderly.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

CRIMES AGAINST THE ELDERLY: A CONTINUING NATIONAL CRISIS

(By Jack Goldsmith and Noel E. Tomas)

In certain respects a crime against an older person may be considered simply as if it were a crime against a person of any age, and, indeed, traditionally this has been the case within the criminal justice system. The traditional view approaches the impact of criminal victimization rather narrowly in terms of financial deprivation and physical impairment.

However, there is a growing recognition that there is a distinctiveness about crimes against the elderly, and that, when considered broadly in terms of the physical, economic, social and psychological impact, these crimes warrant treatment as a special category.

The case for singling out the elderly victim from the general population for special attention may be summarized as follows:

1. There is a high incidence of reduced or low income among the elderly. Thus, the impact of any loss of economic resources is relatively greater.
2. Older people are more likely to be victimized repeatedly—often the same crime and the same offender.
3. Older people are more likely to live alone. Social isolation increases vulnerability to crime.
4. Older people have diminished physical strength and stamina; hence, they are less able to defend themselves or to escape from threatening situations.
5. Older people are far more likely to suffer from physical ailments such as loss of hearing or sight, arthritis and circulatory problems which increase their vulnerability.
6. Older people are physically more fragile and more easily hurt should they opt to defend themselves. For example, bones are more easily broken, and recovery is more difficult. Thus, they are less likely to resist attackers.
7. Potential criminals are aware of the diminished physical capacity and the physical vulnerability of the elderly and are thus more likely to seek out an elderly target (whose aged status is easily visible.)
8. There is a greater likelihood that older people will live in high crime neighborhoods rather than in suburbia as a result of diminished income and of being rooted in central cities. Thus, they find themselves in close proximity to the groups most likely to victimize them—the unemployed, teenage drop-outs.
9. The dates of receipt by mail of monthly pension and benefit checks (and hence the dates when older people are most likely to have cash on their person or in their dwelling) are widely known.
10. Dependency on walking or on public transportation is more likely among older people who, for physical, financial or other reasons, are less likely to drive or own a private automobile.
11. There is evidence that older people are particularly susceptible to fraud and confidence games.
12. Older people have the highest rates of the crime of personal larceny with contact (theft of purse, wallet or cash directly from the person of the victim, including attempted purse snatching).
13. Awareness of increased vulnerability to criminal behavior has a chilling effect upon the freedom of movement of older Americans. Fear of criminal victimization causes self-imposed "house arrest" among older people who may refuse to venture out of doors. Furthermore, even in those situations where the fear of being victimized may be somewhat exaggerated or unwarranted by local conditions, the effect on the older persons is just as severe as when the fears are justified.
14. Because of a loss of status and a decreased sense of personal efficacy associated in American culture with being old, older people may be less likely to process complaints through the criminal justice bureaucracy and to draw upon available community resources for protection and redress.

CONTINUING NATIONAL CRISIS

Older people receive no special consideration from potential victimizers; in fact, their special vulnerability serves as a green light to criminals. They are subject to the same kinds of crimes as the general population although at differing rates. Based on extensive research in Kansas City, Carl L. Cunningham of the Midwest Research Institute concludes:

"Of the more serious crimes against the elderly, burglary is the predominating major offense, as it is country-wide. It is followed by robberies—both armed and strong-arm, grand larceny, auto theft, nonviolent purse snatches, assaults, rapes and sexual molestations, and homicides, roughly in that order."

Present findings clearly indicate that this is a nation-wide problem that is particularly serious in the larger cities of America. In this sense, the matter of crimes against the elderly is an integral aspect of what has been termed "the urban crisis." The elderly tend to be concentrated in older neighborhoods in close proximity to the very elements of society that are most likely to victimize them.

Furthermore, the kind of personal calamity that is experienced by the aged victim of mugging, burglary or purse snatching is not essentially different from the crimes that often follow in the wake of collective calamities such as civil disorders or natural disasters when looting and personal assault are constant threats. For the individual victim, the personal disaster—the loss, the injury, the psychological blow—is of the same order as the larger disaster. In fact, the impact of criminal victimization may be greater under "normal conditions" when the incident happens in isolation. In large disasters, the aged victim can at least take some comfort in the fact that he is not alone in his troubles, and that there is a national spotlight on the problem and, hence, sympathy and emergency relief on the way. The isolated aged victim of criminal behavior—so often alone—out of depression and frustration very often does not even report the crime.

PSYCHOLOGICAL IMPACT

There are two dimensions to the threat of criminal victimization: the actual threat and the perceived threat. Both dimensions have a negative impact on the individual. The fear of being victimized can shape the daily life of an older person. The fear of freely moving about in the community deprives the older person of a basic American right. A common adaptation to the perceived threat of criminal victimization, documented most notably in low cost housing projects, is a form of self-imposed incarceration where the terrorized remain behind locked doors refusing to venture out unless absolutely necessary. Elaine M. Brody of the Philadelphia Geriatric Center has written of the psychological consequences of actual victimization:

"The importance of the particular legal problem lies not only in its intrinsic importance, but in its personal and psychological significance. The landlord who raises the rent excessively, the salesman who exploits, the health quack who deceives, the "con" man who fleeces, inflict wounds to pride and dignity as well as to purse and person. Violence injures not only the physical self, but reinforces feelings of helplessness. Even a small loss may be the most recent in a series of "insults;" though superficially trivial, it may represent the proverbial last straw, or restimulate previous experiences of losses with their attendant painful emotions."

CRIME REPORTING

Until quite recently, the age of the victim has not been regarded as a significant statistic in crime reporting, except in the case of minors. This traditional lack of concern for reporting the age of the victim has now begun to break down and more data on the elderly crime victim are being reported. A pioneering effort in the collection of comprehensive data on elderly victims and their victimizers was undertaken in Kansas City, Mo., where former Chief of Police Clarence B. Kelley, now Director of the Federal Bureau of Investigation, inaugurated the policy of collecting and computerizing age statistics. With the collection of these data, locations and types of attacks can be ascertained and followed up with preventive police measures. The Uniform Crime Reports, compiled by the F.B.I. from data supplied by local police departments, are extensively used but do not classify crimes according to the age of the victim.

On the whole police data that do not deal with victimization of persons 60 and over are not adequate. Police reporting, for example is not done by census tracts, which makes it difficult to determine the incidence of crime in relation to residence of elderly populations in urban settings.

The study of criminal victimization is highly complex. Difficulties surrounding it are by no means confined to reporting on elderly victims. The major roadblock to obtaining accurate data is under-reporting. A recent study by the Law Enforcement Assistance Administration of *Crime in the Nation's Five Largest Cities* indicates the magnitude of underreporting. The study found that the total number of incidents of crimes reported by survey respondents was approximately double the combined number of comparable offenses recorded by law enforcement agencies in the five cities during 1972. The most commonly cited reasons for failure to report a personal or household crime to the police were (1) a belief that, because of a lack of proof, nothing could be accomplished by reporting the incident and (2) a belief that the incident was not important enough to warrant police attention.

A comprehensive 3-year University of California at Davis study of robbery in Oakland, Calif., concluded that older persons are among the most vulnerable segments of our society. They found ". . . the likelihood of any individual in the city being victimized within the year to be relatively high—ranging from one in 146 for the general population to one in 24 for certain high risk populations such as females over 65."

The research team interviewed both robbers and victims and reported that victims were predominantly female. More than half of the female victims of street robberies were over age 55, and more than one-third were over age 65. These findings are in line with the L.E.A.A. five-city study which found that the highest rates of personal larceny with contact in four of the five cities were recorded for persons over 50.

Perhaps the most comprehensive study that focuses exclusively on the aged victim is now being conducted by the Midwest Research Institute supported by the Administration on Aging. This study is undertaking detailed analyses of serious crimes in Kansas City involving victims 60 years of age and over. Data are being gathered from police reports, interviews with victims and their neighbors, or relatives, and through interviews with ex-offenders who can shed light on the older person's vulnerability to crime.

Much of the information available about residential security problems of the elderly and about measures taken to improve conditions was presented at a series of hearings held by the Housing Subcommittee of the Senate Special Committee on Aging in 1971. Several volumes of testimony have been compiled. Housing security is the most widely treated facet of criminal victimization of the elderly. The findings of Oscar Newman of the Institute of Planning and Housing have been very influential. His concept of "defensible space" which suggests a series of physical design characteristics that will support resident control of criminal behavior within a residential community has been widely disseminated.

FIGHTING CRIMES ON ELDERLY

In response to activities initiated under provisions of the Older Americans Act of 1965, to recommendations of the 1971 White House Conference on Aging, and to several Congressional hearings on needs of the elderly, a generalized concern for older persons has been spreading over the country. The past decade has seen an increased awareness of the special needs and problems of the elderly in such areas as income, health, nutrition and housing. A small number of independent activities around the nation indicate that some members of the criminal justice community are recognizing the special needs of the elderly with respect to crime. A number of states, communities, neighborhood and private groups have introduced an array of experimental programs designed to protect the elderly. The following are examples of the range of recent activities.

Hartford, Conn.,: A "teen escort service" was established in cooperation with the police department. The New York City Housing Authority Tenant Patrol has developed a similar program.

Hoboken, N.J.,: Special equipment such as closed circuit television cameras in buildings and on high-crime street corners has been utilized.

The American Association of Retired Persons' Crime and Safety Program has established public service training sessions for their chapters.

The Justice Department in California has held seminars to train older persons in protective crime prevention. The Department has sponsored a number of activities earmarked to protect the elderly including a Consumer Information Protection Program for Seniors (CIPPS).

The California Attorney General's Advisory Commission on Problems of the Aging is a broadly based group that meets regularly to consider protection of the elderly.

A special seminar sponsored by the Department of Housing and Urban Development held in Washington, D.C., in September, 1973, for housing personnel focused on security needs of residents of multi-family projects with special emphasis on the elderly.

A seminar on residential security for the elderly was held in Kansas City, Mo., in February, 1974, by the Midwest Research Institute. Plans included a series of follow up neighborhood meetings.

The Community College of Allegheny County, Pa., has held sessions on Personal Defense and Security Training for the Aging.

In 1971, the Washington, D.C. Project Assist found that the police were a prime source for finding the isolated and needy elderly. With the hypotheses that older people are in need of special outreach programs and that the police are often called upon to perform many non-law enforcement, essentially social work functions, a social worker was assigned to a station house to assist in handing complaints from the elderly that were not specifically crime-related.

In October, 1973, a special seminar-workshop on reducing crimes against aged persons was held in Wilmington, Del. The intergovernmental workshop under the sponsorship of the Delaware Division of Aging and the Mid-Atlantic Region's Federal Regional Council Task Force on Solving the Problems of the Elderly brought together policemen, social workers, and representatives of private and public agencies involved in aging programs and services. All Federal departments of the Federal Regional Council were represented.

The objectives of the workshop were to develop approaches to the problem of reducing crimes against the elderly in cities in the region. Through follow-up meetings, Wilmington officials and the task force concentrated attention on developing a Wilmington Crime Reduction Plan for the Aged. The four components of the plan are data evaluation, education, hardware, and social services.

WHCOA FINDINGS

The evidence is mounting that the elderly constitute a unique class of crime victim and that crimes against the elderly can be dealt with most effectively when considered as a distinct category of criminal activity. The 1971 White Conference on Aging recognized the special nature of the problem of criminal victimization of the elderly in their recommendations on legal protection which were summarized in *Towards a New Attitude on Aging:*

"These recommendations dealt with assisting the elderly to participate in the criminal justice system and with the prevention of both white collar crimes such as fraud and crimes of violence such as assault. These recommendations included: making physical protection and crime prevention an element of the planning of facilities for the elderly; expanding police protection of minority neighborhoods; establishing formal liaison between social service agencies and police departments so that elderly who are victims of crime can obtain all necessary assistance; providing better street lighting; making training grants available to police officers and others to acquaint them with the special situation of the elderly and their special susceptibility to particular types of crime; and granting Federal funds to State and local prosecuting officers to expand or establish trained fraud units which are well acquainted with schemes used to deceive the elderly."

Two conference recommendations specifically treat the "special situation of the elderly and their special susceptibility to particular types of crime":

"Police protection of the elderly should become a top priority. A portion of Federal funds for the prevention of crime allocated to the States or local communities should be earmarked for this purpose. Particular attention should be paid to the needs of minority groups.

"Standards for physical and environmental security should be developed and applied as an integral and basic element of all housing projects serving the elderly."

The White House Conference was instrumental in promoting the principle that the elderly as consumers in the criminal justice system have special requirements for their protection and safety. Identification of certain categories of citizens for special treatment in security and protection is an established police practice. Children represent the most widely recognized special category. They receive special treatment throughout the criminal justice and legal system. Similarly, political leaders, rock-and-roll idols, women (especially where campus rape is widespread) and bank employees have become recipients of security benefits derived from a public policy which recognizes that, for some groups, equal protection of the laws can best be realized through specialized or differential treatment. That differential treatment by police can provide equal protection of the laws to the elderly is an idea whose time has at last arrived.

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IS ANYBODY LISTENING TO THE SMALL FARMER?

Mr. McGOVERN. Mr. President, the Rapid City Journal of my home State recently published an editorial that "hit the nail on the head" regarding farm policy.

The editorial accurately points out:

> The small farmer would best be helped by things like a stable market, a fair return and the opportunity for a reasonable profit, to say nothing of relief from the ravages of inflation (and longshoremen).

As my colleagues here in the Senate are aware, I have often spoken in favor of legislation designed to stabilize the boom/bust cycles so disastrous to our small family farmers and livestock producers. Unfortunately, our efforts to achieve a meaningful farm policy have been vetoed by an adminstration bent on listening to advice of desk-bound farmers.

I commend the editors of the Journal for their insight and recommend the editorial to my colleagues. I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Rapid City Journal,
Sept. 12, 1975]

Is Anybody Listening to the Small Farmer?

Now the General Accounting Office (GAO) and the Department of Agriculture (USDA) are arguing about how to increase the incomes of small farmers.

In a newly-released report, the GAO says technical assistance from the government would boost farm incomes and help meet the world's food and fiber needs.

Demonstration projects already have proven, according to the report, that government aid in farm production and farm management practices can lead to bigger crops. One such project in the region of the Tennessee Valley Authority three years ago reportedly showed a potential for tripled production.

The GAO has advised the USDA to determine the possibilities of increasing farm incomes with specific technology and management techniques, to determine the kind of help small farmers will need to adjust to anticipated changes in the agricultural industry, and to find out how many farmers could put such government assistance to use.

But the USDA says any kind of government help resulting in increased production probably would work to the detriment of the small farmer. Bigger crops could mean lower prices—and lower incomes, not higher ones.

Replying to the GAO report, assistant Agriculture Secretary Robert W. Long said technology and management "have not been the primary limiting factors" on small farm income. More serious problems, he implied, are difficulty in finding credit and attractive farmland.

The whole exchange between the GAO and the USDA makes one wonder if either has bothered to ask the small farmer for his ideas.

The average agricultural proprietor, at least in this region, isn't likely to need instructions on how to grow crops or raise livestock, or how to balance his books. He already knows how to farm, and if he needs answers to specific questions in regard to emerging technologies, he need go no farther than the extension service of almost any land grant college or university.

On the other hand, he isn't likely to need more credit with which to submerge himself in debt or more land in which to put an even greater investment in time, effort and financial resources.

The small farmer would best be helped by things like a stable market, a fair return and the opportunity for a reasonable profit, to say nothing of relief from the ravages of inflation (and longshoremen).

The bureaucrats, removed as they are from small farming operations in both a physical and a philosophical sense, seem to have ignored the very obvious—even though South Dakota farmers and ranchers have been trying for years to point it out.

Are you listening, Washington?

You realize, don't you, Washington, that the foremost experts on farming and ranching are farmers and ranchers?

THE GROWING CRISIS IN TRANSPORTATION

Mr. HUMPHREY. Mr. President, the problems facing the Nation's transportation system worsen each day. Many of the old railroads are bankrupt and a large number of others, along with several airlines, are nearly in the same condition. Energy costs for all forms of transportation continue to escalate.

What happens in the next few years will set the stage for coming decades and generations. We must look carefully at some of the unanswered questions related to the continuing problem of moving people and goods from place to place.

The Senate Subcommittee on Surface Transportation, chaired by my distinguished colleague, Mr. Hartke, is continuing to study various alternatives to this problem and has recently concluded hearings on several Senate proposals for making the railroads a viable part of our transportation system again.

Two of the bills which the subcommittee considered are S. 793, the National Rural Transportation Act and S. 1385, the Railroad Rehabilitation and Recovery Act, which I introduced in February and April of this year.

Mr. President, I ask unanimous consent that a letter I recently sent to Mr. Hartke containing my views on this legislation be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Joint Economic Committee,
Washington, D.C., September 11, 1975.

Hon. Vance Hartke,
Chairman, Subcommittee on Surface Transportation, Committee on Commerce, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: I am writing in regard to current subcommittee hearings on several Senate bills which would amend the existing pattern of regulation affecting the Nation's railroads. Legislation under consideration includes two bills which I have introduced—S. 793, the National Rural Transportation Act, and S. 1385, the Railroad Rehabilitation and Recovery Act.

I request that this statement of my views on this legislation be included in the subcommittee hearing record.

We are all clearly aware of the strong public interest in the serious problems confronting the nation's railroads. The Senate already has considered legislation designed to meet two needs: the severe unemployment problem and the deterioration of rail tracks.

This subcommittee is continuing to review various proposals to solve the nation's rail problems, to once again make the railroads a viable part of our transportation system.

Rail line abandonments, the deterioration of tracks and roadbeds, layoffs of maintenance-of-way employees, and major adverse impacts on the economies of various regions due to progressively limited or canceled rail transportation services have increasingly filled news headlines.

Both S. 793, the National Rural Transportation Act and S. 1385, the Railroad Rehabilitation and Recovery Act, address these problems.

S. 793 addresses the transportation problem facing rural America. Rural development depends on a sound transportation system. The deterioration of our nation's railroad system places an extreme burden on our rural roads and denies efficient rail transit to many small communities.

Each time a so-called "unprofitable" rail line is abandoned, more than just the track lies idle. Farmers are forced to use more expensive forms of transit. Farmers already faced with an intolerable situation find the cost of producing, with the increased shipping charges, even higher.

Small businessmen must pay more for the delivery of their goods, and local manufacturers lose a key link with their sales areas.

In addition, the fear of rail abandonment works actively against small towns and farming communities. Local businesmen become hesitant about expansion.

National firms cannot be sure that there will be a reliable rail service in future years if they were to build a satellite plant in the area.

If rural development is to proceed in an orderly and efficient manner, adequate transportation facilities and an efficient and stable transportation industry must be developed.

S. 793 places a two-year moratorium on rail abandonments while a national transportation commission examines all the critical questions of rural transportation. It also would supply funds for the upgrading of rural roads, bridge replacement and the reconstruction and rehabilitation of the railroad systems.

My overall goal is to see that this country has a national transportation policy that reflects the interrelated needs of both rural and urban areas. But, until that policy is developed, the crisis in rural transportation will continue.

That is why on April 9, I introduced the Railroad Rehabilitation and Recovery Act of 1975 (S. 1385). This bill proposes a new national rail policy to maintain a competitive railroad industry in a constructive partnership with Federal and State governments. Its key features are the establishment of an Interstate Railroad System and the public acquisition and maintenance of railroad tracks and roadbeds within that system.

In effect, just as the Interstate Highway System provides the pathways for our over-the-road trucking firms, the Interstate Railroad System would require a comparable system of rail beds and tracks to serve the nation's rail transit needs.

My legislation proposes that all railroad companies could convey their tracks to an Interstate Railroad Administration and in return be relieved of the responsibility for track maintenance and property taxes. No company would be forced to do so, but those railbeds and tracks maintained by the Railroad Administration would be required by law to meet a 60 MPH standard (or higher as required) of safe and smooth passage for freight. The companies using the Interstate System would pay a users fee in order to finance the maintenance of the tracks.

The plain fact is that the present rail system simply is not doing its job. Too many lines are being abandoned. Too many firms are going bankrupt. Hundreds of millions of dollars of needed rehabilitation and reconstruction of rail lines goes undone.

The solution, as I propose, is for the government to work with the private companies to enable them to meet better the public's needs.

Thank you, Mr. Chairman, for giving me this opportunity to state my views.

Sincerely,

Hubert H. Humphrey.

SHOULD WE WASTE ELECTRICITY LIGHTING OUR HALLS?

Mr. McINTYRE. Mr. President, I am informed that maintenance crews are reinstalling light bulbs in the alternate fixtures of the Senate Office Building halls that have been unused since the oil embargo of nearly 2 years ago. I would like to ask why this is being done? Our halls have been well-lighted during the past 2 years. We have saved the cost of light bulbs that would have worn out during that time, and we have saved oil.

Today we appear to have forgotten the waste that is involved in overlighting our buildings. Each one of those bulbs requires an increase in generating capacity which requires more fuel. Is it necessary?

I hope that the Architect of the Capitol will reconsider this matter and I have written him to question this action.

HEARINGS ON PAY-AS-YOU-GO FEDERAL GOVERNMENT

Mr. CURTIS. Mr. President, yesterday the Subcommittee on Constitutional Amendments held its first day of hearings on a constitutional amendment to place the Federal Government on a pay-as-you-go basis. These hearings were held on Senate Joint Resolution 55, as revised, introduced by Senators Curtis, Hruska, Fannin, Goldwater, Laxalt, McClure, William L. Scott, Thurmond, and Garn, and Senate Joint Resolution 93, introduced by Senators Talmadge, Helms, Nunn, Allen, Bumpers, and Thurmond. These resolutions have the same objective but are not alike in detail. Senator Talmadge's statement appears in the Congressional Record of September 23, page 29782.

Mr. President, I ask unanimous consent to have printed in the Record my statement presented at the hearing, together with a statement of mine entitled, "The Budget Is Out of Control," which was placed in the record of the hearing.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement of Senator Carl T. Curtis

I wish to extend my thanks to you, Senator Fong, and to the Chairman of the Subcommittee, Senator Bayh, for making this hearing possible. I also wish to express my gratitude for the help of my colleague from Nebraska, Senator Hruska. As the ranking minority member of the Committee on the Judiciary, he has been most helpful to me. Senator Hruska supports the objective of this proposal and I am happy to report that he plans to testify when these hearings are resumed.

It is my belief that the question we shall be considering today and in subsequent hearing may be one of the most fundamental and important public questions to which this Congress can address itself.

It is abundantly clear I am not alone in this opinion.

We shall be hearing from distinguished members of Congress, as well as from perceptive and deeply concerned members of state legislatures all of whom share with us a deep concern for the rapidly deteriorating fiscal integrity of our nation. We shall hear also from eminent economists from the North, from the South, from the West. All are profoundly concerned with the problem we shall be considering. At this very moment we are looking overseas and see a nation, the United Kingdom, whose desperate outlook is closely related to a government spending policy which is heading that great nation toward a disastrous outcome which even the most optimistic see as little short of hopeless. There is a certain point at which only heroic measures can stop a runaway deterioration.

Here at home we see our own nation's most populous city hovering on the edge of bankruptcy. The same men whose policy of deficit spending brought their great city to its knees seem helpless to restore the economy of the city which they themselves have wrecked through unwise and reckless spending policies.

The rapidly accelerating pace of public spending across our nation has now reached such a pitch, that some men, formerly advocates of almost unlimited spending, are now becoming alarmed. They—some of them—are ready at last to join us in seeking a solution to this problem before it is so far out of hand an uncontrollable inflation will become unavoidable.

The helplessness of these politicians is evident to everyone, once the pace of the trend towards bankruptcy reaches a critical point. In New York City they now have to go begging to their state legislature. Yes, representatives of this great city come begging even to the Federal government.

If bankrupt states should come to the Federal government and then other bankrupt cities should join the company of beggars, how long could even the credit of the Federal government endure such a lethal drain? Every responsible analyst in the country is alarmed by this trend.

It is not so many years ago that a hundred million marks would not buy a loaf of bread in Berlin. We must not, we will not, tolerate a trend that could in all realism, gain such momentum in our nation.

The very responsible and distinguished witnesses who intend to testify today and later before this committee feel deeply, I know, the present danger of our situation.

I look forward with the greatest interest to hearing their observations, especially as they relate to the proposal my distinguished colleagues and I have offered for a constitutional amendment which would require a balanced budget. The elements of the proposal are spelled out in S.J. Res. 55, and I shall not take time from other witnesses to specify the particulars, at this time. Before these hearings are complete I expect a full discussion of the proposals embodied in S.J. Res. 55.

Let me say, Mr. Chairman, the pervading fear is that the Congress will not show itself capable of resisting the temptation to spend and spend beyond the resources of even our great nation. The past history of fiscal recklessness is not very reassuring on this point.

We all hope that the new Senate Committee to give consideration to the budget will be able to do the job in the face of Congressional pressure for execessive and reckless spending.

But dare we hope for such a miraculous change in the Congress? Dare we leave the decision solely in the hands of a Congress which has brought us, over years of time, to the dangerous situation in which we find ourselves today? Will the Committee on the Budget, composed as it may be of men of highest principle and greatest character, find it possible to resist the pressure from a Congress which has been so accustomed to attempt the solution of every social evil known to man, by simply throwing money at the problem?

My colleagues and I who have sponsored S.J. Res. 55 do not believe we dare leave the decision to Congress alone, without any outside restraints, after such a history of reckless spending. We are joined in the belief that nothing less than an amendment to the Constitution will serve. Nothing less, we believe, will be adequate restraint on a Congress which has become "hooked" on spending.

Before completing my remarks, I wish to spend a few moments to dispel certain myths that have been propagated and nourished by the advocates of unrestrained Federal spending.

It is a commonplace, for example, for some of the press to refer to the question of balancing the Federal budget in a "worn-out slogan which is meaningless to most people." Certain elements of the press insist that people just don't care about this question. Other press representatives call it a "non-issue"—"a trumped-up artificial issue of no real consequence."

Perhaps the best way to examine the validity of such statements is to get some facts on what people are really thinking.

Gallup conducted a poll not long ago that is very relevant to our consideration. Gallup interviewers asked a representative cross-section of the United States population the following question:

"How important do you think it is to balance the Federal budget—very important, fairly important, or not so important?"

What these people told Gallup is very important.

To begin with, Gallup found that over 90 percent of the entire population had thought about this question and did have a definite opinion on balancing the budget. Only a minute fraction, only 7 percent, had no opinion. It is clear that the question of a balanced budget is on the minds of almost all of the people of this country.

Those who did have opinions—almost everyone, 83 percent that is,—favored balancing the budget. They thought it was important.

And these were not off-hand opinions. Sixty percent of all people said the question of balancing the Federal budget was very important to them.

Those who tell us the public is indifferent to this question are either ignorant of the facts, or are deceiving us. They better take another reading!

Another myth propagated by the advocates of big Federal spending is that only the rich really care about the problem. Gallup found that the opposite is true. It was in the highest income brackets that was found the most apathy. Only 52 percent of the relatively well-to-do persons believe balancing the budget to be very important.

On the other hand, people below $10,000 a year (down to $7,000) were much stronger in their beliefs on this issue: 70 percent of such relatively low-income persons believed balancing the Federal budget to be very important in comparison with only 52 percent of the well-to-do.

Let's look at the very bottom economic group—those with income less than $3,000.

Gallup found that the poor were much more concerned than were people in the top income bracket.

No. It is not a rich man's issue. On the contrary, it is even more a poor man's issue. It is, in fact, every man's issue. And, despite the deluge of propaganda to the contrary, the poor know very well that they are the hardest hit by unbalanced budgets and consequent inflation. Let us not be misled on this issue any longer.

Gallup also analyzed his findings by occupation. He found that manual laborers were more concerned about balancing the budget than any other occupation; and farmers were close behind them in their intensity of feeling on the matter of a balanced budget.

And who were least concerned? The professional and business men were the least concerned!

Individuals in the press and in politics should examine closely their belief that only businessmen and professionals care about a balanced budget. They are wrong.

Another myth propagated by the big spenders and their supporters in the press and on TV, is that a balanced budget is a partisan issue. It is often presented by the liberals as "a worn-out issue near and dear only to the Republicans."

Let us look again at the Gallup findings.

According to the Gallup analysis, people who consider themselves Democratic voters are more intensely concerned than are Republicans with the need for a balanced budget.

Gallup found that 63 percent of the Democrats believed the question of balancing the budget to be very important compared to 55 percent of the Republicans. In fact, more Independents also were concerned than were Republicans.

There are still other myths about balancing the budget.

Sometimes the question of a balanced budget is presented by propagandists disparagingly as an "old folks" issue. The young are supposed to be less interested in such matters.

Here again, the Gallup analysis displays the falsity of such a belief. Two groups of young people, one group aged 18 to 24 and another group 25 to 29 were found to be more keenly concerned with balancing the budget than were persons over 50 years of age.

The fact is clear. Young people are more clearly aware than some politicians may believe. Young people know they are deeply and importantly affected by unbalanced Federal budgets, and the consequences that flow therefrom. It is clearly not an "old folks" issue only.

Spendthrift politicians who believe they are appealing to young people when they advocate reckless spending would be wise to study the actual public opinion of the young people on this issue.

Finally, let me say I do not lean entirely on Gallup for such information. Mr. Louis Harris found last year that 76 percent of the entire population believes that Federal spending is the major cause of inflation.

The people are ahead of the politicians on this question.

The poor really understand they are the hardest hit. They are not misled.

The farmers and the manual laborers know how much damage is done to them by the avalanche of Federal spending.

The young voters are not deceived by reckless promises.

And finally, it is not a partisan Republican issue as some have claimed. I repeat: a higher proportion of Democrats and of Independents are worried about an unbalanced budget than are Republicans.

And, I repeat again, 76 percent of the entire population believe Federal spending is the major cause of inflation.

It seemed to me appropriate to begin these hearings by dispelling some of the more obvious myths that have beclouded the issue.

It seemed furthermore useful to establish beyond question the great importance to the American public of the matter we shall be considering.

The interest on our national debt is in the neighborhood of $35 billion this year. I might call attention to the committee that with $35 billion the United States Government could pay the entire present cost of the Medicare program, the Medicaid program, the highway program, the running of our agricultural program and the program for the development of our water and power resources, including conservation, and recreational purposes. We could pay all of this out of what we are paying for interest.

I am indebted to many people for help on this resolution. For over 25 years I have struggled with the job of trying to write a constitutional amendment that would put the Federal government on a pay-as-you-go basis. The late Senator Harry Byrd, Sr. of Virginia, and the late Senator Styles Bridges from New Hampshire and I introduced a proposed constitutional amendment. At that time we thought we had a good idea for making our proposal self-enforcing. We offered a constitutional proposal that prohibited Congress from adjourning until the budget was balanced. Time has proven that that would be ineffective, because Congress now stays in session all year long. The enforcing provision would not have been effective.

It was the distinguished Senator from Delaware, Mr. John Williams, who made the suggestion that there ought to be an automatic surtax that would go into effect if the Congress did not take the necessary steps to balance the budget by other means. Senator Williams was talking about a statutory provision. This idea, however, has been incorporated in the constitutional provision. Here is how this proposal would work.

In brief, the proposed constitutional amendment would require that budgetary deficits be offset by a uniform income surtax to be levied with respect to the calendar year immediately following the fiscal year in which the deficit was incurred. The rate of the surtax would be calculated by the President and the surtax would be imposed automatically unless suspended by Congress by reason of a grave national emergency. Section 1 of the proposed constitutional amendment requires that the Congress, in the exercise of its legislative functions, shall make all reasonable efforts to balance the Federal budget.

Section 2 of the proposed constitutional amendment requires that the President, within 20 days after the close of each fiscal year, determine the total receipts and outlays of the Federal government for such fiscal year. For this purpose, "receipts" and "outlays" are all encompassing and, specifically, include trust fund receipts and trust fund expenditures. Except as noted below, the only receipts and outlays excluded are those from the sale and redemption of debt obligation. However, interest paid with respect to the public debt is to be regarded as an "outlay" for this purpose. The term "receipts" also does not include revenue derived from any surtax imposed pursuant to the proposed constitutional amendment.

If, for a particular fiscal year, outlays exceed receipts, then section 2 of the proposed constitutional amendment requires that the President determine the rate of income tax surtax necessary to produce receipts equal to the amount by which outlays exceeded receipts. Once the President makes the foregoing determinations, he is required to submit, within the 20-day period, the surtax rate to the Congress by special message. The proposed constitutional amendment is so drafted that the income tax surtax would consist of a single uniform surtax rate applicable to all persons (both individuals and corporations) having Federal income tax liability.

Section 3 of the proposed constitutional amendment provides that the income tax surtax, at the rate determined by the President, shall apply to the calendar year immediately following the fiscal year in which the budgetary deficit was incurred. In the case of taxpayers not on a calendar basis, the income tax surtax is to apply to that portion of the income tax liability attributable to the portion of the taxpayer's fiscal year or years which fall within the calendar year for which the income tax surtax is imposed.

Section 4 of the proposed constitutional amendment permits the Congress, under carefully circumscribed standards, to suspend the income tax surtax for all or part of the calendar year with respect to which it would otherwise be imposed. Under the proposed amendment, suspension of the otherwise applicable income tax surtax requires a Congressional finding that a "grave emergency" exists. If such a finding is made, then the income tax surtax may be suspended by a concurrent resolution agreed to by a rollcall of three-fourths of all of the members of each House of Congress.

Section 5 of the proposed constitutional amendment provides that the amendment shall apply with respect to the first fiscal year beginning after ratification of the amendment.

Section 6 of the proposed constitutional amendment authorizes the enactment of appropriate legislation to enforce the amendment.

The Budget Is Out of Control

(By Carl T. Curtis)

A distinguished economist has likened managing the American economy to driving a car by looking into the rearview mirror and using the accelerator but not the brake. And that's exactly what has been happening. In fact, the car is out of control! Ralph Nader would say it's "Unsafe At Any Speed."

Let's look at the record. In fiscal year 1975, the Federal budget deficit was 44.2 billion dollars. Budget outlays were $325.1 billion, or $11.7 billion above the budget estimate.

Fiscal year 1976 will be worse. The President started out by proposing a budget with a deficit hovering around $50 billion. His mid-year review upped the projected deficit to $59.9 billion. Administration officials were predicting that it would more likely be $80 billion by year's end. And some responsible elements in both the administration and the Congress were mentioning a deficit close to $100 billion. Deficits in triple-digit billions seem to be on the way.

Those deficits are no surprise. They're the natural outcome of a lax and irresponsible attitude toward profligate Federal budgets in too many years since World War II. Federal budget deficits were incurred in every year save one since 1961, reflecting Federal expenditure increases from an expenditure budget of $97.8 billion in 1961 to an outlay of $325 billion in 1975.

I want to share with you the results of a recent careful in-depth study of government expenditures over the 20 years from 1952 to 1972. Of the 20 fiscal years from 1953 to 1972, only four had budgetary surpluses (1956, 1957, 1960 and 1969) for an aggregate surplus of $10.8 billion, while the other 16 budgets produced a combined deficit of $134.8 billion.

It took 163 years, from 1789 to 1952, for Federal expenditures for domestic purposes to reach a level of $13 billion. In the succeeding 20 years they multiplied tenfold jumping from $13 billion to $134 billion. The entire Federal domestic expenditure budget of that last year could have been financed from the combined deficits of the preceding 20 years! It boggles the mind to imagine for a minute that we could have had the equivalent of a year of domestic expenditures without any Federal taxes at all.

In those same 20 years the Federal public debt went up $182 billion—and this, by the way, was accompanied by an increase of $145 billion in the state and local debt. I speak only of the formal debt. We have committed ourselves, through authorization bills, to vastly greater obligations. For example, the Treasury calculated the unfunded liability of the Social Security system at $2.4 trillion as of June 30, 1974!

I want to talk for a minute about "reordering national priorities", a phrase much in vogue in the past few years. No one can object to a continuous review of our national goals and to changing the emphasis of government activities to meet the needs of the times. In fact, it's healthy—if it's done honestly and forthrightly.

This has not been the case. The deficits of which I have been speaking were not caused primarily by holding expenditures level and cutting taxes. Just the opposite: they were primarily the result of ever-increasing expenditures for domestic services. In fact, deficits facilitated "reordering national priorities" toward more welfare programs. While defense expenditures in those years dropped from 54 percent of the national budget to 30 percent, the share of domestic services rose from 19 percent to 55 percent. Outlays for health, education and welfare by the Federal government increased an appalling 1,416 percent during the decades 1953–1972 alone. During those 20 years, Federal domestic services expenditures soared from 3.9 to 12.1 percent of the Gross National Product (GNP), while defense expenditures dropped from 14.3 to 7.2 percent of GNP. I submit that we reordered priorities to provide the services of a welfare state, while depriving the voters of the right to assess the costs of these services to them, either in terms of taxes or of inflation. Instead, we added nearly $135 billion to the Federal debt.

In fiscal years 1975 and 1976 the cumulative additional deficits may well be $140 billion more. I further submit that this method of "reordering national priorities" is flagrantly dishonest. One recent study carefully cataloged the sudden and unprecedented explosion of Federal activities in the broad field of social welfare and observed: "Had this been financed by equivalent boosts in taxes, the American people would have been fully aware of what was happening. But the primary methods of financing the multiplication of social benefits and services, to the extent to which the added expenditures exceeded the automatic growth of revenues from economic advance, were (a) budgetary deficits, that is, inflation, and (b) a cut to less than half in the share of resources allocated to national security."

Deficits incurred in this way carry the false message that we can get something for nothing. Our appetite for private goods is disciplined by the necessity of paying for them. Public services financed by deficits appear to be "for free". No wonder government prefers deficit-induced inflation to taxation. The battle cry today appears to be "representation without taxation".

And let there be no doubt that inflation in the United States in recent years has been partially fired by Federal deficit spending. Again, let's look at the record. There have been four periods characterized by inflation since World War II. In the initial years of each period the Federal government incurred a significant budget deficit. Furthermore, we have had nearly catastrophic inflation in the United States beginning with the "guns and butter" excesses of the Johnson administration. And Federal deficits were incurred in every year save one since 1961. Inflation reached double digit proportions in 1974. Double-digit billion dollar deficits were incurred in 1971, 1972, 1973 and 1975. Some forecasts suggest we are flirting with triple-digit deficit billions as early as the current fiscal year. And we're supposed to be fighting inflation.

Let's be blunt with the spectres raised by a deficit of $80 billion in a single fiscal year. This order of debt must be financed in two ways: by Treasury borrowing in the money markets and by expansion of the money supply. Treasury borrowing will hike interest rates and provide competition with business for private capital, thus slowing business expansion and dampening growth in the job market. Expansion of the money supply is tantamount to printing more money to fire inflation. We are fighting inflation by soaking up investment capital which could help provide jobs on the one hand, and by creating more money to drive up prices on the other. I submit this is truly a self-defeating policy.

This paradox is compounded in another way. Part of the deficit is created by temporary tax cuts to spur the economy. But the greater part of the deficit is incurred by greater spending. These spending policies contribute to inflationary prices that are really hidden taxes. By what other name than a tax can you call the result of policies that produce higher money incomes but lower real incomes? In 1974, real disposable income decreased by 3.4 percent. While real incomes decrease, money incomes rise. This puts some people in higher tax brackets and their tax bills increase. For the economy as a whole it has been demonstrated that tax revenues rise much more rapidly than money income during a period of rapid price increases. Recent studies estimate that a 10 percent inflation rate would increase tax revenues by 14.7 percent in one year alone.

What is still more unconscionable is that the poor, the aged, and others on fixed incomes must pay most heavily. In 1974, inflation increased the direct tax burden on low and middle income taxpayers more than on wealthy individuals. And that was the year that real disposable income declined by 3.4 percent. We are in effect asking poorer wage earners and the aged and the sick to foot the bill to help provide jobs or out-and-out welfare for the young and resilient.

Continued inflation can be debilitating enough. But America has been plagued recently by a new economic disease: Stagflation. Persistent inflation is accompanied by persistently intolerably levels of unemployment. Keynesian economists have cried spend more! Create greater Federal deficits, and unemployment will abate. But anyone who will open his eyes to reality will see that this has failed. Instead of more jobs, we have continued high unemployment and higher prices. It is abundantly apparent that the days of the 1960's when economists believed that they had discovered how to "scientifically manage" the economy are long past—if they ever existed. Some of us are beginning to admit this. The Federal Reserve Board of St. Louis believes that increases in government spending and budget deficits are the fundamental cause of monetary expansion and inflation.

I have titled my remarks on deficit spending "The Budget Is Out of Control", and I submit that deficit spending has resulted in a stagflation that is out of control. But there is another way in which things are out of control. Federal expenditures themselves are out of control. In the budget which Congress considered for fiscal year 1976, only about 25 percent of Federal expenditures are controllable without major revisions of authorized Federal programs. This compares with 40 percent in 1967. And for many practical reasons the 25 percent figure is much too high. In any practical sense, only $3 to $4 billion of national defense and international program budgets are controllable in fiscal year 1976 and only $2 to $3 billion of the domestic budget are controllable in this year. Spending not only has consistently increased, but apparently "practical" and political forces keep it at high levels. A recent Brookings Institution publication stated: "How can fiscal policy be used to temper an inflationary surge in the economy when spending is fixed? The answer is Taxes."

But we all know that Presidents and Congresses run from raising taxes. The result in recent years has been uncontrolled deficits, uncontrolled inflation and uncontrolled growth in government. I might point out here that the tentacles of the Federal government have reached down into state and local governments by grants-in-aid to make their budgets uncontrollable as well.

This is another, more frightening dimension in which things are getting out of control as a result of deficits, profligate spending and bigger government. That is the very fabric of the American society. Teachers, police and garbagemen scramble pell-mell for the cities' dollars by potentially crippling strikes. The aged and the poor have to scramble for the largessee of government to help maintain a decent standard of living as inflation is rampant. Financial institutions are weakened, some on the brink of collapse. There are appalling increases in white-collar and violent crimes. High interest rates and tighter money stifle homebuilding and indirectly may stifle homemaking itself. And all the government's money and all the government's men can't seem to put an effective education system together again. Even liberal economist Walter Heller has observed, "When inflation reaches double-digit proportions, the costs in terms of social conflicts and tensions it generates and the uncertainties and loss of confidence in the dollar yardstick it may breed are important intangibles that economics cannot ignore. . . .".

The saddest paradox of all is that as government expenditures, government deficits and economic inflation get out of control, the government itself tries to impose more and more control. Individuals and businesses also lose control to the government. I need not go into the many areas of our lives subject to government control; they have been well documented. But since we've been exploring inflation let me point out one fact. In every serious inflationary period since World War II, wage and/or price controls have been proposed or imposed for the U.S. economy. The current jargon for controls or guidelines is "incomes policy."

Economist Roger Freeman forcefully has cast the issue stating: "The basic philosophical and political issue is, of course, personal freedom. If we define personal freedom as the ability of the individual to make meaningful choices among known alternatives, then it follows that the extent of his freedom depends on the range of decisions he can make for himself and his family in comparison to those being made for him. One possible measurement of an individual's freedom is the share of his economic resources he can allocate to his various wants according to his own wishes versus the share the Government allots for him."

I propose that we regain the control of government expenditures. I propose that we give back to individuals and businesses the control of their affairs. I propose that we require the Federal budget to be balanced.

THE DEMOCRATIC FORUMS

Mr. McGOVERN. Mr. President, on the weekend of September 13 and 14 in Minneapolis, Minn., some 1,500 Democrats from 10 Midwestern States participated in the first of five regional Democratic conferences.

My own State of South Dakota was represented by Gov. Richard Kneip, who participated in the panel questioning Democratic Presidential candidates, and others.

The chief organizer of these Democratic conferences is Congressman DONALD FRASER. Congressman FRASER, who served with me on the original Commission on

Delegate Selection and succeeded me as its chairman, has made a unique and continuing contribution to the strengthening of our political parties. His recent success in bringing together the various constituent groups sponsoring the Democratic conference is to be particularly commended.

I ask unanimous consent that the following article by David Broder in the September 17 edition of the Washington Post, further outlining Congressman FRASER's contribution, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A Democratic Morale Booster

(By David S. Broder)

MINNEAPOLIS.—"As one who has been an involved citizen for many, many years, working on the issues, and became very turned off on my party for a period of time, today has been a great morale booster."

That comment came from a 62-year-old housewife who had just spent seven hours listening to five Democratic presidential hopefuls speak and answer questions here last weekend, at the first of five regional candidates' forums.

The "ballot" on which she wrote her comment was used by this reporter in an informal poll of candidate preferences among those in attendance. But her comment may be of greater significance than the results of the poll, which favored Rep. Morris K. Udall of Arizona.

For months now, Democrats have been telling each other that they have "a bunch of nobodies" running for President. These candidate forums, which will be repeated over the next two months in Springfield, Mass., Baltimore, Atlanta and Los Angeles, seem likely to destroy that myth—and perhaps launch someone into the early primaries with a momentum he could not otherwise have obtained.

"I haven't really made up my mind," a 31-year-old political volunteer wrote on her ballot, "but I have not heard such a succession of talent, creativity, and sense in a political meeting in my life . . . I don't think the Democrats of the country would lose from choosing any of these candidates."

That kind of response—and the turnout of more than 1,500 Democrats from 10 Midwestern states—exceeded the fondest hopes of the forums' principal organizer, Rep. Donold M. Fraser, the Minneapolis Democrat.

Fraser is an interesting case. The 51-year-old lawyer has specialized in foreign affairs since coming to the House in 1962. He is scholarly, almost pendantic, and anything but a back-slapper. Yet he has moved, by sheer merit, into a leadership role in the liberal movement inside and outside Congress, heading both the House Democratic Study Group and the national Americans for Democratic Action.

Since he succeeded George McGovern as the head of the delegate selection commission in 1971, Fraser has also been a key figure in the party reform movement—and a thorn in the side of party regulars.

That is ironic, because Fraser can claim credit for the two really original party-building institutions of this era. He fought long and hard for the mid-term Democratic mini-convention held last December in Kansas City. Despite all the advance warnings of trouble, Kansas City let the party demonstrate its recovery from the wounds of the 1968 and 1972 conventions and practice the negotiating skills it will need to avoid another bloodletting at the 1976 convention.

Now, through the candidate forums, Fraser has found a way to let party activists assert their influence in the nomination process against the pervasive power of the proliferating primaries—primaries which permit the casual bystander, the independent or, in some states, even the registered Republican a determining voice in the choice of the Democratic nominee.

The candidate forums—like the Kansas City mini-convention—serve what Fraser rightly sees as the essential task of party-building. That is the construction of informal but effective communications networks, across state lines, for Democrats who are more interested in the long-term development of their party and its programs than they are in the short-term success of any particular candidate.

The forums may also help provide a consensus on the 1976 candidate—which would be an added benefit. They are not "official" party functions, but the success of the Minneapolis kickoff indicates they will draw large number of the activist Democrats who dominated Miami Beach in 1972 and Kansas City in 1974—and who will probably in New York City next July.

The forums are sponsored by the liberal trade unions, the auto and communications workers and the public employees' groups, the women's caucus and other elements of the emerging Democratic coalition. They are too strong for anyone to ignore their influence.

Five candidates showed up in Minneapolis—Udall, Sen. Birch Bayh of Indiana, ex-Sen. Fred R. Harris of Oklahoma, Pennsylvania Gov. Milton Shapp and former North Carolina Gov. Terry Sanford. At the next session, in Springfield, Mass., those five will be joined by former Georgia Gov. Jimmy Carter and 1972 vice presidential nominee R. Sargent Shriver.

Their presence puts pressure on the three more conservative presidential contenders—Alabama Gov. George C. Wallace, Sen. Lloyd M. Bentsen Jr. of Texas and Sen. Henry M. Jackson of Washington—who so far have not included any of the forums on their fall schedules.

All three decided to show up at Kansas City last December, and it would not be surprising to see the same decision made about the forums.

Once again, Don Fraser has started something of major importance—and usefulness to his party.

STATEMENTS BY SENATOR PHILIP A. HART

Mr. NELSON. Mr. President, I ask unanimous consent that two statements by the Senator from Michigan (Mr. PHILIP A. HART) regarding the Comprehensive Employment Act and the 90-day extension of the Federal Insecticide, Fungicide, and Rodenticide Act, together with a recent Washington Post editorial and a column by Mr. Marquis Childs, and statements on the pesticides reauthorization question by eminent scientists, among them Dr. Margaret Mead and Dr. Rene Dubos, attached thereto, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Statement of Senator Philip A. Hart on the Comprehensive Employment Training Act

While the Congress hears various complaints about the effectiveness and value of the Comprehensive Employment Training Act—particularly the public-service portion of the program—I have recently received some statistics from Saginaw, Michigan, which show successful results of the legislation. I think the figures will be of interest to my colleagues.

For FY 1975, for both Title II and Title VI programs, administration costs came to $5,807, or, less than $6,000 for the entire Saginaw program. Meanwhile, wages and benefits for 109 persons employed under the program totaled $373,766.

The 109 were selected for the program in accordance with priorities set by the Saginaw County Manpower Development Planning Council. Minorities were given first priority; female heads of household, second; disabled persons, third; youth, fourth; veterans, fifth, and other low income, sixth.

Of the 109 employed under the program in FY 1975 28 were white males; 14, white females; 22, black males; 20, black females; 16, Mexican-American males; 8, Mexican-American females, and 1, American Indian, male.

In line with the priority selection, 55 of the 109 were minorities; 13, female heads of household; 2, disabled; 23, youths; 8, veterans, and 20, other low income.

These statistics show, I believe, that Title II and Title VI funds are effectively reaching those unemployed Congress hoped to help when it passed the legislation.

Statement of Senator Philip A. Hart on S. 2375

Yesterday the Senate passed by voice vote S. 2375, a ninety day extension of authority for funds for the Environmental Protection Agency to implement the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). EPA is already operating under a ninety day extension of authority enacted last July, and this will expire on September 30.

I would have preferred to have resolved this issue by reauthorizing implementation of this statute for a two year period, as requested by EPA and the Administration last spring. EPA is still in the process of setting up the new regulatory framework for pesticides mandated by the 1972 Amendments to the FIFRA. Those amendments established a four year program to bring this improved regulatory system into being. With more than a year to go before implementation is complete and no experience operating under this system as a whole, it seems premature to me to consider major changes in the law.

Such changes, however, have been recommended by the House Committee on Agriculture—to the effect of substantially weakening the regulatory program for pesticides so painstakingly developed in 1972. The Committee's recommendations will be considered by the full House later this week. While I hope that those House members who share my belief that any change now is premature will succeed in securing a straight two year reauthorization, this prospect is by no means certain. In the event that the House does adopt substantive changes, the Senate would not have an opportunity to consider them adequately either in Committee or on the floor before the current authorization expires. It is my understanding that the Chairman of the House Agriculture Committee, in addition to seeking action on the Committee bill, will urge approval of S. 2375, the ninety day extension, in order that the Senate will have a full opportunity to consider the issues involved. It is based on this understanding that S. 2375 had my support.

My distinguished colleague from Georgia, the Chairman of the Senate Committee on Agriculture (Mr. Talmadge) will, I know, give this issue his utmost attention. As Chairman of the Commerce Committee's Environment Subcommittee, I stand willing to provide whatever assistance I can based upon the Subcommittee's oversight hearings on the FIFRA. It is my hope that, after considering any changes adopted by the House, the Senate will be able to approach a conference with a full record on these vital issues.

I ask unanimous consent that the following statements on the pesticides reauthorization question by eminent scientists, among them, Dr. Margaret Mead and Dr. Rene Dubos, be printed in the RECORD.

Also, I ask unanimous consent that a recent *Washington Post* editorial and a column by Mr. Marquis Childs be printed in the RECORD.

STATEMENT OF MARGARET MEAD, DISTINGUISHED ANTHROPOLOGIST AND PRESIDENT OF THE AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

The Environmental Protection Agency bridges the gap between government agencies whose mandates are so narrow that they cannot protect the environment. The United States Department of Agriculture at present is charged with increasing production and protecting the interests of the agricultural community in this country. Until we have other ways in which an agency primarily concerned with production can also participate in the protection of our steadily deteriorating national heritage of soil, water and air, it is essential that the power of the Environmental Protection Agency should not be eroded. Passage of amendments to Public Law 92-516, the Federal Environmental Pesticide Control Act, known as FEPCA, which propose to pre-empt or weaken the administrative authority of the Environmental Protection Agency over the act by giving veto power or the means of delaying action to the Department of Agriculture, thereby returning the control of pesticides to the Department of Agriculture, would set a dangerous precedent.

Dr. F. Thomas Turpin, research entomologist at Purdue University: "Any weakening of the Federal Environmental Pesticide Control Act now, giving the U.S. Department of Agriculture veto or delaying power over pesticide regulation, would put us back to pre-EPA days. Allowing self-certification of pesticide applicators would destroy the certification program as we envision it. The EPA certification plan will give us an accurate idea of farmers' present use of pesticides and will require farmers to keep current on methods and products."

Statement from Dr. Marvin Legator, geneticist, formerly Chief of the Cell Biology Branch, FDA, now at the Department of Medicine, Brown University, co-author of "The Mutagenicity of Pesticides," M.I.T. Press, 1972: "The Environmental Protection Agency has such an important role in consumer protection that to diminish its regulatory powers in any way would not be in the interest of the general public, and must be avoided."—Providence, R.I., September 12, 1975.

Statement from Dr. Steven G. Herman, member of the faculty of Biology at the Evergreen State College, Olympia, Washington. He has studied the effects of pesticides on forest ecology: "As a person seriously concerned about the effects of pesticides on wildlife, I urge that all precautions be taken to avoid jeopardizing the current authority of the Environmental Protection Agency with regard to poisons that may cause ecosystemic damage.

"The Douglas Fir-Tussock Moth—DDT controversy of 1973-74 in the Northwest demonstrated the appropriateness of this authority and the essentiality of the EPA role.

"While I disagree with the 1974 decision by the EPA to allow use of DDT, I am comforted in part by the knowledge that that decision was reached only after exhaustive public hearings hosted by the EPA, hearings at which scientists and other citizens were able to testify. As discomforting as it was, the decision issued from an open forum.

"EPA is doing its job. It provides the kind of expertise and balance on the pesticide issue that is unavailable elsewhere in the government, and least of all in the U.S. Department of Agriculture."

Statement of Professor Rene Dubos, The Rockefeller University, New York: "As administered during the past three years, the pesticide Act of 1972 has been remarkably effective in reversing some of the damage done by DDT to animal life in general and bird life in particular.

"I am opposed to the proposed amendment of this Act because it threatens to prevent the continuation of policies which have had desirable environmental effects and which must continue to be strictly applied if these beneficial effects are to be maintained and expanded."

Statement of Dr. Richard Goodwin, Professor of Botany, Connecticut College: "I am in favor of at least as strong legislation as we have now, and am thus against any weakening of the existing act when it is reauthorized."

Statement Dr. Clarence W. Tarzwell, Senior Research Adviser, in water quality, EPA; former Aquatic Biologist with the U.S. Forest Service, Tennessee Valley Authority, and U.S. Public Health Service: "It is my considered opinion and judgment that pesticide use must be controlled and that such control should be given to a federal agency which is charged with the protection of the environment and is not active in the use or in the recommending of the use of pesticides. Further it is my judgment that the present Pesticide Act, with certain improvements and strengthening should be passed with no termination date and be under the jurisdiction of the EPA."

"These opinions and judgments are based on the following:

"1. Experience with the application of pesticides and their effects beginning in 1939.

"2. Extensive field studies of the effects of six different pesticides on aquatic organisms.

"3. Extensive laboratory bioassay investigation of the toxicity of a large number of synthetic organic pesticides on a variety of aquatic life.

"4. Knowledge, first hand and from the literature, of the long term effects of pesticides on non-target organisms and of their bioaccumulation.

"5. Experience with the toxicity of runoff from areas treated with pesticides.

"6. Experience with and knowledge of the attitudes, actions and procedures of the Department of Agriculture and its backers in regard to pesticide use, gained in committee hearings and other contacts.

"7. Judgment that an organization that uses or recommends the use of only about one-third of the various pesticides should not have veto power over decisions or the power to delay actions of the organization responsible for the protection of all the people and their environment.

"8. Judgment is based on pertinent experience with the following organizations since 1930: Michigan Institute for Fisheries Research, U.S. Bureau of Fisheries, U.S. Forest Service, T.V.A., U.S. Public Health Service (24 years) and water quality research with FWPCA, FWQA, Department of Interior, and EPA."

Dr. John L. George, Professor of Wildlife Management, Pennsylvania State University: "On the basis of 30 years of research on the ecological effects of chemical pest control, I feel that certain of the proposed amendments to the 1972 Federal Environmental Pesticide Control Act would be most unfortunate if enacted into law. Requirements that the Secretary of Agriculture concur with the EPA Administrator before the use of dangerous chemicals could be cancelled would give certain pest control interests undue influence in determining policy in the use of such chemicals. The U.S. Department of Agriculture has a conflict of interest in this regard since it has principal responsibility for commodity production.

"Such decisions should be made by the EPA Administrator who can make the decisions dispassionately after review of the facts, considering the total public welfare.

"Anyone who uses deadly chemicals should certainly pass reasonable certification requirements, and not be able to certify himself. Everyone with whom I have spoken in Pennsylvania about EPA's existing certification plan feels that it would be a very good thing for all concerned."

ANOTHER EFFORT AGAINST PESTICIDE CONTROL

Several weeks ago, the House Agriculture Committee rejected an amendment that clearly deserved rejection. The amendment in question would have altered the Federal Insecticide, Fungicide and Rodenticide Act by giving the Secretary of Agriculture authority to exercise the regulatory powers of the Environmental Protection Agency when the latter acted to suspend dangerous pesticides. Environmental groups were able to head off the proposed amendment; as Russell Train of EPA noted, there is a "potential conflict of interest" in the USDA's involvement in regulating pesticides because its function is to promote agricultural production, not monitor the health hazards of chemicals.

Rather than accepting the verdict of the committee and adjusting to the world of the 1970s, agribusiness and chemical companies are now back with other amendments. Although not as strong as the proposal already rejected, the new ones have much the same effect: weakening the powers of EPA when it seeks to move against a pesticide. With support from the Department of Agriculture, the pesticide lobby appears intent on bringing back the old days when high crops yields were the overriding goal, and never mind the effect of pesticides on human health and the environment.

EPA has shown itself to be a fair regulator. Originally, it was given its responsibilities because the USDA showed little interest in the issue. In addition, the law creating EPA's powers was fully debated before enactment in 1972. Nothing has happened to suggest either that the law is unwise or that EPA is unjust. That being the case, there is no reason to change the way that the regulations governing pesticides are enforced.

THE ENVIRONMENT: A DISMAL PROSPECT

(By Marquis Childs)

The epitaph that the poet John Keats proposed in despair at the close of his short life was, "Here lies one whose name was writ on water." While the enduring beauty of Keats' poetry has stood the test of time, that epitaph could serve for those swelling the flow of ephemeral writing that is pouring off the presses in increasing volume.

But there are notable exceptions and one is a book that stirred a storm of controversy and brought a major change in the national environment. Rachel Carson's "Silent Spring," published in 1961, dramatized the threat of the pesticide DDT to bird and animal life. So strong was the protest "Silent Spring" aroused that Congress enacted drastic restraints on the indiscriminate use of DDT.

Once again the issue is in the news over proposed amendments that environmentalists charge would greatly weaken these restraints. The Department of Agriculture would be given in effect a veto power over rulings of the Environmental Protection Agency. The way would be open for wholesale use of the pesticide that had begun to work such havoc on wildlife.

The issue is, however, broader than DDT. It covers a wide range, pitting the environmentalists against business and industrial interests who contend that crusading extremists are seriously hampering American productivity. This argument is reinforced by the recession and its import on industrial output.

Russell Train, the embattled head of the Environmental Protection Agency, is fighting to hold emission standards on the motor car while Detroit insists that this will increase car prices, contributing to inflation, and cut down output. Standards are being pushed back in response to this contention and the smog pollution hanging over most major cities is not likely to decrease.

A considerable part of the scientific community has expressed concern over the aerosol spray device and the possible degradation of the protective layer of ozone in the upper atmosphere. Not so, says Robert H. Ablanalp whose patents cover the device on shaving cream, hair sprays and a multitude of other uses. Thanks to his large fortune, this close friend of Richard Nixon was able to provide the former President with a retreat on the Bahamian bay he owns as the network of Watergate closed around him.

The conflict over admission of the Concorde, the supersonic aircraft on which Britain and France have put such a large stake, is certain to grow. The environmentalists charge that allowing it to land at Kennedy and Dulles airports would contribute not only to noise pollution but it would also endanger the protective layer that screens radiation from the sun.

The federal government has authority to grant landing rights at Dulles while the power over Kennedy rests in New York. In any event, a court suit is certain to challenge any affirmative action. This could mean long delays with the British and French increasingly annoyed, since New York in particular is a major traffic center. Denial might even mean some form of retaliation on landing rights for Paris and London, so intense is the feeling about the Concorde and the chances to recover some of the several billion dollars put into its development.

This is only to touch on certain of the areas where environment is pitted against development and production. Strip mining and the exploitation of coal deposits in the wide open spaces of the West are the focus of sharp controversy as the demand for sources of energy to supplant oil grows in volume.

The environmentalists have their freaky, far-out fringe. But the roots of conservation and saving America's natural beauty go deep into the early years of this century. We had great naturalists such as John Muir who wrote with devotion and a kind of poetry of the splendors of an America untouched by the developer and the highway builder.

A country sealed over with concrete is a sterile and depressing prospect. The ever growing number of species vanishing before the onrush of "progress" leave us with precious survivors. It was a response to this dismal prospect that Rachel Carson stirred in "Silent Spring." And the environmentalists are going into action to try to save the gains she helped to bring about.

A BALANCED FEDERAL BUDGET

Mr. FANNIN. Mr. President, yesterday, I had the privilege of testifying before the Subcommittee on Constitutional Amendments in support of Senate Joint Resolution 55, a proposed constitutional amendment mandating a balanced Federal budget, except in cases of national emergency declared by Congress. My fellow cosponsors of Senate Joint Resolution 55 and I, appreciate the chairman's scheduling hearings on this vital and timely issue.

I ask unanimous consent that my statement before the subcommittee be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Testimony of Senator Fannin Before Judiciary Subcommittee on Constitutional Amendments

Mr. Chairman: It is a pleasure for me to have an opportunity to testify today before this distinguished subcommittee. I join my fellow cosponsors of S.J. Res. 55 as well as those of S.J. Res. 93 in extending my sincere appreciation for your conducting hearings on this vital issue.

Mr. Chairman, I am here today because I am deeply concerned about the present and future financial integrity of the United States. It is clear to me that our economy cannot stand much more of the wild, fiscally irresponsible policies which have emanated out of Washington during the last fifteen years. The giant spending machine which the Legislative and the Executive branches have promoted has reached the point of being uncontrollable. Political commitments and automatic formula increases have expanded the Federal budget at a truly incredible rate.

During my years in the Senate the Federal budget has increased from almost $117 billion in FY '65 to a projected $367 billion in FY '76, an increase of over two hundred percent. Despite several good years economically during that period the Federal Government completed only one year with a surplus. As I have pointed out before, while the majority of my colleagues' profess to follow the economic principles of John Maynard Keynes, it is apparent they have only bought one-half—the deficit spending side.

Mr. Chairman, as you know, the deficit for fiscal year 1976 will be somewhere between $59.9 million if you agree with the President, and $68.8 billion if you agree with the Budget Committee of Congress. Next year's deficit could be even larger. I am convinced that our economy cannot absorb these deficits without causing disastrous, long term problems in the private sector. Again, as I have stated before, this year's so-called "stimulative" budget could easily become an "abortive" budget for the economic recovery.

Our economy needs to expand its capacity before the multitudes of unemployed are back in productive roles. That expansion will not take place if the private sector does not have the necessary financial sources from which to borrow. Every economic recovery reaches a point where new borrowing is essential. The recovery we are beginning to experience may be short lived if all sources of private borrowing are soaked up by the Federal deficit. Increased capital investment is the best answer to our economic difficulties. Government spending will never qualify as a substitute for investment in the private sector.

Mr. Chairman, I would like to take a few minutes to discuss an aspect of Federal deficit spending which few people consider. That is how state and local governments are affected by Federal deficit spending.

There is no question that the most spectacular growth in American government in the last two decades has been by States and localities. From 1952 to 1972 State and local expenditures increased from $25.2 billion to $164 billion, an increase of 550 percent. During those two decades, State and local debt rose by $145 billion.

Expanded State and local budgets and debts have occurred largely because of stimulation by Federal programs. These programs have resulted from the ease with which the Federal government can incur deficits to provide for new grant-in-aid programs, without facing the difficult task of raising taxes for such programs.

The increase in Federal assistance to State and local governments has been nothing short of phenomenal. The $3 billion in Federal aid in 1955 grew to $52 billion in 1975. During that same period, grant-in-aid programs increased more than ten-fold from less than 100 to more than 1,000. Federal money constituted 18.4 percent of State and local expenditures in 1965. In 1974 that figure rose to 32.4 percent.

Since such programs require State and local matching funds, State and local budgets and taxes steadily increase. Capital expansion projects cannot be funded from current receipts, thereby resulting in higher State and local debts.

There are additional problems for States and localities created by the recent proliferation of Federal programs. Important among these is the recurring problem that grant-in-aid programs often are funded for narrow programmatic expenditures. This results in States and localities being incapable of spending dollars where the immediate needs may be. Another problem is the lack of adequate planning connected with Federal deficit spending. The ability to spend without restraint often leads to unexpected program money which must be sought immediately by States or lost to someone else. Such haste invariably makes waste.

Mr. Chairman, the effect of Federal spending on State and local governments is but one aspect of the serious problem confronting us. I am convinced that affirmative steps must be taken to bring Federal spending under control. The new budget procedures are admirable insofar as they go. However, the problem remains that expenditures are not required to meet receipts. S.J. Res. 55 proposes a constitutional amendment requiring a balanced budget. Emergency situations may occur which would necessitate deficit spending. The amendment's language takes such emergency situations into account by allowing for its suspension by a concurrent resolution agreed to by a roll call vote of three-fourths of all the members of each House of Congress.

I encourage this Committee to take positive and quick action on S.J. Res. 55 so that the full Senate may have an opportunity to debate this issue. It is my hope that the States will soon have an opportunity to act on this proposed amendment. I am confident that the majority of Americans want their government to operate on a sound fiscal policy.

If the average voter's desires are expressed by the Congress and the State legislatures, this amendment will become law.

TODAY'S CUBA

Mr. McGOVERN. Mr. President, during my visit to Cuba last spring, I was accompanied by several outstanding journalists. During the following weeks, many of them prepared analyses of current conditions in Cuba and of Cuban-American relations.

I think these reports provide a number of valuable insights and it is an honor for me to insert them in the Record. I ask unanimous consent that they be printed in the Record.

There being no objection, the reports were ordered to be printed in the Record, as follows:

[From the Los Angeles Times, May 9, 1975]

Castro Signals He Is Ready for U.S. Ties

(By Stanley Meisler)

Havana.—Premier Fidel Castro used the visit of Sen. George S. McGovern (D.-S.D.)

this week to send an array of signals to the United States that makes it clear he is ready to repair relations.

He spent an extraordinary amount of time with the visiting American, 9½ hours in all, guiding him on tours of dairy lands in the day and Havana at night, continually discussing the troubled relations between Cuba and the United States.

Castro also took care to please and charm the group of American newsmen that accompanied the senator. And he seemed to soften an earlier demand that the United States must lift its total economic blockade before there can be negotiations between the two countries.

While he repeated this demand at a news conference in the Palace of the Revolution Wednesday night, he also told American newsmen that even a small gesture from the United States would help.

"The United States has prohibited the export of even food and medicine to Cuba," he said. "The removal of the ban can be a small gesture . . . we would prefer the lifting of the entire embargo, but we are talking about the need for a gesture."

Castro insisted that there was little that Cuba could do. It had signed the antihijacking agreement in 1973 that provides for the deportation or jailing of plane hijackers.

"But the situation is not equal," Castro said. "We do not have an embargo against the United States. We do not have a base in Florida or some other part of the United States (like the U.S. naval base in Guantanamo, Cuba). If we did, we could make a grand gesture and remove our embargo and shut down our base in Florida. But we can't make a grand gesture like that."

McGovern, at a news conference Thursday, said, "I tend to share their view that the next step is up to us." McGovern said that he believed the Administration had failed to realize the significance of Cuba's signing of the antihijacking agreement.

In McGovern's view, the signing was an important concession on the part of Cuba that demanded a concession in turn from the United States.

In a lighter vein, McGovern said he proposed to Castro—and Castro liked the idea—of using baseball and basketball to help break the ice between Cuba and the United States in the same way that "Ping-Pong diplomacy" helped thaw U.S.-China relations.

"It is quite possible basketball and baseball teams from the U.S. would be flying here soon," said the senator.

McGovern, who returned to Washington Thursday after a four-day visit, said he would try to impress upon the Ford Administration the importance of lifting the embargo.

"I think it should be lifted," said McGovern. "It is a very foolish and self-defeating policy . . .

"It is not only a question of survival," he went on. "They can survive. It's a matter of national pride."

Conscious of how public opinion is formed in the United States, Castro took advantage of the McGovern visit to play up to the group of almost 30 American press people, especially those with television cameras.

On Wednesday afternoon, while the news people were waiting for McGovern in the Picadura Valley, 30 miles northeast of here, a caravan of Russian jeeps and Argentine-made Ford Falcons emerged slowly over the hills. As the lead jeep came closer, newsmen realized that its driver was Castro himself, holding a cigar and wearing his green army uniform and fatigue cap. McGovern sat next to him. The Senator's wife, Eleanor, an interpreter and a Cuban minister were in the back seat.

Castro stopped the jeep. "Which one is Barbara?" he called out.

Barbara Walters, who hosts NBC's Today show, was ushered to him. The prime minister shook her hand, expressing his pleasure at meeting the American television celebrity. He then invited the press to follow the caravan.

The tour became a television producer's delight.

Castro, who grew up on a cattle farm, would stop at dairy farms to show the senator from a farm state the new Cuban breed of hybrid cattle from Canadian Holsteins and Cuban Cebus. While the cattle mooed long and loudly, the prime minister explained how Cuba expected to benefit from the milk production of the Holstein strain and the resistance to heat of the Cebu strain.

Both men smoke cigars. The television cameras came so close that it was sometimes difficult for either to see a cow. But neither Castro nor his aides made any attempt to keep the reporters and cameras more than a few inches away.

On this day of conciliation and good feelings, Castro told American newsmen in English, "We belong to two different worlds. But we are neighbors. We owe it to each other to live together."

The spirit was probably caught best in the town of Nuevo Jibacoa, where a few hundred workers on the state dairy farms live.

With McGovern at his side, Castro munching on a soft ice cream cone, walked into a crowd of Cubans and called out, "Who is going to invite us into his house?"

Two women pulled at his sleeves. "Not me," Castro said, "the senator."

They let go of his sleeves and rushed at Sen. McGovern. Each pulled one of his arms. Finally, Mrs. Nemecio Gutierrez, a black, heavy-set wife of a farmer, won. Clutching the hand of the senator, she led him, Castro, and the newsmen into her small apartment on the second floor of a public housing project for the valley's workers.

In the apartment, McGovern sat with a small Cuban girl on his lap while Castro asked Mrs. Gutierrez and her husband questions about the size of their family and their life in the town.

Later, as they were leaving the town, a woman, explaining that the town's new supermarket would be completed in the middle of June, suggested that Castro and McGovern stay for a while to tour the supermarket and the rest of the town. "But we do not have the time," Castro said. "I will come back," McGovern said, "when the supermarket is finished."

When his comment was translated into Spanish, the crowd broke into applause.

Toward the end of the afternoon Castro drove McGovern to the Havana Club rum distillery. After both McGovern and Castro sampled sips of the rum, Castro grimaced but announced, "It is very good." But he also said that it had an alcoholic content of 75%.

Alluding to the American embargo on the importation of goods to Cuba, Castro turned to McGovern and said, "You are the first American to taste our rum."

He then passed glasses of rum to the newsmen. Lifting his own glass, he told them, "Thank you for the publicity you are going to give Cuban rum."

At the news conference later, Castro repeated statements that had been previously reported. He told the newsmen, for example, that while the Central Intelligence Agency had been behind numerous assassination attempts against himself and other Cuban leaders, he and the Cuban government had nothing at all to do with the assassination of President John F. Kennedy.

In fact, he described Mr. Kennedy as an intelligent man who was reconsidering the U.S. government policy toward Cuba before his assassination.

Castro seemed careful to make sure he said nothing that would offend the United States or the American public. Asked how he expected to better relations with the United States after vilifying the United States with his rhetoric for 15 years, he said: "Never in the years of the revolution have I ever said a word against the people of the United States."

[From the Los Angeles Times, May 19, 1975.]

HAVANA'S COLOR—AND SQUALOR—GONE

(By Stanley Meisler)

Havana. The ubiquitous shoeshine boys are gone.

And so are the hustling petty traders on the street corners and the garish Coca-Cola signs all over. A visitor to Havana after an absence of 15 years notices this first. And then he notices the drabness.

On the surface at least, Havana, once the great metropolis of the Caribbean, is now a drab city, as if some of its vitality had drained. Yet a visitor must be careful about this impression.

Other tropical cities such as Accra and Lagos in Africa or Port-au-Prince and Kingston in the Caribbean have color and frenzy and vitality because of the street people of their societies. Underemployed traders with a few pens or a few pounds of rice hustle through the streets of these cities, hawk their wares, laugh at customers and bargain with them. Urchins prowl outside hotels to shine shoes or beg for a few coins. Idle young men laugh and joke and fight on street corners.

Though poor, Havana has almost none of this now. The shoeshine boys are in school. The idle young men are at work. Fidel Castro's communism has abolished the capitalist street hawkers and made them employes of the state in some shop or office. The color of the city is gone, but those who made that color are probably better off.

On the narrow streets of the magnificent old quarter of Havana, its stately baroque buildings standing in the salt air, only old folks idle now, sitting on stoops and sidewalks, reading the horrendous Cuban newspapers or some propaganda magazine from Poland, chatting softly with each other, basking in the glaring sun.

I did notice one petty hawker in Havana, an old man without legs or forearms, crouched in the doorwell of an abandoned shop, selling homemade address books. Communism has left this crippled remnant of capitalism alone.

Of course, Cuba's new Communist system has done more than remove the shoeshine boys and petty hawkers and idle unemployed from the streets. The government also has taken over all private enterprise. The results can be depressing to anyone used to the bounty of the shops in Western Europe or the United States.

The government has not kept open all shops and restaurants. They are not needed under a system that allows no competition. On top of this, either because of great economic miscalculations or the U.S. trade boycott, or the system itself, there are not enough goods even to fill the shops that are open.

There are what seem like abandoned sidewalk cafes near the Prado, one of the broad wrought-iron chairs and tables are still there, used like public benches. But the cushions are gone. Since the wrought-iron chairs do not have enough metal seats, the Cubans have solved the problem by putting the back of one chair on top of the seat of another. Two chairs thus make a serviceable seat.

The government has kept the name of the old stores, like Floger's Department Store and Woolworth's. But they are different now. On the Saturday before Mother's Day, Floger's had little to sell. Some counters were empty. Others had only a few pairs of East German-made ladies' hose, or a few pairs of shoes, including ugly, rubbery plastic ones made in Cuba.

The women's department had a single rack of blouses, all pink, all of the same model. The men's department had three kinds of shirts. There were long lines downstairs at the counters selling trinkets and cosmetics for Mother's Day presents.

Woolworth's looked about the same as Floger's. Unlike most variety stores in the world, this one does not have a problem of fitting all its goods on its counters. One section of a counter, for example, had only three small packets of pens sold on ration.

All stores keep a special calendar in the window that announces which group of Cubans have the right to buy which ration goods on what day. By assigning Cubans to rationing groups, the government keeps the lines down .

Cuba has a complex rationing system. Some basic items are rationed in a specific way. Everyone, for example, gets 12 ounces of meat every nine days, 6 pounds of rice every month, 6 ounces of coffee every month, and 1½ bars of soap every month. Other items are rationed in a more general way. Cubans have coupons that can be used to buy anything from a general category like kitchen utensils or sewing supplies.

Some items are rationed and not rationed at the same time. Everyone is entitled to two packs of cigarets a week for 24 cents a pack for strong cigarets and 30 cents for mild. A Cuban, however, can buy more than his ration if he pays $1.93 a pack for strong cigarets and $2.90 for mild. Bread is rationed at one quarter of a pound per person per day. But, after 5 p.m., anyone can buy whatever is left at the bakery.

Numerous items like shampoo, plastic shoes, cookies, salt and eggs are off the ration system. Eggs, in fact, were taken off rationing April 1 and the price lowered from 11 cents to 7 cents an egg.

The government has tried to keep the prices of basic foods down to their 1960 level. Bread costs 18 cents a pound, sugar 8 cents a pound, shirts $5.40 to $6, and trousers $14.40 to $18. On the other hand, a luxury item like a television set costs $785, and the privilege of buying one goes to selected workers who have performed well at their jobs.

Although Havana is a city of almost 2 million people, it is a city without smog or traffic snarls. There simply are too few cars. Much of this is due to the trade boycotts of the United States and the Organization of American States. The Cubans could not even buy spare parts to service their American cars of the 1950s.

The car problem was relaxed somewhat last year when Argentina began selling Cuba American Ford Falcons and Italian Fiats manufactured in Argentina. Japan is also selling chassis and motors for assembling into buses in Cuba. Despite this, many cars in Cuba seem to be 20-year-old Chevrolets and Plymouths that creak along on the spare parts left by other Chevrolets and Plymouths that failed to survive.

Despite the lack of variety in the stores, the Cubans have managed a variety of dress. Cuba is not China. The men wear different open-necked shirts: guayavaras, denims, polo shirts, T-shirts, dress shirts. Some women wear slacks; some wear miniskirts so high that they would defy the prudishness of most Communist societies; some wear dresses just above the knee.

There is, however, a uniformity of quality. Everyone seems dressed in workman-like, adequate cloth without frills or tears. A visitor rarely sees a man in a suit in Havana. He also rarely sees a man in tatters. Glamor has been taken out of dress. The men do not sport flashy cuff links. The women do not wear false eyelashes.

Much of a Cuban's day is spent waiting. They wait for taxis, for buses, for newspapers, for ice cream, for cakes, for restaurants, for movies, for picture postcards. This is partly because of the shortage of goods, partly because of the shortage of services. In 10 days of crisscrossing Havana, for example, I noticed only two newspaper stands. Restaurants often keep people waiting not because of a shortage of tables but because of a shortage of waiters. Perhaps due to the large number of Cubans who have emigrated to the United States during the regime of Fidel Castro, Cuba does not have enough labor.

Surprisingly, there is almost no overt grumbling about this. People wait for a half-hour for a bus and then pack into a stiffling mass of humanity without the slightest mutter or sign of complaint to each other.

I noticed a hint of complaint only once. A man left the long line outside a movie theater on a Sunday afternoon, approached the ticket seller, shrugged, and held the palms of his hands out, as if to ask, "When are you going to let us in?" But he did not say anything.

Of course, Castro's Cuba is hardly a society that encourages dissent. The newspapers occasionally discuss popular complaints about things like the quality of bread. In one case, a newspaper boasted that it had helped obtain a new book for a reader who complained that he had bought a book that had many pages missing. But the two national newspapers are organs of the ruling Communist Party. Their job is not to criticize. In general, open opposition is not tolerated.

But this alone does not explain why people do not mutter about waiting in line. Some foreigners who live here say the people accept their inconveniences because they know that almost everyone shares them. Perhaps Castro and the other leaders of the Communist Party do not wait in line for buses. But almost everyone else does.

Cuba does not have an ostentatiously wealthy class like almost every other country of the developing world. The highest paid members of society—doctors, actors and actresses, top party leaders—earn around $725 a month. A university professor earns $530. An elementary school teacher earns between $180 and $205 a month. A steelworker averages $183 a month.

Even salaries do not tell the full story. Health care, education, electricity and public telephones are free. No one pays taxes. Everyone pays no more than 10% of his salary for rent. All this tends to lessen the difference between the richest and poorest in society.

Some people have more privileges than others. It is not clear to an outsider how this is determined, but some Cubans qualify for better housing than others or win the right to buy a new car. Productive workers earn special privileges like half-price rates at the Tropicana night club for one evening. Nevertheless, Cuba, unlike most developing countries, does not have an obvious class of governmental elite who frequent the expensive restaurants, drive around in long Mercedes-Benz limousines, and vacation in Paris.

Havana once had billboards and neon signs all over town advertising products, mostly American ones like Coca-Cola and American gas. But Cuba is no longer a consumer society in which competitors promote their wares. I did come across an old, rusting Canada Dry sign that no one had taken away. But, in general, the old signs that made Havana look like an American city are gone.

Government propaganda has taken the place of American advertising. The signs now say things like "Lenin is in our victories" or "The party is immortal" or "The party is the intelligence, the honor, the conscience of our epic." Occasionally a sign will urge Cubans to visit the resort of Varadero—"where the sea is more blue"—or will advertise the slogan of the Cuban Restaurant Workers Union—"your job is to enjoy yourself, ours is to serve you." Some signs advertise the Russian and Czechoslovakian airways. But, in general, government propaganda rules the billboards.

It does not seem oppressive, partly because the government signs are fewer than the old commercial advertising signs used to be, partly because most are tastefully done. Some of Cuba's best artists are assigned to such work. There's an impressive series of a dozen signs on the avenue leading to the Plaza of the Revolution. Each billboard shows a little bit more of a parade of workers until the final sign reveals the full parade and a slogan paying homage to May Day.

The Communist government allows worship in the churches, but religion obviously is not attractive to many of the Communist students. There other American newsmen and I attended 10:30 morning Mass on a recent Sunday at the Roman Catholic Cathedral of Havana. Someone had chalked the word "mercenary" across the door of the cathedral. But the government was restoring the tower of the 200-year-old cathedral under its program of keeping up historical monuments.

Most of the 125 people at the Mass seemed to be in their 50s and 60s. Monsignor Evelio Ramos, the auxiliary bishop of Havana, said Mass with the help of three altar boys. He wore vestments but they did not. After the Mass, we asked to speak with Bishop Ramos, but he said, "I have no time." Could he see us on another day? "I am very busy," he said.

But a parishioner did speak with us. He said that worshippers had no problems with the government. Christmas was no longer a holiday, but Catholics could celebrate Mass on Christmas Day. The annual holiday season had been switched to July carnival time. July 26, the anniversary of Castro's abortive attempt to storm the Moncada army barracks in Santiago in 1953, is officially a more important day for Cuba than Christmas. The parishioner said the same was true of the days of Holy Week. They were not official holidays, but Catholics celebrated them religiously.

"We have Easter," he said, "but we don't have an Easter parade like in New York."

Baseball is still Cuba's national sport. The revolution and the continual anti-American trades have not changed that at all. But Cuba has revolutionized the organization of baseball. There are no commercial, money-making clubs now. Entrance to all ballparks is free.

In Havana, the games are played in the Latin American Stadium, an old ballpark that was reconstructed in 1971 with a modern, electric scoreboard. The stadium seats 55,000. The dimensions of the playing field are 325 feet down each foul line and 400 feet to centerfield.

The teams are organized along amateur lines. The players do not draw salaraies but get three months off from their regular jobs in the championship season. Third baseman Owen Blandino of Las Villas, for example, makes cigars when he is not playing baseball. Second baseman Ubaldo Alvarez of Havana is a dentist. Pitcher Santiago Mederos of Havana works for the Ministry of Interior.

The U.S. boycott stopped Cuba from buying its baseballs in the United States. Cuba makes its own now. But there is a shortage. For this reason, no one in the stands who catches a ball keeps it as a souvenir. The balls are dutifully thrown back. The fans applaud a good throw from the stands onto the field and boo when it falls short.

In an odd lag from the burgeois past, the government maintains the old Tropicana night club, a haven for American tourists and rich Cubans in the old days. The audience is now made up of official foreign visitors led their by their government guides, workers who have been rewarded for their productivity by a night on the town at half price, and any Cuban who wants to spend at least $15 for an evening's entertainment and a few drinks.

The show can perhaps best be described as vintage Miami Beach of the 1950s. The show has large bands, rising stages, sliding scenery, spouting fountains, garishly colored lights, gaudy costumes, humor, belting singers, and prancing chorus girls with long legs and wiggling behinds.

Sipping a rum daiquiri or a rum mojito and taking all this in, a visitor may feel for a moment that Cuba simply cannot be Communist, that, at heart, Cuba has not changed. But he would be wrong. Cuba is Communist. Cuba has changed.

[From the Los Angeles Times, May 21, 1975]

SIX THOUSAND RUSSIANS IN CUBA KEEP OUT OF SIGHT

(By Stanley Meisler)

HAVANA.—Many cliches about the role of the Soviet Union in Cuba exist. Rep. Dante B. Fascell (D-Fla.) has said, "The Cuban people today are slaves of the Soviets." A State Department spokesman has described the situation as "the subjugation of Cuba by the Russians."

There is no doubt that the Soviet Union is enormously influential here, for it is the main economic prop of the regime of Fidel Castro. But the Cubans do not act like slaves. Nor do they seem subjugated. In fact, a visitor is struck by how unobtrusive the Russian presence seems, at least on the surface.

About 6,000 or more Russians are believed to be in Cuba, half military advisers, half economic technicians and specialists. There is no doubt that they are around. A visitor can overhear women chattering in Russian on the buses. Kiosks sell Russian newspapers. Russians can be spotted in hotel lobbies and on beaches. But an American cannot help noticing that they are far less obtrusive than 6,000 Americans would be.

It may be that Cuba officials, perhaps sensitive about their dependence on the Soviet Union, try to hide some of the evidence. During his recent visit, for example, Sen. George S. McGovern (D-S.D.) toured a steel plant that had been reconstructed by the Russians. Not a Russian technician was in sight.

Russian advisers reportedly are active within the economic councils of the government that lay down the 5-year plans. Perhaps for that reason, the five American newsmen who stayed beyond McGovern's visit were told that they could not interview anyone about the current 5-year plan.

But, though Russians may not be personally obvious in Havana, there are many reflections here of their influence and aid.

The harbor is filled almost solely with Russian ships. The bookshops sell only books printed either in Cuba or the Soviet Union. The Russian books comprise the works of Lenin, classical Russian literature, children's stories and technical textbooks, some of which have been translated into English, not English. The newspapers, especially during the week celebrating the anniversary of the defeat of Nazi Germany, brimmed with articles about Russian history and life. The philatelic bureau of the post office sells Russian stamps to collectors.

During early May, Russian movies were being shown at 24 movie theaters in Havana, a larger number than were showing the movies of any other country. Yet this meant that Russian-language movies still took second place to English-language movies for 14 theaters were showing American movies and 10 were showing British movies. Judging by the lines, the most popular movie in town was the British slapstick comedy, "Carry, On, Matron."

There are fewer Russian consumer goods than a visitor might expect. Some grocery stores had jars of Russian apple sauce for babies but little else Russian. There are some Russian cars on the streets, but they are far outnumbered by new Ford Falcons and Fiats from Argentina and old Chevrolets and Plymouths from the United States.

Many analysts believe that Russian influence has grown in the last seven years. Before 1968, there had been some friction between Castro and the Russian government. Castro had accused the Soviet Union of collaborating with his enemies, and he had dismissed from office and jailed 35 Cuban officials who were believed to have ties with the Soviet Union. The Soviet Union responded by holding down vital oil deliveries.

These relations, however, were repaired in August, 1968, when Castro became one of the few Communist leaders in the world to support the Soviet Union's invasion of Czechoslovakia. He evidently recognized how vital it was economically for Cuba not to offend the Soviet Union.

In 1970, Castro put his prestige behind a campaign to cut 10 million tons of sugar cane. He moved across the countryside exhorting all Cubans to join the harvest. Although Cuba produced more sugar that year than ever before or since, the harvest was 1.5 million tons short of its goal. Perhaps more important, the economy had been disrupted because of the numbers of Cubans who left their regular work to cut cane. Fidel's campaign was a failure.

Since then, in the view of most analysts, Castro has put economic planning in the hands of President Osvaldo Dorticos and Vice Premier Carlos Rafael Rodriguez, two men the Russians trust as planners. In addition, the two governments created a Cuban-Soviet commission of economic, scientific and technical collaboration. Analysts believe this has been a vehicle for the Soviets to exercise some supervision of economic planning.

From 1960 to 1972, according to Department of State estimates, the Soviet Union provided $6 billion worth of aid to Cuba, three-quarters economic aid, the rest military. Most analysts believe aid now runs at $2 million a day or $730 million a year. After his trip to Cuba last year, Sen. Claiborne Pell (D–R.I.) put the estimate even higher—at almost $1 billion a year.

A good deal of the aid has come in the form of credits for the purchase of Russian goods. In 1972, it was estimated that Cuba owed $2 billion to the Soviet Union. But the timing for repayment was rescheduled that year. Cuba does not have to begin repaying the Soviet Union until 1986 and will have 25 years after then to pay it all back. Considering worldwide inflation, that delay amounts to a large Russian gift.

In 1972, the Soviet Union also agreed to buy Cuban sugar at 11 cents a pound, which was then above the world market price. The Cubans, however, probably had to buy some Russian goods at premium prices.

Since then, the world sugar price has gone far above 11 cents. But some analysts believe the Russians and Cubans have negotiated a new price for sugar. Moreover, the Russians have agreed to allow the Cubans to sell all they can on the world market before shipping out the Soviet share of the harvest. The Cubans, in fact, now owe the Russians a good deal of sugar.

Cuba depends on Russia for oil, in a May 8 speech, Castro said that the Soviet Union had shipped 80 billion tons of oil to Cuba since 1960. Other Cuban sources have said that Russian oil tankers have made more than 2,800 trips to Cuba in 15 years.

Cuba is now the Soviet Union's sixth largest trading partner. In the late 1960s, Soviet trade accounted for a little less than half of all Cuba's trade, less than the percentage held by American trade before Castro's 1959 revolution. Some analysts, however, believe Soviet trade moved up to 60% in 1972, about the same as the old American percentage.

In an interview with the Cuban newspaper Juventud Rebelde (Rebellious Youth) on May 13, Boris Asonov, the economic counselor of the Soviet Embassy in Havana, said that Russian aid had helped in the remodeling or construction of 141 industrial plants in Cuba. Another 60 were under construction.

Asonov said that future projects included a textile plant able to produce 80 million square meters of cloth a year, a factory for radios and television sets, the reconstruction of the Havana-to-Santiago railway line and the installation of a nuclear energy plant. In an educational project, the Russians already have donated a nuclear reactor to the Cuban Academy of Sciences.

Far less is published in Cuba and outside about Soviet military aid. In 1970, Castro himself said that it had reached $1.5 billion. Some American analysts believe this has gone up to $2.5 billion by now. But this may be too high an estimate. When he was secretary of defense, Melvin Laird estimated Soviet military aid to Cuba at only $20 million a year in the early 1970s.

The U.S. government has been less concerned about Soviet aid to the Cuban armed forces than about Soviet "aid" that seems to help the Russians more than the Cubans. An example, of course, were the missiles the Russians finally withdrew under pressure from the United States in 1962.

[From the Los Angeles Times, May 20, 1975]

CASTRO RHETORIC: IT ALL DEPENDS ON AUDIENCE

(By Stanley Meisler)

HAVANA.—Fidel Castro of Cuba, after 16 years in power, has developed the extraordinary skill of charming visiting Americans and visiting Russians with equal ease.

He showed this clearly in early May during the visit here of Sen. George McGovern (D-S.D.). At least when American newsmen were around, the 48-year-old Castro presented himself as a man without rancor against the American people, a man of quiet sincerity and reasonableness who wanted an easing of relations with the United States.

A few hours after McGovern left Cuba, however, Castro, who is both first secretary of the Communist Party of Cuba and prime minister, addressed a rally celebrating the 30th anniversary of the Russian triumph over fascism, what Americans call VE Day, the end of World War II in Europe.

Now, in booming tones and oratorical cadence, Castro said what a visiting Russian delegation had come to hear. He denounced Yankee imperialism and thanked the Russians for supporting Cuba against it. Without the Russian victory against Nazi Germany, Castro said, Cuba could not have stood up to the Yankees.

"When the Soviets fought and died in Leningrad, in Moscow, in Stalingrad, in Kursk, in Berlin," Castro said, "they were also fighting and dying for us."

The contrasts in performance for McGovern and the Russians are not contradictory. They do not suggest deviousness. But they do suggest that there are several sides to the public personality of Fidel Castro. And, in the future, official U.S. negotiators will have to take this into account when and if they try to reach an accommodation with him.

The side of Castro that most Cubans see most often was the one presented at the rally. The rally, in fact, was televised nationally from the Lazaro Pena Theater in Havana.

The session began dramatically. The curtain swept open to reveal a group of 70 people seated against the huge mural that reproduced a famous photograph of a Russian soldier placing the Soviet flag on top of the Reichstag in Berlin at the end of the war in Europe.

Castro sat in the middle of the first row.

He wore his usual green army fatigue uniform, pressed and cleaned. His belt held a holstered pistol. He did not wear his fatigue cap. His haircut was trim, and so was his beard. At his right were his brother Raul, commander of the army and second secretary of the Communist Party of Cuba, and Nikita P. Tolubev, Soviet ambassador to Cuba. At Fidel's left were Osvaldo Dorticos, president of Cuba, and General Stepan Grechko, head of the visiting Russian delegation. The others on the stage were officials of the Cuban government and Communist Party and members of the Russian delegation.

Ambassador Tolubev spoke first, delivering a bombastic speech in Russian, which was read in Spanish at intervals by his interpreter.

Castro seemed bored. He toyed with his beard. He yawned. He joked with Raul. But, when the speech was over, he congratulated the ambassador expansively and gave him a hearty hug. Fidel then stepped to the podium, slipped off his pistol belt, handed it to an aide, and began his own speech.

He is a brilliant orator, who, unlike most Cubans, enunicates his Spanish clearly and slowly. He uses tricks of repetition in pauses and dramatic head-shaking and shifts of gaze that hold the listener despite the great lengths of his rhetoric. His face seems full of emotion. His arms reach out, and his fingers point.

His hour-long speech this time was an uncomfortable one for an American to hear while seated in an auditorium with thousands of Cubans applauding every thrust at the United States. Castro drew a parallel between Nazi and American imperialism. He said that, in an irony of history, Saigon had fallen exactly 30 years after the fall of Berlin.

"History," he said, "wanted that, 30 years after the victory over Hitler's fascism, 30 years exactly, we would see the great Vietnamese victory against Yankee imperialism."

Castro said that the help of the Soviet Union had made it possible for all the peoples of the world to fight for their independence against imperialism.

"Who knows this better than we?" he said. "We, 90 miles from the United States. We, economically blockaded for almost 17 years . . . Who knows better than we, who received arms from the Soviet Union to defend ourselves against aggressions, who received arms to resist the attack of Giron (the Bay of Pigs), who received arms to construct a powerful arm to defend the victories of socialism in our country?"

At one point in the speech, Castro mispronounced a name of the Russian city of Kursk, the site of one of the major battles of the war. He turned quickly to the Russian ambassador, raised his eyebrows, and pushed out his lips, as if he were a little boy apologizing to his teacher for making a mistake in a performance.

But it would be wrong to think of Castro's rhetoric as only performance. He is obviously grateful to the Russians for their help. Without it, he might not have been able to withstand the trade embargoes of the United States and the Organization of American States for so many years and the harassment by the Central Intelligence Agency. To show his gratitude and indebtedness, Castro obviously made the kind of speech that the Russians wanted to hear.

Yet, it is perhaps an irony of history, that, exactly 24 hours before, he had made a far different statement in English for American television. His English was not good, but his meaning was clear.

"We wish," he said, "for the people of the United States, wish of understanding, wish of friendship. I understand it is not easy because we belong to two different worlds. But we are neighbors in one way or another, we ought to live in peace, United States and Cuba."

In his news conference for the American journalists and television crews covering the McGovern visit, Castro tried to reconcile his wish for friendship and his tirades against the United States. He said that his attacks had never been aimed at the American people, only at their government.

Nevertheless, the side he presented to McGovern and the American press was far different than that presented at the Russian rally. And it was a sign that the Cuban people do not see. His words to the American press were not covered by the Cuban newspapers and television.

In their meetings with Castro, American newsmen found a man of good humor, intelligence, and confidence with a sensitive understanding of the politics and customs of the United States. His understanding was so good, in fact, that at times, it was mocking.

Asked about American news stories that the CIA had tried to assassinate him, Castro replied. "For many years, our security forces have uncovered many plots to kill our leaders. In a large number of cases the assassins were maintained by the CIA."

Then, in what was probably an allusion to the American press' self-congratulation over its role in Watergate, Castro went on, "but this is not news for us. Perhaps it is news in the United States. I know you have very good journalists in the United States, but they were not so good in this case."

It was no accident that Castro, whose staff monitors Miami television and major American newspapers, singled out Barbara Walters of NBC's Today show for attention. Castro had a message of goodwill and good feelings to send to the United States, and he knew how to do it.

In fact, the press could not have asked for a better performance. Without acting the buffoon, Castro toasted them with rum at a distillery, stopped at a village ice cream stand to hand out cones to McGovern and the newsmen, and extolled the virtues of the new breed of Cuban cattle while the animals mooed and snapped their tails for American television.

All in all, he charmed the almost 30 reporters and television crewmen who came with McGovern. And only five remained behind to hear Castro lash out at the United States at the Russian rally.

In what was only a brief visit, American newsmen, even those who stayed behind, had difficulty seeing and assessing two other sides of Castro and Castroism—his popularity and his power.

For a visitor who has seen much of the Third World, the most telling sign of Castro's popularity is the absence of any overt glorification of himself. Unlike the late Kwame Nkrumah's Ghana or Jomo Kenyatta's Kenya now, Fidel Castro's Cuba does not overflow with monuments to him, with photographs of him, with coins bearing his likeness.

Castro's rapport with Cuban farmers and their families was shown at the unscheduled stop Nuevo Jibacoa during his tour of the countryside with McGovern and the U.S. press. Cubans crowded near him, tugged at him, joked and chatted with him.

Yet a visitor must keep two things in mind. First, the Cuban economy is in a depressed state. Food and other goods are rationed. People have little and must wait in line for much time to get the little that they have. It would be unnatural if Cubans did not blame their leader, at least a little, for this.

Second, Castro's Cuba does not allow much open dissent. At his news conference, Castro said it was no crime to shout "Down with Fidel" in the streets. "I have heard it myself occasionally," he said. But it is doubtful that many Cubans feel they have that right. Cubans do not complain to outsiders or even to each other in public. But they may complain to themselves alone. A visitor simply cannot tell.

A visitor can tell even less about his power. American scholars, who monitor events in Cuba, believe that there has been a great change in Cuba since 1970. In that year, Fidel went around the countryside exhorting workers to produce 10 million tons of sugar. He failed. The harvest fell short by 1.5 million tons.

As soon as McGovern and the American newsmen arrived in Cuba, they were rushed to the offices of the National Institute of Agrarian Reform for several hours of lecture on the plans for the future of Cuban agriculture. It was clear that these technicians were bent on solving the problems of Cuban agriculture not with the rhetoric and slogans of Fidel but with careful analysis and programming.

All a visitor can conclude is that Castro is a leader of wit and intelligence with a good deal of popularity and with enough charm to please both Americans and Russians.

THE FEDERAL RATHOLE: ABSURD AND EXTRAVAGANT SPENDING

Mr. FANNIN. Mr. President, these days I have been hearing a lot of criticism from my constituents about big dumb Government. What Arizonans seem to complain about most of all is wasteful Federal spending. They do not understand why Washington needs to spend about $1 billion a day or why the country is so deeply in the red, with a planned budget deficit approaching $70 billion in fiscal 1976. No wonder taxpayers are outraged. Why, they ask, can Congress not cut some of the fat from this huge budget?

A good question. The problem seems to be that too many elected politicians do not have the courage to vote to cut back or even abolish their own favorite programs. In addition, some Members of Congress do not know where the trimming could be done.

Mr. Donald Lambro, Washington correspondent for UPI, has done an excellent job of exposing many areas where Government spending has been foolish or extravagant. Both in his book, "The Federal Rathole," published by Arlington House and in his articles, Mr. Lambro has listed hundreds of wasteful, unnecessary, even absurd Government programs and agencies that have proliferated over the years and should be eliminated or substantially improved.

I call to the attention of my colleagues an article by Don Lambro which appeared in the Arizona Republic of August 31. I ask unanimous consent that the full text be printed in the Record.

There being no objection, the article was ordered to be printed in the Record. as follows:

Federal Spending Is Extravagant and Often Downright Absurd

Washington.—Wasteful federal spending, like sinful living, has been condemned by politicians since the days of George Washington.

Yet it can be found proliferating at an astounding rate in every major agency of government.

The cost of taxpayers runs into billions of dollars a year.

Complaints of needless government extravagance, especially during a recession, no longer can be dismised as the sole political preserve of conservatives. Members of Congress who represent every shade of party and ideological persuasion are protesting wasteful federal spending.

Among the classic examples frequently cited by critics are:

$342,000 for Michigan State University researchers to ask college students where, when and with whom they have had premarital sex.

$100,000 for mailing sex information and condom stamps in unmarked envelopes to lists of teenage boys considered sexually active.

$13.9 million annually to maintain about 300 military golf courses around the world, and millions more to provide free face-lifts, breast enlargements and other cosmetic operations for wives of American military personel.

$13 million a year for chauffeur-driven limousines used by 800 bureaucrats.

The Government has given the Bedouins $17,000 for a dry-cleaning plant. It has spent $71,000 to compile a history of comic books $5,000 to analyze violin varnish, $19,300 to find out why children fall off tricycles, and $113,417 to discover that most mothers prefer no-iron children's clothing.

Erica Jong got a $5,000 federal grant to write her controversial novel "Fear of Flying."

Some persons reason that government has grown so big and costly in recent years that some waste is inevitable. But in drawing up its annual budget requests, the executive branch has made few attempts to weed out clearly unnecessary or ineffective programs.

Congress has done even less.

Earlier this year, legislators were confronted with an unusual bureaucrat, Jubal Hale, who publicly admitted that his job should be abolished.

Hale, executive director of the Non-Metallic Mine Safety Board, said his agency—costing taxpayers $60,000 a year—had reviewed nothing in four years.

He said he spent his time listening to Beethoven on his office stereo.

Within weeks, Congress quietly approved legislation to abolish the Non-Metallic Mine Safety Board.

Finding agencies like Hale's is not difficult. Getting rid of them is, as two young and aggressive aides to freshman Sen. Patrick Leahy, D-Vt., discovered.

On Leahy's orders, Jack Ewing and Bill Wachtel worked full time uncovering agencies and programs that should have been eliminated long ago.

They found, for example, that the Federal Fire Council had done nothing for more than seven years, yet automatically received $70,000 yearly.

The Council has bounced from agency to agency since its creation in 1936 to coordinate government fire prevention regulations. From 1968 to the beginning of this year, Ewing and Wachtel discovered, the council met only once, or perhaps twice.

Still, its full-time executive director and secretary managed to spend at least $67,000 a year.

"They mailed out some publications containing pictures of fires, but other than that they didn't do anything," Ewing said.

Amazingly, the two newcomers met with resistance when they reported this discovery to a Senate Appropriations subcommittee. The subcommittee had already blandly approved a bill containing funds to keep the do-nothing fire council alive for another year.

Members were unswayed by the Ewing-Wachtel argument that the council should be killed.

Leahy will try to abolish the agency with an amendment to the appropriations bill when it reaches the Senate floor.

Ewing and Wachtel repeatedly found instances of overlapping and duplication, including not one but five water research agencies scattered throughout the government.

They are also conducting an exhaustive investigation of the government's more than 1,200 advisory committees, which include a plant variety protection board, the board of tea tasters, and the dance advisory panel.

Leahy is one of the few members of Congress to try to uncover and eliminate useless programs. Another is Sen. William Proxmire, D-Wis., who has built his political career on the issue.

Neither has gotten very far.

One good reason is that too few other legislators, especially those doling out tax funds, have the time, energy or curiosity to challenge the bureaucrats' arguments that their programs are important and necessary. Thus:

Although there has been no draft since 1973, the Selective Service continues to spend $45 million a year, with 2,600 persons on its payroll in Washington and at 3,000 local draft boards.

The National Science Foundation spends millions to find out, among other things, whether chimpanzees can be taught to talk and what is passionate love. One NSF survey concluded that 48 per cent of all Americans believe in the devil.

The Overseas Private Investment Corp. which insures American corporations abroad, gave a $415,000 loan to a $150-per-day pleasure resort for the wealthy in Haiti.

The National Institute of Education has spent millions on studies like "How Children Form Peer Groups" and "The Learning Differences in Infants and Toddlers."

The Agriculture Department conducts surveys for various farm corporations on "Consumers' Preferences for Fresh Tomatoes" and "Men's Attitudes Toward Cotton."

The Smithsonian Institution's cultural research program spends millions in U.S.-held foreign currencies to study such esoteric topics as the Indian whistling duck, wild boars in Pakistan and Yugoslav tobacco.

The women's bureau of the Labor Department costs about $2 million a year to run. A spokesman said it is mostly a referral agency, passing on information developed by others in the department. Also, it lobbies heavily for the equal rights amendment.

Among the arguments in defense, the Selective Service says it must maintain machinery for the draft should volunteer forces prove inadequate in the event of a major military emergency.

S. Dillon Ripley, secretary of the Smithsonian said research on skulls in Egypt, the semen of the Ceylon elephant and other projects are "essential to (scientific) progress, and it ill serves mankind to ridicule serious research without full understanding of its objectives."

National Science Foundation researchers suggest that a better understanding of why people fall in love might be useful in reducing the divorce rate.

A Pentagon spokesman said free breast enlargements for wives of military personnel keeps Navy surgeons' skills in plastic surgery skills from "getting rusty."

Nearly everyone in Washington agrees that federal spending has been uncontrolled for decades, so Congress recently established a budget control committee to bring spending more in line with revenues.

It's a tough job. The legislators are wrestling with a target budget of $367 billion for fiscal 1976, while President Ford estimates next year's proposed budget will pass the $400 billion mark.

The projected deficit this year could exceed $80 billion, and the interest on the national debt alone is costing taxpayers more than $30 billion a year.

The preliminary findings of Leahy's two investigators indicate that the executive branch sends many agency budget requests to Congress each year with little or no scrutiny.

And Congress, they have found, usually approves each and every appropriation without question.

Why can't Congress develop a better system? That is the question Ewing and Wachtel say they asked before they came to Washington.

They are still asking.

SCOTTSDALE SPORTSMAN'S CLUB RESOLUTION RELATIVE TO FIREARMS LEGISLATION

Mr. FANNIN. Mr. President, the Scottsdale Sportsman's Club has adopted a resolution based on the difference between firearms control and crime reduction. Theirs is a very sensible position to adopt in light of continuing debate over the possibility of further Federal controls on the use of handguns and other firearms.

Criminal control is the desired end of all gun control legislation. However, firearms licensing, registration, confiscation, or prohibition will not stop the illegal use of weaponry or the criminal from obtaining a gun.

Stringent penalties for the use of guns during the commission of crimes is the most equitable sanction for gun abuse. In addition to strong penalties being in the law books, judges must impose the penalties on the convicted criminals. The failure to sentence convicted criminals to long prison terms or to any terms at all has been a most significant failure of our judicial system.

Mr. President, I ask unanimous consent that the resolution of the Scottsdale Sportsman's Club be printed in the RECORD and would urge my colleagues to give serious considerations to this strong statement by responsible firearms users.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SCOTTSDALE SPORTSMAN'S CLUB, RESOLUTION RELATIVE TO FIREARMS LEGISLATION

Whereas, there is no concrete relation between strict firearms controls and crime reduction, and,

Whereas, the financial responsibility of enforcing restrictive firearms laws is placed on an already over-taxed population, and,

Whereas, placing restrictions on basic freedoms are dangerous, and,

Whereas, assassinations, or attempts thereat, of a few individuals is not cause to burden the whole society with restrictive measures not in the best interest of the public, now,

Therefore, be it resolved, that the Scottsdale Sportsman's Club be actively concerned with all further Federal, State, or municipal firearms legislation, and is specifically opposed to firearms registration, restrictions relating to ownership, and/or use of firearms and individual licensing, and,

Be it further resolved, that the Scottsdale Sportsman's Club supports severe penalties and strict enforcement of existing laws concerning criminal use of firearms, and,

Be it further resolved, that the Scottsdale Sportsman's Club will continue to oppose Federal, State and municipal legislation which restricts, prohibits, or places undue burden of firearms ownership and use on law abiding citizens.

THE POLITICAL ASPECTS OF THE PANAMA CANAL, THE PROBLEM OF LOCATION

Mr. GOLDWATER. Mr. President, probably one of the most serious questions that will come before this Congress or the one following will be the matter of the Panama Canal and what the United States is prepared to do about it and with it. One of the most interesting papers that I have read on this subject has been written by James L. Busey entitled, "The Political Aspects of the Panama Canal, the Probem of Location," and was printed by the University of Arizona Press. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

POLITICAL ASPECTS OF THE PANAMA CANAL: THE PROBLEM OF LOCATION

(By James L. Busey)

FOREWORD

The Panama Canal has been a source of political conflict, extremely bitter in recent years, between the United States and Panama since early in this century. Yet, for the most part, the extensive outpouring of studies on the Panama Canal question has tended to ignore political ramifications dealing with the canal site selection. This longstanding gap in the literature now has been admirably filled by Professor James J. Busey, a distinguished and highly productive scholar on Latin American politics and affairs.

Professor Busey examines the central political questions relating to the canal including Panamanian-U.S. relations, discusses political attitudes in the two countries, and analyzes the potential political consequences of various alternatives to the present canal. The Institute of Government Research is extremely pleased to have been given the opportunity to present this important study on one of the most vital issues in U.S.-Latin American relations.

This study complements other recent IGR monographs on Nicaragua and Chile. These research contributions represent the start of what the IGR hopes will be a meaningful series on Latin America in its Comparative Government Studies.

The work on *Political Aspects of the Panama Canal: The Problem of Location* was started in 1959 by Professor Busey whose research has covered a wide range of Latin American problems. He has published one book, one monograph, four chapters, 16 articles and about 25 reviews—almost all of which have been about Latin America. He has traveled and performed research in Mexico, Central America, Panama, Brazil Uruguay, Argentina, Chile and Peru.

James L. Busey, professor of political science and chairman of the Faculty of Political Science at the University of Colorado in Colorado Springs, has been at that campus since 1965, having transferred from the University of Colorado at Boulder where he had been since 1952. He received his Ph.D. that year from Ohio State University.

The Institute of Government Research also joins with the author in thanks to Marian C. Busey for her maps which are included in this monograph and to others who have assisted in the publication process.

1. PROLOGUE

The Panama Canal is a perennial source of disagreement and misunderstanding between the United States and the Republic of Panama, and indeed between the United States and much of Latin America. In the earliest years of this century, the United States and Colombia undertook to enter into a treaty for the excavation of the canal. Their failure to agree was followed by the severance of Panama from Colombia and, since that time, tensions over the canal have seldom abated for long.

These tensions were especially exacerbated by the Panama riots of 1964. Since that time, the United States and Panama have engaged in what seems to be a fruitless effort to establish new understandings regarding the canal. At this moment, it appears that they are no nearer to cooperation regarding the status and administration of the canal than they were in 1964, and are probably farther from agreement than they have been at any time since 1903. There is no evidence that this state of affairs will improve perceptibly within the foreseeable future.

Though there is a considerable literature on the Panama Canal, and though much of it does touch on the issues that characteristically divide the United States and the Republic of Panama, much that has been written about the canal question tends to stress diplomatic history, juridical matters, or engineering problems.[1] With some exceptionstions that will be apparent in this paper, most of the published material on the Panama Canal skirts a very profound political problems that plague any attempt at settlement of canal issues.

A principal purpose of this paper will be to examine some central political factors thus far neglected or given but brief attention in most treatments of canal questions. Another objective will be to note whether official policy in the United States demonstrates awareness of the outstanding political questions that must be solved if the canal is ever to be laid to rest.

In the pursuit of these objectives, leading historical events in the development of canal policy will be summarized. These are quite well known to some readers, but need to be kept freshly in mind as indicative of tendencies that have been characteristic of U.S. isthmian policies. Then the most fundamental political problems that are attendant upon difficulties of the United States at the canal will be emphasized. Having charted obstacles that must be overcome if the United States is finally to settle the canal question, this paper will examine the various contemporary moves made by this country to study the isthmian transit problem and to formulate final solutions to it. After examining some political pressures within the United States that must be given high regard if answers to the problem of intercontinental transit are to be successful, evaluative comment will be offered on the principal alternative solutions that concerned parties have suggested.

It is not a function of this study to argue either for or against the maintenance of world trade at its present levels, or even for the defense of the United States. We will consider it to be axiomatic that if world commerce is to continue to have access to the Panama Canal or to an equivalent transhemispheric artery, and if the defense interests of the United States are to be served, it is essential that (1) there be continued efficient management of some isthmian artery, and (2) no opponent of the United States secure the canal or strongly influence its administration. In other words, influential economic and political elements seeking to realize these aims of successful world commerce and conceived national interest of the United States would find it advantageous to resolve the "canal question." That they must do so in consonance with certain political realities heretofore rather uniformly neglected will be a persistent theme of this paper.

As the title of this study indicates, the whole stress here will be on the political aspects of the Panama Canal. In no sense is it implied that factors having to do with geography or engineering are unimportant. On the contrary, it is obvious that in the matter of a trans-isthmian artery it would be disastrous to disregard elements relating to physical reality. Nevertheless, it is a main point of this study that it is also disastrous to disregard elements which relate to political reality. This study attempts to redress the imbalance that exists in this area.

Before entering upon the substance of our study, it is appropriate to say something about the current significance of the Panama Canal for international commerce. Despite changing modes of transportation, the Panama Canal continues to play a significant role in the commerce of the United States and the world. In 1920, 9.7 million tons of cargo were shipped through the canal. From 1950 to 1970, the tonnage almost doubled each decade, with 30.4 million tons being carried in 1950, 60.4 in 1960 and 118.9 in 1970. In 1969, 15.8 per cent of the total oceanborne trade of the United States was transited through the canal. Countries of Central America and western South America were particularly dependent on the canal for their ocean commerce, with Chile and Peru sending or receiving over 39 per cent of their worldwide sea trade through the canal, and Ecuador depended on it for 72.4 per cent of her oceanborne trade. The United States is the largest user, and Japan is second. In 1969, 44 million tons originating in the United States transited the canal, and the United States received over 27.5 million tons through the canal. Corresponding figures for Japan were over 7.2 million tons originating in that country, and over 33.5 million tons destined to Japan.[2]

In 1970 the Atlantic-Pacific Interoceanic Canal Study Commission reported that the continued effective operation of an isthmian canal is closely related to the defense interests of the United States. The Commission argued that closure of the Panama Canal in wartime would divide the merchant and naval fleets of the U.S., thus denying to either coast of the country the services of a good part of its shipping and naval potential. The report contends that the canal is essential for transhipment of war materiel from one coast to the other, and that no amount of air transport can begin to meet this need. It argues that without the Panama Canal, other and longer routes would not only have to be covered for these purposes, but that they would have to be guarded by additional combat vessels. The report is of the view that continued operation of the trans-isthmian canal is essential for the mass movement of military personnel. In terms of distance, the Commission contends, the Panama Canal saves about 8,000 miles for east-west transits, and utilizes about half the number of ships that would be required to accomplish the same objectives by any other conceivable route.[3]

2. POLITICAL MYOPIA AT PANAMA

The nineteenth century and the early decades of the twentieth were not especially celebrated for the respect and courtesies which great powers extended to small ones. In this respect, the Panamanian episode and events which preceded and followed it were by no means exceptional for the times.

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[1] The reader is invited to scan the footnoted sources as well as the bibliography of leading titles after the end of this paper. Even there, sources are included which have been utilized in the preparation of this paper, and no attempt has been made to list the hundreds of popular or scholarly articles which have appeared coterminously with the many Panamanian issues since 1903.

[2] United States, Atlantic-Pacific Interoceanic Canal Study Commission, *Interoceanic Canal Studies, 1970* (Washington, D.C.: Report to the President, December 1, 1970), Table 2, "Panama Canal Users, Fiscal Year 1969," pp. 15–16; Table 4, "Growth of Panama Canal Traffic," p. 22.

[3] *Ibid.* Chapter 2, pp. 8–11; and Annex II, "Study of National Defense Aspects," pp. 1–16.

Groundwork for the United States' presence on the isthmus was laid by the U.S.-Colombian Bidlack Treaty of 1846, wherein it was provided that U.S. citizens and their commodities should move freely across Panama, and that the United States would guarantee the neutrality required for uninterrupted transit across the isthmus. As a concession to Colombia for these favors, the United States would see to it that Nueva Granada (Colombia) would remain sovereign over her territory of Panama.[1] As Professor Edwin C. Hoyt points out, the Bidlack Treaty was seen by Colombia as protecting her sovereignty over the isthmus, but by the United States, as assuring her right of transit.[2]

The Clayton-Bulwer Treaty of 1850 related primarily to the proposed Nicaraguan canal, but expressed an intention of the signatories, Britain and the United States, to extend the same principle to any other canal in the vicinity, whether across Mexico or Panama. It promised equal U.S. and British rights to any such canal. In keeping with the spirit of the times and the power relationships that then prevailed, the treaty made only oblique references to whatever Latin American republic might presumably hold sovereignty over the territory to be utilized for a canal.[3]

During the decade following 1878, there was the dramatic attempt and failure of the French-owned Compagnie Universelle du Canal Interocéanique. The French effort cost some $287 million and 22,000 lives. Most of the human casualties were induced by yellow fever, and a large measure of the financial loss could be attributed to inefficiency and corruption. The French company excavated about one quarter of the proposed canal and, of considerable interest to this study, introduced the engineer and financier Philippe Bunau Varilla onto the Panamanian and world stage. Banau Varilla became the principal proponent of the interests of the Compagnie Nouvelle du Canal de Panama, a holding firm designed to dispose of the French assets as advantageously and expeditiously as possible.[4]

In 1901, the Hay-Pauncefote Treaty between the United States and Britain expressed a new pattern of reality. In effect, the agreement dissolved the arrangements of the Clayton-Bulwer Treaty, turned over the rights and obligations for construction of any canal to the United States, and retained only the concept of canal neutrality as a vestige of remaining British rights. As usual, very little was said about any Latin American possessor of the territory in question. The way was further cleared when the Spooner Act, passed by the U.S. Congress June 28, 1902, authorized the President to try to obtain territory, or at least "control" over a strip of land, for the purpose of construction of a canal at Panama. From the standpoint of Philippe Bunau Varilla and other parties interested in the French enterprise, it was significant that the Spooner Act authorized payment of $40 million for the assets and rights of the moribund French company.[5]

It was in the nature of the times that these introductory events were quite neglectful of Latin American sensibilities and interests. Indeed, there seemed to be little if any awareness on the part of the participants in the unfolding drama that there were any parties to the canal question other than the United States and the European powers.

After the Hay-Pauncefote Treaty and the Spooner Act, events moved headlong to the Panamanian episode of 1903. On January 22, 1903, the United States and Colombia signed the Hay-Herrán Treaty, which would (1) authorize the French company to sell all its rights, property and privileges to the United States, (2) grant to the United States rights for the next hundred years to operate a canal and a zone five kilometers on each side of the waterway, (3) preserve the sovereignty of Colombia over the zone and canal, and (4) oblige the United States to pay to Colombia $10 million in gold, plus $250,000 each year starting nine years after conclusion of the treaty. On May 17, 1903, the Hay-Herrán Treaty was ratified by the Senate of the United States; on August 12, 1903, it was rejected by the Congress of Colombia.[6] Later, in 1913, Theodore Roosevelt claimed that the purpose of José Manuel Marroquín, Colombian dictator of the time, was to wait until the French concession expired in 1904 so that the Colombian treasury (and presumably, interested political figures) could collect payment for the French properties, rights and assets; and further, that upon consummation of the Panamanian revolution of November 6, 1903, Colombia notified the United States of her willingness to arrange for ratification of the treaty.[7]

Whatever may have been the machinations in Bogotá, the action of Colombia was an unexpected blow to expectations that the United States could proceed with the canal without vexation from Latin America. It also shattered hopes of French and Panamanian interests who hoped to sell French properties and reap rewards from inflated land values and commercial activity arising from construction of the canal. These individuals included especially Philippe Bunau Varilla, the French engineer and promoter of holding-company interests, and Dr. Manuel Amador Guerrero, a prominent Colombian-Panamanian physician who was also an important political figure and property holder.

Shortly after the Colombian rejection of the Hay-Herrán Treaty, Philippe Bunau Varilla hurried to Washington, where he conferred with John Hay, U.S. Secretary of State, and other top officials of the administration of President Roosevelt. On the evening of November 2, 1903, two U.S. cruisers arrived at Colón on the Caribbean side of the isthmus. Almost simultaneously, Colombian troops landed at the same harbor and disembarked with the intention of putting down the anticipated revolution. On the morning of the next day, November 3, the revolt erupted in Panama City on the Pacific side. Meanwhile, the U.S. naval commander at Colón received his instructions from Washington—to prevent any interruption of transit and to prevent landing "of any force with hostile intent, either government or insurgent," if such a landing might bring on a conflict. Later, the United States claimed that in the interests of free transit, she was obliged under the 1846 Bidlack Treaty with Colombia to prevent landing of Colombian troops sent to preserve the same Colombian sovereignty that the Bidlack Treaty also guaranteed!

The actual blocking of transit of Colombian troops across the isthmus was not the work of U.S. cruisers, but rather of officials of the Panama Railroad Company, led by its supervisor Colonel James S. Shaler, U.S. Army. They ushered the Colombian officers across the isthmus in passenger coaches, but could not get trains organized for the transport of the troops. Upon arrival of the Colombian officers in Panama City on the Pacific side, they were promptly arrested by the revolutionaries. On the Caribbean side, personnel of the Panama Railroad Company and other Americans passed the hat, collected a bribe of $8,000, and paid it to the officer in charge of the Colombian troops, all of whom then reembarked for their homeland. It was in the midst of these inauspicious circumstances that the Republic of Panama was created, on November 6, 1903; soon thereafter the *junta* of the *gobierno provisional* named the Frenchman, Philippe Bunau Varilla, already in the United States, to be first minister to the U.S.A.[8]

All the rest was downhill. At 6:40 p.m. on November 18, 1903, at the home of Secretary of State John Hay and a few hours prior to arrival of Panamanian commissioners (Manuel Amador and Federico Boyd) who were supposed to negotiate the canal treaty, Hay and the Frenchman Bunau Varilla signed a treaty which repeated most of the provisions of the unsuccessful Hay-Herrán document but with certain modifications: the grant would be in perpetuity, not for only a century; the zone would be ten miles in width instead of ten kilometers; and, in place of a positive guarantee of Panamanian sovereignty, the fifteen-day-old Republic of Panama granted to the United States, according to Article III of the Hay-Bunau Varilla Treaty,

". . . all the rights, power and authority within the zone mentioned . . . which the United States would possess if it were the sovereign of the territory . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."[9]

As may be well imagined, this turn of events was received by the Republic of Colombia with something less than enthusiasm. She was quick to protest, through her special minister to Washington, General Rafael Reyes (later President, 1904–1909). Secretary of State John Hay replied blandly that the United States had merely observed provisions of the Colombia-United States Treaty of 1846—but noted, in addition, that Colombia had obstructed all attempts at working out a suitable treaty, thus implying that the United States needed some further justification for its rôle in the Panama affair.[10]

After almost twenty years of resistance to the admission of responsibility for the Panamanian affairs, the United States finally agreed, by treaty ratified in 1922, to pay Colombia the sum of $25 million, to grant to Colombia the right to use the canal without charge for transit of all ships, materiel and troops of war, and to accord to citizens of Colombia the same rights and privileges in the Zone that would be enjoyed by those of the United States.[11]

One can raise questions about Colombia's motivations for rejection of the Hay-Herran Treaty. It must be admitted that the Colombian rejection, if accepted, would have led to delay in construction of the canal. However, Colombia was under no legal obligation to accept a treaty relating to a canal to be cut through her territory. It is conceivable that the United States could have moved with greater finesse and still obtained a canal through Colombian territory. The actions of the United States government in the Panamanian episode constituted an assault on the pride of Colombia and on that of Latin America in general. The events of 1903 created a field day for later nationalist expression. No payment to Colombia could calm the rancor that was felt throughout Latin America. To this day, the episode ranks as a prime source of Latin American hostility toward the United States. Furthermore, the mode whereby Panama secured her independence denied to that republic the opportunity to obtain her separation with honor, and provided a source of embarrassment to the new isthmian republic.[12]

In a recent article, Professor Martin C. Needler stresses the point that, in U.S. relations with Latin America, it is necessary to give much more consideration than is normally accorded to the Latin American sense of *dignidad*.[13] The episode of 1903 created a load of historical baggage which the United States must bear in her future plans regarding isthmian transit. In balancing the tangible engineering accomplishment against the intangible political distress which the

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Footnotes at end of article.

events created for the United States, one is constrained to comment that there are times when ill-defined elements of human sensitivity must be calculated into the historical content of international relations.[14]

FOOTNOTES

[1] Samuel Flagg Bemis, *The Latin American Policy of the United States* (New York: Harcourt, Brace and World, 1943), pp. 37–38, 105.

[2] Edwin C. Hoyt, *National Policy and International Law: Case Studies From American Canal Policy* (Monograph Series in World Affairs; Denver: University of Denver, 1967), p. 27.

[3] Diogenes A. Arosemena G., ed., *Documentary Diplomatic History of the Panama Canal* (Panama, 1961), pp. 25–34; Samuel Guy Inman, *Problems of Pan Americanism* (New York: Doran, 1925), p. 278; Dexter Perkins, *The United States and Latin America* (Baton Rouge: Louisiana State University Press, 1961), pp. 22–24; J. Fred Rippy, *Latin America in World Politics* (New York: Knopf, 1928), pp. 113–114. For extended discussion of reactions in the United States to the Clayton-Bulwer Treaty, see Hoyt, *National Policy*, pp. 5–25.

[4] Interestingly enough in terms of later international politics, Bunau Varilla turned to Russia for help in rescuscitating the bankrupt French enterprise. It was not until he was rebuffed in this effort that he sought help in the United States. Charles D. Ameringer, "Bunau Varilla, Russia and the Panama Canal," *Journal of Inter-American Studies and World Affairs*, XII (July, 1970), pp. 328–338.

[5] Arosemena, *Documentary Diplomatic History*, pp. 133–136, 145–150; Hoyt, *National Policy*, pp. 27–28; Norman J. Padelford, *The Panama Canal in Peace and War* (New York: Macmillan, 1942), pp. 20–21, 36.

[6] Arosemena, *Documentary Diplomatic History*, pp. 153–168; Inman, *Problems in Pan Americanism*, p. 279; Padelford, *The Panama Canal*, p. 22.

[7] "Statement on the Panama Canal by Theodore Roosevelt, Formerly President of the United States," in James W. Gantenbein, ed., *The Evolution of Our Latin-American Policy* (New York: Columbia University Press, 1950), pp. 534–540.

[8] Hoyt, *National Policy*, pp. 31 ff.; Inman, *Problems in Pan Americanism*, p. 280; Chester Lloyd Jones, *Caribbean Interests of the United States* (New York: Appleton, 1916), pp. 193, 197, 202–203; Immanuel J. Klette, *From Atlantic to Pacific* (New York: Harper & Row for the Council on Foreign Relations, 1967), pp. 9–16; Roosevelt Centennial Supplement, *Panama Canal Review*, IX (November 7, 1958). For a splendid, scholarly treatment of this early period, see G. A. Mellender, *The United States in Panamanian Politics* (Danville, Illinois: The Interstate Printers and Publishers, 1971), Chapter III, "Independence!" pp. 25–35.

[9] Arosemena, *Documentary Diplomatic History*, "Hay-Bunau Varilla Convention of November 18, 1903," Article III, p. 76. For the host of detailed legal problems that have sprung from this phraseology, see R. R. Baxter, *The Law of International Waterways* (Cambridge: Harvard University Press, 1964), pp. 71–88. On the precipitous signing of the Hay-Bunau Varilla Treaty, see Mellander, *The United States in Panamanian Politics*, pp. 39–44.

[10] "General Reyes, Colombian Minister to the United States, to John Hay, Secretary of State of the United States, December 23, 1903," in Gantenbein, *The Evolution*, pp. 504–517; and "John Hay, Secretary of State of the United States, to General Reyes, Colombian Special Minister to the United States, January 5, 1904," *Ibid.*, pp. 517–533.

[11] Arosemena, *Documentary Diplomatic History*, pp. 37–38, 191–210, 230, 331–340; Hoyt, *National Policy*, pp. 31–35; Inman, *Problems in Pan Americanism*, pp. 281–282.

[12] Eminent Panamanians who must remain unidentified here have expressed this view to me.

[13] Martin C. Needler, "New Directions for Our Latin American Policy," *Yale Review*, LX (Spring, 1971), p. 339.

[14] The most detailed recent source on the politics which lay behind the whole early history of the United States at Panama, especially from the standpoint of internal Panamanian politics, is Mellander, *The United States in Panamanian Politics*. Another excellent new book, which covers the wider span of isthmian-canal history from the early nineteenth century to the present, is Lawrence O. Ealy, *Yanqui Politics and the Isthmian Canal* (University Park, Pa.: The Pennsylvania State University Press, 1971); and in connection with the early years in Panama, see Chapter 6, "Roosevelt and the Revolution in Panama," pp. 58–70. An earlier book by the same author was *Republic of Panama in World Affairs, 1903–1950* (Philadelphia: University of Pennsylvania Press, 1951). For a popular history of the Panamanian isthmus from the earliest discovery to the days of construction, Arthur Bullard (pseud. Albert Edwards), *Panama, The Canal, The Country and The People* (New York: Macmillan, 1912), is recommended. For an interesting compendium of views by Latin Americans on issues relating to international canals, especially the Panama Canal, one may consult Ricardo J. Alfaro *et al.*, *Los canales internacionales* (Panama: Universidad de Panama, 1957). An encapsulated, perceptive historical sketch of U.S.-Panamanian relations is Edward H. Moseley, "The United States, Panama and the Canal," *Delphian Quarterly*, LV (Autumn, 1972), pp. 2–9, 18.

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3. CENTRAL AND PERIPHERAL PROBLEMS

Location

If seen only in the light of engineering considerations, it is probable that the isthmian canal could be located nowhere but in Panama. Physical and technological factors suggest that the isthmus of Panama is the most reasonable location for any new canal to be excavated in the future.[1] From the political standpoint, the foreign-controlled Panama Canal and Zone may be in one of the worst locations devised by the mind of man. As Colonel Immanuel J. Klette of the U.S. Air Force puts it, "What has been oftentimes lost from sight are the political problems which flow from its mere existence as a United States installation in a small Latin American country."[2]

The Panama Canal Zone not only cuts through the middle of the Republic of Panama, but the capital city of Panama abuts on the Zone, and some of its most important commercial districts either adjoin the Zone or lie within a few blocks of it. An important thoroughfare, Kennedy Avenue (formerly Fourth of July Avenue), forms one of the borders between the Zone and Panama City. All ocean shipping on the Pacific side utilizes wharves and warehouses in Balboa, within the Zone, and goods must be transported out of the U.S. Canal Zone in order to get to commercial outlets in the republic. On the Caribbean side, the implications for Panamanian nationalism are even more marked, for the Panamanian city of Colón is completely surrounded by the Zone. One may only reach Colón by land by going through the U.S.-controlled Canal Zone. At Colón, as at Panama City, the principal commercial wharves are all located within the Zone—in this case, in Cristóbal. When a Panamanian undertakes to travel through his country from one part to the other, he must cross the U.S.-controlled Panama Canal Zone. If he is traveling by land, he must utilize the Balboa Bridge, built by the United States upon demand from Panama, or else take a ferry across the canal. In the words of the *Times of the Americas*.

Just suppose the British had decided, in the early 1800s, to build the Erie Canal. As a part of their planning, they laid out a Canal Zone of their own to protect it and back it up. Now it's 1971. How would we feel about having a British colony nudging Cleveland and Buffalo? That's the analogy that Alan Cranston of California used to tell the House Inter-American Subcommittee how he felt about the Panama situation.[3]

Or, one might consider how the citizens of the United States would like it if the Mexicans or Canadians were to hold a wide transit zone up and down the Mississippi River Valley.

As was pointed out by John and Mavis Biesanz, nationalism plays a strong role in Panamanian politics. Panamanian nationalism is composed of strong doses of anti-Yankeeism combined with feelings of defensiveness and shame. The Biesanz team found that Panamanian nationalism is inconsistent, emotional and irrational, but very real.[4] Individuals in all walks of Panamanian life, including especially young people, intellectual leaders, and the elite in general, are powerfully moved by considerations of nationalism. Parties, leaders and pundits of public opinion who are not strongly nationalist cannot hope to attract large followings. Pro-Soviet, Maoist and *fidelista* elements take advantage of the popularity of nationalism in Panama, and exert strong influence in the National University, the National Institute (a secondary preparatory school which borders on the Canal Zone), and the very influential and politically oriented Federation of Panamanian Students. Important Panamanian intellectual leaders go so far as to claim the Panama Canal is responsible for all the afflictions of the republic.[5]

In the face of strong Panamanian nationalism, it is of little avail to argue that, in addition to rental of $1.93 million per year which Panama collects from the canal,[6] the republic earns well over $165 million annually from trade, wages and purchases arising out of the Canal Zone, and that this figure accounts for about two thirds of Panama's income from foreign exchange, and at least one third from its gross national product;[7] that the United States is almost singly responsible for completion of all railroad, highway and water routes across and along the length of the Panamanian isthmus and for a large share of economic assistance to the republic; or that the very existence of Panama as an independent republic is in large measure due to intercession by the United States in the events of 1903. All this is true enough, but does little to solve the problem of national pride which arises out of the ubiquitous presence of the Canal Zone in the middle of Panama. In fact, the overwhelming role of the United States in the economic and political life of Panama, no matter how valuable from the material point of view, must also be seen in the light of its negative impact on the normal forces of Panamanian nationalism.

Sovereignty and the flags

As noted, a few days after the Panamanian revolution the United States hurriedly entered into the Hay-Bunau Varilla Treaty, which included the ambiguous statement on sovereignty which we have quoted.[8] By granting to the United States "all the rights, power and authority" which the United States "would possess and exercise if it were sovereign of the territory," the treaty seemed to say that the United States would not be sovereign, but could exercise all the rights of sovereignty—thus leaving in limbo the question as to who *was* in fact sovereign over the Canal Zone. Controversies over this issue began almost immediately after the treaty of 1903, and continue to the present day. Directly or indirectly, the question of sovereignty lies behind virtually all the issues, and certainly the most heated ones, that have plagued U.S.-Panamanian rela-

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Footnotes at end of article.

tions since 1903. Because it relates so directly to the central and explosive issue of sovereignty, the question as to whether the U.S. or Panamanian flag, or both, should fly in the Canal Zone has aroused more bitterness in Panama than any other.

On November 3, 1959, two intellectual firebrand nationalists, Aquilino Boyd and Ernesto Castillero, tried to lead a march into the Canal Zone to fly the Panamanian flag. When they were prevented from pursuing their objective, riotous violence erupted. Led by Boyd and Castillero, the marchers rushed to the U.S. Embassy (in Panama City, outside the Zone), tore down the U.S. flag and ripped it to pieces amidst shouts of approval. Zone authorities placed the republic off limits to U.S. personnel, and the Canal Zone was closed to access from the outside. Subsequently, President Eisenhower announced that U.S. and Panamanian flags would fly together at Shaler Triangle, a small park at the edge of the Zone on the border of Panama City.[9] The President's gesture, as we shall see, was to no avail. Later, extreme violence induced by the same question brought U.S.-Panamanian relations to their lowest point since 1903. The issues at Panama go far deeper than the flying of one Panamanian flag on the inside edge of the Canal Zone. In the eyes of Panamanian leaders and agitators, nothing less is at stake than the life and meaning of the whole Panamanian republic.

PERIPHERAL ISSUES

Less fundamental but no less persistent issues between the United States and Panama have included, among many others, (1) the amount of payment that the United States should make for its rights in the Zone, (2) alleged unequal treatment of Panamanian workers in the Zone as compared with non-Panamanian workers (the numbers are now about 12,000 and 14,000, respectively), (3) commissary privileges enjoyed by individuals in the Zone which allegedly deprive Panamanian businessmen of customers, (4) housing in the Zone (occupied by some 7,500 Panamanians, and essentially all the Americans) which competes with that available in the republic, (5) discrimination of various types, (6) roles of the English and Spanish languages in the Zone, (7) responsibilities of the United States and Panama with respect to postal services, customs collections, control of contraband moving into and out of the Zone, (8) sales by the Panama Canal Company to third parties, (9) rights of the United States to acquire new lands for operation or maintenance of the canal, (10) U.S. military bases in the Zone and elsewhere in Panama, (11) transportation privileges claimed by Panama from one part to another of the republic across the Zone, in terms of adequate bridges and highways and even (12) the kinds of postage stamps and authority over postal services in the Zone. This by no means completes the list of sources of controversy, and only indicates some of the leading issues over the years.[10]

In 1936 the United States and Panama entered into the supplemental Hull-Alfaro Treaty, which was designed to reconcile several of these outstanding differences, and which raised the compensation paid to Panama from the original $250,000 to a new figure of $430,000 per year. An even more extensive treaty, whereby the annual compensation was increased to $1,930,000 (the present figure), was ratified between the two countries in 1955. By its terms, the United States and Panama also reached agreement regarding equal rights to employment, restriction of establishment of U.S. military bases in Panama, termination of the unlimited rights of the United States to acquire additional adjacent territories as allegedly needed for improvement of canal facilities, revocation of the exercise by the United States of sanitation controls over Panama City and Colon, a promise by the United States to build a new bridge across the canal (subsequently constructed and named the Balboa Bridge), and a host of other matters at issue.[11] One of the most insistent Panamanian demands related to the bridge, but when it was completed in 1959, opening ceremonies were marred by violent expressions of protest.

Emotions generated by such issues have caused tense feelings and outbreaks of violence in Panama, both within and outside the Zone. In 1947, when it appeared that the Panamanian National Assembly might agree to permit U.S. retention of thirteen small World War II military-technical installations outside the Zone for five more years, and the much more important Rio Hato base (70 miles west of the Panama Canal) for ten more years, violent riots in Panama City led directly to repudiation of the proposed agreements by the National Assembly (December 23) and wild rejoicing in the streets. The United States evacuated the sites very suddenly, completing departure on February 16, 1948. The Panamanian government, faced with the reality of economic loss, offered to reopen discussions; but it was not until the Treaty of 1955 that the United States was permitted to reoccupy the Rio Hato base.[12] From the Panamanian standpoint, considerable material loss was suffered during the interim; but this was more than outweighed by the public emotional satisfaction that was achieved.

At the risk of being repetitious, it must be stressed that these and other controversies between Panama and the United States arise essentially from the central fact that a foreign-controlled gash cuts through the heart of the Republic of Panama. This explains why even peripheral issues assume an importance in Panamanian eyes that is hard for people in the United States to comprehend, and why questions of sovereignty and flags cut directly into the raw nerves of the people of Panama. The boiling tensions that have characterized U.S.-Panamanian relations since 1964 illustrate this point very well, and in their conclusion provide further evidence of U.S. in attention to political considerations *vis a vis* the Panamanian isthmus.

FOOTNOTES

[1] For comparison with all other possible routes, see United States, Atlantic-Pacific Interoceanic Canal Study Commission, *Interoceanic Canal Studies, 1970* (Washington, D.C.: Report to the President, December 1, 1970), Chapter VII, "Analysis of Alternatives," pp. 63–88; Annex V, "Study of Engineering Feasibility;" and especially Table 3-2, "Initial Screening of Previously Identified Interoceanic Sea-Level Canal Routes," Annex V, pp. 23–25.

[2] Immanuel J. Klette, *From Atlantic to Pacific* (New York: Harper & Row for the Council on Foreign Relations, 1967), p. 95.

[3] "Panama Is No Place for Zone Defense," *Times of the Americas*, October 13, 1971, p. 4.

[4] John and Mavis Biesanz, *The People of Panama* (New York: Columbia University Press, 1955), pp. 155–157.

[5] These observations are drawn from personal investigation and observation in Panama, and from a multitude of sources too numerous to cite here. See, James L. Busey, "Conflict in Panama," *The New Leader*, XXXVI (February 15, 1960), pp. 16–19; Daniel Goldrich, *Sons of the Establishment: Elite Youth in Panama and Costa Rica* (Chicago: Rand MacNally, 1966), pp. 29 *et passim*. For writers who blame the canal for all the problems of Panama, see Ernesto Castillero Pimentel, *Panamá y los Estados Unidos* (Panamá, 1953); and David Turner Morales, *Estructura económica de Panamá* (México, D.F.: Editorial América Nueva, 1958), wherein the author claims that the Panama Canal has serious adverse effects on the economic life of the republic. According to Turner, who received his licentiate degree at the Autonomous University of Mexico on the basis of his thesis, ". . . one may affirm categorically that Panama has not had any economic development by reason of the Canal." *Ibid.*, p. 233. A more balanced presentation of Panamanian points of view may be found in Eloy Benedetti, ed., *Tres ensayos sobre el canal de Panama* (Panama: Ministerio de Educación, 1965). Useful material on the background of Panamanian nationalism may be found in Ricaurte Soler, *Pensamiento panameño y concepción de la nacionalidad durante el siglo XIX* (2nd ed.; Panama: Librería Cultural Panameña, S.A., 1971).

[6] At this moment (1972–73), there is a movement afoot in Panama to refuse any payment by the United States for use of the Canal Zone. Based on nationalist arguments that acceptance of payment amounts to Panamanian recognition of U.S. rights to the Zone, the movement enjoys considerable support.

[7] "Future of Canal Remains Hot Issue in Panama," *Times of the Americas*, June 14, 1972, p. 7.

[8] *Supra*, Part 2. p. 13.

[9] Lester D. Langley, "U.S. Panamanian Relations Since 1941," *Journal of Inter-American Studies and World Affairs*, XII (July, 1970), pp. 350–353.

[10] For detailed discussion of these points, see, among many other sources, Richard R. Baxter and Doris Carroll, authors of the working paper, and Lyman M. Tondel, ed., *The Panama Canal* (Background Papers and Proceedings, Sixth Hammarskjold Forum; Dobbs Ferry, N.Y.: Oceana, 1965), pp. 11–12, 26–32, 48–49; Busey, "Conflict in Panama," pp. 16–19; Edwin C. Hoyt, *National Policy and International Laws Case Studies From American Canal Policy* (Monograph Series in World Affairs, Denver: University of Denver, 1967), pp. 40–41; Sheldon B. Liss, *The Canal* (Notre Dame: University of Notre Dame Press, 1967), pp. 49, 172–177; J. Lloyd Mecham, *A Survey of United States-Latin American Relations* (Boston: Houghton Mifflin, 1965), pp. 312–324; *Panama: Canal Issues and Treaty Talks* (Washington, D.C.: Georgetown University, The Center for Strategic Studies, 1967); U.S. 86th Cong., 2nd Sess., House of Representatives, Committee on Foreign Affairs, Subcommittee on Inter-American Affairs, *Report on United States Relations With Panama* (Union Calendar No. 1005, House Report No. 2218; Washington, D.C.: Government Printing Office, 1960), pp. 16–31, 33–36, 37–40.

[11] Hoyt, *National Policy*, p. 42; Langley, "U.S.-Panamanian Relations," pp. 340, 345–346; Dexter Perkins, *The United States and the Caribbean* (Rev. ed.; Cambridge: Harvard University Press, 1966), pp. 151–154; Graham H. Stuart, "Should the Panama Canal Be Internationalized?" in A. Curtis Wilgus, ed., *The Caribbean: Contemporary International Relations* (Gainesville: University of Florida Press, 1957), p. 48; and for texts of these and other treaties and agreements entered into between the United States and Panama, see Diogenes A. Arosemena G., ed., *Documentary Diplomatic History of the Panama Canal* (Panama, n.p., 1961), as well as other publications cited in this discussion.

[12] J. Lloyd Mecham, *The United States and Inter-American Security, 1889–1960* (Austin: University of Texas Press, 1961), pp. 295–297.

4. POLITICAL MYOPIA REVISITED

Riots of 1964

During the decade of the sixties, Panamanian-U.S. relations moved closer than previously to the heart of the canal question—that is, the fundamental issue of sovereignty over a strip running through the middle of the republic. Under agreements reached between Presidents John F. Kennedy and Roberto Francisco Chiari, it was understood that the Panamanian flag might fly in the Zone at all non-military sites where the U.S. flag was raised. In conformity with these understandings, Governor William E. Potter of the Zone restricted such locations to seventeen. These did not include the Balboa High School. On January 7, 1964, students from the Canal Zone Junior College made an unauthorized attempt to raise the U.S. flag at the Balboa High School. This was countered by some 200 students from the Panamanian National Institute, who marched to Balboa High School with the intention of hoisting the Panamanian flag alongside the banner of the United States. When prevented by Zone authorities from carrying out this intent, the Panamanian students retreated angrily from the Zone.

Joined by nationalist and Communist agitators, mobs swelled along the border of the Zone. The violence on both sides led to the deaths of some twenty Panamanians and four United States citizens, and scores of injuries. From January 9 to April 3, Panama refused to carry on diplomatic relations with the United States, charging the United States with committing "acts of aggression," and attempted to induce the Organization of American States to invoke the Rio Pact against the United States.[1] In February, the Council of the OAS concluded that the United States had utilized disproportionate force to quell the disturbances, but did not agree that the United States had committed aggression against Panama.[2]

In negotiations following the riots, it became increasingly clear that Panama was moving very close to insisting on actual control over the Zone and the canal. Among other things, the Panamanian representative in the talks (Jorge Illueca) demanded Panamanian participation in a new canal authority; inclusion of the present Zone as an integral part of the republic, with Panamanian flag and stamps; and adoption of Spanish as the official language throughout the canal area.[3] The issues, in other words, were now focusing on the point which lies at the core of most of the controversy: that is, the role of Panama over what she claims to be her territory, and the continued presence of the United States therein. Professor Lester D. Langley points out that almost all issues regarding the Panama Canal can be traced back to the Hay-Bunau Varilla Treaty of 1903—that is, to the question of sovereignty.[4]

The Johnson Plan

As direct outgrowths of the riots of 1964, two events occurred in the United States which were designed to have important effects on future canal policy.

First, on September 22, 1964, Congress passed Public Law 88–609, establishing the Atlantic-Pacific Interoceanic Canal Study Commission which was to make a full study with a view to recommending a suitable site for a sea-level canal connecting the Atlantic and Pacific Oceans. In April, 1965, the President appointed five distinguished Americans to be its members.[5]

Second, President Lyndon Johnson announced on December 18, 1964, that at the same time the canal studies were going forward under the auspices of the Atlantic-Pacific Commission, the United States would negotiate new understandings with Panama relative to the present canal. A new treaty would abrogate the Hay-Bunau Varilla Treaty of 1903, recognize Panamanian sovereignty over the Zone, and establish a pattern of equal partnership between the two countries relative to the canal.[6] To all but political novitiates, it would appear that investigations of the Commission regarding alternative routes (including some outside of Panama) should provide excellent inducement to the Panamanians to conclude a new treaty regarding the present canal.

The Commission report

In accordance with what we have called the "Johnson Plan" and authorization by Congress, the Atlantic-Pacific Interoceanic Canal Study Commission was organized and began its work in April of 1965. On December 1, 1970, after five and one half years of intensive investigation, and after expending over $22 million, the Commission produced its report to the President, entitled *Interoceanic Canal Studies*. This compendium of over 1,000 pages includes some 135 pages of text and 875 pages of annexes, plus scores of tables, figures, photographs of areas studied, and a very large number of colored and detailed maps of proposed canal routes.

The report rejects proposals for nuclear excavation, on the grounds that technology for that type of project has not been fully developed, new international agreements must be worked out, and there would be unacceptable social costs in terms of displacement of persons.[7] The Commission gave attention to thirty different possible routes and subvariations on them—one in Mexico (Tehuantepec Isthmus), eight in Nicaragua-Costa Rica (all of them variations on a single theme), one in far western Panama near the Costa Rican border, six in the vicinity of the present canal, four in eastern Panama, five which would cross the Panama-Colombia border, and the remaining seven in the Republic of Colombia. Of these, the Commission then concentrated its study on the most likely and feasible routes: Nos. 5 and 8 (Nicaragua-Costa Rica), 10 (a few miles west of the present canal, and just outside the Canal Zone), 14 and 15 (inside the present Canal Zone), 17 (the Sasardi-Morti route, 110 miles east of the present canal and near Colombia), 23 (from the Caribbean coast of Colombia to the Panamanian coast on the Pacific) and 25 (in Colombia).[8]

Of these alternatives, the Commission found No. 10, about 10 miles west of the present canal, to be the least expensive to construct by conventional means (about $2.88 billion) and the most practical from engineering and technological standpoints. The Commission estimated that it would take fourteen years to complete Route 10, and observed further that Routes 10 and 14 (which is within the present Canal Zone) are the only sea-level channels that can be practically excavated without use of nuclear devices.[9]

Other recommendations of the Commission are that (1) multinational participation in the financing of a new canal be secured, (2) there be more Panamanian and fewer U.S. employees associated with the new canal, (3) when the new canal (Route 10) is completed, both the old and new canals be operated as one system, (4) a new treaty should give Panama a greater role, but with continued U.S. control over the entire canal operation, (5) the great economic advantages to be secured by Panama from construction and maintenance of a new canal might attract Panamanian interest in consummation of the project, (6) construction of the new canal should begin no less than fifteen years before traffic surpasses the capacity of the present artery, estimated to be in the last decade of this century—in other words, that construction should begin about 1975, (7) the existing canal (Route 15) should be modernized, and (8) further technical and environmental research must be undertaken before commencement of construction.[10]

The Commission makes only a few very brief references to the possible political reactions of Latin America in general or Panama in particular. Most of these allusions are to the effect that economic advantages or disadvantages from any canal must be considered as influencing political reactions. At one point the Commission demonstrates some awareness of political factors:

"United States relations with Panama could be improved by progressive reduction of the number of United States personnel in the canal operating authority and a concomitant increase in the proportion of Panamanian personnel in the positions normally occupied by United States citizens. Construction of a sea-level canal would facilitate reduction of the United States presence in that it could be operated and defended with fewer total personnel." [11]

The suggestion is that the presence and activity of numerous U.S. personnel is an irritating factor in U.S.-Panamanian relations, and this is undoubtedly a valid point. But it can also be argued that precisely because a sea-level canal could be administered more simply than the present lock canal, it would soon become obvious to Latin Americans that the U.S. presence is unnecessary! As will be demonstrated, there are powerful political pressures within the United States, as well as valid consideration of defense (of which the Commission is quite aware, and mentions frequently) that would make such a conclusion unacceptable in this country—but harder to reject—if a sea-level canal were constructed. The Commission devotes no attention to this possibility, and the further argument of the Commission should disturb elements in the United States which for security reasons or otherwise favor full U.S. retention of the present canal:

"There are characteristics of a sea-level canal which would lend themselves more readily than those of a lock canal to the satisfaction of basic Panamanian aspirations of exercising jurisdiction in the Canal Zone. Without the requirement for sensitive locks and generating plants, and large numbers of foreign personnel, it would be possible to reduce the Canal areas to a minimum and to permit a broader exercise of Panamanian jurisdiction in these areas . . ." [12]

Leaving aside the insult to Panamanian capabilities which is unconsciously implied by this section of the report, the Commission leaves no doubt that, with a sea-level canal, the continued presence of the United States in any form would become even less tenable than it is at present.

On this question of reduction of U.S. personnel upon construction of a sea-level canal, the Commission is at odds with its own recommendations. In a continuation of the statement we have just quoted above, the Commission points out that: "This presumes that a sea-level canal would be operated instead of, not in addition to, the lock canal. This particular advantage would not be attained if the sea-level canal and lock canal were operated as a system." But in its list of major recommendations, the Commission proposes that any new treaty with Panama provides for:

a. Creation of an Isthmian canal system including both the existing Panama Canal and a sea-level canal on Route 10, operated and defended in an equitable and mutually acceptable relationship between the United States and Panama.

b. Canal operating and defense areas that include both the existing Panama Canal and Route 10.

c. Effective control of canal operations and right of defense of the canal system and canal areas by the United States, with such provisions for Panamanian participation as are determined by negotiation to be mutually acceptable and consistent with other recommendations herein.

d. Acquisition of the Route 10 right-of-way by the canal system operating authority as soon as practicable.[13]

In other words, it would be advantageous to have a sea-level canal so that U.S. presence could be minimized (or more likely, eliminated altogether) and Panamanian control could be maximized; but it would also be desirable that the two canals operate in

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Footnotes at end of article.

one system under "effective control" and "right of defense" by the United States—presumably with some kind of canal zone that would be about twice as wide as the present one.[14]

Except for a few other brief allusions to political factors which must be considered in planning for a new canal, the only other attention given by the Commission to this all-important question is contained in the following two paragraphs, entitled "Political Considerations:"

"The Panama Canal is a key element in Panama's political life. It has helped shape the structure of the country's society and set the pattern of its economy. As Panama's primary source of income, the canal largely determines the total amount of economic resources available for allocation. As the single most important stimulus to Panamanian nationalism, the canal is also a readily exploitable emotional issue. Thus, the replacement of the existing canal by a sea-level canal could be a matter of profound importance to Panama's future.

"Panama's attitude toward a sea-level canal will inevitably be shaped by past experience with the existing canal. Most Panamanians are convinced that the United States has not dealt fairly with their country on the Panama Canal. In negotiating an agreement on a sea-level canal, Panama may be expected to place special emphasis on such issues as jurisdiction and economic benefits. Yet, although there are a number of potentially troublesome political problems involved in obtaining suitable new treaty terms with Panama, there are also many considerations which work in favor of United States-Panamanian agreement.[15]

Thus, the report of the Commission seems to conclude that the enormous advantages to be gained by Panama from the construction of a new canal, plus reduction of the U.S. presence made possible by the simpler sea-level artery, will solve the many complex political problems which are inevitably associated with the project. This says nothing about the political implications for Panamanian-United States relations which are involved in the presence of *two* canals within Panama, one the old lock canal and the other the new sea-level artery, the administration of both presumably interlocked within an expanded canal zone.

Whatever might be said about the skimpy attention which the Atlantic-Pacific Commission accords to political factors, the same cannot be said of its attention to other details of a less volatile sort. Most of the over 1,000 pages of the study relate to revenues, costs, tonnages, nuclear and conventional excavation, sizes of ships, volume of present and anticipated transit, tides, geological features, trade and economics, employment, income, defense, finance, slope stability, engineering feasibility, hydro-dynamic considerations, much more in the same vein. Annex V, on "Engineering Feasibility," contains 310 pages—by contrast with the few lines and paragraphs which make passing allusion to political aspects.

According to Public Law 88–609 of the 88th Congress, September 22, 1964, the Commission was charged:

". . . to make a full and complete investigation and study, including necessary on-site surveys, and considering national defense, foreign relations, intercoastal shipping, interoceanic shipping, and such other matters as they may determine to be important, for the purpose of determining the feasibility of and the most suitable site for, the construction of a sea-level canal connecting the Atlantic and Pacific Oceans; the best means of constructing such a canal, whether by conventional or nuclear excavation, and the estimated cost thereof." [16]

It is clear from the above instructions that a primary chore of the Commission was indeed to investigate and study physical aspects of the isthmian canal. This they succeeded in doing, painstakingly and voluminously. However, the Congress did request that they take up the question of foreign relations and "such other matters as they may determine to be important." Almost everything the Commission has to say about U.S.-Panamanian political relations has already been quoted. In addition, under the heading of "U.S.-Panamanian Bilateral Relations," the Commission includes a rather complete summary of three proposed treaties of 1967, which will be discussed next. The Commission's presentation on foreign relations (Annex I, total 59 pages) is devoted almost entirely to economics and trade and says very little about international politics, but does include the few lines cited above on political relations with Panama.

When one considers that the Commission spent some $22 million in the preparation of its report, and came up with a study of over 1,000 pages, and more particularly, that *the very creation of the Commission was a direct consequence of and response to the Panamanian flag riots of 1964*, one would expect that the Commission would have focused somewhat more attention on the political considerations which are so important to the future of any isthmian canal. For solutions to the increasingly emphatic nationalistic behavior of the Panamanians, one needs something more than promises of enhanced economic benefits and reduction of foreign personnel, coupled with treaties calling for continued U.S. control of operation and defense of one or two canals. The Commission report would seem to provide further illustration of a longstanding tendency by the United States to put engineering and physical considerations far ahead of political factors in her relations with the Republic of Panama.

Treaty negotiations

It has been noted that under the Johnson Plan of 1964, the United States was afforded a unique opportunity to secure greater flexibility on the part of Panama. By dangling before the republic the possibility that alternative canal sites might be considered, the United States could have secured a reversal of negative Panamanian attitudes—such as that which occurred when Colombia was confronted with the victorious revolution of November 6, 1903, or when Panama reversed its position on the Rio Hato question after the precipitous U.S. departure in early 1948. That matters did not turn out so happily during 1964–70 may be attributed in part to the political ineptitude that has characterized United States relations with the Republic of Panama, and that apparently continues unabated down to the present day.

During 1964–1967, while the Interoceanic Canal Commission was undertaking its studies of alternative canal routes, U.S. and Panamanian negotiators hammered out treaty details. On June 26, 1967, Presidents Johnson and Marco Aurelio Robles announced agreement on the content of not one but three treaties. These, according to the report of the Atlantic-Pacific Commission, were to be their principal provisions:

"The first of the proposed treaties, that for the continued operation of the present canal, would have abrogated the Treaty of 1903 and provided for: (a) recognition of Panamanian sovereignty and the sharing of jurisdiction in the canal area, (b) operation of the canal by a joint authority consisting of five United States citizens and four Panamanian citizens, (c) royalty payments to Panama rising from 17 cents to 22 cents per long ton of cargo through the canal, and (d) exclusive possession of the canal by Panama in 1999 if no new canal were constructed or shortly after the opening date of a sea-level canal, but no later than 2009, if one were built.

"The second, for a sea-level canal, would have granted the United States an option for 20 years after ratification to start constructing a sea-level canal in Panama, 15 more years for its construction, and United States majority membership in the controlling authority for 60 years after the opening date or until 2067, whichever was earlier. It would have required additional agreements on the location, method of construction, and financial arrangements for a sea-level canal, these matters to be negotiated when the United States decided to execute its option.

"The third, for the United States military bases in Panama, would have provided for their continued use by the United States forces 5 years beyond the termination date of the proposed treaty for the continued operation of the existing canal. If the United States constructed a sea-level canal in Panama, the base rights treaty would have been extended for the duration of the treaty for the new canal." [17]

Meanwhile and subsequently, the Atlantic-Pacific Commission continued its studies to late 1970, and issued its report to the President, as we have noted, on December 1 of that year. Scores of individuals employed by the Commission had been busying themselves in Panama, and more especially conducting the studies related to Route 10, to which the report devotes its major attention and on which it lavishes its greatest favor. For the prompt announcements by newspapers that did appear precisely on December 1, news releases had to be sent out days or weeks before. Also in late 1970, the United States and Nicaragua agreed to abrogate the Bryan-Chamorro Treaty of 1916 which among other things provided for U.S. rights to construct a canal across southern Nicaragua. It would require extreme naïveté to suppose that in the face of these events, Panama had no advance inkling that the Commission would recommend the Panamanian Route 10, and would reject all alternative routes outside of Panama.

In September of 1970 the Panamanian government announced that it did not have the slightest intention of ratifying the proposed treaties. Now, the Panamanian slogan is "Sovereignty or Death," and extension of full Panamanian sovereignty over the Zone is described as the "nation's birthright." General Omar Torrijos, current dictator of the country, warns that if Panama's demands are not met, there will be a "popular explosion," and he will lead it.

It seems hardly credible that a body of distinguished Americans, after spending $22 million, could only recommend that a new sea-level canal be excavated some ten miles west of the present one, under treaties that would somehow accommodate themselves not to one but to two canals in an expanded zone, assure effective U.S. control and defense, and be acceptable to Panama. Rejection by the Commission of all alternative routes outside of Panama left the United States bereft of political leverage in further negotiations with Panama.

Events subsequent to the Commission report support this critical analysis. In mid-July, 1971, negotiations for a new treaty or treaties were reopened. By spring of 1973 no progress whatever had been made toward agreement on any new canal pacts. On the contrary, the Panamanian special counsel in the negotiations, Jorge Illeca, announced categorical Panamanian rejection of everything proposed in the $22 million Commission report. It is indicative of the Panamanian attitude that Dr. Aquilino Boyd, leader of the 1959 riots, is now Panamanian representative to the United Nations Security Council and instigator of a special session by that UN organ in Panama in mid-March, 1973, designed precisely to discuss the canal question.[18]

FOOTNOTES

[1] Lester D. Langley, "U.S.-Panamanian Relations Since 1941," *Journal of Inter-*

American Studies and World Affairs, XII (July, 1970), pp. 357–361; Richard D. Baxter and Doris Carroll, authors of the working paper, and Lyman M. Tondel, ed., *The Panama Canal* (Background Papers and Proceedings, Sixth Hammarskjöld Forum; Dobbs Ferry, N.Y.: Oceana, 1965), pp. 3–7, 37–91; *Pamana: Canal Issues and Treaty Talks* (Washington, D.C.: Georgetown University, The Center for Strategic Studies, 1967), p. 20; "Pamana Takes Hard Stand on Canal," *The Times of the Americas,* January 13, 1971, p. 2; Lawrence O. Ealy, *Yanqui Politics and the Isthmian Canal* (University Park, Pa.: The Pennsylvania State University Press, 1971), pp. 120–126.

[2] *Ibid.*, p. 123.

[3] Langley, "U.S.-Panamanian Relations," p. 362.

[4] *Ibid.*, p. 365.

[5] Robert B. Anderson, Chairman; Robert G. Storey, Vice Chairman; Milton S. Eisenhower; Kenneth E. Fields; Raymond A. Hill. United States, Atlantic-Pacific Interoceanic Canal Commission, *Interoceanic Canal Studies, 1970* (Washington, D.C.: Report to the President, December 1, 1970), pp. v, 1, 4.

[6] Immanuel J. Klette, *From Atlantic to Pacific* (New York: Harper & Row for the Council on Foreign Relations, 1967), pp. 3, 39; Langley, "U.S.-Panamanian Relations," p. 362; Sheldon B. Liss, *The Canal* (Notre Dame: University of Notre Dame Press, 1967), pp. 159, 224; *Panama: Canal Issues and Treaty Talks,* pp. 21–22, 25; Atlantic-Pacific Commission, *Interoceanic Canal Studies,* p. 1.

[7] *Ibid.*, p. 9; Annex II *et passim.*

[8] *Ibid.*, Fig. 1, map, "Canal Routes," p. vi; Fig. 2, "Interoceanic Canal Routes, 1947 Study", p. 3; Table 1, "Canal Routes Selected for Commission Investigation," p. 5; and Fig. 30, "Sea-Level Canal Routes," p. 69, and many other tables, figures and references throughout.

[9] *Ibid.*, Fig. 39, map, "Sea Level Canal Route 10," p. 83; pp. 85–109, *et passim.* George Gedda, "New Panama Canal Urged for $2.8 Billion," *Denver Post,* December 1, 1970, p. 10.

[10] Atlantic-Pacific Commission, *Interoceanic Canal Studies,* pp. 105–109.

[11] *Ibid., Conclusion* 19, p. 107.

[12] *Ibid.*, Annex I, pp. 5–6.

[13] *Ibid.*, p. 108.

[14] For diplomatic reasons Chairman Robert B. Anderson, who was also serving as Special Representative of the United States for treaty negotiations, disassociated himself from recommendations of the report regarding treaty arrangements.

[15] Atlantic-Pacific Commission, *Interoceanic Canal Studies,* Annex I, p. 44.

[16] *Ibid.*, p. 1.

[17] *Ibid.*, p. 11. See also Langley, "U.S.-Panamanian Relations Since 1911," pp. 364–365; and "Panama Takes Hard Stand on Canal," *Times of the Americas,* January 13, 1971, p. 2.

[18] *Times of the Americas,* July 14, 1971, p. 1; Associated Press, December 15, 1971; United Press International column by Ray Holton, May 19, 1971; *Times of the Americas,* January 3, 1973, p. 3; and numerous newspaper dispatches, 1971–1973. According to all reports relating to the riots of November, 1959, to which we alluded in Part 3, Aquilino Boyd (now Panamanian representative on the UN Security Council) personally pulled down the U.S. flag and ripped it to pieces with his own hands.

5. POLITICAL ASPECTS IN THE UNITED STATES

To this point, this paper has explored foreign political factors which are relevant to solution of the "canal question." Although it is unnecessary to devote inordinate space to consideration of the very strong pressures within the United States which demand a continued and undiminished presence of the U.S. in Panama, it would be a mistake to completely ignore this important subject. These pressures are significant to the discussion because they may be sufficiently influential to obstruct or at least hamper any alternative non-Panamanian solution to the canal question. As has been noted, a "solution" that includes a canal within Panama is fraught with numerous difficulties that defy easy solution.

Within the United States, and especially within the U.S. Congress, there is an influential body of individuals, many of them at the conservative end of the political spectrum, which opposes bitterly any concessions to Panama, and in fact would prefer to return to the kind of undiminished U.S. control over the whole Panamanian region that prevailed prior to the Hull-Alfaro Treaty of 1936. In the Congress, these supporters of an unmodified U.S. role in Panama find their voice in Congressman Daniel J. Flood, Democratic member of the House of Representatives from Pennsylvania during 1945–1946, 1949–1952, and 1954 to the present (1973); and Congressman Durward G. Hall, Republican member of the House from Missouri since 1961. Outside the Congress, the American Emergency Committee on the Panama Canal includes well over one hundred sponsors, and its membership reads like a roster of eminent writers, scholars, clergymen, commentators and prominent military personages from the American political center and right.

With regard to understandings that have been reached with Panama during the last third of a century, the Emergency Committee contends that:

"This series of political and diplomatic actions, especially since the Hull-Alfaro treaty of 1936, follows an almost steady line of the disintegration of U.S. authority over the Panama Canal. This disintegration cannot be said to increase the security of the hemisphere or of the United States. It must be justified, if at all, on the basis of political advantage."[1]

Another group, calling itself the Committee for Continued U.S. Control of the Panama Canal, includes seventeen professors, lawyers, editors, executives and engineers, only three of whom are also listed as members of the American Emergency Committee on the Panama Canal. In the words of a memorial presented to the Congress by the Committee for Continued U.S. Control of the Panama Canal,

"It is clear from the conduct of our Panama Canal policy over many years that policy-making elements within the Department of State have been, and are yet engaged in efforts which will have the effect of diluting or even repudiating entirely the sovereign rights, power and authority of the United States with repect to the Canal Zone project. Such actions would eventually and inevitably permit the domination of this strategic waterway by a potentially hostile power that now indirectly controls the Suez Canal . . . ."[2]

Speaking of the Report of the Interoceanic Canal Commission, Congressman Flood and Hall wrote to their congressional colleagues as follows:

"The prime recommendation of this report is for the construction of such type canal entirely in Panamanian Territory about 10 miles west of the existing canal, regardless of the costs or consequences. This recommendation hinges upon surrender by the United States of its sovereign rights, power and authority over the Canal Zone, would open up a Pandora's box of problems, and be against the best interests of the United States."[3]

The views of these groups, and of members of the Congress who agree with them, may be readily summarized: they are absolutely opposed to what they call "give-away treaties;" they insist that the isthmian canal remain exactly where it is; they hold that Panama gave a grant of exclusive sovereignty in perpetuity to the United States, not a lease; and, in brief, they are adamantly opposed to any relaxation of U.S. control over any aspect of the Panama Canal.[4]

In earlier pages it was observed that powerful Latin American pressures, created by historical events and by hemispheric interest and pride, stand strongly against any dominant U.S. presence in the isthmus of Panama. It would appear that Panama has now arrived at her inevitable point of opposition to anything less than full Panamanian control over either the present or any future canal. While it is not possible at this stage to assess the impact of persons in U.S. political life who are determined upon an exactly opposite course, it is to be noted that during 1970, 116 members of the U.S. House of Representatives sponsored identical resolutions opposing any "surrender" at Panama.[5] In his valuable book, *Yanqui Politics and the Isthmian Canal,* Professor Lawrence O. Ealy underlines the strong views of both Representatives and Senators on this subject, and reminds us that these forces will have to be "reckoned with by any president who attempts to settle Panamanian issues."[6]

From this evidence, and from the notability of opponents to any U.S. concessions at Panama, it would appear that it is not reasonable to expect that the United States will find a quick solution to the pressing questions relating to the future of the isthmian canal, canals, or other transit routes.

FOOTNOTES

[1] Walter Darnell Jacobs, *The Panama Canal: Its Role in Hemispheric Security* (New York: American Emergency Committee on the Panama Canal, 1968), p. 5.

[2] Committee for Continued U.S. Control of the Panama Canal, "Memorial to the Congress," memo, 1970.

[3] Letter from Daniel J. Flood and Durward G. Hall, M.C. from Pennsylvania and Missouri, to colleagues of the House, January 22, 1971.

[4] These observations, which are accurate, are based on material which includes the items in notes above (n. 1, 2, 3); and also, letter from the Hon. Daniel J. Flood to this writer, January 14, 1971; a second letter, same source and same addressee, February 1, 1971; statement by Congressman Daniel J. Flood on "Panama Sea-Level Project: Danger of Poisonous Sea Snakes Infesting the Atlantic," *Congressional Record,* Vol. 117, part 1, pages 30–35; and Hearings, House Subcommittee on Inter-American Affairs, August 3, 1970, quoted in *Congressional Record,* Vol. 116, part 23, pages 3189–99.

[5] Letter from Congressmen Flood and Hall to colleagues, January 22, 1971, p. 2.

[6] Lawrence O. Ealy, *Yanqui Politics and the Isthmian Canal* (University Park, Pa.: The Pennsylvania State University Press, 1971), p. 150. For further discussion of contemporary attitudes in both chambers of the Congress regarding the Panama Canal, and the political importance of those who espouse them, see also pp. 112-116, 124, 132-142, 146, 149 *et passim.*

6. ALTERNATIVE ROUTES

It is inevitable that the multiple political problems associated with the present canal lead to consideration of other routes. Therefore, the following considers different routes that have been given primary attention, and the political factors relevant to their evaluation.

Panama

Various investigators, including especially the Interoceanic Commission, have studied a large number of routes and sub-routes within the Republic of Panama. Some of these lie in or near the present Canal Zone. Route 14 would convert the present canal to a sea-level channel (the present canal being given the designation of Route 15). As previously noted, Route 10, which was favored by the Commission, would lie about 10 miles west of the present artery. Route 17, known as the Sasardi-Morti plan, would be about 110 miles east of the present canal. There are other alternatives, either wholly within Panama or shared between Panama and Colombia.

It is obvious that from the standpoint of engineering and other physical considerations the present canal through Panama, or any one of several possible routes across the republic, offer numerous advantages. It also appears that from the standpoint of politics they raise numerous puzzling difficulties. The long continued presence of the United States in Panama in almost any form would appear to be unacceptable to the Panamanians. Furthermore, in the modern world of strident opposition to "colonialism" and "imperialism," what is unacceptable to Panamanians is quite likely to be so unacceptable to the most vocal elements of world public opinion that the position of the United States anywhere in Panama will become untenable before the end of this century.

It can be argued with considerable force that a new sea-level canal in Panama is not only irrelevant to the solution of the overriding political problems posed by the republic, but also contrary to the achievement of such a solution. If located near the principal cities of the republic—that is, about 10 miles west of the present canal and therefore approximately 15 miles west of the present eastern or urban borders of the Canal Zone, as is proposed by the Commission, the area of canal activity, especially if both the old and the new canals are to function in a common area, would become even wider and more complex than at present. The capital city would still be close enough to provide a rich source of political agitation. With a simpler sea-level canal, Panamanian demands for full control would intensify, not diminish. Economic dislocations caused by adjustment of the canal route, i.e., sea-level Route 10, to the west of the present canal would introduce an infinite variety of sources for political excitement.

In his thoughtful book, Colonel Klette points out the extreme political drawbacks which would afflict any new canal in the vicinity of the old one. He stresses that a new canal in Panama must necessarily inherit most of the political problems associated with the old one and he urges that no new canal be constructed near the present Zone. It is his view, one which seems to be sustained by evidence marshaled by this study, that overriding political factors rule out any such project.[1]

For these reasons, it may be argued that a feasible channel at some distance from the present artery, but still within Panama, might offer some solution to these political difficulties. Among others, the Sasardi-Morti route, or No. 17 in the Commission report, has been looked on with some favor as being physically within the realm of possibility and over 100 miles from the present site. By comparison with the present Panama Canal (54 miles). Sasardi-Morti would be only 46 miles in length, but would require excavation from a height of 1,100 feet (by comparison with 390 feet at present). Also by comparison, Route 10 would be 53 miles in length and require excavation of a 430-foot divide.[2] One may readily detect that a primary political advantage of the Sasardi-Morti route is that it is at some distance from present urban centers of Panama. But population would soon gravitate to the new site, even though it would be a less complicated sea-level canal. If the old canal were not abandoned, the new sea-level alternative would not help to solve political problems that are endemic to the old one, or, if the old artery were shut down, the United States would be expected to find solutions to the precipitous decline of economic activity that would befall the principal cities of Panama. There would be a host of problems relative to the presence of a sea-level canal anywhere in Panama, and the Sasardi-Morti route would probably create as many political problems as it would solve.[3]

No matter what the location, arrangements for a new canal in Panama are quite likely to engender problems even more intense that those associated with continued U.S. control over the old one. In both the United States and Panama, intricate questions must be resolved on (1) the exact solution to the sovereignty issue, (2) the forms and substance of defense, (3) issues of internationalization, (4) solutions to problems of economic dislocation, transfer of populations, and the like, (5) retention of good will throughout the hemisphere, (6) the exact form and content of administration, (7) distribution of revenues, (8) compensation to Panama as well as to the United States, (9) solutions of ecological problems, including those caused by movement of waters and sea life from one ocean to the other, and (10) the satisfaction of important elements of public opinion within the United States and Panama as well as around the hemisphere and world.[4]

Because so many apparently insoluble problems arise in connection with any new canal within Panama, it becomes necessary to give attention to alternative routes outside that country. Some consideration has been given to possible routes in Colombia or Mexico. In neither of these two countries would any sort of U.S. control be politically possible, but it can be argued that under the complete jurisdiction of either of these two large Latin American republics, the sorts of political problems that plague the Panama Canal would not occur. Further, political subversion or infiltration by powerful foreign elements, inimical to the interests of the United States, may be possible, but are less likely in either of the two larger Latin American republics than in Panama.

Colombia

Two possible routes exist in Colombia: (1) what the Commission calls Route 25, near the border of Panama (102 miles), and (2) what the Colombians call the Choco project, which is much longer (260 miles) but takes advantage of lowlands, rivers and lakes, and extends from the Gulf of Urabá to Málaga Bay near Buenaventura on the Pacific.

In its report the Commission speaks quite favorably about the engineering possibilities of Route 25, where the length is compensated by low terrain, easy excavation, and possible utilization of nuclear devices in a sparsely populated area. The Commission finds that this Colombian route would require only about $2.1 billion to construct, but because of nuclear problems, need for more personnel for operation of the longer canal, and unwillingness of Colombia to accept a large United States presence, it would be impractical to recommend serious consideration of Route 25.[5] It is to be noted that the Commission indicates awareness of Latin American sensitivities in this instance. Also, it should be observed that Colombia (area, 455,300 square miles; population, 21.5 million) is no Panama (area 29,200 square miles; population, 1,500,000. If the United States were to decide she could depend on the political security of a Colombian canal, and at the same time would like to rectify political errors of 1903, she could save herself a number of political headaches by assisting indirectly, possibly through the International Bank for Reconstruction and Development or the Inter-American Development Bank, in the financing of a Colombian venture. However, it is reasonable to suspect that the political future of Colombia is too imponderable to assure the success of such a project.[6] In the end, final approval for such an enterprise will come from Colombia, not the United States. Indeed, Colombia could well decide to go ahead with a new canal, independent of any direct financial assistance or approval by the United States.[7]

Mexico

In recent years, there has been talk in Mexico about rejuvenation of old projects for a ship canal which would traverse the Tehuantepec Isthmus, from Coatzacoalcos on the Gulf of Mexico to Salina Cruz on the Pacific. A Mexican railroad, completed in 1907, already traverses the route. This artery, first proposed by the Spanish in 1774, would be 130 miles in length and would require excavation of a maximum elevation of 812 feet (by comparison with 430 feet for Route 10, 1,100 feet at Sasardi-Morti, and 932 feet for Colombia's Route 25).[8]

As early as 1814, the Spanish actually began work on the Tehuantepec canal, but were interrupted by Mexican independence. In 1842, the Mexicans granted to the British right to construct a canal across Tehuantepec, but the British were discouraged by political instability. In 1852, the Mexicans were about to proffer a concession to a U.S. company, but did not because of fears of U.S. annexation of the area. A more recent plan, revealed in February, 1971, was drawn up by the Mexican firm of civil engineers. Ingenieros Civiles Asociados (ICA), which built (with French advice and assistance) the immensely successful new subway system in Mexico City. U.S. estimates of cost of the Tehuantepec artery run to $1.3 billion, but ICA claims that the United States can only envision a huge canal for the biggest battleships, and that the Mexican firm could build the Tehuantepec canal for much less than that figure. It should be noted here that the Atlantic-Pacific Commission made no on-site study of the Mexican route. The Commission refrained from making a serious study of Tehuantepec, in part because of "excessive excavation" and in part because, in the words of the report, "Mexico not receptive."[9] Needless to say, there would be no possibility of foreign control over a Mexican canal. Mexico would retain complete sovereignty and authority.

Since ICA of Mexico broached their proposals in early 1971, little more has been heard on the subject. It is likely that consideration of cost and unavailability of funds may have discouraged further planning for the Tehuantepec canal project, at least for the time being. But in mid-1972, Mexico announced it is giving more serious consideration to plans for modernization and double-tracking of the Coatzacoalcos-Salina Cruz railroad line, and enlargement of the two ports, so that containerized cargo can be carried swiftly from the one side to the other. According to the announcement, transit of the isthmus by this device would require only four hours, and by comparison with the Panama Canal would save three days for shipments from one coast to the other in the northern hemisphere.[10]

The regime of the Mexican PRI, which has offered a sort of quasi-democratic stability for almost half a century, is contributing to Mexican development and economic and political security. The chances for a major revolution in Mexico are as remote as anywhere else in the Americas. The adamant Mexican insistence on non-intervention in her internal affairs, quite understandable in view of her past experiences, often irks U.S. policy makers, but in the Mexican case, policies of total self-determination are directed not only against the United States but also against the whole world. It would be incredible that Mexico would permit foreign interference with her domestic concerns, much less with an interoceanic transit route across Tehuantepec. Mexico, a nation of over 50 million people, with an area almost as large

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Footnotes at end of article.

as that of Western Europe, is deserving of confidence if she undertakes such a project. The U.S. role, if any, can only lie in some sort of encouragement and very covert financial assistance. It is conceivable, if Mexico would permit, that the United States might channel funds through one of the international banks, or perhaps even the Export-Import Bank, from which Mexico has accepted loans for rehabilitation of her railroad system.

Of the republics we have considered, Mexico offers the most hope for the kind of political stability and reliability that might make non-U.S. control over such an artery acceptable to this country. For this idea, we have some indirect support from none less than Theodore Roosevelt himself:

> "If Brazil, or the Argentine, or Chile, had been in possession of the Isthmus, doubtless the canal would have been built under the governmental control of the nation thus controlling the Isthmus, with the hearty acquiescence of the United States and of all other powers. But in the actual fact the canal would not have been built at all save for the action I took." [11]

Unless it be argued that later political events in Chile throw cold water on Roosevelt's argument, it may be assumed that he would welcome a route across Tehuantepec, constructed and under the jurisdiction of the Mexico of 1973. No route, including that in Panama herself, could be more favorable in terms of shortness of distance between the two coasts of the United States, nor more certain to assure the political stability that is requisite for its success.

Nicaragua-Costa Rica Border

Today, it is seldom recalled how close we came to construction of a canal along the border of Nicaragua and Costa Rica instead of in Panama. The Clayton-Bulwer Treaty of 1850 envisioned a "Nicaragua Canal." Senator John T. Morgan of Alabama (term, 1897-1903) is especially remembered for the courageous fight he made, and almost won, in favor of the Nicaragua route.[12] In November, 1900, an investigating commission appointed by President McKinley, and headed by Rear Admiral John Grimes Walker, reported the Nicaragua route to be the "most feasible and practical" of four possible alternatives, including the one across Panama. A year later the Walker Commission still held to the same view, and on January 9, 1902, the U.S. House of Representatives approved appropriation of $180 million for the Nicaragua route. In the face of strong political pressures, the elaboration of which would go beyond the scope of this paper, the Walker Commission suddenly reversed itself on January 18, 1902, and announced that it favored the Panama route. The Spooner Act, initiated by Senator John C. Spooner to permit excavation of the canal at Panama and to pay the French holding company $40 million for its rights and assets, was passed and signed by the President on June 28, 1902. In this paper, the fascinating story of behind-the-scenes pressures from French interests cannot be detailed. There is no room to describe the unfortunate issuance by Nicaragua of a postage stamp bearing the design of a volcano, nor other events and machinations which helped to bring about this sudden turn from the Nicaragua to the Panama route.[13]

Through the intervening years to the present, many observers have continued to favor the Costa Rica-Nicaragua route, which would utilize the valley of the San Juan River and the depression of southern Lake Nicaragua, with a final short excavation to the Pacific Ocean. Colonel Immanuel J. Klette finds several reasons to support the Nicaraguan route, in terms of climate, political stability, distance from centers of population, and the shortening of some trade routes, notably from one coast to the other of the United States.[14] This author has favored the Nicaragua-Costa Rica route, in part because it would follow the border between two countries instead of cutting through the middle of one, and in part because it might be feasible to consider outright U.S. purchase of the territory in question.[15]

Now, however, the Atlantic-Pacific Commission has effectively crushed any hopes for a resuscitation of the old Nicaragua-Costa Rica route. The Commission tells us that the artery would be over three times the length of the present Panama Canal, that to construct a Nicaraguan lock canal with the present transit capability of the Panama Canal would cost about $4 billion by conventional means, but that a sea-level canal with approximately the larger capacity of the proposed Route 10 would cost $11 billion (by comparison with $2.88 billion for Route 10) if performed by conventional means. Utilization of nuclear devices for such a project (cost, about $5 billion) would involve unthinkable human and social costs in terms of displacement of thousands of people, most of them not in the immediate vicinity, but close enough to be within range of nuclear particles. Furthermore, the Commission points out(though not as a reason for rejection of the Nicaragua-Costa Rica route) that any sea-level channel that could be created by conventional means would require the draining of Lake Nicaragua.[16] From the ecological and human standpoint, to say nothing of the disarrangement of the whole economic life of most of western Nicaragua, this would be an impossible outcome. In brief, only a lock canal is practicable along the Nicaragua-Costa Rica border, and this would cost about $4 billion to construct, but would have no greater capacity than the present Panama Canal.

In retrospect, one may reflect that Senator Morgan of Alabama was probably right, and the lock canal should have been excavated along the Nicaragua-Costa Rica border in the first place, thus keeping it away from the heart of any country. But now, overwhelming costs projected for a sea-level canal (at least as reported by the Commission), and the recent abrogation of the Bryan-Chamorro Treaty between the United States and Nicaragua, suggest that there is no likelihood of a rekindling of that old dream. With all due respect to the numerous important political aspects to which this paper has devoted its attention, one cannot continue to argue for such a route in the face of physical and human obstacles so insurmountable.

Land bridges or "canals"

Mexican proposals for modernization of the Coatzacoalcos-Salina Cruz railroad line illustrate some contemporary thinking about the possible substitution of railroad for seaborne transit across the continent. In this connection, the imaginative suggestion of Rear Admiral R. H. Gibbs, U.S. Navy (Retired), should be mentioned. Admiral Gibbs, writing in the *United States Naval Institute Proceedings* in 1969, proposed that the United States abandon any idea about excavating new canals and instead construct a straight-line railroad from the Gulf of Mexico to the Pacific. He argues that transferral of cargo from sea to train and vice versa can be handled by modern methods in a manner that is quick and efficient, and contends that transit from one side to the other of the United States could be accomplished in shorter time than that now required to get ships to and from the Panama Canal or any other that might be built. As Professor Ealy points out, it is obvious that the proposal of Admiral Gibbs would obviate all the political problems that are endemic to a route in any other location, especially Panama. The "land canal," as Admiral Gibbs calls it, would lie entirely within the United States.[17] Except that it would not meet the problem of movement of naval units from one ocean to the other, and would certainly require an increase in merchant marine units on both coasts, the proposal certainly dces have merit in that it meets the political problems which arise from location of the present canal within a Latin American republic.

Admiral Gibbs estimates that by his shortest, straight route, a distance of 1,085 miles would be covered. It might be mentioned here that tracks of the Southern Pacific Railroad already exist from Houston to Los Angeles, a distance of 1,670 miles, and that the Southern Pacific line from Houston is joined by tracks from Corpus Christi to San Antonio, which would shorten the distance to Los Angeles by about 90 miles, to 1,580. Certainly the long channel leading into the Port of Houston suggests difficulties similar to those encountered through a canal, but the alternative port of Corpus Christi may offer some relief from this problem.

It is conceivable that with some double-tracking, straightening of some curves and improvement of roadbed, a feasible mode for carriage of containerized cargoes as an alternative to canal transit could be developed between the Gulf of Mexico and the Pacific, without either the expenses of Admiral Gibbs' straight-line new railroad or the political tribulations as well as costs of a new canal or improvement of the old one. Actually, a sort of land bridge service was put in operation during the summer of 1972. According to an announcement of the Association of American Railroads:

> "Los Angeles.—The Santa Fe and the Penn Central have begun a land bridge and mini-bridge unit train service between here and the East Coast. The service is being operated in conjunction with Seatrain Lines, Inc., of California.
>
> "The railroads will operate two 60-car unit trains each week—one in each direction—between Los Angeles and Richmond, Calif., and Weehawken, N.J.
>
> "Coast-to-coast five-day delivery is expected, spokesmen for the railroads said.
>
> "Cargo on the trains will consist of traffic between the Far East and the East Coast of the United States, between the Far East and Puerto Rico, between Europe and the West Coast and between the East Coast and Hawaii.[18]

In other words, the Panama Canal is already facing some competition from within the United States. Though the Santa Fe-Penn-Central-Seatrain project is not in the same commercial category with the Panama Canal, and hardly provides a test case for the land bridge concept, it will be interesting to follow developments in this new enterprise, especially in terms of volume of business, types of cargo, origins and destinations, costs and prospects for the future.

These observations remind us that with Mexican completion of the Chihuahua al Pacifico Railroad in 1961, a rail link was created between Ojinaga, Chihuahua (across the border from Presidio, Texas, about 90 miles northwest of the heart of the Big Bend National Park) and the Mexican port of Topolobampo inside the mouth of the Gulf of California. Total distance from Corpus Christi to Presidio-Ojinaga via San Antonio and Alpine, Texas, on existing tracks of the Santa Fe and Southern Pacific Railroads, is about 620 miles. From Ojinaga to Topolobampo the distance is 941 kilometers, or 585 miles, for a total mileage from Corpus Christi to Topolobampo, on existing tracks, of about 1,205 miles, or only 120 miles more than the 1,085 estimated by Admiral Gibbs for his specially constructed straight-line railroad. Of course Admiral Gibbs is proposing a double-tracked railroad that would cut through mountains and over rivers with a minimum of bends, and would assure the fastest possible time from one coast to the other. These characteristics are not shared by the tracks from Corpus Christi to Presidio, to say nothing of the winding single-track line of the Chihuahua al Pacifico, especially over about 140 miles from Creel, Chihuahua, to Sufragio, Sinaloa, though the rails rest on an excellent, modern and well ballasted roadbed.

If one may judge from the times taken by present passenger train schedules, fast freights could make it from one side to the other in less than thirty-six hours.[19] Satisfactory arrangements would have to be made with Mexico to assure efficient carriage of cargo and modernization of the underdeveloped but potentially splendid port of Topolobampo, without suggestion of any infringement on Mexican sovereignty.

It is quite possible that neither the suggestions of Admiral Gibbs nor modifications of his plan that are offered here would provide viable alternatives to plans for a new isthmian canal, or even retention of the present one if political hurdles can be crossed. Certainly, all proposals for "land bridges" or "land canals" by rail imply the separation of both merchant fleets and navies into two oceans. In the cases of countries of the western hemisphere, including especially the United States, total numbers of ships in both categories would have to be increased, and such a development could well be unacceptable to smaller and less developed republics of Central America and northern and western South America.

However, it seems reasonable to suggest that such ideas be given more serious consideration. In any event, they offer possibilities for utilizing several alternatives simultaneously, thus reducing somewhat the sense of urgency that attaches to the search for new canal routes across the Republic of Panama. They may also have the incidental merit of reducing the flow of traffic through the Panama Canal, thus (1) relieving the congestion of ships demanding passage through that artery, and (2) diminishing the Panamanian zeal to make things difficult for the United States at the Panama Canal.

FOOTNOTES

[1] Immanuel J. Klette, *From Atlantic to Pacific* (New York: Harper & Row for the Council on Foreign Relations, 1967), pp. 96–98, 124.

[2] United States, Atlantic-Pacific Interoceanic Canal Study Commision, *Interoceanic Canal Studies, 1970* (Washington, D.C.: Report to the President, December 1, 1970), Table 3–2, "Initial Screening of Previously Identified Interoceanic Sea-Level Canal Routes," Annex V, p. 23.

[3] Klette, *From Atlantic to Pacific*, pp. 97, 98; Atlantic-Pacific Commission, *Interoceanic Canal Studies, 1970*, Annex I, pp. 7–9.

[4] For more detailed information on these many questions, consult statement by Congressman Daniel J. Flood on "Panama Sea-Level Project," *Congressional Record*, Vol. 117, part 1, pages 30–35, Klette, *From Atlantic to Pacific*, pp. 96–119, 130; Graham H. Stuart, "Should the Panama Canal Be Internationalized?" in A. Curtis Wilgus, ed., *The Caribbean: Contemporary International Relations* (Gainesville: University of Florida Press, 1957), pp. 39–50; U.S., 86th Cong., 2nd Sess., Committee on Foreign Affairs, Subcommittee on Inter-American Affairs, *Report on United States Relations With Panama* (Union Calendar No. 1005, House Report No. 2218; Washington, D.C.: U.S. Government Printing Office, 1960), pp. 33–36; and other sources cited in this paper, *supra*.

[5] Atlantic-Pacific Commission, *Interoceanic Canal Studies, 1970*, pp. 70–75; and Annex I, pp. 45–46.

[6] One must consider the five years (1948–1953) of terrorism followed by dictatorship of General Gustavo Rojas Pinilla, overthrown in 1957, and the current political activities of Rojas and his frenetic daughter, Senator María Eugenia Rojas de Moreno Díaz, "the Evita Perón of Colombia" and "captain of her people," who are enjoying an alarming degree of support. Elections of April 19, 1970, came within a hair of putting Rojas back into the presidency, but regional-municipal elections of 1972 reversed this trend.

[7] Klette, *From Atlantic to Pacific*, pp. 99–102; "Chocó Project is Approved," *Times of the Americas*, June 5, 1968; letter, Marguerita N. Zingaro of Colombia Information Service to James L. Busey, November 29, 1966; letter, Hon. José Camacho, Chargé d'Affaires, Colombian Embassy, to James L. Busey, November 16, 1966; Lawrence O. Ealy, *Yanqui Politics and the Isthmian Canal* (University Park, Pa.: The Pennsylvania State University Press, 1971), p. 145.

[8] Atlantic-Pacific Commission, *Interoceanic Canal Studies, 1970*, Annex V, pp. 23–25.

[9] "Mexico Plans Its Own Canal," *Times of the Americas*, February 10, 1971, p. 5; Ealy, *Yanqui Politics and the Isthmian Canal*, p. 116. For Commission statement, see Annex V, Table 3–2, p. 23.

[10] "Railroad Cuts Transit Time," *Times of the Americas*, April 12, 1972, p. 6.

[11] "Statement on the Panama Canal by Theodore Roosevelt," in James W. Gantenbein, ed., *The Evolution of Our Latin-American Policy* (New York: Columbia University Press, 1950), p. 540.

[12] It is evident that Senator Morgan was seriously concerned about machinations at Panama. A dedicated senator, his thinking on the isthmian canal was inspired by his concern for the national interest of the United States, and his feeling that a canal along the Nicaragua-Costa Rica border would best serve that interest. See Ealy, *Yanqui Politics and The Isthmian Canal*, Chapter 5, "Nicaragua or Panama?" pp. 48–58.

[13] See Roosevelt Centennial Supplement, Panama Canal Review, IX (November 7, 1958), p. 3; and for a detailed study, Ricardo Jinesta, El canal de Nicaragua (San Jose, Costa Rica: Imprenta Nacional, 1958).

[14] Klette, From Atlantic to Pacific, pp. 103-105, 125.

[15] James L. Busey, "Conflict in Panama," The New Leader, XXXVI (February 15, 1960), p. 19; for Congressional response to the idea that the U.S. should purchase any territory in Latin America, see United States, Report on United States Relations with Panama, p. 38.

[16] Atlantic-Pacific Commission, Interoceanic Canal Studies, 1970, p. 67 and Annex V, pp. 27-32.

[17] R. H. Gibbs, "A Southwest Passage?" U.S. Naval Institute Proceedings, XCV (April, 1969), pp. 64-72; Ealy, Yanqui Politics and the Isthmian Canal, pp. 147-148.

[18] "Santa Fe, Penn Central Begin Land Bridge Unit Train Service," Information Letter (Association of American Railroads), No. 2031, August 16, 1972, p. 3.

[19] Figures on mileages and likely times of transit are drawn from current passenger schedules, which are assumed to have some relevance to fast freights. Reliance was placed on Amtrak, Nationwide Schedules of Intercity Passenger Service, Table, "New Orleans/Los Angeles" (Washington, D.C.: National Railroad Passenger Corporation, Effective November 14, 1971), p. 67; Ferrocarriles Nacionales de México, Itinerarios e informes, Tabla 22, "Ferrocarril Chihuahua al Pacifico, Ojinaga-Topolobampo" (México, D.F.: Ferrocarriles Nacionales de México, September-December, 1971), p. 23; and for rail lines in existence, atlases and especially map prepared by Rand McNally Company and Association of American Railroads, American Railroads (Class I), Map of the United States (Washington, D.C.: Association of American Railroads, n:d.).

7. EPILOGUE

In view of the many complex political obstacles that stand in the way of success, it appears unlikely that the United States will or should embark on any new canal project, whether in Panama or elsewhere. Quite contrary to the expectations embodied in the $22 million study undertaken by the Atlantic-Pacific Interoceanic Canal Study Commission, it is highly improbable that the United States and Panama can agree on any new canal within that republic, or even on any new treaties relative to the old one. Even the Commission entertains some doubt that the United States should plunge ahead with new canal plans at this time. In the concluding paragraphs of its covering letter to the President, the Commission states:

"If suitable treaty arrangements are negotiated and ratified and if the requisite funds can then be made available, we recommend that construction of a sea-level canal be initiated on Route 10 no later than 15 years in advance of the probable date when traffic through the present canal will reach its transit capacity. Current trends indicate that this will be near the end of this century; the specific year can be projected with increasing confidence as it draws near.

"We recognize, however, that the President of the United States and the Congress will continue to face many serious funding problems and must establish the relative priorities of the requirements for defense, welfare, pollution, civil rights, crime, and other problems in social undertakings then existing.

"We specifically recommend that, when the rights and obligations of the United States under new treaties with Panama are determined, the President reevaluate the need and desirability for additional canal capacity in the light of canal traffic and other developments subsequent to 1970, and take such further steps in planning the construction of a sea-level canal on Route 10 as are then deemed appropriate." [1]

Whether we like it or not, these are not the days of Teddy Roosevelt and the Rough Riders of San Juan Hill. For all the political reasons we have described, this paper is even more doubtful than is the Atlantic-Pacific Commission as to the feasibility of any great canal venture to be undertaken by the United States at this time or in the near future.

If a solution is to be found within Panama, it must rest upon a new concept which is indigestible to conservative elements in the United States—that is, that clear distinctions must be drawn between the *canal* and *zone* on the one hand, and *operation* and *sovereignty* on the other. According to this view, which is propounded by Senator Alan Cranston of California and others, it is the wide, U.S.-occupied Canal Zone, not technical operation of the canal by the United States, that is the source of friction between the two countries. Furthermore, according to this version, U.S. occupation of this ten-mile-wide swath through a small republic is not necessary, either for the operation or the defense of the canal. In this view, effective sovereignty including *de facto* political control over the present zone could revert to Panama without injury to United States administration or defense of the canal. It is contended that the Canal Zone was established at an earlier time to provide a wide strip of simulated U.S. life, for the comfort of construction engineers, technicians and administrators and their families, and that this arrangement is now irrelevant to the technical needs of the canal.[2]

Reasonable though such a solution may appear to be, there is no current evidence that the United States is about to give up

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Footnotes at end of article.

control over the Canal Zone, retaining only the administrative and technical supervision of the canal and possibly some defense bases. Furthermore, there is no assurance that such a step would not be a prelude to Panamanian demands for full occupation of the canal and all bases.

No matter what projects are undertaken by Colombia or Mexico, or even by the United States with or without Mexico in terms of railroad transit or "land canals," the United States cannot afford to abandon Panama entirely, no matter how attractive such a prospect might seem at first glance. Regardless of arteries elsewhere, there will be a canal at Panama. The very existence of that republic, to say nothing of the needs of small merchant fleets and navies which cannot be split between two oceans, require that an isthmian canal be maintained. The complex Panamanian lock canal is no simple sand-excavated Suez, and Panama is no Egypt, which did manage to administer the Suez Canal before her hostilities with Israel in 1967. In Panama, as at the Aswan Dam, foreign powers will be glad to assist in continuing a work rejected by the United States. At the same time, however, it must be confessed that the existence of alternate routes might have the significant advantage of cooling Panamanian intransigence and enabling Panama and the United States to come to agreements which would be reasonable from both points of view.

Thus it would seem that a combination of encouragement to a Mexican transit route, more serious consideration of "land canal" concepts, prolongation of the United States presence in Panama combined with continued improvement of the present artery and some unilateral U.S. concessions on the question of sovereignty, and no new engineering studies into the indefinite future, may provide the best possible accommodation to the sad geopolitical realities of our times.

One must always be ready to confess that for some problems there may be no solution at all. One is reminded of the following words by James Bryce:

"There is a tale that when the plan for digging a canal at Panama was first mooted, Philip the Second of Spain was deterred from it by the argument, pressed by his clerical advisers, that if the Almighty had wished the seas to be joined, He would have joined them. . . . But when an age arrived in which commercial and scientific views of nature prevailed against ecclesiastics, it became certain that here a canal would be some time or other made. Made it now has been. It is the greatest liberty Man has ever taken with Nature." [3]

At Panama, man not only overcame the obstacles of nature, but also the real or imagined objections of the Almighty. It has been less easy to surmount the impediments of politics. In his study of the canal, Colonel Klette points out that "A waterway which is less expensive in dollars may be most expensive in political consequences." [4] This has been the principal theme of this paper.

The recent investigation by the Atlantic-Pacific Interoceanic Canal Study Commission is at least the fifteenth major canal study conducted by the United States since 1872. Of these, eight related to original construction or later improvement of the Panama Canal. Two focused on the question of constructing a sea-level canal. Three (including that of 1970) examined other routes. One (1872–1876) evaluated results of Navy surveys conducted between 1870 and 1875, and another (1962–1965) was designed to establish guidelines for future studies. In connection with their ill-fated project, the French conducted three major studies between 1876 and 1898. The very first such survey was conducted in 1534 under direction of Captain Hernando de La Serna and Don Pascual de Andagoya, engineers in the service of the Emperor Charles V of Spain. There were numerous others under auspices of Spain during her three hundred years of empire in the western hemisphere.[5]

The final recommendation of this paper is that the next such study commission (and there will surely be one) produce a $22 million, 1,000-page report which examines the canal question only in the light of political considerations.[6]

FOOTNOTES

[1] United States, Atlantic-Pacific Interoceanic Canal Study Commission, *Interoceanic Canal Studies, 1970* (Washington, D.C.: Report to the President, December 1, 1970), first two pages, unnumbered.

[2] "Panama Is No Place for Zone Defense," *Times of the Americas*, October 13, 1971, p. 4.

[3] James Bryce, *South America* (New York: Macmillan, 1916), p. 36.

[4] Immanuel J. Klette, *From Atlantic to Pacific* (New York: Harper & Row, 1967), p. 129. For review of the Klette study and of a contrasting book on the canal, Sheldon E. Liss, *The Canal: Aspects of United States-Panamanian Relations* (Notre Dame: University of Notre Dame Press, 1967), see by this writer, *Western Political Quarterly*, XXI (December, 1968), pp. 758–760.

[5] John Easter Minter, *The Chagres, River of Western Passage* (New York: Rinehart, 1948), pp. 93–95; Atlantic-Pacific Commission, *Interoceanic Canal Studies, 1970*, Annex V, Table 2–1, "Summary of Significant Previous Canal Investigations," pp. 13–15.

[6] Or, the United States might secretly advise Colombia and Costa Rica that she will stand aside while (1) Colombia reoccupies Panama east of the Zone, and (2) Costa Rica absorbs Panama west of the Zone. On the basis of understandings with Colombia, the United States might then assume full sovereignty over the canal and Zone, which would not split any country in two. This could be a future assignment for Dr. Henry Kissinger.

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NOTE: The list that follows is limited to the sources that have direct bearing on the theme of this paper and were consulted in its preparation. For a full bibliography on all aspects of the Panama Canal, see Lawrence O. Ealy, *Yanqui Politics and the Isthmian Canal* (University Park, Pa.: The Pennsylvania State University Press, 1971), pp. 178–185.

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STRUGGLING TO IMPROVE THE GRAIN INSPECTION SERVICE

Mr. HUMPHREY. Mr. President, I wish to point out an article in the September 20 New Republic entitled, "Diseased Corn, Imaginary Soybeans."

This brief article points out some of the major differences which have surfaced in the grain inspection business. The hearings being conducted by the Foreign Agricultural Policy Subcommittee, which I chair, has substantiated the problems developed in this story.

The article makes clear that there are a multitude of opportunities for violation of the law.

Over the past 10 years, the number of Federal grain inspection supervisors was cut from 300 to 220, while the volume of commodities shipped expanded dramatically.

The Foreign Agricultural Policy Subcommittee obtained information from the Department of Agriculture substantiating the fact it has not even requested staff increases to deal with this problem. For fiscal year 1976, its Grain Division had requested an additional 14 man-years, but this request was deleted internally and never even reached the Office of Management and Budget.

Yet the USDA indicated that to do an adequate job, it would need 185 additional technical employees to supervise operations at export locations and approximately 100 additional personnel to supervise inspection at interior points.

The article also deals with the very serious problem of complaints registered with the Department of Agriculture. One Department of Agriculture employee conceded that the Department only listens to complaints—

> Because we have to be nice. There's nothing we can do about them anyway.

The agricultural attachés send back samples of grain which has arrived at foreign ports. However, USDA really can do nothing about substandard shipments, because the grain was inspected when it left the United States, and it was "certified final."

As a result, complaints have not been handled adequately, and many foreign purchasers have given up bringing their problems to the attention of the Department of Agriculture.

Our subcommittee will continue to look into this problem and develop the basis for permanent legislation to deal with the problem. In the meantime, we have developed interim legislation which I believe will be helpful in the short term in dealing with some of the specific problems uncovered.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Diseased Corn, Imaginary Soybeans

"The waterfront is not the Bolshoi Ballet . . ." an attorney for a New Orleans grain elevator told The New York Times in a story about rumors that a contract was out on a federal grain inspector to break both his kneecaps. The inspector had ignored requests from his superiors in the Department of Agriculture (USDA) to keep silent. As a result he helped expose the biggest scandal in the history of the department. To date 36 separate indictments naming 57 people and companies have been handed down by grand juries in New Orleans and Houston. Investigations are spreading into Philadelphia, Baltimore, Duluth and all the major grain exporting ports. Scores of officials—licensed by the USDA—have been named in indictments for bribery, theft, perjury, income tax evasion and other corrupt practices. At least a hundred more indictments are expected.

Technical discussions on the difference between number two corn and number three or on the difficulties involved in weighing soybeans do not make the average reader's heart skip a beat. Few would disagree with Dale Vining, foreign marketing specialist for USDA: "I wouldn't really say grain inspection is exciting." However few would call the abuses and their results boring—fortunes made in the sale of nonexistent goods, threats of death, international intrigue.

One inspector was convicted of accepting payoffs ranging as high as $5,000 to sign certificates stating that ships are clean and fit to carry grain. A check, issued by the Gulf Coast Shipping Corporation, was used as evidence in the trial. The practice of payoffs is apparently so widespread, and blatant, that the check statement clearly notes "Gratuities for Grain Surveyor." It is cheaper to bribe an official than to clean a ship. On June 13, the Des Moines Register reported that wheat intended for human consumption was being loaded into a hold containing oil sludge. The ship had been certified as clean.

Inspectors, licensed by USDA to certify grain quality, have pleaded guilty to receiving payments to grade grain as better than it actually is. Having adulterated the misgraded grain with floor sweepings, jimsonweeds, rice hulls and other "foreign matter," it is possible to sell for pure profit the quality grain that has been withheld. Other defendants have pleaded guilty to conspiracy in the fradulent weighing of grain. On August 7, US Attorney Gerald J. Gallinghouse announced indictments stemming from the sale of "at least nine 'bargeloads' " of nonexistent soybeans and corn. "In April, 1974," the indictment stated, "Portera, Palmisano and Nicholas traveled to Nassau, Bahamas, where each deposited $100,000 in a branch of the Bank of Nova Scotia." Meanwhile USDA receipts appear to show that over a three-year period, a grain elevator—owned by Cook Industries—sold 18.6 million bushels more grain than it received. Such reports have provoked wry comments about storage elevators that grow grain.

Two major grain trading companies have already been indicted. Bunge, which had two billion dollars last year in sales and which controls approximately 12 percent of

America's grain exports, was named by a New Orleans grand jury on charges of "conspiracy . . . to commit systematic thefts of export grain from foreign commerce and to defraud the USDA of its lawful grain regulatory functions. "Bunge is one of the six international companies that control approximately 90 percent of America's grain trade. All of five remaining companies are reported to be under investigation. Former officers of Cook, which controls 11 percent of the trade, have been indicted. The other major company to be indicted is Adnac, which is jointly owned by Archer-Daniels-Midland (ADM) and Garnac. Garnac and ADM are each believed to control 10 percent of the trade. Adnac is also being accused of theft and of corrupting public officials.

Sen. Hubert Humphrey (D, Minn.), recently described grain inspection as a "sort of Rube Goldberg type . . . system." The system has remained essentially unchanged since 1916, when Congress passed the Grain Standards Act in response to foreign and domestic complaints that the grain they were buying was not of uniform quality. The act gives USDA the power to test, license and supervise grain inspectors. Inspection is currently taking place at 183 designated points, with 111 official inspection agencies doing the work. Forty-one agencies are run by the local chamber of commerce, board of trade and grain exchange. Forty-seven are run by private individuals. And 23 are operated by the states. The opportunities for conflicts of interest are plentiful. Many of the same people who own the inspection agencies own the grain inspected. Inspectors are paid according to the number of certificates issued, so it is in their self-interest to be permissive. Also officials are regularly stationed at the same grain company elevator, where they form close working relationships with employees. Frequently they feel more like company employees than inspectors.

While federal employees are prohibited from conducting original grain inspection, the Department of Agriculture has final responsibility for the work of the licensed inspectors and can—with cause—have licenses revoked or suspended. Because of budget-cutting measures, in the past 10 years the staff of federal grain inspection supervisors was cut from 300 to 220. During the same period grain exports rose dramatically. For example, in 1969, the US exported $5.7 billion in agricultural commodities and in 1975 the figure was $21.6 billion. (Over half the exports are grain.) While the grain division was cutting back on its staff, complaints from foreign buyers poured in. Some were not even reported. One former agricultural attache said he did not report the arrival of weevil-infested rice in Iran; another former attaché was in Germany to watch corn that arrived "burning up." Last week an official in the Foreign Agricultural Service (FAS) said, "As price goes up the complaints go up and as price goes down the complaints go down." He said the Department of Agriculture only listens to complaints "because we have to be nice" and "there's nothing we can do about them anyway." As a matter of form, USDA instructs agricultural attachés—who are USDA employees—to send back samples of grain for inspection. The samples—which ideally are in five pound units—arrive in diplomatic pouches, and the mail room of the State Department sends them over to USDA.

But even if the Grain Inspection Division finds that the samples corroborate foreign complaints of insect-infested, musty, protein-deficient, damaged, substandard, dusty, poisonous grain containing rodent droppings, glass, other grains and "weevil-bored kernels," it can do nothing about it. Since the grain was inspected when it left the United States, it is "certificate final." The Department of Agriculture is in a Catch-22 position. Even if it can be proved that the grain was damaged or was sent short of weight, Department of Agriculture certificates say that it wasn't. So the complaints have been ignored and continue to be ignored. Until July 1, the department's office of investigation was not informed of the results of testing. Even though the department has the authority it only recently requested that agencies keep samples of inspected grain, to be compared with foreign samples.

Secretary of Agriculture Earl Butz and his under secretary J. Phil Campbell were informed by newspaper accounts by William Robbins of *The New York Times* and James Risser of the *Des Moines Register* that a 1969 study prepared for the Department of Agriculture warned, "After listening to complaints for three weeks and seeing the look on peoples' faces and in their eyes when they accuse the inspection system of being subject to bribery, I cannot stress too strongly the part good inspection practices, constant supervision and quality control must play in helping this country retain the overseas grain markets."

Rep. Jamie Whitten (D, Miss.) and Neal Smith (D, Iowa) blamed the department for failing to heed its own warnings because Butz abolished the office of inspector general in 1974. The office had been created after the Billie Sol Estes grain elevator scandal of 1962. Whitten said that he helped then Secretary of Agriculture Orville Freeman to set up the office, "for it was clear that the various agencies in the department could not be permitted to investigate themselves or they would cover up corruption and mismanagement."

Butz, in abolishing the office of inspector general, split its function between the office of investigation and the office of audit. Both offices investigated charges of corruption and found them baseless. It was only after the US attorney's office in New Orleans and the FBI began their own investigations that the Department of Agriculture decided to join in the effort. Neal Smith said, "I don't think Butz wanted to hear about what was wrong with the way the department was operating. If he didn't know about what was wrong, he just thought it would go away, or would be someone else's responsibility."

On August 18 President Ford vowed to clean up the grain scandal. In a speech at the Iowa state fair in Des Moines, Ford said, "I can assure all farmers and their overseas customers that we will move vigorously to clear up this problem." Four days earlier, Bernard Brenner, of United Press International, reported that the White House's Office of Management and Budget had rejected Secretary Butz's suggestion that grain be inspected by state and federal departments of agriculture, instead of by private individuals. The White House was reported to be against the plan because of fears that it would be inflationary, even though the cost would be absorbed through fees charged for grading.

This week Rep. Thomas S. Foley (D, Wash.), chairman of the House Committee on Agriculture, is to hold hearings on the scandal. Last week Sen. Humphrey's subcommittee on Foreign Agricultural Policy was scheduled to meet to polish up and vote on an emergency grain inspection bill. Meanwhile the General Accounting Office, Congress' investigative arm, has been asked to do a serious study of the scandal and produce a report by February 15, 1976. Sen. Dick Clark (D, Iowa) has asked the Multinational Corporation subcommittee to widen its investigation of the principal grain trading companies. A member of Clark's staff says that he suspects that some of the major grain trading companies are deliberately adulterating American soybeans so as to make them less competitive, and thus boost the market for soybeans from Brazil, where there are reports of large landholdings by grain trading companies.

Finally a complaint recently received by the Department of Agriculture reports that 30,000 pounds of corn—shipped to Honduras by CARE (Cooperative for American Relief Everywhere)—was so badly infected that it was not only dangerous for humans, but for livestock as well. The corn, which was donated by the government's Food for Peace Program for the hurricane victims of Fifi, which left 5000 dead and 100,000 homeless, had to be dumped at sea. By the time the condition of the corn—which had been certified by licensed grain inspectors—became known, it was too late. The people for whom the corn was intended had long since sickened or died.

GEORGE MEANY'S MESSAGE: FIGHT JOBLESSNESS WITH JOBS

Mr. WILLIAMS. Mr. President, the Senate Budget Committee heard from George Meany today. He appeared to testify on the direction he believes the Congress should take in its second budget resolution for fiscal 1976.

In his customary blunt and unequivocal fashion, Mr. Meany called upon the Congress to adopt an economic game plan that puts people ahead of budget deficits, that favors production lines over unemployment lines, and that fights joblessness with jobs. It was a message that many of us could, and do, agree with as a statement of our immediate imperatives.

In recent weeks, there has been an extraordinary amount of analysis in the press of the image of George Meany and of the great labor organization that he has molded in his image, the AFL–CIO. Not all of the analysis has been flattering, having been stimulated by Mr. Meany's exceptional efforts to curb the sale of American grain to the Soviet Union.

Such efforts by the President of the AFL–CIO constitute only one facet of his and his organization's relentless pursuit of a better life, not only for its members, but for all working peoples. Mr. Meany's testimony before the Budget Committee provides more than a glimpse of these humanitarian concerns.

A profile of George Meany appeared a week ago in the Washington Post. Reading it together with his Budget Committee testimony may give my colleagues a sense of my own reaction to the events of recent months and to the momentous challenge that stands before us as Members of the Congress.

Mr. President, I ask unanimous consent that the Washington Post article on Mr. Meany and his testimony before the Budget Committee be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

YEARS FAIL TO DEFLECT GEORGE MEANY

(By Robert G. Kaiser)

By the age of 81, according to the actuarial tables, the average man would be dead. George Meany, who celebrated his 81st birthday last month, is no average man.

At an age when most men would be content with a diverting retirement, Meany presides actively over the American labor movement, chain-smokes long Jamaican cigars, plays golf, tends his garden in Bethesda, eats and drinks with gusto, reads voraciously—and rejects all talk of retirement.

He seems to have the hearing, eyesight and quick mind of a man at least 20 years younger. In a room full of people he misses little, if anything, going on around him.

Al Zack, Meany's press spokesman, can think of only one precaution "The Boss" takes because of his age. "He doesn't eat corned beef and cabbage." On the train ride from Florida to Washington in 1971 Meany suffered a hiatal hernia. He didn't enjoy it.

"Oh," Zack added as an afterthought, "he also sees his doctor every six months for a checkup."

Eighty-one seems to be an age that suits George Meany, the imperious curmudgeon of American labor. Last week he again demonstrated his power by forcing a change—or at least providing the excuse for a change—in American foreign policy, when President Ford responded to labor pressure by announcing a new policy for grain sales to the Soviet Union.

That was a classic Meany victory. It was not achieved with much subtlety. He challenged the Ford administration with the threat of a longshoremen's boycott of new grain shipments to the Soviet Union, declaring that "foreign policy is too damned important to be left to the Secretary of State." He demanded a new policy to protect American consumers, but wouldn't propose one himself. That, he said, is what the President is paid for.

The nation's editorialists were furious. AFL–CIO headquarters could find just three newspapers that approved of Meany's tactics: the Cincinnati Enquirer, the Manchester, N.H., Union Leader, and the Worcester, Ohio, Record.

Yet Meany's bluster apparently had precisely the effect he hoped for. It forced the Ford administration to act on a problem that was obviously troubling it already—the inflationary impact of unpredictable Soviet grain purchases—and probably also helped Meany's members in the maritime industry, which hope to get more employment from the grain trade.

Meany's willingness—eagerness may be the word—to throw this weight around makes public officials, politicians and editorial writers uncomfortable.

"What the hell is George Meany trying to do anyway?" an exasperated farm-state senator asked last week. "Mr. Meany . . . still has the government dangling at the end of the dock-wallopers' baling hook," The New York Times wrote, commenting on the lifting of the longshoremen's boycott—which is only temporary, pending the outcome of negotiations now under way in Moscow.

Meany recalls proudly now how his AFL–CIO became the first significant institution in the country to call openly for Richard M. Nixon's impeachment. That was in October, 1973, long before impeachment looked like a serious possibility to most Americans.

Now Meany looks forward to a new test of labor's political influence next year, when he hopes the AFL–CIO can help elect "a liberal Democrat . . . like Harry Truman" to the White House.

Meany's use of power inside the labor federation has been even more effective than his maneuvers in national politics. He has outwitted or outlived almost everyone in the labor movement who might pose a threat to his leadership, and the AFL–CIO is now virtually a personal fiefdom.

The president of a large international union in the federation was once asked how people were chosen to sit on the AFL–CIO's Executive Council. The answer, he replied, was simple:

First, he said, get yourself elected president of your union. Then on a Saturday morning put your lawnmower into the trunk of your car and drive out to Meany's house in Bethesda. Start mowing the lawn. When George comes out to get his paper, wave hello.

Then on Sunday you should just happen to be in the locker room of the Burning Tree Country Club when George walks in to play golf, and you should say "Gee, George, can I carry that bag for you?" And before you know it you will be a member of the Executive Council.

That story was told with tongue in cheek, but it was told by a man with good credentials. He had won a seat on the Executive Council.

Meany's domination over the labor organization is a source of great frustration to some younger men and the leaders of a few unions who don't always agree with his policies. Most of labor's higher echelons are filled with Meany loyalists.

"One would wish him to resign," the 32-year-old president of a union local in a large Northern city said last week, "but that doesn't seem likely."

Meanwhile, that young labor leader asked that his name not be mentioned in the paper.

Meany's ideas dominate the AFL–CIO as thoroughly as does his personality, and no idea is stronger in his mind than anti-communism. It obviously played a role in his opinion of grain sales to the Soviet Union. Detente—and Secretary of State Henry A. Kissinger, its chief architect—are two of the principal bogeymen in Meany's world these days.

Some of Meany's critics regard his ferocious anti-communism as a kind of permanent blind spot. "He's too obsessed with the idea that his ticket to heaven will be for killing foreign Communists," said an official of one major union.

Apologists note that Meany's animosity embraces dictatorships of all kinds. Like officials or representatives of the Soviet government, any emissary from Franco's Spain is forbidden to enter AFL–CIO headquarters on 16th Street.

Meany is as stubborn in his friendships as in his enmities, according to many past and present associates, a trait which also played a role in the grain episode.

Meany has known John T. Dunlop, the Secretary of Labor, since World War II, when they worked together on the War Labor Board.

"Meany trusts Dunlop," an associate said. Dunlop was the man President Ford designated to try to work out a compromise with organized labor to end the longshoremen's boycott of grain bound for the Soviet Union.

Dunlop produced a compromise plan that did not involve any curtailment of grain sales to the Russians, but proposed requiring them to make commitments for minimum purchases over a long-term period. The idea of this is to reduce the impact of Soviet purchases on U.S. prices. Meany accepted the deal, not least, according to several sources, because he trusted Dunlop to be fair.

There is no hint of embarrassment at AFL–CIO headquarters about the fact that Meany intervened in the foreign policy making process.

Lane Kirkland, a Meany protege who is the federation's secretary-treasurer noted in an interview that his boss has been involved in foreign policy for a long time—"a lot longer than Henry (Kissinger) has."

"We've always felt we had a role in foreign policy," Kirkland said. "It wasn't something to be left to Cordell Hull or Ed Stettinius or Dean Acheson—or whoever happened to be Secretary of State. It's perfectly natural for us to get involved. It's a pluralistic society and you don't leave everything to whoever happens to be the secretary."

Meany declined to be interviewed.

There have been six Secretaries of State since Meany was elected president of the old American Federation of Labor in 1952—and several more since he joined the labor movement as an apprentice plumber in 1910. By all indications Meany expects to survive half a dozen more secretaries before relinquishing his scepter as the king of American labor.

Statement of George Meany, President, American Federation of Labor and Congress of Industrial Organizations Before the Senate Budget Committee, September 24, 1975

We are very glad to have this opportunity to express the AFL–CIO's deep concern for the issues involved in this congressional review of the federal budget and our deep conviction that this committee has the power and responsibility to do much to end the present economic mess.

Let me make our position clear:

The crucial problem facing the country—despite what the President says—is the number of unemployed, not the size of the budget deficit.

The role of this committee should be to propose a budget that will turn the economy around. If this committee does its job properly, it will put America back to work and live up to the mandate of the Employment Act of 1946.

And that's the way to balance the federal budget—make taxpayers out of today's tax users—those unemployed through no fault of their own.

The economy is in deep trouble. Six and one-half years of economic mismanagement, widespread unemployment, eroded purchasing power and two back-to-back recessions have taken their toll.

The worst economic crisis since the 1930s is not over. It won't be over until the unemployed are back to work.

The economy is weak and more vulnerable than at any time in history. That means simply and clearly that the fabric of American society is in jeopardy.

The emergency tax cut enacted by the Congress last March helped to cushion the decline. So did the release of some impounded funds as well as the short-lived decline in interest rates and the unemployment insurance system. But this has not been enough.

The federal government did not provide the strength and forward momentum that could be measured in jobs, living standards, and a restoration of confidence.

The economy has not even begun to get back on its feet and there are problems developing that could trigger another, even more dangerous downslide.

So, in addition to rebuilding the economy, the Congress now must face up to the challenge of preventing another downturn. It must act quickly; it must demonstrate that it has the ability, courage and faith in the future of this nation to make the necessary investment.

Since the beginning of this year, unemployment has been higher than at any time since 1941. In August, the unemployment rate was a shocking 8.4 percent and there is widespread agreement that this figure is a substantial understatement. According to the latest official count, at least 1.2 million workers had dropped out of the labor force because they knew no jobs were available. That means that about one out of ten workers are jobless and, in addition, 3.1 million are on part-time schedules through no fault of their own.

That adds up to over 12 million people—almost 13 percent of the labor force.

There are some who contend that this is an improvement. They overlook the fact that these are summer-time figures and thus distorted. We would remind this committee that the AFL–CIO has repeatedly pointed out that the June, July and August figures for unemployment are understated.

In August, the Labor Department reported that 133 of the nation's 150 major employment centers were suffering from extraordinary high unemployment. It was the fifth consecutive month in which a record high was set. Including smaller areas, the Labor Department reports that a total of 946 out of approximately 1500 American communities suffered "substantial" unemployment. In other words, the entire country has become a distressed area.

Unemployment for major groups of workers is at depression rates. Unemployment was 19.9 percent among construction workers, 21.1 percent among teenagers, 14 percent among blacks and 10.5 percent among factory workers. For black teenagers, it was a disastrous 37.4 percent.

Among 20–24 year-old men, the jobless rate was 14.2 percent—about double the 1973 rate and approximately triple the rate of the late 1960s. And among heads of households, the unemployment rate was 5.5 percent—almost double the 1973 rate and nearly three times the level of 1967–1969.

At this rate, 20 million Americans will be unemployed sometime during 1976, and 12 million of those will be jobless for at least five weeks.

Combined with this huge unemployment problem is the fact that industry is operating at only 66.5% of its productive capacity. One-third of American industry is idle.

Key industries like home-building and auto are in weak condition, with no strong, sustained revival in sight. The real volume of retail sales has picked up a bit from last winter, but is still 3% below a year ago. Business outlays for plant and equipment, in real volume, began to decline in the latter part of 1974 and are still heading down, with no outlook for an early upturn.

The Administration's mid-year budget review, released at the end of May, forecasts an unemployment rate of 7.9 percent for 1976 or about 7½ million jobless.

Moreover, the Administration's mid-year review projects three successive years—1975, 1976 and 1977—of the highest unemployment levels since 1941, when the country was coming out of the Depression. This official review predicts continuing high unemployment in 1978 and 1979, which means about 6 to 8 million unemployed for the rest of this decade. As far off as 1980, five years from now, according to this Administration, the unemployment rate will be 5.1 percent or about 5.2 million jobless.

Can you, Mr. Chairman, or anyone else take any satisfaction out of these predictions?

Statistics fail to present the human and social impact of unemployment. The sudden, involuntary loss of a job in America's work-oriented society is a tragedy.

There is, of course, the loss of income, which affects retail sales and the economy as a whole, as well as family living standards. Unemployment insurance is an important cushion, but at an average of $68 a week, it's not enough for American families at today's living costs. There is the burden of debt and unpaid bills. There is also unwanted idle time, the loss of self-esteem, often accompanied by stresses in family relations and contribution to alcoholism, drug abuse, crime and mental illness.

Millions of young people, who will be entering the job markets—white, as well as black; college graduates, as well as high school dropouts; young adults in their twenties, as well as teenagers—are being told that there are no career-potentials for them, in the mainstream of the economy, for at least the next five to six years. At the same time, millions of jobless are told that the official policy of their government is that they must continue to suffer for many years.

This is the meaning of the Administration's vetoes of badly needed job-creating legislation, while it actively advocates increases in energy prices which boost the living costs of American families. This is the message of the Federal Reserve, which tightens monetary policy and increases interest rates.

This should not be the message of the Congress.

Look at these danger signs:

The emergency cuts in the individual income tax, designed to stimulate the economy and create jobs, are scheduled to terminate December 31, 1975. If these cuts are not extended, American consumers will lose $9 billion in purchasing power next year. Evidence of the need for continuation of the cut in withholding rates was contained in the Labor Department's September 19 report on the buying power of the average worker's weekly earnings. It showed that the decline of 2.7 percent from a year ago was "overcome by a reduction in federal income tax withholding rates which went into effect May 1, 1975." In other words, the only thing that was keeping the workers' head above water was the tax cut and, unless the Congress acts, that lifejacket will be yanked away on New Year's Day.

Interest rates are increasing again.

The high rate of inflation continues because of rising fuel and food prices and higher interest rates.

The crisis in the nation's largest city could create chaos in the money markets, trigger similar crises in other areas and sharply undermine the ability of the nation's states and localities to maintain services, build needed facilities, and make a contribution to economic recovery.

These facts support only one conclusion. Substantive federal government action is needed. The Congress must develop a program to overturn the economic policies of the Administration, turn the economy around, put America back to work and prevent the onset of another economic catastrophe.

On March 14, 1975, prior to the adoption of the first budget resolution, we stated, "the federal budget must be based first and foremost on an analysis of the nation's needs and the federal government's responsibility in meeting these needs."

The AFL–CIO has made no secret of its dissatisfaction with the first congressional resolution on the budget adopted last May.

We sponsored a newspaper advertisement in which we emphasize the obvious but too often forgotten fact that "there is only one solution to unemployment and that is jobs."

We posed the question for the President and the Congress: "Have you lost confidence in America?" We called attention to the fact that the federal deficit is money borrowed to invest in the future of America. And we said that the President and the Congress, in attempting to hold the line on the budget deficit, were putting dollars ahead of people.

On July 31, the AFL–CIO Executive Council asked the Congress not to surrender to the budget deficit fear psychology fostered by the President and his spokesmen. The Council pointed out that "had this fear prevailed during World War II, Adolph Hitler would have dictated the victory terms." And we called upon this Committee and the House Budget Committee to "demonstrate concern for the plight of the American people and provide necessary funds for programs to create jobs, ease the suffering of the unemployed and thus reduce the budget deficit."

The intent of the Congressional Budget Control and Impoundment Act was to enable Congress to reassert its rightful role in setting national goals and priorities. Prior to the Act, the Congress did not have the staff, structure or the administraitve machinery to cope with the intricacies of the federal budget. As a result, the Congress could not set forth a comprehensive blueprint of its own priorities or effectively challenge those of the Administration.

The 1974 legislation changed all this—on paper. But in actuality, the Congress has neither challenged nor overturned the disastrous blueprint for America that the President presented to the Congress and the nation in his budget message of last February. Although Congress did reject many of the President's proposals to slash funds from existing social programs, in terms of the stimulus needed to create jobs and move the economy forward, the Congressional budget represented little more than an endorsement of the Administration's priorities—five solid years of massive unemployment.

And over the following months, despite the continuing weakness in the economy, those priorities were continually restated and reinforced.

When President Ford reluctantly signed the tax cut into law, he pointed to a chart and said: "This is as far as we dare go." He was pointing to a $60 billion projected budget deficit. He did not point to an unemployment chart and say, "This is as far as we will let it go."

On May 30, in the Administration's midsession budget review, the first comment concerning the FY 1976 budget was a reference to the revised deficit projection and a warning to the Congress that "unless early action is taken by the Congress on other budget reductions proposed by the President, the estimated deficit for 1976 will rise still further."

Yet, that same budget review contained an upward revision of unemployment for 1975 of over 500,000 more workers and presented the same frightening outlook for unemployment for 1976 through 1980.

The actions of the Administration indicate clearly that it is determined to make these unemployment predictions come true. The President has vetoed job-creating legislation, has put forth tax proposals which would further weaken the economy by giving more tax bonanzas to big corporations and the rich; and has actively advocated huge increases in consumers' energy costs.

The AFL–CIO supported the Budget Act. At the same time, we had some apprehensions because we did not want the new budget process used as a political tool for the Congress to engage in budget-cutting one-upmanship with the President.

Unfortunately, this is exactly what has happened. The first budget resolution, as analyses and publications have served to rivet attention to broad dollar "targets" generally and the dollar deficit in the federal budget specifically. It has put every senator on notice that actions and votes are to be evaluated by accounting standards and not national needs.

There is, for example, a weekly "Senate Budget Scorekeeping Report" prepared by the Congressional Budget Office in cooperation with this committee.

The report provides every senator with a dollar tally of major legislation that has been enacted or has some potential for enactment. The spending target fixed by the first concurrent resolution is presented in boldface type as are figures showing how closely the Congress is adhering to its expenditure targets.

This report states in the introduction that it "is designed to provide legislative actions." Yet, crucial legislation is cited only in terms of dollar cost and potential impact on the budget deficit—never on the basis of need or value.

The message is obvious. Anything that goes over the target—increases the fiscal 1976 deficit—is bad. Anything under is good.

As far as we are concerned, Mr. Chairman, that's stupid.

There is only one target that this Committee should be aiming at and that is the needs of the American people.

If meeting those needs adds up to a FY 1976 deficit of $80 or $90 or $100 billion—so be it; and, if more is required, then more should be provided.

There is no denying the fact that the budget deficits in the past several years have been huge. In fact, during the years from fiscal 1970 to 1975 there were back-to-back deficits totaling $110.4 billion. That's twice as much as the accumulated net deficit of the previous 23 years.

But these deficits were the direct result of over 6½ years of misguided economic policies—two deliberately engineered recessions, bridged by a short-lived politically inspired pickup.

Mr. Chairman, when the Nixon Administration took office in January 1969, the unemployment rate was 3.4 percent. It never got any lower. In 67 of the 80 months since then, unemployment was over 4 percent. That's why there are deficits.

The President's own 1976 budget message candidly stated that if unemployment were at fiscal 1974 levels, tax receipts would be higher and payments to the unemployed lower. There would have been a budget surplus.

Using the Administration figures, this translates into a loss in federal tax receipts and an increase in expenditures of approximately $16 billion for each percentage point increase in the unemployment rate.

This Committee, in its report accompanying the first resolution on the budget, stated, "The only way to stop deficit spending is to bring the economy close to full employment." We couldn't agree more.

The trouble is the Committee did not heed its own counsel.

We think it important to point out that budget outlays for unemployment benefits and other expenses directly related to recession low incomes, and joblessness (public assistance, food stamps, etc.) totalled $14.3 billion in FY 1973, the year before the recession. In 1974, these payments rose to $20 billion and in 1975 to over $31 billion or more than double pre-recession levels.

There's another budget figure we feel is shocking. In 1976, interest on the federal debt is expected to total $34.4 billion—that's $11.6 billion or 50 percent higher than the total of three years ago, and 11 percent more than last year.

Mr. Chairman, everytime Arthur Burns works his black magic and causes interest rates to increase by 1 percent, he's robbing the federal treasury of about $1.5 billion.

Let's talk about inflation for the moment.

The inflation of the past three years, as well as in recent months, is overwhelmingly due to price increases for food, energy and interest rates. Food and energy increases have no relationship to the size of the budget deficit, as your reports conclude.

And, let me remind you, this committee can't do anything, about prices in those areas.

So, the fear of inflation must not become an excuse for inaction. The real issue before this committee is building a healthy economy.

Let me also remind you, the economic history of this nation shows conclusively that massive and continuing stimulative measures are necessary to achieve full recovery.

We repeat, this recession is not over. The official announcements heralding its end are based on statistical nonsense. The recession will not be over until America is back to work. Let me point out to this committee that although the production indexes may no longer be declining, they also ended their decline in March 1933 and no one uses that date as the end of the Great Depression.

At the beginning of this year, the economy was on the edge of disaster. The emergency tax cut prevented a tailspin, but neither the 1975 tax cut nor this Committee's endorsement of its extension to 1976 will be sufficient to put an end to the recession. Much more is needed.

The programs we advocate are investments in the future. They are investments which will pay off in the health and welfare of this society—that's the only way any government investment can or should be measured.

We know that this Committee does not have the responsibility for developing and recommending enactment of specific programs. But this committee does have the responsibility for spelling out the goal of economic recovery and the ways of achieving this recovery. This is the task before you.

We urge adoption of a budget resolution which at least provides sufficient funds for the enactment of:

1. Accelerated public works to create jobs—on construction sites as well as in the production and distribution of building materials and equipment—by providing funds to local governments for needed short-term public works construction and repairs.

2. An expanded public service employment program to create jobs while meeting public needs for improved and enlarged services.

3. Extension of the individual income tax cuts through 1976.

4. Federal aid to state and local governments hard-pressed by high unemployment.

5. Federal funds for the restoration of railroad tract and roadbeds.

6. Basic improvements in the outmoded unemployment insurance system.

7. A federal program to continue health insurance for the unemployed who lose their coverage when they lose their jobs.

8. A comprehensive energy policy to rapidly reduce dependence on imported oil and to establish U.S. energy independence.

9. Establishment of a new Reconstruction Finance Corporation-type agency to provide government loan guarantees and low-interest long-term loans for the preservation and creation of jobs in the private sector, including housing, as well as to assist state and local governments.

10. Legislation to close the major loopholes in the tax structure, which could raise as much as $20 billion of additional federal revenue.

11. Rapid release of previously impounded funds.

We also urge this Committee to emphasize the importance of legislation directing the Federal Reserve to cut interest rates and to require banks and other financial institutions to allocate available credit for such high-priority purposes as housing.

The AFL–CIO program is designed to bring the national economy back to full employment. What is needed are jobs at decent wages for the unemployed and jobs for the growing labor force. Jobs and incomes that can provide the American people with confidence in the future.

This committee has to face the hard facts. America must create some 70,000 new jobs each and every week over the next three years if we are to approach full employment in 1978.

This is the key task of government. Given an unresponsive Administration, Congress must provide the leadership.

It is the responsibility of this committee to provide the framework for Congressional action.

SUIT FILED AGAINST DEPARTMENT OF COMMERCE BY ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH ON HANDLING OF ARAB BOYCOTT REQUESTS

Mr. STONE. Mr. President, on September 22, 1975, the Subcommittee on Oversight and Investigation of the House Committee on Interstate and Foreign Commerce, chaired by Congressman JOHN E. MOSS, held hearings into the refusal of the Secretary of Commerce, Rogers C. B. Morton, to comply with a congressional subpena issued by that subcommittee. The subpena seeks that Secretary Morton turn over the names of U.S. companies which have supported the Arab boycott against Israel. The Export Administration Act of 1965 states that it is the policy of the United States to oppose restrictive trade practices or boycotts imposed by foreign countries against other countries friendly to the United States. Department of Commerce Export Administration Regulations of 1974, Section 369.2, requires that U.S. firms which receive requests to boycott a foreign country must report such requests in full to the Department of Commerce. The Commerce Department has received such reports and has refused to make them available to the public and even to the Congress.

Last June the Department of Commerce distributed throughout the American business community a notice from the Government of Iraq stating its intention to buy over 3,500 prefabricated buildings, seeking bids from U.S. firms to fill this order. Paragraph 13 of the Iraqi notice contained boycott provisions stating in essence that U.S. firms which trade with Israel would not be eligible to bid on this project. This requirement is in direct violation of both official U.S. policy and the Export Administration Act. Yet, the Commerce Department disseminated the bid with the boycott clause fully intact.

At issue is more than one Iraqi Government project or several unpublicized compliance reports. What is at issue is the possibility that the Department of Commerce, intentionally or unintentionally, may be violating the law by distributing boycott information and by refusing to make public information on U.S. firms which have signed business contracts that enforce the Arab League's Israeli boycott.

On September 9, 1975, the Anti-Defamation League of B'nai B'rith filed suit in the U.S. District Court for the Southern District of New York against Secretary Morton seeking public disclosure of the names of U.S. firms which have complied wtih the Arab boycott and an injunction against the dissemination of bid invitations or "tenders" containing restrictive trade or boycott provisions directed against U.S. firms trading with Israel. I shall ask unanimous consent to place a copy of this complaint and its accompanying exhibits in the RECORD. The exhibits include copies of:

First. A detailed pronouncement of the terms of the boycott against Israel by the Arab League;

Second. The nationally disseminated communication from the Commerce Department, mentioned above, including the Iraqi bid containing a boycott provision against Israel;

Third. Pertinent communications between the Commerce Department and Anti-Defamation League;

Fourth. Commerce Department regulations requiring the reporting of all boycott requests:

Fifth. Commerce Department memorandums on policy concerning dissemination of boycott provisions contained in bids;

Sixth. A request for boycott compliances filed by the ADL under the Freedom of Information Act.

I include copies of articles from the New York Times and Washington Post describing the suit filed by the ADL and Chairman Moss' hearings.

Since the passage of the Export Administration Act, it has been the official policy of the United States to oppose restrictive trade practices and boycotts such as that sought to be imposed by the Arab League. Pursuant to this Act, the Department of Commerce adopted export control regulations requiring reporting of requests to participate in boycotts. The Commerce Dpartment seems to be in violation of the letter and spirit of the law and its own regulations by its actions. The Department protects violators of reporting regulations from public knowledge. What is it hiding? It refuses to strike boycott provisions and instead prints them at the taxpayers' expense. The suit by the Anti-Defamation League is an attempt to focus these actions into full public disclosure. I seek such disclosure and I hope all my colleagues will join me in this search. Sweeping allegations under the rug is not the way to combat applied prejudice.

Mr. President, I ask unanimous consent that the material to which I have referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[75 Civ. Complaint]

U.S. DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

Anti-Defamation League of B'Nai B'Rith, Plaintiff, against Hon. Rogers Morton, Secretary of Commerce, Defendant.

Plaintiff, Anti-Defamation League of B'nai B'rith (hereinafter "ADL"), as and for its complaint alleges as follows:

JURISDICTION

1. a. This action arises under the Constitution and laws of the United States.

b. The amount in controversy exclusive of interest and costs exceeds $10,000.

c. Jurisdiction is conferred on this Court by 5 U.S.C. 552 and 701 et seq., 28 U.S.C. 1331, 1361 and 2201 et seq., and 50 App. 2401 et seq.

THE PARTIES

2. ADL is a not-for-profit corporation organized and existing under the laws of the District of Columbia, with its principal place of business in the City, County and State of New York. It was founded in 1913, and soon thereafter became an official arm of B'nai B'rith, the oldest service organization of American Jews, to advance good will and mutual understanding among Americans of all creeds and races, and specifically to combat anti-Semitism and anti-Jewish activities in the United States. Among its many activities directed to these ends, the Anti-Defamation League has developed and implemented programs to protect the well-being and economic security of American citizens of the Jewish faith. Over the past 23 years ADL has been actively engaged, on behalf of Jews and others, in opposing the worldwide Arab campaign to boycott Israel and to discriminate against persons of the Jewish faith throughout the world.

3. Among ADL's membership and constituency are numerous American citizens engaged in domestic and international commerce who desire to trade with, sell and export to all nations friendly to the United States and to the citizens and business concerns of said nations. Many of said individuals trade with and otherwise support the State of Israel and by reason thereof are subjected to the boycott and restrictive trade practices of the League of Arab States (hereinafter "Arab League"), as is more fully set forth below.

4. Defendant Rogers Morton is Secretary of Commerce of the United States. As such, he is in charge of the Department of Commerce and has the responsibility to uphold, support and obey the laws and policies of the United States, including the provisions of the "Freedom of Information Act," 5 U.S.C. 552 and the "Export Administration Act," 50 App. 2401 et seq.

THE ARAB BOYCOTT

5. The Arab League since 1945, even before the creation of the State of Israel, has carried on a worldwide economic, military, political and psychological campaign aimed initially at preventing the advent of the State of Israel and since 1948 aimed at destroying that nation. The cornerstone of the Arab League's efforts aimed at the economic strangulation of Israel is the imposition of a worldwide boycott and system of restrictive trade practices directed against all—Americans, Jewish and non-Jewish—who trade with and/or otherwise support the Jewish state.

6. The Arab boycott regulations apply to all individuals and companies that trade with or otherwise support Israel, including "all companies which have assembly plants, main or branch factories in Israel; maintain either general agencies or main offices in Israel; grant the right of using their names or manufacturing licenses to Israeli companies; hold shares in Israeli companies or factories; render consultative services or technical experience to Israeli factories; are members, either themselves or through their directors or managers, of joint foreign-Israeli chambers of commerce; act as agents for Israeli companies or as principal importers of Israeli products outside of Israel; participate in prospecting for natural resources within Israel; decline to answer Arab authorities' questionnaires respecting the nature of their relations with Israel.

"If in maritime transportation, they call on Israeli ports; transport materials to Israel; are chartered by Israeli companies or institutions; transport commercial, industrial or agricultural Israeli products; transport Jewish immigrants to Israel.

"If in banking, they give loans or subsidies to Israel, whether public or private firms and institutions. If in movie and television, feature actors or actresses whose "Zionist tendencies" are established," and, as further set forth in the "Grounds and Regulations of the Arab Boycott of Israel" memorandum of the "General Union of Chambers of Commerce and Industry for Arab Countries" atttached hereto as Exhibit A.

7. As part of the Arab League's restrictive trade practices and boycott, any firm or individual on the blacklist of the Arab League is prohibited from doing business with or in any nation of the Arab world. Further, any firm or individual which itself does business with such blacklisted firm or individual is also barred from doing business with or in any Arab nation.

8. The restrictive trade practices and boycott of the Arab League practiced within the United States are so pervasive as to adversely affect thousands of firms and individuals in this country. Such practices necessarily are injurious to Americans of the Jewish faith, including the members and constituency of the plaintiff, who by reason of their faith and ancestry are associated with Israel and its cause.

ANTI-BOYCOTT LEGISLATION

9. Since in or about 1965 it has been the policy of the United States, as duly enacted by Congress, to oppose restrictive trade practices and boycotts such as that sought to be imposed by the Arab League. 50 App. 2401 et. seq. (Export Administration Act) provides:

2402(5) It is the policy of the United States (A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, (B) to encourage and request domestic concerns engaged in the export of articles, materials, supplies, or information, to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States, and (C) to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies.

10. Pursuant to the Export Administration Act, the Department of Commerce adopted Export Control Regulations requiring that exporters receiving requests for "information, certification or other action indicating a restrictive trade practice or boycott against a foreign country" report same to the Department.

11. Upon information and belief, between 1970–74, reports filed with the Department of Commerce indicate that American companies would comply with Arab boycott requests in over 10,000 individual transactions. Further, in that period there were over 46,000 business transactions reported in which requests had been received for some form of anti-Jewish or anti-Israel economic activity. With respect to 36,000 transactions there is no available information concerning compliance with the boycott requests.

CLAIM FOR RELIEF

12. Upon information and belief, the Department of Commerce has received and continues to receive bid invitations or "tenders" from Arab League countries which contain restrictive provisions in the form of certificates of origin and otherwise, directed against persons and firms trading with or otherwise supporting Israel. A copy of one such bid invitation or "tender" is annexed hereto as Exhibit B. Said bid invitation or "tender" contains the following provision:

"13. *Certificate of Origin*

Tenderer must submit:

a) Certificate of origin specifying that the goods are not of Israeli Origin, not the Company having a branch in Israel and that they will not be shipped on Israeli or Black-listed Vessels. This Certificate must be legalized by the Iraqi or any Arab Consulate or representative and in case of their non-existance, legalization by Chamber of Commerce or industry in the Country of Origin or port of Shipment will suffice . . ." [sic]

13. The Department of Commerce, under the direction of defendant Morton, has and continues to distribute and disseminate said bid invitations or "tenders" to thousands of individuals and business concerns throughout the country, including competitors of ADL members or constituents, in contravention of the policy of the United States as declared in the Export Administration Act.

14. Said action on the part of the Department of Commerce promotes, supports, aids and abets the aforesaid anti-Jewish and anti-

Israel boycotts to the detriment of ADL members or constituents and others who trade with and otherwise support the State of Israel. They are placed at a competitive disadvantage by reason of the unlawful activities of the very Federal department charged with enforcing the provisions of the Export Administration Act, and by reason of such action of the Department of Commerce they are deprived, because of their religious beliefs or economic practices, of the equal protection of the laws under the Due Process Clause of the Fifth Amendment to the United States Constitution.

15. In a letter dated August 11, 1975 to Defendant Morton, ADL through its National Chairman, Seymour Graubard, protested cooperation and assistance provided by the Commerce Department in promoting, aiding and abetting Arab boycott operations against the State of Israel. As evidence of this charge, it enclosed with its letter a nationally disseminated communication from the Commerce Department's Office of Business Research and Analysis which had affixed to it a June 1975 communication from Iraq. The Iraqi document, a tender offer to purchase pre-cast housing, included as a term and condition a boycott provision against Israel. Said letter and attachment is annexed hereto as Exhibit C.

16. ADL received a letter, attention: National Chairman, from Charles W. Hostler, Deputy Assistant Secretary for International Commerce, dated August 22, 1975, responding to the letter to Defendant Morton. The letter, annexed hereto as Exhibit D, states that although the Administration "opposes the Arab boycott", it will continue to disseminate such tenders to American firms even if they include boycott or blacklist provisions. The future operational policy of the Department, according to the August 22 communication, will be to "stamp" a statement on tender documents directing the recipients attention to the restrictive clause and advising of U.S. policy opposing such provisions.

17. The Department of Commerce, under the direction of Defendant Morton, has failed and refused to cease distributing and disseminating said bid invitations or "tenders" containing restrictive trade and boycott provisions, even though the Department of State is reportedly "disturbed" by such dissemination, as more fully set forth in the memorandum entitled "Department Policy On Dissemination Of Trade Opportunities Containing References To Arab Boycott Requirements", a copy of which is annexed here as Exhibit E.

18. In a letter dated June 9, 1975, to the United States Department of Commerce, a copy of which is annexed hereto as Exhibit F, ADL requested access, pursuant to the Freedom of Information Act, 5 U.S.C. § 552, to all reports of "requests received for information, certification, or other actions indicating a restrictive trade practice against a foreign country" within the twenty-four month period from June 1, 1973 through June 1, 1975.

19. The Department of Commerce has improperly and illegally refused to comply with ADL's information request, by arbitrarily and capriciously declaring these materials to be confidential.

20. The Department of Commerce has admitted that it is withholding these documents in order to protect and avoid adverse publicity to those American firms succumbing to the Arab boycott, and upon information and belief, in order to conceal the effect of its promoting, aiding and abetting said boycott as aforesaid.

21. On May 21, 1975, the Department of Commerce issued a news release, a copy of which is annexed hereto as Exhibit G, declaring that it had formally charged certain domestic exporters with contravening the mandatory reporting requirement of the Export Administration Act and had warned other domestic exporters that they were in violation of said statutory provisions.

22. By letter dated May 27, 1975, a copy of which is annexed hereto as Exhibit H, ADL requested of the Department of Commerce that it be given access to said "charging and warning letters" pursuant to the Freedom of Information Act.

23. Department of Commerce improperly and illegally refused to comply with RDL's information request, by arbitrarily and capriciously declaring these documents to be confidential.

24. The Department of Commerce has admitted that it is withholding these documents in order to protect and avoid adverse publicity to those American firms who had contravened the mandatory reporting requirements of the Export Administration Act.

25. Defendant unless permanently enjoined will continue to distribute and disseminate bid invitations and tenders containing restrictive trade and boycott provisions as herein-above set forth.

26. Plaintiff has exhausted its administrative remedies under the Freedom of Information Act and has otherwise complied with all conditions precedent to the assertion of its claims under said Act.

27. Plaintiff has no adequate remedy at law.

PRAYER FOR RELIEF

Wherefore, plaintiff demands judgment;

1. Declaring it to be contrary to the law and the public policy of the United States for the Department of Commerce to distribute and disseminate bid invitations or "tenders" containing restrictive trade and boycott provisions directed against persons or firms trading with or otherwise supporting Israel and/or against nations friendly to the United States, including the State of Israel.

2. Enjoining and restraining Defendant Morton, the United States Department of Commerce, and their agents and employees from distributing and disseminating any and all bid invitations or "tenders" containing any restrictive trade or boycott provisions directed against persons or firms trading with or otherwise supporting Israel and/or against nations friendly to the United States, including the State of Israel.

3. Enjoining Defendant Morton from withholding the records and documents of the United States Department of Commerce requested by plaintiff as more particularly set forth in Exhibits F and H.

4. Directing defendant to produce said records and documents for inspection and copying by plaintiff, and

5. Granting such other and further relief as the Court may deem just and proper.

General Union of Chambers of
Commerce, Industry and Agriculture For Arab Countries,
Beirut, Lebanon.

The Arab Boycott of Israel: Its Grounds and Regulations

Sir, It has come to our knowledge that certain Israeli circles, with the aid of world Zionist organizations, are conducting a campaign of misrepresentation against the Arab economic boycott of Israel. Since the Arab States are anxious to maintain the most cordial economic relations with all countries, and since in choosing measures for the inforcement of the boycott against Israel, the Arab States have always been careful that no avoidable loss or damage be caused to their trade with other countries, we are sending you this letter which contains the main facts about the boycott in the hope that they will help to avoid any misunderstanding or loss.

1) The Arab boycott of Israel is a defensive measure:

You are probably aware that Israel has forcibly expelled one million Arabs from their homes in Palestine, that it has taken over the properties of these Arabs, and is preventing them from returning to their homes: that these refugees are mostly living in camps under conditions of appalling misery, on relief by the United Nations.

You are also probably aware that all this is being done in defiance of clear resolutions taken by the United Nations—resolutions which call on Israel to allow all refugees to return to their homes and recover their properties.

You must have heard of the raids which have been and are still being made by the regular Israeli forces against frontier Arab villages, with the consequent loss of innocent lives they have caused, and the aggressive war which it undertook in 1956 against Egypt, and which was denounced by sixty-five states in the United Nations General Assembly.

The Arabs are certain that the aggressive Zionist state of Israel is planning to expand further at the expense of Arab lands, and to turn more Arabs into refugees. This state even hopes to dominate economically wherever it finds itself unable to dominate politically. Recent events in the Middle East confirm this conviction.

The Arabs are determined to frustrate this plan of aggression. They are determined to defend themselves, their homes and their normal living. They are therefore doing no more than trying to deny Israel that economic power which might enable it to realize a new step in its attempt for the achievement of its distorted dream of domination.

2) The Arab boycott of Israel is not inspired by racial motives:

This boycott is directed against Israel, but not against the Jews. Indeed there are many Jewish citizens in most of the Arab States, who are unmolested and prosperous.

Jewish firms outside Israel receive from the Arabs the same treatment as non-Jewish firms. There is no discrimination. Any firm, irrespective of the creed or race of its owners, shareholders, or managers will be able to deal with Arab countries, so long as it does not breach the regulations of the Arab boycott of Israel.

3) The Arab boycott of Israel causes no loss or damage to other countries:

This must be obvious. The Arabs are important consumers, for they are rich in purchasing power derived from oil revenues and other sources, whereas their productive capacity is relatively small. Whatever they do not import from Israel they have to import from other countries. When Israel tries to induce other countries to help in breaking the Arab boycott, it simply aims to acquire for itself these Arab markets which had so far been open to others. Remember, therefore, that Israel is the only loser and that it can recover this loss only at your expense.

However, if no loss is caused to any country, loss may well be caused to individual firms. This can happen only when such firms cause themselves to be blacklisted by breaching the regulations of the Arab boycott; but such loss is easily avoidable. The rules themselves are reasonable, and besides, the Arab markets are immensely bigger, and they have immeasurably greater prospects than those of Israel. Israel, despite all the publicity offers very few opportunities for lucrative business.

4) The rules and regulations of the Arab boycott are reasonable and clear:

Considering the above, it may be asked what are the rules and regulations of the Arab economic boycott? Generally, the boycott regulations, which are non-restrictive to the freedom of international trade by their very nature, do not apply to companies which have normal dealings with Israel involving the sale of completely manufactured goods—of wholly non-Israeli manufacture—in Israel. However, these regulations do apply to all companies, irrespective of their nationality, which engage themselves in the following practices:

I) Manufacturing and trading companies:

A) If they have main or branch factories in Israel.

B) If they have assembly plants in Israel. This also applies to foreign firms and companies whose agents assemble their products in Israel.

The ban will be applied too in the case of assembly if it is proved that a certain Israeli company has assembled, on a commercial scale, a unit of a certain product or goods from parts the majority of which is produced by a certain foreign company or any of its branches/subsidiaries, unless such foreign company establishes its non-responsibility for such assembly, and takes legal proceedings against the Israeli company which committed the assembly. This provision is applied if the parts used in producing the unit constitute more than 50% of the parts of such unit, or if the engine of the unit is of the foreign company's production.

C) If they maintain in Israel either general agencies or main offices for their Middle East companies.

D) If they give the right of using their names or manufacturing licences to Israeli companies.

E) If they hold shares in Israeli companies or factories.

F) If they render consultative services and technical experience to Israeli factories.

G) If they, or their directors or managers, are members of joint foreign-Israeli chambers of commerce.

H) If they act as agents for Israeli companies or principal importers of Israeli products, outside Israel.

I) If they take part in prospecting for natural resources within Israel such as petroleum drilling.

J) If they decline to answer the questionnaire addressed by Arab authorities requesting them to provide explanation of the nature of their relations with Israel in order to determine whether they constitute a violation or not.

K) If, after serving notice on them and granting them a grace period of not less than six months, during which to substitute the products of blacklisted companies with products of other companies which are not violating the Boycott principles, they use in their own products articles or machines produced by a blacklisted company. During the period of notice, the products of such companies may be allowed entry provided that their position is clear in regard to other Boycott regulations, and that parts produced by the blacklisted company and used in the company's products do not exceed 35% of the total cost of the finished unit.

The ban imposed on a certain company is applied against all of its parent and subsidiary companies. It is permissible, however, to waive, for once only, the ban imposed on a blacklisted company if it arranges to redress the violation of rules enforced in the Arab countries and presents documentation to this effect.

II) Foreign navigation companies:

A) Foreign ships, tankers and other maritime transportation means shall be blacklisted if they engaged in any of the following acts:

1) If it was proven that they called on an Arab port and an Israeli port in the same round trip; universal tourist ships being excluded.

Tourist ships' denotes those ships which carry tourists only, and not ordinary passengers, and which do not load or offload goods from and to the countries they call on. Companies which own or charter these ships shall inform the competent Regional Boycott Office of the routes and timetables of those ships in due course.

2) If they transport materials or articles helpful to the war effort of Israel even if they do not call on an Arab port and an Israeli port on the same round trip.

3) If they are chartered to Israeli companies or institutions.

4) If they transport industrial, commercial or agricultural Israeli products.

5) If they transport Jewish immigrants to Israel.

6) If they refrain, within a maximum period of 15 days notice, from presenting the manifests of shipments they offloaded at Israeli ports on a previous trip.

B) A ship or tanker may be lifted from the blacklist if its owners undertake to refrain from violation; the above rules again. This is not applicable to ships flying the Israeli flag or previously enjoying the Israeli nationality.

C) Transactions shall be banned with any foreign navigation company if it is established that such a company has chartered any ship or tanker owned or chartered by it to an Israeli firm, company or institution with the intention of creating an international crisis involving any Arab country. This ban entails the blacklisting of all vessels owned, or chartered by such company.

III) Foreign banks dealing with Israel:

Transactions with foreign banks are banned if they commit any of the following acts:

A) If they give loans or subsidies to Israeli public or private firms and/or institutions which may help them in carrying out major military, industrial or agricultural projects.

B) If they take active part in distributing and/or promoting Israeli loan bonds.

C) If they establish firms or companies in Israel.

D) If they subscribe to the establishment of firms or companies of Israeli capitals, either inside or outside Israel.

IV) Foreign motion pictures' companies and actors:

A) Movie and television films:

The projection of foreign films in whatever copy or language is prohibited in all Arab countries in the following cases:

1) If the film, in story, script and content, is intended to distort Arab past or present history in regard to religion or nationality.

2) If the film, in story, script and content, is intended to promote Israeli or Zionist propaganda aims.

3) If the film is featuring actors enjoying Israeli nationality.

4) If the film is wholly or partially photographed in Israel or if it is of Israeli-foreign production.

5) If the film features foreign actors or actresses whose Zionist tendencies are established.

B) Foreign motion pictures' and television companies:

Transactions shall be banned with motion pictures and television companies the Zionist tendencies of which or their acting for the interests of Israel are proven. This provision is applicable in the following cases:

1) If they, in spite of communicating with them in order to make them aware of the measures their actions entail, again produce films intended in story, script and content to distort past or present Arab history in regard to religion or nationality.

2) If they, in spite of communicating with them in order to make them aware of the measures their actions entail, repeat their donations to Israel, in their capacity as artificial persons, in a way indicating their bias and acting for the interests of Israel.

3) If they, in spite of communicating with them in order to make them aware of the measures their actions entail, again produce films intended in story, script and content to make propaganda for Israel.

4) If they, in spite of communicating with them in order to make them aware of the measures their actions entail, again produce joint foreign-Israeli films and refuse, without reasonable motives, the production of joint foreign-Arab films of a similar character.

5) If they establish in partnership with Israeli capital or subscribe with Israeli capital to the establishment of firms or companies inside or outside Israel; if they establish manufacturing branches in Israel; or if they render consultative services and technical assistance to Israeli firms or companies.

(V) Foreign insurance companies:

Transactions shall be banned with foreign insurance companies the subscription of which in industrial, commercial or other firms and companies in Israel is proven, and as a result of which they exceed their normal activities.

(VI) Foreign agencies of Arab companies:

Firms and companies enjoying the nationality of any Arab country may not give their general agencies to foreign aviation and shipping companies or firms if it is proven that the latter are general agents of Israeli firms or companies abroad. This provision is applied in case the local laws of the country concerned do not prohibit such actions.

(VII) Foreign shipbuilding companies:

Transactions shall be banned with foreign shipbuilding companies which, after communicating with them in order to make them aware of the fact that building ships for Israel by them promotes the economy and the war effort of Israel, again build ships or tankers for Israel.

* * * * *

While presenting to you these facts and regulations, it gives us great pleasure to assure you of our best attention and cooperation, and our express willingness to answer any questions which you may have regarding the Arab economic boycott of Israel.

Faithfully yours,

ABDUL AZIZ H. AL SAGER,
President.

SAMAWAH CEMENT PUBLIC CO.,
Samawah, Iraq.

GENERAL TERMS AND CONDITIONS

1) Technical Specifications:

The tender documents submitted by the Tenderer shall include the following:—

a—Full description and detailed specification of offered goods.

b—Other pertaining information such as Catalogues, pamphlets Analysis, Samples if requested, Standards etc.

2) Weights & prices:

Tenders should be itemized as far as possible giving nett and gross weights. Itemized FOB prices should be given.

Estimated freight charges and total C&F prices to Basrah and Baghdad should also be stated.

Currency should be of that of Country of Origin of goods.

Type of packing: Suitable for export, details should clearly be stated.

3) Validity:

The validity period of the tender submitted should be not less than 3 month from closing date of submission of tender, confirming firm rate.

4) Terms of payment: Insurance & Letter of Credit

Both letters of Credit & Insurance shall be effected by Samawah Cement Public Company.

5) Neutral Tests:

Offers are to include an acceptance statement to the effect that Samawah Cement Public Company, may appoint a competent Neutral party at its expense to inspect material on order and issue relevant test certificate to the effect that the material being shipped conform in all respects with the agreed upon specifications. Bankers effected payment will only do so upon receiving a copy of such certificate which have been approved by Samawah Cement Public Company.

6) A complete set of documents issued with

each tender may be Purchased by any person desiring to participate in the confidential tender, against payment of an amount fixed by the Company for each tender.

This amount is not refundable under any circumstances.

7) The closing date of submission of tender will be not latter than closing office hours on 31/3/75

Tenders received after this time and date shall not be accepted.

8) The Company does not bind itself to accept the lowest tender.

9) Tenders not complying with our specifications and terms shall be neglected.

10) Tenders should be submitted in six copies.

11) Tenders are to be submitted in sealed envelopes, clearly indicating subject of tender. Samples if required should be sent under separate cover marked clearly with the reference number and subject of tender.

12) Tenders are to be accompanied by a preliminary bank deposit in favour of and payable to the Samawah Cement Public Company for the sum of 5% of the FOB value of offer as a guarantee of good faith.

The deposit will be returned to unsuccessful. Tenderer after 6 Calendar months from closing date of tender.

13) *Certificate of Origin*

Tenderer must submit:

a) Certificate of origin specifying that the goods are not of Israeli Origin not the Company having a branch in Israel and that they will not be shipped on Israeli or Black listed Vessels. This Certificate must be legalized by the Iraqi or any Arab Consulate or representative and in case of their non-existence, legalization by Chamber of Commerce or Industry in the Country of Origin or port of Shipment will suffice.

b) Country of origin and port of shipment of goods.

c) Delivery period.

Notes: on acceptance of an offer, Samawah Cement Public Company will require the following:—

a) Bank Guarantee.

Such a guarantee is requested by Samawah Cement Public Company its amount will not exceed 5 percent of FOB value of offer and should be valid six months after the date of last shipment.

b) Proforma Invoice

Confirmation of order is to be accompanied with 10 copies of proforma Invoice.

c) Validity of L/C

Due to the regulations of the Central Bank of Iraq, L/C can not be opened for more than a period of 5 months, however in case of the delivery period being greater than eight months the L/C will be extendable prior to expiry date to cover the full period delivery time.

d) Shipping Marks

Shipping marks to be mentioned on shipping documents as follows: Samawah Cement Public Company, Samawah Works, Order No.

a) If the Tenderer fail to deliver the material in accordance with the conditions, The Samawah Cement Public Company shall cash the bank guarantee submitted by the Tenderer.

AUGUST 11, 1975.

Hon. ROGERS MORTON,
Secretary, Department of Commerce,
Washington, D.C.

DEAR SIR: This letter is to protest the cooperation and assistance of your Department in the Arab boycott operations against the State of Israel.

Enclosed is a xerox of a nationally disseminated letter from the Department's Office of Business Research and Analysis to which the Department attached a June 1973 communication from Iraq. You will note that the Iraqi communication is a tender to purchase 3,550 pre-cast (prefabricated) buildings, the terms and conditions of which include a boycott provision against Israel. Paragraph No. 13 reads as follows:

"Country of Origin: The tenderer should not incorporate (sic) this tender any material that has been manufactured in Israel or *by companies boycotted officially by Iraqi Government.*" (Emphasis ours)

When the matter came to our attention, we telephoned the Commerce Department desk which circulated this national mailing. Mr. Charles Pitcher, the writer of the circular letter, advised us that it is routine practice to disseminate such tenders as they arrive from foreign lands. In some cases, we were told, the Commerce Department "writes them up"; in other cases, the distribution is arranged by computer. We were informed, too, that these tenders are received by Commerce from the U.S. State Department. The letter itself states that Commerce received the tender from a "U.S. Foreign Service Post".

With the foregoing in hand, we assigned one of our representatives to visit your Department of Domestic and International Business-Trade Operation Office, and examine tenders that have been distributed by it from about June 1974 to the present. Our search only spot-checked tenders from Iraq, Saudi Arabia, Libya, Syria, Qatar, Egypt, Lebanon, Jordan and The United Arab Emirates. We found at least one other instance in which your Department distributed a tender containing Arab boycott provisions. In the Department's Iraqi folder, there is a bid received March 4, 1975 inviting tenders for a supply of industrial locomotives for the Samawah Cement Public Company, P.O. Box 5, Samawah, Iraq. Attached to the standard telegraphed form from the Trade Opportunities Officer, is a listing of "General Terms and Conditions." It states in Section 13: (titled Certificate of Origin)

"Tenderer must submit certificate of origin specifying that the goods are not of Israeli origin, not the company having a branch in Israel, and that they will not be shipped on Israeli or blacklisted vessels. This certificate must be legalized by the Iraqi or any Arab consulate or representative and in the case of their non-existence, legalization by Chamber of Commerce or Industry in the Country of Origin or port of shipment will suffice."

In addition to this latter instance, our search at the Department turned up other questionable informational requirements in tenders circulated by Commerce; questionable, because if complied with, these provisions would enable the Arab country to take the next step of rejecting bids that violate their boycott rules. For example:

1. Egypt: bidders must submit offers through Egyptian commercial companies or through an Egyptian agent (which may limit freedom of trade by having to go through such contacts).

2. Qatar: in a bid for tenders received September 24, 1974 re Communication Pipes, "Tenders should include product's country of origin and name of producers . . ."

3. Libya: bid for tenders received August 16, 1974, requires bidding through Libyan agent. Further, this bid request for x-ray diagnostic units for eight Libyan hospitals states "Restricted Tender Board can reject any tender without explanation."

Because your Department advised us, as indicated above, that the tenders it disseminates are received from the U.S. State Department, we communicated with that office. There, we talked by telephone with Nicholas Lakas, the Director of the Office of Commercial Affairs, who promised to look into the matter. Because the subject is so important, we are writing to you, copy to the U.S. Secretary of State, pending the results of his inquiry.

It is ironic that your Department distributes warnings to American companies to remind them that the provisions of the Export Administration Act require a report to the Department of any request for boycott compliance—while your Department itself is disseminating proposed purchases which include such requests for Arab boycott. We wonder how many companies receiving these mailings have reported, as required under the Act, that the Commerce Department itself is guilty of violating the publicly announced policy of our government.

We ask that the Commerce Department comply with American public policy as set forth in the Export Administration Act, which opposes submission to boycott demands of friendly countries by other foreign powers.

Very truly yours,
SEYMOUR GRAUBARD,
National Chairman.

SAMAWAH CEMENT PUBLIC CO.
Samawah, Iraq.

TENDER NO. 4/SW/75 FOR SUPPLY OF 2 NO. LOCOMOTIVE

Specification

6 Cylinder 4 stock Diesel Engine Water Cooling.

130–150 HP Max 1500 R.P.M.

Max Speed 40 KM/Hr. Power transmission.

3 change speed, propeler shaft drive.

1 meter gauge

Air Brake & Hand Brake

24 Volt.

U.S. DEPARTMENT OF COMMERCE,
DOMESTIC AND INTERNATIONAL
BUSINESS ADMINISTRATION,
Washington, D.C.

GENTLEMEN: The following trade opportunities have been submitted to the Department of Commerce by U.S. Foreign Service Posts overseas.

If you are interested in any of these opportunities, please contact directly the person listed on the enclosed telegrams.

Sincerely,
CHARLES B. PITCHER,
Construction and Building Materials Program, Office of Business Research and Analysis.

MINISTRY OF INDUSTRY AND METALS, STATE ORGANIZATION FOR ENGINEERING INDUSTRIES, HOUSING SCHEMES COMMITTEE

TENDER NO. 6/75: 3550 PRECAST HOUSES

General terms and conditions

1. Offers should be based on C&F site or Baghdad taking into consideration that insurance to be effected locally at the supplier's cost.

2. Full specifications, type and make of the material offered should be given as well as country of origin.

3. Materials supplied by the tenderer should comply with the agreed upon specifications and conditions as in concluded contract.

4. Offers in three copies to be submitted in sealed envelope and addressed to State Organization for Engineering Industries with the name and number of the tender written clearly on the envelope.

5. Offers should be submitted to above latests 12.00 hours of the closing date of the tender and any offer received after that date will be neglected.

6. If tenders sent by post, they should be registered but the tenderer must make sure that offers are delivered to the said office within the limited time.

7. The tenderer must submit a preliminary deposit with the tender as a security of his financial standing and as a guarantee to perform his obligations under the contract conditions in a form of bank guarantee issued by ——— Bank, amount of which should not be less than 5% of the total value of the tender and it should be valid for two months after the closing date.

8. In case of the successful tenderer, the bank guarantee will be retained until the tender has been definitely accepted. Thereafter deposits shall be returned to the unsuccessful tenderers.

9. After the reward of the tender to the successful tenderer, the above bank guarantee will be released and replaced by a performance Bank Guarantee amounting to 5% of the contract tender for a period ending with one month after the Final Acceptance Certificate date.

10. The contractor will be responsible of the maintenance of the houses and all other utilities for one calendar year effective the date of the Final Acceptance Certificate and for that purpose a bank guarantee of 5% of the contract value should be submitted from that date until the end of the maintenance period.

11. Payment: Payment shall be effected by establishing a letter of credit in the name of the supplier to the value of 100% of the total tender value payable in installments related with the progress of the shipping and erection progress.

12. Penalty: If the tenderer fails to deliver the material in accordance with conditions agreed upon the SOEI shall cash the Bank Guarantee submitted by him and shall deduct the amount that shall be calculated on the basis of damage caused to this Organization as a result of unsatisfactory quality.

13. Country of Origin: The tenderer should not incorporate this tender any material that has been manufactured in Israel or by companies boycotted officially by Iraqi Government.

14. Validity: Offers should be firm and valid for 60 days after the closing date of the tender.

15. If the tenderer withdraws his tender before the expiry date of 60 days period, his provisional deposit will be forfeited to SOEI.

16. The SOEI does not bind itself to accept the lowest offers or any other offer and without being liable to assign any reason thereof.

Technical specifications

1. Scope of the tender: 3550 houses precast concrete to be established in the following areas:

1300 houses in Baghdad located as follows:
700 houses in Waziriyah.
500 houses in Abu Ghraib.
100 houses in Al-Taji.
1000 houses in Iskandariyah.
400 houses in Diyala.
100 houses in Kut.
150 houses in Nassiriyah.
600 houses in Basrah.

2. Precasted concrete buildings are preferred to precasted concrete houses.

3. In case of buildings, they will be of three floors only with 36–48 apartments in each building.

4. Individual houses to be of about 80 square meters each with a garden of 70 square meters, suitable for five persons to live in and consists of: 2 bedrooms, 1 living room, 1 hall, 1 kitchen, 1 bathroom with shower, and 1 W.C. oriental type to be separated from the bathroom.

5. In case of individual houses, the roof will be level to enable inhabitants to use it as a sleeping place in summer nights and there should be inside staircase for this purpose.

6. Each house in Basrah area should be equipped with airconditioning unit and in case of buildings, the building should be centrally airconditioned. As for house/buildings in other areas, they should be equipped with ducting system for desert coolers.

7. Each house should be equipped with oil heater for hot water.

8. All rooms should be equipped with electrical points for ceiling fans.

9. Offers should include all utilities for housing schemes in each group of houses, i.e. primary school, market, social center, medical centre, etc.

10. Any other suitable alternative will be taken into consideration.

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., August 22, 1975.

Mr. SEYMOUR GRAUBARD,
National Chairman,
Anti-Defamation League of B'nai B'rith,
Washington, D.C.

DEAR MR. GRAUBARD: This is in response to your letter of August 11, 1975, to Secretary Morton in which you advise that it has come to your attention that this Department recently disseminated to interested American firms a bid tender for the purchase of precast buildings by the Government of Iraq which contained a provision excluding the use of materials of Israeli origin or materials manufactured by firms boycotted by the Government of Iraq.

We were quite disturbed to learn that, contrary to longstanding Departmental policy, copies of this tender and other trade opportunity documents were disseminated without attaching thereto a statement of United States policy opposing such restrictive trade practices and requesting the American firms concerned not to comply with them. Secretary Morton appreciates your bringing this matter to his personal attention. In order to avoid this occurring again, we have instructed appropriate officials in the Domestic and International Business Administration that henceforth a statement should be stamped on any documents containing such restrictive trade clauses which are disseminated by this Department. Such statement will direct the reader's attention to the particular restrictive clause and advise him of U.S. policy in opposition thereto.

Although the issue of discrimination because of race, color, religion, sex or national origin does not arise in the case you have cited and, in fact, very seldom arises in connection with an Arab boycott request, I want to assure you that tenders and other trade opportunity documents which would have the effect of discriminating against certain U.S. citizens on such grounds will not be, and to our knowledge have not been, disseminated by the Department of Commerce.

This Administration is fundamentally opposed to the premises upon which the Arab boycott is based and the Department of Commerce has made every effort to acquaint the business community with the declaration of United States policy currently contained in Section 3(5) of the Export Administration Act. The Department form on which exporters report receiving Arab boycott requests includes a statement of that policy, prominently displayed at the top of the form. Reprints of this form and of the pertinent provisions of the Export Administration Regulations were recently mailed to approximately 30,500 U.S. firms which are listed in the American International Traders' Index. A copy of this document is enclosed for your information. In addition, the Department has issued several press releases over the past few months concerning our policy toward the Arab boycott and actions taken to enforce our reporting requirements.

We do not believe that any useful purpose would be served if the Department of Commerce refused to disseminate bid invitations subject to restrictive clauses, thereby denying U.S. firms prompt access to business opportunities in the Arab markets which they are lawfully permitted to pursue. Our firms might to some extent compensate for loss of this source of information by attempting to obtain the opportunities directly from Arab sources or through private trade channels. Forcing them to do so, however, would put them at a competitive disadvantage with foreign competitors having prompt access to such opportunities through their own governments. The approach which we have chosen to use in handling these trade opportunity documents affords us the means of reminding American firms of the U.S. policy of opposition to such restrictive trade practices, before such firms have decided in the exercise of their business judgment, whether or not to comply with the particular Arab boycott request.

In conclusion, a refusal by the Department to disseminate such opportunities could have an adverse impact on our balance-of-trade, and increase unemployment in the United States without having any impact on the worldwide application by the Arab countries of their boycott against firms engaging in extensive commercial relations with the State of Israel. We firmly believe that the only means of ending this boycott rests in the successful settlement of the Middle East conflict and the issues underlying it. It am sure that you share our hope that such a settlement will be achieved in the very near future.

Sincerely,

ROBERT C. SHAW,
For Charles W. Hostler, Deputy Assistant Secretary for International Commerce.

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C.

BOYCOTTS OR OTHER RESTRICTIVE TRADE PRACTICES IMPOSED BY FOREIGN COUNTRIES

NOTICE TO EXPORTERS

There is reason to believe that a number of firms, perhaps through lack of knowledge or misunderstanding, may not be complying with the Department of Commerce regulations regarding the reporting of requests for information or action in support of certain foreign restrictive trade practices or boycotts.

The Department's regulations are reprinted in this pamphlet. I urge that you review the provisions of this regulation. If you receive any such requests that are reportable, you are required by law to report them. Failure to report subjects you to the penalties prescribed in Section (6) of the Export Administration Act of 1969, as amended.

RAUER H. MEYER,
Director, Office of Export Administration.

[Reprinted from Export Administration Regulations, June 1, 1974]

§ 369.1: GENERAL POLICY

It is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against any country not included in Country Group S, W, Y, or Z.[1] All exporters engaged in the export from the United States of articles, materials, supplies, or information, including technical data (whether directly or through distributors, dealers, or agents), are encouraged and requested to refuse to take (but are not legally prohibited from taking) any action, including the furnishing of information or the signing of agreements, that has the effect of furthering or supporting such restrictive trade practices or boycotts.

§ 369.2: REPORTING REQUIREMENT

(a) Scope

In order to implement the policy set forth in §369.1 above, a reporting requirement is established. The provisions of this § 369.2 apply to any U.S. exporter who receives a request for an action, including the furnishing of information or the signing of agreements, that has the effect of furthering or supporting a restrictive trade practice or boycott fostered by any foreign country against any country not included in Country Group S, W, Y, or Z. (See § 369.3 for examples of restrictive trade practices or boycotts.) Where such request is received by any other person handling any phase of the transaction for the exporter, that person (forwarding agent, etc.) is responsible for informing the exporter of the request so that the latter may report it.

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[1] Country Groups appear on page 3.

(*b*) *Report from U.S. exporter*[2]

Any U.S. exporter who receives a request, or is informed of a request, relating to a restrictive trade practice or boycott, as described in paragraph (a) above, shall report the request to the Office of Export Administration (Room 1617M), U.S. Department of Commerce, Washington, D.C. 20230. The exporter's report may be submitted in accordance with the procedure set forth in either paragraph (1) or (2) below. (The information contained in these reports is subject to the provisions of Section 7(c) of the Export Administration Act regarding confidentiality of information.)

(1) Single transaction report. If the report covers only a single transaction it shall be submitted to the Office of Export Administration within fifteen business days from the date the exporter receives the request. This report shall be made on U.S. Exporter's Report of Request Received for Information, Certification, or Other Action Indicating a Restrictive Trade Practice or Boycott Against a Foreign Country, Form DIB–621 or IA–1014[3] (see back page for facsimile of form). If the request is for information and is received in the form of a questionnaire, a copy of this questionnaire shall accompany the report. Copies of requests received in other forms need not be submitted with the report, but appropriate quotations from the request shall be included in the report. Whenever an exporter receives more than one request for action with reference to the same export transaction, only the first request need be reported.

(2) Multiple transactions report. Instead of submitting a report for each transaction regarding which a request is received, the exporter may submit a report covering all transactions regarding which requests are received from persons or firms in a single country during a single calendar quarter. This report shall be made by letter to the Office of Export Administration no later than the fifteenth day of the first month following the calendar quarter covered by the report. If the exporter has received requests from persons or firms of more than one foreign country, a separate report shall be submitted for each country. Each letter shall include the following information:

(i) Name and address of U.S. exporter submitting report;

(ii) Calendar quarter covered by report;

(iii) Name of country(ies) against which the request is directed;

(iv) Country of requester;

(v) Number of transactions to which restrictions were applicable;

(vi) Type(s) of request(s) received. (If questionnaire, attach copy. If other than questionnaire, give the type of document or other form of request and the specific information or action requested.);

(vii) General description of the types of commodities or technical data covered and the total dollar value thereof; and

(viii) Whether or not the U.S. exporter intends to comply with the request(s). (Submission of the information required by this § 369.2(b)(2)(viii) would be helpful to the U.S. Government but is not mandatory.)

§ 369.3 EXAMPLES OF REQUESTS RELATED TO RESTRICTIVE TRADE PRACTICES OR BOYCOTTS

A request which promotes or upholds a restrictive trade practice or boycott may be received by U.S. exporters in the form of general questionnaires to be answered, specific statements or certifications to be supplied in particular transactions, or other types of requests for action. Shown below are examples of requests that could indicate the furthering or supporting of restrictive trade practices or boycotts. This is not to be interpreted as being a comprehensive list.

(a) A request for information as to whether the U.S. exporter or any subsidiary or affiliate of the U.S. exporter has, or intends to have, any stockholders, owners, employees, or officers who are nationals of a boycotted country.

(b) A request for information as to whether the U.S. exporter or any subsidiary or affiliate of the U.S. exporter has, or intends to have, any stockholders, owners, employees, or officers who are members of a religious organization or of a race, creed or color generally associated with a boycotted country.

(c) A request for information as to whether the U.S. exporter or any subsidiary or affiliate of the U.S. exporter has, or intends to have, any business relationship with a boycotted country or a national of a boycotted country. These business relationships include, but are not limited to, trade in commodities or technical know-how, licensing arrangements, advertising or promotion of sale of goods originating in a boycotted country, or use of such goods as components in a manufacturing process.

(d) A request for information as to whether the U.S. exporter or any subsidiary or affiliate of the U.S. exporter does any business, or intends to do any business, with any firm that has a business relationship with a boycotted country or a national of a boycotted country.

(e) A request for information as to whether the U.S. exporter or any subsidiary or affiliate of the U.S. exporter has any investments, including branches, subsidiaries, affiliates, or holdings, or any commercial or legal representation in a boycotted country, or a business firm located in, or doing business in, a boycotted country.

(f) A restriction prohibiting the U.S. exporter or any subsidiary or affiliate of the U.S. exporter from using shipping or transportation facilities that are "blacklisted" by the importing country. (However, a request or restriction solely precluding the export of commodities to the importing country on (1) shipping or transportation facilities owned, controlled, operated, or chartered by a country or a national of a country friendly to the United States but not friendly to the importing country, or (2) a carrier that stops at a port in a country friendly to the United States but not friendly to the importing country prior to stopping at the port of unlading, is not deemed a restrictive practice within the meaning of Section 2(4) of the Export Administration Act, but rather a precautionary measure to avoid any risk of confiscation of the commodities. Accordingly, these two types of shipping restrictions are exempted from the reporting requirement of this section.)

§ 369.4 EFFECT OF OTHER PROVISIONS

Insofar as consistent with the provisions of this Part, all of the provisions of the Export Administration Regulations, including Parts 387 and 388, apply equally to the reporting requirement set forth in § 369.2 above. Attention is called particularly to the provisions of § 387.11 under which pertinent records must be kept and made available for inspection for a two-year period.

For export control purposes all foreign destinations (excluding Canada) are divided into seven country groups:

Group S—Southern Rhodesia.

Group T—All countries of the Western Hemisphere (excluding Canada and Cuba).

Group V—All countries not elsewhere listed (excluding Canada).

Group Q—Romania.

Group W—Poland.

Group Y—Albania, Bulgaria, Czechoslovakia, East Germany (German Democratic Republic and Soviet section of Berlin), Estonia, Hungary, Latvia, Lithuania, Outer Mongolia, the People's Republic of China, and the U.S.S.R.

Group Z—North Korea, Communist-controlled areas of Vietnam, and Cuba.

[Form DIB–621, (Rev. 4–73), U.S. Department of Commerce, Domestic and International Business Administration, Bureau of East-West Trade, Office of Export Control, Washington, D.C.]

U.S. EXPORTER'S REPORT OF REQUEST RECEIVED FOR INFORMATION, CERTIFICATION, OR OTHER ACTION INDICATING A RESTRICTIVE TRADE PRACTICE OR BOYCOTT AGAINST A FOREIGN COUNTRY

A. Important. It is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States. All U.S. exporters of articles, materials, supplies or information are encouraged and requested to refuse to take, but are not legally prohibited from taking any action, including the furnishing of information or the signing of agreements, that has the effect of furthering or supporting such restrictive trade practices or boycotts.

Accordingly, I encourage and request individuals and firms receiving such requests to refuse to comply with them.

Secretary of Commerce.

B. Instructions: This form must be completed by a U.S. exporter whenever he is requested to take any action, including the furnishing of information or the signing of an agreement, which is designed to support a restrictive trade practice or boycott fostered or imposed by a foreign country against any other country not included in Country Group S, W, Y, or Z. (Country Groups are listed in Supplement No. I to Part 370 of the U.S. Department of Commerce Export Control Regulations.) Submission of this form is mandatory (50 USC App. 2403(b). Failure to comply subjects the U.S. exporter to the penalties prescribed in Section (6) of the Export Administration Act of 1969, as amended. It must be submitted to the U.S. Department of Commerce, Domestic and International Business Administration, Bureau of East-West Trade, Office of Export Control, Washington, D.C. 20230, within fifteen business days from the date of receipt of such a request. Whenever a person receives more than one request for action with reference to the same transaction, only the first request need be reported to the Office of Export Control (See Part 369 of the Export Control Regulations).

C. Confidential. Information furnished herewith is deemed confidential and will not be published or disclosed except as specified in Section 7(c) of the Export Administration Act of 1969 (50 USC App. 2406(c)).

1. Name and Address of U.S. Exporter submitting this report:
Name:
Address:
City, State, and Zip Code:
2. Exporter's Reference No. (if any):
3. Name of Country/ies against which the request is directed:
4. Date request was received by me/us:
5. I/We received this request from:
Name:
Address:
City and Country:
6. Specify type of request received. (If any Item in 6b is checked, complete Item 7)
a. Questionnaire (*Attach copy*)—
b. Other type of request for information or action contained in:
Trade Opportunity; Bid Specification; Purchase Order; Certificate of Origin; Certificate of Manufacture; Letter of Credit; Consular Invoice; Other (*Specify*).
7. If Item 6b above is checked, give the

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[2] See § 370.2 for definition of U.S. Exporter.

[3] Copies of Form DIB–621 may be obtained at all U.S. Department of Commerce District Offices and from the Office of Export Administration (Room 1617M), U.S. Department of Commerce, Washington, D.C. 20230.

specific information or action requested. (Use direct quotations from the request.)

8. If the request relates to a specific transaction, describe the commodities or technical data involved. (The description of the commodity or technical data may conform to the description on the order or to usual commercial terminology, and may but need not be in terms of the Commodity Control List or Schedule B.)

Quantity; Description; Value.

9. Additional Remarks:

10. Action: (Completion of the information in this Item would be helpful to the U.S Government but is not mandatory.)

a. I/We have not complied and will not comply with the request for information or action described above.

b. I/We have complied with, or will comply with, the request for information or action described above.

c. I/We have not decided whether I/we shall comply with the request for information or action described above and I/we will inform the Office of Export Control of my/our decision.

11. I certify that all statements and information contained in this report are true and correct to the best of my knowledge and belief.

(Signature of Person Completing Report.)

(Name and Title of Person whose Signature Appears on the Line to the Left.)

EXHIBIT E

AUGUST 11, 1975.

Memorandum for: Richard E. Hull, Assistant General Counsel/DIBA.

From: Peter B. Hale, Director, Commerce Action Group for the Near East/CAGNE.

Subject: Department Policy on Dissemination of Trade Opportunities Containing References to Arab Boycott Requirements.

A question has arisen as to the appropriateness (and legality) of the U.S. Government disseminating to U.S. firms bid invitations from Arab countries which contain references to the Arab boycott of Israel.

The issue of Commerce dissemination of trade opportunities and bid specifications containing boycott references considerably pre-dates passage of the anti-boycott amendment to the Export Control Act in 1965. In 1961, Commerce and State arrived at a common position on the issue, but State's Congressional Relations people killed it before it went into effect out of concern that it might endanger passage of the trade bill. The key elements of that position were:

1. Posts would continue to forward to Commerce trade opportunities or bid invitations containing boycott references, but the boycott reference would be specifically flagged in the transmission.

2. Commerce would publish such opportunities in International Commerce, but with no reference at this point to the boycott requirement. It was not deemed proper to deny U.S. exporters access to trade opportunities merely because they had such a clause.

When U.S. firms asked for bid specifications or other information as the result of publication of the opportunity, Commerce would supply the complete information, including the boycott reference. Again, the rationale was that we would not properly serve the interests of U.S. business by denying it the complete conditions of the bid invitation.

3. Posts would be instructed to return to the originator any invitation containing any wording implying racial or religious discrimination with the message that such invitations would not be accepted by the post and would not be publicized by the Department of Commerce.

The issue was raised again in January, 1964. Commerce proposed the same procedure, but also proposed to attach a brief statement of U.S. policy on the boycott to each set of specifications having boycott clauses sent to U.S. firms. State at that time was opposed to attaching the statement.

Apparently the issue was finally resolved shortly after passage of the anti-boycott amendment in 1965. Letters from the Director, Near East-South Asia Division, to Cairo and Beirut in December 1965 stated the above procedure as being in effect (but without the requirement that Embassies flag boycott clauses). Also in that time frame a statement of U.S. policy was developed and printed to accompany specifications sent to requesters. We do not know how long the statement remained in use but apparently it fell by the wayside somewhere. We have checked with BDC and MEPD, which forwarded specifications on bid opportunities, and they have no recent memory of such a statement being used. The same applies for CAGNE. This is probably not an issue where the TOPS Program is concerned, since the telegraphic trade opportunity format would not contain boycott references and since TOPS sends bid specifications to BDC or MEPD handling.

The issue is with us again, it appears. The Economic Minister of the Israeli Embassy, Ze'ev Sher, raised it at a meeting on August 7 with Deputy Assistant Secretary of State for NEA Sidney Sober. Sher presented Sober with a copy of a set of specifications for an Iraqi housing project containing a boycott clause which had been sent to a U.S. firm. From the brief description we got, we are reasonably certain that the specifications were provided by CAGNE. We do not feel any vulnerability about this, since it is in accord with past policy and is a reasonable response to the legitimate needs of the business community. Nevertheless, Sher made an issue of whether it was appropriate for a U.S. Government agency to be disseminating boycott information.

Perhaps it would be useful to have another review within the Department, and then with State, and a restatement of policy on the handling of trade opportunities from Arab countries containing boycott clauses. There are essentially two issues in such a review:

1. Is the policy of making nonreference to boycott requirements in the initial dissemination of the trade opportunity, but providing the full details to a firm requesting specifications, an appropriate one? GAGNE believes that it is, since there is no U.S. legal prohibition on a firm complying with boycott requests.

2. Should we review the practice of attaching a statement of U.S. boycott policy when specifications containing boycott references are made available to firms requesting them? CAGNE believes that from a policy standpoint, such a statement might be a useful device for helping to define the current situation.

In advising State on August 11 that we were continuing with the policy in effect since 1965 pending a possible policy review and restatement, I learned that State is rather seriously disturbed by the implications of the U.S. Government disseminating any document containing boycott requests in view of the consideration being given in Congress to more restrictive legislation against the boycott. At least the regional affairs people in NEA appear to be developing the conclusion that such action is inconsistent with the U.S. policy of opposition. It seems likely that State may press for some change in our practice (e.g., the deletion of the boycott clause from specifications given to business firm) as a further effort to head off damaging legislation.

The above suggests that early attention to the issue is desirable. I believe that it would be appropriate to convene the Department's boycott Task Force to develop a Departmental position and try to get an agreement with State in the event that the issue should come up in the context of the general review of policy options now going on in the White House.

EXHIBIT F

ANTI-DEFAMATION LEAGUE
OF B'NAI B'RITH,
New York, N.Y., June 9, 1975.

Re: Freedom of Information Request.

DEPARTMENT OF COMMERCE,
Freedom of Information, Central Reference and Records Inspection Facility, Department of Commerce Building, 14th Street between Constitution Avenue and E Street, NW., Washington, D.C.

GENTLEMEN: Pursuant to the Freedom of Information Act, 5 USC Sec. 552, we hereby request that you make available to us undeleted copies of the documents filed with the Bureau of International Commerce, Office of Export Control, within the past 24 month period, June 1, 1973 through June 1, 1975, as follows:

All reports of "Requests received for information, certification, or other actions indicating a restrictive trade practice or boycott against a foreign country." (U.S. Exporter's Reports on Form Ia-1014).

We look forward to an early reply.

Sincerely,

ARNOLD FORSTER.

EXHIBIT G

[From the U.S. Department of Commerce News, Washington, D.C.]

COMMERCE CHARGES FIVE EXPORTERS FAIL TO REPORT ARAB REQUEST TO BOYCOTT ISRAEL

Five U.S. exporters have been charged with violating the Export Administration Act of 1969 for failing to report requests to participate in the Arab boycott of Israel, the U.S. Department of Commerce announced today. The companies charged were previously warned of a similar violation in 1968–1969. Under Export Administration Regulations issued pursuant to the Act, they have thirty days in which to contest the charges or agree to the imposition of a sanction.

The Department also announced that as of today, 44 U.S. exporters have been warned that they are violating a mandatory provision of the Act either through inadvertence or through unfamiliarity with the reporting requirement, and will face charges if the violation recurs.

Both charges and the recent warnings result from Commerce Department investigations of allegations made earlier this year that many U.S. firms were not reporting requests to participate in the Arab boycott.

Under the regulations, U.S. exporters are required to report to the Commerce Department any requests for participation in international boycotts or other restrictive trade practices. The regulations provide that the responsibility to report is that of the exporter. However, individuals and organizations handling any phase of an export transaction, including freight forwarders, shipping companies and banks, also share responsibility for communicating such information to the exporter, whose report is then submitted to the Department of Commerce.

EXHIBIT H

ANTI-DEFAMATION LEAGUE OF
B'NAI B'RITH,
Washington, D.C., May 27, 1975.

MR. TILTON H. DOBBIN,
Assistant Secretary for Domestic and International Business, Department of Commerce, Washington, D.C.

DEAR MR. DOBBIN: Pursuant to the Freedom of Information Act, 5 U.S.C. Sec. 552, we hereby request that you make available to us the charging letters addressed to the five U.S. exporters who according to the Department's news release of May 21, 1975, G 75–76, have been charged with violating the Export Administration Act of 1969 for failing to report requests to participate in the Arab boycott of Israel. In the alternative, we request that you furnish us with the names of the exporters so charged.

The same news release also reports that the Department has warned 44 U.S. exporters that they are violating the law either through inadvertence or unfamiliarity with its reporting requirement by failing to report the receipt of such boycott requests. We hereby also request pursuant to the Freedom of Information Act that you make available to us these warning letters or in the alternative that you furnish us with the names of the exporters so warned.

We look forward to an early reply.

Sincerely,

DAVID A. BRODY.

[From the New York Times, Sept. 11, 1975]

SUIT CHARGES UNITED STATES AIDS ARAB BOYCOTT—ANTI-DEFAMATION GROUP SAYS BIASED BUSINESS OFFERS HAVE BEEN CIRCULATED

(By Terry Robards)

The Anti-Defamation League of B'nai B'rith filed suit in Federal Court here yesterday charging Rogers C. B. Morton, the Secretary of Commerce, with aiding Arab countries in their boycott of business interests that are directed or owned by Jews or that support Israel.

The suit alleges that the Department of Commerce has been circulating offers for Arab business opportunities to American companies that contain restrictive provisions against persons or companies supporting Israel.

The suit also alleges that the Commerce Department, under Secretary Morton's direction, has refused to divulge the names of American companies that may have cooperated in the Arab boycott.

RECORDS ARE SOUGHT

The suit demands injunctions preventing the Commerce Department from distributing Arab business offers containing the boycott provisions. It also asks that Secretary Morton be directed to divulge all records involving American concerns that may be implicated in the Arab boycott.

A spokesman for Mr. Morton, reached in Washington, denied any wrongdoing and said: "We think we are being very active and aggressive in disseminating the United States policy on the Arab boycott issue." He added that the information requested by the Anti-Defamation League was required by law to be kept confidential.

In announcing, the lawsuit, Benjamin R. Epstein, the league's national director, noted that last February President Ford had described the Arab boycott as "repugnant" and contrary to American ideals. But Mr. Epstein suggested that the Commerce Department belied the President's statement.

Arnold Forster, the league's general counsel, charged at a news conference here that the Commerce Department was "aiding and abetting the effectiveness of the Arab boycott operation" by hiding the identity of the American companies that had been complying with the boycott.

The lawsuit noted that the Arab League had carried on a worldwide economic, military and political campaign against Israel since before the country was established in 1948. The existence of the boycott is not an issue in the suit and is acknowledged by both Arabs and Israelis, as well as others.

A so-called "blacklist" of individuals and companies barred from doing business with or in Arab countries has been drawn up. The list is believed to include investment banking concerns owned or controlled by Jews in France, England and the United States.

Controversy erupted last winter when it was disclosed that certain banking houses that were directed or owned by had been excluded from financings arranged with Arab funds in Europe. Certain investment companies were said to have cooperated with Arab leaders in blacklisting the banking houses.

AN ACTION BY LEFKOWITZ

In a related development yesterday, Louis J. Lefkowitz, New York State Attorney General, released the recommendations from a report on economic pressures by Arab financial sources. The report recommended continuing surveillance of dealings with Middle Eastern interests and called for the possible regulation of such dealings either at the state level or by the Securities and Exchange Commission.

The attorney general had ordered an inquiry last February after receiving public inquiries expressing concern about the dealings of banking houses that might be making secret agreements with the Arab countries.

Although Mr. Lefkowitz declined to release the report itself, he said it urged that recordkeeping be investigated in the area of investment syndications—"especially with reaction to European subsidiaries under control of American securities firms."

The Anti-Defamation League charged in its lawsuit that "the restrictive trade practices and boycott of the Arab League practiced within the United States are so pervasive as to adversely affect thousands of firms and individuals in this country."

The league alleged that reports filed with the Commerce Department indicated that American companies "would comply with Arab boycott requests in over 10,000 individual transactions."

Between 1970 and 1974, the suit asserted, more than 46,000 business transactions were reported in which requests had been received for some form of anti-Jewish or anti-Israel economic activity. In 36,000 of these cases, the suit held, no information was available concerning compliance with the boycott requests.

A spokesman for the Commerce Department explained that the department routinely receives requests for bids or "tenders" from foreign governments and companies to be passed on to American companies that have expressed an interest in the type of work involved.

At the heart of the league's suit is the contention that such offers of business opportunities should not be disseminated by the Commerce Department if they contain any such restrictive provisions.

The suit notes that the Commerce Department has stated its opposition to the Arab boycott and has adopted the practice of stamping all tender documents from Arab League countries with a statement calling attention to any restrictive clauses and advising recipients of the United States policy.

But the suit contends that merely notifying recipients is not sufficient and that the Commerce Department should not disseminate any requests for bids if they contain such restrictive provisions.

MORTON CALLED TO TESTIFY ON U.S. SUPPORT OF ILLEGAL BOYCOTTS

(By William H. Jones)

Last June, the Department of Commerce's office of business research and analysis distributed throughout the American business community a communication from the government of Iraq, detailing intentions to buy 3,550 pre-cast (pre-fabricated) buildings and seeking bids on the project.

"The following trade opportunities have been submitted to the Department of Commerce by U.S. Foreign Service posts overseas," said government official Charles B. Pitcher, in advising the U.S. firms of the Iraq project.

But paragraph 13 of the Iraq proposal, outlining various terms and conditions of any final agreement, read as follows:

"Country of Origin: The tenderer shall not incorporate (in) this tender any material that has been manufactured in Israel or by companies boycotted officially by Iraqi government."

That requirement—which would force a U.S. firm to support an economic boycott of Israel—is a direct violation of official government policy and laws and yet one department of the federal bureaucracy was disseminating such a proposal. Moreover, Commerce was only forwarding to the business community what it had received from another branch of government—the State Department.

Paragraph 13 subsequently has become something of a cause celebre and Secretary of Commerce Rogers C. B. Morton has been summoned to testify before a House subcommittee this morning to answer questions about the extent of U.S. sanction for illegal boycotts. Commerce and State department officials also have begun a review of their policies.

At issue is far more than one proposed business contract, according to Congressional investigators and spokemen for such Jewish groups as the Anti-Defamation League of B'nai B'rith, which recently filed a suit in U.S. District Court, New York, charging that Morton is violating the law in distributing boycott information and in not making public information on what firms have signed business contracts that enforce the Arab League's Israeli boycott.

According to Seymour Graubard, national chairman of B'nai B'rith, an examination of Commerce Department distributions since June 1974 turned up at least one other instance where a proposal contained Arab boycott provisions—a communication from Iraq last March, regarding industrial locomotives, and specifying:

"Tenderer must submit certificate of origin . . . that the goods are not of Israeli origin, not the company having a branch in Israel, and that they will not be shipped on Israeli or blacklisted (by the Arab League) vessels . . ."

In addition, the B'nai B'rith researchers found instances where contracts for Egypt, Qatar and Libya had requirements that could permit rejection on the grounds of violating boycott rules.

"It is ironic that your department distributes warnings to American companies to remind them that the provisions of the Export Administration Act require a report to the Department of any request for boycott compliance—while your department itself is disseminating proposed purchases which include such requests for Arab boycott," Graubard wrote Morton Aug. 11.

In reply, Deputy Assistant Secretary Charles W. Hostler told Graubard on Aug. 22 that the Iraq offer cited had been improperly distributed without an attached statement of U.S. policy opposing such "restrictive trade practices." In the future, he said, all such proposals would be stamped with a statement of policy.

However, Hostler continued, "We do not believe that any useful purpose would be served if the Department of Commerce refused to disseminate bid invitations subject to restrictive clauses, thereby denying U.S. firms prompt access to business opportunities in the Arab markets which they are lawfully permitted to pursue."

Such a policy, he contended, could have an adverse impact on trade balances and U.S. unemployment, "without having any impact on the worldwide application by the Arab countries of their boycott against firms engaging in extensive commercial relations with the State of Israel."

The only solution, he argued, was a successful Middle East peace settlement.

At the same time, the Commerce Department denied formal requests from the House Oversight and Investigations Subcommittee and B'nai B'rith to make public a list of U.S. companies that have been asked to participate in the Arab boycott of Israel.

B'nai B'rith, in its suit seeking publication of the list as well as an end to Commerce Department cooperation in passing on boycott information, said the Arab League's "restrictive trade practices . . . are so pervasive as to adversely affect thousands of firms and individuals in this country."

According to B'nai B'rith, its sources believe that between 1970 and 1974, American companies filed documents with the government showing they would comply with Arab boycott requests in over 10,000 individual transactions. In addition, there were 46,000 requests for anti-Jewish or anti-Israel activities in the same period, B'nai B'rith charged.

The Commerce Department, in reply, stated that the trade documents must be withheld to protect U.S. firms and avoid adverse publicity to those which give in to Arab boycott demands.

According to staff members of the House subcommittee, chaired by Rep. John E. Moss (D-Calif.), Morton has acted improperly in withholding the trade data from Congress. "No exporter filing reports can claim he was misled into relying upon absolute confidentiality," said a memorandum prepared by senior counsel Michael F. Barrett Jr. In addition, staff members said companies may be engaging in violations of federal laws—including the Federal Trade Commission Act and securities laws, which govern such practices as secondary boycotts and dissemination of information.

The exclusion of any investment group, because of ties of Israeli financing, could have a restrictive impact on capital markets in general and thus deny some Americans of investment opportunities, for example.

As a result, the Moss subcommittee has concluded that Congress—at least—must have complete information on U.S. companies' practices in order to conduct a full investigation of the boycott practice.

At today's hearing, Morton will be pressed by Moss on whether he now will comply with a subcommittee subpoena for the documents. If the Secretary declines, he could be cited for contempt of Congress.

Meantime, according to informed sources here and in New York, B'nai B'rith made available to Assistant Attorney General for Antitrust Thomas Kauper, last July at least a dozen examples of documents that indicate U.S. firms are meeting Arab boycott demands. But it was not known if the Justice Department is investigating the documents—which reportedly involve at least three nationally prominent firms.

Moss learned of the B'nai B'rith documents and wrote a letter to Morton late last week demanding copies of export reports filed by the firms since 1970, as required by law. If the firms did not file, Moss said, Morton should say so, according to a subcommittee staff member.

Although aides to Moss said the letter could not be made public at this time, because the companies involved were cited by name, other sources agreed to spell out some of the apparently illegal practices at issue.

One company, for example, affirmed that it did not "possess any plant, firm or branch in Israel . . . does not participate in any firm or company established in Israel . . . has not any supply manufacturing assembly license or technical assistance contract with any firm, company or person established or resident in Israel."

Another U.S. firm was told by a Saudi Arabian college not to quote prices for any goods manufactured by companies included in the Arab boycott blacklist.

A third firm, described as one of the country's major banks, outlined on its own letterhead details of a money transaction in which there was no affiliation with any firm on the Arab boycott list.

Still another big U.S. corporation, engaged in worldwide activities, told its American suppliers that invoices must certify that the goods were not of Israeli origin or that they were not shipped on boycotted vessels.

The Arab League has been promoting a boycott of Israeli goods since 1945—three years before Israel was established.

Arab boycott regulations apply to all individuals and companies trading with or otherwise supporting Israel, including firms with any facilities in Israel, which grant licenses to Israeli firms, which own shares of Israeli firms, which offer services to Israeli firms, which are members of joint chambers of commerce, or which act as agents for Israeli firms. Also boycotted are companies that decline to answer Arab questionnaires on their relations with Israel.

Since 1965, U.S. policy has opposed such practices, under terms of the Export Administration Act. Under that act, U.S. firms are required to report any instances of receiving requests for boycotts against a foreign country.

[From the Washington Post, Sept. 23, 1975]

MORTON AGAIN REFUSES TO LIST BOYCOTT FIRMS

(By Nancy L. Ross)

Commerce Secretary Rogers C. B. Morton refused again yesterday to comply with a congressional subpoena to turn over the names of U.S. companies supporting the Arab boycott against Israel.

The former Maryland congressman, testifying before a House subcommittee, quoted Attorney General Edward H. Levi as saying he was not obliged to supply proprietary information filed in confidence with his department. Morton offered instead to provide a sanitized version eliminating company names and other identifying details.

Subcommittee Chairman John E. Moss (D-Calif.) exploded: "The chair won't receive such information. The chair will be damned if he is going to sit in a Congress that is spoon-fed by the executive (that) gives it only what it wants." The reference was to the White House's withholding of information during the past three years, including the Watergate scandal.

The confrontation ended in an impasse, with Morton saying he would welcome a court ruling on the issue. Moss, for his part, suggested three courses of action: a congressional contempt citation against the secretary, which he acknowledged would be a lengthy process; an investigation of firms suspected of supporting the boycott, a costly endeavor; or disclosure of documents already in the subcommittee's possession "until it becomes uncomfortable" for the secretary to persist in his refusal.

Staff sources indicated that Moss would decide in about a week what to do. The contested documents, both American and foreign, identify U.S. firms that either were asked or agreed to a boycott. The seven documents were made available last summer to the Justice Department by the Anti-Defamation League of B'nai B'rith. Neither the subcommittee nor the Justice Department was willing to make the names public late yesterday.

The Arab boycott, in effect since 1948, became a major issue early this year when Sen. Frank Church (D-Idaho) released the Arab League's own blacklist containing the names of some 1,500 American firms the Arabs are boycotting.

The Export Administration Act of 1965 does not prohibit American companies from supporting the Arab boycott. It only requires the firms to report boycott requests to the Commerce Department; it does not require them to state whether or not they are observing the boycott.

Morton said yesterday that, to the best of his recollection, fewer than half of the U.S. companies reporting indicated whether or not they were complying with the Arab boycott. To date, he said, his department has not turned over any case to the Justice Department for investigation.

Morton insisted that, while he did not condone boycotting, the question at hand was the confidentiality of information which the government promises business to safeguard. "If I took the law into my own hands and interpreted it in a different way each time an emotional issue came up, we would have chaos in the country," he said.

The secretary's responses seemed to infuriate the chairman and several other subcommittee members who wanted to know if the clear intent of the anti-boycott law was not being violated. They stressed the need for complete information to amend the law if necessary.

Rep. Richard L. Ottinger (D-N.Y.) demanded to know why the Commerce Department circularized foreign governments' trade opportunities containing boycotts. The reply was that opportunities would be missed if Commerce did not send out these offers.

AMBASSADORS OF GOOD WILL: THE U.S. SKI TEAM

Mr. PERCY. Mr. President, skiing is one of the fastest growing sports in America and, I can personally attest, one of the most enjoyable. Few experiences can surpass the thrill of that silent moment when, looking down into the valley far below, one takes a last cold breath and starts the descent. From beginners to experts, millions of Americans have found this natural "high" increasingly irresistible; from Maine to Colorado to Washington people are "thinking snow."

Skiing is not only a top recreation in America but one of the biggest international competitive sports as well. Many nations field government-supported downhill, cross-country and jumping teams which train and compete year-round all over the globe. These exciting contests are not only vastly popular and great fun to watch, but they also help in many subtle ways to enhance international understanding. It is for this reason that I would like to express to the U.S. Ski Association and the U.S. ski team my admiration and appreciation for the fine American teams they have developed, and all they have done at home and abroad for the sport of skiing.

Traditionally, European teams—the French, Austrians, Swiss, and Italians—have dominated the downhill events, while the Scandinavians, and recently the East Germans, have won the honors in the Nordic events—cross-country racing and jumping. In recent years the Japanese have also emerged as top competitors, and graciously hosted the 1972 Winter Olympics at Sapporo.

In the face of this stiff competition, American skiers have done well, consistently placing fifth or sixth in overall worldwide standings over the last decade. This represents quite an accomplishment, especially considering that, unlike their competitors, the U.S. teams have never been Government-subsidized.

But last season, the U.S. ski team outdid itself, winning more major races than it had in the last 10 years combined, and jumping 45 percent in international, FIS-point standings. This quantum leap in performance represents the first dividends on a tremendous investment of time and effort on the part of the U.S. Ski Association and the ski team over the last several years.

Thanks to the generosity of many Americans, the association and the team had the wherewithal to develop a comprehensive imaginative program designed to spot talented youngsters early and help to bring them along. Fine coaching and rigorous competition in training camps around the country help sharpen the skills of selected young athletes; a medical advisory board monitors their training regimen and diet. In all, skiers in the program spend about 10 months out of each year either training or competing.

Last year's opening of the new national training center in Park City, Utah, represents another giant step toward fulfilling the long-term goals of the team. Donated by the Greater Park City Co., the center promises to provide the resources for year-round stateside training the team has been trying for so long to develop. With housing units halfway up the mountain, the center incorporates a new lift, difficult new slalom, giant slalom, and downhill courses, as well as fine cross-country trails and new jumps. This new development could help make the difference for the outstanding young athletes who will represent us at the winter Olympics this February at Innsbruck, Austria.

Of course, even such a comprehensive training program as this can only be as good as its coaching staff; and the ski team has assembled a staff which ranks among the best and most accomplished in the world.

But I do not want to emphasize exclusively the material aspects of the team's accomplishment. The U.S. ski team offers talented and dedicated athletes the opportunity to represent their country abroad, on and off the slopes. These men and women must learn to cope diplomatically with all kinds of sensitive situations, and to accommodate many differing points of view and frames of reference. For them, the phrase "international understanding" is neither platitude nor abstraction, but a goal to pursue with the same determination they devote to shaving seconds from each run down the slope. As unofficial ambassadors of good will for our country abroad, they deserve the generous support individual Americans have afforded them in the past in lieu of the Government subsidy which they do not receive. As honorary cochairman of fund raising efforts for our U.S. ski team, I join together with millions of Americans in wishing them outstanding success in the coming year.

NO TIME FOR SECRECY

Mr. PERCY. Mr. President, secret documents submitted to the Senate Foreign Relations Committee that pertain to U.S. commitments and assurances in the Sinai agreement should be declassified and debated publicly.

These documents have been released to the committee by Secretary of State Henry Kissinger. The documents should be declassified to give Congress and the American people the opportunity to publicly discuss U.S. commitments in the Sinai agreement.

The Sinai agreement calls for spending billions of U.S. dollars in the Mideast for military hardware and economic assistance. In addition, U.S. civilian technicians have been promised to the peacekeeping effort. Surely the American people and their elected officials are entitled to discuss and debate the details of this arrangement. This is no time for secrecy.

The Foreign Relations Committee should hold immediate public hearings on the U.S. commitments and assurances after the material presented to the Foreign Relations Committee has been declassified.

Time is of the essence, however. If the Secretary of State can engage in 18-hour-a-day shuttle diplomacy, the least the Congress can do is engage in an accelerated schedule to make a prompt decision on ratification.

These commitments and assurances should be discussed and scrutinized openly, however, to give Members of Congress and their constituents every opportunity to make comments and pose questions. This is the only proper way to commit the Government to foreign agreements in a free society, particularly agreements so intimately related to the issue of war or peace in the Middle East.

International diplomacy often requires secrecy, but in this case the need for broad support for the American role in the Sinai agreement makes it imperative that all the facts be disclosed and discussed.

The Sinai agreement represents a positive step toward a just and lasting peace in the Middle East. We can be proud of the U.S. contribution to the agreement. But Congress and the American people have a right to know the extent and the expense of this contribution and our commitment.

FTC LAUNCHES INVESTIGATION OF EYEGLASS ADVERTISING RESTRICTIONS

Mr. PERCY. Mr. President, I commend the Federal Trade Commission for its timely response to an acknowledged and important problem. Its investigation, announced yesterday, into State restrictions on the advertising of eyeglass prices, with a view toward quashing those restrictions, should lead to sizable cost savings for the more than 100 million Americans who wear glasses or lenses.

In a time of serious inflation, consumers should not have to pay from 25 to 100 percent more for a product so necessary to their work and enjoyment, simply because of arbitrary restraints at the State level which senselessly deny them the price information they need to make an informed choice.

In response to my statement of a week ago on this subject, urging prompt Federal action to annul these State restrictions, I have received numerous inquiries which raise thoughtful questions about my position. Some of the inquiries raise concerns going to the possibility that the professionalism of the optometric industry might be threatened by allowing price advertising of eyeglasses and lenses.

Accordingly, I have attempted to summarize these arguments and address each in turn. I ask unanimous consent that those arguments, and my responses, be printed in the RECORD. I also ask to have included a letter that I have received from the editor of the prestigious American Journal of Opthamology, Frank W. Newell, M.D., who very succinctly and candidly comments on the benefits to the consuming public at large which can be expected to accrue as a result of the elimination of these arbitrary state restrictions.

And finally, I ask to have appended to my remarks a survey conducted by the staff of the Federal Trade Commission, which identifies State by State the current restrictions on eyeglass price advertising.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESPONSES TO ARGUMENTS LEVELED AGAINST ALLOWING EYEGLASS PRICE ADVERTISING

THIS IS A STATE MATTER

Argument

What gives the federal government the authority to annul state anti-price advertising laws? This is really a matter of state's rights.

Answer

Under the Supremacy Clause of the Constitution, federal laws preempt state laws, when they are in conflict as to a matter that rightfully falls within the domain of federal jurisdiction. The courts have ruled that FTC trade regulations issued pursuant to the agency's mandate have the same force and effect as federal laws. Thus, state laws or restrictions which conflict with such trade regulation rules affecting interstate commerce must fall by the wayside.

Restricting price information is not vital for any important state interest in advancing the public health, safety, and welfare. Restrictive state laws and trade properties are, in fact, harmful restraints on trade because they result in increased prices to the consumer without any compensating economic and social benefits. Such restraints are contrary to a clear public policy to check unnecessary inflation which undermines the nation's economy.

LOWER PRICES AND ADVERTISING

Argument

Price advertising will not automatically result in lower prices for consumers, and, in any event, consumers will not be capable of measuring the relative merits of different lenses and frames, even if presented with price differences.

Answer

The FTC, in its proposed rules last June annuling state laws that forbid advertising prescription drug prices, concluded that (1) consumers would use price information in a rational manner; (2) price advertising would encourage price competition among retailers; and (3) consumers would spend substantially less for drugs because they would possess price information through advertising.

BAIT AND SWITCH

Argument

Price advertising will lead to "bait and switch" tactics by unscrupulous dealers, who will advertise one price, but switch the consumer to higher-priced frames and lenses.

Answer

Such "bait and switch" advertising is illegal in most states and constitutes an "unfair and deceptive trade practice" under Section 5 of the Federal Trade Commission Act. Opticians who engage in such tactics will be subject to criminal prosecution just as any other merchant who so behaves. Moreover, even if some dealers practice this deception, the consumer should not be denied valuable price information for that reason. State officials in Nebraska, Maryland, Texas, and Iowa—states that permit price advertising—say that bait and switch is not a problem.

SERVICE VERSUS COST

Argument

Quality service is an important factor. Opticians and optometrists charge more because they give better service.

Answer

First, it should be noted that higher prices do not necessarily mean better service. Indeed, in some cases a price gouger can provide worse, not better service. But even accepting the assumption that there might be some sacrifice of service in turn for lower prices, the person who wants to pay more for better service will still be able to do so, if price advertising is permitted. But the person who wants to sacrifice some degree of quality service for lower prices, will have a choice he does not now enjoy. In most states where price advertising is forbidden, relevant price information is not known to consumers. For the indigent and the elderly on fixed incomes, the "choice" may come down to low-priced glasses or no glasses at all (or the retention of scratched lenses or broken frames.)

QUICKIE EXAMS

Argument

Optometrists working for cut-rate opticians will perform "quickie exams" because they are under pressure to meet a quota. By hurrying the exam, optometrists will fail to diagnose eye diseases such as glaucoma.

Answer

There is no available evidence to support this concern. But if optometrists prove to be unprofessional or negligent, they are subject to disciplinary action by state licensing boards which could lead to loss of license, and they are subject to legal actions for malpractice.

SHODDY GOODS

Argument

Opticians who advertise can only offer lower prices because they sell low quality and shoddy merchandise, which ultimately is a health hazard to the consumer.

Answer

With respect to lenses, some of the higher-priced opticians and optometrists *currently* buy their lens blanks from the wholesale laboratories owned by opticians who advertise. Moreover, since 80 per cent of all lens blanks are made by two manufacturers (American Optical, and Bausch & Lomb), there are not likely to be substantal variations in lens quality. Finally, any health hazard is minimized because there is no hard evidence to indicate that even lesser quality lenses are likely to permanently harm eyesight.

As for the quality of the frames, a buyer should have the right to select any frame, even if it is of lesser quality, if that is the quality he prefers in view of the cost savings, or especially if it is the only quality he can afford.

POOR WORKMANSHIP

Argument

Opticians who advertise do sloppy work. They have been known to dispense lenses which do not adhere to the original prescription.

Answer

One large optician who advertises says that each outgoing lens is checked as to whether it comports with the prescription ordered. If the lens is inaccurate, the staff will grind a new lens. Many of the large advertising opticians have been in business for over 30 years. If they consistently dispense inaccurate lenses, they would have been put out of business long ago.

PROFESSIONALISM IMPAIRED

Argument

Optometry is a professional service akin to practicing medicine. Doctors don't advertise prices for removing kidney stones. Why then should opticians denigrate the profession by advertising the price of lenses and frames?

Answer

The issue is not the advertising of prices for performing optical examinations, but only for the sale of lenses and frames which prove to be needed *as a result of* competent examination.

OUTDATED STUDY

Argument

The Benham study was based on data gathered in 1963. His research is out of date.

Answer

Although Professor Benham's research is 12 years old, a new Benham study to be published this fall shows no significant variation in results. Staff and media research conducted over the last half year corroborated the original study results.

AMERICAN JOURNAL OF OPHTHALMOLOGY,
Chicago, Ill, September 18, 1975.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: This is to laud you for your stand on price advertising of eyeglass lenses and frames. There is little or no reason why such lenses should not be subject to the usual checks and balances of the market place. I do hope that you can convince the Federal Trade Commission that the price should be advertised and that prescription lenses should be freely available.

There is no relationship between the accuracy of grinding a lens and its cost, and very little between the quality of the lens and its cost. The eyes cannot be harmed by improper lenses, which at the worst can blur vision or cause discomfort and eye fatigue. I hope you will provide me with a copy of your letter to the Federal Trade Commission so that I may publicize it in the American Journal of Ophthalmology. This is an important economic and professional area and I am anxious to assist in every way I can. With every best wish, I am

Sincerely yours,

FRANK W. NEWELL, M.D.

[Press release, Sept. 23, 1975]

FTC ANNOUNCES INVESTIGATION OF PRICE ADVERTISING IN THE PRESCRIPTION EYEGLASS INDUSTRY

The F.T.C. has initiated an investigation of the prescription eyeglass industry in order to determine whether industry members have been or are now violating Section 5 of the F.T.C. act by failing to disclose certain information, particularly information concerning the prices of eyeglasses and contact lenses.

The Commission is particularly concerned with investigating state laws and regulations and private associations that may restrict the amount of price information available to the public.

The existence of an investigation does not imply that violations of the law have occurred.

FEDERAL TRADE COMMISSION SURVEY OF CURRENT STATE RESTRICTIONS ON EYEGLASS PRICE ADVERTISING

Key—1. Statutory price advertising prohibition optometrists: U=unprofessional conduct definition; G=grounds for license suspension or revocation other than unprofessional conduct; C=crim.na. penalties for unlawful price advertising; D=defers power to State board or professional association to define unprofessional conduct. 2. State board regulation price advertising prohibitions (X). 3. State optometric association price advertising prohibitions: S=State association codes of ethics or rules of practice; N=national association (American Optometric Association) code of ethics deferred to by State association. 4.* All forms of media advertising prohibited except announcement of new practice or location. 5.* No advertising of discounts or premium. 6.* Sign and window display limitations. 7.* Telephone directory listing limitation. 8.* Practice in mercantile establishment prohibited. 9.* Employment with unlicensed persons or firms prohibited. 10.* No more than 1 branch office. 11. Opticians prohibited from price advertising by statute or regulation: L=licensing statutes or regulations for opticians contain ad bans; A=all persons designations in optometry statutes extend ban to opticians.* L=prohibited by State law. R=prohibited by regulation. E=prohibited by professional association codes of ethics or rules of practice.]

	Price advertising prohibitions			Other advertising restraints				Business practice restraints			Opticians
	1	2	3	4	5	6	7	8	9	10	11
Alabama	D		S	E	L	E	E	E			
Alaska	D	X				R	R	R			L
Arizona			S		E						
Arkansas	C			L	L	R	R	R			
California	C							R	L	L	L
Colorado			S		L		L				
Connecticut	D	X				R		L			
Delaware			N			R	R	R			
District of Columbia			S		E	E	E				
Florida	C			L	L	R		R	R	R	L
Georgia		X		R				R			
Hawaii	G				L			L			L
Idaho	D	X				R	R		R		
Illinois	C				L	L					A
Indiana	C								L		A
Iowa			N			E	E	E			
Kansas	D	X			R	R	R	R			
Kentucky	C				L	L				L	

FEDERAL TRADE COMMISSION SURVEY OF CURRENT STATE RESTRICTIONS ON EYEGLASS PRICE ADVERTISING—Continued

[Key—1. Statutory price advertising prohibition optometrists: U=unprofessional conduct definition; G=grounds for license suspension or revocaion other than unprofessional conduct; C=criminal penalties for unlawful price advertising; D=defers power to State board or professional association to define unprofessional conduct. 2. State board regulation price advertising prohibitions (×). 3. State optometric association price advertising prohibitions; S=State association codes of ethics or rules of practice; N=national association (American Optometric Association) code of ethics deferred to by State association.4.* All forms of media advertisinng prohibied except announcement of new practice or locations.5.* No advertising of discounts or premium.6.* Sign and window display limitations.7.* Telephone directory listing limitation.8.* Practice in mercantile established prohibited.9.* Employment with unlicensed persons or firms prohibited.10.* More than 1 branch office.11. Opticians prohibited from price advertising by statute or regulation; L=licensing statutes or regulations for opticians ad bans; A=all persons designations in optome try statutes extend ban to opticians.*1 L=prohibited by State law. R=prohibited by regulation. E=prohibited by professional association codes of ethics or rules of practice.]

	Price advertising prohibitions			Other advertising restraints				Business practice restraints			Opticians
	1	2	3	4	5	6	7	8	9	10	11
Louisiana	C										
Maine	C			E	E	E	E	L			A
Maryland			N								
Massachusetts [1]	C				L						
Michigan	C										A
Minnesota	U										
Mississippi	D	×		R				R		R	
Missouri	G				R	E		E			
Montana	C								L		A
Nebraska	U				L						
Nevada	U			R		R		L			L
New Hampshire	G										
New Jersey	G			L	R	L	L	L	L		L
New Mexico	C				S			S			A
New York	D	×			R						L
North Carolina	G			L							L
North Dakota	C			R					L		
Ohio	(2)										
Oklahoma	C			L				L	L		A
Oregon	G				L						A
Pennsylvania	G									R	A
Rhode Island	D	×						L			
South Carolina	C				L			L		L	L
South Dakota	U			R							
Tennessee	G			L							L
Texas	[1] G					E		L			
Utah	[4] U										
Vermont			S								
Virginia	U							L			L
Washington	[1] C			E	L			E			L
West Virginia	[3] G			E				L			
Wisconsin	C			R		L					A
Wyoming	U										A

[1] Partial ban, only frames and mountings may be advertised—Not lenses or professional services.

[2] Price advertising banned by city ordinance in cities such as Cleveland and Springfield.

[3] Advertising of completed eyeglasses prohibited unless prices broken down as to component parts.

[4] Price advertising prohibited unless accompanied by simultaneous disclosure of quality, grade, and special characteristics of the optical article.

RECESS UNTIL 1 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until 1 p.m.

At 12:38 p.m., the Senate recessed until 1 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. BURDICK).

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask that the time be equally charged against both sides; and I ask unanimous consent that I be recognized upon the rescinding of the quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate resumed the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a division of time, the time during the hour to be equally controlled by Mr. BROOKE and by myself, with the understanding that no motions whatsoever be in order during that hour, and that includes any type of motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, in recent days noted columnist George Will writing on the rites of fall quoted the Poet Shelley to the effect that the sound of autumn was "leaves like light foot-falls of spirits passing through the streets,"—the Washington Post, Wednesday, September 10, 1975, A23. This verbal picture of seasonal harmony was quickly dispelled by Will's fellow columnist William Raspberry's observation that perhaps to many Americans the sounds of autumn were the sounds of angry antibusing sentiments which are threatening the public peace in various sections of the country.

The ugly headlines coming from Boston and Louisville remind us that autumn 1975, like not a few of its recent predecessors, is marked by violence. Where once this season ushered in the joys that accompanied a bountiful harvest, it now marks the anguish occasioned by the emptiness of simplistic remedies to complex human problems. Massive forced busing, the radical panacea for desegregating the Nation's public schools, is again pitting Government against the people whom it is intended to serve. Notwithstanding its conspicuous failure in righting past wrongs, it is a fallacy which a diminishing circle of supporters cannot let go. In truth—

> Busing is . . . the Vietnam of 1970's. It is a quagmire; a lost cause; taxation without representation; a policy of massive social engineering with little clear prospect of benefit; a mistake; a tragedy; breeder of endless demonstrations, riots, and dissent. Novak, the Boston Globe, Thursday, August 28, 1975, 27.

These are not the fierce reactions of an unthinking and unreasoning minority, but the overwhelming sentiments of an overwhelming number of Americans. A Gallop poll reports that a majority of the American people continue to favor school integration, but few—black or white—believe that busing students from one district to another is the best way to do it. Only 9 percent of blacks and 4 percent of the whites favor such busing—Fritchey, the Washington Post, Saturday, June 14, 1975, A13. In an accurate, if somewhat acid description of the small coterie of fanatical busing supporters, Michael Novak states that:

> Only "the best and the brightest," it seems, as in Boston, favor it. They designed it, and they will never suffer their children to experience it. The Boston Globe, supra.

The reasons school desegregation continues to be the Nation's major unsolved domestic problem are neither particularly obscure nor particularly complex. The reasons can be boiled down to a near-total and unquestionably tragic disregard for the principles of the school desegregation cases. To begin with, race first, last, and always is, or should be, a constitutionally impermissible standard irrespective of motives. As fully attested by events of the recent past, remedial relief which subsumes racial distinctions is inconsistent with that principle and, manifestly, does not conduce the solution of racially based problems.

Another major tenet of the Brown decision is that quality education must be secured for all our young people. In the words of Chief Justice Warren:

> Today, education is perhaps the most important function of the state and local governments. Compulsory school attendance laws and the great expenditures for education both demonstrate our recognition of the importance of education to our democratic society. It is required in the performance of our most basic public responsibilities, even service in the armed forces. It is the very foundation of good citizenship. Today it is a principal instrument in awakening the child to cultural values, in preparing him for later professional training, and in helping him to adjust to his environment. In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied *the opportunity of an education. Such opportunity, where the state has undertaken to provide it, is a right which must be made available to all on equal terms. Brown v. Board of Education,* 347 U.S. 483, 493 (1954). (Italics added.)

In the 21 years since that landmark decision—21 years during which an American dilemma has been transformed into an American tragedy—we have come full circle. The racial criterion supposedly once and for all eliminated as a factor in the admission of children to the public schools seems now to be the principal factor in the admission of children to the public schools. The hoped-for promised land of equal educational opportunity has been in large measure supplanted by equality of opportunity to educational mediocrity. With increasing frequency our newspapers tells us of declining math and English test scores at all levels; of continuing declines in the aptitudes of entering college freshmen. The latter trend has been going steadily down since 1964. While these trends are the result of various causes, the fixation with racial balance and the massive use of forced busing to achieve it is clearly a prime cause of this, our long season of national discontent.

This remarkable state of affairs is the product of judicial and bureaucratic dissembling in hard cases on the basis of half-baked sociological surveys. Most of the annual heartache that attends the beginning of the school year has largely come about in the second decade following the Brown decision. In the first decade, the courts, high and low, adhered fairly consistently to that decision's overriding principles. Although there was much criticism at the time about much deliberation and little speed, the Supreme Court churned out a number of significant rulings defining the nature of the basic right in question. Thus, in a series of cases, the Supreme Court held that black children initially assigned to schools on a racial basis could not be required to transfer where their race was in a minority to a school where their race was in the majority, *Goss* v. *Board of Education,* 370 U.S. 683(1963); that black children had a right to attend nonracially segregated schools without having to exhaust state administrative remedies, *McNeese* v. *Board of Education,* 373 U.S. 668(1963); that there was a right to have the public school kept open in one county if all other schools in the State were open, *Griffin* v. *County School Board,* 377 U.S. 218(1964); that there was a right to a racially desegregated public school faculty, *Rogers* v. *Paul,* 382 U.S. 198(1965); that there was a right to have that plan of desegregation that would affirmatively undo the effects of prior discrimination, *Green* v. *County School Board,* 391 U.S. 430(1968); that "continued operations of segregated schools under a standard of allowing 'all deliberate speed' for desegregation: was no longer constitutionally permissible." *Alexander* v. *Holmes County Board of Education,* 396 U.S. 19(1969).

Admittedly, much of this litigation could have been avoided had the States fallen in line with the Brown decision rather than engaging in purposeful evasion. However, it accomplishes little to assess blame since that eventually leads to first causes and to so many now academically but fors. It is a fact, however, that progress in desegregating Southern public schools was being made—and it was being made, if not without some pain, without the wound in the heart brought on by forced busing to achieve racial balance.

Beginning in the middle and late sixties, circumstances and events seemed to play into the hands of uncompromising integrationists. Notable among these were the resegregation of Southern cities brought on by white flight, the hard nut of segregated residential patterns in traditional neighborhood school attendance areas, both North and South, and judicial and bureaucratic developments which seized upon forced busing as a cure for many of our modern education ills, not simply desegregation.

The first departure from the theretofore solid line of Brown doctrine based cases appears in the 1966 case of *United States* v. *Jefferson County Board of Education,* 372 F2d 836 (5th Cir. 1966) where the court read the landmark decision in such a way so as not simply to condemn segregation, but to require integration. Accordingly, the duty imposed on school authorities was an "affirmative duty" to eliminate both present discrimination and the last vestiges of the former duel school system. In order to achieve what was termed a "unitary system," the racial composition of the students was deemed to be a proper consideration.

The germ of the Jefferson idea trickled into the High Court's 14th amendment jurisprudence in 1968 in *Green* v. *New Kent County,* 391 U.S. 430 (1968). There the Court effectively held that a violation may exist even when the segregation is not the result of racial assignments. This approach was reaffirmed and extended in *Swann* v. *Charlotte-Mecklenberg Board of Education,* 402 U.S. 1(1971) and *Keyes* v. *District No. 1, Denver, Colorado,* 413 U.S. 189(1973).

In Swann and Keyes the Court reaffirmed Green's rejection of the view that Brown prohibited only use of race. The basis of assignment in Swann and Keyes was not the freedom of choice plan at issue in Green but the more commonplace one of geographical proximity. That is, students being assigned to schools nearest their homes. In both, the Court held that there was a denial of equal protection even though assignments were made on the nonracial basis of geographical proximity.

Having effected this 180-degree turn about from Brown's condemnation of purposeful racial discrimination and finding an effective denial of equal protection clause in the fact of a segregated pattern per se, it perhaps comes as little surprise to find the Court placing its seal of approval on the use of racial quotas in making student assignments and busing to effect the a priori determined racial mix. Thus with respect to the former, we find the Court saying:

> Awareness of the racial composition of the whole school system is likely to be a useful starting point in shaping a remedy to correct past constitutional violations. In sum, the very limited use made of mathematical ratios was within the equitable remedial discretion of the District Court (402 U.S., at 25.)

Insofar as busing was concerned, the Court with a simple turn of phrase observed that "Desegregation plans cannot be limited to the walk-in school." (Id., at 30). Although it sought to place some limits on the amount of busing that could be used "when the time or distance of travel is so great as to either risk the health of the children or significantly impinge on the educational process" these seemed to be the product of a hasty afterthought and, thus, eminently forgettable in the exercise of discretionary equitable jurisdiction. The lower courts would so construe the Court's cautionary remarks.

The Supreme Court thus turned the original meaning of *Brown* v. *Board of Education* (347 U.S. 483, 1954) on its head in its more recent decisions affecting school desegregation cases, and the use of court-ordered busing to affect racial balance in the schools. The decision in Brown I banned the assignment "of children in public schools solely on the basis of race . . ."—Brown I at 493. The Court held that such children were ". . . deprived of the equal protection of the laws guaranteed by the 14th amendment"—Brown I, at 495.

Despite this principle, the Supreme Court has allowed exactly such events to occur in the name of "racial balance" within the schools.

The drastic extension of Brown I in the later cases is barely, if at all, explained in the decisions. To require the dismantling of "dual" school systems by not allowing the assignment of children to particular schools on the basis of race is one thing. But to require school boards to act affirmatively to achieve racial balance in the schools by the assignment of children to particular schools solely on the basis of race is quite another thing.

The real turning point for the forced busing of school children because of their race came about in *Swann* v. *Charlotte-Mecklenburg Board of Education* (420 U.S. 1, 1971) where the Supreme Court upheld a U.S. district court order to impose a racial balance requirement of 71 to 29 percent on individual schools, the same percentage as existed within the entire school system.

Despite explicit language in Swann that the Court was concerned with elimination of the discrimination inherent in "dual" school systems—that is, school segregation that had been imposed by State law, the Supreme Court has approved the use of forced busing into school districts where there has been no history of State-imposed segregation. Now, the courts equate the actions of individual school board members as "State-imposed" action and allow court-ordered busing to achieve the racial balance which the court believes is appropriate for the school district. This is done, usually citing Swann as the precedent, despite the following clear language in the Swann case to the contrary:

> We are concerned in these cases with the elimination of the discrimination inherent in the dual school system, not with myriad factors of human existence which can cause discrimination in a multitude of ways on racial, religious, or ethnic grounds. The target of the cases from Brown I to the present was the dual school system. The elmination of racial discrimination in public schools is a large task and one that should not be retarded by efforts to achieve broader purposes lying beyond the jurisdiction of school authorities. One vehicle can carry only a limited amount of baggage. It would not serve the important objective of Brown I to seek to use school desegregation cases for purposes beyond their scope. . . . Our objective in dealing with the issues presented by these cases is to see that school authorities exclude no pupil of a racial minority from any school . . . it does not and cannot embrace all the problems of racial prejudice even when those problems contribute to disproportionate racial concentrations in some schools." (Swann, at p. 22–23).

The courts have, nonetheless, continued to order forced busing to achieve a racial balance in the school districts, despite the fact that the 14th amendment has never been held to grant as a constitutional right meaningful integration in a biracial community. In the Swann case, the Supreme Court discussed racial balancing within the individual schools and stated:

If we were to read the holding of the District Court to require, as a matter of substantive constitutional right, any particular degree of racial balance or mixing, that approach would be disapproved and we would be obliged to reverse." (Swann at p. 24).

Despite this warning in 1971, the courts have escalated the use of forced busing to achieve racial balance in school districts for the past 4 years. Such action clearly flies in the face of the teaching of Swann and has trampled the 14th amendment rights of the children, both black and white, who are being bused against their will to schools they do not wish to attend. They are denied admission to schools of their choice because their race has met its "quota," as determined by the court, for their neighborhood school and they are transported to other schools where their race is needed to establish that school's "proper quota" as determined by the court. They are, in fact, denied the ability to attend the schools they wish to attend, on the sole basis of their race.

This is the very action that was found in violation of the 14th amendment in Brown I, and which precipitated the entire line of school desegregation cases.

Of course, the justices and the judges are not the only ones responsible for turning many of the Nation's schools into armed camps each and every fall. In truth, many of the more egregious court decisions of recent years, as well as the highhanded efforts of HEW's Office of Education, expressly or impliedly drew sustenance from the so-called Coleman report that was launched with much fanfare in 1966. The report, an assumed infallible sociological survey, provided statistical data to show that black students in integrated classrooms learned somewhat better than blacks in segregated classrooms. Rather than being denounced for that demeaning and deprecating implications radiating therefrom, the report was seized by social schemers who relegated blacks and education to the background in order to advance their pet theories. Although it is a fact that it did not mention busing, the latter in the minds of self proclaimed theorists was clearly implied.

It is only in more recent times that attention has been given to the Coleman report's other and perhaps more solidly based finding that economic status rather than race is a crucial determinant in scholastic improvement. That is, that as a general matter, poor children learn better when they go to school with middle class students.

These are the seeds from which have sprung the incarcerating and suffocating banyan tree of massive busing. However misguided, both in terms of jurisprudential and sociological theory, these errant concepts provided the underlying basis for attempting to mirror in the classroom highly individual notions of the proper racial balance to be pursued by any means whatsoever, and specifically massive forced busing of students. In Detroit, for example, a Federal district court judge held that both the State of Michigan and the Detroit Board of Education had engaged in practices that helped cause segregation in the Detroit public schools. *Bradley* v. *Milliken*, 338 F. Supp. (E.D. Mich. 1971.) Since the existing demographic situation did not allow redress solely within the limits of the Detroit district, and because the State of Michigan is legally responsible for drawing school lines, the judge accepted an integration plan that included cross-busing of students between Detroit and 52 surrounding school districts into 16 clusters in which about 333,000 students would be bused.

Another Federal district court found that the city authorities contributed to the black concentrations in Richmond, Va., and ordered that the city schools be consolidated with largely white adjoining school districts in Henrico and Chesterfield Counties in order to eliminate segregation in the Richmond public schools. The plan required 15,000 additional students to ride an average of 70 minutes a day.

In Louisville, thanks to a decision handed down in Cincinnati on December 11, 1974, the U.S. Court of Appeals called for the busing of 30,000 pupils between downtown Louisville, where the schools are about 50 percent black, and suburban Jefferson County, where the schools are about 90 percent white.

In Boston, 26,000 students have been ordered to be bused to desegregate 162 schools in almost all parts of the city.

The financial costs of massive busing are staggering even in an age justifiably jaded by billion dollar budgets. The following report which is more than 2 years old gives some idea of the enormity of the financial costs of busing:

> Court-ordered desegregation is costing Pontiac, Michigan $700,000 and Pontiac has had to cut educational programs to meet these costs. The superintendent and chairman of the school board in Dade County, Florida testified last June that "The financial impact of desegregation is placing severe demands and burdens on the affected school systems." School desegregation in Dade County, which has a $250–million school budget, cost an additional $1.5 million in just six months. Additional transportation is costing $670,000 a year. Pasadena, California is spending $300,000 in Federal Aid for Impacted Areas which would otherwise be used for instructional programs. Pasadena is implementing a federal desegregation court order. In Harrisburg, Pennsylvania, which is desegregating under state administrative procedures, additional transportation costs are more than $500,000 a year. Harrisburg has had to cut additional programs to pay for busing. In Nashville, Tennessee, because of an inadequate number of school buses, opening times for schools have been staggered so that some children start school as early as 7:00 a.m., and others arrive home after dark. The inconvenience this has caused threatens public support for education in Nashville. (Mondale, Busing in Perspective, *The New Republic*, Mar. 4, 1972, 19.)

The human toll is beyond calculation.

Interestingly and ironically, while the lower Federal courts continue to order massive busing, the jurisprudential and sociological underpinnings for their actions are undergoing reexamination.

Also, statistics show there is more racial concentration in many big city schools today than there was before the push for busing began in the late 1960's. What has been happening is a flight of white families from the central cities to the suburbs, accompanied by an increase of blacks in the central cities.

Moreover, there seems to be growing evidence that busing children to schools outside their neighborhood has neither significantly improved their education nor succeeded in its aim of getting more blacks in schools that are predominantly white.

The recent actions of the Supreme Court seem to indicate that if it does not follow the election returns, it has begun to see the bleak portents of its more modern and wayward jurisprudence. This is particularly true with respect to cases involving plans which require the merging of suburban school districts with their heavy emphasis on busing. In *Bradley* v. *Richmond*, 412 U.S. 92 (1973), the justices dividing 4 to 4, left standing the Fourth Circuit Court of Appeals' reversal of the Virginia multicounty school consolidation. In *Keys* v. *School District No. 1, Denver, Colo.*, 413 U.S. 189 (1973), the Court avoided the plunge into the morass raised by the issue of the constitutional status of de facto segregation. Finally, and precedentially significant, the Court reversed the massive Detroit cross-city plan, saying that the suburbs cannot be forcibly included in a desegregation plan unless they were found to have practiced deliberate segregation in their own schools. *Milliken* v. *Bradley*, 418 U.S. 717 (1974).

If the justices are beginning to entertain reservations with respect to the desegregation policies formulated in Green, Swan, and Keyes, et al., the retreat of noted sociologists upon whose theories these decisions expressly or impliedly rested has been something less than decorous. Conspicuous among these is Prof. James Coleman whose recent studies are casting a dubious light on the effectiveness of massive busing to desegregate the public schools. Indeed, he now seems to be warning about the flight to the suburbs and questioning the capacity of judges to redraw school districts.

The codirector of the 1966 survey is also reported as believing that busing has misfired. He is quoted as new persuaded the negative consequences of busing are more for reaching than originally perceived.

More recent surveys are even more doleful than even Professor Coleman and his former coeditor believe. One of these states that:

> Our results suggest that after seven years busing in one community, friendship across race has not substantially improved. The findings support a conjecture that appears to warrant greater attention than it has received to date: If busing does not improve the interactions between black and white children is it likely to produce anything else of value. (Wolf & Simon, Does Busing Improve the Racial Interaction of Children, 4 *Educational Research* 5 (Jan. 1975).)

These as yet preliminary findings seem to find ample support in the demographic changes that have taken place in recent years. The evidence is that in many of the Nation's major cities today there are so many more black pupils than white that every school would still be predominantly black, no matter how many children were bused to achieve racial balance.

The Atlanta public schools were 70-percent white before desegregation began, with 115,000 pupils. Today, the schools are 81-percent black and there are 90,000 children in the system—U.S. News & World Report, August 14, 1975, 26.

In Inglewood, Calif., minority groups made up 38 percent of the public school enrollment 5 years ago. This year they made up 80 percent and a State judge withdrew a busing order he had handed down in 1970. He said it had reached the point where the schools were "busing black children from predominantly black schools to other predominantly black schools."

The bitter discord associated with busing and its meager results prompted columnist Nicholas von Hoffman to conclude:

> Unhappily, the job of abolishing the system and building a new one can't begin so long as we're locked into this infinite busing dispute. No matter what happens with it, the only conceivable winner will be General Motors. They sell the buses. (*Chicago Tribune*, Dec. 7, 1974, 12.)

Brown mandated desegregation and equal educational opportunity. In order to get out of the present morass, we are going to have to develop policies and procedures consistent with the original understanding of that case. Busing obviously is not the answer. One conceivable answer is advanced by Harvard Law Prof. Derrick Bell who suggests:

> Why not designate all predominantly black schools as "magnet schools" and require the court monitored expenditure of funds, assignment of personnel and provision of facilities at least equal to those of the best school in the system?
>
> Prompt compliance would be essential even if it required funding cuts at predominantly white schools. Minimum standards for educational effectiveness would be set and school personnel would be held accountable for meeting them. Programs designed to involve parents in school policy-making and oversight would be a key part of the plan.
>
> White children wishing to attend black schools would be admitted, and blacks could opt to send their children to white schools if they preferred. (*The Boston Globe*, supra.)

I am confident that there are other alternatives which like Professor Bell's place the emphasis where it belongs, on people and on education. The time has come to put the school bus in its proper place, as the servant and not the master of education.

The concept of forced busing to achieve racial balance in the schools is overwhelmingly rejected by the great majority of the American people. Opposition to forced busing has remained constant since its conception in 1971. According to the Gallup Opinion Index of November 1971, 17 percent of the American people favored the concept, while 77 percent opposed it, with 6 percent expressing no opinion. In the May 1975 Gallup Opinion Index, 18 percent favored forced busing, while 72 percent opposed it, with 10 percent expressing no opinion.

This opposition to the court-ordered busing is given tangible form by the flight of white citizens from the cities where court-ordered busing has been forced upon the school districts by the courts. By such action, the courts are creating, by their own mandates, school districts which are more racially distinguishable than they were before the forced busing was instituted.

The importance of education in this country cannot be overstated. Without public support of our educational system, its benefits to the growth of this country will be stifled. The time is long overdue for the Supreme Court to give the same meaning to the 14th amendment for all of our citizens, and to enforce the teaching of Brown I, that no one shall be denied access to the school of their choice on the sole basis of race.

Mr. LONG. Mr. President, will the Senator yield to me at this point?

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Louisiana with the understanding I not lose my right to the floor, and with the further understanding that my resumption will not count as a second speech against me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, has the Senator ever in his experience in the U.S. Senate witnessed a situation where people have used, or attempted to use, a cloture device in order to prevent an amendment that is a matter of prime concern to the American people from ever coming to a vote?

Mr. ROBERT C. BYRD. I do not recall any such experience. I made reference yesterday to the fact that this was a very unique filibuster. I am perfectly willing to be called a filibusterer in this instance, because, as I said yesterday, a rose by any other name smells the same. So the filibuster that I am conducting with the support of those who believe in my amendment—and, by the way, which is cosponsored by various other Senators—is an extended debate to force a vote on the amendment up or down, on the merits of the amendment. It is not a filibuster to prevent the Senate from acting. It is an extended discussion to encourage the Senate to vote on this amendment up or down.

Mr. LONG. Then, am I correct in my understanding that what the Senator is trying to do is to make Senators stand up and be counted on a vital issue that is of the utmost concern to the American people?

Mr. ROBERT C. BYRD. The Senator is eminently correct. I think that the American people are entitled to have a showdown by their elected representatives in the Senate on the merits of this amendment, and not have their representatives hide behind a procedural motion to table which avoids an explanation of how one would stand on the merits of the amendment.

Mr. LONG. Mr. President, I will ask the Senator if he is familiar with any other occasions where those who were managing a bill were so determined that amendments should not be permitted to come to a vote that they would hold out indefinitely, even at the cost of delaying enactment of a bill that they believed to be extremely pressing and important, merely to try to prevent an important amendment from coming to a vote?

Mr. ROBERT C. BYRD. Mr. President, this is a situation sui generis. It is a situation in which those who do not want to vote on this amendment up or down are offering cloture motions, hoping that the Senate will invoke cloture, take me off my feet, and allow a Senator to offer a motion to table this amendment, thus avoiding a showdown on the substance of the amendment.

Mr. LONG. Mr. President, it was always my impression that the purpose of cloture was to enable the Senate to act, to vote on something.

May I express my most supreme disappointment at finding an effort being made by those managing the bill to prevent a vote on an amendment which is germane to an amendment that is already on the bill.

Mr. ROBERT C. BYRD. Exactly.

Now let me say to the distinguished Senator, in response to his inquiry, that on yesterday I sought five times to get a unanimous-consent agreement to vote on my amendment up or down. Five times. The last two requests were made toward the end of the day. All of the requests were objected to.

I asked unanimous consent that, today—this being yesterday—at the expiration of 1 hour under the cloture rule, we vote immediately on my amendment up or down. That is, before the vote on the cloture motion. That was objected to.

Then I asked unanimous consent that immediately following the vote on the motion to invoke cloture which will occur this afternoon, we vote up or down on my amendment, and that was objected to.

So on five occasions yesterday I sought to get unanimous consent to bring this amendment to an up-or-down vote. Last Friday, when I first offered the amendment, I tried at least four times, once to obtain a vote at about 3:30 that afternoon, once to vote at 5 o'clock that afternoon on the amendment up or down—no tabling motion, no opportunity for any Senator to hide behind a procedural motion, but an opportunity for every Senator to take a stand one way or the other. I do not speak with any disrespect toward any Senator if he disagrees with me, but I think the Senate ought to take a stand on this issue, so that the people back home would know where their elected representatives stand on this issue that is becoming an annual heartache and headache to the cities of this country and to the schoolchildren of this country.

Both of those requests were objected to, one that we vote at 3:30 last Friday afternoon and one that we vote at 5 o'clock last Friday afternoon. Likewise, one that we vote at 4 p.m. on Monday, the day before yesterday, and one that we vote at 2 p.m. on yesterday, Tuesday. All four of those requests were objected to.

So at least nine times—there may have been more, but I think that is an accurate count—at least nine times I have sought to give up the floor in exchange for a consent order that would permit an up-or-down vote on the merits of this amendment.

This amendment is purely and simply a busing amendment. It does not go to the assignment of students, it does not go to the assignment of teachers, it does not pertain to colleges; it pertains only to students in the public schools of this country. It would provide that the funds appropriated in this act cannot be utilized by HEW either directly or indirectly to require the transportation of any student to any school beyond his neighborhood school—beyond the school nearest his home—except in instances wherein the student could not pursue the courses of study he desires to pursue at the nearest school.

This is the neighborhood school concept. I am for quality education, may I say to the distinguished Senator from Louisiana, and I know he is for quality education. I am for quality education, but busing children against their will; busing children against the will of the parents, black and white, all over the city, in all kinds of weather; spending tremendous sums of the taxpayers' money to buy buses, buses, buses, to repair buses, to buy accessories for the buses, to buy gasoline—millions upon millions of gallons of gasoline—to transport children against their will to schools that they have never asked to attend, that they do not want to attend, to transfer blacks from one end of the community to the other, just because they are black and for no other reason, to schools miles away, into a hostile atmosphere, and to transfer white children out of their own neighborhoods, miles away, to schools they never asked to attend and do not want to attend, just because they are white and for no other reason—all these things do not add up to a quality education; instead they fly precisely in the face of the 1954 Supreme Court decision, which, in essence, said that no child shall be assigned to any public school solely on the basis of his color.

Yet, that is exactly what is being done today: We are assigning black children to distant schools solely because those children are black, and we are assigning white children to schools out of their neighborhoods simply because the children are white. For the most part, the black children are being transported to schools away from their own neighborhoods, into such hostile environments that the only way they can get into the schools is to walk between two lines of helmeted law enforcement officers and National Guardsmen, and those lines have to be there again when the children come out of school, to protect the children from being attacked, stoned, beaten, and possibly killed. This is the kind of thing our children are being subjected to—hazards to their safety, their limbs, and their lives—to prove what? Not to provide quality education, but to try to support the social theorists who maintain that to provide quality education for black students, it is necessary that there be an arbitrary racial balance in the schools, which the Constitution does not require. And it is an insult to black people to imply that they will not learn unless they are in classes with white students.

It flies in the face of the Constitution, in my judgment, and I do not believe that the people of this country, after having witnessed the failure of forced busing for so many years, and having witnessed the violence that often accompanies it, are willing to longer condone it. I do not condone violence. No one should condone violence. I believe in upholding the law. But the American people are tired of having something crammed down their throats by an individual, whether he sits on a Federal court or downtown at HEW.

This amendment will reach the bureaucrats in HEW and provide that they cannot use taxpayer's money to require, directly or indirectly, the transportation of students beyond their neighborhood schools to bring about an arbitrary racial balance.

Of course, there has to be some busing. Some children in parts of the country live miles away from the nearest school. But forced busing to bring about an arbitrary racial balance in the schools is not required by the Constitution of the United States. It flies in the face of the 1954 Supreme Court decision. It is a tragic waste of the taxpayers' money. It does not bring about quality education. It causes students to have to undergo the trauma of apprehension and fear, and puts them into an atmosphere of hostility in which they cannot study with thoughtful reflection and without fear for their own safety. I think it is cruel to the children of this country; and if we are to believe the polls in this country at all, we have to believe that the majority of the parents in the country, black and white, are against forced busing to bring about an arbitrary racial balance in the schools.

Mr. LONG. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator from Louisiana.

Mr. President, the assignment of pupils to schools today because of their race is as unconscionable, in my judgment, as was the former practice of assigning them to segregated schools because of their race. Moreover, there is not a shred of evidence to suggest that the enforcement of racial quotas in the schools has yet, or ever will, improve our educational system for either blacks or whites. On the contrary, there is much evidence to support the view that our public educational system has been materially weakened by misguided busing programs in its primary responsibility of educating children, black and white.

The school desegregation decision of 1954 in the historic Brown against Board of Education case was right and proper in my opinion, and it has been accepted by most right-thinking Americans. But we should never lose sight of the fact that the U.S. Supreme Court said in that decision that the 14th amendment's equal protection clause makes it unconstitutional to compel children to attend a designated school because of their race. Nothing has changed since then—except that some Federal courts are now requiring children to attend designated schools solely because of the color of their skin.

Overzealous and doctrinaire rulings by lower Federal courts—traceable in part to confusing rulings by the highest bench—and extremism on the part of a few bureaucratic martinets in the Department of Health, Education, and Welfare, have led to the present intolerable situation in which education is being demeaned and debased and children are being pushed around as helpless pawns in a futile ideological power struggle.

The violence that has accompanied court-ordered busing to achieve racial quotas and bring about integration by coercion is in no way to be condoned. But the bitterness on the part of both black and white parents, to say nothing of the frustration of children, is understandable. Busing at best is dubious social experimentation. At worst, it is simply disruptive of normal educative processes—and that, at an inexcusable cost to inflation-burdened public school systems.

Both children and parents rightly complain that youngsters uprooted from homes and neighborhoods are robbed of their sense of identity and of community, and that nothing is being given them to replace these needed values but lost guidelines and mooring places. All kinds of school activities—from social to athletic—have suffered. An unfortunate generation of children is being asked to make instant social adjustments that generations of their parents and other adults have not yet made.

How much more sensible it would be to use the vast amounts of money that are being wasted on new fleets of buses—and on costly gasoline and oil in our country's energy crisis—to upgrade substandard schools.

But instead of that course of moderation, the cumulative damage to children, schools, and cities has been allowed to spread across the land—and the only wise course now would be for concerned leaders of both white and black races to stand up and brand busing the unmitigated failure that it has proved itself to be. Like the "noble experiment" of prohibition, busing has struck out. Here, if ever there has been one, is a demonstration that judges and bureaucrats, however strongly they may seek to advocate causes dear to them, cannot dictate the course of social development in this country.

Truthfully, much of the Federal establishment looks ridiculous in its efforts to force busing down the throats of unwilling citizens. The Supreme Court has outlawed segregation. The President of the United States has said that he personally does not favor busing to compel racial balance. Yet, his Department of HEW plows ahead with its implementation. And the Army stands by with weapons at the ready to coerce one and all.

What a mad charade we are being treated to. Antiriot police and soldiers riding shotgun on school buses. Cars being overturned and buildings set afire. Heads being cracked and thousands of would-be students staying at home.

Is this education? A generation of children is being scarred by the tension and animosity that charge the learning atmosphere. Schools have become battlegrounds, and children have learned from their experiences to hate. The once happy days of school, the carefree days of childhood, have been turned into a nightmare.

Busing is self-defeating. The only way that it can even seem to be made to work is by ordering it across geographical lines into ever-widening jurisdictions. Judges and HEW autocrats may push little children around—but would they ever dare, even if they had the authority, to order parents to move into alien neighborhoods in order to alter the residential patterns that are the de facto reasons for racial patterns in the schools? The idea is so repugnant in a free society as not even to merit an answer. But it would differ from ordering children around only in the degree of its absurdity.

De jure segregation was one thing—and it should have been cast aside. But de facto social and racial patterns are quite a different thing; and I think the country, and even the most ardent advocates of busing, should now have been convinced that no amount of judicial tinkering and HEW meddling will ever completely and ultimately bring about the racial mix that seems so desirable to the theorists, let alone provide quality education for either blacks or whites. What the artificiality of the school busing situation will produce is further deterioration of city and suburban neighborhoods, further polarization of the races, and further adulteration of the quality of U.S. public school education.

Take the money we are wasting on busing and spend it on the schools. Restore the principle of freedom of choice. Let no school door be closed to any child on the basis of race or color or creed. But let no child in America be forced against its will to attend any school miles from his home simply to satisfy some half-baked social theory or to fill out a phony racial quota.

It is time to end, not a noble experiment, but a stupid and costly exercise in futility.

Mr. President, an AP story has just come over the wire stating that the Federal Sixth Circuit Court of Appeals has affirmed today a landmark 1966 ruling that racial imbalance in schools does not violate constitutional rights as long as the imbalance is not due to purposeful design or intent by a school board. I ask unanimous consent that the wire story be inserted in the RECORD, and I also ask unanimous consent that two recent Washington Post columns by the noted black columnist William Raspberry, be inserted in the RECORD and that a Wall Street Journal column by Vermont Royster be inserted in the RECORD.

The PRESIDING OFFICER. There being no objection, it is so ordered.

DESEGREGATION

CINCINNATI.—A Federal appeals court affirmed today a landmark 1966 ruling that racial imbalance in schools does not violate constitutional rights as long as the imbalance is not due to purposeful design or intent by a school board.

The 2-1 decision by the U.S. 6th circuit court of appeals described as "still vital" its decision in a 1966 case brought on behalf of a pupil named Tina Deal. That decision, which said the Cincinnati school Board was not practicing de facto segregation, has been the basis for determining whether de facto segregation exists in other school systems.

The court did, however, modify one ruling that a U.S. District Court had made in the case at issue—a suit brought by several Black Cincinnati residents in the name of a pupil named Mona Bronson. It said the Bronson plaintiffs should have been allowed to introduce evidence of school system conditions before July 1965, when the Tina Deal case came to trial.

The majority decision, written by Judge Harry Phillips, said this earlier evidence should be considered for background purposes and judged on whether it was relevant to the Bronson case.

In addition, the appellate court amplified the principle of intent in proving a consitutional violation, ruling that segregative intent can be inferred from evidence of racial imbalance with acts of omission by a school board, the natural result of which is to produce a segregated school system.

Judge Paul C. Weick, who dissented, objected that the decision to admit other evidence would reopen all of the issues of the Deal case.

[From the Washington Post, Sept. 12, 1975]

BUSING PROBABLY IS NOT THE ANSWER

(By William Raspberry)

A reader remarks that he was surprised at my recent column questioning the value of large-scale busing. "I wouldn't have thought that you would be opposed to racial integration," he said.

I'm not, of course. I am opposed to bad education, to stupidity and waste, and to inflexible, counterproductive responses to poorly thought out questions.

Busing—at least on the scale being urged by the NAACP—is supposed to perform two primary functions. First, it is supposed to improve the quality of education available to black children, particularly the children of the big city slums.

Second, it is supposed to promote the establishment of an integrated society, a society in which race will no longer be a major consideration.

I have no disagreement with those goals. I simply doubt that large-scale busing is the way to achieve them.

The first goal—improved education—is the important one for me, and my view is that it is a question best faced directly. The integration of the society can be promoted by public policy, to be sure, but I doubt that it is amenable to judicial fiat.

But even in terms of the first goal, some people see racial integration as an important aspect of improved education. It is important, though not indispensable.

If I were in charge of things, I would first make certain that no child would be barred from any school because of his race. That is essentially what the Supreme Court ordered in its 1954 decree.

But I would not merely outlaw segregation; I would introduce policies to promote integration and dismantle policies calculated to separate the races. That is desegregation.

And I would do one thing more: I would make it possible for any child to transfer, on a space-available basis, from a nearby school in which his race is predominant to a more distant school in which his race was in the minority. I would not order it. I would simply permit it, providing transportation where necessary.

Such a policy would differ from present busing plans in several key ways. To begin with, it would not be an imposed plan and would, therefore, not generate the fear-spawned opposition that busing has generated. It would also involve fewer children and, as a result, be less disruptive, less complicated logistically, and less costly.

And it would leave alone those children and their parents for whom integration is not a matter of high priority.

One of the reasons so many people are convinced of the educational benefits (particularly to black children) of racial integration is that they have seen the academic improvement of chilrden whose parents make special efforts to get them into integrated schools.

These special efforts may include anything from budget-straining moves to new neighborhoods, to applications for special exemptions, to outright lies about where they live.

Children who see special advantages in attending a school out of their neighborhood (or whose parents see such advantages) tend to achieve academically. The very fact of the special effort assures that the transfer will be viewed as a positive thing.

But we keep misreading what we see. We see a child (or a family) with strong feelings about education seeking an opportunity to attend a distant, integrated school, and we see an educational payoff. And too often we conclude that it is the fact of the transfer, rather than the strong feelings and educational ambition, that lead to the academic improvement, and we try to generalize the results by generalizing the transfers.

It rarely works. What often happens is that children involuntarily transferred because of their race arrive at the new school full of fears, insecurities and resentments. In many cases they learn hardly anything at all except how easy it is to buffalo guilt-stricken white teachers or to beat up on white kids.

When this happens, and when whites move farther away in attempt to avoid it, we put the blame on racism or insensitivity but never where it belongs: on the fact that children tend to respond negatively when they find themselves where they'd rather not be.

Of course you can always take the position that integration is too important a goal to be left to the desires of people. You can insist that integration is constitutionally mandated and call upon the courts to order it.

But you ought to be ready with a shopping list of culprits when your well-meant efforts fail to produce improved education, better racial feeling or even integration.

[From the Washington Post, Sept. 10, 1975]

Is the "Busing Game" Worth the Prize?

(By William Raspberry)

It's hard to know what is the right thing to do now about busing in those cities where antibusing sentiment is so strong as to threaten the public peace.

One can pray that violence will be kept to a minimum; that law enforcement officials will behave professionally, no matter what their private views of the issue may be. One can observe the similarities between white attitudes and actions in Boston and Louisville today and in Little Rock and New Orleans 20 years ago and hope that opposition to busing will melt now as opposition to desegregation melted then.

But the prayers and hopes seem unlikely to produce much by way of positive results, and a lot of us are wondering whether the busing game is worth the prize. Some of us aren't even sure just what the prize is supposed to be.

It was a lot clearer when the issue was whether black children could be shunted off to distant classrooms because nearby schools were designated, officially, if arbitrarily, as white schools.

We may have wondered whether we would have subjected our own children to the taunts and threats of violence faced by, say, the Little Rock Nine. But there did seem to be a clearcut principle at stake: that the public schools should exist for the entire public—that it is discriminatory and wrong to earmark certain schools as black or white.

Now we are being asked to support a different principle: that it is wrong, constitutionally and morally, for a school to be predominantly black even if that fact stems from its existence in a predominantly black neighborhood.

The NAACP, which almost alone is sustaining the drive for wide-scale busing to eliminate predominantly black schools, insists that the principles are the same. It is a view for which support is fast disappearing.

Which is one of the key reasons for widespread pessimism. Many of those who resisted desegregation—the abolition of dual school systems—knew their position to be morally indefensible. And when they finally lost, it was due in large measure to their moral isolation and sense of guilt.

There is no corresponding sense of guilt today. Most whites have long since accepted the notion that segregation is wrong, and even in the Deep South there is hardly such a thing as an all-white school—nor much feeling that there should be.

But on the other hand, precious few whites, North or South, feel any guilt in resisting the disruption of their children's education by busing them to distant schools because those schools are "too black."

Nor is there much more enthusiasm among black parents for large-scale busing for the primary purpose of racial integration.

Not that any of this matters to the NAACP's policy makers. For them the issue is not whether anybody wants busing; it is their view that constitutional considerations require it.

"Constitutional rights are not open to plebiscites and popularity polls," NAACP general counsel Nathaniel Jones recently told the National Observer.

He sees the eradication of racially identifiable schools by which he appears to mean predominantly black schools—as a constitutional mandate to be carried out even if most blacks and whites doubt that it's worth the disruption and ill will that it is certain to spawn. Interestingly enough, those who tell you that the wishes of the people must be subordinated to the mandates of principle generally do so in support of their own wishes.

A very long time ago, the issue was how to improve public education for black children. The presumption, in those days, was that white school officials who insisted on setting aside certain schools for the exclusive use of white children could hardly be expected to care much about the education of black children.

The NAACP, clearly on the right side of that issue, had a major role in the 1964 Supreme Court decision outlawing racial exclusivity. It was a vastly important victory which, in effect, opened neighborhood schools to all neighborhood residents.

But it didn't lead automatically to racial integration, particularly in the North, where the schools remained white or black because the neighborhoods were.

So the NAACP expanded the principle to include not just the dismantling of dual school systems but also the elimination of identifiably black school within unitary systems. A number of courts went along with the expansion.

But that is changing. The Supreme Court, in the Detroit case, held that it's perfectly all right if schools are predominantly black because the school district is predominantly black. Last month, a Detroit judge rejected an NAACP plan that called for busing some 77,000 of Detroit's 260,000 school children in an effort to maximize racial integration. Just as well. The Detroit schools are already about two-thirds black, and the kind of arrangement the NAACP sought almost certainly would have had the primary effect of driving yet more whites out of the city.

The judicial trend may be clear, but so is the NAACP's commitment to busing. And because of the massiveness of that commitment, it may be too much to expect the NAACP to back down at this late date, however counterproductive its efforts may in fact be.

In addition, it is extremely difficult to back down now in the face of the Little Rock-style opposition in Boston, Louisville and elsewhere.

It is a lot easier to wish the current crisis hadn't been forced than to see any reasonable way out of it.

[From the Wall Street Journal, Sept. 10, 1975]

Thinking Things Over

(By Vermont Royster)

SCHOOL DAYS

School days, school days, dear old golden rule days . . . so runs that song of your childhood. But now that school days are once more with us you wonder what rules the children are learning today.

In some schools none at all. No readin', 'riting' and 'rithmetic, with or without a hickory stick. Many school doors are closed because in some dozen states the teachers are on strike.

Meantime in other places the children go to school timidly. They arrive under the watchful eye of policemen set there to ward off angry demonstrations at the schoolhouse door and to protect the children from violence once within. This year add Louisville to Boston and Norfolk and all those other places where the running of the buses has bitterly divided a community.

But maybe the children are learning something anyway, just by watching the grown-ups.

In both these situations the rights and wrongs can get pretty confusing. Those who teach are certainly worthy of a fair wage for their labors. The problem is that those who are taxed to pay those wages often earn less than the teachers' present wage; in these times some of them earn no wages at all. But what the children learn is that grown-ups settle such arguments with naked power, where those who pay adamantly say "no more" and those who demand say "or else".

And while the elders squabble, it is the children who suffer.

So it is with the busing controversy. It is long past time for a school door to be closed to any child because he is black or white or any other color. They are right who cry shame that this once was so and ask not just redress but amends. The problem is that they have some right, too, who cry out against uprooting children from home and neighborhood in the name of exorcising past sins.

Strike what balance you will, the resulting turmoil and anger makes for no happy school days.

Presumably those strikes will be settled ere long one way or another. But there are no signs that the tormenting struggle over school busing is near an end. The bitterness is now so deep it is beyond any easy repair.

Yet if we are to repair it, we need to ask ourselves what it is we really wish to achieve and whether busing school children will achieve it. We might also ask ourselves what else we are doing in the process. Not easy questions because much is obscured in rhetoric.

Those who oppose busing complain that it means long trips for children to and from school. This is certainly something to be avoided if possible, but the fact is that many children have for years had long journeys to school. In some places in the past white children took long bus trips to avoid integrated schools. Once there were no buses at all and children walked miles to school. It didn't seem to hurt Abe Lincoln any.

Those who favor busing, including the judges who ordered these plans, say that schools provided for blacks and other minority groups have been inferior to most white schools. This is indubitably true. But then they say that to remedy this, making them good schools is not enough. The premise of the busing plans is that black students profit simply from sitting in the same classroom with white students, that they can't otherwise have good schools.

This is a dubious proposition at best. Anyway there is ample evidence that many children, white or black, are more comfortable and learn better in familiar surroundings among familiar people. The quality of education is more apt to depend upon the quality of the teachers than the color of the child in the next seat.

But in fact one may doubt now whether a better education for all is any longer the real rationale for the busing plans. The clue is that these plans are drawn on a purely statistical basis. That is, to put so many of each group into each school in proportion to the population mix. The aim is less to correct educational deficiencies than to effect social changes.

So let us suppose that racial imbalances are a bad thing, that all-black or all-white schools are an abomination regardless of the educational quality of each. If that is the case, what are the causes and what the remedy?

The origin of these racial imbalances in the schools, as everyone agrees, is the residential pattern. People tend to cluster together by ethnic, social or economic groups. Lately the imbalance has been intensified by the flight of white middle-and-upper income groups to the suburbs, a flight caused in part by forced integration through busing.

The result has been to leave the inner-cities, and their schools, more and more populated by minority ethnic groups. This explains why successive busing plans have had to reach out to cover a wider and wider area.

If this be the ill, then the obvious remedy is to change the residential patterns which are its root. If some federal judge would order a certain number of white families to move to an area inhabited primarily by minority groups, and a certain number of minority families to move to a formerly white area, the ill complained of would be readily corrected.

There would then be no more racial imbalances in the public schools. Fleets of buses could be put away and the neighborhood school could resume its traditional place in the community.

No federal judge has done that. None would dare to. Every citizen would rise in outrage, seeing clearly an intolerable violation of a most basic civil right. Only in totalitarian countries does the government say go here and go there and the people acquiesce.

Unless, of course, you are a child. Hardly anyone claims any longer that the purpose of this busing is to improve the educational system. It is defended as a means for social change. That may be a worthy objective, but to put on school children the burden of achieving it, doing unto them what we will not do to ourselves, is a strange way to teach the golden rule.

Mr. BROOKE. Mr. President, much has been said about the refusal to agree to a request by the distinguished Senator from West Virginia for a time certain for a vote on his amendment.

This is an important bill which the Senate is considering. It involves billions of dollars and is the second largest appropriations bill on which the Senate is called upon to act.

The amendments, in the main, that the Senate has considered have been amendments that are not pertaining to an appropriations bill but, for all intents and purposes, have been amendments which in effect are legislation upon an appropriations bill.

The big issue has been the issue of court-ordered busing and related issues pertaining to the general issue of busing. There have been precious few amendments that have been so-called money amendments that go to the core of the appropriations legislation.

Mr. President, the delay in voting on these amendments has been caused by several factors. First is the fact that this issue is a highly emotional issue, one which many Senators do not want to vote upon. Second, it is, in effect, legislation on an appropriations bill. And third there has been a refusal on both sides of this issue to allow the other side to have a vote on certain amendments.

I have proposed to the distinguished Senator from West Virginia, the assistant majority leader, that we do have an up-and-down vote on his amendment. I think he is entitled to an up-and-down vote on his amendment. It is a very serious amendment.

Although it addresses the question of busing it certainly is not an amendment to which a point of order would lie.

The Senator is certainly within his rights to offer such an amendment, and there is strong support in the Senate for his amendment.

But, Mr. President, we had hoped, and I say "we" now speaking in my capacity as the ranking minority member of the subcommittee which has the responsibility of floor management of this bill, that we could dispose of certain so-called money amendments and other substantive amendments not relating to the general issue of busing.

I did propose to the distinguished Senator from West Virginia that we consider those money amendments together with his amendment prior to a cloture vote.

The most recent proposal was made this afternoon, when I proposed to the distinguished Senator from West Virginia that the Senate consider his amendment at 2 p.m., or shortly thereafter, that there be an up-and-down vote on the Senator's amendment, and that, following disposition of that amendment, the Senate consider amendments to be offered by the distinguished Senator from Kansas (Mr. DOLE), which is a money amendment, the distinguished Senator from Wisconsin (Mr. NELSON), which is a money amendment, the distinguished Senator from North Carolina (Mr. MORGAN), which is a money amendment, the distinguished Senator from Alabama (Mr. ALLEN), which is a money amendment, and finally another amendment by the distinguished Senator from West Virginia, which is a substantive amendment to the bill concerning the subject of OSHA. And that following disposition of those amendments, and any other money amendment or substantive amendment, that the Senate then vote on the cloture motion, which has been filed with the clerk.

Mr. President, much has been made by discussion in the Chamber today, and at other times, that it was my purpose to keep the Senator from West Virginia from having a vote. Mr. President, such discussion is not accurate.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BROOKE. Yes.

Mr. ROBERT C. BYRD. The Senator knows I have never referred to him personally in my statement.

Mr. BROOKE. That is correct. I certainly accept the Senator's explanation. Nor did I intend to infer that the distinguished Senator from West Virginia, my colleague and dear friend, has ever referred to me as having wanted to deny him a vote on his amendment. But there have been inferences made in the Chamber that there was an attempt to deny the Senator's right to have an up-and-down vote on his amendment.

That could have been true. I would not deny, if I felt that way about it. I certainly would not be above or below making such an attempt, if in fact it would defeat the purpose for which we have been debating for now some 5 or 6 days.

But the fact is that I do want to see the Senator have a vote, and this is not the first attempt, Mr. President, to enter into a unanimous-consent agreement, whereby the Senator would have an up-and-down vote on his amendment.

Mr. President, I am very much concerned about this legislation. I feel that the Senate has already accepted a very bad piece of legislation in an amendment which has been offered by the distinguished Senator from Delaware (Mr. BIDEN), an amendment which I feel, if allowed to remain, would cause serious injury to title VI of the 1964 Civil Rights Act. I do not believe that even the Senator from Delaware, the proponent of the amendment, understands how serious the consequences of his amendment would be. It would not affect court-ordered busing, Mr. President, but the whole area of civil rights if it is allowed to become law.

Many Senators, in discussing this issue on the floor, have talked about equal justice under the law and equal educational opportunities. Yet, at the same time, they would support an amendment such as that which was offered by the Senator from Delaware.

But, Mr. President, what good is a right without a remedy? The effect of the Biden amendment would be to deprive anyone with a right under the Civil Rights Act to the remedy which is provided in title VI of the Civil Rights Act.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. PASTORE. Would the so-called Biden amendment vitiate the plans already in place and working well?

Mr. BROOKE. It is my understanding that it would. That, in itself, would be a great tragedy, because many plans are working well. We read about certain plans that are not working well, where there might be some controversy or where groups are attempting to keep the plan from working. But we do not talk about the many plans that are working across the country, where there is no violence, and where groups and communities have come to accept this as the right—the equal right, the equal opportunity—of all citizens.

So the effect of the Biden amendment, as the Senator from Rhode Island has asked the question, would vitiate, in effect, that which has already been done and that which is being done well.

Mr. PASTORE. The reason why I am quite concerned about all this is that when the substantive legislation was before the Senate, it was I who had the privilege of managing the so-called title VI.

Mr. BROOKE. That is correct.

Mr. PASTORE. This would render title VI impotent, would it not?

Mr. BROOKE. It would make title VI null and void.

Mr. PASTORE. So it would bring us right back to where we started.

Mr. BROOKE. Right back to where we started in 1965.

I was not a Member of the Senate, but I recall reading of the distinguished Senator from Rhode Island's management of that bill—truly a historic landmark in the history of the United States. It was historic for the Senate, yes, but also for our Government and for its people. I believe that even people who are opposed to court-ordered busing still respect and hail the 1964 Civil Rights Act, which would be adversely affected if the Biden amendment were allowed to become law.

Mr. HELMS. Mr. President, will the Senator yield for a question?

Mr. BROOKE. I yield.

Mr. HELMS. Is the Senator aware of any public opinion poll showing the attitude of the American people toward forced busing? Let me put it another way: Is the Senator aware of any poll that indicates that a majority of the American people favor or disfavor forced busing?

Mr. BROOKE. I am not aware of any poll which shows that the majority of the American people favor or disfavor forced busing. I am, however, aware that there are many people in this country, if not a majority, a great number of people in this country—as has been said by the distinguished Senator from West Virginia in his arguments—black and white, who are not in favor of forced busing.

I do not interpret the Supreme Court's decision to say that there must be widespread busing—as has been claimed on the floor of the Senate—for the balancing of public schools. This is a red herring. No court has ordered the balancing of races in public school systems. As I understand the Supreme Court decision—I have read it, read it, and reread it, and I think I understand it well—the Supreme Court has said that busing is a constitutional tool that can be used in order to bring about the desegregation of public school systems that have been segregated by official act—not by racial, residential patterns or anything of that nature, not to balance one race with the other race. But when public officials deliberately segregate public school systems in this country, the Supreme Court has held that it is unconstitutional. And I believe it is morally wrong as well. And the Supreme Court has said that busing is a tool that can be used to remedy constitutional violations.

The distinguished Senator from Kentucky is in the Chamber at the present time. The court ordered busing in Louisville, Ky., was a last resort. That Federal district court judge did not go out of his way to order busing. Judge Garrity, of Boston, did not go out of his way to order busing. Judge Garrity is opposed to busing, does not like busing. But Judge Garrity is a man of law. He reads the law, and he read the Supreme Court decision, and he found that that school committee would not desegregate that public school system by any other means, and the only option left to him was to order busing.

HEW has many options it can use prior to a court-ordered busing plan. The Federal District Court sitting in Boston, Mass. for example, in what is now a very celebrated if not famous—or infamous—case, certainly went to great lengths to give the Boston school committee more than ample opportunity to work out a plan to desegregate the public school system in the city of Boston, which they had segregated by design. The court gave that committee ample opportunity to use any method they could, other than busing, to bring about that desegregation. It was only after the school committee blatantly refused to desegregate that school system, to submit any plan which would have included the assignment of pupils, magnet schools, or many other ways of bringing about desegregation—that the court went to the last resort; and the last resort was busing.

This has been true time after time across the country. It happened in the South, where my distinguished colleague lives and represents the State of North Carolina. It happened in Mississippi. It happened in Georgia. Why can it not happen in Louisville, Ky., and Boston, Mass.? Why should one part of the country obey the law and another part of the country not obey the law?

I cannot understand the logic, the rationale, the justice of that argument. I just cannot accept it.

Mr. HELMS. Let me return to my question. Is it not a fact, I ask the distinguished Senator, that every public opinion poll has shown that anywhere from 75 percent to 86 percent of the American people are unalterably opposed to forced busing, including blacks and whites? Perhaps there is another poll that I have not seen.

Mr. BROOKE. I do not know how the question was put in these polls, but I do not think the Senator would suggest that the Bill of Rights would be supported on the basis of a public opinion poll.

Mr. HELMS. It cannot be cut that fine.

Mr. BROOKE. I do not know that it cannot.

Mr. HELMS. I think a child has a constitutional right not to be forced across a city or a county.

Mr. BROOKE. Let us lay to rest, for once and all, the question of busing.

Mr. HELMS. That is what the Senator from North Carolina wants to do.

Mr. BROOKE. There has been more busing for the purpose of segregation in this country than there ever has been or will be for the purpose of desegregation.

Second, I want to give the Senator another statistic: 40 percent of the American schoolchildren ride to school on a bus every day. Another 25 percent of the American schoolchildren go to school on public conveyances. That means 65 percent of the American schoolchildren are transported to and from school every day. That leaves only 35 percent who actually walk to school.

I can understand that parents, black or white, would rather have their children go to a school within walking distance. But I am saying to the Senator that we have found that many schools in this country—it was not easy to find, but after great labor it was found—had been segregated because of race.

Even in my own capital city of Boston, we would find that there was a white high school and a housing project which was 90 percent black, practically right next to it, and that in that white high school, there was not one black child, that the black children were being bused from that housing project to a black community where they could atteend black schools. I am sure that the Senator will find that, in North Carolina, the same sort of situation exists, that black children have, for years and years, been bused past white schools to black schools in order to get an education in a segregated school system.

The court has found that that is wrong. The Senator must realize that that is wrong. It is morally wrong; it is constitutionally wrong.

All the courts have been trying to do is say that it is unconstitutional. Where we find it, we have to find some means of bringing about desegregation and, after everything else has failed, busing can be used as a constitutional tool. I do not think the courts have been wrong. I think the courts have made the correct decision.

Mr. HUDDLESTON. Will the Senator yield?

Mr. BROOKE. Yes, I am glad to yield.

Mr. HUDDLESTON. I hope the Senator from Massachusetts will not in any way misrepresent the situation as it may be in Kentucky.

Mr. BROOKE. Right.

Mr. HUDDLESTON. It is the truth that this case had been in the courts there for some time. However, in Jefferson County and in Louisville, there were two separate districts, a city district and a county district.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired. The Senator from West Virginia has 8 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Massachusetts 3 minutes.

Mr. BROOKE. Fine. I yield it to the Senator from Kentucky.

Mr. HUDDLESTON. The State required that these districts merge, which brought together two districts comprising now a new, very large district—135,000 students, which is considerably larger than the Boston district, for instance.

On the heels of that, before these districts in the merged district had any opportunity at all to consider the problem, there came the Sixth District Circuit Court's order that a busing plan must be implemented by the start of the school year, September 4, about a month away.

Mr. BROOKE. Will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. BROOKE. Does the Senator know how long the court had waited for the plan to be submitted from the school district before implementation of the plan?

Mr. HUDDLESTON. There was no way that the school district could submit a plan during this period of time, because it only became a school district a scant few days before. Prior to that, it had been two districts, both the Louisville and the Jefferson County School District.

So the new district, the one Jefferson County school district, never had an opportunity to sit down and even contemplate how they would, together, relieve this situation which the court said was in fact a segregated school situation.

Mr. BROOKE. Will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. BROOKE. I have no knowledge of this, but I am wondering, was the joining of this school district for the purpose of circumventing a court order which had been directed at the separate school districts?

Mr. HUDDLESTON. No. It was just the opposite. They were joined in order to try to reach some solution to a situation that had developed where the Louisville district had in fact become predominantly a black district, the downtown, inner city of Louisville. It was recognized that the only way to achieve balance was to combine the two districts. At first, it had been thought that this could be approached from the standpoint of inter-district busing, but the Detroit decision changed that situation to some extent.

So here, we were faced in Louisville without an opportunity to see whether or not redistricting the boundaries of the various schools might, in fact, eliminate this imbalance. We were faced with going into a busing program within a month's time.

The PRESIDING OFFICER. The Senator's 3 minutes have expired. The Senator from West Virginia has 5 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield 2 additional minutes to the Senator from Kentucky.

Mr. HUDDLESTON. I thank the Senator.

While I am firmly convinced that a forced busing plan to achieve some kind of racial balance—and I think this is important—we are not really talking about busing, because students have been bused from time immemorial. And I do not think we are really talking about segregation. We are talking about degree, about a balance, about a percentage of black and white students that has to be achieved in every school and district. While I believe this is a wrong approach, this is an improper remedy, I must say that I do believe that in nearly every case where this has occurred, the school boards could have avoided it through proper action.

In the case of the city of Louisville, the Federal district judge on the scene has said that some 2 years ago, when the suggestion was that a couple of schools be closed, if this had been done, there never would have been a suit, it never would have gotten into court, and enforced busing would not have occurred. Those two schools were in a black district, in a black neighborhood, attended by black children. The black people were the ones who opposed the closing. This was their neighborhood school, they did not want it closed down and then have to be transported to another school.

So we can get into all kinds of complicated situations. Forced busing as a viable remedy seems to me to have been disproved by now as being the best way to accomplish it. I think there are other ways and that those ways can be used.

I am not convinced that, as the Senator from Massachusetts says, the courts have, in every case, explored every other avenue before making a decision on busing.

Mr. BROOKE. If the Senator will yield, I have great respect for the Senator from Kentucky. I think he knows that. I think he is eminently fair in saying, and I agree, that the boards of education have just not done their job and I think busing should be a last resort. I have always said that. And I do not believe that we should have widespread busing when other means will bring about the desegregation of the school system.

Mr. HUDDLESTON. On that point, I agree that we ought to try harder before we get to busing.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Massachusetts has referred to the days when black children were bused out of their own neighborhoods and away from the closest school to so-called black schools miles distant from their homes. He has stated that that was morally wrong. I agree with him. In those days, however, it was constitutional. According to the holdings of the Supreme Court in those days, segregation in public schools was required. The laws of the States required such segregation of the races in the schools. So the people were obeying the Constitution as it was then interpreted by the highest Court of the land, and they were obeying the laws of their respective States. "Separate but equal" was the law of the land.

Now that has been changed. The highest Court, in 1954, in the Brown case, changed all of that. It said that no child could longer be assigned to any public school solely on the basis of its race. That was the right decision, morally and constitutionally, in my opinion.

But, Mr. President, to bus black children today away from their nearest school to another school miles distant just because they are black and only to bring about a so-called racial balance is also morally wrong. To bus white children today, just because their skins are white, away from their neighborhood school, miles away, in all kinds of weather, at tremendous cost, is also wrong. Two wrongs do not make a right.

It was wrong to transport black children away from the nearest school in those days, but constitutionally, it was in accordance with the requirements of the Federal Constitution and State laws as they were then construed. It is just as wrong today to assign children on the basis of color and bus them all over creation. I say two wrongs do not make a right.

ADDITIONAL STATEMENTS SUBMITTED IN CONNECTION WITH SENATOR ROBERT C. BYRD'S AMENDMENT

Mr. TAFT. Mr. President, experience over the past 23 years since the Brown decision has demonstrated that transporting schoolchildren abnormal distances has not worked effectively to achieve the goals sought, especially the goal of achieving quality education for all. Because this is true, I have stated uniformly that other methods of achieving this goal should be sought by the Congress and by the courts. An examination of the practical educational effects of busing would in many instances justify modification of the Brown decision insofar as it applies to busing.

Such a modification, however, clearly should not permit the school authorities responsible for establishing transportation plans or maintaining transportation plans designed to promote or perpetuate segregation in the schools. If they went that far it is the unfortunate likelihood that some authorities would avail themselves of that opportunity. It would seem possible that because of residential patterns such a plan in some cases could be based upon the requirement that no child shall be transported beyond the school closest to his residence.

The question raised by the Byrd amendment is whether, if the courts should not permit such a plan, should HEW be prohibited from using funds to prevent school authorities from establishing or maintaining such a plan? I believe it is clear that it would be unwise as it could force many court cases that might otherwise be avoided. It would also impose an unconstitutional limitation on HEW.

For these reasons I am voting against it.

Mr. ROTH. Mr. President, I applaud the language contained in the perfecting amendment which was offered on Friday by the distinguished assistant majority leader, Mr. BYRD of West Virginia.

The amendment states that none of the funds contained in this act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with title VI of the Civil Rights Act of 1964.

Mr. President, it is time the use of busing as a tool to force integration of our schools be put aside. As an experiment, it has failed and failed miserably.

Schools are being used for the wrong purpose. Schools and schoolchildren should not have the burden of becoming the prime testing ground for experimentation for the sake of social reform. Schools have a purpose. That purpose is to provide quality education. Teachers should be allowed to have an atmosphere conducive to teaching. Children must have an atmosphere conducive to learning.

Reading, writing, and arithmetic are just as important today as ever before. If not, more important. The system, through no fault of the teachers and the students, is failing and failing badly. The blame lies with the phenomenon known as busing. Busing is expensive. Busing is disruptive. Busing is time consuming. Busing is wasteful. Busing is a strain in every conceivable way.

The results of busing are always framed in negative terms. The positive results are negligible or nonexistent because quality education is the victim of busing. Quality education has been on the decline since busing has been on the incline. The relation is direct.

Quality education is not available to our children. Busing is taking its toll. Our children deserve better.

Schoolbusing—forced busing—mandatory busing—quotas—and the like are playing havoc in our schools and with our children. We must return to reason and sanity. We must return to some basic principles that call for the best in quality education. This cannot be achieved through the helter-skelter mechanism of forced busing. Busing, for the sake of busing, is the major obstacle preventing a return to a sound, quality educational system throughout this country. Our schools, the teachers, and, especially, the children deserve the best that this Nation has to offer.

It is wrong for the Federal Government, through the use of Federal funds and other coercive means, to ride roughshod over the wishes of the parents of our schoolchildren by forcing their children to be bused to schools outside of their neighborhood. As I have said since I have been in the Congress, the answer to our school problems lies in quality education rather than in the breakup of our neighborhood schools. Busing has done more harm than good. It has not worked and it should be abandoned now.

I have recently introduced legislation creating a National Commission on School Busing to examine the effects of mandatory busing, investigate alternatives and determine the most effective legislative action that should be taken. The Commission would be empowered to hold hearings, take testimony, and issue subpenas for the appearance of witnesses and the production of documents necessary to its investigations. Specifically, the Commission—consisting of 15 members appointed by the President from educators, parents, and other qualified persons—would be authorized to examine the educational effects of federally ordered schoolbusing, investigate possible alternatives to such plans, and determine the feasibility of legislative action—including a constitutional amendment. The Commission would be required to submit its final report to the President and Congress, together with its recommendations, not later than March 1, 1976.

We need this kind of Commission if we are to acquire sufficient information to meaningfully assess current Federal policies with regard to school desegregation. The courts and Federal agencies have too long made policy in this area on the basis of their best guess as to the relevant educational considerations and current social theories which have proved so unreliable and unrealistic over the tests of time. We must thoroughly reexamine the logic of those policies which have propelled the law of the land in a boomerang course from its laudable point of departure in Brown. Only in this way can we resolve once and for all the troublesome and divisive problem of forced busing and get on in earnest with the task of providing the best education for all our children.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate having expired, pursuant to rule XXII the clerk will state the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 8069, the Labor-HEW Appropriations Bill for 1976.

Edward W. Brooke, Charles McC. Mathias, Jr., Richard S. Schweiker, Mike Mansfield, Robert T. Stafford, Gale W. McGee, Lowell P. Weicker, Jr., Mark O. Hatfield, Hugh Scott, Alan Cranston, James B. Pearson, Clifford P. Case, Edward M. Kennedy, Mike Gravel, Walter F. Mondale, Gary Hart.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to Rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 72]

Allen
Baker
Brooke
Bumpers
Byrd, Robert C.
Church
Culver
Eastland
Ford
Glenn
Hart, Gary W.
Helms
Huddleston
Laxalt
Leahy
Magnuson
Mansfield
McClure
McGee
Muskie
Pearson
Ribicoff
Scott, Hugh
Sparkman
Stennis
Symington
Taft
Thurmond
Tunney

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Buckley
Burdick
Byrd,
  Harry F., Jr.
Case
Chiles
Clark
Cranston
Curtis
Dole
Domenici
Durkin
Eagleton
Fannin
Fong
Garn
Goldwater
Gravel
Hansen
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Scott,
  William L.
Stafford
Stevens
Stevenson
Stone
Talmadge
Tower
Weicker
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART) is absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The PRESIDING OFFICER. A quorum is present.

The PRESIDING OFFICER. (Mr. LAXALT). The question is, Is it the sense of the Senate that debate on H.R. 8069, a bill making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, shall be brought to a close? The yeas and nays are mandatory under the rule.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for not to exceed 3 minutes for the purpose of proposing a unanimous consent request.

The PRESIDENT OFFICER. Is there objection?

Mr. HELMS. Reserving the right to object, I could not hear the unanimous-consent request.

Mr. ROBERT C. BYRD. That I be permitted to proceed for 3 minutes for the purpose of proposing a unanimous-consent request.

Mr. HELMS. No objection, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. May we have order?

The PRESIDING OFFICER. May we have order?

May we have order so the Senator can be heard?

Will Senators please take their seats?

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, as Senators know, my amendment goes to the subject of busing and it would preclude HEW from using any moneys, to require directly or indirectly the transportation of any student beyond the school nearest that student's home, except in a case where he would need to pursue courses that are not offered at the nearest school. So it is strictly a busing amendment, it is a fuel-saving amendment, it is a gasoline-saving amendment.

I ask unanimous consent, Mr. President, that there be an up or down vote on this amendment immediately, with no intervening motion whatsoever in order; that immediately following the vote on this amendment the Senate then proceed to the consideration of various amendments that have nothing to do with busing, or desegregation, or integration, or resegregation, or assignment of students or teachers, et cetera, with a time limitation on each of those amendments of not to exceed 40 minutes, the time to be equally divided between the author of the amendment and the manager of the bill, except in instances where the manager of the bill supports the amendment in which event the distinguished Republican leader or his designee (Mr. BROOKE) have the time in opposition thereto; and that immediately upon the disposition of all such amendments the Senate then proceed to vote on the motion to invoke cloture.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Reserving the right to object, does the Senator's unanimous-consent request preclude any motion other than a motion to table his amendment?

Mr. ROBERT C. BYRD. No intervening motion would be in order prior to the vote on the Robert C. Byrd amendment.

Mr. HELMS. That I understand, but thereafter?

Mr. ROBERT C. BYRD. Thereafter——

Mr. HELMS. He does not address himself to any motion?

Mr. ROBERT C. BYRD. Thereafter, no motion or amendment pertaining to busing, et cetera, et cetera, would be in order until such time as all extraneous amendments dealing with money, OSHA, et cetera, are disposed of, after which there would be a vote on the motion to invoke cloture, and then following that the Senate would resume consideration of any busing amendments.

Mr. HELMS. Mr. President, again reserving the right to object, I see no point in delaying a vote on cloture. The cloture motion was filed with unanimous consent, the time of the vote was set, Senators are here, and I feel that we should vote on the cloture motion at this time.

The PRESIDING OFFICER. Is there objection

Mr. HELMS. I object.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, let me try once again. I ask unanimous consent to proceed for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote occur now on my amendment, with no intervening motion in order, and that immediately after that vote the vote occur then on cloture, that immediately after that cloture vote the Senate go to all extraneous amendments with the half hour limitation on each and with no busing amendment in order.

Mr. HELMS. The cloture vote will follow, then?

Mr. ROBERT C. BYRD. The Senator objected to my first request. I am making a new request that would allow the cloture vote to immediately follow the vote on my amendment up or down.

Mr. HELMS. I have no objection.

Mr. BROOKE. Reserving the right to object, does the Senator have no objection to the cloture vote following immediately on the heels of the Byrd amendment but does object to having the cloture vote follow on the heels of the Byrd amendment followed by the money amendments, so-called?

Mr. HELMS. That is correct. I think the Senate ought to vote on cloture now.

Mr. BROOKE. After the Byrd amendment?

Mr. HELMS. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. No objection.

The PRESIDING OFFICER. Hearing none, it is so ordered. The clerk will call the roll.

Mr. ROBERT C. BYRD. Will the clerk read my amendment, Mr. President?

The PRESIDING OFFICER. This vote is on the amendment of the Senator from West Virginia.

The legislative clerk read as follows:

On page 1, line 2, strike all after the word "used" and insert in lieu thereof the following: "to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with title VI of the Civil Rights Act of 1964.".

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON ROBERT C. BYRD AMENDMENT

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. May we have order, Mr. President?

The PRESIDING OFFICER. Will the Senate please come to order? Will the Senators please clear the well and take their seats?

The clerk will suspend until we have order.

The clerk will proceed.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

I further announce that, if present and voting, the Senator from New Jersey (Mr. WILLIAMS) would vote "nay."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The result was announced—yeas 51, nays 45, as follows:

[Rollcall Vote No. 411 Leg.]

YEAS—51

Allen
Baker
Bartlett
Beall
Bentsen
Biden
Brock
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Goldwater
Hansen
Hartke
Haskell
Helms
Hollings
Hruska
Huddleston
Jackson
Johnston
Laxalt
Long
Magnuson
Mansfield
McClellan
McClure
Morgan
Nunn
Proxmire
Randolph
Roth
Scott, William L.
Sparkman
Stennis
Stone
Symington
Talmadge
Thurmond
Tower
Young

NAYS—45

Abourezk
Bayh
Bellmon
Brooke
Burdick
Case
Church
Clark
Cranston
Culver
Durkin
Glenn
Gravel
Hart, Gary W.
Hatfield
Hathaway
Humphrey
Inouye
Javits
Kennedy
Leahy
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker

NOT VOTING—4

Cannon
Griffin
Hart, Philip A.
Williams

So Mr. ROBERT C. BYRD's amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TALMADGE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON CLOTURE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate upon H.R. 8069, an act making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

The PRESIDING OFFICER. May we have order in the Chamber?

Will Senators kindly take their seats and refrain from further conversation in the Chamber?

We are going to suspend this vote until we have order in the Chamber.

The clerk will proceed.

The second assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON) is necessarily absent.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART) is absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The yeas and nays resulted—yeas 64, nays 33, as follows:

[Rollcall Vote No. 412 Leg.]

YEAS—64

Abourezk
Bayh
Beall
Bellmon
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Durkin
Eagleton
Fong
Ford
Glenn
Gravel
Hart, Gary W.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield

Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Tunney
Weicker
Williams

NAYS—33

Allen
Baker
Bartlett
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Goldwater
Hansen
Helms
Hruska
Johnston
Laxalt
Long
McClellan
McClure
Morgan
Nunn
Proxmire
Roth
Scott, William L.
Sparkman
Stennis
Talmadge
Thurmond
Tower
Young

NOT VOTING—3

Cannon
Griffin
Hart, Philip A.

The PRESIDING OFFICER. On this vote there are 64 yeas and 33 nays. Three-fifths of those duly chosen and sworn, having voted in the affirmative, the cloture motion is agreed to.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The PRESIDING OFFICER. Each Senator now has 1 hour.

Mr. ROBERT C. BYRD. Mr. President, the agreement was that immediately following the cloture vote, the Senate would go to the extraneous amendments, with a 30-minute limitation on each. Am I correct? Under the order entered prior to the vote on my amendment, it was agreed that upon the disposition of the cloture vote—with no condition as to its outcome—the Senate would go to the extraneous amendments with a time limitation on each of 30 minutes.

The PRESIDING OFFICER. We need a clarification for the record.

The Journal record indicates that the Senator from North Carolina objected. It is the recollection of the Chair that the original objector then waived his objection, so we arrive at the unanimous-consent agreement.

Mr. ROBERT C. BYRD. The Chair is correct.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MAGNUSON. Mr. President, I understand the parliamentary situation to be that, at long last, we will get down to the real meat of the bill before the Senate—$39 billion of appropriations for HEW. As I understand the situation now, the bill is open to amendment on the money portions.

AMENDMENT NO. 917

Mr. DOLE. Mr. President, I call up amendment No. 917, as modified.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 917, as modified.

The amendment is as follows:

On page 10, line 6, change the figure "$118,221,000" to "$123,221,000".

On page 10, line 7, strike the words "not to exceed" and change the figure "$5,000,000" to "$10,000,000".

On page 10, line 8, after the subsection designation "(1)", insert "or section 18(b)".

On page 10, line 10, after the code subsection designation "(1)" insert "or 667 (b)".

Mr. DOLE. Mr. President, in the interest of time, I shall take only 1 or 2 minutes on this amendment, because I believe it will be acceptable to the distinguished floor managers, Mr. MAGNUSON and Mr. BROOKE. Moreover, we had a rather thorough and, I think, useful discussion last Thursday on the need for increased emphasis in the area of consultation services under the Occupational Safety and Health Act.

Normally, I would not consider submitting a modified version of an amendment which had been defeated the week before. In this case, however, I think the opportunity we have is too important to pass up.

What this amendment would do, very simply, is to add $5 million to the overall OSHA appropriation for the specific and limited purpose of increasing State-administered consultation services. In addition, it would expand the availability of the resulting $10 million total in the bill for consultation by allowing either section 7(c)(1) or section 18(b) State programs to qualify—provided, of course, with regard to the latter, that the particular State plan include such an assistance function apart from its enforcement effort.

Mr. President, during the consideration of my earlier amendment No. 880, this type of compromise was suggested whereby an amount would be tacked onto the general OSHA appropriation and earmarked for consultation activities without taking anything away from the $10 million stipulated for new federal compliance officers. I rejected that offer because of my reluctance to add any more money to this already inflated bill, and because of my concern that such an arrangement would really not represent the genuine shift in emphasis which I felt was desirable.

Recognizing that the support is not there for the substitution or transfer contemplated by my original amendment, however, I have sought to accommodate the views of those who advocate more consultation without directing any attention away from the enforcement effort itself. In addition, I have, as I indicated, expanded the scope of this new amendment to make all 50 States eligible in one way or another for the consultation money which it provides.

Mr. President, I shall not take time to clarify each State's present or possible involvement, but have prepared a chart for each Senator to show him how his State qualifies. For the convenience of my colleagues, Mr. President, I ask unanimous consent that this breakdown be printed in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

OSHA STATUS REPORT ON STATE CONSULTATION AND/OR ENFORCEMENT AGREEMENTS

Sec. 7(c)(1) consultation agreements	No consultation arrangements whatever (but eligible under either section)	18(b) enforcement agreements (could not benefit from 7(c)(1) but States can earmark for consultation if want to)
1. Arkansas.	1. Alabama.	1. Alaska.
2. Delaware.	2. Florida.	2. Arizona.
3. Kansas.	3. Georgia.	3. California.
4. Massachusetts.	4. Idaho.	4. Colorado.
5. Mississippi.	5. Illinois.	5. Connecticut.
6. Nebraska.	6. Louisiana.	6. Hawaii.
7. New Mexico.	7. Maine.	7. Indiana.
8. New York.	8. Missouri.	8. Iowa (begins in October).
9. Ohio.	9. Montana.	9. Kentucky.[1]
10. Oklahoma.	10. New Hampshire.	10. Maryland.
11. Texas.	11. New Jersey.	11. Michigan.
12. Virginia.	12. North Dakota.	12. Minnesota.[1]
13. West Virginia.	13. Pennsylvania.	13. Nevada.
14. Wisconsin.	14. Rhode Island.	14. North Carolina.
	15. South Dakota.	15. Oregon.[1]
		16. South Carolina.
		17. Tennessee.
		18. Utah.[2]
		19. Vermont.[1]
		20. Washington.[1]
		21. Wyoming.

[1] Has consultation program in effect.
[2] Has 18(b) arrangement but not being implemented.

Mr. DOLE. Mr. President, under the terms of my new amendment, the remaining States which presently have section 18(b) enforcement agreements in operation could also benefit from any additional consultation money by establishing a State plan and by their own decision earmarking some of the Federal funds for separate consultation activities. I am informed that the States of Tennessee and Kentucky have taken the lead in doing just that—with Oregon, Washington, Minnesota, and Vermont also taking steps in that direction.

Unfortunately, funding limitations have restricted the Minnesota and Vermont programs to three and five persons, respectively. I firmly believe that if this amendment were adopted, the OSHA administrators might be amendable to increasing—through legislation or otherwise—the present 50-50 Federal match, thereby encouraging those and especially 7(c)(1) States to come in with greater participation.

Mr. President, I believe this is a good amendment which should have the support of every Member of this body in what it seeks to accomplish. Only those who simply cannot consciously endorse any more additions to this bill might feel compelled to vote against it.

I can certainly appreciate that concern, which I share myself, and would by all means avoid the necessity for doing so if there were another way to successfully augment the consultation concept. In any event, I think we need to focus our attention on this vitally important matter without further postponement, and it is in that spirit which I offer this compromise language today.

Again, this amendment simply adds $5 million for consultation while stipulating that the resulting $10 million total can be used for no other purposes. Twenty States presently have some sort of consultation program in operation, and it is my hope that with this additional money, even more will take advantage of the opportunity to provide this much-needed service.

The amendment has been discussed at some length with the Senator from Massachusetts (Mr. Brooke) and the Senator from Washington (Mr. Magnuson), and I would hope their reaction to it might be favorable. In any event, I yield the floor for any observations they may wish to make, reserving the remainder of my time.

Mr. MAGNUSON. Mr. President, during the last 3 or 4 days, when we were on other matters, we discussed this proposal at some length with the Senator from Kansas. Although the Senator from Massachusetts and I think that perhaps it is a little more than we would like, at least it does beef up the consultation services.

I am perfectly willing, after consultation with the Senator from Massachusetts, to take the amendment to conference.

Mr. BROOKE. Mr. President, I concur with the distinguished chairman, Mr. Magnuson. We did discuss this amendment at great length with the distinguished Senator from Kansas. This $5 million that he would now add to the bill would be in addition to $5 million that we already have in the bill, which would make $10 million for consultation purposes. It has no effect whatsoever upon the enforcement procedures or the inspection procedures. It is just that the Senator from Kansas feels, and we agree, that we should strengthen the consultation section of OSHA, and this money will allow that purpose to be fulfilled. So we agree to accept the $5 million.

Mr. DOLE. Mr. President, I thank the Senator from Washington and the Senator from Massachusetts for their remarks, and appreciate their consideration in supporting my amendment. Their understanding is correct that it will provide an additional $5 million for consultation without affecting the other funds in the bill for OSHA enforcement activities but I sincerely believe that—if handled right—it can go a long way toward creating and maintaining a climate of cooperation and acceptance on the part of employers throughout Kansas and the Nation—businessmen who want to comply with this difficult law, but up to now have had neither the means nor the knowledge to do so.

I am convinced Mr. President, that advice and assistance are the key to having any Federal program work, and that if we are to have an Occupation Safety and Health Act—it should be administered in just such a spirit. With that in mind, I hope the increased attention to consultation, education, and information made possible by this amendment will be a significant contribution to the goals which we all seek.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. MAGNUSON. Mr. President, the bill is open to further amendment.

The PRESIDING OFFICER. The bill is open to further amendment.

The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I call up my amendment as modified.

The PRESIDING OFFICER. Does the Senator ask unanimous consent to modify his amendment?

Mr. ALLEN. No, sir; I do not. I have already modified it as I handed it in, prior to the announcement of cloture.

Mr. BROOKE. Does the Senator have copies of his modification?

Mr. ALLEN. I handed up all the copies I have.

The PRESIDING OFFICER. It is the understanding of the Chair that the amendment had to be offered as of yesterday, a day preceding the cloture vote.

Mr. ALLEN. My understanding is any amendments that came in prior to the cloture vote. If not, the Chair has outlawed about 10 or 15 amendments filed before the cloture vote. I have but one.

The PRESIDING OFFICER. There was no agreement, apparently, with regard to today's cloture vote.

Mr. BROOKE. Will a unanimous-consent agreement correct the situation that the Senator from Alabama is facing?

Mr. ALLEN. No; I do not ask unanimous consent. I call up my amendment that was filed yesterday and is already printed.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> At the appropriate place notwithstanding any other provision of the bill, the total amount herein appropriated shall be reduced by $1,000,000,000, with each separate appropriation being reduced by such percentage as will result in a total reduction of $1,000,000,000.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, this amendment is offered in behalf of myself and the distinguished Senator from North Carolina (Mr. Helms). It will accomplish a reduction of $1 billion in this appropriation. Far from being merely a $36 billion bill, as the committee report would indicate at first glance, this actually is a $41 billion appropriation bill. The Secretary of the Department of HEW, Dr. David Mathews, has called attention to the fact that this appropriation bill runs more than $1 billion more than the President's budget, and it runs more than $900 million more than the HEW budget.

The Senators will note, on page 1 of the committee report, that the exact amount over the 1976 estimates is $1,108,043,381. What this amendment will do is get the appropriation somewhat nearer in line to the President's recommendation. In my judgment, inasmuch as it is in line with what the Secretary of the department is asking, the adoption of this amendment would probably, though not certainly, result in the President's signing the bill.

We have operated for many years at different times without an HEW appropriation bill. As far as I am concerned, this is an opportunity to see a bill pass in a manner and at an amount that would, in all likelihood, meet with the President's approval.

In a $41 billion bill, taking only $1 billion out of that would be a reduction only of about 2.5 percent for the overall appropriation. I believe the various beneficiaries of this appropriation could tighten their belts just a little bit to the extent of 2.5 percent in order to accomplish this saving of $1 billion.

The Secretary of the Department points out that the President's budget will result in a deficit of $60 billion. On May 14, Congress drew its own line at $69 billion, but on July 21, Congress' own scorekeeping report estimates a possible deficit of over $83 billion. This $1 billion reduction might not seem like a whole lot when we are faced with a $83 billion deficit, but it would at least put a cap on the spending under this bill at an amount very nearly the amount suggested in the President's budget.

If the argument is made, as I anticipate that it will be, that the $1 billion reduction would be something of a meat-axe approach, I have a motion that I plan to file in the event this amendment is not agreed to, which would call for recommitting this bill to the Committee on Appropriations, with instructions to report back not later than 10 o'clock in the morning with a $1 billion reduction, and the committee to have the discretion as to what appropriations would be reduced and in what amount to accomplish the $1 billion reduction. Possibly, that is the better approach. But both would result in the same amount of reduction.

The advantage of adopting this amendment is that—we could have gone on with the bill. However, I believe we will still be debating this tomorrow and the next day, too, for that matter. But it would give us a chance, even though it is a remote chance, of closing out the matter today if this billion dollar reduction amendment is adopted.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. I reserve the remainder of my time.

Mr. MAGNUSON. Mr. President, the proposed amendment would reduce the total amount appropriated by a billion dollars. The bill now pending before the Senate is $1.1 billion over the budget and $288 million over the House. Under this amendment, each separate appropriation would be reduced by a single predetermined percentage rate. Since the wording of the amendment covers only total appropriations, there is no safeguard whatsoever against individual programs or activities that could be eliminated entirely within the billion dollars.

The amendment also does not address itself to noncontrollable programs in the bill. In other words, those programs for which spending is mandated in the law are not exempt from the provisions of this amendment. These programs, I remind the Senate, account for 72 percent of the funds in the bill and they include medicaid, social security payments, benefits for disabled coal miners, retirement pay for commissioned officers, and payments to the aged, the blind, and disabled.

The proposed amendment would eliminate nearly all Senate and House increases in the bill. Programs which would be the hardest hit by across-the-board reduction include cancer, heart research, maternal and child health care, medical facilities construction, child support, and rural health care—which is a new program, comparatively new—and nutrition for the elderly.

Services provided under these programs would be reduced with this amendment below last year's level. Under the amendment, total appropriations could be reduced below the President's budget, which was completely inadequate, so decreed by the House and the Senate committee.

It is also unclear whether the amendment would apply to the entire Labor-HEW bill, and if so, programs such as Jobs for the Elderly, the Community Services Agency, and the Railroad Retirement Board would also be reduced.

I think the amendment is unwise. It is what we like to term a meat-ax approach, and it could eliminate some programs entirely. Our committee went over all these programs from A to Z. We heard scores, literally hundreds, of witnesses and came to what we thought was the best conclusion to take care of the social needs of the people of this Nation. This would wreck many of these programs. Even if the amount were only reduced so much, a certain percentage, it still would be bad. We would have a serious problem in the House of Representatives after they had gone through this bill with a fine-tooth comb and came out with their recommendations.

I yield to the Senator from Massachusetts.

Mr. BROOKE. Mr. President, I must vigorously oppose this amendment. The Department of HEW has examined this amendment and it says that because of uncontrollables the amendment's net effect would be to achieve less than a $300 million saving.

I very much respect the Senator from Alabama in his attempt to save money for the Federal Government and cut back on our spending; I know he offers this amendment in all good faith, and it is a very serious amendment.

But after examining it, as I have said, the net effect would be to achieve less than a $300 million savings, and this is a $1 billion cut which would be across the board, as I understand it. So, Mr. President, I do not think the amendment really does what it sets out to do if that is the net result, and I think it is a prime example, Mr. President, of why we should reject this approach to budgeting in favor of the carefully considered item-by-item approach taken by our committee.

We have had long hearings, as our distinguished chairman has said, and we have considered each one of these items. We had a markup session with the subcommittee and with the full committee, and to have an across-the-board cut of $1 billion would play havoc with many of the important programs covered by the bill.

So I join with my distinguished chairman, the Senator from Washington (Mr. MAGNUSON) in strongly opposing this amendment.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. BROOKE. Yes.

Mr. WILLIAM L. SCOTT. I cannot frankly become tremendously concerned about reducing $1 billion from a $36 billion measure.

I just wonder if the Senator can tell me, has this agency not grown faster than any other Government agency? What were we appropriating 10 years ago and 5 years ago? Is it not one of the fastest growing agencies in the Government? Maybe the taxpayers would be very happy if it were only $35 billion rather than $36 billion.

Mr. BROOKE. The Department of HEW has grown, as our chairman has said, it has grown by law over the years. It has taken on many, many more responsibilities than it has ever had in the past.

First of all, we did not know we would have the high inflation that we have today, for one thing. That accounts for some of the cost of this particular bill.

In addition to that, we did not know we would have high unemployment in the country, as high as we have today.

The costs of health programs have skyrocketed, and so it is not a matter of just adding to this agency's budget. It is a matter of trying to meet the needs that are facing the people of this country: Labor-HEW is a very important bill.

I think that Presidents—certainly our present President, President Ford, former President Nixon, and President Johnson, and Presidents as far back as I have known—have tried to rearrange priorities so that we could spend more money for people's needs. The Labor-HEW bill is the bill that covers most human needs. It covers medicare and medicaid. It handles unemployment compensation. Well, I will not get into all this bill does, but it is a big bill.

I think this is the second biggest, if not the biggest bill that comes before Congress for appropriation purposes.

The Senator is quite right. It is a large bill, but the needs justify it.

We have been very mindful of the cost of this bill. I can assure the Senator from Virginia that the distinguished chairman and I and members of our committee worked very hard on this bill, and we have cut back where we could.

We expect we might even have to cut back further when we go to conference with the House, and I doubt very seriously that the bill will end up at the present figure of $36 billion.

But when you come in with an amendment such as that proposed by the distinguished Senator from Alabama (Mr. ALLEN), it is a question then of do we have an item-by-item cut or do we have an across-the-board cut on a bill without knowing just what its effect will be. I think some of the programs the Senator from Virginia may be very much interested in, which apply to problems crying out for solution, might be seriously impaired if we were to accept such an amendment.

Mr. WILLIAM L. SCOTT. Well, Mr. President, I would agree with the distinguished Senator from Massachusetts that the method used by the Senator from Alabama is not the best method. I believe the committee, acting on the individual item, is a much preferable method. But sometimes there is no other recourse.

I submit if this amendment were submitted by referendum to the people of Virginia or submitted to the people of the country, it would pass.

Mr. MAGNUSON. Mr. President, will the Senator yield for just a moment?

Mr. WILLIAM L. SCOTT. I will certainly be glad to yield.

Mr. MAGNUSON. The real problem, as I mentioned, is that 72 percent of this bill is mandatory. It is based upon laws passed by Congress and signed by the President, and so we are talking about 28 percent of the bill, and this cut would be serious. As a matter of fact, the cut would direct itself more to medicaid which maybe, with the Senator from Virginia, I might agree with him is a program that ought to be overhauled. But this is not the way to do it.

Mr. WILLIAM L. SCOTT. Well, Mr. President, I did not intend actually to get on my feet with regard to this. But oftentimes we hear that some particular expenditure cannot be cut because—what is the phrase the Senator just used—anyway, it is mandatory under the law. Well, we make the law and we can change the law, and I think we make a lot of mistakes in these big spending programs that day after day we bring before Congress and enact, and I think, quite candidly, we are going contrary to the large majority of the American public opinion with these big spending bills.

Sometimes we hear, when we are talking about appropriation bills, that we do not have any choice because it is in the legislative bill. Then in the legislative consideration we hear, "Well, don't worry about it, we will take care of it when it comes to the appropriation process." So we hear it both ways.

I am certainly going to support the amendment. If the Senator had an opportunity to make it a cut of $2 billion, I would support that.

Mr. ALLEN addressed the Chair.

Mr. STONE. Mr. President, will the Senator from Alabama yield for a question?

Mr. ALLEN. Yes. But first may I make a point, if I may.

Mr. President, objection has been made by the proponents of this $41 billion bill that a $1 billion across-the-board cut might cut some worthy agency, that this 2½ percent cut might be too severe.

Well, the answer to that is, Mr. President, that this bill is $286 million over the House bill. So in cases where there is some little shoe-pinching with this 2½ percent reduction, all they will have to do is take the House figure. That is all in that particular item. The adoption of this amendment will serve notice on the Senate conferees, on the Senate and on the House that the Senate wants reductions in this bill below even the House bill itself, and not to exceed the House bill by $286 million but to come under the House bill.

But as I say, if there is any shoe pinching, any validity to that claim as to some department, all we have to do is take the House figure.

Mr. MAGNUSON. $800 million was added by the House to the budget.

Mr. ALLEN. The point I am making is that the Senate bill is $286 million more than the House, so they have considered it item by item. If there is any shoe pinching by this, by the reduction, all they have to do is take the House figure of that particular item and that would remove the shoe pinching.

I yield for a question.

Mr. STONE. The Senator from Florida would like to ask the opinion of the Senator from Alabama with regard to this assertion that an across-the-board approach to cutting is wrong and not a good method.

Would the Senator from Alabama not agree that each item in an appropriations bill got there because a majority of Senators and a majority of Congressmen thought well of the bill and, therefore, an attempt to cut a major amount from any one such program becomes almost impossible in the light of the majority support that originally put those amounts in the bill?

Mr. ALLEN. That is correct.

Mr. STONE. Would the Senator from Alabama not agree that a minor across-the-board cut would demonstrate the concern of this Congress that we not exceed even the sky-high deficit estimate and forecasts now being made?

Mr. ALLEN. I think it shows some little display of just a tiny bit of fiscal responsibility, as much as we can show in this particular instance. But it would get us on the right track, it would seem to the Senator from Alabama.

Mr. STONE. The Senator from Florida would like to observe that the Senator from Florida voted against recommitting the defense appropriations bill to conference, but would be willing, if this amendment of the distinguished Senator from Alabama passes, to take the exact same approach to the defense spending bill as to the civilian spending bill we are now facing, right now; but to the contrary if this approach, which is eminently reasonable in the opinion of the Senator from Florida, would be rejected.

I would ask that the Senator from Alabama make a unanimous-consent request to add the Senator from Florida as a cosponsor.

Mr. ALLEN. I am delighted to do that.

Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Florida (Mr. STONE) be added as a cosponsor.

The PRESIDING OFFICER (Mr. STAFFORD). Without objection, it is so ordered.

Mr. ALLEN. I thank the distinguished Senator from Florida.

Mr. President, I yield back the remainder of my time with respect to this amendment. I have not yielded back all of the time I am entitled to.

The PRESIDING OFFICER. Does the Senator from Massachusetts wish to be heard?

Mr. MAGNUSON. Mr. President, we will yield back the remainder of our time on this particular amendment.

Mr. BROOKE. We will yield back the time.

Mr. MAGNUSON. The yeas and nays have been ordered.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Alabama. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON) and the Senator from Washington (Mr. JACKSON) are necessarily absent.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) would vote "nay".

Mr. HUGH SCOTT. I announce that the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

I also announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The result was announced—yeas 32, nays 62, as follows:

[Rollcall Vote No. 413 Leg.]

YEAS—32

Allen
Baker
Bartlett
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Eastland
Garn
Goldwater
Hansen
Helms
Hollings
Johnston
Laxalt
Mansfield
McClure
Morgan
Nunn
Proxmire
Roth
Scott, William L.
Sparkman
Stennis
Stone
Talmadge
Thurmond
Tower

NAYS—62

Abourezk
Bayh
Beall
Bellmon
Biden
Brooke
Bumpers
Burdick
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Fong
Ford
Glenn
Gravel
Hart, Gary W.
Hartke
Haskell
Hatfield
Hathaway
Hruska
Huddleston
Humphrey
Inouye
Javits
Kennedy
Leahy
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams
Young

NOT VOTING—6

Cannon
Domenici
Fannin
Griffin
Hart, Philip A.
Jackson

So Mr. ALLEN's amendment (No. 908) was rejected.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ALLEN. Mr. President, a parliamentary inquiry. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. ALLEN. Have any amendments been filed since the cloture vote on yesterday, and read, so that they would comply with the provisions of rule XXII?

The PRESIDING OFFICER. A number of amendments have been filed. None have been read to comply with the requirements of rule XXII.

Mr. ALLEN. In other words, amendments filed subsequent to the cloture vote on yesterday and not read would not be in order; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLEN. I thank the Chair.

AMENDMENT NO. 912

Mr. CURTIS. Mr. President, I yield myself 2 minutes. I call up my amendment No. 912, and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> At the appropriate place insert the following: "None of the funds appropriated by this Act shall be expended to pay the salaries of any employees of the Federal Government who inspect firms employing three or fewer persons to enforce compliance with the Occupational Safety and Health Act of 1970.".

Mr. CURTIS. Mr. President, this is similar to the amendment on which we had two tie votes. The first vote was 44 to 44; it was reconsidered, and on reconsideration the vote was 42 to 42.

That amendment, dealing with the Occupational Safety and Health Act, would grant a small businessman's exemption where they had five or fewer employees. This amendment deals with three or fewer employees. In other words, it will take out these very small establishments where, in many instances, it is a family-operated concern and there are many reasons why the Federal Government should not have to police it. Their record for safety is not dependent upon Federal oversight.

Mr. President, I am willing to vote without any debate, if those in charge of the bill so desire.

Mr. MAGNUSON. Mr. President, if the Senator from Massachusetts is agreeable, I am willing to vote without further debate, since we have debated this issue extensively in the past few days. However, I see the Senator from New York wants some time.

We only have 20 minutes on a side anyway. So I yield to the Senator from New York for such time as he wishes.

Mr. JAVITS. I cannot be yielded the time. I will take it on my hour.

Mr. MAGNUSON. If the Senator from Nebraska will yield back his time, the Senator may want to answer some of these.

Mr. CURTIS. I yielded myself 2 minutes and am ready to vote.

The PRESIDING OFFICER. The time limitation is 15 minutes on a side.

The Senator from New York.

Mr. JAVITS. Mr. President, I yield myself 3 minutes.

We have gone up and down hill on this OSHA matter. The real issue before the Senate, a matter which we have argued before, is whether or not the life or health of a worker, who works in an establishment that has three or less, is more important or less important than the life or health of a worker who is working in an establishment where there are three or more workers.

We are not dealing here with economic impact. We are dealing with human life and human injury. We are dealing with whether a worker can work in a plant where he is likely to get cancer or asbestosis, the breathing of asbestos dust, or any one of 20 other industrial illnessses.

The question is: Is he to be discriminated against because he is working in a little place as contrasted with a fellow working in a big place?

What we have pointed out before is that the incidence of these dangers is likely to be greater in the smaller establishment, because they simply do not have the resources and the technical equipment, et cetera, to give the care and to sustain the suits which come in larger establishments.

Mr. President, the facts, which we gathered—I think these come from the Labor Department—are simply factual figures showing that if we get down to three or less we only cover 52 percent of all the establishments in the country.

We simply should not whittle away at the danger. That is really what the mover of this amendment is trying to do. There is no such thing as de minimis in this situation. It is human life and human health.

Whatever we may do about the nature of inspections or the penalties which will be imposed or the consultations which will be allowed none of this goes to the fundamental point raised by this amendment. That is a flat exemption. In view of the fact that there are relatively few States which have effective programs of their own, indeed they have been turning their programs back to the Federal Government—and that even goes for an enlightened State as my own—on grounds of economy. We are supposed to be leaders in the industrial field in New York. We have turned the administration back to the Federal Government, and we would have to remount it again if we wanted to reach these small establishments.

So I appeal to our colleagues essentially on human grounds, whatever other provisions they make about other regulation. Senators should not simply exempt those who are in a real danger because the establishment is a small one. I submit that that is a superior consideration to the conclusion of bookkeeping, or the fact that a small businessman has to contend with inspectors, or anything else. I think most small businessmen would agree that the life and health of the worker is even more important. Distasteful as it is to him to deal with the Federal Government, inspector, forms, or whatever, the dangers to an individual in terms of his life and his health is the most important consideration.

For those reasons, Mr. President, I simply do not see how we can make any distinction in this field or the basis of the number of workers employed. They are human beings as much as the fellow working for General Electric or General Motors.

I hope the Senate will reject the amendment.

Mr. CURTIS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WILLIAMS. Mr. President, may I have time in opposition to this amendment?

Mr. MAGNUSON. Yes, I yield such time as required.

Mr. WILLIAMS. I certainly agree with everything the Senator from New York said in opposition to this amendment. What the amendment does really is consider only one element of this whole factor, and that is a supposed burden on the small businessman.

The other side of it is the welfare of millions of workers. There are 4 million employed people who would be wholly excluded from the coverage of this Occupational Safety and Health Act as a result of this amendment. As we think of eliminating all protection for these workers and put that on the scale with this small burden, which is, I suppose, the thrust of the amendment, I could suggest to Senators that it seems most cruel to me that these Americans would be excluded from something that is there to protect lives.

When Senators think of the burden upon the small businessman, it is not that much of a burden at that, I respectfully suggest to the Senator from Nebraska. There are little better than 2½ million places of work where there are three or fewer employees, and there have been inspections at less than a half percent of those workplaces. There have been fewer than 12,000 inspections in over 2½ million workplaces.

The inspections have, as a general rule, gone only to those establishments where the problems presented by the working operation suggest the possibility of death on the job, or a great danger or catastrophy. We have seen examples right in the neighborhood.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. PASTORE. Of course, the Senator from New York and the Senator from New Jersey make a very impressive argument. I do not think there is anyone in this Chamber who wants to kill anyone. We want to make life as safe for every American, whether it is one or a million.

But the fact still remains there have been a lot of abuses in this program. We know that a lot of small people have been harassed. It is not a matter of whether or not we are insensitive to the lives of two or three people as against the lives of 10 or 15. But most of these guidelines, that are set by the Federal Government, are usually oriented to big firms like General Motors. They come to my little State of Rhode Island, where they have two people working in a little jewelry shop, and they begin to go around there with a telescope and a magnifying glass, and they find this out, and they find that out. Then they have the power to impose a fine on the spot. I am telling Senators we have gotten to the point of harassment.

Now will someone address himself to that point? After all, General Motors has a lot of money. They can read this. They have good lawyers. They can read all the regulations. But then we take the small little businessman, if I may be permitted to use that, he does not have that same kind of service. They walk into his place, and they say: "Well, now look here, look here, you ought to have two toilets here, instead of one; it is not safe with only one." Yet when one goes on an airplane, we get 125 people on that airplane, men and women use the same lavatory. Yet they go to a little place like this, that has been doing business for years and years, and they begin to get in picayune stuff.

I was wondering will the Senator from New York and the Senator from New Jersey tell the Senator from Rhode Island, who wants to be on your side, how do we overcome this harassment?

Mr. WILLIAMS. If I could, first, if I have the floor, and then yield the time to the Senator from New York, we all have been apprised of the administrative enforcement abuses. Every Member of this body has had constituent complaints of the picayune, the unnecessary OSHA procedures and all of the rest. They have presented to us these big stacks of regulations that no one can be expected to understand in detail.

Now that was years ago, and we have had our debates here on those issues. I will say to the Senator from Nebraska he has rendered a real service, because he has really put the feet of the administrators to the fire, and out of it has come the true beginning of a rational enforcement procedure.

I have here some documents. These little pamphlets are reduced to the most understandable language and apply if we have a gas station, if we have a laundry, if we have a grocery store, if we have a sporting goods store, and a can and soft drink facility. These simplified procedures even illustrate and lay out the law of what is expected of people in understandable terms, clear and simple terms, with very elementary, rudimentary demands for health and safety.

Mr. PASTORE. I am very happy about that.

Incidentally, an aide came to me and said, "Use another microphone. Yours is broken."

I wonder whether anybody did not hear what I had to say. [Laughter.] If they did not hear it, I will say it again.

Mr. WILLIAMS. The microphones were not installed for the Senator from Rhode Island.

Mr. PASTORE. I will be watching this thing very closely. Are we going to stop harassing people? Are we going to stop playing cops and robbers?

Mr. WILLIAMS. Here is the record I have from the new Secretary of Labor John Dunlop, for whom everyone in this body has the greatest respect. When he came before the chairman informally, before his confirmation hearing, and then at his confirmation hearing, everything that has been registered here of concern about the maladministration of OSHA was laid on the line to Secretary Dunlop. He understood, and right now he is in the process of naming a man to be Assistant Secretary of Labor for OSHA who I am sure will be sensitive to the concerns expressed in the Senate.

Mr. JAVITS. Mr. President, will the Senator yield, on my time?

Mr. WILLIAMS. I yield.

Mr. JAVITS. Mr. President, one other point: This is on an appropriations bill. It is a limitation. If this were put on a labor bill, we could amend the amendment. We cannot do that now.

For example, what could be written into this amendment is that it shall not apply in hazardous industries or firms where there have been previous violations. We cannot do a thing now. The Senator can do it on any other bill or a labor bill. There is no rule of germaneness.

In addition, Senator WILLIAMS and I will give a hearing—we have done it before and will do it again—in order to bring that kind of pressure to bear on the administration. We are not shutting our eyes to the problem.

Mr. CURTIS. I yield myself 1 minute.

Mr. President, for 5 long years, those who oppose this amendment have opposed every change in that law. It has been stated here that this is an amendment to take away all safety protection. The people who are working there are concerned. We still have many voluntary organizations. We still have the local government and still have the State government.

I do not accept the doctrine that Uncle Sam has to look over the shoulder of every person in the country. They are not without brains. If a man has his son working in a little shop, is he not more concerned about the safety of that boy than all the inspectors in the world? Certainly he is.

If those in opposition wanted to do something to modify this, they have had 5 years in which to do it. It is our only chance to take an arrogant, ruthless agency off the backs of a lot of people, and no record has been cited here that they have done any good.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. I am ready to vote.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CURTIS. I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

SEVERAL SENATORS. Vote! Vote!

Mr. MAGNUSON. Unless someone else wishes time, the Senator from Massachusetts and I will yield back our time.

Mr. JAVITS. Mr. President, will the Senator yield me 1 minute?

Mr. MAGNUSON. I yield.

Mr. JAVITS. I think the issue is clear, Mr. President. The issue is clear, as to whether or not we should try to do whatever the Senate wishes to do at a time when it could be malleable and responsive to substantive issues, or whether we should arbitrarily cut out every employer of three. Should that man's life and health be in jeopardy because he happens to be in a small shop? Members can very clearly declare themselves "yea" or "nay" on that issue.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PASTORE. I understand from the Senator from New York that he has objection to this particular amendment being on this particular bill.

Mr. JAVITS. Exactly.

Mr. PASTORE. In that event, is he going to move to lay the amendment on the table?

Mr. JAVITS. I think Senator WILLIAMS has that intention.

Mr. PASTORE. I hope the Senator will make up his mind.

Mr. WILLIAMS. The answer to that is that at the appropriate time, when all the time is used up, I will do so. I will do so for this reason and for the other reason, that we are fully sensitive to the problems faced by Members of the Senate in this regard.

In our committee, we already have started our process. I hope the new Senator from New Hampshire, who has been the last on the firing line of opportunity in getting elected and who probably has heard more complaints than anybody else recently, and who is a member of our committee, will lead us in some grassroots hearings and a study of this issue again. I will serve on his task force, and I am certain that the Senator from New York will, also.

Mr. CURTIS. I yield myself 1 minute.

Mr. President, here is a shell game if I ever heard of one. Why does the Senator not let us have a vote on this, instead of moving to table, raising an objection about what bill it is on, and promising hearings? We have had hearings. I have brought witnesses in here, and they have told their story.

The presiding Senator smiled and thanked them for their helpful information.

Four years have gone by, and they have done nothing about it.

I appeal to the fairness of the chairman of the Committee on Labor and Public Welfare to let us have a vote up or down on this amendment.

Mr. PASTORE. Mr. President, will the Senator yield to me on the statement he just made?

Mr. CURTIS. I yield.

Mr. PASTORE. The Senator's witnesses talked about five or less.

Mr. CURTIS. No. They talked about their treatment.

Mr. PASTORE. The Senator from Nebraska brought up an amendment which provided for five or less. He lost that, and now it is three. I am wondering whether after it is three, it will be two and after it is two it will be one. After that, will it be papa and mama? Where are we going?

Mr. CURTIS. These hearings were before the subcommittee of the Committee on Labor and Public Welfare. I was there all the time. They did not discuss a number. They came in and told of their treatment by OSHA. It is an arrogant agency that does not reflect upon the good of the U.S. Government, and it does nothing to promote safety, because half of their inspectors do not know what they are talking about. There are not any hazardous manufacturing concerns that have three or fewer employees.

Again, I appeal to the chairman of the committee to let us vote on it. As to this shell game that we will have a hearing, I know what will happen: We will bring in some witnesses, pay their expenses, somebody will come in, and somebody will thank them for their information, and nothing will happen.

Mr. WILLIAMS. I have announced that I would move to table. I can hear from those who have been very close to this appropriation bill that the time has come to vote up or down, and, therefore, I withdraw my suggestion.

Mr. MAGNUSON. With that announcement, Mr. President, I yield back the remainder of my time.

Mr. CURTIS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will please call the roll.

The legislative clerk called the roll.

Mr. MUSKIE (after having voted in the affirmative). On this vote, I have a pair with the Senator from Michigan (Mr. PHILIP A. HART). If he were present and voting, he would vote "no." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Washington (Mr. JACKSON), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

I also announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The result was announced—yeas 48, nays 45, as follows:

[Rollcall Vote No. 414 Leg.]

YEAS—48

Abourezk
Allen
Baker
Bartlett
Bellmon
Brock
Buckley
Bumpers
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Curtis
Dole
Eastland
Fannin
Fong
Ford
Garn
Goldwater

Hansen
Haskell
Helms
Hollings
Hruska
Johnston
Laxalt
Long
Mansfield
McClellan
McClure
McGovern
McIntyre
Morgan
Moss
Nelson
Nunn
Packwood
Pearson
Randolph
Roth
Scott, William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NAYS—45

Bayh
Beall
Bentsen
Biden
Brooke
Burdick
Case
Clark
Cranston
Culver
Durkin
Eagleton
Glenn
Gravel
Hart, Gary W.
Hartke
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Javits
Kennedy
Leahy
Magnuson
Mathias
McGee
Metcalf
Mondale
Montoya
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Muskie, for.

NOT VOTING—6

Cannon
Domenici
Griffin
Hart, Philip A.
Jackson
Sparkman

So Mr. CURTIS' amendment was agreed to.

Mr. CURTIS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. MAGNUSON addressed the Chair.

The PRESIDING OFFICER. May we have order in the Senate. Will the Senator suspend until we have order? May we have order so that the Senator from Washington can be heard. Will Senators please take their seats. Will Senators please conduct their conversations in the cloakroom or elsewhere.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER VITIATING CLOTURE MOTION FILED YESTERDAY

Mr. BROOKE. Mr. President, I move to vitiate the cloture motion filed yesterday.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAXALT). Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask that the Chair get order in the Chamber.

The PRESIDING OFFICER. The Senate will please be in order so that the Senator from Virginia may be heard. Senators will please take their seats. The Senator from Virginia may proceed.

JAMES L. BUCKLEY, A SENATOR WITH COURAGE AND CHARACTER

Mr. HARRY F. BYRD, JR. Mr. President, it is not often that a Member of the Congress says "No" to those who would raid the Federal Treasury for the benefit of a district or State represented by the Member of the Congress.

But Senator JAMES L. BUCKLEY, of New York did just that.

Senator BUCKLEY told a news conference that, like the Ford administration, he opposes the suggested Federal loan guarantee of New York City bonds.

"There is no way of having loan guarantees without having Federal guidelines, and that I oppose," Senator BUCKLEY said. "New York has got to put its own house in order" the Senator added.

The Conservative-Republican, who faces reelection next year, said that he opposes direct Federal action because, "based on historic experience, I am opposed to further eroding our Federal system, which is based on independent, self-governing bodies."

The senior Senator from Virginia is pleased today to salute Senator BUCKLEY. It took courage and character for Senator BUCKLEY to take such a position.

The politicians will deride him.

But in politics today, there are a few persons—not many, but a few—who would rather do what is right and what is best for our Nation than to take an unsound position for personal political gain.

While politically unwise on its face, Senator BUCKLEY's forthright stand represents such a contrast with the politicians who brought about New York City's dreadful financial condition, that Senator BUCKLEY may even gain with the electorate.

In the minds of many people, courage and character are so rare in public life today that the people of New York may cherish one who possesses such attributes.

OREGON TREASURER OPPOSES BAILOUT FOR NEW YORK CITY

Mr. HARRY F. BYRD, JR. Mr. President, to those Senators who would vote to bail out New York City by having the Federal Government guarantee her bonds, I invite attention to a statement published in the Washington Star of September 22 from Oregon State Treasurer James Redden.

Mr. Redden asked this question:

Who will buy our bonds if the Federal Government rewards New York's ineptness with a guarantee for their debt?

If the Federal Government gives in to political pressures and bails New York City out of her self-created financial mess, the ramifications will be many. The elected official of Oregon cited one example.

A bailout for New York City would be a bottomless pit for the American taxpayer.

There are many other examples and the ramifications will be many.

Mr. President, I suggest the absence of a quorum.

Mr. KENNEDY. Mr. President, will the Senator withhold that?

Mr. HARRY F. BYRD, JR. I withhold that.

The PRESIDING OFFICER. The Senator from Massachusetts.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask unanimous consent that the amendment be considered in order.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Reserving the right to object——

Mr. ALLEN. May we have the amendment read, please?

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

On page 40, between lines 5 and 6, insert the following:

EDUCATION DIVISION

OFFICE OF EDUCATION

An additional amount for carrying out title I of the Elementary and Secondary Education Act of 1965 for the fiscal year ending June 30, 1976, $1,000,000,000.

Mr. KENNEDY. Mr. President, before asking for the unanimous consent that this amendment be in order, I have been listening to the debate on the floor of the Senate on the whole question of the busing and the various issues that have been expressed.

What I have heard day in and day out is how so many of the Members here who have supported those various amendments really care about the kind of education in the inner city school.

Title I is the one instrument which has been fashioned by Congress to provide direct assistance to deprived children in the inner city schools. Primarily, those have been in the areas where there has been the greatest poverty and the greatest deprivation.

I thought by putting this amendment in and asking that it be in order that we would, as a body, have a chance to express our views about whether the questions of quality education could be the opportunities for increasing quality education, just in terms of adding resources to the already inner city schools, where children will not be bused from, and it would be possible.

So I would hope, Mr. President, even though it does not conform with the fact of being entered prior to the time that we did enact cloture, that this body generally, all the members of which have indicated their concern about improving education in the inner city schools in the areas where there is the greatest deprivation, would at least permit a chance to have it considered as in the other amendments where there would be a very short period of time.

We could examine this and find out whether we are really interested in trying to do something about the inner city schools and the deprived children or whether a great deal of the rhetoric that was heard here in the past week was rhetoric.

Mr. ALLEN. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Objection is heard.

Mr. ALLEN. Reserving the right to object——

The PRESIDING OFFICER. Reserving the right to object.

The Senator from Alabama.

Mr. ALLEN. Mr. President, the Senator from Alabama sought to knock a billion dollars out of the bill.

The distinguished Senator from Massachusetts is trying to add $1 billion. The Senator from Alabama would be constrained to object to the amendment at this time.

Mr. KENNEDY. I would hope that prior to the Senator from Alabama filing the objection he would consider not only the questions of the monetary considerations, but this broader kind of issue which has preoccupied the Senate for the past week and preoccupied the Nation now for any period of time, on which there have been a gerat many comments and statements in terms of what is going to be done, in terms of trying to strengthen the education system.

I have a good deal of respect for the position of the Senator from Alabama, which has been long held, in terms of fiscal economy. But it seems to me that really what we are talking about, as important as that issue is, is the question of the quality education which has aroused such emotion here in the Senate and across the country. I would have thought that particularly those who have argued most strenuously in terms of either limiting title VI of the Civil Rights Act or in terms of the limitations on the ability to transport children would at least give an opportunity to try and test out their view, that in strengthening the educational system in the inner cities and the deprived areas that this is really what they have been interested in, and it would give them an opportunity to show that interest.

Mr. MANSFIELD. Mr. President, I think the Senator is on the right track. I believe if we are going to upgrade education, especially in the inner cities, we are going to have to pay for it. If we are going to have quality schools and get away from busing, we will have to pay for it. The only way we can do it is with better educational facilities, a better teaching corps. I would hope that there would be no objection to this very worthwhile amendment which I think goes right to the heart of the problem.

Mr. KENNEDY. I thank the Senator.

Mr. ALLEN. Reserving the right to object, I sympathize with the distinguished Senator from Massachusetts for the situation that exists in his native State. It is a situation that my own State has had in the past. But we have accepted the decisions of the courts and have abided by them. We are sympathetic with any people who have this travail to contend with. But the Senator from Alabama does not believe that throwing another $1 billion at the problem is going to solve the problem. It is going to be a problem that will have to be solved in the minds and hearts of the people. Throwing $1 billion at the situation is not going to make the problem go away, in the opinion of the Senator from Alabama. I object to the consideration of the amendment.

Mr. KENNEDY. Could the Senator from Alabama withhold, reserving his right, until I respond to any questions?

Mr. ALLEN. I continue to reserve my right.

Mr. KENNEDY. All I can say, of course, is if the Senate had been able to consider this amendment, and if it could have been favorably acted upon, of course, those children in Alabama who would have benefited under title I would have benefited as well as those in my own city of Boston. I yield to the Senator from Florida.

Mr. CHILES. The Senator from Florida, together with other Senators in the Chamber, including the distinguished majority leader, introduced legislation trying to deal with this subject, in effect, in which we talked about a prize school. We were not satisfied to be just against busing and for a neighborhood school situation. What we did in the south, and I suspect what we did in many areas of the country where these orders were being enforced, was to close that disadvantaged school and bus the children out. When we closed that school, we not only closed the seat of education but closed the community center as well. In so many of your deprived areas, especially in your disadvantaged neighborhoods, that is the position that the school has served.

I think the Senator from Massachusetts is on the right track. I think we are going to have to be willing to provide quality education. I think we can do it, and perhaps at some additional cost. But when we consider all of the costs we have been spending on the busing and all of the sort of wheel spinning that we have been doing in that regard, if we would really get to the core of the problem, providing a quality education for each child in this country regardless of where they live, regardless of what their color or race is, then I think that would be productive. Regardless of the cost, it would be worthwhile.

I can see why the Senator from Alabama would object. While putting in $1 billion signifies we want to do something, I am not sure that it signifies we have an answer for trying to provide that quality education.

I would urge the Senator from Massachusetts to look at the legislation which I am now drafting. I would like to have his help in that legislation, and the help of any of the rest who are not satisfied with just voting "No" on busing which many on our side have done. We are not satisfied because we do not want to go back. We are not trying to say that we want to go back to separate but equal. We know it was never equal and we know it is not good to be separate. We want to try to find an answer to provide for quality education.

I think some way of trying to set up some of these prize schools is important. The President is now talking about quality education. There may be an area in which we can try to do something. As the Senator from Massachusetts has said, I am sure one of the great problems in his State is that almost all of the Boston schools were disadvantaged to start with. They were not providing quality education to start with. Certainly, that is the core of the matter and where we need to go.

I want to join with the Senator in trying to do something about it. I would like to have the Senator look at my legislation and see if there is some area where we could find a way to try to work in this regard.

Mr. KENNEDY. I thank the Senator from Florida for his comments. I believe he introduced that legislation some 2 or 3 years ago. I am familiar with the seriousness of the concern of the Senator from Florida on this issue.

Mr. President, it seems to me that the title I provisions of the Education Act have had the result of a very extensive set of hearings over a very considerable period of time, going back to the early part of the 1960's, to the mid-1960's. It has been altered, changed and strengthened on the basis of the legislation that was passed a year ago. It does concern itself with the size of classrooms, with materials, with teacher training, special tutors and teachers for very specialized problems and needs. I think it is an important element in the total Federal participation with localities and States in trying to upgrade education. It seems to me that we could strengthen that particular provision while we are considering any of the other alternatives. I understand the position which has been taken by the Senator from Alabama and I appreciate his willingness to withhold his objection until we had a chance to exchange these comments.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. I yield either the floor or for the purpose of the objection of the Senator from Alabama.

Mr. ALLEN. I would like to continue to reserve my right to object.

Mr. MAGNUSON. The Senator has already objected.

Mr. ALLEN. I merely reserved the right to object.

I assume that the distinguished manager of the bill would object to this $1 billion addition. Had not cloture been invoked, the amendment, of course, would be in order. The Senator from Alabama voted against cloture, hoping that all amendments could be brought in. But since cloture has been invoked, this would add $1 billion to the amount by which the bill already overruns the budget request. It would be $2 billion out of line then. I feel certain that the manager of the bill would object. In case he does not, I object to the amendment coming in.

Mr. KENNEDY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state.

Mr. KENNEDY. Is that an objection or not an objection.

The PRESIDING OFFICER. The Senator from Alabama has objected.

Mr. MAGNUSON. The amendment is not in order anyway.

Mr. ALLEN. It would have been in order if unanimous consent had been given. That was what I objected to.

The PRESIDING OFFICER. Objection is heard. The record is clear on the matter.

Does the Senator from Massachusetts wish to be recognized?

Mr. KENNEDY. No, Mr. President.

Mr. MAGNUSON. Mr. President, I understood the busing day was tomorrow.

The PRESIDING OFFICER. That was our understanding.

Mr. MAGNUSON. And, further, that we were going to try to get this bill moving along tonight.

Now we are back on it again. I think it is perfectly all right to have this discussion, but we do have one amendment left. We have waited for the Senator from Wisconsin; he is here now, and has an amendment he would like to present.

The PRESIDING OFFICER. Does the Senator from Wisconsin wish to be recognized?

Mr. NELSON. Mr. President, I have an amendment which was introduced some time ago, prior to the cloture vote, amendment No. 890. However, after discussing this matter for some time with the manager of the bill, I have drafted another amendment which is acceptable to him.

This amendment would add $5 million for the National Institute of Allergies and Infectious Diseases, and $9 million for the National Institute of General Medical Sciences and $6 million for the National Institute of Environmental Health Sciences.

The biomedical research people in general around the country are in strong support of the proposal to add some money for these institutes. In fact, two of them, allergy and general medicine, are receiving 5 percent less in real dollars now than they were in 1970, in the case of allergy, and 7 percent less in real dollars for general medical research than was the case in 1970.

There are only three institutes which are receiving less in real dollars now than they were in 1970. This amendment would restore $5 million to one and $9 million to the other, and then $6 million to the National Institute of Environmental Health Sciences, which was funded at a very low level in the beginning.

I would prefer, and so would the manager of the bill, instead of calling up the original amendment and asking unanimous consent to modify it, to offer this amendment and ask unanimous consent that it be considered instead, if that is acceptable to the manager of the bill.

Mr. MAGNUSON. You call up the amendment, do you not?

Mr. NELSON. I will offer it; I ask unanimous consent to do so at this stage.

Mr. ALLEN. Mr. President, reserving the right to object, there is an amendment pending that does comply with the conditions of rule XXII; is that correct?

Mr. NELSON. That is correct.

Mr. ALLEN. And the Senator now seeks to modify that amendment?

Mr. NELSON. Well, I seek to offer it just as an independent amendment, instead of modifying the other one.

Mr. ALLEN. What is the difference between the amendment that is in order and the modification that is not?

Mr. NELSON. The original amendment would cut $100 million out of the Cancer Institute and $50 million out of the Heart and Lung Institute, take $50 million and add it to the other institutes. That was unacceptable to the manager of the bill and the Senator from Massachusetts (Mr. BROOKE); so I drafted this one in order, at least, to be certain that these three institutes, which seriously need this money for their biomedical research, would at least get an opportunity to get it, though the amount would have to be settled in conference.

Mr. ALLEN. The original amendment just had to do with allocation of certain amounts, is that correct, not any additions?

Mr. NELSON. Well, the original amendment would remove $150 million.

Mr. ALLEN. But then would put it somewhere else?

Mr. NELSON. No, it would take away $100 million from cancer and $50 million from heart-lung, and then take $50 million and add to the other institutes, so there would be a net gain of $50 million to the other institutes and a net loss of $150 million to those two.

Mr. ALLEN. It would add $50 million to the total amount appropriated, would it not?

Mr. NELSON. No, the original amendment would not. This one would add $20 million.

Mr. ALLEN. I understood the Senator was going to take $150 million from two agencies or purposes, and then add an additional $50 million.

Mr. NELSON. To subtract $150 million from two institutes, but add $50 million to the other institutes.

Mr. KENNEDY. The net effect is a cut of $100 million.

Mr. ALLEN. But now the Senator proposes to add $20 million instead of cutting $100 million?

Mr. MAGNUSON. Make your request so we can get on with it.

Mr. BELLMON. Reserving the right to object, Mr. President——

Mr. NELSON. I send to the desk the amendment, and urge that it be called up after the Senator from Oklahoma makes his reservation.

Mr. BELLMON. This amendment is entirely different from the other amendment. The other amendment would cut $100 million and this one adds $20 million to the bill; that is the effect, is it not?

Mr. NELSON. That is the dollar effect.

Mr. BELLMON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The Senator from Washington.

Mr. MAGNUSON. Mr. President, I am sorry there was an objection, because the Senator from Massachusetts and I were going to see if we could not take this amendment to conference. Of course, we would strenuously oppose the original amendment, as taknig $100 million off cancer.

So, in view of the parliamentary situation and the objection, I guess the so-called Nelson amendment cannot be brought up.

Mr. President, are there any further amendments to the money part of the bill?

The PRESIDING OFFICER. Are there further amendments?

Mr. CRANSTON. Mr. President, may I suggest the absence of a quorum? I would like to have a chance to confer with the floor manager for a moment.

Mr. MAGNUSON. Does the Senator have an amendment, too?

Mr. CRANSTON. It is on the same subject matter.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I ask unanimous consent that a letter dated September 17, 1975, from Dr. David Mathews, Secretary of Health, Education, and Welfare, to Senator HUGH SCOTT, recommending that this bill be recommitted to the Committee on Appropriations because it is out of line with the President's budgetary request, be printed in the RECORD for information of Senators and the public generally.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., September 17, 1975.

HON. HUGH SCOTT,
Minority Leader, U.S. Senate,
Washington, D.C.

DEAR SENATOR SCOTT: I want briefly to provide you with my views on H.R. 8069, the FY 1976 appropriations bill for the Departments of Labor, Health, Education, and Welfare and related agencies. I believe the amount of money in that bill is excessive in today's difficult fiscal times.

The total bill exceeds the President's January budget by more than $1 billion. For HEW, it is more than $900 million over the budget.

These expenditures are proposed at a time when the overall fiscal picture of the nation demands an even greater restraint on spending than in those prior years when the Congress appropriated more for health and welfare than requested by the President.

The President has drawn the line on the budget deficit for FY 1976 at $60 billion.

On May 14, Congress drew its own line at $69 billion.

Congress' own July 21 budget scorekeeping report estimates a possible deficit of over $83 billion.

I recognize that some of the increases over the budget would, on their merits, be money well spent. We must, however, view the work of this Department in the context of the many other legitimate demands on Federal, State, and local funds.

In some instances, moreover, the merits of the additional spending are questionable. For example, I think that there is a consensus among medical researchers that the expenditure of more than $800 million for cancer research is not justified if we are to maintain a balanced biomedical research program. The Senate has added $100 million more for cancer research than is contained in the House bill which is already more than $100 million over the proposed budget.

We are at a point where we believe the fight against inflation can be won. Increased Federal spending such as is contained in H.R. 8069 could well tip the balance in the wrong direction. To do so will hurt the beneficiaries of this Department's programs far more than they will be helped by the additional money in this bill.

It is our view, therefore, that the best course of action would be for the Senate to return the bill to the Appropriations Committee with instructions to make significant reductions.

Cordially,

DAVID MATHEWS,
Secretary.

ADDITIONAL STATEMENTS SUBMITTED IN CONNECTION WITH H.R. 8069

Mr. BAYH. Mr. President, I am opposed to the Biden amendment to the 1976 Labor-HEW appropriations bill which the Senate adopted on September 17. I voted against its adoption and I hope that the Senate will reconsider it and remove it from the bill.

The Biden amendment, although it has been described as an antibusing amendment, is not going to end busing. What it is going to do is create chaos, nullify an important provision of the landmark Civil Rights Act of 1964, and impede the movement toward integration of the country's schools which, for the most part, has occurred peacefully and without busing.

Twenty-one years ago, the Supreme Court of the United States in the historic Brown decision, ordered an end to the segregation of pupils by race on the grounds that such education was inherently unequal.

Repeatedly, since that time, Congress has affirmed its commitment to equal, and to quality education for the Nation's children.

One of the most important actions which Congress has taken toward this end is passage of the 1964 Civil Rights Act.

Title VI of the act provides that no person shall, on the basis of race, color, or national origin, be deprived of the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance.

Title VI provides the Federal Government with the necessary tools to fulfill its constitutional duty to implement the 5th and 14th amendments of the Constitution.

What are these tools? Agencies which grant Federal assistance—in this case, we are talking primarily about HEW—are directed to issue rules and regulations to inform local school districts what they must do to conform with the requirements of title VI and with the 5th and 14th amendments. The agencies are directed to secure compliance with the regulations—preferably voluntary compliance—and to consult with and lend assistance to school districts to achieve desegregation. As a final resort, the agencies are given the enforcement power necessary to back up the regulations: they may terminate Federal assistance when it is justified.

Termination cannot occur, however, until after notice, hearings, and an express, deliberative administrative finding of noncompliance.

The tools provided to HEW by title VI enable it to pursue various alternatives to busing to achieve quality education.

And the Biden amendment will eviscerate title VI; it will prohibit HEW from using the options of title VI to avoid busing.

I have stated repeatedly that I am opposed to busing except as a last resort—when all other efforts to end segregation have failed. This is why I must oppose this amendment: it will nullify the more desirable, nonbusing means of achieving desegregation and quality education.

The American people should know that this amendment will in no way alter or stop busing plans such as those in Boston and Louisville which are generating so much public attention. These are court-ordered plans, which were mandated because all other alternatives—the alternatives of title VI—were not brought into play or failed to achieve desegregation. The Biden amendment would not affect such court orders, and thus would have no impact in Louisville or Boston.

Mr. President, the people of this country have recognized and courageously accepted the need to heal racial divisions and to end segregation. The process has not been easy or painless; the burdens of readjustment are very real.

Yet hundreds of school districts have made progress toward equality of educational opportunity. The Biden amendment will remove the Federal assistance and incentives which—in the overwhelming majority of school districts—made such progress possible without busing.

It is a cruel joke on those who are frustrated and opposed to busing to regard this measure as satisfying their demands. It does not do so.

It is a cruel joke on those who have acted or who are seeking to implement desegregation by means short of busing to deprive them of useful alternatives.

I hope that this amendment will not become law.

Mr. DOMENICI. Mr. President, I wish to say a few words to explain my vote last week on the Curtis amendment to the HEW/Labor Appropriations bill which would exempt employers having five or fewer employees from reporting requirements of the Occupational Health and Safety Act—OSHA.

Mr. President, during my tenure in the Senate, I have consistently resisted categorical exclusions of certain groups of businesses based on employee numbers. I realize that employee health and safety recognizes no numbers. Work environments must be safe for employees whether there are 2 or 100 workers.

On each of the previous occasions when this issue was raised, my vote was predicated on firm assurances that indepth hearings would be held on all the many problems with which the small businesses have been earnestly striving to comply. This is the third year, however, that this issue has been before the Senate. To my knowledge, the promised indepth hearings still have not produced any substantial changes in this law.

Through these years, in my conversations with businessmen in my State of New Mexico, it is obvious that the small businesses have unique problems not addressed in the present law. Squadrons of lawyers to decipher the law and vast resources of money to better accommodate space requirements are only two problem areas needing further attention by Congress. The very fact that after all these promises, we still have to take up the onerous $1,000 fine for the first nonserious offense on the floor of the Senate, rather than after committee hearings and with committee recommendations, is indicative of what I am saying.

I feel at this point I cannot continue to penalize small businesses for a lack of followthrough by Congress. The small businessman and woman is still being ignored.

The Curtis amendment offers but an attempt to exempt these smaller businesses from reporting requirements under the law until Congress addresses these unique problems. I trust that will be soon. I pledge my support to that end. I trust small businesses will in the interim adhere the best they can to correct and improve working conditions for their employees.

ORDER FOR RECOGNITION OF SENATORS FONG, HUGH SCOTT, ROTH, BELLMON, BROOKE, AND McCLURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, the following Senators be recognized each for not to exceed 15 minutes and in the order stated: Mr. FONG, Mr. HUGH SCOTT, Mr. ROTH, Mr. BELLMON, Mr. BROOKE, and Mr. McCLURE.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF CONSIDERATION OF H.R. 8069

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the conclusion of the orders for the recognition of Senators, the Senate resume consideration of the pending business, the HEW appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I wonder if we could have a brief quorum call? I might want to renew my unanimous-consent request on the amendment that the manager is willing to take. If I could have 3 or 4 minutes, maybe I could let the Senator know.

Mr. ROBERT C. BYRD. Very well.

Mr. President, can we have an understanding that there will be no more rollcall votes tonight so that Senators who have other engagements could know?

Mr. NELSON. I would not insist on one, if I get a unanimous consent to take it up. I do not know if anyone else will.

Mr. ROBERT C. BYRD. Very well.

Mr. NELSON. I think the Senator may ask the Senator from California.

Mr. ROBERT C. BYRD. May I ask the distinguished Senator from California, would it be safe to announce that there will be no more rollcall votes today?

Mr. CRANSTON. As far as I am concerned, fine.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order. Will Senators kindly take their seats?

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 a.m. tomorrow morning. After the two leaders or their designees have been recognized, under the standing order, the following Senators will be recognized each for not to exceed 15 minutes and in the order stated: Mr. FONG, Mr. HUGH SCOTT, Mr. ROTH, Mr. BELLMON, Mr. BROOKE, and Mr. MCCLURE. Thereafter, the Senate will resume consideration of the bill, H.R. 8069, an act making appropriations for the Departments of Labor and Health, Education, and Welfare.

Mr. ALLEN. Mr. President, will there be any time for morning business?

Mr. ROBERT C. BYRD. I have not included that.

Does the Senator so wish?

Mr. ALLEN. Mr. President, will the Senator request 10 minutes for me at the bottom of the list then?

Mr. ROBERT C. BYRD. Yes.

ORDER FOR RECOGNITION OF SENATOR ALLEN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the six orders for the recognition of Senators tomorrow, Mr. ALLEN be recognized for not to exceed 15 minutes.

Mr. ALLEN. Ten minutes.

Mr. ROBERT C. BYRD. Fifteen minutes.

Mr. ALLEN. Fine. All right.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, following the orders then, as I stated before, the Senate will resume consideration of the HEW appropriations bill, and rollcall votes are expected.

RECESS UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 a.m. tomorrow morning.

The motion was agreed to; and at 5:06 p.m. the Senate recessed until tomorrow, September 25, 1975, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate September 24, 1975:

INTERNATIONAL MONETARY FUND

Thomas Byron Crawford Leddy, of Virginia, to be U.S. Alternate Executive Director of the International Monetary Fund for a term of 2 years, vice Charles R. Harley, term expired.

DEPARTMENT OF DEFENSE

Edward Alan Miller, of Massachusetts, to be an Assistant Secretary of the Army, vice Norman R. Augustine, elevated.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

Milton L. Luger, of New York, to be Assistant Administrator of Law Enforcement Assistance (new position, Public Law 93-415, September 7, 1974).

THE JUDICIARY

Ralph G. Thompson, of Oklahoma, to be U.S. district judge for the western district of Oklahoma, vice Stephen S. Chandler, retiring.

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, section 3370:

ARMY NURSE CORPS

To be colonel

Apodaca, E. B., [redacted].
Archer, Joan D., [redacted].
Aycock, Erline T., [redacted].
Beem, Maeceille, B. P., [redacted].
Bogley, Mary A., [redacted].
Belleville, R. A., [redacted].
Benn, Alyce J., [redacted].
Bennetts, Edith E., [redacted].
Bitting, Ellen B., [redacted].
Bresnahan, Clara M., [redacted].
Chambers, June L., [redacted].
Clarenbach, Carl D., [redacted].
Demuth, M. S., [redacted].
Dewan, Mary T., [redacted].
Ferrell, Mary I., [redacted].
Flory, Betty E., [redacted].
Gesell, Helene U., [redacted].
Gilbert, Vera A., [redacted].
Hagberg, Bertie L. E., [redacted].
Harmon, Gladys W., [redacted].
Heffernan, E. A., [redacted].
Hendrickson, N. E., [redacted].
Hensley, Gladys M., [redacted].
Ito, Dolly M., [redacted].
Kuehn, Dorothy M., [redacted].
Kurasch, Rosalind J., [redacted].
McEllistrim, Irene, [redacted].
Milian, Helen T., [redacted].
Moore, Alice K., [redacted].
Novitzky, Louise S., [redacted].
O'Rourke, M. H., [redacted].
Pauli, Mildred M., [redacted].
Randall, Dolores H., [redacted].
Robitaille, N., [redacted].
Sach, Ruth S., [redacted].
Satterly, Bertha E., [redacted].
Smith, Ruth N., [redacted].
Taylor, V. T., [redacted].
Tilman, Mary D., [redacted].
Tinetti, Teresa, [redacted].
Weghorst, E. E., [redacted].
Zimmerman, S. V., [redacted].

DENTAL CORPS

To be colonel

Belott, Joseph E., [redacted].
Blum, Leon, [redacted].
Bord, Donald K., [redacted].
Dell, Colman L., [redacted].
Harris, Sam C., [redacted].
Henderson, George W., [redacted].
Hinrichs, E. H., Jr., [redacted].
Jackson, Orvind R., [redacted].
Kendrick, Barnes R., [redacted].
Killip, Devore E., [redacted].
Lee, Chester W., [redacted].
Lewis, Houston A., [redacted].
Lipani, Charles S., [redacted].
Loyd, Marvin D., [redacted].
Meyer, Maurice W., [redacted].
Miller, Edward A., [redacted].
Mincer, Harry H., [redacted].
Overberger, James E., [redacted].
Potter, Daniel M., [redacted].
Schallhorn, Robert, [redacted].
Schooler, Charles C., [redacted].
Sidow, Krum P., [redacted].
Wells, Robert L., [redacted].
Williamson, Charles, [redacted].

MEDICAL CORPS

To be colonel

Backup, Phillip, [redacted].
Bolgan, Frank J., [redacted].
Bove, Victor M., [redacted].
Boyd, Harry R., [redacted].
Brandenburg, J. H., [redacted].
Brill, Joseph B., [redacted].
Bushey, Robert H., [redacted].
Byerly, Wesley G., [redacted].
Cobb, Alton B., [redacted].
Doucette, John W., [redacted].
Geigerman, David J., [redacted].
Guevara, Santiago F., [redacted].
Harrison, Harold N., [redacted].
Hemmat, Amir H., [redacted].
Johnkins, Edmund A., [redacted].
Mohr, Elden L., [redacted].
Moyer, Donald G., [redacted].
Nash, Gerard K., [redacted].
Newman, Alex E., [redacted].
Oglesby, James E., [redacted].
Penner, Robert, [redacted].
Poe, Robert H., [redacted].
Pollock, Donald O., [redacted].
Richardson, B. A., [redacted].
Roth, Harold C., [redacted].
Schlueter, R. W., [redacted].
Skok, Paul, [redacted].
Stagnone, James J., [redacted].
Stockton, Robert L., [redacted].
Vaccarino, Frank P., [redacted].
Weber, Milton I., [redacted].
Wilhite, Joe L., [redacted].
Williams, Will L., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Anderson, Robert A., [redacted].
Barco, Claude K., Jr., [redacted].
Barry, James, [redacted].
Bevilacqua, Joseph, [redacted].
Bozic, William J., [redacted].
Bracelin, Frank J., [redacted].
Campbell, William E., [redacted].
Carbonneau, Richard, [redacted].
Carr, Alvin B., [redacted].
Casola, Matteo A., [redacted].
Cohen, Joel R., [redacted].
Dotson, Aaron M., [redacted].
Estep, Ralph D., [redacted].
Esterbrook, K. J., [redacted].
Finke, Daniel L., [redacted].
Fox, Robert A., [redacted].
Fransen, F. C., [redacted].
Hall, Raymond W., [redacted].
Hassel, Joe W., [redacted].
Hicks, Charles F., [redacted].
Horton, Jack V., [redacted].
Markee, Joseph U., [redacted].
Moody, William B., [redacted].
Morgan, James M., Jr., [redacted].
Okazaki, Tome, [redacted].
Otis, Robert J., [redacted].
Powell, Joseph R. J., [redacted].
Pratt, Gordon M., [redacted].
Reinfeldt, Phillip, [redacted].
Sack, Gerald E., [redacted].
Settles, David B., [redacted].
Siegel, Louis F., [redacted].
Souza, Louis J., [redacted].
Spooner, George H., [redacted].
Tamboli, Vito F., [redacted].
Tillman, John V., Jr., [redacted].
Veach, Thomas C., [redacted].
Walsh, John H., [redacted].
Webber, John C., [redacted].
Williams, Dennis H., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Feldman, Harold, [redacted].
Schelper, Shirley A., [redacted].
Sears, Teresa A., [redacted].
Spelbring, Lyla M., [redacted].
Tom, Geraldine Yung, [redacted].
Waters, Irene E., [redacted].

VETERINARY CORPS

To be colonel

Bell, John T., Jr., [redacted].
Bierschway, C. J. Jr., [redacted].

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, sections 3366 and 3367:

ARMY NURSE CORPS

To be lieutenant colonel

Andrews, Charles E., [redacted].
Bauer, Annabel B., [redacted].
Behanna, Evelyn N., [redacted].
Bulin, Edward G., [redacted].
Buzzard, Rita V. N., [redacted].
Buzzell, Patricia L., [redacted].
Callan, Ida M., [redacted].
Carson, Callie, [redacted].
Dodd, Leroy B., [redacted].
Estes, Zane E., [redacted].
Etten, Marion, [redacted].
Galvin, Virginia A., [redacted].
Higgins, Naomi K., [redacted].
Kawiecki, Lorraine, [redacted].
Kinsel, Sarah L., [redacted].
Kirby, Paula F., [redacted].
Kirkland, Ronald E., [redacted].
Kuttner, Jean M., [redacted].
Lary, Maurice H., [redacted].
Mayo, Jeanne C., [redacted].
McCormick, Robert E., [redacted].
Mino, Thomas A., [redacted].
Molder, Neil W., [redacted].
Moran, Amanda H., [redacted].
Pocklington, D., [redacted].
Ricks, Lajoic J., [redacted].
Schuler, Dolores A., [redacted].
Siessmayer, William, [redacted].
Slaugenhaupt, W., [redacted].
Snell, Frank W., [redacted].
Snover, Donald L., [redacted].
Stafford, Crystal M., [redacted].
Taylor, Carey B., [redacted].
Vannostrand, R. H., [redacted].
Yamabayashi, G., [redacted].

DENTAL CORPS

To be lieutenant colonel

Bitar, Henry J., Jr., [redacted].
Fevang, Matthew J., [redacted].
Lenz, James H., [redacted].
Mears, Kenneth J., [redacted].
Moser, Tracy J., [redacted].
Nutter, David J., [redacted].
Roush, Richard C., [redacted].
Thompson, Richard H., [redacted].
Thompson, Robert E., [redacted].
Williams, Arthur B., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Binard, Joseph E. C., [redacted].
Colom-Alemany, Seba, [redacted].
Evetts, George E., [redacted].
Kravetz, Neil D., [redacted].
Ross, Thomas H., [redacted].
Safavian, Michael H., [redacted].
Spring, James A., [redacted].
Wilcox, Howard G., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Acevedo-Torres, P., [redacted].
Bandyk, Anthony S., [redacted].
Bardot, Donald F., [redacted].
Bauscher, William A., [redacted].
Belk, Horace J., [redacted].
Bernstein, Sumner H., [redacted].
Blackman, William C., [redacted].
Brandes, Richard E., [redacted].
Burkholder, E. R., [redacted].
Champagne, Donald O., [redacted].
Christensen, I. K., [redacted].
Coleman, Howard M., [redacted].
Copes, Wayne A., [redacted].
Davis, Arthur L., [redacted].
Delena, Joseph V., [redacted].
Dotterer, Ronald N., [redacted].
Doughty, William H., [redacted].
Faria-Collazo, S., [redacted].
Fast, Warren R., [redacted].
Fini, Anthony F., [redacted].
Fisher, Francis E., [redacted].
Galloway, James W., [redacted].
Ganger, Robert A., [redacted].
Glennon, Cletus W., [redacted].
Graham, Malcolm J. S., [redacted].
Green, Calvin C., [redacted].
Gumenuk, Daniel, [redacted].
Guy, Alfred E., Jr., [redacted].
Hayes, Richard L., [redacted].
Hester, David A., [redacted].
Jones, James R., [redacted].
Jones, Robert G., [redacted].
Katada, Makoto, [redacted].
Latta, James E., [redacted].
Linkfield, Robert L., [redacted].
Mazzone, H. M., [redacted].
McBerry, William C., [redacted].
Mikutel, William S., [redacted].
Mitchell, Melvin B., [redacted].
Moore, Joseph A., [redacted].
Newman, Jack, [redacted].
Nowak, Phillip D., [redacted].
Olson, Dean M., [redacted].
O'Neill, John H., Jr., [redacted].
Pepin, Leo A., Jr., [redacted].
Perryman, James A., [redacted].
Pierce, George L., Jr., [redacted].
Puls, Otto R., [redacted].
Ramsay, David J., [redacted].
Repeta, Bruno H., Jr., [redacted].
Restivo, Salvatore, [redacted].
Richart, D. P., Jr., [redacted].
Sawyer, Marvin N., [redacted].
Sherrill, J. V., [redacted].
Sims, George L., Jr., [redacted].
Singer, Jerome R., [redacted].
Smith, Harold K., [redacted].
Springer, Bobby J., [redacted].
Stout, Murray B., [redacted].
Strieter, James F., [redacted].
Tanaka, Stanley K., [redacted].
Templeton, H. L., Jr., [redacted].
Varese, Lewis J., [redacted].
Walker, W. B., Jr., [redacted].
Watterson, Burton, [redacted].
Weber, Frederick P., [redacted].
Willeke, Robert C., [redacted].
Willman, James R., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Bennett, N. M., [redacted].
Lorusso, Nicholas D., [redacted].

VETERINARY CORPS

To be lieutenant colonel

Olson, Leroy D., [redacted].
Watt, Thomas L., [redacted].

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 591–593, and 594:

DENTAL CORPS

To be lieutenant colonel

Lynn, Benjamin Z., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Anderson, David E., [redacted].
Atkins, Raymond M., [redacted].
Henshaw, Dan M., [redacted].
Lenczyk, Joseph M., [redacted].
Wilson, Douglas B., [redacted].

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, U.S.C., section 3494:

MEDICAL CORPS

To be colonel

Cotlar, Alvin M., [redacted].

MEDICAL CORPS

To be colonel

Barr, Robert H., [redacted].
Cardell, Jose E., [redacted].
Collins, Charles D., [redacted].
DeLaCerna, M. F., [redacted].
Donahue, James, [redacted].
Dowdy, James R., [redacted].
Harrell, Jerry D., [redacted].
Kolmer, John W., [redacted].
Marsh, Verelyn H., [redacted].
McNamara, Norbert, [redacted].
Saglio, Jack W., [redacted].
Schmidt, Werner F., [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3385:

ARMY PROMOTION LIST

To be colonel

Bean, Marion D., [redacted].
Browning, Wilmer, [redacted].
Cotro-Manes, Paul N., [redacted].
Delk, James D., [redacted].
Farnsworth, H. R., [redacted].
Ford, Robert S., [redacted].
Lynch, James A., Jr., [redacted].
Ruscello, Ralph J., [redacted].
Schwanke, DeWayne J., [redacted].
Sharrock, Sheldon E., [redacted].
Waguespack, A. M., [redacted].
Walters, Cecil J., [redacted].

To be lieutenant colonel

Adams, Charles R., [redacted].
Appleby, Robert H., [redacted].
Austin, Joseph R., Jr., [redacted].
Bennett, Richard G., [redacted].

Coley, Arthur G., [redacted].
Cowins, John P., [redacted].
Cox, Donald D., [redacted].
Dzialo, Raymond J., [redacted].
Eagan, James R., [redacted].
Elmer, Charles E., [redacted].
Ford, Leland D., [redacted].
Frankforth, John A., [redacted].
Gant, Thomas E., [redacted].
Hanson, Edward L., [redacted].
Harman, Stanley L., [redacted].
Hengel, Milton J., [redacted].
Herron, Richard D., [redacted].
Hettenbach, William J., [redacted].
Jakubowski, E. R., [redacted].
Johnson, Carol O., Jr., [redacted].
Jolley, Robert H., [redacted].
Lee, Vernon E., [redacted].
Lueck, David H., [redacted].
Malcom, Otis C., Jr., [redacted].
Michaels, John, [redacted].
Porter, John L., [redacted].
Redmon, Billy E., [redacted].
Reeves, Stanley G., [redacted].
Riegel, Curtis E., [redacted].
Scharine, Charles F., [redacted].
Schober, Frank J., Jr., [redacted].
Singleton, W. C., [redacted].
Stough, George G., [redacted].
Thrasher, Robert C., [redacted].
Viney, John A., [redacted].
York, Frederick A., III, [redacted].

CHAPLAINS

To be lieutenant colonel

Conard, James M., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Burks, Willard G., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Calvert, Allen F., [redacted].

HOUSE OF REPRESENTATIVES—*Wednesday, September 24, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Watch ye, stand fast in the faith, quit you like men, be strong.—I Corinthians 16: 13.

O God, our help in ages past, our hope for years to come, we pause in this quiet moment to become conscious of Thy presence and to receive from Thee strength for the day, wisdom for decisions to be made, and confidence to stand firm for what is right and true.

Keep our vision clear, our hearts pure, our thoughts positive, and our spirits courageous in these trying times.

Lead us and all people to the realm where good will shall reign, where righteousness shall be supreme, and where nations shall live together in freedom and in peace.

We ask this in the spirit of Him who is the Way, the Truth, and the Life. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4005) entitled "An act to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the program authorized by that act."

The message also announced that the Senate had passed a concurrent resolution of the House of the following title:

H. Con. Res. 400. Concurrent resolution relating to the enrollment of the bill H.R. 4005.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2375. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 3 months.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. MURPHY of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

A DOUBLE TAX RIPOFF

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, one of the serious problems facing New York City and other municipalities is the increasing amount of tax delinquency by landlords. Landlords are refusing by the droves to pay their real estate taxes. Oftentimes, a landlord will simply walk away from a property after years of tax delinquency. The collection and enforcement of these taxes is a local responsibility, of course. But few people know that these landlords are getting away with a double ripoff. The Federal Government is getting ripped off, too.

Let me explain. Many landlords involved in large-scale real estate syndicates use the accrual basis method in filing their Federal income tax returns, which allows deduction of local taxes when assessed, and not when they are paid. Hence, while these landlords fail to pay real estate taxes, they continue to declare these unpaid taxes as deductions, thereby reducing their Federal income taxes. Clearly, both localities and Federal Government are hurt by this outrageous practice. I say it must stop. To this end, I am introducing legislation today to correct this situation. The bill is a straightforward one. It would simply not allow these landlords to get away with deducting unpaid real estate taxes. The deduction would only be allowed when the taxes are actually paid.

The bill's approach is not unique. Presently in the Internal Revenue Code, accrual basis taxpayers may only declare deductions on charitable donations and political contributions when those contributions are actually made, and not when a commitment to give is pledged. I believe that we should hold landlords to this standard also.

This bill is not solely for the relief of New York City. It will provide the Federal Government with additional tax revenues, and end at least part of the double tax rip-off now going on.

CONGRESS SHOULD BEWARE OF $100 BILLION ENERGY CORPORATION

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, I rise to express my deep concern about the administration's proposal of a $100 billion energy corporation to be allowed to issue Government-backed securities and make expenditures in that huge sum without review of the Congress.

While I think it is essential that we proceed to develop alternative energy resources with all speed, I think that it would be a horrendous mistake for us to free that kind of money from public and congressional scrutiny and from an assessment of congressional priorities.

Beyond the establishment of priorities, it is vital that safeguards be established in providing any Government energy capital to prevent unjust enrichment of the huge international energy conglomerates that dominate the energy industries. It is also critical that adequate safeguards be established to protect the environment and to provide participation by affected State and local interests.

I hope the Members will give this their careful concern and attention. The proposal is patterned, I understand, on a program instituted by Vice President ROCKEFELLER made while he was Governor of New York. I just hope that it does not result in the Federal Government following that pattern for fear that what happens to the Federal Government may be the same as what happened to the State of New York—the accumulation of huge debt in New York and lack of control over State expenditures.

COMMERCIAL SCALE COAL LIQUEFACTION AND GASIFICATION

(Mr. PERKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PERKINS. Mr. Speaker, more than 20 years ago the administration then in office sent a coal liquefaction program down the drain, because the Congress could not prevent it, and although we have passed an energy bill we still are neglecting our surest shot toward energy independence.

We should have passed the amendment, which was rejected last week, starting commercial scale coal gasification and coal liquefaction, by assisting private industry to build facilities. If we had, we would also have shown the oil exporters that we will not put up with their extortion forever, and we would have started a degree of badly needed competition in the energy business.

So procrastination in this area is as much the Congress fault as anybody's, but the action of the administration has not been helpful.

Last Sunday, September 21, we all read that the administration has decided it was going to cut back by two-thirds on its announced goal of making the Nation's energy independent by 1968—saying we could not afford to develop the systems to produce one million barrels of synthetic fuel a day from coal and other minerals within 10 years.

On Monday, however, we read that the administration will propose a $100 billion program to make the Nation's energy independent by 1935, with coal liquefaction and coal gasification as a key part of the program.

I certainly support any legitimate, responsible effort to make the United States energy independent and free from the clutches of the oil exporting nations. And, Mr. Speaker, I know the key to it is going into commercial scale coal liquefaction and coal gasification right now, with existing technology.

But all of us have to wonder how and why the administration was saying that we cannot afford a program of a few billions of dollars on one day, and then immediately say we ought to spend $100 billion the next day.

Mr. Speaker, Congress must end its procrastination itself. We must go ahead with coal liquefaction and coal gasification on a commercial scale now, using the technology that is operating in many other countries, and which we have available for the asking.

PERMISSION FOR SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT OF THE COMMITTEE ON BANKING, CURRENCY AND HOUSING TO SIT THIS AFTERNOON

Mr. BARRETT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Housing and Community Development of the Committee on Banking, Currency and Housing be permitted to sit this afternoon while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

UNFORTUNATE STUDY BY FIRM UNDER CONTRACT BY EPA

(Mr. BUCHANAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUCHANAN. Mr. Speaker, there have been recent press reports concerning a most unfortunate study, conducted under contract for the Environmental Protection Agency by a research firm in the Midwest, which was recently released but based on 1970 and prior to 1970 statistics and which reflects discredit on a number of cities around the United States.

The gentleman from Texas (Mr. Kazen) and I have each taken out special orders this afternoon to further discuss this misleading study which reflects standards of statistical analysis which would not do credit to a college freshman.

Mr. Speaker, I invite all interested Members whose cities may have been defamed and libeled by this misleading and inadequate study to join us in discussing this issue this afternoon.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. It has been called to the Chair's attention that the Record of yesterday incorrectly indicates changes of votes made by two Members, one of whom being the gentleman from Maryland (Mr. Bauman).

The Chair will point out, however, that the errors in the Record were errors in transcription of the notes taken by the reporters, and that the proper votes by each Member were accurately recorded in the electronic system and can be verified by the voting cards themselves.

The Chair has taken precautions to assure that in the future any changes of votes recorded by the Official Reporters of Debates will be checked against the voting cards submitted to the tally clerk before they are noted in the Congressional Record.

PAY RAISE STATEMENT

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, I want to take this opportunity to alert the membership to the fact that tomorow I will take action which will give this body the opportunity to be the court of last resort on the Federal pay raise issue. When the House Post Office and Civil Service Committee meets at 9:45 a.m., I will offer a motion to report adversely to the floor a pending pay raise resolution which seeks to overturn the President's alternative 5-percent pay raise plan. I had intended to force action on this issue at our September 18 committee meeting, but was unable to do so because of the lack of a quorum.

I am aware of the frantic last-minute maneuvers that would separate Members of Congress and Federal executives from the pay proposal, thus leaving the way open for an 8.66-percent increase for Federal white collar employees. Despite the drumfire of editorial allegations, the congressional tie-in to the pay proposal is not the real issue. The proposal congressional increases are only a minimal part of the package.

The real issue is fiscal responsibility. By supporting the President on this issue, we can save the taxpayers $1.6 billion. This is the difference between a 5-percent increase and an increase of 8.66 percent. There also is another important consideration involved. With our deficit expected to be about $70 billion, this is not the time to vote for inflation-fueling measures which will have a triple effect throughout the economy.

The other body, I think, exercised sound financial judgment last week in refusing to disapprove the President's 5-percent plan. I am convinced that this body, when given the opportunity, will take the same action.

REPORT ON COOPERATIVE ACTIONS BETWEEN DEPARTMENTS OF TRANSPORTATION AND HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–260)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing and the Committee on Public Works and Transportation and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report on cooperative actions between the Departments of Transportation and Housing and Urban Development, as required by section 4(g) of the Department of Transportation Act. This report discusses activity during fiscal year 1975.

Gerald R. Ford.

The White House, *September 23, 1975.*

REPORTS ON DEFERRALS IN BUDGET AUTHORITY INVOLVING PROGRAMS OF DEPARTMENTS OF TRANSPORTATION AND HEALTH, EDUCATION, AND WELFARE AND NATIONAL COMMISSION ON PRODUCTIVITY AND WORK QUALITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–261)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed.

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals totalling $106.4 million in budget authority. The three reports involve programs of the Departments of Transportation and Health, Education, and Welfare and the National Commission on Productivity and work Quality.

The details of each deferral are contained in the attached reports.

Gerald R. Ford.

The White House, *September 24, 1975.*

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO MEET THIS AFTERNOON

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to meet this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

SPECIAL SMALL BUSINESS SUBCOMMITTEE ON ANTITRUST LAW ENFORCEMENT ESTABLISHED

(Mr. EVINS of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVINS of Tennessee. Mr. Speaker, I have today announced the appointment of a Special Ad Hoc Subcommittee on Antitrust Law Enforcement of the House Small Business Committee to include special consideration of the Robinson-Patman Act, frequently cited as the "magna carta of small business."

I have named to the subcommittee the gentleman from Texas (Mr. Gonzalez) as chairman and the gentleman from New York (Mr. Hanley) as vice chairman. Other members are the gentleman from Missouri (Mr. Hungate), the gentleman from Kentucky (Mr. Breckinridge), the gentleman from New York (Mr. LaFalce), the gentleman from New York (Mr. Richmond), the gentleman from Illinois (Mr. Russo), the gentleman from Virginia (Mr. Butler), the gentleman from Ohio (Mr. Kindness), and the gentleman from Pennsylvania (Mr. Goodling).

This subcommittee will be charged with the responsibility for conducting investigations and hearings and issuing a report on all matters affecting the Robinson-Patman Act, its implementation and enforcement, antitrust activities of all agencies and departments of the Federal Government, anticompetitive practices, and all matters concerning the growth of conglomerates, giantism, mergers, and similar matters affecting the survival of small and independent business in this country.

This is a vital and important field of inquiry and the appointment of this ad hoc subcommittee is in the public interest.

CALL OF THE HOUSE

Mr. KOCH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 539]

Alexander
Annunzio
Aspin
AuCoin
Boggs
Brooks
Broomfield
Brown, Mich.
Burke, Fla.
Burton, Phillip
Conyers
Daniel, Dan
Dellums
Derrick
Diggs
Dingell
Drinan
Edwards, Ala.
Esch
Eshleman
Fary
Fenwick
Fish
Foley
Fraser
Frenzel
Gibbons
Hays, Ohio
Hébert
Heinz
Henderson
Horton
Hutchinson
Karth
Kindness
Lehman
Macdonald
Mikva
Mills
Moore
Moorhead, Pa.
Mosher
Murphy, N.Y.
O'Hara
Rodino
Rose
Scheuer
Shuster
Sikes
Sisk
Stephens
Teague
Udall
Waggonner
Wilson, Bob
Young, Tex.

The SPEAKER. On this rollcall 377 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS OF COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE ON TODAY, SEPTEMBER 24, 1975

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Civil and Constitutional Rights of the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule on today, September 24, 1975.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 8121, DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. SLACK. Mr. Speaker, I call up the conference report on the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to th request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 18, 1975.)

Mr. SLACK (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The gentleman from West Virginia (Mr. Slack) will be recognized for 30 minutes and the gentleman from Michigan (Mr. Cederberg) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. Slack).

Mr. SLACK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, as agreed to by the conferees, contains a total of $5,958,676,000 in new budget authority for fiscal year 1976. It also contains $1,551,256,000 for the transition period to bridge between fiscal year 1976 and fiscal year 1977 which will begin October 1, 1976.

Mr. Speaker, the total amount provided for fiscal year 1976 is $287,007,000 more than the total originally provided by the House. This amount however includes more than $100 million for items not considered by the House but submitted to the Senate as budget amendments.

I would like to emphasize that the conference total is $229,577,000 less than the amount provided in the Senate version of the bill.

Compared with the budget requests actually submitted, the conference total is an increase of $236,928,600. This amount, however, includes $200 million for the Small Business Administration which was included in the President's budget but proposed for later transmittal. So the bill is really only $36,928,600 more than the President's budget. I should point out that for the transition period the bill provides $22,828,100 less than the budget requests.

Even though the conference action will result in a net increase in budget authority over the President's budget, it will result in a net reduction of $7,000,000 in 1976 outlays from the level projected in the budget. This is because a number of individual items were reduced.

Mr. Speaker, the Senate increased considerably the amounts provided for economic development assistance programs of the Department of Commerce. The conferees agreed on a total of $448,446,000 for these programs.

Another item I would like to mention, Mr. Speaker, is the Legal Services Corporation. The original House bill did not provide any funds for the Corporation since the Board of Directors had not been confirmed at the time the House considered the bill and no budget request had been submitted. A request of $96,466,000 was transmitted to the Senate and that amount was added to the bill. The conferees agreed on the amount of $88 million for fiscal year 1976 which is $16,500,000 more than the amount provided for the program in fiscal year 1975.

The language concerning the Panama Canal is another matter that was in conference. The House bill as you know contained a provision prohibiting the use of funds for negotiations which would involve giving up of any U.S. rights in the Canal Zone. The Senate struck that provision from the bill. The conferees agreed on the following language:

> It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal.

I would like to stress that the amendment was brought back in technical disagreement and will be considered separately after action on the conference report itself is completed.

Mr. Speaker, under permission granted I insert in the RECORD at this point a table showing the conference action by agency and item as compared with fiscal year 1975, the budget estimates, the House bill, and the Senate bill:

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES, 1976

	New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with— New budget (obligational) authority, fiscal year 1975	Conference action compared with— Budget estimates of new (obligational) authority, fiscal year 1976/Transition	Conference action compared with— New budget (obligational) authority recommended in House bill	Conference action compared with— New budget (obligational) authority recommended in Senate bill
TITLE I—DEPARTMENT OF STATE									
ADMINISTRATION OF FOREIGN AFFAIRS									
Salaries and expenses	370,002,000	428,600,000	410,000,000	425,400,000	425,400,000	+55,398,000	−3,200,000	+15,400,000	
Transition period		119,710,000	114,900,000	119,100,000	119,100,000		−610,000	+4,200,000	
Representation allowances	1,385,000	1,750,000	1,700,000	1,700,000	1,700,000	+315,000	−50,000		
Transition period		525,000	525,000	525,000	525,000				
Acquisition, operation, and maintenance of buildings abroad	22,914,000	29,840,000	29,840,000	29,840,000	29,840,000	+6,926,000			
Transition period		8,450,000	8,450,000	8,450,000	8,450,000				
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	11,870,000	9,785,000	9,785,000	9,785,000	9,785,000	−2,085,000			
Transition period		800,000	800,000	800,000	800,000				
Emergencies in the diplomatic and consular service	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000				
Transition period		1,000,000	600,000	600,000	600,000		−400,000		
Payment to Foreign Service retirement and disability fund	21,955,000	6,355,000	6,355,000	6,355,000	6,355,000	−15,600,000			
Transition period		1,590,000	1,590,000	1,590,000	1,590,000				
Total	430,226,000	478,430,000	459,780,000	475,180,000	475,180,000	+44,954,000	−3,250,000	+15,400,000	
Transition period		132,075,000	126,865,000	131,065,000	131,065,000		−1,010,000	+4,200,000	
INTERNATIONAL ORGANIZATIONS AND CONFERENCES									
Contributions to international organizations	203,903,000	245,707,000	217,853,000	223,495,000	217,853,000	+13,950,000	−27,854,000		−5,642,000
Transition period		226,916,000	189,764,000	189,764,000	189,764,000		−37,152,000		
Contributions for international peacekeeping activities	34,495,000	19,800,000				−34,495,000	−19,800,000		
Transition period		5,000,000					−5,000,000		
Missions to international organizations	7,008,000	9,096,000	8,600,000	9,000,000	9,000,000	+1,992,000	−96,000	+400,000	
Transition period		2,691,000	2,560,000	2,673,000	2,673,000		−18,000	+113,000	
International conferences and contingencies	7,540,000	5,840,000	5,840,000	5,840,000	5,840,000	−1,700,000			
Transition period		1,775,000	1,775,000	1,775,000	1,775,000				
International trade negotiations	1,900,000	2,596,000	2,596,000	2,596,000	2,596,000	+696,000			
Transition period		674,000	674,000	674,000	674,000				
Total	254,846,000	283,039,000	234,889,000	240,931,000	235,289,000	−19,557,000	−47,750,000	+400,000	−5,642,000
Transition period		237,056,000	194,773,000	194,886,000	194,886,000		−42,170,000	+113,000	
INTERNATIONAL COMMISSIONS									
International Boundary and Water Commission, United States and Mexico:									
Salaries and expenses	4,952,000	5,322,000	5,300,000	5,300,000	5,300,000	+348,000	−22,000		
Transition period		1,371,000	1,371,000	1,371,000	1,371,000				
Construction	6,231,000	8,365,000	8,365,000	8,365,000	8,365,000	+2,134,000			
Transition period		830,000	830,000	830,000	830,000				
American sections, international commissions	1,379,000	1,576,000	1,576,000	1,576,000	1,576,000	+197,000			
Transition period		450,000	450,000	450,000	450,000				
International fisheries commissions	4,060,000	4,730,000	4,730,000	4,730,000	4,730,000	+670,000			
Transition period		1,560,000	1,560,000	1,560,000	1,560,000				
Total	16,622,000	19,993,000	19,971,000	19,971,000	19,971,000	+3,349,000	−22,000		
Transition period		4,211,000	4,211,000	4,211,000	4,211,000				
EDUCATIONAL EXCHANGE									
Mutual educational and cultural exchange activities	53,300,000	65,000,000	60,000,000	62,000,000	60,000,000	+6,700,000	−5,000,000		−2,000,000
Transition period		14,000,000	13,000,000	13,500,000	13,000,000		−1,000,000		−500,000
Center for cultural and technical interchange between East and West	7,400,000	9,000,000	9,000,000	9,000,000	9,000,000	+1,600,000			
Transition period		2,350,000	2,350,000	2,350,000	2,350,000				
United States-Japan friendship activities (foreign currency program, indefinite)		15,000,000	12,000,000	12,000,000	12,000,000	+12,000,000	−3,000,000		
Transition period									
Total	60,700,000	89,000,000	81,000,000	83,000,000	81,000,000	+20,300,000	−8,000,000		−2,000,000
Transition period		16,350,000	15,350,000	15,850,000	15,350,000		−1,000,000		−500,000
Total, title I	762,394,000	870,462,000	795,640,000	819,082,000	811,440,000	+49,046,000	−59,022,000	+15,800,000	−7,642,000
Transition period		389,692,000	341,199,000	346,012,000	345,512,000		−44,180,000	+4,313,000	−500,000

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES, 1976—Continued

	New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with—			
						New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
TITLE II—DEPARTMENT OF JUSTICE									
GENERAL ADMINISTRATION									
Salaries and expenses	22,451,000	21,266,000	20,735,000	21,048,000	21,048,000	−1,403,000	−218,000	+313,000	
Transition period		5,278,000	5,145,000	5,223,000	5,223,000		−55,000	+78,000	
LEGAL ACTIVITIES									
Salaries and expenses, general legal activities	60,989,000	60,633,000	60,220,000	60,220,000	60,220,000	−769,000	−413,000		
Transition period		15,000,000	14,900,000	14,900,000	14,900,000		−100,000		
Salaries and expenses, Antitrust Division	18,253,000	20,742,000	20,661,000	22,529,000	21,595,000	+3,342,000	+853,000	+934,000	−934,000
Transition period		5,100,000	5,605,208	5,600,000	5,600,000		+500,000	−5,208	
Salaries and expenses, U.S. attorneys and marshals	131,158,000	144,947,000	141,800,000	142,800,000	142,300,000	+11,142,000	−2,647,000	+500,000	−500,000
Transition period		37,000,000	35,900,000	36,300,000	36,100,000		−900,000	+200,000	−200,000
Fees and expenses of witnesses	14,200,000	16,480,000	16,480,000	16,480,000	16,480,000	+2,280,000			
Transition period		4,000,000	4,000,000	4,000,000	4,000,000				
Salaries and expenses, Community Relations Service	3,750,000	3,947,000	3,940,000	3,940,000	3,940,000	+190,000	−7,000		
Transition period		1,000,000	985,000	985,000	985,000		−15,000		
Total	228,350,000	246,749,000	243,101,000	245,969,000	244,535,000	+16,185,000	−2,214,000	+1,434,000	−1,434,000
Transition period		62,100,000	61,390,208	61,785,000	61,585,000		−515,000	+194,792	−200,000
FEDERAL BUREAU OF INVESTIGATION									
Salaries and expenses	449,546,000	465,767,000	463,400,000	468,700,000	468,700,000	+19,154,000	+2,933,000	+5,300,000	
Transition period		123,500,000	122,900,000	124,000,000	124,000,000		+500,000	+1,100,000	
IMMIGRATION AND NATURALIZATION SERVICE									
Salaries and expenses	181,320,000	209,744,000	208,000,000	208,000,000	208,000,000	+26,680,000	−1,744,000		
Transition period		53,000,000	52,700,000	52,700,000	52,700,000		−300,000		
FEDERAL PRISON SYSTEM									
Salaries and expenses, Bureau of Prisons	167,750,000	186,410,000	186,200,000	186,200,000	186,200,000	+18,450,000	−210,000		
Transition period		48,127,000	48,000,000	48,000,000	48,000,000		−127,000		
Buildings and facilities	25,940,000	35,760,000	12,560,000	12,560,000	12,560,000	−13,380,000	−23,200,000		
Transition period		4,395,000	4,395,000	4,395,000	4,395,000				
Support of U.S. prisoners	28,600,000	31,875,000	31,875,000	31,875,000	31,875,000	+3,275,000			
Transition period		8,466,000	8,466,000	8,466,000	8,466,000				
Federal Prison Industries, Incorporated: Limitation on administrative and vocational training expenses	(6,855,000)	(7,026,000)	(7,026,000)	(7,026,000)	(7,026,000)	(+171,000)			
Transition period	()	()	(1,855,000)	(1,855,000)	(1,855,000)	()	(+1,855,000)		
Total	222,290,000	254,045,000	230,635,000	230,635,000	230,635,000	+8,345,000	−23,410,000		
Transition period		60,988,000	60,861,000	60,861,000	60,861,000		−127,000		
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION									
Salaries and expenses	887,171,000	769,784,000	769,638,000	861,638,000	809,638,000	−77,533,000	+39,854,000	+40,000,000	−52,000,000
Transition period		195,000,000	194,960,000	217,960,000	204,960,000		+9,960,000	+10,000,000	−13,000,000
DRUG ENFORCEMENT ADMINISTRATION									
Salaries and expenses	135,723,000	150,785,000	149,859,000	149,859,000	149,859,000	+14,136,000	−926,000		
Transition period		42,000,000	41,758,000	41,758,000	41,758,000		−242,000		
Total, title II	2,126,851,000	2,118,140,000	2,085,368,000	2,185,849,000	2,132,415,000	+5,564,000	+14,275,000	+47,047,000	−53,434,000
Transition period		541,866,000	539,714,208	564,287,000	551,087,000		+9,221,000	+11,372,792	−13,200,000
TITLE III—DEPARTMENT OF COMMERCE									
GENERAL ADMINISTRATION									
Salaries and expenses	10,375,000	12,685,000	12,580,000	12,580,000	12,580,000	+2,205,000	−105,000		
Transition period		3,171,000	3,145,000	3,145,000	3,145,000		−26,000		
Participation in U.S. expositions		530,000	530,000	530,000	530,000	+530,000			
Transition period									
Total	10,375,000	13,215,000	13,110,000	13,110,000	13,110,000	+2,735,000	−105,000		
Transition period		3,171,000	3,145,000	3,145,000	3,145,000		−26,000		
SOCIAL AND ECONOMIC STATISTICS ADMINISTRATION									
Salaries and expenses	48,804,000	54,863,000	52,090,000	52,471,000	52,090,000	+3,286,000	−2,773,000		−381,000
Transition period		14,211,000	13,540,000	13,636,000	13,540,000		−671,000		−96,000
Periodic censuses and programs	22,850,000	28,193,000	27,000,000	27,000,000	27,000,000	+4,150,000	−1,193,000		
Transition period		8,565,000	8,200,000	8,200,000	8,200,000		−365,000		
Total	71,654,000	83,056,000	79,090,000	79,471,000	79,090,000	+7,436,000	−3,966,000		−381,000
Transition period		22,776,000	21,740,000	21,836,000	21,740,000		−1,036,000		−96,000
ECONOMIC DEVELOPMENT ADMINISTRATION									
Economic development assistance programs	246,950,000	290,000,000	290,000,000	453,500,000	360,000,000	+113,050,000	+70,000,000	+70,000,000	−93,500,000
Transition period		72,550,000	72,500,000	112,500,000	89,625,000		+17,075,000	+17,125,000	−22,875,000
Administration of economic development assistance programs	22,900,000	24,271,000	23,880,000	27,380,000	25,378,000	+2,478,000	+1,107,000	+1,498,000	−2,002,000
Transition period		6,093,000	5,990,000	6,890,000	6,375,000		+282,000	+385,000	−515,000
Job opportunities program	125,000,000					−125,000,000			
Transition period									
Total	394,850,000	314,271,000	313,880,000	480,880,000	385,378,000	−9,472,000	+71,107,000	+71,498,000	−95,502,000
Transition period		78,643,000	78,490,000	119,390,000	96,000,000		+17,357,000	+17,510,000	−23,390,000

	New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with—			
						New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
TITLE III—DEPARTMENT OF COMMERCE—Continued									
REGIONAL ACTION PLANNING COMMISSIONS									
Regional development programs	38, 517, 000	42, 081, 000	42, 068, 000	84, 068, 000	63, 068, 000	+24, 551, 000	+20, 987, 000	+21, 000, 000	−21, 000, 000
Transition period		10, 520, 000	10, 520, 000	21, 000, 000	15, 760, 000		+5, 240, 000	+5, 240, 000	−5, 240, 000
DOMESTIC AND INTERNATIONAL BUSINESS ADMINISTRATION									
Operations and administration	61, 460, 000	56, 880, 000	61, 000, 000	61, 410, 000	61, 205, 000	−255, 000	+4, 325, 000	+205, 000	−205, 000
Transition period		14, 305, 000	15, 250, 000	15, 250, 000	15, 250, 000		+945, 000		
MINORITY BUSINESS ENTERPRISE									
Minority business development	52, 000, 000	52, 615, 000	49, 850, 000	49, 850, 000	49, 850, 000	−2, 150, 000	−2, 765, 000		
Transition period		13, 153, 000	12, 463, 000	12, 463, 000	12, 463, 000		−690, 000		
U.S. TRAVEL SERVICE									
Salaries and expenses	11, 070, 000	11, 587, 000	11, 565, 000	14, 065, 000	12, 815, 000	+1, 745, 000	+1, 228, 000	+1, 250, 000	−1, 250, 000
Transition period		2, 897, 000	2, 892, 000	3, 517, 000	3, 204, 000		+307, 000	+312, 000	−313, 000
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION									
Operations, research, and facilities	448, 453, 000	499, 392, 000	490, 000, 000	501, 342, 000	495, 162, 000	+46, 709, 000	−4, 230, 000	+5, 162, 000	−6, 180, 000
Transition period		137, 345, 000	135, 000, 000	137, 000, 000	136, 000, 000		−1, 345, 000	+1, 000, 000	−1, 000, 000
Coastal zone management	15, 019, 000	18, 038, 000	18, 000, 000	19, 500, 000	18, 000, 000	+2, 981, 000	−38, 000		−1, 500, 000
Transition period		4, 501, 000	4, 500, 000	4, 900, 000	4, 500, 000		−1, 000		−400, 000
Administration of Pribilof Islands	4, 132, 000					−4, 132, 000			
Transition period									
Fishermen's Guaranty Fund	1, 971, 000	61, 000	61, 000	61, 000	61, 000	−1, 910, 000			
Transition period		15, 000	15, 000	15, 000	15, 000				
Offshore shrimp fisheries fund	230, 000					−230, 000			
Transition period									
Construction				1, 160, 000	1, 000, 000	+1, 000, 000	+1, 000, 000	+1, 000, 000	−160, 000
Transition period				1, 790, 000					−1, 790, 000
Total	469, 805, 000	517, 491, 000	508, 061, 000	522, 063, 000	514, 223, 000	+44, 418, 000	−3, 268, 000	+6, 162, 000	−7, 840, 000
Transition period		141, 861, 000	139, 515, 000	143, 705, 000	140, 515, 000		−1, 346, 000	+1, 000, 000	−3, 190, 000
NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION									
Operations, research, and administration	6, 000, 000	10, 500, 000	8, 435, 000	9, 068, 000	8, 618, 000	+2, 618, 000	−1, 882, 000	+183, 000	−450, 000
Transition period		2, 750, 000	2, 235, 000	2, 235, 000	2, 235, 000		−515, 000		
PATENT AND TRADEMARK OFFICE									
Salaries and expenses	77, 600, 000	84, 792, 000	83, 300, 000	83, 300, 000	83, 300, 000	+5, 700, 000	−1, 492, 000		
Transition period		21, 213, 000	20, 840, 000	20, 840, 000	20, 840, 000		−373, 000		
SCIENCE AND TECHNICAL RESEARCH									
Scientific and technical research and services	64, 000, 000	64, 312, 000	62, 475, 000	64, 033, 000	63, 004, 000	−996, 000	−1, 308, 000	+529, 000	−1, 029, 000
Transition period		16, 308, 000	16, 058, 000	16, 198, 000	16, 128, 000		−180, 000	+70, 000	−70, 000
MARITIME ADMINISTRATION									
Ship construction	275, 000, 000	195, 000, 000	195, 000, 000	195, 000, 000	195, 000, 000	−80, 000, 000			
Transition period		18, 000, 000	18, 000, 000	18, 000, 000	18, 000, 000				
Operating-differential subsidies (appropriation to liquidate contract authority)	(242, 800, 000)	(315, 936, 000)	(315, 936, 000)	(315, 936, 000)	(315, 936, 000)	(+73, 136, 000)			
Transition period		(70, 582, 000)	(70, 582, 000)	(70, 582, 000)	(70, 582, 000)				
Research and development	25, 900, 000	12, 232, 000	12, 000, 000	12, 000, 000	12, 000, 000	−13, 900, 000	−232, 000		
Transition period		4, 000, 000	4, 000, 000	4, 000, 000	4, 000, 000				
Operations and training	41, 183, 000	45, 155, 000	45, 000, 000	45, 000, 000	45, 000, 000	+3, 817, 000	−155, 000		
Transition period		11, 315, 000	11, 280, 000	11, 280, 000	11, 280, 000		−35, 000		
Total	342, 083, 000	252, 387, 000	252, 000, 000	252, 000, 000	252, 000, 000	−90, 083, 000	−387, 000		
Transition period		33, 315, 000	33, 280, 000	33, 280, 000	33, 280, 000		−35, 000		
Total, title III	1, 599, 414, 000	1, 503, 187, 000	1, 484, 834, 000	1, 713, 318, 000	1, 585, 661, 000	−13, 753, 000	+82, 474, 000	+100, 827, 000	−127, 657, 000
Transition period		360, 912, 000	356, 428, 000	412, 859, 000	380, 560, 000		+19, 648, 000	+24, 132, 000	−32, 299, 000
TITLE IV—THE JUDICIARY									
SUPREME COURT OF THE UNITED STATES									
Salaries	4, 605, 000	5, 118, 000	5, 056, 000	5, 056, 000	5, 056, 000	+451, 000	−62, 000		
Transition period		1, 314, 000	1, 314, 000	1, 314, 000	1, 314, 000				
Printing and binding Supreme Court reports	565, 000	706, 000	706, 000	706, 000	706, 000	+141, 000			
Transition period									
Miscellaneous expenses	642, 000	737, 000	737, 000	737, 000	737, 000	+95, 000			
Transition period		178, 000	178, 000	178, 000	178, 000				
Automobile for the Chief Justice	16, 800	19, 000	19, 000	19, 000	19, 000	+2, 200			
Transition period		4, 700	4, 700	4, 700	4, 700				
Books for the Supreme Court	63, 000	63, 000	63, 000	63, 000	63, 000				
Transition period		15, 800	15, 800	15, 800	15, 800				
Care of the building and grounds	1, 375, 600	1, 429, 400	1, 429, 000	1, 429, 000	1, 429, 000	+53, 400	−400		
Transition period		195, 600	195, 500	195, 500	195, 500		−100		
Total	7, 267, 400	8, 072, 400	8, 010, 000	8, 010, 000	8, 010, 000	+742, 600	−62, 400		
Transition period		1, 708, 100	1, 708, 000	1, 708, 000	1, 708, 000		−100		

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES, 1976—Continued

	New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with—			
						New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
TITLE IV—THE JUDICIARY—Continued									
COURT OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES—Con.									
COURT OF CUSTOMS AND PATENT APPEALS									
Salaries and expenses	782, 000	853, 000	853, 000	853, 000	853, 000	+71, 000			
Transition period		213, 000	213, 000	213, 000	213, 000				
CUSTOMS COURT									
Salaries and expenses	2, 479, 000	2, 587, 000	2, 587, 000	2, 587, 000	2, 587, 000	+108, 000			
Transition period		645, 000	645, 000	645, 000	645, 000				
COURT OF CLAIMS									
Salaries and expenses	2, 341, 000	2, 429, 000	2, 429, 000	2, 429, 000	2, 429, 000	+88, 000			
Transition period		597, 000	597, 000	597, 000	597, 000				
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES									
Salaries of judges	27, 975, 000	28, 750, 000	28, 750, 000	28, 750, 000	28, 750, 000	+775, 000			
Transition period		7, 230, 000	7, 230, 000	7, 230, 000	7, 230, 000				
Salaries of supporting personnel	103, 804, 000	121, 971, 000	115, 700, 000	118, 450, 000	117, 075, 000	+13, 271, 000	−4, 896, 000	+1, 375, 000	−1, 375, 000
Transition period		30, 855, 000	29, 000, 000	29, 916, 000	29, 700, 000		−1, 155, 000	+700, 000	−216, 000
Representation by court-appointed counsel and operation of defender organizations	15, 826, 000	16, 590, 000	16, 551, 000	16, 590, 000	16, 590, 000	+764, 000		+39, 000	
Transition period		4, 148, 000	4, 138, 000	4, 148, 000	4, 148, 000			+10, 000	
Fees of jurors	17, 450, 000	18, 000, 000	18, 000, 000	18, 000, 000	18, 000, 000	+550, 000			
Transition period		4, 500, 000	4, 500, 000	4, 500, 000	4, 500, 000				
Travel and miscellaneous expenses	15, 100, 000	21, 457, 000	18, 500, 000	20, 153, 000	20, 040, 000	+4, 940, 000	−1, 417, 000	+1, 540, 000	−113, 000
Transition period		5, 101, 000	4, 500, 000	4, 883, 000	4, 883, 000		−218, 000	+383, 000	
Salaries and expenses of U.S. magistrates	8, 764, 000	10, 510, 000	10, 489, 000	10, 510, 000	10, 510, 000	+1, 746, 000		+21, 000	
Transition period		2, 594, 000	2, 589, 000	2, 594, 000	2, 594, 000			+5, 000	
Salaries and expenses of referees	21, 580, 000	24, 096, 000	24, 046, 000	24, 096, 000	24, 096, 000	+2, 516, 000		+50, 000	
Transition period		6, 008, 000	5, 996, 000	6, 008, 000	6, 008, 000			+12, 000	
Speedy trial planning	2, 500, 000					−2, 500, 000			
Transition period									
Pretrial services agencies	10, 000, 000					−10, 000, 000			
Transition period									
Total	222, 999, 000	241, 374, 000	232, 036, 000	236, 549, 000	235, 061, 000	+12, 062, 000	−6, 313, 000	+3, 025, 000	−1, 488, 000
Transition period		60, 436, 000	57, 953, 000	59, 279, 000	59, 063, 000		−1, 373, 000	+1, 110, 000	−216, 000
ADMINISTRATIVE OFFICE OF THE U.S. COURTS									
Salaries and expenses	5, 382, 000	8, 190, 000	7, 140, 000	7, 233, 000	7, 233, 000	+1, 851, 000	−957, 000	+93, 000	
Transition period		2, 018, 000	1, 800, 000	1, 823, 000	1, 823, 000		−195, 000	+23, 000	
FEDERAL JUDICIAL CENTER									
Salaries and expenses	3, 450, 000	10, 713, 000	6, 400, 000	6, 565, 000	6, 565, 000	+3, 115, 000	−4, 148, 000	+165, 000	
Transition period		1, 602, 000	1, 680, 000	1, 721, 000	1, 721, 000		+119, 000	+41, 000	
SPACE AND FACILITIES, THE JUDICIARY									
Space and facilities	62, 500, 000	69, 500, 000	64, 000, 000	64, 000, 000	64, 000, 000	+1, 500, 000	−5, 500, 000		
Transition period		17, 375, 000	16, 000, 000	16, 000, 000	16, 000, 000		−1, 375, 000		
EXPENSES, U.S. COURT FACILITIES									
Furniture and furnishings	3, 875, 000	4, 650, 000	4, 570, 000	4, 570, 000	4, 570, 000	+695, 000	−80, 000		
Transition period		425, 000	425, 000	425, 000	425, 000				
COMMISSION ON REVISION OF THE FEDERAL COURT APPELATE SYSTEM OF THE UNITED STATES									
Salaries and expenses	351, 000					−351, 000			
Transition period									
BICENTENNIAL EXPENSES, THE JUDICIARY									
Bicentennial activities		3, 000, 000	2, 000, 000	2, 000, 000	2, 000, 000	+2, 000, 000	−1, 000, 000		
Transition period									
Total, title IV	311, 426, 400	351, 368, 400	330, 025, 000	334, 796, 000	333, 308, 000	+21, 881, 600	−18, 060, 400	+3, 283, 000	−1, 488, 000
Transition period		85, 019, 100	81, 021, 000	82, 411, 000	82, 195, 000		−2, 824, 100	+1, 174, 000	−216, 000
TITLE V—RELATED AGENCIES									
ARMS CONTROL AND DISARMAMENT AGENCY									
Arms control and disarmament activities	9, 410, 000	10, 690, 000	10, 500, 000	10, 500, 000	10, 500, 000	+1, 090, 000	−190, 000		
Transition period		2, 760, 000	2, 700, 000	2, 700, 000	2, 700, 000		−60, 000		
BOARD FOR INTERNATIONAL BROADCASTING									
Grants and expenses	49, 800, 000	65, 640, 000	62, 350, 000	65, 640, 000	64, 500, 000	+14, 700, 000	−1, 140, 000	+2, 150, 000	−1, 140, 000
Transition period		18, 200, 000	17, 375, 000	18, 200, 000	17, 968, 000		−232, 000	+593, 000	−232, 000
COMMISSION ON CIVIL RIGHTS									
Salaries and expenses	7, 000, 000	7, 843, 000	7, 700, 000	7, 700, 000	7, 700, 000	+700, 000	−143, 000		
Transition period		1, 975, 000	1, 925, 000	1, 925, 000	1, 925, 000		−50, 000		

	New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/ Transition	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with—			
						New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in House bill	New budget (obligalional) authorily recommended in Senate bill
TITLE V—RELATED AGENCIES—Continued									
COMMISSION ON THE ORGANIZATION OF THE GOVERNMENT FOR THE CONDUCT OF FOREIGN POLICY									
Salaries and expenses	1,594,000					−1,594,000			
Transition period									
DEPARTMENT OF THE TREASURY									
BUREAU OF ACCOUNTS									
Fishermen's protective fund	3,000,000					−3,000,000			
Transition period									
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION									
Salaries and expenses	55,082,000	63,430,000	63,040,000	63,040,000	63,040,000	+7,958,000	−390,000		
Transition period		18,390,000	18,290,000	18,290,000	18,290,000		−100,000		
FEDERAL COMMUNICATIONS COMMISSION									
Salaries and expenses	46,900,000	49,820,000	49,500,000	49,500,000	49,500,000	+2,600,000	−320,000		
Transition period		12,400,000	12,325,000	12,325,000	12,325,000		−75,000		
FEDERAL MARITIME COMMISSION									
Salaries and expenses	7,400,000	7,915,000	7,840,000	7,840,000	7,840,000	+440,000	−75,000		
Transition period		1,979,000	1,960,000	1,960,000	1,960,000		−19,000		
FEDERAL TRADE COMMISSION									
Salaries and expenses	38,983,000	45,649,000	45,927,000	45,927,000	45,927,000	+6,944,000	+278,000		
Transition period		12,000,000	12,000,000	12,000,000	12,000,000				
FOREIGN CLAIMS SETTLEMENT COMMISSION									
Salaries and expenses	1,260,000	1,441,000	1,400,000	1,400,000	1,400,000	+140,000	−41,000		
Transition period		388,000	375,000	375,000	375,000		−13,000		
INTERNATIONAL TRADE COMMISSION									
Salaries and expenses	8,900,000	10,500,000	10,400,000	10,400,000	10,400,000	+1,500,000	−100,000		
Transition period		2,700,000	2,675,000	2,675,000	2,675,000		−25,000		
LEGAL SERVICES CORPORATION									
Payment to the Legal Services Corporation	71,500,000	96,466,000		96,466,000	88,000,000	+16,500,000	−8,466,000	+88,000,000	−8,466,000
Transition period		27,000,000		27,000,000	24,630,000		−2,370,000	+24,630,000	−2,370,000
MARINE MAMMAL COMMISSION									
Salaries and expenses	750,000	1,000,000	900,000	900,000	900,000	+150,000	−100,000		
Transition period		250,000	225,000	225,000	225,000		−25,000		
NATIONAL COMMISSION FOR THE REVIEW OF FEDERAL AND STATE LAWS RELATING TO WIRETAPPING AND ELECTRONIC SURVEILLANCE									
Salaries and expenses	332,000	400,000	400,000	400,000	400,000	+68,000			
Transition period		100,000					−100,000		
OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS									
Salaries and expenses	1,850,000	2,000,000	1,980,000	1,980,000	1,980,000	+130,000	−20,000		
Transition period		500,000	495,000	495,000	495,000		−5,000		
PRIVACY PROTECTION STUDY COMMISSION									
Salaries and expenses		150,000		150,000	150,000	+150,000		+150,000	
Transition period									
RENEGOTIATION BOARD									
Salaries and expenses	5,298,000	5,445,000	5,400,000	5,400,000	5,400,000	+102,000	−45,000		
Transition period		1,346,000	1,335,000	1,335,000	1,335,000		−11,000		
SECURITIES AND EXCHANGE COMMISSION									
Salaries and expenses	44,427,000	47,187,000	46,885,000	48,885,000	47,885,000	+3,458,000	+698,000	+1,000,000	−1,000,000
Transition period		12,500,000	12,425,000	12,925,000	12,675,000		+175,000	+250,000	−250,000
SMALL BUSINESS ADMINISTRATION									
Salaries and expenses:									
Appropriation	26,500,000	29,000,000	28,350,000	28,350,000	28,350,000	+1,850,000	−650,000		
Transition period		8,000,000	6,835,000	6,835,000	6,835,000		−1,165,000		
Transfer from revolving funds	(86,215,000)	(90,200,000)	(89,500,000)	(89,500,000)	(89,500,000)	(+3,285,000)	(−700,000)		
Transition period	( )	(21,000,000)	(21,900,000)	(21,900,000)	(21,900,000)	( )	(900,000)		
Business loan and investment fund	307,500,000	150,000,000	250,000,000	307,500,000	278,750,000	−28,750,000	+128,750,000	+28,750,000	−28,750,000
Transition period									
Disaster loan fund	90,000,000		100,000,000	100,000,000	100,000,000	+10,000,000	+100,000,000		
Transition period									

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES, 1976—Continued

						Conference action compared with—			
	New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/Transition	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
Surety bond guarantees revolving fund	20,000,000	10,000,000	10.000,000	10,000,000	10,000,000	−10,000,000			
Transition period		3,000,000	2,500,000	2,500,000	2,500,000		−500,000		
Total	444,000,000	189,000,000	388,350,000	445,850,000	417,100,000	−26,900,000	+228,100,000	+28,750,000	−28,750,000
Transition period		11,000,000	9,335,000	9,335,000	9,335,000		−1,665,000		
U.S. INFORMATION AGENCY									
Salaries and expenses	223,791,000	246,984,000	246,200,000	246,200,000	246,200,000	+22,409,000	−784,000		
Tansition period		67,618,000	67,500,000	67,500,000	67,500,000		−118,000		
Salaries and expenses (special foreign currency program)	8,377,000	10,708,000	10,708,000	10,708,000	10,708,000	+2,331,000			
Transition period		3,225,000	3,225,000	3,225,000	3,225,000				
Special international exhibitions	6,790,000	6,187,000	6,187,000	6,187,000	6,187,000	−603,000			
Transition period		2,004,000	2,004,000	2,004,000	2,004,000				
Acquisition and construction of radio facilities	4,400,000	10,135,000	10,135,000	10,135,000	10,135,000	+5,735,000			
Transition period		260,000	260,000	260,000	260,000				
Total	243,358,000	274,014,000	273,230,000	273,230,000	273,230,000	+29,872,000	−784,000		
Transition period		73,107,000	72,989,000	72,989,000	72,989,000		−118,000		
Total, title V	1,040,844,000	878,590,000	975,802,000	1,135,208,000	1,095,852,000	+55,008,000	+217,262,000	+120,050,000	−39,356,000
Transition period		196,595,000	166,429,000	194,754,000	191,902,000		−4,693,000	25,473,000	−2,852,000
Total. titles I, II, III, IV, and V, new budget (obligational) authority	5,840,929,400	5,721,747,400	5,671,669,000	6,188,253,000	5,958,676,000	+117,746,000	+236,928,600	+287,007,000	−229,577,000
Transition period		1,574,084,100	1,484,791,208	1,600,323,000	1,551,256,000		−22,828,100	+66,464,792	−49,067,000
Consisting of—									
Definite appropriations	5,840,929,400	5,706,747,400	5,659,669,000	6,176,253,000	5,946,676,000	+105,746,600	+239,928,600	+287,007,000	−229,577,000
Transition period		1,574,084,100	1,484,791,208	1,600,323,000	1,551,256,000		−22,828,100	+66,464,792	−49,067,000
Indefinite appropriations		15,000,000	12,000,000	12,000,000	12,000,000	+12,000,000	−3,000,000		
Transition period									
Memoranda—									
Appropriations to liquidate contract authorizations	242,800,000	315,936,000	315,936,000	315,936,000	315,936,000	+73,136,000			
Transition period		70,582,000	70,582,000	70,582,000	70,582,000				
Total appropriations, including appropriations to liquidate contract authorizations	6,083,729,400	6,037,683,400	5,987,605,000	6,504,189,000	6,274,612,000	+190,882,600	+236,928,600	+287,007,000	−229,577,000
Transition period		1,644,666,100	1,555,373,208	1,670,905,000	1,621,838,000		−22,828,100	+66,464,792	−49,067,000

Mr. CEDERBERG. Mr. Speaker, the distinguished gentleman from West Virginia, the chairman of this subcommittee, has gone into the details of this conference report. My only comment will be, and it will be very brief, that in all the years I have served on this subcommittee, and it goes back several years, we always prided ourselves in trying to come in with a conference report below the budget.

Well, here we are this year, we will be about $236 million above the budget in fiscal 1976, and we are going to be about $22 million below in the transition period; so between the two it is about $214 million above the budget.

I fully recognize that many of the areas in which these increases have taken place are areas that are sensitive and that are worthy projects. However, think of the fiscal condition of the country, where we ran a $45 billion deficit last year, we will run a deficit of at least $70 billion and probably closer to $80 billion this year, and with the actions we are taking in the Congress this year, which will have an impact on the 1977 fiscal year, we are looking at, at least now a budget deficit, assuming the economy produces a revenue increase, of probably about $50 billion. So over a 3-year period we are going to be looking at a budget deficit of around $165 billion, which is unheard of in a similar period in the history of this country.

Now, I think there is no question that if we continue to run these deficits year after year, it is going to have an inflationary impact, and there is not very much we are going to be able to do about it, except complain; but these are just some facts that as far as I am concerned do present themselves.

I will say that I think our increase in our conference report is substantially less than in many other conference reports that we will be considering of the Committee on Appropriations.

I should add further that many of the increased expenditures are built in over which we have little or no control in some of the line programs.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman agree that $200 million of the increase over the budget was really caused because the Small Business Administration said they needed $200 million, but the OMB would not permit them to submit it in the budget until such time as changes were made in the law; so really we are $14 million over the budget.

Mr. CEDERBERG. I think we could say that with many of the agencies, the agency always says, "I need more," and the OMB always has the task of holding them down. That is why they do not have many friends at the OMB.

I cannot disagree with the gentleman. I am sure they can use the $200 million. That is why, as I said before, some of the programs that do take us over the budget do have some merit.

Mr. SMITH of Iowa. In this case, OMB agrees the money is needed, but they do not want to submit a budget request until the Congress requires the borrowers of the Small Business Administration to also pay the cost of administration.

Mr. CEDERBERG. I think that is the point and the gentleman has been involved in the Small Business Committee for some time and is well versed in that.

Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, I have asked for this time to let the Members who are present know of my intention in regard to the Panama Canal amendment.

It is not my intention to attempt to defeat the conference report or to recommit the conference report, but rather, after the conference report is adopted, when the gentleman from West Virginia moves to recede and concur in the Senate amendment with an amendment, I shall demand that the question on the motion be divided. That will give an hour of debate, and I hope the gentleman from West Virginia will give those of us who want to insist on the original House language some time, and he has indicated in the affirmative.

Then, if we are successful in defeating the motion to recede, because the question will be divided, we will be voting solely on the question that we recede. If we defeat that, then I will send to the desk a motion that the House insist on its disagreement to the amendment of the Senate No. 8, and we would then have a vote on that issue.

I would like to ask the Members present to look at the language which appears on page 8 of the conference report. The language that has been agreed to by the conferees that—

> It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal.

Without going into the argument which I assume we will get into on the motion to recede, I would like to suggest, first, that the language presupposes a new agreement or treaty. Second, it refers to the vital interests of the United States, and the State Department has already made it clear that it is in the vital interests of the United States to give it away within 25 years. Third, the operation, maintenance, and defense of the Panama Canal—that is the waterway. That has nothing to do with reference to the Canal Zone, which is a 10-mile-wide strip of land through there that is necessary for the defense, operation and so forth.

We will get into that during the motion to recede and concur, and I am hoping that the House will reject the motion to recede and concur so that we can insist that this vital waterway, which is vital to the commerce and defense of this country, can be maintained.

Mr. CEDERBERG. Mr. Speaker, I yield myself such time as I may require. I did not intend to talk at this time on the question of the Panama Canal Treaty. As the Members know, when we considered this bill originally, the Snyder amendment was adopted, and it stated, in effect, that none of the funds in this legislation could be used by the President in negotiating a treaty. To me, that was clearly unconstitutional. I am not for giving away the Panama Canal any more than anyone else is, but to deny in this bill the right of the President is patently unconstitutional.

I will read from an analysis and interpretation of the Constitution in Senate Document 92–82:

> "Actually, the negotiation of treaties had long since been taken over by the President; the Senate's role in relation to treaties is today essentially legislative in character. 'He alone negotiates. Into the field of negotiation, the Senate cannot intrude; and Congress itself is powerless to invade it,' declared Justice Sutherland for the Court in 1936."

That is what Justice Sutherland of the Supreme Court declared in 1936. In view of this, we thought that we came up with language that does express the sense of the Congress that we are concerned that we protect the vital interests of the United States in the Panama Canal. If the Members will read page 8 of this conference report, I think it is very carefully worded and certainly indicates that it is the sense of the Congress that we want to protect the vital interests of the United States in that area in any treaty that will be brought out pursuant to the negotiations.

So, it would seem to me very unwise to send this conference report back on this very issue. Everyone has had an opportunity to express himself on the Snyder amendment before, so I would urge the Members to accept this language because I think it does what we want to do, and that is to protect the vital interests of the United States in any treaty on the Panama Canal.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I would like to point out, however, in regard to protecting the vital interests, that it seems there is a question of opinion as far as what vital interests are.

It seems that there are polls, there is an indication, so far as votes are concerned here in the Congress, and everything else, so far as the type of thing we are concerned about, and that is the retention of the canal in perpetuity, and we find there are promises and hopes being given to the people of Panama that are raising hopes that could cause us a very serious confrontation somewhere down the line, and this country seems to have two opinions. One is the Congress of the United States and one is the administration as exhibited through the Department of State. I think we are going to have to get down where we have one policy in this country, or one indication of where we are going, if we are not going to keep our friends in some kind of turmoil.

Mr. CEDERBERG. The gentleman is not saying the President of the United States does not have the right to negotiate a treaty?

Mr. HANSEN. No; but I think we also have to have an input in these things.

Mr. CEDERBERG. I think so, too. The final results of that treaty will be handled by the other body.

Mr. HANSEN. I think if the Congress of the United States wants to indicate to the President what the bounds are that we would tolerate, as far as any kind of approval, that this is not beyond this Congress to do so.

Mr. CEDERBERG. I think the language of the conference report is very clear. It says that—

> It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal.

That seems to be clear to me.

Mr. HANSEN. If the gentleman will yield further, the problem seems to be there is a very definite difference of opinion as to what the vital interests are and which we would like to clarify.

I would like to point out that following the vote we had on this legislation when it first went through, several of us expressed ourselves to the Secretary of State with regard to Mr. Bunker's continuing negotiations as it was announced in the press in Washington, and the context of the letter was to this effect:

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 3, 1975.

Hon. HENRY KISSINGER,
Secretary of State, The State Department, Washington, D.C.

DEAR SECRETARY KISSINGER: Press reports indicate that Ambassador Ellsworth Bunker will soon leave for another round of Panama Canal treaty negotiations which cannot accomplish anything but the weakening of the American position in the Canal Zone. We, as Members of the United States House of Representatives, strongly object to comments by the Administration and lobbying by Administration officials with Members of the House and the Senate aimed at turning aside the wishes of the House, overwhelmingly stated in a vote as expressed in an amendment to the State Department appropriations bill sponsored by Congressman Gene Snyder of Kentucky on June 26, 1975.

Mr. Secretary, a bi-partisan vote of 246–164 resoundingly approved the following text, "Sec. 104. None of the funds appropriated in this title shall be used for the purposes of negotiating the surrender or relinquishment of any U.S. rights in the Panama Canal Zone." To date, you have done nothing whatever which recognizes the expressed will of this House in its proper role in the appropriation of funds to direct their use. Instead, you have lobbied incessantly and sent others in your behalf to cajol and exert influence on those Senators who were supporting the language of the Snyder amendment in that body.

Mr. Secretary, we would ask you to direct Ambassador Bunker to be mindful of the wishes of the majority of this House as expressed in the Snyder amendment and cease such arbitrary and contrary activities regarding the Panama Canal. You should be aware that the House expresses the same sentiment as shown by the American people in all recent public polls. Since we in the Congress seek to represent the interests of the people first, we insist that you and your associates do the same.

Sincerely,

George Hansen, Steve Symms, John M. Ashbrook, Tim Lee Carter, R. C. McEwen, G. V. Montgomery, Harold Johnson, Robert J. Lagomarsino, David N. Henderson, Richard H. Ichord, Bob Bauman, Gene Snyder, Larry McDonald, Daniel Flood, Carroll Hubbard, Philip M. Crane, Manuel Lujan, Del Clawson, Bill Young, Walter B. Jones, Bill Wampler, Floyd V. Hicks, Otto Passman, Bud Shuster, Members of Congress to preserve American sovereignty in the Panama Canal Zone.

Mr. CEDERBERG. I might add that if this language, as stated in the report, is changed substantially, we will have problems of unrest in Latin and South America. I do not think it is wise for Congress to change that.

Mr. HANSEN. Does this mean that the only course of action is recapitulation?

Mr. CEDERBERG. No. It means in the conference report it is the sense of Congress in any treaty to protect the vital interests of the United States. What is wrong with that? Is the gentleman going to try to deny the President the constitutional right he has to negotiate a treaty?

Mr. HANSEN. I think the Congress should deny an arm of the executive department the right to go ahead with certain promises and hopes with certain foreign countries.

Mr. CEDERBERG. We cannot go ahead unless the Senate approves it. What the gentleman is trying to say is that the President of the United States cannot negotiate a treaty and it is blatantly unconstitutional.

Mr. HANSEN. If the gentleman would yield further, we are not saying he cannot negotiate a treaty. We are trying to give him some kind of indication as to what type of treaty might be negotiated that will not cause some kind of dissension and problem in relation to the world.

Mr. CEDERBERG. Mr. Speaker, that gets back to another point. The reason it was put in the appropriation bill in the first place was to deny the funds to carry on the negotiations for the treaty. In the first place, that is not an appropriation matter.

Why does this matter not come up through the proper committee in the House, the Committee on International Relations, the way it ought to come up?

Mr. HANSEN. Mr. Speaker, if the gentleman will yield further, I will say this: We have a problem in being able to get this type of thing out, and we are out to protect the vital interests of the United States. We have to fight on any hill we can fight on. This just happens to be the hill that was available for us to fight on.

Mr. CEDERBERG. Mr. Speaker, that is why we put it in the conference report. The gentleman is just using the language of the conference report.

Mr. HANSEN. Yes, except for the problem of interpretation of language, which is much more clearly stated in the Snyder amendment.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the distinguished chairman of the Committee on Appropriations.

Mr. MAHON. Mr. Speaker, I think the record ought to be made clear on this matter—that the overwhelming majority of the Members of Congress, and in fact, I know of few exceptions, desire to protect our rights in the Panama Canal and in the Panama Canal Zone in perpetuity. We are not in favor of negotiating away our rights in the Panama Canal and giving up the privileges which we have had. We are not in favor of giving up the authority we have there in this vital installation.

There were 164 Members who voted against the Snyder amendment, not because they were in favor of giving away the Panama Canal, but because they felt this was not the vehicle to deal with the matter and they felt that this implied that the President would be denied his constitutional right to negotiate a treaty. The Constitution gives him that right but it leaves to the Congress the right to make the final determination.

So it is certainly unfair and unrealistic and inappropriate to assume that the Members who voted against the Snyder amendment last June 26 are in favor of giving away the Panama Canal. In fact, the opposite is true.

Mr. Speaker, in the compromise between the Senate and the House, in our attempt to arrive at a compromise amendment, it would have been well to have added not only the reference to the Panama Canal but also to the Panama Canal Zone. It was certainly the intent of the conferees, in my judgment, to imply the inclusion of the Panama Canal Zone.

Mr. CEDERBERG. Mr. Speaker, I assume that would be included in any treaty that might be negotiated.

I wish to express my agreement with the statement of the distinguished chairman of the Committee on Appropriations that those of us who voted in opposition to the Snyder amendment did so only because we thought that the amendment itself denied the President of the United States his constitutional right to negotiate a treaty. That is the reason I voted in that way. I am opposed personally, as I am sure the distinguished gentleman from Texas (Mr. MAHON) is opposed, to giving away our rights in the Panama Canal.

Mr. MAHON. Mr. Speaker, will the gentleman yield further?

Mr. CEDERBERG. I yield to the chairman of the committee.

Mr. MAHON. Mr. Speaker, I would like to express on behalf of myself and, I think, many other Members of the House, my unhappiness over the concessions which have already been suggested, more or less, by the Department of State. I think it is very regrettable that the Department of State has apparently taken a soft line on this issue. However, that does not mean that Congress takes a soft line. I do not think the Congress does now or will in the future take a soft line with respect to this matter. I certainly do not propose to take a soft line. We must not give away our permanent rights in the canal and the Canal Zone.

Mr. Speaker, I think it is important that our negotiators understand this. I told Mr. Bunker myself personally this week that he must not misinterpret the attitude of the Members of Congress. I pointed out that they are in favor of the spirit of the Snyder amendment but many of us just did not think it was feasible or appropriate under the circumstances—nor would it be effective.

I think the State Department and our negotiators and the Secretary of State, as well as the people in the Canal Zone and in Panama ought to know that the American people are not in any mood to surrender our rights in the Panama Canal or in the Panama Canal Zone.

Let me read the language in the conference report that relates to the Panama Canal:

SEC. 104. It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal.

This language clearly states that if there is to be a Panama Canal treaty or agreement that the vital interests of the United States must be protected. Some have debated and argued that the words "vital interest" are subject to a distorted interpretation. People generally who understand the English language know what these words mean.

The conference agreement proposes that our vital interests be protected with respect to the operation of the canal.

It proposes that our vital interests be protected with respect to the maintenance of the canal.

It proposes that our vital interests be protected in regard to our property in the Canal Zone, and that our vital defense interests be protected.

This to me clearly demonstrates our opposition to giving away our interests and rights in the Panama Canal and Canal Zone.

Mr. CEDERBERG. Mr. Speaker, I agree with the gentleman.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Speaker, I had no idea that I was going to become embroiled in this matter, but the Members know my relationship with the subject, and obviously I must say something because I am here.

The gentleman from Texas (Mr. MAHON) and my friend, the gentleman from Michigan (Mr. CEDERBERG), have been talking about their insistence on our rights and they agree that the rights of the United States must be preserved. There must be nothing to the contrary, et cetera, et cetera.

I just happen to have here a release by the alleged President of Panama, President Torrijos, which appeared in the Star Herald in Panama City. Just wait until you hear this. Hold your hats. Here are some of the articles that have already been agreed to. Wait until I read this. This has been agreed to:

No. 1. It has been agreed that 3 years after the approval of the new treaty, the Canal Zone disappears.

CALL OF THE HOUSE

Mr. SYMMS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. O'NEILL). Evidently a quorum is not present.

Mr. PATTEN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 540]

Adams
Alexander
Annunzio
Aspin
Boland
Brooks
Broomfield
Brown, Mich.
Burke, Fla.
Burton, John
Burton, Phillip
Butler
Cleveland
Cochran
Cohen
Conyers
Derrick
Derwinski
Diggs
Dingell
Dodd
Drinan
Edwards, Ala.
Esch
Eshleman
Fary
Fenwick
Fish
Flood
Flowers
Foley
Fraser
Frenzel
Gibbons
Hays, Ohio
Hébert
Heinz
Horton
Hutchinson
Jarman
Johnson, Pa.
Jones, Okla.
Keys
Kindness
Lehman
Macdonald
Mathis
Mikva
Moffett
Montgomery
Moore
Moorhead, Pa.
Mosher
Passman
Pike
Railsback
Rodino
Rose
Rousselot
Scheuer
Schneebeli
Shuster
Sikes
Sisk
Skubitz
Stanton, James V.
Symington
Thornton
Udall
Ullman
Waggonner
Wilson, Bob
Wilson, C. H.
Zablocki

The SPEAKER pro tempore (Mr. McFALL). On this rollcall 359 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON H.R. 8121, DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION ACT, 1976

The SPEAKER. The Chair recognizes the gentleman from Michigan (Mr. CEDERBERG).

Mr. CEDERBERG. Mr. Speaker, at the time the point of order of no quorum was made, the gentleman from Pennsylvania was speaking. I do not have a great deal of time left but I think the gentleman from West Virginia has some time. I yield the gentleman from Pennsylvania 3 minutes at this time.

Mr. FLOOD. Mr. Speaker, is the gentleman from Georgia present? Oh, yes.

Mr. Speaker, I had no idea we were going to get involved in this technical problem or I would not be speaking now, but this involves the basic issue of the Panama Canal. If this House knows what it is voting on, it will vote 2 or 3 to 1 in support of what is my argument on the merits, not necessarily the content, of any action taken by the gentleman from Kentucky. This is a question on the Snyder amendment which the Members voted for, 246 to 164, but the bad thing is that the Members do not have the facts. I happened to be in a position to get the facts and that is no reflection on the Members.

Mr. Speaker, I hold in my hand the articles of agreement that the negotiatiators for the United States and Panama have already agreed to. They have agreed to what I am going to read to the Members. It will knock the breath out of one's body. Members will not believe this. This was released by the Chief of Government of Panama and by the Panamanian negotiators to the press in Panama, and here it is. Now, wait until Members hear this.

It has been agreed that 3 years after approval of the new treaty the Canal Zone disappears and Panama assumes jurisdiction over that territory. Specifically the following was agreed on.

First. There will be no Canal Zone Government. The Governor and the Administrator and that apparatus will disappear;

Second. There will be no North American police because the National Guard will take command; and

Third. There will be no North American laws, courts, or judges. Only the Panamanian law will be in force, and all the firefighting and the whole apparatus is gone.

No boundaries will be delineated of any kind. That simply will not exist.

Now, this, Mr. Speaker, has been agreed to. This is not an academic question. This is agreed to. The United States asked for 14 points to maintain defense. The Panamanians say no, only three, and in direct ratio to the time element will the defense posture of the United States go down, down, down, and the employment of all the administration will be Panamanian and the defense will be Panamanian.

There we have it. This is what I did not think would arise today, but here it is. I do not know what the motion is going to be. I do not know who is going to make the motion. I do not want to get embroiled with my own committee.

The SPEAKER pro tempore (Mr. McFALL). The time of the gentleman from Pennsylvania has expired.

Mr. SLACK. Mr. Speaker, I yield the gentleman from Pennsylvania 5 additional minutes.

Mr. FLOOD. Mr. Speaker, the point is that I do not know who is going to make the motion or what kind of motion, but I had no idea as a member of the Committee on Appropriations, as a member of the so-called "College of Cardinals," that I would be here arguing against the gentleman from West Virginia (Mr. SLACK). We just do not do that. That is flying in the face of the gods. I did not know what was going to happen. Now I know. I was not going to trot this thing out today, but I am forced to do it; so I am disclosing there is now a secret agreement between the two governments that has been released by one of the parties. I am telling this House everything they are worrying about, everything that they have been worrying about when they voted on that Snyder amendment is now a fact, a fait accompli, as far as being negotiated.

Now, let me say this language was proposed, this I know about, the conciliatory language to avoid this thing today, which makes everybody look good; but language was proposed by the gentleman from Kentucky which would add the Canal Zone. I used to be on the Committee on Foreign Affairs; how many years ago is nobody's business, but I was, and I know these cliches that these striped-pants fellows, the faceless wonders use. They say, "The vital interests of the United States." Well, now, is not that ducky; but to show the bona fides of their intent, we took the State Department vital interests to include the Canal Zone. The language of the report does not mention the Canal Zone.

My friend here says, "You are talking about a treaty. We want to include that," but the language in the report, I know how that language got there and I will give this House nine cases how that language got in there, but it did, the language that was proposed. Why in the world does not the committee take the compromise language, which simply includes the Canal Zone, and everybody looks all right. It is a message.

We cannot stop negotiations. We cannot say to the President he has to stop negotiations, that he cannot use funds to negotiate. That would be unconstitutional. The gentleman from Kentucky (Mr. SNYDER) is not saying that. The gentleman is saying, "You cannot negotiate away the vital interests of the United States in the Canal Zone, as well as the Panama Canal."

The language of the report does not mention the Canal Zone at all. Why in the world does not the committee take that compromise language and everybody can go out smelling like a rose?

Mr. EVINS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. Mr. Speaker, the gentleman from Pennsylvania has just revealed to the House the terms of an agreement as released by the Panamanians. Is that correct?

Mr. FLOOD. That is right.

Mr. EVINS of Tennessee. Has there been any release of the terms of the agreement by the State Department?

Mr. FLOOD. No. I do not blame them. If I was in a similar agreement, I would not reveal it.

This shows the kind of people we are doing business with. Here they release this secret document. Our people very properly said nothing. I do not blame them. If I were a negotiator, neither I nor would the gentleman out there; but the Panamanians being the kind of people they are in the circumstances, they think they have a weapon here and they will use any weapon they have in their arsenal. I do not blame them. That is what they are doing.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Speaker, in response to the gentleman from Tennessee, on September 9, 1975, there was a briefing in the State Department in which it was indicated that the United States had agreed to a good portion of this. We will get into that.

Mr. FLOOD. Oh, yes; they did not spell it out item by item. I do not think the Panamanians should have done it, but they are that kind of operators.

Mr. CRANE. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Speaker, I simply want to applaud the gentleman for his wise monitoring of this entire affair, as he has done for years.

I do not think in this body that there is any greater expert on this subject than the gentleman from Pennsylvania. One other thing I would like to raise with this body in connection with the charge that it is tampering with foreign affairs in this case, is that it in no way is tampering with foreign affairs. The issue involved deals with the rights of the American people to participate in consideration of alienation of any American territory, and that is the sole issue.

Mr. FLOOD. Mr. Speaker, if this question went to a vote of the American people, my position, let me say, would be sustained, I believe, overwhelmingly in every district in the country. There is no question about that in my judgment, and I think it is so in the judgment of all the Members.

I am not trying to fly in anybody's face at the State Department. I have worked with them too long, for 30 years, in these things, but I know what they are doing and I am telling the Members why they are doing it. The phrase "vital interests" came from them for technical purposes. Why in the world the committee will not take that compromise language and stop this brawling, I do not know.

Mr. SLACK. Mr. Speaker, I yield myself such time as I may consume. I stated at the outset that this subject matter would be discussed at the proper time, and I would hope that we would move along with the adoption of the conference report and discuss the Panama Canal when that amendment is reported in disagreement.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I thank the gentleman for yielding. This may be a disappointment for some Members to talk about a different subject, but I would like to ask the chairman of the committee if moneys are included in this appropriation bill under title I, and if so, in what amounts?

Mr. SLACK. There is $150 million in this bill for title I programs of the Economic Development Administration, that is public works projects. Between 10 and 35 percent of this amount must be used for the public works impact program, known as PWIP, so at least $15 million must be allocated to PWIP by the Department of Commerce.

Mr. PICKLE. By this appropriation, is there money included under title X of this measure?

Mr. SLACK. There is no money appropriated in this bill for title X, which is the Job Opportunities program. I would say to the gentleman that that program is fully funded. There was $125 million appropriated in the Urgent Supplemental Appropriation Act of 1975, and there was $375 million made available in the continuing resolution (Public Law 94-41). The $125 million has already been allocated, and it is my understanding that the $375 million is in the process of being allocated by the Department of Commerce and will be so by October 15.

Mr. PICKLE. If money had been appropriated but not allocated in title X, the fact that title X money is not in this particular bill will not in any way, then, deprive projects from being funded later under title X? There is no relation, then, between title I and X insofar as not being included in this particular bill?

Mr. SLACK. The gentleman is correct.

Mr. PICKLE. I thank the gentleman. Funds for the EDA and PWIP program, and funds for the Job Corps are urgently needed. Both do outstanding work and I wanted to be sure that these programs can be fully funded.

Mr. McFALL. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from California.

Mr. McFALL. Mr. Speaker, the gentleman has included in this conference report a considerable amount of money for the Economic Development Administration, has he not?

Mr. SLACK. That is correct.

Mr. McFALL. I wish to commend the gentleman and the other members of the subcommittee for this section. This is very important to the country, and I want to thank them for the job they have done.

Mr. Speaker, as you know, EDA has a fine track record for assisting communities of high unemployment in generating new jobs and building local public facilities.

The compromise amounts agreed to by the Senate and House conferees, will give the Economics Development Administration the immediate help it needs, including funds for additional staffing. I hope the administration will request a supplemental appropriation for these agencies which will give the subcommittee an opportunity to additional funds for this very important program.

Mr. SLACK. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. BAUMAN. I am opposed to the conference report, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. BAUMAN moves to recommit the conference report on H.R. 8121 with instructions that the managers of the part of the House insist on the language contained in section 104 as passed by the House.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

Mr. BAUMAN. Mr. Speaker, do I have a right to be heard?

Mr. SPEAKER. Not on a conference report.

The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 193, nays 200, not voting 40, as follows:

[Roll No. 541]

YEAS—193

Abdnor
Ambro
Anderson, Calif.
Andrews, N.C.
Archer
Armstrong
Ashbrook
Bafalis
Barrett
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Biaggi
Blanchard
Bowen
Breckinridge
Brinkley
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Butler
Byron
Carter
Casey
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conlan
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Eilberg
Emery
English
Esch
Evans, Ind.
Evins, Tenn.
Fish
Fithian
Flood
Flowers
Flynt
Fountain
Frey
Fuqua
Gilman
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hanley
Hansen
Harsha
Hefner
Henderson
Hightower
Hillis
Hinshaw
Holland
Holt
Hubbard
Hughes
Hyde
Ichord
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McCollister
McCormack
McDonald
McEwen
Madigan
Mann
Martin
Mathis
Mazzoli
Melcher
Milford
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Murphy, N.Y.
Myers, Ind.
Natcher
Neal
Nichols
Nix
O'Brien
Patman, Tex.
Patterson, Calif.
Pickle
Poage
Pressler
Preyer
Quillen
Randall
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rousselot
Russo
St Germain
Santini
Sarasin
Satterfield
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spellman
Spence
Steed
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Vigorito
Walsh
Wampler
White
Whitehurst
Whitten
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zeferetti

NAYS—200

Abzug
Adams
Addabbo
Anderson, Ill.
Andrews, N. Dak.
AuCoin
Badillo
Baldus
Baucus
Bedell
Bergland
Biester
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brodhead
Brown, Calif.
Brown, Ohio
Burke, Calif.
Burlison, Mo.
Burton, John
Carney
Carr
Cederberg
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Coughlin
Danielson
Dellums
Derwinski
Diggs
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Evans, Colo.
Fascell
Findley
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Giaimo
Gonzalez
Gradison
Gude
Hall
Hamilton
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Holtzman
Howard
Howe
Hungate
Jacobs
Jarman
Jeffords
Johnson, Pa.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Long, La.
Long, Md.
McClory
McCloskey
McDade
McFall
McHugh
McKay
McKinney
Madden
Maguire
Mahon
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers, Pa.
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Pattison, N.Y.
Pettis
Peyser
Pike
Price
Pritchard
Quie
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Ryan
Sarbanes
Scheuer
Schneebeli
Schroeder
Seiberling
Sharp
Shipley
Simon
Slack
Smith, Iowa
Solarz
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Symington
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Waxman
Weaver
Whalen

Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Yates
Young, Ga.
Zablocki

NOT VOTING—40

Alexander
Annunzio
Ashley
Aspin
Beard, R.I.
Brooks
Broomfield
Burke, Fla.
Burton, Phillip
Derrick
Dingell
Edwards, Ala.
Eshleman
Fary
Fenwick
Foley
Frenzel
Gaydos
Gibbons
Green
Hays, Ohio
Hébert
Horton
Hutchinson
Kindness
Lehman
Macdonald
Mikva
Moore
Pepper
Perkins
Rees
Rodino
Rose
Sikes
Sisk
Udall
Waggonner
Wilson, Bob
Wolff

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Hébert.
Mr. Sisk with Mr. Rodino.
Mr. Pepper with Mr. Foley.
Mr. Alexander with Mr. Broomfield.
Mr. Beard of Rhode Island with Mr. Edwards of Alabama.
Mr. Dingell with Mr. Phillip Burton.
Mr. Green with Mr. Bob Wilson.
Mr. Hays of Ohio with Mr. Sikes.
Mr. Lehman with Mr. Moore.
Mr. Rose with Mr. Waggonner.
Mr. Brooks with Mr. Burke of Florida.
Mr. Mikva with Mrs. Fenwick.
Mr. Macdonald of Massachusetts with Mr. Gibbons.
Mr. Wolff with Mr. Eshleman.
Mr. Perkins with Mr. Frenzel.
Mr. Ashley with Mr. Fary.
Mr. Derrick with Mr. Aspin.
Mr. Gaydos with Mr. Horton.
Mr. Kindness with Mr. Hutchinson.
Mr. Rees with Mr. Udall.

Messrs. TEAGUE, ROBERTS, PICKLE, WHITTEN, DE LA GARZA, AMBRO, and BURLESON of Texas changed their vote from "nay" to "yea."

Mrs. SCHROEDER and Messrs. MEEDS, NEDZI, RYAN, PASSMAN, and JACOBS changed their vote from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 16, line 18, strike:

"SEC. 104. None of the funds appropriated in this title shall be used for the purposes of negotiating the surrender or relinquishment of any U.S. rights in the Panama Canal Zone."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 8 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows:

"SEC. 104. It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal."

PARLIAMENTARY INQUIRY

Mr. SNYDER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. SNYDER. Mr. Speaker, is this the proper time for the gentleman from Kentucky to demand a division of the question?

The SPEAKER. It is.

Mr. SNYDER. Mr. Speaker, then I demand a division of the question.

The SPEAKER. The gentleman is entitled to a division of the question.

The Chair recognizes the gentleman from West Virginia (Mr. SLACK) for 30 minutes.

Mr. SLACK. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, on June 26 the House adopted the Snyder amendment to H.R. 8121 by a vote of 246 to 164. The House language read as follows:

SEC. 104. None of the funds appropriated in this title shall be used for the purposes of negotiating the surrender or relinquishment of any United States rights in the Panama Canal Zone.

The Senate amendment No. 8 struck this provision from the bill. After a lengthy discussion, the conferees agreed on the following language:

SEC. 104. It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal.

Mr. Speaker, the Snyder amendment, despite its laudable intention, is unwise; it is inappropriate; and certainly it has no place in an appropriation measure. Appropriation bills are simply not the proper place to decide legislative issues. The Snyder amendment is unnecessary because our Constitution, article IV, section 3, clause 2, which invests the Congress with authority to dispose of U.S. property, will allow the House of Representatives to become involved in this issue at the proper time.

The language of the Snyder amendment could seriously endanger U.S. relations with Panama and constitutes an unfortunate precedent which could interfere with established constitutional processes. It also impinges on the President's responsibility under the Constitution to negotiate treaties with foreign governments.

To abandon an 11-year commitment to negotiate the canal issue could seriously damage our credibility in foreign affairs with Panama, Latin America, and elsewhere in the world. The U.S. commitment to negotiate with Panama was first made by President Johnson in consultation with former Presidents Truman and Eisenhower; these negotiations have subsequently been continued under Presidents Nixon and Ford.

Continuation of the negotiations is extremely important to American interests in Panama. Congressional action to suspend negotiations without consideration of a treaty on its merits would be viewed as a breach of faith and might stimulate an extreme reaction in Panama where at least a fair hearing on a treaty has always been assumed.

I concede, Mr. Speaker, that the language the conferees have proposed does not please everybody. However, the conferees had to work out something which they felt would be acceptable to the majority in both the House and the Senate.

Mr. Speaker, this bill contains funds for many important, worthwhile programs. I would suggest that we adopt the language accepted in the conference and move along with the enactment of the bill.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, I thank the gentleman from West Virginia for yielding.

Mr. Speaker, I rise in support of the conference agreement. I chaired the Panama Canal Subcommittee during the previous Congress. The gentleman from Kentucky (Mr. SNYDER) has been the ranking minority member on that subcommittee. We have been concerned about the future of the Panama Canal Zone and the Canal Zone Government operations down there. My successor as chairman of the subcommittee has been the gentleman from Illinois (Mr. METCALFE).

Some of us went down to Panama and were personally present when Secretary Kissinger negotiated the eight points, but believe me, I voiced to him my reservations about the eight points at the time he signed them, and since that time I believe the State Department has gotten the message of great concern from this Congress. With respect to the eight points as such, I do not conceive any situation whereby they would be acceptable to the Congress of the United States.

If we totally terminate negotiations with the Republic of Panama, that is going to lead to only one alternative—we are going to have not 4,000 men in a brigade in the zone but we are going to have to have a full division of men and maybe more.

We have got relations with the Organization of American States and Latin American nations that we want to perpetuate as best we can. We have got relations with the United Nations that we want to perpetuate as best we can. The United Nations has said in general terms: Give up the Canal Zone. We are not going to do that. Although we do have a history of benevolence toward the Republic of Panama, we did generally dictate the terms of the original Hay-Bunau-Varilla Treaty in 1903 and have successfully modified that to meet the demands and needs of the situation on several occasions. I was briefed the other day by Victor Veysey, Assistant Secretary of the Army and in charge of many Panama Canal matters. They are concerned now that the National Guard in Panama have certain temporary landing rights at Coco Solo which base is not being used down there. This is a large complex infrastructure we have in the Canal Zone. We have a Canal Zone; we have a government; we have an apparatus, an apartheid situation; separate schools; separate jails; separate housing; and separate jobs. That has got to be stopped. We have to get rid of the badges of colonialism we have there.

But I do not envision we are going to give up this zone. But my information is this, but I am not privileged to share it with the Members of the House as my distinguished colleague, the gentleman from Pennsylvania, has shared the Star and Herald Panamanian revelations with this House as to what the position of the Republic of Panama is. I want to tell the Members this:

The position of the United States is different from that related by the Republic of Panama in the Star and Herald that was relayed to us by our colleague, the gentleman from Pennsylvania, a few minutes ago. I cannot tell this House what that position is, but I do want to say that as far as I can see, the vital interests of the United States are being attempted to be protected by the negotiators. President Ford has made a redetermination over the past month that nothing is going to be done in Panama unless the Department of Defense and this Congress are satisfied with what is negotiated. We cannot be too particular with respect to exactly what has been said; but believe me, they have got the word. The Executive has gotten the message from the Snyder amendment.

Now, we can overtry a lawsuit. We can overtry this amendment and we can overtry the vital protection of American interests in the Republic of Panama. I think Mr. Bunker is doing a reasonable job. I believe the Department of Defense is now getting into the act. The Congress is getting into the act. The timetable for negotiations appears to be substantially extended. It is going to take a complex set of negotiations to solve this Panama Canal situation.

There have been riots in the Republic of Panama for the past 5 days. I do not want to talk about a Vietnam, guerrilla war type of situation. I do not think that is going to occur; but if we are damn fools, it can occur. We can stampede people to riot and I do not think we should.

The Department of Defense has got some balance on Panama Canal negotiations. The Department of State, I think, has been rebalanced. I believe that we should go ahead and accept the compromise that has been negotiated here with the Senate.

Mr. CEDERBERG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my position on the Panama Canal is exactly the same as the gentleman from Kentucky (Mr. SNYDER); however, I do not support the Snyder amendment. I do not support the Snyder amendment. I do not want to give away the Panama Canal. I do not think anyone wants to give away the Panama Canal; but going back and retracting a little bit of legislative history, which has already been done by the gentleman from West Virginia (Mr. House, the Snyder amendment was adopted. The Snyder amendment clearly stated that no funds in this bill could be used by the President of the United States to negotiate the treaty. Now, in my opinion, that is absolutely unconstitutional. There is no way in the world that we can deny the President of the United States under the Constitution the right to negotiate. I think everyone realizes that.

Now, let us assume that the Snyder amendment was adopted. Would this in any way accomplish what the gentleman wanted to accomplish, and that is that no negotiations take place? Obviously not, because what the President would do and could do would be to use his own funds in that negotiation.

Now, I think the compromise that we have worked out here is by far better than the Snyder amendment. We met in conference with the other body on this question and this language was written by the conferees, not by the State Department. Let me read it to the House. I hope the Members will listen, because I think it is very clear. It says simply this:

> It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal.

That is exactly what it says. That ought to be quite clear, that that is the sense of the Congress.

Now, let us assume we vote down a motion to recede or that we would have adopted the motion to recommit. We would be right back with the Snyder amendment, which was an unconstitutional amendment. Maybe the President could not use any money under this appropriation, but he could use other funds to negotiate; so we accomplish nothing with the Snyder amendment, except to get in some votes on the floor on our position on the Panama Canal, which everyone has already done.

Let me just say this, that those Members who voted against the Snyder amendment did not in any way indicate that they were in favor of giving away the Panama Canal, because that was never the issue, in spite of what the newspapers may have said, or what anyone else may have said. So, if we really want to get a sense of the Congress, then what we ought to do is approve this language that we had in conference. That is what it does.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, in the language the gentleman read in the compromise, he mentioned defense of the property of the canal. Are we talking about the canal or the Canal Zone?

Mr. CEDERBERG. As a matter of fact, as far as I am concerned, we mean whatever the treaty covers, which I assume is the zone, canal, and everything.

Mr. BIAGGI. That is a very critical situation.

Mr. CEDERBERG. It was not a matter that came up, but let us make it clear for legislative purposes.

As a matter of fact, the other body would have preferred to have the language in the report. We said, "Put it in the bill," so it is in the bill instead of in the report. Now, if the gentleman from West Virginia, as chairman of the subcommittee, will reply, does he agree that when we talk about this sense of Congress, we mean all U.S. interests in the Panama Canal Zone?

Mr. SLACK. The gentleman is correct.

Mr. CEDERBERG. Does that clear it up? That ought to be clear legislative history so that we know that to send this whole bill back to conference, I think, would be extremely unwise, so that I hope the Members will vote to recede and concur with this amendment because I think it states clearly what the sense of the Congress of the United States is on this very vital amendment and does much more, and clearly points it out more so than does the unconstitutional Snyder amendment which was adopted earlier.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, I am quite confused here. The intent of it, as the gentleman says, and I am sure that everyone who voted for or against it the last time did so to indicate their intention of keeping the canal, but it is true, is it not, that with the language of the Snyder amendment it was certainly clear that the Canal Zone could not be transferred back. With the intent here in the language of the conference report, it does not have the authority of the Executive to make a treaty to go ahead either way.

Mr. CEDERBERG. In the first place, I think the Snyder amendment was clearly unconstitutional and denies the right of the President to negotiate, but the gentleman can have a difference of opinion on that. But, if the Members vote down the motion to recede and concur, they are voting against the fact that it is the sense of the Congress that we protect the vital interests of the United States in the Panama Canal and the zone and all of it. What is wrong with that? That ought to be very clear.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. Why is it unconstitutional to put a limitation on funds in an appropriation bill?

Mr. CEDERBERG. It is unconstitutional to put a limitation on funds that is designed to stop carrying out an act that is constitutional.

Mr. ROUSSELOT. We have an honest disagreement.

Mr. CEDERBERG. Well, we have an honest disagreement. Let me ask the gentleman a question: Does he think that we can deny the right of a President of the United States, whoever he is, to negotiate a treaty?

Mr. ROUSSELOT. Of course not, and this amendment does not do that, as the gentleman knows. The reason we adopted the Snyder amendment in this House by a substantial vote is that it does not tie the hands of the President nor those of Secretary Kissinger, whom I know the gentleman embraces, to go ahead and write a new treaty in Panama.

Mr. CEDERBERG. The Snyder amendment was not negative if it did not do that, because that is what the Member wanted to do. Here, we have a clear sense of the Congress that the vital interests of the United States ought to be protected.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, the gentleman stated his position, and I understand and respect his position, with regard to the Constitution, and he cited a case.

Can the gentleman cite any case where the courts ever said that the legislative branch must appropriate money?

Mr. CEDERBERG. No, it does not say we must appropriate money, but can the gentleman cite me any law which says the Congress of the United States can deny the President of the United States the right to negotiate a treaty?

Mr. ASHBROOK. I would say that if Mr. Bunker wants to go down and do it free of charge, he may do so. We in the Congress do have some constitutional right to provide, limit, withdraw or otherwise stipulate expenditures of any type and description.

Mr. CEDERBERG. The gentleman knows very well that Mr. Bunker is not going to go down and do it free of charge any more than the gentleman would do it, so it will come out of White House funds. So, what does the amendment of the gentleman of Kentucky accomplish? Absolutely nothing.

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Speaker, the gentleman mentioned the substitute language which included the words Panama Canal. If he really means the zone, then why should not the language spell out the Canal Zone as well as the Panama Canal itself? The canal consists of water and locks—not the Canal Zone.

I ask this question because in every discussion we have—and I have been on this committee for 23 years and chairman of the subcommittee for 16 years, and I think I know whereof I speak—on every discussion we have, the whole idea is that the zone, where all of our buildings, the housing, the administration buildings, where all of the work is done and people live, is to be given back very, very shortly after the negotiations are completed. They are talking about 2 or 3 years.

If we mean we are going to keep the canal and the zone under our authority, then I think the language must say both.

I just voted against recommitting this bill so we could have a chance to discuss the language of the conferees. We must make clear just what this language means.

Mr. CEDERBERG. Let me say this: I am well aware of the distinguished gentlewoman's interest in the Panama Canal Zone, as chairman of the Committee on Merchant Marine and Fisheries which has jurisdiction in this area. I served with the gentlewoman on that committee some years ago.

I can only say this: As far as I am concerned, any treaty or agreement—we do not only have a treaty here—any treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property, and defense of the Panama Canal. So far as I am concerned, so far as the chairman is concerned, that includes all of our interests in the Panama Canal, including the zone. It is an interest. No one can say the zone is not an interest of the United States. It is obviously an interest. So I think it is covered. But for legislative history, so far as I am concerned, I want it clear that I think it covers it. The chairman of the subcommittee thinks it covers it.

Mr. Speaker, to send the whole matter back to conference, to open it all up again, I do not think will accomplish anything.

Mrs. SULLIVAN. If the gentleman will yield further, as I say, from our conversations and our knowledge, this language does not mean the Canal Zone or they would have said so. Canal Zone must be added to the conferees' language and it would be acceptable.

Mr. SLACK. Mr. Speaker, I yield 1 minute to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, I rise in opposition to the substitute language in the conference report.

After 23 years of work on the Panama Canal Subcommittee and for 16 years the chairman of the subcommittee, I speak from many years of background.

The gentleman from Pennsylvania explained some of the things that were in the treaty that are again being sold or given away in Panama, where we in the United States do not have any copies from our own Government. The things the gentleman mentions are things that definitely are being negotiated away. We cannot—we cannot—let this happen.

I think this is one place where we have shown our strength on June 26, and where we have to show it again, that we are against this kind of negotiation.

Mr. Speaker, on June 26, this body voted by an overwhelming margin to preclude funds for the negotiation or surrender of U.S. rights in the Canal Zone. In providing an 80-vote margin for the so-called Snyder amendment on that date, the House confirmed several beliefs of long standing which it has held.

That the Canal Zone and Panama Canal are U.S. property within the meaning of the U.S. Constitution.

That the investment that the United States has made in the canal and its importance for us domestically and internationally is too great to negotiate away.

That the position of the people of this country is on an overwhelming basis to retain U.S. control over the canal and Canal Zone.

The so-called compromise language which has emerged from conference on this matter is really a subtle guise for endorsement of the State Department position in these negotiations. The compromise language is really the opposite of what the House voted on June 26.

On the basis of press reports emanating from both Panama and the United States, it seems clear that the negotiations over the Panama Canal have already arrived at the following propositions:

On a date certain the United States will be totally out of the Isthmus of Panama—out.

The protective shield of the Panama Canal which is called the Canal Zone will be totally abolished and our U.S. citizen employees of the canal will be subject to the whims of Panamanian justice.

While the United States will continue the heavy financial responsibility of operating the canal, it will be Panama that will receive all the economic benefits from the canal.

In sum, what the negotiations would probably result in would be a basic change in the status of the canal. Instead of being operated on U.S. territory, it will be operated on Panamanian territory and all our rights there would not be sovereign rights but only extraterritorial ones.

I know that there are many Members of this body who are worried about recent disturbances in the Republic of Panama. I would say to my colleagues that after 23 years of being familiar with the Panama situation, that student disturbances in Panama are not unusual. Stones being thrown at our Embassy are not unusual. In fact, these disturbances of recent days are clear proof that Panama is too volatile politically to handle the canal operation.

Let us not be tricked into accepting language which is the opposite of what this Chamber desires. In view of the overwhelming opinion of this body and of the American people on the Panama Canal issue, let us stand firm for the position we adopted on June 26.

Mr. SLACK. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I thank the distinguished chairman of the subcommittee for yielding this time to me. I rise in support of the conference language.

Mr. Speaker, all of us have been through this debate many times, and we know what our positions are. I think the prohibition of the original appropriation language is meaningless.

The gentleman from Michigan (Mr. CEDERBERG) made the basic argument which is the crux of the matter that confronts us as legislators, and what we should do is to be sensible and reasonable. Because the limitation on the funds, obviously, does not do what the proponents seek to do which is to stop all negotiations.

In no way is the Congress circumvented in a matter of this importance. That has been clear for a good many years. I think it is just bad foreign policy and it is bad legislative action to attempt to say that the President shall not negotiate.

Under the Constitution the Congress has the right to decide later whether we are going to agree or disagree with what was negotiated. Furthermore, we know this is a matter which basically has to be negotiated.

We do have differences which need to be negotiated with a country with which we have vital interests, and to close our eyes and minds to that fact and say that we refuse to negotiate seems to me to be an unreasonable position for the United States to take.

We must sensibly face up to the issues and the differences. I think we can resolve them. I am confident that we can maintain the vital interests of the United States, and that the Congress has and will continue to have ultimately the final say-so on what is going to be done.

Mr. Speaker, I say that we ought to put this matter to rest, and adopt the conference language.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I thank my friend, the gentleman from Florida, for yielding.

I have been reading that language, and it says, "to protect the vital interests of the United States." It could be possible, could it not, that the vital interests of the United States, according to Mr. Kissinger, would be served by giving away the whole thing?

Mr. FASCELL. Mr. Speaker, does the gentleman want to rephrase that and make it a reference to somebody else? The gentleman expresses the idea as if the Secretary of State was going to have the final say-so on the whole issue, without regard to the President or the Congress. Of course that is not correct. The idea does a disservice to the Secretary of State, the President, and the Congress, and in my opinion is unwarranted. But I will say that it is an effort to inject another emotional and political side issue.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, the fact is that if a treaty is ever arrived at, it must be ratified by the other body, and the Congress will have its say on the issue of disposition of U.S. property, as provided by article 4, section 3, of the Constitution.

Mr. FASCELL. Mr. Speaker, I thank the gentleman.

Mr. CEDERBERG. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, I thank the gentleman for allotting me this time.

I appreciate the efforts of those Members who have spoken on the issue in favor of not agreeing to recede and concur. Let us take a look now at the language that they have agreed to.

I want to make it perfectly clear that I do not have too much disagreement with those folks who say this is not a very good vehicle to put this on, and I do not have much disagreement with those who say that we probably ought not approach it in this way. But the difficulty is that this is the only way we are going to be able to approach it.

The gentleman from Pennsylvania and some of the rest of us have had resolutions lying in the Committee on Foreign Affairs for years, and we cannot get hearings, we cannot get them reported. What the Congress, or the House of Representatives at least, thinks about this issue was reflected in the vote of June 26, 1975, when it carried right substantially.

The truth of the matter is that if we could get this issue out here in the right way, we would probably get a bigger vote than that. But we have to take it any way we can get it. We had to word the amendment so that it would be germane, and that is the route we had to go.

What is wrong with this sense of the Congress resolution that the conferees have agreed to? I will tell the Members.

First, it gives congressional approval to a new treaty. It gives congressional approval to giving away the land, that is, giving away the zone. Let there be no doubt about that. It says that it is the sense of Congress that any new Panama Canal treaty or agreement—it presupposes one—must protect the vital interests of the United States.

Mr. Speaker, I think the question was quite apropos a moment ago when one Member said: Might not the State Department think it is in the best interests of the United States to give it away? We know the State Department has that attitude, because on September 9 they had a briefing down at the State Department.

They briefed on the status of negotiations. What they said was not too far away from what the gentleman from Pennsylvania told you that Torrijos had released, the dictator in the republic down there.

Yes, they said they were going to give the zone away in a couple of years, not the canal, but the 10-mile strip of land down there. We are going to keep the canal, that is, the waterway, for 25 years, maybe just 20. Perhaps we are going to try to keep a military operation for 40 or 50 years.

Yes; they said that the United States shall possess certain operating rights during the treaty's lifetime—the lifetime of the treaty, 20 or 25 years.

What happens after that? They turn it over to Panama. They say, "Panama is going to give us the right to use it."

How do we know that? Since 1903 Panama has had 59 presidents, while we have had 13. Only four presidents have finished their 4-year constitutional term of office.

There is no stability down there. When we give the zone away, we are giving away the waterway through which traffic passes, 75 percent of which either originates or terminates in the United States.

This is vital to the commerce and vital, I might say, to the defense of this country.

This was verified just recently by General McAuliffe, the new commander of our southern command there. He said that it is just as important to the United States, from the military point of view, as it was in World War II.

What else is there about this language? Yes, it says that we shall not give away the vital interests, but the vital interests, according to the people of the State Department who do these things about which I have talked here, are something else.

It also says the "Panama Canal." It does not say "zone" because they know they have agreed to give the zone to them.

Mr. Speaker, I will tell the Members this: They can say, through their vote, that they will not give away the Panama Canal. However, it is nothing else but that. Down home, they'd say I'm just putting the fodder where the cows can get to it. I'm telling it like it is.

Our man down there—I will get his name here out of the paper—John D. Black, of the U.S. Embassy in Balboa, was down there making a speech. He said:

> Nothing in the 1903 treaty or its amendment indicates that Panama ever ceded the Canal Zone to the United States.

He had not read Wilson against Swann. I am sorry I do not have more time as I am not finished but my time is up.

The SPEAKER. The time of the gentleman from Kentucky (Mr. SNYDER) has expired.

Mr. SLACK. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. CHAPPELL).

Mr. CHAPPELL. Mr. Speaker, I think all of us had better recognize that there is only going to be one way to get some input into this question. That is to send this back to committee on this particular point.

I think all of us recognize what the situation is in the Panama Canal Zone. I think we recognize that it is the Castro forces which have and are exerting the influence down there.

If we want to have any input on how this matter might go, the only chance we have is to vote down this compromise language and then go back to committee and get some language we can live with. We must not permit this vital zone to slip away from us. I yield to the gentleman from Pennsylvania (Mr. FLOOD).

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. CHAPPELL. Yes, I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Speaker, I quite agree with that.

From the very beginning I pointed this out to the Members. With respect to the language, I know what the committee had in mind. I agree, but the only trouble is that they did not make their position clear.

If they are for this and if my friend, the chairman is for this, too, then why in the world do we not say simply what language we have in mind and add it in and nothing less. There would be no objection, provided that the Canal Zone was not mentioned in this language.

All I say is this: Take this proviso: "Provided that the surrender or relinquishment of any existing United States civilian rights, power, or authority"—the same as the gentleman said—"over the Canal Zone should not be detrimental to the vital interests of the United States."

Why in the world cannot we add this? We take your term "vital interest"; we take everything you say. All we say in the proviso is "add in the Canal Zone."

What in the world is the matter with that? Cannot you be reasonable? If you are so sincere about it, just add in the Canal Zone.

This is no gobbledygook, this is as plain as the nose on my mustache.

The SPEAKER. The time of the gentleman has expired.

Mr. SLACK. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Illinois. (Mr. METCALFE).

Mr. METCALFE. Mr. Speaker, I thank the gentleman for yielding me this time.

I think we all have to agree that this is really an emotional problem. I think we all agree that it is a very complex problem.

It would be wrong, it appears to me, for the House today to attempt to decide completely the value of these very complex negotiations.

As chairman of the Subcommittee on Panama, I have attempted to be, and I can truthfully say to the Members that I have been, objective. When I cast my vote against the Snyder amendment, I did so because I was thinking of the best interest of the United States.

I have been a member of that committee for 3 years. Our very distinguished former chairman, the gentleman from California (Mr. LEGGETT) was in Panama and he recited the conditions that exist there. I have been to Panama on three occassions and I have a sensitivity for what exists in there.

I regret very much that the debate I have heard in opposition to the adoption of the language of the conference committee; it would appear as if we are voting on the terms of the negotiations, that we are the ones who are determining what shall be and what shall not be. This is not germane to what we are discussing today. We are not voting for or against conditions of the treaty, for we know not what they are. There have been no final treaty commitments. It is not our responsibility, but it is the responsibility of the Senate, to approve treaty negotiations. It is the responsibility of the House to determine whether or not we are going to give up land, but that is not germane to what is before us right now. It is simply a question of the good language that is provided in the proposal of the conference. The negotiators must be protected. What more do we want than to protect the vital interests of the United States in the operation, maintenance, property, and defense of the Panama Canal?

May I simply call to the attention of the Members the mail of their constituents which has been received as a result of the Snyder amendment. America does not know what we are voting for. But the fact remains, and I am very much disturbed about this, that there are riots going on in Panama. Yesterday the students rioted and stoned the U.S. Embassy. Is that what we want? That is what the Snyder amendment has precipitated.

I ask the Members of the House to use good judgment and accept the language of the conferees. The role of the House here today is not to assess the conditions in Panama and the terms of the negotiations.

We do not think we need to become emotional about this thing in order to be able to tell them any more than what we have already told them.

I have full confidence that with this language we can succeed, and succeed and protect our interests in Latin America which are in serious jeopardy.

The conferees on H.R. 8121 have decided upon language with respect to Panama Canal treaty negotiations which is wide-ranging enough to provide for protection of U.S. interests in Panama and at the same time keep the faith this country has pledged for sincere dialogue with the Republic of Panama on points of friction between the two countries.

For the House to insist upon ceasing negotiations with Panama at a time when the Government of Panama is being criticized by its own citizenry for bargaining away too much in the negotiations would be to invite disaster. To attempt to cease negotiations at a time when these talks constitute the major focus and mechanism for dealing with Panama would be the height of folly. A vote for the original language of the Snyder amendment could, given the present situation, result in creating a situation in which the opinion of Panama's citizenry would coalesce and lead to a situation in which they would rather fight than talk.

I would have opposed the distinguished gentleman's motion had it come along at another time. But, I strongly believe that a vote in favor of the gentleman's motion now would be tantamount to disaster. It would be ironic if those Members of this body who believe in the essential malevolence of communism would assist in installing in a nation which surrounds the Canal Zone very unfriendly forces.

The House passed the so-called Snyder amendment on June 26. The reaction to that move was unanimously adverse in Latin America. Every group in Panama reacted strongly against it. Newspapers and legislative bodies in other Latin American nations reacted adversely. The Secretary General of the OAS, Ambassador Orfila, said on "Meet the Press" on July 28, 1975:

> It is not the issue of the Panama Canal. It is the issue of the United States and Latin America, and a solution must be found and very soon because there is not enough time to keep negotiating.

Mr. Speaker, I stand by the arguments which I previously made on the question of cutting off Panama Canal negotiation funds.

First. It is inappropriate to cut off negotiation funds in an appropriation bill.

Second. It is perhaps unconstitutional to deny the Executive the right to negotiate.

Third. It is unwarranted to preclude negotiation funds because of the assurances Congress has received on these negotiations.

Fourth. It is very damaging to our relations with Latin America and the world to cut off negotiation funds.

In conclusion, Mr. Speaker, let us take the wise course of agreeing to the compromise language that was drafted—it protects the United States and is not totally offensive to Latin America. It does not invite disaster, although the language that the House passed on June 26 would invite disaster.

The SPEAKER. The time of the gentleman has expired.

Mr. CEDERBERG. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. ASHBROOK. Mr. Speaker, here again we see the House playing out its usual charade. On those rare occasions when we do something constructive, take a tough position or get up in arms over some executive or bureaucratic excess, we see the same chain of events. We pass an amendment. That amendment goes to conference and is watered down to nothing. This has happened on the forced busing issue time and time again—and on that subject I can say I have been on conference committees where conferees work at blunting the meaning of the amendment while giving the public illusion that the Congress is four-square against busing—and we roll over and play dead.

A Broadway critic once wrote after seeing the first run of a play, "A creeping paralysis set in which turned out to be the plot." I think we are seeing the same thing today and it should be called just that, except that it is a galloping paralysis.

Many of the same members will stand up here on other occasions and say the Congress should express its will, and recapture some of its prerogatives. These same people who criticize the executive for other actions are rolling over and playing dead today. What a double standard.

Listen to their arguments. We all know this is an immediate, emergency-type situation. Yet, even my esteemed friends on the Appropriation Committee plead that this is not the time, the place, the legislation to accomplish our purpose. They even say they are against U.S. abdication of sovereignty over the Canal Zone. Yet they know full well the authorizing committee, the International Relations Committee, will do nothing on this subject. I think the American people understand this charade.

Mr. Speaker, the State Department is agitating against our national interest.

The Panama Star and Herald for Thursday September 18 carries the full text of an address to Americans and Panamanians by John D. Blacken, Counselor of the U.S. Embassy in Balboa.

Blacken has been designated to provide liaison between Ambassador Bunker, his negotiating team, and the people in the Canal Zone.

In his speech Blacken flatly enunciated outright falsehoods.

He deliberately, or in abyssmal ignorance, contradicted historical truth.

For example, Blacken said, and I quote:

> Nothing in the 1903 treaty or its amendments indicates that Panama ever ceded the Canal Zone to the U.S.

Mr. Speaker, let me read several brief statements from the Supreme Court decision in the case of Wilson against Shaw, Secretary of the Treasury, handed down January 7, 1907. That case specifically challenged U.S. title to the Canal Zone.

I quote:

> The title to what may be called the Isthmian or Canal Zone, which at the date of the act was in the Republic of Panama, passed by an act of secession to the newly formed Republic of Panama. The latter was recognized as a nation by the President. A treaty with it, *ceding* the Canal Zone, was duly ratified. 33 Stat. 2234. Congress has passed several acts based upon the *title* of the United States, etc.

Mr. Speaker, note the specific usage by the Court of the words ceding and title.

The Court further declared in response to the plaintiff's contention, and I quote:

> His first proposition is that the Canal Zone is no part of the territory of the United States.
>
> It is hypercritical to contend that the *title* of the United States is imperfect, and that the territory described does not belong to this Nation.

Mr. Speaker, Mr. Blacken and the State Department notwithstanding, the 1903 treaty with Panama is the law of the land, declared so by the High Court.

The State Department is in defiance of the Congress by contending that our sovereignty in the Canal Zone is—and I quote Mr. Blacken again—"illusory and self-deceptive reliance on myth."

He said:

> Some people would have us base our policy toward Panama and the Canal Zone on the myth that the Canal Zone is U.S. territory just as is Alaska, or Florida or New Mexico. They erroneously cite U.S. legislation and court cases to support their contention.

Mr. Speaker, on June 26 this body voted to prohibit fiscal 1976 appropriations from being used by the State Department to negotiate away or surrender U.S. rights in the Canal Zone.

My colleagues should be justifiably angered by the misrepresentations by our State Department of this Nation's perpetual sovereignty in the Canal Zone.

Let me make two additional points of great importance.

The Panama Canal Spillway of September 19 reported a speech by Ambassador Ellsworth Bunker that morning to Canal Zone labor union and civic councils representatives.

The official paper of the Panama Canal Company quoted Mr. Bunker as saying the following in relation to the proposed new treaty:

> And, we expect that some aspects of its implementation will require action by both houses of Congress.

I do not have to remind my colleagues, Mr. Speaker, that the House of Representatives does not ratify treaties, but has the constitutional duty to vote on the disposal of U.S. territory.

This statement by Mr. Bunker is an admission that the State Department intends to give away U.S. territory. Clearly the State Department thoroughly recognizes U.S. sovereignty in the Canal Zone—while telling the whole world publicly that sovereignty is illusion and myth—as Mr. Blacken put it.

My last point is this. Many have charged the canal is no longer of real value to us.

Gen. D. P. McAuliffe is the top U.S. military officer in the Canal Zone, having taken over as Commander in Chief of the U.S. Southern Command on August 1.

The Panama Star and Herald for September 14 reported a long interview with General McAuliffe, and the last two paragraphs of the story are vital to our understanding of the canal's real value. I quote the article:

> In Gen. McAuliffe's opinion, the Panama Canal is about as important to the United States, from a military point of view, as it was in World War II. This is because, as he puts it, with the reduction in the number of vessels available in the active force of the U.S. Navy resulting from the modernization program, "we must have the capability of moving naval forces from one ocean to the other." In addition, he pointed out, forces deployed out of their home country need logistical support—food, fuel, spare parts.
>
> "This kind of supply line," Gen. McAuliffe said, "depends largely on surface ships, not necessarily naval ships, but commercial ships under contract to the Department of Defense. When you look at this kind of requirements, the Panama Canal figures prominently in this kind of supply."

Nero fiddled while Rome burned. That is what we are doing today.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I thank the gentleman for yielding.

About this business of the riots, the rioters in Panama that smashed the U.S. Embassy yesterday morning at 11 o'clock are students at the University of Panama. One of the negotiators for Panama in these conferences is the President of the Republic of Panama. He is one of the negotiators. These are students at the university. He is also on the directorate of the Communist Party in Panama. There are the rioters. Figure that one out.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Idaho.

Mr. HANSEN. I thank the gentleman for yielding.

Mr. Speaker, I wish to insert the following paraphrasing of an article of September 18, 1975, appearing in the Republican Delta, authored by Mr. Herb Welch, and entitled "Who Owns the Panama Canal?"

> The Panama canal was built and paid for by the United States, on land purchased from the country of Panama, in 1903. We paid $10 million for the 52 miles long, five miles wide strip of land which is called the Canal Zone. In addition, we have paid Panama a yearly amount which began at $250,000 a year and now stands at about $2,000,000 annual payment. Since acquiring the zone, the taxpayers of the United States have poured over five and one-half billion dollars into the construction, operation, and maintenance of the Panama canal.
>
> About 15,000 people are employed to operate and maintain the canal, two-thirds of them being native Panamanians. More than 120 million tons of cargo are transported on nearly 15,000 ships through the canal each year, and 70 percent of that tonnage originates in or is destined for American ports. The canal has been of tremendous value to the economic welfare of the people of Panama. More than 40 percent of Panama's foreign exchange earnings and nearly one-third of its gross national product are directly or indirectly attributable to the presence of the American-owned and supervised canal.
>
> To give the canal zone back to Panama would be somewhat akin to suggesting that we give Alaska back to Russia and the Louisiana Purchase back to France. Since World War II there have been 13 changes of government in Panama, five of them violent, and the present government is headed by a military dictator with strong Marxist-Socialist leanings.
>
> Under these circumstances, should we "give the Panama canal to Panama?" If not, then we would be wise to so advise President Ford and his representatives in Washington; because, unbelievable as it may seem, that is exactly what certain elements in the U.S. State Department seem to be planning to do.

The SPEAKER. The time of the gentleman has expired.

Mr. CEDERBERG. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. I thank the gentleman from Michigan for yielding.

Mr. Speaker, I am not overly enamored with the language contained in the conference report. However, I think that it is far preferable to the Snyder language which was adopted by the House when it originally considered this measure. Since it is really the Snyder amendment that is at issue here, let me address my remarks to this particular question.

Mr. Speaker, I oppose the Snyder amendment for three reasons. I think the first has been well explained by the previous speakers.

The Snyder amendment will deny funds for any efforts on the part of the State Department to relinquish certain rights in the Panama Canal Zone.

Mr. Speaker, the agreement which was signed by Foreign Minister Tack and Secretary Kissinger on February 4, 1974, does call for the relinquishment of certain U.S. rights which we consider no longer to be in our own national interest. It would seem to me, therefore, that in denying funds the Snyder amendment would impinge upon article 2, section 2 of the Constitution which authorizes the President of the United States to negotiate treaties with foreign nations. Mr. Speaker, if the Congress is opposed to a treaty which may emerge from these negotiations, we will have the opportunity to defeat this treaty at the appropriate time.

My second concern is that at the present time we are in the midst of negotiations between representatives of the two countries. I think adoption of the Snyder amendment by this Chamber would have disastrous results on these negotiations.

I come to the third point, Mr. Speaker, which I think is perhaps the most critical of all, and that is the Snyder amendment argues for the status quo. The status quo, in my opinion, certainly is not in the interest of the Government of Panama and the President has concluded, and I concur, that it is not in the best interest of the United States.

I think that probably the principal issue in this connection is the question of sovereignty. We must remember that the United States was not granted sovereignty over the Panama Canal Zone. The 1903 treaty simply says that the United States shall operate this area as if we were sovereign, so this is Panamanian territory. What the Panamanian Government wants to do is to exercise jurisdiction and authority over it. I might point out that we have this same arrangement with every other country throughout the world in which we have military bases and this arrangement has worked out quite well, I might add.

Mr. Speaker, since 1945, 68 colonies or former provinces have been granted independence by their colonial masters. I think that the nations of Latin America and, indeed, all the nations of the Third World are looking to the United States to see if we are going to honor and recognize this thrust which has predominated throughout the world since the end of World War II; namely, the drive for self-determination.

I think this is the issue. In Panama, Mr. Speaker, the issues are very clearly defined and if we fail to ratify a new treaty the results there are predictable. We are beginning to see them already. The question in the United States is: What price are we willing to pay if we are to defend the status quo? I think this is the issue which we in Congress will have to decide in the months ahead.

I urge therefore that we adopt the conference language and resist any effort to reinstate the Snyder amendment.

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. WHALEN. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Speaker, I would like to clarify what we are doing. I do not think we are going to vote on accepting or rejecting the Snyder amendment. My understanding is we are going to vote down the substitute language in the bill and then it goes back to the conferees for other language. I believe the gentleman from Pennsylvania, as well as I, feel the main change in that language is to add the words the Canal Zone.

Mr. WHALEN. That is why I phrased my opening statement as I did, that is whether or not we support the language of the conference report. Failing to do that, we get to the Snyder amendment, and I hope that will not happen.

Mr. SLACK. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker, I rise in opposition to the language of section 104 because it thwarts the will of the House, as expressed by our vote on the Snyder amendment on June 26. Mr. Speaker, while the language of section 104 says that "vital U.S. interests in Panama be protected," I do not believe that this language is strong enough.

In the first place, as the gentlelady from Missouri (Mrs. SULLIVAN) pointed out—reference to the words "Canal Zone" is completely ignored.

Second, as Mr. SNYDER, ranking minority member of the Panama Canal Committee stated, the language in section 104 is so vague that abandoning the Canal Zone and giving up our rights to operate and defend the Panama Canal could be relinquished by the Secretary of State.

Mr. Speaker, barring the use of funds for negotiating the surrender of the canal presents a much clearer indication of the feeling of the American people.

It is tremendously important that the United States maintain a position of stability in Central America.

The relinquishing of our rights in the Canal Zone could adversely affect our economic security as well as those of surrounding Latin American countries. The existence of the canal itself has been of major economic and strategic importance, not only to the United States, but to all friendly nations.

I will not dwell on the history of Panamanian political upheaval. The record is quite clear on this. Panama, with a population less than that of most of the larger cities in our country, with 44 President's having come and gone in 70 years, hardly has the military defense capabilities or the political stability to manage the Canal Zone in a way which would continue to benefit the United States and our allies in the future. I believe Panamanian control of the Canal Zone could not guarantee the uninterrupted movement of our commercial and military ships, and would weaken our overall defense posture in the entire Western Hemisphere.

Mr. Speaker, earlier this year the Maritime Administration of the U.S. Department of Commerce revealed that, if for one reason or another, the canal should be closed, there would be:

A 71 percent increase in average annual consumption of fuel by ships used in U.S. foreign trade;

A 31-day increase in average shipping time;

A $932 million increase in the yearly total delivered price of all U.S. exports; and

A $583 million increase in the yearly total delivered price of all U.S. imports.

Clearly, the Panama Canal is a vital security and economic base for our country and many of our friends. It is unfortunate that the Department of State is continuing their efforts to "give away" our sovereignty of the zone. I am confident that this body will continue to oppose any such giveaway, and will therefore reject the conference language, with instructions to the conferees to insert stronger language in section 104.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to my colleague, the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the motion to recede from the House position on the Panama Canal amendment. The amendment very much in discussion—the Snyder amendment—was adopted by the House on June 26 during consideration of H.R. 8121, and it would provide that the State Department is prohibited from using any of the funds appropriated in this legislation to negotiate the surrender or relinquishment of any U.S. rights in the Panama Canal Zone. This amendment passed the House overwhelmingly by a vote of 246 to 164. The conference substitute considerably weakens the House position, and in my opinion, the conference agreement on this provision is completely unacceptable.

Throughout my service in Congress, I have consistently supported legislation which expresses my belief that U.S. control and ownership over the Canal Zone territory should not be relinquished. The Canal Zone is U.S. sovereign territory in perpetuity under the terms of the Hay-Bunau-Varilla Treaty of 1903, and article IV, section 3 of our Constitution states that—

> Congress shall have power to dispose of and make all needful rules and regulation respecting the territory or other property belonging to the United States . . .

It is, therefore, appropriate that the House should expres its will through the Snyder amendment that this U.S. sovereign territory should not be surrendered or relinquished. The 1903 treaty which granted to the United States perpetuity over the Canal Zone Territory also required that in return, the United States be responsible for the construction, maintenance, operation, and protection of the Panama Canal. In all good faith, we have upheld our part of the Treaty and the U.S. taxpayers have footed the bill. Also, it must be remembered that the Canal is important to the United States not only as an access for commerce, but in addition, it is important to our national security.

In my most recent public opinion pool, I asked a question of my constituents as to whether or not they would support the United States giving up its sovereignty over the Panama Canal. Although the results of the questionnaire are still being tabulated, the first 500 sampling shows that 84 percent are opposed to relinquishing U.S. ownership of the canal. I believe that this view is held by the majority of Americans.

I strongly urge my colleagues to join with me in voting down this motion to recede, and to support the motion to recommit the conference report on H.R. 8121—the fiscal year 1976 appropriations bill for the Departments of State, Justice, Commerce, and the judiciary—to the conference committee with instruction to the House conferees to hold firm on the House-passed position on maintaining the sovereignty of the Canal Zone as adopted in the Snyder amendment.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, I thank the gentleman from California for yielding and I associate myself with the gentleman's remarks. As a member of the Canal Zone Committee, I rise to offer my support of the motion offered to recommit this conference report and to insist on the language of the original Snyder amendment which explicitly prohibits any funds in the Department of State's fiscal year 1976 budget to be used in negotiations which could result in the surrender of any of our sovereign rights in the Panama Canal Zone.

I recall the spirited debate which accompanied the introduction of this amendment on June 26. The sponsor of this amendment, the distinguished former ranking minority member of the Panama Canal Subcommittee, presented a clear argument for passage of this amendment. His logic prevailed and the Congress was recorded on the side of insuring continued United States sovereignty in the Panama Canal.

We are now being asked to accept language which was ironed out in the conference committee. This supposed compromise language seems more concessionary than anything else. The vagueness of the language, "It is the sense of the Congress that any new Panama Canal Treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal" is totally inappropriate for an issue as critical as this is. Especially conspicuous is the failure to include the Canal Zone in the language.

The fact of the matter is, the overwhelming majority of Americans do not want to see us relinquish any of the rights in the Panana Canal provided in the 1903 treaty between the United States and Panama. They are growing increasingly alarmed at the directions which the current negotiations are going, and are growing increasingly disturbed that their tax dollars are being used to subsidize an effort which ultimately may not be in our best interest. The acceptance today of the language of the Snyder amendment will place this Congress in direct harmony with the wishes of the American people on this volatile subject.

The United States cannot afford to give up any of its basic rights in the Panama Canal Zone. The canal is critically important to this Nation's maritime industry. To turn over any new responsibilities to Panama would be a highly dangerous move. Panama historically, has been one of the most politically unstable nations in the world. They have experienced an incredible 59 changes in government over the past 71 years and have shown a propensity for existing in a constant state of upheaval. This leaves them vulnerable in the event of any threats against the canal, and we cannot be naive and dismiss the possibilty of incursions into the canal by our foes. The threat does indeed exist. We have the capability to meet any challenge. Panama does not.

Our actions in these negotiations will be followed very closely by our Latin American allies. Traditionally, Latin America has been one of the Communist's favorite playgrounds. Our concern over this was dramatically demonstrated during the 1962 Cuban missile crisis. The message was clear, no excursions into Latin America will be tolerated. Today, Latin America is the forgotten element in our foreign policy. Many of our allies are concerned, for while our interest and commitment may be declining, the Communist threat is not.

If we decide to relinquish our control over the canal and Canal Zone a new message may emerge, excursions may still be objected to, only our ability to prevent them may be different. We must again concern ourselves with the future of Latin America. Instead of worrying about national security interests as they relate to Turkish aid, we should look in our own back yard and recommit ourselves to protecting Panama and the rest of Latin America, which is a more real threat to our security.

It was said by many that the original vote on the Snyder amendment could be read as an indication of each Member's view on the future of the Panama Canal. Those of us who voted aye, demonstrated our continued commitment to having full U.S. control of the canal. We are again confronted with the opportunity to reaffirm this basic position. We must maintain our position which is directly in tune with the views of the American people. I wager the thought that no one here wants to have the responsibility of selling the Panama Canal down the river. To avoid this I recommend support of this motion.

Mr. SLACK. Mr. Speaker, I yield 3½ minutes to the gentlewoman from California (Mrs. BURKE).

Mrs. BURKE of California. Mr. Speaker, I am not an authority on the Panama Canal. However, after listening to the debate last time, I went back to review the situation and did come up with some facts that were not clearly pointed out on the floor.

I would like to clarify the position of the conferees who arrived at this language. There are people on that conference committee who feel just as strongly as anyone here that the Panama Canal should not be given away. Someone suggested that perhaps that should be the language. We suggested that the Panama Canal and its zone not be given away, but we arrived at language that we believe to be constitutional and also language suitable for an appropriation bill.

The chairman, the gentleman from Texas (Mr. MAHON), and the gentleman from Georgia (Mr. FLYNT), all these people are just as dedicated and as ardent in saying we should not relinquish our rights. However, there was one important consideration: we had to have language here that would fit in with the constitutional framework.

The question of sovereignty was also discussed. The problem is that we cannot assert in an appropriation bill that we must maintain our sovereignty when that sovereignty does not exist. Under the 1903 treaty, the United States was given jurisdiction over the zone "as if it were sovereign—to the entire exclusion by the Republic of Panama of any such sovereign rights, power or authority." Panama, however, did not thereby relinquish her ultimate sovereignty over the zone. This is further indicated by the treaty provision which set forth an initial U.S. payment of 10 million and an annual annuity of $250,000. Commenting on the treaty in a letter to Senator Spooner, Secretary of State John Hay wrote early in 1904:

> We shall have a treaty . . . vastly advantageous to the United States, and, we must confess . . . not so advantageous to Panama. . . . You and I know too well how many points there are in this treaty to which a Panamanian patriot could object.

In discussing the question of sovereignty almost 70 years ago, Secretary of War William H. Taft, in testimony before a Senate committee, stated the following:

> (Article III of the Panama Canal Treaty) is peculiar in not conferring sovereignty directly upon the United States, but in giving to the United States the powers which it would have if it were sovereign.

Thus, while we exercise sovereign powers over the zone, we are only tenants, paying an annual "rent" of $250,000, with ultimate sovereignty vested in Panama.

This now has to be clarified, but it is not appropriate for a conference committee report. Again, the question is, Are we giving away anything? Many people here, I believe, think that if this motion does not pass, the Congress will not have a right to act. We should clarify this.

First of all, any treaty that is arrived at would have to be approved by two-thirds of the Senate. Furthermore, the suggestion was made in conference that the word "zone" be added to the word "canal" so that it would be clear that land was involved. This would then arguably have triggered the operation of article IV, section 3, clause 2 of the Constitution, which requires that the Congress as a whole pass on any question of relinquishment or transfer of U.S. territory. However, the conferees did not push this wording because it was felt to be unnecessary—in other words, that it is clear without more than the House would be involved in the decisionmaking process. Therefore, the reason for adding the word "zone" is almost nullified.

The point that must be made here is that it is not a question of the emotional issue that has been placed before many Members of this House that we are giving away the canal. I, for one, do not necessarily accept the idea that the President of Panama—the present President—is articulating the viewpoint that has been expressed in all of the negotiations by Panama, because Panama knows they cannot defend the canal. They know that they need the United States. They know that they cannot operate and maintain the canal, and they have expressed the position that they want the United States there to operate, maintain, and certainly to defend the canal.

Internationally, the canal has also become a political symbol. However, in this case, it has become a symbol of a big country pushing around a little one. Panama has taken the issue to the Organization of American States and to the United Nations Security Council, where she has received substantial support for her position. Furthermore, Panama is likely to gain a seat on the Security Council during the U.N. session this year, thus increasing the strain between our two nations if the United States does not help reach accommodation.

Mr. Speaker, let us not, in our objection to a particular President, condemn a whole country. Let us remember that Panama came into existence because Colombia refused to accept and ratify this treaty, and it came into existence as we sat in that harbor to provide military assistance. I certainly think that this language should be accepted. It was not developed haphazardly, though I do think it should be clarified. It was carefully worked out, and I urge the concurrence of the Members.

Mr. CEDERBERG. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I guess up to this point I am the only one who has taken the well who voted for the Snyder amendment when it first came to the floor, but I am now perfectly willing to accept the conference report that has been reported and the language in it, because I felt the first time that I wanted to get the message over, and clearly, that I did not want to either weaken the United States or give away the Panama Canal. I think we made that message clear, and now there is reasonable language in this conference report.

It has been said by a number of my colleagues, "Well, the public will not understand what you are doing. They will think you are giving away the Panama Canal, and therefore you had best watch your vote."

The public will understand exactly what we are doing here, unless there is some wildly misleading statement being made that will just confuse the issue. The report is clear. This is the sense of the Congress, that we protect the vital interests of the United States and give away nothing.

I would like to say to some of my colleagues who speak of Secretary of State Kissinger as though he were a foreigner who is working to give away the United States. I disagree with Secretary Kissinger on some issues, but he is the Secretary of State of a Republican administration. He is working under the direction of President Ford. He is the Secretary of State, and I am convinced that he is working in what he and the administration believe to be our best interests. That does not mean we have to agree with him, but the inferences are bad, and I do not think they do any of us any good.

So, I would like to suggest, let us argue these cases on their merits, and I believe their merits now very clearly show that the language in the report is good. It protects the United States and lets the Government move in a way that is for the best interests of everyone involved. I strongly urge support for this report.

Mr. SLACK. Mr. Speaker, I yield 4 minutes to the able gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, the question we are about to decide is not whether we want to go on record for protecting the vital interests of the United States in the Panama Canal discussions. The conference committee report contains language to that effect.

The question is whether we in the House of Representatives want to turn down the conference report and adopt the harsher language of the Snyder amendment which would tie the hands of the President of the United States in delicate ongoing negotiations with a friendly country over a matter that is vital to hemispheric solidarity.

The House of Representatives, composed of 435 individuals, cannot be the Secretary of State. We can express approval or disapproval of general policies. But we cannot conduct the negotiations. Nor should we prevent the President from pursuing talks aimed at settling international problems.

The question of our treatment of Panamanians in the canal and zone arouses deep, even volatile sensitivities, not only in Panama but throughout Latin America.

Let us examine the message that we would send to our hemispheric neighbors by insisting upon the Snyder amendment, which would deny the use of any funds for continuing the negotiations with Panama. How will we be interpreted if we stick out our chests in jingoistic pride and say, "We will not negotiate with you at all"?

Many sincere friends of the United States throughout Latin America say that this is the way our action will be read:

"We are bigger than you are. We are stronger than you are; and so we will not even talk with you about any of those things that you regard as legitimate grievances."

Nothing could be more destructive of the carefully nurtured relationship we have cultivated over the years with our neighbors to the south.

The Panamanians, rightly or wrongly, feel that we have been officially insensitive to their rights. They can make a very convincing case of treatment which citizens of our country would not tolerate if the positions were reversed—if, for example, they occupied a broad stretch of land across middle of the United States and refused even to talk with us about the treatment of our citizens when crossing that zone.

Panamanians crossing the zone from one part of their own country to another are stopped, detained, questioned, sometimes harassed by official U.S. authorities.

Panamanian courts are not permitted jurisdiction over their own citizens for violation of Panamanian laws when they cross over into the Canal Zone.

Panamanian businesses are not permitted to do business in the zone. They must secure and sell any good through an intermediary, the giant U.S.-owned Panama Canal Corporation.

Do we wonder that they see this is a behemoth of Yankee colonialism and that they think, rightly or wrongly, that we care nothing about our rights?

We preach equal rights, and yet in Panama we put up an example of apartheid.

We preach free enterprise, and yet we deny it to their citizens.

We preach the doctrine of settling disputes through open and free discussions. Shall we now say, "We are not going to talk with you any more, nor permit our President and his associates to do so?"

Mr. Speaker, the question here is whether we practice what we preach.

For generations throughout Latin America, the United States was the model of the popular peoples' movements. Our country was their symbol.

In the days of O'Higgins, San Martin, and Bolivar, we provided not only the political example, but the spiritual inspiration for people in their quest for freedom and justice throughout Latin America. We can do that again.

We cannot do it by name calling. We cannot do it by accusing our neighbors of impure motives. We surely cannot do it by throwing out our chests jingoistically and saying, "We are bigger than you are and we will not talk with you, nor listen to your problems." We can restore the precious relationship we once had only if we are as anxious to understand as we are to be understood, only if we are willing to sit down as good neighbors and try to work out our problems in a legitimate and friendly manner. Then once again, the phrase "palabra inglesa" will have meaning in Latin America.

Mr. CEDERBERG. Mr. Speaker, I yield 5 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, the distinguished gentleman from Texas (Mr. WRIGHT) who preceded me in the well has almost given my speech. I think he probably did it better than I can.

I first would like to do what I can to correct what I think is a very sad situation insofar as the legislative history of this bill is concerned. I have great respect for the motivation of the Members who seek to add the word, "zone," to this language in the conference report. However, I believe it creates an erroneous impression, because I think the word, "zone," is in the intent of the language of the bill. I would just like to read to the Members what it says:

> SEC. 104: It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal.

Mr. Speaker, I want the Secretary of State to know and I want Ambassador Bunker to know and I want everybody else negotiating for the United States to know that as far as I am concerned this language includes the zone as well as the canal.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield briefly to the gentleman from New York.

Mr. BIAGGI. Then, Mr. Speaker if the committee intended for it to apply to the Canal Zone why then do we not put the word, "zone," in there? I agree with the gentleman that that should be the thrust of this language.

Mr. RHODES. Mr. Speaker, the gentleman is just contributing to the sad state of the legislative history that I mentioned.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I do not yield further. I am trying to straighten out the gentleman's mess for him.

Mr. Speaker, the situation, as far as the negotiations are concerned, is that we are negotiating over both the canal and the zone. I do not know how the negotiations are going to come out. I do know that if this House of Representatives compounds its own folly of the last few months of trying to act like 435 Secretaries of State, we will probably come a cropper in that part of the world just the way we have in the Middle East.

I think it is time we quit doing this kind of thing. I think it is time that we started paying attention to the gentleman from Texas, who has pointed out very graphically the attitude of our good friends and neighbors in South America and Latin America over what would be judged as instructions by the House of Representatives to the administration not even to negotiate.

Mr. Speaker, there is no doubt in my mind and certainly there is no doubt as far as I am concerned that if I could write the treaty as I would hope it will come out, the treaty would forever and a day, as long as we want to use this land for a canal, guarantee our right to defend that land. I do not know of anybody else who can defend it. I think we must defend it if it is going to remain a canal. But, Mr. Speaker, if we decide at some time that we do not want a canal there, I do not see any reason in the world why the United States would want to hold onto that piece of real estate. I have been there, and I think it is a pretty worthless piece of real estate. We would not have any interest there if there was not a canal there. That is one reason why probably we should negotiate these matters.

I maintain very strongly that the people who are negotiating certainly have the idea that it is not going to be easy to ratify any kind of a treaty. If there is going to be a treaty and if the treaty is concluded, it has to go to the Senate of the United States and it has to be ratified, just like any other treaty.

What we would be doing here is prejudging the whole situation and saying that there is no way we can come up with some kind of a treaty which will make the Panamanians happy and which the United States will approve. That may be the situation, but we cannot be certain at this point. But I do know it does not do our country any good, and it does not do our relations with other nations any good, for us to sit here and prejudge the whole matter.

So, Mr. Speaker, I do hope that we will stick with the committee here, and I hope we will vote up the motion to recede and then concur with the language as it is contained in the conference report.

The SPEAKER. All the time of the gentleman from Michigan (Mr. CEDERBERG) has expired. The gentleman from West Virginia (Mr. SLACK) has 2 minutes remaining.

Mr. SLACK. Mr. Speaker, I yield the balance of my time to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, I want to reemphasize in perhaps a little different way what some of the other Members have said.

What we have been hearing here for the last 2 hours as far as this bill is concerned has been irrelevant, incompetent, and immaterial. We are not today settling what is going to happen to the Panama Canal. All the Snyder amendment is, is a limitation upon an appropriations bill saying that the President shall not use any of the money in this bill to negotiate.

He can use other money that he has out of other bills or out of the White House fund.

Therefore, we are doing nothing effective with the Snyder amendment. It is make-work. It is like having five longshoremen on one forklift.

The sad part of it is that we have a lot of work to do around this place, work that needs to be done, but we are spending a lot of time on things we cannot do anything about. The Snyder amendment would not have the force of law anyway.

Another thing, the Senate is not going to buy the Snyder amendment. You can just as well put that in your pipe and smoke it.

What we have before us, therefore, is a choice between an ineffective limitation on an appropriations bill or, in the alternative, a positive sense of Congress resolution.

I say, let us vote for the motion to recede and concur to put this behind us, stop this make-work stuff, and get on with some of the legislation that we ought to be dealing with in this Congress.

Mr. Speaker, I urge the Members to vote "aye" on the motion to recede and concur.

Mr. KETCHUM. Mr. Speaker, in June of this year by an overwhelming vote of 246 to 164, the House of Representatives adopted the Snyder amendment to this bill specifically prohibiting the use of any funds to negotiate the surrender of the Panama Canal. Now we find that the conference committee has striken this language and substituted instead a watered-down version merely expressing the sense of Congress that a new treaty will protect the interests of the United States in the Panama Canal Zone.

I cannot accept this new language, which subverts the will of the House, and, I believe, the will of the people of this Nation. The citizens of California's 18th District have urged me again and again to insure that our Government does not negotiate the surrender of the Panama Canal and I have every intention of fulfilling my pledge to do so.

The treaty which the United States and the Republic of Panama signed in 1903 leaves no question as to American rights of ownership. The treaty clearly grants to the United States, in perpetuity, the occupation, operation, control, and protection of the canal and assigns all rights, powers, and authority within the zone to the United States. We bought and paid for this land and it is as much a part of our Nation as any other land purchased from other countries. To relinquish the Canal Zone to the Panamanians would be as absurd as handing Alaska back to the Russians.

Further, the surrender of this territory would not be in the best interests of this country nor those of other nations who utilize the canal. That action would place control of this vital waterway in the hands of an unstable and arbitrary government. Panama has had more than 50 changes of government since 1904. The United States, in its administration of the Canal Zone, has allowed every nation in the world use of the canal. We have no assurance that a nation with a past as shaky as Panama's would continue our policy of nondiscrimination.

The adoption of the Snyder amendment sent a resounding message to the State Deparment and the administration that the people of the United States stand firm in the determination that the canal belongs irrevocably to the United States of America and will not be surrendered. I urge my colleagues not to retreat from the firm position we took only a few months ago.

Mr. FITHIAN. Mr. Speaker, I am unalterably opposed to any movement, effort, negotiations, or other proceeding which might start us down the road to giving up control, supervision, operation, and defense of the Panama Canal and the Canal Zone.

I am fully aware of the minimum effect we in the House may have on Executive agreements and treaties. Our only real weapon is the power of the purse. This appropriations bill, therefore, though an awkward vehicle for expression of our views, is the proper place to register our opposition to any negotiations by Mr. Kissinger which might lead to action harmful to our national interests.

I for one am convinced that any impairment of our longstanding supervision over the canal and the Canal Zone would not be in our national interest. What is of equal importance is the fact that no reasonable person can claim that we have not administered the canal with equity to users. No one can claim that we have not safeguarded the Canal Zone in times of great danger to the free world. Why take chances on the uncertainties and vagaries of the unknown future when we have a proven formula for safeguarding the canal. It is to our security interests. It is to our economic interests. And it is right that those of us concerned with these things persist. I intend to vote against allowing the language of the Snyder amendment to be altered. I think we should make it as clear as possible that we oppose the kind of negotiations now being carried on.

The basic issue is whether or not we are going to safeguard our rights to the Panama Canal and the Canal Zone and no amount of parliamentary maneuvering by the opponents should be allowed to obscure that fact. I do not intend to alter my opposition, regardless of the pleas of the State Department. The status of the Panama Canal and the Canal Zone should never be changed.

Mr. BAUMAN. Mr. Speaker, we are facing a replay of the issue which this House decisively voted on last June 26. At that time by a majority of more than 80 votes, the House supported the Snyder amendment which simply forbids the State Department to use any funds to negotiate the surrender of our sovereign rights in the Panama Canal Zone.

From the anguished crys of the administration apologists we have heard here today, it is obvious that the Snyder amendment does indeed mean something—that the Congress will not sit still for the sellout of the American interests in the Panama Canal. It is beyond me why anyone could change their vote from the way they voted on June 26. The issue is exactly the same in spite of the various apologies we have heard in this debate. That issue is simply whether or not each of us favors surrendering the Canal, as apparently the State Department does.

The language suggested by the conferees is nothing at all in the way of a guarantee against surrender. It is a blatant State Department attempt to water down the feeling of the Congress and the American people on a very grave and important issue of national security and American sovereignty.

I would sincerely request that every Member examine his conscience and vote again today in favor of the Snyder amendment, and that can be done by voting against the committee's motion to recede from our past strong stand.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

PARLIAMENTARY INQUIRIES

Mr. SNYDER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. SNYDER. Mr. Speaker, am I correct that the parliamentary situation is such that an "aye" vote would be agreeing to the committee's recommendation and a "no" vote would be to reject it?

The SPEAKER. An "aye" vote would be that the House will recede from disagreement to Senate amendment No. 8. A "no" vote is not to recede. In other words, a "no" vote is to vote for the position of the gentleman from Kentucky (Mr. SNYDER).

Mr. WRIGHT. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. WRIGHT. In order that all of us may understand this in exactly the same way, an "aye" vote would support the language recommended in the conference committee report; is that correct?

The SPEAKER. The gentleman is correct.

The question is on the motion to recede.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SNYDER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 197, nays 203, not voting 33, as follows:

[Roll No. 542]

YEAS—197

Abzug
Adams
Addabbo
Anderson, Ill.
Ashley
AuCoin
Badillo
Baldus
Baucus
Bedell
Bergland
Biester
Bingham
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burke, Calif.
Burlison, Mo.
Burton, John
Carney
Carr
Cederberg
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Coughlin
Danielson
Dellums
Diggs
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Esch
Evans, Colo.
Fascell
Findley
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Giaimo
Gonzalez
Gradison
Gude
Hall
Hamilton
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Holtzman
Howard
Howe
Hungate
Hyde
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jordan
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Long, Md.
McClory
McCloskey
McDade
McFall
McHugh
McKay
McKinney
Madden
Maguire
Mahon
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murtha
Myers, Pa.
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Peyser
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rosenthal
Roush
Roybal
Ruppe
Ryan
Sarbanes
Scheuer
Schneebeli
Schroeder
Seiberling
Sharp
Shipley
Simon
Skubitz
Slack
Smith, Iowa
Solarz
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stokes
Stratton
Studds
Symington
Talcott
Thompson
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Yates
Young, Ga.
Zablocki

NAYS—203

Abdnor
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Barrett
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bevill
Biaggi
Blanchard
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Broyhill
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Butler
Byron
Carter
Casey
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conlan
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Tenn.
Eilberg
Emery
English
Evans, Ind.
Evins, Tenn.
Fish
Fithian
Flood
Flowers
Flynt
Fountain
Frey
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hanley
Hansen
Harsha
Hefner
Henderson
Hightower
Hillis
Hinshaw
Holland
Holt
Hubbard
Hughes
Ichord
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McCollister
McCormack
McDonald
McEwen
Madigan
Mann
Martin
Mathis
Mazzoli
Melcher
Milford
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Natcher
Neal
Nichols
Nix
O'Brien
Passman
Patman, Tex.
Patterson, Calif.
Pettis
Pickle
Pike
Poage
Pressler
Quillen
Randall
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rostenkowski
Rousselot
Runnels
Russo
St Germain
Santini
Sarasin
Satterfield
Schulze
Sebelius
Shriver
Shuster
Smith, Nebr.
Snyder
Spellman
Spence
Steelman
Stephens
Stuckey
Sullivan
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Ullman
Vander Jagt
Vigorito
Walsh
Wampler
White
Whitehurst
Whitten
Winn
Wolff
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zeferetti

NOT VOTING—33

Alexander
Annunzio
Aspin
Brooks
Broomfield
Burke, Fla.
Burton, Phillip
Derwinski
Edwards, Ala.
Eshleman
Fary
Fenwick
Foley
Frenzel
Gibbons
Green
Hays, Ohio
Hébert
Horton
Hutchinson
Kindness
Lehman
Macdonald
Mikva
Moore
Rodino
Rose
Sikes
Sisk
Steiger, Ariz.
Udall
Waggonner
Wilson, Bob

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Hébert against.

Mr. Phillip Burton for, with Mr. Waggonner against.

Mr. Derwinski for, with Mr. Hutchinson against.

Mr. Frenzel for, with Mr. Kindness against.

Mr. Horton for, with Mr. Steiger of Arizona against.

Mr. Bob Wilson for, with Mr. Broomfield against.

Mr. Fary for, with Mr. Moore against.

Mr. Lehman for, with Mr. Burke of Florida against.

Mr. Rodino for, with Mr. Alexander against.

Until further notice:

Mr. Hays of Ohio with Mr. Green.

Mr. Brooks with Mr. Udall.

Mr. Sisk with Mr. Macdonald of Massachusetts.

Mr. Sikes with Mr. Rose.

Mr. Mikva with Mr. Aspin.

Mr. Foley with Mr. Gibbons.

Messrs. FORD of Tennessee, BEDELL, PREYER, and HELSTOSKI changed their vote from "nay" to "yea."

Messrs. KAZEN, EILBERG, LONG of Louisiana, and BREAUX changed their vote from "yea" to "nay."

So the motion to recede was rejected.

The result of the vote was announced as above recorded.

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House insist on its disagreement to Senate amendment No. 8.

The SPEAKER. Does the gentleman from West Virginia desire time on the motion?

Mr. SLACK. Mr. Speaker, I desire no time.

Mr. SNYDER. Mr. Speaker, will the gentleman yield just for 30 seconds?

Mr. SLACK. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Speaker, I just wanted to say I had the same motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

> Senate amendment No. 35: Page 36, line 22, insert:
>
> "CONSTRUCTION
>
> "For expenses necessary for the National Oceanic and Atmospheric Administration for planning, design, and construction of facilities, $1,160,000, to remain available until expended."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:
>
> "CONSTRUCTION
>
> "For expenses necessary for the National Oceanic and Atmospheric Administration for planning the construction of facilities, $1,000,000, to remain available until expended."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

> Senate amendment No. 42: On page 48, line 4, insert: "said salary to be paid from this appropriation and be set by the Judicial Council of the Circuit, which Council shall also prescribe the duties and qualification of the position."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion

The Clerk read as follows:

> Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 42 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

> Senate amendment No. 58: Page 58, line 22, insert:
>
> "LEGAL SERVICES CORPORATION
>
> "To enable the Community Services Administration to make payment to the Legal Services Corporation, as authorized by, and to carry out the purposes of, the Legal Services Corporation Act of 1974 (Public Law 93–355), $96,466,000: *Provided*, That all obligations and expenditures incurred in fiscal year 1976 by the Community Services Administration, pursuant to the provisions of the Continuing Appropriations Resolution for fiscal year 1976, for carrying out programs and articles relating to legal services and assistance under the provisions of the Economic Opportunity Act of 1964 shall be charged against this appropriation.
>
> "For 'Legal Services Corporation' for the period July 1, 1976 through September 30, 1976, $27,000,000."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 58 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:
>
> "LEGAL SERVICES CORPORATION
>
> "To enable the Community Services Administration to make payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974 (P.L. 93–355), $88,000,000, of which such sums as may be necessary shall be available to the Community Services Administration to pay obligations incurred in carrying out Section 3 of said Act.
>
> "For 'Legal Services Corporation' for the period July 1, 1976, through September 30, 1976, $24,630,000."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. SLACK. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the conference report and separate amendments in disagreement just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

DEATH OF FORMER CONGRESSMAN, THE HONORABLE EARLE CABELL

(Mr. TEAGUE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TEAGUE. Mr. Speaker, I take this time to make the very sad announcement of the death of a very valuable former Member of this body, Mr. Earle Cabell. Mr. Cabell died about 2 hours ago.

Mr. MILFORD. Mr. Speaker, Earle Cabell of Dallas died this morning following a long and arduous bout of ill health.

Earle Cabell was a man who loved his city, his State and his country.

Many of you knew him as a colleague. I knew him best, first as mayor of Dallas, then as a wizened teacher when I won election to this representative body.

His own words spoken when asked—after his first term—in 1965–66 if he would seek reelection reflect his attitude toward the House, and one I share:

> Yes, I want to go back. I am still enough of a country boy to get a thrill at looking at the capitol dome and feeling like I am a minute part of the machinery.

Yet this "country boy" was noted for three overriding characteristics: his outspokenness—both here and in Dallas—his independent nature, and his dedication to his hometown.

In the Congress, while he believed in strong local government he was a practical man concerning sharing the Federal wealth. When Dallas was still raising eyebrows over Federal aid, Congressman Cabell said:

> It is stupid for any community with legitimate need to turn its back on federal aid because they do not agree with the principles of the thing.

Earle Cabell, born in 1906, grew up in Dallas attending Dallas public schools, Texas A. & M. University and SMU.

He was a salesman in the dairy business. Then formed his own dairy products company, branched out into convenience stores, and in 1959 sold out to a large corporation.

While a businessman in Dallas from 1932 to 1959, this man served his industry and his community by serving as director of or president of organizations such as Texas Manufacturer's Association, Dallas Sales Executives Club, Dallas Crime Commission, Texas Law Enforcement Foundation, Dallas Council on World Affairs, and the All Sports Association, to name just a few.

In 1959 he announced that he felt he had paid his dues in the business and civic world, and challenged a Dallas establishment-backed incumbent mayor. He lost that race, but came back 2 years later with the largest victory still to be recorded in the Dallas City Council.

In his second year as mayor he had the privilege of greeting President Kennedy on his trip to Dallas. And he had the pain of being mayor of the city where that young leader was slain.

Cabell's words at that time might be remembered even yet—

> The whole community (Dallas) must not be made to suffer for this deed. There are maniacs all over the world. And in every city of the world. This was a maniac. It could have happened in Podunk as well as in Dallas.

Only months after Mayor Cabell attended the President's funeral in Washington, he returned to Dallas to announce, "I am not shifting interest—only locale."

Cabell resigned. And ran his first race for Congress in 1964.

While here he served on the Science and Astronautics Committee and the Research and Development Subcommittee on Manned Space Flights.

The House used his mayoral experience by assigning him to the District of Columbia Committee and as chairman of its business, commerce, and fiscal affairs subcommittee. Meanwhile his food business background had landed him on the House Restaurant Committee.

In his last term in Congress, Earle Cabell was elected chairman of our Texas delegation in Congress—at that time, 21 members.

The next year, he lost his seat, but as I can attest, never his interest in the House of Representatives and its work.

Again, the man's words may best characterize this business civic and congressional leader:

> The only man who is ever really defeated is the man who quits—who stops trying.

GENERAL LEAVE

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character and public service of the late Hon. Earle Cabell.

The SPEAKER pro tempore (Mr. STUDDS). Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 6674, AUTHORIZING APPROPRIATIONS FOR MILITARY PROCUREMENT, RESEARCH AND DEVELOPMENT, ACTIVE DUTY, RESERVE, AND CIVILIAN PERSONNEL STRENGTH LEVELS, MILITARY TRAINING STUDENT LOADS, FOR FISCAL YEAR 1976

Mr. PRICE. Mr. Speaker, I call up the conference report on the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of September 18, 1975.)

Mr. PRICE [during the reading]. Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement of the managers in view of the fact that both the conference report and joint statement of the managers have been printed in the RECORD and are available to the Members. They were printed in the RECORD under date of September 18, 1975, at pages 29375 through 29377.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Members of the House are aware that a long and difficult conference on H.R. 6674, the military procurement authorization bill, reached agreement in late July, after 18 formal meeting sessions, and that the conference report resulting from that conference was approved on the House floor on July 30. Members are also aware that on August 1 the Senate rejected the conference report.

Since the rejection of a conference report results in a parliamentary situation where the matter returns to the position it was in prior to the request for conference, it became necessary to request a new conference. That request was made and was agreed to by the Senate, and the conferees met initially on September 11 and concluded on September 17. The conference report agreed to provide five essential changes from that approved by the House on July 30.

The conference made reductions in five procurement programs for fiscal year 1976: E-3A AWACS—airborne warning and control system, $30 million; F-15 fighters, $22.3 million; aircraft spares—various programs, including AWACS, $52.7 million; nuclear strike cruiser, $60 million; patrol frigate, $85 million.

This results in a net reduction in the authorization of $250 million below what was approved by the House on July 30.

The $60 million reduction for the nuclear strike cruiser deletes all money for that program from the bill. The $85 million reduction for the patrol frigate reduces from 10 to 9 the number of such ships authorized.

After these reductions, there remains in the bill the following amounts for the programs listed: E-3A AWACS, $350.5 million; F-15 fighters, $1,378.3 million; aircraft spares—various programs, including AWACS, $819.5 million; patrol frigate, $802.5 million.

Mr. Speaker, there remains confusion about the nature of an authorization bill. As Members know, the authorization bill was rejected in the Senate on the motion of the chairman of the Senate Budget Committee on the grounds that it exceeded proportionate guidelines of the first budget resolution.

When there are differences between the House and Senate committees as to the effect of legislation on the target of the budget resolution, as there was in this case, House committees must necessarily be guided by the determination of their own House Budget Committee.

In any case, however, I would hope the Members of the House keep in mind that the budget resolution addresses itself to budget authority and that an authorization bill does not provide budget authority. Budget authority is what is provided in the appropriation bill.

An authorization bill provides important policy guidelines, and it provides authorization to the Appropriations Committee to provide budget authority. While it provides the upper limit against which the Appropriations Committee can recommend appropriations and while it sometimes restricts the areas in which the Appropriations Committee can provide budget authority, the budget authority itself has to come in the appropriations bill.

The authorization legislation is not a mandate to the Appropriations Committees to appropriate any moneys whatsoever. It is a limitation within which those committees can determine levels of funding for specific programs.

But to insist that the authorization bill be at the exact amounts of the assumptions for functional areas in the budget resolution would be to deny all discretion to the Appropriations Committees in performing their work.

As Members are aware, the Appropriations Committee regularly provides funding substantially below authorizations. The budget resolution this year addressed itself only to the five gross figures relating to budget authority, outlays, revenues, public debt and debt limit. However, the assumption as regards the functional category, defense, which went into the makeup of the target resolution, results in the following conclusion: If all of the authorization provided in H.R. 6674, as approved by the House on July 30, were appropriated for; that is, given budget authority, the amount would exceed the target resolution by only $286 million.

With the reductions made by the further conference, the difference is only $36 million. In a bill of $25.7 billion you would have to agree that the authorization is remarkably close to the assumptions of the target resolution.

Again, however, I emphasize that the budget resolution only addresses itself to budget authority and the authorization only provides the limits within which the budget authority totals can be decided.

The chairman of the Budget Committee may wish to address this point, and I would welcome his participation in the colloquy.

Since this particular authorization, as now framed, is so close to the assumptions of the target resolution, I would like my remarks today considered as future reference as I would like it understood that we do not consider it necessary in setting policy guidelines through authorization legislation to be bound by budget directives not related to authorization. I know that we are in the initial stages of the new budget process and that there is bound to be misunderstanding and confusion from time to time. Our committee has tried and will try to cooperate in the proper functioning of these new procedures when carrying out what it believes to be its necessary activities in behalf of a secure national defense.

I ask the approval of the conference report.

COMMITTEE ON THE BUDGET,
Washington, D.C., August 14, 1975.

Hon. MELVIN PRICE,
Chairman, Committee on Armed Services, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I have your letter of August 6, 1975, requesting my interpretation of the Budget Committee's target recommendation for new Budget Authority (BA) as it would apply to the conference report on H.R. 6674, the Department of Defense Authorization Bill for Fiscal Year 1976.

I have rarely commented on authorization bills because, as I stated during House debate on this measure, the function of such bills is to set upper limits on budget authority. On the other hand, the budget resolution, H. Con. Res. 218, contained a target for budget authority itself, which is in existing permanent appropriations or will ultimately be enacted as appropriations this year.

The First Concurrent Budget Resolution established target amounts. The budget resolution did not directly assign targets by functional category, but rather by aggregates (total budget authority, total outlays, etc.) this year because the Budget Committee did not fully implement the new process.

In arriving at its aggregate targets, the Budget Committee obviously had to analyze the budget on a functional basis. In addition, I have asked the Budget Committee's staff to make breakdowns of the functional categories aggregates by bill, so we can scorekeep to see where we are in relation to total spending and so we will know where we are when we present the Second Budget Resolution.

Our breakdown of the authorization for

appropriations in H.R. 6674, compared with our target assumption, is as follows:

Budget authority

[In millions]

H. Con. Res. 218	$25,277
H.R. 6674 (conference report)	25,763
Basic amount by which H.R. 6674 authorization is above budget resolution assumption	+486

This estimate is subject to a further modification because the Conference Report on H.R. 6674 also reduces active duty personnel by 9,000 military and 23,000 civilians. Our estimate is that this action could reduce budget authority by approximately $200-million in FY 1976. If this assumption is valid then the figures would be as follows:

Budget authority

[In millions]

Basic amount by which H.R. 6674 authorization is above budget resolution assumption	$486
Less: Estimated amount for reduced personnel	−200
	286

Therefore, I estimate that the authorization bill H.R. 6674, as reported from conference, if fully funded through subsequent appropriations would result in the enactment of budget authority approximately $286-million above the target.

With warm regards,

BROCK ADAMS,
Chairman.

AUGUST 6, 1975.

Hon. BROCK ADAMS,
Chairman, Committee on the Budget, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I have reference to the action recently taken by the Senate on Friday, August 1, rejecting the conference report (Senate Report No. 94–334 and House Report No. 94–413) on H.R. 6674, a bill authorizing appropriations for the Department of Defense for fiscal year 1976 and 197T and for various other purposes.

Apparently, the basis for the Senate rejection of the conference report was the impression that the House/Senate conferees on H.R. 6674 had somehow vastly exceeded the budget target recommendations for fiscal year 1976 contained in H. Con. Res. 218, the Congressional Budget Resolution.

In view of these circumstances and in the interest of placing this matter in proper perspective, I would appreciate such comment as you consider appropriate relative to the report by the House/Senate conferees on H.R. 6674, and your interpretation of the Budget Committee's target recommendation for new Budget Authority (BA) as it would apply to the Department of Defense Authorization Bill for fiscal year 1976, H.R. 6674.

Sincerely yours,

MELVIN PRICE,
Chairman.

Mr. BEARD of Tennessee. Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. PRICE. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. ADAMS), the chairman of the House Budget Committee.

Mr. ADAMS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to compliment the chairman of the conference and the other Members who served on it. They are at the budget target. They worked very closely with all of us in developing this conference report. I have indicated by letter, which is in the report and which the chairman requested I send to him, what its implications were. I think the cooperation of the Committee on Armed Services in this case has been excellent.

Mr. PRICE. Mr. Speaker, I thank the gentleman from Washington.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise to ask a question in respect to the manpower civilian workers ceilings.

When the conference report was agreed to in the House, originally, when the first House version was approved, we had a manpower ceiling of 10,000, and then it came back from the conference, for some reason, the House receded and accepted the Senate 23,000 figure.

Is that the figure that is in the present version?

Mr. PRICE. Mr. Speaker, I think the figure the gentleman referred to is 23,000 civilian and 9,000 military. There was no consideration given to the manpower in the second conference.

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman.

Mr. PRICE. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding, and I commend him for bringing back the conference report and trying to work it out with the Senate.

Mr. Speaker, I am concerned, and I would like to ask a few questions, about what was done in conference pertaining to the reserve program and also the National Guard program.

It was accepted in committee, an amendment, which gave two squadrons of A–7's to the Air National Guard and, as I understand it, these A–7 aircraft was taken out in conference.

Would the chairman tell me why this was done? It was accepted unanimously in the committee and by this House floor.

Mr. PRICE. Mr. Speaker, I might say to the gentleman from Mississippi that the action to which the gentleman refers, the A–7's, and so forth, were all taken in the first conference. They were not dealt with in the second conference.

Mr. MONTGOMERY. I did not get the chance to ask the question in the first conference why they were taken out.

Mr. PRICE. The reason they were taken out is because the Senate would not agree with our position. We could not come to any agreement.

Mr. MONTGOMERY. What about the strength levels of the National Guard?

Mr. PRICE. This strength level was a compromise. I have never been on a conference yet that we dealt with strength and we did not come out with a compromise figure.

Mr. MONTGOMERY. In this procurement bill the National Guard and Reserves make up about 45 percent of the combat units in the total force concept, and they are only getting about 6 percent of the funds.

I would like to point out to my colleagues that this does exist. One of the problems with the Guard and the Reserve is they do not have the equipment to train with. We are going to have to give them some type of equipment.

I know the chairman generally is on our side, but this should be pointed out.

Mr. PRICE. Mr. Speaker, we certainly appreciate that, and I think the gentleman knows that we at least here on the House side—and I think they do on the other side—do frequently give attention to improving the equipment for the Reserves. I think we could do better in that respect.

Mr. MONTGOMERY. Mr. Speaker, if the gentleman will yield further, I would like to relate one other story to the chairman of the committee.

I was complaining to some Naval officers the other day and saying that I thought some of the training was not as good in the Naval Reserve as in the Army Reserve. This officer has just retired, and he has been a Naval range officer working with Naval aircraft that flies over California and hits targets and takes target practice. This officer told me right off that the best fliers they have in the Navy, as far as he could see, on the target ranges were naval reservists.

I think this is very complimentary to the Naval Air Reserve, because even with what equipment they do have, they do a good job.

Mr. PRICE. Mr. Speaker, we think a lot of the Naval Reserve, and we think a lot of all our Reserve forces. I think the Congress has shown that feeling through the years, and probably it would be well to show it a little bit more in our dealings on behalf of the Reserve forces.

Mr. MONTGOMERY. Mr. Speaker, I thank the chairman of the committee.

Mr. PRICE. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Speaker, I rise in support of the conference report, and I urge my colleagues to support it.

Mr. Speaker, the House has before it a conference report on H.R. 6674, the defense authorization bill for fiscal year 1976 and the transition period. As the chairman pointed out, a conference report on the defense authorization is again being considered because the Senate did not agree to the original report just prior to the August recess.

The House first expressed itself on the substance of this bill in mid-May. On May 20, after extensive consideration, the House approved the bill by a recorded vote of 332 yeas to 64 nays. Following passage of the bill, this body sent its conferees to meet with the Senate to resolve the $1.7 billion difference in the two versions of the authorization. I believe our conferees represented the House view most successfully by submitting a conference report which retained the critical portions of the legislation, although in dollar terms was closer to the Senate position. The House approved this report on July 30 by a margin of 288 votes. The Senate's contrary action occurred 2 days later by a 7-vote margin.

At that point, Mr. Speaker, I must admit that I was not sure how I could responsibly represent this body's position faced with the possibility of further reductions in a bill which was balanced in legislative terms, but spare in terms of our defense needs.

The conference report before you today reduces the compromise proposal this body has once agreed to by $250 million. These reductions result in only $5 changes from the original compromise. No other differences of any sort exist between the report before you today and the original report.

The only differences are in amounts authorized for five procurement programs in fiscal year 1976: AWACS, the F–15 fighter, the procurement of aircraft spares, the patrol frigate, and the deletion of authorization for the nuclear-strike cruiser.

Our conferees recognized that in order to have comity with the other body and not delay already-late legislation, some flexibility in our position was necessary. I believe these changes do not alter substantially the important aspects of this bill. I also believe that we could not have reached an agreement with the Senate for less of a reduction than that reflected in this report. This conference report should be supported.

One other matter deserves comment as we consider this conference report. The chairman of the committee referred in his remarks to the distinction between budget authority and authorization. This bill does not apply actual dollars to any program; it only sets guidelines for pursuing programs within which budget authority, or appropriations, are later assigned by the Congress. The failure to properly distinguish between these two concepts caused unnecessary delay in an important bill. I hope that, in light of the chairman's remarks, we can make appropriate distinctions in the future.

I urge support of this conference report.

Mr. RUSSO. Mr. Speaker, I am pleased that the Defense Department authorization bill, H.R. 6674 has been cut another $250 million. As my colleagues are well aware, the Senate wisely rejected the first conference report on defense authorizations because it exceeded appropriate levels in the first congressional budget resolution. I applaud the Members of the other body for their firm resolve on this crucial budget issue.

The present conference report eliminates $60 million authorized for initial development of a $1.2 billion nuclear strike cruiser force. Some $85 million will be saved by reducing the authorized level of naval frigates from 10 to 9. Another $30 million is cut from the AWACS flying radar ship program. Finally, the spare parts authorizations for numerous Air Force programs have been cut another $52.7 million. This rare second conference has cut a total of $250 million from Department of Defense authorization levels.

Mr. Speaker, I voted against both the original passage of this legislation and the first conference report. I failed to support this legislation because of my firm conviction that there is a lot of fat in the military budget. As Members of the House know, there is a lot of waste throughout the Federal budget. In my view there is room for further reductions in Department of Defense spending. Manpower levels are excessive and I continue to have serious reservations about the incredible expense and questionable practicality of the B–1 bomber.

I am a firm believer in a strong military defense posture. The Armed Forces of the United States is the best-trained, best-equipped, and finest fighting force in the world. Our nuclear and conventional capability provides our citizens with a superb defense against any enemy.

Our strong defense posture must be cost-effective and we cannot afford in our present economic situation vast expenditures on weapons systems that are wasteful and inefficient. The Department of Defense track record for cost overruns for its weapons programs in recent years has caused great concern to me.

Mr. Speaker, I am reversing my earlier position opposing this defense bill. My commitment to our Nation's defense and my firm resolve to support the new congressional budget process has combined to encourage my support for this legislation. I trust that my colleagues will realize the important victory our Budget Committees have achieved on this conference report and last week's conference report on the Child Nutrition Act amendments, H.R. 4222. By dedicating ourselves to the workability of the congressional budget process, the Members of the House will go a long way in developing fiscal responsibility throughout the Federal budget.

Mr. BADILLO. Mr. Speaker, I rise to speak in opposition to accepting this conference report. It is almost too easy to note the irony—perhaps hypocrisy is a better word—in being asked by the administration's friends in this body to adopt a measure that will waste billions of dollars at a time when we are being asked to "tighten our belts" because of the state of the economy, and that will pose grave threats to the security of our country and the fragile nature of our relations with the Soviet Union when we are being told that we are on the road to true détente.

Let me begin by expressing appreciation for the one positive step taken in conference—the removal of a $60 million lead-funding appropriation for a useless nuclear strike cruiser. Unfortunately, although certain other appropriations were indeed cut, the same spirit of frugality did not prevail throughout the conference committee's deliberations.

We are today being asked to approve a $2,433,000,000 appropriation for a Trident submarine—and that is only fiscal year 1976. It stuns me to think that we will spend a total of $621 billion for 10 submarines. It may be simplistic to talk about the hungry Americans that money would feed, the mass transit systems that money could fund, or the houses that money could build. But it is indeed sensible to talk about the fact that our existing Polaris submarines are reliable, accurate and efficient enough to still be far in the vanguard of any Soviet submarine development, and should be effective until at least 1990. It is an excellent example of where we lessen our own security by encouraging Soviet research and development in order to "catch up" with us.

For another example we have AWACS—the airborne warning and control system. The system was originally projected to defend our borders. But there is no enemy bomber threat to the United States, and so AWACS primary mission was changed to defend NATO troops in Europe. A simple rationale for an estimated expenditure of $4.04 billion—a mere $118 million per aircraft for a plane that is vulnerable to being easily jammed, and is a ready target for interceptor and SAM missiles. I can only ask the administration what justification they have for not following their own dictum to cut spending in an instance such as this.

Then there is the XM–1 tank, which we can produce at a mere $2 million per unit. The cost of the entire program is $6.2 billion, however, and what do we get for our money? A vehicle that proved its increasing vulnerability in the Six-Day war. A vehicle most susceptible to advances in missile weaponry. And yet we proceed on the assumption that big tanks will make us strong.

We have been engaged in the SALT talks for a long time. It has been an arduous task to find an acceptable path along which to limit the proliferation of the means for us to destroy each other and ourselves. And as we take those first tentative steps forward, we move once again to make those gains shaky and temporary. The strategic cruise missile, at an expenditure of about $200 million shared between the Army and the Air-Force, can be fired from planes, ships, and submarines. It can take a nuclear warhead, and has a range of less than 1,500 miles. The program is that it has the potential of putting SALT limitations in jeopardy. These strategic cruise missiles look just like standard missiles, and if we chose to, we could stockpile them by the thousands, and they would go undetected. In fact, the Russians have asked to have them included in SALT because they would have to spend billions to build air defenses to counter them. And, not inconsequential is the fact that the range of the missile would require submarines carrying them to operate relatively close to the Soviet coast, making them more vulnerable to Soviet antisubmarine missiles than Poseidon/Polaris submarines need to be. In short, there is no justification, either militarily or diplomatically, to go ahead with these missiles, and yet we do.

My frustration comes as a person who is committed to trying to achieve some stable and optimistic step toward world peace, and who sees in this appropriation only a continuation of the double standard we have followed in recent years. But more important, my frustration comes as a Congressman who represents large numbers of poor people—people who share burned-out buildings with rats, and people who are not adequately fed. And it is, simply, a crime to allow these people to continue living that way while we continue this shameless waste of American money.

Mr. PRICE. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the conference report on H.R. 6674, which the House just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CONFERENCE REPORT ON S. 1247, MILITARY CONSTRUCTION AUTHORIZATION BILL, 1976

Mr. ICHORD. Mr. Speaker, I call up the conference report on the Senate bill (S. 1247) to authorize certain construction at military installations, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 17, 1975.)

Mr. ICHORD (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with, in view of the fact that both the conference report and the joint statement of the managers have been printed and are available to the Members. They are printed in the Congressional Record of September 17, 1975, on pages 28967 through 28976.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Missouri (Mr. Ichord).

Mr. ICHORD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on June 6, 1975, the Senate passed S. 1247, which is the fiscal year 1976 military construction authorization for the Department of Defense and Reserve Components.

On July 31, 1975, the House of Representatives considered the legislation, amended it by striking out all language after the enacting clause, and wrote a new bill.

S. 1247, as passed by the House of Representatives, provided new construction authorization to the military departments and the Department of Defense for fiscal year 1976 and the transition period in the total amount of $3,957,878,000.

The bill, as passed by the Senate, provided new construction authorization in the total amount of $3,762,011,000.

As a result of the conference between the House and the Senate on the differences in S. 1247, the conferees agreed to a new adjusted authorization for military construction for fiscal year 1976 and transition period in the amount of $3,853,705,000. The amount of new authority approved is $347,900,000 below the amount requested by the Department of Defense.

The total authority granted is $91,694,000 above that granted by the Senate and $104,173,000 below the House figure.

There were 114 differences between the House and Senate versions of the bill. However, we were able to arrive at an agreement on each one of these differences. I will not go into great detail because the joint statement of the managers explains the actions of the conferees.

There were two items of considerable controversy that received lengthy discussion in our conference with the Senate. One was an Air Force request for protective aircraft shelters for U.S. aircraft in NATO countries. The original request was in the amount of $175,000,000. The Senate denied the entire amount. The House deleted $122,262,000 after taking testimony that the amount deleted was for shelters that would not be occupied until hostilities began and the costs were not recoupable from the NATO infrastructure program. The House allowed $52,738,000 for U.S. aircraft already in place in the United Kingdom. During the conference, the Department of Defense provided written assurance that the $52,738,000 would be considered part of the NATO eligible program and that every possible step would be taken to insure eventual recoupment of any funds expended. With this assurance given, the Senate reluctantly receded to the House position.

The other controversial project was a request by the Defense Intelligence Agency for $86,100,000 to build a DIA Building at the Bolling/Anacostia complex in Washington, D.C. The House had authorized $70,900,000 after Defense witnesses testified that a review of the estimated cost had reduced the estimate by $15,200,000. The Senate had denied the entire request. During the conference discussion, the conferees unanimously agreed that the present facilities of DIA at Arlington Hall Station are in deplorable condition. However, the conferees further agreed that it would be premature to authorize the new building since the select committees of both Houses which are looking into the entire intelligence community have not had an opportunity to report their findings and recommendations to the Congress. On this basis, the House reluctantly receded.

After giving a little here and taking a little there, our conferees have done the best they could and believe they have brought to the House a good bill that will provide adequately for the construction needs of the military during this fiscal year. Further, I want to assure the House that all amendments adopted in conference are germane to the bill.

I want to thank the gentleman from Virginia (Mr. Whitehurst) for his dedication and assistance during our hearings, and more especially, in the conference. Also, I want this House to know that all members of our conference committee worked long and hard to bring this conference report before you and I urge its adoption.

Mr. WHITEHURST. Mr. Speaker, I yield myself such time as I may consume.

I certainly concur with the distinguished chairman of my subcommittee and urge approval of the conference report.

Mr. Speaker, my colleagues, the distinguished chairman of the Military Installations and Facilities Subcommittee, has explained the details of our conference with the Senate and therefore, I will not go into the matters already discussed by him or those others fully explained in the joint statement of the managers.

This bill is not exactly as I would have had it, but then what bill of this magnitude ever is after it has gone through intensive hearings of both the House and the Senate with the differences then resolved in conference. I recognize that you, too, might have desired certain line items which were omitted or conversely, some line items which are included, you might have preferred that they be omitted. But, on balance, we are very satisfied with the conference report.

I want to congratulate my colleagues on the conference committee for their dedication and efforts to bring this conference report to the House. Also, I especially want to point out to the Members of the House the excellent leadership provided by the gentleman from Missouri (Mr. Ichord) in chairing the House side of the conference.

Mr. Speaker, I urge the adoption of the conference report.

Mr. ICHORD. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING TECHNICAL CORRECTIONS IN THE ENROLLMENT OF S. 1247, AUTHORIZING CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS

Mr. ICHORD. Mr. Speaker, I send to the desk a concurrent resolution (H. Con. Res. 405) authorizing technical corrections in the enrollment of S. 1247, the military construction authorization bill, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 405

Resolved by the House of Representatives (the Senate concurring), That the Secretary of the Senate is authorized and directed, in the enrollment of the bill (S. 1247) to authorize certain construction at military installations, and for other purposes, to make the following technical corrections:

In section 103, strike out "Section 108(a),".

In section 207(b), strike out "section 502" and insert in lieu thereof "section 602".

In section 307(c), strike out "$258,874,000" and insert in lieu thereof "$285,874,000".

Mr. ICHORD. Mr. Speaker, the resolution would authorize the Clerk of the House to make three technical corrections in the enrollment of S. 1247. Two of the changes would correct inaccurate section references and the third change would correct an inadvertent figure reversal.

The SPEAKER. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ICHORD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on S. 1247 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

BUDGET RESCISSION BILL, FISCAL YEAR 1976

Mr. MAHON. Mr. Speaker, I call up the bill (H.R. 9600) to rescind certain budget authority recommended in the message of the President of July 26, 1975 (H. Doc. 94-255), transmitted pursuant to the Impoundment Control Act of 1974, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 9600

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following rescissions of budget authority contained in the message of the President of July 26, 1975 (H. Doc. 94-225), are made pursuant to the Impoundment Control Act of 1974, namely:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Assistant Secretary for Human Development

Appropriations provided under this head in the Second Supplemental Appropriations Act, 1975, for carrying out title V, part A, of the Community Services Act of 1974, are rescinded in the amount of $7,000,000.

RELATED AGENCIES

COMMUNITY SERVICES ADMINISTRATION

Community Services Program

Appropriations provided for the research and demonstration program under this head in the Second Supplemental Appropriations Act, 1975, are rescinded in the amount of $2,500,000.

Appropriations provided for the community economic development program under this head in the Second Supplemental Appropriations Act, 1975, are rescinded in the amount of $7,500,000.

DEPARTMENT OF INTERIOR

BUREAU OF MINES

Helium Fund

Contract authority under this head provided by Public Law 87-122 for the fiscal year 1976 is rescinded in the amount of $47,500,000.

RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

Forest Service

Forest Roads and Trails

Roads and Trails for States, National Forests Fund

Contract authority provided for the fiscal year ending June 30, 1974, by section 104(a)(5) of the Federal Aid Highway Act of 1973 (Public Law 93-87) for "Forest development roads and trails" is rescinded in the amount of $25,723,000.

With the following committee amendments:

On Page 2, strike lines 1 through 7.

Page 2, strike lines 8 through 18.

Page 3, strike lines 1 through 11.

The committee amendments were agreed to.

Mr. MAHON. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the pending measure is the first rescission bill for fiscal year 1976. This bill is the fourth rescission bill considered by the Congress during this session of the 94th Congress and the fifth since enactment of the Congressional Budget and Impoundment Control Act of 1974. It provides for rescission of $47,500,000 out of rescissions requested in the President's message of July 26 totaling $90,223,000.

We are handling the rescission bills in the same way as we handle supplemental bills in the Committee on Appropriations. The subcommittees conduct the hearings, present their findings and recommendations to the full committee, and the full committee takes action. That is what has resulted in the bill before us today.

Five subcommittees of the Committee on Appropriations have been involved in the preparation of the report accompanying the bill. Although the bill addresses only those rescissions proposed in the President's message of July 26 of this year, the report accompanying the bill addresses nine rescissions.

The committee recommends that one rescission be approved and that the others be rejected. I would like to point out, however, that through actions in 1976 appropriations bills, two rescissions before the Congress have been negated. The college housing fund rescission of $964 million has been negated by the transfer of those funds to the Community Development Block Grant program. Grant authority in the amount of $25,000,000 for access highways to public recreation areas on certain lakes was rescinded in the transportation bill and replaced by a direct appropriation of $10 million.

Of the five rescissions proposed in the July 26 message, $47,500,000 is in contract authority in the helium fund, and is recommended for rescission.

The rescissions in the July 26 message which are recommended for rejection provide funds for the Head Start program for handicapped children, the basic skills learning center demonstration programs, the community development corporation programs, and for forest roads and trails. Two other rescissions recommended for rejection provide funds for the Great River Road and for construction of the Federal law enforcement training center. This will bring the total rescissions by the House to $455.9 million out of $4.5 billion proposed for rescission, slightly over 10 percent.

I would like to defer now to the gentleman from Illinois (Mr. Michel) who is representing the minority and who is familiar with that portion of the report which relates to the HEW, the subcommittee chaired by the gentleman from Pennsylvania (Mr. Flood).

Mr. MICHEL. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the spending record of this Congress gets more dismal by the day, and this bill represents another fitting example. Out of the $188.9 million proposed for rescission, the bill contains only one noncontroversial rescission in the amount of $47 million. So, instead of making a serious effort to reverse the rapidly rising budget deficit, we are, by this bill, simply letting the deficit slide onward and upward and further fanning the fires of inflation.

It is particularly ironic in this regard that the inflationary impact statement contained in the committee report states the bill will have "no inflationary impact on prices and costs in the operation of the national economy." It does not just say "minor inflationary impact," it says "no inflationary impact." It really seems pointless to require an inflationary impact statement if it is going to be so distorted simply to serve the ends of the drafters of the bill.

The congressional record on rescissions to date is probably the sorriest of all its spending actions. Of the rescissions on which action has been completed, we have approved only $390 million out of the $2,881 million in rescissions proposed by the President. In addition, in the fourth rescission bill, it looks like we will end up approving only between $2 and $18 million out of a total of $238 million.

The bill before us is particularly disappointing because there is a good case for the rescissions, certainly at least, for those which came before our Labor-HEW Subcommittee.

With respect to the proposed rescission of $7 million in handicapped funds under Head Start, the money must be spent by October 31, but Stanley Thomas, Assistant Secretary for Human Development, testified during the hearings that they are not in a position to prudently spend the money by that time.

Even if a rescission is accepted, some $28 million will be spent for the handicapped during fiscal year 1976, compared with $7 to $8 million last year. This amounts to nearly a fourfold increase.

Additionally, we added an extra $15.7 million over the budget request for Head Start in the regular Labor-HEW bill, most of which was designated for the handicapped.

It is important to note that HEW is already meeting the requirement that 10 percent of the Head Start enrollment nationwide must be composed of handicapped children. It will this year meet the additional requirement that 10 percent of the Head Start enrollment in each State must be handicapped, and does not need the money proposed for rescission to do so. In fact, they estimate that the percentage of handicapped in the program on a nationwide basis will be up from 10 percent to between 11 and 12 percent by the end of the current fiscal year.

The question can be asked that since the requirements of Congress are being more than met, how far are we going in turning Head Start into a program for the handicapped? Fifteen percent? Twenty percent? Ninety percent? Where does it stop? Some have argued that the additional money is required because HEW did not make a special effort in fiscal year 1975 to recruit handicapped into the Head Start program. Whatever was done last year is past tense now, however, and the important fact is that such a special effort is in fact being made this year and does not need the $7 million proposed for rescission to accomplish the congressionally established objectives.

Moving on to CSA, the proposed rescissions are $2.5 million for the basic skills demonstration program and $7.5 million for community economic development, neither of which is in the bill but should be.

The two basic skills projects currently being funded—Los Angeles and Tulsa—ought to be a sufficient demonstration of learning skills techniques without starting two new projects. How long will the demonstrations continue? Will they become permanent demonstrations, with the school systems cranking the money into their regular budgets, as has been the case with so many other so-called demonstration programs?

Similar basic skills projects can be found under the title I, of ESEA right to read, and NIE programs in HEW. NIE, for instance, is allocating about $14 million for basic skills research, while right to read is supporting over 40 reading improvement projects, 20 special emphasis projects, 50 reading academies, and an evaluation project. What we ought to be doing is moving toward a consolidation of these various and sundry demonstration projects rather than expand the scatter gun approach. It does not make sense that CSA should be engaged in a strictly education program.

We already have, in fact, an evaluation of the Los Angeles project, and the results have been favorable. Consequently, since most of the CSA funds are used for equipment, this appears the appropriate time for ESEA title I to carry the ball as far as any further Federal funding is concerned.

The community economic development moneys proposed for rescission would be a supplement for the 35 existing grantees. Since the programs have yet to be fully evaluated, it is clearly premature to put additional moneys into the program. We have in Congress this year appropriated $360 million for the Economic Development Administration and $50 million for the Office of Minority Business Enterprise. These amounts coupled with the $39 million for this CSA program even without the rescinded money represent a substantial commitment to business and development ventures in low-income areas. This is particularly so in view of the negative report by our investigations staff on the OMBE programs. Consequently, we ought to be able to rescind the $7.5 million without any particular loss.

It is wasteful to continue to expand funding for so many so-called economic development programs under different agencies. We ought to be moving toward consolidation rather than continuing down the present course. In fact, the one evaluation of the CSA program which has been done suggests that consolidation under one Federal agency would result in a better program—page 129 of the hearings, parts 5 and 7. This is the course we should be following rather than continuing to pile dollar upon dollar into these separate, overlapping programs.

Finally, it is appropriate to take note of the language in the report calling on HEW and CSA to rush the expenditure of the recission moneys prior to the respective October 31 and September 30 deadlines so that the money does not revert back to the Treasury. This, of course, represents the same action which we have been periodically accusing the agencies of pursuing: A last minute expenditure of funds prior to the expiration date in order to get the money spent, regardless of whether it is a wise or prudent expenditure. It thus appears that a little hypocrisy when it suits one's purpose is not considered a vice.

The SPEAKER. The time of the gentleman from Illinois has expired.

(On request by Mr. MAHON, and by unanimous consent, Mr. MICHEL was allowed to proceed for 5 additional minutes.)

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas, my chairman.

Mr. MAHON. Mr. Speaker, the gentleman from Illinois has pointed out that of the rescissions recommended by the President only about 10 percent of the amount has been rescinded. One of the problems involved is this. When the Congress initiates legislation and it is sent to the President and approved by the President, it is a little more difficult to rescind those funds under ordinary circumstances. Under special circumstances such rescissions can, of course, be defended.

I am one who feels we pass entirely too many programs and that we have overfunded a great many of the programs. I am not defending the proliferation and acceleration of some of these programs, but we have to defend the right of the Congress to make judgments and make decisions. Whether we agree with the decisions or not, the right exists.

About $400 million in programs of one kind or another have been rescinded. The Congress has rejected certain rescission recommendations of the administration, for example, housing for the elderly. Housing for the elderly is regarded as a very important matter and I am sure the gentleman from Illinois and I would agree. Certainly it theoretically is a most desirable program. Rural electrification is a program of great moment and interest to many of the people of our Nation. Of course, REA funds have not been rescinded. The agricultural conservation programs are very vital to the well being of the United States in providing sufficient food and fiber for the people of this Nation and the people of the world to the greatest extent possible.

We have home ownership assistance, health programs, drug and mental health programs. The rescissions in those fields have not been agreed to and I think it might be well to acknowledge, or to point out, that there are two sides to the matter and that some of these programs are very important and valuable programs with wide support in the Congress and in the country.

Under leave to revise and extend and to include extraneous material, I insert the following table which identifies significant proposed rescissions which have been rejected or negated by the House of Representatives:

SIGNIFICANT PROPOSED RESCISSIONS NEGATED OR REJECTED BY HOUSE

NEGATED	
College housing program	$964,000,000
Access roads to recreation areas on certain lakes	25,000,000
Subtotal	989,000,000
REJECTED	
Housing for the elderly	180,500,000
Rural electrification loan funds	455,635,000
Agricultural conservation program	241,250,000
Forest roads and trails	25,723,000
Forest protection	14,921,000
Home ownership assistance	264,117,000
Health programs	938,337,332
Alcohol, drug and mental health	106,220,000
Education, library and rehabilitation programs	384,923,250
EDA job opportunity program	125,000,000
Subtotal	2,736,626,582
Subtotal	3,725,626,582
Other rescissions rejected	324,880,032
Total rescissions rejected	4,050,506,614
Rescissions approved by House	455,881,604
Total rescissions proposed	4,506,388,218

Mr. MICHEL. Mr. Speaker, well, I can only supplement what the distinguished chairman has said. I know he shares my views on a number of these items, however, I think we are in a situation where very handy or popular-monickered programs come to the floor and Members take advantage of the situation by offering amendments to increase them.

The SPEAKER. The time of the gentleman from Illinois has expired.

(At the request of Mr. MAHON, and by unanimous consent, Mr. MICHEL was allowed to proceed for an additional 2 minutes.)

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

I do not know that it helps matters when these rescissions come up line item by line item for a very popular type program, because then we put the Members in the same kind of box they were in initially when we considered the overall bill. But it does suggest that since the President is denied the right to withhold or impound, as has been exercised ever since Jefferson's time, there has to be a mechanism for the proposing of some adjustment when there is reason for a change of priorities which cause the President to say that we cannot spend that money wisely, that we have an opportunity to save. I just wish we could give significance to the question of rescissions as opposed to budget impoundments as a matter of law. We should do a better job of screening rescissions when they come to us and, hopefully, accept more than we have been able to this past year.

Mr. FLOOD. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the Labor-HEW Subcommittee considered three rescission proposals which were included in the President's message dated July 26, 1975, and voted not to recommend approval of any of them.

The three proposed rescissions are: $7,000,000 for Head Start services to handicapped children; $2,500,000 for basic skills learning centers demonstration projects; and $7,500,000 for community economic development in low-income areas.

The funds proposed for rescission were included in the Second Supplemental Appropriation Act for fiscal year 1975 which cleared Congress on May 22 and was signed into law on June 12. For some reason, these rescissions did not reach Congress until July 28, just a few days before the beginning of the August recess, and more than 2 months after Congress completed action on the second supplemental appropriation bill.

Under the Impoundment Control Act, funds proposed for rescission must be released unless Congress completes action on a bill rescinding the funds within 45 calendar days of continuous session after receipt of the President's message. Adjournments of more than 3 days are not counted in computing the 45-day period. What all this means as far as the rescissions before us are concerned is that the 45-day period runs out on October 22—which is 5 months after Congress approved the appropriations involved, and 4½ months after they were signed into law by the President. During all this time, the funds will have been legally impounded.

A further complication lies in the fact that, in two cases, the funds proposed for rescission are available only until September 30, which means that they will lapse before the expiration of the 45-day period. Apparently, the only way out of this "Catch-22" situation is for Congress to enact legislation to extend the availability of the funds, and the Senate has just taken steps to do that in the 1976 Labor-HEW appropriation bill.

It is evident that there is a basic defect in the Impoundment Control Act. There is no way for Congress to reject a rescission proposal, other than simply allowing the so called "45 days" to run out. In effect, this means that funds may be legally impounded for as long as 4 or 5 months, without Congress being able to do anything about it. I believe that the Impoundment Control Act should be amended, to correct this defect in the present law.

The Labor-HEW Subcommittee held hearings with administration witnesses on these three rescissions, which involve support for Head Start, basic skills learning centers, and community development corporations totaling $17 million. As usual, we did not hear any persuasive arguments for approving the rescissions. These are simply programs for disadvantaged people which a majority of the Members of Congress wish to support at levels higher than those proposed by the President. We are persuaded that the funds can be effectively used.

I am confident that the Members of the House will concur in the committee's recommendation to reject rescissions Nos. 76–5, 76–6, and 76–7.

Mr. FOUNTAIN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I would like to ask the chairman of the committee, the gentleman from Texas (Mr. MAHON) and also the gentleman from Illinois (Mr. MICHEL) a question.

I note on pages 8 and 9 of the report an indication that the committee may be in doubt as to whether or not funds are needed in a couple areas and they hesitate to rescind them for reasons stated; namely, that they need additional information. I realize all of us are concerned about the national scenic and recreational highway funds. My State is one State that is very much concerned about it. There is $90 million which, as I say, in the report the committee is not recommending approval of the proposed rescission.

They say:

> The committee, however, feels that more information is needed with respect to the National Scenic and Recreational Highways. The committee, therefore, expects the Department of Transportation and the ten States involved to develop specific plans and present further testimony on the scope and cost of the project.

Now, if the case has not already been made out for the $90 million, does it not seem reasonable that this is an area where we could support the President's rescission request and rescind that $90 million?

I ask the same question with respect to the Federal Law Enforcement Training Center, which involves about $8,665,000.

Mr. MAHON. Mr. Speaker, will the gentleman yield to the gentleman from Illinois (Mr. YATES), a member of the subcommittee handling transportation items. I would suggest the gentleman direct that question to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. FOUNTAIN. I am delighted to yield to the gentleman from Illinois.

Mr. YATES. Let me say, the Great River Road had a great deal of controversy in the subcommittee. There was a feeling in the subcommittee that additional testimony was needed; but under the law when the President sends a rescission to the Congress, unless the Congress acts and approves the rescission, the money will have to be made available for obligation.

What our subcommittee did was to disapprove the rescission, with the understanding after having talked to OMB that they would submit a deferral in order that the money would not be spent in the interim.

I can assure the gentleman that the money will not be spent as of this time.

Mr. FOUNTAIN. I appreciate the gentleman's explanation, but I am thinking in terms of the image which we in the Congress get when we have situations like this. That is to say, evidently, evidence has not been properly presented to justify or support the funds, and yet we defer them according to the gentleman from Illinois, rather than rescind them only to appropriate the funds at a later point of a case justifying authorization or appropriation is made.

Mr. YATES. If the gentleman will yield further, may I say that it was the impression of every member of the subcommittee that the witnesses from the Highway Administration did not make a good case for a rescission, and that was the reason that we asked for further testimony. The procedure that the subcommittee adopted by disapproving rescission and asking for deferral should provide enough time for the subcommittee to go into the matter carefully.

I voted in subcommittee in favor of the rescission, may I say. I think that, as of now, I do not want to see this money spent. As a matter of fact, the final expenditures for this program may be a great deal more than the $90 million. That is something our subcommittee wants to go into, and under the procedure that is worked out, we will go into it.

Mr. FOUNTAIN. Is that explanation applicable also to the Federal Law Enforcement Training Center?

Mr. YATES. May I say that I am not on that subcommittee and I cannot answer the gentleman.

Mr. MAHON. Mr. Speaker, I will say that yes, it would be premature to rescind those funds now. We are very hopeful that a considerable portion can be rescinded.

Mr. FOUNTAIN. Then there is a probability, at least, that a good portion of the $90 million for the national scenic and recreational highway and the Federal Law Enforcement Training Center will not be spent?

Mr. MAHON. I hope so, I would say.

Mr. HUNGATE. Mr. Speaker, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from Missouri.

Mr. HUNGATE. I thank the gentleman for yielding to me. As one Member through whose district the Great River Road might run, I would like to be sure I understand it. As I first read and understood the testimony, the committee had voted not to go along with the Presidential rescission, which my people interpreted to mean that the money be spent. I understand there is a deferral involved here. How long do these deferrals run?

Mr. YATES. May I say to the gentleman that the administration sent to Congress today a request for a deferral which will withhold expenditure of the funds pending further action by the Congress.

Mr. HUNGATE. If the gentleman will yield further, I am confused again, I think, because I understood that if the President rescinded and we did not go along with the rescission, he would spend the money. Now, there is an additional deferral, so he defers and we rescind, unless we do what?

Mr. YATES. There are two categories, one for rescission and one for deferral.

Mr. Speaker, I move to strike the last word.

Mr. Speaker, under the rescission procedure, the Congress must act by a date certain or the funds have to be released. Because of that procedure, the committee voted against the rescission with the understanding that the administration would submit a deferral in order to give the committee an opportunity to have further hearings on the expenditure of funds for the Great River Road. The committee wants further hearings, and the deferral procedure will give it that opportunity.

Mr. HUNGATE. Again, I am not sure I understand what action has to be taken by the Congress in order that the funds may be spent.

Mr. YATES. As I understand the procedure that will be undertaken, the Transportation Subcommittee of the House Committee on Appropriations will set this matter down for hearing, at which time they will decide whether to approve the deferral or disapprove the deferral.

Unfortunately, the chairman of our subcommittee is not here, and I do not know when that hearing will take place.

Mr. HUNGATE. If the deferral is not approved, would that then mean the money would be spent, or is there a further procedure that I am unaware of?

Mr. YATES. The action of the subcommittee will determine whether the deferral will be continued or whether it will be disallowed.

Mr. HUNGATE. If the gentleman will yield further—and I thank the gentleman for his courtesy—we have a procedure known as rescission. If the President rescinds certain funds and we do not act within a certain time, then they are rescinded unless he goes to the deferral route?

Mr. YATES. If the Congress does not act on a rescission proposal, the administration must make the funds available for obligation.

Mr. HUNGATE. If the Congress does not act, the money is spent unless he changes the rescission to a deferral?

Mr. YATES. That is correct. In this instances, the committee invited a deferral so as to further consider the Great River Road. In any other instance, if the Executive were to defer funds that had been rejected for rescission, such a deferral would be considered to be an abuse of the title X procedure.

Mr. MICHEL. If the gentleman will yield, in that case the Congress by an affirmative act can force the expenditure of that money even though it has been deferred, but it takes an affirmative action by the Congress to move against the executive branch deferral.

Mr. HUNGATE. If the gentleman will yield further, under the rescission we do nothing. He has to spend the money.

Mr. MICHEL. Right.

Mr. HUNGATE. If he puts another label on it, a deferral, that is what we have here.

Mr. MICHEL. Yes. We are making this dialog and legislative history and taking the word of the gentleman from Illinois that that kind of conversation has taken place, and this Member has not seen an official deferral request but, assuming that will come to pass, that will be the sequence of the events which would flow from the formal submission of a deferral.

Mr. YATES. May I say to the gentleman that I am advised by the Appropriations Committee staff that the deferral request was received today.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Of course, the Budget and Impoundment Control Act will have to be amended. There is no way, we have discovered, for Congress to turn down a rescission proposal. One cannot do a darned thing about a rescission other than approving it, or letting the 45-day period expire. There should be some way for Congress to turn down a rescission by affirmative action. We will have to amend that act to make that possible.

The SPEAKER. The time of the gentleman from Illinois (Mr. YATES) has expired.

(On request of Mr. MAHON and by unanimous consent, Mr. YATES was allowed to proceed for 4 additional minutes.)

Mr. YATES. Mr. Speaker, I take this time in order to explain to the House the action taken by the Interior and Related Agencies Appropriations Subcommittee with respect to a rescission which was requested by the administration for the helium fund. The administration sent to the Congress a request to rescind $47,500,000 in contract authority. The contracts for the delivery of helium to the Government have been terminated. They were terminated several years ago and are now the object of court suits. At the present time we have on hand approximately 40 billion cubic feet of helium, a supply which, on the basis of present usage, should last for approximately 80 years.

The subcommittee also dealt with a request for a rescission involving the Forest Service in the amount of $25,723,000. In the regular appropriation bill for the Department of Interior, a program of $173,538,000 was made available for forest roads and trails activity. The committee felt this was a very important expenditure, so much so, that the approved sum is approximately $15 million above the budget request.

For that reason, the committee recommended against the proposed request and recommended to the House that the rescission not be approved.

Mr. SHRIVER. Mr. Speaker, in considering this budget rescission bill, the House again goes through the motions of exercising its budget control muscles. Again the result is disappointing if you consider, as I do, that budget control should have some relationship with budget restraint.

In this bill we have an opportunity to save the American taxpayers nearly $190 million from funds already appropriated for seven diverse Federal programs. Instead, the committee has recommended in this bill the rescission of but $47.5 million for one program, the helium fund.

Perhaps this is an improvement, as it is better than the record of congressional action on previous rescission bills. Of the nearly $4.3 billion in potential rescissions considered by Congress since the inauguration of the so-called impoundment control process in July 1974, less than 10 percent, or $391 million, actually has been rescinded. That means that almost $4 billion in possible savings have been spent, adding substantially to our huge Federal budget deficit.

In enacting the Congressional Budget and Impoundment Control Act of 1974, I believe we made a mistake in not including in the declaration of purposes the goal of working toward a balanced Federal budget. Our Government is now spending money at an alarming rate and spending money we do not have.

A Treasury Department report which recently crossed my desk showed deficit spending by the U.S. Government of more than $11 billion for the month of July 1975—just 1 month. That means we had a deficit for the 1 month which was more than one-fourth of the Federal deficit for all of 1974.

Does anyone doubt that these tremendous deficits are inflationary? We hear from some that such deficits are necessary to combat the recession and unemployment. I support adequate income protection for the unemployed, but in providing that protection we must begin to cut spending for other, less pressing programs and initiatives. We are not helping the American working people with unemployment benefits or public service jobs when we turn around and price everything out of their reach through inflation caused by deficit spending.

We simply cannot do everything at once. If our major goals are fighting unemployment and inflation, then let us get on with it and postpone other desirable but less critical projects. We can get to those when our economy is in better shape.

I cannot speak for all of the items in this bill, as I was not present for the hearings of the other subcommittees. But I can speak in regard to the Health, Education, and Welfare and the Community Services Administration programs.

Relatively speaking, there is not much money to be saved in these three items—a total of $17 million. But the point should be made that here was a chance to postpone some spending, to look at some demonstration programs before forging on ahead with more money, and that chance has been arbitrarily ignored after a short hearing.

I direct your attention to our hearings starting on page 114 of part 4 of the rescission hearings. I must admit that some of the witnesses—the same people who put these programs together—were less than enthusiastic about lower funding levels, and that is understandable. But there is more than adequate evidence presented that lower funding can be attained with little real adverse impact. If our purpose is to find places where Federal spending can be reduced—and that should be our purpose—then the hearings record provides ample justification for doing just that.

The two community services programs for which small rescissions were requested are both demonstration programs. The witnesses asked that ongoing evaluation studies measuring the effectiveness of these programs be completed before any further Federal investment takes place. That is a reasonable and a responsible position. The programs involved are also duplicative of other projects administered by the National Institute of Education and the Office of Education. Unfortunately, that is not unusual in the Federal bureaucracy, but here we have a small chance to slow it down.

Turning to the Head Start for the handicapped program, witnesses testified repeatedly that the congressional goal of at least 10 percent of Head Start beneficiaries be handicapped children can be achieved with existing funds. Money included in the supplemental appropriations bill passed earlier this year are available to be spent in the current fiscal year. In addition, $20 million was included in the fiscal 1976 Labor-HEW appropriations bill, on which we would hope to get final action soon. In total, $28 million would be available in this fiscal year for special Head Start efforts for handicapped children—up from $7 to $8 million in fiscal 1975.

It was originally estimated that the 10-percent handicapped goal could be reached with $20 million. Even if this $7 million rescission were accepted by the Congress, HEW would still have $28 million available to do the job they said they could do for $20 million. One witness admitted his concern about their ability to spend the additional $7 million within the time frame they would have to spend it. That statement appears on page 146 of our hearings. Surely this is an area for reasonable savings.

It is no wonder the American people have lost faith in this Congress in its ability and willingness to control Federal spending. We enacted a budget control procedure, yet repeated attempts to control the budget have been defeated. We enacted, without my support I might add, a budget resolution calling for a deficit of nearly $70 billion. We passed last October with little debate a House rule that all committee reports on bills must contain a "detailed and analytical" statement about the inflationary impact of the bills, yet not one of the many reports I have seen has admitted to any inflationary impact.

It is time for the House to take its own rhetoric seriously. It is time to decide not just how much to spend, but how to spend what is available without causing a new round of inflation.

We are not being asked to kill any of these programs; we are being asked to postpone spending until more is known about the programs and until we can afford it. That is a reasonable request, and should be supported.

Mr. BADILLO. Mr. Speaker, the proposed budget rescissions presently before the House contain some of the most heartless and irresponsible policy suggestions to reach this body. Ignoring the desperate need of young children, handicapped youngsters, and poor communities, the President is asking us to return to the Treasury funds appropriated for their use. In his latest attempts to balance the budget, he is proposing to reduce moneys available to Head Start and the Community Services Administration.

For Head Start Congress made available $441 million for fiscal 1976, exceeding the budget request by only $26,700,000. Of this amount, $11,700,000 was earmarked by Congress to offset inflationary increases in program costs, while the remaining $7,000,000 was intended to meet the additional costs of providing legislatively mandated services to handicapped children. The President's budget cutting efforts center on this latter $7 million, which he proposes to return to the Treasury.

In my own District, Head Start programs have been experiencing extraordinary difficulties. My office has been contacted repeatedly by people who feared discontinuations and cutbacks in the programs. Simultaneously, administrators documented the fact that the much-needed services for the handicapped, in the absence of specific funding, could only be provided if programs for other participants were either cut or eliminated. Obviously, the moneys set aside to meet the needs of the handicapped youngsters are desperately needed and I am pleased to note that the Committee on Appropriations is recommending a rejection of the President's proposal.

There are also two proposed cuts in the budget of the Community Services Administration. One would eliminate $2.5 million research and demonstration funds, intended for the basic skills learning centers demonstration program. This program was created to improve the reading and mathematics skills of children who in their performance in these areas fall below the national norm. Such youngsters are badly in need of help. If the funds earmarked for their use are in fact returned to the Treasury, this potentially helpful program will remain untested and unused.

The second cut proposes to reduce moneys set aside for the title VII, community economic development program by $7.5 million. This program has been operated with almost no increase in funding for the past several years and much of its promise and potential was lost because of severe budgetary restrictions. In view of the privations suffered by the poor during these days of economic crisis, I believe that the elimination of this modest budget increase would be both irresponsible and heartless.

I urge my colleagues to support the recommendations of the Committee on Appropriations and reject the President's proposals.

Mr. MAHON. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and that I may be permitted to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CALL OF THE HOUSE

Mr. McCOLLISTER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MURPHY of New York. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 543]

Alexander
Andrews, N.C.
Annunzio
Aspin
Barrett
Beard, R.I.
Beard, Tenn.
Brooks
Broomfield
Brown, Calif.
Buchanan
Burke, Fla.
Burton, Phillip
Cederberg
Cohen
Conyers
Coughlin
Daniels, N.J.
Derwinski
Diggs
Drinan
Duncan, Oreg.
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fary
Fenwick
Foley
Fraser
Frenzel
Gibbons
Harsha
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Henderson
Horton
Hutchinson
Ichord
Jacobs
Jarman
Kastenmeier
Kindness
Leggett
Lehman
Macdonald
Mikva
Moore
Morgan
Myers, Ind.
O'Neill
Quillen
Rees
Rodino
Roncalio
Rose
Rosenthal
Ruppe
Seiberling
Shuster
Sikes
Sisk
Stark
Steiger, Ariz.
Stephens
Teague
Thompson
Udall
Ullman
Waggonner
Whalen
Wiggins
Wilson, Bob
Wilson, C. H.
Young, Alaska

The SPEAKER. On this rollcall 354 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONSUMER PRODUCT SAFETY COMMISSION IMPROVEMENTS ACT OF 1975

Mr. VAN DEERLIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6844) to amend the Consumer Product Safety Act, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6844, with Mr. BERGLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on Tuesday, July 29, 1975, it had agreed that section 11 of the committee amendment in the nature of a substitute ending on page 20, line 22, would be considered as read, printed in the RECORD, and open to amendment at any point.

There was pending the amendment offered by the gentleman from Nebraska (Mr. McCOLLISTER) to section 11.

Without objection, the Clerk will again report the amendment offered by the gentleman from Nebraska (Mr. McCOLLISTER).

There was no objection.

AMENDMENT OFFERED BY MR. M'COLLISTER

The Clerk read as follows:

Amendment offered by Mr. McCOLLISTER: Page 20, strike out lines 8 through 22. Redesignate the succeeding sections accordingly.

Mr. DEVINE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Nebraska (Mr. McCOLLISTER).

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, I thank the gentleman from Ohio for yielding.

Mr. Chairman, it has been some weeks since the Committee of the Whole has been working on the Consumer Product Safety Act. My amendment which strikes section 11 is the pending order of business. Section 11, an amendment to the basic act in section 7 of the act, prohibits the use of sampling plans in consumer product safety rules or other actions taken by the Commission. This provision was adopted by a 17-to-15 vote in the full committee. It was not discussed during hearings on the bill. It is opposed by the chairman of the Product Safety Commission.

Recently a letter was sent to all Members of the House from the Consumer Federation of America. The letter stated that: "Consumers can only be protected if every product manufactured is in total compliance with safety standards." We would be very naive however if we failed to recognize from the outset that it is impossible to guarantee that all products distributed in commerce are perfectly safe. Indeed the function of the CPSC itself is to protect consumers against unreasonable risks, not to guarantee that all risk will be eliminated. As should be obvious, even testing all products manufactured does not necessarily assure 100-percent conformance with a standard since human error cannot be completely eliminated.

Recognizing that a small fraction of noncomplying products will inevitably reach the marketplace regardless of the care taken in the manufacturing process, it becomes the chore of the responsible regulator to guarantee that this fraction is kept as small as possible. Sampling plans can provide immeasurable assistance in this regard. The chief benefit of sampling plans from the standpoint of the consumer is that they provide a technically valid and effective means of spotting nonconforming products before they reach the marketplace. The chief advantage of incorporating sampling plans in safety standards is that this protection becomes mandatory upon the manufacturer.

The National Bureau of Standards has recently published an exhaustive evaluation of the use of sampling plans in conjunction with mandatory safety standards. This evaluation from the National Bureau of Standards concludes that the option of mandating a sampling plan along with a standard "should be available to the regulator for his possible application on a case-by-case basis."

The group of eight technical and statistical experts who conducted the study based their conclusion on the fact that the use of sampling plans:

First, detects and removes unsafe products before they reach the marketplace;

Second, provides the most effective means of obtaining uniform product quality; and

Third, shifts the burden of testing from the regulator, thereby requiring fewer of his resources.

Supporters of the section 11 of the bill argue that if sampling plans were incorporated in safety standards, manufacturers complying with such plans would be immune from both civil and criminal penalties should a noncomplying product be found in the marketplace. The mere compliance with a prescribed sampling plan, however, would not relieve the manufacturer of any civil liability flowing from harm caused by his product. Section 25 of the act makes clear that compliance with a mandatory sampling plan will not "relieve any person from liability at common law or under State statutory law."

On the other hand, since imposition of criminal penalties requires a knowing and willful violation of the act, the manufacturer should be relieved of criminal liability if he can show full compliance with a technically valid sampling plan. I do not believe that it was ever the intent of the act to punish a business person acting in good faith.

In conclusion, Mr. Chairman, I want to point out that the Congress cannot reasonably compel perfection, nor can the Commission. What we are expected to provide, and what we will provide, is protection against unreasonable risks, and the courts and administrative tribunals which will have to resolve the complex disputes which will inevitably arise over compliance should have the benefit of specific, scientifically validated sampling criteria to use as the basis for determining guilt or innocence and the level of risk considered reasonable and unreasonable. Otherwise, in my opinion, chaos and uncertainty will reign.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. DEVINE was allowed to proceed for an additional 2 minutes.)

Mr. DEVINE. Mr. Chairman, I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, I thank the gentleman.

Every manufacturer will be forced to be his own judge of whether any test failure which may occur requires him to destroy or reprocess his production, and how much. It stands to reason no two manufacturers would make the same judgment. The same is true of the enforcement officials who will be required to make tests and make decisions about whether the law has been violated. Without precise guidelines, such as the sampling plans will provide, these decisions will be made on an irrational basis. The same problems will occur in the courts, where despite any prohibition we write into the Consumer Products Safety Act, each and every judge will have to decide whether the manufacturer, who was right 99 times out of a 100, or 999 times out of a 1,000 is a lawbreaker. That is not what we want, but this is precisely what we will get, unless section 11 is deleted. Members of the committee, certainly we would be the first to admit that no one of us is perfect. No one of us in anything we do, whether legislative or otherwise, is perfect, and yet by prohibiting sampling plans in mandatory safety standards, what we are saying is either the manufacturer must test 100 percent of his products, which with destructive testing is clearly impossible, or that the test that he has to use will be so unreasonably expensive that the consumer is going to be charged more for that product. What we are trying to prevent is the unreasonable risk to the consumer in matters of product safety and surely sampling plans, statistically valid sampling plans, ought to be a part of any mandatory safety standard.

Mr. DEVINE. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. MOSS

Mr. MOSS. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. Moss: Page 20, strike out lines 8 through 22 and insert in lieu thereof the following:

COMPLIANCE TESTS

SEC. 11. Section 7(a) of the Consumer Product Safety Act (15 U.S.C. 2056(a)) is amended (1) by inserting "(1)" after "(a)", (2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B) respectively, and (3) by adding at the end the following new paragraph:

"(2) No consumer product safety standard promulgated under this section shall require, incorporate, or reference any sampling plan. The preceding sentence shall not apply

> with respect to any consumer product safety standard or other agency action of the Commission under this Act applicable to a fabric, related material, or product which is subject to a flammability standard or for which a flammability standard or other regulation may be promulgated under the Flammable Fabrics Act."

Mr. MOSS. Mr. Chairman, I take the well to address an issue which has been the subject of considerable confusion, the incorporation of sampling plans into consumer product safety standards. The question before the House is not whether sampling plans may be used by manufacturers for their own quality control programs or by the Commission as an enforcement tool under section 14 of the Consumer Product Safety Act, but whether sampling plans should be incorporated into the basic product safety standards under section 7.

The effect of the inclusion of sampling plans into section 7, consumer product safety standards, would drastically weaken the protection promised to consumers by the Consumer Product Safety Act. To take an example, a product safety standard for bicycle brakes which included a sampling plan would lead to the incongruous result of some products reaching consumers which would fail in use while still being in presumptive compliance with the standard.

In order for the Commission to act to protect consumers under such a standard, it would have to show both, first, that the failing brakes were not in compliance with the substantive provisions of the standard; and second, that the sampling plan used by the manufacturer was statistically unsound. I must emphasize that this complex and time-consuming litigation would take place while all the interested parties, the Commission, manufacturers, and consumers, watched accident statistics mount. To a child cycling in a heavy traffic pattern, such a consumer product safety standard would be a cruel hoax.

For this and other reasons, including the weakening of the overdesign principle and the effectiveness of tort suits at State law, incorporation of sampling plans into product safety standards is opposed by Consumers Union, the American Trial Lawyers Association, by the very large merchandising firm of Sears, Roebuck & Co., by Congress Watch, by National Consumers Congress, and by the Consumer Federation of America. Further, incorporation of sampling plans into product safety standards has been consistently opposed by those of us on both sides of the Hill who acted as floor managers for the Consumer Product Safety Act of 1972.

With the inclusion of section 11 in H.R. 6844, the House Interstate and Foreign Commerce Committee has committed itself to opposition to any weakening of section 7 consumer product safety standards. The language of section 11, however, has been the subject of misinterpretation. Rather than being viewed as a vehicle for precluding lengthy litigation, it has been interpreted as requiring 100 percent testing by manufacturers. Horror stories, particularly those relating to the problem of destructive tests, have been widely circulated. As a consequence, I am offering the substitute for section 11 which will clarify the mandate of that section.

I would like to read briefly from the letter of Sears, Roebuck & Co., signed by the vice president, Mr. Philip Knox, dated September 16, 1975, in referring to the new language. He says:

> Sears supports this amendment. The Federal Government should not determine how each manufacturer should run his quality control program to ensure compliance with a consumer product safety standard. Each manufacturer can be more current on the technical state of the art and the practical capabilities of his industry than the Consumer Product Safety Commission.

I think those are very important words, because the effect of striking would be to permit the Commission to mandate every step in a sampling procedure. To adopt the language which I am offering as a perfecting substitute makes it very clear that the meeting of the ultimate standard is the responsibility of the manufacturer, and how he proceeds; whether he tests each product or not, whether he samples 1 out of 10 or 1 out of 100, is a determination clearly within his management judgment. That is precisely where it should be.

If this amendment had been offered, this motion to strike, in the name of protecting free enterprise, I say that it has exactly the opposite effect.

Further, the president of the Trial Lawyers Association states in his letter dated September 15, 1975:

> The Association of Trial Lawyers of America is opposed to any delineation in H.R. 6844 (or any other legislation) of a certain number or percentage of a given product that must be tested, examined or screened for defects by any method. Sampling plans setting forth a minimum standard would be admissible evidence in some States. A manufacturer would gear its production and testing to such a plan rather than exercising greater care which is in the public interest. In those States where test sampling plans are admissible in evidence, a manufacturer would make major efforts in the eventuality of a trial or claim involving a defective product to set up such legislation as its only duty, and having demonstrated that they have complied therewith, would take the position that such compliance was their only duty.

Remember that the objective is a standard which assures a properly manufactured product. Let us leave to the manufacturers the responsibility of testing in order to be in compliance with that standard.

I urge the adoption of the substitute.

Mr. McCOLLISTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, what we are dealing with, I guess, is something of some complexity, as we hear it, but something which really is pretty simple. What the language in the bill that the gentleman from California proposed in committee is to amend the original act was to prohibit sampling plans from being incorporated as any part of this product safety standard. What he now proposes in his perfecting amendment to my amendment to strike is to remove the Flammable Fabrics Act from that requirement and to permit sampling plans as a part of the safety standards governed by the Flammable Fabrics Act.

I think it might be instructive to the committee to go back to the original act, and let us read from it so that we know what we are talking about.

Section 7 of the original act is that which governs the establishment of safety standards, and under section 7(3) it says:

> The Commission shall prescribe regulations governing the development of proposed consumer safety standards by persons whose offers are accepted under paragraph (1). Such regulations shall include requirements—
>
> (A) that standards recommended for promulgation be suitable for promulgation under this Act, be supported by test data or such other documents or materials as the Commission may reasonably require to be developed, and (where appropriate) contain suitable test methods for measurement of compliance with such standards;

That is the original act.

Under section 14 of the act, which relates to certification, sampling plans are also involved.

Let me read from section 14(a)(1) of the act, relating to certification, where it says: "Any certificate under this subsection shall be based on a test of each product or upon a reasonable testing program" and so forth.

Mr. Chairman, let me read to the Members from the report of the Committee on Interstate and Foreign Commerce concerning that testing program. The committee report said as follows:

> In this connection—

That is testing—

> it is the committee's intention that the Commission would adopt rules which establish testing criteria or methods for testing products and the results to be achieved therefrom. Your committee does not intend that this rulemaking authority be used by the Commission to require manufacturers to observe specified production techniques or manufacturing practices in the manufacture or assembly of products.

The Consumer Product Safety Commission has this to say in its publication in the Federal Register, filed as of August 23, 1974, concerning the sampling plans. I repeat that this is the Consumer Product Safety Commission.

> The Consumer Product Safety Commission has developed a statement of policy on the use of sampling plans in Commission rules bearing in mind that the over-riding purpose of Commission safety rules is, notwithstanding any other possible considerations, to protect the consumer from products posing an unreasonable risk of injury.

The Commission goes on to say further:

> While in principle, one hundred percent testing of items of production would appear to provide maximum assurance of safety to consumers, there are situations in which cost or other considerations might argue against a requirement for one hundred percent testing. On the other hand, online quality control and testing programs at various stages of the production process or product safety overdesign could offer alternatives to one hundred percent testing of end products without substantially compromising one hundred percent conformance with the desired product characteristics.

Still quoting from the Commission's document of August 23, 1974, it says further:

> The use of sampling plans by the Commission in certain cases could impose additional burdens of proof on the Commission in seeking sanctions legally available to it.

The CHAIRMAN. The time of the gentleman from Nebraska (Mr. McCOLLISTER) has expired.

(By unanimous consent, Mr. McCOLLISTER was allowed to proceed for 3 additional minutes.)

Mr. McCOLLISTER. Mr. Chairman, I shall continue reading from the document of the Consumer Product Safety Commission, as follows:

> On the other hand, in the absence of a Commission-specified sampling plan, the possibility exists that courts will subjectively adopt varying criteria for determining whether the nonconforming items involved were the result of a manufacturing fluke or indicative of a pattern of production meriting conviction on a violation of the rule.

Mr. Chairman, with sampling plans prohibited under the bulk of the coverage of the act, a manufacturer has no alternative and neither does the Consumer Product Safety Commission in trying to determine how they reach a product not posing unreasonable risk of injury. It seems if we are interested in making the act work—an act which, by all accounts, has created the most powerful commission the Congress has ever created, giving them extensive powers for civil and criminal penalties bearing on this—we should ask ourselves: How can we fail to allow the Commission to do what the Commission wants to do or what the National Bureau of Standards says ought to be done?

How can we prevent them from incorporating sampling plans and testing plans in a product safety standard?

Mr. Chairman, the perfecting amendment offered by the gentleman from California (Mr. Moss) would not allow the great bulk of the product covered by the act and by the bill before us to be included and it would not allow them to use sampling plans in the development of safety standards.

Mr. Chairman, I urge the committee to vote down the perfecting amendment offered by the gentleman from California.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, it is quite interesting that the gentleman from California (Mr. Moss) would offer this amendment which would not require or would not have the same prohibition on those who are subject to the Flammable Fabrics Act, but I would point out that another section later on in this bill, section 13, would give the Commission the right to take action under this act, that is, the Consumer Product Safety Act, to regulate a risk of injury if they wish to do so. Thus, they could avoid the Flammable Fabrics Act, and, therefore, this exemption for those who are regulated here under this amendment is, to all effects, null and void.

AMENDMENT OFFERED BY MR. STAGGERS TO THE AMENDMENT OFFERED BY MR. MOSS

Mr. STAGGERS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. STAGGERS to the amendment offered by Mr. Moss: In the last sentence of the proposed new paragraph (2) insert "(A)" after "under this Act" and insert before the period "or (B) which is or may be applicable to glass bottles."

Mr. STAGGERS. Mr. Chairman, just very briefly, this amendment will allow for a sampling plan of glass bottles, subject to the regulations of the Commission. Thus, the manufacturers of glass bottles could be permitted to use sampling plans in a reasonable way and still be in compliance with the act.

Mr. VAN DEERLIN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I will be happy to yield to the gentleman from California.

Mr. VAN DEERLIN. It was never the intent of the author of this amendment that every bottle or every dish or every bit of crockery manufactured was going to have to be smashed in order to determine its strength and usefulness. But I think that the amendment offered by the gentleman from West Virginia (Mr. STAGGERS), the chairman of the full committee, spells this out very explicitly in the matter of glass bottles.

It being agreeable to the author of the substitute amendment, it is certainly acceptable to the leadership of the subcommittee, and we are quite ready to accept it.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman.

Mr. BROYHILL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to comment on the Staggers amendment.

I think this amendment shows that we cannot possibly sit here in the next hour or so and think of all of the products that should be excluded from the provisions of this amendment that has been offered by the gentleman from California (Mr. Moss).

The chairman of the committee comes up with bottles as an item to be excluded. There are many other items that should be excluded. I think it shows that what we should do is to vote for the amendment by the gentleman from Nebraska (Mr. McCOLLISTER) to strike this language and leave this whole subject to the jurisdiction of the Commission, which can use flexibility and some common sense in promulgating safety standards and whether or not to provide for sampling plans as a part of the standard.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. Yes, I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, of course, glass bottles should be eliminated, but what about light bulbs? What about all the products that we have not talked about? We have built a list as long as a man's arm.

If we want to do it this way, all right; but I think it is utter foolishness to think that we can start exempting products from this requirement.

Why do we not go in accordance with the way the law started out and in accordance with the way it has operated for 3 years now and leave it to the discretion of the Consumer Product Safety Commission to determine in which cases products should be incorporated in the safety standards testing sampling plans?

That is where we were originally. That is why we did it originally, because we could not begin to list all the products where it makes no sense at all to test the structure.

Mr. Chairman, I think the gentleman is absolutely right, and the remedy is not to simply add to the list, one after another. The remedy is to let the Consumer Safety Commission do what they have been doing and make it their requirement for sampling plans to be incorporated into safety standards on a case by case basis.

Why pick out flammable fabrics and bottles and light bulbs and glass pots, or whatever, as being those which are obviously not suitable for such a prohibition? There are many such products. If we wanted to do it that way we could be here for 3 weeks.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to clarify a misstatement made by the distinguished gentleman from North Carolina (Mr. BROYHILL) because, may I say, the misrepresentation in his statement does not comport with the facts.

The language is quite clear:

> The preceding sentence shall not apply with respect to any consumer product safety standard or other agency action of the Commission under this Act applicable to a fabric, related material, or product which is subject to a flammability standard or for which a flammability standard or other regulation may be promulgated under the Flammable Fabrics Act.

We took great care to make certain that the specter raised would not occur and this language achieves that objective.

Mr. Chairman, addressing myself to the matter of the intent of the authors of this act, I think that the distinguished gentleman from Nebraska (Mr. McCOLLISTER) made many important contributions which I have previously acknowledged in this Chamber in the drafting of the legislation which created the Commission on Consumer Product Safety but the gentleman's recollection of the legislative history is not correct.

On January 11 of 1974, very shortly after the Commission was brought into being and the first appointments were made, four Members of this House and the other body—the distinguished senior Senator from the State of Washington, the distinguished senior Senator from the State of Utah, the chairman, the gentleman from West Virginia (Mr. STAGGERS) and myself—addressed a letter to the Commission on Consumer Product Safety expressing our strong disagreement with the then tentative conclusion of the Commission that it even had the authority to order into effect any sampling plan.

I will, Mr. Chairman, when we go back into the House, ask unanimous consent to include that letter with my remarks. The letter follows:

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

Hon. RICHARD O. SIMPSON,
Chairman, Consumer Products Safety Commission, Washington, D.C.

DEAR CHAIRMAN SIMPSON: We have been informed that the Consumer Product Safety Commission will soon consider the issue of enforced sampling plans. Under the proposal, the Consumer Product Safety Commission would include as part of a Consumer Product Safety Standard, a program of sampling to measure compliance with such a standard. For reasons outlined in this letter and explained in greater detail in the attached staff memorandum, we believe that the Commission lacks authority to include sampling plans as part of a standard. Further, we believe that as a matter of policy, enforced sampling is detrimental to the cause of consumer product safety.

The Consumer Product Safety Act, on its face, requires compliance of each consumer product with an applicable Consumer Product Safety Standard. A sampling plan, as a component of a standard, would sanction non-compliance of a small percentage of products which otherwise would be subject to regulation. The Act, in sections 7 and 19 clearly imposes a civil penalty of up to $2000 for *each* product which fails to comply with a standard. We further believe that this view is supported by the legislative history of the Act and this view is explained in the attached memorandum.

On a policy basis, we believe it would grossly weaken a Consumer Product Safety Standard to include a provision for enforced sampling. Efforts to enforce a standard would be seriously inhibited because the Commission's hands would be tied from taking expeditious action when a non-complying product is detected in the marketplace. A strong presumption of compliance would be required under an enforced sampling plan once the manufacturer produces records of his sampling program. The result is that before the Commission could act, it would have to adjudicate the extraneous issue of the statistical reliability of the pre-market testing program.

The use of enforced sampling plans also may result in a dilution of the "over design principle". Where no sampling plans is required, a manufacturer has a choice of diverting testing money to "over design" of his product. An enforced sampling plan would limit this choice and may even inhibit a manufacturer from designing a product which exceeds a Product Safety Standard. Finally, statisticians question whether a small sample (which may be required under a sampling plan involving destructive testing), offers adequate protection to consumers from non-compliance with standards. The points which we have made in this letter are described in greater detail in the attached memorandum. Our conclusion is, however, that the Commission lacks authority to include a sampling plan as a component of a Consumer Product Safety Standard.

Sincerely yours,
WARREN G. MAGNUSON,
Chairman.
FRANK E. MOSS,
Chairman, Subcommittee for Consumers.
HARLEY O. STAGGERS,
Chairman, House Interstate and Foreign Commerce.
JOHN MOSS,
Chairman, Commerce and Finance Subcommittee.

There has been a consistent area of disagreement between me, as the principal author on this side and the senior Senator in the other body from the State of Washington on the other side, with the Commission and its present chairman, that they have no authority over sampling plans.

Mr. Chairman, I want to emphasize the difference between the effect of merely striking and the effect of the adoption of the substitute. There are significant differences, particularly if one believes in a degree of freedom on the part of the entrepreneur because what the gentleman from Nebraska (Mr. MCCOLLISTER) would do in striking, is permit the Commission to promulgate a sampling plan based on technology which may be rapidly moving in an ongoing fashion and freeze that on an industry.

What I plead for here, and I read the letter from the vice president of Sears, Roebuck, and I do not think they are naive in merchandising, or in the use of technology, for the right for them to determine the kind of sampling plan which will best serve their needs and insure that they continue to produce a quality product that meets the demands of the marketplace and does it in a straightforward and honorable fashion.

The only merchandiser who should have any fear of the language I have proposed is the corner cutter who wants to rip off his customers. The reputable firms do not want to do that, and I do not want to see them shackled with this kind of restraint upon their right to act.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCOLLISTER.. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I previously expressed my agreement with the Chairman of the full committee, the gentleman from West Virginia, on the problems of destructive testing of bottles, but I must oppose his amendment as I must and as I do oppose the amendment offered by the gentleman from California, because it is not a matter of whether bottles should or should not be incorporated in this; it is a matter of the procedure to be used for all products.

The only resolution of it, I think, is not to add to the list, one by one, the different products that we, at this moment can think of, but to permit the Consumer Product Safety Commission to incorporate sampling plans in any safety standard, as they have been doing. Thus, I would urge a "no" vote on the amendment offered by the gentleman from West Virginia, as I implore a "no" vote on the amendment offered by the gentleman from California, hoping then that we can get back to my amendment to strike section 11 of the bill.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from West Virginia (Mr. STAGGERS) to the amendment offered by the gentleman from California (Mr. MOSS).

The amendment to the amendment was agreed to.

Mr. SCHEUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support the amendment offered by the gentleman from California. It is clear to me that sampling plans cannot protect the consumer from the danger of items which do not conform to the standard, and that is so for two reasons: First, because enforcement of a sampling plan is almost impossible because the Consumer Product Safety Commission cannot take regulatory action on the basis of noncomplying products alone. They must locate the entire lot of items in order to prove that the sampling plan was violated. This is an almost impossible chore. Even if they do locate the entire lot and the percentage of conforming products violates the sampling plan, still the manufacturer has numerous complex defenses available to him such as that the lot retrieved was not the one tested, that the retrieved goods were not representative of his entire output, and so forth.

Second, I believe that consumer product safety standards, assuming that the Commission were to set one, are minimum safety standards, the bottom line on consumer protection. To allow the use of sampling plans in section 7 standards, might establish a standard below the common law standard of reasonable care. Use of sampling plans in this context could jettison the protection that consumers have had for hundreds of years. To me, for this House and our Congress to pass a law that would dip below the standard of reasonable care that consumers have enjoyed under the common law for hundreds of years would be a cruel irony and a total exercise in futility.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. I thank the gentleman for yielding.

I believe the gentleman has misstated that the consumer would be prevented from exercising his rights if he is injured by a defective product.

Mr. SCHEUER. No. I said he would have a lesser standard of protection under a minimum standard established in a sampling plan in some cases than he would have under the common law protection under which he is entitled to reasonable care on the part of the manufacturer.

Mr. McCOLLISTER. Will the gentleman yield further?

Mr. SCHEUER. Very briefly.

Mr. McCOLLISTER. I refer the gentleman to section 25(a) which is headed "Effect on Private Remedies" and says:

> Compliance with consumer product safety rules or other rules or orders under this Act shall not relieve any person from liability at common law or under State statutory law to any other person.

The remedies are exactly the same as before.

Mr. SCHEUER. It seems to me the sampling plans are the same as before.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I think it would be clarifying to read from a letter from Mr. Ward Wagner, Jr., president of the Association of Trial Lawyers of America, in a letter dated September 15, 1975, which says:

> Sampling plans setting forth a *minimum* standard would be admissible evidence in some states. A manufacturer would gear its production and testing to such a plan rather than exercising greater care which is in the public interest. In those states where such sampling plans are admissible in evidence, a manufacturer would make major efforts in the eventuality of a trial or claim involving a defective product to set up such legislation as its *only duty*, and having demonstrated that they have complied therewith, would take the position that such compliance was their only duty and hence claim they were not responsible for reasonable care under the circumstances. In states where such "minimum standards" are not admissible, there will be a concerted effort to change the law to allow their admission in evidence.
>
> It is not in the best interest of the consuming public to let the manufacturers of products secure this kind of legislation as they will use it to establish their compliance as "due care", eliminating liability for products which were not the ones tested, examined or screened.

I agree completely, as does the distinguished lawyer who heads the Trial Lawyers in this instance, that it is a taking away rather than a giving to of protection.

Mr. SCHEUER. Let me add just one word. I would like to quote two sentences from a letter from the Administrator of the U.S. Department of Transportation, National Highway Traffic Safety Administration, James B. Gregory, dated November 23, 1973, in which he says:

> A more important, though collateral, effect, at least in the minds of the industry groups who enthusiastically support sampling, is to establish clearly how much testing is "enough," and thereby forge an ironclad due-care defense against both government findings of nonconformity and private product-liability lawsuits.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. SCHEUER was allowed to proceed for 2 additional minutes.)

Mr. SCHEUER. Mr. Chairman, I assume that when the gentleman refers to private product liability lawsuits he does so under a commonly accepted standard of common law. I believe that Mr. Wagner's letter and that of Mr. Gregory are dispositive of the point.

> Further Mr. Gregory points out that it is true that enforced sampling can reduce the manufacturer's insecurity over whether he has done, "enough" testing. But we have found this to be a creative insecurity, one that produces better testing and safer products. Although we have in the past found areas of inadequate design or insufficient testing, we have invariably found that they respond well to a vigorous and rigorous enforcement program.
>
> For these reasons, we believe that the advantages of enforced sampling plans in connection with the standards would be substantially outweighed by the disadvantages.

He makes it perfectly clear that in his opinion the advantages of enforced sampling are far outweighed by the disadvantages. He could not express himself more clearly.

Mr. VAN DEERLIN. Mr. Chairman, in the interest of moving things along, I ask unanimous consent that all debate on the McCollister amendment and the substitute amendment therefor and all other amendments thereto end at 5:30.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BROYHILL. Mr. Chairman, reserving the right to object, will the gentleman make that 15 minutes in case there are quorum calls or something else?

Mr. Chairman, I withdraw my reservation of objection.

Mr. VAN DEERLIN. Mr. Chairman, by all means.

Mr. Chairman, I ask unanimous consent that all debate on the McCollister amendment and the Moss substitute amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for 3 minutes each.

The Chair recognizes the gentleman from Nebraska (Mr. MCCOLLISTER).

Mr. McCOLLISTER. Mr. Chairman, I think the question that the letter from the trial lawyers' representative does not address the question that the gentleman from New York (Mr. SCHEUER) was discussing, that is any diminution of the rights of people who sue under private remedy, but rather concerns the whole question of the admissibility of the evidence to it. I do not think the two are necessarily related.

The question here is how shall we develop a system by which the consumer can have the least risk of harm or injury and what is the process by which we do this?

The original act and all our discussions in the markup in the original act some 3 years ago presumed that there would be this need, this desire, for products not on the market posing unreasonable risks could best be met by incorporating in the safety standards, where it was feasible, sampling plans or testing plans. That was true whether we were talking about flammable fabrics or all the other fabrics covered under the Consumer Product Safety Act. The evidence that this has been so is supported, as I said before, by the National Bureau of Standards, by the Consumer Product Safety Commission and by most people that are familiar with the workings of the act. The inclusion of a sampling plan in the safety standard does not mean that the products on the marketplace will be any less safe or more safe. All it does is give a manufacturer the opportunity to know what is required of it and it gives the Commission the opportunity to develop that exactly and make the ground rules such that everybody being governed by those ground rules knows what they must do.

I think not to include sampling plans is going to make the cost of the products much higher and is going to frustrate the development of safe products reaching the marketplace.

Mr. Chairman, I urge the defeat of the Moss perfecting substitute amendment and a vote in favor of my amendment for striking section 11.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I ask unanimous consent to defer my remarks until the close.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

(By unanimous consent, Mr. VAN DEERLIN yielded his time to Mr. ECKHARDT.)

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Chairman, the allegation has been made that sampling plans are not a good tool to use in the enforcement of this act. I have in my hand a copy of a letter that was addressed to the Honorable WARREN G. MAGNUSON, chairman of the Senate Committee on Commerce. I would point out in this letter, it reads as follows:

> U.S. CONSUMER PRODUCT
> SAFETY COMMISSION,
> *Washington, D.C., July 10, 1975.*
>
> Hon. WARREN G. MAGNUSON,
> *Chairman, Committee on Commerce, U.S. Senate, Washington, D.C.*
>
> DEAR MR. CHAIRMAN: In your recent letter, you expressed concern that if a consumer product safety rule contained a mandatory sampling plan it would be extremely difficult to levy sanctions for violations of the Act. I disagree, and appreciate this opportunity to express my personal views in this matter. Far from adding difficulty, I believe mandatory sampling plans actually both strengthen and make easier the application of civil and criminal penalties when compared to the situation where we have a safety rule which does not include a mandatory sampling plan.
>
> If the standard in question includes a mandatory sampling plan, there are also rules requiring the manufacturer to keep test records and to keep the tested specimens which support the records. Failure to keep and produce such records would be a per se violation. When the manufacturer knowingly violates the standard, he and his inspection personnel must deliberately falsify these records. There would usually be many people involved and it should be possible to find someone to testify against the manufacturer. As supporting evidence, the Commission can also, through scientific methods, establish whether the products found in the marketplace are similar to those represented by the falsified records. This inquiry would establish statistically and scientifically that the likelihood of the product legitimately meeting the sampling requirements is remote.
>
> If the standard does not include a mandatory sampling plan, then there is no defined test frequency for compliance purposes unless the Commission adopts the absolutist position that any failing specimen is sufficient evidence of nonconformance.
>
> The absolutist position becomes practically impossible to legally defend if the product in question is children's sleepwear, for instance, since the test is destructive. Clearly, it is unreasonable to require the manufacturer, under threat of civil and legal sanctions, to guarantee 100% conformity when there is no known process or technology to provide this absolute guarantee.

Taking a more realistic approach, either the Commission defines the allowable percentage of failing specimens, as would be the case if sampling plans are used, or that decision is left to the industry and eventually for resolution by the courts. This Commission has found, even in seizure cases involving CS191–53 (which does not have a sampling plan), that the courts insist on a "sample" of tests to satisfy the court that the tested materials are representative of the lot to be seized. In other words, experience shows that regardless of whether a sampling plan is included in the standard, we still must sample in order to successfully prosecute civil actions. The value of mandatory sampling plans in promoting even-handed enforcement is obvious.

If the industry is left to make the judgment of what percent defective specimens represents a reasonable risk, then we can expect great variability in that judgment from company to company within the affected industry. Such a situation would work to the competitive disadvantage of the "good" company. Also industry is free to make this judgment, then the Commission may well be powerless to enforce the civil and criminal penalties except in the flagrant violation cases where almost all specimens tested fail. On the other hand, if a sampling plan is mandated, the rules are known and apply evenly to all in the industry. Additionally, in cases where legal action is undertaken, statistical evidence from sampling plans will serve to apply precision to legal terms such as "proof beyond a reasonable doubt" and "proof based on a preponderance of the evidence." Such precision should enhance, not hinder, the legal proceeding. You are quite correct when you state that if a manufacturer could establish that the mandatory sampling plan was followed, there would be no violation of the standard and no possibility of any civil or criminal penalty.

However, I do not believe that consumer product safety can or should be viewed on legal enforcement grounds alone. The overall goal of product safety is not to prosecute offenders, but to ensure, within the context of what is possible and reasonable, that unsafe products are not found in the United States marketplace. It is in this context that sampling plans have their most value.

For example, consider the children's sleepwear record. The children's sleepwear standard was the first standard which included a mandatory sampling plan. I am not aware of any single garment found in the market which violated a flammability test during the several years since this standard has been in effect. This includes the substantial inspection efforts of both the Federal Trade Commission and the Consumer Product Safety Commission. I think such a record is the best evidence of the efficiency of mandatory sampling as a "preventative" tool.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Chairman, I ask unanimous consent that I be permitted to reserve my time until after the gentleman from Texas (Mr. ECKHARDT) has spoken.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

Mr. VAN DEERLIN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ARMSTRONG. Mr. Chairman, in that event I will ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ARMSTRONG. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, the gentleman from Nebraska is a man of such persuasive ability and such candor that it is frequently difficult to persuade persons in this body that he is, in fact, wrong, though inadvertently so, I am sure. His entire argument, it seems to me, rests on the proposition that the amendment we are now offering in some way creates an absolute responsibility for a manufacturer to meet a standard. He talks in terms of the requirements of the superman, of the supermanufacturer, the manufacturer who makes no mistakes.

This bill does not require that. The bill permits a manufacturer to utilize testing and sampling, and if he does his dead-level best and the final result is a product manufactured with proper care to perform safely, such will not result in civil liability because under the civil liability section, it is clearly stated that to be liable he must have acted knowingly in failing to comply with the standard.

But, the important thing is this: that there is also a "knowing" requirement in the section involving Commission action against a person who fails to comply with the standard, and if he must knowingly fail to comply with the standard which is based on and includes sampling, then a product, merely because it fails to perform, does not constitute basis for action by the Commission.

Enforcement of the sampling plan becomes practically impossible because the CPSC cannot take regulatory action on the basis of noncomplying products alone. The CPSC must locate the entire lot of items to prove that the percentage is violated, and even if the lot is located and the percentage of conforming products violates the sampling plan, the manufacturer has complex defenses available to him such as that the lot was not the true measure or that it was not representative of all of the lots measured.

So, what I want to point out here is that the provision we are inserting does not create absolute liability. All it does is permit the agency to insist that a failure to comply with the standards set constitutes a basis for action by the Commission. There still remain the defenses that, in fact, this was an aberration, that this particular product was a product which simply happened to be defective after proper safety design and manufacture and after adequate testing and sampling and quality control.

So I contend that the real issue here is whether or not we take away from the Commission its practical ability to enforce its standards or whether we leave with the Commission that practical ability.

Mr. BROYHILL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to report their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 544]

Adams
Alexander
Andrews, N.C.
Annunzio
Archer
Aspin
Badillo
Barrett
Beard, R.I.
Beard, Tenn.
Biester
Bolling
Bonker
Brooks
Broomfield
Burke, Fla.
Burton, John
Burton, Phillip
Cohen
Conyers
de la Garza
Derwinski
Diggs
Dingell
Dodd
Drinan
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Fary
Fenwick
Foley
Ford, Mich.
Fraser
Frenzel
Giaimo
Gibbons
Hanley
Harsha
Hays, Ohio
Hébert
Heckler, Mass.
Hillis
Horton
Hutchinson
Kemp
Kindness
Lehman
McCormack
Macdonald
Mathis
Mikva
Moakley
Moore
Murphy, N.Y.
Ottinger
Pike
Railsback
Rees
Rodino
Rose
Seiberling
Shipley
Shuster
Sikes
Sisk
Slack
Steed
Steiger, Ariz.
Stephens
Stuckey
Thompson
Udall
Vanik
Waxman
Wiggins
Wilson, Bob
Wilson, C. H.
Yatron

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BERGLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6844, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 353 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. All time for debate on the McCollister amendment has expired.

PARLIAMENTARY INQUIRY

Mr. VAN DEERLIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VAN DEERLIN. Pending before the Committee is a substitute amendment by the gentleman from California (Mr. Moss) to section 11 of the bill having to do with the system of sampling.

My parliamentary inquiry is this. In the event that the Committee votes favorably on the Moss substitute to this section, would there then be an ensuing vote on the McCollister motion to strike, or would we then be finished with the activities for this evening, it being the intention to rise as soon after 6 o'clock p.m. as possible?

The CHAIRMAN. The vote on the amendment offered by the gentleman from Nebraska would not be voted on in the event the amendment offered by the gentleman from California (Mr. Moss) is sustained.

PARLIAMENTARY INQUIRY

Mr. BROYHILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROYHILL. Mr. Chairman, if the Moss amendment were to be adopted, would a motion to strike then be in order?

The CHAIRMAN. The answer is "no." The motion to strike would fall.

Mr. BROYHILL. I am talking about a new motion to strike.

The CHAIRMAN. No, it would not. The section would have been amended in its entirety.

The question is on the amendment, as amended, offered by the gentleman from California (Mr. Moss).

The question was taken, and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. McCOLLISTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 200, noes 193, not voting 40, as follows:

[Roll No. 545]

AYES—200

Abzug
Addabbo
Ambro
Anderson, Calif.
Ashley
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flood
Florio
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Giaimo
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Helstoski
Hicks
Holland
Holtzman
Howard
Howe
Hughes
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Levitas
Lloyd, Calif.
Long, La.
Long, Md.
McCormack
McFall
McHugh
McKay
Madden
Maguire
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pike
Price
Rangel
Rees
Reuss
Richmond
Riegle
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stuckey
Studds
Sullivan
Teague
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOES—193

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Bell
Bennett
Bevill
Biester
Bowen
Breaux
Breckinridge
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Carter
Casey
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Derrick
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Emery
English
Erlenborn
Esch
Evans, Ind.
Findley
Fish
Fithian
Flowers
Flynt
Forsythe
Fountain
Frey
Fuqua
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hastings
Heckler, Mass.
Hefner
Heinz
Henderson
Hightower
Hillis
Hinshaw
Holt
Hubbard
Hyde
Ichord
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Krueger
Lagomarsino
Landrum
Latta
Lent
Litton
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mosher
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
O'Brien
Passman
Patten, N.J.
Pettis
Peyser
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Randall
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steelman
Steiger, Wis.
Stratton
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Whitten
Wiggins
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—40

Adams
Alexander
Annunzio
Aspin
Barrett
Beard, Tenn.
Brooks
Broomfield
Burke, Fla.
Burton, Phillip
Cederberg
Cohen
Derwinski
Edwards, Ala.
Eshleman
Fary
Fenwick
Foley
Frenzel
Gibbons
Hays, Ohio
Hébert
Horton
Hutchinson
Kindness
Lehman
Macdonald
Mikva
Moore
Railsback
Rodino
Rose
Sikes
Sisk
Steiger, Ariz.
Stephens
Thompson
Udall
Wilson, Bob
Wilson, C. H.

The Clerk announced the following pairs:

Mr. Annunzio for, with Mr. Hébert against.

Mr. Thompson for, with Mr. Sikes against.

Mr. Rodino for, with Mr. Rose against.

Mr. Sisk for, with Mr. Cohen against.

Mr. Barrett for, with Mr. Broomfield against.

Mr. Phillip Burton for, with Mr. Hutchinson against.

Mr. Fary for, with Mr. Moore against.

Mr. Lehman for, with Mr. Steiger of Arizona against.

Mr. Macdonald of Massachusetts for, with Mr. Frenzel against.

Mr. Mikva for, with Mr. Bob Wilson against.

Mr. Foley for, with Mr. Cederberg against.

Mr. Aspin for, with Mr. Kindness against.

Mr. Adams for, with Mr. Edwards of Alabama against.

Mr. Brooks for, with Mr. Derwinski against.

Mr. Hays of Ohio for, with Mr. Railsback against.

Mr. Udall for, with Mr. Beard of Tennessee against.

Mr. Charles H. Wilson of California for, with Mr. Burke of Florida against.

Mr. LONG of Maryland changed his vote from "no" to "aye."

Mr. DU PONT changed his vote from "aye" to "no."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

Mr. BADILLO. Mr. Chairman, I support H.R. 6844 and sincerely hope the House approves it in its present form. While I do not agree with every one of its provisions, nevertheless I believe this legislation represents a sound compromise which significantly clarifies and perfects the present Consumer Products Safety Act, thereby insuring that the Consumer Products Safety Commission will function more effectively.

The bill extends the present act through fiscal year 1978, authorizing appropriations of $51 million in fiscal year 1976, $14 million in the transition quarter $60 million in fiscal year 1977, and $68 million in fiscal year 1978. Although the administration has criticized these proposed levels of funding as excessive, actually they are quite conservative. The proposed authorizations for fiscal years 1976 and 1977 are less than the present authorization and the amount authorized for fiscal year 1978 exceeds the 1975 authorization by only 6 percent. If the present rate of inflation continues, the 1978 authorization represents a reduction in real purchasing power of over 10 percent.

As you know, the debate today centers on three key provisions of this legislation, sections 11, 12, and 13. I strongly urge the House to reject attempts to strike these provisions because all three are critical to achieving the increased effectiveness of the Commission.

Section 11 requires that all consumer products meet the standards established by the Consumer Products Safety Commission. This provision simply codifies the original intention of the act, which is to require that all consumer goods comply with the standards of the act. Striking section 11 from the bill would allow dangerously defective items to enter the market solely because they were part of an approved sample. Imagine the anguish of parents whose child was seriously hurt by a deficient product. Does any Member believes that those parents would be satisfied if they learned that the product that caused their child's injury, although defective, was part of an approved, scientifically valid sample? Obviously they would not be satisfied; or should we be satisfied with a standard that allows defective products on the market. Section 11 should be retained.

Section 12 authorizes the Commission to prosecute civil actions without the concurrence of the Attorney General. The issue concerning this section is quite clear: Is the Congress going to allow the Consumer Products Safety Commission to become truly independent of the White House? Without section 12 the Commission will continue to be affected by political pressures applied to the administration by well-funded special interest groups. The Congress can eliminate the President's control over the Commission's civil litigation by retaining section 12.

Section 13 would permit the Commission to regulate under the Consumer Product Safety Act, a risk of injury associated with a consumer product, which could also be regulated under one of the other three acts the Commission administers, if the Commission finds that it is in the public interest to do so and that finding is published in the Federal Register. This provision allows the Commission to utilize the statute which would best serve the public interest. Because striking this provision would only limit the Commission's future, effectiveness, section 13 should not be eliminated from the bill.

For all the aforementioned reasons I urge approval of H.R. 6844 in its present form.

Mr. HUGHES. Mr. Chairman, I am very pleased to support the amendment offered by the gentleman from West Virginia (Mr. STAGGERS) which would exempt the glass industry from the requirements of section 11 of H.R. 6844, to amend the Consumer Product Safety Act. The protection which that section seeks to afford to consumers is most welcome, but we must realize that a 100-percent sampling requirements bumps up against certain practical limitations, in the case of certain industries.

The glass industry is one such area where a 100-percent sampling requirement simply would not be practical. I am informed by some of the glass manufacturers in my congressional district, that some of the most important tests used to insure quality require that the product be destroyed. Obviously such tests could not be applied to all items manufactured by any given glass company.

Accordingly I am delighted that the gentleman from West Virginia has recognized this problem in his amendment, which is most deserving of the support by a strong majority.

Mr. VAN DEERLIN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BERGLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6844) to amend the Consumer Product Safety Act, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 6844) which we have had under consideration this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT AND ADDITIONAL OR DISSENTING VIEWS ON H.R. 9803, POSTPONING EFFECTIVE DATE TO MEET STAFFING STANDARDS FOR CHILD DAY CARE CENTERS

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report, along with any additional or dissenting views, on the bill (H.R. 9803) to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards—for children between 6 weeks and 6 years old—in order to qualify for Federal payments for the services involved under title XX of the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MAKING IN ORDER ON MONDAY, SEPTEMBER 29, 1975, OR ANY DAY THEREAFTER CONSIDERATION IN THE HOUSE OF H.R. 9803, POSTPONING EFFECTIVE DATE TO MEET STAFFING STANDARDS FOR CHILD DAY CARE CENTERS

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that it may be in order on Monday of next week or on any day thereafter to consider in the House the bill (H.R. 9803), to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards—for children between 6 weeks and 6 years old—in order to qualify for Federal payments for the services involved under title XX of the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON GENERAL OVERSIGHT AND RENEGOTIATION OF COMMITTEE ON BANKING, CURRENCY AND HOUSING TO SIT DURING 5-MINUTE RULES ON TOMORROW

Mr. PATTISON of New York. Mr. Speaker, I ask unanimous consent that the Subcommittee on General Oversight and Renegotiation of the Committee on Banking, Currency and Housing may be permitted to sit tomorrow during the 5-minute rule.

The SPEAKER pro tempore (Mr. JONES of Oklahoma). Is there objection to the request of the gentleman from New York?

There was no objection.

WHAT ARE WE SELLING THE SAUDIS?

(Mr. STARK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. STARK. Mr. Speaker, the Department of Defense has proposed that we sell Saudi Arabia an unprecedented $1½ billion worth in services in one fell swoop—making her our largest arms purchaser this year.

The sheer enormity of this proposed transaction is sufficient, in my view, to mandate congressional review prior to its going into effect. As a result, yesterday I introduced a resolution of disapproval on the sale—but we have only 15 days left in which to act.

The proposed sale, for design and construction of a huge military base near the Iraqi border in Saudi Arabia, poses many questions on which there is now no information available:

What will the Iraqi reaction be?

Who will get the planning, design, and construction contracts?

If, as the Pentagon says, no preliminary planning contracts have been prepared, on what is the $1.45 billion estimate based? Is this figure, as one DOD official called it, simply a "wild ball-park figure" sent up to the Hill to appease Congress?

Is it perhaps naive to think, despite Pentagon assertions to the contrary, that no preliminary footwork has been done, either by Arab agents or by American companies vying for contracts? We have heard a lot about Arab middlemen recently, and I would like to know how the bribe business, headed by Adnan Khashoggi and associates, is doing.

These are only a few of my questions—I do not even address here the "whys" of the sale—or the possible ramifications of it on our foreign policy.

Let us stand up as Congress is supposed to do and learn what our Government is doing.

INTRODUCTION OF A BILL TO AMEND TITLE 18 OF THE UNITED STATES CODE TO PROVIDE A MANDATORY DEATH PENALTY FOR ATTEMPTS TO KILL THE PRESIDENT OF THE UNITED STATES

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, thank God the President did not get shot.

Two assassination attempts in a single month are a terrifying dramatization of the fine line between a safe and secure society for us all and anarchy.

The President of the United States is more than just a man or a cog in our

Government. He is a symbol of democracy and freedom throughout our world. The need for him to see and communicate with the people he serves has compelled all of our Presidents within my memory to accept the dangers and refuse to remain isolated.

Under these conditions even the most dedicated and sophisticated protection cannot totally eliminate the danger as was proved by the deaths of Presidents John Kennedy, William McKinley, James Garfield, and Abraham Lincoln, and the near tragedies of the two assassination attempts against President Gerald Ford, plus attempts against four other Presidents.

There is no total answer but it is true that a sense of perverse glory exists for people like Lynn Fromme and Sara Jane Moore, fed by the enormous publicity and a criminal code which permits a "hand slap" as penalty for very serious offenses.

Thus I am introducing a bill which amends the United States Code to provide a mandatory death penalty for an attempt to kill the President of the United States.

Adoption of this bill will not end the threat to the lives of our Presidents, but it will provide a much stronger deterrent than the present law which permits a sentence of only 2 years. It is a necessary step, I feel, to protect our free society from rule by anarchy.

SOUTH YEMEN RELEASES TWO AMERICANS

The SPEAKER pro tempore (Mrs. SPELLMAN). Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY), is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, I today received word from the United Nations Ambassador of the People's Democratic Republic of Yemen that his country has released the remaining two Americans it held. Ambassador Abdullah Ashtal called me from New York to give me the news and he very kindly credited me with efforts which led to their release. The two men, Vincent Torhan of Summit, N.J., and Robert Kopp of San Francisco, Calif., arrived back in the United States Sunday.

I traveled to Aden, South Yemen, in May of 1974 to rescue another American, Ed Franklin of Nebo, Ill., who had then served 16 months of a 5-year sentence on a spy charge.

When I went to South Yemen, I took pictures of Torhan and Kopp with me. I asked the government officials with whom I met for information about these two men. Since returning to the United States, I have met with Ambassador Ashtal several times, and talked with him by phone on numerous occasions in an attempt to help Torhan. I asked that the charges of espionage lodged against him be carefully reviewed since I did not believe there was any reason to believe he was a spy. I felt certain that, like Franklin, he was simply a misguided tourist who happened to be taking pictures at the wrong time and place.

Torhan is a coin collector who was imprisoned in March 1973, for taking pictures, supposedly of military installations. Kopp is a teacher, who was last seen heading for Socotra, a small South Yemeni island, in January 1973. It was never known whether he arrived or was in prison until early this year, and that was the primary reason I took photographs of him with me when I went to Aden in 1974.

I was never able to learn of Kopp's status. However, I was able to learn much of Torhan and assist him indirectly. Through Ambassador Ashtal's cooperation, I was able to persuade the South Yemen Government to divulge his whereabouts and to arrange for Mrs. Torhan to send several letters to her husband.

So it is a matter of great personal satisfaction to me to learn that these two U.S. citizens have now been released. In my opinion, these acts of clemency constitute an immense gesture of goodwill to the United States from the Aden Government I hope this gesture will be followed soon by the establishment of diplomatic relations between our two countries. I know that our Government stands ready to resume relations unconditionally.

I also hope to be able to meet Torhan and Kopp in the near future to hear firsthand of the circumstances of their capture and confinement.

I am deeply grateful to Ambassador Ashtal for cooperating in each of my efforts to assist these Americans and obtain their eventual release.

FUNDING FOR INTERNATIONAL WOMEN'S YEAR ACTIVITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr Speaker, I am delighted that the House has agreed to passage of the State, Justice, Commerce, and judiciary appropriations bill. The legislation includes an appropriation for $450,000 for International Women's Year activities. As a member of that Commission, I am greatly relieved that the day has finally arrived when the Congress is appropriating funds for the celebration of this landmark year.

It is most unfortunate that the moneys for International Women's Year were incorporated in the State Department appropriations bill—legislation that encompasses many controversial areas. Because of the delay in passage of this legislation, the IWY Commission has been hamstrung in its efforts. We now find ourselves nearly three-fourths of the way through International Women's Year with appropriate funding just now becoming available. Up until this point, other agencies have funded the Commission staff through the loaning of their own people to the Commission for its operation. These dedicated and competent women have worked tirelessly, often against great odds. Their plans and operations have been encumbered by not knowing when actual funding would become a reality. Many projects are underway or in progress on the expectation that this appropriation would soon become reality.

Thus, this bill and its final implementation has a special meaning. The overwhelming congressional support I sense in this body for the work of the International Women's Year Commission is as it should be. My only hope is that future action taken by the Commission in dealing with the urgent problems facing American women will not face such difficult obstacles.

OLD STATISTICS IN EPA-FUNDED REPORT BY MIDWEST RESEARCH INSTITUTE REFLECT FALSE PICTURE

The SPEAKER pro tempore (Mr. JONES of Oklahoma). Under a previous order of the House, the gentleman from Alabama (Mr. BUCHANAN) is recognized for 60 minutes.

Mr. BUCHANAN. Mr. Speaker, as I indicated at noon, I have secured special orders today, and the gentleman from Texas (Mr. KAZEN) has done so as well, in response to a study funded by the Environmental Protection Agency and conducted by the Midwest Research Institute about which there have been recent press reports, including a story in Time magazine, which I believe reflect very adversely on a number of cities around the United States, and very, very unfairly so.

The study was undertaken by Dr. Ben-Chieh Liu of the Midwest Research Institute with a $55,000 grant from the Environmental Protection Agency. It is based on 123 weighted factors which comprise 5 different components. Some of the factors appear in more than one component. The components include economic, political, environmental, health and education, and social. The data for the factors which make up these components were gathered from a number of sources but primarily from the 1970 census figures. Some of the statistics are from as far back as 1967, while a few are from 1972 and 1973.

The study was undertaken, according to Dr. Liu, to reflect the overall health of the Nation and its citizens' well-being.

The study consisted of 243 standard metropolitan statistical areas—65 with populations over 500,000; 83 with populations of 200,000 to 500,000, and 95 with SMA's of less than 200,000 persons.

The data were assembled, and each city ranked on a scale of A through E, with A equaling outstanding; B being excellent; C being good; D being adequate, and E being substandard.

That all sounds perfectly harmless, except when one considers some of the facts about this alleged study and the damage it can do to some of the finest cities in the United States of every size. This study, put out under the color of a government grant under the auspices of the Environmental Protection Agency, is, in fact, a libel and a slander against a number of areas, and I will be glad to tell the Members why.

It is ironic to me, Mr. Speaker, that this study was made pertaining to evidence from 1970 backward mostly, and yet was printed in May of 1975 and released in September 1975. In reading the study, I feel as Astronauts Armstrong, Aldrin, and Collins might have felt had they read in 1973 a study based on space exploration data 5 years earlier which concluded that man had yet to place his footprints on the moon: Or as George Washington might have felt reading in 1779 a just-released political evaluation of the British Colonies in North America based on data gathered in 1774.

The only words to describe my reaction are "astounded" and "aghast."

It is ironic that while the data in this study were taken primarily from the 1970 census and, hence, is 5 years-and-more old, the study itself sought to stand in judgment on the quality of life in cities in 1975, 5 years later. The persons who made the study never set foot in Birmingham, Ala., which is one they rated low; they never set foot in my lovely port city of Mobile, Ala., with all of its old South charm and all of its new South industry as a great and growing port city in America. They never saw the charm and greatness of New Orleans, which they graded down.

I could cite city after city in the North, South, East, and West, but particularly in the South that, on the basis of skimpy statistical evidence 5 years old and more, they have sought to put down. These statistics are based on the census of 1970, and on that they based most of their findings.

The city of Birmingham, which I am pleased to represent, rather than being graded down as it was in the study by the Western Research Institute, was found in 1970 by the National League of Municipalities and Look magazine to be making such outstanding progress that they recognized Birmingham as an All-American City. While this study by Western Research sought to put down my city and many others like it across the country on the basis of how things were in the world 5 years ago rather than in the world that is here and now, the city of Birmingham has just received in the last 2 years 2 national awards from Keep America Beautiful for environmental achievements. We ranked first in the Nation in each of the last two years, and have thereby been retired to Keep America Beautiful's Hall of Fame—one of only three cities of our size in the Nation to receive such distinction. In the most recent issue of National Geographic there are a number of words describing in glowing terms how Birmingham is in 1975 as we began in these recent years to attack the problem of particulate pollution which is natural to a steel and foundry area.

It is very well for clerks to look down at mechanics because mechanics have grease on their hands, but it is not possible to have steel mills and foundries without having particulate pollution.

It is not just a matter of the law only recently catching up to the problem of pollution, it is also a matter of technology only recently improving until we can now attack this problem. But in this day of our Lord in 1975 the October National Geographic refers to Birmingham as follows:

> The strangling fumes of 5 years past are abating under tough anti-pollution codes and their equally tough enforcement by the Health Department Director Dr. George Hardy.

This article goes on to portray both Birmingham and Alabama in glowing, and, I believe, accurate terms. A 1972 New York Times article noted that Birmingham's "skyline is sparkling."

The study was based not only on the environmental factors but also on economic and social and political factors poorly defined and according to the mentality of a Ph. D. in the Midwest who devised his own measuring rods as to who was living a life of quality and who was not in these United States. He used incomplete data. He used old data as to what was, rather than what is. Also the factors he strongly weighed were most peculiar. For example the city of Birmingham which operates according to a balanced budget was rated substandard economically while the city of New York, which is bankrupt, was rated excellent. One of the reasons for this rating was based on how much the policemen are paid. I believe they should be paid well. But one fact is that a policeman has to have one salary to survive in New York on a certain standard while a policeman who is fortunate enough to live in Birmingham does not have to have as much, and the cost of living was not even considered in this component of the study.

Another thing that resulted in grading down was whether or not a city had a high ratio of unemployed black residents. It is all right to have a high ratio of Chicanos or Puerto Ricans or white residents who are unemployed. But in this study what really hurt, according to the measuring rod used by Dr. Liu, was how much unemployed black population a city had. Which area is the most likely to be hurt on that measuring rod? Of course it is the Southern city which has the most black population—and certain urban areas outside the South which have high concentrations of black people—that is, according to the measuring rods used by this one professor to measure cities across the United States.

Mr. DOMINICK V. DANIELS. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New Jersey.

Mr. DOMINICK V. DANIELS. Mr. Speaker, my colleagues are aware that there are three kinds of deceits in the world—lies, damned lies, and statistics.

Social scientists have been using statistics for years to prove just about any hypothesis they develop.

Statistics, per se, are not inherently evil. However, their misapplication can create impressions which are totally false, and so we must resist the temptation to embrace computer printouts as being the source of all truth and wisdom.

A case in point is the recently released report of the Midwest Research Institute comparing a number of cities and towns in the United States on the basis of the quality of life enjoyed in those areas.

This report, commissioned by the Environmental Protection Agency at a cost of $55,000, took data from the 1970 census, collected years earlier, and ran it through a computer to determine relative standings of various communities around the country. The report was made available to the Environmental Protection Agency about 2 months ago, but just last week, officials at the Midwest Research Institute took the liberty of releasing the report's findings to the press—who in turn released it to the public in a series of articles that appeared in national newspapers over the weekend.

Unfortunately, the Midwest Research Institute did not consider it necessary to notify the mayors of the cities and towns that received less than favorable ratings so that they might have an opportunity to study the report before they were beseiged by local press and angry constituents. The extension of this basic courtesy could have saved the institute and the EPA a lot of trouble, because they will now have to deal with upset people calling them from all across the Nation, including Members of Congress.

I think it would be valuable to put the report into perspective. I feel that it is incumbent upon me to do so, because the city that received the least favorable rating is in my congressional district—Jersey City, N.J.

First of all, the raw data used in the report is hopelessly outdated. For instance, the national unemployment figure cited in the report is 4 percent—and everyone knows that the figure today is double that amount. I submit to my colleagues that every other figure should be suspect due to the changed economic conditions existing in the country as a whole today.

Second, we should examine the factors that were considered in evaluating the various cities. In the development of the environmental classification, the research institute used such criteria as the number of trail-miles per capita, the number of campsites per capita, the number of public swimming pools per capita, and the number of tennis courts open to the public. Obviously, Jersey City lags behind considerably in the number of campsites and trails available for its citizens. However, I think that it is unfortunate that this sort of criteria was averaged in with such compelling environmental data as photochemical oxidants and level of water pollution. There is no way you can compare a city like Denver, Colo., with Jersey City, N.J., and come up with anything worth while, statistically speaking. I think we should question this type of comparison, and discard it as being devoid of meaning.

In the area of social quality, Jersey City received low marks because it supposedly had "very few sports, dances, drama, or music events and virtually no cultural institutions and fairs and festivals were held in 1970." I would certainly dislike being rated as to sociability on the basis of how many parties I chose to attend in a given year—but this is precisely what the report has done on a city basis.

Actually, when I read the report, I discovered that Jersey City came out pretty well when compared to the national average—the city suffered only when set side by side with cities in areas of the country that do not share similar problems—cities that by geographical accident have more potential campsites and trails and stronger breezes to dissipate their air pollution.

Mr. Speaker, I shall not succumb to the temptation to criticize the report, page by page.

Believe me, I know that Jersey City has problems—as do countless other cities around the Nation.

But I also know, and am very proud of the fact, that Jersey City has been working hard to resolve these problems, and our talented mayor deserves credit for the gains he has made, especially in the area of health care delivery.

As a matter of fact, if the survey were to be conducted today, I daresay that Jersey City would be a national leader in the area of innovative health care programs. Jersey City will soon unveil the first computerized pediatric diagnostic center in the Nation—a center that will probably become a model for similar centers around the Nation.

Mr. Speaker, if this report is to have any positive impact on improving the quality of life in American cities, it should be used as a guideline by the Environmental Protection Agency and other Government agencies in developing a priority system for funding of vital programs. Those cities that have greater needs should receive more funds. Currently, this is not the case. Jersey City has to fight for every Federal dollar it receives, despite overwhelming evidence of compelling need.

Clearly, this situation must be changed. If cities are going to be subject to having their problems aired in public, then they also deserve to get more than words of encouragement from Uncle Sam.

Mr. Speaker, I shall be watching the EPA to see how responsive they are in the future to the environmental needs of Jersey City and other cities classified in the report as being "substandard."

The EPA now has all the information it needs to make responsible decisions on funding of such projects as waste water treatment, air pollution control, mass transit, recreational facilities and a wide variety of other goals deemed to be essential to an improved "quality of life."

Now that they have this information in hand, I hope that we can look forward to some positive results.

Mr. Speaker, I intend to join my colleagues from other so-called substandard cities—and I am proud to be in such distinguished company—in keeping a watchful eye on how EPA proceeds to improve the quality of life in all the towns and cities that have been classified as "substandard" in this report.

Mr. BUCHANAN. Mr. Speaker, I thank the gentleman for his contribution.

The gentleman from Texas just called to my attention a formula used in this study which is so long and complicated, I will not even try to read it.

I would simply say that this kind of gobbledygook has replaced going to cities like my city and the gentleman's city. I will say to the gentleman from New Jersey and other cities across this land that those who wish to evaluate us should see for themselves how the people live in our cities.

I could not describe the beauty of San Francisco, which happened to rate high in statistical terms, nor could I describe in cold statistics such beautiful things as some of the things that have happened in Birmingham, Ala., in the last 5 years, or things that were already there in 1970 that add beauty and aliveness to our town.

Let me mention one other measure used in this alleged study. One of the measures is how many full-time chamber of commerce employees per 100,000 population the city has. I have nothing against the chamber of commerce. I think they are great and wonderful. We have a fine chamber of commerce in my town; but some years ago in our city we set up a separate organization which works in addition to the chamber of commerce, which is called Operation New Birmingham. It is biracial in its leadership. It reaches out to the total community to find a way to make the city a place of opportunity for all its people and to build in Birmingham "an alabaster city undimmed by human tears." That active organization has done great good in my town, but that was not included because it does not go under the name of chamber of commerce, even though it supplements the function of the chamber.

I could go on, but I will not, because there are others that want to speak.

I want to point out some things that are not measured here, such things as the great University of Alabama in Birmingham, with the surrounding medical center that is the pride of the southeastern United States. This was not even a factor in the "quality of life." There is a man of whom we are very proud in that medical center. His name is Kirkland. Dr. Kirkland came from one of the high-rated cities in the Midwest to our low-rated city of Birmingham, Ala. Let me report what he said:

> Alabama is a state anxious to look ahead. It is a beautiful place to live. Here in Birmingham I saw a young institution with tremendous potential, an institution, eager to excel. I had some new ideas about cardiac surgery and here I could work toward developing them.

Another person quoted in the October 1975, National Geographic article said of our city:

> If you want good medical care, go to Germany or Switzerland, but if you want the best in the world, go to Birmingham.

I think the medical center at Birmingham is something that adds to the quality of life in our city.

I happen to believe that what happened 5 or 10 years ago has little relevance to what is happening now or to what happens in the future. This purports to be a study telling us what we need to do to improve ourselves today and tomorrow and in the future.

I would say to the Members of the House, to the bureaucrats of the Environmental Protection Agency, you can understandably be greatly confused by this talk of the Midwest Research Institute. Therefore, I invite one and all to come and see for yourselves the beauty of my city, where the quality of life is very, very high.

In my area and in all other large substandard standard metropolitan statistical areas, the people have come to visit and have stayed—the population has increased. I would note, however, in at least one of the outstanding large SMSA's—Seattle—the population has decreased. It would appear, Mr. Chairman, that the people have, themselves, decided what they consider to be high quality of life factors.

I end with one final point: I note among the factors that were not considered was whether or not the area was a place where there were religious institutions, such as churches. My seven colleges and universities also were not included as a factor in the quality of life. In Birmingham we do have a city of churches, a city where the Community Chest every year goes over the top in its fund drive, and one filled with eleemosynary institutions offering help to those in need and hope to those who are hopeless. This is not considered relevant by the Midwest Research Institute to the quality of life. We disagree.

Madam Speaker, there are many cities in this study like mine, whose people would find them, from a humanitarian point of view, from a moral point of view, from a citizen's point of view, wonderful places in which to live and vital parts of these United States, which have been libeled and defamed by this study.

Madam Speaker, I would say that it is a great shame in this bicentennial year that an agency of our Government should be looking sourly at the world that was, rather than celebrating the world as it is in great cities such as Mobile, Ala., and Birmingham, of which I am very proud to represent in the Congress.

GENERAL LEAVE

Mr. BUCHANAN. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order, and I ask unanimous consent that I may revise and extend my own remarks on this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

EPA CARELESSNESS INSULTS CITIES OF AMERICA

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. KAZEN) is recognized for 45 minutes.

Mr. KAZEN. Madam Speaker, I accuse the Environmental Protection Agency of fouling the air and discouraging important citizen effort to improve the quality of life through flagrant carelessness. My attitude stems from a report by the Midwest Research Institute of Kansas City, operating a project funded by the Environmental Protection Agency, that examined our Nation's urban areas. Ranked worst among small cities was Laredo, Tex., which I am proud to call my home.

My inquiries at EPA show administrative confusion there. The Midwest Research Institute project was funded by an EPA agency that no longer exists, yet apparently when the administrator closed down the EPA Environmental Research Center, he left its wandering operations to continue at will.

This project of the Midwest Research Institute took 1970 data, by its own statement, and we all know that when data collections are dated 5 years ago, they probably represent figures collected several years earlier. I contend that careless use of statistics in itself denies the validity of findings, but Laredo's community efforts also deny this report.

It is a city that has faced its problems. We long needed a new bridge across the Rio Grande because millions use Laredo annually as a gateway city into and out of Mexico, but the EPA itself delayed approval long after the citizens had labored to get it. The Department of Defense chose to close the Laredo Air Force base, and our fine citizens banded together to seek alternate use of that base—an effort that is continuing and now is hampered by this Midwest Research Institute report.

Laredo has developed as a major inland port, so that last year exports through the Port of Laredo were valued at $2,652,000,000. That was an increase of 60.1 percent over 1973 exports—one example of the point I make that the EPA's use of old figures completely disregards my hometown's efforts to better itself.

With our whole Nation pressed for new sources of domestic energy, Laredo citizens have taken the lead in developing an important field of natural gas wells in Webb and Zapata Counties, to promise more jobs for our people and more energy for our Nation. This is another activity that could not be measured by 5-year-old figures.

I would not contend that Laredo has no problems. Like every other city in our Nation, our public officials face many challenges. High on the list is jobs for our people—and incidentally, this report shows our unemployment at 6.8 percent, while it has been over 12 percent for some time and even topped 18 percent occasionally. One might ask if I am boasting about that figure. Of course not. But the true figures might say to some prospective industrialist, thinking of locating in Laredo, that he could expect an adequate, capable, eager labor supply. So here is more factual distortion from out-of-date data.

I find nothing in the report that recognizes that Laredo, a border city, has a binational culture that blends the best of American and Mexican qualities in a community that has never had racial strife, but rather friendly people of different heritages deeply concerned about their neighbors.

We have worked to improve our schools, our streets and parks, our health care, and our public services. Progress has been significant in recent years, but all this is disregarded in the old data used in the study. I would imagine these researchers, looking at ancient Rome, would give the Emperor Nero high marks for music appreciation, while saying he was not strong on fire prevention. But would they then say that Rome is in danger of a major conflagration today?

I am deeply disturbed that Federal funds should be used to hinder citizens who are trying to improve their community and to attract new businesses that can help us fight unemployment. This one outdated study, financed by a supposedly prestigious Federal agency, discredits what the Congress and the American people have tried to do by spending millions and millions of dollars in pursuit of a better life.

EPA has pointed out that the title page of the published study disclaims official responsibility for its contents. One of the EPA people says:

> It's nothing more or less than a data gathering and computer analysis project that was funded by a $55,000 grant.

EPA may have had needs for the study, but they do not have to foul the air by using old data to support erroneous findings.

I assume this is an econometric study. The first 50 pages discuss methodology and contain some statements I do not propose to challenge. Let me read one sentence:

> The iso-quality curves are shown to be downward sloping and to the right. Further, these negative sloped iso-quality curves are convex to the origin as shown in diagram 1, if—

And here I must stop quoting because there follows a mathematical formula that requires 10 lines of typing and several pages of explanation.

I do not argue here about the validity of some of the factors used in the calculations. Maybe Laredo should be criticized for having no trails for hiking or biking, though the city is placed in an area where fresh air and exercise can readily be obtained. Maybe our death rate, shown at 7.2 per thousand, means something about the quality of life. Maybe our low per capita rate of government spending means our officials should not have measured public services against public ability to pay. I confess a certain confusion about the study itself.

But I am not confused about the release of the study without any effort to advise officials of Laredo and the other cities that they were to be indicted without any chance to respond. I am angry that the EPA, which has contended that it has a vision of a better future for our people, lacked the ability to see the effect this report could have. To those who study the report, its faults from outdated statistics will be obvious. They will soon question, as I do now, the wisdom of spending taxpayer's money in this manner.

And I assure one and all that in spite of the unfavorable light cast by this report on the city of Laredo, we shall continue to progress. The people who choose to live and work there will find it an alert community, meeting its challenges now instead of looking over its shoulder at the past.

Mr. GONZALEZ. Madam Speaker, will the gentleman yield?

Mr. KAZEN. Certainly, I yield to my distinguished colleague, the gentleman from Texas.

Mr. GONZALEZ. Madam Speaker, I thank the gentleman from Texas for yielding.

I rise in support of the gentleman's statement and of his position. I was interested in his reaction that he has expressed so eloquently to what I consider to be a very wasteful exercise on the part of a governmental agency. This is one of those things that gives credence to the letters I have received from citizens year in and year out about certain projects that are apparently financed by the Government through some agency or bureau, projects that really seem ridiculous. They seem so unbelievable that one hardly knows how to reply to the constituent. On more than one occasion I have been shocked to find out the constituent has been right.

Naturally, the Congress is not aware of these projects, because in the funding of these agencies, the Congress not being an administrative body, there is a certain amount of delegated discretion and power exercised by these administrative agencies.

In this case this report is grossly inaccurate. It is not worth even half the amount of money that was contracted for by the EPA in payment for the so-called study. It is obviously the work of a couple of professors who performed the work in order to pad their annual incomes and found this to be one profitable way to do it without leaving the classroom, without leaving academia, because obviously they did not visit any of these cities they have rated. They rated practically every city, and it would have been physically impossible for them to have made a personal and a corroborated visit to these cities.

So, I think the gentleman is performing a very notable service, just as the preceding speaker did. I am grateful for it.

Madam Speaker, I rise in support of the gentleman's statement and join him in this presentation.

Mr. KAZEN. Madam Speaker, I thank my distinguished colleague for his remarks.

Mr. BUCHANAN. Madam Speaker, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Madam Speaker, I, too, would like to commend the distinguished gentleman from Texas (Mr. KAZEN) for his leadership and for the eloquence of his remarks.

I would add to those remarks, as the gentleman has so well pointed out, that this study was based on data primarily taken from 1970 and before. This has been released by EPA in 1975, and everything that it reflects how things allegedly were before the Environmental Protection Agency came into being.

This agency must have the world's worst inferiority complex. If it would now, 5 years later, describe how things are in terms of how things were before it even came into existence, this must amount to a confession that they are not doing much good in the world.

Mr. KAZEN. Madam Speaker, I thank the gentleman for his observations.

BAHAMA CONVENTIONS

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the Ways and Means Committee is currently considering tax reform legislation. One of the loopholes which we may close is the section permitting tax deductions for the expenses of attending business conventions and meetings overseas.

Business conventions can be useful and educational, and can constitute a very legitimate business expense. Conventions overseas, however, often have a holiday atmosphere. They all too often become vacations subsidized by the Treasury and the rest of all the American taxpayers. In addition, those overseas conventions which have little or no need to meet overseas or with foreign businessmen drain dollars overseas and cause a loss of business activity here in the United States.

During the deliberations before the Ways and Means Committee, I raised the issue of tax deductible trips to tax haven countries which have established a sunny climate for Americans seeking to avoid American taxes.

Earlier this summer during the committee's considerations, I received a communication from the Embassy of the Commonwealth of the Bahamas urging that the deduction not be denied for conventions and meetings held in the islands. In an effort to obtain a better understanding of the need for Bahama conventions, I asked the Embassy how many conventions and what types of meetings were held in the Bahamas. Following is a letter from Ambassador L. B. Johnson providing a partial list of conventions and meetings held in the Bahamas in 1974. I want to stress that the tax code permits deductions for educational and business meetings; I am not saying that each of the following groups or each of the individuals attending these meetings qualified for or claimed a deduction.

I do not understand why the Indiana Optometric Association would feel the need to hold "necessary" business meetings in the Bahamas—especially since the Bahamas are not particularly noted for their medical facilities.

Why should the Treasury subsidize the extra expense of 800 members of the Home Builders Association of Georgia to meet in Nassau to discuss the serious plight of the American homebuilding industry. Nassau is not known to be a major oil producing nation; in fact, it produces no oil. Nevertheless, 150 members of the Oklahoma Oil Marketers Association met at the Paradise Island Hotel last December. What social or American business purpose is served by permitting tax deductions for such a meeting?

I appreciate the information which the Embassy has provided to me—but I still see no reason to continue this subsidy for winter vacations in the tax haven tropical Sun. Frankly, I think that the list of these conventions and meetings is additional proof of the need to close this loophole once and for all.

The letter follows:

EMBASSY OF THE COMMONWEALTH
OF THE BAHAMAS,
Washington, D.C., August 20, 1975.

Hon. CHARLES A. VANIK,
Committee on Ways and Means, House of Representatives, Washington, D.C.

DEAR MR. VANIK: We thank you for your letter of July 30th in which you asked that we provide you with a list of Conventions which were held in The Bahamas in 1973 or 1974.

Due to the fact that neither The Bahamas Government nor any of its agencies maintain a descriptive list of Conventions and/or group travels to The Bahamas we regret that we are unable to comply with your request.

We have, however, been able to obtain from our Tourist Office in The Bahamas a representative sample listing of Convention Oriented Travel for 1974 and take great pleasure in forwarding herewith the same to you.

Notwithstanding our inability to comply with your specific request it is our earnest hope that the sample listing being submitted herewith will serve to give you some indication of the nature and extent of group travel to The Bahamas generally.

Sincerely yours,

L. B. JOHNSON,
Ambassador.

DESCRIPTIVE SAMPLE LISTING

NASSAU/PARADISE ISLAND, CONVENTIONS AND MEETINGS 1974

Names	Origin	Size	Hotel	Dates
Penn Mutual Life Insurance Co	Philadelphia, Pa	170	E.B.H.	Jan. 20–23.
Hickney-Mitchell	St. Louis, Mo	24	N.B.H	January.
National Association of Wiping Cloth Manufacturers	Baltimore, Md	350	P.I. Hotel	Do.
Retail Confectioners Association	Glenview, Ill		Flagler	Do.
Graco, Inc	Minneapolis., Minn	80	Ambassador	Do.
National Utility Contractors Association	Washington, D.C	200	P.I. Hotel	Jan. 7–14.
GEHL Co	West Bend, Wis		P.I. Hotel	February.
Puritan Sportswear	New York	130	N.B.H	Do.
Teweles Seed Co	Muscatine, Iowa	700	N.B.H	Do.
Country Life Insurance Co	Bloomington, Ill	200	N.B.H	March.
Southern Conference U.S. Savings & Loan	Chicago		P.I. Hotel	Do.
Crown Life Insurance Co	Toronto	1,000		Apr. 21–24.
Orthodontic Alumni Society of Columbia University	New York		P.I. Hotel	April.
J.C. Penney—Hardlines Division	do	20	Ambassador	Apr. 21–26.
Canadian Premier Life Insurance	Winnepeg	150	Britannia	May 13–17.
Government Personnel Mutual Life Insurance Co	San Antonio, Tex	150	Ambassador	May.
Grand United Order of Oddfellows	Bristol, Pa	1,000	P.I./Flagler	Aug. 11–17.
Home Builders Association of Georgia	Macon, Ga	800	Ambassador	September.
Wittner & Co	Tampa, Fla	100	Britannia	Do.
N.Y. State Automobile Dealers, Inc	Albany, N.Y		P.I. Hotel	October.
Manitoba Bedding Co	Winnepeg, Canada	200	N.B.H	Nov. 22–29.
Ralston Purina	St. Louis, Mo		P.I. Hotel	November.
Oklahoma Oil Marketers Association	Oklahoma City, Okla	150	P.I. Hotel	December.

FREEPORT/LUCAYA, CONVENTIONS AND MEETINGS 1974

Lincoln National Life Insurance	New York	30	Xanadu Princess	June 3–6.
Peninsular Life Insurance Co	do	200	Bahamas Princess	June 8–12.
Blure Flome Counsil	Texas	125	Holiday Inn	June 9–13.
North Carolina Jobbers Association	North Carolina	100	Bahamas Princess	June 12–16.
Prudential Insurance Co	National	260	do	June 16–19.
Do	do	335	do	June 19–22.
Menicy James Laboratories	do	124	Xanadu Princess	June 28–July 2.
Prudential Insurance Co	do	435	Bahamas Princess	June 23–26.
American Fidelity Insurance	Oklahoma	25	Xanadu Princess	June 26–29.
Love Cosmetics	Pennsylvania	135	do	June 28–July 2.
National Retail Grocers Association	Colorado and Wyoming	482	do	
Computers Dealers Association	do	50	Lucayan Beach	May 2–7.
Prudential Insurance Co	Nationwide	400	Bahamas Princess	May 1–4.
Indiana Optometric Association	do	250	Holiday Inn	May 1–5.
Prudential Insurance Co	do	800	Bahamas Princess	May 8–11
Do	do	800	do	May 5–8.
Louisiana State Medical Society	Louisiana	130	Xanadu Princess	May 8–12.
Purchasing Management Association	National	56	Holiday Inn	May 5–6.
League Services Corp. of New Britain	do	56	do	Do.
Monumental Life Insurance Co	do	410	Bahamas Princess	May 12–16.
Investors Fidelity Life	do	100	do	May 30–Aug. 2.
Walter Kay's Public School Teacher Group	Texas	23	Freeport Inn	Apr. 6–10.

FREEPORT/LUCAYA, CONVENTIONS AND MEETINGS 1974—Continued

Names	Origin	Size	Hotel	Dates
Washington National Insurance	Washington, D.C	2,000	Bahamas Princess	Apr. 20–25.
Amenson Parts System	do	580	do	Apr. 25–28.
A.P.S. Inc	Texas	1,000	Bahamas Princess	Apr. 25–28.
Prudential Insurance Co	Nationwide	800	do	Apr. 28–May 1.
Ohio Hospital Association	Ohio	60	Xanadu Princess	Mar. 3–8.
CUNA Mutual Life Insurance		100	do	Mar. 8–17.
BanKers Life	Iowa	33	Xanadu Princess	Mar. 20–23.
Do	do	100	Lucayan Beach Hotel	Mar. 24–27.
Prudential Insurance Co	National	350	Bahamas Princess	Mar. 27–30.
Tufts Association of Orthodontists	do	150	Xanadu Princess	Mar. 31–Apr. 4.
General Contractors Association	do	140	Lucayan Beach	Jan. 19–26.
Ethyl Corp	do	85	Bahamas Princess	Jan. 13–16.
Christenson Cheverolet Group	do	16	Xanadu Princess	Jan. 19–24.
National Association of Conveniences Stores	do	150	do	Jan. 20–24.
Schaifer Brewing Co	New York	60	Bahamas Princess	Jan. 31–Feb. 4.
G.A.F. Corp	New Jersey	60	do	Feb. 10–13.
Acacia Mutual Life	Washington	125	Lucayan Beach	Feb. 10–14.
Bishop Food Company	New York	120	Grand Bahama Hotel	Feb. 22–Mar. 1.
S. S. Fritz Jr. Inc	Pennsylvania	360	Bahamas Princess	Feb. 24 and Apr. 17.
Do	do	200	do	Mar. 3 and Apr. 22.
Rocke Laboratories	New Jersey	300	do	Feb. 24–28.

H.R. 5397, AUTHORIZING RETIREMENT OF FEDERAL EMPLOYEES AFTER 30 YEARS OF SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MINISH) is recognized for 5 minutes.

Mr. MINISH. Mr. Speaker, I rise to indicate my support of H.R. 5397, a bill to authorize the retirement of Federal employees after 30 years of service. This legislation is expected to receive final House consideration later in the week.

Under existing law, a Federal worker may retire voluntarily at age 55 with 30 years of service, at age 60 with 20 years of service, or at age 62 with 5 years of service.

The present law discriminates against employees who come into Federal service at an early age and it is out of line with the growing trend in both the public and private sectors toward early retirement.

H.R. 5397, which is strongly advocated by Federal employee organizations, would encourage talented young people to join the Federal service, and put the Federal Government in a better position for recruiting personnel.

The legislation also would make it economically feasible for workers with partial disability, or declining capacity or interest, to voluntarily retire from the Federal service. In consequence, the immediate increase to the Government for retirement benefits would be offset by improved efficiency.

Moreover, since 104,500 employees would immediately become eligible for retirement under the provisions of this bill, the legislation ultimately would have the effect of helping to curb our country's high rate of unemployment.

Mr. Speaker, I urge prompt approval of H.R. 5397 by the House and speedy consideration by the Senate.

DR. WILLIAM S. MIDDLETON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER), is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, today I wish to pay tribute to an outstanding citizen and physician, Dr. William S. Middleton, who died on September 9 at the age of 85.

Dr. Middleton had a long and distinguished career as a practicing physician, teacher, and medical administrator. He received his medical degree from the University of Pennsylvania in 1911. After an internship at Philadelphia General Hospital, he joined the faculty of the University of Wisconsin Medical School in 1912. During World War I he served on active duty with the U.S. Army Medical Officers Reserve Corps. He returned to the University of Wisconsin Medical School and became its dean in 1935, a post he held until 1955.

During World War II, Dr. Middleton returned to active duty with the U.S. Army Medical Corps and was chief consultant in medicine for the European Theater of Operations from June 1942, to July 1945. For his distinguished service in two World Wars, Dr. Middleton received several awards, including the Distinguished Service Medal.

When he retired as dean of the University of Wisconsin Medical School in 1955, at the age of 65, Dr. Middleton undertook another demanding position. He became Chief Medical Director of the Veterans' Administration and was the only Chief Medical Director to serve two 4-year terms.

During his tenure as Chief of the VA medical programs, Dr. Middleton revolutionized the treatment of tuberculosis, mental illness, and hypertension as well as improving rehabilitation programs for combat-injured veterans. He spearheaded the development of research programs at VA hospitals and clinics. His contribution in this area is reflected in the fact that the highest research award of the VA is named in his honor.

Dr. Middleton had been actively involved in the veterans' medical programs for many years before he became Chief Medical Director. In 1922 he became an attending specialist in tuberculosis to the former U.S. Veterans Bureau. After World War II he was one of the original members of the VA special medical advisory group, charged with improving the care and treatment of disabled veterans. This group played a leading role in establishing an association between the VA and leading medical schools throughout the country.

After Dr. Middleton completed his service as Chief Medical Director of the VA, he served as a visiting professor of medicine at the University of Oklahoma and then returned to Madison, Wis., where he was a consultant in medicine at the VA hospital. He joined its staff in 1970, when he was 80 years of age.

He was noted as a teacher, being voted outstanding professor at the University of Wisconsin Medical School year after year. He also was a very capable administrator and yet he never lost sight of the importance of patient care.

In light of his distinguished service with the Veterans' Administration and his association with the VA hospital in Madison, Wis., I feel it would be highly appropriate to name this hospital in his honor. Today I have joined with other Members of the Wisconsin delegation in introducing a bill which would designate the VA hospital in Madison as the William S. Middleton Memorial Veterans' Hospital and which would authorize a suitable memorial to him there.

CAPTIVE NATIONS WEEK AND HELSINKI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, as shown in previous reports on the 1975 Captive Nations Week, the announcement of the European Security Conference was undoubtedly timed for the week. So was the Apollo-Soyuz bit. These and other events did not go unnoticed by supporters of the captive nations.

The following items are additional examples of the related activities last July: First, a letter in the July 15 Boston Herald American, second, a Ukrainian Congress Committee of America memorandum on the Helsinki conference, and third, a report on Cardinal Medeiros' Captive Nations Week prayers in the July 11 the Pilot:

[From the Boston Herald American, July 15, 1975]

"CAPTIVE NATIONS WEEK"

This week (July 13–18) is observed nationally as "Captive Nations Week." Enacted by Congress in Public Law 86–90, the purpose of the "Captive Nations Week" is to reinstate our support for the freedom and independence of nations which have been victims of direct and indirect Russian Communist aggression.

The 1959 Resolution enumerated 22 nations; since 1959 Cuba, Cambodia and South Vietnam have been added.

The idea of national self-determination

has been sweeping the world. National, human and religious freedoms have been recognized as fundamental rights of nations. In spite of this, the Soviet government continues to deny the right to self-determination to the captive people in the Soviet Union and violates their human rights.

Hundreds of Ukrainian, Latvian, Lithuanian, Estonian, Armenian, Jewish and other dissidents are held in prisons and concentration asylums for demanding free speech, free travel, free movement of ideas between East and West and personal freedoms.

The principles of the 1959 "Captive Nations Week Resolution" must be reasserted this year in view of the pending Conference on Security and Cooperation in Europe in Geneva. The Soviet Union would use the conference, under the disguise of detente and nuclear arms limitation, to legitimize its territorial conquests in Central and Eastern Europe.

The U.S. government must stand firm behind its commitments and continue to manifest to the captive peoples American support for their national and human freedom.

KONRAD HUSAK,
President, Ukrainian Congress Committee of America, Medway, Boston Chapter.

CONFERENCE ON SECURITY AND COOPERATION IN EUROPE: ENDORSEMENT OF RUSSIAN SLAVE EMPIRE

(Submitted by Ukrainian Congress Committee of America, Inc.)

To member States participating in the European summit meeting on July 30, 1975, in Helsinki, Finland.

YOUR EXCELLENCY: On July 30, 1975, you will represent your government and your people at the Conference on Security and Cooperation in Europe, which has come into being largely through the insidious efforts and pressures exerted by the government of the USSR, which alone stands to gain from this international conclave.

Although the conference purports to be in the interest of and for the benefit of the European peoples, millions of Europeans are excluded from this council of European statesmen. As in the times of absolute and despotic monarchies of past centuries, these millions of Europeans, with centuries-old traditions of political and national independence, are barred from attending this important gathering simply because they are enslaved and dominated by the Soviet Union, which, in reality, represents and champions old Russian imperialism and colonialism, cloaked now in Communist garb.

Specifically, 48 million Ukrainians, 12 million Byelorussians, 8 million Estonians, Latvians and Lithuanians, and over 12 million Armenians, Azerbaijanis, Georgians and others will not be heard at the Conference, for they are coerced into political silence by the oppressive regime of Communist Russia.

The Security Conference has been a goal of Soviet Russian diplomacy since 1954; finally, the USSR has succeeded in inducing 32 European governments, as well as two outsiders, the United States and Canada, to gather in Helsinki to sign a perfidious document, which would guarantee the political status quo and the Soviet Russian illegal conquests of Eastern and Central Europe.

At this Conference, the Russians will get almost everything they want, for which they will give almost nothing in return, except some lip-service "concessions." They reluctantly agreed that "peaceful border changes" are possible, if such changes do not run counter to the "Brezhnev Doctrine," by which the Kremlin claims the right to intervene in the domestic affairs of any "socialist country." We all know what the Russians did in Poland and Hungary in 1956, in Czechoslovakia in 1968, in South Vietnam and the Middle East in 1973, and what they are doing today in Portugal.

The Helsinki Conference will seal not only the fate of such non-Russian European "union republics" of the USSR, as Ukraine, Byelorussia, Estonia, Latvia, Lithuania, Moldavia, Armenia, Azerbaijan and Georgia (not mentioning the five Turkic "union republics" of Central Asia), but also the countries of the so-called "people's democracies"—Poland, East Germany, Czechoslovakia, Romania, Hungary and Bulgaria—all ruled by Moscow-picked viceroys and Russian-trained and Russian-oriented gauleiters.

The U.S. Congress issued a document some years ago, listing over 50 international treaties and agreements concluded between the USSR and various countries, all of which were broken unilaterally by Moscow.

UKRAINE: A CLASSIC CASE OF RUSSIAN COLONIALISM

Your Excellency: Any illusions or hopes that may be entertained regarding Communist Russia's "peaceful intentions" must be measured against Soviet Russian policies in all the countries they dominate now, especially Ukraine, the largest non-Russian nation in the USSR.

In 1917, after the fall of the Russian empire, Ukraine, along with other non-Russian nations, established its own independent state, which was promptly recognized by the new Soviet regime on December 17, 1917. Recognition was granted again on March 3, 1918 at the signing of the peace treaty between Soviet Russia and the Central Powers. But though it granted diplomatic recognition to Ukraine, the Soviet government launched an armed aggression against Ukraine, thus starting a Russian-Ukrainian war lasting for over two years. In 1920 Ukraine was reconquered by Russia, but in destroying the Ukrainian independent government, Moscow was fearful of destroying the framework of Ukrainian statehood. A "Ukrainian Soviet Socialist Republic" was established and in 1922 it was made a "union republic" and a constituent member of the USSR. In 1945 Ukraine became a charter member of the United Nations, even though it has no international recognition as an independent state. Yet, the Soviet government claims constantly that all the Soviet "union republics" are "sovereign and independent" and that their right to secede from the USSR is guaranteed by the Soviet constitution.

In fact, Art. 14 of the Constitution of the Ukranian SSR and Art. 17 of the USSR constitution specifically stress the right of secession by any republic from the USSR.

In reality, however, anyone taking part even in an academic discussion on secession is subject to severe punishment and repression.

The colonial rule of Moscow in Ukraine is characterized by the following features:

Political Oppression: All Ukrainian political parties and groups are outlawed, and considered to be "anti-state groups" and dealt with accordingly.

Russification: One of the ugliest features of Russian rule in Ukraine is the enforced Russification of the Ukrainian language and culture, Ukrainian institutions and schools—all for the purpose of creating a Soviet man, who would be a Russian.

Economic Exploitation: Despite the fact that Ukraine is very rich in natural resources, the Ukrainian population is always shortchanged by the central government in Moscow. Consumer goods are scarce, as are other articles of prime necessity, such as clothing, medicine, and so forth. Most key positions in the Ukrainian economy and administration are occupied by imported Russian officials, while Ukrainians are forced to seek employment elsewhere, more often than not by official direction.

Religious Persecution: In the 1930's the Soviet government destroyed the Ukrainian Autocephalic Orthodox Church, followed by the wanton destruction in 1945–46 of the Ukrainian Catholic Church, forcing some five million Ukrainian Catholics into the fold of the Communist-controlled Russian Orthodox Church. It also persistently harasses other Christian adherents in Ukraine—the Baptists, Evangelics, Seventh Day Adventists, and Jehovah's Witnesses, and it relentlessly persecutes communicants of the Judaic faith by closing down synagogues, molesting religious leaders and terrorizing worshippers.

Destruction of Human Rights: In 1972–73 the KGB (Soviet Secret Police) arrested some 600 Ukrainian intellectuals—writers, literary critics, journalists, professors, students, artists, painters, scientific workers and representatives of other strata of society in Ukraine—on suspicion of "anti-Soviet agitation and propaganda." Many of these young men and women had been arrested in the first massive drive against Ukrainian intellectuals in 1965–66, and a number of them have been sentenced for a second time. Many of them are subjected to torture and are incarcerated in psychiatric asylums where they are gradually destroyed through forced injections of drugs and chemicals. These people had sent petitions to the government and judicial authorities, protesting the lawlessness of the KGB and the arbitrariness of the Soviet courts. They defended the Ukrainian language and culture, and they were deeply concerned because the Soviet Russian government still persisted in destroying the essence of the Ukrainian national identity and eradicating the Ukrainian national consciousness as powerful forces in the struggle for Ukrainian independence. The persecution of Ukrainian intellectuals constitutes a gross violation of the U.N. *Universal Declaration of Human Rights* and the Soviet constitution itself.

SANCTIFYING SOVIET RUSSIAN COLONIALISM IN EUROPE

The "Conference on Security and Cooperation in Europe" is a brain child of the Kremlin. Its purpose is very clear and unmistakable: Moscow wants the European powers to approve its territorial conquests in Europe as a stepping-stone to its domination of the European continent.

On June 26, 1951, the late U.S. Secretary of State Dean Acheson, testifying before the House Foreign Affairs Committee, stated:

"Historically, the Russian state has had three great drives—to the west in Europe, to the south into the Middle East, and to the east into Asia . . . The Politburo has acted in the same way. What it has added consists mainly of new weapons and new tactics . . . The ruling power in Moscow has long been an imperial power and now rules a greatly extended empire . . . It is clear that this process of encroachment and consolidation by which Russia has grown in the last five hundred years from the Duchy of Muscovy to a vast empire has got to be stopped."

On June 17, 1959, the U.S. Congress enacted the "Captive Nations Week Resolution" (now Public Law 86–90), which stated, among other things:

"*Whereas* the imperialistic policies of Communist Russia have led through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Romania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others."

In 1960 Cuba and this year two new nations were added to this long list of captive nations: Cambodia and South Vietnam. Two other prospective captive nations are Laos in Asia and Portugal in Europe.

Your Excellency: As a representative of an enlightened European state you must be fully aware of the inherent dangers of your nation giving its official approval to the Soviet Russian conquests. You also must know that there will be no "golden peace" in Europe nor a relaxation of "tensions." The Soviet Russian strategists, unlike Western diplomats, think in terms of the prophetic statement of British geographer, Sir Halford Mackinder, who said: "Who rules East Europe commands the Heartland: Who rules the Heartland commands the World Island: Who rules the World Island commands the World." It is this goal that the Russians are after.

Despite official denial from Washington that the Helsinki pact "won't settle borders in Europe," the American people in the vast majority, as stated in the press and in the U.S. Congress, are wholly convinced that the Helsinki summit will be an official endorsement of Russian control and hegemony over East-Central Europe.

Some of the European leaders may think that their countries will benefit from certain provisions dealing with human rights, but these are so imprecise and hedged as to raise serious doubt about whether they can ever be implemented.

The Helsinki conference is so grave a matter that it caused Alexandr Solzhenitsyn, Nobel Pribe winning Russian novelist, to call participation in the Helsinki meeting a "betrayal of Eastern Europe."

And the betrayal is not only of Eastern Europe, but of all humanity.

Please transmit the contents of this Memorandum to your government immediately. Thank you.

[From the Pilot, official organ of the Archdiocese of Boston, Mass., Friday, July 11, 1975]

Cardinal Asks Prayers for "Captive" Week

Cardinal Medeiros has asked the priests of the Archdiocese to observe Captive Nations Week, July 13–19, with prayers for the freedom and independence of all captive nations currently under Soviet domination.

Supporting the Cardinal's request for the prayerful observation of Captive Nations Week is the Ukrainian, Latvian and Lithuanian American Organizations in Metropolitan Boston. Delegates of the organization met with the Cardinal in early June.

UNITED STATES SHOULD NOT RELINQUISH SOVEREIGNTY OVER PANAMA CANAL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Tennessee (Mrs. Lloyd) is recognized for 5 minutes.

Mrs. LLOYD of Tennessee. Mr. Speaker, I rise in opposition to the amendment approved by the conference committee regarding U.S. control of the Panama Canal. I urge my colleagues to defeat this thinly disguised attempt to relinquish U.S. sovereignty of the canal, and adopt instead the language of the original House passed bill.

I strongly oppose any language which would permit the continuance of present negotiations from the surrender of the Panama Canal. The bill before us, unless it is strengthened, will permit the administration to continue its attempt to negotiate away U.S. sovereignty over the Panama Canal under the veil of fostering U.S. diplomatic interests.

Nothing could be farther from the truth. The United States signed and ratified the 1903 Treaty with Panama in good faith, and that treaty guarantees U.S. sovereignty over the canal in perpetuity, not for a few years. Because the canal is under the United States, its reliability as a sea route has greatly benefited foreign nations engaged in international commerce.

We saw during World War I and II the strategic importance of the Panama Canal to the national security of the United States. The military situation around the world is essentially unchanged from the period immediately following the Second World War. If anything, events in the Middle East and Southeast Asia have dramatized the need for the rapid movement of highly mobile forces into troubled areas. Viewed in this light, the control of the canal could be a critical factor in our country's ability to protect our vital interest in either ocean.

If we give up our rights to the Panama Canal, the instability of the political leadership in Panama could lead to the United States being denied access to the canal and possibly giving preferential treatment to our enemies. This bill is one of the few opportunities this Congress will have to voice its opposition to administration efforts to surrender U.S. sovereignty of the Panama Canal.

IMPORTANCE OF THE ARTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Brademas) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, today the Subcommittee on Select Education, which I have the honor to chair, began hearings on legislation to extend the authorization for programs administered by the National Foundation on the Arts and Humanities.

The subcommittee heard a number of eloquent statements, among which was that given by Mr. Gunther Schuller, of the New England Conservatory of Music, the renowned conductor and musical historian.

Mr. Speaker, because I feel that Mr. Schuller's statement is of particular importance at a time when we are often told that we must reevaluate our priorities and dispense with the unnecessary and frivolous, I would urge my colleagues to read Mr. Schuller's statement, which I insert at this point in the Record:

Testimony of Gunther Schuller

Mr. Chairman and members of the committee: I should like to confine my remarks to a few, hopefully salient points of a somewhat philosophical nature. I preface my remarks with the suggestion that I be heard not merely as a spokesman for the Endowment of the Arts—or for the arts in general, but also as a citizen vitally interested in the quality of life in our country, as a consumer, if you will, and as a social being. I do not mean to plead only the special interests of my chosen profession and that of my artist colleagues.

ARTS ARE NOT EXPENDABLE

It seems to me patently unfair and short-sighted to ask the arts to justify themselves in commercial or monetary terms and to justify some fractional federal support of the arts in competition with and against what are considered to be more "essential" material needs of our society. The argument that, in a tight and over-burdened economy, the arts are expendable—or are in any case among the first items to be cut, seems to me completely untenable. Because it presupposes that the artistic product—whether it be a work of art, or a performance by an orchestra or by a group of folk musicians, or the maintenance of a museum—that any and all of these endeavors can compete on a one-to-one basis with our country's business enterprises and basic social or welfare needs.

To view the arts solely as a pay-as-you-go business proposition or as a commercially profit-oriented venture is to misunderstand seriously the function and value of the arts, and is to virtually insure that the arts as a truly creative expression of our time, as expressed by real artists, will suffer extinction, leaving the field to those who produce solely for mass consumption a product which would, in my opinion, have little or no redeeming, lasting artistic value.

THE QUALITY OF OUR ENVIRONMENT

It should be clear to everyone that nations and peoples are remembered primarily by their cultures, by their cultural or artistic achievements. We needn't call it "culture", of course, for that term can be given a narrowly "elitist" interpretation, which offends a true believer in democracy. I would prefer to substitute for "culture" the "quality of our environment," our environment referring not only to the condition of our air and water and other physical necessities, but to the condition of our intellectual, mental, psychic and artistic welfare. To impair or endanger, or to in any way discourage the progress of this country's artistic development is to sell the American people short, is to deprive them of a necessary part of human existence, and is to stunt one of the most remarkable and truly unprecedented cultural developments in the history of mankind.

ARTS ARE NOT A LUXURY

One hears often the notion that in times of great financial need, in times of job security, starvation, when mere physical survival is threatened, the arts are not needed and not wanted, a frivolous luxury or, at any rate, a peripheral activity. Nothing could be further from the truth. Just turn off all the music in the United States for one week—or even a day—and witness the effect. Indeed, you gentlemen might agree that such a prospect seems quite inconceivable. Or close off—this is particularly pertinent in this Bicentennial period—all the museums in our country, making it impossible to appreciate our cultural, social and political heritage. Again inconceivable!

Furthermore, we already have some excellent evidence from the past with which to evaluate the vital role of the arts. The time when Americans in greater numbers than ever before turned to the arts and discovered their own cultural maturity as a nation, was precisely a time of this country's most desperate material discomfort: the great Depression. Any musician or artist or culturally aware person who lived through that period will tell you that this was perhaps our greatest moment of artistic development and regeneration. It is only a minor simplification to say that that occurred because people were in essence forced to turn to the arts, forced to turn towards themselves and their artistic expressive potential, because the other commodities that we associate with the quality of life, such as money, wealth, material comfort, were in mighty short supply in the Depression.

And this example has been proven time and time again in the history of mankind in various countries and in various centuries. In our case, the fact that the federal government came to the rescue in terms of WPA-oriented projects, plays no small part in the history of that cultural awakening, the fruits of which—in literature, in painting and sculpture, in music, in film, in jazz—we, all of us, whether we are consciously aware of it or not, still enjoy, direct or indirectly.

THE ACHIEVEMENTS OF THE ARTS

Do we wish to be remembered only by our Vietnam wars, or presidential scandals, or our assassinations and assassination attempts on our presidents, by our commercial and industrial prowess as a nation, or by our rock culture? I cannot believe that—and here I speak not as a musician, but as a United States citizen poud of the cultural achievements of this country which in the last 30 years have touched more lives than ever before in any nation's history in our Western civilization, and which has brought us from a condition not too long ago, when Europeans, for example, could describe us with some justification as "cultural barbarians" to the present condition where we represent the cultural/artistic leadership of the world—and not only in some elitist or numerically limited manner, but in a way as statistics easily demonstrate, affecting a greater number of Americans and a broader cross-section of Americans than it would ever have been possible to predict even 30 years ago.

I cannot believe that the leadership of our country, of which you are all an integral part, would allow the gains we have made to be dissipated, that you would endanger the survival of our American arts institutions. Their plight would in most instances be desperate should federal support in the form of Endowment grants be withdrawn or curtailed. It would come at a time when on the one hand the need they fulfill is stretched to its utmost capacities by unprecedented audience demand, while on the other hand they are least able to sustain a loss of funding. These institutions make heroic efforts to survive in an inhospitable financial climate. They rely for only a small part of their already fragile budgets on Endowment grants; and all of those grants put together represent but an infinitesimal part of our national budget. The return on this investment works like compound interest—it exceeds by many times the original expenditure. And although these returns are not always measurable in tangible or material terms, there can be no question of the crucially important role the arts play, for they not only entertain, edify and educate, they develop our imagination, our fantasy, and perhaps, above all, they cleanse our souls and uplift our spirits—a capacity sorely needed in these difficult harried times.

CHAPTER III—CORRUPTION IN OUR SOCIETY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, corruption in our society should be a serious concern of all Americans. My full statement on corruption can be found in the CONGRESSIONAL RECORD of July 29. I have received many comments on this statement and would like to append some of these. The letters follow:

DEPARTMENT OF STATE,
Washington, D.C., September 16, 1975.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: The Secretary has asked me to thank you for your letter of August 14 concerning corruption. I regret the delay in this reply.

No democratic society can afford to ignore corrupt or illegal behavior or to treat it lightly. Such behavior not only makes the society less efficient in achieving its goals, but also engenders among its citizens, particularly the young, cynicism about the society's basic institutions.

On the other hand, totalitarian regimes are not necessarily freer from corruption than democracies. If, as you say, "the Communist countries, including the Soviet Union, China and North Viet-Nam, are by most reports less plagued with corruption than are so many democratic countries . . .," it is in part because these regimes control the reports that reach the world about their internal conditions and practices. No one can make a serious comparison of corruption in East and West on the basis of "most reports."

In our foreign relations, we are attempting to take account of the importance of fighting corruption. Recently, the Department urged American-based transnational enterprises to follow local laws and to avoid corrupt behavior in their operations in other countries. And we recognize that US assistance cannot indefinitely prop up a corrupt allied government. On June 18, Secretary Kissinger said: "There is no question that popular will and social justice are, in the last analysis, the essential underpinning of resistance to subversion and external change."

I hope you will call on me if you believe we can be of further assistance.

Sincerely,
ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., August 29, 1975.
Hon. EDWARD I. KOCH,
House of Repesentatives,
Washington, D.C.

DEAR MR. KOCH: Thank you for your letter of August 14 enclosing a copy of your speech before the House of Representatives on corruption in our society. Your remarks, of course, strike at the heart of human difficulty: the tendency of too many to use other people as things to be manipulated for personal benefit.

The issue of corruption in American society is one that we too often avoid discusssing. I recommend to you the American Issues Forum project of the National Endowment for the Humanities in cooperation with the American Revolution Bicentennial Administration as a possible vehicle for promoting the sort of national self-examination you propose.

Cordially,
DAVID MATHEWS,
Secretary.

SOHIO—THE STANDARD OIL CO.,
Cleveland, Ohio, August 25, 1975.
Hon. EDWARD I. KOCH:
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: I have read with interest your statement on corruption in our society which you sent to me on August 14. I certainly agree that the examples of corruption cited in your statement are deplorable. Corrupt or unethical activities on anybody's part cannot be condoned and should not be tolerated.

In regard to what should be done about corruption, I am encouraged by the number of business schools that have incorporated a course on business ethics into their programs, not jut as an elective, but as a requirement. I feel that as members of the business community, we should fight corruption not only by conducting all our affairs in an ethical manner, but by speaking out against unethical practices wherever we encounter them.

A statement on this subject by Mr. Charles E. Spahr, our Chairman of the Board, has just been published in the August issue of *The Sohioan. The Sohioan* is a magazine distributed to our employees, dealers, distributors, and stockholders. I have enclosed a copy of this issue since you may find Mr. Spahr's statement of interest. It can be found on page 11.

Sincerely,
ALTON WHITEHOUSE.

U.S. DEPARTMENT OF AGRICULTURE,
August 22, 1975.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: We appreciate the opportunity to express our judgment on corruption, particularly as it relates to government activity.

As you know, Department of Agriculture employees often exercise judgment in regulatory activities; and those regulated sometimes try to influence the judgment of USDA employees. We regret this, but must live with it as a fact of life. Consequently, we carry out active programs designed to keep employees alert to practices which might be used to influence their judgments. We review the decisions of USDA employees to discover where we can any instances where employees have stepped across the line of propriety or more serious instances of misconduct. We are stepping up the pace of these activities.

Human beings are imperfect. Were they not, society wouldn't even need rules of conduct, enforceable by law and subject to punishment of fines or restraint. Given this situation, we have a responsibility in government to keep employees aware of the rules and to move in to punish those who misuse the public trust. We also have a responsibility to move against those who encourage our employees to break the rules.

While we all must march to the drum of formal laws and regulations developed by society, there is another personal drum of integrity to which we all march with some degree of fidelity. It is the more important of the two drums, and it is fashioned primarily by family training and our own individual religious tenets. Whatever we can do to strengthen family life and religious experiences will be to the advantage of us all, to say nothing of the advantages to the individual.

Sincerely,
CLAUDE W. GIFFORD,
Director of Communication.

CHRYSLER CORP.,
September 12, 1975.
Hon. EDWARD I. KOCH,
Congress of the United States, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN KOCH: Mr. Riccardo has referred your letter of August 14 to me for reply. I have read your letter and your statement in the Congressional Record with a great deal of interest.

It appears that you have covered the subject rather extensively. We certainly share your view that it is a matter which should be of concern to every good citizen.

Sincerely yours,
S. L. TERRY.

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., September 11, 1975.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Thank you for your recent letter regarding corruption in our society. I agree with the thrust of your endeavor and you are to be commended. The very foundation of our government depends upon the honesty and integrity of its public servants. Any program that works toward that end is an admirable one.

Best wishes.
Sincerely,
ROBERT J. HITT,
Executive Assistant to the Secretary.

REPUBLIC STEEL CORP.,
Cleveland, August 29, 1975.
Hon. EDWARD I. KOCH,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: I appreciate your sending me a copy of your well-stated remarks in the Congress concerning corruption in our country. I concur with you that corruption in any form is debilitating to our society and feel that remarks such as yours serve as a much-needed reminder of the liabilities that ensue from a casual attitude toward fraudulent behavior regardless of degree and type.

You ask what we can do. Well, there is no immediate solution and I offer no panacea—but all of us within our own realms can vocalize concern about unethical practices and through our own actions lend integrity to our utterances.

Yours sincerely,

William De Lancey.

McDonnell Douglas Corp.,
August 21, 1975.

Hon. Edward I. Koch,
House of Representatives, Longworth Office Building, Washington, D.C.

Dear Mr. Koch: I, of course, share your concern that corruption is becoming a corrosive force eating away the foundations of our society. White collar crime certainly represents one major area of this corruption. In this regard, you may be interested in the attached column I wrote in January, 1974 for our company newspaper which was distributed to each of our more than 70,000 personnel.

In your drive against corruption, I hope you will also proceed with vigor against organized crime, as embodied by the Mafia. Repeatedly exposed by newspaper and magazine stories, the members of the mob are seldom imprisoned for their crimes. An excellent compilation of organized crime's sordid relationships with the Teamsters Union is contained in the August 25, 1975 issue of Time Magazine.

Thank you for giving me the opportunity to make my opinion known on this vital issue. I would appreciate being kept informed on the progress of your campaign.

Sincerely,

Sanford N. McDonnell.

The Procter & Gamble Co.,
Cincinnati, Ohio, September 17, 1975.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: I appreciate your statement on corruption in our society.

All of us must be alert to any trend which could threaten this society. A general weakening of ethical standards would be one of those and should concern us all.

I do not believe, however, that our society is now more corrupt than ever in its history or that corruption has become—or is close to becoming—so pervasive as to make totalitarian philosophies more enticing to the American people. As to the notion that there is less corruption in totaliarian countries, my conviction is that the ultimate form of corruption is the shackling of human minds and destruction of human dignity which characterizes any police state.

American people have kept that reality sharply in focus during our two centuries as a nation founded on the concept of personal liberties. In this total context, our people appear to be increasingly concerned over erosion of their liberties by the pervasive influence of government. The proven ability of Americans to perceive the early warning signals of such basic threats to freedom is often underestimated, within and without our country.

I construe your statement on "corruption" as basically related either to actual criminal conduct or to conduct which isn't illegal under existing laws but is so ethically questionable that it should be illegal.

As to illegal conduct, I favor unbiased application of justice. There should be no inequality in the treatment of criminals, no special definition of justice because of a person's position, vocation, or standing.

As to a need for new statutes, I do not feel sufficiently informed to comment. I am sure that this subject will be acted upon when there is conclusive evidence that new laws are necessary to protect people and property.

I do hope that all of us will keep in mind that we are talking about the actions or attitudes of individuals, not segments of our society. We need to avoid language which tars the innocent many in a rush to condemn the guilty few. Crimes are committed and unethical behavior practiced by people independent of the segment of society they represent.

If a businessman seizes upon corrupt or unsavory activities of some people in public office to denigrate all Congressmen, he does you, me and our country a disservice. Conversely, anyone who uses scattered examples of wrongful behavior by businessmen to infer a wave of corporate illegality does us all a disservice. Public confidence in our system's key elements of government, business and labor is weakened when the leaders of those elements are interested in talking critically about the other rather than talking constructively with each other. This may account for the seeming disinclination of the American people today to credit business, labor, or political leaders with high ethical standards.

It is undeniable that there have been and are "bad apples" in all three "barrels". We can all agree that it is important to identify and deal with them justly.

Sincerely,

Edward G. Harness.

Atlantic Richfield Co.,
Los Angeles, Calif., September 18, 1975.

Hon. Edward I. Koch,
Congress of the United States, House of Representatives, Washington, D.C.

Dear Congressman Koch: Mr. Robert O. Anderson has asked me to respond to your letter regarding your statement on corruption.

Corruption can certainly be pointed to as one of the reasons for the erosion of public trust in both business and political institutions. It can be prevented by responsible action by those in positions of power, and by strict adherence to moral and ethical codes.

As a company which has chosen the task of providing a much-needed resource to the nation, the Atlantic Richfield Company recognizes and readily accepts its public duty: to act responsibly and ethically in all its business operations. Only by doing so are we entitled to the trust and respect of the American public, which is so necessary for our continued success.

What exactly can one company do to fight corruption?

First, it must guard against corporate corruption by establishing clear guidelines for conduct by company employees—guidelines which encourage a spirit of respect for the nation's laws, and a sense of public responsibility.

Second, in dealing with requests for support of political candidates or ballot propositions, a company must be sure that any action taken—whether it is a statement of support or a financial contribution—is legal and ethical. Moreover, a company should be ready and willing to cooperate if called upon to work with the nation's legislators in drafting effective legislation on such issues as fair campaign practices and environmental protection.

Third, a company can adopt progressive policies consistent with good business practices, on issues of public concern, to demonstrate that it has the public's interests at heart. Atlantic Richfield's effort to increase public awareness of the possible alternatives to automobile transportation in the nation's cities, is one example of such public-spirited corporate policymaking.

Through such actions, an American corporation will guard against corruption and discharge its social responsibilities.

I believe you will be interested in the attached brochure regarding Atlantic Richfield Company's social responsibilities, entitled "Participation".

With kind regards, I am,

Respectfully,

C. B. Arrington, Jr.

PRESERVATION OF ST. PAUL'S CHURCH, EASTCHESTER, A NATIONAL HISTORIC SITE AND SHRINE OF THE BILL OF RIGHTS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am today introducing legislation to preserve one of the most significant historic sites in the United States: St. Paul's Church, Eastchester, in Mount Vernon, N.Y. It was at St. Paul's that the foundation of our cherished first amendment protection of freedom of the press was laid nearly 250 years ago.

The Eastchester Village green, which surrounded the church, was the scene of a Westchester County election in 1733. The celebrated German immigrant printer, John Peter Zenger, reported the corrupt election practices of 1733 in his New York Journall. As a result of his reporting, Zenger was arrested, tried, and acquitted on charges of seditious libel in an action brought by the King's appointed colonial Governor. That trial was the first major event which led to the inclusion of freedom of the press in the first amendment some 60 years later.

St. Paul's Church has an even earlier importance in our history: The famous fighter for freedom of religion, Anne Hutchinson, found refuge there in 1642, and was thereby able to continue her efforts for freedom of religion, speech, and assembly, which were included in the Bill of Rights a century and a half later.

The historic significance of St. Paul's is extremely striking, and I have included in the introductory portions of the bill many of the other important historic events which occurred there, including:

First. The village green surrounding St. Paul's Church, Eastchester, was the scene in 1733 of the first election in the American Colonies involving two political parties;

Second. St. Paul's Church, Eastchester, served during the American Revolution as a hospital for Hessian soldiers who were wounded during the Battle of Pelham on October 18, 1776;

Third. There are buried in the St. Paul's Church, Eastchester, cemetery 45 patriots who fought in the American Revolution, and veterans of almost every other war in the Nation's history;

Fourth. The church bell which St. Paul's Church, Eastchester, acquired in 1758 was cast by the same craftsmen and in the same foundry as the Liberty Bell;

Fifth. The bishop's chair at St. Paul's Church, Eastchester, constructed in 1639, is the oldest such chair in the Nation;

Sixth. The Reverend Samuel Seabury, a rector of St. Paul's Church, Eastchester, was the first bishop of the Episcopal Church in the Nation;

Seventh. Presidents John Adams, John Quincy Adams, and Franklin Roosevelt all have worshiped at St. Paul's Church, Eastchester;

Eighth. The organ at St. Paul's Church, Eastchester, presented to such church in 1833, is believed to have been in continuous use longer than any other organ in the Nation; and

Ninth. St. Paul's Church, Eastchester, houses tablets inscribed with the Ten Commandments, the Lord's Prayer, and the Apostles' Creed which were the gift of the family of St. Elizabeth Bailey Seton, the first native-born American saint.

Indeed, the church was designated as a national historic site—with no financial commitment—by the Interior Department in 1943, following a restoration which was done under the leadership of Sara Delano Roosevelt. At that time, many of the leading editors and publishers and press associations became involved with the restoration, in recognition of its importance to first amendment freedoms. Many people, in fact, consider the church to be the national shrine of the Bill of Rights, and I share with them the desire to see that shrine fully recognized and protected.

The problem now is that this historic shrine is in a state of ill-repair, and in need of restoration. The Episcopal Diocese of New York, which owns St. Paul's, is no longer able to maintain it as an active church. However, the diocese recognizes the historic significance of the church and grounds, and is willing to donate the property to the National Park Service.

There are many people in my district in Westchester County and around the country who are eager to see St. Paul's protected permanently. Such organizations as the Society of the National Shrine of the Bill of Rights at St. Paul's Church, Eastchester, Inc., the Knapp Chapter of the Daughters of the American Revolution in Pelham, N.Y., the Eastchester Historical Society, the city of Mount Vernon, the town of Eastchester, and others have been actively involved in seeking to achieve preservation.

As the Nation's Bicentennial approaches, the preservation of a site so thoroughly intertwined with our Nation's history and with our fundamental first amendment freedoms must be assured of permanent protection. My legislation, if approved, will be a major step toward that goal.

REPORT FILED BY AGRICULTURE COMMITTEE ON LEGISLATION AMENDING FEDERAL INSECTICIDE, PESTICIDE AND RODENTICIDE ACT

(Mr. McHUGH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McHUGH. Mr. Speaker, I include extraneous material concerning the report filed by the House Agriculture Committee on the legislation amending the Federal Insecticide, Pesticide, and Rodenticide Act.

I filed additional views on this measure detailing my objections to section 5 of the bill dealing with "self-certification." However, the committee report, as printed, does not contain the section numbers of the bill that I made reference to in my views. Therefore, Mr. Speaker, I request that the entire text of my additional views be printed in the RECORD at this point:

ADDITIONAL VIEWS

This bill began as a simple one-year extension of the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). As the hearings proceeded, however, many members of the Committee expressed strong concerns about FIFRA and its implementation by EPA. The amendments which comprise H.R. 8841 derive from those concerns.

The proposed amendments to FIFRA have been described as "weakening" amendments and in some measure this is true. However, in most instances, they represent compromises which in my view are generally reasonable. More extreme amendments were offered in Committee and had significant support. For example, one initially put forward by Mr. Poage and Mr. Wampler would have given the Secretary of Agriculture a veto over any significant action of EPA. This amendment would have rendered FIFRA virtually unenforceable and was wholly unacceptable to a number of us on the Committee. Sections 1 and 2 were offered by Mr. Vigorito as a compromise and were adopted. This would require EPA to give the Department of Agriculture notice of proposed actions and afford the Department an opportunity to submit a formal response for publication in the Federal Register, but it would not give the Department veto power. Although Sections 1 and 2 may serve to delay final action somewhat, it represents a reasonable balance between opposing views without unduly compromising EPA. On the whole, therefore, I support H.R. 8841 and, with one important exception, urge its adoption.

The exception is Section 5, which authorizes a private applicator to certify himself as competent to apply a restricted pesticide simply by signing an affirmation to that effect. This procedure, referred to as "self-certification," is at cross purposes with one of FIFRA's basic goals and should therefore be stricken from the bill.

In 1972 Congress passed a series of amendments which gave the Administrator of EPA authority to classify pesticides into two categories: those for general use and those for restricted use. General use pesticides were to be those determined as safe for use by the general public when following the instructions on the label. Restricted use pesticides were to be those determined so highly toxic that they should be used only by or under the direction of one who has been certified as competent to apply them safely.

The 1972 amendments recognized the need and desirability of pesticides for our agricultural production, but they sought to insure that those who used potentially harmful pesticides (i.e., restricted pesticides) would do so in a manner which did no damage to themselves or to the environment. The Administrator of EPA was directed to prescribe standards for certifying applicators. He thereafter promulgated regulations which established guidelines for the states to follow in preparing their own plans for training and certifying applicators. The states were required to submit their plans to EPA for approval.

The clear intent of FIFRA is that applicators of potentially dangerous pesticides be educated as to their hazards. The basic problem with self-certification is that there is no assurance that education will take place. All that an applicator must do under Section 5 is sign a form which in effect says that he is competent. While EPA may prescribe the form to be used, there is no requirement that the applicator be instructed or that there be some independent, objective method of determining whether he is in fact competent to use the hazardous substance.

Many states have already developed plans designed to provide applicators with some meaningful instruction. They have relied upon the clear intent of Congress when it passed the 1972 amendments to FIFRA. If Section 5 is not stricken from this bill, there is some question whether their plans can be implemented. The Administrator may be precluded from approving a plan which requires more from a private applicator than his self-serving statement that he is competent.

Those favoring self-certification argue that most private applicators are farmers and that many of them have used pesticides for years without incident. No doubt this is true. However, it can hardly be said that all farmers are fully knowledgeable about the restricted pesticides or that they will universally understand how to safely apply the pesticides without some meaningful instruction. It is true that a training program may involve some inconvenience which many of our farmers would prefer to avoid. It is also true that most of our farmers are quite responsible and may not need any additional education. Unfortunately, however, we have no method of distinguishing the informed from the uninformed, the responsible from the careless. Given the potential hazard to human health and the environment, Congress was correct in 1972 to provide for the classification of pesticides and the education of all applicators in the use of those which are hazardous.

Section 5 should therefore be stricken from this bill, which otherwise deserves favorable consideration on the part of the House.

GUN CERTIFICATION ACT OF 1976

(Mr. MURPHY of New York asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MURPHY of New York. Mr. Speaker, I rise today to introduce legislation titled the "Gun Certification Act of 1976," legislation which completes the total plan begun in 1963, when I first introduced the bill which became the 1968 Gun Control Act. That act has done its job, but we have seen recently that there is more to be done in the field of gun certification and control.

Within the next 45 minutes in some city in America, another gunshot will sound and someone will fall dead. Twice in the last 19 days, it might have been the President of the United States with a bullet in his head. And unless we act to prevent it—forcefully and immediately—the shots will be heard an hour from now, and 2 hours from now, and on and on; another psycho will take another shot, and the law of averages will finally catch up with us.

I have always considered Federal gun control laws to fall into the category of the "politics of the possible." Congress passed the 1968 Gun Control Act, which I authored, after 8 years of debate and the assassination of a host of political leaders. According to the plans of the Democratic Party then in power, it was only half of the overall national plan to control the traffic in firearms to felons, addicts, mental defectives, and others who should not have them.

The second half of the plan, as expressed in a 1968 Presidential message to Congress, was a system of registration and licensing to get at the 150 to 200 million guns already in the hands of citizens. The 1968 act only addressed itself to the future sales of firearms.

The incoming Republican administration rejected the registration and licensing bills in Congress, with White House aides promising there would never be accountability for gun ownership under their leadership. Apparently, nothing has changed at the White House.

In the meantime, there was a loophole found in the 1968 act. In that act, we embargoed such weapons as the British Enfield—surplus military arms of the world—and wrote specific regulations to implement the law. Gun runners filled the gap with a domestically manufactured weapon which was still inexpensive. They produced hundreds of thousands of these, such as the General Precision gun, made in Bohemia, N.Y.

From 1970 to 1973 there was little support for gun legislation. I introduced a bill which would regulate domestic Saturday Night Specials in the same manner that the imports were controlled. The ensuing hue and cry came from the domestic manufacturers such as the producer of a certain model of the Iver Johnson—a gun made in Massachusetts, and which killed the Massachusetts Senator, Robert Kennedy. It fits the definition of a Saturday Night Special because of its concealability, not its cheapness.

The murders, armed robberies, assaults continue. In this year of 1975, we have passed a rather remarkable milestone: over 1 million civilian Americans have been killed by firearms since 1900. In comparison, there have been 573,000 Americans killed in all our wars put together, including the Revolutionary War. In 1974 alone, there were 20,600 murders, with 68 percent of them—over 14,000—by firearms. Almost two murders during each hour of every day of the year. By contrast, Great Britain, over a recent 5-year period, had seven murders by firearms.

Last year in the United States, there were 166,000 robberies involving firearms, and 108,000 aggravated assaults with guns. That is a total of 288,000 American citizens who last year looked down the business end of a gun; 14,000 of them are dead, and many more wounded.

There is a public and congressional mood that more needs to be done in the field of gun control. But the major pro-gun control legislators want a total ban on all handguns.

This leads me back to the concept of the "politics of the possible." I want legislation that can and will pass the Congress. A ban on hand guns is confiscatory, discriminatory, and not politically feasible. That is why the bill I will introduce today will achieve what we tried to do in 1969, but we were thwarted by people no longer in Government.

The bill is called the Federal Gun Certification Act of 1976. It requires that persons who possess, purchase, or transfer a firearm must obtain a Federal certificate which contains all the information needed—for example, caliber, gage, model, type, serial number of any firearm—needed by law enforcement agencies to keep guns out of the hands of criminals.

The certificate would be evidence of their eligibility to possess firearms. Certificates would not be granted to felons, fugitives from justice, mental incompetents, illegal aliens, those who renounce their citizenship, persons with dishonorable discharges from the armed services, or those with affiliations with organizations dedicated to the overthrow of the U.S. Government by force or violence.

Minors could not obtain certificates except in certain instances for rifles and shotguns, and ammunition could not be sold to a noncertificate holder.

With this proposal we should insure that only noncriminal, responsible, mature citizens would be in possession of firearms. We obtain a license to drive an automobile without inconvenience; I see no more burden involved with respect to obtaining a certificate to possess a firearm, which has but one major purpose: to kill.

Mr. Speaker, I include the text of the bill, and the summary of the provisions of the bill in the RECORD following my remarks. It is estimated that the entire text of my statement and text of the bill will make approximately 2½ pages of the CONGRESSIONAL RECORD, at a cost of $715.

The material follows:

BRIEF SUMMARY OF THE PROVISIONS OF CONGRESSMAN MURPHY'S PROPOSED "FEDERAL GUN CERTIFICATION ACT OF 1976"

1. The bill provides that a person who possesses a firearm on the effective date of the act obtain within 120 days, (unless he elects to sell the gun), a "Federal certificate of eligibility to possess a firearm."

2. It provides that a person who purchases a firearm must obtain a certificate prior to such purchase.

3. In applying for a certificate the applicant must submit the following information to the Secretary of the Treasury:

(1) Name, address, date and place of birth, social security or taxpayer identification number of applicant;

(2) Name of the manufacturer, the caliber or gauge, the model and the type and serial number of any firearm;

(3) Name and address of the person from whom the firearm was or is to be obtained and the date and place of the transfer; and,

(4) Date on which the application was made.

4. The application for a certificate is valid as temporary evidence of eligibility to possess a firearm for a period of 90 days unless it is rejected by the Secretary because of the applicant's status in one of the following classes of proscribed persons:

(1) A person under indictment for or convicted of a crime punishable by a term of imprisonment exceeding one year;

(2) A fugitive from justice;

(3) An unlawful user of or addicted to marihuana, a depressant or stimulant drug or a narcotic drug;

(4) An adjudged mental defective or a person committed to a mental institution;

(5) In the case of a rifle or shotgun, a person under 18 years of age and in the case of all other firearms a person under 21 years of age;

(6) A person dishonorably discharged from the Armed Services;

(7) A person, who having been a citizen of the United States, renounces his citizenship;

(8) An alien who is illegally or unlawfully in the United States; and,

(9) A person who has proven affiliation with any organization whose goal is to overthrow the United States Government by armed force or violence

5. None of the above classes of persons in item 4 may lawfully possess a firearm.

6. The Secretary is given the authority to revoke a certificate if the holder subsequently falls into one of the classes outlined in item 4.

7. In sales or deliveries of firearms involving Federally licensed dealers, the transaction would be lawful if made to a certificate holder and the transaction would be recorded by the dealer and the information including the certificate number retained in his records.

8. All private transfers of firearms would be regulated in the following manner:

(a) The transferor within five days would be required to forward to the Secretary the following information:

(1) Name, address and certificate number of the transferee;

(2) Identification of the gun (as in 3(b) above); and,

(3) Name, address and certificate number of the transferor and the date and place of the transfer.

(b) Lawful transfers could only be made between certificate holders.

9. A licensed dealer may not sell ammunition to a non-certificate holder.

10. Unlawful acts include possession or purchase without a certificate, transfer or sale to a non-certificate holder and possession by one of the classes of proscribed persons outlined in 4 (a) through (h).

11. General penalties prescribed are: 2 years maximum imprisonment and $2,000 in fines, or both. Penalties for furnishing false information to avoid complying with the act's provisions are 5 years maximum imprisonment or $10,000 in fines, or both.

12. Exceptions: Residents of States with comparable firearms certification systems are exempted provided that they furnish proof of State certification to a licensed dealer when so required by the act's provisions.

H.R. 9815

A bill to require that persons who presently possess firearms obtain from the Secretary of the Treasury a certificate which would evidence their eligibility to possess firearms, to require that persons who purchase firearms obtain such certificate, to require that persons who purchase ammunition possess such certificate, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Gun Certification Act of 1976".

SEC. 2. (a) Title 18, United States Code, is amended by inserting after chapter 44 the following new chapter:

"Chapter 44A—CERTIFICATION OF FIREARMS

"Sec.

"931. Definitions.

"932. Certification of firearms owners.

"933. Form and manner of obtaining certificate.

"934. Collection of firearms transfer information.

"935. Unlawful acts.

"936. Penalties.

"937. Compensation for firearms sent to the Secretary; periods of amnesty.
"938. Disclosure of information.
"939. Administration.
"940. Exceptions.

"§ 931. DEFINITIONS

"As used in this chapter—

"(1) The term 'firearm' means a weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive, but such term does not include a firearm as defined in chapter 53 of the Internal Revenue Code of 1954, or an antique firearm as defined in section 921 of this title.

"(2) The term 'Secretary' means the Secretary of the Treasury or his delegate.

"(3) The term 'licensed dealer' means any importer, manufacturer, or dealer licensed under the provisions of this title.

"(4) The term 'ammunition' means ammunition or cartridge cases, primers, bullets, or propellant powder designed for use in any firearm.

"(5) The term 'purchase' means to buy or otherwise acquire ownership.

"(6) The term 'sell' means give, bequeath, or otherwise transfer ownership.

"(7) The term 'possess' means asserting ownership or having custody and control, and such term does not include (A) possession by a common or contract carrier licensed pursuant to the law of any State or of the United States engaged in the lawful transportation of a firearm, or (B) possession of a firearm for a lawful purpose which is occasional, brief, and subject to immediate termination upon the demand of a person who claims legal title or rightful possession.

"(8) The term 'transfer' means to sell, assign, pledge, lease, loan, bequeath, give away, or otherwise cause the lawful title or rightful possession of a firearm to vest in another.

"(9) The term 'transferor' means a person who transfers, and the term 'transferee' means a person in whom the lawful title or rightful possession of a firearm vests when a transferor transfers a firearm, except that neither the term 'transferor' nor 'transferee' applies to a person who claims lawful title or rightful possession of a firearm as (A) a common or contract carrier licensed pursuant to the law of any State or of the United States engaged in the lawful transportation of such firearm, or (B) a transferee whose possession of such firearm is for a lawful purpose and is occasional, brief, and subject to immediate termination upon the demand of a person who claims legal title or rightful possession.

"(10) The term 'certificate' means a Federal certificate of eligibility to possess a firearm.

"(11) The term 'crime punishable by imprisonment for a term exceeding one year' does not include (a) any Federal or State offenses pertaining to antitrust violations, unfair trade practices, restraints of trade, or other similar offenses relating to the regulation of business practices as the Secretary may by regulation designate, or (b) any State offense (other than one involving a firearm or explosive) classified by the laws of the State as a misdemeanor and punishable by a term of imprisonment of two years or less.

"(12) The term 'State' includes each of the several States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

"(13) The term 'fugitive from justice' means any person who has fled from any State to avoid prosecution for a crime or to avoid giving testimony in any criminal proceeding.

"§ 932. CERTIFICATION OF FIREARMS OWNERS

"(a) Each person who possesses any firearm on the effective date of this chapter shall within one hundred and twenty days following such date, unless he sooner sells such firearm, obtain a certificate in accordance with the provisions of this chapter.

"(b) Each person who purchases a firearm after the effective date of this chapter shall within one hundred and twenty days after such date or prior to such purchase, whichever is later, obtain a certificate in accordance with the provisions of this chapter.

"§ 933. FORM AND MANNER OF OBTAINING CERTIFICATE

"(a) Each person desiring to obtain a certificate shall file an application with the Secretary. Each such application shall be in duplicate and in such form as the Secretary shall prescribe, and shall include at least the following information:

"(1) the name, address, date and place of birth, and social security or taxpayer identification number of the applicant;

"(2) the name of manufacturer, the caliber or gage, the model and the type, and the serial number of any firearm possessed by the applicant;

"(3) the name and address of the transferor from whom the firearm was or is to be acquired and the date and place of the transfer; and

"(4) the date on which the application is made.

"(b) The original application shall be signed by the applicant and filed with the Secretary, together with a fee of $1, either in person or by certified mail, return receipt requested. The Secretary shall prescribe convenient locations for the filing of such applications. The duplicate shall be retained by the applicant. A duplicate of an application shall be temporary evidence of eligibility to possess a firearm for a period of ninety days from the date appearing on such application, unless such application is sooner denied.

"(c) Upon filing a proper application and payment of the prescribed fee, the Secretary shall issue to a qualified applicant a certificate which, subject to the provisions of this chapter and other applicable provisions of law, shall entitle such applicant to possess a firearm, except that the Secretary shall deny a certificate to any applicant—

"(1) who is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year;

"(2) who is a fugitive from justice;

"(3) who is an unlawful user of or addicted to marihuana or any depressant or stimulant drug (as defined in section 201(v) of the Federal Food, Drug, and Cosmetic Act) or narcotic drug (as defined in section 4731 (a) of the Internal Revenue Code of 1954);

"(4) who has been adjudged a mental defective or who has been committed to any mental institution;

"(5) who, in the case of a rifle or shotgun, is less than eighteen years of age, or, in the case of any other firearm, is less than twenty-one years of age;

"(6) who has been dishonorably discharged from the Armed Forces;

"(7) who, having been a citizen of the United States, has renounced his citizenship;

"(8) who, being an alien, is, illegally or unlawfully in the United States; or

"(9) who is known by the Secretary to be affiliated with an organization whose goal is to overthrow the United States Government by armed force or violence.

The Secretary shall number each certificate issued by him under this chapter.

"(d) The Secretary shall approve or deny an application for a certificate within ninety days from the date appearing on such application.

"(e) The Secretary is authorized to make necessary arrangements for the revocation of any certificate issued under this section if the holder is subsequently determined to be ineligible to possess a firearm pursuant to subsection (c) of this section.

"(f) Any person whose application for a certificate is denied and any holder of a certificate which is revoked shall receive a written notice from the Secretary stating specifically the grounds upon which the application was denied or upon which the certificate was revoked.

"§ 934. COLLECTION OF FIREARMS TRANSFER INFORMATION

"(a) Each licensed dealer who sells or delivers a firearm, after the effective date of this chapter, to any person, other than another licensed dealer, shall obtain from such person his certificate or temporary evidence of eligibility and shall record the number of the certificate or date appearing on the temporary evidence of eligibility as part of the records required to be kept by such dealer pursuant to section 923(g) of the title.

"(b) Each person, other than a licensed dealer, who transfers a firearm, after the effective date of this chapter, shall forward to the Secretary within five days from the date of such transfer the following information:

"(1) the name and address and the number of the certificate of the transferee;

"(2) the name of the manufacturer, the caliber or gage, the model and the type, and the serial number of the firearm; and

"(3) the name and address and certificate number of the transferor and the date and place of the transfer.

"(c) A licensed dealer shall not take or receive a firearm by way of pledge or pawn without also taking and recording during the term of such pledge or pawn the certificate number of the person from whom he has taken or received the firearm. If such pledge or pawn is not redeemed the dealer shall within five days notify the Secretary and inventory the firearm in his own name as part of the records required to be kept by section 923(g) of this title.

"(d) The executor or administrator of an estate containing a firearm shall promptly notify the Secretary of the death of the certificate holder and shall, at the time of any transfer of the firearm, return the certificate to the Secretary. The executor or administrator of an estate containing any firearm held by an ineligible person shall promptly relinquish the firearm, without penalty for any prior failure to comply with the provisions of this chapter.

"(e) A certificate holder who possesses a firearm shall within ten days notify the Secretary of his change of address or of a loss, theft or destruction of the firearm, and, after such notice, of any recovery.

"(f) A licensed dealer shall not sell ammunition to a person for use in a firearm without requiring the purchaser to exhibit a certificate or temporary evidence of eligibility and noting the certificate number or date appearing on the temporary evidence of eligibility on the records required to be maintained by the dealer pursuant to section 923 (g) of this title.

"(g) The provisions of subsections (a) and (b) of this section apply to purchases and transfers of firearms otherwise exempted under section 940(5) of this chapter.

"§ 935. UNLAWFUL ACTS

"(a) It shall be unlawful for any person to possess a firearm—

"(1) who is under indictment for, or who has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year;

"(2) who is a fugitive from justice;

"(3) who is an unlawful user of or addicted to marihuana or any depressant or stimulant drug (as defined in section 201(v) of the Federal Food, Drug, and Cosmetic Act) or narcotic drug (as defined in section 4731(a) of the Internal Revenue Code of 1954);

"(4) who has been adjudged a mental defective or who has been committed to any mental institution;

"(5) who, in the case of a rifle or shotgun, is less than eighteen years of age or in the case of any other firearm is less than twenty-one years of age;

"(6) who has been dishonorably discharged from the Armed Forces;

"(7) who having been a citizen of the United States has renounced his citizenship;

"(8) who being an alien is illegally or unlawfully in the United States; or

"(9) who is known by the Secretary to be affiliated with an organization whose goal is to overthrow the United States Government by armed force or violence.

"(b) It shall be unlawful for any person to possess or purchase any firearm without a certificate or a valid application for such a certificate.

"(c) It shall be unlawful for any person to transfer any firearm to any other person who does not possess a certificate or a valid application for such a certificate.

"§ 936. Penalties

"(a) Whoever violates any provision of sections 932, 934, and 935 shall be punished by imprisonment not to exceed two years, or by a fine not to exceed $2,000, or both.

"(b) Whoever knowingly falsifies any information required to be filed with the Secretary pursuant to this chapter, or forges or alters any certificate or temporary evidence of eligibility, shall be punished by imprisonment not to exceed five years or a fine not to exceed $10,000, or both.

"(c) Except as provided in subsection (b), no information or evidence obtained from an application or certificate required to be submitted or retained by a natural person in order to comply with any provision of this chapter or regulations issued by the Secretary, shall be used as evidence against that person in a criminal proceeding with respect to a violation of law occurring prior to or concurrently with the filing of the application containing the information or evidence.

"§ 937. Compensation for Firearms Sent to the Secretary; Periods of Amnesty

"(a) Any person (1) who lawfully possessed a firearm prior to the operative effect of any provision of this chapter and who becomes ineligible to possess such firearm by virtue of such provision, or (2) whose certificate is revoked under this chapter, shall surrender such firearm to the Secretary and shall receive reasonable compensation for the firearm upon its surrender to the Secretary.

"(b) The Secretary may declare such periods of amnesty for the voluntary relinquishment of firearms as he determines will carry out the objectives of this chapter.

"(c) The Secretary is authorized to pay reasonable value for firearms voluntarily relinquished to him.

"§ 938. Disclosure of Information

"Information contained on any certificate or application therefor shall not be disclosed except to the National Crime Information Center established in the Department of Justice, and to law enforcement officers requiring such information in pursuit of their official duties.

"§ 939. Administration

"(a) The Secretary may prescribe such rules and regulations as he deems reasonably necessary to carry out the provisions of this chapter.

"(b) When requested by the Secretary, Federal departments and agencies shall assist the Secretary in the administration of this chapter.

"(c) In order to carry out his responsibilities under this chapter, the Secretary is authorized to obtain the most modern and efficient automatic data processing equipment for the collection, storage, and retrieval of information received by him.

"§ 940. Exceptions

"The provisions of this chapter shall not apply to the possession, purchase or transfer of any firearm by or to (1) the United States or any department or agency thereof, (2) any State or political subdivision of a State, or any department or agency thereof, (3) any civilian officer or employee of the United States, a State, or any political subdivision thereof, in his official capacity, (4) any member of the Armed Forces of the United States or the National Guard of any State, in his official capacity, (5) a resident of a State if (A) the Secretary has determined that such State has enacted legislation of general applicability requiring firearms certification comparable to the firearms certification under this chapter and has published the name of such State in the Federal Register, and (B) such resident furnishes at the time of purchase or transfer of a firearm proof of compliance with such State certification, or (6) except as specifically provided by this chapter, any licensed dealer."

(b) The table of contents to "Part I. Crimes" of title 18, United States Code, is amended by inserting after

"44. Firearms.......................... 921".

a new chapter reference as follows:

"44A. Certification of Firearms....... 931".

Sec. 3. The provisions of chapter 44A of title 18, United States Code, as added by section 2(a) of this Act, shall take effect upon enactment except that sections 934 and 935 shall take effect one hundred and twenty days after such date of enactment.

RECOGNIZING AND MINIMIZING THE DARK SIDE OF PESTICIDES

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, when I voted for the Federal Environmental Pesticide Control Act in 1972 I relied, as we all frequently must, on the recommendations of my colleagues on the committee proposing the bill as contained in their report. Together with my recreational reading—which told of emerging scientific evidence of negative side effects from the postwar miracle chemicals—that report persuaded me that the Nation should impose a new, more cautious legal framework on the use of these chemicals.

After all, these poisons are the only toxic pollutants intentionally and regularly sprayed and dusted on millions of acres of farmland, applied directly to waterways and used in our homes and gardens. The benefits are substantial, obvious and immediate—reduced crop losses, control of insect-borne disease, inexpensive weed control and land clearing, protection of nursery stock, eradication of rodents, disinfection of sterile areas. We know that these materials kill living things and demand that they be effective for their intended purpose.

Less obvious and frequently far from immediate are the costs of using a billion pounds of killing-chemicals each year. But the Agriculture Committee in its report did draw our attention to these costs and a need to balance them against the beneficial features of these chemicals. Their bill seemed to place the greater burden in this balancing process on a finding that a particular chemical posed an unreasonable risk to man and the ecosystem which supports man as its most developed species.

In order not to assure that some very dangerous but effective and inexpensive pesticides would have to be banned because of such a risk, the bill included a feature which looked to me as though it would add another weight to the side of the balance that measures benefits of pesticides. The Government would only allow persons of demonstrated skill and competence to use high-risk pesticides. This would require two very ambitious undertakings. A Government decision on whether each and every pesticide product was a high-risk formulation, and a concurrent State program for farmers to upgrade their knowledge about poisons and demonstrate it so as to be licensed to use these high-risk chemicals.

By most predictions, the former was to be a herculean task—examining new data on more than 30,000 products made subject to regulation by the bill. The latter would be almost revolutionary—explaining to long-standing users of pesticides that they would no longer be able to buy some products they had traditionally used without first proving their ability. Too many accidental or unthinking abuses to the environment, documented by fish kills and bird deaths, the poisoning of barnyard animals or occasional field worker injuries and fatalities, had demonstrated that a small minority of users should be responsible for ending laissez-faire in the application of poisons. The bill we passed in 1972 provided 4 years to allow for an evolutionary rather than a revolutionary change. Besides, we were given to understand it would probably require that entire period for the responsible agency to evaluate and classify those 30,000 formulations.

According to my calendar that task is not supposed to be completed for more than a year, but some Members are apparently prejudging the outcome of the scientific evidence being reviewed to classify pesticides into the low risk/high risk categories. By my calendar farmers don't need to be certified to use "restricted" pesticides for well over a year. Members—even some from the score or so of States with completed plans for certifying the users of pesticides—are questioning the need to upgrade the abilities of private pesticide applicators, some advocate that licensing to use high risk poisons be dependent only on prior experience by the applicant whether that experience be good, bad, or indifferent.

Some Members have advocated selectively overturning the laborious and scientifically based determinations the law requires of the responsible agency in suspending certain pesticides. They would ask Members to assume responsibility for authorizing specific poisons against specific pests on the recommendation of a legislative committee's brief deliberation. This is imposing a grave responsibility which I, for one, am most reluctant to assume. In deciding to remove these chemicals the weight of evidence between costs and benefits is determined by exhaustive administrative procedure. Many months of expert testimony are presented, rebutted and rebutted in turn, by witnesses and counsel for all parties concerned.

I sympathize with my colleagues' desire to respond to what their constituents must see as an urgent need for immediate and effective relief from crop loss, predation or painful stings from imported pests. The long-term, perhaps subtle, human health consequences of using some poisons—which scientists and researchers have identified in a laboratory miles from the farmers' field and described in a hearing room in Washington are not something we can reasonably expect our constituents, occupied as they are making their own living, to completely know and consider.

They are not even the concerns our Secretary of Agriculture is expected to fully comprehend under his congressional mandate. They are the sobering responsibility we have lodged with the Administrator of the kinds of considerations upon which he must, statutorily, decide questions of air, water and noise pollution control, solid waste disposal and drinking water safety.

Mr. Speaker, as staunch an advocate as I am of congressional authority and prerogatives, I urge that the integrity of executive decisions to ban pesticides found to be an unreasonable risk to man and the environment be protected and maintained. They must not be susceptible to election year politics. The evolution toward better trained pesticide users, who are sensitive to more than the immediate and transitory benefit or hazard of pesticides, should be continued. The restriction of the more dangerous pesticides to use by competent applicators—as an alternative to removing them from the market and denying their benefits to all—is desirable both for agricultural and environmental reasons.

We should, Mr. Speaker, remain true to the public health course we chose in 1972. Chosen, I believe, with the knowledge that there would be disruptions to historical practice, there would be dissension over particular decisions, there would be additional economic costs borne by the chemical industry, agricultural sector, and finally, the consumer; but chosen, Mr. Speaker, out of the realization that all life forms are in one way or another dependent for their very existence on all other life forms and the basic constituents of the planet, air, land, and water, functioning as a flourishing system. And chosen with the forthright conviction that the drawbacks we always face in disrupting the status quo were justified to protect public health and the delicate balance of life on spaceship Earth.

I hope the 94th Congress will keep strong the commitment made by the 91st Congress to a balance of immediate and long-term health, economic, and environmental values.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

To Mr. ALEXANDER (at the request of Mr. O'NEILL), through Friday, September 26, on account of death in the family.

To Mrs. FENWICK (at the request of Mr. RHODES), today and until further notice, on account of illness.

To Mr. HORTON (at the request of Mr. RHODES), for today, on account of attending the funeral of a close personal friend.

To Mr. MOORE (at the request of Mr. MICHEL), for today, on account of an injury.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JEFFORDS) to revise and extend their remarks and include extraneous material:)

Mr. FINDLEY, for 5 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

(The following Members (at the request of Mr. PATTISON of New York) to revise and extend their remarks and include extraneous matter:)

Mr. KAZEN, for 45 minutes, today.

Mr. DOMINICK V. DANIELS, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. MINISH, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. EARLY, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. OTTINGER, for 5 minutes, today.

Mrs. LLOYD of Tennessee, for 5 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. MURTHA, for 30 minutes, on September 29.

Mr. DENT, for 30 minutes, on September 29.

Mr. GAYDOS, for 30 minutes, on September 29.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. OBEY, and to include extraneous matter.

Mr. ROUSSELOT, immediately following Mr. ANDERSON of California.

Mr. MURPHY of New York, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $715.

Mr. OBEY and to include extraneous matter notwithstanding the fact that it exceeds four pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,215.

(The following Members (at the request of Mr. JEFFORDS) and to include extraneous matter:)

Mrs. HECKLER of Massachusetts.

Mr. JEFFORDS

Mr. SYMMS.

Mr. CRANE.

Mr. MCCLOSKEY in two instances.

Mr. DERWINSKI in three instances.

Mr. KETCHUM in two instances.

Mr. HAGEDORN in three instances.

Mr. SHUSTER.

Mr. PEYSER.

Mr. O'BRIEN in two instances.

Mr. SEBELIUS.

Mr. ASHBROOK in three instances.

Mr. GRASSLEY.

Mr. CARTER.

Mr. ANDREWS of North Dakota.

Mr. BROYHILL.

Mr. FISH.

(The following Members (at the request of Mr. PATTISON of New York) and to include extraneous matter:)

Mr. BOLAND in two instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. NATCHER.

Mr. FRASER.

Mr. NEAL.

Mr. VANIK in two instances.

Mr. DIGGS.

Mr. CARNEY.

Mr. SOLARZ in three instances.

Mr. MATHIS.

Mr. STEPHENS in two instances.

Mr. GAYDOS.

Mr. MAZZOLI in five instances.

Mr. BRADEMAS.

Mr. MATSUNAGA.

Mr. JAMES V. STANTON in two instances.

Mr. DENT.

Mr. MILLER of California in two instances.

Mr. KASTENMEIER.

Mr. EDWARDS of California.

Mr. MINISH.

Mr. YOUNG of Georgia in two instances.

Mr. SIMON in two instances.

Mr. MCDONALD of Georgia in five instances.

Mr. MOAKLEY.

Mr. BROWN of California.

Mr. HAMILTON.

Mr. RANGEL.

Mr. BRECKINRIDGE.

Mr. LEGGETT in two instances.

Mr. ZEFERETTI.

Mr. ULLMAN.

Mr. JENRETTE.

Mr. BONKER in two instances.

Mr. TEAGUE.

Mrs. SPELLMAN in two instances.

Mrs. SCHROEDER in two instances.

Mr. EARLY.

Mr. HARRINGTON.

Mr. HUGHES.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4005. An act to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on September 23, 1975 present to the President, for his approval, bills of the House of the following title:

H.R. 543. An act to expand coverage of the Rehabilitation and Betterment Act (Act of October 7, 1949, 63 Stat. 724); and

H.R. 1401. An act for the relief of Robert M. Johnston.

ADJOURNMENT

Mr. PATTISON of New York, Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 56 minutes p.m.), the House adjourned until tomorrow, Thursday, September 25, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1787. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period September 15–December 15, 1975, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

1788. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the Advisory Council on Intergovernmental Personnel Policy entitled "More Effective Public Services: The Supplementary Report to the President and the Congress," dated July 1974, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

1789. A letter from the Commissioner of Indian Affairs, Department of the Interior, transmitting notice of a delay in the submission of the proposed plan for the use and distribution of judgment funds awarded in dockets Nos. 18–E and 58 to the Ottawa and Chippewa Nation (of Michigan), pursuant to Public Law 93–134; to the Committee on Interior and Insular Affairs.

1790. A letter from the Adjutant General, Military Order of the Purple Heart, transmitting the audit of the organization for the fiscal year ended June 30, 1975, pursuant to section 14 of Public Law 85–761; to the Committee on the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL

1791. A letter from the Comptroller General of the United States, transmitting a report on the Federal Power Commission's backlog of hydroelectric project license applications; jointly to the Committees on Government Operations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS of Ohio: Committee on International Relations. H.R. 9667. A bill to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes (Rept. No. 94–503). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 5952. A bill to amend the Water Resources Planning Act to revise the membership of the Water Resources Council; with amendment (Rept No. 94–504). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6874. A bill to amend the Small Reclamation Projects Act of 1956, as amended with amendment (Rept. No. 94–505). Referred to the Committee of the Whole House on the State of the Union.

Mr. EILBERG: Committee on the Judiciary. H.R. 8713. A bill to amend the Immigration and Nationality Act, and for other purposes; with amendment (Rept No. 94–506). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 9460. A bill to provide for the establishment of a constitution for the Virgin Islands; with amendment (Rept. No. 94–507). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 9491. A bill to provide for the establishment of a constitution for Guam; with amendment (Rept. No. 94–508). Referred to the Committee of the Whole House on the state of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 9500. A bill to stabilize labor-management relations in the construction industry, and for other purposes; with amendment (Rept. No. 94–509). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 9472. A bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to increase the amount of bonds which may be issued by the Tennessee Valley Authority, and for other purposes (Rept. No. 94–510). Referred to the Committee of the Whole House on the state of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 9803. A bill to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards (for children between 6 weeks and 6 years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975 (Rept. No. 94–511). Referred to the Committee of the Whole House on the state of the Union.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 734. Resolution providing for the consideration of H.R. 8841. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year (Rept. No. 94–512). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 735. Resolution providing for the consideration of H.R. 7110. A bill to amend title 5, United States Code, with respect to the retirement of customs and immigration inspectors, and for other purposes (Rept. No. 94–513). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 736. Resolution providing for the consideration of H.R. 5665. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service (Rept. No. 94–514). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 737. Resolution providing for the consideration of S. 2230. An act to authorize appropriations for the Board of International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance. (Rept. No. 94–515). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONES of Oklahoma (for himself, Mr. Corman, Mr. Waggonner, Mr. Bafalis, Mr. Treen, Mr. Stark, and Mr. Karth):

H.R. 9803. A bill to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards (for children between 6 weeks and 6 years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975; to the Committee on Ways and Means.

By Mr. ANDERSON of California:

H.R. 9804. A bill to provide for the safeguarding of taxpayer rights, to restrict the authority for inspection of Federal tax returns and the disclosure of information derived from such returns, to clarify the authority of the Comptroller General to oversee the administration of the internal revenue laws, and for other purposes; to the Committee on Ways and Means.

By Mr. BIESTER (for himself, Mr. Fraser, Mr. Hamilton, Mr. Pressler, Mr. Mezvinsky, Mrs. Spellman, Mr. J. William Stanton, Mr. Studds, and Mr. Stuckey):

H.R. 9805. A bill to provide for a procedure to investigate and render decisions and recommendations with respect to grievances and appeals of employees of the Foreign Service; to the Committee on International Relations.

By Mr. CRANE:

H.R. 9806. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

H.R. 9807. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee (by request):

H.R. 9808. A bill to provide for a program of research to help better understand, identify, and to the extent possible, prevent or relieve pressures on families; jointly to the Committees on Agriculture, and Education and Labor.

By Mr. FREY (for himself, Mr. Byron, Mr. Jenrette, Mr. Mahon, and Mr. Pickle):

H.R. 9809. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. HAGEDORN:

H.R. 9810. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for sanitation and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation, and for other purposes; to the Committee on Agriculture.

By Mr. KASTENMEIER (for himself, Mr. Aspin, Mr. Baldus, Mr. Cornell, Mr. Kasten, Mr. Obey, Mr. Reuss, Mr. Steiger of Wisconsin, and Mr. Zablocki):

H.R. 9811. A bill to designate the Veterans' Administration hospital in Madison, Wis., as the William S. Middleton Memorial Veterans' Hospital, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KOCH:

H.R. 9812. A bill to amend the Internal Revenue Code of 1954 to provide that landlords using an accrual method of accounting may not deduct real property taxes on their rental property until such taxes are paid; to the Committee on Ways and Means.

By Mr. McCORMACK:

H.R. 9813. A bill designating the apple blossom as the national flower of the United States; to the Committee on House Administration.

By Mr. MITCHELL of New York:

9814. A bill to provide public financing of primary and general elections for the Senate and the House of Representatives; to the Committee on House Administration.

By Mr. MURPHY of New York:

H.R. 9815. A bill to require that persons who presently possess firearms obtain from the Secretay of the Treasury a certificate which would evidence their eligibility to possess firearms, to require that persons who purchase firearms obtain such certificate, to require that persons who purchase ammunition possess such certificate, and for other purposes; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 9816. A bill to amend the Internal Revenue Code of 1954 to permit State legislators to deduct certain living expenses; to the Committee on Ways and Means.

By Mrs. SCHROEDER:

H.R. 9817. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of cost-of-living increases in monthly social security benefits, railroad retirement annuities, public or private retirement, annuities, endowments, or similar plans or programs, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. STEPHENS (for himself, Mr. Landrum, Mr. Flynt, Mr. Ginn, and Mr. Rousselot):

H.R. 9818. A bill to suspend sections 4, 6, and 7 of the Real Estate Settlement Procedures Act of 1974, and repeal subsection (c) of section 121 of the Truth in Lending Act; to the Committee on Banking, Currency and Housing.

By Mr. SYMMS:

H.R. 9819. A bill to abolish the Environmental Protection Agency and transfer its administrative authority over various environmental programs to other appropriate agencies, and for other purposes; to the Committee on Government Operations.

By Mr. THOMPSON:

H.R. 9820. A bill to incorporate the National Federation of Music Clubs; to the Committee on the Judiciary.

By Mr. VANDER VEEN (for himself, Mr. Nedzi, Mr. Ford of Michigan, Mr. Traxler, Mr. Brodhead, Mr. Ruppe, Mr. O'Hara, Mr. Vander Jagt, Mr. Aspin, Mr. Ottinger, Mr. Ford of Tennessee, Mr. Harrington, Mrs. Collins of Illinois, Ms. Abzug, Mr. Brown of Michigan, and Mr. Oberstar):

H.R. 9821. A bill to amend part A of title IV of the Social Security Act to eliminate the present prohibition against payment of aid to families with dependent children in cases where there is an unemployed father receiving unemployment compensation under State or Federal law; to the Commtitee on Ways and Means.

By Mr. VANIK (for himself, Mr. Brown of California, Mrs. Chisholm, Mr. Drinan, Mr. Edgar, Mr. Eilberg, Mr. Ford of Tennessee, Mr. Harrington, Mr. Jenrette, Ms. Keys, Mr. LaFalce, Mr. Long of Maryland, Mr. Mathis, Mr. Meeds, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Rodino, Mr. Russo, Mr. Sharp, Mr. Studds, Mr. Thompson, Mr. Waxman, Mr. Charles Wilson of Texas, Mr. Wirth, and Mr. Wright):

H.R. 9822. A bill to provide for the safeguarding of taxpayer rights, to restrict the authority for inspection of Federal tax returns and the disclosure of information derived from such returns, to clarify the authority of the Comptroller General to oversee the administration of the internal revenue laws, and for other purposes; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself and Mr. Treen):

H.R. 9823. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 9824. A bill to prohibit mining within any area of the National Park System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FISH:

H.R. 9825. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

H.R. 9826. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 9827. A bill to amend the Social Security Act so as to provide that, under certain circumstances, the entire area of a State will be redesignated as a single professional standards review organization area; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. JONES of Alabama (for himself and Mr. Wampler):

H.R. 9828. A bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to increase the amount of bonds which may be issued by the Tennessee Valley Authority, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. KOCH:

H.R. 9829. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, and to eliminate the requirement that an individual need skilled nursing care in order to qualify for such services, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to require contributions by adult children toward their parents' nursing and home health care expenses under the medicaid program, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. McKINNEY (for himself, Mr. Patterson of California, Mr. Fauntroy, Mrs. Boggs, Mr. Dodd, and Mr. Sarasin):

H.R. 9830. A bill to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions and to provide for the maintenance of the existing interest rate differential between depository institutions with respect to individual retirement accounts; to the Committee on Banking, Currency and Housing.

By Mr. MOSHER (for himself, Mr. Baucus, Mr. Eilberg, Mr. Frenzel, Mr. Mathis, Mr. Pattison of New York, and Mrs. Spellman):

H.R. 9831. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. TALCOTT:

H.R. 9832. A bill to amend the Fish and Wildlife Act of 1956 in order to authorize the Secretary of Commerce to make loans to U.S. fishermen to cover the costs of damages to their vessels and gear by foreign vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. WYLIE:

H.R. 9833. A bill to amend title 18 of the United States Code to provide for a mandatory death penalty for assassination or attempted assassination of a President; to the Committee on the Judiciary.

By Mrs. SPELLMAN:

H.R. 9834. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

By Mrs. SPELLMAN (for herself, Ms. Keys, Mr. Maguire, Mr. Melcher, Mr. Moakley, Mr. Riegle, Mr. Sarbanes, and Mr. Wirth):

H.R. 9835. A bill to amend the Civil Rights Act of 1968 and title 5 of the National Housing Act to prevent discrimination based on marital status; jointly to the Committees on the Judiciary, and Banking, Currency and Housing.

By Mr. OTTINGER:

H.J. Res. 667. Joint resolution to authorize the Secretary of the Interior to accept Saint Paul's Church, Eastchester, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. QUIE (for himself, Mr. Beard of Rhode Island, Mr. Clay, Mrs. Fenwick, Mr. Lehman, Mr. Pepper, Mr. St Germain, Mr. Seiberling, Mr. Solarz, and Mr. Steiger of Wisconsin):

H.J. Res. 668. Joint resolution to extend support under the joint resolution providing for Allen J. Ellender fellowships to disadvantaged secondary school students, and for other purposes; to the Committee on Education and Labor.

By Mr. SNYDER:

H.J. Res. 669. Joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

By Mr. PRICE:

H. Con. Res. 406. Concurrent resolution relating to awarding the Purple Heart to members interred in the Tomb of the Unknowns; to the Committee on Armed Services.

By Mr. THOMPSON:

H. Res. 732. Resolution to authorize voluntary withholding of State income taxes in the case of Members and congressional employees; to the Committee on House Administration.

By Mr. STUDDS:

H. Res. 733. Resolution to establish limitations with respect to the withdrawal of funds from the stationery allowances of Members of the House of Representatives; to the Committee on House Administration.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

237. By the SPEAKER: Petition of the Argentine League for Human Rights, Buenos Aires, Argentina, relative to terrorism in Argentina; to the Committee on International Relations.

238. Also, petition of the American Legion Post 63, Tacloban City, Philippines, relative to recognition of Filipino guerrillas for veterans' benefits; to the Committee on Veterans' Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6844

By Mr. PREYER:

Page 31, insert after line 25, the following new section:

FLAMMABILITY STANDARDS AND REGULATIONS

SEC. 15(a)(1) Subsection (d) of section 4 of such Act is amended to read as follows:

"(d) Standards, regulation, and amendments to standards and regulations under this section shall be made in accordance with section 553 of title 5, United States Code, except that interested persons shall be given an opportunity for the oral presentation of data, views, or arguments in addition to an opportunity to make written submissions. A transcript shall be kept of any oral presentation."

(2) Subsection (e)(3) of section 4 of such Act is amended by adding at the end thereof the following: "The standard or regulation shall not be affirmed unless the findings required by the first sentence of subsection (b) are supported by substantial evidence on the record taken as a whole. For purposes of this paragraph, the term 'record' means the standard of regulation, any notice published with respect to the promulation of such standard or regulation, the transcript required by subsection (d) of any oral presentation, any written submission of interested parties, and any other information which the Commission considers relevant to such standard or regulation."

(b) The amendments made by subsection (a) shall apply with respect to standards, regulations, and amendments to standards and regulations under section 4 of the Flammable Fabrics Act the proceedings for the promulgation which were begun after the date of the enactment of this Act.

H.R. 8603

By Mr. GUDE:

Page 25, immediately after the material immediately below line 14, insert the following new section:

SEC. 13. (a) Subchapter IV of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3663. Construction of Postal Service facilities

"(a) When the Postal Service determines it is necessary to construct a Postal Service facility, the Postal Service shall notify any agency of State or local government responsible for the administration or enforcement of any law or rule applicable to the use of land upon which such construction is proposed. The Postal Service shall consult with any such agency to determine whether such construction is consistent with such law or rule.

"(b) Any agency of State or local government receiving notification from the Postal Service under subsection (a) may conduct a hearing with respect to construction proposed by the Postal Service. Interested parties shall be given an opportunity to present their views at such hearing.

"(c) If any agency of State or local government receiving notification from the Postal Service under subsection (a) does not hold a hearing under subsection (b) within 90 days after receipt of such notification, then the Postal Service shall conduct a hearing on the record in accordance with sections 556 and 557 of title 5 with respect to the proposed construction of a Postal Service facility. Interested parties shall be given an opportunity to present their views at such hearing.

"(d) The Postal Service shall not undertake construction of a Postal Service facility before a hearing has been conducted with respect to such proposed construction under subsection (b) or subsection (c).".

(b) The table of sections for subchapter IV of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"3663. Construction of Postal Service facilities.".

And redesignate the following sections accordingly.

H.R. 8841

By Mr. BROWN of California:

(Amendment in the nature of a substitute.)

On page 1 strike line 3 and all that follows, and insert in lieu thereof the following: That section 27 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. 136(y)) is amended by adding at the end of such section the following: "There is hereby authorized to be appropriated to carry out the provisions of this Act for the period beginning October 1, 1975, and ending September 30, 1976, the sum of $33,821,000.".

(Amendment to the committee amendment.)

On page 5, line 17, strike out "$47,868,000" and insert in lieu thereof "$33,821,000".

By Mr. DINGELL:

(Amendment to the committee amendment.)

Page 3, line 3, insert the following immediately after the period: "Notwithstanding any other provision of this subsection (b) and Section 25(d), in the event that the Administrator determines that suspension of a pesticide registration is necessary to prevent an imminent hazard, then upon such a finding the Administrator may waive the requirement of notice to and consultation with the Secretary of Agriculture pursuant to subsection (b) and of submission to the Scientific Advisory Panel pursuant to Section 25(d) and proceed in accordance with subsection (c)."

By Mr. McHUGH:

Page 6, line 10, strike lines 10 through 17.

EXTENSIONS OF REMARKS

CHESAPEAKE BAY: BALANCING ECOLOGY AND GROWTH

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BAUMAN. Mr. Speaker, the First District of Maryland, which I am privileged to represent in Congress, includes all of the Maryland counties bordering on the Chesapeake Bay except two. For citizens of the First District the bay is not only a source of recreation, beauty, and pleasure, but the direct and indirect source of the livelihoods of thousands of our people. Consequently our citizens are keenly interested in the continued health of this magnificent estuary and in any natural or manmade activities which threaten it.

The U.S. Army Corps of Engineers is now building a model of the Chesapeake Bay on Kent Island. When it is completed next year, this ambitious project will help scientists to predict more accurately the effects of different activities on the water flows and composition of the Chesapeake Bay.

The Wall Street Journal recently contained an excellent article by Thomas J. Bray discussing the Chesapeake Bay model and other aspects of the complex problems which face those who want to preserve the bay. I believe that this article can contribute to the understanding of my colleagues in the House, many of whom have enjoyed this nearby natural wonder themselves:

[From the Wall Street Journal, Sept. 17, 1975]

TROUBLED WATERS: CHESAPEAKE AREA, FEARING A RUINED BAY, STRIVES TO BALANCE ECOLOGY AND GROWTH

(By Thomas J. Bray)

KENT ISLAND, MD.—Mark Moran, a captain in the Army Corps of Engineers, gestures across a broad expanse of contoured concrete in a huge warehouse-like shed.

"There's the Chesapeake Bay," he says, pointing to a wide, shallow depression in the concrete. "Up there is Baltimore—you can see where the ship channel has been dug out—and over there is the Potomac River. Down there"—he points to several large water tanks—"is our Atlantic Ocean."

Capt. Moran is in charge of building a hydraulic model of the Chesapeake Bay and its tributaries, the rivers that feed it. Like the Army Engineers' models of other water systems around the country, this one will help predict the effect of such things as dredging, dams and pollution. When it's finished next year, the model will cover nearly nine acres, reproduce a day's tides every 15 minutes (with artificially salted water) and take a crew of about 30 to operate. Ten "molders" currently are at work sculpting a few square yards of fresh concrete at a time into riverbeds, wetlands and the bay bottom itself.

"Even when we finish the construction," Capt. Moran says, "we figure it will take about a year to fine-tune the model so that it accurately reflects water flow in the Chesapeake."

The vastness of the model underlines the size and complexity of the Chesapeake Bay area itself. The Chesapeake stretches 185 miles from north of Baltimore to the Virginia capes at Norfolk. It varies from four to 30 miles in width, has a jagged tidal shoreline of more than 4,300 miles and is fed by about a dozen rivers. It is the largest estuary in the U.S. and one of the largest and most important estuaries in the world.

The building of the model also underlines something else—concern that the Chesapeake is endangered by growing population, industrialization and pollution.

EIGHT MILLION IN AREA

More than eight million people now live in the bay area, which includes the urban complexes of Baltimore, Washington and Richmond. Continued rapid growth is predicted. Industry, especially power companies, is attracted to the bay as a water source for cooling and other processes. (There are 26 power plants on the bay and its tributaries.) Oil companies are eyeing the mouth of the Chesapeake as a possible staging area for offshore drilling in the Atlantic. Recreational and residential development, though slowed somewhat by the recession, is booming. About 185,000 pleasure boats are registered on the bay, up from 125,000 five years ago.

"The bay can only stand so much pressure, and I'd say we are getting close to the limit," says Donald W. Pritchard, chief scientist at Johns Hopkins University's Chesapeake Bay Institute, one of many groups doing research on the bay.

A PROBLEM OF BALANCE

Indeed, a report on a study by the National Commission on Water Quality, released this month, asserts that the bay faces serious deterioration over the next few decades if present trends continue. The problem may become particularly acute in many of the bay's tributaries, the report says. Three rivers, the Susquehanna, the James and the Potomac, provide more than 80% of the bay's fresh water supply—and what happens to them is likely also to happen to the bay eventually.

The problem, as most observers see it, is to strike a balance among the competing interests on the Chesapeake. It isn't likely to be an easy task. In addition to the scientific problems in attempting to understand how a body of water as large as the Chesapeake functions, there are myriad social, economic and political questions to be answered. Two states—Maryland and Virginia—front directly on the bay, and many more, as well as the District of Columbia, have an indirect impact on it.

Government officials hope that the Corps of Engineers' model of the Chesapeake will help resolve issues by showing just what does happen when man tampers with the bay. The model, despite its $13 million cost and painstaking construction, isn't likely to offer any conclusive answers; at best, most scientists agree, it can offer only a rough approximation of water flows in the Chesapeake. But observers are hopeful that the model will at least give a small push toward baywide cooperation on important problems.

There is at least one major reason to be encouraged about the bay. "The nice thing about the Chesapeake is that it isn't so far gone that it can't be saved," says William Mullins, an official of the Chesapeake Bay Foundation, an Annapolis-based environmental group.

It is true that the Chesapeake has thus far escaped the severe problems that afflict such sister estuaries as the Delaware Bay. The water in the Chesapeake itself is relatively pure in most areas. Fishing yields remain high. The Chesapeake leads the nation in oyster and crab production; and of the popular striped bass caught along the northern East Coast, about 70% spawn in the low-saline areas of the upper bay. The bay is also an important wintering ground for geese and ducks making their annual migration along the Atlantic "flyway" from Canada.

THE SUSQUEHANNA VALLEY

"Acre for acre," Mr. Mullins says, "the Chesapeake is probably one of the most productive biological systems in the world."

In part, the Chesapeake's relative good health is an accident of geography. The Susquehanna, source of more than half the bay's fresh water, flows through a relatively unindustrialized section of New York and Pennsylvania before reaching the Chesapeake. So it doesn't carry as much pollution as many other major Eastern rivers. And the eastern shore of the Chesapeake remains a relatively isolated region of small fishing villages, farms and the stately vacation homes of the well-heeled from Philadelphia, Wilmington, Baltimore and Washington.

Federal and state water-quality laws have done much to reduce the more visible forms of pollution in the bay and its tributaries. The nation's most advanced sewage-treatment plant, which will remove nutrients as well as bacteria and solids from sewage, is planned on the Potomac near Washington. Maryland and Virginia have enacted an impressive body of legislation in recent years designed to deal with everything from siltation to destruction of wetland areas; fill-in of ecologically important marsh areas, for example, has been reduced to a few dozen acres annually from over a thousand acres a year in each state prior to 1970.

Still, many close observers of the bay wonder if the progress is more apparent than real. "It's like rowing upstream at three knots against a five-knot current," says William J. Hargis, head of the Virginia Institute of Marine Sciences (VIMS), largest of the research bodies studying the Chesapeake.

Mr. Hargis and others point to a number of signs that they say have disturbing long-term implications:

Baltimore harbor remains a veritable sink of toxicity as a result of years of accumulated pollution from shipping, industry and municipal waste.

A number of important tributaries show increasing signs of eutrophication, or over-enrichment of the water with nutrients from a variety of sources, notably sewage-treatment plants; if the process goes unchecked, undesirable vegetation would gradually suffocate other life in the water.

Fishing yields of certain species are well below their 20th-Century highs. The croaker, a relative of the sea trout, disappeared almost entirely from the northern Chesapeake several years ago, as it did in Delaware Bay before that estuary succumbed to heavy pollution.

Maryland oyster production, which accounts for about one-third of the national total, has been rising in recent years, but that's mainly due to an aggressive, and expensive, state seeding program in which the state's 900 or so natural oyster beds are stocked with young oysters, or spat, cultivated in protected areas.

Some of the best oyster beds have been silted over or declared unsafe for sanitary reasons. As a result, the catch of about three million bushels annually is little more than half the record hauls of the late 19th Century in Virginia waters, hit hard in the 1960s by an oyster parasite known as MSX; experts put the figure closer to one-fifth.

Over all, federal officials estimate that 321,000 of the bay's three million acres of fishing grounds suffer from some degree of pollution. "The water has been getting so cloudy in recent years that you can't see the crabs on the bottom any more," complains a weathered fisherman in the Crisfield, Md., area.

Man isn't the only villain. The Chesapeake, created about 10,000 years ago as the glacial ice receded, would probably vanish in another 10,000 years or so if left to its own devices. It's subject to constant siltation from its tributary rivers, and wind and waves continually eat away at its topography. A number of islands charted by Capt. John Smith when he explored the Chesapeake in 1608 have simply disappeared.

The bay is also still suffering the effects of Hurricane Agnes, the tropical storm that devastated much of the East Coast in 1972 with its torrential rains. The Susquehanna discharged about 30 million tons of sediment into the bay in just 10 days, about 50 times the normal amount. The clam and oyster crops were literally buried in the muck.

But there isn't any question that man adds to the problems. Even with drainage controls, land development is estimated to double the sediment that finds its way into the water. Most upgraded sewage-treatment plants still don't prevent excess nitrogen and phosphorus from getting into the water. Such nutrients also make their way into the bay from sources like farmland and well-fertilized lawns. Fishing boats and pleasure craft alone give off as much pollution in the Chesapeake as a city of 20,000 population.

Not even diehard environmentalists believe that pollution could—or should—ever be entirely removed from the Chesapeake. The activities of the port of Baltimore, a major source of pollution, directly or indirectly provide jobs for more than half of Maryland's population. Power plants must continue being built if the economies of Delaware, Maryland and Virginia aren't to stagnate. And land development isn't likely to abate.

Many observers nevertheless believe that a more effective job could be done of managing the bay area's resources and minimizing abuse of the Chesapeake. A Susquehanna River Basin Commission was recently formed by New York, Pennsylvania and Maryland to police activity on the bay's major tributary. And a Virginia-Maryland Fisheries Commission is developing ways to conserve and improve fishing in the bay—as well as to end the feuding between Maryland and Virginia fishermmen that has often led to armed duels.

But proposals to form a compact among Maryland, Virginia and "upstream" states that have an impact on the Chesapeake have been given short shrift by states fearful of giving up any of their powers. "We don't want West Virginia or Pennsylvania telling us what we can do in the bay, and they see it as a plot to steal their water," sums up James B. Coulter, Maryland's Secretary of Natural Resources. "They're the dumpers and we're the dumpees."

NEW YORK CITY AND REVENUE SHARING

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. SIMON. Mr. Speaker, I have suggested that when we renew revenue sharing we should give units of Government which do not increase their indebtedness during the previous fiscal year a 2-percent bonus. This would be a practical way of providing a small amount of assistance to State and local governmental units who are doing a responsible job. It would be a way of reducing gradually State and local indebtedness.

The New York City example is of course a dramatic one, but there are hundreds, and perhaps thousands, of examples of other governmental units where an increasing percentage of their tax dollar is going for interest rather than goods and services.

I thought my colleagues might be interested in the enclosed editorial which station WJBC of Bloomington, in Congressman ED MADIGAN's district, ran recently:

WJBC EDITORIAL No. 1209, SEPTEMBER 16, 1975

New York City's financial failure might foreshadow similar failings by other cities following the Federal Government's practice of spending more than it takes in.

As governments on all levels mount deficits, more and more of our tax dollar goes for interest rather than the goods and service we demand.

A proposal by Congressman Paul Simon of Carbondale makes sense to us. Simon would amend the Revenue Sharing Act, which gives Local and State Governments a piece of the Federal tax bite. Thru the amendment, all units of government would receive a two per cent bonus on their Federal revenue sharing check if they don't increase their debt level during the preceding fiscal year.

For Bloomington, that would mean an additional 14 thousand dollars: for Normal, about 6 thousand: for the County Government, about 65 hundred dollars. While those amounts aren't very significant in multi-million dollar budgets, the concept of bonus payments for taxing bodies with balanced budgets might encourage fiscal responsibility in government.

(WJBC editorials express the opinions of the management of WJBC. Others may differ with WJBC opinions and it is our policy to consider requests for broadcast time by responsible spokesmen representing opposing viewpoints.)

DEMOCRATS IN FANTASYLAND

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. DERWINSKI. Mr. Speaker, yesterday, the House finally completed consideration of the so-called comprehensive energy bill.

In my judgment, it was anything but a sound legislative package. The logic expressed in the following editorial which appeared in the Friday, September 19, Chicago Tribune, very effectively points out the detriments of this legislation:

Democrats in Fantasyland

Florida has its Disney World, California has its Disneyland, and Washington has the Democrat-controlled House. On a straight party-line vote, House Democrats reaffirmed their intention to roll back the price of so-called "new" oil from about $13.50 a barrel to $7.50 while holding "old" oil at $5.25 a barrel.

Anyone who believes that such legislation will succeed in holding down the price of oil and gasoline or reducing the United States' dependency on foreign oil apparently is living in the same dream world as the Democrats.

The House action ironically came at the same time that the American Petroleum Institute was reporting that crude oil production in the U.S. during the week ending Sept. 12 was at the lowest level in nine years while crude oil imports were nearly one million barrels a day above a year earlier.

Altho the Democratic supporters of the price rollback realistically concede that an energy bill containing such a provision faces a certain veto by President Ford, they look on the rollback as a strategic ploy to strengthen their bargaining position when they try to negotiate a compromise with the White House. The Senate enacted a slightly similar provision last April in its energy bill.

Whether the ploy succeeds or fails is unimportant. What is important is that a majority of the House is so blind to the nation's economic future that it can't see beyond its political nose.

How many oil companies will continue to explore for new oil reserves in this country or offshore when whatever oil they might find can sell for only $7.50 a barrel? With the world price of crude oil at $11 a barrel and likely to rise Oct. 1, it would then make no economic sense to invest in domestic exploration. As a result, we would become totally dependent on foreign oil—and sooner then anyone might expect.

The liberal Democrats may fool some of the people by their tactic, but they will be hurting themselves in the long pull. Their propaganda of an oil price rollback will raise expectations among many citizens, but these expectations are bound to be dashed by the reality that cheap energy is a thing of the past. When the price of gasoline keeps rising at the neighborhood service station—as it inevitably will—the people will remember the false promises of the Democrats.

THERE IS NO TOWN LIKE AN OLD TOWN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. ANDERSON of California. Mr. Speaker, Los Angeles is a conglomerate of people, places, sights, sounds, smells—a million different offerings for those willing to explore and experience them. But the danger in a conglomerate is indifference, a loss of true devotion, a feeling of not counting.

At one corner of Los Angeles County, at the tip of the sprawling city of Los Angeles, is a real town. Now some might prefer to call it a city, but I think of it as a town. It is not a bustling city—although the Port of Los Angeles, lifeblood of San Pedro, bustles. It is not a thriving cultural center—although the arts thrive there. It is not an instant bedroom community—although high rise is moving in among the old frame homes to provide room for the many people who want to share the milieu and clean air. It is not in the mainstream—although it is the gateway to the sea, and the import and export point for many goods which serve the whole country. It is unique. It is San Pedro. It is a town one can love.

On Sunday, September 21, the Los Angeles Times wisely devoted a section to San Pedro and its people. Al Martinez explored the feelings of these people toward their town in an article which I would like to include in the Record so that others may share in an understanding of this unique place. I am only sorry the photographs in the article cannot be included:

They Wouldn't Want To Live Anywhere Else

(By Al Martinez)

Dawn breaks in the cleft of Saddle Mountain, its light shimmering over the Pacific shoreline, and the old sailor—watching it come—dreams of going to sea one more time.

From his hillside apartment overlooking the Port of Los Angeles, Frank Higbee—who first felt the rolling deck of a ship under his feet 65 years ago—sees the morning grow.

Sunlight washes over the Main Channel, the fishing fleet, Cabrillo Beach, Point Fermin, Ft. MacArthur and over a tanker—its ship's horn in mournful salute—edging through Angel's Gate.

"It would be lonely without the ocean," the old sailor says, scanning his vista with binoculars. "I suppose that's why I live in San Pedro.

"But there's something else. This city has no facade. Its spirit is bare, and what you see is what it is." He straightens toward the sunlight. "What a hell of a town."

Rear Adm. Higbee, U.S. Coast Guard retired—an 81-year-old man with a bristling white mustache and a skipper's manner—wouldn't live anyplace else.

Neither would Yugoslavian-born Ante Perkov, who runs his restaurant on West 5th St. with a flower tucked behind his right ear.

Or Eddie Thomas, the "mayor" of 7th St., who has shined shoes in the downtown district for 38 years, loving "the conveniences and the climate."

Or rich and burly developer Steve Podesta, who was born in San Pedro 60 years ago and who will warn you in a booming voice that anyone who defames his town "will get a 21-gun salute up his keester."

Or artist James Ranzona, who often walks alone along the waterfront and who views a growing national fame with uneasiness for fear he might be lured to New York.

"What we have here," a young man says, "is a place where the people are unique, proud and stubborn. They take stands."

San Pedro lies 24 miles south of City Hall and is home of the $200 million Port of Los Angeles. One of the largest manmade harbors in the world, the port sprawls over 7,000 acres of land and water, handles 20,000 tons of general cargo a day and serves 200 other ports around the globe.

The little community on the tip of the Palos Verdes Peninsula is also home to the nation's most prosperous commercial fishing fleet—tuna capital of the world.

Last year, again, its fishermen led the United States in tonnage, hauling in catches that totaled 439 million pounds worth $79 million.

San Pedro has been part of the city of Los Angeles since 1909. Or rather, as the locals prefer, the city has been part of *it* since 1909.

Here is a place rich in history and rare in the compatibility of its ethnic and racial cultures, men and women drawn from the nations of the world by San Pedro's port and its fishing fleet.

The Yugoslavs came, and the Italians and Portuguese and Croatians and Norwegians, the Mexicans, the blacks and the Samoans.

They live—an estimated 80,000 of them—in a somehow serene mixture of old and dilapidated homes, homes restored to earlier elegance, houseboats, condominiums, ancient rooming houses, neoplastic apartments and architectural eye-catchers with sweeping views of the ocean.

But first, centuries ago, the Indians were here, and Juan Rodriguez Cabrillo saw the smoke of their fires one brisk October day in 1542 and named the inland water he discovered the Bay of Smokes; later, Bahia de San Pedro—San Pedro Bay.

Once this was an area of ponds and swamps and marshes, and when Richard Henry Dana, who wrote "Two Years Before the Mast," saw it he recoiled at the bare and uninviting "mud flat" that lay exposed to the ocean winds.

"What brought us into such a place," he wrote, "we could not conceive . . ."

His vision was murky, or at least his judgment premature. For San Pedro under the Spaniards and then the Mexicans and finally the Americans has grown to be a place of character, and character is the sum of many parts.

There was Beacon St., for instance. There still is, but not the Beacon St. that folded under the bulldozers a few years back; the Beacon St. of Shanghai Red's, the Log Cabin and the Bank Cafe.

That was the classic sailor's street of bars and whore houses, once proclaimed with pride as the toughest street in the world. It was a place where seamen came with wads of cash from around the globe—where, says newspaper editor Jim Groth, "You visited if you were inclined to be beaten up."

Some of the Beacon St. flavor, a waterfront aura, may still linger in San Pedro, but not the Beacon St. morality. Just last month, 69 days of steady picketing by adults and children succeeded in closing down the community's only pornographic movie house.

"Can you believe it?" Groth asks in his office at the News Pilot. "From Beacon St. to a morality campaign. But you know, people still think we're a wide-open town." He shrugs, "That's all right with me. Let 'em stay away."

The attitude of many San Pedrans that they don't want their community to be anything other than what it is is a matter of contention. But change is in the air.

Ports o' Call Village—a mixture of shops and restaurants, of boat and helicopter rides and creative arts—is luring tourists to the edge of the sea.

Uptowners too are discovering San Pedro's oceanfront location and its mild, smog-free climate. The locals like to say that their town is one that you don't pass through. You've got to be coming to San Pedro to see it. Out the back door of Los Angeles is the ocean.

Well, they're coming. Land has been rezoned and condominiums are rising where once the lots were empty or occupied only by one- and two-story wood frame houses weathered by the wind. The area's ultimate population could zoom to 250,000.

"Fugitives from the smog," the natives call the newcomers, as property values climb higher and higher, tempting the oldtimers into deals that could turn San Pedro, as one says with an unhappy sigh, "into the Acapulco of California."

In some ways, Beacon St.—a brawling epoch to the past—is leading the way into the future.

Sixty acres of the once-notorious strip have been cleared for an urban renewal project.

Not everyone is happy with the idea. Some wanted to restore the Beacon St. flavor that once existed, turning it into a street of restaurants and shops with more character than the new structures will probably have.

But Steve Podesta is not among them.

"This town can't lie still forever," he booms, salting the air with four-letter words. "I say whatever comes into the community to upgrade it is good! Ecology is one thing, but, Jesus Christ, when it affects the economy. . ."

Podesta's ties with Beacon St. are both in the past and in the future. His family, wholesale producers in San Pedro beginning in 1912, once owned the Bank Cafe—actually an old bank building—on the world's toughest street.

Now he, in partnership with others, will develop an office building and shopping center in the new project—and he has words for opponents of that development:

"I'm not going to get into a ——— contest with those who wanted to keep Beacon St. the way it was. Hell, it wasn't cultural. It was a skid row at the end. It had changed from a street of characters to a street of winos."

And for those who oppose high rises, Podesta offers:

"What's wrong with condominiums along the harbor? Why do you want those crappy 80-year-old houses there? You need a tax base these days.

"Anything that makes money for the port is good. That harbor isn't there to look at. It's a business."

"There's a fear, all right." Groth peers out from behind dark glasses. "The specter of gigantic high-rise apartments is scaring everyone's view. The people who live here like it the way it is."

As a result, the talk these days in San Pedro is about a master plan for the town. The controversy has been laid in the lap of L.A. City Council President John S. Gibson Jr., who represents San Pedro.

Gibson is skeptical of the master planning of San Pedro by "experts who live elsewhere." He would rather see his town retain its unique character on the basis of the same "day-to-day" planning which has been the practice in the past.

Master planning, he told his fellow San Pedrans, "is definitely not the byword of the poor and often becomes the slogan of the rich."

Gibson has asked for, and is getting, feedback from the community on whether or not the majority wants a master plan—and the issue lies there.

But even the tremors of change that shiver through the little town haven't altered its basic character. San Pedro is a community of individuals who respect each other.

Roughly broken down, its population consists of 16,000 Yugoslavs, 10,000 Italians, 4,000 Blacks, 17,000 Mexicans, 300 Indians, 2,200 Orientals—and others.

"When I went to San Pedro High," Podesta says with pride, "we had 27 different nationalities going there. It's still a mixture of races and cultures."

"We got no problems here," Eddie Thomas agrees, snapping his shoe shine rag over gleaming leather. "Everything is just fine and mellow." A passing car honks. Eddie waves.

An 80-year-old who looks 30 years younger, Thomas has been separated from his wife for seven years, but they aren't divorced.

"She don't bother me," he says cheerfully, "and I don't bother her, so what's the difference?"

Eddie is the only black living in his neighborhood. "I get along fine with just everybody. You know, friend, life is up to the individual. You've got to put out to receive. And what you put out is what you get back.-"

Another passing car honks. "Hi, Chief," Thomas shouts, waving. Then: "You know, some of the other colored call me Uncle Tom's boy. I just laugh and say I don't give a damn what you call me, Uncle Tom's boy is doin' just fine."

"It's that way," Groth says. "That's San Pedro. A black guy lives next door to me. Across the street there are two Yugoslav families and an Italian family. Three doors down there's a Mexican-American and a block away there's an Oriental.

"We get together once in a while and play poker."

Ante Perkov, a quiet man with a carnation behind his ear, nods. He sailed from his native Yugoslavia when he was 13. Four years later, he jumped ship and came to San Pedro, where he owns Ante's Restaurant on West 5th St.

The flower behind his ear is a custom he brought from the old country, and his trademark in San Pedro. When one is brought flowers in Yugoslavia, one displays a blossom behind the ear in gratitude.

"When I came to San Pedro," he says, "I thought to myself, this is the loveliest town in the world. I still think so. I spent my first Christmas here with an Italian family. That warm impression stays with me . . ."

Perkov is one of many in town, though perhaps not altogether typical, who devotes his spare time to helping young people.

He recalls his own hard youth as a ship's helper and assistant cook, and now devotes himself to the YMCA, the Boys Club, the PTA and other organizations oriented toward youth work.

That the town agrees with his attitude is evident in the fact that its high school boosters club has 2,000 members, and its PTA is an active and important element in the community.

Perkov's wife, Minnie, a native San Pedran, works in the restaurant with her husband. She taught him English when they first met, and fought for a decade to help him remain in the country be loves with rare fervor.

She remembers San Pedro in a "freer time," when there were still vacant lots swept by the ocean winds and when Mr. Brown's horse-drawn ice-cream cart rattled through the streets.

Now she feels that change is "demolishing old things and old memories." Her uneasiness may be a quintessence of the community itself: "I want to see us grow, but I wish that San Pedro wasn't so much like a city. I hate to see the canneries and the fishing go . . ."

Mrs. Perkov is the daughter of a San Pedro fisherman, one of the many whose roots are deep in the town at the end of the Harbor Freeway.

Generations of the same families have remained in the area, sometimes in the homes passed down to them by elders who came from the old countries and jumped ship here.

There is a club composed of those who have lived in the community for at least 30 years—with an astounding membership of 3,000.

Long-term residency has helped create the town's unique sense of community—the kind of community, says artist James Ranzona, "where people know each other and talk to each other."

He came to San Pedro 10 years ago and found "a little hick town on the edge of a megalopolis" locked into the 1940s and '50s—a town not on the hustle.

Ranzona, his bald head gleaming, paints on Masonite under two filtered spotlights in an otherwise darkened upstairs apartment on the edge of the downtown district.

He likes San Pedro because it's a walking town, and he finds something new every time he wanders through it. He likes its "tribal" feeling, the close ties of new Americans to old cultures.

"Kids don't want to leave—even temporarily. Whenever I go outside of San Pedro with young friends I always feel they aren't really comfortable until we get back."

A New York art gallery has taken an interest in Ranzona's paintings, and he is appalled at the notion that success might somehow lure him from the edge of the Pacific.

Times haven't always been that good for him financially in San Pedro. But its attitude is important, he will tell you. He turns for a moment from his easel and says with a soft smile: "You know, once my landlady was willing to wait seven months for the rent." He turns back to the easel. "Seven months."

The attachment San Pedrans feel for their town is deep. One indication of that is a tour of the area sponsored by Councilman Gibson.

A bus carries 50 passengers each day on a 2½-hour tour of the community—its harbor and its history—and it is booked up through September. Most of the passengers? Local residents.

Some feel that the town lives too much in its past, and the controversy over what its future will be is bound to heat up. But few disagree that where they are is the place to be.

Their representative in Sacramento, Assemblyman Vincent Thomas—after whom a high and graceful suspension bridge is named—may have said it best when he told a local crowd:

"I've lived in San Pedro nearly all my life and I hate Los Angeles."

You can still hear them clapping all the way to Point Fermin.

ENGLAND'S MRS. THATCHER

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. GRASSLEY. Mr. Speaker, I recently received a clipping from the London Daily Telegraph, sent me by a constituent visiting the British Isles. I ask that a portion of it be put in the RECORD because it speaks volumes to us in this country. Mrs. Thatcher is setting an example not only in dedicated service to her country, but in realistic frugality and leadership for her party and her people. Members of the House might begin to emulate this sturdy soul by cosponsoring PAT SCHROEDER's bill, H.R. 684.

The clipping follows:

ENGLAND'S REDOUBTABLE MRS. THATCHER SETS FRUGAL EXAMPLE

The first woman leader of England's Conservative Party arrived September 13 in New York for a gruelling round of public appearances, private talks with Americans and Canadian leaders and a visit to the United Nations.

Accompanied by her husband and a secretary, she is traveling on a cut-rate tourist charter flight to save money—a frugal gesture few politicians care to emulate. Her special assistant, Mr. Gordon Reece, is already in America.

The fortnight ahead of her promises to be peculiarly testing. It will all be very different from the usual run of politicians' transatlantic trips.

These normally arouse very scant interest in the United States. Mrs. Thatcher is obviously different—and not only because she is the first woman leader of the Conservative Party.

She will be judged as possibly being Britain's next Prime Minister, and this is at a time when there is very real concern in Washington and Ottawa about the country's future.

WOEFUL STRAITS

Political observers, Senators, Representatives, not to mention President Ford, Dr. Henry Kissinger and other top cabinet members whom Mrs. Thatcher is due to meet, will be watching her performance very closely indeed. She knows this.

She knows that they will be making up their minds as to whether Britain is due to sink irrevocably into the "little England" status, on a par with Portugal, or can emerge from its recent woeful straits to play an important role in world affairs once more.

Mrs. Thatcher is certain it can and must. She can be sure of a sympathetic hearing because most Americans are well disposed toward Britain, wish it well, and simply hope it is not going to have to be bailed out witb some monster new loan again.

PERILS OF A DESPERATE PAULINE—NEW YORK CITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the fiscal crisis of New York City goes on and the howls for Federal help keep growing. It is my hope that this Congress does not heed such lamentations. In this connection, Mr. James J. Kilpatrick recently made the case very well that we should not bail New York City out in his column in the Washington Star-News of September 19, 1975. The column follows:

PERILS OF A DESPERATE PAULINE—NEW YORK CITY

(By James J. Kilpatrick)

NEW YORK.—Over the past couple of weeks, New York City has acquired a breathing space, a new deputy mayor, and a guardian ad litem. It has lost most of its fiscal independence, and gained no discernible confidence. The situation is normal: all fouled up.

The breathing space results from emergency action by the State of New York. At Governor Carey's behest, a seven-member board has been created to function as guardian, or trustee, or the Biggest Nanny of Them All. The board is to handle the city's essential budgetary functions. It will be interesting to see how this feat of magic is performed. If the striking teachers refuse to settle on minimum terms, we may see another board to assume the powers of the board.

The new deputy mayor, Kenneth S. Axelson, is a J. C. Penney executive. He is 53 years old and will soon be much older. His city salary has been fixed at $1 a year, which is about 85 cents more than the city can afford. Mr. Axelson replaces Deputy Mayor James A. Cavanagh, who on Friday was thrown to the wolves.

It is impossible to keep up with the perils of this desperate Pauline. In the best tradition of the old six-reel serials, every week finds New York City strapped to the railway tracks or hanging from the edge of a cliff. Governor Carey, like Hairbredth Harry, temporarily has saved our gal from a fate worse than death, but another day of reckoning comes in December. In January, the governor and the mayor will be scrambling across the ice. Misery loves company, they say, and Hugh and Abe will have each other.

Between now and then, we can expect renewed entreaties, scored in octaves tremolo, for Uncle Sam to join the beleaguered pair. The idea of a federal guarantee is not dead, but sleeping. Back in the spring, when the dimensions of the crisis began to loom more visibly through the smog, the city dispatched distinguished emissaries to knock on Washington's doors. They found an unfeeling reception. On June 23, Mayor Beame took his case to the House Committee on Government Operations. He warned of the "catastrophic impact" of default, and asked a federal guarantee of the city's repayment of its debt. He might with equal effectiveness have knelt before Mt. Rushmore and begged the stone figures to burst into barbershop song.

Individually and privately, members of the administration and members of Congress may be sympathetic with the city's woes. Collectively and publicly, they have hearts of stone. Virginia's Senator Harry F. Byrd Jr. spelled out the arguments against a federal guarantee in a long letter last week to President Ford. No, Abe, said Virginia, there ain't no Santa Claus.

The senator made three telling points: A federal guarantee would undermine the city's belated efforts to put its own house in order. A guarantee for New York City would invite identical pleas from other hard-pressed municipalities. Out in the country, the voters would rise up in wrath against subsidizing fat-cat investors who would reap a high-interest harvest on risk-free securities.

It is hard to argue with Byrd's contentions. In his June 23 testimony, Mayor Beame put the blame on the whole wide world—on President Ford, on the Arabs, on the bankers, on the media. Byrd, by contrast, last week put the blame with bull's-eye accuracy where it belongs—on the profligate irresponsibility of successive administrations in New York. Over the summer, the city has taken a few feeble steps toward austerity. The new state board and the new Penney-pincher conceivably could take other useful steps. But this momentum, slight as it is, would be lost altogether with a federal guarantee.

The argument is heard that if Congress could bail out Lockheed and bail out the railroads, surely Congress would be justified in bailing out New York. The argument does not impress. Some plausible constitutional arguments could be made, in the name of national defense, for preserving a major aircraft maker and a major transportation system. A constitutional justification for guaranteeing municipal bonds would be harder to come by.

WHAT HAS HAPPENED TO SERVICE?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. GAYDOS. Mr. Speaker, a fellow back home tells me he spent the better part of a day going from gas stations to garages in a futile effort to have new spark plugs put into his chugging car. A mechanical incompetent himself, he finally ended up getting the job done by an unenthusiastic neighbor.

In his rounds, he was told at one place that it would be several hours before anyone could take up his problem. Another advised him to return by appointment a week later. Still another said such a task was impossible in view of the bigger assignments already on a crowded work list. Thus the bow outs ran.

"What has happened to simple service in America?" he asked.

His complaint came to mind, and I repeat it here, because of a recent column in the Pittsburgh Post-Gazette by the nationally syndicated writer, Sydney Harris. Mindful of the situation which faced the spark plug customer, Mr. Harris stressed the need of "good service" and added:

> In this most mechanized country in the world, whose very economic survival depends upon the production and sale of millions of cars a year, our auto-owning population is victimized by incompetent help and interminable delays in getting the simplest repairs made.

This is true, of course, and especially incensing to those who remember back before the big war when service was a well-developed part of the U.S. auto scene. Mechanics were readily available then to provide instant help. Even filling stations out through the countryside had their man on duty to respond immediately to a hapless motorist's call for help. Some of this kind of service remains, But, regrettably, a lot of it vanished in the higher urgencies of our recent wars, never to return.

A restoration of this oldtime kind of service could provide, in my mind, some of the opportunities we need to create new jobs, generate more business in the auto field, and generally better the lot of our motoring public. We have thousands of people now unemployed who with some training could become the technicians necessary for a new service system. And I am sure there are countless numbers of frustrated drivers now laboring to make repairs themselves who would gladly pay the costs of having them done if only they would find someone to do them.

Government might help, too, by subsidizing both the training costs and the costs of introducing into the work force the people required to get service back to a high level. This subsidization could end once they began earning their way and there is every indication that this would not take long. A country that lacks the means of getting spark plugs changed without an appointment is not one which has made the most of employment openings, or one which has taken full steps to combat recession.

THE 4-H CLUBS OF AMERICA—AN OUTSTANDING PROGRAM

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. NATCHER. Mr. Speaker, the 4-H Clubs of America as befits an organization of their heritage and stature, will use as their theme for our Bicentennial year—"4-H '76, Spirit of Tomorrow."

This theme will be introduced on October 6, 1975, the beginning of National 4-H Week, a week of observance that has been set aside annually since 1927, as a time for evaluation and review, as a time of promise and planning, and as a time of festive celebration.

No choice of themes could be more appropriate for since its earliest days the story of the 4-H movement has been one of looking ahead, of progress, and one of challenge to young America. No program has come farther or been more adaptable in meeting the needs of these changing times.

In the early 1900's the 4-H program served primarily as a means of teaching farming and homemaking skills. In those years 4-H members came largely from our rural areas. Today, Mr. Speaker, 4-H members come from everywhere. For example, in the Commonwealth of Kentucky 31 percent of our 4-H'ers live on farms while 42 percent live in towns of 10,000 or less. The remaining 27 percent live in our larger cities or their suburbs.

To meet the diverse backgrounds of its members 4-H offers now a variety of projects, a variety which responds to ever-broadening interest and needs. The programs are designed to be a careful blend of personal development, leadership, and the special needs of youth; of social concerns, those concerns which affect them and their futures as able and productive citizens; and of national goals, those goals which chart our country's course, goals which determine our Nation's future—a future in which every 4-H'er will play a significant part.

These projects, however, do not constitute the entire 4-H program. Traditional projects such as livestock, crops, food and clothing are still popular choices and indeed the programs for farm and rural nonfarm members have not only been continued but strengthened. 4-H of the seventies has something for everyone.

In our Second Congressional District of Kentucky we are, and I think this could go without saying, proud of our 4-H Clubs. We know the importance and impact of the program and readily acknowledge that we are the better—as a community and as a people—for our 4-H Clubs, those whose members are our neighbors, stand as a splendid example of teamwork which includes the 4-H'ers, the parents, and leaders, and local sponsors, the extension agents, and their staffs.

Mr. Speaker, our 4-H Club members are striving for their own and our Nation's bright tomorrow. They are building and working toward a most worthy goal and to them I extend my every good wish for success.

THE ARMS EMBARGO AGAINST TURKEY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. HAMILTON. Mr. Speaker, next week the House is due to consider S. 2230, a bill designed in part to lift the arms embargo against Turkey. The House last considered this important issue on July 24, 1975, when S. 846 was narrowly defeated.

Subsequent to that vote, I asked the Department of State's Public Affairs Office to do a study of editorial opinion in the United States on the embargo question. Of the 37 editorials on the issue which came to the Department's attention, 22 opposed the embargo on the House vote, 7 supported the House action, 6 editorials blamed both Congress and Turkey for the present situation and 2 took no position.

I enclose for the consideration of my colleagues some of the better editorials which oppose the action. I hope that the House will reverse its stand this time.

[From the Atlanta Constitution, July 29, 1975]

TURKISH EMBARGO

It would be wonderful to be able to stand afar and take malicious glee in the spectacle of the U.S. House making a fool of itself—to be able to slap our knee and crow: "Well, they really did it that time. And Boy, are they going to have to pay!"

Unfortunately, though, what they did, they did to us. And we will be among those who have to pay.

Last week in one of the stupidest and most gutless moves in living memory the House, under intense pressure from the fanatical Greek-American lobby, knuckled under and refused to lift the arms embargo on Turkey.

The Turkish reaction was swift and predictable:

They told us to go to hell.

Their reasoning being that we need them in NATO at least as much as they need us. And they are entirely correct.

The U.S. intelligence-gathering and missile-launching facilities along the Turkish-Russian border are crucial to our defense, and the defense of Western Europe.

In comparison, Greece is of minor strategic importance. Consider if you will:

Turkey has a common border with Russia and contributes to the defense of the Iranian oil fields. Greece does not. Turkey controls access of the Soviet Black Sea fleet to the Mediterranean. Greece does not. Greece has some useful harbors, but Turkey can compensate with the Cyprus harbors and with key Turkish airfields and radar facilities. Turkey is an effective unified nation and has been since the days of Kemal Ataturk. Greece has been volatile and divided since the Age of Pericles.

But what of Cyprus, you ask. The issue that triggered the arms embargo in the first place.

Well, Turkey is going to control as much of it as it wants—with or without more American arms. The island is 40 miles from Turkey and 400 miles from Greece. The Turks have roughly three times the armed forces of the Greeks, and can easily hold them off at the Dardanelles and sink or shoot down Greek ships and planes travelling 400 miles under the belly of Cyprus.

The House, obviously should reconsider its ridiculous vote and face up to the hard realities of the situation.

[From the Dallas Times Herald, July 29, 1975]

WHERE LOYALTY LIES

The majority of members of the U.S. House played fast and loose with the security of their nation when they voted against lifting the ban on sale of arms to Turkey.

After all their high-flown oratory about "blackmail" and acting on principle, there is simply no other light that can be put on their decision.

The vote was fairly close, 223 to 206 against the bill which would have partially lifted the ban and allowed the resumption of sale of some arms to Turkey. As a result of the bill's defeat, Turkey has ordered the closing down of the United States' 25 military bases in that country.

If the bases are finally closed out—and there is no reason to believe the Turkish government will change its mind—the defense of NATO will be materially weakened. Turkey has often been called the "Southern anchor" of NATO.

But more, the very security of the United States will be put in jeopardy. The bases are vital to U.S. surveillance of the Soviet Union.

And still more, Turkey, which has been one of this nation's staunchest allies, may now turn to the Soviet Union to purchase arms and thus enter the Soviet sphere of influence.

As to principle, the Cyprus situation is so complex, so very nearly impervious to solution, that certainly we in this country should not set ourselves up as judges of who is right and who is wrong there. The fact of the matter is that had not the Greek Army sparked the Greek Cypriot uprising, there would likely have been no invasion of Cyprus by the Turks.

But aside from that consideration, if the aim of proponents of the ban has been, as they claim, to push the Turkish government toward a settlement in Cyprus, that aim has failed completely. A proud people, the Turks reacted, as we in this country would have reacted to such pressure, by backing away from any meaningful negotiations.

Thus, the arms ban has gained us nothing. On the contrary, it has the potential for incalculable harm to this nation.

Senate Democratic Leader Mike Mansfield, who expressed disappointment at the House vote—the Senate had passed a bill lifting the ban—said pointedly, "Ethnicity does have its effect. But I can only give my loyalty to one country, that happens to be the United States of America."

The majority in the House should reconsider its vote and, like Mansfield, give its loyalty to the United States of America.

[From the Fort Worth Star-Telegram, July 29, 1975]

EDITORIALS: TURKEY RESPONDS TO HOUSE AX JOB

Moves over the weekend by the government at Ankara to take command of more than 20 U.S. installations on Turkish soil have all but wrecked our vital relations with that key nation—and have shaken the eastern rampart of NATO to its foundations.

It is an appalling fact for Americans that this latest mangling of Western peace interests abroad has come as the direct result of the clumsy foreign policy ax which the U.S. House of Representatives has been swinging at Turkey since last winter.

Last Thursday, in an action which President Ford said "can only do the most serious and irreparable damage to the vital national security interests of the United States," the House voted 223–206 against at least a partial resumption of arms sales to Turkey, sales that were summarily halted by similar House action last February.

It took less than 24 hours for the "serious and irreparable damage" to take shape, as Turkey announced that it was assuming control of the U.S. bases. Although the Ankara authorities stopped short of ordering outright evacuation of U.S. troops, the disruption of authority in operations at the installations was immediate and serious.

Apart from the damage to NATO's eastern flank—already weakened by Greece's earlier decision to withdraw military support—the move of Turkey to seize U.S. installations is a crippling blow to this nation's vital intelligence network along the southern borders of the Soviet Union.

President Ford strongly urged members of the House of Representatives to support the bill that would have given a green light to move $185 million in weapons which Turkey had contracted for before last Feb. 5, when the House passed an ill-advised, contract-defying embargo against the sales.

The President urged the congressmen to let the administration properly conduct the nation's foreign affairs—in this instance so that "normally excellent relations with Turkey" could be maintained—and to let the arms sales program be resumed.

Failure to do so, he warned, will have not only the adverse effects on NATO and our relations with Turkey, but also probably preclude a peaceful settlement of the Cyprus dispute between Turkey and Greece.

But in its apparently infinite desire to arrogate unto itself the conduct of foreign policy, the House once more axed the sales contract with Turkey, precipitating a new and totally unnecessary crisis for the White House and the State Department.

There was for us at least some gratification in noting that 19 House members from Texas voted to lift the embargo against Turkey, and that these included Representatives Wright, Milford, and Teague.

[From the Indianapolis Star, Sept. 3, 1975]

A WAY OUT FOR CONGRESS

Greece has admitted that it seized millions of dollars' worth of United States ammunition earmarked for NATO when Turkey invaded Cyprus a year ago last July.

The admission will face Congress with a dilemma—and an opportunity—when it reconvenes after its August vacation and the administration asks it again to lift its ban on military aid to Turkey.

Congress voted the ban to punish the Turks for improperly using U.S. arms in the invasion. The act of Congress under which the United States supplies arms to members of NATO forbids them from using the arms against other members, in this case, Greece.

What will Congress do now that Greece has admitted that it, too, acted improperly?

Consistency demands that it either lift the ban on shipment of arms to Turkey, or extend the ban to Greece, as well.

Legally, Congress was completely in the right when it forbade the shipment of arms to Turkey. Unfortunately, as Mr. Bumble remarked in "Oliver Twist," there are times when "the law is a ass, a idiot."

Congress hoped to pressure Turkey into agreeing to a settlement of the Cyprus question that both Greece and the Greek Cypriots could accept. However, the Turks are a proud people.

What Congress actually did was so to infuriate the Turks that they not only became intransigent on Cyprus, they ordered the United States to close down its bases in Turkey.

This has left the southeastern flank of NATO and some U.S. intelligence operations greatly weakened. Moscow must still be rejoicing.

The Greek admission will give Congress an excuse for reversing itself on arms shipments to Turkey. That probably would placate the Turks, making them more amenable to a settlement of the Cyprus question. This, in turn, would make it possible to reforge NATO's defenses in the eastern Mediterranean.

It all depends on Congress.

[From the New York News, July 26, 1975]

IS THAT 'NO' FINAL?

By a slim margin of 17 votes, the House has rejected the proposal for a partial removal of the ban on arms shipments to Turkey in a dreadful exhibition of willful negativism and total irresponsibility.

The action further strained relations with Turkey, which cancelled our right to use bases on its soil.

And for what purposes? The Greek Cypriots, for whose cause the weapons boycott was enacted in the first place, certainly won't benefit. Ankara will now be less inclined than ever to modify its hard line on Cyprus, and the White House has been deprived of a tool that could have been used to pry out concessions.

This episode demonstrates the evils of mischievous meddling by Congress in the conduct of foreign policy. It has the power to obstruct and disrupt, but lacks the means or ability to come up with positive, constructive alternatives.

With a tally so close on an issue so crucial, the House leadership—from Foreign Affairs Chairman Thomas Morgan (D-Pa.) on up—ought to regroup their forces and make another attempt to talk reason into mavericks.

Our hopes in that regard are not bright, however, in view of the futility, feebleness, irresolution and absence of cohesion so far shown by House and Senate leaders during this session. As a result of their ineptness—

PUBLIC ESTEEM

For Congress has slumped to its lowest point in about 18 months, according to a national poll. Only 30% rate the lawmakers' work as "pretty good" or better.

The men who call the shots on Capitol Hill boasted back in January that their achievements would form the basis for the Democratic presidential race in 1976.

Unless they begin pulling themselves together soon, they will have nothing to lay before the voters but an unbroken record of indecision, inaction and petty, spiteful partisanship.

[From the New York Times, July 27, 1975]

TURKISH ARMS

The narrow House vote against lifting the Congressional embargo on arms shipments to Turkey reflected the strong feeling that the prohibition against the use of American arms for non-defense purposes had been violated by Turkey in her invasion of Cyprus a year ago—as indeed it had. This principle is incorporated in all American arms sales agreements; and it is imperative that it be sustained.

However, the compromise agreement incorporated in the House bill, as amended, did recognize this principle by providing only a partial and temporary resumption of arms shipments in hopes of unfreezing the Cyprus negotiations. The need still remains to restore a more flexible policy that would enable American diplomacy to be brought to bear more effectively than has been possible in a situation of total embargo and total Turkish resistance to concessions under pressure. It was this view that led former Undersecretary of State George Ball, who had criticized the original House Bill lifting the embargo, to intervene in the debate Thursday with a message favoring passage of the amended measure.

An alternative solution, previously urged by Mr. Ball and former Undersecretary of Defense Cyrus Vance—both former American mediators in the Cyprus dispute—still remains open to the Administration. It would be for the President to exercise his discretion, under the Foreign Assistance Act, to authorize shipment to Turkey of $50 million of the $87 million of grant military aid now being held up by the embargo. Since this waiver authority is contained in the same law that bars non-defense use of American arms, its employment would not challenge legal principle in the way new embargo-lifting legislation might do.

The President would be justified in taking this action now as the only alternative open to him. Turkey's predictable move to suspend use of American bases—on grounds that the House vote maintaining the total American embargo violates the Turkish-American mutual defense agreement—only emphasizes the need for some new American move to halt further deterioration of the situation.

The House has proved its point; now, instead of frozen faces and mutual charges of "blackmail," the time is at hand to relax tensions and resume negotiations.

[From the Wall Street Journal, July 31, 1975]

A SECURITY DISASTER

Thanks to last week's House vote on the Turkish arms embargo, Turkey is taking control of the 20-odd American bases on its soil and suspending all of their activities not related to NATO. In effect, U.S. monitoring stations along Turkey's 2,000-mile border with the Soviet Union have stopped listening. This leaves a gap in our early warning against missile attack that is only partly filled by other sources. It also hampers our ability to check on the strategic arms agreements, and it seriously reduces our ability to eavesdrop on Soviet radio communications, an important element in our intelligence system.

Thus does Congress protect the security interests of the United States. The House voted 223 to 206 to throw away these assets. And for what?

Well, a main theme on the House floor was not yielding to blackmail, meaning the Turkish threat to respond to the embargo by taking over the bases. The embargo apparently is not blackmail. Also, there was a lot of talk about "legality," referring to a rather touching provision in the foreign aid law that U.S. supplied arms should not be used for purposes the U.S. does not approve.

This forgets, for one thing, that Turkey did not start the Cyprus crisis. The late Greek junta set things off by sponsoring a coup led by terrorist fanatics bent on uniting the island with Greece. The 1960 treaty on the independence of Cyprus gave Turkey the right to prevent such * * *. Furthermore, Congress has received evidence that arms supplied to Greece were used illegally on the Greek Cypriot side. But Congress hasn't embargoed arms to Greece.

We could understand some of this one-sidedness in terms of constituent pressures, but there seems in addition to be an extra element of self-destructiveness. This was particularly evident in the fact that several arch-conservative Republicans, like Ashbrook of Ohio, Crane of Illinois and Rousselot of California voted against the administration-backed compromise—apparently out of irritation at Henry Kissinger's softness toward the Russians, the chief beneficiaries of the House vote.

It would be nice to have the United States in a position to mediate some peaceful solution to the Cyprus problem, but so far the U.S. seems against all odds to have alienated both sides. For its part, Congress seems intent on proving what a disaster a congressionally-run foreign policy would be.

HEAD START PROGRAM IS CONCERNED ABOUT CHILDREN'S MINDS AND BODIES

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BOLAND. Mr. Speaker, I recently received a letter from Shaun Fitzpatrick, the director of the Holyoke-Chicopee Head Start program. I was very impressed by the letter and I would like to share it with the Members of the House.

The focus of the Head Start programs is on children's minds. These minds, however, do not exist in a vacuum. The Head Start program in the Holyoke-Chicopee area recognizes this fact and has initiated an innovative program to insure that neither minds nor bodies are neglected. I know my fellow Members will be as impressed with this program as I am.

Too often today Federal programs are characterized as wasteful or inefficient. In this case, a Head Start program is fulfilling its objective and more. The Holyoke-Chicopee program is concerned about both the minds and the bodies of our children. I know of no more precious asset for our country and I commend the program for its excellent work.

The letter follows:

HOLYOKE/CHICOPEE HEADSTART, INC.,
Holyoke, Mass., September 17, 1975.
Representative EDWARD BOLAND,
House of Representatives Office Building, Washington, D.C.

DEAR REPRESENTATIVE BOLAND: Holyoke/Chicopee Head Start completed its annual recruitment for eligible preschool children on August 29 of this year. During this recruitment process our program, with approval of our parent Office of Child Development, H.E.W., initiated an innovative procedure that I feel you, as a concerned supporter of the Head Start program, should be aware of.

During the recruitment, Holyoke/Chicopee Head Start required that each child who applied for enrollment in the program must have a medical exam before he or she would even be considered. To insure that this would impose no hardship, economic or otherwise, on any family we arranged for free medical examinations to be provided by the local Boards of Health and we also provided transportation to any family that desired it. The rationale behind this innovation was to try and reach beyond the seventy-five children that we are funded to serve and to help provide badly needed medicals for as many preschoolers in the community as we could reach. Although only funded for seventy-five children, we enrolled 102 children and provided medicals for a total of 117 children.

Even though the number of medicals was only fifteen above the number of children we enrolled, we feel that the program was a success and bring it to your attention for possible consideration of widespread implementation. Thank you very much for your time and consideration.

Sincerely,
SHAUN FITZPATRICK,
Director.

PANAMA CANAL ISSUE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. SIMON. Mr. Speaker, the House made a mistake in rejecting the conference committee report, even though the language in the conference committee on the Panama Canal is of concern to me, because it is so ambiguous as to mean anything to anyone. Those who favor sensible treaty negotiations can favor it and those who oppose sensible treaty negotiations can favor it.

I do not want my position misunderstood.

The vote I cast today is for the conference committee report because of the overall content of that report. But I do not want to be registered as one who favors a shortsighted, disaster-prone policy on Panama.

On both legal and moral grounds we are wrong if we do not work out sensible arrangements with Panama. Add to these realities the defense and commercial needs of the country and the case is overwhelming for a rational policy, not a big bully policy.

Speaking recently, the President of Mexico—a friend of the United States—said this:

> All of Latin America is entirely on Panama's side. We share the exasperation of the Panamanian people at having a foreign enclave in their territory. That anachronism must be removed if we are to enjoy a mutual relationship with the United States based on justice and democratic principles.

I do not believe there is a leader in Latin America who disagrees with that statement.

Following the recent antinegotiation attitude expressed by this body, the acting Foreign Minister of Panama, Carlos Ozores, commented:

> If the aspirations of the Panamanian people are not satisfied promptly, neither the National Guard nor our government nor the United States will be able to stem the discontent and the sabotage against the Canal.

The chief executive officer of the Organization of American States warned on Meet the Press recently that there could be violence all over Latin America if this Nation—and particularly this Congress—did not change its stance.

This Nation must stand for an enlightened policy toward Panama. The emotional fervor of a few should not blind us to the realities in Panama.

I am voting for the conference committee report. But I do not mean approval of the weak reference to the Panama Canal area, for its intent obviously is to avoid the issue rather than confront it. However, it is a substantial improvement over the Snyder amendment, because that amendment is clearly in the wrong direction.

ASSESSING THE TURKISH OPIUM THREAT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BINGHAM. Mr. Speaker, last year the Government of Turkey lifted a ban on opium poppy cultivation. Since there is such great concern about the potential effects of this decision on illicit drug traffic, I thought my colleagues and other readers of the RECORD would be interested in a September 21, 1975 Washington Post article which describes the Turkish opium control program. The article follows:

TURKS CHANT "POPPY IS OUR BLOOD": TURKISH GOVERNMENT CONTROLS TRADE IN OPIUM—THIS YEAR

(By Dusko Doder)

AFYON, TURKEY.—The farmers dressed in black pressed around the bus and in their enthusiasm tried to touch the speaker or at least get a good look at him. In the sea of banners one read, "The poppy is our blood, Ecevit is our soul." The slogan rhymes in Turkish, and the crowd chanted it lustily.

Bulent Ecevit, who lifted a 2-year-old ban on opium-growing when he served as premier last year, was being received enthusiastically by conservative farmers in this impoverished region of the central Anatolian highlands, where the lovely purple blossoms of the poppy have been grown for centuries.

In a village about 30 miles north of here, his campaign bus was mobbed by poppy farmers who slaughtered a sacrifical sheep with a sharp knife near the front end of the vehicle. Its blood was smeared round the edges of the windshield—to bring Ecevit good luck.

The Turkish opposition leader kept reminding the Anatolian farmers that it was his government that lifted the ban on poppies. But this was not necessary, since opium growers in the Afyon region feel a measure of prosperity: This has been a good year for poppies despite winter frost and heavy spring rains. The government has bought up the entire harvest, paying good prices, under a new system of cultivation designed to keep the raw material for opium from the hands of drug pushers.

Until Turkey's military government, under strong American pressure, decided to ban all growing of poppies in 1972, most of the heroin used in the United States came from a milky white sap oozing out of the Anatolian plants.

The growing ban, which the Turks enforced rigorously, did not end the production of heroin—South Asia and Southeast Asia became the alternate sources of opium. U.S. officials say the price of heroin sold in American streets has increased tenfold, however.

Although the United States allocated $35 million to compensate Turkey and to help develop a new source of income in this region, the ban brought economic hardship on 100,000 farmers and disrupted the traditional economic patterns.

The poppy is not only a good cash crop as the source of opium. The seed of the flowers provides the bulk of the fat in the farmer's diet as salad oil. The leaves are used in the salad, too. Other parts of the plant are used to feed cattle, to make bread and for furniture and firewood.

Last year, Ecevit called in a group of international experts to advise him on opium control. The new program was drafted in the summer and the ban was lifted. Both Turkish and American law enforcement men are optimistic.

"It wasn't possible to cheat this year," said Osman Koseoglu, the chief narcotics agent in the Afyon province—the name of which means "OPIUM." Afyon accounts for 50 per cent of Turkey's opium production and is one of seven provinces in which poppy cultivation is allowed.

Koseoglu outlined the relatively simple methods of control but added, "I guess they may try next year to come up with a method of cheating but it will be very difficult."

The regional representative of the U.S. Drug Enforcement Administration, Francis L. Briggs, said he was also optimistic. Opium and morphine base "are not available in Turkey" now, he said, although some drugs may be crossing Turkey via Istanbul from Asia on its way to southern France.

Another American expert, Stan Samuelson, who is an agriculture specialist working for the Agency for International Development, said he had driven 12,000 miles through the poppy-growing regions this summer and "I didn't see any violations."

Under the new regulations, the farmers are not permitted to cut into the poppy plant during the critical 15-day period when its bulb is filled with the white sap. All poppy growers in the seven provinces are licensed and their area of cultivation determined by government.

According to Koseoglu, the area is easy to patrol and "you don't have to get out of your car to check whether someone is cheating. It is very obvious."

This summer, scores of farmers were arrested for planting more than permitted and on two occasions quantities of opium were seized, presumably from old stockpiles.

Law enforcement has been rigorous. "There is too much paperwork now," said Kemal Maryan, a poppy farmer who complained about licensing procedures and frequent inspections of his property by narcotics agents. "But the price was good," he added.

The future of the program will depend on the performance of Turkey's law enforcement agencies. If lancing of the bulbs during the critical period is checked, the dried poppy husks containing opium alkaloids are virtually useless to traffickers. Extraction of opium from the husks requires complex machinery.

The new system could virtually shut out the black market.

Skeptics are concerned that next year the law enforcement process may weaken and reopen the way for opium smuggling. Others believe that Turkey is determined to show the world that it can prevent illicit drug traffic. Ecevit played heavily on this theme, repeating in his speeches, "We'll show them what we can do."

FOOD STAMPS FOR "FIDO"

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. ASHBROOK. Mr. Speaker, the American people are not fooled by food stamps. The theory is that they help the poor. In practice, food stamps are used by the indolent and the undeserving as much as by the needy. I have probably heard more complaints regarding excesses, subsidizing the indolent, and just plain anger over this subject than any other Federal program.

I recently heard one of the horror stories about food stamps which capped them all. I was talking to a constituent who was waiting in a grocery store checkout line when he observed an unlikely trio ahead of him—two young hippy-type girls and an older man. He overheard their conversation and it was obvious they were out communing in nature somewhere near one of our parks, living the good life at taxpayers' expense. As the checkout girl dutifully ran the items by, clicking off the prices in a mechanical way, she suddenly came to a stop. "I am sorry, sir," she said as she addressed the man with the large basket of groceries, "I'm afraid that you can't pay for dog food with your food stamps."

Quick as a flash, he handed the cans of dog food to the two girls and said disdainfully:

> Hurry over and get six pounds of hamburger. The dog likes hamburger just as well.

There stood the chagrined taxpayer, waiting in line to check out his frugal purchases, while three of the growing legion of voluntary poor—those are people who choose not to work, who drop out, join communes, or otherwise shirk their own responsibilities—solved one of their simple everyday problems, thanks to the largesse of the taxpayer and the foolishness of the Congress which has turned the food stamp program into a fiasco.

Expense fiasco at that. With a meager start of a few hundred million dollars a few years ago, the taxpayer now has a $5 billion turkey on his back.

IRS DRIVE AGAINST CORPORATE CRIMINAL FRAUD

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. VANIK. Mr. Speaker, in response to an inquiry from Congressman GIBBONS and myself, Commissioner Alexander recently reported on IRS efforts against corporate tax fraud, including problems arising from illegal domestic and foreign political contributions and bribes. The Commissioner's letter on this subject is included in the CONGRESSIONAL RECORD of June 13, 1975, pages 18832–18833.

On August 4, 1975, I wrote to the Commissioner concerning a statement in the IRS budget justifications presented to the House Appropriations Committee this spring on a possible growing level of tax fraud. I have just received a letter from the Commissioner concerning the "evidence" pointing to a possible increase in tax violations. The Commissioner cites "various business practices by major corporations" where the IRS and others "have uncovered intricate corporate schemes . . . designed to generate large amounts of cash."

As the Commissioner states:

> The problem of possible misuse of corporate funds for such illegal purposes as political contributions, bribery, lobbying, kickbacks, or diversion to personal use is one that the Service intends to deal with in a positive manner.

The Commissioner is to be commended for his emphasis on the very serious problems in the area of corporate tax fraud. I believe that the Service should be assisted in this drive. I am deeply concerned about the failure of the courts to deal severely with "white collar" tax fraud cases. For example, the Commissioner also testified before the House Appropriations Committee this spring that

> There has not only been a recent decline in jail sentences, but there continues to be considerable disparity between the circuits on prison terms meted out to convicted tax offenders. Lenient and inconsistent sentencing continues to be a problem to the IRS and greatly detracts from our prosecutive goal of deterrence.

In fiscal year 1974, for example, out of 1,135 convictions and sentencings, prison terms were imposed only 472 times, probation was provided 580 times and 83 individuals received only a fine penalty.

In view of the very serious corporate tax frauds being uncovered by the IRS, I believe that the Ways and Means Committee should consider some special form of penalties or minimum sentences and fines for corporate executives responsible for these extremely elaborate and premeditated frauds.

The full text of the Commissioner's letter follows:

INTERNAL REVENUE SERVICE,
Washington, D.C., Septemebr 11, 1975.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: This is in response to your letter dated August 4, 1975, wherein you requested information on a statement the Service made before the House Appropriations Subcommittee hearing on the Service's budget for Fiscal Year 1976. Specifically, you asked what "evidence" is coming to light indicating that there may be a growing incidence of tax fraud?

Recent investigations by the Service and other investigatory agencies into various business practices by major corporations have uncovered intricate corporate schemes, outside normal internal audit controls, designed to generate large amounts of cash. The problem of possible misuse of corporate funds for such illegal purposes as political contributions, bribery, lobbying, kickbacks, or diversion to personal use is one that the Service intends to deal with in a positive manner. A large number of examples of such schemes have come to the attention of the Service within the past year or more. We based our statement before the House Appropriations Subcommittee on such evidence and on our belief that overall growth in taxpayers and tax receipts is accompanied by growth in tax evasion as well. Set forth below are several examples of the many machinations uncovered through Service collection, examination and enforcement efforts:

1. A domestic corporation generated a cash fund by using its foreign subsidiary as a conduit. The subsidiary was subsequently liquidated, making the transfer very difficult to trace.

2. The president of a large corporation devised a scheme to divert up to $50,000 a year into a slush fund. This scheme included the contracting of foreign consulting services at inflated rates wtih the understanding that

the excess fees would be returned. These amounts were returned to the corporate officer in the United States who had complete control over these funds. No accounting or records were maintained for amounts received or expended.

3. A corporate slush fund was created with the aid of a wholly owned foreign subsidiary. An officer of the subsidiary withdrew and placed into the fund substantial amounts for a period of ten years. Large unsubstantiated expense vouchers were also submitted to build the fund. Other methods were used to include excessive insurance commission checks and a fictitious sales commission to a foreign consultant.

4. A United States based corporation reimbursed a foreign subsidiary through a New York bank for the latter's advance to another subsidiary in another foreign country for its contribution to a local political campaign. The parent company had also expensed as "professional services" for the foreign subsidiary a contribution in the same amount paid on behalf of the subsidiary to the opposing political party. Over $100,000 was paid to the two opposing parties for one year and reflected as business expenditures on the corporate return.

5. A multinational corporation devised a complex scheme of kick-backs from the construction of a foreign facility and from the contract to supply raw materials. False invoices were used in the diversion of funds. The contracts written in this kickback scheme specifically provided that payments would be made outside the United States and would not be made by any person or corporation covered by United States law. All payments were directed through a foreign conduit and at least two foreign bank accounts before being placed into various Swiss accounts. On occasional trips abroad the corporate officers would pick up cash from these accounts to be used at the discretion of certain officials.

If we can be of any further assistance to you in this matter, please do not hesitate to call on us.

With kind regards,

Sincerely,

DONALD C. ALEXANDER,
Commissioner.

GRAIN SALES

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. SEBELIUS. Mr. Speaker, yesterday, the respected and veteran commentator Joseph McCaffrey broadcast some remarks that I feel merit the attention of my colleagues. Joe, in his usual commonsense approach, I think put the issue of the grain sales to the Soviet Union in proper perspective. What Mr. McCaffrey says is what farmers in my district know to be true from practical experience. I should like to call to the attention of all my colleagues, the following remarks by Joseph McCaffrey:

COMMENTARY

Joseph McCaffrey (WMAL-7): "Overlooked in the big fuss over to ship or not to ship grain to the Soviet Union is something that could be a lesson to the entire world. What's wrong with the great magic of Communism if, after all these years, and all the five-year plans, and all the collective farms and all the bragging—it can't feed its own people? And what's right about the American system which, at this point, at least, is able not only to feed its people, but has food to sell overseas? The Soviet Union has been trying to face up to this problem year after year, after year. And it has failed year after year after year. Not only does it strip its people of basic freedom, but although it has its people working at its command, it still can't produce enough to feed itself. Government control—the lesson seems to be—is not the answer. Freedom is always better."

OUR CITIES NEED GREATER ECONOMIC DEVELOPMENT ASSISTANCE

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. JAMES V. STANTON. Mr. Speaker, yesterday I again appeared before the House Economic Development Subcommittee to testify in behalf of H.R. 2751, the Urban Employment Act, and I again urged that the Economic Development Act be greatly expanded and reshaped, so as to make it a major source of assistance for the large cities of this Nation.

Mr. Speaker, as a Representative of one of the great cities, and as one who was an official of its government for 10 years, I cannot overstate how important I believe a comprehensive, well-funded program of economic development assistance would be to the cities. The budgetary crises which have stricken many of the major cities in the past several months—bringing with them municipal strikes, and the threat of further cutbacks in essential services—are only the most recent and most shocking indication of a more serious problem in the cities—a problem which is more deeply rooted, and has been festering far longer, than the red ink on today's municipal ledgers would indicate.

That problem is the gradual and continuing erosion of the economic base of the cities, an erosion which is most evident in the flight from the cities of taxpaying businesses and workers, and in the idling of valuable resources of land and labor in the cities. To mayors and city councils in the urban areas, the decline in the wealth of cities has meant declining tax revenues and a constant battle to seek to equalize income and expenditures. To many others in the cities, plant closings and industrial migration have had a far more personal effect in terms of the loss of a cherished job, the loss of seniority, and perhaps the loss of a pension. To young people, just entering the labor market, it has meant that the struggle to find one's first job has become even longer and harder.

Congress has enacted a number of programs intended to reduce joblessness, and assist local government in meeting their financial obligations. All of these programs, including those for vocational education, job training, public service employment, and general revenue sharing, serve real needs and must, in my view, be continued. Yet none of these address what I consider to be the basic need of ending the erosion of the cities' economic base, and restoring the foundation of a thriving local market of commerce and industry on which all else is built.

Let us be very frank; if private industry does not stay in the cities, and expand there, all efforts to reduce depression-level unemployment in the urban areas, and place the cities on a self-supporting financial basis, will certainly fail.

Thus the proceedings of the subcommittee as it considers proposals to extend and amend the Economic Development Act, the sole Federal program which seeks to strengthen local economies, are of extreme importance to the cities. I must add that what the subcommittee does to assist the cities should be of concern to all people, including those who live in the rural and suburban areas of our land. For, again, as has been shown most clearly by recent events, when cities encounter financial difficulty, they must turn to the State for assistance. In this situation, the assistance which the State provides comes from revenues raised from all parts of the State, urban and nonurban alike. A further consequence is that the credit rating of the State may well suffer too, thus increasing the amount of interest it must pay to borrow money. We can best insure that neither the States nor the Federal Government will ever again have to "bail out" a city by acting now to assist the cities in rebuilding their economic strength.

And, Mr. Speaker, I wholeheartedly believe that the Economic Development Act provides an excellent framework for offering the assistance. The fundamental change in the act that I believe is necessary is illustrated by the Urban Employment Act, on which this subcommittee adduced much testimony in the hearings of April 1974. Basically, I propose that a new title be established in the Economic Development Act, containing its own, separate authorization of assistance, for which the large cities alone will be eligible. By establishing such a separate title, we will guarantee that the cities will, for the first time, receive an adequate share of the economic development moneys.

The proposed Urban Employment Act focuses on one type of development activity now underway in many cities: the establishment of land banks, which enable the cities to reverse the tide of industrial migration by offering suitable businesses a desirable parcel of land on which to expand, and offering it at a reasonable cost.

There are of course other types of redevelopment activities worthy of assistance, such as the building of roads, sewers, and other facilities, and the subcommittee may want to draft the urban aid provisions in a manner that gives the local officials maximum discretion in choosing the approach best suited to their individual area. Finally, these provisions should include long-term, low-interest loans and loan guarantees for businesses which undertake worthwhile building, expansion, or modernization projects in the cities.

Mr. Speaker, considering the needs of our cities, and the state of our national economy today, I believe the subcommittee and the Congress, as it authors the economic development program of the Federal Government for the coming years, has a very great responsibility. A program for the cities such as I have described will, I believe, start us on the road to full and wise use of the resources of our urban areas, and prosperity for both the people, and the governments, of the cities.

In addition, because the financial problems of the cities are so immediate and so pressing, I also urged immediate action on some form of "countercyclical" antirecession aid to hard hit State and local governments. The Senate has already acted on such a measure, and House conferees hopefully will soon have the opportunity to examine the Senate's work.

As we attempt to deal with the worst recession and the highest unemployment since the Great Depression, we should keep in mind that the sector of our economy which provides basic services to our citizens has been dealt a double blow by inflation and lost revenue. Governmental units around the country—small as well as large—are faced with the dilemma of either raising taxes or reducing basic services, and that means laying off workers. This can only result in further revenue decreases for local government, declining sales and profits for private industry and finally, an increase in Federal costs for unemployment payments and other support for laid off Government workers.

Mr. Speaker, we ought to design and write into law a carefully targeted, finely triggered program of aid to these State and local governments to see them through the recession. I think we should move quickly on this and make it part of a total public works, jobs, and economic development package.

HERMAN GREENBERG, 1905–75

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BOLAND. Mr. Speaker, last week a fine American passed away. Herman Greenberg was the first and only president of the Springfield-Chicopee-West Springfield Labor Council, AFL–CIO, one of the great leaders in labor history. For 40 years, Herman Greenberg was the labor movement in western Massachusetts.

All who knew of Herman Greenberg recognize the loss of a great labor leader. But all who knew him recognize the loss of a great man. Herman Greenberg became a part of all that happened in his community. He served on commissions, boards and clubs too numerous to mention. The list itself is a fine indication of the community spirit of the man.

I particularly remember Herman Greenberg as an organizer of men. He personally shaped the AFL–CIO Pioneer Valley Labor Council. He has been its only president for 35 years. His single-minded devotion to his goals is also evident in his untiring efforts for the boys clubs of our area. Both organizations can never replace him. Herman Greenberg's spirit was such that he never gave without giving his fullest.

In all my years in public life, I have been associated with few people of the caliber of Herman Greenberg. I attribute the enormous influence which he attained in his public life to his unflagging dedication to the western Massachusetts community. He was a rare man, rock sound in his devotion to the labor movement. I was both proud and happy to be associated with him. There will be few others like him. Both my wife Mary and myself extend our deepest condolences to the entire Greenberg family.

Mr. Speaker, I would like to include in the RECORD two newspaper tributes to this fine man:

From 1941 to 1945 he served on the War Manpower Commission, which attempted to get jobs for war veterans. He also served on the Springfield Welfare Board and was its chairman three years.

In 1950, he was named chairman of the state Personnel Appeal Board and later that year, was named chairman of the city's Industrial Commissions.

In several newspaper interviews throughout the years, Greenberg was often quoted as saying, "I remember calling on the city's aldermen to come with me and tour the slum sections.

"I called for programs of urban renewal and asked for concentrated efforts to bring in new businesses and industries," he was quoted as saying.

Greenberg also supported construction of Baystate West and the Springfield Civic Center and said "projects like this are long overdue."

Greenberg, who brought labor's backing to President Harry S. Truman and John F. Kennedy, had also enjoyed a personal relation with governors, congressmen, state legislators, mayors and city officials throughout the years.

The labor leader most recently gave his support to construction of a new high school on State Street.

Two weeks ago, Greenberg said he was hopeful the American Federation of State, County and Municipal Employes (AFL–CIO) would maintain its collective bargaining rights for the city's 1600 municipal employes.

In a letter dated Sept. 5 to Labor Council members, Gov. Michael S. Dukakis, area representatives and senators, Greenberg urged officials to oppose any rate increase requested by insurance companies.

This Tuesday night, Greenberg planned to attend a retirement party, which he coordinated, for Mrs. Charlotte Richey of the Do-Nut Jar, Indian Orchard.

He also planned to be a delegate this fall to the national and state annual meetings of the AFL–CIO.

Greenberg was born in Russia, July 19, 1905.

In 1927, he married Evelyn (Francalansi) Greenberg, but was divorced in April of 1956. He remarried his present wife in 1963.

Besides his wife, he leaves a son, Robert Zaitshik Greenberg of Chicopee; a daughter, Miss Eva Greenberg of Springfield; a stepson, Scott Parizo of Springfield; two granddaughters and two great-grandsons.

The funeral will be Wednesday at 1 p.m. at Beth El Temple, 979 Dickinson St., Springfield, followed by burial in Beth El Cemetery, West Springfield. The funeral was delayed a day because of Yom Kippur.

Visiting hours at the Harold R. Ascher & Son Memorial Chapel, 44 Sumner Ave., Springfield, are Tuesday 7 to 9 p.m. In lieu of flowers, memorial contributions may be made to the Herman Greenberg Memorial Fund at the Springfield Boys Club, 481 Carew St.

[From the Springfield Daily News, Sept. 16, 1975]

HERMAN GREENBERG SERVED HIS CITY WELL

Herman Greenberg was best known in Western Massachusetts and throughout the state as a labor leader who championed the cause of the working man.

This recognition was well-deserved since it was largely through the efforts of Mr. Greenberg—spanning about 40 years—that a vigorous and effective labor movement was established in the western part of this state.

Mr. Greenberg was the first and only president of the Springfield-Chicopee-Westfield Labor Council, AFL–CIO, which represents a membership of 40,000.

However, Mr. Greenberg was more than a prominent labor official, as those who knew him, and worked with him for years in the Springfield community, are well aware.

He served on many city commissions and boards, as well as on state agencies. To name only a few, he was a police commissioner here, a member of the city's welfare board and its chairman for three years, chairman of the municipal Industrial Commission and also chairman of the state Personnel Appeal Board.

During World War II, he served on the War Manpower Commission whose function was finding jobs for war veterans. Obviously, Mr. Greenberg was deeply committed to the view that a progressive city is a city that seeks to improve the quality of life for all its residents.

In paying tribute to Mr. Greenberg, Mayor William C. Sullivan summed up his dual role as labor leader and as an untiring worker in the community, noting it has had "a great impact in the rise of the working man" and "he has always been concerned about the direction of the city."

It can be said that this community concern dates back six decades, since Mr. Greenberg made Springfield his home for 61 years. He was a boy of seven when his family emigrated from Russia.

Thus, there is still another phase to Mr. Greenberg's career. It typifies the "American dream" success story of the young immigrant—with education that did not go beyond grade school—who, nonetheless, persevered to become a self-made man.

Skeptics who say that America is not a land of opportunity should avoid any reference to Herman Greenberg's successful career.

His death Sunday is a loss not only to the labor movement that he served so long and so well, but is it is an equal loss to his legion of friends and to the Springfield community.

[From the Springfield Union, Sept. 15, 1975]

HERMAN GREENBERG DIES, WMASS LABOR LEADER

(By Ann Doyle)

Herman T. Greenberg, the first and only president of the 40,000-member Springfield-Chicopee-Westfield Labor Council, AFL–CIO, died Sunday on a weekend trip in Montreal, Canada.

Greenberg, 70, known as a friend, confident and fiery labor leader throughout the Pioneer Valley, died of a heart attack in his Montreal hotel room around 3 a.m. Sunday.

Mrs. Marlene (Parizo) Greenberg, his wife of 12 years, said she and her husband had left Springfield Friday for a pleasure trip in Montreal, which included visiting religious shrines.

She said they had planned to be back Sunday afternoon for Yom Kippur, the most solemn Jewish holiday.

Mrs. Greenberg said her husband awoke early Sunday morning with pains and thought he was catching a cold. He died shortly afterwards.

Greenberg, of 137 Woodcrest Rd., Springfield, had lived in the city 61 years. He emigrated from Russia when he was seven years old with his mother, brother and sisters. His father had died in Russia.

He attended the Carew and Chestnut Street Schools and after school hours, hawked newspapers at Bridge and Main Streets. He was a member of the Springfield Boys Club and played basketball with the Young Men's Hebrew Association.

Greenberg's formal education ended in the eighth grade when he went to work at the Asinof Manufacturing Co. in Chicopee as a bundle boy.

His active role in the labor movement started in 1936 when he helped organize Local 290, Amalgamated Clothing Workers Union. He was elected its president in 1937 and served in that position 10 years.

Greenberg's momentum in labor activities never ceased and in 1941 he was elected president of the Western Massachusetts CIO Council. He still headed the organization in 1961 when the merger of the AFL–CIO resulted in the Greater Springfield AFL–CIO Council.

He had been reelected each year as the organization expanded its jurisdiction to 62 locals and 40,000 members and changed its name to the Pioneer Valley AFL–CIO Council, to indicate its broader scope.

Greenberg firmly believed Springfield was one of the most labor-oriented communities in New England and focused many programs in the need for cooperation between the working man and business.

TRIBUTES FOR MR. GREENBERG

The news of the death of Herman Greenberg, President of the 40,000 member Springfield-Chicopee-Westfield Labor Council, AFL–CIO, left a wave of shock, disbelief and sadness among those who knew him.

Springfield Mayor William C. Sullivan said Greenberg's death was a "loss not only to his family and the labor movement, but to the entire community."

"The work he has done over the past 30 years, has made a great impact in the rise of the working man," Sullivan said. "He has always been concerned about the direction of the city."

Sullivan said the labor leader's death was also a personal loss.

"He was a good friend of mine and a loyal booster," he said.

The reaction was unanimous: he will be greatly missed and, as George Sokolowski, President of the local American Postal Workers Union and a vice president on the council, put it, he will be "a tough man to replace."

John F. Albano, first executive vice-president of the labor council, told The Union he will temporarily assume the presidency under the council's constitution.

"He'll be hard to replace—he was involved in everything," Albano said. "He will certainly be missed but the council will have to go on like everything else."

Those words were echoed by Sokolowski.

"Well, it's a sorry state for the community. They're not going to be able to get anyone to replace him that I can see," he said.

City Councillor Vincent DiMonaco predicted "it will take a little while to replace a man of his caliber."

"He was a benevolent man who knew what human suffering was. He will unquestionably be greatly missed."

Greenberg also served on the Springfield Police Commission. According to Joseph A. Kawie, chairman of the commission, Springfield has lost "a great citizen."

DR. BURNS SPEAKS OUT ON INFLATION AND UNEMPLOYMENT

HON. ROBERT G. STEPHENS, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. STEPHENS. Mr. Speaker, on Friday, September 19, Dr. Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System, was the featured speaker at the Blue Key Honor Society annual awards banquet at the University of Georgia in Athens.

In his address, Chairman Burns gave a powerful challenge to the people of our country, climaxed in his closing paragraph:

> This, then, is the basic message I want to leave with you: our nation cannot now achieve the goal of full employment by pursuing fiscal and monetary policies that rekindle inflationary expectations. Inflation has weakened our economy; it is also endangering our economic and political system based on freedom. America has become enmeshed in an inflationary web, and we need to gather our moral strength and intellectual courage to extricate ourselves from it. I hope that all of you will join in this struggle for America's future.

Because this milestone address is of such importance to all of us, I set it out below in full and urge my colleagues to study it carefully:

I am pleased to be here at the University of Georgia and to have the opportunity to address this distinguished audience. Tomorrow promises to be an exciting day for you, and you will need all the rest you can muster. I shall therefore not waste many words as I share with you my concern about our nation's future.

Our country is now engaged in a fateful debate. There are many who declare that unemployment is a far more serious problem than inflation, and that monetary and fiscal policies must become more stimulative during the coming year even if inflation quickens in the process. I embrace the goal of full employment, and I shall suggest ways to achieve it. But I totally reject the argument of those who keep urging faster creation of money and still larger governmental deficits. Such policies would only bring us additional trouble; they cannot take us to the desired goal.

The American economy has recently begun to emerge from the deepest decline of business activity in the postwar period. During the course of the recession, which began in late 1973, the physical volume of our total output of goods and services declined by 8 percent. The production of factories, mines, and power plants fell even more—by 14 per cent. As the over-all level of economic activity receded, the demand for labor rapidly diminished and unemployment doubled, reaching an intolerable 9 per cent of the labor force this May.

The basic cause of the recession was our nation's failure to deal effectively with the inflation that got under way in the mid-sixties and soon became a dominant feature of our economic life. As wage and price increases quickened, seeds of trouble were sown across the economy. With abundant credit readily available, the construction of new homes, condominiums, and office buildings proceeded on a scale that exceeded the underlying demand. Rapidly rising prices eroded the purchasing power of workers' incomes and savings. Managerial practices of business enterprises became lax and productivity languished, while corporate profits—properly reckoned—kept falling. Inventories of raw materials and other supplies piled up as businessmen reacted to fears of shortages and still higher prices. Credit demands, both public and private, soared and interest rates rose to unprecedented heights. The banking system became overextended, the quality of loans tended to deteriorate, and the capital position of many banks was weakened.

During the past year many of these basic maladjustments have been worked out of the economic system by a painful process that could have been avoided if inflation had not gotten out of control. As the demand for goods and services slackened last winter, business manages began to focus more attention on efficiency and cost controls. Prices of industrial materials fell substantially, price increases at later stages of processing became less extensive, and in many instances business firms offered price concessions to clear their shelves. With the rate of inflation moderating, confidence of the general public was bolstered, and consumer spending strengthened. Business firms were thus able to liquidate a good part of their excess inventories in a rather brief period. Meanwhile, as the demand for credit diminished, tensions in financial markets were relieved, and the liquidity position of both banks and business firms generally improved.

These self-corrective forces internal to the business cycle were aided by fiscal and monetary policies that sought to cushion the effects of economic adversity and to provide some stimulus to economic recovery. On the fiscal side, public employment programs were expanded, unemployment insurance was liberalized, and both personal and corporaate income taxes were reduced. On the monetary side, easier credit conditions were fostered, resulting in lower interest rates and a rebuilding of liquidity across the economy.

With the base for economic recovery thus established, business activity has recently begun to improve. Production of goods and services turned up during the second quarter and is continuing to advance. The demand for labor has also improved. Both the number of individuals at work and the length of the workweek are rising again, and unemployment has declined three months in a row. Retail sales have risen further, and of late residential construction has joined the recovery process.

Along with these favorable developments, however, some ominous signs have emerged. Despite an occasional pause, inflation once again may be accelerating. By the second quarter of this year, the annual rate of increase in the general price level was down to 5½ per cent—about half the rate of inflation registered in the same period a year earlier. But over the summer, prices began to rise more briskly.

This behavior of prices is particularly worrisome in view of the large degree of slack that now exists in most of our nation's industries. Price increases in various depressed industries—aluminum, steel, autos, industrial chemicals, among others—are a clear warning that our long-range problem of inflation is unsolved and therefore remains a threat to sustained economic recovery.

History suggests that at this early stage of a business upturn, confidence in the economic future should be strengthening steadily. A significant revival of confidence is indeed underway, but it is being hampered by widespread concern that a fresh outburst of double-digit inflation may before long bring on another recession. By now, thoughtful Americans are well aware of the profoundly disruptive consequences of inflation for our economy. They also recognize that these consequences are not solely of an economic character. Inflation has capricious effects on the income and wealth of a nation's families, and this inevitably causes disillusionment and discontent. Social and political frictions tend to multiply, and the very foundations of a society may be endangered. This has become evident in other nations around the world, where governments have toppled as a result of the social havoc wrought by inflation.

If we in the United States wish to enjoy the fruits of a prosperous economy and to preserve our democratic institutions, we must come to grips squarely with the inflation that has been troubling our nation throughout much of the postwar period, and most grievously during the past decade.

A first step in this process is to recognize the true character of the problem. Our long-run problem of inflation has its roots in the structure of our economic institutions and in the financial policies of our government. All too frequently, this basic fact is clouded by external events that influence the rate of inflation—such as a crop shortfall that results in higher farm prices, or the action of a foreign cartel that raises oil prices. The truth is that, for many years now, the economies of the United States and many other countries have developed a serious underlying bias toward inflation. This tendency has simply been magnified by the special influences that occasionally arise.

A major cause of this inflationary bias is the relative success that modern industrial nations have had in moderating the swings of the business cycle. Before World War II, cyclical declines of business activity in our country were typically longer and more severe than they have been during the past thirty years. In the environment then prevailing, the price level typically declined in the course of a business recession, and many months or years elapsed before prices returned to their previous peak.

In recent decades, a new pattern of wage and price behavior has emerged. Prices of many individual commodities still demonstrate a tendency to decline when demand weakens. The average level of prices, however, hardly ever declines. Wage rates have become even more inflexible. Wage reductions are nowadays rare even in severely depressed industries and the average level of wage rates continues to rise inexorably in the face of widespread unemployment.

These developments have profoundly altered the economic environment. When prices are pulled up by expanding demand in a time of prosperity, and are also pushed up by rising costs during a slack period, the decisions of the economic community are sure to be influenced, and may in fact be dominated, by expectations of continuing inflation.

Thus, many businessmen have come to believe that the trend of production costs will be inevitably upward, and their resistance to higher prices—whether of labor, or materials, or equipment—has therefore diminished. Labor leaders and workers now tend to reason that in order to achieve a gain in real income, they must bargain for wage increases that allow for advances in price level as well as for such improvements as may occur in productivity. Lenders in their turn expect to be paid back in cheaper dollars, and therefore tend to hold out for higher interest rates. They are able to do so because the resistance of borrowers to high interest rates is weakened by their anticipation of rising prices.

These patterns of thought are closely linked to the emphasis that governments everywhere have placed on rapid economic growth throughout the postwar period. Western democracies, including our own, have tended to move promptly to check economic recession, but they have moved hesitantly in checking inflation. Western governments have also become more diligent in seeking ways to relieve the burdens of adversity facing their peoples. In the process they have all moved a considerable distance towards the welfare state.

In the United States, for example, the unemployment insurance system has been greatly liberalized. Benefits now run to as many as 65 weeks, and in some cases provide individuals with after-tax incomes almost as large as their earnings from prior employment. Social security benefits too have been expanded materially, thus facilitating retirement or easing the burden of job loss for older workers. Welfare programs have been established for a large part of the population, and now include food stamps, school lunches, medicare and medicaid, public housing, and many other forms of assistance.

Protection from economic hardship has been extended by our government to business firms as well. The rigors of competitive enterprise are nowadays eased by import quotas, tariffs, price maintenance laws, and other forms of governmental regulation. Farmers, homebuilders, small businesses, and other groups are provided special credit facilities and other assistance. And even large firms of national reputation look to the Federal Government for sustenance when they get into trouble.

Many, perhaps most, of these governmental programs have highly commendable objectives, but they have been pursued without adequate regard for their cost or method of financing. Governmental budgets—at the Federal, State, and local level—have mounted and at times, as in the case of New York City, have literally gotten out of control. In the past ten years, Federal expenditures have increased by 175 per cent. Over that interval, the fiscal deficit of the Federal Government, including government-sponsored enterprises, has totalled over $200 billion. In the current fiscal year alone, we are likely to add another $80 billion or more to that total. In financing these large and continuing deficits, pressure has been placed on our credit mechanisms, and the supply of money has frequently grown at a rate inconsistent with general price stability.

Changes in market behavior have contributed to the inflationary bias of our economy. In many businesses, price competition has given way to other forms of rivalry—advertising, changes in product design, and "hard-sell" salesmanship. In labor markets, when an excessive wage increase occurs, it is apt to spread faster and more widely than before, partly because workmen have become more sensitive to wage developments elsewhere, partly also because many employers have found that a stable work force can be best maintained by emulating wage settlements in unionized industries. For their part, trade unions at times seem to attach higher priority to wage increases than to the jobs of their members. Moreover, the spread of trade unions to the rapidly expanding public sector has fostered during recent years numerous strikes, some of them clearly illegal, and they have often resulted in acceptance of union demands—however extreme. Needless to say, the apparent helplessness of governments to deal with this problem has encouraged other trade unions to exercise their latent market power more boldly.

The growth of our foreign trade and of capital movements to and from the United States has also increased the susceptibility of the American economy to inflationary trends. National economies around the world are now more closely interrelated, so that inflationary developments in one country are quickly communicated to others and become mutually reinforcing. Moreover, the adoption of a flexible exchange rate system—though beneficial in dealing with large-scale adjustments of international payments, such as those arising from the sharp rise in oil prices—may have made the Western world more prone to inflation by weakening the discipline of the balance of payments. Furthermore, since prices nowadays are more flexible upwards than downwards, any sizable decline in the foreign exchange value of the dollar is apt to have larger and more lasting effects on our price level than any offsetting appreciation of the dollar.

The long-run upward trend of prices in this country thus stems fundamentally from the financial policies of our government and the changing character of our economic institutions. This trend has been accentuated by new cultural values and standards, as is evidenced by pressures for wage increases every year, more holidays, longer vacations, and more liberal coffee breaks. The upward trend of prices has also been accentuated by the failure of business firms to invest sufficiently in the modernization and improvement of industrial plant. In recent years, the United States has been devoting a smaller part of its economic resources to business capital expenditures than any other major industrial nation in the world. All things considered, we should not be surprised that the rate of improvement in output per man-hour has weakened over the past fifteen years, or that rapidly rising money wages have overwhelmed productivity gains and boosted unit labor costs of production.

Whatever may have been true in the past, there is no longer a meaningful trade-off between unemployment and inflation. In the current environment, a rapidly rising level of consumer prices will not lead to the creation of new jobs. On the contrary, it will lead to hesitation and sluggish buying, as the increase of the personal savings rate in practically every industrial nation during these recent years of rapid inflation indicates. In general, stimulative financial policies have considerable merit when unemployment is extensive and inflation weak or absent; but such policies do not work well once inflation has come to dominate the thinking of a nation's consumers and businessmen. To be sure, highly expansionary monetary and fiscal policies might, for a short time, provide some additional thrust to economic activity. But inflation would inevitably accelerate—a development that would create even more difficult economic problems than we have encountered over the past year.

Conventional thinking about stabilization policies is inadequate and out of date. We must now seek ways of bringing unemployment down without becoming engulfed by a new wave of inflation. The areas that need to be explored are many and difficult, and we may not find quickly the answers we seek. But if we are to have any chance of ridding our economy of its inflationary bias, we must at least be willing to reopen our economic minds. In the time remaining this evening, I shall briefly sketch several broad lines of attack on the dual problem of unemployment and inflation that seem promising to me.

First, governmental efforts are long overdue to encourage improvements in productivity through larger investment in modern plant and equipment. This objective would be promoted by overhauling the structure of Federal taxation, so as to increase incentives for business capital spending and for equity investments in American enterprises.

Second, we must face up to the fact that environmental and safety regulations have in recent years played a troublesome role in escalating costs and prices and in holding up industrial construction across our land. I am concerned, as are all thoughtful citizens, with the need to protect the environment and to improve in other ways the quality of life. I am also concerned, however, about the dampening effect of excessive governmental regulations on business activity. Progress towards full employment and price stability would be measurably improved, I believe, by stretching out the timetables for achieving our environmental and safety goals.

Third, a vigorous search should be made for ways to enhance price competition among our nation's business enterprises. We need to gather the courage to reassess laws directed against restraint of trade by business firms and to improve the enforcement of these laws. We also need to reassess the highly complex governmental regulations affecting transportation, the effects on consumer prices of remaining fair trade laws, the monopoly of first-class mail by the Postal Service, and the many other laws and practices that impede the competitive process.

Fourth, in any serious search for noninflationary measures to reduce unemployment, governmental policies that affect labor markets have to be reviewed. For example, the Federal minimum wage law is still pricing many teenagers out of the job market. The Davis-Bacon Act continues to escalate construction costs and damage the depressed construction industry. Programs for unemployment compensation now provide benefits on such a generous scale that they may be blunting incentives to work. Even in today's environment, with about 8 per cent of the labor force unemployed, there are numerous job vacancies—perhaps because job seekers are unaware of the opportunities, or because the skills of the unemployed are not suitable, or for other reasons. Surely, better results could be achieved with more effective job banks, more realistic training programs, and other labor market policies.

I believe that the ultimate objective of labor market policies should be to eliminate all involuntary unemployment. This is not a radical or impractical goal. It rests on the simple but often neglected fact that work is far better than the dole, both for the jobless individual and for the nation. A wise government will always strive to create an environment that is conducive to high employment in the private sector. Nevertheless, there may be no way to reach the goal of full employment short of making the government an employer of last resort. This could be done by offering public employment—for example, in hospitals, schools, public parks, or the like—to anyone who is willing to work at a rate of pay somewhat below the Federal minimum wage.

With proper administration, these public service workers would be engaged in productive labor, not leaf-raking or other make-work. To be sure, such a program would not reach those who are voluntarily unemployed, but there is also no compelling reason why it should do so. What it would do is to make jobs available for those who need to earn some money.

It is highly important, of course, that such a program should not become a vehicle for expanding public jobs at the expense of private industry. Those employed at the special public jobs will need to be encouraged to seek more remunerative and more attractive work. This could be accomplished by building into the program certain safeguards—perhaps through a Constitutional amendment—that would limit upward adjustment in the rate of pay for these special public jobs. With such safeguards, the budgetary cost of eliminating unemployment need not be burdensome. I say this, first, because the number of individuals accepting the public service jobs would be much smaller than the number now counted as unemployed; second, because the availability of public jobs would permit sharp reduction in the scope of unemployment insurance and other governmental programs to alleviate income loss. To permit active searching for a regular job, however, unemployment insurance for a brief period—perhaps 13 weeks or so—would still serve a useful function.

Finally, we also need to rethink the appropriate role of an incomes policy in the present environment. Lasting benefits cannot be expected from a mandatory wage and price control program, as recent experience indicates. It might actually be helpful if the Congress renounced any intention to return to mandatory controls, so that businesses and trade unions could look forward with confidence to the continuance of free markets. I still believe, however, that a modest form of incomes policy, in some cases relying on quiet governmental intervention, in others on public hearings and the mobilization of public opinion, may yet be of significant benefit in reducing abuses of private economic power and moving our nation towards the goal of full employment and a stable price level.

Structural reforms of our economy, along some such lines as I have sketched, deserve more attention this critical year from members of the Congress and from academic students of public policy than they are receiving. Economists in particular have tended to concentrate excessively on over-all fiscal and monetary policies of economic stimulation. These traditional tools remain useful and even essential; but once inflationary expectations have become widespread, they must be used with great care and moderation.

This, then, is the basic message that I want to leave with you: our nation cannot now achieve the goal of full employment by pursuing fiscal and monetary policies that rekindle inflationary expectations. Inflation has weakened our economy; it is also endangering our economic and political system based on freedom. America has become enmeshed in an inflationary web, and we need to gather our moral strength and intellectual courage to extricate ourselves from it. I hope that all of you will join in this struggle for America's future.

FEDERAL OFFICIALS BLAST WELFARE MESS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. ASHBROOK. Mr. Speaker, the welfare mess is coming under increasing attack throughout our Nation. The latest criticism is from four high-ranking Federal officials. Retiring HEW Secretary Caspar Weinberger, Secretary of Agriculture Earl Butz, Secretary of the Treasury William Simon and U.S. Welfare Commissioner Robert Carleson have all castigated the waste of taxpayers' dollars that is occurrring under our current welfare laws.

I strongly agree with the criticisms expressed by these four officials. The need for reform is obvious and pressing. Consequently this spring I introduced legislation that would make fundamental changes in our welfare system.

My bill (H.R. 5656) is designed to close loopholes and end abuses currently found in our welfare laws. It rejects the notion that those who will not work should live off those who do work and pay the bills.

I urge the House leadership to bring H.R. 5656 or similar legislation to the floor so that these important issues can be debated on their merits. We cannot afford to continue our present welfare system without change.

Following is an excellent editorial on the welfare problem from the August 19 Los Angeles Herald Examiner:

EVERYONE AGREES ON THE WELFARE MESS

When four high-ranking federal administrators, two of them Cabinet members, speak out against government spending and programs generally lumped into the category of "welfare," then something must be terribly wrong in Washington.

Retiring HEW secretary Caspar Weinberger startled reporters with the assertion that federally funded social programs (such as Medicaid, food stamps and aid to needy families) were running as high at $3 billion in overpayments or in payments to ineligible recipients.

The second Washington official to denounce the skyrocketing government trend is Secretary of Agriculture Earl Butz, who recently said here that only once in the last 15 years has the federal budget been in the black, due partly to built-in escalators that compound year by year. If the present level of government activity continues, Butz warned, "by 1985 half the people in this country will be living off the other half."

Welfare programs are needed, Butz argued. "But not with a built-in disincentive program where you can't afford to work."

A third broadside at big government was fired by Secretary of the Treasury William Simon, who referred to the federal food stamp program as "a haven for chislers and ripoff artists." Food stamps now supplement the buying power of about 29 million Americans and cost $6.6 billion in tax money—a far cry from the $14 million experiment of 1962.

Why has government spending accelerated so rapidly? Simon believes it is because "government has assumed the responsibility for solving many of the problems that people should be solving for themselves."

The fourth high-ranking government critic was California's Robert Carleson, U.S. Welfare Commissioner. Upon submitting his resignation (effective Sept. 30), Commissioner Carleson recommended that his position be abolished as a "symbolic gesture that welfare is a basic and primary responsibility of the states."

There it is, four high-placed federal officeholders speaking out against federal government encroachment, wasted tax spending "womb-to-the-tomb" welfare programs that literally rob individuals of character, and centralized government that precludes local solutions and control.

The handwriting is on the wall. The American people are getting ever disillusioned with parasitic government operations that sap the nation's life blood.

PAST AND FUTURE

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. NEAL. Mr. Speaker, on Tuesday of this Week I introduced a bill which would preserve a portion of the New River by making it a component of the

National Wild and Scenic Rivers System. Considerable controversy has attended Appalachian Power Co.'s attempts to dam the river for the purpose of constructing and operating a peak load demand power project on the river. What originally began as local objection to the proposed power project has become national in scope. Millions of Americans are beginning to see that a national treasure would be sacrificed for a transient and highly dubious economic gain, if, indeed, there is any economic justification whatsoever for building the dams.

The New River is second only to the Nile among the world's oldest rivers. That, of course, makes it the oldest river in the Western Hemisphere. Moreover, there appears to be archelogical evidence that the New River valleys contain abundant evidence of perhaps the earliest human habitation in North America. An editorial addressing the negligence of both Appalachian Power Co. and the Federal Power Commission in excluding this evidence from the licensing process recently appeared in the Winston-Salem, N.C. Journal. I wish to read appropriate portions of that editorial into the RECORD for benefit of my colleagues:

Past and Future

The fate of the New River involves recovery of remnants of man's past as well as protection of the natural environment for the benefit of future generations. The long history of the New, regarded by geologists as the second oldest river in the world, gives it a particular significance for archeological study. In effect, the New seems to represent a unique opportunity for research which, once lost, could be found nowhere else.

That aspect of the New River issue has assumed critical importance in the struggle by the state of North Carolina and citizen groups to derail the Blue Ridge power project and prevent the construction of hydroelectric dams which would flood acres, alter the environment and displace families. Lawyers for the state last week asked the U.S. Court of Appeals in Washington to order new hearings on the license for the power project on the ground that the Federal Power Commission did not consider archeological evidence in the case.

Atty. Gen. Rufus Edmisten said in court documents that the state has learned that the results of archeological explorations along the New River were not presented at the FPC hearing leading to the granting of a license to Appalachian Power Company. "It can only be concluded that Appalachian either willfully or through inexcusable negligence was guilty of an omission of material facts in this regard," the state contended in asking for new hearings.

The request was accompanied by an affidavit from Charlton G. Holland, an archeologist at the University of Virginia who conducted a 1969 survey along the New for Appalachian as a step in its efforts to secure a license. Holland said evidence uncovered indicated that the New River valley has been occupied continuously for thousands of years. "It is one of the few areas left where scientists can study every level of human development on the continent," Holland said in the affidavit.

Two or three years of extensive research would be necessary, Holland said, "to unravel the full human history of the area." Further excavation, he said, "would be a major contribution to the archeology of the Eastern United States."

That is no inconsiderable matter, and its implications should not be overlooked in the eventual decision on the Blue Ridge power project. Of course, the possibility that knowledge could be gained from further research in the area would be gone forever once construction began on the dams.

If the federal court responds favorably to the request for new hearings in order to consider the archeological impact, the license for the power project would be suspended to await the outcome. That would allow time for North Carolina to pursue its alternative tack in the struggle to save the New River by bringing a segment under the protection of the National Wild and Scenic Rivers System.

At the moment, that effort is snagged in the U.S. Department of Interior. The 1975 legislature approved the inclusion of a 26.5-mile stretch of the New in the scenic rivers system. Gov. James E. Holshouser Jr. presented the petition to the Interior Department back in July. Action has been delayed by a change in secretaries, and by what seems to be bureaucratic hesitation and delay.

The long and frustrating struggle for protection of the New is far from over. It must continue, leaving no stone unturned, because of the river's significance to the past and importance for the future.

HOW MUCH PAPERWORK?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. DERWINSKI. Mr. Speaker, as a sponsor of House Joint Resolution 116, which calls for a reduction in the staggering amount of Federal paperwork that exists in the executive branch, I was especially pleased to see an editorial published in the September 11 edition of the Desplaines Valley News. The News, which serves the communities in my district, addresses the subject of Government paperwork in connection with local cuts in retirement, welfare, and medical benefits.

The editor of the Desplaines Valley News, Harry Sklenar, a leading newspaperman and businessman, explains his experiences with the avalanche of Federal Government paperwork in this editorial which follows:

How Much Paperwork?

An indication of how some federal agencies' budget allotments were curtailed was recently disclosed with the cut in the number of senior citizens being fed daily at the VFW hall.

It had been the policy of the agency to feed up to 100 persons daily with those having a number over 100 having to be turned away. This daily meal program takes a staff of ten persons to feed that number.

Recently the fund allotment was cut, so only 50 are now fed daily. This number includes the staff of ten and ten senior citizens who have their meals being delivered due to their disabilities. What happens to the 70 that must be turned away since there is only enough food to serve 30 persons?

Each person seeking a meal each day is issued a number. If your number is 31 or higher, it is possible that you will be turned away.

Who cares? Perhaps nobody except the senior citizens who are being shoved around.

A Justice woman not quite old enough to receive retirement benefits suddenly became disabled and found it takes quite a bit of unraveling of red tape before any sort of benefit or welfare funds can be secured.

It becomes a matter of being channeled from one agency to another. The Justice woman filled out forms at the township level, at the county level, at the Social Security office in Bridgeview, at the community center, and had to secure a doctor's certification for her disability. She says she feels like a helpless puppy who is being shunted from one spot to another, what with all the forms and questionnaires and seemingly not geting any results. What happens to the dignity of the individual in this case?

Other such cases were reported to this writer. In some instances, it took up to two years to secure medical payment reimbursement.

Persons who were so unfortunate to be laid off work during the past recession know that it takes three to four weeks to secure unemployment benefits. In addition, they had to report weekly to indicate that they could not secure work. Now the period for unemployment benefits is about to be extended with the employer paying the bulk of the costs. The price of purchased products will go up once again to defray this added cost.

The regulators are becoming so efficient that free enterprise is being smothered under paperwork.

The trouble is that persons are being conditioned to believe that the government can solve all their problems simply by organizing a new bureau or issuing a new regulation and doling out more funds, yet still being able to reduce the tax burden.

It can't be done. When agencies insist on retaining their administrative staff when budget cutting, it is the people who seek benefits from these agencies who suffer.

Note in Summit alone, how many former stores are now being occupied by various governmental agencies. It's your taxes that pay to staff these agencies. How many people receive benefits from these agencies is unknown, as is the answer to the questions as to just what agency will process a particular claim without being shifted to still another agency to fill out still more forms.

Some examples of how our society has allowed the administrative personnel to increase in number through the establishment of more and more administrative positions will be disclosed in future editorials.

THE RHODESIAN SANCTIONS BILL—H.R. 1287

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. EDWARDS of California. Mr. Speaker, I rise this afternoon to speak in support of H.R. 1287, a bill which seeks to restore the United States to the status of a "law-abiding citizen" in the international community by reimposing sanctions on Rhodesia relative to chrome ore and ferrochrome importation. In effect, this legislation would repeal the Byrd amendment by exempting United Nations sanctions from the operation of section 10 of the Strategic and Critical Materials Stock Piling Act. Presently, the Byrd amendment prevents the President from prohibiting or regulating the importation of materials defined as "strategic and critical" from non-Communist countries as long as importation of such materials from Communist countries is not prohibited by law.

As a member of the House Judiciary Committee reviewing the conduct of the former President, I became increasingly saddened by an attitude of arrogance which culminated in the commission of illegal acts by Government servants entrusted with the high duty of serving the interest of the American public. In a society of law, no person is above the law.

Likewise, in the world society of nations, no country can function with total disregard for its international legal obligations. Continued importation of Rhodesian chrome not only labels the United States as an international "law violater," but also declares our support for a white minority government insensitive to the needs and aspirations of its overwhelming black majority. Chrome exports to the United States represent the largest source of foreign exchange for Rhodesion—$43 million—and such a relationship clearly puts this country in the position of strengthening a minority, racist regime.

The long gasoline lines of the past should indicate the folly of ignoring the concerns of those countries upon whom we are increasingly reliant for natural resources. As a nation with a growing need for black Africa's resources, the United States cannot overlook independent Africa's concern about minority rule in Southern Africa. It is evident that continued dealings with Rhodesia have impaired our relations with black African nations which supply to the United States essential goods such as manganese, tantalum, cobalt, bauxite, and crude oil. Secretary of State Kissinger has declared:

> The Byrd provision has impaired our ability to obtain the understanding and support of many countries including such important African nations as Nigeria, a critical source of low-sulphur petroleum . . .

In a similar vein, David D. Newsom, former Assistant Secretary of State for African Affairs, has said:

> In my four years as Assistant Secretary the exemption on Rhodesian sanctions has been the most serious blow to the credibility of our African policy.

Two primary reasons stated for passage of the Byrd amendment in 1971 were, first, sanctions against Rhodesia were detrimental to our national security, because they denied the United States high quality ore needed in the event of a national emergency, and second, sanctions caused the United States to depend too heavily upon the Soviet Union for chrome imports. The simple truth, however, is that the U.S. stockpile of chrome and ferrochrome has a substantial excess. Figures from the Office of Emergency Preparedness indicate that presently there is enough chrome to meet our defense needs for several decades. Further, even with Rhodesian chrome available, imports from the Soviet Union have not decreased. Fifty-seven percent of the chrome imported into the United States still comes from the Soviet Union. Continued importation of Rhodesian chrome and ferrochrome also overlooks the fact that other countries, including Pakistan, Brazil, Finland, and the Philippines, are sources of high quality chrome and ferrochrome. I note especially that Brazil and Finland are alternative sources of ferrochrome at prices cheaper than those of Rhodesia.

Finally, Mr. Speaker, I believe it is incumbent upon this body to protect the economic well-being of the worker. The lifting of sanctions has allowed Southern Rhodesia to export increasing amounts of cheap ferrochrome—the processed chrome ore used in making stainless steel—to the United States in direct competition with our domestic ferrochrome industry. The United Steelworkers of America, in the April 7, 1974, issue of Steel Labor, pointed out:

> Today seven USWA locals who once employed 2,800 workers in four companies in Ohio, West Virginia, South Carolina, and Alabama now have a work force almost 30 percent smaller—directly attributed to ferrochrome imports of which Rhodesia is the largest source.

The American worker simply cannot compete with the cheap labor market in Rhodesia where most of the mining is performed by black workers prohibited from striking or collective bargaining. In view of the necessity of ferrochrome for stainless steel production, it is not in our long-term interest to lose the capacity to produce ferrochrome here at home. The U.S. ferrochrome industry must be kept strong.

Sober reflection upon this Nation's legal responsibility as a major world power in the international community dictates that the United States comply with United Nations sanctions against Rhodesia. H.R. 1287 must be passed by the full House.

LET'S NOT WEAKEN THE EPA

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. PEYSER. Mr. Speaker, the Federal Insecticide, Fungicide, and Rodenticide Act is scheduled for floor action this week. When it reaches the floor, Hon. GEORGE E. BROWN, of California, and I will offer an amendment in the form of a substitute to the committee bill. Our amendment is as follows:

AMENDMENT IN NATURE OF A SUBSTITUTE TO H.R. 8841 AS REPORTED BY THE AGRICULTURE COMMITTEE

> On page 2 strike line 1 and all that follows through line 21 page 10 and insert in lieu thereof the following:
>
> That section 27 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. 136 (y)), is amended by adding at the end of such section the following: "There is hereby authorized to be appropriated to carry out the provisions of this Act for the period beginning October 1, 1975, and ending September 30, 1976, the sum of $33,821,000".

I have also attached for the information of my colleagues the viewpoints of distinguished scientists across the country who have commented on the FIFRA bill:

SCIENTISTS' VIEWPOINTS ON FIFRA BILL

> Statement of Margaret Mead, distinguished anthropologist and President of the American Association for the Advancement of Science.
>
> "The Environmental Protection Agency bridges the gap between government agencies whose mandates are so narrow that they cannot protect the environment. The United States Department of Agriculture at present is charged with increasing production and protecting the interests of the agricultural community in this country. Until we have other ways in which an agency primarily concerned with production can also participate in the protection of our steadily deteriorating national heritage of soil, water and air, it is esssential that the power of the Environmental Protection Agency should not be eroded. Passage of amendments to Public Law 92–516, the Federal Environmental Pesticide Control Act, known as FEPCA, which propose to preempt or weaken the administrative authority of the Environmental Protection Agency over the act by giving veto power or the means of delaying action to the Department of Agriculture, thereby returning the control of pesticides to the Department of Agriculture, would set a dangerous precedent."
>
> Dr. F. Thomas Turpin, research entomologist at Purdue University:
>
> "Any weakening of the Federal Environmental Pesticide Control Act now, giving the U.S. Department of Agriculture veto or delaying power over pesticide regulation, would put us back to pre-EPA days. Allowing self-certification of pesticide applicators would destroy the certification program as we envision it. The EPA certification plan will give us an accurate idea of farmers' present use of pesticides and will require farmers to keep current on methods and products."
>
> Statement from Dr. Marvin Legator, geneticist, formerly Chief of the Cell Biology Branch, FDA, now at the Department of Medicine, Brown University, co-author of "The Mutagenicity of Pesticides," M.I.T. Press, 1972:
>
> "The Environmental Protection Agency has such an important role in consumer protection that to diminish its regulatory powers in any way would not be in the interest of the general public, and must be avoided."—Providence, R.I., September 12, 1975.
>
> Statement from Dr. Steven G. Herman, member of the faculty of Biology at the Evergreen State College, Olympia, Washington (he has studied the effects of pesticides on forest ecology):
>
> "As a person seriously concerned about the effects of pesticides on wildlife, I urge that all precautions be taken to avoid jeopardizing the current authority of the Environmental Protection Agency with regard to poisons that may cause ecosystemic damage.
>
> "The Douglas Fir-Tussock Moth-DDT controversy of 1973–74 in the Northwest demonstrated the appropriateness of this authority and the essentiality of the EPA role.
>
> "While I disagree with the 1974 decision by the EPA to allow use of DDT, I am comforted in part by the knowledge that that decision was reached only after exhaustive public hearings hosted by the EPA, hearings at which scientists and other citizens were able to testify. As discomforting as it was, the decision issued from an open forum.
>
> "EPA is doing its job. It provides the kind of expertise and balance on the pesticide issue that is unavailable elsewhere in the government, and least of all in the U.S. Department of Agriculture."
>
> Dr. John L. George, Professor of Wildlife Management, Pennsylvania State University:
>
> "On the basis of 30 years of research on the ecological effects of chemical pest control, I feel that certain of the proposed

amendments to the 1972 Federal Environmental Pesticide Control Act would be most unfortunate if enacted into law. Requirements that the Secretary of Agriculture concur with the EPA Administrator before the use of dangerous chemicals could be cancelled would give certain pest control interests undue influence in determining policy in the use of such chemicals. The U.S. Department of Agriculture has a conflict of interest in this regard since it has principal responsibility for commodity production.

"Such decisions should be made by the EPA Administrator who can make the decisions dispassionately after review of the facts, considering the total public welfare.

"Anyone who uses deadly chemicals should certainly pass reasonable certification requirements, and not be able to certify himself. Everyone with whom I have spoken in Pennsylvania about EPA's existing certification plan feels that it would be a very good thing for all concerned."

Statement of Professor Rene Dubos, The Rockefeller University, New York:

"As administered during the past three years, the pesticide Act of 1972 has been remarkably effective in reversing some of the damage done by DDT to animal life in general and bird life in particular.

"I am opposed to the proposed amendment of this Act because it threatens to prevent the continuation of policies which have had desirable environmental effects and which must continue to be strictly applied if these beneficial effects are to be maintained and expanded."

Statement of Dr. Richard Goodwin, Professor of Botany, Connecticut College:

"I am in favor of at least as strong legislation as we have now, and am thus against any weakening of the existing act when it is reauthorized."

Statement of Dr. Clarence W. Tarzwell, Senior Research Adviser, in water quality, EPA; former Aquatic Biologist with the U.S. Forest Service, Tennessee Valley Authority, and U.S. Public Health Service:

"It is my considered opinion and judgment that pesticide use must be controlled and that such control should be given to a federal agency which is charged with the protection of the environment and is not active in the use or in the recommending of the use of pesticides. Further it is my judgment that the present Pesticide Act, with certain improvements and strengthening should be passed with no termination date and be under the jurisdiction of the EPA.

"These opinions and judgements are based on the following:

"1. Experience with the application of pesticides and their effects beginning in 1939.

"2. Extensive field studies of the effects of six different pesticides on aquatic organisms.

"3. Extensive laboratory bioassay investigation of the toxicity of a large number of synthetic organic pesticides on a variety of aquatic life.

"4. Knowledge, first hand and from the literature, of the long term effects of pesticides on non-target organisms and of their bioaccumulation.

"5. Experience with the toxicity of runoff from areas treated with pesticides.

"6. Experience with and knowledge of the attitudes, actions and procedures of the Department of Agriculture and its backers in regard to pesticide use, gained in committee hearings and other contacts.

"7. Judgement that an organization that uses or recommends the use of only about one third of the various pesticides should not have veto power over decisions or the power to delay actions of the organization responsible for the protection of all the people and their environment.

"8. Judgement is based on pertinent experience with the following organizations since 1930: Michigan Institute for Fisheries Research, U.S. Bureau of Fisheries, U.S. Forest Service, T.V.A., U.S. Public Health Service (24 years) and water quality research with FWPCA, FWQA, Department of Interior, and EPA."

Statement of Dr. Arthur W. Galston, Professor of Biology, Yale University:

"I am happy to place myself on record against the Vigorito Amendment, and to support the right of the EPA to order an immediate suspension of the use of a chemical where substantial evidence indicates that its use constitutes a danger to human life, health or welfare, or to the preservation of a viable environment. The Secretary of Agriculture should not be in a position to veto or to substantially delay the imposition of such a ban. I strongly support continuation of an EPA with present regulatory powers intact."

THE GREAT SOLZHENITSYN EMBARRASSMENT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. SYMMS. Mr. Speaker, during the recent congressional recess, a friend of mine in Idaho, Mr. Ralph Smeed, brought to my attention the "Focus on the Great Solzhenitsyn Embarrassment," which appeared in the August 8, 1975, issue of the National Review Bulletin, authored by another intellectual friend and colleague of both Mr. Smeed and mine, Mr. William F. Buckley. Mr. Smeed is an editor and columnist in Idaho with the Lewiston Morning Tribune, the Caldwell News Tribune, and the Nampa Free Press papers, in addition to being the coeditor and publisher of the Idaho Compass, a journal of fact and opinion published periodically in Idaho. Mr. Smeed is well known in Idaho for his sincere efforts to shatter some of the economic myths which are so prevalent both in and out of American politics in the 20th century. Since my conversation with Mr. Smeed, Mr. Buckley has been kind enough to grace us with his presence in Boise, speaking before 1,100 people at the Rodeway Inn on behalf of the Idaho State Republican Central Committee. He was received laudably and was extremely helpful in raising a considerable amount of money for the central committee. Although a month has passed since Mr. Buckley's article appeared in National Review, Dr. Kissinger's foreign policy is still with us and I therefore think it is most appropriate to commend this article to my colleagues, of which the vast majority probably do not have the opportunity to read some of the pungent witticism of William F. Buckley of National Review.

The article follows:

THE GREAT SOLZHENITSYN EMBARRASSMENT

Aleksandr Solzhenitsyn's descent upon official Washington produced as its most visible effect a trauma in the realm of etiquette: Gerald Ford should not attend the AFL–CIO banquet honoring Solzhenitsyn. Neither should State Department officials (but some did). Gerald Ford should not receive Solzhenitsyn at the White House, but it would be all right to greet Solzhenitsyn if that troublesome presence turned up in a group. The source of these distinctions: none other than Secretary of State Henry Kissinger.

As anyone except Henry Kissinger could have informed President Ford, all this constituted a large political stink bomb. The White House floundered around amid the noxious fumes. At length, more manners: Ford would be willing to see Solzhenitsyn, if he requested it. Solzhenitsyn replied that he had not come to see government officials. Lionel Trilling has written that manners are signals that express the deepest intentions of the soul; thus understood the meaning of the Solzhenitsyn incident bears exploring.

First of all, Solzhenitsyn obviously does not fit into the ambiance of polite official Washington. He is a sort of unicorn. He does not talk about time-frames, interfaces, bottom lines. He has the authority of courage, the Nobel Prize, and a dozen powerful books. From the perspective of contemporary Washington, he is rude, outside the pale. He speaks about freedom and slavery, truth and lies, God. He talks about "defeat" in Vietnam, rather than the "transfer of power." The central conflict here was between Solzhenitsyn and Kissinger, not Solzhenitsyn and Ford. Politically, Solzhenitsyn won, Kissinger was wounded, and Ford was a guilty bystander and the big loser. Some think that Kissinger knows something not yet made public; that this supersensitivity to Solzhenitsyn derives from something like an imminent breakthrough on peace in the Middle East, and that Kissinger was unwilling to take even minimal risks in that context. They note that he deliberately misrepresented Solzhenitsyn, saying the writer is demanding that the U.S. overthrow the Soviet system. They read this glaring error as a "signal" that Kissinger's motives are subject to clarification.

A less charitable explanation: for all his wit, Kissinger has always been uptight, given to periodic flaps and outbursts, heated threats to resign. He is nervous, somewhat subservient in his relations with the Kremlin. Solzhenitsyn loomed irrationally large to him as a threat to his diplomacy. And Kissinger had the clout to impose this judgment on the hapless Ford. But at its deepest level, finally, the Solzhenitsyn flap illuminates the meaning of Kissinger's version of detente: that is, its fundamental asymmetry.

LYLE C. PEARSON

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. HAGEDORN. Mr. Speaker, all too often, we tend to take for granted those public spirited citizens whose continuing sacrifices make this world a better place to live in. I would like to call your attention to one such man, Mr. Lyle C. Pearson, of North Mankato, Minn.:

LYLE C. PEARSON, NATIONAL COMMANDER, DISABLED AMERICAN VETERANS

Lyle C. Pearson, North Mankato, Minnesota, was elected National Commander of the Disabled American Veterans at the organization's 54th National Convention, Honolulu, Hawaii, August 31–Sept. 3.

A B–17 bomber pilot during World War II, the new leader of the 500,000-member DAV has been active in DAV programs at local, state and national level since 1948. After serving the Department of Minnesota DAV in numerous positions of responsibility for many years, Pearson was named to the DAV National Executive Committee in 1968, a post which he held for two years.

He was elected 3rd National Jr. Vice Commander in 1971, 2nd National Jr. Vice Commander in 1972, 1st National Jr. Vice Commander in 1973, National Senior Vice Commander in 1974.

Pearson is employed as a Court Services Director for Nicollet County Court, St. Peter, Minnesota. In 1969 he was selected as Corrections Man of the Year in Minnesota. Active in many civic and service organizations, Pearson is a member of VFW, Ex-POW's, Knights of Columbus and the Minnesota Association of County Probation Officers of which he is a past president. He is also a Cub Scout Committeeman, 4-H leader and a director of Big Brothers.

He was awarded both the Air Medal and Distinguished Flying Cross after being shot down while flying his 50th mission over Germany in 1944. He spent the remainder of the war as a POW in Stalag Luft I until liberated by advancing Russian troops.

Pearson and his wife, Katherine, are the parents of 7 children, all of whom have been active in DAV programs and projects. One son is a veteran of the Vietnam conflict. His wife is past Department Commander of the Minnesota DAV Auxiliary and Past National 3rd Jr. Vice Commander of the DAV Auxiliary.

His acceptance speech follows:

Thank you for your support and confidence in me. This is indeed a most gratifying experience, certainly a high point of my life . . . I feel that I was privileged to have an organization like the DAV to join when I was returned from service with disabilities and needed help and assistance. I was privileged to be elected commander of my chapter . . . and most privileged to be elected Minnesota Department Commander. It was beyond my fondest expectations that I should have the ultimate privilege of being elected the top official of this great organization, the office of National Commander. The National Commander of the greatest group of people that could ever assemble under one roof . . . of the most vibrant and growing veterans organization in this country. In accepting the office of National Commander, I realize that I am following in the wake of some great people . . . who have given great leadership and have accomplished much for the DAV. I recognize that a National Commander should possess some executive ability, I realize that he should have some judicial acumen, and I realize that he should possess the virtue of servitude. I will attempt to exercise the wisdom and restraint necessary in making executive decisions. I will try to make judicious dispositions in the light of fairness and justice. And I will always remember that I must be ready to serve this great organization and that the organization is not here to serve me.

During the year we will constantly keep before us the premise of our organization . . . that the disabled American veterans, his dependents, his widows and his orphans must be allowed to live in the dignity which their sacrifices earned. We will resist with every fibre of our being any attempts to place disabled veterans benefits under a HEW welfare program. We will continue to be alert for any attempts to dilute and cripple our VA Hospital program by placing it under a national health care agency. We will be constantly on the alert for any attempt in any area to in any way curtail the benefits to disabled veterans and their families.

This coming year is the Bicentennial year of our nation's existence. A year when our nation will pause to re-evaluate and to remember the great years of our history. A year to re-assess our National values and our priorities and the simple dedication that have made us the greatest nation on the face of the earth.

Will you join with me in this year, 1975–76, the Bicentennial Year of our great nation, to make this a year of rededication for the Disabled American Veterans. A year to reassess our goals and objectives—our purpose for existing—and to rededicate this year to the simple truths that have made for our greatness. With your continued strength of purpose and dedication to cause, we will make the coming year another banner year for our great organization—the Disabled American Veterans.

With the help and dedication of my staff of line officers elected here today—with the able assistance of our very competent staff in National Headquarters—with the help and assistance of our National Legislative Staff in Washington—with the continued dedication and accomplishments of our National Service Staff and programs—and with your and Auxiliary help, guidance, counsel and prayers—may this coming year be a grand one for this great organization we represent.

May I say to all of you—thank you for the great honor that you have bestowed upon me here today in electing me your National Commander. I accept the honor with a deep sense of humility—and also with an air of expectance for the great things that we are capable of accomplishing in the exciting months ahead.

RESPONSE TO CONGRESSMAN McDONALD OF GEORGIA FROM CHAIRMAN RODINO

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. KASTENMEIER. Mr. Speaker, I wish to call to the attention of our colleagues the response by Chairman RODINO of the House Judiciary Committee to Mr. McDONALD of Georgia regarding the erroneous remarks made by Mr. McDONALD relating to a vacation visit to Cuba by Timothy Boggs, an employee of the House Judiciary Committee.

Mr. Boggs is a counsel to the Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, and as chairman of this subcommittee, I consider Mr. Boggs to be a gifted and extremely valuable member of the subcommittee staff.

Mr. Speaker, since Mr. McDONALD chose to insert his letter to Chairman RODINO in the CONGRESSIONAL RECORD of August 1, 1975, I am inserting Chairman RODINO's response which, I believe, sets the record straight and should lay this matter to rest.

COMMITTEE ON THE JUDICIARY,
Washington, D.C., September 9, 1975.

Hon. LARRY McDONALD,
U.S. House of Representatives,
Washington, D.C.

DEAR LARRY: I am responding to your letter of July 31, 1975 regarding the recent trip to Cuba by Timothy Boggs, a member of the staff of the Judiciary Committee. I have investigated the matter and requested Mr. Boggs to report to me on his trip. According to him, there are a number of factual inaccuracies in your letter which should be laid to rest. The substance of Mr. Boggs' report is as follows:

Mr. Boggs visited Cuba on his vacation from June 5 to June 18, 1975. It was a purely private visit, and he informs me he paid for his trip with his own money. There were no Committee funds expended in connection with the trip. Mr. Boggs states that he was not acting in any sense as a "delegate" of the National Lawyers Guild or any other group, and that he is not a member of the National Lawyers Guild.

Mr. Boggs traveled with a number of other people, including other Congressional staff members. The trip, of course, followed a number of good will visits to Cuba by Members of both Houses of the Congress.

Mr. Boggs reports that prior to his departure, he wrote to the State Department to request validation of his passport to travel to a "restricted area." This validation was denied because Mr. Boggs was not affiliated with any academic institution or project. Pursuant to State Department regulations, Mr. Boggs did not use his American passport, but instead flew to Jamaica where he was issued a Cuban entry permit. After his return, Mr. Boggs informs me he personally arranged with the Cuban Desk Officer of the State Department to discuss the trip with him.

The undated letter from Alan Dranitzke which you enclosed with your letter to me apparently has no relation to the trip Mr. Boggs took. Mr. Boggs suggests that it may relate to a trip two years ago which did in fact involve a National Lawyers Guild delegation. Mr. Boggs did not participate in that trip.

In your letter to me you urge that I "take immediate action on this matter." I can conceive of none which would be appropriate. Mr. Boggs has, to my knowledge, violated no law. He, like any other American citizen, is free to engage in lawful travel at his own expense on his vacation time. Mr. Boggs is a valuable and productive member of the Judiciary Committee Staff, and I hope he will remain with us for years to come.

If I can answer any other questions, please do not hesitate to call on me.

Sincerely,

PETER W. RODINO, Jr.,
Chairman.

NATIONAL GUARD RETIREMENT BILL

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. ANDREWS of North Dakota. Mr. Speaker, I would like to call the attention of my colleagues to legislation that will be voted on this Thursday, September 25, 1975, that being S. 584, retirement credit for National Guard technician service. I strongly urge my colleagues to support this legislation.

As was discussed in the debate on Monday, September 22, 1975, this legislation would amend the National Guard Technician Act of 1968, and grant full retirement credit for pre-1969 National Guard technician service. Presently, these employees only receive 55-percent retirement credit for annuity computation purposes for their pre-1969 service, rather than 100 percent granted to other Government employees.

Mr. Speaker, this legislation is long overdue. Today, National Guard technicians are deprived of treatment granted to other civil service employees. Other groups such as the county committee offices of the ASCS were granted full retirement credit when brought into the civil service retirement service. Thus, it is only equitable that National Guard technicians be treated fairly as well.

I wish to point out that approximately 75 percent of our Nation's technicians covered by local retirement systems do not have the service necessary to acquire vested interest in State systems, resulting in loss of State annuities. This legislation will remove this gross inequity.

For these reasons Mr. Speaker, and in fairness to the many National Guard technicians who have served our country so admirably, I urge my House colleagues to support this legislation.

CONGRESSMAN DAVID EVANS RESPONDS TO INDIANAPOLIS STAR ON OIL PRICE POLICY

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BRADEMAS. Mr. Speaker, as the debate intensifies between Congress and the President on the question of oil price policy, I believe it vital that the American people be informed of the facts on this important issue.

Our colleague from Indiana, the Honorable DAVID W. EVANS, has performed this service admirably in a recent letter to the editor of the Indianapolis Star, and I would like to insert his letter at this point in the RECORD:

EVANS BACKS FEDERAL THUMB ON OIL

To the Editor of The Star:

Your editorial of Aug. 4 regarding price controls on old oil could not be more aptly headlined. The oil industry is indeed unique. In fact, 70 per cent of the world's supply of oil is produced by only seven firms.

Your editorial points out that the oil industry is the only industry remaining "under the thumb of Federal price control." I would add, for a very good reason.

First, let's remember that the only oil which is now price controlled is that oil from wells which were already in production in 1972. We are not talking of new discoveries. Price controls only exist for old oil.

Old oil is controlled at $5.25 per barrel. The Federal Power Commission estimates that the cost of producing this oil is $2.96 per barrel. That leaves the oil companies with a 40 per cent profit, apparently too little by the estimates of the oil companies and the administration.

New oil, on the other hand, is selling at the market price (for approximately $12 per barrel. Not coincidentally, OPEC's Arab oil sells for just slightly higher. However, the Federal Power Commission estimates that the cost of finding and producing a barrel of new crude oil is only $5.49. That looks to me to be more than a 100 per cent profit.

Despite the incentive in that profit margin, the oil companies are not producing more. Production, in fact, is down.

The oil companies say they can't produce more without higher profits. The President believes that the oil companies will produce more if their profits increase. Yet profits have increased for the oil companies for the past two years, but production is still down.

The President believes that Americans will conserve more energy if they can't afford to buy it. Truer words were never spoken. The President's proposal would force consumers to pay approximately $700 more per year for energy. Not only can't most families afford such an enormous increase in energy costs, but also, this would create massive shifts of income from consumers who would buy other products into the oil companies. This means that consumers will be forced to drastically reduce spending in other areas. The effect of this on other sectors of the economy will be enormous.

The Subcommittee on Energy and Power estimates that housing starts would go down by close to 16 per cent under the President's plan. Already depressed auto sales would go down another 10 per cent. Gasoline prices, however, would go up approximately 14 per cent over the next couple of years.

Is it fair for the American people to have to pay that pound of flesh to the oil companies, so that they can reap a 400 per cent profit on oil that only costs $2.96 per barrel to produce? Should the American people have to suffer more inflation, which even the administration admits will cause more inflation? Should we give in to the influence of the Arab oil cartel's prices, which the administration admits are not even close to being economically justified?

If the oil companies and the administration have their way, and allow the inflated marketplace price to take over, there is no guarantee that the products will be there for us to purchase, and there is almost a virtual guarantee that even if they were, most American consumers could not afford them.

DAVE EVANS,
Member of Congress from Indiana.
WASHINGTON, D.C.

INDIVIDUALISM FOR AMERICANS

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. McCLOSKEY. Mr. Speaker, last Sunday afternoon the President of the United States formally dedicated the new Stanford Law School. In his remarks, the President spoke thoughtfully of a theme for America for our next 100 years.

His suggestion, which had a profound impact on many of us privileged to be in the audience, was roughly along these lines: In our first century after independence we created political institutions capable of withstanding stress and passion. In our second 100 years, we created an economic structure of free enterprise which made us the richest Nation in the world. Now, as we begin our third century, we need to protect the individual American citizen from the pressures and constrictions of massive government, massive business, and massive labor organizations.

The President's stress on individual rights is well taken—how do we legislate to protect the individual's freedom to do his or her own thing? The Privacy Act of 1974, which becomes effective in the next few days, was mentioned by the President as one such attempt, although admittedly somewhat experimental at this stage of our experience.

The Privacy Act would not have been enacted but for the long hours of work of then-Vice President Ford and his staff, but it also represents a very real tribute to our own BILL MOORHEAD and JOHN ERLENBORN, the chief House craftsmen of the act. I take particular pleasure therefore in placing the President's Stanford Law School address in the RECORD at this point:

TEXT OF REMARKS BY THE PRESIDENT DELIVERED AT THE DEDICATION CEREMONIES AT THE STANFORD UNIVERSITY LAW SCHOOL

President Lyman, Dean Ehrlich, Waller Taylor, distinguished members of the Board of Trustees and faculty, students, alumni and friends of Stanford University, I am indeed honored to be here and thank my good friend Waller Taylor for his excellent arrangements, as Chairman of the Law School's Board of Visitors. Now I know I am not the first visitor to this beautiful campus who happened to be President or a past President or a future President.

Former President Benjamin Harrison was one of your first professors of law. Future President Herbert Hoover, to whom this university owes so much, was one of your first students.

One of my first acts as President this year was to sign the bill authorizing Federal matching funds for expansion of the Hoover Institution in honor of the 100th anniversary of the birth of this great American and great humanitarian.

I understand former President William Howard Taft and future President John F. Kennedy also enjoyed brief associations with The Farm.

I hope I haven't overlooked anybody, but if so I will blame the dedicated Stanford men and women who serve in my Cabinet and among my counsellors in the White House. The contributions of Stanford alumni in all the branches of our Government in Washington are tremendous and I hope we will have more in the future—and I say that as a Yaley and a Michigander.

It is a very great pleasure to be here at the Law School today, to be a part of this very special dedication. The students and faculty of Stanford have always demonstrated an outstanding devotion to the concepts of truth, justice, and equality under the law—and yesterday you did it once again. When it comes to equality, you just can't be any more equal than that game with Michigan.

19 to 19! Well, what better place than a law school to celebrate a hung jury.

Today's dedication of this impressive new home for the Law School is certainly no tie—it's one more victory in Stanford's unbroken record of educational excellence. The dream of Senator and Mrs. Stanford that the children of California should be their children, with the help of many who have followed their generous example, has been broadened to benefit the young men and women of all America and the world.

Back in 1968, when plans for this Law School complex were completed, there was serious question in many sober minds whether the rule of law in this country was breaking down. Assassins gunned down a candidate for the Presidential nomination and one of our most eloquent civil rights leaders. In one week, riots and arson and looting swept 125 cities, including the capital of our Nation. Violent disorders, demonstrations and defiance engulfed many of our campuses.

In the midst of this, I was to make the 275th commencement address at the College of William and Mary, which produced such giants of our Constitutional history as Thomas Jefferson and John Marshall. As a result I got an early start on my Bicentennial re-reading of our Nation's beginnings. And I asked myself what were the most precious possessions the first settlers of the American wilderness brought across the Atlantic? What was nurtured here in the New World to be carried across the mountains, across the plains, across the deserts and over the High Sierra to the Golden Gate of California? What made us the unique nation and people we are today?

For the most part the first American immigrants were poor, they were outcasts, they were persecuted, they were disadvantaged, they were dissenters, and they were rebels against the Old World Establishment. They brought little beyond what was on their backs and in their heads except a few seeds and a few tools and a few books. But what they brought was precious.

They brought, even as they protested its capricious abuse, an abiding respect for the rule of law—they built orderly systems of self government even before they erected dry houses. Generations later, when our Founding Fathers met in Philadelphia to declare their independence, they formally stated their reasons in terms of both moral and legal rights which the distant King and parliament had denied the colonists. Our American Revolution was unique in that we rejected our rulers but revered their rules.

The early settlers also brought to America a profound appreciation of the disciplines of formal education. They cut logs for school houses as well as stockades. There were more colleges and universities in the 13 colonies before the American revolution than in all of England, Scotland and Ireland. As Americans moved Westward, they set aside lands for the higher training of teachers, engineers, agriculturalists, scientists, doctors, lawyers and other professions. They encouraged the support of both private and public institutions of learning in State and Federal tax policies. No nation, at any time, has put a higher priority on education for all its citizens.

Finally, the long march of the Americans half way around the world, from Jamestown and Plymouth Rock to the westernmost tip of Alaska and the Pacific Islands, carried with it a common commitment to the future. The material progress of the United States of America has been premised on the half-humanist, half-theological idea of the perfectibility of society, the enlargement of human freedom and the innate worth of the individual.

Stanford University, where the winds of freedom still circulate through pleasant quadrangles old and new, was built and still stands upon that solid triad of law, learning and liberty.

The fears of seven summers ago were unfounded. The rule of law survived. Our Constitutional instincts proved sound. The commitment of Americans to law, learning and liberty continues in this very court this afternoon.

But contradictions and dilemmas remain in our society in abundance. They will always exist in a democratic nation where the delicate balances between freedom and order, between private right and public interest, between the safety of the state and the security of the individual, all require constant review and resolution.

This is the role of government at all levels and the mission both of those who make the law and of those who practice and perfect it. There is an old saying that those who love the law and those who are fond of sausage should never examine too closely how either is actually made.

I certainly do not intend to pick any quarrel with the sausage-makers. But as a former lawmaker, and as a lawyer, I believe we need to examine much more closely how our Nation's laws are made—in order to prevent perfectly laudable legislative intentions from having perfectly horrible consequences.

Literally hundreds of examples could be cited. Let me take one area that affects almost everybody, with which you as lawyers will surely have to deal. That is the area of the individual's right of privacy—the right to keep one's individual identity inviolate—or in plain talk, the right to do your own thing.

I can speak with some authority on this because, as Vice President, one of my chores was Chairman of the Domestic Council Committee on the Right of Privacy. I took that duty very seriously. Among the first things we learned was that one of the worst offenders is the Federal Government itself. I don't mean improper or illegal invasions of people's privacy or Constitutional rights by Federal agencies or individual officials, which nobody condones and which I absolutely will not tolerate as long as I am President.

Rather, I mean threats to privacy which have resulted from laws duly enacted by past Congresses for laudable purposes having wide public approval. Many of these laws, with today's technology, cumulatively threaten to strip the individual of privacy and reduce him to a faceless set of digits in a monstrous network of computers. He not only has no control over this process but often has no knowledge of its existence.

For example, in a simpler and earlier era, the government's principal interests in watching its citizens was to see that they obeyed the law, paid their relatively uncomplicated taxes, and from time to time, came to their country's aid in an emergency.

But when government expanded enormously and undertook vast social programs that established a direct link between the citizen and the bureaucracy, government logically became interested not only in monitoring criminal behavior but also a lot of other things about its citizens' lives and habits. To determine the eligibility of millions of individuals for receiving government benefits, for welfare or unemployment or social security or service pensions or other special assistance, government has to gather, record and contantly update information. Government acquired a legitimate reason to inquire also into the private lives of students seeking scholarships, professors seeking research grants, businessmen wanting government loans or requiring government licenses, professional persons doing business with the government or participating in subsidy programs. The list is endless.

Over the years, therefore, agencies of the government—State and local as well as Federal—gradually have amassed great amounts of information about almost every one of us. As technology advanced, it made administrative sense to combine and codify such information, especially when it was voluntarily given in expectation of benefits and beyond the special legal safeguards provided for Federal census and internal revenue data.

Here we face another dilemma of a democratic society in this new technological era where information is not only power—as it has always been—but also instantly retrievable by anyone trained to push the right buttons. Certainly we cannot scuttle worthwhile programs which provide essential help for the helpless and the deserving citizen. Yet we must protect every individual from excessive and unnecessary intrusions by a Big Brother bureaucracy.

Many recommendations of the Committee on Privacy which I chaired as Vice President were incorporated in the Privacy Act of 1974 which a cooperative Congress passed and I was pleased to sign as President. That law goes into effect next Saturday. Briefly, the Privacy Act generally prohibits collection of information concerning exercise of an individual's First Amendment rights. It requires that files on individuals be accurate, relevant, timely and complete. It requires the Federal government to reveal the existence and whereabouts of all data systems containing identifiable personal information. It gives everyone the right to read his own file and make corrections or amendments. It commands the government to use the information only for the purpose for which it was collected. And it sets up an independent Privacy Commission with a two year mandate to monitor the operation of the law and investigate additional privacy issues.

It is, to be sure, admittedly experimental. But it makes a long-overdue start in trying to restore to every individual some of his rights which have been eroded in the process of gaining other advantages. I have said in Bicentennial speeches around the country—and will continue to say—that the great achievement of the first century of American Independence was to perfect political institutions strong enough to endure stress and responsible to the times and needs of the people.

The second century of our independence, now ending, saw the development of the world's strongest economic system in the free climate our political freedom fostered. Two hundred years of American independence have gained for us an unprecedented measure of political and economic stability and success.

But what should be the goal of our third century as a Nation? I prefer to look at our Bicentennial celebration through a telescope, not a rear view mirror. I see the great challenge of our next hundred years as the advancement of individual independence—of specific steps to safeguard the identity of each and every American from the pressures of conformity. The pressures close in upon us from many quarters—massive government, massive management, massive labor, massive education, massive communication and massive acquisition of information.

To meet this challenge, we still need a positive and passionate commitment to law, to learning and to liberty. Without law, there is no liberty. Without liberty, there is no learning. Without learning, there is no law.

Here at Stanford, you have all three; law, learning, and liberty. Make the most of them. Make them part of your lives. Make them your richest legacy as well as your most precious inheritance. Thank you.

CONGRESSIONAL HEARING BLASTED BY GEORGIA GROUP

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. MATHIS. Mr. Speaker, on July 21 of this year, the Subcommittee on Crime of the House Judiciary Committee conducted a public hearing in Atlanta on Federal gun control proposals.

Since that hearing, I have been contacted by many constituents who were alarmed and amazed at the manner in which the hearing was conducted. I would like to share with my colleagues an article that was written subsequent to the hearing in order that they may be aware of the criticism directed at a congressional committee:

Congressional Hearing Blasted by Georgia Groups

Georgia's three largest organizations of gun owners have blasted a Congressional subcommittee which held hearings on gun control in Atlanta July 21st for refusing to allow representatives of the groups to testify.

In a joint statement, the Georgia Wildlife Federation, the Georgia Sport Shooting Association, and the Georgia Arms Collectors Association said they were refused an opportunity to present their views to the House Judiciary Committee's Subcommittee on Crime, chaired by Congressman John Conyers of Michigan.

"This is a deliberately biased, slanted, and rigged hearing that was planned by this committee, which evidentally already has its mind made up about the facts it wants to hear," said the statement by the organizations, which include more that 5,000 members.

"We resent this blatant refusal of an organization of elected officials who are supposed to represent the views of all the people to impartially consider both sides of the question of whether or not additional gun controls will actually do any good in controlling crime," the groups said.

"This action is a slap in the face to Georgia's more than half a million law abiding gun owners, who are the people who will be most affected by any new laws. Criminals don't pay any attention to our existing laws against murder, robbery, and rape, so there is no reason to expect them to be disturbed about any legislation that this Kangaroo Committee might propose," said the organizations.

Only one Georgian known to be opposed to gun controls was invited to testify by the committee, said the organizations, and he is not a member of any of the three groups.

"On the other hand, gun control proponents out numbered opponents two to one before the committee, which then heard hours of testimony favorable to its preconceived views and provided only token opportunity for dissenting opinions. This is not the American ideal of democracy and freedom of speech," said the groups.

In a letter to 4th District Congressman, Elliott H. Levitas, GWF President Earl Martin wrote:

"As one of your constituents, as well as President of the statewide Georgia Wildlife Federation, I would like to protest the conduct of one of your colleagues during his recent visit to Atlanta. Representative John Conyers of Michigan is presently traveling around the country, at taxpayers expense, purportedly gathering information concerning the need for federal gun control legislation. His "public" hearings, we found, were apparently designed for one purpose—to compile testimony supporting his own personal views regarding gun control legislation. This testimony will obviously be touted later on the floor of the House as the "voice of the people". This is not valid and if so used will constitute a fraud upon the Congress," Martin said.

"Such a hearing was held in Atlanta on July 21. The meeting received a minimum of public notice and was held in an inaccessible place. The GWF did learn of it, however, and asked, as representative of more than 5000 interested Georgians, to testify. Our request to speak against gun controls was not granted—it was not even answered," Martin continued.

"Proponents of gun control, the Mayor of Atlanta, the Police Commissioner and a state legislator, were granted a total of 2 hours and thirty minutes of testimony. Opponents, Senator Bob Bell and Representative Bill McKinney, got 45 minutes between them. Other speakers received from 15 to 5 minutes each. Evidence of Mr. Conyers' biased approach is the manner in which he interrupted, ridiculed and debated with opponents of gun legislation while coaching and praising proponents, calling Representative David Scott's testimony one of the finest we've ever heard."

"There is not much we citizens can do to influence legislation but appear at public hearings, write our congressmen and vote. Since we were denied the first option, I'm taking this opportunity to exercise the second, and I hope that you will convey our discontent to Representative John Conyers of Michigan and make this known to the membership of the House," Martin wrote.

HAI-HAWAII: VOLUNTEERS BRING CULTURAL EVENTS TO HAWAII SHUTINS

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. MATSUNAGA. Mr. Speaker, thousands of Hawaii shutins will soon be able to enjoy local cultural events through the efforts of a new volunteer organization. HAI-Hawaii, the 22d affiliate of Hospital Audiences, Inc., recently organized and is already receiving enthusiastic community support in the island State.

The goal of the new volunteer agency is to bring cultural events—plays, concerts, and art exhibits—to patients in hospitals, nursing homes, and homes for the handicapped and mentally retarded. HAI believes that the arts can be a vital therapeutic and inspirational tool to assist in the rehabilitation of those removed from society by illness and disability. By enabling patients to share in the social and cultural life of their community, HAI-Hawaii hopes to help overcome despair, self-doubt, self-pity, helplessness, and confusion—all barriers to the healing process.

HAI-Hawaii has already achieved considerable success in its efforts to brighten the lives of disabled individuals. Recently, the Honolulu Community Theater performed "6 RMS Riv Vu" at Tripler Army Medical Center. From all reports, it was a hit. The performance was videotaped so that patients in isolation could view it, while ambulatory patients watched the live performance in the hospital auditorium. Later, the Honolulu Theater for Youth offered complimentary tickets to the Waimano Training School and Hospital, the Salvation Army Residential and Treatment Facilities for Children and Youth, and The House, all homes for the mentally retarded.

Basically, HAI-Hawaii acts as a clearinghouse to bring artist and social agency together. I commend the dedicated volunteers of HAI-Hawaii for organizing and promoting this much-needed community service. Knowing that my colleagues will be interested in the objectives of this worthwhile organization, I am submitting for inclusion in the RECORD an article from a recent edition of the Honolulu Advertiser which describes HAI-Hawaii:

AN OPPORTUNITY TO SHARE—AND IT IS HAI TIME

(By Patsy Matsuura)

All people have a need, if not a right, to cultural enrichment.

But the institutionalized and the disadvantaged are deprived of aesthetic enjoyment because cultural resources are not available to them.

To meet their needs, HAI-Hawaii, an affiliate of Hospital Audiences, Inc. (HAI), was organized recently and is already receiving enthusiastic support.

Hawaii is the 22nd affiliate of HAI, a nonprofit corporation founded in New York six years ago by Jon Spencer, who serves as executive director.

HAI is an outgrowth of Spencer's personal experiences from 1963 to 1969 while he was presenting hundreds of piano recital-lectures to thousands of patients in New York City and State psychiatric hospitals.

"These experiences demonstrated to me the unique ability of the arts to impart a sense of beauty, warmth, inspiration and human concern for those who had been hospitalized in relatively bleak settings for prolonged periods of time," said Spencer, who was here for the HAI-Hawaii kick-off party.

The HAI program was introduced to Hawaii by Mrs. Theresa Wright of Xerox Corp., with endorsement by the Kawaii Council for Culture and the Arts and the State Foundation on Culture and the Arts.

"I became acquainted with HAI when I was transferred to the New York office two years ago," said Mrs. Wright.

"I was so impressed that when I returned to the Islands I instigated a similar program, but I didn't have the time, nor the manpower, so it took a while to get it off the ground. But luckily, when I called Charlie Welch of the Volunteer Service Bureau, he said the Bureau would handle all calls, and the Xerox employes volunteered their time."

HAI mobilizes and channels the cultural resources of a community to benefit the physically handicapped, elderly, retarded, drug addicts, mentally ill and economically deprived.

Mrs. Jean Jackson, who is serving as coordinator, said the HAI-Hawaii's ultimate goal is to provide disadvantaged groups—from children to senior citizens—an opportunity to share in Hawaii's wealth.

"The response so far has been encouraging. We have contacted 65 social agencies and they have been most cooperative. We're very excited."

HAI is a link between performing arts and the social agencies, explained Lowell Angell, public relations coordinator of Volunteer, Information and Referral Service.

"By working together, we hope to open up a whole new vista," he said. "In fact, we already have seen what community effort can do to brighten the lives of disabled individuals.

"When Newell Tarrant took the Honolulu Community Theater production of "6 RMS Riv Vu" to Tripler Army Medical Center, the response was heartwarming.

The production also was video-taped for the benefit of patients in isolation wards or those in tractions who couldn't attend the show in the hospital auditorium.

The Honolulu Theater for Youth offered tickets to Waimano Training School and Hospital, The House, a residential project of the Mental Health Association, and the Salvation Army Residential and Treatment Facilities for Children and Youth.

Through complimentary tickets donated to HAI by the performing groups, both young and old can attend a wide variety of cultural and sporting events.

In New York City more than 58,000 disabled and disadvantaged persons attended various events since HAI was formed six years ago.

HAI believes that the arts are a positive force in society if effectively harnessed. They can become a vital therapeutic and inspirational tool to assist in the rehabilitation and return to society of those removed by illness or other causes.

Barriers which often slow down the healing process of children and adults condemned to 'non life" are despair, self-doubt, self-pity, helplessness and confusion.

Because of the vast numbers of performers and social organizations which must be contacted to match performers with organizations, such a task requires a central coordinating liaison. HAI-Hawaii serves as the unifying force.

One of the major benefits of HAI's time-saving scheduling is that the social service agencies are guaranteed a flow of events throughout the year. They relate to the HAI as to what their clients enjoy most.

"We hope eventually to conduct workshops to help the shut-aways," said Mrs. Jackson.

The HAI-Hawaii is part of the Volunteer Service Bureau office and is located at 200 No. Vindyard St.

"REPEAL OF SECTION 7601" OF THE INTERNAL REVENUE CODE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. VANIK. Mr. Speaker, despite recent concern over protection of the individual citizen from the encroaching power of large governmental agencies, there still exists statutory authorization permitting one of the largest of those agencies, the Internal Revenue Service, to conduct random "fishing expeditions" in search of possible criminal or civil tax liability.

Under section 7601 through 7608 of the Internal Revenue Code, the Internal Revenue Service is granted broad investigatory powers. Section 7601 of the Code, entitled "Canvass of Districts for Taxable Persons and Objects," gives the IRS a general authority to inquire. In addition, section 7602, entitled "Examination of Books and Witnesses," establishes the IRS's administrative summons power. The separate existence of these two provisions has often been confused or ignored. The result being that the use of the summons power has been abused in numerous situations.

Take, for example, the use of the "John Doe" summons. Normally, under the provisions of section 7602, the Internal Revenue Service must comply with the applicable, specific procedures of that section before an administrative summons will issue. But recent court interpretations have permitted the issuance of a no-name, "John Doe" summons, whereby the individual under investigation is not identified, and the summons demands production of all records and testimony. The statutory support for the John Doe summons has been section 7601, with its permission to "canvass districts for taxable persons and objects."

The most recent statement on this issue is the case of United States against Bisceglia, which the Supreme Court decided on February 19, 1975. In Bisceglia, the Court held that a "John Doe" administrative summons may properly be issued by the IRS to examine numerous bank records needed to identify individuals who exchanged or deposited $40,000 in old currency in a bank in Kentucky. The sole basis for the summons was the decrepit condition of the bills which were received by the Federal Reserve Bank of Cleveland from the Kentucky bank. On the basis of this suspicion, the summons was issued to an officer of the local bank.

The Supreme Court upheld the issuance of such a "John Doe" summons, thereby reversing the court of appeals decision that section 7602 presupposes that the IRS has already identified the person in whom it is interested before proceeding.

The majority opinion gave a broad statutory constitution of both section 7601 and section 7602, recognizing section 7601 as authorization to inquire after "all persons who may be liable to pay any internal revenue tax," and viewing section 7602 as an "aid in this investigatory function." The conclusion of the majority was that, because the IRS agents have power of general inquiry under section 7601, they may summons bank records without identifying the individuals whose records are sought.

While in Bisceglia there was a specific transaction involved, the rationale of the Court could be used to sanction actions of a much more tenuous nature. The provisions of section 7601 might be used in the future to validate a "John Doe" summons in situations resembling a general "fishing expedition."

This concern was expressed by Mr. Justice Blackman in his concurring opinion, in which he carefully distinguished a "genuine" investigation from one with a more "general" purpose. Moreover, the dissenting opinion of Mr. Justice Stewart recognized that the majority opinion was unable to find any statutory limitation on the authority of tax collectors.

The broad mandate of section 7601 and its implications were emphasized by Mr. Justice Stewart's observation that—

> If a summons could issue for any material conceivably relevant to "taxation"—that is, relevant to the general duties of the I.R.S.—the Service could use the summons power as a broad research device. The Service could use that power methodically to force disclosure of whole categories of transactions and closely monitor the operations of myriad segments of the economy on the theory that the information thereby accumulated might facilitate the assessment and collection of some kind of a federal tax from somebody.

It becomes readily apparent that the power of the IRS to investigate and issue a no-name summons is virtually unlimited: The broad canvassing duties set out in section 7601 have rendered the limitations and language of section 7602 meaningless. Proceeding without a reasonable belief that a specific individual is owing Federal taxes, the IRS can nevertheless literally force disclosure of any private transaction, so long as the IRS agent acts in "good faith."

The dire effects of this power are too serious to continue unchecked. Clearly, the IRS should not be able to use a John Doe summons to inspect numerous bank records of individuals not specifically identified. The antiquated provisions of section 7601, regarding the canvassing of the various districts, should not be permitted to preclude the narrow scope of the summons power as delineated in section 7602 .The only way to preserve the procedures of that summons power is to repeal section 7601. The two provisions, if they both continue to exist, will inevitably be read coextensively with each other. The general exploratory "fishing expeditions" of the IRS cannot be justified solely under the statutory authority of section 7602: the "John Doe" summons, and the entire process of unfocused investigations, has been supported on the basis of section 7601's "general inquiry" power.

No one questions the need for the Internal Revenue Service to issue an administrative summons incident to an "ongoing, individualized, investigation of an identified party." Such a power is necessary for the proper functioning of the Federal tax collection system. But the limits and procedures that protect the individual from random and unfounded probing must remain in force, if the system is to have any legitimacy. Only by repealing section 7601 will the purposes of section 7602 become viable; as it is, the summons power limitations of the latter statute become meaningless in the face of the former's grant of a general inquiry power. When the IRS is forced to abide by specific procedures in conducting its investigations, the possibility of the "general fishing expedition" lessens significantly. The dangers of abuse of administrative power are already well-known; the repeal of section 7601 of the Internal Revenue Code is one way to prevent those dangers from becoming an established procedure.

EARLE CABELL

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. TEAGUE. Mr. Speaker, I am saddened by the passing of my good friend, Earle Cabell, the late, distinguished, and former Representative of the Fifth District of Texas.

It was my pleasure to know and work with Earle Cabell for the 8 years he served in the U.S. House of Representatives. Our association went back to the time he was mayor of the city of Dallas and before that when he was president of Cabell Dairies. I am proud to count him as one of my warmest longtime friends and many, many Texans will long honor his memory.

It was my privilege to serve with Earle Cabell on the Committee on Science and Technology back in the days when we worked on the Mercury, Gemini, and Apollo programs. He was one of the ablest Representatives I have ever known and one of the hardest working.

Earle Cabell tirelessly dedicated himself to service to his Nation and to the State of Texas. He distinguished himself in the U.S. House of Representatives as a man of great courage and conviction on all legislative issues. His devotion to duty in the House of Representatives over the years characterized him as a champion of strength, security, and well-being of the United States and all its citizens. Earle Cabell was a source of inspiration and leadership to us all.

I will dearly miss my good friend and Mrs. Teague joins me in extending our deep, heartfelt sympathy to the family of the late Earle Cabell.

MYTHS AND RESISTANCE TO SCHOOL DESEGREGATION

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. YOUNG of Georgia. Mr. Speaker, the New York Times on September 22 and 23, 1975, published a two-part article on school desegregation by Marian Wright Edelman, a distinguished lawyer and the director of the Children's Defense Fund.

In the furor over school desegregation, Mrs. Edelman writes:

> The nation has overlooked four essential points. School desegregation is a necessary, viable and important national goal. The Constitution requires it. Minority children will never achieve equal educational opportunity without it. And our children will never learn to live together if they do not begin to learn together now.

This important two-part article deserves the attention of Members of Congress. It is adapted from a longer article which will appear in the November 1975 issue of the Harvard Educational Review.

[From the New York Times, Sept. 23, 1975]

LEARNING TO LIVE TOGETHER: THE NECESSITY OF SCHOOL DESEGREGATION

(By Marian Wright Edelman)

CAMBRIDGE, MASS.—In the furor over the mythical evils of school busing and the purported inviolability of neighborhood schools, the nation has overlooked four essential points. School desegregation is a necessary, viable and important national goal. The Constitution requires it. Minority children will never achieve equal educational opportunity without it. And our children will never learn to live together if they do not begin to learn together now.

There is a tendency to blame desegregation for every ill of the schools, from school violence to inferior education. But these are some of the very problems created by decades of segregation and discriminatory neglect which made desegregation orders necessary. It is ironic that black children now find themselves caught in the Catch-22 position of having desegregation conditioned on the prior solution of these problems.

It has also become fashionable to decry the fact that it is the poor, both black and white, who must bear the brunt of desegregation while the upper middle class and the rich, living in the suburbs, comfortably avoid the fray. But that some members of society can buy out of their responsibility for social justice does not in any way lessen the rights of urban black children to a desegregated education.

Similarly, desegregation is unfairly blamed for problems of resegregation because of white flight to suburbs and private schools. While the exclusion of minority youngsters from extracurricular activities, their misclassification and placement in special education classes, particularly classes for the educable mentally retarded, and the discriminatory use of school discipline tools against minority children plague black children in desegregating systems, they are also severe problems in segregated systems.

Some school districts began desegregating earlier only to find themselves resegregated because whites moved to suburbs and blacks moved into the cities.

For example, Atlanta, Ga., after years of litigation to desegregate, finds itself 89 per cent black. But desegregation was neither the sole nor the main cause of such population shifts. Whites moved from cities long before desegregation. A 1975 Gallup poll on education shows that only 14 per cent of those moving to the suburbs cited minorities as the reason for doing so.

Many school officials have encouraged white defection by permitting the quality of education to decline, permitting extensive overcrowding, failing to anticipate or to provide programs to deal with the special problems arising from desegregation, and permitting the decline of teaching staff.

According to The Boston Globe of March 5, 1975, Mayor Kevin White said he was "willing 'to talk about' the possibility of providing city buildings and funds for persons seeking to establish private schools as alternatives to the city's public schools." Though he recognized that such schools "would be illegal if their only purpose was to circumvent the court order and if they were, in reality, white academies," he added, "if the sponsors said, "We will have some black students enrolled,' then I'll tell them 'Let's talk about it.' "

It is precisely this kind of negative political leadership that encourages noncompliance with school desegregation orders. And it can only have the effect of encouraging white parents to avoid public schools. Such avoidance occurred in the South, where private-school enrollment jumped from 400,000 in 1968 to 500,000 in 1971, largely as a response to desegregation.

There is some evidence, though, that lower- and middle-income white parents are chafing under the burdens of supporting two school systems. Internal Revenue Service challenges to their tax-exempt status and growing public recognition that their purported superior education is not so superior will likely increase their vulnerability.

We can only hope that a generation of white children will not have their educational futures sacrificed to the racial bigotry of their parents. One of the saddest incidents I have experienced during the Boston confusion was a call about a 15-year-old, white, South Boston girl who wanted to return to school. Having been out all year because her mother supported the boycott, she had been given the choice of not returning to school or being thrown out of the house.

Analysis of data submitted to Health, Education and Welfare's Office for Civil Rights by more than 505 school districts in five Southern states showed black youngsters were twice as likely as white youngsters to end up in educable mentally retarded classes. In 190, or 37 per cent, of the reporting districts, the probability that a black student would be placed in an educable mentally retarded class was five times as great as for a white student.

In 51 districts, the probability was ten times as likely.

But misclassification or overinclusion of black youngsters is not a problem limited to the South or to the desegregation process. Indeed, desegregation has made Southern black parents and schoolchildren more conscious of questionable school processes which are too often still hidden in the North.

For example, seven young black, male students in a New Bedford, Mass. school were placed in classes for the mentally retarded without ever having been given I.Q. tests When tested, they were found to be of normal intelligence. Black children were four times as likely as white children to be in educable mentally retarded classes in this district.

Of equal concern is the growing use of suspensions and other disciplinary exclusions as weapons to undermine desegregation. Office for Civil Rights data show that although blacks are 27 per cent of the total school enrollment, they account for 42 per cent of all suspensions. One of every eight black secondary students was suspended during the 1972–73 school year compared to one of every 16 white students.

In some districts the percentage of black pupils suspended is truly amazing. In Richland County (Columbia), South Carolina, approximately 27 per cent of the black high school students were suspended in 1972–73.

[From the New York Times, Sept. 23, 1975]

LEARNING TO LIVE TOGETHER: MYTHS AND RESISTANCE TO SCHOOL DESEGREGATION

(By Marian Wright Edelman)

CAMBRIDGE, MASS.—Many Northerners seek to justify continued racial segregation in public schools primarily on three grounds: (1) segregation results not from illegal pubic actions or policies but from natural neighborhood patterns—the so-called *de jure* v. *de facto* distinction; (2) neighborhood schools are an inviolable American tradition; and (3) school busing endangers children.

Nowhere are these myths more plentiful than in Boston, where conservatives rail against integration in the name of community and liberal's wring their hands in confusion, embarrassed that enlightened Boston is making a national spectacle of itself.

But none of these myths withstands scrutiny. First, the facts in Boston are typical of what judges are finding in other Northern desegregation cases, and they render virtually meaningless the distinction between *de facto* and *de jure* segregation.

United States District Court Judge W. Arthur Garrity Jr. found that intentional Boston School Committee (school board) actions and policies to segregate black and white youngsters had produced in Boston a school system that is more highly segregated than any other school system in a city, North or South, with the same size and racial composition.

In a case involving the Denver public schools, the United States Supreme Court held that segregation in fact is unconstitutional if it is the product of "segregatory intent" of governmental authorities. The Court found that sufficient segregatory intent had been shown in the Denver school board's "manipulations" of its neighborhood policy to increase the segregation that would have resulted from a truly neutral policy.

Such segregatory policies or acts can be manipulations of school or housing patterns. The segregation of American cities is in large part the result of the policies and attitudes of the Federal Housing Administration. Much of the single-family housing that exist today was sold with F.H.A. or Veterans Administration mortgage coverage.

Since 1935, F.H.A. underwriting manuals have recommended that two principles be followed (1) that racially restrictive covenants shall be honored; (2) that housing in racially integrated neighborhoods shall be rated at less than its fair market price.

In a study conducted by the F.H.A. in 1939 to guide its housing policies, it was noted that:

"In a country settled largely by the white race, such members of other races, of course, have not been absorbed . . . It is a mere truism to enunciate that colored people tend to live in segregated districts of American cities. . . . It is in the twilight zone, where members of different races live together, that racial mixtures tend to have a depressing effect upon land values and therefore upon rents."

As a result, American families could not move into integrated neighborhoods even if they wanted to, since the F.H.A. thought them bad economic risks.

Second, the concept of neighborhood schools is not embedded in American educational tradition. Judges have found in numerous cases that the intense commitment to neighborhood schools seems to pale when segregation is possible.

In the Detroit desegregation case decided by the United States Supreme Court in 1974, all the attendance area changes and options for ten years were examined in the court. Parents in integrated neighborhoods could elect to send their children to either all-white or all-black schools outside their neighborhoods, but not to integrated schools. More than 20,000 individual student transfer requests were reviewed and shown to contain explicit racial motives for white parents seeking nonneighborhood school assignments. All were approved by school officials.

Neighborhood schools presume neighborhoods exist, and South Boston has been heralded as one of the few remaining coherent communities in Boston. But while it is a "stable" neighborhood as such things go in a contemporary American city, 40 per cent of its 1970 residents have moved there within the preceding five years.

Even if South Boston were the homogeneous community it is painted to be, maintaining neighborhood schools when they ensured segregated education would not be defensible. As a Federal district judge stated more than ten years ago in ordering desegregation of Fort Worth public schools: "The constitutional right . . . is not to attend a school closest to home, but to attend schools which, near or far, are free of governmentally imposed racial distinctions."

Third, unlike neighborhood schools, school busing has a long-distinguished tradition in America. Forty-eight states authorize it and 15 states allow students to be transported to private schools at public expense. In the 1971–72 school year, almost 44 per cent of all American children rode 256,000 buses more than two billion miles—figures that would increase if we counted use of other kinds of public and private transportation to get children to school. But the Department of Health, Education and Welfare estimates that only 3 per cent of the busing has occurred as a result of desegregation.

Neither the average amount nor the length of busing has greatly increased with school desegregation. In a case involving the desegregation of the Charlotte-Mecklenburg schools, which provoked some of the most virulent antibusing opposition, the record revealed that before desegregation some one-way bus trips ran to one hour and 14 minutes. After desegregation, bus rides averaged 30–35 minutes.

I have often been asked recently about why I support desegregation and school busing when some black parents oppose it. Black parents are no more a monolith than any other parents. And they are human enough to resent having their children continue to bear the disproportionate brunt of achieving desegregation. There is hardly a black adult in this country who does not fight feelings of despair and fatigue daily from endless exposure to white hostility, condescension and plain insensitivity.

There is not one of us who would will this legacy of misery to our children. But racism is not something you can avoid, even in the confines of Harlem. Racial ignorance and insensitivity are not cured by keeping children apart.

SUSPEND SOME RSPA PROVISIONS

HON. ROBERT G. STEPHENS, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. STEPHENS. Mr. Speaker, for the past several months, along with many of my colleagues in the House, I have received a large volume of complaints from consumer home-borrowers, mortgage lenders, lawyers and other interested parties about the high cost, delays, and redtape involved in complying with last year's Real Estate Settlement Procedures Act. Some hearings have already been held by the other body on the need to repeal or drastically reform the law which went into effect on June 20 of this year. Almost all the witnesses have agreed that some quick action should be taken to improve the situation, especially for consumer-home borrowers. I wish to introduce this bill to suspend three of the key provisions of the new law—sections 4, 6, and 7—which pertain to the complicated uniform settlement statement, the required 12-day advanced disclosure, and the requirement, in some instances, or disclosure of the previous selling price of the property being purchased. In addition, my bill will repeal an unnecessary section of the truth-in-lending law—section 121(c)—which duplicates the advance disclosure requirements of existing law.

The need to suspend the operation of these three sections of RESPA for at least a year will give the Congress, HUD, the Federal Reserve Board and other interested parties a much-needed opportunity to develop a sensible law in this area in order to simplify procedures for the benefit of consumer-home borrowers, lenders, lawyers, realtors, and others involved intimately in the real estate settlement process. It is important to suspend the basis for these cumbersome procedures as quickly as possible because each day, further delays cost consumer-home borrowers additional money. Some home borrowers have complained that delays have cost them as much as $800 in that the home buyer's family has been required by circumstances and delays to rent other shelter, perhaps a motel room or a house, because the family cannot move into the newly purchased home.

I understand that hearings have been scheduled in the House in late October on this question. But, in my opinion, time is of the essence and the need to suspend the law for at least a year is clearly in the public interest. Therefore, I urge quick action on my proposed bill.

Set out below is a statement of Philip Jackson, member of the Board of Governors of the Federal Reserve, made in Senate hearings of September 15 urging repeal of section 409 of Public Law 93–495:

STATEMENT OF PHILIP JACKSON

Finally, the Board urges the Congress to repeal entirely the provisions of Section 409 of P.L. 93–495 which amended the Truth in Lending Act to require advance disclosure of closing costs. The Committee will recall that this Act was passed October 28, 1974, prior to the enactment of the Real Estate Settlement Procedures Act. We feel that the provisions of the Real Estate Settlement Procedures Act supplanted the need for Section 409 disclosure and, therefore, Section 409 is no longer necessary.

While there are some transactions which are not covered by the Real Estate Settlement Procedures Act to which Section 409 disclosure of closing costs would be applicable, such as some home improvement transactions, there is real doubt of the value of advance disclosure of closing costs in such situations for several reasons. First, closing costs are usually not a material factor in total consumer costs in such transactions. Second, these transactions are usually subject to the 3-day right of rescission under Truth in Lending because they are secured by real estate which is the primary residence of the borrower. Consequently, if the consumer does not like the credit deal proposed, he can cancel it. Finally, the time framework within which such transactions take place is usually so short that disclosure delays may be detrimental to the consumer's interest.

The Board is currently in the process of implementation of Section 409, having waited until final RESPA procedures were completed in order to avoid public confusion between the two disclosure requirements.

In a broader context, the Board has earlier expressed concern that legislation purporting to assist consumers may actually harm consumers by imposing burdens on the creation of borrower-lender relationships. Such harm might come from creation of requirements which are so complex as to eliminate some lenders from consumer markets, thus reducing the competition for the consumer's business. Another harm could arise from increasing the cost of creating proper borrower-lender relationships. Since lenders must in the final analysis make investments based on net return after administrative costs, any increases in administrative costs of lenders in competitive markets are ultimately passed on to the consumer either directly or indirectly. Reports from others give the Board concern that the Real Estate Settlement Procedures Act may be creating both of the problems which I have described.

The text of my bill is also set out herewith:

H.R. 9818

A bill to suspend sections 4, 6, and 7 of the "Real Estate Settlement Procedures Act of 1974" and repeal subsection (c) of Section 121 of the Truth in Lending Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4 of the Real Estate Settlement Procedures Act is amended by inserting "(a)" after "Sec. 4" and by adding the following subsection:

"(b) The provisions of this section are suspended for one year after date of enactment.".

(b) Section 6 of the Real Estate Settlement Procedures Act is amended by adding the following subsection:

"(f) The provisions of this section are suspended for one year after date of enactment.".

(c) Section 7 of the Real Estate Settlement Procedures Act is amended by adding the following subsection:

"(d) The provisions of this section are suspended for one year after date of enactment.".

Sec. 2. Section 121 of the Truth in Lending Act (15 U.S.C. 1631) is amended by repealing subsection (c).

Sec. 3. The effective date of this Act shall be the date of enactment thereof.

IRISH REPUBLICAN VISAS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. MOAKLEY. Mr. Speaker, the revocation of certain Irish Republicans' visas deeply concerns me. It is my hope that my colleagues in the House of Representatives will press for resolution of this important matter.

Briefly reviewed, the State Department currently bars the Irish Republican leadership from entering the United States to share its view with the American people. This action is based on a seldom enforced provision of the Immigration and Naturalization Act—section 212(A)(28)(F) which denies eligibility to aliens who "advocate or teach or who are members or affiliates with any organization that advocates or teaches (i) the overthrow by force, violence, or other unconstitutional means of the Government of the United States or of all forms of law; or (ii) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers—either of specific individuals or of officers generally—of the Government of the United States or of any other organized government, because of his or their official character; or (iii) the unlawful damage, injury, or destruction of property; or (iv) sabotage."

The crux of the matter is that this provision has not been applied on a uniform basis to members of freedom organizations in other countries, but enforcement in this situation denies Americans access to all points of view.

The State Department has stated a desire to encourage those seeking a firm peace in Ireland. However, this desire is far short of realization as the seven individuals denied entry into the United States are the initiators of peace and negotiations with British authorities.

In addition, neutrality has been the stated policy of the United States on Northern Ireland. One cannot help but find that this policy favors one side in the dispute despite our official posture of neutrality. Censuring Republican views in the United States presents an obstacle to those working for peace and justice in Ireland, while the United States should be encouraging full intellectual activity here. Instead, we find instances of grave injustice.

For example, a recent conference sponsored by the Committee for an Irish Forum at University of Massachusetts could not include five Irish delegates, as they were found ineligible for entry. This represents an abridgement of the constitutional rights of all Americans as we cannot be exposed to all sides of the issue. I feel that there is no legitimate reason to prohibit these individuals from coming to the United States and expressing their point of view to the American public. The restoration of these visas would serve to exercise free speech in the United States.

I appeal to my colleagues for solution to the State Department's unfair exercise of visa power. The judiciary branch is unable to provide an answer, as an alien cannot bring court action to contest a visa revocation when the visa was issued and revoked overseas. Therefore, only internal State Department rules and administrative practices are operable.

Congressional involvement seems to be the only way to restoration of the visas. I commend Congressman JOSHUA EILBERG and his Subcommittee on Immigration, Citizenship and International Law, for conducting hearings on the matter several weeks ago. It is my hope that a review of the seven cases will correct this distressing pattern of events.

Congressman LESTER L. WOLFF's Subcommittee on Future Foreign Policy Research and Development has voted to conduct hearings and is currently awaiting the approval of committee chairman THOMAS MORGAN. I would like to take this opportunity to emphasize the necessity of holding hearings and I urge Chairman MORGAN's immediate approval for scheduling.

Congress must become involved in the efforts to assure all Americans access to all information regarding the English-Irish conflict.

The revocation action on the part of the State Department has prompted much concern, especially within the Irish-American community in the United States. I wish to cite the Irish National Caucus for its commendable work on the revocation issue. Representing over 40 Irish-American organizations and directed by Mr. Sean W. Walsh IV, the caucus has launched a widespread appeal for equality and justice in solving the abuse of power exercised by the State Department.

NYERERE VERSUS AMIN AND H.R. 1287

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. FRASER. Mr. Speaker, Joseph P. Carney, a Maryknoll priest who works in Musoma, Tanzania, has written an essay about Tanzanian President Julius K. Nyerere's reaction to Idi Amin's rule in Uganda and Nyerere's decision not to attend the 12th annual Organization of African Unity—OAU—summit meeting held in Kampala, Uganda.

The Carney article appears in the September 26, 1975 issue of Commonweal.

Father Carney quotes portions of the Tanzanian Government's statement to the summit meeting explaining its decision not to participate. Carney also quotes a 1952 Nyerere paper on the race problem in east Africa. Nyerere wrote:

> A world seething with hatred is an intolerable place to live in. But we cannot reach the goal (of social harmony) by hypocrisy or wishful thinking. We can only do it by honest thinking, honest talking and honest living.

Idi Amin does not show us the road to racial harmony in east Africa. Ian Smith does not show us the way in southern Africa. And as President Nyerere seized the opportunity to demonstrate his opposition to Amin by not going to Kampala, I urge this House to seize the opportunity to tell Ian Smith that this House supports racial harmony in Southern Rhodesia. We can do this by voting full support of the U.N. economic sanctions against Southern Rhodesia, by voting to pass H.R. 1287.

The Carney article follows:

NYERERE VERSUS AMIN

(By Joseph P. Carney)

President Julius K. Nyerere of the United Republic of Tanzania has long been noted for his abhorrence and condemnation of racialism and colonialism in Southern Africa. Tanzania's recent censure of both the Ugandan government under the leadership of General Idi Amin Dada Salongo for its periodic massacres of its people, as well as the unique silence of the Organization of African Unity (OAU) about these atrocities perpetrated in an independent African country, has reconfirmed for many Africans and African observers Nyerere's position as one of the most courageous and judicious statesmen on the African continent.

The twelfth annual summit meeting of the OAU in Kampala, Uganda, during the first week of August accomplished some notable achievements of a conciliatory nature in African affairs. Militant Arab members such as Algeria's Houari Boumedienne, Libya's Muammar Kaddafi and Egypt's Anwar Sadat, along with the unofficial observers Yasir Arafat of the Palestine Liberation Organization, called for a united OAU front on the immediate suspension of Israel from the United Nations. Yet the total membership voted for the staid continuation of pressure on Israel to observe the UN resolutions on a planned withdrawal from occupied Arab lands. The OAU membership also decided to continue further peaceful negotiations with Ian Smith's regime in Rhodesia (Zimbabwe) for the independence of that country, and to prepare for full-scale guerrilla warfare from the independent bases of Tanzania, Mozambique and Zambia, if the European leaders of the Rhodesia Front government do not negotiate in good faith concerning the freedom of 5,000,000 African people. It delegated a committee of conciliation to troubled Angola, which is embroiled in a three-faceted tribal and political civil war on the eve of its independence from Portugal this November. Finally the OAU also admitted several new members to its ranks—Mozambique, the Cape Verde Islands, Sao Tome and Principe and the Comoro Islands.

However, the most significant event at the recent OAU summit was judged by many delegates to be the failure of numerous heads of state to attend the meeting. Only nineteen of the forty-six heads of state in Africa attended all or part of the summit. Twenty-four leaders of various governments sent delegates to represent them. Three nations in particular, Tanzania, Zambia and Botswana, previously announced they were boycotting the conference to protest General Amin's presiding as the chairman of the OAU for the coming year, despite his well-known persecution and slaughter of thousands in his homeland of Uganda in the past four years.

Undoubtedly many statesmen did not want to be identified with these massacres or Amin's penchant for notoriety whether it be his awarding himself the rank of Field Marshal for the occasion of the OAU meeting, his fulsome praise for Adolf Hitler as a statesman, or demanding a letter of apology from Great Britain's Queen Elizabeth before he would consider commuting the death sentence of British author Denis Hills, who made the mistake of comparing Amin to a "village tyrant" in print, (even though the book has yet to be published). Other African leaders were legitimately concerned about social and political unrest in their own countries, as was borne witness by the overthrow of Nigeria's Head of State, Major General Yakubu Gowan, while he was attending the OAU summit in Kampala. The swift departures of the Congo's Marien

Ngouabi, Niger's Seyni Kountche, Gabon's Omar Bongo and the Cameroon's Ahmadou Ahidjo soon followed.

Yet much of the unrest and criticism of Amin and the OAU meeting was galvanized by President Nyerere's and the Tanzanian government's lengthy and strongly-worded statement explaining the reasons for Tanzania's nonattendance at the Kampala meeting. Developing the theme that the OAU's acceptance of hospitality of General Amin and the present Ugandan government was tantamount to acquiescing in crimes against the Ugandan people, the Tanzanian statement warned that Africa was in danger of becoming unique in its refusal to protest against the crimes committed against Africans, when such actions were accomplished by African leaders in independent nations.

The hand of Julius Nyerere, who is noted for his integrity and wisdom, (see the collected works of his major speeches and writings since 1952 in *Freedom and Unity,* [1966]; *Freedom and Socialism,* [1968]; and *Freedom and Development,* [1973]; Oxford University Press) can be traced in the drafting of the Tanzanian government statement. Citing the tragic events of the Sharpesville Massacre of 67 people in South Africa in 1961, the Portuguese Massacre of 245 people at Wiruyamu, Mazambique, 1972 and the present practice of "villagezation" and the total war against the people of Rhodesia within the general repressive policy of apartheid, racialism and colonialism in Southern Africa, the Tanzanian government praised the record of the OAU since its founding in 1963 for articulating and taking effective action against injustice. However, it was precisely at this juncture of maintaining credibility in condemning the injustices of colonial Southern Africa that the Tanzanian government was afraid that the silence of the OAU about the massacres in Amin's Uganda would completely discredit any statements by African leaders about Southern Africa. Not only would they no longer be able to speak with authenticity about Southern Africa, but the Tanzanian government believed that the OAU would face the charge of being labeled an organization of hypocrites, if it did not bear witness to the brutality of Amin's government. The statement reads in part:

> We are convinced the OAU will deserve the condemnation of the world and the peoples of Africa as an organization of hypocrites, if it acquiesces, or appears to acquiesce, in the murders and massacres which have been perpetrated by the present Ugandan government. For these murders and massacres have not been a temporary aberration; they are its style and means of existence. This is the style of government of every fascist regime in the world. Tanzania cannot accept the mockery of condemning colonialism, apartheid and fascism in the headquarters of a murderer, an oppressor, a black fascist and a self-confessed admirer of fascism.

General Amin seized power in an overthrow of the Milton Obote government in 1971. Recently the International Commission of Jurists published a 63-page report of offenses against human rights in Uganda, with some horrifying details of the persecution and murder of individuals and total local communities within this African State. A low estimate is that 50,000 people, who were considered "enemies" of the regime, have been murdered and another 50,000 have been forced into exile. A relative of Amin, who was Ugandan's Foreign Minister from 1971–72 and then sought exile himself, estimated that 80,000–90,000 people have died at the hands of Amin's government.

Not only Ugandans themselves, but several Kenyans and Tanzanians have been known to "disappear" in Uganda. Employes and jobseekers in the East African Community (EAC) have simply "vanished" while in Kampala. In July 1974 a leading Kenyan businessman of the EAC, Kung'u Karumba, attended a conference in Kampala and has not been seen since. In February 1973, there were reports of other Kenyan "disappearances," among them, Okech Amara, an EAC railway official who was later found murdered. Kenyan newspapers protested that such murders were threatening the very life of the EAC. Amin then banned the newspapers and threatened to expel all Kenyans living in Uganda because they were spreading rumors of "unrest." Seven Tanzanian youth, who were in Kampala for job interviews with the EAC Post and Telecommunications Centre, also "disappeared." Amin at first denied that the Tanzanians were even in Kampala, but later accepted responsibility for their "disappearance" and promised compensation for their families.

The Tanzanian censure of Uganda and the OAU maintained that when people of international oragnizations with commitments to human justice try to discuss with African leaders clearly documented outrages against humanity, it is often the tragic lot of the African statesmen to sit in awkward silence, if the case involves an African State acting against African people. It read:

> When such information is submitted to international meetings by agencies of affiliates of the United Nations, we endeavor to exclude the item from the agenda. When independent agencies publish their findings about mass murder or blatant inhumanity we rush to condemn, if the accused government, in our eyes, is imperialist; we ignore the report if it produces twice as much evidence against an independent African government. Sometimes we even attack as imperialists those who hold up to public scrutiny the immoral actions of Africans in a position of authority in Africa. Yet we know that many of the allegations which have been made about the inhuman oppression within independent Africa are true. These crimes against African people have been exploited by the enemies of African freedom for their own purposes; but the crimes were there to be exploited. Few responsible Africans deny these facts among themselves. The evidence is too strong; the cases have been too numerous.

The manifesto of the reasons for Tanzania's non-attendance at the OAU meeting in Kampala indicated that it was morally damaging enough for African leaders not to protest African crimes against African people, but now it seemed that African statesmen would give an aura of respectability to one of the most murderous administrations in Africa by their presence at the conference. It bluntly stated that: "For this meeting will be assumed to have thrown the mantle of OAU approval over what has been done, and what is still to be done, by General Amin and his henchmen against the people of Uganda."

While only nineteen heads of state attended the OAU in Kampala in person, forty-three African nations did send some type of representation. President Nyerere deliberately delayed the publication of Tanzania's refusal to attend to the last week before the conference, so that his decision would not be seen as an effort to persuade other nations not to attend. In reality, only Botswana, Zambia and Tanzania, much for the same reasons, did not attend the OAU.

With an M.A. in Philosophy from the University of Edinburgh and a keen devotion to the social and economic development of Tanzania and all Africa, Nyerere has long been honored with the title of *Mwalimu,* or Teacher, by his fellow Tanzanians. It is with a teacher's insight and wisdom that he acknowledges the necessity of a non-interference clause in the charter of the OAU, and similar organizations, such as the United Nations. A solemn agreement not to interfere in the internal affairs of another nation is seen as a *sine qua non* for the survival of such an organization of common States. However, the Tanzanian statement manifested the license of a *Mwalimu,* when it raised a number of Socratic questions about using the non-interference clause to justify silence in light of Amin's massacres.

> But why is it good for States to condemn apartheid, and bad for them to condemn massacres which are committed by the independent African governments? Why is it legitimate to call for the isolation of South Africa because of its oppression, but illegitimate to refuse to cooperate with a country like Uganda where the government survives because of the ruthlessness with which it kills suspected critics?

Assuring the African delegates that Tanzania is fully committed to the cause of African unity and the OAU as a viable institution, the statement cited that Tanzania was up to date on all its subscriptions to the OAU and the Liberation Committee and that Nyerere had himself attended seven of the past eleven OAU meetings. But in the long run, the Tanzanian government believed that its presence in Kampala would be a betrayal of the principles of human justice, equality and dignity. The Ugandan affair was seen in the light of ultimate principles of integrity and justice.

> The first betrayal is because you are saying that it does not matter if these principles of huminity are ignored, and thousands of people murdered, provided it is done in an African independent State. The second betrayal is because by that attitude you are undermining the validity of Africa's demand that justice, equality and dignity should prevail in South-Africa, and wherever people of African descent are discriminated against on the grounds of color.

Over the past fourteen years since Tanganyika's independence (Tanganyika merged with Zanzibar in 1964 to form the Republic of Tanzania) in 1961, President Nyerere and the Tanzanian government have accomplished much in acting as a catalyst to enlighten and direct African and world opinion about injustice and oppression in Southern Africa. One recalls that immediately upon independence, Nyerere led his nation into breaking diplomatic and economic relations with Portugal because of its racial policy of oppression in Mozambique, Angola and Guinea-Bissau. In the same year the Tanganyikan government decided to boycott all trade with South Africa and to stop a very profitable migrant labor policy because of its general policy of apartheid and racialism. Tanzania has consistently supported the liberation movements of Southern Africa, both with financial resources through the Liberation Committee of the OAU; and most importantly at a great risk to itself, it allowed its southern borders to be used as training grounds and staging area for the liberation military forces entering Mozambique and Rhodesia. This decision not only ran the risk of military threats to Tanzania, but had a total impact of Western financial and political disillusionment with Nyerere's Tanzania. "Tanzania was going Red," was, and still is, a digestible herring for those without gourmet political taste.

In December 1965 the OAU met in Addis Ababa and unanimously passed a resolution calling for all African nations to break diplomatic relations with Great Britain, if that nation did not take concrete steps to force the Rhodesian government to adhere to the principle of *No Independence Before Majority Rule* (NIBMAR). In that same month, Nyerere delivered a major address to the Tanzanian national assembly and delineated his charges that Great Britain had not shown serious determination in negotiating with Ian Smith's government to effect majority rule in Rhodesia. The Tanzanian government consequently decided to sever diplomatic relations with England and in the process lost a 7.5 million pound interest-free loan for development.

In 1966, Nyerere wrote a major policy statement for the journal *Foreign Affairs* ("Rhodesia in the Context of Southern Africa," April, 1966), in which he branded the Smith government as openly committed to a policy of racialism by its unilateral declaration of independence (UDI) from Great Britain. He then vowed Tanzania's commitment to the liberation movements and Tanzania's own breaking of diplomatic relations with England for its dereliction of justice in Rhodesia. He called upon all African nations to realize they must support the cause of justice in Southern Africa with specific political actions, or they would not indeed be free and independent nations representing the dignity of all Africans.

At the OAU conference in Rabat, Morocco in 1972, Nyerere again published a major address after the visit of the Pearce Commission to Rhodesia destroyed the facade that Smith was trying to promote—namely that a majority of Zimbabweans were willing to negotiate the principle of majority rule over a long period of time. Nyerere called for active enforcement of the United Nations Mandatory Sanctions against Rhodesia, a discrimination against governments and business firms who were breaking the Rhodesian boycott, an extension of the sanctions to the communications field and other exempted areas and more increased aid to the liberation movements. Without a doubt, the pattern of Nyerere's and the Tanzanian government's involvement and contribution to justice in Southern Africa for the past decade and a half reflected integrity, political acumen and serious concern.

The current crisis demonstrated at the OAU meeting in Kampala, Uganda, is clear enough. Since the early 1960s the OAU has endeavored to bring the world's attention to real injustice and oppression in Southern Africa. It has supported an educative program with active guerrilla warfare against the oppressors themselves. In the past year, the walls of Southern Africa are beginning to crumble. Fourteen years of continual warfare in Portugal's colonies, vast expenditures and the loss of thousands of lives, helped to bring down the reactionary Portuguese government of Marcello Catano in April 1974 and led to the turmoil in that nation today. Ian Smith's Rhodesian Front government is surrounded by hostile independent African nations and is presently negotiating with the Zimbabwean leaders, Bishop Abel Muzorewa, Rev. N. Sithole and Joshua Nkomo about the eventual independence of Rhodesia—in good faith or not, remains to be seen. South Africa and its illegal ward, Namibia, are embroidering new garments of revisionism toward independent black Africa, all the while waiting to see what happens in Rhodesia in the coming year.

At this critical juncture, Nyerere has charged his fellow African leaders with shouldering the burden of declaring the murders and massacres in Amin's Uganda for what they are—a gross violation of human life and justice. Amin and his government deserve the title "tyrant." The OAU is flirting with the nomenclature, "organization of hypocrites," if its members do not see and proclaim that the murders and oppression of Amin are one and the same brand of crime and life style as the governments of Southern Africa. Three weeks after the Kampala OAU meeting, the various leaders of Africa, not to mention the OAU itself, have not yet made an official statement about the stinging criticism of Tanzania. The world press and media have neglected it also, but this is a par for its coverage of Tanzania. In 1952 while still a graduate student at the University of Edinburgh, Julius Nyerere wrote a paper on the race problem in East Africa. Twenty-three years ago he said:

> A world seething with hatred is an intolerable place to live in. But we cannot reach the goal (of social harmony) by hypocrisy or wishful thinking. We can only do it by honest thinking, honest talking and honest living . . . And I appeal to my fellow Africans to take the initiative in this building up of a really harmonious society. The Europeans have had the initiative and all the opportunities for two hundred years and everywhere they have succeeded in producing interracial chaos. We have a great chance in East Africa, let us use it well. . . .

Surely honor is with Nyerere. As the peoples of the world fathom the man, they will wait to see how the home lands of Africa speak. The *metanoia* for the European in Southern Africa might be occasioned by the independent African, whose conscience is overwhelmed by the tyranny of Amin's Uganda.

ONE MORE DOMINO FALLS—LAOS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. CRANE. Mr. Speaker, throughout the Vietnam war, critics of U.S. involvement repeatedly advanced the view that the alleged "domino theory" was not valid, that the fall of South Vietnam to communism would not necessarily lead to the fall of other nations in Southeast Asia.

The United States was urged by these critics to abandon its commitment, and to permit the Communist Vietcong to take over the country. The remainder of Asia, they assured us, would not fall along with Saigon.

To believe that the so-called "domino theory" was a theory rather than a fact of life was the fundamental error of such critics. Permitting an aggressor to succeed in his aggression has, from the beginning of time, only whetted the appetites of such men and nations.

Addressing a joint session of Congress in 1951, Gen. Douglas MacArthur declared that—

> The communist threat is a global one. Its successful advance in one sector threatens the destruction of every other sector ... There are some who for varying reasons would appease Red China. They are blind to history's clear lesson. For history teaches with unmistakable emphasis that appeasement but begets new and bloodier war. It points to no single instance where the end has justified that means—where appeasement has led to more than a sham peace. Like blackmail, it lays the basis for new and successively greater demands ...

Since the fall of Saigon we have witnessed the Communist takeover first of Cambodia and now of Laos. If the dominoes are not, in fact, falling, it is difficult to understand what these events really mean.

It seems clear that those who told us that the fall of South Vietnam would not have global ramifications were wrong. Hopefully, we will not ask such men for their advice with regard to foreign affairs again. They have misled us time and time again, for their world view has little relationship to reality.

The West German newspaper, Süddeutsche Zeitung, noted editorially that:

> Twenty years, four and a half months ago President Eisenhower propounded his domino theory. Were Vietnam, one of the upright dominoes in Southeast Asia, to be abandoned, the others would topple over in quick succession. The simple conviction has frequently been derided, yet in the wake of the fall of Phnom Penh and Saigon, Laos, too, has now fallen.

I wish to share with my colleagues the the editorial, "One More Domino Falls—Laos," as it appeared in the Süddeutsche Zeitung of August 27, 1975, and insert it into the RECORD at this time:

ONE MORE DOMINO FALLS—LAOS

> Peace and quiet are a matter of course in Laos—even in wartime. There is thus very little drama to report now the Communist takeover has been concluded with the occupation of Vientiane, the administrative capital. .
>
> For two long decades leader-writers in Central Europe have regularly reminded their readers that the chaos in Laos represents a threat to the freedom of us all.
>
> Fighting for control of the Plain of Jars and full-scale Pathet Lao offensives repeatedly hit the headlines. In reality the fighting was anything but on a large scale.
>
> There was a hue and cry in the media even when next to nothing was happening in Laos, which admittedly is of strategic importance, bordering on China, Vietnam, Cambodia, Thailand and Burma.
>
> All the Pathet Lao had to do, for instance, was to make sure that the Laotian section of the Ho Chi Minh Trail remained usable despite the forays of right-wing Laotian forces supplied with cash and arms in plenty by the United States.
>
> Twenty years, four and a half months ago President Eisenhower propounded his domino theory. Were Vietnam, one of the upright dominos in Southeast Asia, to be abandoned, the others would topple over in quick succession.
>
> This simple conviction has frequently been derided, yet in the wake of the fall of Phnom Penh and Saigon, Laos, too, has now fallen—and all three as a result of unwittingly ill-advised assistance from the United States.
>
> Laos, the third domino, has fallen quietly and virtually without bloodshed, but Thailand and Malaysia are now beginning to look a trifle unsteady, too.

TRIBUTE TO THE EDO CORP.—50 YEARS OF DISTINGUISHED SERVICE TO AMERICA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BIAGGI. Mr. Speaker, it is with great pride that I advise my colleagues of an important event—the 50th anniversary of the EDO Corp., the universally known and respected aeronautics/oceanographic and electronics company, which I am proud to say is located in the College Point area of my congressional district.

It is fitting on this occasion to pay tribute to the EDO Corp. and its founder, Earl D. Osborn, after whom EDO is named. The EDO Corp. is the third oldest aircraft corporation under the same continuous management in the United States ranking only behind Curtis Wright and Boeing. Earl D. Osborn founded the company in 1925 at the site of the existing headquarters in College Point. His early goal in founding the corporation was to simply build planes. Despite encountering problems in airplane production he remained undaunted and masterfully shifted the emphasis of his company to the production of seaplane floats. Once established in this area, EDO embarked on an ambitious course which allowed them to become the preeminent force in the production of key seaplane equipment which helped to make the seaplane an important component in our aviation industry.

EDO Corp.'s accomplishments were many and over the course of the past 50 years, they have been cited for commendations on no less than 60 different occasions. Included among their early accomplishments was their development and installation of the first aluminum floats on the famous WACO 8 in 1926, a short 1 year after the establishment of EDO. They continued their commitment to improving the quality of seaplanes by introducing fluted bottom floats which were considered highly innovative at the time and helped in the improvement of seaplanes in this Nation.

The developments of these new and improved floats for seaplanes began to be utilized by some of the most famous American aviators. The largest set of floats ever produced by EDO went on the huge Curtiss Condor of Adm. Richard E. Byrd for his second south polar expedition in 1933. In 1934 EDO craftsmen built the all metal de Seversky twin float amphibian plane which broke all existing world speed records and was the forerunner to the Republic Thunderbolt.

Perhaps this Nation's most famous American aviation pioneer, Charles A. Lindbergh, utilized the services and expertise of EDO Corp. during his famous 41,000-mile globe spanning flight. EDO equipped his Lockheed seaplane which today is displayed for all Americans to marvel at in the Smithsonian Museum.

World War II presented EDO Corp. with many challenges. They were responsible for all the floats used by the Navy and Army Air Corps. These floats were responsible for the famous rescue of the legendary Capt. Eddie Rickenbacker as they were on the U.S. Navy seaplane which rescued Rickenbacker and two others from the Pacific in 1942. The excellent performance of the EDO equipment during the rescue earned the corporation a letter of commendation from the Navy.

After World War II EDO Corp. began to expand their operations and became very active in the marine and navigational fields and soon became recognized as a leader in sonar and loran developments.

In 1956, the company went public opening its stock on the public market and from this point the company has flourished and in 1974 recorded sales totaled $49 million.

The phenomenal success of EDO Corp. is owed in great measure to the leadership of Earl D. Osborn, the founder and present director emeritus of the EDO Corp. The son of a wealthy lawyer, Osborn himself shunned the study of law and instead chose to pursue a career in business, a wise and profitable decision. He served his nation with distinction in the First World War and later as a member of the Hoover Relief Committee. During his term in the committee he met the other men who were to work with him in establishing EDO.

From 1924 to 1929, he was editor and publisher of Aviation magazine and later helped to found the Wings Club of New York, an organization of leaders in the aviation industry. From 1951 to 1953, he served as president of the Institute for World Order.

The EDO Corp. is a great American success story. They have endured for one-half a century in an industry which is highly competitive and constantly changing. The leadership and guidance of Earl Osborn has been crucial to their success. He, too, is a great American success story starting this company virtually from scratch and developing it into one of the largest businesses of its kind anywhere in the world. Earl Osborn was a man of dreams and ambitions and through his ambition and constant dedication his dreams for EDO were fulfilled. Earl Osborn has served his nation with pride and distinction. We have benefited as a nation from his work and the accomplishments of the EDO Corp. I extend to him and all the members of the EDO Corp. my heartiest congratulations on this significant event. They deserve the praise of all Americans and I wish them continued success as they strive to reach their 100th anniversary.

PUBLIC PROPAGANDA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. McDONALD of Georgia. Mr. Speaker, perhaps no guarantee is more crucial to the maintenance of a free society than the right to freedom of speech. Such a principle recognizes the autonomy of each individual's mind and his right to use it free from the restrictions or suppression of any collective.

On the other hand, just as no collective has the right to suppress an individual's ideas, it has no right to force one individual to support someone else's ideas. Such a practice is unconstitutional and as much a violation of individual rights as outright censorship. Yet today it is a commonly accepted practice of the Federal Government to use public funds to finance propaganda campaigns.

Every regulatory agency has its own program: The EPA denounces those who wish to control insects and produce food, the OSHA castigates those who question its arbitrary regulations, the CPSC vilifies just about anyone engaged in production; and the IRS sends them the bill. But even worse are those agencies created specifically for the purpose of propagating ideas at public expense, such as the National Endowment for the Humanities.

Consider, for example, the American Issues Forum which is being promoted by the National Endowment for the Humanities in conjunction with the American Bicentennial Administration. As is pointed out in the following article by Patrick Buchanan, the American Issues Forum is a 9-month campaign featuring anticapitalist, anti-American, propaganda. To add insult to injury, this forum is presented as a part of a celebration of our Nation's 200th birthday. Thus we have the grotesque spectacle of celebrating a tradition based on individual rights and freedom by means of a forum propagating its opposite: collectivism and statism.

My guess is that a vast majority of Americans disagree with the ideas being fostered by the American Issues Forum. To force people to support such a program with their own tax money is an outrageous violation of their rights, and an excellent reason for abolishing such agencies as the National Endowment for the Humanities.

Following is Mr. Buchanan's article, "Propaganda Bath Looms for Nation's 200th Birthday," which appeared in the August 30 issue of TV Guide:

PROPAGANDA BATH LOOMS FOR NATION'S 200TH BIRTHDAY

(By Patrick Buchanan)

The American Issues Forum, launched this week, based on an idea of Walter Cronkite, is now shaping up as the largest mass indoctrination program since the wartime propaganda show against "the Germans and the Japs."

The National Endowment for the Humanities is putting the arm on television, magazines and newspapers (especially television) to ballyhoo this nine-month, 36-week forum as a "serious national dialogue in every sector of society on fundamental issues during our Bicentennial." It is nothing of the sort. A glance at the approved reading list is evidence that the claim is fraudulent.

The Forum has been co-opted by liberals and radicals; it does not need citizen participation, but citizen policing.

I exaggerate, you say. Surely, a forum supported mostly by those very citizens, as taxpayers, would not be party to so transparent a fraud. Well, hearken to the Forum's reading list.

For discussion of the Presidency not a single one of Theodore H. White's literate and readable "The Making of the President" volumes is included. But Clinton Rossiter makes it, as do Arthur Schlesinger Jr.'s "The Imperial Presidency," and Dan Rather's "The Palace Guard." Recommended, too, is a recording of "It Can't Happen Here" by Sinclair Lewis's son, reading passages from the old man's "novel which prophesied the coming of a fascist dictatorship in America, complete with the President's personal storm troopers."

For the week devoted to America's religious heritage, an excellent book by Will Herberg is balanced by Harvey Cox's trendy "The Secular City," one volume about witchcraft, and another about astrology. The title for that week—"In God We Trust."

To study the U.S. role in the world, we are told to peruse "Pax Americana" by Ronald Steel, "The Ugly American," David Halberstam's "The Best and the Brightest" and a William Appleman Williams book which "traces our failures in foreign policy—particularly in our opposition to the spread of Communism."

The foreign policy discussion is weighted toward the modern revisionists who hold the U.S. responsible for the Cold War, who believe American intervention in Southeast Asia imperialist at best.

The next week we are invited to plow through William Fulbright's "The Crippled Giant" and Frances FitzGerald's anti-Vietnam tract, "Fire in the Lake." Several volumes are included about the UN, without reference to William F. Buckley's most recent "A Delegate's Odyssey." Indeed, the entire list of hundreds of volumes contains not a single work of the most celebrated conservative of the last 20 years. Woodward and Bernstein are there, but neither Bill Buckley nor Irving Kristol.

For the discussion of American capitalism, we have "The Robber Barons," "The Octopus," "The Power Elite," "The Monopoly Makers," "America, Inc.," capped off by J. K. Galbraith's "The New Industrial State," and Robert Townsend's "Up the Organization." And two plays by Lillian Hellman about a Southern family "portrayed as a greedy, sadistic people who will stop at nothing in their efforts to make money and achieve business success."

Which brings one to an interesting point. Who do you think is picking up the first public relations check for American Issues Forum? None other than the biggest capitalist corporation of them all: Exxon.

You and I, in addition to paying taxes to support American Issues Forum, also are shelling out sixty cents a gallon at the pumps so that Exxon can pay out tens of thousands of dollars financing distribution of a program which depicts the free enterprise system as a threat to everything from human values to the environment. Tell me, Mr. Jamieson, board chairman of the world's largest corporation, have you sampled the list prepared by the American Library Association on a $212,000 grant from the National Endowment?

Next time you and the fellow captains of industry, finance and banking are out there at Bohemian Grove, wondering why your children throw up at the mention of Big Business, you might take another look at what you folks have been financing and what your subsidies and advertising dollars too often support. Have you read "Global Reach" by Richard Barnet and Ronald Muller, Mr. Jamieson? It's right there on your list, and it's all about your company. The only segment of big business to have the list laundered free of its critics was—you guessed it—the big media. We are asked to real all manner of tributes to the greatness and goodness of of the free press—no mention, however, of the work of A. J. Liebling, Edward Epstein, Edith Efron or Ernest Lefever.

For the discussion during the last week of September, the Forum calendar has this little item: "The rise of Sen. Joseph McCarthy in the 1950s manifests the anti-Communist hysteria that engulfs the U.S. from 1946 to 1954. It affects the press, schools, courts, churches and Congress . . . stimulating the conviction that it is safer to conform than disagree with the majority."

Recommended reading: "Civil Disobedience" by Thoreau, one volume by the black Marxist W. E. B. Du Bois, Arthur Miller's play, "The Crucible," about the Salem witch trials and Richard Rovere's screed, "Senator Joe McCarthy." "McCarthy and His Enemies," which would have balanced Rovere, is nowhere to be found. Absent, too, is "the" book of the era, "Witness," by Whittaker Chambers. So it goes. This reading list is slanted so far it falls on its face before any reader interested in a genuine debate. Indeed, this is not a debate we are being offered. It is a propaganda bath, anti-Vietnam, pro-environmentalist, anti-private property. And of course, there are the obligatory dozens of books about our crimes against the black man and the red man.

Two by two onto the ark they come. Barbara Ward and Gunnar Myrdal, Barry Commoner and Stewart Udall, Ralph Nader and John Gardner, Tony Lewis and Tom Wicker, Charles Reich and Alvin Toffler. Here and there you may find a Milton Friedman or an Edward Banfield, but searching them out on this list is like fishing for silver dollars in a septic tank.

There are two explanations for a list like this. The first is that the people who approved it are utterly ignorant of the conservative and neoconservative writers and thinkers of the era.

The second is that the liberals who produced this roster no more believe in genuine dissent and dialogue than they do in the tooth fairy.

If this forum is what the American Revolution Bicentennial Administration and the National Endowment for the Humanities think is solid intellectual fare, then this country would be better off shooting off fireworks for its 200th anniversary, and having those 50 bakers from the 50 states build their boxcar-sized national birthday cake.

FREEDOM OF THE PRESS—FOR THOSE WHO OWN ONE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. McCLOSKEY. Mr. Speaker, conflict of interest problems have given us grave concern in the political arena, and they apparently exist in the media field as well. Michael Frome, dismissed a year ago as an editorial writer for Field and Stream magazine, writes of his experience with that publication's parent company, CBS. Mr. Frome's article raises important questions relating to the editorial freedom of reporters and the pressure and interference that can be exerted by editors, publishers and owners of licensed media enterprises in television and radio.

A portion of Mr. Frome's article, from the July/August, 1975 issue of the Center magazine is submitted for the consideration of the House and public:

FREEDOM OF THE PRESS—FOR THOSE WHO OWN ONE

(By Michael Frome)

I never realized my importance—or influence, or the extent of my following, if you wish—until I was fired in October, 1974. Environmentalists picketed. Congressmen protested. *Time* devoted almost a full page. The Society of Magazine Writers investigated, leading the chairman of its Professional Rights Committee, Patrick M. McGrady, Jr., to declare: "The circumstances surrounding the dismissal of Mike Frome as a columnist for *Field & Stream* pose a threat to the intellectual freedom—the freedom of expression—of every independent writer in this country." Imagine, I told my wife, all this over me.

Most rewarding personally, I have since been flooded with warm and wonderful messages from former readers—primarily hunters and fishermen—clearly demonstrating that little people are indeed concerned about the future of this planet and desperately crave the truth about how to rescue it while there is still time. The whole episode has enriched my life, and deepened my conviction and commitment. As far as I am concerned, the fight for a better environment has just begun.

But I have learned not to be carried away with my own importance—that is not what it's all about. The larger issue involves openness, or the lack of it, in the channels of public information in this country. On the basis of the censorship and suppression that I have experienced, I am apprehensive about the conglomeration and increasingly centralized control of the mass media. Where and how is the public to obtain the knowledge it needs—knowledge now being denied—so that it can form sound judgments on crucial national issues? In my own field, the media may touch now and then on one phase or another of the environment crisis, but only as a passing fancy, never in depth or breadth. I doubt there are more than ten newspapers in the entire nation that regard conservation of natural resources as being half as worthy of coverage as (with due deference) collecting stamps.

This is no accident. I read recently that the city council of Portsmouth, Virginia, voted to permit construction of a $350 million oil refinery, with financing by Cox Enterprises, Inc., better known for its newspapers and broadcasting outlets in Miami, Atlanta, and Dayton. I cannot envision any Cox medium investigating and exposing the inevitable pollution and ecological degradation deriving from oil refineries. Whatever is a newspaper chain doing in the oil business? Oil production and newspaper production should never mix. However, the media are not only big business in their own right, but have ventured afield into other big businesses, and are also a component of even bigger ones.

The need for the press to occupy a constructive adversary role led the founding fathers to make freedom of the press the keystone of the Bill of Rights. Without insuring press freedom, they knew that other freedoms would fall. Thomas Jefferson reflected that if he had to choose between government without newspapers, or newspapers without government, he would not hesitate to choose the latter. That quotation is well known and often cited by the big media, but their entangling industrial and commercial alliances ill fit the image they may like to present as today's John Peter Zengers courageously at work.

In the book field, Random House is now owned by R.C.A.; Little, Brown is owned by Time, Inc.; and Holt, Rinehart & Winston is owned by C.B.S., Inc. And there are other cases. Among the three major outdoors magazines, from which millions of hunters and fishermen presumably learn what is going on in their world, not a single one is independently owned: *Sports Afield* belongs to Hearst; *Outdoor Life* to the *Times-Mirror;* and *Field & Stream* to C.B.S., Inc. I think the country should be concerned and frightened about the continuing conglomeration of the outlets of public expression by powerful private interests. *Field & Stream* for years stood on its own. Then it was acquired by Holt (itself a merger of two publishing houses). Then Holt was devoured by C.B.S.

Today, when every company appears to be owned by some other company, it is virtually impossible to say anything of importance without stepping on somebody's toes and irritating the financial nerve, directly or indirectly. In conglomerates, each part is bound to all other parts. Can there be any single element of the American scene that more insidiously threatens our liberties and freedom of speech?

I was engaged as conservation editor of *Field & Stream* in 1968. This was not a full-time position, to be sure. The magazine has a small staff of five or six editors in New

York, plus ten or twelve part-time editors who are engaged in other work or are free to engage in other work. On the masthead I was listed as a department editor. When I joined the staff editor at that time, Claire Conley, wrote a memorandum of understanding which included the following:

"Naturally, the most important thing in the conservation editor's work is his monthly department; but in addition to this, some of the behind-the-scenes work includes answering mail to do with conservation, consulting with me on story ideas and on the correctness of manuscripts, attending press functions, and in general representing *Field & Stream* as the major conservation magazine that it is."

I qualified for my position at *Field & Stream* not through prowess in either hunting or fishing, but because I had developed some small reputation writing books on conservation themes (including *Whose Woods These Are* and *Strangers in High Places*) and contributing to other magazines. I knew the scene in Washington, where I have lived for thirty years; and I was acquainted with the environmental dramatis personnae, in Congress, the Interior and Agriculture Departments, and the national conservation organizations.

Franklin S. Frosberg, the publisher of *Field & Stream* (the man responsible to the C.B.S. corporate infrastructure), interviewed me closely. He impressed me as being rather cautious, but not timid; in due course he proved essentially supportive and appreciative of a strong conservationist line in the magazine.

Mr. Conley was something else, an Idaho-bred outdoorsman, an accomplished writer, and a fierce activist in defense of the outdoors. The contents of the sportsmen's magazines generally focus on "how-to-catch-'em, how-to-kill-'em," material written by experts, many of whom learned the secrets from an old guide named Joe. The advertising promotes fishing tackle, high-powered rifles, telescopic lenses, outboard motors, trail bikes, snowmobiles, and game preserves which preserve game for the kill. Mr. Conley, however, had set his sights on protection of the sportsman's environment, as well as enjoyment of the true sport.

Our motivations and backgrounds differed, but we shared common goals. During the period of our collaboration the magazine was more than a monthly journal; it was a crusading force. I doubt that any magazine took a tougher environmental line or involved its readers more. We tackled critical issues in all parts of the country, dealing with logging, mining, grazing, land use, pesticides, and pollution. I wrote about the Corps of Engineers (a three-part series called "Dam the Rivers, Full Speed Ahead"); about Hells Canyon on the Snake River; Alaskan oil; the waterfowl crisis in the prairie states; eagle killings in Wyoming. In 1970, we established the *Field & Stream* Environmental Action Group, designed to recognize and stimulate citizen involvement on grassroots issues. Then I stated an addendum to my column called the Environmental Action Line, mostly short items and tips of regional interest. These all proved popular; outdoorsmen who had felt helpless found encouragement and direction.

We dealt with the political issues at the heart of America's environmental decay. The magazine was read and recognized in Washington. For the issue of January, 1972, I wrote a column on the first year in office of Rogers C. B. Morton as Secretary of the Interior. It was a critical one and Mr. Conley headlined it as follows: *3 Quarters Played Nixon 0, 1 Quarter Played Morton 0.*

Shortly after the issue appeared, the Undersecretary of the Interior, William J. Pecora, telephoned me, feigning high dudgeon and exclaiming, "We demand equal time!" I had known Mr. Pecora well over the years. We disagreed on basic issues but were friends. He had formerly been the director of the U.S. Geological Survey and was an adept bureaucrat who never broke off communication. I was all in favor of granting equal time and in the April issue that year we carried a column by Secretary Morton (titled "Let's Recount the Score"); it was so weak and ineffective I almost offered to rewrite it as a public service.

In the September, 1968, issue we published a new feature, "Rate Your Candidate," evaluating fifty incumbent members of the House and Senate in six categories (from "Out in front—deserve cheers and support" to "The Expendables—won't be missed"). The feature included a questionnaire covering thirteen key issues which could be clipped and sent to candidates, with extra copies available for the asking. The following excerpt from the text shows the fare we served our readers:

"Most Congressmen know little about conservation, and care little. They are content to go along with the crowd, to vote the party line, to follow the piecemeal course charted by the leadership. Sure, they all favor conservation in the abstract because they feel the swelling tide of emotional concern among the people. But when the chips are down many are apt to cast their votes with the special interests. For instance, after no less than fifty years of prodding, Congress finally voted last year to establish an Indiana Dunes National Lakeshore—that was a token for the people. But the boundaries were established in such an emasculated manner that they mean little and will take long efforts to shape into substance—and that was for the industrial giants who exploit the lakeshore and call the tune for the Indiana congressional delegation.

"The special interests are alert, up-to-date, working all the time. One can hardly help but admire the real estate boomers; industrial developers; logging, mining, livestock, and petroleum industries; highway builders; chambers of commerce; the economic power structures of city, county, and state able to create a grand illusion that what serves them best serves the community best. Often they control the press, or intimidate it. For instance, during the intensive promotion for the Rampart Dam project (which would have destroyed wildlife and waterfowl habitat on the Yukon flats while making an artificial lake as large as Lake Erie) not one Alaska newspaper dared to speak out against it, although individual editors were personally opposed. Likewise, in Arizona, newspapers were caught up in the frenzy for damming the lower Colorado River where it flows through the Grand Canyon, without adequately presenting the alternatives or analyzing the fearful consequences of these dams on the Southwest; yet some of them were quietly relieved when the project was defeated.

"I mention these pressures to show that a congressman cannot always, perhaps not even often, be his own man. True enough, some members of Congress are bought and paid for by the special interests, either through campaign contributions, legal fees through their law firms, or other such handy devices. A few don't have to be paid; when they pick up inside information on new reservoirs and other government land projects, they buy real estate and make the killing themselves by selling it to the government at high prices. Most, however, are trying to get along by doing the right thing for the people they represent. They are subject to a continual barrage by the economic power structure and special interests and barely enough from the ordinary public, whether organized in sportsmen's clubs or other conservation groups, or as unorganized individuals, to provide a countervailing pressure.

"Since a congressman's first mission is to stay in office and get himself re-elected, he walks a tightrope. He may be tough on issues away from home, but he is apt to get slippery when his own political fate is concerned. He weakens, compromises, behaves like a frightened pawn in a chess game. Few members of the House have the self-assurance of a man like John Saylor of Pennsylvania to do what is right and feel he can get away with it. Few members of the Senate follow their own conscience to the extent of Wayne Morse of Oregon, the brilliant, unpredictable maverick. But I think the wise conservationist must forgive an occasional deviation and endeavor to build a better and broader base of support, freeing the honest congressman from the power of the special interests."

The technique of congressional rating is not exactly new, but I believe *Field & Stream* was the first to apply it to the conservation field. The idea of the ratings and questionnaires to candidates has since been used by a number of state conservation organizations. Our effort may also have paved the way for the excellent activities of the League of Conservation Voters (which not only rates congressmen on their voting records but raises money to influence key campaigns) and of Environmental Action, which targets the "Dirty Dozen" in the House of Representatives, and works to defeat them.

In 1970, we expanded the feature, rating all one hundred members of the Senate and more than one hundred members of the House, this time using a point system (from Excellent, 85–100 points, to Poor, below 40 points). Our judgment was based not simply on voting records, but also on degree of understanding, degree of commitment, extent of involvement, and effectiveness in getting things done. Determinations were made on the basis of interviews with national and grass-roots conservation organizations, as well as other research. I exercised complete charge, but I did so as a thorough nonpartisan, favoring neither liberal nor conservative, neither Democrat nor Republican, but always sticking to the environmental issues.

BEER CAN ISSUE OVERCOMES LIBERTARIAN THEORY

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. JEFFORDS. Mr. Speaker, in reading the Washington Star last night, I was gratified to read an article by James J. Kilpatrick, a well-known conservative columnist, which decried the waste and "public nuisance" presented by throwaway beverage containers. He hit specifically at the litter aspect of this complex yet very basic problem. I applaud this enlightened view and encourage my colleagues to read carefully this article which I include at this point:

BEER-CAN ISSUE OVERCOMES LIBERTARIAN THEORY

(By James J. Kilpatrick)

The Environmental Protection Agency (EPA) is about ready to publish some proposed guidelines for the use of federal agencies. The EPA's purpose is to discourage the use of throwaway containers for beer and soft drinks. Understandably, the beer, soft-drink, bottle and can manufacturers are having conniption fits, but the EPA is on the right track.

The issue here, it seems to me, is more an issue of political philosophy than of economic impact. At the moment, the guidelines are merely proposals; they could not become final until some time next year. Once made final, the guidelines would not have mandatory effect; if a federal agency concluded that returnable containers were not available at reasonable cost, the agency would get out from under the guideline plan.

Even if every federal agency went along with the proposition, sales of beer and soft drinks in throwaway containers would not be significantly affected. The EPA estimates that such sales at federal outlets amount to only 2 to 4 per cent of total sales. The EPA also believes the effect on employment in the can and glass industries would be minimal. Under the proposed guidelines, a 5-cent deposit would be required on every carbonated container sold at a federal installation. Non-returnable containers could still be sold; but they would cost a nickel more.

What we have here is one more conflict between the freedom of the individual and the power of the state. The doctrines of a free society hold that customers should have the greatest possible freedom of choice: They should be able to purchase any drink they please, in any size and kind of container they desire, and the marketplace alone should limit their selection.

But even the most libertarian view of a free society acknowledges that individual rights are not absolute. The community also has rights that may be defined and protected. In this case, A's right to purchase beer in throwaway cans does not give A the right to throw the cans on B's lawn.

Agreed, say the can and bottle people: The solution is to arrest A for littering. But as a practical matter, the community responds, this is an impossibility: There are not enough police, prosecutors, judges and juries in the whole country to enforce the anti-litter laws now on the books. If these throwaway containers constitute a public nuisance—and they do—the only effective way to abate the nuisance is by attacking the problem at its source: the container itself.

Speaking simply as one citizen who is fed up with litter, I will buy the EPA's approach. The can and bottle manufacturers are fine folks, but their non-returnable containers constitute an ugliness no civilized community should have to tolerate. Neither should the people be put to the burden of massive law enforcement machinery merely to serve libertarian theory.

The most high-flown theories get shot down by human nature. God made tidy people, but God made trashy people also, and the trashy people have the tidy people outnumbered. No anti-litter laws ever devised will deter the swinish multitudes from hurling their empty six-packs all over the countryside, but the experience of Oregon with its law on non-returnables indicates that the economic pressures of a mandatory deposit will lessen the evil.

Ours is a beautiful country. Neither the special interests of the can and bottle makers, nor the libertarian's theories of individual freedom, should override society's effort, in this especially pervasive and obnoxious matter, to keep the country beautiful. Other such efforts have been sustained by the courts. Historic zoning laws, antibillboard laws, junkyard screening laws, these and many other regulations are infringements upon property rights and personal freedom, but they command widespread public support.

It was Prof. Louis D. Rubin Jr., I believe, who once speculated upon the time, thousands of years hence, when archeologists from a distant galaxy would stumble over the dead planet Earth. Alighting from their spacecraft, they would explore what obviously had been roads and highways, and they would be puzzled by millions of identical small green artifacts. The archeologists would take these to be symbols of the religion practiced by the vanished race of Americans. No deposit, no return. Surely, our civilization could leave something more meaningful behind.

CUBA AND RHODESIA—AN INTERESTING COMPARISON

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. ASHBROOK. Mr. Speaker, with two subcommittees of the House International Relations Committee about to wind up their hearings on trade with Cuba, a timely article appearing in today's Barron's entitled "Trade With Cuba?" should be of special interest to my colleagues. For some time now feelers from the State Department coupled with visits to Cuba from Members of Congress have been softening the way for eventual full-scale trade relations with the United States and Cuba.

The Barron's article, authored by veteran journalist Shirley Scheibla, refreshes us on our sad experiences with Cuba since Castro took over. Of prime consideration, of course, is the brutal violation of humans rights of the people of Cuba. The rights of Americans still in Cuba against their will is another consideration which should be weighed and explored when discussing the trade issue. On September 11 during Senate debate on trade with Cuba, Senator RICHARD STONE, of Florida, stated:

> We believe there is not one, not dozens, but maybe hundreds and more than hundreds of United States citizens who want to get out of there and cannot.

Also of importance is Cuba's long-established program of exporting revolution, the latest chapter of which involves aid to the Communist faction in Portugal.

In addition, several years ago the U.S. Foreign Claims Settlement Commission certified 5,911 claims by U.S. citizens and corporations totaling $1.8 billion against Cuba for expropriation of U.S. property without compensation.

In view of our present embargo on most of Rhodesia's exports, it is certainly pertinent to ask how many Americans are being held by Rhodesia who are not in violation of Rhodesia law, but who are detained there against their will. Or, how many millions of dollars in claims have been certified against Rhodesia for expropriation of American property in that country? Or, how extensive is Rhodesia's exportation of revolution to foreign countries? And the logical question: If we lift present trade restrictions with Cuba, shall we do the same for Rhodesia?

The Cuba-Rhodesia comparison is secondary in view of the importance of the matter. Suffice to say, the basic nature of the Cuban Government demands the eventual elimination of the American way of life. Instead of rallying the free forces of the world—the recent downfall of Cambodia, Laos, and South Vietnam is an indicator of our dwindling power and that of the free nations—we are assisting the forces of international communism toward their final goal of world domination.

The very useful article, "Trade With Cuba?" by Miss Shirley Scheibla, follows:

TRADE WITH CUBA?—SO FAR THERE HAS BEEN MORE TALK THAN ACTION

(By Shirley Scheibla)

WASHINGTON, D.C.—The Ford Administration dropped a bombshell during the August Congressional recess when it announced a partial relaxation of the embargo on trade with Castro's Cuba. Henceforth, this country will allow foreign subsidiaries of American corporations to trade with Cuba. Moreover, the U.S. no longer will deny foreign aid to countries which allow their ships or planes to carry goods to and from Cuba. Down the drain is the U.S. prohibition on bunkering ships which trade with the Red outpost in the Caribbean. Moreover, at U.S. prompting, the embargo by the Organization of American States has come to an end.

Tomorrow William D. Rogers, Assistant Secretary of State for Inter-American Affairs, will testify before two subcommittees of the House International Relations Committee to answer a flood of questions concerning the move. If he follows the State Department line, as explained to Barron's, he will say that the Department favors retaining what's left of the embargo as a bargaining tool and that the action regarding foreign subsidiaries was an effort to ease friction with third countries. Some of the latter have claimed that by controlling the exports of U.S. subsidiaries, Washington has intruded upon their sovereignty.

"BITS AND PIECES"

However, it is difficult to see how the August action will meet such complaints since foreign subsidiaries still will need U.S. licenses for exports to Cuba. Rogers is likely to say that no more than 20% of the subsidiaries' output may be American-made. (Confusion on this point now abounds in industry.) But this will be hedged to give the Administration the chance to make up its mind case-by-case. Regulations, according to a State Department spokesman, will be issued in "bits and pieces."

The relaxation, indeed, may cause more headaches than it resolves. Organized labor, for instance, is bound to be unhappy with a policy which allows products of foreign—but not U.S.—employes of American corporations to go to Cuba. (Prior to relaxation, the United Auto Workers advocated ending the embargo. The AFL–CIO, headed by anti-Communist George Meany, will take up the matter at its biennial meeting in San Francisco on October 2.)

U.S. businessmen are as confused as Congress. If American directors of foreign subsidiaries violate the State Department edict, they will be subject to severe criminal penalties, including imprisonment, in this country. Yet they sometimes fail to constitute a majority on a board and thus cannot control what the subsidiary does. The word they've had so far from Washington is that they will escape prosecution here if they cast their votes in accord with the new U.S. policy. (No written regulations have yet been issued, except for bunkering ships, and the original announcement on August 21 contained only bare outlines.)

Broader questions concerning the relaxation are whether it will cause the embargo to crumble before the U.S. can win concessions from Cuba, and whether Congress will allow it to stand. Some Senators believe that since Congress approved the embargo, Congress alone can relax or end it.

As the foregoing suggests, resumption of normal trade relations with Cuba is apt to be a complicated and controversial affair. Tomorrow is the last day of joint hearings by the Subcommittee on International Trade and Commerce and the Subcommittee on International Organizations of the House Committee on International Relations on the Bingham Bill to end the embargo. Rep. Stephen J. Solarz (R., N.Y.), who is in favor of the bill, has just returned from a trip to Cuba on behalf of the first subcommittee and also will testify.

In the upper chamber, Senator Edward Kennedy (D., Mass.) has introduced a bill which would end the trade ban. It has been amended five times by Senator Harry F. Byrd, Jr. (Ind., Va.), who, among other things, would require Cuba first to give compensation for expropriated American property and to free American prisoners.

Senator James Abourezk (D., S.D.) went to Cuba on his own during the August recess. Ten days ago he tried to introduce an amendment to the State Department authorization bill which would have ended the ban on exports to Cuba (but not imports from it). His action caused such an uproar that Senator Abourezk ended up withdrawing his amendment, but only after Senator John J. Sparkman (D., Ala.) assured him he will ask the Foreign Relations Committee, which he chairs, to hold hearings soon.

Word from Senator Abourezk, Rep. Solarz and other recent Congressional visitors to Cuba is that it desperately needs American products, notably auto parts and drugs. But the general impression is that without most favored nation (MFN) tariff treatment and credits, Cuba's weak economy would not be able to sustain a large volume of direct trade with this country.

According to Arthur T. Downey, deputy assistant secretary of Commerce, Cuba has about two million tons of sugar a year available for sale in the world market; theoretically, it all could go to the U.S. But if Cuba sends any sugar here without settling claims of American plantation owners, according to Downey, the shipments could be attached by court order. He adds that the $4.4 billion Cuban debt to the Soviets, which stipulates repayment in kind, will preempt a part of Cuban production.

SOVIET-CUBAN DEAL

Downey says that Cuban nickel exports also would be subject to seizure here. Until Fidel Castro came to power, the U.S. had been developing a nickel industry in Cuba. By 1959, the U.S. had poured $93 million into a huge nickel plant in Nicaro. The U.S. also gave Freeport Sulphur Co. a guarantee on sales of nearly $250 million worth of nickel and cobalt from its plant at Moa Bay in Oriente Province, which was getting ready to go into production in 1959.

According to Downey, Cuba's annual nickel production is 35,000 tons, about half of which went to the Soviet Union in 1972. The Soviets and Cuba signed a protocol in 1974 for a $600 million program to reconstruct facilities at Nicaro and Moa Bay and to build a new nickel complex at Punta Gorda. The aim is to increase Cuba's annual nickel output to 65,000 tons by 1980.

The U.S. has a long history of fiascos in trading with Cuba under Castro. Although his so-called land reform in the summer of 1959 amounted to confiscation of American-owned sugar plantations (Barron's, August 24, 1959), the U.S. let stand the 1959 Cuban sugar quota of over three million tons, under which the Latin American nation supplied one-third of U.S. sugar consumption.

The U.S. did not get around to eliminating the quota until 1961. By 1962, confiscation had become an inescapable fact. A decade later the U.S. Foreign Claims Settlement Commission certified 5,911 claims by U.S. citizens and corporations totaling $1.8 billion, plus 6% per year, against Cuba for exportation of property without compensation.

The 10 largest claims certified were for Cuban Electric Co., a part of Ebasco (now a division of Boise Cascade), for $267.6 million; ITT, $130.7 million; North American Sugar Industries (now a part of Borden), $108.95 million; Moa Bay Mining Co., $88.3 million; United Fruit Sugar Co. (United Brands), $85.1 million; West Indies Sugar Co., $84.9 million; Amstar (formerly American Sugar Refining Co.), $81 million; Standard Oil of New Jersey, $71.6 million; Bangor Punta, $53.4 million; and Texaco, $50 million. (For details, see Barron's, January 22, 1973.) The figures exclude the $93 million Nicaro nickel plant owned by the U.S. government.

JOINT RESOLUTION

In 1962, the U.S. embargoed trade with Cuba. That same year, Congress passed a joint resolution, which stated that the U.S. is determined to prevent Cuban subversion in this hemisphere, as well as any externally supported military capability endangering the U.S. security. It also resolved to work with OAS and freedom-loving Cubans "to support the aspirations of the Cuban people for self-determination."

Two years later, a two-thirds majority of OAS voted to embargo trade with Cuba. But in recent years, several OAS countries have ignored the ban—now lifted—and failed to draw U.S. rebuke. To cite an example, the late Juan Peron of Argentina (an OAS member) threatened to nationalize subsidiaries of General Motors, Ford and Chrysler in his country unless the U.S. permitted them to export to Cuba. The U.S. complied.

Now Argentina has offered Cuba trade credits of $200 million a year for six years, according to Commerce's Downey. He also reports recent formation of a new shipping firm which includes Cuba as well as Colombia, Costa Rica, Jamaica, Mexico, Nicaragua, Panama and Venezuela. Known as Flota Mercant Del Carib, it is to have initial capitalization of $30 million and five vessels.

The U.S. also has run into trouble north of the border involving trade with Cuba. The Toronto subsidiary of Litton Industries last year cancelled a deal to sell Castro half a million dollars worth of desks, chairs and filing cabinets because of the U.S. embargo. On December 24, 1974, The New York Times reported: "Officials in Ottawa predicted that this new application of the American law across the border, which Canadian nationalists see as economic imperialism, would add further strain to this country's relations with the U.S., which have already suffered in recent weeks from disputes about trade in both oil and beef."

CONSTRAINED BY EMBARGO

The U.S. State Department wanted to be free to handle such problems as it saw fit, but felt constrained by the OAS embargo, since State did not want the U.S. put in the position of violating an international agreement. Thus, OAS had U.S. encouragement last November when it took a vote on ending its embargo. However, it failed to get the necessary two-thirds majority. Subsequently, the U.S. supported a change in the OAS voting requirement for a simple majority. In July, the OAS voted to end the embargo.

Prior to the OAS action, Senator Kennedy announced that he would introduce a bill to end the ban on trade with Cuba. The measure also would authorize U.S. foreign aid to Cuba. In May, Senator Byrd introduced five amendments to the Kennedy bill. In essence, they state that the U.S should not end the embargo until Cuba has offered acceptable compensation for expropriated American property, renounced its alliance with the Soviet Union, order withdrawal of Soviet military men, intelligence agents and naval vessels from Cuba and its territorial waters and ceased intervention in the affairs of any nation in this hemisphere. The amendments also prohibit giving up the U.S. Naval Base at Guantanamo Bay without Congressional approval.

The State Department waited until the Congressional recess to drop its bombshell. On August 21, it announced that foreign subsidiaries of U.S. firms may trade with Cuba, subject to specific licenses and "regulations concerning U.S. origin, parts, components, strategic goods and technology." State also said: "We are initiating steps to modify regulations which deny bunkering in the United States to third country ships engaged in the Cuba trade. We will also seek legislation to eliminate similar restrictions on Title I, PL 480 food sales to third countries."

On August 27, the National Association of Manufacturers wrote Rauer H. Meyer, director of the Commerce Department's Office of Export Administration, complaining that the announcement is "causing a disruption of the normal U.S. parent company—foreign subsidiary supply relationship. . . If the U.S. components are required in the finished product and if authorization for export of those components is denied, then the total transaction may be blocked and the U.S. government is indirectly controlling trade between a friendly third country and Cuba.

QUID PRO QUO

"Alternatively, if other sources of supply of components can be arranged, parent subsidiary relationships are unnecessarily distorted. Thus, the new U.S. policy on trade with Cuba is seriously deficient and should be modified or corrected as soon as possible. . . . We urge that published regulations be issued as soon as possible. Early publication . . . will materially assist U.S. firms in making their marketing decisions."

As matters stand, some State Department officials admit privately that the U.S. will have trouble keeping the embargo from falling apart until the U.S. can wrest some quid pro quo from Cuba. Besides the seized property, Cuba holds eight Americans prisoner. There are hundreds more Americans whom the U.S. would like to have the right to leave Cuba if they choose.

The Bingham bill seems to have a good chance for passage in the House. But its companion measure, Senator Kennedy's bill, is bound to run into trouble in the Senate. On August 1, Senator William E. Brock (R., Tenn.), on behalf of himself and 10 other Senators, introduced Senate Resolution 230. It is the sense of the Senate, says the Resolution, that before the U.S. resumes economic or diplomatic relations with Cuba, the latter must allow free emigration and inspection of prisons, abide by international law in dealing with hijackers, acknowledge claims for confiscated American property, cease illegal terrorist activities in Puerto Rico and accept the principles set down in the OAS charter, including the principle of non-intervention.

President of Cuba, Osvaldo Dorticos, made clear what he thinks of the last point in a speech in Havana to the International Conference on Solidarity with the Independence of Puerto Rico broadcast September 8. "The Cuban Revolutionary Government cannot escape involvement in the Puerto Rican cause and our unyielding duty of solidarity with it as a controversial bilateral issue between the United States and Cuba. . . . Puerto Rico is a Latin American nation subjugated to colonial domination and is not a domestic problem of the United States," he declared.

Dorticos also stressed "the need for close unity between Puerto Ricans and the working class and progressive and democratic forces in the United States for the liberation of Puerto Rico and, at the same time, development of the democratic and revolutionary struggle in the United States itself."

On September 11, Senator Richard Stone (D., Fla.) told the Upper Chamber: "The concept that the leadership down there (in Cuba) has stopped exporting its revolution is rather ludicrous when the just-deposed prime minister of Portugal, after traveling back and forth to Cuba, acknowledged that Castro is his spiritual leader. . . ."

The Senator added that he was putting his colleagues on notice that they may expect a thorough airing of all the issues, "fact by fact, abuse by abuse, torture by torture, and inhumanity by inhumanity."

SYMPOSIUM ON THE WORLD FOOD CRISIS—V. UNIVERSITY OF KENTUCKY OVERSEAS

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BRECKINRIDGE. Mr. Speaker, the University of Kentucky—U.K.—one of the Nation's great land-grant colleges, has shown a keen recognition of the problem of hunger in the world and the need to increase agricultural production overseas. As early as 1955, U.K. became an active participant in transferring the technology of efficient agricultural production to less developed nations. U.K.'s major effort was made in Thailand, starting in 1967, in cooperation with the Agency for International Development and the Thai Ministry of Agriculture.

U.K.'s participation was described in a World Food Crisis symposium at the University of Kentucky April 1 and 2. A primary presentation was made by Dr. Charles Barnhart, dean and director of the College of Agriculture, and its Extension Service. Other participants in the discussion, which follows, include Dr. Lewis Cochran, U.K. vice president for academic affairs, and Dr. Russell Brannon of the U.K. Department of Agricultural Economics. I commend this discussion to the attention of my colleagues:

SYMPOSIUM ON THE WORLD FOOD CRISIS—V. UNIVERSITY OF KENTUCKY OVERSEAS

Dr. BRANNON: We would like to start off our discussion of the U.K. Thailand program today with comments by Dr. Lewis W. Cochran, Vice-President for Academic Affairs.

Dr. COCHRAN: I believe our first formal overseas program was started in about 1955–56 when we had two AID sponsored programs in Indonesia. One was with the faculty of Science and Technology at Bandung and involved people from our Department of Physics, Chemistry, Geology, and several from the College of Engineering; another at Bogor involved the College of Agriculture, plus support faculty from some of the related departments. We have had lesser programs of shorter duration. We have a continuing program now in teacher education in Guatemala, and we just received the approved programs and plans yesterday to initiate a master's program in economics in Malayasia at one of the universities there which will focus on the preparation of people for small business careers aimed particularly at the native Malaysian population. We are winding up our current Thailand program this June 30.

It has been the position of this University that these kinds of involvement are good things under certain conditions. We should limit our participation to those areas where we have some expertise that can be made available to accomplish a particular job, and where the necessary arrangements and adjustments can be made to carry on without undue disruption of our work at home. Also, from the early days in the Indonesian program, we have learned that it is very important that our own people be involved in these programs and that the University not simply become an employment agency for the Department of State or some overseas institution.

We feel that the experiences gained by our faculty members in living in different cultures and having to address themselves to very different and very new problems makes them better faculty members when they return to the University of Kentucky. Some of this is brought back to our students to their benefit and to the University's benefit. These programs usually result in students from other countries coming to this campus. If it is in the public good, as that may be stated in the very broadest sense; if we have existing expertise and can make the necessary adjustments, This University will continue to take advantage of whatever opportunities we might have to participate in worthwhile overseas programs. We will continue to welcome the opportunity to work in other areas of the world under the conditions I have stated, and if external support financing is made available through the federal government or other sources.

Dr. BRANNON: Thank you very much Dr. Cochran for enunciating the overall University policy. Next I would like to introduce Dean Charles Barnhart. The Dean, also, is an administrator who, in going out to the program in Thailand, has taken his responsibilities seriously.

Dean BARNHART: I am very pleased to have this opportunity to meet with you and to discuss the program which the UK College of Agriculture has been involved in since 1967 in cooperation with U.S. Agency for International Development and the Thai Ministry of Agriculture.

Our specific task has been to assist the Thais to develop a regional agricultural research center in Northeast Thailand—designed to service an area composed of sixteen provinces, and comprising about one-third of the land of the Kingdom.

This is one of the poorest regions of Thailand; the soils are generally sandy and low in fertility, and the monsoon rains are unpredictable. Over 80 percent of the population is engaged in farming, and per capita incomes are the lowest of any region of Thailand.

Historically, investment by the Thai Government in this region has been limited, but for various reasons increased attention has been directed towards the Northeast over the past decade. Recognition of the necessity for developing and putting into practice improved technology in agricultural production and marketing is beginning to receive some priority treatment in national development planning, and a part of this push has entailed technical assistance from outside sources. The World Bank, the Food and Agriculture Organization of the United Nations, the Israeli government, the Australian Development Bank, the Colombo Plan, the U.S. Agency for International Development, and other organizations are participating in this effort to increase agricultural output and per capita incomes in Northeast Thailand.

The UK College of Agriculture over the past eight years has helped to establish at the Northeast Agricultural Center a research program which encompasses most of the agricultural sciences. I feel that our efforts have paid off, and that the research organization which we have helped the Thais to establish is a sound one.

The Center is beginning to receive considerable recognition, as manifested by the steady stream of foreign visitors from the various international assistance programs; groups of Thai farmers, agricultural teachers and students; and requests from neighboring countries (Laos, Vietnam, and Cambodia) to attend training sessions at the Center. Robert McNamara, President of the World Bank has visited the Center and discussed with UK and Thai specialists potentials for World Bank contributions to development in the region; the American Ambassador to Thailand after spending time at the Center, has commended UK on its contributions.

We have taken our responsibilities seriously in this undertaking. When our contract is completed this June, we will have provided 22 faculty members for periods of two years or longer. In addition, seven UK professors have gone out from 1 to 3 months to provide assistance on specific problems. We have also had five American Ph.D candidates complete the field research for their dissertations under the direction of UK professors at the Center. By completion of this project, we will have selected and sent to the U.S. for graduate training well over a hundred Thai agricultural specialists. A large percentage of these have received their training at UK; but we have also sent students to thirty other U.S. universities.

In staffing this program, we have relied, with very few exceptions, on established, tenured faculty members from various departments of this college. This causes some disruption, of course, in our on-campus programs of teaching, research, and extension—but when we elected to accept this responsibility to assist in efforts to increase food supplies in the developing nations, we decided that we would do so only to the extent that we could meet these responsibilties by staffing directly with our own people. We would *not* serve simply as a recruiting agency for the State Department. By following this philosophy, I believe we have established a sounder program and one which can retain its effectiveness over the coming years through continued flows of information and perhaps short term technical assistance. It is anticipated that communication channels established between UK professors and Thai agricultural specialists who have studied here and worked with UK faculty members in Thailand will continue to some extent in future years.

When the first team arrived, an administration building at the Northeast Agricultural Center had already been constructed, some land had been cleared for research plots, and the irrigation system was capable of getting water to about 40 acres.

The Thai Government was also in the process of constructing housing for use by Thai specialists assigned to the Center and the Kentucky Advisory Team. All technical people—both Thai and American—were to be housed directly on the center, located about two miles from the small village of Tha Phra, and some eight miles from the provincial capital, Khon Kaen.

An early task of the UK Team was to assist in additional land clearing and leveling, laying out interior roads on the Center, developing a drainage system to handle the monsoon rains, and improving and expanding the irrigation system. Agricultural engineers from the UK worked alongside Thai equipment operators in implementing this stage of development.

Simultaneously, it was necessary to develop lists of laboratory equipment and supplies, field machinery, and to order these items from the United States. In the early days, the UK procurement office expedited the bulk of these purchases.

It was also necessary to establish a machinery maintenance facility. A short time specialist came out from UK for two months to help install equipment and establish a training program for Thai mechanics. The UK agricultural engineer on the field team provided day to day technical assistance.

An integral part of our program was to identify, select, and train Thai specialists in the agricultural sciences so that there would be a capable cadre to operate the research program of the Center as it developed. This entailed both on-the-job training, working alongside UK specialists, and advanced academic training in the U.S., at UK and other institutions. These trained Thais could then train other Thais.

As a part of our efforts to help insure the academic success of the Thai students once they got to the United States, the field team organized English classes which each prospective student was required to attend for 1–2 hours a day for six months. These classes were organized and taught by the wives of Kentucky Team members.

In addition, a system was organized whereby the prospective students would be divided up into small groups and invited to weekly "conversation classes" and social events in team members' homes.

As the Thai specialists sent to us for training began to return to the Center and assume active roles, the research program began to develop at an increasing rate. Planning sessions at the administrative level began to zero in on an organizational structure for research—built around the identification of priority problem areas limiting agricultural growth and the development of interdisciplinary teams of specialists organized on a commodity basis (for example, the kenaf team consists of a crop specialist, a soils specialist, an entomologist, a plant pathologist, and an economist).

The kenaf research team at the Center has been focusing on increasing yields through variety trials and fertilizer experiments. One selection, THS–30, has shown in trials over the past three years that it will yield about 30 percent more fiber per acre than will the traditional varieties currently being grown. The next step is seed multiplication and distribution.

With the assistance of UK, a small, but well-equipped seed technology program has been established. The storing, handling, and distribution of good quality seeds presents a major constraint to increased food and fiber production in most developing countries. In tropical climates of high temperatures and high humidity the problem is particularly acute.

Another focus of the crops program has been on developing improved varieties of legumes that are adapted to the conditions of Northeast Thailand—particularly soybeans, mungbeans, peanuts, and cowpeas. UK plant breeders, working alongside Thai specialists, have made comprehensive collections of indigenous varieties as well as importing promising varieties from around the world. In protein short areas, edible legumes hold high promise for substantial improvements in diets.

UK has also been active in animal science research. Due to limited land area and grazing at the Center, on-Center research is more heavily devoted to poultry and swine than to larger ruminant animals. And a great deal of research effort is being directed toward nutrition work aimed at developing suitable low cost rations from locally available feedstuffs such as cassava (tapioca) meal, rice straw, and kapok seed meal—as well as the more traditional feed grain rations.

Cassava is becoming a very important crop in Northeast Thailand, with the major market being Western Europe, where it is used for livestock feed. Increased utilization for this purpose in Thailand could prove very useful to the livestock industry as well as raising incomes of cassava producers. In some parts of the world, cassava also serves as the major carbohydrate source in human diets. A long term fertility trial has been initiated to determine the nutrition requirements of this important crop and the rate at which it depletes the soil. The potential for achieving greatly increased yields of cassava appears to be high.

In cooperation with the nearby livestock research station, The Center is developing a research program on the breeding, feeding, and management of water buffalo—that versatile animal that is so critical in the production pattern of Asian agriculture.

UK has also assisted in the development of a veterinary science program, and Center veterinarians are now active both in the prevention and control of diseases and parasites in the field, and in research work in the laboratories. The livestock industry of Northeast Thailand has great potential for the future, and will make a significant contribution both in raising per capita incomes and in making more animal protein available.

At the Center there is a small, well-equipped, meat science laboratory which has underway a meaningful research program. An agricultural engineer from UK helped design the structure and a UK meat science specialist went out to Thailand for six weeks to help install equipment and work with Thai specialists on the design of the research program. The Thai who heads the program has his M.S. in meat science from UK. Interest is growing in more modern slaughter, packaging, and processing of meat products.

The agricultural economics program at the Center has been active in both the production and marketing aspects of agricultural products. Data collected from local markets, and studies of marketing procedures, provide information for many facets of the Center's research program. A marketing study of kenaf has helped in the development of a better grading and classification system for this crop. A research paper based on work by Thai/American economic researchers was recently presented by a Thai specialist at an international meeting on kenaf and jute in Rome.

Field data on the economics of agricultural production are processed at the Center. These results help to guide research of all branches towards developing the most economically profitable techniques of production.

In tropical countries, insect and disease pests are particularly numerous and destructive. In recognition of the seriousness of this problem, the UK team has channeled a substantial amount of resources toward developing effective programs in entomology and plant pathology, including research on root rot of mulberrys that threatened the Thai silk industry—a major cottage industry and an important foreign exchange earner.

Horticultural production holds considerable promise for improving diets, increasing incomes, and providing additional employment opportunities in the Northeast. Current work on vegetable production and on tree crops, particularly mangoes, should have a high payoff in future years.

The wives have also been quite active in volunteer work at hospitals and clinics, teaching English, and developing skills in Eastern arts and handicrafts.

One such art form is batik, which many of the Kentucky Team wives learned while in Thailand. Originally developed in Indonesia, batik making is gaining in popularity in many parts of the world today. Classes in batik were offered at the nearby University of Khon Kaen, and considerable skills were developed by many of the wives.

I suspect that this integration of Thais and Americans into the joint social as well as professional life of the Center has been a major factor in the close working relationships that have existed through the program. Many strong and lasting friendships have developed over the years.

I believe that this type of country-to-country, institution-to-institution type of cooperation is one of the most effective means of assuring sufficient food supplies to feed the world's population in future years. There is no way that the developed countries can produce and ship sufficient quantities of foodstuffs to meet world food needs—the major burden must fall on the developing nations in increasing their own domestic production.

To this end, I am proud that our institution is contributing its part.

SOMETHING'S ROTTEN IN DENMARK

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. DENT. Mr. Speaker, earlier this week I promised to submit to the RECORD a newspaper article concerning the problems that Denmark is encountering in regards to their systems of civil service and social welfare. At this time I would commend the article, written by Associated Press writer John Vinocur.

SOMETHING'S ROTTEN IN DENMARK

(By John Vinocur)

COPENHAGEN, DENMARK.—Something has gone wrong in a country where they start offering an optional extra year of high school in the fall so as not to drown the labor market.

Something is amiss in a place where someone can write a book called "Does It Pay to Earn More Money?"

No one suggests that a nation is in terrible shape that provides everyone with good schools, virtually free medical care, dignified old age and the right to complain.

But Denmark acknowledges it is in trouble.

The country has been Western Europe's leader in unemployment for the past year with up to 13 per cent of the blue collar work force jobless. Emigration ran to 40,000 in 1974—the proportionate equivalent to 1.6 million people leaving the United States—and is now up 25 per cent, the highest rate in a century.

And since 1971, when they reached 44 per cent, taxes here have represented a greater part of the gross national product than anywhere else in the industrialized world.

Many Danes now believe that the country's recovery depends not only on the standard economic stimulants, but a deep decision on whether its people want to continue in the direction the welfare state has brought them.

This direction is one in which 85 per cent of the population gets some kind of money from the state.

That could mean 25 per cent off a subsidized house painting bill, or two-thirds back from the cost of sending a child to a private kindergarten. You can get paid for moving from a private house to an apartment. You can get a tax break for moving from an apartment to a private house.

This direction also has meant that the number of employees in the state sector runs to about 700,000, the same amount employed by heavy industry.

On the local level, it requires a town like Gladsaxe, outside Copenhagen, with a population of 60,000, to have 3,000 municipal employes, 300 of them working in the tax division.

It means, too, that taxes to support the infrastructure are murderous, the kind that make a new Chevrolet cost $22,000 or a small Renault $7,000.

Ultimately the situation leads to a book like "Does It Pay To Earn More Money?" The book tries to answer a question that in most other places would be thought inconceivable: Can a salary increase mean less real income?

Danes, particularly those with incomes of around $10,000 a year, are so roped into a system of children's allowances, high taxes and sliding rent subsidies that extra money from a promotion can take them out of a salary area with more advantageous social benefits.

Economists for two political opposites, the Central Labor Union and the Danish Federation of Industry, have agreed that a working wife often represented no additional income for a couple.

The result is a loss of worker initiative and a society that has maneuvered itself into putting a premium on production.

"If I offer some of my people a chance to work on Saturday at double time," an American businessman said, "I'll be laughed at, and for good reason. Everybody knows that taxes will take so much of their overtime that what's left will barely pay for lunch, a beer and transport."

The Danish experience with unemployment over the last two years, resulting from the oil crisis, less competitive export products and a building boom not dampened early enough, has provided a good look at where the society has gone.

The state provides up to $500 a month after taxes to the jobless, and municipal governments can offer additional money so that rent, mortgage, car payments and even television payments can be met if they are considered a necessity.

A construction worker like Finar Johansen said idleness has made him depressed, but Finar Dahl, a 49-year-old crane operator who has been out of work for the better part of two years, has another view.

"I'll say what other people are too embarrassed to say. In Denmark, unemployment is a paradise. It would take the devil himself now to make a young guy work in a factory. I've got a month's job in August for about $1,200. But because my kids are grown up I'll pay around 60 per cent in taxes. Under these circumstances, you're being punished to work."

The Federation of Danish Industries says that Dahl's viewpoint reflects that of only the least efficient workers.

But Jorgen Nyboe, a home builder, complained publicly that he was unable to hire enough construction workers this summer, although thousands are out of work, and suggested that the problem could be disproportion between unemployment benefits and taxes.

Svend Auken, a Social Democratic member of Parliament, seemed to take the issue further and offend his traditional constituency by saying he could not believe some bricklayers were unable to find work. The bricklayers union brought suit, but Auken's point was made.

Workers say they feel the Danish system protects them from the whims of employers, but they often add that the country's 12 per cent inflation rate and high home and automobile prices penalize them in relation to wealthier Danes.

Dr. Claus Curdt-Christiansen admits this is so. A physician, he makes about $60,000 a year. He bought a home north of Copenhagen for about $100,000 because he figures deductions to homeowners effectively mean going from a 60 per cent to a 43 per cent tax bracket.

"A man with a quarter of my income couldn't really improve his situation," Dr. Christiansen said. "A Dane must make about $20,000 a year to have room to maneuver so as to make a tax savings."

Facing the world at 17 or 18 in the Danish context has become difficult as well. With unemployment among young people running at about 25 per cent, the state decided to add on an optional extra year of high school for students not continuing toward university degrees.

Mrs. Ilse Nyboe Andersen's daughter, Agnete, will go into the shelter program at Endriksholm High School outside the capital. "It looks like the best way for Agnete to mark time for a while," she said. "All her friends started looking for jobs and found it impossible."

There is no well-defined, right-left political blame to go with what public opinion polls show is mounting dissatisfaction because both the Social Democrats and the Conservatives have increased the social welfare apparatus during their terms in office. But a gradual movement away from welfare state ideals looks clear.

Gallup polls show that two-thirds of the population think taxes are unfair and 63 per cent feel that the welfare state has gone too far. Another 55 per cent feel Danish society is moving in the wrong direction, a direction they think means undisciplined children, alienation and stress.

At the same time, there are indicators that Danes considered liberal thinkers by the rest of the world, were also hardening their attitudes on lifestyle.

A recent poll showed 72 per cent thought the state had done enough for drug addicts and 59 per cent agreed with a decision to cut off the free supply of gas and electricity to a Copenhagen hippie commune. Another poll found 69 per cent wanting university students to pay back all their scholarship money to the state.

There has been a double political result. The Progress Party, the group most aggressively attacking government spending and taxes, has become the third largest political organization in the country. And the old line parties have been pushed into calling for a moderate rollback in both taxes and government expenditures.

Led by Mogens Glistrup, a lawyer, the Progress Party asserts Denmark will never become competitive again until it removes its barriers to initiative and ends the situation that makes work increasingly unattractive.

"If two years ago you said Denmark had enough libraries, why then you were a fascist, and you sounded like you were in favor of something like nuking Hanoi," said Steffan Kjaerulff-Schmidt, a Progress Party member of Parliament.

"Gilstrup has become respectable. He is no longer considered mentally unsound. And the old parties are imitating him."

The last budget of the minority Social Democratic government does provide, in fact, less government spending. The maximum age for children's allowances to parents has been lowered from 18 to 16, and the hiring of kindergarten teachers has been stopped. The school construction budget is being reined in and there are some limitations in the area of medical assistance.

But there was resistance in Parliament to most of the cuts. Moreover, according to figures from the industry federation, expenses in the social sector are up by 4 or 5 per cent.

Under the circumstances, the alternatives for Denmark's ruling socialists are to make major cuts in the operation of the welfare state while waiting for the economy to begin moving—economists say Denmark is entirely dependent on recovery of its big clients—or to step further to the left.

An attempt to bring industry increasingly under worker control with a greater worker share of the profits would seem to be the only course remaining for the government of Premier Anker Joergensen because any kind of tax increase now would be political suicide.

But a Social Democratic bill that would lead to turning profits into funds run by labor unions got an unpopular reception when presented eariler in the year. What's left in Denmark is a country that has found out it can't really afford its lifestyle, but has not decided with any vigor what to do about it.

PEOPLE PASSING US BY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. MILLER of California. Mr. Speaker, I would like to urge that my colleagues take a few moments to read the accompanying article from the Progressive magazine. As its title indicates, Americans may be going beyond their elected representatives in considering possible solutions to the economic fluctuations of our recent history. The results of a recent poll by the People's Bicentennial Commission would appear to indicate that a substantial proportion of the public feels positively about ideas which are rarely discussed, much less seriously debated, in the halls of Congress. I believe that this article, and two others which I shall submit to the RECORD in coming days, provide the basis for beginning congressional discussion of the issues. I would hope that we in Congress would take the lead from those people we represent, and begin this public discussion.

The article follows:

THE PEOPLE ARE PASSING US BY

(By Jeremy Rifkin)

> What do we mean by the Revolution? The War? That was no part of the Revolution: It was only an effect and consequence of it. The Revolution was in the minds of the people, a change in their sentiments, their duties and obligations. . . . This radical change in the principles, opinions, sentiments, and affections of the people was the real American Revolution. . . .
>
> —John Adams, 1815

Once again, 200 years later, we are witnessing a "radical change in the principles, opinions, sentiments, and affections" of the American people—one that may foreshadow a new American Revolution. The extent of that change has been documented for the first time by conventional public opinion polling techniques, and the results bear profound implications for our future.

In July, the Peoples Bicentennial Commission engaged a prestigious professional polling organization, Hart Research Associates, to conduct a nationwide telephone poll of 1,209 Americans on issues relating to our economic system and possible alternative approaches. These were the key findings:

33 per cent of the public believe that our capitalist economic system has already reached its peak in terms of performance and is now on the decline, while only 22 per cent believe that it has not yet reached its peak and is still getting better.

57 per cent of the public agree with the statement that both the Democratic and Republican parties are in favor of big business rather than the average worker, while only 35 per cent disagree.

58 per cent of the public believe that America's major corporations tend to dominate and determine the actions of our public officials in Washington, while only 25 per cent believe that public officials in Washington tend to dominate and determine the actions of America's major corporations.

49 per cent of the public agree that big business is the source of most of what is

wrong in this country today while 45 per cent disagree.

49 per cent of the public feel that it would do more good than harm to develop a political movement to challenge the influence of big business, while 39 per cent feel it would do more harm than good.

41 percent of the public are in favor of making a major adjustment in our economy to try things which have not been tried before, whereas 37 per cent favor minor adjustments and only 17 per cent favor keeping the economic system as it is and allowing it to straighten itself out.

A majority of those who voiced an opinion on the issue favored public ownership of oil and other natural resources.

A majority of the public favors employee ownership and control of U.S. companies—employes owning all of the company stock and determining broad company policies, including the selection of management. In addition, 74 per cent of the public favors a plan whereby consumers in local communities are represented on the boards of companies that operate in their local region.

56 per cent of the public say they would definitely support or probably support a Presidential candidate who favored employe control of U.S. companies.

These findings take on added significance in light of the fact that there has been virtually no public discussion or debate on the question of employe ownership and control of U.S. companies, and that no major elected officials have come out in support of such a program. Moreover, only a handful of U.S. companies are now owned and controlled by their employes. Despite these facts, a majority of the people surveyed in the Hart poll support this fundamental and sweeping change in our economic system.

Thirteen years after a fledgling student movement issued a challenge to restore democratic values to American society, a majority of the people are signifying their approval of a participatory democratic economy—employe owned and controlled companies operating in a market economy; consumers represented on the boards of companies operating in the local community, and public ownership of all natural resources.

These attitudes suggest that the past decade has nurtured a revolutionary change in the way Americans perceive their role in the economic order. People are no longer willing to accept the existing system as an undisputed and immutable fact of life. They are beginning to see the work place as a government—one which is autocratic and inequitable. They are no longer content to be treated as robots and non-citizens on the job. They are ready to apply principles of good citizenship to the institutions that most directly affect their everyday lives.

Two centuries ago, Tom Paine effectively demolished the myths and traditions that held the colonists in servitude to the crown. His words apply with undiminished force to the myths and traditions that hold us in servitude to corporate power:

"While men could be persuaded they had no rights or that rights appertained only to a certain class of men, or that government was a thing existing in right of itself, it was not difficult to govern them authoritatively. The ignorance in which they were held, and the superstition in which they were instructed, furnished the means of doing it. But when the ignorance is gone and the superstition with it, when they perceive the imposition that has been acted upon them, and when they reflect that the cultivator and manufacturer are the primary means of all the wealth that exists in the world beyond what nature spontaneously produces, when they begin to feel their rights as members of society, it is no longer possible to govern them as before. The fraud, once detected, cannot be retracted. To attempt it is to provoke deluction or invite destruction."

We can draw encouragement from the emerging attitudes of the American people, as reflected in the Hart survey, but the findings should also prompt concern and reappraisal. Little education has been undertaken around the concept of a democratic, employe-controlled economy. Few publicists and virtually no leaders have responded to the awesome challenge of providing information, inspiration, and direction to this new majority constituency.

The Hart survey reports that 66 per cent believe there has been too little discussion of the concept of employee ownership and control, but only a handful of books and articles exist on the subject, no materials are available in the high school or even in most universities, and no candidates for public office are voicing support for the proposition. While a majority of the American people are in favor of sweeping economic changes, the liberal and radical communities continue to be preoccupied with piecemeal legislation on the national level, while tinkering with minor adjustments in the local community.

The American people are calling for action, but with an unsteady tone that reflects the first glimmer of recognition of their own voice. Now we need grassroots education, organization, and mobilization to raise the vision of a new economic order.

The people are telling us that they have bypassed the liberal/activist community—that they are ready for a new movement to democratize the American economy. If we fail to respond, if we remain trapped in our parochialism, if we are unable to rise to the moment, then the great prospect that confronts us on the eve of this nation's third century will have been lost. And we will have only our own limited vision to blame.

SECRETARY KISSINGER GIVES FULL ENDORSEMENT TO H.R. 1287

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. RANGEL. Mr. Speaker, on Thursday, the House will consider H.R. 1287, a bill to halt United States importation of Rhodesian chrome. I rise in full support of this legislation.

A month ago, several members of the Congressional Black Caucus met with Secretary Henry Kissinger. Our purpose was to advise him of our disappointment over the administration's neglect of the African continent. We sought to make him aware of the necessity for our Government to devise a positive foreign policy with respect to Africa. The Secretary accepted our offer to work with him in this area of developing a more forward looking policy toward Africa.

Last evening I saw the first illustration of the administration's new policy. The Secretary delivered a speech at a reception honoring the delegates to the conference of the Organization for African Unity. In that speech he pledged the administration's full support for repeal of the Byrd amendment, which H.R. 1287 seeks to accomplish.

I insert the full text of the Secretary's remarks in the RECORD at this point for my colleagues to review as we debate this bill. If we are to see the beginning of an effort to create more positive African-American relations, then H.R. 1287 must be passed by the House. Secretary Kissinger's speech follows:

ORGANIZATION OF AFRICAN UNITY

Some fifteen years ago Prime Minister Harold Macmillan added a new and durable phrase to the English language when, in speaking of Africa, he said, "The wind of change is blowing through the continent." When the twentieth century opened, western colonialism stood at its zenith. Today, only the barest vestiges of western colonialism remain in Africa. Never before in history has so revolutionary a reversal occurred with such rapidity. Morally and politically, the spread of national independence has already transformed world institutions and the nature of international affairs. Today we feel the winds of change blowing *from* Africa—and they will affect the course we set for generations to come.

The first official function at which I presided as Secretary of State two years ago was a luncheon here for the representatives of the Organization of African Unity. Since then the world has undergone continuing change—as much in Africa as anywhere else. In Africa, the Portuguese African colonial empire has come to an end. The effects of that on southern Africa are being felt in Rhodesia, Namibia and South Africa, and their full course has yet to be run. Also of great importance, major changes have taken place in the international economy, as reflected in the recent Special Session. The developing nations of Africa, Asia and Latin America are claiming more control over their economic destiny and a greater share in global prosperity.

Africa continues to face enormous problems. The trials of economic development, exacerbated by the problems of the world economy and the exorbitant rises in the price of oil, continue to pose challenges for African nations, despite the progress they have made. The arbitrary boundaries established by the colonial powers left many African countries vulnerable to ethnic strife. Social change and development—as it succeeds—challenges national unity and cultural identity far more profoundly than other nations have experienced. The job of nation-building in Africa is formidable indeed.

The people of this country wish you well, and offer you our help.

There is growing interest in America in African issues and African problems. Traditionally America has been dedicated to independence and self-determination and to the rights of man. We were strong advocates of decolonization since the beginning of the post war period. The special identification of black Americans with their African heritage intensifies our belief, and our will to demonstrate, that men of all races can live and prosper together.

Because of these ties, and with the economic interdependence of Africa and America becoming increasingly obvious, Americans owe it to ourselves and to Africa to define clearly and to state candidly our policy toward the continent of Africa.

Therefore, today I would like to go beyond the usual toast for occasions such as this and talk with you informally about some of the important issues in relations between the United States and Africa.

America has three major concerns:

That Africa attain prosperity for its people and become a strong participant in the economic order—an economic partner with a growing stake in the international system;

That self-determination, racial justice and human rights spread to all of Africa;

And that the continent be free of great power rivalry or conflict.

The United States seeks neither military allies nor ideological confrontation in Africa.

As Adlai Stevenson once said here at the United Nations, "Africa for Africans means Africa for Africans, and not Africa as a hunting ground for alien ambitions."

ECONOMIC DEVELOPMENT

The people of Africa entered the era of independence with high aspirations. Economic development has become both their highest national goal and a symbol of their drive for a more significant role in world affairs.

Much progress has been made. National incomes in Africa have risen rapidly in the last two decades. Africa's overall trade has increased about fourfold in the last 15 years.

But development hopes in Africa have too often been crushed by the cycles of natural disasters and the shocks of worldwide economic instability. No continent suffers so cruelly when crops fail for lack of rain. No continent endures a heavier burden when prices of primary commodities fluctuate violently in response to shifts in the world economy.

The United States has set as one of the fundamental goals of its foreign policy to help lay the foundations for a new era of international cooperation embracing developed and developing countries in an open and durable international system. Africa has a crucial role in this international system. Our mutual success will determine the nature of political and economic relations in the world over the remainder of this century.

The United States offered a comprehensive practical approach to economic development at the Seventh Special Session. My Government was pleased that our suggestions formed the basis for a highly significant consensus among the developed and developing countries, which we hope will mark the end of a period of fruitless confrontation and misunderstanding.

Our major aims are:

To make developing countries more secure against drastic economic difficulties arising from cyclical declines in export earnings and in food production;

To accelerate economic growth by improving their access to capital, technology, and management skills:

To provide special treatment to improve their opportunities in trading relations;

To make commodity markets function more smoothly and beneficially for both producers and consumers; and

To devote special attention to the urgent needs of the poorest countries.

Our proposals apply to all developing countries. But many of them are particularly appropriate to Africa:

Sixteen of the world's twenty-five least developed countries are in Africa. Our bilateral assistance program is increasingly concentrated on the least developed. Above and beyond our emergency assistance to the Sahelian drought area, our regular aid appropriation for Africa this fiscal year reflects an increase of about 60 percent over last year.

We expect African countries to benefit particularly from the Development Security Facility which we propose to create in the International Monetary Fund to counter economies which are particularly dependent on a few, highly volatile primary commodities.

But stabilizing earnings is not enough. The United States supports measures to improve markets for individual commodities—including coffee, cocoa, and copper—which are so important to Africa.

We also propose to double our bilateral assistance to expand agricultural production.

We will raise our proposed contribution to the African Development Fund to $25 million.

In addition to the proposals we made to the United Nations, the United States has attempted to mobilize international support for a coordinated, long-term development program to provide basic economic security for the Sahelian countries. We have supported this effort already with massive assistance of more than $100 million.

TRADE AND INVESTMENT

The key to sustaining development over the long run is expanded trade and investment. Growing exports of manufactured as well as primary products generate the foreign exchange needed to buy the imports to fuel further development. The United States provides a large and growing market for the products of African countries. Our trade with Africa had grown to about $8 billion in 1974, almost eight times its volume in 1960. The rapid implementation of the United States generalized system of preferences should spell even greater expansion in the years to come.

American private investment has been a valuable source of the capital, management, and technology that are essential to African development. Direct United States investment in Africa has increased more than four times since 1960.

We are encouraged by these striking increases in the magnitude and relative importance of trade and investment relationships between the United States and independent black Africa. We expect this trend to continue, and we will do what we can to assure that it does so.

SOUTHERN AFRICA

Economic progress is of utmost importance to Africa, but at the same time, the political and moral challenges of the continent, particularly the issue of Southern Africa, summon the urgent attention of the world community.

We believe that these problems can and must be solved. They should be solved peacefully. We are mindful of the Lusaka Manifesto, which combines a commitment to human dignity and equality with a clear understanding of what is a realistic and hopeful approach to this profound challenge.

No problem is more complex than the racial issues in South Africa itself. My country's convictions on apartheid are well known. It is contrary to all we believe in and stand for. The United States position has been long-standing, and consistent. We note that the wind of change continues to blow, inexorably. The signs of change that are visible in South Africa must be encouraged and accelerated. We are pleased to see the constructive measures taken by African governments to promote better relations and peaceful change. We believe change is inevitable, and efforts to promote a progressive and peaceful evolution will have our support.

The United States also continues to support the International Court of Justice's advisory opinion of 1971 affirming the General Assembly's 1966 decision which terminated the South African mandate over Nambia. The United States will take no steps that would legitimize South Africa's administration of the territory. We repeatedly have protested violations of the rights of black Namibians by the authorities there.

As I indicated in my address yesterday, we believe that all Namibians should be given the opportunity to express their views freely, and under UN supervision, on the political and constitutional structure of their country. We have expressed this view consistently to South Africa. We will continue to do so. We welcome public statements of South African leaders that they accept the principle of independence and self-determination for Namibia.

For the past decade, Rhodesia has been a major international issue. The maintenance by force of an illegal regime based on white supremacy is of deep concern to African governments and to my Government. Over the past year, the United States has watched with sympathy the attempt to negotiate a peaceful solution in Rhodesia. We have noted, in particular, the statesmanlike efforts of the leaders of African countries—especially President Kaunda, Prime Minister Vorster, President Khama, President Nyerere and President Machel—to avert violence and bloodshed. We would encourage them to continue in their difficult task of bringing the parties together.

The United States intends to adhere scrupulously to the UN's economic sanctions against Rhodesia. President Ford and his entire Administration continue to urge repeal of the Byrd Amendment and expects this will be accomplished during the current session of the Congress.

UNIVERSALITY

The United Nations has tried in various ways to exert a positive influence on change in Southern Africa. I should add, however, that we have opposed, and will continue to oppose, actions that are incompatible with the UN Charter. In particular, we will not retreat from our opposition to the expulsion of any member of the United Nations. We believe this would be contrary to the best interests and effectiveness of this Organization. Universality is a fundamental principle that we stand for in this body. The Charter's provisions for members' full exercise of their prerogatives are another. We do not believe that these principles can be ignored in one case and applied in another. This is why, despite our disapproval of South Africa's policies, we do not believe this Organization can afford to start down the path of excluding members because of criticism of their domestic policies.

FORMER PORTUGUESE TERRITORIES

Since we last sat down together, three more African nations—Mozambique, Sao Tome and Principe, and Cape Verde—have become independent. We welcome them to the United Nations family and we look forward to establishing regular relations with them. We stand ready to assist in their economic development.

But I want to say a cautionary word about Angola. Events in Angola have taken a distressing turn, with widespread violence. We are most alarmed at the interference of extra-continental powers who do not wish Africa well, and whose involvement is inconsistent with the promise of true independence. We believe a fair and peaceful solution must be negotiated, giving all groups representing the Angolan people a fair role in its future.

THE SPIRIT OF COOPERATION

Ladies and Gentlemen, Colleagues:

Twenty years ago there were only three independent African States. Today you comprise more than one-third of the membership of the United Nations. Africa's numbers and resources and the energies of its peoples have given Africa a strong and important role in world affairs.

We do not expect you to be in concert with us on all international issues. We ask only that as we respect your interests, are mindful of your rights and sympathize with your concerns, you give us the same consideration. Let us base our relations on mutual respect. Let us address our differences openly and as friends, in the recognition that only by cooperation can we achieve the aspirations of our peoples.

Let us be guided by the flexibility and the spirit of conciliation which were so evident during the Special Session. Let us replace the sterility of confrontation with the promise inherent in our collaboration. Let us search diligently for areas of agreement, and strive to overcome any misunderstandings.

Strengthening the relationship between the United States and Africa is a major objective of American policy. We support your self-determination, sovereignty and territorial integrity. We want to help you in your efforts to develop your economies and improve the well being of your people. Like yours, our belief in racial justice is unalterable.

The nations of Africa will have a major part in determining whether this will come to pass. America has many ties to Africa and a deep commitment to its future.

It is my profound hope that this session of the General Assembly will be remembered as a time when we began to come together as truly united nations, a time when we earnestly searched for reasons to agree, a time when the interdependence of mankind began to be fully understood.

Ladies and gentlemen, please raise your glasses with me in a toast to the future of Africa, the Organization of African Unity, and the United Nations in a world of peace.

SEVENTEENTH DISTRICT RESIDENTS RECEIVE MEDALS OF MERIT

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. O'BRIEN. Mr. Speaker, I recently had the great pleasure of presenting my first Congressional Medals of Merit to eight outstanding residents of my district. I would like to take this opportunity to share their stories with my colleagues.

The awards were given to individuals who had distinguished themselves through act of heroism or community service. Although I initiated the program, the actual selections for awards were made by totally impartial, nonpartisan medal of merit committees in each of the four counties I have the honor of representing.

Service awards were given to Dr. Richard W. Carrabine of Bloom Township in Cook County, Miss Christina Maus of Iroquois and, posthumously, to Mr. Ralph E. Francis, formerly of Kankakee County.

I gave the heroism awards to Mr. Francis Whittington of Kankakee, Mrs. Ronald King and her brother in law, Mr. Glenn Prairie, both of Iroquois, and to a young Joliet boy, Ricky Underwood.

I am extremely proud of all these people. They richly deserve respect and admiration and as I said at the presentation ceremonies, I am honored to be able to give them even a small part of the tribute they have earned. There are many more people in my district who deserve recognition and I am sure there will be no lack of candidates for the awards for years to come.

The following articles give some of the background behind the awards and provide the interesting details of each awardee's stories:

GLENN PRAIRIE AND SANDY KING WILL RECEIVE CONGRESSIONAL MEDAL OF HONOR FOR LIFESAVING WORK

U.S. Congressman George O'Brien (R-Joliet) has notified Glenn Prairie of Clifton and his sister-in-law, Sandy King of Ashkum, that they will receive a Congressional Medal of Honor for saving the life of a Bradley man July 4th on the Kankakee River.

The award will be given Monday afternoon at 4:30 p.m. at the Iroquois County Courthouse.

O'Brien heard of their heroics from a special committee of area citizens who chose the winners from a list of nominees.

Russ Rosenboom of route two, Clifton, is a member of the committee.

Prairie and King, the former Sandy White of Clifton, were attending a family picnic when a young child came along and told them someone had an accident and was having trouble breathing.

They found Ed Kellar of Bradley near death with no pulse and had stopped breathing. He had either slipped off the back of his boat or dove into very shallow water and had broken his neck.

After striking the chest area and applying mouth to mouth artificial respiration, he started breathing but was still unconscious.

Kellar was taken to a Kankakee hospital and later transferred to Chicago Memorial. He is paralyzed from the shoulders down.

Kellar was a former resident of the L'Erable area.

TWO JOLIETANS AWARDED MEDALS FOR HEROISM, COMMUNITY SERVICE

A Joliet man and boy were among those presented Congressional medals Monday by Rep. George M. O'Brien, R-Joliet.

Receiving the medals were Ricky Underwood, 11, son of Mrs. Jean Underwood, and John Pohlers, superintendent of the Morning Star Mission.

Ricky, who received a heroism award, is credited with saving the life of Lockport farmer Charles Meader after Meader's arm got caught in a combine and he was trapped for more than an hour. Ricky was visiting his sister, Mrs. Thomas Dolosic and heard Meader's call for help. The youth investigated, turned off the machinery and then summoned help.

Pohlers received a service award in recognition of maintaining the mission for most of his life and with his own health failing he continues to serve the physical and spiritual needs of derelict men.

Also receiving service awards were Dr. Richard M. Carrabine of Bloom Township, the late Ralph E. Francis of Kenkakee and Miss Christina Maus of Iroquois.

Heroism medals also were presented to Francis Whittington of Kankakee, Mrs. Ronald King of Iroquois and Glen B. Praire of Clifton.

Dr. Carrabine, superintendent of Bloom Township High School, established group homes for troubled youngsters as an alternative for juvenile institutions.

Francis was on a steering committee for open occupancy, fair housing, equal job opportunities and integrated schools.

Miss Maus was honored for her charitable work throughout Iroquois County and for her service at Iroquois Hospital.

Prairie and Mrs. King were credited with saving the life of a Bradley man after he fell into the Kankakee River.

Whittington was credited with rescuing five persons trapped in a cabin cruiser which capsized on the Kankakee River.

HONOR DR. CARRABINE WITH MEDAL OF MERIT

Dr. Richard M. Carrabine, superintendent of Bloom high school, was one of eight residents of the 17th Congressional district to receive Congressional Medals of Merit from U.S. Rep. George M. O'Brien Monday.

O'Brien gave the awards, for heroism and community service, at a series of ceremonies held in Will, Kankakee and Iroquois counties and Bloom township. Final selections were made by nonpartisan Medal of Merit committees in each of the counties O'Brien represents.

In addition to Dr. Carrabine, awards for community service went to the late Ralph E. Francis of Kankakee county (presented to his son, Ralph, Jr.), Miss Christina Maus of Iroquois county and John Pohlers of Will county.

Receiving medals for heroism were Francis Whittington of Kankakee county, Glenn B. Prairie and Mrs. Ronald King of Iroquois county and Ricky Underwood of Will county.

O'Brien, who initiated the Medal of Merit awards in the 17th district this year, said, "I am extremely proud of all these people. It is an honor to be able to give them even a small part of the praise they deserve."

Dr. Carrabine has been superintendent of Bloom high school since 1969 and, also, serves on the governing board of the Special Education Cooperative of South Cook County. He is past chairman of the public education committee of the American Cancer society, president of the advisory board of the Salvation Army and vice president of the Chicago Heights Chamber of Commerce board of directors.

In addition, he is vice president of the Jones Memorial Community center board of directors and president-elect of the Chicago Heights Kiwanis club.

His activities in support of youth have included establishing the group home for troubled youngsters as an alternative to juvenile penal institutions, helping to investigate the possibilities for creating a Chicago Heights YMCA and serving on the Bloom township youth committee.

REPRESENTATIVE O'BRIEN PRESENTS EIGHT MEDAL OF MERIT AWARDS

Four area residents were cited for heroism and four others for community service Monday in a series of awards ceremonies conducted by U.S. Rep. George M. O'Brien, R-Joliet .

O'Brien gave Medal of Merit awards to eight persons from Kankakee, Iroquois and Will Counties and Bloom Township in Cook County, which comprise his congressional district.

The second-term representative set up non-partisan committees this year to award his Congressional Medals of Merit.

Four persons were named in heroism awards after their actions involving two accidents in the Kankakee River and a farm accident that injured a Lockport man.

They are Francis E. Whittingham, 195 N. Eighth Ave., Glenn B. Prairie of Clifton, Mrs. Sandy King of Ashkum and Ricky Underwood of Joliet.

Cited for community service were the late Ralph E. Francis, formerly of 398 S. Osborn Ave., Christina Maus of Watseka, John Pohlers of Joliet and Dr. Richard M. Carribine of Bloom Township.

Kankakee County Board member Whittington, R-6, Kankakee, rescued five persons trapped in a capsized cabin cruiser on the Kankakee River Aug. 22, 1971.

Whittington was credited with saving Mrs. Theresa Morse, 27, 11 S. Ash St., Momence, her two children Richard 7, and Christine,4, Sharon Stansbury, 31, of Aurora and her 11-month old son Brenton.

Prairie and his sister-in-law Mrs. King won the award for saving the life of Ed Kellar of Bradley after a fall into the Kankakee River July 4 which broke his neck.

The pair, who were boating with their families, gave Kellar mouth-to-mouth resuscitation and heart massage after they found him lying limp in shallow water.

Underwood, the 11-year-old son of Mrs. Jean Underwood of Joliet, was cited for saving Charles Meader, a Lockport farmer, from bleeding to death last year.

Meader had caught his arm in a combine and had been trapped for more than 30 minutes. The youth responded to Meader's cries for help and turned off the machine.

The boy then summoned his brother-in-law Thomas Dolosic to help extricate the victim while Mrs. Dolosic called an ambulance.

Francis, who died Feb. 18, 1973 at the age of 71, was known as "Mr. Junior College" for his efforts to establish Kankakee Community College and the Illinois Junior College Trustees Association.

Francis was also a long-term member of groups for fair housing, equal job opportunity, open occupancy and integrated schools. His son Ralph Jr. accepted his award.

Watseka native Miss Maus performed volunteer work at Iroquois Hospital as early as 1932 and has been active with the First United Presbyterian Church of Watseka.

She is a charter member of the Business and Professional women's Club and the Bachelor Girls' Club.

Pohlers, now in his 70s, has operated the Morning Star Mission on Collins St. in Joliet for most of his life. He still tends to derelict men nightly at the mission.

Dr. Carrabine has been superintendent of Bloom Township High School since 1969 and has served on numerous committees, including those in the American Cancer Society, Salvation Army and Chicago Heights Chamber of Commerce.

O'Brien said he plans to make the awards each year as a means of honoring residents of his district who have performed outstanding acts of community service or heroism during the year.

Three From Area Get Congressional Medals

(By Pat McCord)

Three Iroquois County residents were among eight individuals from the 17th Congressional District to receive the first Congressional Medals of Merit, a new award initiated and presented by U.S. Rep. George M. O'Brien (R-Ill) during a ceremony at the Iroquois County Court House Monday.

Those awarded from Iroquois County were Glenn B. Prairie, Clifton; Sandie King, Ashkum; and Christine Maus, Watseka.

Prairie and King received the award in recognition of their heroism in saving the life of Ed Kellar Bradley, on July 4th, 1975. King and Prairie were boating with their families on the Kankakee River when they heard the shouts of a child seeking medical assistance for a man who had fallen into shallow water and was unconscious. Prairie and King administered Cardio-Pulmonary and mouth-to-mouth resuscitation to Kellar, who was not breathing and had no pulse when they arrived on the scene.

Prairie and King were able to induce respiratory functioning for Kellar. He was rushed by ambulance to Kankakee and has since been transferred to Chicago Memorial Hospital, where his condition is listed as serious.

Prairie is a carpenter in Clifton. He is married to King's sister Kay. They have three children—Gregg, Julie and Lisa. The medical training that enabled Prairie to assist Kellar was obtained through Prairie's position as volunteer fireman in Chebanse. He also learned first-aid techniques through his part-time employment as a Knapp ambulance driver. This fall Prairie plans to increase his knowledge of first-aid with classes at Kankakee Community College in Emergency Medical Techniques (EMT).

Mrs. King is married to Ronald King, who farms near Ashkum. Her first-aid ability was acquired through the classes she took in skin-diving, which is one of her favorite hobbies. The Kings have two children—Kelli and Kandy.

Christine Maus, 308 N. 4th St., Watseka, was awarded the Congressional Medal of Merit in recognition of her many years of community service. Miss Maus is a native of Watseka. She was employed by CIPS in 1925 and began volunteer work for Iroquois Memorial Hospital in 1932, 17 years before the Iroquois Hospital Women's Auxiliary was formed.

Besides doing volunteer aid work, Miss Maus has given much time to sewing and mending for the Hospital and, more recently, to tending the Hospital snack bar. Several years after she retired from CIPS in 1961, Miss Maus began fulltime nurse's aid duties at the Hospital. Miss Maus has also done extensive volunteer work for Easter Seals, Red Cross and The Red Cross Bloodmobile, and the American Cancer Society. She also does bookwork for the First United Presbyterian Church in Watseka. Miss Maus is the only charter member in the Business and Professional Women's Club and is a member of Bachelor Girl's Club, Watseka Women's Club and the Library Board.

The other 17th Congressional District residents awarded for heroism were Francis Whittington, Kankakee County, and Ricky Underwood, Will County. Awarded for community service were Dr. Richard M. Carrabine, Bloom Township, Ralph E. Francis, Kankakee County, and John Pohlers, Will County.

The final selection of the recipients, nominated by their friends, was made by Medal of Merit Committees in each of the counties O'Brien represents. The Iroquois County Committee consisted of Dr. Erwin Rose, Chair person, Watseka; Gertrude Gilbert, Beaverville; Russell Rosenboom, Clifton; the Rev. N. Scott King, Watseka; Rather Edmund Davern, Watseka; Ray Alman, Watseka; Charles Arie, Watseka; Forrest Boughton, Watseka; and Florence Cordes, Sheldon.

THE U.S. ECONOMY AND CORPORATE GIANTS

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. JAMES V. STANTON. Mr. Speaker, more and more discussions of economics consume the efforts of this Congress, the media, and the people of this great Nation. The reason for this, of course, is the continuing failure of Government to slow inflation, to increase employment opportunities, or to lower high interest rates. These concerns have become terrifyingly real to many Americans.

Yet, this distress has had a positive effect—Americans are now realizing the ability of giant corporations to run roughshod over our pocketbooks and our national interests. Concern over monopolistic and oligopolistic control of key industries has risen in recent months. This, as you know, is not a new one to me. You will recall my introduction of the Corporate Citizenship and Competition Act (H.R. 7481).

This legislation is based on the premise that competition is a cornerstone of free enterprise. Even those most protective of corporate giantism have come to the realization that it is a major hurdle to the revitalization of our economy. With this concern has come greater attention to the legislation in journals and newspapers from across the Nation.

The September 14, 1975, edition of the Delaware State News carried an article that discussed one aspect of the problem that would be remedied by my legislation. The article, written by Judith Roales, the paper's distinguished Washington correspondent, is as follows:

Feds Eye Delaware Biz Info

(By Judith Roales)

WASHINGTON.—A host of well-known Delaware firms have been ordered to tell Uncle Sam about the costs and profits of specific products so the Federal Trade Commission (FTC) can put its antitrust investigators into the right industries.

The Delaware firms, including the DuPont Co., Getty Oil, Hercules, ICI America, Scott Paper and General Foods, are among 450 manufacturers ordered late last month to answer detailed questionnaires about their businesses.

The questionnaires were sent out by the FTC although 14 other Delaware corporations have sued to keep the government from forcing them to comply with earlier orders for similar information that could lead to antitrust investigation on an industry-wide basis.

Of the 14 Delaware corporations suing the FTC—all of which are also included in the second round of questionnaires—only one is actually considered a "local" firm in the First State. That one is Eaton Corp., a division of Yale Trucks which manufactures industrial fork lifts at its Smyrna plant.

According to the FTC, under present law manufacturers are not required to report to any federal agency with data on specific lines of business. What little information is available for divisions, rather than companies as a whole, is reported in so many different ways that it is impossible to compare it, the FTC says.

Information sought by the FTC is similar to product information which would be required under federal charters such as those proposed by U.S. Rep. James V. Stanton, D-Ohio, and Ralph Nader.

The big difference is that the FTC doesn't intend to make information from individual firms public. Stanton and Nader would.

"One of the widest gaps in our knowledge about corporate giants is how large a business they do in individual product lines—and how much profit they make on each of these products," Stanton said earlier this year.

"This information is needed to keep the marketplace open to anyone who wants to buy or sell in it, including new companies who might want to bring in a product line of their own," he said. Such companies would be encouraged to enter if they could learn, for example, that a particular product is genuinely profitable to make, and that demand for it is strong.

"If corporations had to report their experience with each product," Stanton added, "it would become quickly apparent whether monopoly profits gained in one line were being used to underwrite below-cost selling in another line, merely to drive out the competition.

"Moreover, quantitative data about sales would indicate how much of the market had been cornered by individual corporations, thus exposing monopoly power where it might have been suspected but was otherwise difficult to prove," he added.

The data sought by FTC includes information on price structure and profitability of specific product lines, expenses for advertising, other selling expenses, expenses for research and development, details on depreciation, cash flows, payroll and cost of materials.

Such information is necessary, according to FTC, because "great merger waves" since 1960 have resulted in large conglomerates and all but wiped out any clear picture of financial developments in specific industries.

The line of business reports now being

collected will allow the FTC to determine which industries warrant more detailed investigations and possible antitrust enforcement actions.

The reports will also be useful in development of basic antitrust policy, FTC said, will enable investors to make informed decisions about new businesses, and will enable managers and directors of corporations to evaluate the performance of their own enterprises against industry averages.

The FTC, which will publish its results as industry averages, has promised firms that it will keep their figures confidential and that they will not be used in any legal action against specific firms.

The 14 corporations suing FTC in Delaware, however, have charged that the questionnaires jeopardize the proprietary nature of their business.

They fear, too, they have said, that Congress will misinterpret the data and launch antitrust actions where there is no reason.

More than 100 firms are also suing FTC over the orders in New York state.

FTC's Bureau of Economics said the average compliance cost for the first round of orders was $40,000. Due to changes in the questionnaire, that figure is expected to drop to $24,000 for the 1974 reports now ordered.

But you have to remember, FTC pointed out, that cost falls entirely on corporations with sales of $75 million or more, not on small businesses.

DuPont Co., however, has complained to the FTC that its first reports will cost from $1.2 to $1.8 million to figure out, followed by continuing annual costs of several hundred thousand dollars.

As a result of the DuPont compaint, FTC made several changes in order to keep the company's cost at the lower end of the million-dollar-plus estimate.

CLARE BOOTHE LUCE DIAGNOSES AMERICA'S PROBLEM

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. SHUSTER. Mr. Speaker, Clare Boothe Luce perceptively diagnoses one of America's fundamental problems in an article appearing in today's Wall Street Journal.

I commend it to my colleagues as worthy of the most thoughtful consideration:

[From the Wall Street Journal, Sept. 24, 1975]

THE SIGNIFICANCE OF SQUEAKY FROMME

(By Clare Boothe Luce)

Is Lynette ("Squeaky") Fromme, the 27-year-old girl who tried to assassinate President Ford, just one more youthful psychotic, whose case should be disposed of by the state's criminal psychologists, and forgotten? Or does the girl in the long, blood-red "nun's" robe and hood, who proudly wears the Manson mark of Cain on her brow, have some social and political significance for our culture and our system of government?

Poverty and illiteracy—today's favorite explanation and apologia—for youthful criminality, do not explain her. She was raised in a comfortable middle-class home, and was in her first year in college when her father, a well-to-do aeronautical engineer, kicked her out, apparently because she was promiscuous and insubordinate. Shortly after, a chance encounter at a bus stop with a jailbird named Charles Manson, led her to join the Manson Family in the hippie world of Haight-Ashbury. She still considers herself the "main-lady" of the hypnotic pere incesteux who masterminded the seven sadistic murders for which he and three of his girl children are now serving life sentences.

Freudian psychologists will have no trouble explaining her in terms of a "father complex." In some things she has said and written about her harsh parent, there are definite overtones of the repressed incestuous desires which he seems, consciously or unconsciously, to have aroused in her.

In Freudian thought, patricide is the archetypal gesture of youth's rebellion against parental authority, and liberation from the sexual taboos and cultural restraints imposed by the "Old Man of the Tribe." Freudians will find it easy to construe her attack on the President as a subconscious transference of her hatred of her own father for rejecting her sexually, to the "Great White Father" figure.

She herself claims that her motivation was political. She blamed President Nixon for the conviction of Manson, and had planned to kill him. But when he resigned, she decided to kill Mr. Ford, because he had been appointed by Mr. Nixon, and had pardoned him.

But every young woman who hates her father, and "wishes he were dead" doesn't (fortunately) actually try to kill him, or his Freudian stand-in, the President.

What was the psychology, or philosophy that give this freckle-faced little "flower child" the courage (to debase a noble word) to carry out her patricidal wishes?

We are all children of our times, and of the culture of the communities we live in. Miss Fromme's philosophy is the philosophy of the counter-culture of the Youth Revolution, and the "flower children," who first began to bloom in the drug-drenched soil of Haight-Ashbury.

HER TRUE GOAL IN LIFE

Miss Fromme herself denies that she has a philosophy. "If you have no philosophy, you don't have any rules," she explained to her captors. In an unpublished memoir recently obtained by Time, she wrote that freedom to her meant getting everything out from behind "closed doors," and "shedding all the guilt feelings"—especially about sex and obedience—which had been inculcated by her middle-class parents. She discovered her true goal in life after she became a "flowerchild." It was "to find something exciting, and do something that felt good. . . . I didn't, I wouldn't adjust to society and the reality of things. . . . I've made my own world. . . . It may sound like an Alice-in-Wonderland world, but it makes sense."

Any college philosophy major knows the name of Miss Fromme's philosophy. It is "Existentialism"—the 20th Century thought-system expounded most notably in the '30s by Jean Paul Sartre, the French writer. (Sartre, like many Western Existentialists, gives lip-service to communism, which is the political thought-system most congruent with Existentialism.)

Existentialism holds that there is no life hereafter. There is not even a yesterday or a tomorrow. The here and now, the existential moment, is life's only reality. "Moral values," based on transcendental concepts of good and evil, right and wrong—God or Devil—are sheer fantasies, the ephemeral effluvia of the human brain box. Man creates his Gods, religions, and "moral values" in order to give some meaning to the random, episodic, transient succession of moments he calls living, or—more often—to allow him (and his class) to exercise power over others, and deprive them of their freedom, by manipulating the "consciences" and guilt feelings that religions and "moral values" create in them. Existentialism, like communism, sees religion as the "opium of the people."

Even life itself cannot be called a "good," since life is essentially accidental, irrational, meaningless, tragic—in a word, absurd. As the French Existential novelist, Camus, puts it, "The only philosophical question worth asking is, 'Why shouldn't I commit suicide?' "

The individual's freedom consists in acting, and acting out, his emotions, feelings, impulses, and desires. Nero and Hitler, Jesus and Gandhi, were equally "free men": They knew what they wanted and did it.

In the jargon of today's youth, Existentialism is "picking your own bag," "doing your own thing," "letting it all hang out," and "anything goes—including violence. Violence, (including suicide) is the natural reaction to the absurdity of human existence. It is the vomit induced by the "nausea" of life. One "makes love, not war," not because love is a good value and war a bad one, but because it "feels good" to make love, and doesn't feel good to be wounded or killed, unless one is a "masochist," and likes it. On the other hand, if wounding or killing, or even torturing someone else feels good, the sadistic act is equally liberating.

The Manson girl who repeatedly stabbed the pregnant Sharon Tate in the belly, dipped her fingers in her victim's blood, licked them, and found the sensation, Wow! Delicious!

Time, in its recent cover story on Miss Fromme, suggests that she is an "amoral freek." Editorializing on her "mad act," the magazine wrote, "The incident was a vivid reminder of one of the most disturbing paradoxes of America: the fact that such a liberal and free society should somehow generate a sprinkling of warped souls who, for dark reasons of their own, seek to work out their frustrations by destroying political leaders. The free society has discovered no effective way of identifying and controlling its demons."

To write of a *"sprinkling"* of warped souls is to ignore the fact that America is now producing a deluge of "warped souls" and amoral freaks.

The rise in this decade in juvenile muggings, armed robberies, rapes, car thefts, prostitution, drug peddling, drug-taking and alcoholism, is horrifying. In the most affluent society on earth, more than $5 billion a year are purloined by youthful shoplifters. Youthful vandalism costs our society another several billion annually.

Congress has just passed a $40 million bill for fiscal '76 to study and prevent juvenile delinquency. But sociologists have begun reluctantly to face the appalling fact that the majority of juvenile crimes are committed just because they "feel good" and are "something exciting to do."

Secondly, it is no "paradox" that a society which has, helter-skelter, been abandoning its traditional Judeo-Christian moral values, is now producing demons. And to say that it has found no way of controlling them is to ignore the reasons why our "free and liberal society" is continuing to produce them in ever-greater numbers.

Some years before the "counter-culture" became a newsworthy phenomenon, Joseph Wood Krutch wrote: "Without standards, society lapses into anarchy and the individual becomes aware of an intolerable disharmony between himself and his universe." This "intolerable disharmony" is the "nausea" described by Sarte, which the young individual feels when he learns from his parents, teachers, or professors that life is meaningless, that all "morals" are relative, all ethics "situational" and that "eternal verities" are so much religious mumbo-jumbo and obsolete bourgeois nonsense.

SCRAPPING MORAL STANDARDS

The parents, teachers and professors of today's Youth Rebels were in their cradles when the intellectuals proclaimed "the death of God," the "Old Man" of the entire Judeo-Christian tribe, and began to scrap the moral standards by which Western society had judged right and wrong, good and bad, desirable and undesirable human conduct for centuries. The parents, naturally enough, became 'permissive." But their children were also in their cradles, when—in the sacred name of free speech—the liberal intellectuals defended, in the Supreme Court, the right of publishers, play and film producers to flood America with filth. The merchants of porn, grue, perversion and violence became millionaires. The kids who were nurtured on them are today's hop-heads and alcoholics, fire-bomb throwers and thrill-killers.

Nor did the counter-culture kids invent the idea that crime—when it is not a form of "mental illness"—is a form of social protest. The liberal politicization of crime and its causes was in the air that the counter-culture kids breathed from birth.

In the liberal view that prevailed among their elders, although "crime" existed, there were no criminals—only "sick" people, and misguided "reformers," driven to commit their acts of protest by the political forces, generally identified as "conservative," who lack "compassion" (a favorite liberal buzz-word) for the "sick," the alienated, and the underprivileged.

Patty Hearst is sure to be found one of these innocents: a "mentally unstable" child, motivated by misguided political idealism.

Lynette Fromme was in her teens, and Patty Hearst in her sub-teens, when the intellectuals were praising the idealism of the burgeoning Youth Movement. The students who rioted at Berkeley for the right to use themselves the four-letter words used in the novels they were given to read in their English Lit. classes, were being seen as defenders of the First Amendment. The students who cut classes that bored them were only demanding a "relevant" education. The lads who burned their draft cards and destroyed ROTC buildings were enlightened patriots. The lads and lassies who shacked up together in the dormitories against rules were discarding the obsolete taboos of puritanism, and the last vestiges of Victorian sexual hypocrisy. Altogether, the youth rebels were creating a "New Morality," and a "New Politics."

This writer remembers the appearance, by invitation, of Jerry Rubin on the campus of the University of Hawaii in 1970. He counselled his student audience to stiffen their resolve to destroy the Establishment by killing their mothers and fathers. He also enjoined them to avoid the use of soap: A long-haired, dirty appearance and scruffy clothing was to be the uniform of the Youth Revolution.

This writer also remembers that there was no real protest from the U.H. faculty. Like the faculties of most of our universities, Hawaii's higher educators did not—and do not now—consider that they have any responsibility for criticizing, no less forming the moral judgment of their students. On the contrary, American faculties practice what they preach to their students—the avoidance of "value judgments."

CONDE NAST'S WORDS

In the words of my first boss, Conde Nast, who published Vogue, "Style percolates down." So do ideas. In the course of this century, atheistic liberalism, or as the intellectuals prefer to call it, "Humanism," has become the dominant philosophy of our educators. Its dregs are the ideas of the counter-culture.

We deceive ourselves if we fail to see that the counter-culture thrust is not towards reform, or even social revolution. It is towards terror and nihilism, violence and anarchy. Its impact upon American youth is not receding it is growing. And not the least of the reasons is that in America, nothing still succeeds like success. In our increasingly existential world, "instant fame"—or notoriety, is the goal. To be a success is to be a media celebrity. The more brutal and bizarre, the more terrible and sexually titillating the act, the more attention the media pays its perpetrator.

Elizabeth Seton, the first native American to be canonized as a saint, couldn't make the cover of Time. But Lynette Fromme made it.

WILL THAILAND BE THE NEXT DOMINO TO FALL?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. McDONALD of Georgia. Mr. Speaker, incredible as it may seem the domino theory is still debated, and people are dutifully putting their collective heads in the sand as regards the next moves by the Communist nations in that area of the world. Among the realists, however, the only argument concerns the Communist timetable. A particularly succinct summary of the current situation was recently provided by Ian Ward in the London Daily Telegraph for September 16, 1975. The report follows:

[From the London Daily Telegraph, Sept. 16, 1975]

WILL THAILAND BE THE NEXT DOMINO TO FALL?

(By Ian Ward)

Southeast Asia's militant Communist movements have had their shortcomings, but failing to signal their ultimate objectives has never been one.

In South Vietnam the Viet Cong all along wanted victory through armed struggle. Broadcasts, documents, speeches and other propaganda stated the fact *ad nauseum* for almost two decades.

Likewise in Cambodia the Khmer Rouge, long before the Government of Prince Norodom Sihanouk was toppled, exhorted its followers to pursue the glorious revolutionary war to its logical conclusion. A similar pattern was always evident among Pathet Lao in the landlocked kingdom of Laos.

That Washington seriously thought she might deflect the Communist's tide by agreeing to the 1972 coalition Government in Laos followed by the January 1973 Paris Peace document for South Vietnam is testament to the incredible naivete of liberal Americans who ultimately decided their country's policy on Indo-China.

The two-part coalition in Vientiane plus the stated objective of a government of national reconciliation for South Vietnam merely provided the Communists with textbook conditions for victories throughout Indo-China.

Yet despite the events of the past six months there still persists a wealth of world-wide public opinion—particularly in the United States and Europe—ready to believe that the Communists' drive, having wrapped up Indo-China and somehow content with the results, will now subside.

Following in the footsteps of their successful neighbouring comrades the Communist party of Thailand and the Communist party of Malaya have very different views. In clandestine broadcasts both movements have gone to great lengths to underline the importance of armed struggle and the need to gain power through it.

In Thailand, now sharing frontiers with Communist nations to the north and east, and considered by some observers to be the next-in-line domino, the political mood is one of extreme apprehension.

Local political leaders, seeking to defuse public alarm over the possibility of the country's fall to Communism, emphasize the stabilising factor of the kingdom's unquestionably respected monarchy. They also seek solace in the fact that Thai history demonstrates a nation with an uncanny ability to accommodate others.

But still the rapid fence-mending with Peking following the fall of Indo-China had all the overtones of a panic move. Accompanying this came an almost euphoric hope that July's establishment of diplomatic ties with the Chinese, by counter-balancing Russian influence in Hanoi, would somehow allay the disruptive forces suddenly tearing at the nation's vitals.

The realists have set about stiffening and expanding border patrols—troops along the Cambodian frontier and fast river craft along the meandering Mekong to the north and north-east. Security officials now recognised that border patrol police must be better armed.

Military commanders have stepped up their anti-insurgency warfare with notable successes in certain areas. But overall, observers are concerned by the inconsistent co-ordination, motivation and morale of the Thai Army.

Last month's bombing of the national memorial in Kuala Lumpur together with the grenade attack on the Capital's police barracks eight days later came after the Communists promised to increase urban guerrilla warfare throughout Malaysia.

As with the assassination of the nation's police chief last year and the gunning down since of several Special Branch detectives, the culprits of these latest Communist incidents remain at large.

Malaysian officials, highly sensitive on matters involving internal security, claim that foreign observers place too much emphasis on the nation's military and police shortcomings and not enough on the Government's economic efforts for the benefit of the population at large. But the fact remains that one well directed psychological action by the Communists can negate months of well planned economic administration.

It is in this context that valid criticism is being levelled at the effectiveness of Malaysia's Special Branch, which has suffered badly over recent years.

Contrasting with their "all-is-well" facade, Kuala Lumpur leaders recently announced the formation of a country-wide vigilante organisation to guard against crime and Communist subversion.

REJECTED THEORIES

Anti-insurgency experts in both Thailand and Malaysia overwhelmingly reject the three most popular theories offered against the likelihood of increased Communist military activity within the two territories in the months ahead.

The first of these is that Hanoi, so involved with setting her house in order, will not have time for further adventures among her neighbours. Taken a step further, this envisages a breathing space of from five to 10 years during which time Hanoi and her satellites can be wooed into peaceful regional cooperation.

The second is that the Sino-Soviet split will so divide and complicate the Communist world as to make effective support of regional wars of "national liberation" virtually impossible. Finally, it is claimed that as both Thailand and Malaysia have demonstrated an adequate capability of containing Communist activities to this point there is every reason to believe they will continue to do so.

The ability of Thailand and Malaysia to cope with the expected increase in Communist terrorism, say anti-insurgency experts, can only be assessed in the light of two varying but dominating factors.

These are: the degree of political stability achieved respectively by Bangkok and Kuala Lumpur: and the speed at which Hanoi—of the region's two primary revolutionary sources—is prepared to push the action. The two influences will naturally be inter-related and should not be undermined by the fact that Peking, the other centre for revolutionary inspiration, will probably emerge ideologically at variance with Hanoi.

Some political circles have speculated that as Hanoi has so far failed to expand her involvement among the Thai Communists since her Indo-China victories, then perhaps her attentions are focused elsewhere. Against this the experts contend that they would not have expected the North Vietnamese to gear up for a fully active role within this timeframe.

Latest Western intelligence appreciations of both Thai and Malaysian Communist movements show essentially unspectacular but nonetheless broadening infrastructures over the past decade.

The Communist party of Thailand is divided into three largely autonomous military regions located in the north, north-east and southern sectors of the kingdom. Top of the Communist Thailand hierarchy is thought to be an ethnic Thai named Charoen Wan-ngam, who is probably the secretary-general. There is no permanent central co-ordinating committee as such, but on occasions that the leaders do meet the venue is usually somewhere in southern Laos.

Current estimates place full-time insurgents in Thailand's northern sector, comprising mainly Meo soldiers led by Sino-Thais, at around 3,650. In the north-east where ethnic Lai-Thais plus an assortment of tribesmen are led by Sino-Thais the statistics show some 3,650 insurgents. In the south, approximately 1,300 ethnic Thai guerrillas, with a smattering of Moslems, are again led by Sino-Thais.

On the other hand the Communist party of Malaya, which split into three rival factions in 1970, concentrates its primary military effort in the northern regions along the Thai-Malaysia border. The three factions comprise the old Communist party of Malaya, still led by Chin Peng, the Communist party of Malaya (Marxist-Leninist) and the Communist party of Malaya (CPM revolutionary). Malaysian intelligence statistics show combined guerrilla strengths of the three operations to be 2,047 which breaks down on national grounds to give 875 Malaysians, 1,170 Thais and two Japanese.

Despite official claims of successful joint border operations between the Thais and Malaysians the fact remains that border cooperation so far as effective anti-insurgency measures are concerned, is lamentable. And while this state of affairs exists Thai and Malaysian units will continue to be beaten by the terrorists at every encounter.

FEDERAL TAXPAYERS' RIGHTS ACT OF 1975

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. ANDERSON of California. Mr. Speaker, it gives me great pleasure in announcing my support for H.R. 9599, the Federal Taxpayers' Rights Act of 1975.

By curbing the power of the Internal Revenue Service and reaffirming the Congress oversight authority, this bill seeks to right many of the wrongs that frustrate and antagonize the American taxpayer.

H.R. 9599 first establishes the fact that the General Accounting Office, an arm of the Congress, does, indeed, have the power to investigate the Internal Revenue Service. The question the American people have begun to ask in light of Watergate-related disclosures is, "Who investigates the investigators?" H.R. 9599 guarantees that the IRS will not be permitted to continue along on its course of semiautonomy.

Second, the bill provides that educational materials be developed by the IRS for helping taxpayers understand tax collection procedures, and that copies of relevant materials be sent to taxpayers who come in contact with the IRS in the collection process.

Third, H.R. 9599 creates a new position in IRS to assist the unfortunate taxpayer who gets involved in a losing battle with IRS computers. This provision is an important one, for often there is simply no human element in the collection business. I have received letters from constituents who detail their battles with IRS computers, some of which lasted for years. Having a human being to deal with other human beings will not only cool quite a few tempers, but will probably result in savings of time and money within the IRS.

Fourth, this piece of legislation sets up a 3-year pilot project for examining the value of providing low-cost legal services to lower income persons. This would be a first step in correcting a great inequity in our tax system—a rich man can hire a lawyer to find all the loopholes, but a poorer man cannot. Thus, the progressive nature of our tax structure is effectively thwarted. I look forward to seeing the results of the pilot project, for I have had occasion to question IRS treatment of poor persons and minority groups in my area. Quoting from one letter from the IRS—

> The I.R.S. office in Carson (California) is one of our largest offices. It covers the heavily populated southwest section of Los Angeles. Many of the examinations conducted in the Carson office are of low-income returns because of the relatively large low-income population . . .

One of the most emotionally disturbing powers that the IRS wields is the power of the termination assessment. Simply stated, this means that the IRS has determined that John Q. Taxpayer probably will not be able to pay his tax bill, so the IRS will have to take his assets away. It was reported in the February 28, 1975, edition of the Long Beach Independent Press Telegram that in one case, a renter signed his check over to his landlord, only to have the account attached by the IRS, without an investigation, according to the report. The money was returned, though—18 months later.

H.R. 9599 seeks to correct this situation, requiring that the taxpayer have access to a court hearing within 10 days, and increasing the amount of personal assets that are exempt from confiscation.

Another taxing misuse which has come to light in recent years is the maintaining of files on individuals—not files on income, or taxes paid, or assets, but files on political and religious beliefs and many other activities totally unrelated to taxation. This legislation would strengthen prohibitions on this type of activity.

The last major provision of H.R. 9599 deals with disclosure of tax information. As the second article of impeachment pointed out, the Nixon administration's freewheeling use of supposedly confidential tax information was a violation of individual and constitutional rights. This legislation seeks to further prevent a recurrence of such a situation through limiting access to such information and through stronger penalties for abuses of the system.

I am hopeful that the House will act on this bill quickly and positively, for the abuses and inequities of the tax system as it stands today deserve the foremost attention of all of us.

At this point I would like to insert in the Record an article on this subject which appeared in the September 21 Los Angeles Times:

[From the Los Angeles Times, Sept. 21, 1975]

TAXPAYERS MAY GET A FRIEND AT IRS

(By Richard T. Cooper)

WASHINGTON.—As a Texas tax lawyer told the tale, the self-employed construction worker knew he was in trouble with the Internal Revenue Service but thought that he was taking a step in the right direction when he accepted an invitation to sit down and discuss a payment schedule.

What the errant citizen did not know was that even as he sat in apparent amicable conversation with one IRS agent, others were outside seizing his pickup truck and everything in it to satisfy Uncle Sam's claim.

Then there is the Ohio man who said he had spent two years trading checks, letters, telephone calls, claims and counterclaims with IRS officials and computers—all because he amended his 1973 tax return and then tried to return $8.81 he believed the government had overpaid him on a refund.

That particular bureaucratic wrestling match is not over, but at the moment the Ohio man contends that the IRS owes him $38.93 and the IRS contends that the Ohioan owes it $75.95.

Given the complexity of U.S. tax laws and the rules of confidentiality surrounding IRS operations, it is almost impossible to assess the specific merits of cases such as these. It seems clear, however, that no government agency touches so many citizens so intimately as the federal tax collectors and none enjoys a more fearsome reputation for implacable pursuit of its targets.

Now, under terms of a bill introduced last week in the House and Senate, taxpayers would get a special friend down at the local IRS office with ombudsman-like authority to restrain overzealous tax gatherers, inform citizens of their rights and help them if they are being mistreated.

The bill is partly the result of Watergate-related disclosures of attempts to misuse the IRS and partly the result of a long study of public disgruntlement by the new oversight subcommittee of the House Ways and Means Committee, headed by Rep. Charles A. Vanik (D-Ohio).

Scheduled to be considered by the full

committee later this week as part of a broad program of tax reform, the bill would seek to prevent political use of the IRS, bar surveillance by tax agents except where tax law enforcement was directly involved, codify and tighten rules under which other agencies could have access to tax returns, empower the General Accounting Office to monitor the IRS and create a special unit within the IRS to handle citizen complaints about the way its agents function.

Many of these sensitive areas are already covered to some extent by existing laws and IRS regulations, but Vanik and Sen. Warren G. Magnuson (D-Wash.), who introduced the bill in the Senate, believe a tougher, more unified statute is needed.

"I have received an outpouring of mail from throughout the United States complaining about arbitrary, capricious and arrogant treatment of citizens by the Internal Revenue Service," Vanik said in a House speech introducing the measure. "Many of these letters are tales of inconsiderate and rude treatment, computer foulups, mistaken seizures and excessively harsh collection procedures.

"Basically, I believe the IRS is one of the finest and most efficient government agencies anywhere in the world. The overwhelming majority of its employes are highly dedicated public servants," Vanik said. But he asserted that complaints received by his subcommittee "indicate that some changes are necessary."

Sen. John V. Tunney (D-Calif.), a cosponsor of the bill in the Senate, said his office often gets complaints from constituents about IRS activities.

The measure, called the Federal Taxpayers Rights Act of 1975, "will, once and for all, end the system by which officials of the Internal Revenue Service arbitrarily, and without due process, use the power of their positions to harass and intimidate taxpayers," he said.

If the tone of congressional critics of the IRS seems strong, the language of some of those who have written to Vanik's subcommittee is even stronger. And it is perhaps significant that many of those who are most incensed have been contending with the tax collectors over small amounts.

A Massachusetts man, for example, struggled to avoid paying a $10 penalty he thought the IRS had assessed against him as a result of an accounting error the agency itself had made. He said he found the IRS agent to whom he tried to explain the situation "very rude and uncooperative."

Threatened with seizure of his assets, the man paid the penalty under protest, saying, "If many taxpayers are treated in this manner it won't be long before this country will see a taxpayers' revolt that will make the Boston Tea Party seem like a picnic, and I for one will enlist for the front lines."

For its part, the IRS seems inclined to suffer criticism stoically, acknowledging that it makes mistakes, noting the size and unpleasant nature of its task, pointing to recent voluntary changes and conceding that more needs to be done—but opposing congressional action.

"Administrative solutions are better than legislatively imposed solutions," Donald C. Alexander, commissioner of internal revenue, said last week through a spokesman.

Alexander frequently has agreed with critics that rules governing access to IRS files and disclosure of tax return information to other government agencies need tightening. He argues, however, that such action must be preceded by revising laws that now open the way to such dissemination of tax material.

Also, partly in response to criticism about IRS agents' collection of personal material on taxpayers and about instances in which IRS surveillance of citizens has appeared to have little to do with revenue matters, Alexander last June issued a new policy statement and detailed guidelines to halt such apparent abuses.

Now, IRS agents are under orders to collect only information necessary for enforcement and administration of tax laws and to stop keeping dossiers of irrelevant material on taxpayers.

"We've pointed a heavy finger at ourselves where we thought we should," an IRS official here said recently. But he suggested that the sheer volume of work makes some mistakes and undesirable conduct almost inevitable.

In any year, the 80,000 IRS employes process more than 120 million tax returns and gather in about $270 billion.

"Sure we make terrible mistakes and some of our people aren't very nice," the official said. "I think the context is that nobody likes to pay taxes and we don't expect to make it a pleasurable experience but we've got a job to do.

"Our obligation is to make it as easy and pleasant as possible" to pay taxes, he said, but he acknowledged that the IRS had no "formalized complaint service" to help citizens who were unhappy with the manner in which the tax collectors had treated them.

(IRS does have appeals procedures for persons who believe it has made mistakes in applying tax laws or in computing their obligations.)

Supervisors in IRS field offices can be notified of abusive or overbearing behavior, an IRS spokesman noted.

To Vanik and other critics, however, such answers are inadequate. The measure they have introduced would:

Require the IRS to provide taxpayers with detailed pamphlets outlining their rights and duties in connection with various IRS procedures when tax collectors first contact persons who are investigative targets.

Prohibit all investigative and surveillance activity not directly related to tax law enforcement. Criminal penalties would be provided for violations, along with authority for civil damage suits.

Give taxpayers, who are subject to jeopardy assessments and other procedures by which the IRS can seize a person's property, time to seek relief in federal district courts before their assets are taken.

Create an ombudsman-like office of taxpayer services with agents at the field-office level who could halt IRS action for up to 60 days if they found a taxpayer was "suffering from an unusual, unnecessary or irreparable loss."

Give the General Accounting Office, the watchdog arm of Congress, broad powers to monitor and investigate IRS performance. At present, the IRS refuses to recognize the GAO's watchdog authority.

Tighten disclosure rules, which now permit the IRS to share data with states and federal agencies. Under the bill, data could be given to federal agencies investigating non-tax-related criminal matters only if a search warrant were obtained.

Authorize a pilot project in a limited number of cities so that citizens could get help from the Legal Services Corp. in dealing with tax problems.

As critics concede, it is no easy task for the IRS to do its legal duty for the Treasury and satisfy taxpayers at the same time. But beyond the Watergate-related fears of abuse by powerful leaders in Washington, there is concern that some within the agency have grown insensitive to the awesome power they wield.

In the words of a retired Marine sergeant who told Vanik his $18 bank account was seized and part of his pension check confiscated because of a $1,600 debt: "Some of the lesser public servants seem to have the mistaken assumption that they are 'the government'."

TELECOMMUNICATIONS

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BROYHILL. Mr. Speaker, this year the United States and Japan have been participating in an exchange program involving telecommunications. As part of this program, John Eger, Acting Director of the Office of Telecommunications Policy, recently visited Japan to meet with that country's government and business representatives of the telecommunications industry. Mr. Eger's speech before the Research Institute of Telecommunications and Economics in Tokyo, Japan, highlights the future of telecommunications and stresses the need for a continuing international exchange of views. Mr. Eger's speech follows:

SPEECH DELIVERED BY JOHN EGER

It is a sincere pleasure for me to be here in Japan. I particularly appreciate the opportunity to address you, my colleagues in telecommunications, on the United States approach to many of the communications issues confronting us, not because our experience is in itself worthy of retelling—but rather because the issues I shall address, in the broader context, are knocking at the door of the international community.

In the long view, telecommunications is only the latest chapter in the history of civilization, a history whose major milestones are linked to the development of tools and techniques for gathering, storing, analyzing and transmitting data—in other words, the tools of information exchange. A number of significant chapters in this history should be noted—the development of a systematized approach to speech, the creation of a written language, the development of mathematics, and the invention of the printing press. As we know, the chapter of the most current development, telecommunications is just beginning to be written.

Telecommunications has become a pervasive and essential aspect of modern society. Our economy, our social welfare and our style of life simply would not exist without modern telecommunications. The United States and other technologically advanced nations such as Japan are in the midst of a profound and basic transition from an industrial to a post-industrial society—that is to say, from one in which social resources are to be measured primarily in the production of goods to one in which social resources depend on the production and use of information. In short, modern telecommunications techniques have placed us on the brink of a revolution whose impact may be more profound and sweeping than any we have ever before experienced.

In the face of such imminent and profound changes, it is incumbent upon nations such as the United States and Japan, which have traditionally held leadership positions in telecommunications technology, to define our goals, assess alternatives, and set our course toward formulating deliberate and responsible policy options, not only for ourselves but for the benefit of all mankind.

In the United States, it was only recently that the need for such a long range policy approach to communications problem solving was recognized by the creation of the Office of Telecommunications Policy. OTP was established after many years of study and many recommendations for the creation of a central focus for telecommunications within the Executive Branch of our Government. By Presidential order, we have several major responsibilities in addition to serving, as you know, as the President's principal advisor on telecommunications and coordinating the governmental use of telecommunications. By far, one of the more important of our roles—although still the least well defined—is to promulgate plans, programs and policies designed to advance the public interest in telecommunications services, for although we have no direct regulatory or legislative powers ourselves, we do have a tremendous opportunity to influence the course of events in many ways, whether by public policy initiatives, consultations with government and industry officials, conducting engineering studies and economic analyses, recommending regulatory courses of action to the Federal Communications Commission or proposing legislation to the Congress.

As I mentioned, OTP has only been in existence for five years, but in this rather brief time, we have addressed some of the major policy issues posed by the telecommunications revolution that we are experiencing. I would therefore like to share briefly with you some observations on communications policy matters which I believe are of concern and interest to both our countries.

One such concern is the apparent slowness in incorporating new technologies and new services into our existing telecommunications infrastructure. For all of the technological giant steps we are experiencing—whether dramatic, as in the case of transistors and communications satellites, or more routine, as in the constant increase in the information carrying capacity of our transmission facilities—telecommunications is changing the face of American society at only half-speed. We have not, in short, taken full advantage of the telecommunications technology available. And yet, this technology, in its varied forms, has the ability to solve some of our most pressing national problems. It can help us increase our productivity, boost our economy, conserve energy and preserve our environment. The fault here certainly does not rest with a lack of engineering innovation. Nor does it likely result from a lack of industrial or commercial creativity. The bottleneck, we have concluded in the case of the United States at least, is institutional.

In earlier times, the expansion of new technology was welcomed without too much concern for future impact; new services and innovations were easily assimilated into the system; and there was more time and more room to compensate for error. We had the luxury of being able to make up the rules and develop the policies on a case-by-case basis. In fact, policy as it was known then (and even now to some extent) was often no more than an accumulation of regulatory decisions. But the quickening pace of technological advances in communications and the growing importance of telecommunications has now rendered the case-by-case method of policy formulation not only obsolete, but dangerous. We are in an age which requires careful planning to assure, by anticipating and avoiding problems, that we make optimum use of the communications technologies we have at hand. Of course, too careful consideration of a problem, or too rigid a plan for development, can stifle creative and innovative problem solving. Striking a delicate balance in this respect therefore has been one of the chief communications objectives of our Government.

The birth of the specialized domestic common carrier industry and the advent of the so-called value added (or computer/communications) carriers, for example, are the result of a conscious shift in policy favoring more competition and new entry. Until recently, domestic common carrier communications consisted largely of nationwide monopoly services—AT&T and Western Union. Both were legally and I believe properly sanctioned as natural monopolies—an exception to the time-tested American rule of business competition. However, in the late 1960's and early 1970's, the Government concluded that the newly emerging services, such as domestic satellite service, did not lend themselves to the regulated monopoly approach of earlier years. According, over the past several years, we have sought to develop a policy of making the communications industry less monolithic and more responsive to innovation—a policy grounded on the premise that the public is more likely to receive the benefits of new products and services, to receive them more quickly and at lower cost, if they are available from diverse sources—in short, a policy in which competition is the rule and monopoly is the exception. We seek not competition merely for its own sake, but competition that will more effectively deliver to the public the great wealth of innovations in science and technology at the lowest possible cost.

These are indeed noble policy goals, but the delays and difficulty which have accompanied their fruition demonstrate how much more rapidly the technology has advanced than have the necessary institutional arrangements to put the technology to the best possible use. The pace of technological change has outstripped the ability of our political institutions to deal with the socio-economic changes that such developments demand.

OTP is seeking to facilitate creation of new, more appropriate institutional arrangements—and with some notable successes—through the reduction of inappropriate regulatory restrictions not only for common carrier services, but for others as well. Our office, for example, is in the final drafting stages of legislation that would free cable television from a regulatory structure which limits it to a medium supplementary to television broadcasting. It is our view that cable television is a medium in its own right and its broadband service capabilities should be available to the public without undue economic or content regulation by the Government. In like fashion, we are evaluating whether existing statutes are sufficiently flexible to accommodate and encouarge innovative offerings of communications enhanced by computer technology.

At this curcial juncture in our communications history, we are also concerned that the Government, as the largest single user, is responsive to change in the telecommunications industry, and that by virtue of its sheer size, Government consumption does not impede developments in the private sector. In this regard, we are examining the present and future operation and use of communication systems by our Federal Government. Countries such as Japan, having recognized the fundamental importance of telecommunications, have already organized themselves to deal with telecommunications systematically. The U.S. Government, itself a $10 billion-a-year user of telecommunications services, is not yet so well organized. Over the years, the various agencies of the Federal Government have operated autonomously in their planning and operation of telecommunications systems. In fact, some forty telecommunications activity centers now exist within the Federal Government. Our office, which is charged with coordinating Federal Telecommunications activities, is therefore making a determined effort to coordinate their activities and to reduce duplication of systems, spectrum space and expenditures while still encouraging innovation. Following nearly five years of activity, we are today seeing the fruits of our efforts to determine the scope and status of agency systems.

Earlier this month, for example, we released a study on radio navigation systems either in use or in the planning stages—some eighty systems in all. Radio navigation systems utilize approximately 16 percent of our spectrum space and account for about one-third of total Government expenditures in telecommunications. Our study found that with proper coordination the number of radio navigation systems could be reduced to thirteen with a resulting cost savings of approximately 40 percent over the long term. With these objectives in mind, we have now begun the hard part, the long implementation phase of our program.

Underpinning many of our telecommunications initiatives, both in the Government and the private sector, at home and in international forums, is of course the desire to conserve our utilization of spectrum space. The United States is a nation on the move. Our investment in radio navigation systems and the rapid proliferation of mobile radio communications have underscored the need to examine new distribution alternatives—such as optical fibers, satellites, digital transmission of television signals and add-ons to TV signals like multi-channel sound and captioning. But rather than dwell any longer on additional areas of domestic activity, I would like to turn to international questions. In the final quarter of the 20th century, we must all recognize that international telecommunications is rapidly bringing together the economies of all advanced nations. Just as we in the United States can no longer afford the case-by-case approach to formulating communications policy and cannot in the fiscal sense accommodate duplication or inefficient use of communications by our Government as a user, so we cannot or should not permit missteps, omissions or a failure of will to occur as we build our global networks and plan the international communications systems of tomorrow.

Japan and the U.S. have had similar experiences developing and promoting communications technology. These common experiences have helped us to understand that the advent of new technological developments can and will have a profound impact not only on our own citizens but on all the peoples of the world. This special view of the world not only provides us with unique opportunities but also confronts us with very special and unique responsibilities. We have already recognized at OTP the growing importance of international telecommunications and have begun to take active steps to attack specific problems such as the computer/communications convergence and the development of international data networks; direct broadcasting via satellite; and the spectrum scarcity dilemma. These issues demand attention and we are working on them. But we recognize that international concerns are often very complex and must be resolved in international forums. Accordingly, we believe first that increased attention must be given to strengthening our international institutional structures or to modifying them, as necessary, to solve the problems we are now facing. Second, that Japan, the U.S. and other industrially developed countries with special expertise must seek to accommodate the needs of those whose telecommunications have not yet been able to fully develop. And, third, so that mistakes of the past will not be repeated—so that international or global communications developments proceed at the optimal rate of innovation—an agenda for the future must be formulated, and reexamined from time to time so that, as a result of continuing dialogue, issues can be resolved with deliberate speech and without undue differences.

I believe that my visit to your country this week, during which time we have had the benefit of exchanging views with you, is an example of the kind of activity that we must pursue to a greater extent in the future, and I would like to continue, as part of this new agenda, the kind of dialogue that we are experiencing now. We are only halfway through our schedule of talks in Japan, but we have already found our trip extremely valuable. I have already noted the special capabilities of Japan and the U.S. in many areas of telecommunications and I think the time has come for us to recognize this mutuality of interest by regularizing our exchanges. What I am proposing is that we agree to hold regular, frequent consultations on a broad range of communications issues, including such issues as cable and satellite facility planning, sharing views on communications policy planning, cable TV, direct broadcast satellites, assistance to developing countries, and other similar matters of joint concern. In this way we might contribute to setting the world telecommunications agenda; participate in discussions of the future of telecommunications; anticipate problems and consider them in a thoughtful way rather than reacting to specific situations after the fact; discuss the realities of standardization and consider in a more programmed fashion, how best to fulfill our obligation to share the benefits of advanced telecommunications technology with those nations having a need for and an interest in such assistance.

In closing, I am reminded that the Japanese character for "man" closely resembles the path of a satellite uplink and downlink. What is significant about this symbolism is not merely that we can communicate with our fellow man, but that we have a unique opportunity to work together in a spirit of mutual cooperation to resolve problems and work toward common goals for the good of all mankind.

SGT. WALLACE MOWBRAY

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BAUMAN. Mr. Speaker, on August 12, a procession of hundreds of police officers and other Maryland citizens solemnly gathered in the Kent Island United Methodist Church. They assembled there to pay tribute and last respects to Sgt. Wallace Mowbray, a Maryland State policeman who was gunned down by four armed men in the process of robbing a liquor store. For the fallen sergeant, his course of action was a simple demonstration of his sworn duty.

Yet this is, also, more than that, Sergeant Mowbray, as newspapers all over Maryland have explained, was a model father, a citizen, and public servant who inspired love and confidence in nearly everyone who came in contact with him. Wallace Mowbray assisted me on one occasion and I cannot help but feel the same sense of loss so many others feel. I attended the services at the Kent Island United Methodist Church, and I talked with some old friends who knew Wallace well. As one friend explained to me—

> Mowbray was what you might call a perfect citizen, a natural for any kind of job which in the end places others ahead of himself. It was almost like they paid him to do what only came natural for him, thinking of others first, protecting others all of the time.

What more fitting tribute can any man, irrespective of his profession, ever hope to receive but that which this man has, from so many friends and grateful strangers of whom he has never asked a favor.

Sgt. Wallace Mowbray represents every citizen who wears the uniform and lives the code he has sworn to uphold as a protector of the community. He was a most courageous man, and I bring to the attention of my colleagues several editorials on the subject of his passing. These editorials speak on behalf of us all in extending our sympathies to Mrs. Mowbray and the entire family:

[From the Kent County News, Aug. 13, 1975]

Sgt. Wallace J. Mowbray Did Not Die in Vain

We never met Sergeant Wallace J. Mowbray of the Maryland State Police, but his death Saturday night outside a liquor store on Kent Island touched us all.

He is only the third state policeman to die in the line of duty in the 54-year history of the Maryland State Police, but even three are too many.

Most of us work at hum-drum occupations. Few of us lay it on the line. Today, more than any time in history a State Policeman lays it right there, on the line, every day he dons the khaki and pulls that hat down on his head.

Saturday night in front of Baker's Liquor Store in Chester, Sgt. Wallace J. Mowbray, father of three, well thought of by his contemporaries and friends, laid it on the line. We doubt if he gave what he was doing any more thought, than simply, this is my job.

Sergeant Mowbray was checking out a suspicious looking van. Later it was found to have been stolen. It contained four men. Four dangerous men. Sgt. Mowbray made what could be termed a "routine check." It was not routine. Seconds later, a shotgun blast rang out. In less than three hours Sergeant Wallace J. Mowbray was dead on the operating table at the Institute of Emergency Medicine at Baltimore's University Hospital.

The viciousness and suddenness of the shooting and the rape that followed leave all law-biding, decent citizens bewildered and drained. Three of the four men have been apprehended. The search continues for the fourth.

Meanwhile, yesterday funeral services were held in a small church on Kent Island and Wallace J. Mowbray was brought home to his native Cambridge to be laid to rest in Dorchester Memorial Park. He did not die in vain. He died doing his job and everyone concerned with law and order is indebted to him.

[From the Queen Anne Record-Observer, Aug. 13, 1975]

Wallace J. Mowbray

Every citizen of Queen Anne's County has his or her own personal recollection of Wallace Mowbray—not only of our contacts with his work, but more importantly with him as a citizen, as a neighbor, as a person whose private life was a mirror reflection of the principles by which he lived in carrying out the law which he had sworn to enforce.

The very existence of these personal recollections is a more eloquent and lasting tribute than anyone can give, for the character of such a man is so complete that it neither requires nor permits definition or embellishment.

No less can be said of his professional life. It involves no disrespect to his fellow officers to say that less than a handful were even nearly his equal. With even more certainty it can be said that none was his superior.

The irony of his tragic assassination last Saturday is that those very qualities of greatness brought it about.

As a sergeant assigned to another part of the State, he did not participate in routine patrol work. For Wallace Mowbray, "routine" patrol was the stuff that his profession was all about. His place was with the men in his command, doing what all of them were hired to do. It was for that reason, more than any other, that he requested assignment on the Eastern Shore. Even here, it was his own desire, rather than any requirement of the rank which he held, which placed him on Kent Island last Saturday.

And, no one will probably ever know exactly what attracted Wallace Mowbray's attention on that last "routine" patrol. We won't know, because it was something that would have certainly passed the notice of a civilian, and probably many a veteran policeman. It was his supreme skill and perception which earned him the proper title of "a policeman's policeman." It was his supreme skill and perception which placed him in the circumstances which brought about his end.

Before the events of Saturday night, we might one day have had the chance to give Wallace Mowbray a retirement party and thank him for doing the job we all knew that he did—but in which too few of us gave the kind of real support we knew he deserved. It is now a privilege that we are to be denied.

It's too late now to say "Thank you, Wally Mowbray."

But, God grant that we won't forget you or your example.

[From the Star-Democrat, Aug. 13, 1975]

Let's Pause a Moment

Right now, there is very little we could write that would in any way ease grief the family and colleagues of Sgt. Wallace J. Mowbray are suffering.

They must still be numb from the shock of the cruel and sudden death he suffered while on duty performing the sort of ordinary task which generally goes without a hitch, but which went so horribly wrong Saturday night.

They will band together to comfort each other and help each other through the coming difficult days.

Meanwhile, the rest of us need to think again about just how much it means that there are state and local police officers who willingly face every day the kind of danger which claimed Sgt. Mowbray.

Too often we think only about the fact that we had better slow down a little when we see a trooper's car on the highway.

Too often we are inclined to forget that a man who becomes a policeman takes on greater responsibilities and heavier burdens than most of us would be willing to put up with from a job. And not only does the policeman have to make sacrifices because of the profession he has chosen but must frequently put up with public abuse because of it. His family is required to give up having their husband or father around as much as they would like because he doesn't work a 40-hour week. They must constantly worry when he comes in late that he is in danger, that he is hurt or dying.

We don't know why some men are willing to take on the duties of a police officer, but thank goodness for all of us they are.

Extending our sympathies to the Mowbray family seems pitifully insignificant in the face of their loss. But for all their grief now, they do have something shining to cling to— the knowledge that so many people hold a special regard and gratitude for Sgt. Wallace J. Mowbray.

[From the Stevensville (Md.) Bay Times, Aug. 13, 1975]

A HUSHED COUNTY MOURNS

The flag on the County Court House is at half mast. All firehouses throughout the county have lowered Old Glory, and are in mourning for Sergeant Wallace Mowbray of the Maryland State Police.

The entire county has been stunned into grim silence and disbelief because of this tragedy. The men who committed this horrible crime have been apprehended and are in tight security in an Annapolis jail. They face charges of 1st degree murder and two charges of rape.

People everywhere speak in hushed tones as they express grief for Sergeant Mowbray's family. Those who knew him personally are practically speechless when attempting to reveal their sorrow.

The Sergeant was a frequent, almost daily patron of the Circle Restaurant at Chester. The owner, Jimmy Ewing, and his waitresses have been dumb-struck. In trying to tell a Bay Times reporter how they feel, they repeat the same words over and over—"We're shocked and stunned. It's the worst thing to happen in this community ever. We loved Sergeant Mowbray. He was our trooper. We just can't believe such a thing could have happened to him"....

Island residents expressed themselves in many ways:

Mike Anderson, manager of the Tastee Freeze "I can't say enough about him. He was always around when we needed him."

Wheeler Baker, owner of Baker's Liquor store: "There just isn't enough good can be said about him. Just a great guy and a great cop, that's all."

Jay Lowery, filling station operator: "This is a terrible shame. Kent Island has lost a good man."

Ida Jean Buckel, Secretary to Rev. Roy Phillips: "I don't know what to say. I don't know what's happening to people and to the world. I used to be able to walk anywhere on the island, but I can't do it anymore."

John D. (Buddy) Sparks: "My first reaction was to retaliate with violence to protect our people. I left a party at my house and went to the scene next to the liquor store. After I calmed down I had second thoughts, like closing the barn door after the horse is out. Some things that might help would be better lighting on our roads, more careful surveillance on the part of our people, and greater cooperation between our merchants—a stronger feeling of kinship."

Rev. Roy B. Phillips, Pastor of the Kent Island United Methodist Church, and the Minister in charge of the funeral service for Sergeant Mowbray: "A tragic terrible thing. Here was a very dedicated Christian servant whose life has been needlessly taken. Wallace's service to humanity was a parallel to that of the Rev. Louis Foxwell. They both led equally Christian lives, and were dedicated to their daily work. Two priceless lives wiped out instantly. Wallace had a tremendous influence on our young people in the whole realm of law enforcement. I feel a great personal loss in the tragic death of our good friend and neighbor Wallace Mowbray."

RELEASE OF URI PODRIACHIK REPRESENTS IMPORTANT SOVIET INITIATIVE IN THE QUEST FOR HUMAN DÉTENTE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BIAGGI. Mr. Speaker, on Friday, September 5, I received a telephone call from Mr. Vadim Kouznetson, second secretary of the Soviet Embassy in Washington. Mr. Kouznetson relayed the very happy message that Uri Podriachik, a young Jew living in Latvia on whose behalf I had interceded, was given a permanent visa to go to Israel.

The Soviet Union is to be commended for this important humanitarian gesture. Their decision was especially symbolic as it was done in conjunction with the high Jewish holy day of Yom Kippur, and brought joy to the hearts of millions of Jews around the world. It further represented the kind of positive initiative needed if détente between the Soviet Union and the United States is to become a viable and beneficial policy for all peoples of the world.

The decision by the Soviets came at an especially critical time in United States-Soviet relations. After our signing of the controversial Helsinki agreement, there were fears that the U.S.S.R. would use the treaty as a mandate to clamp tighter controls on her citizens both in the Soviet Union and Eastern Europe. Their actions particularly in the highly explosive matter of emigration helped to allay the fears and lay the hopeful groundwork for a general relation of emigration policies for Soviet citizens.

For Uri Podriachik, the decision to issue the permanent visa ends almost 1 year of apprehension and anxiety, and instead presents him with the opportunity to live a new life in Israel reunited with his father in a land he loves very dearly.

It is my profound hope that this action by the Soviet Union will serve as a catalyst for improved cooperation between our two nations.

OBSERVATIONS ON THE MIDDLE EAST AFTER THE SINAI AGREEMENT: A FIRSTHAND REPORT

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. OBEY. Mr. Speaker, late last month, Congressman EDWARD KOCH of New York, Congressman JOSEPH EARLY of Massachusetts, and I spent 10 days in the Middle East, during which time Secretary of State Henry Kissinger was negotiating the latest Sinai agreement.

Yesterday, I filed a report with the Appropriations Committee summing up my own impressions of that trip and my concerns about the Sinai package which Congress will be asked to approve.

I would hope that before Members of the House commit themselves to the support of the package as presented by the administration, they would carefully consider the various memorandums of agreement relating to the Sinai agreement which were approved by the administration and reported in the press last week. Those memorandums begin to outline the degree to which the United States is being committed to a course of action in the Middle East. They do not reveal the various understandings which the administration reached with Egypt.

In order to facilitate the sharing of my misgivings about aspects of the Sinai settlement and the American role therein, I am inserting a copy of my report to the Appropriations Committee in the RECORD at this time:

OBSERVATIONS ON THE MIDDLE EAST AFTER THE SINAI AGREEMENT

(A report by Hon. DAVID R. OBEY to the Appropriations Committee)

Throughout recorded history, no area of the world has experienced more turmoil than the Middle East, and no people have suffered more abuse, deprivation, discrimination and acts of genocide than have the Jews. Since the establishment of the State of Israel in 1948, the Middle East has been torn by religious, political and military strife. From the day of its creation, Israel has been subjected to unrelenting efforts to snuff out its national existence.

Now, after four wars, the loss of thousands of Israeli and Arab lives, the displacement of two million people, the waste of billions of dollars and the battering of the economic and social stability of virtually every state in the area, the possibility of peace is again being earnestly and prayerfully discussed.

Last month, in an effort to gain a better understanding of the issues which plague this troubled part of the world and a more accurate perspective on the pending Egyptian-Israeli accord in the Sinai, Congressman Edward Koch of New York, Congressman Joseph Early of Massachusetts and I visited Egypt, Syria, Jordan and Israel. Our trip lasted from August 20th to August 30, 1975, during which time Secretary of State Henry Kissinger was negotiating the second Sinai agreement.

As members of the Foreign Operations Subcommittee, which will be asked to appropriate funds for American commitments related to that agreement, our purpose was four-fold:

To assess the attitude of each country in the confrontation area toward the pending agreement;

To assess for ourselves the likelihood that the agreement and related commitments would lead to long term peace in the Middle East;

To evaluate the expectations each of the countries in the area have about the future role of the United States in that part of the world—politically, economically and militarily; and

To make our own judgments about the proper American role.

We left the United States the same day Secretary Kissinger did, and at that point American actions were described in some quarters as buying peace rather than negotiating it. I returned from the Middle East with the disquieting impression that unless attitudes in the area change—especially in Israel and Syria—we may in fact be buying short run peace, but in the long run may only be providing time which can be used by some of the participants to consolidate their own positions, thereby making further concessions seem less necessary and future compromise less likely.

At this point I should state that I am speaking only for myself; others in the delegation may have differing views. But after studying the historical, social and political issues involved, there are only certain means by which a person in my position can assess a situation like this. Among the most important are:

Talking with the decision makers and advisers in each affected country;

Judging the meaning of their words; and

Looking at the material evidence.

Based upon these methods of evaluation, my impressions are depressingly different from those I had honestly hoped to form as a result of this trip.

The argument usually put forth in support of a step-by-step approach to the resolution of the Middle East question is that a second interim agreement between Egypt and Israel in the Sinai will help lay the groundwork for further agreements—between Israel and Syria in the Golan, between Israel and the Arabs on the Palestinian and West Bank problems—and finally lead to a set of lasting understandings and agreements which will, after nearly 30 years, restore a sense of justice and order to the Middle East which can be the basis for a true peace.

I sincerely hope that that will in fact prove to be the case. But I am very doubtful it will. The following chronological report on our experiences in Egypt, Syria, Jordan and Israel, especially our conversations with government officials in those countries, explains the reasons for my concern and my basic pessimism.

EGYPT

We arrived in Egypt late Friday evening, August 22nd, after a brief stopover in Portugal. On Saturday, we:

Traveled to Suez and inspected the newly reopened Suez Canal;

Reviewed Egyptian urban housing reconstruction efforts in the cities of Suez and Port Taufiq, both of which were far more heavily damaged in the '73 war than I had imagined;

Visited impressive rural housing construction projects in farming villages that had also been damaged in the war. (These projects seemed well-conceived and effectively carried out, particularly in contrast with the failure of similar efforts in other parts of the world).

We drove to Ismailia for a two-hour discussion with a number of Egyptian economic development officials, and with the Chairman of the Suez Canal Authority, Mashour Ahmed Mashour, who expressed deep gratitude that the United States had been the first nation to respond to Egypt's request for assistance in helping to clear the canal after the '73 war. (The importance he attached to the fact that the U.S. had been the first to offer a helping hand was, I think, a clear illustration that in international as well as domestic affairs, an ability to respond quickly is crucial. Had we acted a few days later—after the French and British had offered their help, for instance—the impact of our action would have been greatly diminished).

Returned to Cairo for a frank, far-ranging and extremely revealing discussion with a spokesman for the Egyptian Parliament, Mr. Mansour Hassan. He emphasized that Egypt is like an elder brother to the other Arab nations, "who feels the responsibility to do what responsibility requires." He suggested that the younger brothers in the family will acquiesce as long as Egypt is able to show that President Sadat's path of peaceful liberation of Arab territory is working, but stressed the critical importance of follow-on agreements on other fronts besides Sinai. Mr. Hassan stated that if interim progress in the Golan does not follow within three to six months, "the rest of the Arab world will become restless, will say Egypt sold out, and the trend will go the other way." This theme was later reiterated by President Sadat.

Attended a working dinner with various American embassy and Egyptian government officials, including Mr. Hassan, Undersecretary of the Ministry or Economic Cooperation Gual Nazer, and Dr. Fouad Sarraf, Undersecretary of the Ministry of Finance.

Almost without exception, the Egyptian officials with whom we spoke that day professed a willingness to accept the reality of Israel's existence if Israel agrees to a withdrawal to pre-1967 borders and to a resolution of the Palestinian question, including the creation of a Palestinian state located in the West Bank and Gaza (with an eventual United Nations-sponsored plebiscite to determine whether that state would be affiliated with Jordan or would be separate and independent). This specific and unified position on Palestine stands in sharp contrast to the vague and varying references later made in Syria to "Palestinian rights." The Egyptians repeatedly expressed an urgent desire to move Egypt away from a war footing toward a greater emphasis on attacking the country's staggering economic and social problems.

The next day, Sunday, we drove from Cairo to Alexandria, where we met with President Anwar Sadat and Vice President Muhammed Husni Mubarak for over an hour. Sadat made it quite clear that he believes American involvement in the Middle East negotiations goes beyond the role of mediator, that he sees our participation as a signal that the U.S. will follow a more "even-handed" approach to future Middle East problems, and that he expects the U.S. to be responsive to his country's economic and military needs.

Specifically, President Sadat said he needs financial assistance from the United States and other developed countries in order to solve his short term liquidity problems and stated that he desires investments by American companies. He also expressed the hope that the United States will allow him to purchase a number of "defensive military articles" which are not now available to him because of his recent rebuff to the Soviet Union.

Sadat maintained that both Syria and Israel have been re-armed since the '73 war while Egypt has not. He said he needs to purchase enough arms to keep Egypt from being "strangled" and to prevent his country from being so weak that Israel "will again become arrogant with me." When asked what magnitude of arms he was expecting, Sadat said he had not discussed specific arms levels with American officials, but asserted that his request "would be humble, very reasonable, not billions like Israel."

When asked whether he would agree to a demilitarization in the Sinai as part of a final agreement with Israel, Sadat said he would accept a "mutual demilitarization of the borders." In this regard, he said he would take realistic note of the differing geographic requirements, i.e., that Israel has less territory and thus less flexibility than Egypt in the Sinai.

I believe Sadat impressed the entire delegation with his almost desperate desire to overcome the gargantuan economic and social problems that beset his country, and his consequent desire to achieve a state of peace which will enable him to direct a greater share of Egypt's scarce resources toward the task of economic reconstruction. But above all, President Sadat stressed that he believes it is absolutely necessary that some follow-on agreement be reached in the Golan Heights. When asked whether he agreed with Mr. Hassan's assertion that some progress in the Golan must be made within three to six months, he snapped, "No, no, too long, too long" and stated in the strongest terms that negotiations with the Syrians were essential "as soon as possible." Sadat voiced concern that Israel "is in the same state that we were in before the '73 war—one of confusion;" he said that Israel "is still unable to accept the post–1973 realities, and is still arrogant, power hungry and unable to make peace." He warned that Syria "must not be allowed to despair," and suggested that pressure on Egypt from other parts of the Arab world could become intense, and perhaps unresistible, if the Syrians, Palestinans and others came to believe that Egypt had cut a deal for herself without concern for (and achievement of) further progress on other fronts.

After a most forthcoming and cordial meeting with President Sadat we met with Foreign Minister Ismail Fahmy, in what proved to be a far less productive and far more argumentative session. The Foreign Minister was obviously preoccupied and showed the strains of the negotiations; he seemed frustrated at the difficulty of dealing with an American government which possesses not only an active executive branch but an independent legislative branch as well. Perhaps our most substantive exchange came at the conclusion of our conversation when the Foreign Minister passionately expressed the belief that unless an overall settlement is soon reached, which includes the establishment of a home for the Palestinians, no Israeli or Arab leader would be safe from attack by Palestinian terrorists, and that in the long run the Arabs and Israelis "would be destined to destroy one another."

SYRIA

On Monday we departed for Damascus, and that day and the next night we:

Were briefed by the American ambassador and various embassy staff members on both the political and economic situation in Syria;

Attended a dinner with embassy personnel and Syrian government officials, including Mohammed Issam Hilou, Deputy Minister of the Ministry of State for Planning Affairs, Ambassador Nadim Duway, a Director General of the Ministry of Foreign Affairs, Zouheir Jannon, Director of Public Information, and Dr. Mohammed Sadek Ayyubi, Economic Advisor to President Assad;

Discussed various political and human rights questions, particularly the status of the Syrian Jewish population, with Dr. Al-Imadi, Minister of Economy and Foreign Trade. We tried to impress upon him that if for no other reason than pure practicality, it might be in Syria's best interest to allow the country's 4,500 Jews to emigrate. He replied that Syria had moved from being a Moslem state to a secular state and asserted that any effort to treat one group differently because of its religion would both violate the constitutional laws of Syria and would open the door to serious problems with other groups. He stated that travel restrictions are imposed on all Syrian citizens, and that all citizens—Jews and non-Jews alike—have the same constitutional rights. (Considering the present circumstances in that country, however, it is difficult to believe that Syrian Jews are allowed to fully exercise those rights. We came away with the distinct impression that it would be helpful if other members of Congress who are concerned about the Syrian Jewish question were to visit Syria and to include the matter of Syrian Jews on their agendas).

Reviewed the progress of the principal American aid project in Syria, the modernization of the Damascus water system. (One could not help but conclude that in considering productive applications of economic assistance, that this type of project represents one of the most useful and politically visible and advantageous uses for U.S. foreign aid).

Made an unsuccessful attempt to meet with representatives of the Palestinian Liberation Organization. (Whether by design or faulty communication, this meeting never materialized, although prior to our departure from Washington PLO contacts had led us to believe that it could be arranged).

Unfortunately, President Assad was occupied with a state visit during our stay in Syria and we were therefore unable to meet with him. Given that fact, any impressions drawn from our Syrian experience are undoubtedly much less useful and more tentative than those drawn elsewhere, but nevertheless, several impressions stood out.

In contrast to the near unanimity of response in Egypt, the Syrians we spoke to expressed varying reactions to the questions of recognizing the State of Israel if Israel eventually withdrew to the pre-1967 borders and agreed to the establishment of a Palestinian state in the West Bank and Gaza, either in association with Jordan or as an independent state. A number of officials who seemed to hold less responsible positions were either unresponsive or subtly hostile to the question. Several refused to respond on the grounds that "we know better than to think that Israel would be non-expansionist and realistic enough to ever consider such a settlement."

Still other Syrians were much more vague than the Egyptians had been in their definition of "Palestinian rights" and displayed a much more militant frame of mind than the Egyptians. But most senior officials such as Hilou and Al-Imadi expressed the conviction that Syria is weary of war and that while it might be difficult, Syria would find it in its best interest to reach agreement with Israel in order to allow accelerated development of the rapidly modernizing Syrian society. However, their willingness to consider such a "peace" was conditioned upon an Israel show of "good faith" through some (undefined) movement in the Golan—a condition which even they consider unlikely to be met.

In contrast to the Egyptians who seem to accept the reality of Israel, one senses that even those Syrians who do seem to finally accept in principle the idea of "peace" with Israel do so because they are confident that while it would be impossible to defeat Israel militarily (at least in the short run), the economic and cultural competition between an increasingly united and oil-rich Arab world and what they consider an essentially alien European cultural entity such as Israel will in the end result in Arab supremacy. Syrian suspicion of "Zionist expansionism" seems to be fed by their belief that continued Israeli establishment of settlements in occupied territories in both the West Bank and the Golan Heights offers concrete evidence that Israel is determined to hold onto those areas indefinitely.

I might note that the delegation asked both the Syrians and the Israelis about the theory held by some that Syria's failure to rebuild the city Quneitra near the Golan Heights, which was destroyed in the '73 war, was an indication either that Syria was seeking to maintain a living symbol of "Israeli aggression" or was planning for another war in the area. The Syrians dismissed that theory as "nonsense" and said they had no intention of rebuilding a city in the shadow of Israeli guns. While the predominant attitude in Israel seemed to be one of suspicion, we did talk to responsible Israeli officials who agreed that for the present it would make no sense for Syria to rebuild Quneitra.

JORDAN

Sobered by our Syrian experience and disappointed that our efforts to meet with PLO representatives had beeen unsuccessful we flew to Amman Tuesday afternoon. Our stay in Jordan included:

A conference with Crown Prince Hassan, who is in charge of Jordanian economic policy, concerning economic development plans for the East Bank and the role Jordan expects the United States to play in that development. (In contrast to widespread assertions that Jordan wants the return of the West Bank in order to bolster its East Bank economy, the Prince stated that in purely economic terms, the West Bank has in fact been a drain upon, not an asset to, the Jordanian economy).

A two-hour meeting with Prime Minister Rifai and King Hussein;

A dinner with various American embassy and Jordanian officials.

Our meeting with the King and the Prime Minister included discussions of the Jordanian view of Syrian attitudes, the importance Jordan places upon its ability to purchase an air defense system from the United States and the Palestinian problem. The meeting was pervaded by a profound sense of pessimism. The King and the Prime Minister made the following points:

They consider Syria's President Assad "a genuine moderate." King Hussein suggested that Syrian attitudes toward the Sinai accord were colored in part by the suspicion that Egypt had "used" Syria in 1973 as a diversion to facilitate Egypt's crossing of the Suez Canal to recover Egyptian territory.

They stated that contrary to press reports, Jordan and Syria have not formed an official joint military command. (Although no formal military command has been created, Hussein and Assad apparently did agree to increased cooperation during Hussein's recent visit to Syria).

They said that in the past few years Jordan has been able to play a moderating role among the Arab states because it has had the distinction of receiving American support—a rarity in the Arab world. They added that Jordan needs to purchase the controversial Hawk missile batteries it has requested, not only to protect its own air space, but to show the Jordanian people and the rest of the Arab world that Hussein's moderate style can be useful to the entire area and can yield more positive results than would polarized negativism.

Rifai suggested that Hussein "simply cannot maintain his credibility in the Arab world" unless he shows an ability to defend his own air space. Hussein warned that if Congress should turn down his request, he would have no choice but to purchase a similar but inferior defense system from the Soviet Union. This would be tragic, he said; "it would result in something which we have tried to avoid for 14 years—the polarization of the Middle East between the two super powers—but I would have no other choice." Hussein suggested, in fact, that the Israelis hope to push him into purchasing arms from the Russians so that they will be able to turn to the United States and say, "See, we are your only true, reliable ally in the Middle East and you must continue your aid to us." (Hussein's charge was later vigorously denied by Israeli Prime Minister Rabin).

Above all, Hussein conveyed a profound sense of pessimism at the likelihood that Israel and Syria will be able to reach an interim compromise that will be capable of preventing another war in the Middle East. He pointed to the Syrians' tendency to "oversimplify problems," his belief that the Israelis "lack the wisdom" to take advantage of the new tilt toward moderation in Syria and the present disarray among the Palestinians (leaving no authority with whom to negotiate).

Both Rifai and Hussein suggested that "it isn't necessary" for Israel to retreat to the '67 lines now. But "if momentum is to be established," they said Israel must be willing to say: "We will relinquish territorial holdings beyond the '67 borders at some future time as a final step in an overall agreement consisting of a series of mutual concessions and commitments, each followed by a time period in which to test each other's good faith. Then, as a final step after being satisfied that all the other conditions of such an overall agreement had been lived up to, we will relinquish our post-1967 territorial holdings."

Rifai and Hussein suggested that the United States is the only power which is in a position to influence both sides, but they expressed the conviction that after the Sinai agreement "the U.S. possesses neither the ability nor the will to pressure the Israelis into any kind of significant move—even on the Golan." They further expressed the fear that with an election year hiatus in the United States, the momentum for peace would disappear and the Palestinians would regroup in a more militant mood. The King suggested that the United States is "paying Israel too high a price for this interim agreement with Egypt and may thereby be jeopardizing the prospects for future interim agreements" (i.e., that by committing ourselves so heavily now, we will have no further leverage with Israel). "As you can see," the King commented, "we are depressed—we are not optimistic."

ISRAEL

We arrived in Israel on Wednesday and our three days there were as disturbing to me as they were moving. They included—

A working lunch hosted by the director of the Ministry of Finance, Mr. Arnon Gafni. We were thoroughly briefed on the immense economic problems besetting Israel—the over 20% inflation rate, the burgeoning foreign exchange deficit of $3.6 billion, the stringent measures taken by the Israeli government to attack that deficit, the burdens placed on the economy by a military budget which comprises 40% of the national budget and 30% of the gross national product. The inability of the Israeli economy to withstand these immense pressures without outside assistance was made most clear. In the face of these seemingly overwhelming problems, one must admire the vigor and commitment the Israelis have shown in building a dynamic, modern society.

A one-and-one-half hour discussion with Prime Minister Rabin, who impressed us all with his toughness, his absolute frankness and openness;

A dinner meeting with Yitzhak Navon, Chairman of the Knesset Foreign Affairs and Security Committee and a number of other Knesset members and private citizens of various political persuasions.

A moving visit to Yad Vashem, the Israeli monument to the Jewish victims of twentieth century barbarism. Nearly 120 million Americans have been born since the tragedy memorialized at Yad Vashem. To many of them, the events of World War II, the incredible attempt to decimate an entire people, are only faintly understood. A visit to Yad Vashem tells the story simply and powerfully with pictures, numbers and narrative. One cannot visit the place and not appreciate the source of the skepticism, the caution and the fears of the Israeli people, all of which have been magnified by 27 years of sustained struggle to preserve the State of Israel.

A visit to a West Bank Palestinian refugee camp at Ramallah, near Jerusalem;

A discussion with Muhamad Shilbayeh, a well-known Palestinian writer from Jerusalem. Mr. Shilbayeh seemed genuinely impressed with the democratic process in Israel and displayed an ironic combination of respect and anger toward the "Israeli state of mind." But most of all, he expressed a poignant sadness. At one point in our conversation he said, "For 25 years I am nothing in the world; I am like a leaf cut from a tree. Today, we Palestinians are the Jews of the last half of the 20th century."

A visit to a kibbutz near the Golan Heights;

An inspection of Israeli-held territory and military positions within the Golan.

A briefing and dinner with Minister of Defense Shimon Peres, Chief of Staff Lieutenant General Mordechai Gur and other Israeli defense officials; and finally,

A tour of old Jerusalem, a city which sums up human tragedy, pain, aspirations and history more intensely than perhaps any other city in the world. One of the most touching moments of the tour came when our guide took us to a synagogue built by his grandfather which had been destroyed in the 1948 war.

The most important statement made by Prime Minister Rabin in summing up his assessment of the Middle East situation was that "even until today I still don't believe that the Arabs are ready to accept the essence of the real peace. Arabs define peace as simply an end to war, but Israelis define peace as an end to war plus (the establishment of) normal relations." The Prime Minister cited the following cautionary signs:

The vague and varying definition among different Arab groups of the "legitimate rights of the Palestinians;"

The ominous difference between Yasser Arafat's "practical plan" for a Palestinian state composed of the West Bank and Gaza and his "vision" of a greater Palestine to include the State of Israel;

Rabin's own belief that the '67 lines must be adjusted in some ways if they are to be true "boundaries for peace;"

The impossibility of Israel negotiating with an entity (i.e., the PLO) "that does not even recognize our right to exist;"

The necessity for understanding that peace cannot be wished into existence in a few short months, but will take "a long process of years."

In urging Congressional acceptance of the newly negotiated Sinai plan, the Prime Minister emphasized his belief that:

Any analogy between U.S. involvement in Vietnam and U.S. technicians monitoring warning devices in the Sinai is "absurd" because in this instance, both parties have agreed to the U.S. presence. The technicians' purpose, he said, "is to give stability to the agreement, to beef it up." While he said he could "give no guarantees" about their safety, he expressed the belief that Egyptian, Israeli and U.N. forces would see to it that "no harm came to them," and that "they can leave" in the event of another war.

Many Israelis feel that the Sinai agreement is more in the interest of the United States than of Israel because it will help the U.S. President and guarantee America its oil supply.

We raised President Sadat's concern that some movement on the Golan follow the Sinai agreement almost immediately, and asked Prime Minister Rabin how likely he thought it was that a follow-on agreement could be negotiated in the near future. He replied that he was "more than doubtful;" and added that "in Sinai we have room to take risks, but the principle of step-by-step interim agreements is not everywhere equally applicable."

He said he feels that significant agreements with the Syrians are likely only in the context of an overall agreement in Geneva and observed that that would be some time away. He stated that after the Sinai agreement Israel would want "a period of several years in which we might negotiate, not under deadlines, not under reassessments and not under pressure." He asserted that time was needed to change attitudes, to allow Egypt to gain in prosperity and to "give Syria an opportunity to see the effects of the easing of tensions between Egypt and Israel." This, he said, will be a "long process. Unless the Syrians recognize that there is a reduction of tension between Egypt and Israel, I don't believe they will approach the issue in a reasonable way."

In another meeting, Defense Minister Peres made it quite clear that Israel desires and expects an American military aid package "in the magnitude we are requesting this year, not just for this year but every year for the next four years." His military staff questioned Jordan's need for 14 Hawk missile batteries and said that "the difference is that Hussein doesn't really expect to be attacked by us; we do expect to be attacked by him."

WHAT DO WE HAVE NOW?

Arms purchases

King Hussein of Jordan clearly expects the United States to allow him to purchase an "air defense system"—14 Hawk missile batteries—in order to give him the capability to defend his own air space and to maintain his credibility among his own people and the rest of the Arab world. He says that if his request is refused, he will have no other choice but to purchase a similar but inferior system from the Soviet Union.

President Sadat of Egypt clearly expects the United States to allow him to purchase "defensive" military equipment now that he has cut his ties with the Soviet Union and in fact considers the Russians the principal instigators of Arab criticism of him for signing a separate agreement with Israel in the Sinai.

Economic and military aid

Egypt desires U.S. financial assistance to help it win the race against economic collapse and the bill will be at least five hundred million dollars a year. Jordan expects continued assistance, to the point of direct budgetary support in order to keep its economy afloat and to assist in plans to develop a "food basket" on the East Bank. Syria is "interested" in continued U.S. economic aid in order to accelerate its economic development, but even more importantly, as a sign that the United States is truly interested in establishing a lasting, helpful relationship with Syria. While the Israelis presented us with a $3.7 billion military and economic aid request (including costs related to the Sinai agreement), it is clear that they realistically expect an aid package more on the order of about $2.5 billion annually for a number of years to come.

Peace expectations of the various parties

President Sadat stated flatly that if the new Egyptian-Israeli agreement were to have any degree of success, it would have to be followed almost immediately by an interim agreement in the Golan between Israel and Syria, and that if such a follow-on agreement were not achieved, Sadat would be accused of abandoning the rest of the Arab world and the momentum for peace would be lost.

The Syrians are difficult to read, but show little if any faith that Israel will negotiate a meaningful settlement in the Golan. They express great suspicion that Egypt is willing to cut a deal for itself at the expense of Syria and the Palestinians.

Jordan's King Hussein expresses near resignation at the inability of the Syrians and the Israelis to agree to anything significant on the Golan and says he believes that the United States possesses "neither the ability nor the will to pressure the Israelis into a significant move on the Golan" which could maintain the momentum for peace. Both the Syrians and the Jordanians point to the continued establishment of Israeli settlements in the West Bank and the Golan as evidence in their eyes that the Israelis have no real intention of giving up either area, even in the context of an eventual overall agreement.

In Israel, Prime Minister Rabin said that he was "more than doubtful" about the likelihood of a follow-on agreement in the Golan and stressed that after the Sinai agreement, Israel would want a period of some years "during which we might negotiate, not under deadlines, not under reassessments and not under pressure.

How then do I assess the attitudes of the respective parties and the implications those attitudes hold for the future?

I believe King Hussein genuinely wants peace and would negotiate for peace as reasonably as possible if given the opportunity by the Israelis and Arabs. Unfortunately, past actions by both have, for the time being, denied Jordan the opportunity to be of much assistance in reaching any accord—short term or long term.

I believe the Egyptians also genuinely desire peace so that they can devote a greater share of their resources to their own desperate economic problems and I believe that that desire runs deeper within the Egyptian body politic than just President Sadat. But the resentment of generations, the pressures against Sadat's moderate position and his signing of a separate agreement (pressure being voiced throughout the Arab world and being fed, according to Sadat and many other observers, by the Soviet Union), could in time erode that thrust of moderation unless, in the words of Mansour Hassan, spokesman for the Egyptian Parliament, Sadat "can show that his path of peaceful liberation of Arab land is working," and that it constitutes a reasonably hopeful path, not just for Egypt, but for Syria, Jordan and the Palestinians as well.

I also believe that Israel is genuinely desirous of peace in order to shed the heavy defense burden it has borne for its entire existence, and so that the Israeli people can for the first time live without fear of destruction. But the Israelis do not share President Sadat's and King Hussein's assumption that without post-Sinai pact movements on other fronts, time is basically working against the prospects for peace. Rather the Israelis emphasize the need for time during which Syria can absorb the impact of a reduction of tension between Israel and Egypt.

The Israeli strategy seems to be: deal with Egypt through the Sinai agreement and separate her out as much as possible from the rest of the Arab world. This will put Israel in a secure military position because without Egypt, the rest of the Arab world presents no serious military threat. This will in turn give Israel time—with the assistance of American aid—to consolidate its position in the West Bank and the Golan and to further strengthen its military posture. Altogether, the Israelis seem to believe that these "new realities" will gradually bring about greater Arab willingness to negotiate the Golan and Palestinian questions on terms which are more to Israel's liking.

But recent public statements by PLO leaders at the "moderate" and "extreme" ends of the spectrum (Arafat and Habash), illustrate how militants in the Arab world will seek to undermine any settlement which does not, in their view, address Palestinian goals. The longer it takes to conclude follow-on agreements, the greater the appeal that the more extreme of these positions will have for a growing majority of Palestinian people. And under these circumstances, the rhetoric and actions of Palestinian leaders such as Arafat in 1975 could look like a model of moderation in comparison with the rhetoric and actions of Palestinian leaders in 1977 or 1978.

It is apparent that most Arab leaders feel a temporary sense of relief at no longer being directly responsible, since the Rabat conference, for negotiating the question of "Palestinian rights." Often, when that question came up, the Arab response would be, "That is no longer up to us. You will have to ask the PLO."

That temporary avoidance of responsibility will have to be reversed because it is unlikely that Israel will be able to tolerate the creation of a Palestinian entity without some understanding (on control of terrorist raids, for example) agreed to by Syria, Egypt, Lebanon and Jordan. But that reversal in Arab attitude is not likely to occur until Israel, by finally accepting in principle the eventual establishment of a Palestinian entity, forces the Arab leaders to once again confront their ultimate responsibility on the question.

Essentially, Congress is being asked for the moment to fulfill two crucial commitments made by Secretary Kissinger in the new Sinai pact—the stationing of about 200 American technicians in the Sinai to monitor warning devices, and the provision of aid to Israel at a level of more than $2 billion for at least the next three years, and probably longer.

I do not agree with those who suggest that the presence of American technicians is analogous to the presence of American advisors in Vietnam 20 years ago. As Prime Minister Rabin has stated, in this instance both sides approve of their presence. There are, however, at least two other legitimate questions that can be raised.

One is simply that by their very nature, these technicians will become symbolic of the agreement and of the United States' role therein. As such, they will also become potential targets for terrorists violently opposed to the agreement. If a terrorist attack on the technicians led to large-scale rescue or reprisal operations (ala Mayaguez), America's usefulness in efforts to achieve peace in the Middle East would surely be limited for some time to come.

The other practical consideration is simply a question of whether we are not setting the stage for some sort of Soviet presence in the Middle East as part of a future settlement in the area (i.e., in the Golan Heights). Perhaps Soviet participation of that nature is inevitable and may even be considered desirable by some, but the implications of such a development should be weighed now, not later.

Essentially, Congress is confronting a balancing of risks, the risk that an American presence in the Middle East in any form might lead to our entanglement in any future war, versus the risk that an American refusal to perform what Secretary Kissinger has called "this peace keeping role" will in fact increase the likelihood of another war. On balance, I suspect that latter risk is the greater and I will, therefore, probably support the stationing of American technicians in a monitoring and peace keeping role, provided that the certainty of their withdrawal at the first outbreak of hostilities is made clear.

The other key request Congress must consider is a commitment of economic and military aid to Israel in excess of $2 billion each year for at least the next three years. That is a huge amount of money and it is a long range commitment. If provided, it will undoubtedly limit the availability of American financial resources for needed domestic programs. It will also make it more difficult to obtain support for the additional international commitments for developmental assistance which Secretary Kissinger outlined in his imaginative speech at the United Nations on September 1st and which was embodied in part in the U.N. Special Assembly resolution adopted September 16. Even weighed against those priorities, I think it would be worth the price, *if*, by paying it we could be reasonably sure that we were truly promoting momentum for peace. But if anything, I fear that Congressional approval of that request in its present form could push the prospect for peace further than ever from our grasp.

As The Washington Post noted on September 3rd:

". . . if the U.S. felt a heavy obligation to break the stalemate of the past few months, it has incurred an even heavier obligation under the terms of that agreement to promote the sort of comprehensive Mideast settlement that would put an end to stalemate in this area, once and for all."

That same editorial raised a crucial question when it asked:

". . . How much leverage is left to the United States now that so much in American military and economic assistance has already been firmly pledged?"

I recall King Hussein's warning that the United States "is paying Israel too high a price for the interim agreement with Egypt, thereby jeopardizing prospects for future interim agreements," and I recall his prediction that "the United States possesses neither the ability nor the will to pressure the Israelis into any kind of significant move, even on the Golan."

I understand why Israel is so cautious and so suspicious, given past actions by several of her Arab neighbors. I believe the United States has a moral commitment to Israel, and that we have an obligation to provide enough assistance to assure its survival. I do not believe, however, that we have a commitment to underwrite and encourage an Israeli foreign policy—borne, though it is, of understandable frustration, pressure and fear—which is essentially immoderate and unrealistic, which is not responsive to new conditions in the Arab world, and which in the long run, can only play into the hands of Israel's worst enemies, with disastrous consequences for all concerned.

I honestly believe that aid in the magnitude being requested by the Administration for Israel (especially when it is viewed as only the downpayment in a three-year or more package) is more likely than not to encourage the continuing belief within Israel that it has more time than in fact is available to achieve resolution of basic questions in the Golan and on the West Bank. (I say this with full recognition that Israel has been the winner on the battlefield. But this is one case where if the victor seeks to keep the spoils, it will be disastrous for all concerned).

I do not think that it is reasonable for Israel or the United States to expect that today's unique constellation of moderate Arab leaders—Hussein, Sadat, and even Assad, in the context of Syrian history—will remain in ascendancy for very long unless the path of moderation can show substantial progress in terms of both recovering territory and fulfillment, in some meaningful way, of Palestinian aspirations for a homeland.

I do not believe that Israel's policy will reflect sufficient recognition of the urgency of that progress if it is given the impression that the Congress is willing to vote military and economic aid, in the words of Defense Minister Peres, "in the magnitude we are requesting this year, not just for this year but every year for the next four years."

I do believe that we would be doing Israel and the cause of peace a long term favor by reducing substantially the amount of aid being requested for Israel by the Administration, limiting it to an amount necessary to keep Israel's economy viable and to maintain its existing military capability. Any additional military assistance should be limited only to an amount necessary to offset any increases in the offensive capabilities of the Arabs. Such a decision would in no way endanger Israel's survival in the event of another war. Not even the Israelis suggest that Israel is in danger of military defeat at this time; Israeli Chief of Staff Gur told our delegation that there is no question that Israel could still win another war. "It is simply a question of over what period of time and at what cost," he said.

It would be nice if we could afford to give Israel a number of years during which it might negotiate "not under deadlines, not under reassessments and not under pressure," as Mr. Rabin urged. But I do not think we can realistically expect that that much time is still left to us. As the September 3rd Washington Post editorial said.

"Nobody can be certain, of course, what would be the consequences if there was no further progress with respect to the Israeli-Syrian front on the Golan Heights, for example, or with respect to the West Bank. What is clear is that these issues remain unresolved, that the grievances of the Palestinians are still unanswered, that the Egyptians have reclaimed no more than a fraction of their Sinai territory and that continuing stalemate on these matters will swiftly create a circumstance little different from the one that Mr. Kissinger described in defense of Monday's interim agreement: a circumstance threatening "both military and economic consequences for the world that we had to do something about."

At times, the greatest service any friend can perform is to make one face unpleasant realities. I think this is the role the United States must play with both sides if we are to be a true force for peace in the Middle East. Israel, a country of three million people, is already extended to its economic limits. The Arab world of more than 100 million people is growing steadily in wealth and political and economic sophistication. I believe that unless the momentum for peace is sustained—and accelerated—at this critical juncture, moderate forces in the Arab world will be cast aside, and a far stronger and far more hostile enemy will confront Israel in the years to come. If that happened, this new agreement would go down in history as just one more lost opportunity, one more interval between wars. We cannot allow that to happen.

If the United States is to agree to supply billions of dollars of aid to the Middle East and to deploy American technicians in the Sinai—thereby for the first time becoming directly involved on the ground in the area—it has an obligation to itself to insist that the involved Middle Eastern parties avoid future outbreaks of hostility, and actively seek a permanent peace settlement. I doubt that the United States will be in a position to do that unless Congress insists on a more disciplined use of American military and economic aid than is contained in the package being requested by the Administration. I believe a thoughtful reading of the various memoranda of the agreement between the U.S. and Israel which were published in the press recently will substantiate those doubts. As former Undersecretary of State George Ball recently said:

"What the Congress is being asked to consider against a two-week deadline is as freighted with future implications as the Tonkin Gulf resolution, and Congress should not be deterred by threats of disaster if it refuses to approve everything the Secretary of State has promised.

STATEMENT OF FRANCIS FRANCOIS

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mrs. SPELLMAN. Mr. Speaker, on September 19, 1975, Mr. Francis Francois, chairman, County Council, Prince George's County, Md., testified on behalf of the National Association of Counties before the Subcommittee on Administrative Law and Governmental Relations, Committee on the Judiciary, on bills to regulate lobbying. I would like to share his remarks with my colleagues:

STATEMENT BY FRANCIS FRANCOIS, CHAIRMAN, COUNTY COUNCIL, PRINCE GEORGE'S COUNTY, MD.

Mr. Chairman, I am Francis Francois, Chairman of the Prince George's County Council. I am here today representing the National Association of Counties (NACo), on whose Board of Directors I serve. NACo is the only national organization representing county governments. Our membership spans the spectrum of urban, suburban and rural counties which have joined together for the common purpose of strengthening county governments to meet the needs of all Americans.

I would like to record the National Association of Counties' concurrence with the statement of Governor Noel on behalf of the National Governors' Conference that state, county and city officials support the public disclosure of lobbying activities. However, we do not believe that either county officials or their employees, whether hired by a single county or a group of counties should be considered in a different category from other public officials at the federal level who are exempted from the act by the fact of their public employment.

We are deeply concerned that the laws being considered by Congress to improve the present regulation of lobbying would not exempt our employees who have been hired by public bodies joining together in an association whose costs are paid for by public funds. We feel that in a federal system the states and their local subdivisions have a right and a duty to join together to insure that their needs and views will be heard by the various branches of the federal government.

We feel it is important that those representing special interests make full disclosure of their activities because those of us in the public sector are not always fully informed about their activities that impact on public programs. The National Association of Counties, National League of Cities and United States Conference of Mayors felt the issue of our exemption as public officials to be of such importance that we sought and received a declaratory judgment (*Bradley v. Saxbe* 338 F. Supp. 53 (D.D.C. 1974)) that our full time officers and employees are exempt from registration under the Federal Regulation of Lobbying Act so long as such person engages in lobbying undertaken solely on the authorization of a public official acting in his official capacity and such person receives his sole compensation and expenses for lobbying activity directly or indirectly from public funds contributed by cities, counties or municipalities. We would like Judge Gesell's judgment made a part of the record and are submitting it with our statement.

In order for the Congress to understand the work of the National Association of Counties and its employees, I would like to describe the operation, financing and policy-making processes of our organization. It is not possible or practical for each of the 3,101 counties in this country to have their own representative in Washington to help elected officials to understand what federal legislative or administrative actions mean to county governments. Therefore, in 1935 counties joined together and pooled their resources to form a national organization to represent all counties in Washington before federal, administrative and Congressional bodies. Today more than 1400 counties are members of the association.

By virtue of a county's membership, all its elected and appointed officials become participants in an organization dedicated to improving county government; serving as the national spokesman for county government; acting as a liaison between the nation's counties and other levels of government; and achieving public understanding of the role of counties in the federal system. Meeting in annual and special meetings the membership acts on policy questions and chooses the Association's Board of Directors. The Association is funded by public funds appropriated by each member county on the basis of population. Policy is determined by a system of weighted voting also based on population. The county determines which of its elected or appointed officials shall cast its votes.

As representatives of the voting membership, the Board of Directors, including Officers, serves as the policy-making arm of the Association. In that role and sitting as the Resolutions Committee, the Board receives policy recommendations from the respective steering committees and, upon approval, submits such recommendations to a vote by the general membership.

Interim policy decisions arising between annual NACo meetings may be made by the Board of Directors, but such policy is subject to revision at the next annual meeting. The Board of Directors also has the responsibility for the general supervision, management and control of the Association, including approval of the Association budget and selection of the Executive Director. The Officers (President, four Vice Presidents and the Fiscal Officer) and Directors (48 at large plus representatives from each affiliate and regional district) are elected for one year terms by the member counties at the annual NACo meeting.

NACo steering committees, under the direction of the President and membership, are responsible for assisting in the formulation and execution of policy as contained in the American County Platform. They carefully study federal, state and local issues in their respective subject areas and recommend policy for consideration by the membership. The membership is the final policy determining unit of the Association. Once policy is approved, the steering committees assume the major responsibility for supporting it at the local, state, and national levels.

In helping formulate policy, the steering committees conduct research into common county problems; explore issues through discussions and debates at NACo conferences and other committee meetings; counsel and consult with nationally recognized experts on government problems; foster similar inquiries at the state association level; draft proposed policy statements for action by the voting delegates; and support the committee policy recommendations on the floor of the convention.

In helping implement policy, steering committee members support the American County Platform in their own counties; promote the Platform in their state associations and before the state legislature; and support the Platform at the national level by providing information at the request of the Congress and federal Administrative agencies.

In his decision, Judge Gesell described the situation faced by local governments today:

"The involvement of cities, counties and municipalities in the day-to-day work of the Congress is of increasing and continuing importance. The Court must recognize that the voice of the cities, counties and municipalities in federal legislation will not adequately be heard unless through cooperative mechanisms such as plaintiff organizations they pool their limited finances for the purpose of bringing to the attention of Congress their proper official concerns on matters of public policy."

The impact of federal actions on counties cannot be underestimated. Approximately 22 percent of state and local budgets come from federal aid. The federal impact on counties is so great that some counties have full time employees in Washington to keep county officials informed about federal actions. Our understanding of the legislation before your committee is that those employed by a single county would not be required to register, but that employees hired by counties joining together in a national association would be subject to the provisions of the Act. Since all of these employees are paid for by publicly appropriated funds under the direction of public officials, we cannot see any difference between employees of a group of counties and employees of a single county who represent county interests before Congress and administrative agencies. This seems to discriminate against small and less affluent counties who must look to a NACo employee for assistance and representation.

I would like to emphasize the fact that all of the National Association of Counties operations, deliberations and policies are open to the public, press and Congress. Our policies are printed in the American County Platform, which I described earlier. All actions and positions of the association are carefully described in our weekly newspaper County News. Over 30,000 copies are distributed nationally, including 1,000 copies to Capitol Hill. The NACo budget is printed and distributed in the newspaper. We have no objection to disclosure of our operations and policies.

We think that the members of Congress would agree on the need for more intergovernmental contact by public officials and their staffs at the federal, state and local levels. A great deal of time of our NACo employees is spent in answering inquiries from Congressmen and federal agencies concerning county problems in administering and implementing federal laws.

In his decision concerning the existing Lobbying Act, Judge Gesell made a clear distinction between special interest groups and those groups representing public officials:

"Here there can be no doubt that all officers and employees of the plaintiff organizations are engaged in lobbying solely for what may properly be stated to be the "public weal" as conceived by those in Government they represent who are themselves officials responsible solely to the public and acting in their official capacities. The narrow interpretation of the Act should be maintained to assure its constitutionality. Significantly, the legislative history reveals the definition of "organization" was intended to apply to "business, professional and philanthropic organizations," not to organizations of public officials and their agents."

We hope the Congress will recognize that difference also.

PRESIDENT'S SAFETY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BONKER. Mr. Speaker, the hideous events of this past month underscore once again the vulnerability of an American President. We watch in disbelief today's TV news accounts of two current assassination attempts, speculation on the Robert Kennedy assassination, and the persistence of efforts to reopen the Warren Commission report on President John Kennedy's death.

We are approaching a national morbid mania about assassinations. We would be foolish to pretend that there is not an element of suggestibility in all this which can push an unstable mind to rash acts. Yet, we have a President who is determined not to "cower" in the face of possible violence to himself and who persists in an unusually heavy traveling schedule throughout the country.

This morning's Washington Post carries a poignant editorial on the subject and firmly advises President Ford to "cut back on these dangerous forays." It goes on to say:

> We believe that in pursuing them he will alarm as many people as he pleases and that no amount of standing firm can provide the reassurance that he could provide by removing the source of people's mounting anxiety.

On the same page appears an article by David Broder which discusses the 1976 campaign and the reasons behind President Ford's heavy traveling schedule, particularly to California. Mr. Broder's point is that the President's travels to California and elsewhere at public expense are possibly in violation of campaign finance reform laws, because of the political nature of these trips.

Mr. Broder contends, and apparently it is not denied by Presidential aides, that the ultimate motive for the "offensive" in California is absolutely political—"to dissuade Reagan from running, by confronting him with the prospect of defeat on his own home grounds."

Mr. Speaker, while have, like all Americans, a deep and abiding concern over the President's safety and pray that he be spared the impending fate of an assassin's bullet, I also have some concern over unnecessary trips by the President which may endanger his personal safety. The Washington Post correctly concludes that what is at stake is not only the "mortal human frame," but the "stability and continuity and order of the State." At this time, I would like to have inserted in the RECORD the two Washington Post articles referred to above:

[From the Washington Post, Sept. 24, 1975]

THE LATEST ASSASSINATION ATTEMPT

A lot of people who live in this city share a special, haunting memory from the days right after President Kennedy was killed, the memory of an experience that could be suggested but not entirely conveyed to those who were not here. It was the experience of walking slowly past the murdered President's imposing, flag-draped coffin in the White House East Room. The crystal chandeliers were gleaming. The military honor-guard stood at attention, death-still. Protocol, authority had been restored. But the President was dead. Part of the poignancy of the moment proceeded from the setting. It forced an awareness that, for all its power and trappings of power, the state was utterly vulnerable to a single act of human depravity. Gerald Ford the outlines of a bulletproof vest sometimes showing when he bends into a crowd presents another painful reminder of that essential irreducible vulnerability which can never be wholly guarded against. That is the central fact to keep in mind when one thinks about the two grisly gun play episodes of the past couple of weeks: It can happen—and not all the precautions in the world are sufficient to ensure that it will not.

From this proposition different people draw different conclusions. Our own is quite different from Mr. Ford's. We do not believe that the continuing existence of some measure of danger to a President means that the danger cannot be reduced—or should not be reduced. We assume that President Ford shares this view to the extent that he has countenanced tighter security and additional precautions for his travels. But he is even more adamant now then he was after the Lynette Fromme episode in insisting that his crowd-plunging, handshaking travels around the country will not be inhibited by what has gone on. We can understand some of the elements that must have gone into the President's calculation. Presidents feel a natural obligation to show themselves as tough, firm, in-charge, reassuring national leaders; they also are famous for betraying a human and appealing—though nonetheless dangerous—impatience with the isolation-booth security apparatus that envelops them in office; and in Mr. Ford's case, it should be noted that he has come to office at a time when there has been much complaint about the excessively regal aspects of the presidency, a complaint that may have seemed to encourage his moving about more openly and freely and even humbly among the the populace.

But we think the President has got it all wrong. Hear him:

". . . the most important thing is that I don't think any person as President or any person in any other political office, ought to cower in the face of a limited number of people, out of 214 million Americans, who want to take the law into their own hands. The American people expect, and I approve of it, in fact I think it is right, want a dialogue between them and their President and their other public officials. And if we can't have that opportunity of talking with one another, seeing one another, shaking hands with one another, something has gone wrong in our society."

Mr. Ford, who after all does submit to rigorous Secret Service protection, must know that the "opportunity" of which he speaks to mingle with people, though desirable is simply not fully available to a man who holds his office. Something has *"gone wrong"*; it always *was* wrong: There are people who will try to kill or hurt him. What is measurably different now is that these people have the weapons to do it—and the stimulus that comes from the overpowering capacity of modern communications to trigger a psychopathic impulse. What Mr. Ford can limit is their chance. And in doing that we do not think he will necessarily be curtailing, let alone forgoing, a "dialogue" with the American people. The avenues available to him that do not increase his personal vulnerability are numerous. Mr. Ford *is* an especially open and communicative President. He can receive people. He can make visits that do not involve his exposure to wholly uncontrollable circumstance. He has television, the press conference and innumerable other instruments for communication. And he has no shortage of ways to grant others access to him or to provide forums for hearing their ideas. Surely "dialogue"—communication—between a President and the public does not rest on a flurry of handshakes with people assembled at random on the way here or there.

Mr. Ford should cut back these dangerous forays. We believe that in pursuing them he will alarm as many people as he pleases and that no amount of "standing firm" can provide the reassurance that he could provide by removing this source of people's mounting anxiety. Mr. Ford says he will not "cower." He speaks of a "confrontation" with the sick individuals who mean him personal harm as if they were a band of conspirators who needed to be stood down. But he must understand that he is not in a fight with any group of political dissidents or opposition and that he is not in a fair fight in any event. There is no bravery or persuasion or show of determination that can either change the minds of those who yield the guns or permit him a "confrontation" in any normal sense of that word. The question is whether he will reduce the opportunities for deranged people to trap and harm him. We argue from the Kennedy case and from the lingering image of that day in the East Room: The President represents much more than is encompassed in his mortal human frame; but he is mortal, human and vulnerable; and in protecting himself as best he can, he is protecting the stability and continuity and order of the state.

BOOTLEG CAMPAIGN FUNDS

(By David S. Broder)

SAN FRANCISCO.—All basic reforms face a moment, early in their lives, when they either improve the level of conduct or increase the level of hypocrisy in their fields. Prohibition didn't boost temperance, it promoted bootlegging. And it looks like the spending limits in the Federal Election Campaign Act Amendments of 1974 are going to have the same effect.

Perhaps the clearest proof of that unhappy prognosis was President Ford's weekend trip to California. The President is renowned for playing it straight, but his taxpayer-financed jaunt to the Golden Gate was a clear exercise in circumvention—if not violation—of the Watergate-inspired campaign finance reform act. And that is a pretty good indication of a fundamental flaw in the law.

That law, which Mr. Ford himself signed, sets a ceiling on spending for federal offices, including the presidency. The limit for the campaign for a major party's presidential nomination is $10 million. As a declared candidate for the Republican nomination, Mr. Ford is operating under its constraints.

The California journey was a massive exercise in public exposure in the home state of the President's only prospective rival for the GOP nomination, former California Gov. Ronald Reagan. It included speeches to two university audiences and to three business, labor and foreign policy groups, two half-hour television interviews and a meeting with the editors of the state's largest newspaper.

But none of the expense was covered by the campaign finance act, or paid for from political funds, because there were no "political" events on the schedule. Mr. Ford carefully avoided going to the Republican State Convention in San Diego—because that would have thrown the whole trip into the political category.

Now, only an innocent would believe that Mr. Ford made two visits to California in September and has scheduled yet another in October without having a thought in mind about the Reagan challenge. In fact, among his aides, there is no effort to conceal that the ultimate purpose of this concentrated offensive in California is absolutely political—to dissuade Reagan from running, by confronting him with the prospect of defeat on his own home grounds.

Whether right or wrong, the view in the Ford camp—and particularly among the former Californians on his staff—is that Reagan has not yet committed himself to the challenge.

They speak of the California governor as a man of great ambition who, as one said, "would go for it like a shot if Ford stumbled badly enough to give him an opening." But they also see him as a proud man, who does not want to make a laughing-stock of himself in a hopeless exercise, and, particularly, does not want to embarrass himself in California.

For that reason, Mr. Ford has worked hard to line up the Republican hierarchy of California on his side—which he has done—and to confront Reagan with the likelihood of resounding defeat if he pushes his challenge in next June's California primary. Between May and August, Mr. Ford came from a 9 per cent deficit in the Mervin Field poll of California Republicans to a 45-to-38 per cent lead over Reagan.

The purpose of the heavy September and October schedule of appearances in California is to tip the polls even more in the President's favor—before Reagan makes his decision.

But none of this is "political" under the terms of the new law. Speaking to colleges, business, labor and foreign policy groups, or the state legislature—as Mr. Ford did on his previous visit—is within the official duties of the President. So the costs of these trips are borne by the government and are not charged against either Mr. Ford's personal campaign spending limit or the Republican National Committee's treasury.

Democrats complain about this, but Congress is in the process of carving in the same "loophole" for itself. When the Federal Elections Commission ruled that the spending limits for senators' and representatives' campaigns applied to their privately raised office funds—used for entertaining constituents, printing newsletters or otherwise enhancing the lawmakers' image—there was a howl of protest.

The upshot is likely to be that more of the political functions of congressional offices will be paid for by the taxpayers—just as the President's California trips have been.

It is easy to assail both the President and the congressmen for hypocrisy, but the real problem is in the law. So long as the sources of private campaign contributions are disclosed and their size limited, as the new law does, there is no useful public policy goal to be achieved by restricting spending.

The answer is not to bar the President or anyone else from campaigning in California. The answer is to repeal the useless limit on campaign spending and let Mr. Ford and the others play politics at their contributors' expense, not at ours. Campaigners should not be made into bootleggers.

IMPROVING OUR AIRLIFT

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. GONZALEZ. Mr. Speaker, throughout history, the maxim stated by a Confederate general has proved true, time and again; and that is, victory goes to the fellow who gets there "fustest with the mostest." In short, it does us little good to have a powerful and efficient military force, if we cannot get it to the field of action and keep it supplied.

In today's world, where emergencies can break out at any time and any place, we must be ready to transport and supply military forces tremendous distances in a matter of hours, and keep those forces supplied until sealift can catch up. Furthermore, when allies are threatened and our own forces are not in action, we have to be ready to supply those allies—again, by airlift.

Unfortunately for us, our airlift capacity is less than it should be. The Department of Defense has plans to improve the situation, and not a moment too soon. The Air Force Association last week took notice of this, and passed a resolution that every Member should read—and heed. The resolution follows:

AIRLIFT AND REFUELING

Whereas, the need for adequate, immediately available tactical and strategic airlift, supported by aerial refueling, is mounting because of geopolitical developments and declining numbers of foreign bases available to the US; and

Whereas, one of the most urgent requirements of the US general purpose forces is an increase in total strategic airlift capacity to permit the rapid development of ground troop reinforcements to Europe during the initial phase of a potential NATO-Warsaw Pact conflict; and

Whereas, under many conditions the absence of "stepping stone" bases will require that the tanker force supporting the deployment of airlift or tactical air units operate from the ZI; and

Whereas, the Air Force's airlift enhancement program calls for a number of vital actions—to improve the Civil Reserve Air Fleet program, to provide aerial refueling capabilities for the C–141 and C–5, to modify the C–141 and C–5, and to develop a wide-body Advanced Tanker/Cargo Aircraft, among others; and

Whereas, the Air Force has developed competitive prototypes of an Advanced Medium STOL Transport (AMST) to demonstrate new tactical airlift capabilities; and

Whereas, AMST's ability to land outsize military equipment in short, unprepared landing zones will improve the Army's combat effectiveness; and

Whereas, AMST can augment significantly the total strategic airlift capability; Now, therefore, be it

Resolved, That the Air Force Association urges the Congress to authorize and appropriate the funds required to assure that sufficient modern tactical and strategic airlift and refueling capability will be available to meet future military contingencies.

CALIFORNIA'S LIBERTY BELL

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. LEGGETT. Mr. Speaker, in keeping with the approaching Bicentennial celebration, an exact, full-size replica of the original Liberty Bell will be commissioned on September 30, 1975, a week from yesterday, at 10 a.m., at the Mount Vernon Memorial Park Court of Liberty in Fair Oaks, Calif., in my congressional district. Through the courtesy of Mr. Foy Bryant, the bell will be displayed at various schools in Sacramento and surrounding areas. Students will be given the opportunity actually to ring the bell.

In this way the residents of the greater Sacramento area will remind themselves and their children of the principles of freedom and liberty upon which our Nation is built. In these days when all too often we seem to be losing touch with our heritage, programs such as this serve a valuable purpose in helping us remember what America is and what it stands for.

California's Liberty Bell will serve as a symbol of the liberties we in America cherish, and it will enable Californians to celebrate the Bicentennial in the appropriate spirit. Surely our Bicentennial celebrations will serve an important purpose if they help to enhance the respect our citizens have for the democratic and liberal values which the Liberty Bell has always symbolized.

The original Liberty Bell, now hanging in Philadelphia's Independence Hall, has long been revered as one of the greatest symbols of our revolutionary period. The bell was ordered to commemorate the 50th anniversary of the Commonwealth of Pennsylvania. It reached Philadelphia in August 1752 and was hung in the wooden steeple of the State House in June 1753.

The bell was in use while the Continental Congress was in session in the statehouse. It rang out in defiance of British tax and trade restrictions and was also used to proclaim the Boston Tea Party and the Declaration of Independence.

During the Revolutionary War, the bell was moved in September 1777 when the British were about to occupy Philadelphia. Hidden in a church in Allentown, Pa., the bell was moved back to Philadelphia in June 1778, after the British had left.

In 1846, the year of the Mexican War, the bell was placed on exhibition in the Declaration Chamber of Independence Hall. Moved in 1876 for the Centennial Exposition, the bell was returned to Declaration Hall in 1896, where it remains today.

Let us hope that California's Liberty Bell will be able to play a similar role in rekindling our democratic spirit and reminding our citizens of the historic events to which the original bell was witness.

PUBLIC POWER: A CONCEPT THAT WORKS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. HARRINGTON. Mr. Speaker, often overlooked in all of the heat and rhetoric which surrounds the electric utility issue has been the solid performance by the more than 3,000 publicly-owned electric utilities in the United States. Dating back to the earliest days of the industry, municipal and cooperative utilities have been providing their customers with reliable service at significantly lower rates than the investor-owned sector.

One of the outstanding examples of a successful municipal utility is the town of Wakefield, Mass., municipal light department. For the past 25 years, the Wakefield MLD has been managed by Michael Collins, who has also served as past president of the American Public Power Association.

The Wakefield MLD has, for years, provided its customers with consistently lower rates than surrounding communities served by the large private power companies. It has also provided consistently reliable service and has served as a significant source of revenue for the town treasury.

Much of Wakefield's success can be attributed to the dedicated and effective leadership of Mike Collins. In addition to running an efficient utility department, Mike has also been in the forefront of the consumer movement in Massachusetts, helping lead the fight for lower rates and more responsive utility service.

An article by Andrew Kopkind on the Wakefield MLD recently appeared in Boston's Real Paper. The article points out the pride with which all the citizens of Wakefield, regardless of political persuasion, view the performance of Mike Collins and the MLD.

But while Wakefield is an outstanding example of public power at its best, it is by no means atypical. The vast majority of municipal and cooperative utilities provide the low rates and reliable service provided by Wakefield.

As we begin to look for ways of reforming our present utility structure in order to make it more responsive to the needs of consumers, the municipal utility model offers a good starting point. This is the way I believe we are going to have to move in order to assure consumers the reliable power they need at rates they can afford.

I commend Andrew Kopkin's article to the attention of my fellow Members:

[From the Boston Real Paper, Sept. 10, 1975]

SOCIALISM . . . IN WAKEFIELD? PUBLIC POWER PLAY

(By Andrew Kopkind)

Mike Collins must be doing something wrong. The Muncipal Light Department in the Boston suburb of Wakefield, which he has managed for nearly a quarter of a century, is profitable far beyond what most people expect of government-run business enterprises. It fills, rather than drains, the town's treasury. Its very existence defies the logic of American economics, which decrees that a small-fry public electric company cannot swim in the vast sea of private utilities. And, most peculiar of all, the Wakefield "MLD" is defended with equal vigor by the local champions of private profit as well as the advocates of public ownership.

What's wrong with that picture—the way it contradicts convenient categories and disregards conventional wisdoms—is also what's right. Mike Collins, a sturdy superstar of the public power movement in America, has managed to circumvent most of the debilitating political diseases that afflict many similar operations. But his success is making Wakefield's community utility company a model of its type has also removed it from the political movement for public economic control. If socialism survives in only one suburb, it is hardly socialism. And if it prospers, like treason, none dare call it by its rightful name.

"Over the years we've had people on the Light Department Board who are extremely positive about the MLD and violently opposed to public power in principle," Collins told me not long ago, as we sat in his office in the neat Coolidge-colonial MLD building off Main Street in Wakefield. The fact is that most residents see the MLD as a municipal service—like water supply or street cleaning—rather than "public power," with all its ideological implications. In Wakefield, political consciousness—like the rise of new buildings—is kept low.

Wakefield is not entirely alone in the public power business. Forty Massachusetts towns have their own municipal electric and/or gas companies, and together they account for about 8 percent of the total amount of power sold at retail in the state. Only six municipal companies have any capacity to generate electricity; the rest, like Wakefield, merely transmit and distribute power they buy "wholesale" from the private companies.

"For years we've been captive customers of the big private utilities," Collins said. The municipals are tied into the privates' generators, and they have to pass on the rate increases, fuel costs and monopolistic inefficiencies of their corporate masters to the local residents. Wakefield took the drastic step of changing masters in mid-flow a few years back; the MLD contracted with New England Power instead of Boston Edison, and managed to get a better electricity supply and lower wholesale costs in the bargain.

But the most significant move the municipal utilities have made to "control our own destiny," as Collins said, was to form a consortium—the Massachusetts Municipal Electric Wholesale Company—to buy large amounts of power at cheap rates, to get "entitlement" contracts for part-ownership of big generating plants around New England, and ultimately to build generating plants predominantly for the local community power departments. The consortium has already bought into a nuclear generating plant, a building in Connecticut, and has plans to construct its own medium-size oil-burning plant on the site of the abandoned Westover Air Force base in Western Massachusetts.

It would seem that joint action to outflank the private utilities would be an obvious tactic of the small public companies, but although obvious, it has not been easy, or, in some cases, even possible to do. The private utility lobby in Massachusetts is monstrously powerful. Long ago, it got a law on the books preventing municipalities from "condemning" private utility property, thus making it virtually impossible for a town to take over a private electric company—as it might take over land to build a school, a firehouse, or any other valid community facility. Instead, towns that wanted their own utility department would have to put it up alongside the private company, or convince the company to be a "willing seller" at some astronomical "fair price." Fat chance. The last municipal utility formed in Massachusetts was in 1926, and until the "willing seller" restriction is removed (a bill to do that is currently in the Legislature) extension of the present network is unlikely.

That clause is hardly the only problem faced by private utility interests. Until two years ago, municipal companies could not legally float "revenue bonds" to get capital to expand their plants or do the expensive things the privates do all the time. Revenue bonds are paid off year after year from the income a company makes: that's the way the private utility corporations get much of their capital. But the free-enterprise lobby made it state law to restrict public utility companies to "general obligation" bonds—which are paid off from town taxes. Since towns are hovering at or near their debt limit anyhow, and are always reluctant to raise taxes for new bonds, the municipal utilities have found themselves without sources of capital needed for building generators or other large-scale expansion.

After a great deal of struggle—with Collins a mighty challenger of the private interests—the law was eased somewhat to allow municipal departments to float revenue bonds for use by the consortium—"MMWEC." Now, Wakefield is in for $770,000 in an MMWEC "entitlement" to a $26 million share of the Northeast Utilities Millstone III nuclear power plant in Connecticut. But it is still unlawful for towns to issue revenue bonds to join in regional public power combines—as Wakefield could (and might want to) do with several neighboring municipal electric companies. If they could find a way to raise the money, Wakefield, Reading, Peabody and other North Shore towns with public power departments might build their own generator and "control destiny" to an even greater extent.

It was a sense of community control that led Wakefield to start its own gas and electric company back in the 1890s. Like other sparsely settled communities in the Boston boondocks, Wakefield was not a prime target for the profit-hungry private companies then roaming the land in search of sites. A small, private gas light company served part of Wakefield, but did not serve it very well. In August, 1894, the town forced the private company to "surrender" its facilities:

"Steps were immediately taken to turn on the few lights that were in working order, that the town might see and perhaps rejoice that it was nearly the end of the period of darkness that had encompassed it for so long a time, and see the prospect of getting out into the light for which it suffered so much," an ecstatic Light Board reported at town meeting.

Reports are hardly so rhapsodic nowadays, but things are still in working order. The Department is still run by an elected three-member board, as it was from the beginning. The members each receive $138 a year for their service, but they aren't complaining. The current chairman, Ed Conway, is a retired Marine colonel who works in Boston and lives with his large family in Wakefield. He runs a weekly Light Department meeting and tries to keep up with his "homework"—trade journals, technical papers, litigation (suits over rates against private companies). The meetings are all open to the public, and according to Conway, "People walk in off the street all the time with questions or comments."

"Most people think of public ownership in an odd way," Conway told me. "They think it grew up with the New Deal, but actually it was started here back in 1894 by a bunch of conservative old Yankees."

Wakefield has changed a lot since then. The names on the roster of town officials are the likes of Sardella, McCarthy and Siciliano. But it is no chic liberal hangout, either. Spread out alongside a limpid lake, Wakefield looks like an MGM version of a typical American town, with brick banks and white steepled churches. One expects to see Bobby Driscoll plying a paper route on his bicycle, sheepdog at the wheel, while June Allyson prepares bacon and eggs back home and Fred MacMurray gets ready to go to the office.

Kendall Dalbeare, the editor of the Wakefield Daily Item, is on that set, too. His grandfather founded the paper, which is as Yankee and conservative as you can get; Light Board Chairman Ed Conway calls it "to the right of Genghis Khan." But Dalbeare still is excited about Wakefield's public power company as, presumably, granddaddy was way back then. Dalbeare sits at his desk in the Item building across from the MLD, and although he and Mike Collins are poles apart in political ideology, he has nothing but praise for Collins' shop.

"They're johnny-on-the-spot," Dalbeare said with spontaneous pride. "If the wires are down, or there's an outage, there's always someone from the Light Department out to fix it. It's a well-run business."

Dalbeare, however, fiercely opposes an extension of public enterprise, anywhere, anytime. He is dead set against the MLD's (temporarily dormant) plans to start a municipal cable TV company. The Wakefield Light Department is one of six municipal utilities in the state to hold a cable license, the gift of the selectmen a few years ago—when the cable TV business appeared to be at the take-off stage. Then the bottom dropped out of the boom, and Collins has been sitting on the exclusive franchise. Still, Dalbeare would much rather see a private enterpriser run that show. He's also irrevocably against Representative Michael Harrington's state referendum proposal to establish a State Power Authority to compete with the big private utilities in building and owning power plants. Collins, across the street, is one of Harrington's strongest supporters.

Still, Dalbeare can't quite see the ideological implications of the MLD. For him, as for most business people I spoke with in Wakefield, it's enough that the Department keeps rates down (they're lower than for most areas served by private utilities) and turns over a few hundred thousand dollars a year of "profit" to the town treasury. Last year, for example, the transfer was $200,000—not a fortune, but enough to lower taxes by more than $2 per $1,000. For instance, a resident whose property is assessed at $30,000 gets, in effect, a $60 "rebate" from the Light Department.

Lower rates, tax benefits and easy access to service are the apparent benefits a public electric company can offer, and Wakefield's MLD seems successful in all three. Comparisons to conditions under private companies are not always simple to make. The payment the tax-free municipal company gives to the town is sometimes comparable to the taxes a private company would pay, although Wakefield town accountant John

McCarthy thinks "we wouldn't be getting the kind of share from a private company's taxes that we're getting as the owners of this utility." Rates, of course, depend to a large extent on the wheeling and dealing done by the private generations. But the sense of public participation in an economic institution that clearly affects everyone's life is perhaps the most important difference between the small municipal company and a large private one.

"All the customers know someone who works for the MLD." Board Chairman Conway said. "And the people who work for the company almost invariably live in town and know their customers."

That corporate intimacy could lead to some bad practices of political backscratching, but history, luck and good management have kept Wakefield reasonably free of the kind of meddling that has created problems for other municipals—the Taunton utility, for example. Taunton's company is run by the selectmen instead of an independent board, and in such a situation, there is always the probability of "subtle but serious" contract favoritism and influence peddling, as one former manager of a public power company put it.

Over the years, the best people in the public power movement—Mike Collins, for instance—have concentrated on profitability and efficiency as their reasons for existence. Only recently, have what Collins calls "the new issues" started rising to the surface. Environmentalism (which Collins still calls "conservation," its old name) is one.

"I'm 62," Collins said, "and maybe as I get old I look back on 25 years here. Is what I've been doing really progress? I've expanded our operation, extended service. Customers not only insist on more electricity, they want it right away. And now people are saying the utilities are lousing up the countryside."

Collins may agree with that judgment, but he is in no position to challenge the direction of energy use; the manager's desk at the Wakefield Municipal Light Department is not exactly the throne of power. He's also worried about the proliferation of nuclear plants in New England, but Wakefield, again, has to buy power where it is generated.

Smallness is beautiful in Wakefield, but the paradox of decentralization is that it produces powerlessness. The benefits of personalized service and public access to a tiny bureaucracy are offset, in some measure, by the relative insignificance of Wakefield MLD when the larger, long-term decisions are made. Big private power, big bureaucratic government and big bondholding banks do the "planning" for power in America. Where capital comes from, where plants will be built, what environments will be sacrificed, who will be employed, what political and economic impact it all will have—those things are out of the hands of the Board and Manager of the Wakefield MLD: even of all the municipals.

Most Wakefield residents seem reasonably proud of their utility, but have no notion that their public enterprise is a political event. I wandered down Main Street, up Chestnut, down Albion the other day, chatting with people about their little chunk of socialism in suburbia. They liked their Light Department very much, thank you, but what was the point I asked if they thought the model could be copied in other areas, and most people said they thought the town should stay out of private business.

The great battles of the 1930s for the establishment of public power seem far away now, and certainly light years away from Wakefield. Some big cities around the country have well-established municipal utilities—Los Angeles, Nashville, Memphis, Tacoma, for example. The Tennessee Valley Authority is accepted, politically boring, and here to stay. Public power amounts to 10 or 15 percent of the total Americans use, but even that doesn't give the whole story of the "power of private power."

"The private utility companies have a stranglehold," a political consultant who has worked on state power study commissions said. "They have the consultants, the academics, the engineers on their payrolls. It's a closed shop. They've done a terrific job of organizing political power; it's an effective monopoly, with no serious opposition. The guys in public power are only gnats on the ass of the elephant."

Activists and advocates on the left have ignored the electric utilities for years. Only since the "energy crisis" have they become interested, and still only on matters of rates and environmental protection. In none of the 40 municipal companies in Massachusetts has there been an attempt by local activists to bring a sense of political movement to the utilities—the way some people have become involved in town councils, orient control boards, or school committees.

It may be that the increasing localization of political activism, the deemphasis on foreign wars and the concentration on homefront economics, will bring municipal utilities, both public and private, onto the firing line. They represent crushingly important factors in the conduct of everyday life and business, and a ready-made battleground for struggling over the concept of public ownership of civic economic institutions. At stake is not only a lower monthly bill, but the prospect of bringing unbridled power now wielded for private, out-of-town profit back to local accountability for the public interest. That long process does not end with one municipal light department, but it might be a convenient starting point.

ENERGY CONSERVATION AND OIL POLICY ACT

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. EARLY. Mr. Speaker, yesterday the House sent to the Senate for consideration a coherent and comprehensive program for energy conservation and fuel efficiency. It is fervently hoped that this piece of legislation will preclude any future energy crisis, and in the long run bolster the Nation's economy and hold the line on the ever-rising cost of living.

But at this moment, I think it is essential to approach a part of this bill from a more analytical perspective. Specifically, I am referring to the Collins of Texas amendment to title IX of the Energy Conservation and Oil Policy Act. While no one would dispute the sincerity of the gentleman's intentions, it seems to me to be a blatantly inappropriate measure to attach to an energy bill. The intention of this recent legislation was clearly spelled out by the Interstate and Foreign Commerce Committee's report. Basically it intended to increase domestic energy supplies and availability and to restrain energy demand. Furthermore, it was designed to prepare this Nation for future energy emergencies. Admittedly, our colleague's amendment would produce fuel savings, but as much as I may sympathize with its intent, I could not in good conscience vote for that amendment.

In the 93d Congress a somewhat similar situation occurred in respect to a supplemental appropriation bill for fiscal year 1975. At that time, the gentlewoman from Maryland (Mrs. HOLT) offered an amendment affecting funds for elementary and secondary schools. Basically her amendment would have prohibited HEW from withholding Federal funds from any school system which was not integrated. The Senate, however, added the phrase "except as may be required to enforce nondiscrimination provisions of Federal law." The Holt amendment as amended passed the House and became part of Public Law 93-554. Our colleague Mr. FLOOD, raised a pertinent point at that time:

> It is unfair to raise the civil rights issue in an appropriation bill. If Members are not satisfied with the present law, they should follow normal procedure and seek a change in the basic law.

My sentiments in reference to the Collins amendment are virtually identical to Mr. FLOOD's objections of December 16, 1974. It is unfortunate that this energy bill has become embroiled with the busing issue. Certainly it—the Collins amendment—lacks the contextual framework that an energy bill should exemplify.

Without a doubt, we have committed ourselves to the concept that no child should be barred from any school due to his or her race. We have insisted that the law be colorblind. Congress has enacted civil rights laws to protect our children and to guarantee their freedom from being categorized by either race or sex. The "equal protection clause" in the 14th amendment guarantees that "[n]o State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States, or shall any State . . . deny to any person in its jurisdiction the equal protection of the laws."

Approximately 30 years later in a dissenting opinion, Justice John Harlan elaborated upon and reiterated the basic pronouncements of the 14th amendment as related to the case Plessey versus Ferguson. He wrote:

> The destinies of the two races, in this country, are indissolubly linked together, and the interests of both require that the common government of all shall not permit the seeds of race hate to be planted under the sanction of law.

I wish to affirm this courageous opinion. There can be no place in our Nation for bigotry; we must strive to assure each child, irrespective of their race, the educational environment most conducive to educational achievement and personal growth. Separate but equal school facilities were, and where they may still exist are, inherently unequal. But to establish quotas in an attempt to achieve racial balance in our schools without considering the ramifications of other factors such as busing, could in the long run destroy any semblance of racial harmony. Many communities in this Nation must bear the burden—and at times an onerous one at that—of establishing the logistics of transporting their children to farflung schools; the extra tax burden of buying additional buses; and the occasional lengthy bus trip which many of our children must endure.

Our society has always been one of voluntary choice; the vitality of our institutions and laws has emanated from the individual spirit of our citizens. While certain inequalities are sure to continue, the burdens of day-to-day living should not be compounded by the sometime impractical and too idealistic integration schemes. Senator JESSE A. HELMS of North Carolina testifying before the Subcommittee on Constitutional Rights of the Committee on the Judiciary February 21, 1974 stated:

> The spirit of freedom develops only when a person thinks that he is doing the best he can within his opportunities. But the spirit of rancor develops when he thinks his situation is thrust upon him arbitrarily and despotically without regard to his desires and abilities.

Congress has the moral and legal responsibility to take the initiative to end segregation in education by eliminating any and all contributing factors. But legislation dealing with one of our Nation's most urgent priorities—energy conservation—should not be embroiled with or fudged with a civil rights issue. This latter issue merits its own thorough discussion. Busing is an issue which must be faced squarely and out in the open, rather than through any dubious legislative tactics.

REPRESENTATIVE GLADYS SPELLMAN SUPPORTS 8.66-PERCENT FEDERAL PAY RAISE

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mrs. SPELLMAN. Mr. Speaker, the economic crisis which faces our Nation today has victimized many Americans. I am sorry to say that among those victims are many of our own Federal employees. Today Government workers are falling behind the earning curve at a phenomenal rate.

For this reason I strongly support the 8.6-percent Federal pay raise which will come before the House of Representatives this week. This raise has been recommended by the U.S. Civil Service Commission, the Office of Management and Budget, and the Advisory Commission on the Federal Pay Raise.

Working people throughout the country have recently been successful in negotiating substantial pay raises—the current economic crisis justifies these increases. I find it interesting to note that one large union was recently successful in obtaining a new 3-year contract calling for a 30 percent salary increase and many other additional benefits. It is difficult for me to believe that this Congress is debating about the difference between 5 percent and 8.6 percent!

That difference amounts to $1.6 billion. How can we pay for that? The House Ways and Means Committee is currently holding hearings aimed at a revision of the tax system in this country. One way to make the tax system more equitable and to raise the necessary money would be to reduce the current tax preferences which favor American businesses abroad over those at home.

While it is crucial to cut Government expenses at this time, I do not believe that Federal workers' salaries are the appropriate place to make such cuts. Equity, like charity, should begin at home.

BOLLING/ANACOSTIA DEVELOPMENT

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. DIGGS. Mr. Speaker, this afternoon the House passed the conference report on S. 1247, the military construction authorization bill for fiscal year 1976. One element of the original House version of the bill has been removed by the conferees—that is, authorization for Defense Intelligence Agency development of the Bolling-Anacostia site in the District of Columbia.

The history of the Bolling/Anacostia site is one of a mixture of private, military, and recreation uses, dating back to 1633. The land was originally granted to a private landowner by the second Lord Baltimore, in 1633, and for 230 years, was a major parcel of private property outside the boundaries of the District of Columbia. For 3 years, from 1863 to 1866, the land was leased to the U.S. Army after which it was returned to private control, and for more than 50 years, was used as a waterfront resort area. It was not until 1917 that the site was purchased by the military, for use as an air base and major facility, land uses that have continued until the present time.

From 1958 through 1973, numerous plans and modifications were proposed for the uses of the Bolling/Anacostia site. In 1958, plans for future use of the land included 350 acres to be used by the Navy and the Air Force, and 580 acres, proposed by the National Capital Planning Commission, for a local urban renewal project. The concept of joint civilian and military use for the Bolling/Anacostia area continued for more than 15 years. The most recent concepts for joint uses provided for military use of 504 acres of the Bolling tract, and local uses for the remaining 416 acres. In 1965, the initial Rivers amendment was adopted, prohibiting use of the tract by other than the military until 1967. An urban renewal plan for city use of the Bolling tract was approved by the National Capital Planning Commission in 1967, and included a new community with housing as well as public facilities for 23,000 to 25,000 city residents. The plan was developed for the 416-acre northern portion of the site, and would not only have provided much-needed housing for city residents, but would have relieved the overcrowding of public facilities in Anacostia, and would have provided from $100 to $200 million in taxable property, services, and income for the District.

The Rivers amendment prohibiting such use was extended, first to 1975, and then to 1980.

In S. 1247, the House authorized the construction of Department of Defense facilities on the Bolling/Anacostia tract, at a cost of over $70 million, for Defense Intelligence Agency buildings.

Mr. Speaker, I applaud the action of the conferees in deleting this authorization from the military construction authorization bill. The longstanding debate over the future of the Bolling/Anacostia tract remains to be settled. The District of Columbia has proposed that the northern part of the area would best serve the interests of the District of Columbia as a developed civilian project. I believe that without further discussions, it would be foolish to authorize the expenditures originally proposed in the military construction authorizations bill until the long-range future of the area is decided.

I commend to the attention of my colleagues the following letter from Mayor Walter E. Washington of the District of Columbia on this issue:

THE DISTRICT OF COLUMBIA,
Washington, D.C., September 24, 1975.

Hon. CHARLES C. DIGGS, JR.,
Chairman, House Committee on District of Columbia, Longworth House Building, Washington, D.C.

DEAR CHAIRMAN DIGGS: I am writing to express my concern about the pending proposal to use a site on the northern half of the Bolling-Anacostia tract in Southeast Washington for a military installation.

I know you are aware that the District of Columbia Government and its residents have had a long-time interest in the use of the Bolling-Anacostia tract for local community development. In 1960, the Department of Defense gave notice of its intention to declare the northern portion of the tract surplus. Subsequently, the D.C. Redevelopment Land Agency prepared plans, in collaboration with the National Capital Planning Commission, for new community development to the District, these plans were deferred.

Defense Department plans for the use of the tract have been discussed before the National Capital Planning Commission many times. Furthermore, fruitful discussions were held among District, Defense and Planning Commission officials in 1973 and 1974. These discussions were looking toward an accommodation of local and military objectives not only at Bolling-Anacostia, but also at other sites in the area now under Defense Department control.

The District of Columbia is interested in the use of Bolling-Anacostia for a number local purposes including public recreation along the waterfront, industrial development, possibly in the form of an industrial park area, and higher education.

It would be the District's hope that the Congress not act finally on this proposal until coordinated planning for the entire Bolling-Anacostia area can proceed with the Defense Department, the Planning Commission and the District of Columbia Government.

I appreciate your interest in this matter of such great concern to the citizens of the District of Columbia.

Sincerely yours,

WALTER E. WASHINGTON,
Mayor.

TRIBUTE TO MR. CARMELO C. FOTI, THE ITALIAN LEADER OF MAHONING AND SHENANGO VALLEYS

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. CARNEY. Mr. Speaker, I would like to take this opportunity to commend Mr. Carmelo C. Foti of Youngstown, Ohio, for his work in Italian-American community affairs. An American citizen by choice, Carmelo Foti was born in Italy in 1927, and came to America in 1951. Since his arrival in the United States, Mr. Foti has been very active in American and Italian civic organizations, associations, and unions. Largely because of his efforts, Italian-American cultural, social, and fraternal affairs in the greater Youngstown area have been a tremendous success.

For the past 5 years, Mr. Foti has been unanimously elected general chairman of the Greater Youngstown Columbus Day Committee by the representatives of 54 Italian organizations from the Mahoning-Trumbull County area in Ohio, and the Shenango Valley in Pennsylvania. Under his leadership, this dedicated committee has made the celebration of Columbus Day an extra special occasion for residents of the Youngstown area. I look forward to this year's Columbus Day ceremony.

In addition to his participation in countless Italian-American activities, Mr. Foti is constantly looking for new ways to help his native Italy, as well as ways to help Italian immigrants settle in, and become citizens of, the United States.

A patriotic citizen, a community leader, and a good family man, Carmelo Foti is a courageous, decent, and honorable human being. He loves people, and has distinguished himself in service to people. In return, he has gained the affection, admiration, and respect of the people with whom he has come in contact.

It gives me great pleasure to honor him today, and to join with his many friends and well-wishers in saying: "Thank you, Carmelo, for a job well done. Keep up the good work." We are most fortunate to have Carmelo, his lovely wife, Clara, and his family as our neighbors. Mr. Speaker, I would like to insert a biography of Mr. Carmelo C. Foti in the RECORD at this time:

BIOGRAPHY OF CARMELO CONSOLATO FOTI

Born in Reggio Calabria, Italy, on May 20, 1927, and residing in the United States of America at 2595 Birchwood Drive, Youngstown, Ohio 44515:

Graduated in Italy receiving a diploma in "Industrial Expertness."

During the Second World War, he served his fatherland working for the Welldeserving Arm of the Carabineers and also in war-zone.

While at the service of the Arm of the Carabiners, he distinguished himself several times, served in the Mobile Battalions which were charged with the work of reestablishing the order in the post-war time, captured dangerous criminals, recovered arms and war material, served in the patrols against "La Marca, bandit, or "Bandit La Marca" ", served and cooperated with the police of the American army.

He received a solemn encomium from Major General N. Clowes G.O.C., 3rd District Headquarters and from the Chief Liaison Officer H. S. Harris, in Naples, Italy.

He distinguished himself in the Legion of Carabineers of Catanzaro for capturing dangerous criminals.

Invalid because of service, he was discharged, in Italy, in 1949.

On September 1st, 1951, he immigrated into the United States of America.

Since September 20, 1951, he has been working continuously for the United States Steel. There he has distinguished himself for his ability and has made rapid progress in career: he has reached the rank of Group Leader.

On October 23, 1954, he married Clara Silvestri from whom, with the Lord's blessing, he had three daughters: Silvana, Ines and Marcella.

As a Deputy, he has been working for the Mahoning County Sheriff's Office since 1962.

He is a member of the Italian church Mt. Carmel, as well as of the Vestibule Society.

He also holds membership in many other organizations and unions, both American and Italian, like: Order Sons of Italy, National Association of Sheriffs, Mutual Calabrese Society, Saint Anthony Society of Struthers, chairman of the Mahoning County Chapter of the American Committee on Italian Migration, Vice President of Austintown Civic Association; he also is chairman of the Arbitration Committee of the Sons of Italy, Youngstown Lodge 858. Several time he has participated, as a delegate, to the Gran Conventions of the Sons of Italy. He is also a member and founder of the Italian Federation "Unita" (1971—United Italian American in the Mahoning County). Member of Bicentennial Commission of Mahoning County.

Many times he has organized parties in order to raise funds with which to help Italian immigrants by providing them with jobs, helping families to settle here, and by instituting schools where they all can be prepared for the American citizenship.

In November 1966, Foti was promoter and treasurer of a special civic committee organized to raise funds with which to help Florence at the time of the well known "Florence Flood". In Youngstown only, more than ten thousand dollars was raised.

He has served on the committee for the introduction of Italian at Fitch High School in Austintown.

He has supplied funds, for the purchase of Italian books, to the public libraries of Youngstown and the libraries of the schools where Italian is presently offered.

Foti has organized public parties the proceeds of which were used by the scholarship committee of which he was treasurer to fund several scholarships for outstanding students of YSU interested in the study of Italian.

Foti has directed, for four consecutive years, the festivities related to the Celebration of the Discovery of America; recently he was reelected chairman of the organizing committee for the fifth year.

He has created committees and directed Italian parades in Youngstown.

He was the first one to promote the idea and set an example in honoring Italians of Mahoning County who have distinguished themselves for the excellence of their service to the people.

In February 1975, Foti directed a local campaign intended to raise funds for the troubled "Maurizia Cesco Cancian," a young mother from Sapada, Belluno, Italy, after she underwent heart surgery for five times in USA.

Among the Americans and Italians of this area, Foti has succeeded in gaining, with dignity, benevolence, respect, and merit without ever discriminating against the class, category, and qualifications of the public. He was always noticed for his ability and courage of Italian leader.

PUMPING A LITTLE LIFE INTO SHANIKO

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. ULLMAN. Mr. Speaker, Oregon's success at cleaning up pollution, preserving its fantastic natural beauty, and providing a most livable environment for its citizens is fast becoming a national legend. Part of that success stems from thoughtful questioning of such all-American mottos as "more is better" and "biggest is best." Nowhere is that contrast more evident than in the way the little Oregon town of Shaniko faces its fiscal and municipal responsibilities. While New York City may scoff, Shaniko may have the last laugh. An interesting piece by Eugene Meyer in the Washington Post last week tells why, and I would like to share it with my colleagues by inserting it in the RECORD:

[From the Washington Post, Sept. 16, 1975]

PUMPING A LITTLE LIFE INTO SHANIKO

(By Eugene L. Meyer)

SHANIKO, OREG.—The Big Apple could learn a few things from this dot in the desert 3,400 feet above sea level and 140 miles southeast of Portland.

Shaniko, population 61, is trying to make it as a self-described "ghost town," which is what some people predict New York City, population nearly 8 million, may become, the way things are going.

But this partially restored onetime rail terminal and wool center, with as many as 1,500 persons in the days of the wild and woolly West, may have more going for it in its quest for life after death.

It has no bonds to default on, no suburbs to steal its tax base. In fact, it has virtually no tax base, and virtually no taxes. Its greatest natural resource seems to be grit.

While the City of New York has several hundred thousand "civil servants" on its payroll, draining the municipal till, the incorporated city of Shaniko has an unpaid six-member city council and, at $10 a month each, a mayor, city recorder and city water master, whose job it is to regulary check the town water pump for purity and packing.

Water is the single most important issue in this Athenian microcosm with its 24 registered voters. The water is here, in a canyon south of town, but the wooden and metal pipes are 75 years old and desperately in need of replacement.

How to raise money to do the job—with or without outside help—is a matter of controversy that led to the resignation in May of then-Mayor Sue Morelli, a 54-year-old registered nurse who owns Shaniko's only hotel and a small trailer "motel."

"I'm discouraged," she still says, months later. "Shaniko is going to go down the drain literally if we don't do something about the water works."

A couple of years ago, the experts said it would take $60,000 to $80,000 to do the water repair job right. If you believe the experts, Shaniko is a hopeless cause.

In similar straits, New York would probably run to Albany and Washington for help. Shaniko, thank you, doesn't want any such intrusion of state or federal planners, bureaucrats or bucks. With Sue Morelli generally the lone dissenter, the town has rejected proposals a majority felt would have surrendered Shaniko to the feds, fat cat entrepreneurs and college hippies.

"The city of Shaniko could never raise the money, even by floating a bond," acknowledges the new mayor, 38-year-old Ruth Lang, whose husband, George, is city water master. He also runs a wrecking yard in Madras, 40 miles south, where he lives in a trailer during the week.

Indeed, Shaniko has no property or income tax. Its only local levy is a water tax, recently increased from $3.50 to $5 per month per household, plus $12 in the summer for "irrigation" in this high, dry sagebrush plateau. Sue Morelli's Shaniko Hotel pays the highest water tax, $30 a month.

Under consideration is a business tax of $5 or $10 a year. There are only a handful of businesses right now, so the levy will be no bonanza.

Despite its lack of monetary wealth, the city has managed from its modest coffers to acquire enough new pipe for a street and a half (out of four), and it recently paid $800 to have its old water pump overhauled—a job the repairman says will last 11 to 15 years. The original deal was for a new one, but the town couldn't come up with the $2,000.

Shaniko was named after an Indian mispronunciation of "Scherneckau," a 19th-century German settler-merchant hereabouts. The town's short-lived heyday lasted from May 13, 1900, when the first Columbia Southern train arrived, to 1911, when the Union Pacific and Great Northern Railroads completed their race down the Deschutes River Canyon, bypassing Shaniko, to Madras and Bend.

At its peak, Shaniko boasted six full blocks of hotels, whorehouses, saloons, gambling establishments and law offices—but no church or cemetery. It had a sheriff, a doctor and a newspaper. In 1902, a record 5 million pounds of wool were shipped from here. Most of it reached the train station on horse- or mule-drawn freight wagons.

When the major train routes went elsewhere, so did the people. The paper folded in the 1920s. The banks took a permanent holiday in 1934. The depot was demolished and the train stopped running in 1943, and there was talk of sending the rails to Russia as lend-lease.

Shaniko's current "renaissance" began after Joe Morelli, the innkeeper's late husband, bought the hotel in 1955. He began supplementing the hotel's indigenous antiques with his own collection.

In 1961, Morelli sold a couple of old buildings he had acquired to Ed Martin, a heavy construction carpenter from Portland with his own collection of old wagons and cars.

Morelli, a former rancher, died four years ago. Martin, now 48 and gaunt-faced, lives here off and on, depending on the construction industry in Portland. He is a member of the City Council. His wife, Joan, is city recorder.

Martin and his Shaniko Restoration Society, some 35 Portlanders, have been working for free to restore some of the old buildings and wooden sidewalks. Martin has placed assorted turn-of-the-century artifacts in a couple of his false-front buildings. His Shaniko "museum" is free, although a quarter donation is solicited.

The hotel has a restaurant and rooms for visitors, at $4 for a single, $7 for a double. But the Shaniko Hotel is an "adult foster care home," and most of the rooms are filled by state-subsidized elderly and retarded, who comprise nearly half the town's population.

The state wants the Shaniko Hotel brought up to code standards and has threatened to cut off the subsidy if it isn't. In one swoop, the town of Shaniko could lose half its population.

State standards call for, among other things, 40 pounds of water pressure in the sprinkle system. But even the overhauled water pump can only manage 30 pounds.

Without Sue Morelli, who is thinking of selling the hotel and working with the Indians on the nearby Warm Springs Reservation, the town will be no less a "ghost town" than it is now. It might even be more so.

But Mayor Lang remains optimistic. Shaniko, she says, "has a lot of potential. There's talk of a young couple reopening the second gas station-cafe that closed a while ago. And, if the overhauled water pump holds out, she says, "the future will be a lot better."

FORD MOTOR TESTIFIES ON NOISE

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. O'BRIEN. Mr. Speaker, 2 months ago I submitted testimony given by one of my constituents on the subject of workplace noise. He was Mr. Richard W. Marco, president of United Automobile Workers Local 588 in Chicago Heights, Ill., and he presented his testimony at the July 8, 1975, Occupational Safety and Health Administration hearings on noise.

Mr. Marco's statement discussed the problems of noise, in particular those problems encountered by local 588 members while employed at the Ford stamping plant in Chicago Heights.

Since Mr. Marco's testimony appeared in the RECORD, I have received numerous comments, both pro and con. Therefore, in the interest of fairness, I am today submitting the testimony given by the Ford Motor Co. at the same hearings:

STATEMENT OF FORD MOTOR CO. AT A PUBLIC HEARING OF THE DEPARTMENT OF LABOR ON OCCUPATIONAL NOISE EXPOSURE

I am George O. Keutgen, Executive Director of the Manufacturing Staff of Ford Motor Company. With me today are Paul E. Toth, Supervisor, Industrial Hygiene Section, Employee Health Services Department; Robert F. Birdsall, Coordinator, Noise Control and Hearing Conservation, Plant Engineering Office; and Joseph T. O'Reilly, Office of the General Counsel.

Our statement will be in three parts. Mr. Toth will discuss our views regarding permissible exposure limits, personal ear protection, and certain administrative and procedural aspects of the proposed rules. Mr. Birdsall will describe the impact of the proposed rules on capital expenditure requirements and operating costs. I will conclude and sum up the Company's position.

Ford appreciates this opportunity to present our views concerning the proposed revisions to the Occupational Noise Exposure Regulation. Although we support the general objectives of the rules proposed by OSHA, we have several recommendations as to revisions.

I might also add that for many years, we have conducted extensive programs for safeguarding the hearing of our employes. This has been done both by providing ear protection devices and installing engineering controls. We have an intensive educational program concerning the importance of properly utilizing ear protection devices. In addition, Ford conducts pre-employment audiometric examinations as well as periodic examinations thereafter.

MR. TOTH'S TESTIMONY

My portion of the presentation will deal with the following aspects of the proposed standard:

First, the introduction of lower permissible exposure limits than the present 90 dBA.

Second, the relegation of personal ear protection to a position of low priority as a method of complying with noise control requirements.

Third, certain proposed procedural requirements which add an unnecessary and costly administrative burden.

I will discuss first our concern that the proposed standard would introduce a permissible exposure limit lower than the present 90 dBA criterion by including in the noise dose calculation exposures in the 85 to 90 dBA range. Until further evidence demonstrates the need, we believe that the present Table G–16 should be retained for determining engineering and administrative noise control actions.

As stated in the preamble of the proposed standard, OSHA recognized ". . . the technical feasibility problems and the economic impact associated with an 85 dBA requirement as reflected in the Bolt Beranek and Newman study and in the draft Environmental Impact Statement." OSHA therefore proposed ". . . to keep the level of 90 dBA until further empirical data and information on the health risk, feasibility, and economic impact indicate the practicality and necessity of an 85 dBA requirement."

We concur with the conclusions of Bolt Beranek and Newman, as well as NIOSH, the Public Interest Economic Center, and the President's Council on Wage and Price Stability—all of which, in one way or another, recognize the need for more data before valid judgments can be made regarding the feasibility or necessity to promulgate a standard lower than the present 90 dBA. In the preamble of the proposed standard, OSHA has acknowleged the existence of ongoing studies which could provide more information on these issues.

We are supporting, through the Motor Vehicle Manufacturers Association, a three-year Inter-Industry Noise Study that will provide additional data for establishing the validity of either 90 dBA or 85 dBA as the more acceptable hearing conservation criterion. This study has the active interest of not only industry but academia, union, government and private consultants. Members from each of these groups sit on a steering committee to assure that the study protocol follows very strict guidelines.

Until this inter-industry study and any others that are underway are completed, we believe it is unreasonable to impose a more restrictive, and thus costlier to implement, standard on industry.

The next portion of my discussion relates to our objection that the use of ear protectors, as a method of complying with noise control requirements, has been relegated to a position of low priority.

Although the Act was passed by Congress ". . . to assure so far as possible every working man and woman in the Nation safe and healthful working conditions. . . ," it did not restrict the means by which this was to be accomplished. Moreover, Congress spelled out that the standards were to be promulgated on ". . . the basis of the best available evidence. . . ." Evidence to demonstrate the effectiveness of ear protectors has been shown by DuPont and Ingersoll-Rand in the excellent studies they conducted among employes wearing ear protectors as a requirement of their hearing conservation program. These studies established that an audiometric testing and personal ear protection program adequately protected the hearing of noise-exposed workers. It should be noted that ear plugs were used during Du Pont's study while ear muffs were used during Ingersoll-Rand's study. Both methods of protection were effective.

During the initial phase of Ford's hearing conservation program, the effectiveness of ear protection in attenuating noise was studied for us under the direction of Dr. Merle Lawrence at the University of Michigan Kresge Hearing Institute. Based on these studies we found that the average attenuation of nine types of muffs and six types of plugs approved for use in the Company was 38 dB and 18 dB respectively. Since most of our employes who are exposed to excessive noise are exposed at levels below 100 dBA, either type of ear protector will provide adequate attenuation to meet the proposed standard.

The preamble of the proposed standard states the protection offered by the use of protectors ". . . is diminished by the difficulty of management in requiring their use, workers' resistance to using them, and improper use and improper maintenance of such equipment."

We recognize that administrative problems must be overcome regarding the use of ear protectors. To assure the wearing of ear protection by employes requires continuing education and monitoring. Not only must employes be thoroughly instructed in the use and care of ear protectors but there must be follow-up to assure such use and care.

When people criticize dependence on individual ear protection because it requires worker cooperation and proper use and maintenance, there is an implication that these difficulties are not present when noise is controlled through engineering means. Our experience with actual plant installations is quite the opposite. We find that it is often difficult to get employes to maintain and make proper use of noise suppression devices.

Let me give you an illustration: When we install retrofit noise suppression equipment—say, for example, the installation of enclosures around existing machines and equipment—the enclosures frequently make normal operations and maintenance more inconvenient and difficult. As a result, we often find that after a fairly short period, the enclosures are removed or damaged, or doors are left open which exposes many employes in the area to excess noise levels. These are not sporadic occurrence; continual vigilance, education, and maintenance—the same difficulties cited by those who criticize personal ear protection—are required.

Audiometric examinations are an important part of any hearing conservation program in which ear protectors are used. We agree that such examinations should be conducted annually to assure that protectors are properly used. If change in hearing acuity attributable to the work environment is detected, medical personnel can determine whether the employe is following established hearing conservation procedures and, if not, reinstruct the employe in such procedures and take other appropriate action.

Further, we believe that to assure the greatest accuracy of audiometric examinations, biologic calibrations of the audiometers should be conducted each day examinations are conducted, rather than "at least once a month" as stated in the proposed standard.

We believe that the use of ear protection is an effective method for preventing excessive noise exposure and conserving employe hearing. We concur with OSHA that preplacement and annual audiometric examinations should be part of a hearing conservation program.

The final topic I will cover relates to certain procedural requirements in the proposed standard which would add an unnecessary and costly burden. We have delt with these subjects extensively in our written statement filed on March 20, 1975 but wish to briefly mention them again.

We disagree with the proposal for an annual noise study when changes in operations have not occurred since the initial study. It is reasonable to require such studies only when modifications of equipment or processes or changes in work practices significantly affect employe noise exposure. Moreover, we recommend such studies be carried out within 120 days rather than the proposed 30 days, to permit time for changes to become fully operational.

In our view the following are unnecessary complexities: required notification of employes three days before monitoring is to be conducted, required explanation of calibration and monitoring techniques, permission for employes or their representatives to record results during monitoring, and notification to employes in writing when they are found to be exposed.

Further, monitoring for determining noise exposure levels should be done either with respect to the work area, or with respect to individual employes, depending on which method is more meaningful under the prevailing circumstances, rather than limiting monitoring only to individuals as proposed.

Finally, we believe that the definition of significant threshold shift should take into consideration the effects of medication and sociocusis on hearing acuity. The proposed standard which defines significant threshold shift at 10 dB would result in excessive repeat audiograms. Therefore, we recommend that significant threshold shift be defined as an average shift of 15 dB, as defined in the proposed standard, after appropriate considerations for medication and sociocusis have been made.

In our opinion, these changes will simplify the procedural requirements of the proposed standard and not detract from assuring a safe and healthful workplace.

MR. BIRDSALL'S TESTIMONY

This portion of the presentation will cover, first, estimated Ford expenditures and operation costs for engineering controls to comply with the proposed standard, and second, an analysis of the expenditures.

The proposed standards would require that all feasible engineering and administrative controls must be used to control noise in manufacturing facilities where noise levels exceed the prescribed limits. These controls would have to be installed whether or not the resultant noise levels were reduced to the permissible limits. If not, the controls would have to be supplemented by personal ear protection to achieve compliance.

Ford's U.S. production facilities consist of 73 manufacturing and assembly plants, occupying 90,000,000 square feet of space. In order to evaluate the economic impact on the company of the proposed standard, studies were made of typical production operations:

Sheet metal stamping;
Metal machining;
Casting and forging;
Vehicle assembly.

A total of 40 out of the 73 plants fall in one of these categories; moreover, these 40 plants employ approximately 80% of the Company's 170,000 hourly manufacturing employes in the U.S.

On the basis of noise surveys of a typical plant in each of the operating categories, we determined the engineering actions required to bring each typical plant into full compliance with the proposed standard. By full compliance we mean the engineering controls required to place Ford in a position where we could state that either the noise level would be below the proposed standard or that we were utilizing all technologically feasible engineering controls to reduce the noise level although the permissible limits were still being exceeded.

Since the proposed standard would require that all feasible engineering controls be utilized, many of the proposed corrective actions could be questionable from the standpoint of their cost effectiveness. Yet, each action would undoubtedly produce some improvement in the noise level and accordingly would be required under a literal interpretation of the proposed standard.

Cost estimates were based on known noise levels, identification of operations and equipment causing excess noise, and judgment determinations of corrective measures. Further, estimates were developed for replacement facilities required to offset losses in productivity as a result of installing the noise control equipment, where such losses could be determined.

The estimates for these typical plants were extrapolated to include all plants having similar manufacturing functions, and also projected to provide estimates for the remaining U.S. plants. Because the estimates are based on extrapolation, they should not be viewed as precise figures but rather are intended to give the order of magnitude of the capital expenditures and increased operating costs. We have tried to make these estimates as accurate as possible, and we believe that they are correct within a range of twenty percent.

Utilizing current price levels, we estimate that the capital expenditures required under the proposed standard would be as follows:

Stamping operations—$140 million;
Machining operations—$80 million;
Casting and forging operations—$80 million;
Assembly operations—$70 million;
All other manufacturing operations—$40 million;

These expenditures total $410 million.

As a result of these expenditures, operating costs would increase approximately $110 million annually because of added maintenance costs as well as depreciation, taxes and interest.

We assumed that component suppliers would be required to make noise control expenditures similar to ours in comparable plants, increasing our annual procurement costs by an estimated $170 million. In total, therefore, our costs would increase $280 million annually at today's price levels.

I would now like to discuss some of the factors that underlie these very large estimates of capital expenditures and operating costs that would be required by the proposed standard. As I mentioned before, the problem stems in a large part from the fact that we would be required to take a number of engineering control actions which are feasible from a technological standpoint but which would be unwarranted from the standpoint of their cost effectiveness. The following examples illustrate this point:

Example one

In our stamping plants the noise associated with sheet metal processing in integrated press lines presents one of the most difficult noise problems faced by our industry. I would like to discuss two possibile approaches towards a solution that graphically illustrate the basic difficulties presented by the proposed regulations.

The expenditure of $140 million estimated for our stamping operations is based on an approach utilized by Volvo in Sweden. As you perhaps know, Volvo has installed a combination of sidewall and under-roof sound absorption, hanging sound absorbers, partial press enclosures and mechanical improvements in one of their stamping plants. Recently I was a member of a team of Ford technical personnel sent to Volvo to investigate their approach. We found that while the noise level in the plant had been helped by the acoustical improvements, it remained significantly above the 90 dBA level at the operator stations.

A study was made of how the Volvo approach might be utilized at Ford's six stamping plants. This study concluded that a capital expenditure of about $140 million would be required and only a minor reduction in noise levels at the operator stations would be achieved. The noise level would continue to exceed either the present or the proposed standards. Accordingly, personal ear protection would still be required by virtually all employes in the press areas.

Even though the expenditure of $140 million would produce only a minimal noise reduction, Ford would be required to install these controls under the proposed regulation. This underscores one of the basic weaknesses in the proposed regulation: changes would have to be made if they are technologically feasible and produce some noise reduction, even though the reduction in no way would be commensurate with the cost.

We examined another approach that we did not include in our total expenditure estimate because of doubt as to its technological feasibility. This approach involves total enclosure of the presses and press lines in a way to allow operator access to each press in the line for loading purposes but shielding the operator from the press and automation noise during the operating cycle. We believe this is the only engineering approach with existing technology that would have a chance of meeting the proposed standard. If this approach could be developed an expenditure of approximately $120 million would be required for noise enclosures plus other supplemental engineering actions in our six stamping plants.

This approach, however, would force a large additional expenditure because of productivity losses inherent with interferences caused by the sound reducing enclosures. Our industrial engineering studies indicate that at least a 25% reduction in productivity would be experienced as a result of production delays as well as die change and maintenance delays. Because of the reduced production capacity, we estimate that we would have to construct two new stamping plants at a capital cost of $670 million. Equally important, the total annual cost to operate these two additional plants would be $340 million including interest on the capital and fixed operating costs.

A literal interpretation of the proposed regulation would cause us to incur this enormous expenditure if and when the operating and technical problems with this approach are solved.

Example two

There are situations where a disproportionately high expenditure is required for the benefit of relatively few employes. To illustrate, Ford now has three engine plants where the noise levels exceed the proposed standard in the engine test areas. There is no known engineering solution in these areas other than to construct acoustically enclosed test stands with automatic hot test for each engine. This action requires major rearrangements, added floor space and reprocessing involving an expenditure of $50 million, to benefit 340 employes at a cost of $150,000 per employe. In contrast, the Company's hearing conservation program utilizing personal ear protection and audiometric testing costs $28 per affected employe per year.

Example three

The previous example becomes particularly significant when it is recognized that the automobile industry is continually modernizing and replacing its plant and equipment, and there is frequently an excellent opportunity to install engineering controls to reduce noise in connection with these major alterations. When engineering controls are implemented at these times, the cost can be a fraction of retofit installations imposed on present facilities.

For example, when the 2.39 litre engine was added to the Lima Engine Plant in 1973, the layout of the hot test area provided for individual engine enclosures at reasonable incremental cost to conventional layouts, contrasted to the $50 million cost mentioned previously for installing similar facilities at our other engine plants. At the Ohio Truck Plant, launched in 1974, automated paint spray booths were installed which resulted in eliminating many of the manual operations in the booths, which are high noise areas. At the Maumee Stamping Plant, presses purchased in 1975 were built to Ford's machinery noise specification of 84 dBA which has been in effect since 1971.

Similarly, normal replacement of plant equipment often affords an opportunity over a period of time to solve noise problems at relatively small expense. For example, power tools driven by compressed air are a significant source of excess noise in assembly plants. Tools are now available which reduce noise below the permissible levels. It would obviously be very costly to replace all noisy air-powered tools in the assembly plants immediately versus taking this action over a period of a few years as the tools require replacement due to product changes and normal tool deterioration.

Example four

There are cases where process changes currently under development could eliminate a noise problem in a few years and obsolete costly engineering controls installed prior to that time. For example, there are two Ford locations engaged in forging operations. Engineering efforts to reduce noise to the prescribed levels involve the installation of expensive enclosures with no assurance that permissible noise levels would be achieved, and with significant productivity loss. Some forging noise problems will be solved as a result of alternate processes under development. Included in our process development programs are processes involving hot formed powdered metal and wedge rolling, which are relatively quiet operations. Since enclosures appear technologically feasible at this time, we assure that the proposed regulations would require their installation even though it would make more sense to await development of alternate processes for those parts affected.

In summary, we feel strongly that the proposed regulations must be amended so that economic factors and relative benefits will be considered along with technological feasibility. To do otherwise, as we have indicated in our typical illustrations, would result in mandated actions which could prove to be unjustifiable and wasteful.

We believe that the logical solution to this major problem is to spell out clearly that cost-effectiveness must be weighed in determining "feasibility." We recommend that "feasible engineering and administrative controls" be defined to mean "engineering and administrative controls based upon work conditions, practicality, economic impact including cost and effectiveness, and maintenance requirements."

This definition would provide a common and consistent meaning so that employers, employees, compliance officers, area directors and the Review Commission all would know what the regulation requires.

MR. KEUTGEN'S SUMMARY

In concluding, I would like to emphasize the following major points we have made in our testimony:

First, permissible noise levels presently provided in Table G-16 should be retained unless and until it is demonstrated that there is need for engineering controls below present levels.

Second, personal hearing protection is an effective means of hearing conservation when used in conjunction with an audiometric testing program. As Mr. Toth has stated, we support preplacement and annual audiometric examinations. Since ear protectors provide the safeguarding required, they should be permitted as acceptable noise control devices unless practical and cost effective engineering controls can be implemented.

Third, there are certain procedural requirements in the proposed standard, discussed by Mr. Toth, which we believe should be modified or deleted. Some of these requirements do not contribute to assuring a safe and healthful workplace while others add an unnecessary and costly administrative burden.

Fourth, it is essential that the term "feasible" used in the regulation be defined explicitly to include economic considerations. Because the proposed regulation would require implementation of engineering controls based on technological considerations only and to the virtual exclusion of personal hearing protection, large capital expenditures would be required and significant increased operating costs would be incurred.

As noted in Mr. Birdsall's statement, Ford expenditures to meet the proposed standard are estimated at about $400 million and could increase to about $1 billion. Annual operating costs would increase at least $280 million per year. Ford has already incurred expenditures of $1.5 billion for other mandated government regulations. We face huge additional requirements in the immediate future in connection with other demands including lower emissions, added vehicle safety, more fuel efficient products, and in-plant health and safety programs. Any unreasonable expenditure and cost associated with noise control would worsen an already serious economic and sales problem in our industry. Unless the practical approach that we have recommended is taken, we believe that unproductive and inflationary costs will be incurred needlessly to the detriment of employees, the industry, and the economy.

We appreciate this opportunity to present our views on this subject. This concludes our presentation.

SENATOR GIBSON'S TIMES HERALD CENTENNIAL

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. LEGGETT. Mr. Speaker, a century of service to the people of Solano and Napa Counties will be celebrated in Vallejo, Calif., on Saturday, September 27, when The Times-Herald newspaper will be designated as a historical landmark by the Native Sons of the Golden West.

The Times was published for the first time in Vallejo on September 28, 1875, as the Solano Daily Times, often referred to in its early days as the Vallejo Daily Times.

On January 4, 1922, the Morning Herald entered the Vallejo newspaper field. Its publishers were Luther E. Gibson, Jerry Motzko, Leonard Laing and Kenneth Knight.

Four months later the four partners acquired the Evening Times and merged the two into the Morning Times-Herald. Luther Gibson subsequently bought out his partners and the Times-Herald became the dominant newspaper in the two-county area.

The man who launched the Herald and then the Times-Herald is still active as publisher after 53 years. In addition to serving his community as a newspaper publisher, he was elected to five terms in the California State Senate, in 1948, 1952, 1956, 1960, and 1964, retiring at the end of his fifth and last term.

On January 1, 1974, Senator Gibson entered into association with the Donrey Media Group, Donald W. Reynolds, president. The Donrey Media Group owns 46 newspapers, radio and television stations, and outdoor advertising companies in 10 States.

The Times-Herald is the only morning newspaper serving the two counties of Solano and Napa. It has won five awards in the annual California Newspaper Publishers Association Better Newspaper Contest and has sent its reporters and editors around the world to cover special events such as the coronation of Queen Elizabeth, seven Olympic Games, atomic bomb tests at Bikini and elsewhere, State Department and Department of Defense tours of the Far East, military maneuvers in Europe, and many others.

The Times-Herald continues to be a dominant force in the community life of two counties and proudly proclaims its policy to be "So the People May Know."

During the portion of the newspaper's 100-year history and while Senator Luther Gibson was at the helm, the Times-Herald became a true people's newspaper. National news was laid out as straight news, Dave Beronio's sports pages became required reading of sports fans all over California, and Marion Devlin set forth all aspects of people's society such that consistent State awards were earned.

The Times-Herald of Vallejo, Napa, and Solano County is an institution—a morning paper put to bed late the night before such that the people of the area really do get the full news in advance of nearly everybody else in California.

On the occasion of 100 years of nearly consistent daily service to the people of California, to Donrey, to Senator Luther Gibson, to Wyman Riley, Red and Jack and the staff, the U.S. Congress salutes you.

CHANGING THE TRUST FUND

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. ZEFERETTI. Mr. Speaker, the President has proposed that the $6.2 billion highway trust fund be cut in half next year and that the funds be limited to financing our interstate highway program which is already 85 percent completed. The trust fund encompasses about 30 Federal highway programs and receives contributions from taxes on diesel fuel, trucks and automotive parts. The President has asked that the Federal tax on gasoline, which for 19 years has gone into the highway trust fund, be divided among the trust fund, State treasury and general revenues. This tax presently stands at 4 cents per gallon.

Under the new proposal, the highway trust fund would receive 1 cent out of every 4 collected through gasoline taxes; 2 cents out of the 4 would go into the general Treasury fund. The last cent would be made available to the States. If approved by Congress, the States could receive an additional $1 billion annually to be used as matching funds to qualify for Federal transportation programs.

This is one concept that I can support for a number of reasons. Although many critics have argued that one of the least priorities of our Nation is the financing of new roadways, many of the roads to be built would link already existing highways in and around our major cites, including New York. And, I would not prevent or aid in blocking the construction of these necessary roads. I would, however, protest if the use of these funds would be counterproductive, if the roads to be built were to be blasted through viable or thriving urban neighborhoods, resulting in the displacement of thousands of our city residents.

The basis of my support for this recent proposal is the possibility of allowing individual States to use their funds to build or improve mass transit systems. We are all aware that New York so desperately needs such assistance. The mass transit systems in New York are deteriorating at an ever-increasing pace. And, we have run out of financial alternatives in our designs to upgrade or at least maintain existing service.

The subways of New York are often unsafe, poorly lit, dirty and in desperate need of new equipment and basic maintenance. They are also in need of more adequate police protection for the people who ride the trains during offpeak hours. That this situation exists is not the fault of the people who operate and work on these systems. They do their very best with what they have, but are limited by the shortage of funds. An infusion of new dollars from the trust fund would be one of the only new alternatives that could aid us in rectifying these problems. For this reason, I feel that the President's proposal is exciting and a legitimate idea that can work.

It is my sincere hope that Congress will differentiate intelligently while considering this concept. Certainly, our cities are in desperate need of some assistance of this kind. Any trip on the New York subways will, I am sure, make a believer out of a nonbeliever in a very short period of time.

H.R. 1287 WILL BOLSTER OUR NATIONAL SECURITY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mrs. SCHROEDER. Mr. Speaker, tomorrow the House will be considering H.R. 1287, a bill to amend the United Nations Participation Act, reinstating the embargo of Rhodesian chrome. I support this bill.

I would like to offer for my colleagues' consideration the following items. The first is a letter from Ruth Clusen, president of the League of Women Voters, to Representative Don Fraser expressing the league's support for the bill.

The second inclusion for the Record is the dissenting views of the House Armed Services Committee's report on H.R. 1287.

As an author of the views, I feel they explain the importance of H.R. 1287 to national security very well.

We must be careful to see that our long-term interests far outweigh the short-term gains of defying the international embargo on Rhodesian chrome exports.

The articles follow:

The League of Women Voters
of the United States,
Washington, D.C., September 24, 1975.

Hon. Donald M. Fraser,
U.S. House of Representatives, Washington, D.C.

Dear Mr. Fraser: In reference to your recent letter, the League of Women Voters of the United States has consistently opposed the Byrd Amendment concerning the importation of Rhodesian chrome. H.R. 1287 to repeal this amendment is scheduled for House floor action on September 25, 1975, and the League firmly supports its passage.

The League believes that the Byrd Amendment to the Military Procurement Act of 1971, allowing the United States to import certain "strategic materials" from Rhodesia contrary to the U.N. Security Council's comprehensive embargo on trade with Rhodesia, violates the obligations of this country under the terms of the U.N. Participation Act.

Though the League has long stood for liberalized trade policies and, in fact, worked extensively for passage of the Trade Act of 1975, we believe that the United States must support a system of international relations based on international law. Continued purchases of Rhodesian chrome undermine such a system. Furthermore, purchases of Rhodesian chrome yield little or nothing for this nation's security; besides, the U.S. maintains abundant stockpiles of chrome.

To restore U.S. compliance with the Security Council's sanctions on trade with Rhodesia and to reestablish U.S. adherence to the U.N. charter, we believe that passage of H.R. 1287 is of the utmost importance.

Sincerely,

Ruth Clusen,
President.

Dissenting Views on H.R. 1287, for Inclusion in House Armed Services Committee Report

We must take issue with the Committee's disapproval of H.R. 1287. To best protect the national interests of the United States, the Byrd Amendment, passed in 1971, should be repealed. Although this is a minority view among the members of this Committee, it is a widely shared position.

The Administration supports the passage of H.R. 1287. The House Committee on International Relations concurs. Furthermore, John M. Maury of the Office of the Secretary of Defense, explained in a letter of March 10, 1975 that the entire issue of repealing the Byrd Amendment is regarded by the Department of Defense as a "foreign policy question for which the Department of State has responsibility in the Executive Branch."

Clearly, if the passage of H.R. 1287 posed any remote threat to the security of the United States, the Department of Defense would not simply defer to the judgment of the Department of State, knowing full well that the Department of State actively supports the passage of H.R. 1287. In fact, in view of this jurisdictional decision made by the Executive branch, the decision by the House leadership to refer H.R. 1287 to the House Committee on Armed Services for consideration—after a more than adequate examination of the issue by the House Committee on International Relations—is itself a puzzle.

It is our opinion that failure to pass H.R. 1287 would run counter to the long-term strategic interests of the United States. The Tool and Stainless Steel Industry Committee has emphasized the long-term importance of U.S. access to overseas chrome supplies. However, they have rather distorted the present situation surrounding our chrome imports.

The United States imports 100 percent of its chrome. However, Bureau of Mines statistics indicate that during the first five months of 1975 an extremely small percentage of U.S. chrome imports came from Rhodesia—in spite of the Byrd Amendment. During this period Rhodesia supplied only 8.3 percent of our metallurgical grade ore imports, 4.6 percent of our high carbon ferrochrome imports and 5.4 percent of our low carbon ferrochrome imports. The quantities of chrome presently imported by the United States are not large enough to justify concern over the economic impact of our losing this current chrome supply.

However, Rhodesia does possess 67 percent of the world's chromite reserves. Because of this we should be concerned about maintaining access to these Rhodesian reserves in the long run. With this in mind, we would like to pass along the not-too-subtle comments expressed recently to an American audience by Bishop Abel Muzorewa, president of the African National Council of Zimbabwe:

> In a few months or even a few years the government of Rhodesia will be black. We will remember those who understood and helped us in our fight for freedom. We will not forget those who . . . in complicity with the fascist regime of Mr. Smith took our minerals, bestowing wealth to the white minority and sentencing the black majority to poverty and physical depravity.

As we see here, the United States defiance of the United Nations—imposed economic sanctions against Rhodesia only hurts us. Our future standing with the Zimbabwe government likely to replace the current white Rhodesian regime of Ian Smith would be threatened by a failure to repeal the Byrd Amendment.

Even South African support for the Ian Smith government is fading. South Africa, apparently considering withdrawing its paramilitary forces from Rhodesia, was instrumental in last December's decision by Ian Smith to negotiate with black African liberation leaders.

In closing, we would like to emphasize that there are clear political and security advantages to be derived by passage of H.R. 1287. The question is whether these advantages would be countered by economic disadvantages. The answer is no.

The United Steelworkers of America, the labor union most directly concerned with the specialty steel industry's position in this situation, has refuted the claims that unemployment would result from the reimposition of the embargo on chrome trade with Rhodesia. Having examined the possibility that the embargo and job losses were related, union officials testified that "none of [the arguments] held up under close scrutiny."

Domestic specialty steel producers are further protected by the inclusion by the Committee on International Relations of a provision requiring a certificate of origin, affirming that the product contains no material of Rhodesian origin, to accompany all imports of chromium-bearing steel mill products. This requirement would protect our domestic producers from foreign imports containing Rhodesian chrome.

In reviewing the arguments for and against passage of H.R. 1287, we must conclude that they are all on the side of repealing the Byrd Amendment. Therefore, we urge the House of Representatives to follow the lead of the House Committee on International Relations and pass H.R. 1287.

PATRICIA SCHROEDER.
RONALD V. DELLUMS.

FEDERAL AGENCIES SHOULD SET AN EXAMPLE ON WASTE CONTROL

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BROWN of California. Mr. Speaker, I have been somewhat amazed by the vehement, distorted, and slanderous attacks by a minority who believe in conspiracy theories about environmental legislation.

The laws that are the subject of this organized propaganda campaign were passed by the Congress nearly unanimously several years ago, and all the evidence that I have supports the original basis for congressional action and continued Federal involvement in environmental affairs.

A prime target of this tear-up America and teardown laws campaign is the Environmental Protection Agency, which was established by Executive order in 1970 by then-President Richard Nixon. The laws that the EPA is operating under are the result of congressional action, and have been continually reviewed by congressional committees. The EPA has received and does deserve much criticism, but the misinformed attacks stifle genuine debate and drown out constructive criticism.

A case in point is the current controversy over source reduction of solid wastes. The EPA was mandated by the Congress to eliminate pollution and waste. Nonreturnable bottles and cans have been a shameful symbol of our inconsiderate concern for others. The litter problem alone justified attempts to revert to returnable containers. Now, after extreme delay, the EPA has proposed regulations to require the Federal Government and only the Federal Government to practice what several State and local governments have already mandated, which is a deposit on all beer and soft drink containers.

The issue of economic impact has quite rightly been brought up in relation to these proposals, and the study of the issue has largely put concerns to rest. We are not talking about banning the can, although that may be the eventual outcome after many years of transition, but about returning the containers. As James J. Kilpatrick, a man not noted for his support of Federal involvement in anything, said in a recent column:

> The issue here, it seems to me, is more an issue of political philosophy than of economic impact.

Mr. Kilpatrick goes on to endorse the EPA approach after weighing the pros and cons.

I recommend the following two articles, which I will insert into the RECORD at the conclusion of these remarks, to my colleagues for their review and consideration.

The articles follow:

[From the Washington Star, Sept. 23, 1975]

BEER-CAN ISSUES OVERCOMES LIBERATION THEORY

(By James J. Kilpatrick)

The Environmental Protection Agency (EPA) is about ready to publish some proposed guidelines for the use of federal agencies. The EPA's purpose is to discourage the use of throwaway containers for beer and soft drinks. Understandably, the beer, soft-drink, bottle and can manufacturers are having conniption fits, but the EPA is on the right track.

The issue here, it seems to me, is more an issue of political philosophy than of economic impact. At the moment, the guidelines are merely proposals; they could not become final until some time next year. Once made final, the guidelines would not have mandatory effect; if a federal agency concluded that returnable containers were not available at reasonable cost, the agency could get out from under the guideline plan.

Even if every federal agency went along with the proposition, sales of beer and soft drinks in throwaway containers would not be significantly affected. The EPA estimates that such sales at federal outlets amount to only 2 to 4 per cent of total sales. The EPA also believes the effect on employment in the can and glass industries would be minimal. Under the proposed guidelines, a 5-cent deposit would be required on every carbonated container sold at a federal installation. Nonreturnable containers could still be sold; but they would cost a nickel more.

What we have here is one more conflict between the freedom of the individual and the power of the state. The doctrines of a free society hold that customers should have the greatest possible freedom of choice: They should be able to purchase any drink they please, in any size and kind of container they desire, and the marketplace alone should limit their selection.

But even the most libertarian view of a free society acknowledges that individual rights are not absolute. The community also has rights that may be defined and protected. In this case, A's right to purchase beer in throwaway cans does not give A the right to throw the cans on B's lawn.

Agreed, say the can and bottle people: The solution is to arrest A for littering. But as a practical matter, the community responds, this is an impossibility: There are not enough police, prosecutors, judges and juries in the whole country to enforce the antilitter laws now on the books. If these throwaway containers constitute a public nuisance—and they do—the only effective way to abate the nuisance is by attacking the problem at its source: the container itself.

Speaking simply as one citizen who is fed up with litter, I will buy the EPA's approach. The can and bottle manufacturers are fine folks, but their non-returnable containers constitute an ugliness no civilized community should have to tolerate. Neither should the people be put to the burden of massive law enforcement machinery merely to serve libertarian theory.

The most high-flown theories get shot down by human nature. God made tidy people, but God made trashy people also, and the trashy people have the tidy people outnumbered. No anti-litter laws ever devised will deter the swinish multitudes from hurling their empty six-packs all over the countryside, but the experience of Oregon with its law on non-returnables indicates that the economic pressure of a mandatory deposit will lessen the evil.

Ours is a beautiful country. Neither the special interests of the can and bottle makers, nor the libertarian's theories of individual freedom, should override society's effort, in this especially pervasive and obnoxious matter, to keep the country beautiful. Other such efforts have been sustained by the courts. Historic zoning laws, anti-billboard laws, junkyard screening laws—these and many other regulations are infringements upon property rights and personal freedom, but they command widespread public support.

It was Prof. Louis D. Rubin Jr., I believe, who once speculated upon the time, thousands of years hence, when archeologists from a distant galaxy would stumble over the dead planet Earth. Alighting from their spacecraft, they would explore what obviously had been roads and highways, and they would be puzzled by millions of identical small green artifacts. The archeologists would take these to be symbols of the religion practiced by the vanished race of Americans. No deposit, no return. Surely, our civilization could leave something more meaningful behind.

[From the Washington Post, Sept. 8, 1975]

EPA Expects To Act on Container Deposits

(By Douglas Watson)

The Environmental Protection Agency, under heavy fire from opposing sides, this month expects to publish a proposed regulation that would require payment of deposits on soft drink and beer containers sold on all federal property.

The proposed regulation, demanded in a lawsuit by environmental groups and bitterly opposed by a business and labor alliance, is being challenged by several other federal agencies.

The Commerce Department, denying that EPA has the authority to impose the beverage container regulation, said it "in effect would establish a federal policy to eliminate one-way beverage containers in favor of returnable containers.

"At this time there is no established federal policy in this area, nor should there be until full and careful consideration is given to the complex environmental, social and economic issues involved in such a policy," the Commerce Department told EPA last month.

However, EPA says it has the power to require that deposits be paid on containers of soft drinks and beer purchased on military bases and all other federal property, sales which it estimates ammount for 2 to 4 per cent of the national sales of such beverages.

EPA has said its proposed regulation "is a part of the leadership role that the Congress has mandated for the EPA in the environmental area, i.e., preparation and promulgation of federal guidelines to improve the solid-waste-management practices of federal agencies."

Environmental groups have charged that EPA not only has authority to require beverage container deposits in federal facilities, but has been delinquent in not doing so sooner.

Last year the Natural Resources Defense Council, Sierra Club and Environmental Action, Inc., sued to force EPA to produce such a requirement as part of general guidelines. They charged that the Resources Recovering Act of 1970 requires EPA to publish guidelines for solid waste recovery "as soon as practicable" and that the agency hadn't done so.

The suit is pending, but EPA has promised U.S. District Court Judge William H. Orrick in San Francisco that it will publish its proposed beverage container deposit guidelines in the Federal Register this month.

There will be 30 days for public comment on the proposed guidelines after their publication. EPA Deputy Administrator John R. Quarles Jr. said in an interview last week that EPA expects to have adopted the guidelines by February. They would become binding regulations and federal agencies would then have one year to put them into effect.

The fight over container deposits at federal facilities is a crucial part of the broader "bottle and can battle" being fought between environmental groups and affected industries and labor unions, not only at the federal level but in most states and many municipalities.

The environmentalists see mandatory beverage container deposits, which are aimed at eliminating non-returnable bottles and cans, as a national environmental and economic necessity. The alliance of industrial and labor groups sees them as a threat to profits and jobs.

Though only three states, Oregon, Vermont and South Dakota, have enacted mandatory deposit leigslation, similar bills were introduced in more than 40 other states during the past year.

Although requiring container deposits at federal facilities would only affect 2 to 4 per cent of soft drink and beer manufacturers' national markets, industry and labor opponents fear the new rule would encourage many nearby local governments to enact similar ordinances and turn the tide toward mandatory deposits.

Environmental groups have charged that, under extraordinary industry and labor pressure, EPA has dragged its feet in preparing the guidelines and listened too much to opponents' objections.

Environmental Action, a Washington-based lobby, said recently that in preparing the guidelines EPA had taken "actions that appear to violate agency procedures and, more important, blatantly undermine the public's role in guideline development."

Environmental Action charged that in July EPA improperly sent its proposal to the U.S. Brewers Association, National Soft Drink Association and other deposit rule opponents, but not to environmental groups. Quarles said last week that the draft guidelines routinely were made available to groups that sought them.

Environmental groups also have objected to an Aug. 11 meeting EPA officials held with a delegation of labor opponents to the guidelines, saying that the agency violated its own procedures in considering public comment on its proposed guidelines before they were published.

Quarles maintained that it is not unusual for EPA to meet early with an issue's advocates or opponents.

Quarles acknowledged that, as a result of the Aug. 11 meeting, EPA removed a provision in its proposed beverage-container guidelines which would have recommended them for state and local adoption.

Environmental Action contends that in eliminating the language recommending the guidelines to states and localities EPA has not followed its usual practice.

However, Chet Gardner, communications director for the brewers groups, said that taking out the recommendation did nothing to make the proposed guidelines more acceptable to opponents.

Environmental groups also have accused EPA of not following proper procedures by releasing to the opponents the comments of other federal agencies on the proposed guidelines. However, Quarles said the agency comments were provided in reponse to a Freedom of Information request filed by the National Soft Drink Association.

As EPA's guidelines now are written they would require purchasers at federal facilities of soft drinks and beer in bottles and cans to pay a deposit that would be refundable. The deposit would be 5 cents, but it could be adjusted to conform to deposits where refillable bottles already are being used.

The guidelines would not require deposits for beverages obtained in cups from vending machines. The rules have been modified also not to require a deposit on a refillable bottle obtained from a vending machine where racks are provided and where there is a sufficient bottle return rate.

"There has been a tremendous lobbying campaign by industry and labor groups" opposed to the guidelines Quarles said, "which has outweighed and overwhelmed the efforts of environmental and citizens' groups seeking changes in existing laws." Quarles added that "the general political climate has been adverse" to enacting a national beverage deposit bill.

However, Quarles said it is EPA's position—if not that of the entire Ford administration that it would be in the public interest to shift back to returnable beverage containers, while providing a transition period of many years so that the shift would not cause a disruption in the labor force or any other severe impact.

SCHOOL DESEGREGATION AND BUSING

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the Record, I include my Washington Report entitled "School Desegregation and Busing":

School Desegregation and Busing

(By Congressman Lee Hamilton)

School desegregation and the busing to achieve it are topics of heated discussion among Hoosiers, as indeed they are across the country.

For the most part, the law is fairly clear. State-compelled segregation of the races in the public schools is inherently unequal and a denial of the 14th Amendment equal protection of the law guarantee. Under Supreme Court decisions, state and local educational officials must terminate dual school systems, and they are under an affirmative obligation to desegregate now. State actions which tend to create and maintain segregated schools are unconstitutional, including gerrymandered school districts, racially motivated faculty assignments, and school site locations designed to encourage racial segregation. Busing has been increasingly relied upon by the courts to remedy patterns of desegregation.

The law is less clear when it comes to busing across school district lines in metropolitan areas. Although the Supreme Court has ruled that where there is no complicity between the city and its suburbs to segregate schools (and thus no violation by the outlying school districts), busing from the suburbs to the city (inter-district busing) would not be required. But in cases where there has been complicity or an inter-district violation, metropolitan busing to alleviate segregation may be ordered.

Congress has often prohibited the use of federal funds to pay for busing to achieve racial integration, but the courts still require the integration of schools—and by busing, if necessary.

Despite the law, busing runs against the desires of a clear majority of Americans, whites as well as many blacks. In addition, doubts have now been raised by researchers about the value of forced busing to balance schools racially. Earlier, researchers thought that disadvantaged children did better in predominantly middle-class schools than in schools that were mostly lowerclass and that the disadvantaged children did not hinder the progress of the other pupils. Educational research findings now suggest that integration in the schools achieve little, if any, improvement in the performance of black children in schools and that forced busing clearly drives many whites out of the city school system, leaving blacks with the same problems they had before.

According to repeated surveys and the hundreds of letters flooding congressional offices, most Americans, both black and white, favor integration of the school, but they oppose busing as a way to accomplish it. The question then becomes: can we find a way other than busing to integrate the schools. The answer is yes, but it will take patience, money, ingenuity, and goodwill.

Many approaches are possible. New schools can be built between black and white neighborhoods, inferior schools can be closed, school district boundaries can be redrawn, and schools of excellence (magnet schools) can be created to improve the education of black students and to attract white students as well. Special efforts can be made to improve the quality of instruction in the center-city schools and to concentrate on the earliest grades. Students can be allowed to transfer voluntarily to any school where they would improve the racial balance, allowing blacks who so desire to shift to white schools which have vacancies. Everyone agrees the nation needs a greater commitment to improving the education of blacks.

The record of several Presidents and several Congresses in all of this is not admirable. Both branches have loaded on the courts and the schools the task of coping with the complex problems of desegregation. The courts have been active in this area because the Congress and President have not. It is time to stop expressing our anger with the courts and to offer some sensible guidelines and better policy.

In my view the place to begin is with a dialogue on how best to achieve a desegregated school system and to release the energies of individuals and local communities in a series of educational experiments. A bill I support would provide the vehicle to bring this about by requiring each state to develop a plan to improve and equalize educational opportunity and to alleviate racial isolation. These plans would include the approaches mentioned above as a means of avoiding the problems of busing, and I believe this bill offers a hopeful alternative.

Most of us know that the present system is resulting in more segregated schools and is eroding support for public schools. Busing is plainly not the instrument to bring about a solution. Our responsibility is to find ways of achieving the goal of desegregation that are less destructive of the educational and social fabric than busing.

NUCLEAR POWER AND URANIUM TAILINGS

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. FISH. Mr. Speaker, in the national debate over nuclear power, the argument is frequently made that coal power is more hazardous to human beings than nuclear power because a substantial number of deaths result from routine emissions from coal powerplants and very few deaths result from routine emissions of nuclear powerplants. However, the error in this thinking is that the nuclear mill tailings emissions produce many more deaths per gigawatt than the routine emissions from coal fired plants.

For the benefit of my colleagues, I have included in the RECORD an excellent article on this critical issue which appeared in the Bulletin of the Atomic Scientists this month. The author, David Dinsmore Comey, is director of environmental research for Business and Professional People for the Public Interest, a nonprofit corporation in Chicago which is involved in solving urban and environmental problems.

THE LEGACY OF URANIUM TAILINGS

A typical coal-fired power plant probably kills about 50 people per year with its air pollution whereas a typical nuclear power plant of the same capacity probably kills an average of 0.01 people per year. A coal-fired power plant kills more people every few days than a nuclear power plant will in its 30 or so years of existence.—BERNARD L. COHEN.

Last year an article in the *Bulletin* by Bernard L. Cohen opened with the above provocative statements.[1] The health impact of 50 deaths per gigawatt-year from coal-fired plants was almost entirely due to sulfur oxides released from the plant stack. (One gigawatt-year equals 8,760,000 megawatt-hours (the amount of electricity generated in a year by continuous operation of a million-kilowatt power plant.))

The health impact of 0.01 deaths per gigawatt-year from a nuclear plant came from radioactive effluents released during normal plant operation, and assumed there would be no deaths from nuclear plant accidents. Other comparisons by nuclear proponents have reached similar conclusions.[2]

Evidence is now emerging, however, that the health impact from the nuclear fuel health impact from the nuclear fuel cycle has been grossly underestimated. Robert O. Pohl, professor of physics at Cornell University, has made a major contribution to our knowledge of these effects in an important but as yet unpublished paper. Pohl concluded that due to thorium-230 decay alone, the health impact of nuclear-generated electricity is at least 394 deaths per gigawatt-year.[3] Thus, if the number of U.S. nuclear power plants projected for the year 2000 by the former Atomic Energy Commission are actually built, the result will be at least 5,741,500 future deaths from lung cancer over the next 80,000 years. A little over 3 million of these deaths will be among the population of the eastern United States, the remainder in the rest of the Northern Hemisphere.[4]

How could such enormous health effects have been overlooked? Probably because almost everyone has focused on emissions from the nuclear power plants and the fuel reprocessing plants, and virtually ignored the other end of the uranium fuel cycle.

Presently mined uranium ore contains 0.1 to 0.2 percent uranium and only 0.71 percent of *that* uranium is fissionable uranium-235. (It is the fissile uranium-235 which is fabricated into fuel elements for the nuclear reactor used commercially in the United States to generate electricity. After the uranium is mined, milled and enriched, it is fabricated into these fuel elements or rods used in the reactor's core. The many stages of the nuclear fuel cycle are discussed by John Holdren in "Hazards of the Nuclear Fuel Cycle," *Bulletin* (Oct. 1974).) Thus more than 100,000 tons or uranium ore must be mined to produce one gigawatt-year of electricity.

At the uranium mills, located in the western United States, the uranium ore is crushed and ground, then the uranium is chemically separated and the residue discarded on a tailing pile. When the pile dries out, radioactive radon-222 gas routinely escapes into the atmosphere, where it travels long distances.[5] Radioactive isotopes formed by the decay of radon-222 include the "radon daughters" polonium-218 and polonium-214. These isotopes of radon have chemical and physical properties that cause them to be deposited in the bronchial epithelium or tissue of the human lung, leading to high radiation dose rates to a specific region of the lung, the bronchus, where lung cancers are most likely to arise.[6]

THORIUM-230

The isotope in the uranium mill tailings which is the source of the radon and its lethal daughters is thorium-230, whose radioactive half-life is 80,000 years.[7] This assures that radon-222 will continue to be produced from a tailings pile fore more than a million years, with consequent health effects on human beings.

The U.S. Environmental Protection Agency, in its 1973 report on the uranium fuel cycle, estimated that approximately 5 percent of the radon generated in a tailings pile 16 feet thick would escape from the pile as a gas. Based on this release rate, the EPA estimated that in the first 100 years, a typical uranium mine tailings pile of 250 acres would result in 200 health effects.[8] A recent modification by EPA of their air dispersion model has reduced that to approximately 60 health effects during the first 100 years.[9]

Since those "health effects" are lung cancers, for which even the most medically advanced survival rate is less than 5 percent, Pohl has assumed that 57 lung cancer deaths would result in this 100 year period from each such pile. Because only 0.00091 of the thorium-230 in the pile will decay during this 100 year period, however,[10] the total number of deaths over time will be enormous and based on the EPA assumption that 159 gigawatt-years of electricity[11] will be generated from the uranium-235 that produced this tailings pile, Pohl calculates the fatality rate to be 394 deaths per gigawatt-year. ($(57/159)/0.00091 = 394$ deaths per gigawatt-year.)

If this estimate of 57 deaths per uranium tailings pile per 100 years and the EPA's estimate of 37,620 tons total production of uranium yellowcake per mill are correct,[12] then given the 6,897,000 tons of yellowcake that will be required for the 1,090 gigawatts of reactors the AEC experts will be operating in the United States by the year 2000, I estimate that the total number of deaths resulting from this uranium production will be 5,741,500 over the next 80,000 years. ($(57/0.00091)/37{,}620 = 1.665$ deaths per ton; $6{,}897{,}000$ tons $\times$ 1.665 deaths per ton $= 11{,}483{,}000$ deaths; half of these deaths (5,741,500) will occur in the next 80,000 years during the first half-life of the thorium-230.

(The AEC estimated a cumulative requirement of 2,187,000 tons of yellowcake by the year 2000. At their estimated annual consumption of 157,000 tons per year, 30 years operation would result in a total of 6,897,000 tons; $(157{,}000 \times 30) + 2{,}187{,}000 = 6{,}897{,}000$. This is for 1,090 gigawatts of nuclear plants on line by the year 2000. See *Nuclear Power Growth 1974–2000*. WASH 1139(74) (Washington, D.C.: Atomic Energy Commission, Feb. 1974), p. 3, Table 4, Case D. Hereinafter referred to as WASH–1139(74).)

Pohl has probably erred on the conservative side in his calculations. For one thing, he uses the 1973 EPA estimate that one such model tailings pile equals 159 gigawatt-years of electricity.[13] The AEC's 1974 report, WASH-1139(74), indicates that 142.5 gigawatt-years per pile is a more realistic figure.[14] This increases the fatality rate to 440 deaths per

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Footnotes at end of article.

gigawatt year. $((57/142.5)/0.00091 = 440$ deaths per gigawatt-year.)

Moreover, Pohl's calculations assume no growth in population either in the United States or in the world over the 1970 population. While such a calculation is very valuable in terms of forming a constant baseline from which the health impact from various growth models can then be calculated, in itself it probably is not realistic.

The EPA report assumed that the U.S. population reached 300 million in the year 2020 and then stabilized. The world's population was assumed to increase at a 1.9 percent annual growth rate from a 1970 base of 3,560,000,000.[15] When this EPA growth model is taken into account, the fatality rate rises to 982 deaths per gigawatt-year. (This assumes that the non-U.S. health effects (lung cancers) after the first 100 years result from a stable world population corresponding to the average during the first 100 years. This means 90 health effects outside the United States during the first 100 years, 44 health effects inside, for a resulting figure of 982 deaths per gigawatt-year:

$(((44 + 90)/142.5)/0.00091) \times 0.95 = 982$ deaths per gigawatt-year.

(This calculation assumes that all the uranium-235 made into reactor fuel is actually fissioned to make electricity. In reality, however, about one-quarter of it is not fissioned and remains trapped in the spent fuel elements. The AEC seems to assume that all but 1.3 percent of it will be recovered by reprocessing the spent fuel and by shipping the recovered uranium to an enrichment plant where the uranium fuel cycle will start once again (WASH-1139(74), p. 26). So far this has not been the case, however, and the economics of fuel reprocessing make it unlikely in the future. Correcting the above calculations for this factor would raise the fatality rate well over the 1,000 deaths per gigawatt-year level.)

This corresponds to 12,825,000 deaths over the next 80,000 years—if AEC predictions of 1,090 gigawatts of nuclear power plant capacity in the United States by the year 2000 are met, and if these plants operate for 30 years. (See first note, col. 3, p. 44. $(134 \times 0.95)/0.00091/37{,}620 = 3.719$ deaths per ton. Thus 6,897,000 tons = 25,650,000 deaths; half of these deaths (12,825,000) will occur during the first 80,000 year half-life of thorium-230.)

Based on the foregoing, it would seem to be a myth that the lethal health effects from coal-generated electricity are 5,000 times greater than the lethal health effects of nuclear-generated electricity as estimated by Cohen and others.[16]

The deaths induced by the decay of thorium-230 in uranium mill tailings alone seem to swing the statistics in the reverse direction, and further analysis of other parts of the nuclear fuel cycle may identify additional health effects that have been overlooked.

The Atomic Industrial Forum, the American Nuclear Society and others may argue that very few of the thorium-induced deaths will occur during our lifetimes, and that it is unfair to make such a comparison of current deaths from coal-generated electricity with future deaths from nuclear-generated electricity. But that makes the disparity a moral issue: Do we have the right to consume electricity from nuclear fission plants for the next few decades, forcing thousands of future generations to suffer the lethal consequences?

Theoretically we could have a national referendum and decide that 50 deaths per gigawatt-year from coal-generated electricity was a debt we are willing to pay ourselves. But how can we presume to make such a decision involving the lives of our descendents?

Even if no future generations were involved, there would still be a moral issue: Close to half the thorium-induced deaths will occur outside the United States, but the electricity will be consumed by the U.S. economy. That is likely to be regarded as a paradigm example of imperialism.

What is to be done?

In the case of coal-fired plants, the lethal health effects of the sulfur oxides can be considerably reduced either by removing them from the stack gases after the coal is burned, or through desulfurization.[17]

Oak Ridge National Laboratory estimates that 90 percent of the health effects of radon-222 from tailings piles can be eliminated by using a 20-foot earth cover over the pile;[18] but past experience with erosion by wind and flooding makes it clear that this would be an intermediate solution for only a few decades, and even this would cost about a billion dollars.

Removal of long-lived radionuclides such as thorium-230 from the tailings prior to their disposal could be accomplished at considerable economic cost. However, inasmuch as the disposal of high-level radioactive wastes from reactor spent fuel remains unresolved, this additional step would hardly assist in solving that problem.

Mixing thorium-contaminated tailings with cement and pumping the slurry down into abandoned uranium mines may present other long-term problems, not to mention the fact that the volume of the tailings is greater than the volume of the uranium ore removed from the mine, so not all of it would fit.[19]

Any solution is probably going to raise the price of uranium substantially, and may result in making nuclear fission plants so uneconomical in comparison with alternate sources of electricity that no further construction of nuclear plants will occur.

This eventually, however, should not be allowed to result in the neglect of the more than hundred million tons of uranium tailings already accumulated in the western United States.

FOOTNOTES

[1] Bernard L. Cohen, "Perspectives on the Nuclear Debate," *Bulletin*, 30 (Oct. 1974), p. 35.

[2] Leonard A. Sagan, "Human Costs of Nuclear Power," *Science*, 177 (1972), p. 487; Richard Wilson, "Kilowatt Deaths," *Physics Today*, 25 (1972), p. 73. See also Lester B. Lave and Linnea C. Freeburg, "Health Effects of Electricity Generation from Coal, Oil and Nuclear Fuel," *Nuclear Safety*, 14 (Sept., Oct. 1973), 423.

[3] Robert O. Pohl, "Nuclear Energy: Health Effects of Thorium–230" (Ithaca, N.Y.: Department of Physics, Cornell University, May 1975). Pohl's study was done with the support of a fellowship by John Simon Guggenheim Memorial Foundation.

[4] Based on air distribution model used in *Environmental Analysis of the Uranium Fuel Cycle, Part I—Fuel Supply* (Washington, D.C.: U.S. Environmental Protection Agency, Oct. 1973), p. 73, as modified by letter of July 2, 1975 from William H. Ellett, EPA's Bioeffects and Analysis Branch to Bernard L. Cohen, University of Pittsburgh. The model and the report will be hereinafter referred to as the "1973 EPA Report."

[5] Ellett to Richard Wilson, Harvard University, July 2, 1975. Ellett said: "We do not agree that the 3.64 day half-life of radon confines the impact of tailings piles to remote areas. Both our studies and [Lester] Machta's indicate about 50 percent decay between the average tailings piles sites and the eastern U.S. seaboard."

[6] EPA Report, Part 1, p. 64. Polonium-218 and polonium-214 emit alpha particles with very high energies (6.0 and 7.7 million electron volts respectively). See Merril Eisenbud, Environmental Radioactivity (New York: Academic Press, 1973), p. 208.

[7] Pohl, "Nuclear Energy."

[8] EPA Report, Part 1, p. 73.

[9] 7PA Report and Ellett to Cohen, July 2, 1975.

[10] Pohl, "Nuclear Energy," Fig. 1.

[11] EPA Report, Part 1, p. 25.

[12] EPA Report, Part 1, pp. 24–25. 'Yellow cake is U_3O_8, or uranium oxide, which is ultimately converted into reactor fuel.

[13] EPA Report, Part 1, p. 25.

[14] The average light water reactor required 264 tons per year of uranium yellowcake to produce 1 gigawatt-year of electricity. See WASH-1139(74), p. 24, Table 12. The EPA's model mill is assumed to produce 37,260 tons over its lifetime: $37{,}620/264 = 142.5$ gigawatt-years.

[15] EPA Report, Part 1, p. A–2611; Part III, p. D–15.

[16] An article by Lave and Freeburg concluded that a pressurized water reactor "appears to offer 18,000 times less health risk than a coal-burning power plant" (Nuclear Safety, 14 (Sept.-Oct. 1973), 423). The authors also concluded that "Radiation exposure to the public from the current effluents of uranium mines and mills and plants involved in feed-materials production, isotopic enrichment, and fuel fabrication is not considered significant compared with doses from power plant or reprocessing plant effluents. For example it has been estimated that the total population dose from current uranium-mill effluents per annual fuel requirement produced for a 1,000 megawatt electrical power plant is no more than 0.06 man-rem, primarily from airborne thorium-230."

[17] Significant breakthroughs in both technologies have been recentaly announced by the Illinois Institute of Technology and the Battelle Memorial Institute.

[18] EPA Report, Part 1, p. 46.

[19] Pohl notes the interesting fact that the volume of uranium tailings involved in generating one gigawatt-year of electricity is of the same order of magnitude as the volume of fly ash from a gigawatt-year's worth of coal-generated electricity. This seems to have been overlooked by those environmentalists who argue that the use of uranimum to generate electricity has far less impact on the environment than use of coal. At least fly ash can be mixed with concrete for construction purposes: such uses of uranium tailings (for example, Grand Junction, Colorado) are no longer permitted.

DISTORTED HUNTING DOCUMENTARY

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. JENRETTE. Mr. Speaker, CBS recently broadcast what purported to be a documentary on hunting and hunters entitled, "The Guns of Autumn." This was the most distorted and biased depiction in the history of broadcast journalism. It was very evident from the production that those who put it together had never hunted in their lives and had preconceived notions about what hunters and hunting are like.

Hunters were depicted as bloodthirsty, crude people who get some sort of perverted, macho satisfaction from killing. The soundtrack sounded like World War II. This heavyhanded program, which also showed hunters killing buffalo and deer in gruesome and nonsporting situations, was an insult to the intelligence of even nonhunters.

Presidents Kennedy, Eisenhower, Johnson, and Theodore Roosevelt were ardent hunters. Kennedy was a member of the National Rifle Association. Eisenhower loved to quail hunt. Many urbane and sophisticated men and women enjoy hunting. Much of the cost of conservation and game preserves and maintaining wildlife is paid for by hunters who purchase duck and deer stamps, who pay a huge chunk of taxes on ammunition and other hunting gear.

I have learned from the news media that the CBS personnel who put the so-called documentary together were, in fact, nonhunters.

Mr. Speaker, anyone who has ever watched a dog go on point early in the morning while walking through the broomsedge and thrilled to the sound of a covey bursting into the air can tell you there is a dimension that CBS neglected.

Anyone who has sat in a duckblind on a cold morning with some good friends and a Thermos of coffee can tell you that CBS is guilty of a grave misrepresentation.

If the men who settled this country had been like those who produced the CBS program, this country would not exist now.

There is still another factor: a given area of land can support just so much wild game. CBS used the term "harvest" in a sardonic manner, but in many respects that is accurate.

Dr. Havilah Babcock, the late author and English professor at the University of South Carolina, expressed it best in his book, "My Health Is Better in November," a book about quail hunting. Robert Ruark of North Carolina also captured that ineffable quality of a young man hunting for the first time, as did Archibald Rutledge of my State.

If you have ever eaten quail or venison you will be assured that there is a pragmatic reason to hunt other than recreation and sport. Wild game can be delicious if prepared correctly.

Most hunters I have known do not hunt because of some sort of malicious thrill in killing "Bambi" or some Walt Disney cartoon character.

I suggest that those at CBS read one of the many good books on hunting by Jack O'Connor, a former editor at Outdoor Life magazine, or one of the other authors I have mentioned. Hunting can be good exercise. Modern man has become flabby and unfit, partly because he has hearkened to the bleating of the phony sophisticates who tut-tut over the "killing of helpless little animals."

Man can be a person of the intellect and sophisticated and acceptable on any value scale and still enjoy hunting. Hunting can be a wholesome and enjoyable pursuit. CBS chose to single out those minority situations that I concede are less than pleasant and cloak them as if representative of the whole sport.

I certainly hope that the Federal Communications Commission will examine this charade and see to it that any further such propaganda at least have some semblance of balance and objectivity.

SOVIET UNION ALREADY IN VIOLATION OF HELSINKI CSCE AGREEMENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in July of this year the participants at the Conference on European Security and Economy agreed to notify one another when major military maneuvers were to be staged. Dutifully, NATO has given notice to the Kremlin of five exercises in Western Europe. West Germany, which is holding its largest military exercise since 1968, not only informed the Warsaw Pact countries of the exercise, but invited observers from East Europe and the U.S.S.R. What has been the response from the Soviet Union? You guessed it—silence. The London Daily Telegraph of September 18, 1975, recently discussed this instance of Soviet duplicity. The item follows:

[From the London Daily Telegraph, Sept. 18, 1975]

RUSSIANS SILENT OVER MANOEUVRES

(By John Miller)

NATO has begun notifying the Soviet Union about its exercises but is still awaiting a reciprocal gesture from the Warsaw Pact forces.

Since the European Security Conference declaration in July, the Kremlin has been given advance details of five exercises in Western Europe.

Under the terms of the declaration on military movements aimed at increasing East-West "confidence" signatory states are obliged to send out advisory notices when more than 25,000 of their troops are involved.

NATO was understood to have gone further than it needed to have done and has also told the Russians about manoeuvres involving less than 25,000 men.

Whitehall sources said yesterday that the Warsaw Pact countries were believed to be preparing for their annual autumn manoeuvres.

But the Russians have so far given no formal or informal indication when they will take place or how many men will be involved.

GESTURE TO WEST

In February, during Mr. Wilson's visit to Moscow, the Kremlin gave notice of a large-scale military exercise in Western Russia.

It was seen at the time as a gesture to the West in order to speed up the work of the then deadlocked European Security Conference negotiations in Geneva.

Military experts did not rule out the possibility that the Russians were busy deliberating on how far they would go in abiding by the spirit and the letter of the Helsinki declaration.

They have also yet to decide whether to take up an invitation by the West German Government to send observers to a six-day exercise code-named "Certain Trek" beginning in Bavaria on Oct. 14.

They may feel that if they attend the exercise they are duty bound to offer a *quid pro quo* and invite NATO observers to future Warsaw Pact exercises.

HOUSE OF REPRESENTATIVES—*Thursday, September 25, 1975*

The House met at 12 o'clock noon.

The Reverend Charles L. Yates, Fairview United Methodist Church, Wheeling, W. Va., offered the following prayer:

Precious Heavenly Father, we come to Thee this morning in the U.S. House of Representatives, where men and women of outstanding character, honesty, and integrity are dedicated to pass laws which will meet our needs and protect our people. We pray that we may abide by them and support our lawmakers.

We plead for divine leadership, for we know Thy infinite wisdom, power, and goodness is needed to guide us all.

May we remember our forefathers who had the courage and insight to establish the basis for our humble beginnings, and those who gave their lives for our country.

Bless this assembly that what they do may benefit mankind through peace and understanding and what is right in Thy sights. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 7715. An act to extend until the close of June 30, 1978, the period during which certain dyeing and tanning materials may be imported free of duty.

RHODESIAN CHROME

(Mr. ICHORD asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ICHORD. Mr. Speaker, I have been concerned for quite some period of time about the hypocrisy surrounding the issue which we will debate today in H.R. 1287.

The American Coalition, which I believe is an organization of stainless steel producers in the United States, has summarized all of the arguments against the repeal of the Byrd amendment in a pamphlet that has come into my office today and I would direct this to the attention of the Members.

It sums up the hypocritical aspects of the bill when it states in its conclusion:

> Should the House vote to impose sanctions on Rhodesian chrome, it will be engaging in what The Washington Star-News has quite rightly called an "exercise in selective morality." Can a morality that is selective be much of a morality at all? Does anyone really believe that the Soviet Union is morally superior to Rhodesia?

Mr. Speaker, I will include the entire article in the Extensions of Remarks section today.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENT OF DEFENSE APPROPRIATIONS BILL FOR FISCAL YEAR 1976

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

Mr. ROBINSON reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALL OF THE HOUSE

Mr. RONCALIO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House will be ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 546]

Alexander
Ambro
Annunzio
Ashley
Brademas
Brooks
Broomfield
Brown, Calif.
Burton, Phillip
Chisholm
Conyers
Diggs
Dingell
Drinan
Eckhardt
Edgar
Edwards, Ala.
Esch
Eshleman
Fary
Fenwick
Foley
Fountain
Gibbons
Harsha
Hays, Ohio
Hébert
Heckler, Mass.
Kastenmeier
LaFalce
Landrum
Lent
Macdonald
Mathis
Meeds
Mitchell, Md.
Moore
Neal
Pike
Rees
Riegle
Rodino
Rose
Scheuer
Sisk
Stephens
Symington
Thompson
Udall
Ullman
Wiggins
Wilson, Bob

The SPEAKER. On this rollcall 381 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR AD HOC COMMITTEE ON OUTER CONTINENTAL SHELF TO HOLD HEARINGS AT OCEAN CITY, MD., SEPTEMBER 26, 1975, AND GRANTING LEAVE OF ABSENCE TO CERTAIN MEMBERS

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Ad Hoc Committee on the Outer Continental Shelf conduct hearings in Ocean City, Md., on Friday, September 26, 1975, while the House is in session. I also ask unanimous consent that the following Congressmen be granted official leave of absence: Congressmen JOHN MURPHY, JOHN BREAUX, CHRISTOPHER DODD, WILLIAM HUGHES, PIERRE DU PONT, ROBERT BAUMAN, GEORGE MILLER.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE QUALITY OF LIFE IN ERIE COUNTY

(Mr. VIGORITO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VIGORITO. Mr. Speaker, as the Representative of the 24th Congressional District of Pennsylvania, which includes Metropolitan Erie, I was proud to see that Erie was the top-ranked Pennsylvania metropolitan area in the quality of life test project conducted by the Midwest Research Institute.

It was interesting to note that of the 12 metropolitan areas with more than 50,000 population in Pennsylvania, Erie was rated No. 1 according to its economics, environment, health, education, social, overall and politics.

I am sure that the residents of Erie and the surrounding townships which comprise Greater Erie are very proud and happy, as I am, that their hometown has been given the recognition it truly deserves.

It is especially a well-received and significant feat to be considered tops as far as quality of life is concerned as our society watches the large urban areas of our country deteriorate. Although it is considered a large urban area which includes the third largest city in Pennsylvania, the Erie area still retains a certain smalltown atmosphere which allows for everyone to truly enjoy living in a somewhat large town without all the tensions and pressures of the big city.

It is my hope that the results of the test project will further publicize that Erie is a nice place to live with good people contributing to all segments of the community.

RHODESIAN CHROME

(Mr. DICKINSON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DICKINSON. Mr. Speaker, the House is scheduled to consider H.R. 1287 later today—legislation to repeal the Byrd amendment and reimpose the embargo on the shipment of chrome from Rhodesia. Since I am leaving early this afternoon for Alabama to inspect the damage inflicted on cities and towns in my congressional district by hurricane Eloise, I will not be present to vote on this most important legislation.

I have consistently opposed the Rhodesian embargo and voted for the Byrd amendment when it was originally passed by the Congress. Earlier this year, when this matter was considered in the House Armed Services Committee, on which I serve, I voted to reject the reimposition of the suspended embargo on the importation of Rhodesian chrome.

Evidence in favor of continuing to trade with Rhodesia is overwhelming. The United States must pursue policies which are in the best interest of our Nation—not the U.N. Continued trade with Rhodesia, one of the few friends we have left in Africa, is certainly in the best interests of the United States. To reimpose an embargo on this African nation would be insane and asinine.

If I were present, I would have voted against H.R. 1287—reimposition of the embargo on the shipment of chrome from Rhodesia.

PERMISSION FOR SUBCOMMITTEE ON AVIATION OF PUBLIC WORKS AND TRANSPORTATION COMMITTEE TO MEET THIS AFTERNOON

Mr. ANDERSON of California. Mr. Speaker, I ask unanmious consent that the Subcommittee on Aviation of the Committee on Public Works and Transportation be permitted to sit this afternoon for the purpose of conducting business.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, I was presiding over a revenue-sharing committee hearing and I was delayed in getting here for the quorum just announced. I would like the RECORD to show that I am present on the floor of the House.

AMENDING THE UNITED NATIONS PARTICIPATION ACT OF 1945

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 722 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 722

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1287) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, and one hour to be controlled by Representative Donald Fraser of Minnesota, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment recommended by the Committee on International Relations now printed on page 2, line 1, through page 4, line 2, notwithstanding the provisions of clause 7, rule XVI. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 722 provides for an open rule with 3 hours of general debate on H.R. 1287, the United Nations participation Act of 1945, which would bring to a halt the importation of Rhodesian chrome.

The rule further provides that 1 hour of debate be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, that 1 hour be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, and that 1 hour be controlled by Representative DONALD FRASER of Minnesota.

House Resolution 722 also provides that it shall be in order to consider the amendment recommended by the Committee on International Relations now printed on page 2, line 1, through page 4, line 2, notwithstanding the provisions of clause 7, rule XVI(16) of the rules of the House. This is the germaneness provision.

H.R. 1287 would amend the United Nations participation Act of 1945 to halt the importation of Rhodesian chrome ore, ferrochrome, and nickel. The proposed amendment would return the United States to full compliance with United Nations economic sanctions in accordance with the international treaty obligations of the United States. It provides a procedure also for prohibiting the indirect importation of Rhodesian chromium via foreign-made specialty steels by requiring that imports of chromium-bearing specialty steel mill products be accompanied by a certificate of origin. This certificate of origin would specify that the chromium contained therein did not originate in Rhodesia. The Secretary of the Treasury would be authorized to establish a system of certification review for all imports of steel mill products.

H.R. 1287 has serious implications for U.S. policy toward Africa. It rejects the argument that we need the chrome Rhodesia supplies to the United States because we have sufficient supplies in our stockpiles as administration witnesses have testified. And it upholds our primary commitment to the United Nations Security Council economic sanctions imposed upon Rhodesia in 1967, a commitment which only the United States and South Africa officially have violated. Clearly, the enactment of this historic amendment would give firm indication of our fundamental belief in the cause of international law and justice.

Mr. Speaker, I urge the adoption of House Resolution 722 in order that we may discuss, debate and pass H.R. 1287.

Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Speaker, the Committee on Armed Services met on this same bill we have before us and opposed it. The vote in the Committee on International Relations was 17 to 8; the vote in the Committee on Armed Services was 29 to 7. If we add those votes together, we would have a majority vote of 37 to 24 in opposition to this bill.

This bill in my opinion would bring us to an immoral decision, since it is not morally right in my opinion for the United States to meddle in the internal affairs of another country. It is also not morally right for the United States, through its agent in the United Nations or otherwise, to impose upon the citizens of the United States a position which they have not granted.

The United Nations Charter requires for a sanction that there be a threat of international war. There was no international aspect involved in Rhodesia. Rhodesia is a colony of the United Kingdom. No nation in the world recognizes Rhodesia as a sovereign state, so this was purely an internal matter.

Furthermore, there was no threat of war.

Therefore, the United Nations Charter has been distorted by the action of this sanction, and the U.S. Congress should turn its back on such a distortion. This amounts to an erosion of the powers and the privileges of American citizens, because American citizens never gave, through the United Nations Charter, the privilege of the representative of the United States in the United Nations to speak for the United States in regard to a domestic matter in another country. So this is ab initio, from the very beginning, an improper action by the United Nations.

The right of Congress to pass an amendment to nullify the United Nations sanction would be good whether that is so or not, and it has been so held by the Federal courts, with certiorari denied by the Supreme Court.

So even if my argument that I first made, that it is immoral to do it because of the fact of the distortions in the United Nations Charter were not sound, the courts, not on that basis, but on the basis of the fact that we can turn down a sanction of the United Nations, have so held.

Furthermore, it is settled law that if other signatories of a treaty disregard its terms, then the remaining signatories are released from compliance. There has been an almost universal disregard of this sanction by other countries, so we are relieved of any legal obligation to comply with it ourselves aside from the court decision on the validity of the Byrd amendment and aside from the argument I have made with regard to the United Nations Charter.

The bill is contrary to our international trade policies. We have long had agreements with other nations to try to increase free trade as best we can.

So I will summarize this first point with regard to the morality of our country in this matter by saying that obviously it is not a moral thing for the United States to set aside the Byrd amendment, because if we took another position, we would be flaunting the rights of the American citizens not to be embroiled in the domestic affairs of another country. Any country like the United States, which has just come through the Vietnam war, should realize that there are limits on what a country can do in the internal affairs of another country. Certainly in this particular instance we do not want to get dragged any further into this matter. Actually, under this section of the charter, if this sanction were upheld, we could also have it upheld in a military matter, because the same sections of the charter refer not only to these sanctions but to a military matter, so we could have another Vietnam war coming along if we are not careful.

Mr. Speaker, my next point is that this bill endangers the national defense of our country. Chrome is a metal of great importance. It is essential to the national defense of our country, and there is no substitute for this vital defense material.

Second, with regard to the defense aspect, there is no domestic supply of chrome in the United States. Rhodesia holds 67 percent of the world's known reserves of metallurgical grade chrome.

If we pass this bill, we increase our dependence on the Soviet Union as a source of supply. Increased dependence on the Soviet Union is not wise, it is not prudent, and it is foolhardy. It is against the national defense of our country.

We have no excess of chrome in our national stockpile. In fact, we may have a shortage. Based upon current consumption, we have perhaps a 3-year supply, but this assumes a free flow of Rhodesian chrome to the United States. A few years back we had a 5-year supply. We need to look down the road and worry about the defense requirements of our country. Studies are now under way to see whether or not the stockpile should be brought down or increased. These studies may reflect that actually we need to increase the amount in our stockpile.

The SPEAKER. The time of the gentleman from Florida (Mr. BENNETT) has expired.

Mr. YOUNG of Georgia. Mr. Speaker, I yield 2 additional minutes to the gentleman from Florida.

Mr. BENNETT. Mr. Speaker, the President of the United States wrote me on August 28. Since I do not have much time, I will not read the whole letter.

It said:

> . . . the Executive Branch has undertaken a thorough review of stockpile policies, including each of the planning assumptions. On the basis of these studies, and taking into account the points you have raised, I am considering possible changes to the stockpile planning assumptions . . .

The gentleman from Minnesota (Mr. FRASER) had a letter in July from the Department of Defense. Since I am strapped for time, I will just read the concluding paragraph:

> . . . the Deputy Secretary of Defense has recommended to the National Security Coun-

> cil that the assumptions and policies controlling the levels of strategic and critical materials to be held in the National Stockpile be reexamined and has further recommended that action be taken to defer the disposal of any stockpile materials since this reexamination may lead to recomputation of stockpile objectives . . .

Not long ago, just 4 or 5 days ago, I talked to General Bray, in charge of this stockpile matter for the executive branch. He tells me that he does not now have any firm reason to think that we may not actually need additional chrome for the stockpile when the facts are all in.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BENNETT. Yes, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the fact that the gentleman from Florida (Mr. BENNETT) has brought up these points which basically underlie the legislation. However, I was especially interested in his comment that many foreign countries disregard this so-called sanction anyway. Therefore, it is a facade, does the gentleman think we should go through this legislation?

Mr. BENNETT. I think the gentleman from Alabama (Mr. BUCHANAN) went to the U.N. as a representative there.

Before he went there, he was enthusiastically in support of the position of the gentleman from California (Mr. ROUSSELOT) and mine. Yet, somehow or other, now he has appeared before the Committee on Rules in strong support of this bill.

Mr. ROUSSELOT. Consequently, what the gentleman from Florida (Mr. BENNETT) is saying, in effect, is that other countries can do what they want in buying chrome from Rhodesia even though they may endorse the sanctions?

Mr. BENNETT. Our national defense will be very much in peril if we do enact this legislation.

Mr. ROUSSELOT. I thank the gentleman.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I have a great deal to say or will have a great deal to say when we debate this bill, but there is one point about the rule which I wish to emphasize, just for the sake of the record.

I appeared before the Committee on Rules to oppose the adoption of the rule, but in the process I asked the Committee on Rules to please consider deferring action on the rule until at least January 1976.

My point was that before we make this decision this afternoon on whether or not we will or will not repeal the Byrd amendment, we at least ought to review what was done at the 1975 U.N. General Assembly session.

It was my privilege to serve at the United Nations in 1971 as a delegate. I consider that the high spot of my public career. I am a great supporter of the United Nations, but I am not a blind supporter of the United Nations.

I honestly think that if the coming General Assembly session of the United Nations misbehaves as badly as did the 1974 General Assembly session, many Members who might vote for this measure this afternoon would seriously regret not having had an opportunity to pass judgment on the situation in January, after the U.N. session.

I say this not to oppose the rule—and, insofar as I know, there is no strategy or intent to do that, and it is not really my point—but I do want to make the point that at this time I think it would be far better for the House, for our country and for the United Nations, were we to defer action on this measure until at least January 1976.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, if the gentleman from Illinois takes that position, would it not make sense if the House were to consider this as a procedural matter and vote down the rule. Then we can defer action on the legislation until after the General Assembly of the United Nations has taken place, without actually voting on the merits of the matter at this time.

Mr. DERWINSKI. As the gentleman from Maryland knows, I am a statesman, not a political tactician, and I am not aware of any effort to organize a vote against this rule. I have always felt that one should not charge into a fight unless one first lines up the voters and, as I say, so far as I know, there has not been an attempt to line up the opposition against the rule itself. I would hope that there is either a motion to recommit that is carried, or that a "no" vote on final passage of the bill will ultimately prevail.

Mr. BAUMAN. But may I say, Mr. Speaker, that the gentleman from Illinois in his statesmanlike manner has given very compelling reasons for voting down this rule especially in light of the fact that the Committee on Rules only voted out the rule by one vote. Actually there would have been a tie had one vote been changed because of the gentleman's convincing argument.

Mr. DERWINSKI. Mr. Speaker, I honestly thought that my eloquence would compel the Committee on Rules to defer action but, when they proceeded to adopt the rule I lost a little bit of my self-confidence.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, House Resolution 722 is an open rule providing 3 hours of general debate on the bill H.R. 1287 which amends the U.N. Participation Act by halting the importation of Rhodesian chrome. The resolution waives the germaneness rule against section 2 of the bill which deals with the certification of imported steel products. Since section 2 is a provision added as a committee amendment in markup, there is some question as to whether it goes beyond the scope of the original bill. This is the reason for the waiver.

The Rules Committee conducted 2 days of hearings on this bill and heard from numerous witnesses on both sides of the issue. You will notice that the bill was sequentially referred from the International Relations Committee to the Armed Services Committee; and while the former committee reported favorably on the bill by a 17–8 vote, the latter committee reported adversely on the bill by a vote of 29–7.

In deference to these two great committees and those who feel strongly on both sides of the issue, the Rules Committee decided on a rule which would give all sides concerned adequate debate time to state their case. Thus, the 3 hours of general debate is divided as follows: 1 hour to be divided equally between the chairman and ranking minority member of the International Relations Committee; the second hour to be divided equally between the chairman and ranking minority member of the Armed Services Committee; and the third hour to be controlled by the gentleman from Minnesota (Mr. FRASER), one of the chief sponsors of the bill. Given the stated positions of those controlling the debate time, we have presented a rule in which debate time has been divided equally between the proponents and opponents of the bill.

Mr. Speaker, I strongly support this rule and the bill which it makes in order. And, as a member of the Republican leadership, I should point out at the outset that the administration favors this bill, though this is certainly not a partisan issue and the bill has strong bipartisan support. I particularly want to commend the prime sponsors of this bill on their efforts—Mr. FRASER, Mr. DIGGS, Mr. BUCHANAN, and Mr. BIESTER.

By way of background on this issue, Southern Rhodesia declared its unilateral independence from Great Britain in November of 1965. Great Britain opposed this move on the grounds that the Ian Smith regime did not accord sufficient political rights to the black majority in that country which comprises 95 percent of the population. Rather than intervene militarily, Great Britain took its case to the U.N. On three occasions, in 1965, 1967, and 1968 the U.N. Security Council, with our support, voted economic sanctions against Rhodesia, the third being a complete embargo against commerce with Rhodesia. In each instance, President Johnson issued Executive orders to implement the sanctions.

In 1971 the so-called Byrd amendment was attached to a defense bill. That amendment prohibited the President from barring the import of any strategic substance from a free-world nation if it is being imported from a Communist-dominated country. The effect of this amendment was to lift the import ban against Rhodesian chrome.

A bill similar to the one before us today passed the other body in the last Congress by a vote of 54 to 37 and was favorably reported by our House Foreign Affairs Committee, but never came to a vote in the House.

H.R. 1287 would not directly repeal the Byrd amendment, but rather would make its provisions inapplicable to any sanctions imposed by the United States under the authority of the U.N. Participation Act and in accord with Security Council resolutions currently in effect. This would in effect, however, restore the ban against importing Rhodesian chrome ore and ferrochrome into the United States.

Section 2 of the bill is an innovation added by the committee in this Congress designed to address the argument that other nations are secretly cheating on the sanctions and shipping us steel products which contain Rhodesian chrome. This section requires the Secretary of the Treasury, during the time sanctions are being applied against Rhodesia, to obtain certificates of origin on shipments of steel mill products into this country which contain chromium in any form. Countries shipping us such products would have to certify that they do not contain Rhodesian chrome. I think in fairness that it should be pointed out that the Departments of Defense, Treasury and Commerce have expressed particular reservations about the certification process on the grounds that it would be difficult to verify and administer, goes beyond the U.N. sanctions as a form of secondary boycott, and constitutes a nontariff barrier to trade. Nevertheless, despite such reservations, representatives of the Departments of Commerce and Treasury testified that they could accept this provision and would do their best to administer it effectively. I am certain this controversial certification section will receive considerable attention during the general debate time provided by this rule.

Mr. Speaker, I support H.R. 1287 not only from the standpoint of our obligations under international law—and I think we should lead the way as a law-abiding member of the international community—but also from the standpoint of our long-term economic interests.

The opponents of this bill will argue that our future strategic stockpiles will be endangered if we cut ourselves off from access to chrome from Rhodesia which has the largest known reserves in the world. What all this tends to ignore is the rapidly changing situation in Africa. Our chrome imports from Rhodesia during the first half of this year are half that of last year—mainly due to the increasing difficulty of shipping them out through newly independent Mozambique. And there is a growing possibility that the Mozambique border will soon be completely closed to commerce with Rhodesia. South Africa is certainly in no position to take up the slack. In fact, South Africa has joined with certain black African nations in bringing pressure on the Ian Smith regime to negotiate a political accommodation with the black Rhodesian majority.

Any objective assessment of the present Rhodesian situation points to the conclusion that something's got to give soon. If we are truly interested in insuring ourselves access to Rhodesian chrome at reasonable prices in the future, we must face up to the reality that Rhodesia will not always be controlled by its white minority government, and that the attitude of any future Rhodesian majority government toward the United States will be determined in part by where we stand today on this issue.

And I think we must quite frankly recognize that if the dispute between the Smith regime and the African National Council is not resolved by peaceful means, there is a very high probability that a civil war will erupt. I would submit that by alining ourselves with the concept of majority rule today through our support of this bill, we can assist in getting negotiations back on the track and thus enhance the prospects of a peaceful settlement. And the sooner this matter is settled, the sooner the sanctions can be lifted.

Mr. Speaker, it will be argued today that the adoption of this bill will make us primarily dependent on the Soviet Union for chrome. In point of fact, our dependence on Soviet chrome has increased since the enactment of the Byrd amendment. There is no question that we could make up the difference in lost Rhodesian chrome by turning to other countries such as Pakistan, the Philippines, and Iran. We are not talking here about making up for large amounts of lost chrome, but rather about around only 7 percent of our total chrome imports.

Mr. Speaker, attempts will be made today to cast doubts on the depth of administration support for this bill. Let me simply state in response that the administration has not equivocated in its support for this legislation, and as recently as Tuesday of this week Secretary of State Kissinger reiterated the administration's strong stand in favor of restoring the import ban on Rhodesian chrome. Speaking before the Organization of African Unity at the United Nations, Secretary Kissinger said, and I quote:

> The United States intends to adhere scrupulously to the U.N.'s sanctions against Rhodesia. President Ford and his entire Administration continue to urge repeal of the Byrd amendment and expects this will be accomplished during the current session of Congress.

Mr. Speaker, I urge adoption of this rule and passage of the bill which it makes in order. I make my appeal not only on the grounds of our obligations under international and moral law, but also on the grounds that the enactment of this bill will further our long-term economic and national security interests. It is time we wake up and recognize that the darkest thing about the so-called dark continent has been our ignorance of it, and that we live in an increasingly interdependent world in which Africa will play an important role in our own economic survival as a major supplier of raw materials to us. Let us take a first step today to cement our relationships with that continent by reaffirming our 200-year heritage and commitment to independence, freedom, and equality of all races under majority rule. Let us give new life to the great founding principles of this Republic by alining ourselves with the aspirations and dreams of the African people. Let us by our action here today take an important step in promoting a peaceful solution to the Rhodesian problem, rather than exacerbate that problem and invite violence by bolstering the barriers to majority rule.

We have had a very interesting argument advanced by my friend and colleague, the gentleman from Illinois (Mr. DERWINSKI) that we should somehow have held this matter in abeyance and that the Committee on Rules should have granted a request for a postponement until we have seen how well the forthcoming session of the General Assembly of the United Nations performs.

In that regard I think it might be pertinent to point out an article which came to my attention just a few days ago and which contains a statement by the Foreign Minister of Zaire, one of the principal countries of Africa, of course, who said that his government opposes any suspension or expulsion of any state from any international organization.

It seems to me, therefore, that rather than helping the situation if we were today to defeat this rule or to defeat the legislation, that we would be working against the very best interests of this country in trying to promote what seems to be a more favorable feeling on the part of some of the principal countries of Africa toward the United Nations and the United States and against the idea that nations like Israel and South Africa should be expelled from that international body.

He went on in that particular interview to complain that the policies of the Organization of Petroleum Exporting Countries were strangling and weakening black Africa and condemning the Soviet bloc's intervention in Angola. So it seems to me, therefore, with that very heartening indication that some of the countries of black Africa have begun to come our way, that to deal them another blow as we would certainly be doing by a failure to repeal the Byrd amendment would be wrong.

I go back to I think it was 1973 when Bishop Abel T. Muzonewa, one of the outstanding moderate leaders in Rhodesia today, said that no more devastating blow had been dealt to the cause of majority rule in Rhodesia than when the Congress of the United States adopted the Byrd amendment.

I think it is high time that this body joined the other body in suggesting or saying to the world that we are going to stand by our international commitments. And we made that commitment not once, not twice, but three times when the Security Council acted and we supported the resolutions that were adopted imposing sanctions against the country of Rhodesia, because, of course, this whole affair goes back to their attempt illegally to declare their independence from Great Britain in 1965.

I listened with great interest to the argument that was made by my friend the gentleman from Florida (Mr. BENNETT) and I respect him highly. There is no Member of this body who I think has a greater reputation, and deservedly so, for morality and honesty than the gentleman from Florida (Mr. BENNETT). Yet when he says that it is not morally right—those are the words that he used—to interfere in the affairs of another state, in the first place, Rhodesia is not a state. It is not recognized, so far as I know, by a single country in the world. To my knowledge, there were only four countries that did not support the sanctions that were adopted legally under Chapter 7 of the United Nations

Charter. One of them was not even a member of the United Nations. The other was the United States, when we joined with that group in the adoption of the Byrd amendment.

Then there was South Africa which, of course, is a country that maintains an apartheid system, and then there was Portugal which at that time had a number of colonies in Africa. Certainly that government no longer takes the same position, at least since April of 1974, that they did formerly on this question.

Mr. BENNETT. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from Florida.

Mr. BENNETT. I thank the gentleman for yielding, for a technical clarification. I said in my remarks Rhodesia is a colony, and it was purely an internal affair. This is an internal affair because we are looking into a country and its colonies, which under the United Nations is considered a country. In other words, Rhodesia is considered a part of a country, namely the United Kingdom. A country and its colonies are considered an entity.

Mr. ANDERSON of Illinois. May I remind the gentleman that the country in question is Great Britain. Rhodesia is a colony of Great Britain, and it was Great Britain that went to the United Nations that sought to make this a matter of international concern.

Mr. BENNETT. If the gentleman will yield further, that does not change the charter which limits sanctions to an international affair. It does not make it any more an international affair that Great Britain has it as a colony.

Mr. ANDERSON of Illinois. I would suggest to the gentleman that nothing could be any more international.

The SPEAKER. The time of the gentleman has expired.

Mr. ANDERSON of Illinois. I yield myself 5 additional minutes.

I suggest to the gentleman that nothing could be more truly international in character than this matter of whether or not the United States is going to maintain the internationally legal obligation that it undertook when it became a signatory to the charter of the United Nations in 1945.

Mr. BENNETT. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Florida.

Mr. BENNETT. I thank the gentleman.

He is going off the beam here. He is talking about whether it is international in character. I never said it had no international implication. I said the United Nations Charter restricts U.N. activities on sanctions to international war cases. There is no international war involved at all. There is no war. Any war there might be is not international.

Mr. ANDERSON of Illinois. I would simply point out—and then I must move on to the final point I want to make in this brief time that I have—that the gentleman is making a completely ex post facto determination when he suggests that this is not an international matter. Three times that matter was voted on in the Security Council of the U.N. Our Government said that it was, that it came within the purview of chapter 7 of the charter. We had an opportunity at that time to veto. We did not. Indeed, President Johnson then proceeded with Executive orders to implement the resolution that had been adopted in the Security Council.

There are many other points that I could make on the question of national security, but I know those are going to be very ably addressed by the sponsors of the legislation during the 3 hours that have been reserved for general debate.

Mr. LATTA. Mr. Speaker, will the gentleman yield.

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

Is it not a fact that when President Ford was a Member of Congress, his position was just the opposite?

Mr. ANDERSON of Illinois. That is quite true when this matter was before us. At that time, as Representative of the Sixth District of Michigan, he took a different position. But I think he recognizes that as the leader of this country and as the leader of the free world, far more important than any position he took in the past is the necessity of affirming now before the world that we do take seriously our obligations under international law.

Mr. LATTA. Mr. Speaker, will the gentleman yield further?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I think what the gentleman is saying is a condemnation of the President of the United States because he was a Representative of the United States when he was in this House, the same as he is the President of the United States. He was not representing just the Sixth District of Michigan.

Mr. ANDERSON of Illinois. I do not accept the gentleman's representation at all. I think the President, given his responsibilities as a leader of this country, realizes he is a world leader and appreciates his responsibilities in the eyes of the world, and, believe me, the world is watching to see what the United States does in this matter.

Mr. du PONT. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Delaware (Mr. du PONT), a member of the committee.

Mr. du PONT. Mr. Speaker, the gentleman from Illinois has ably stated that the repealer of the Byrd amendment has been supported by the United States in the United Nations but I think the gentleman will agree the United States has never made a commitment in the United Nations or anywhere else to support the third-party-boycott language of section 2 of this bill. That is a new provision.

Mr. ANDERSON of Illinois. I realize that the gentleman has reservations about the certification procedures under section 2 and I believe the gentleman intends to offer an amendment to take that section out. But I think that is not really the basic issue: whether we go along with the certification procedure or not. The basic question is whether or not we are going to honor the commitment we made and stand by our pledged word to honor international law, and in that statement I think the gentleman will join me.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. du PONT. Would the gentleman take an additional 2 minutes just to clarify this point?

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 2 additional minutes.

Mr. du PONT. Mr. Speaker, if the gentleman from Illinois will yield further, I agree with the gentleman and I have always voted before to support the position of the United States in the United Nations. But when the gentleman says in the United Nations we support the repealer, it ought to be made very clear that section 2 has never been brought up in the United Nations and we have never supported it there. It is a brand new piece of legislation.

Mr. ANDERSON of Illinois. The gentleman is correct, but I do not think that detracts from what I said earlier about the overall position.

Mr. du PONT. I thank the gentleman for that clarification.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Speaker, I heard the gentleman make the statement that Rhodesia was a colony of Great Britain. That is true, is it not, that the gentleman made that statement?

Mr. ANDERSON of Illinois. At one time, that is correct.

Mr. DENT. Also I am reminded at this point that the United States of America as a colony was a colony of Great Britain. I would like to read two lines from the Declaration of Independence of the United States of America:

> When in the course of human events it becomes necessary for one people to dissolve the political bonds which have connected them with another—

I do not have time to read it all, but I will if the gentleman wishes.

Mr. ANDERSON of Illinois. The gentleman is repeating testimony he gave I believe before the Committee on Rules.

Mr. DENT. Let me read these words from another declaration of another colony of Great Britain:

> Whereas in the course of human affairs hitsory has shown that it may become necessary for a people to dissolve the political affiliations which have connected them with another people and to assume amongst other nations the separate and equal status to which they are entitled . . .

And take their own place under the sun, and that is from the Bill of Rights and the Declaration of Independence of Rhodesia which are identical in purpose and principle to the Declaration of Independence of the United States against the mother country.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 1 additional minute merely to express total and complete astonishment that my friend and distinguished colleague, the gentleman from Pennsylvania, could find any similarity between the Declaration made by Rhodesia in 1965 with the Declaration made by this country in 1776.

The gentleman, in discussing Rhodesia, is talking about a country where they are insisting up to the present moment that 5 percent of the people govern totally and completely the destiny of the other 95 percent. That was not the basis on which Thomas Jefferson struck off the Declaration of Independence in 1776.

Mr. DENT. Mr. Speaker, will the gentleman let me answer that?

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. YOUNG of Georgia. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. Dent).

Mr. DENT. Mr. Speaker, before I go further in this discourse, I would like to say that I endorse the rule. I think it is as fair a rule as we can get. I would like to ask my colleagues to support the rule.

The gentleman from Illinois can draw any view that the gentleman wants of what I say. But is it not true that the gentleman has stretched it a little bit too far? I must say he is easily astonished. He harps on the small percent whites who rule the county.

What was the percentage of the colonists population in the United States when we declared ourselves free and independent of Great Britain, compared to the red population, known as Indians? How much of the land did we reserve for the Indians outside of the reservation, moving from one to the other to please the whims of the settlers who wanted the land they had moved to in the first place?

Approximately 73 percent of all the land mass in Rhodesia is dedicated to the blacks. They can buy land and move into any of the rest of Rhodesia, but no white man can buy one inch of ground or take over an inch of ground of the reserves for the blacks in Rhodesia.

Fifty percent of the senate in Rhodesia is black.

Thirty-six percent of the house of representatives is black.

Sixty percent of the students at Salisbury University are black, and before Ian Smith, every educated black was educated outside Rhodesia. His avowed purpose, and we can read this in their constitution if we want to read it, is to educate the blacks in Rhodesia to take over Rhodesia as a government.

I hear remarks around about one-man, one-vote. Is there any person in this room that believes we can have one-man, one-vote, with equality of any kind, when they practice polygamy? I visited a family of 37 members, one family with 37 members in it. Nineteen of them were voting age. Would you call that a one-man, one-vote equality? Does anyone tell me that this has been a bad administration? It is the only African country before the revolution in that country that as a part of its economy every black gets paid the same wage as a white.

I saw something in Rhodesia I never saw in the United States. I come from a steel section of the country. I have never seen a black running a hot crane in a steel mill. There was a black up there perched running a hot crane at $720 a month, exactly the same as the man that relieved him on the next shift, a white man. The puddler on one shift is black and on every job in that steel mill and in every job in industry in Rhodesia, there is either a black on the job or a black understudy learning the job.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. YOUNG of Georgia. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. Fraser).

Mr. FRASER. Mr. Speaker, I am going to be very brief, but in light of the statements of the gentleman from Pennsylvania, it seems to me there is need to set the record straight.

The fact of the matter is, and this is according to official records, the Rhodesian average allocation of land for Africans is 7 acres and for Europeans it is 166 acres. More than 20 times the acreage is given to Europeans. The wages of Africans in Rhodesia today vary from 100 to 400 Rhodesian dollars. The Europeans in Rhodesia vary from $3,000 to $5,000 in average wage. The fact of the matter is that Rhodesia is a racially segregated society. The reason that the 5-percent white minority broke from the British was to preserve white supremacy over the 95 percent of Africans. It seems to me that to argue that Rhodesia is a wonderful, multiracial society, flies in the face of every bit of the evidence.

Mr. BURKE of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I will be glad to yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Speaker, I appreciate what the gentleman is saying about Rhodesia, and I can understand his concern, but I do not hear anybody in this House expressing any concern about Northern Ireland, where discrimination is just as bad as it is in Rhodesia. If we are going to impose anything on Rhodesia, I think we should do the same thing to Great Britain. It is not fair just to pick out a country like Rhodesia and say, "Look at the discrimination that takes place there," and ignore countries such as Northern Ireland where over a thousand people have lost their lives in the last few years as a result of discrimination there in housing, jobs, and everything else.

The one man, one vote does not exist there. I had a friend who was a city councilman in the city of Armagh, and he represented 50 percent of the Catholic population in a nine-man city council. The other eight members represent the Protestant group in that city. He is outvoted by 8 to 1.

So, if we are going to cure the discrimination in the world, let us do it all over. Let us not just pick one country here and wave the flag for that one country and then say that we are doing something about discrimination. Let us get down to the problem of Northern Ireland which needs the attention of some of the Members of this House, and let us talk about discrimination over there.

We have got almost 40 million in this country who are descended from the Irish people, and yet we do not hear anybody down here asking us to impose anything against Great Britain. They do not dare. They do not dare point a finger at Great Britain. No, they come in here with this bill here—and I am not out of sympathy with the people there that are being discriminated against because I think they are being discriminated against—but why just Rhodesia? Why do they not talk about Northern Ireland where people are being murdered every day? What about the people of the Baltic States? The Lithuanians, the Latvians, the Estonians, and the Polish people.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. YOUNG of Georgia. Mr. Speaker, I yield 2 additional minutes to the gentleman from Minnesota (Mr. Fraser).

Mr. FRASER. Mr. Speaker, I just want to say that the gentleman from Massachusetts certainly has a right to be concerned about events in Northern Ireland, and I wish there was something that could be done about it today. Let me just add to what the gentleman from Illinois (Mr. Anderson) said about the reaction to U.S. action on this question of breaking the embargo. In 1972, Harold Wilson of Great Britain, said that the American decision to allow purchases of Rhodesian chrome was an act "calculated to outrage moderate African feeling." He said:

> I can think of no act more calculated to outrage moderate African feeling and to give aid and comfort to racialists south of the Zambezi and indeed north and south of the Limpopo.

This is a very important issue to those moderates in Africa to whom we need to look for cooperative relationships. Our investment in Africa runs into the billions of dollars, and our investment in Rhodesia is very minor indeed. So, I think that when we look at this debate and the issue that is the subject of the debate, it is important to understand that Rhodesia is not like the United States. Rhodesia is a racist society, broken away from the British in order to preserve the racist minority control, and it was indeed the British who went to the Security Council and asked for help.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, is the gentleman prepared to tell the House that in his opinion Rhodesia is the only racist society in Africa?

Mr. FRASER. No, but it is the only one in which we have a commitment to do something about.

Mr. ASHBROOK. I thank the gentleman.

Mr. FRASER. That is a very important point, because I think that there are hardships and abuses around the world, and I wish we could do more about them, but here is one place where the international community is in agreement, and it ought not be the United States which turns its back on that effort and appear to guarantee support to the white 5-percent minority.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Crane).

Mr. CRANE. Mr. Speaker, I thank my colleague from Illinois for yielding.

Mr. Speaker, I was intrigued, catching the most recent portion of this debate, about some of the rationale behind a reimposition of the ban on Rhodesian chrome.

I can certainly understand the sense of outrage that some Members feel in this body over the fact that 95 percent, as we were told, of the Rhodesian people are disenfranchised. Presumably, this also implies a further criticism of this nation, on the grounds that it does not recognize some of the exalted ideals embodied in the Declaration of Human Rights of the United Nations—principles such as human dignity, rights to freedom of speech, freedom of association, and what have you.

Mr. Speaker, I am somewhat perplexed, after hearing this kind of critique, to understand how we could contemplate putting ourselves at the mercy of virtually 100-percent dependence on importation of chrome—a strategic mineral—from a country that also disenfranchises 95 percent of its population and which has a long and consistently tragic, bloody, and brutal history of repudiation of any commitment to the very rights under discussion today. It is even more puzzling, in light of the fact that Rhodesia is a small nation which has been friendly to the United States and certainly has not proclaimed any commitment to destruction of the United States, whereas, "détente" notwithstanding, the Soviet Union has made repeated commitments to bury us.

So I think there is inconsistency at the very least, and hypocrisy at worst, in this debate.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Georgia. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FRASER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1287) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota (Mr. Fraser).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1287) with Mr. Roush in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Pursuant to the rule, general debate will continue for not to exceed 3 hours, 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations; 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services; and 1 hour to be controlled by the gentleman from Minnesota (Mr. Fraser). Under the rule, the gentleman from Minnesota (Mr. Fraser) will be recognized for 30 minutes; the gentleman from Illinois (Mr. Derwinski) will be recognized for 30 minutes; the gentleman from Florida (Mr. Bennett) will be recognized for 30 minutes; the gentleman from South Carolina (Mr. Spence) will be recognized for 30 minutes; and the gentleman from Minnesota (Mr. Fraser) will be recognized for 1 hour.

The Chair recognizes the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, I yield myself such time as I may consume.

The supporters of the Rhodesian regime often use such lofty phrases as "multiracial society" and "parliamentary democracy" in their descriptions of that country. The fact is that Africans in Rhodesia face massive racial discrimination in every aspect of life, and those who choose to protest against that discrimination are subject to severe and often brutal oppression.

Rhodesia has a population of 6 million. Of these, 5.7 million are Africans and 270,000 are white and 30,000 are colored and Asian. That is to say the whites constitute less than 5 percent of the total population, and Africans outnumber whites by more than 20 to 1.

Despite this population ratio, the land of Rhodesia is divided evenly, one-half for whites and one-half for Africans, and so in per capita terms this means 7 acres for each African and 166 acres for each European. Almost all of the fertile land and the land which is near the vital rail lines is reserved for the whites. Those Africans fortunate enough to find employment in white areas can expect annual earnings of $501; their white counterparts make $5,469, 11 times as much.

According to a University College of Rhodesia study, 90 percent of African employees make less than the poverty datum line, the theoretical amount needed to keep body and soul together. Discrimination exists not so much by law as by voluntary discrimination. Whites, through their trade unions, maintain a virtual monopoly of skilled trades. In 1971 there were 59 African apprentices in the entire country; that is 59 out of a population of 5.7 million. African unions are emasculated by legislation banning strikes except after exhaustion of administrative remedies which are beyond the means of any black union. Political strikes are also banned.

Schools in Rhodesia are almost completely segregated. Education for Africans is neither free nor compulsory, as it is for whites, and secondary education is too expensive for most African families. In 1974, 35,000 Africans and 25,000 whites were in secondary schools, hardly reflective of the 20 to 1 ratio in the population of the country.

A web of pass laws and vagrancy statutes restrict Africans' freedom of movement and reinforce basic residential segregation. Although "petty apartheid" in restaurants, hotels, parks, et cetera, is not so enshrined in law as it is in South Africa, any African faces de facto segregation of most accommodations. A recent law prohibits serving Africans in bars in "white areas" after 7 p.m. on weekdays and after 1 p.m. on Saturdays.

The Rhodesian regime is fond of claiming that its constitution embodies a "nonracial franchise." It is true that the only qualifications for voting are technically based on income, property, and education levels. But since Africans' capacity to earn an income, hold property, and obtain an education are severely restricted in Rhodesian society, it follows that their right to vote is likewise limited. In fact, only 7,400 Africans in the whole country—that is 7,400 Africans out of 5.7 million—are permitted to vote. That is 13 one-hundreds of 1 percent of the African population which is permitted to vote.

So with such lack of access to the country's "parliamentary democracy," it is not surprising that Africans have tried for many years to protest and change the system. They have found that speaking out for freedom and justice is a highly dangerous activity in Rhodesia.

The first African nationalist organization was formed in 1957. It was banned in 1959, and its leaders, including Joshua Nkomo, were arrested.

Two successive parties were formed in 1961 and 1962, in the latter case under the name "Zimbabwe African People's Union". They were also promptly banned by white authorities. In 1963 the Zimbabwe African National Union, led by the Reverend Ndabaningi Sithole, was formed and then declared illegal. In 1964 all nationalist organizations were outlawed. Nkomo and Sithole, who both favored nonviolent pressure for change, spent 10 years, 1964 to 1974, in jail.

Hundreds of other Africans have been detained, arrested, imprisoned, and some have been executed because they acted to end racial oppression. These arbitrary measures continue: More than 200 political prisoners are still in jail. In July 1973, just as Bishop Abel Muzorewa was meeting with Ian Smith for the first time, over 30 top leaders of Muzorewa's African National Council were arrested and imprisoned.

When Ndabaningi Sithole was released from prison in 1974, he was almost immediately re-arrested on vague charges of assassination conspiracy. Permitted to go outside the country for recent political discussions, Sithole understandably fears for his own safety should he return.

As peaceful efforts have been crushed by the Smith regime, some Africans moved, in the late 1960's and especially since 1973, to guerrilla warfare. The regime's response has been draconian, and has been directed more at the civilian population than at the guerrillas. One of the most grotesque actions taken in the name of state security has been the creation of "protected villages." The regime last year forcibly removed over 60,000 Africans from their homes, lands, herds and flocks, without compensation, and put them into "protected villages."

Dr. Rosalie Johnson, an American

Methodist medical missionary recently expelled from Rhodesia, described these villages. She said:

> They just put barbed wire around an area and shove people inside. There is no latrine, no water—they had to carry water in buckets from outside the camp—and no health facilities.

Torture is also used extensively against civilians. A distinguished group of Christian leaders prepared a report on the brutality by the minority regime, in which they stated:

> Our investigation points to . . . the deliberate use of illegal and inhumane acts of force when questioning civilians, even those against whom there is no prior evidence of complicity with the enemy.

But the authorities refused to investigate the well-documented cases of torture and condemned the church leaders for trying to embarrass the government.

Parliament is now considering an indemnity bill aimed at giving immunity from prosecution to security forces for anything they might do in good faith during antiguerrilla operations.

The bill now before the committee today would have the effect of permitting the President—and let me underscore the word "permitting"—to restore the United States to full compliance with the sanctions voted, with the support of the United States, by the United Nations Security Council.

It is argued that if we should embargo the import of chrome and chrome products, this will endanger the security of the United States. It is hard to understand such an assertion in face of the continued support of the administration for the restoration of the embargo.

Does anybody seriously believe that this administration would support reinstatement of the embargo if, in fact, it would cause any question about our national security?

The United States has been importing from Rhodesia for the last several years. On the chart to my right are the figures showing what those imports are.

On that same chart is shown the stockpile—and let me underscore here that this is the stockpile that qualifies in terms of quality of stockpile objectives. Notice that in the case of chrome ore that in 1974—and this is the metallurgical grade, the most valuable ore—in 1974 our imports were 66,000 tons as against almost 2 million tons in the stockpile. In fact, our imports last year from Rhodesia amount to roughly 13 percent of all imports.

In other words we got 87 percent of our metallurgical grade chrome from other sources than Rhodesia last year. There will be no great problem to fill in a 13-percent gap if we restore this embargo. Next comes chrome ore refractory grade. Our imports from Rhodesia are so small that we have enough in the stockpile to make enough for 181 years, if we should be forced to do that.

In the case of ferrochrome, low-carbon, which Rhodesia is increasingly producing, here the Members will note that our imports there were under 5,000 tons. Our U.S. stockpile is sufficient to replace that, if necessary, for over 64 years.

In the case of high carbon ferrochrome, our imports were 29,000 tons. We have over 402,000 tons. We could replace this, if needed, for almost 14 years. There is no threat to the security of the United States.

But, let me make one point. If events should cause a problem 2 years from now or 3 years from now or 4 years from now, the President, under the law, could restore the exemption on chrome shipments. In other words, by passing the bill today we do not require the President to comply with the sanctions; we enable the President to do that, and if some untoward event should occur, or some unforeseen action, we can go back to Rhodesia and start buying again if it is required in the national security interest of the United States.

So there is no problem here that cannot be taken care of from our stockpiles, from other sources, and/or by the discretion which the President has.

Finally, Mr. Chairman, I would like to comment on what is happening in Rhodesia itself.

The most significant thing that has happened to Rhodesia happened last year when Mozambique came under African control because Mozambique accounts for almost half of the borders which Rhodesia has with her neighbors.

Mozambique has already announced its intention to comply with the sanctions of the United Nations. Mozambique has been the principal source of permitting goods to flow in and out of Rhodesia while it was under Portuguese control through the Ports of Beira and Lourenco Marques which were the two ports used by Rhodesia in order to maintain its economy. When these ports are closed, there is no adequate replacement for Rhodesia.

Rhodesia has asked the South African Government to improve the railroad facilities in South Africa to take care of the increased load, and the South African Government has refused to do so.

The result is that if the Members will look at the entire perimeter of Rhodesia they will find for the first time that, with the exception of South Africa that Rhodesia is faced with African nations on her borders. The African nations are totally unsympathetic with the fact that a tiny 5-percent white minority controls and is maintaining the control of the 95 percent Africans.

Some people say, well, this is just an internal affair in Rhodesia, or Rhodesia and Britain. If it is just an internal affair and is not a threat to international peace, why then is Prime Minister Vorster in South Africa pushing Ian Smith very hard for a settlement? Why should Vorster concern himself if there is no problem? The fact is that Vorster is putting enormous pressure on Ian Smith to come to a political settlement with the Africans in Rhodesia.

The reason is because the guerrilla activity up in the northeastern part of Rhodesia is going to intensify, and as that becomes an increasing racial war of increasing intensity, Vorster knows it will spread to South Africa and endanger his own regime.

One does not have to have a fire in order to know that one is about to break out. When the Security Council said that there was a threat to peace, they knew very well what Vorster today fears, and that is that there is going to be a bloody racial conflict that will spread into South Africa and bring an end to the white control in South Africa.

So he wants a political settlement, and he is putting pressure on Ian Smith, but Ian Smith, because he is elected by the whites, the 5 percent, of course, is finding it very difficult to move into a political settlement.

Let me just make the point that Rhodesia is a very important long-term source of chrome. It has got a large proportion of the world's known reserves. The question that we should address is: Is it in the interests of the United States to show apparent support for this 5-percent minority regime which will not be with us very much longer? Or would it be wiser to show that we stand for principle, that we believe in international law, that we have a deep concern about human rights, and we are going to go back into compliance with the sanctions so that when the Africans take control of Rhodesia, the probability of continued access to chrome is improved. It is the long term with which we should be concerned in terms of access to chrome ore, and it is the long term that dictates that the United States should come back into compliance with the charter obligations of international law and follow the request of President Ford.

So I would urge the Members of the Committee to reflect carefully on this. This is no ordinary issue. What we are doing here today is going to reverberate throughout much of the world. It really is.

We spent 2 weeks the first part of this month at the United Nations in protracted intense negotiations with the group of 77 nations which include most of Africa, Asia, and Latin America. We came to an accommodation with them in trying to work out some new economic relations. The relationships which the United States has with these countries are improving. The threat of suspension of Israel, for example, from the General Assembly is receding.

This measure today will bear importantly on the question of how these relationships continue in the future.

I have just one last comment. Section 2 of this bill is a section that the gentleman from Pennsylvania (Mr. DENT) and I talked about 3 or 4 years ago in which Mr. DENT said at one time:

> Why do you not put a provision in saying that we will not allow any steel to come into the United States that has got Rhodesian chrome in it?

That is what section 2 does. Section 2 says that when bulk steel—not a consumer product, not a finished product, but bulk steel—comes into the United States containing chrome, it must be accompanied by a certificate of origin indicating where that chrome came from.

Somebody said this is applying a sanction to third countries. We have always applied sanctions to third countries. Ever since the sanctions went into effect, we have required, insofar as we have been able to, that when third-country shipments, for example, of chrome come in, to test to see whether in fact it came from Rhodesia. All we are trying to do now is put a new enforcement device in to enforce the sanctions that have existed and have been in place since the late sixties.

I might add that I had the opportunity to speak to the Officer of the European Community in charge of international trade because it is some of those people who are the principal exporters of bulk steel to the United States. He said in his judgment they did not foresee any problem with this provision. He said that they use a certificate of origin themselves in enforcing the rules of the Common Market.

The United States has had experience in this because we have done it in the case of Cuba, and in the case of Chinese goods, we have required certificates of origin in order to protect the United States from the illegal introduction of goods, which is in violation of the law.

I know that we are going to have a vigorous debate this afternoon, but I would only urge on the Members to reflect on why President Ford has concluded, despite his record in the House of having supported the Byrd amendment, that as the leader of this Nation it is essential to our national interests to pass this bill.

Reflect on that, because it is his judgment and that of his advisors which ought to weigh heavily on our judgment when we come to vote.

The CHAIRMAN. The gentleman from Minnesota just consumed 21 minutes of the time allotted to the majority of the Committee on International Relations.

The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I think this bill ought to be defeated and defeated soundly. However, it is an extremely complex subject and I wish I had the 21 minutes the gentleman from Minnesota had to answer him point by point. Let me say the gentleman was eloquent but in my judgment totally illogical and that he used the wrong facts in the wrong fashion to reach a very poor conclusion, but let me sum up the bill as I see it.

The passage of this bill to repeal the Byrd amendment would place the United States at the tender mercies of the Soviet Union for chrome ore. At a time when we are supposedly driving a hard bargain with the Soviet Union because they need U.S. grain, it seems to me the height of folly to give them a counter weapon to use. Members know very well they will use it because the record shows that when we abided by the U.N. embargo of Rhodesian chrome the Soviet Union not only controlled the price but also the quality of chrome ore that reached the United States. They doubled the price and they put many of our users in serious jeopardy as to their supplies.

I would also like to point out that in my opinion this is not a black versus white issue. To me it is a matter of practical economics for the United States. We have had a chrome stockpile since 1939. We have been totally dependent on imports of chrome ore since 1961. Is this the time to put ourselves at the mercy of the Soviet Union to be the major supplier of chrome ore to the United States?

If Members will listen carefully to the gentleman from Minnesota and others who will support his view, it will be seen that they go to great lengths to denounce the Government of Rhodesia. Frankly, I do, too. I think that government will run its course. A government cannot be maintained in perpetuity supported by only 5 percent of the population. That is why I say the politics of the present Government of Rhodesia is not in question. But even if the politics would be in question, the Government of Rhodesia is no more valid in their eyes as is the Government of South Africa.

Suppose we did not need this Rhodesian chrome because the Government of South Africa would be the supplier. But logically then we should pass an embargo against South Africa and put ourselves again at the mercy of the Soviet Union.

And what about Turkey? They supply chrome ore from time to time. But given our present relations with Turkey and the practical facts of life, which are that the Japanese have bought up the Turkish chrome ore for the next 10 or 15 years, again where are we?

If we repeal the Byrd amendment we will be putting our industrial users who are dependent on Rhodesian chrome ore at the mercy of the Soviet Union. It is that plain and simple, the Soviet Union versus the United States, on this economic issue. It is not a question of the blacks in Africa. It is not a question of U.N. sanctions.

These U.N. sanctions are a mockery. Today we can find the products of every Western European country and some of the East European countries and Japan in Rhodesia. The United States has a far better record of compliance with the sanctions than many other countries. One exception we make is under the Byrd amendment. It is a valid exception, one that is in the economic self-interest of the United States, and it would be economic stupidity of the highest order for us at this time to repeal the Byrd amendment.

Now, given the great attendance we have on the floor, I am afraid my eloquence is not getting to enough Members; so at some later point if I get the floor with a slightly larger membership, I may ask the indulgence of the Members if I repeat the highlights of this address; but for those who are here, I know I have impressed them properly. I know that I have made new converts.

To reemphasize, H.R. 1287 would repeal a provision of law enacted in 1971 known as the Byrd amendment which prohibits the banning of imports of critical and strategic materials from any non-Communist country as long as no similar prohibitions exist regarding the importation of the same material from Communist countries. In practical effect, the Byrd amendment voided the prohibition against U.S. importation of critical and strategic materials from Rhodesia imposed as a result of the voting of economic sanctions against that country by the United Nations Security Council in November 1967.

Although the Byrd amendment applies to the importation of all critical and strategic materials—and critical and strategic materials other than chrome; for example, nickel and asbestos have been imported under the act—the principal thrust behind its enactment was and remains metallurgical chrome, an irreplaceable component of stainless and other specialty steels of vital importance to the Nation's security and economic well-being.

An understanding of metallurgical chrome, its limited availability and its critical importance to the Nation's economy and security is essential if the Congress is to make the decisions that will serve the overall best interests of our Nation now and for the future.

Chromium is a metallurgical element that occurs naturally in the form of an ore called chromite. There are several general types or grades of chromite which differ from one another primarily in chrome content and impurities. Far and away the most important is metallurgical grade chromite. Fully 82 percent of the ferrochrome alloys consumed in the United States in 1973 was made from metallurgical grade ore.

Before metallurgical chromite can be used by the steel industry and other industrial consumers, it must first be converted by a high temperature smelting and reduction process into one of several types of ferrochrome alloy. This is the job of the ferroalloys industry, which also converts manganese ore and quartzite into various types of ferromanganese and ferrosilicon alloys essential to the production of a variety of important steel and aluminum products.

Chromium is one of the most important and most indispensable industrial metals. When the United States began to designate strategic materials for stockpiling and defense purposes in 1939, chromium was one of the first four commodities listed.

Ferrochromium alloy is irreplaceable for the production of stainless steel and other types of high-performance steels and superalloys, where the chromium imparts vital resistance to heat and corrosion. About 10 percent of domestic production of these steels goes directly to military and defense applications. Modern jet airplanes and nuclear submarines and warships, for instance, cannot be built without metallurgical chrome. Eighty-five percent of stainless steel output is devoted to other essential uses, such as oil refineries, hospital equipment, food processing machinery, and chemical plants. Contrary to popular belief only about 5 percent of U.S. stainless steel production goes for household appliances and kitchen tools.

In 1973, chrome ore prices increased toward $50 per ton, shipping point. Effective March 1, 1974, the sole U.S. importer of Russian chrome ore announced a new price hike to $53 to $58 per ton, f.o.b., Black Sea ports.

Parcels of both Russian and Turkish ore have been sold for 1975 delivery at

$100 to $125 per ton, f.o.b., Russian or Turkish port, against approximately $80 per ton for Rhodesian ore, f.o.b. African port. U.S. purchasers of Russian chrome ore have recently been quoted publicly as saying prices to them will rise to $150 to $160 per metric ton for ore delivered to U.S. ports. They complain further that only short-term—6-month—supply contracts are available. This has led to industry speculation that the Russians, anticipating the possibility of an imminent repeal of the Byrd amendment and reimposition of the U.S. ban on Rhodesian imports, want to be in a position to further escalate prices.

It is clear from the foregoing that the availability of Rhodesian chrome ore has had and, hopefully, will continue to have a stabilizing and moderating effect on ore prices. Conversely, repeal of the Byrd amendment would undoubtedly result in a substantial increase in the domestic price of chrome ore and ferrochrome. When repeal of the Byrd amendment was under consideration in 1972, suppliers of chrome ore forecast an immediate price increase of 20 percent if imports from Rhodesia were again banned. The same grim prospects would appear to be in store for the United States if H.R. 1287 is enacted into law this year. In fact, in light of today's tenuous supply/demand balance, the severing of the Rhodesian supply line is virtually certain to send chrome prices skyrocketing resulting in severe downrange consequences for the U.S. economy.

The price and competitive availability of chrome—ferrochrome, specifically—are of critical importance to the U.S. stainless and specialty steel industry. Stainless steel, for example, has a chromium content of 18 percent. Other special steels and superalloys contain even higher amounts of chromium. Obviously, then, chrome costs are a significant factor in the production of these important materials.

Chrome costs would take on even greater importance if foreign steel producers, who have freely evaded U.N. sanctions against Rhodesia from the outset, are once again able to procure their raw materials for as much as 30 percent below the cost to American steelmakers. Although chromium makes up about 18 percent of the content of stainless steel, it represents fully 25 percent of the raw material cost of stainless steel production. Repeal of the Byrd amendment and the reimposition of the ban on Rhodesian chrome imports would give foreign producers a decided cost advantage over U.S. producers. Such a cost advantage would enable foreign specialty steelmakers to increase their penetration of U.S. markets.

Meanwhile Rhodesian chrome, in the form of foreign-produced stainless steel, would continue to enter the United States just as it did before enactment of the Byrd amendment, thus nullifying the effect of U.S. sanction. The only "losers" in all this would be U.S. industry, the American worker and the American consumer.

Chrome ore and ferrochrome remained in critical short supply worldwide throughout 1974, and, despite the recent softening in stainless steel demand, supplies currently are barely adequate to meet steel industry needs.

About 70 percent of the ferrochrome used in the world goes to make stainless steel. Stainless steel production, which worldwide has been growing at an average of 7 percent a year over the past 10 years, experienced particularly rapid growth over the past 2 years.

To the traditional broad-based demand for stainless steel—in chemical manufacture, petroleum refining, nuclear power generation, automotive manufacture, and so forth—was added the catalytic converter for the 1975 automobiles which will have a "409" stainless steel case. The catalytic converter, alone, is forecast to increase the market demand for stainless steel by at least 10 percent for the next several years.

U.S. demand for ferrochrome is outstripping domestic production capacity. The low return on investment of the U.S. ferroalloy industry during the sixties and early seventies discouraged investment in new domestic production facilities. New ferrochrome facilities are now under construction offshore but will not be adequate to relieve the shortages until 1978 at the earliest.

These uncertainties are manifest in Congress perennial entertainment of Byrd amendment repeal legislation such as the measure presently under consideration by this committee. With the threat of imminent repeal constantly hanging over the Byrd amendment, Rhodesia is understandably reluctant to alter its established chrome marketing plans in favor of greater commitments to U.S. markets. The inhibiting effect of this on-again, off-again situation on U.S. availability of Rhodesian chrome was clearly evident during the first half of 1974. At the time, the Senate had voted in favor of repeal of the Byrd amendment and House action appeared imminent.

The continued availability of Rhodesian chrome is essential if the United States is to meet its chrome needs. This year, the United States is expected to receive some 80,000 to 100,000 tons of chrome ore and more than 50,000 tons of ferrochrome from Rhodesia. This requirement cannot be secured elsewhere.

Reimposition of the ban on imports of Rhodesian chrome would deprive the U.S. market of more than 15 percent of its present supplies. This clearly would significantly worsen the domestic supply situation, stimulate higher prices and discourage employment in the ferroalloys and stainless steel industries.

Those who advocate the renewal of the embargo make much of the availability of the U.S. national security stockpile of chrome and ferrochrome. But here, too, the facts are not comforting or reassuring.

Then, too, congressional approval would be required before stockpile reserves could be released and previous Congresses have refused to authorize such action pending a better determination of the Nation's critical and strategic stockpile needs.

Such a course of action leaves wide open the question of the national security needs for the stockpiled chrome in the event of a true national security emergency. The matter of the adequacies of the Government's stockpile of critical and strategic material is currently under comprehensive study.

As mentioned earlier, there is a growing trend among mineral rich countries to upgrade their products as much as possible prior to export. As a result, producing countries—those who produce manganese as well as chrome ore—have sought to upgrade their products into ferroalloys and retain for themselves the economic benefits of such processing. Rhodesia and South Africa are doing this. The Soviet Union, too, recently asked for bids on a mammoth 320,000-ton-a-year large chrome plant, which would be the largest chrome plant in the world—3½ times larger, in fact, than the largest U.S. chrome plant.

Forward integration efforts such as those by mineral-rich countries are spurred by specific savings that can be realized in transportation costs which may, in the case of chrome, account for 25 percent or more of ore costs.

Electric power costs, which account for somewhere between 10 and 20 percent of the production costs for ferroalloys, are another important competitive factor. Rising costs of fossil fuels, the imposition of air pollution requirements on electric generating stations and other factors are producing strong upward pressures on the costs of electric energy in the United States. In many of the producing countries today, the cost of electric power is significantly less than that in the United States.

Although U.S. ferroalloy producers were beset with serious competitive problems long before the availability of Rhodesian chrome was in issue, the imposition of sanctions saddled them with a new and even more burdensome competitive handicap. Sanctions deprived them of the best source of lower cost chrome ore and made them wholly dependent on higher cost Russian or Turkish ore. The net effect was a further serious deterioration of their competitive position and economic viability.

The Byrd amendment has effectively eliminated that handicap and helped to put domestic ferroalloy producers on a more competitive footing. It has unquestionably served to reduce the cost of their essential raw material—whether obtained from Rhodesia, Russia, Turkey, or elsewhere—and to create a more competitive and stable domestic chrome supply situation.

This is a bad time to debate still another Byrd amendment repeal bill, and an even worse time to enact it.

Reimposition of the ban on imports of Rhodesian chrome would significantly worsen an already tight U.S. chrome supply situation, drive up domestic prices of chrome and the myriad "downstream" chrome-containing products and weaken the competitive position of the ferroalloy, stainless steel and other essential U.S. industries. This, in turn, would add new fuel to our Nation's inflationary fires and pose a significant new threat to domestic employment.

Retention of the Byrd amendment is clearly in the national interest, particularly when viewed in terms of its moderating effect on the Nation's No. 1 domestic problem—inflation and the economy. Equally apparent is the utter and complete failure of sanction to bring the Rhodesian Government to its knees and force a settlement of that country's racial issue.

Repeal of the Byrd amendment would not reduce the amount of Rhodesian chrome available to world markets. It would only deny a badly needed raw material to the U.S. market and, in the process, do serious damage to our Nation's economy. In fact, repeal of the Byrd amendment could strengthen, rather than weaken, the Rhodesian economy by again enabling the Soviet Union to significantly boost the price of chrome, thus enabling Rhodesia in turn to increase its chrome prices.

The world's important sources of metallurgical chrome are located in countries with which people of the United States may have moral, political, religious, or social differences. As Americans, we do not, of course, endorse the policies of South Africa or Rhodesia toward blacks. Nor do we support the treatment of the Soviet Union accords Jews—any more than we condone many of the events that have transpired in the long-standing Arab-Israeli dispute. Our Nation's purchase of essential and critical raw materials, whether chrome or oil, in no way indicates the support of the American people or the U.S. Government for these policies, practices, or attitudes—nor should it be so interpreted.

I urge all Members to join in defeating this legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the main thrust, as I understand it from those who support this bill, is that there is a very bad government in Rhodesia and we ought to do something about it, particularly since the United Nations Charter has been brought into play upon it and therefore, we should gnash our teeth about the morality of that country and try to clean it up.

Well, the United Nations Charter represents several moral obligations. It is a moral obligation to the world, but it is also a moral obligation to the American citizens. When that charter was established, it had very strict guidelines, and very properly so. The United Nations was not supposed to go into domestic affairs. The Government of our country, the citizens of our country, would never have agreed to a United Nations Charter that allowed this country to go into the domestic affairs of another country.

Mayhap the situation may be horrendous in South Africa. I do not know because I have really not done an adequate study and have relied upon the Foreign Affairs Committee to do it in their travels and their study. They have made a careful study of it and it is apparently the type of government they say: but we have a moral obligation to America. We have a moral obligation to the young men who may be lost on foreign shores. We have a moral obligation to see to it that our citizens are not embroiled in wars and dissensions in the internal affairs of other countries.

I think it would be, therefore, highly immoral for the U.S. Government to indulge in going into Rhodesia to try to rearrange their government to suit ourselves. The United Nations Charter never contemplated this, never permitted us to go into foreign domestic matters. This Rhodesian sanction is, therefore, void ab initio. The American people did not allow this in the U.N. Charter and the U.S. Congress did not do it and domestic affairs are not in the pawn of the U.N.

The next observation I have is on these figures. Well, they are interesting figures here on the blackboard and they are very dramatic. They are somewhat in error. For instance, I notice there one line says 939.737 tons of refracting grade chrome ore. I think that figure is actually 399,670 tons, if the staff will check it; but it is rather inconsequential.

Why is it inconsequential? Because in the beautiful chart their talking about hundreds of years of chrome is based on the theory that the only thing we need to run the defense of our country is the kind of tons they have there for the national defense of our country; but that is erroneous, because in the testimony it was clearly pointed out, I think, before ours, that 95 percent of the chrome used in the United States has a defense aspect of great importance to the U.S. Government.

I would appreciate if the gentleman would leave the chart up. It is not in the way. Do not worry about it. I would like to have it there.

So the percentage is greatly distorted, because the figures they are using on that big chart there are figures that actually are of the amount of chrome that goes into a bullet or a piece of mechanism that is actually going to be fired on the front lines, something like that, in other words actual defense materiel; but our national defense cannot be sustained by that small amount of chrome.

The testimony before our committee was that 95 percent of all the chrome used in the United States goes for defense. That is just knocking out chrome for automobiles, silverware, silverplate, things like that 95 percent of all the chrome used in the United States goes for defense even if it is not listed as defense usage. So, these figures are a charade. I am surprised that they were brought here. They have no significance at all because our country could not survive with that kind of situation. It could not survive at all.

Nobody under any criteria given us prior to the Nixon administration says that we have more than 3 years' supply for our national defense needs. Nobody did, nobody at all. The actual situation is that they are very scared about that. The gentleman from Minnesota (Mr. FRASER) himself received on July 17 a letter from the Department of Defense in which they mentioned this 95 percent situation and it concluded by saying——

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. BENNETT. Mr. Chairman, I yield myself 4 additional minutes.

The CHAIRMAN. The gentleman is recognized.

Mr. BENNETT. The letter concluded:

> The Deputy Secretary of Defense has recommended to the National Security Council that the assumptions and policies controlling the levels of strategic and critical materials to be held in the national stockpile be reexamined and has further recommended that action be taken to defer the disposal of any stockpile materials since this reexamination may lead to recomputation of stockpile objectives. I hope this will assist you in your review of the chrome ore matters.

The President wrote me just last week and said that these reexaminations were going on. So, what I am saying is that this bill is premature. That is why I asked the Rules Committee to postpone the rule until January of next year, because we do not know now. The Department of Defense says that these are not reliable figures we have before us today, so it would be sheer folly for us to pass this bill today because we do not know.

Nobody in the Department of Defense has testified that these are accurate figures. There are not any figures that are accurate. Nobody can say how much is actually needed for defense because the whole thing is being reexamined.

In concluding, let me point out another thing: It has been said here that the President, of course, would not present to us anything that is inaccurate. Believe me, every time we have had the Department of Defense before us we have inquired into this matter, and they have expressed great concern. When I attempted to prevent this thing under the Nixon administration, I found out that there were new guidelines which had been set up, including going from 3 years to 1, taking everything from the civilian economy and putting it in defense, et cetera. Those guidelines, with the exception of the 3-to-1 year, still exist. The Nixon guidelines still exist in the bureaucracy of the present administration. The President himself has told me that he is reexamining this matter, so it would be utter folly for us to pass this bill.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding to me. I appreciate his bringing out why those figures do not represent the whole story and why there is an element of fraud in the way they are presented. I appreciate his helping us, and I hope he will make the point again when there are more colleagues present so that it will be known that those figures do not represent the whole story.

Mr. BENNETT. I thank the gentleman.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, I want to say that the gentleman has pinpointed something that has been overlooked. The bill itself verifies the statement the gentleman is making about the concern, because the bill itself prescribes that if we apply the embargo and then we are in danger, it can be lifted by the President.

Why put that safeguard in? If this is a moral question there can be no ifs, ands, or buts. We cannot amend a proposal dealing with morality, if that is what it is. If it is morality at the basis of this, then how do we allow the bill itself to set aside that contention?

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, I understand from comments by the gentleman from California (Mr. ROUSSELOT), that there was supposed to be some fraud or deception in those figures. The gentleman in the well did not make that statement, did he?

Mr. BENNETT. No. but if the gentleman presses me, I might, because he is saying in here something that I think is very misleading, and this reminded me of something.

I want to remind the gentleman of one thing that I did not say when I spoke before, and that is not only are these figures wrong with regard to the things that were pointed out before, but they are wrong in regard to another point—I am glad the gentleman reminded me of it—and that is that these figures are based upon the importation of chrome ore from Rhodesia.

It could be zero, and this bill still should not pass. The problem with this bill is that if we pass this bill, then we are going to be entirely beholden to Russia—and Russia will cut us, you know where.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in strong opposition to H.R. 1287, legislation which would reimpose full U.S. participation in the economic sanctions against Rhodesia and thereby halt the importation into the United States of Rhodesian chrome ore, ferrochrome, and nickel.

Mr. Chairman, I believe that in some instances the House report on H.R. 1287 is totally misleading. On page 4 of this report it is stated that—

> The average price of Soviet chrome ore at the end of the first quarter of 1975 was $25.59 per ton compared to the Rhodesian price of $39.41 per ton.

It is interesting to note that during the 1971 hearings on this issue before the House International Relations Subcommittee on International Organizations, Mr. Joseph B. Kyle, Director of the Office of International Commodities in the Bureau of Economic Affairs of the State Department, estimated that the price per ton of metallurgical grade chrome ore imported from the U.S.S.R. in 1971 was between $70 to $72 per ton. This was during the period before the adoption of the Byrd amendment to the Military Procurement Act of fiscal year 1972, and during the period when the United States was enforcing economic sanctions against importing Rhodesian chrome. It is amazing what competition will do.

It is unreasonable not to expect that should we pass H.R. 1287, the price of Soviet chrome will jump back to the sanction prices or even higher, and that these increases will be passed onto the consumers. In these days of inflated prices, I do not know how any Member of this body could justify an aye vote for this legislation.

With regard to the suspicions that the U.S.S.R. was importing Rhodesian chrome during the time when the United States was observing the sanctions and then selling this chrome to us at a considerable profit, the report states on page 7:

> Allegations that the Soviet Union has covertly purchased Rhodesian chrome and transshipped it to the United States have not been supported by scientific evidence. In 1971 when this charge was made, the U.S. Geological Survey examined samples of chrome ore imported from the Soviet Union and concluded that their composition was such that they could not be of Rhodesian origin.

However, during the 1971 hearings, Blair Bolles, vice president of Colt Industries and vice president of its component company, Crucible, Inc., testified before the subcommittee on the results of testing of chromium ore samples at the Crucible Laboratory. These samples were from several countries including Rhodesian and the Soviet Union. Mr. Bolles stated in his testimony:

> The test is based on the titanium content of the ores. In laboratory's checking of chemical analyses of dozens of chromites from many sources, it appeared that all contained some titanium and that the titanium appeared to be at two distinctly different levels depending on the source.
>
> On this basis we obtained chromium ores stockpiled in the United States by companies in the minerals business. One lot of samples in the possession of Lavino Division of International Minerals & Chemical Corp., Philadelphia, originated from positively identified sources.
>
> The chromite phase in these ores were analyzed by means of the electron microprobe for titanium and compared with a number of samples in another lot of ores, including four samples that had been shipped into the United States designated as coming from the Soviet Union. A total of five Soviet samples were tested:
>
> The data resulting from the tests show an unexpected similarity in titanium content between Rhodesian ore and four Soviet samples. In summary the data showed the following:
>
> (1) The titanium level of all samples may may be placed in one of two categories—low—0.10 percent or less—or high—above 0.25 percent.
>
> (2) The range of the titanium content within a source is relatively small.
>
> (3) Most importantly, the so-called Soviet ore overlaps the range of the sample from Rhodesia—0.06 to 0.10 percent compared to 0.08 to 0.09 percent for the Rhodesian ore—while the sample known to have come from the major Russian source contains 0.29 to 0.30 percent.
>
> This is, of course, circumstantial evidence, and does not preclude the possibility that the low-titanium-content ore came from a Soviet source different from the high-content sample. However, it certainly suggests the possibility that the ore originates in Rhodesia.
>
> A table appended to this statement shows content sample by sample.
>
> The test results were submitted to the Department of State on March 19. We suggested that the Federal Government make tests like ours in order to find out whether the results would be the same. The test is not final proof, but it does raise a question which should engage the interest of the Congress and the executive branch. Is the United States obtaining Rhodesian ore without being aware that it is doing so?
>
> If so, it is ridiculous that the United States should continue to refrain from importing Rhodesian ore directly. It is time for the Government to face this fact.

It is my understanding that in making its tests, the U.S. Geological Survey did not duplicate the testing procedure used by Crucible, nor have they disputed this testing procedure as being inaccurate.

The House report would have us believe that the sanctions against Rhodesia were effective and we were the ones that abandoned the commitment. On page 5 of the report, it is stated.

> The United States thereby is the only nation other than South Africa which openly violates the Security Council sanctions.

"Openly" is the key word. During the 1971 hearings, Mr. E. F. Andrews, vice president for materials and services at Allegheny Ludlum Industries, Inc., who visited Rhodesia on several occasions, testified:

> While deny ourselves this major and vital raw material, one needs only to visit Southern Rhodesia to realize that its chrome ore has been finding its way into the world markets. There is little ore seen above ground although they work the mines 7 days a week. As we know, they were unable to ship but a mere 15 percent of the 150,000 tons approved many months ago for import. The United Nations has itself offered the best evidence of the sanction's failure. In the third report of the United Nations Security Council Sanctions Committee, published in June, 1970, it was estimated that Rhodesian exports were running at approximately 70 percent of their presanctions level. Twenty-one complaints of violations were investigated by the United Nations involving chrome ore from Rhodesia to France, Japan, Netherlands, Italy, Spain, and West Germany. It is generally admitted that we and Britain are the only ones seriously abiding by the sanctions.
>
> The point was made earlier that if Rhodesian ore were not finding its way into the free world the free world would be out of chrome today. There is not that much any place else. I have also asked the question whether the flow of Rhodesian chrome into Red China has not perhaps been an aid to them becoming a nuclear power.
>
> Many reliable sources indicate that substantial quantities of this material are flowing into the hands of foreign specialty steel producers, undoubtedly substantially aiding foreign producers of specialty steels in moving into and capturing large segments of the American market for specialty steels, producing a chaotic price situation here, bringing about unemployment and affecting the profitability of small American companies to the point where there is serious question about their economic viability.
>
> Also, markets have been sufficiently encroached upon that we are beginning to see cutbacks in vital programs. Foreign producers of specialty steel, who are beneficiaries of the Rhodesian sanctions, have penetrated the American market for specialty steels, at the end of 4 months of 1971, at an all-time high, exceeding 22 percent. For individual specialty steel products, the penetration is even greater; some 35 percent of stainless steel cold rolled sheets; 68 percent of the market for stainless steel wire rods;

54 percent of the market for stainless steel wire. One can rightfully ask how much embargoed Rhodesian ore is contained in this imported stainless steel coming into this country, adding insult to the injury of the unemployed or about to be unemployed American steelworker.

A point which bears repeating is that to enact this legislation would be placing us in the position of having to again depend on the U.S.S.R. for our principal supply of metallurgical grade chrome. Certainly no one in this body can argue that Russia believes in the principles of democracy and self-determination.

Mr. Chairman, I must admit that I am more concerned with protecting the interests of the United States than I am with cooperating with the United Nations Security Council embargo. The domestic needs of our country must come first. I strongly urge my colleagues to vote against this legislation.

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to H.R. 1287.

The distinguished chairman of the Seapower Subcommittee has eloquently demonstrated why H.R. 1287 is a dangerous bill. I would like to fully associate myself with his comments here today, and make just a few additional points to emphasize the economic and defense aspects of the chrome issue.

As we all know, when supply decreases, prices generally go up. If we cut off any major source of our chrome supply, it seems elementary that it will cost us more to obtain this critical resource in the future. I say critical, because chrome is an essential ingredient in missiles, submarines, airplanes, and tanks; and when the price of chrome rises, the cost of those weapons is obliged to rise accordingly.

This is not a theoretical exercise. In 1968, when the United States was cut off from Rhodesian chrome, the Soviet price for metallurgical-grade chromite ore was $39.87 per ton. After the embargo, the Russian price promptly soared to $68,45 per ton. Thus, during the period when we were cut off from Rhodesian chrome, Russia jacked up the price by nearly 75 percent.

After the Byrd amendment reopened the chrome trade with Rhodesia in 1971. the Russian price fell. Then, when Moscow had reason to believe that we would approve a new embargo last December, Russian chromite prices went up again. Now that Russia again anticipates congressional action restoring the embargo, Russian metallurgical-grade ore prices are being quoted at $160 per ton. Therefore, it is obvious that H.R. 1287 invites the Soviet Union to further inflate our defense budget.

Even more disturbing from a strategic standpoint is the fact that Russia is in a position to control supply as well as price. A witness from the Council on Economic Policy testified at an Armed Services Committee hearing recently that the Soviet Union "has on occasion manipulated the supply of chrome." For example, she cut off shipments to the United States during the Korean war and for some years afterward. Now, we are at a very delicate stage of negotiations in the Middle East. American weapons are important to bring about the proper balance in that volatile area. If this bill were to pass, Russia would be in a position to restrict our ability to supply the necessary weapons, by cutting us off from the chrome we need.

Mr. Chairman, we have no useful deposits of chrome in this country. For defense and civilian needs, we must import what we need. You hear the argument that our stockpile of chrome would carry us through if we were isolated from all foreign sources. In fact, we have about a 3-year supply of chrome ore stockpiled at the present time. Our ability to continue supplying the chrome ore necessary for our weapons and defense-related needs, as well as numerous essential civilian requirements, depends upon our access to Rhodesian chrome.

These are the practical considerations, Mr. Chairman. On the political side, it is pertinent to observe that, while a resumption of the embargo would hurt the United States badly, it would not seriously affect Rhodesia. The government which prompted the United Nations embargo 7 years ago is the same government that is in power today. During the 4 years of that embargo, which America participated in, that same government continued to function normally. There is nothing to be gained by approving H.R. 1287, Mr. Chairman, and for overwhelming national interests, there is every reason to oppose it.

Mr. Chairman, I reserve the balance of my time.

Mr. FRASER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. METCALFE).

Mr. METCALFE. Mr. Chairman, I rise in support of H.R. 1287.

In 1965, Rhodesia declared its independence from Great Britain and established a minority-rule government under the Ian Smith regime. At the request of Great Britain, the United Nations Security Council voted in 1966 to impose mandatory economic sanctions against the Smith regime. This action was taken under chapter 7 of the United Nations Charter, which provides for the imposition of sanctions when the Security Council has determined that there is a threat to international peace and security. The United States strongly supported the imposition of the sanctions as a means whereby the international community could bring about a peaceful political change toward majority rule in Rhodesia.

However, for the past 4 years, the United States has been violating this solemn treaty obligation. With the passage of the Byrd amendment in 1971, this country broke an international agreement and became the only country to officially violate the United Nations-imposed economic sanctions against Rhodesia.

This action by the United States has been tragic. U.S. importation of Rhodesian chrome has been a serious blow to the credibility of our relations with the overwhelming majority of African nations. According to Secretary of State Kissinger:

> The Byrd provision is not essential to our national security, brings us no real economic advantage, and is detrimental to the conduct of foreign relations.

Thus, our importation of Rhodesian chrome has created considerable hostility toward the United States among most African nations. Some of these nations, such as oil-rich Nigeria, are far more important to U.S. political and economic interests than is Rhodesia.

I do not intend to detail the many legal and economic reasons why we must pass H.R. 1287. Many of my distinguished colleagues on both sides of the aisle have already set forth these reasons. However, I do want to impress upon my colleagues that it is past time to reevaluate U.S. foreign policy positions regarding the minority-rule governments of southern Africa. At a time when we are trying to ease tensions in other areas of the world, it is totally incomprehensible to me that we continue to follow policies in this area of the world that can only lead to increased violence and instability.

Only by fully complying with the United Nations economic sanctions against Rhodesia can the United States exert effective leadership in achieving full compliance with those sanctions by other nations. The sanctions are beginning to have the desired effect on the illegal Ian Smith regime, but their potential can never be fully realized until all nations accord high priority to the goal of democratic rule in Rhodesia through multilateral cooperation.

The CHAIRMAN. The Chair will ask, is the gentleman from Minnesota yielding time on his own behalf or on behalf of the committee?

Mr. FRASER. On my own time, Mr. Chairman. That is true as to the last speaker.

Mr. Chairman, I now yield 4 minutes to the gentleman from Georgia (Mr. YOUNG).

The CHAIRMAN. The Chair will ask, is that on the gentleman's time?

Mr. FRASER. That is on my own time, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. YOUNG).

Mr. YOUNG of Georgia. Mr. Chairman, in one sense this whole debate is very academic. I do not know whether it makes much difference what we decide here. I believe that is true in terms of our supply of chrome from Rhodesia, because actually that decision is going to be made by the newly formed revolutionary government in Mozambique.

The question we are going to decide here is whether we are going to continue a viable and a vital and a constructive relationship with all of black Africa or whether we are going to share in the racist isolation of Rhodesia, a racist isolation which even South Africa rejects.

Right now Rhodesian chrome comes across Mozambique. But as of June 23, 1975, Mozambique has formed a new government. That government has not yet closed its ports to Rhodesia, but there has already been an agreement made in the Organization of African Unity, as well as in the British Commonwealth of

Nations, to give Mozambique the almost $20 million a year that they receive in port fees to close their borders to Rhodesian chrome. If that takes place, the government in Mozambique will then force Rhodesia to send its chrome all the way down to South African ports.

The South African ports are already overcrowded. In fact, they are in the process of building new ports elsewhere, including one just north of Durban, but they are not yet ready. South Africa's high production takes care of all the shipping facilities it can get in and out of its ports.

It is also true that South Africa is dependent on Mozambique for its energy supply from the Cabora Basa Dam which supplies very low-cost hydroelectric power, which is basic to the survival of South African industry. Therefore, South Africa is not allowing itself to get sucked into the trick of supporting 5 percent of the population of Rhodesia. In fact, they want that 5 percent to come into South Africa, and they want to give Rhodesia over to a black government without violence, because they know that if violence starts in Rhodesia—in fact, it has already started—all along the Mozambique border and all along the border of Botswana there is going to be a military confrontation which will inevitably spill over into South Africa and mean additional violence and bloodshed in the whole area.

South Africa wants to have some peaceful transition in this area. Whether they have it or not and whether they can do it at this point is still an open question. However, they can only do it if they are willing to make concessions to democratic government in Rhodesia and in Namibia.

The Nationalist Party seems to be willing to do that in order to get time to deal with their domestic problems, and the question of Rhodesia is being argued right now in Lusaka by a strange coalition of the President of Zambia, Kenneth Kaunda, the representative from Mozambique, Mr. Machel, the representative president of Botswana, whose name I do not remember and Prime Minister Vorster of South Africa.

They are only doing that because they feel that the self-interest of all of southern Africa is at stake.

The Members might also notice that if we extended this map on up here, almost all the way up, the east coast of Africa is heavily influenced by very left-wing governments.

America's access to eastern Africa and the whole question of the Indian Ocean, by and large, is going to be determined by certain factors.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. FRASER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Georgia (Mr. YOUNG).

Mr. YOUNG of Georgia. Mr. Chairman, the whole question of what is going to happen in the Indian Ocean may well be decided by the decisions made by the Government of Mozambique which, though it did not invite the United States even to be at its indepedence ceremony because they thought we neglected them in their whole freedom struggle, yet that independence movement was founded by a young man who was a graduate of Illinois Western University and a product of Methodist missionary learn. Somewhere he was taught that he education. Somewhere he was taught to was a child of God and he wanted his people to be free.

When Senator DICK CLARK went to visit Mozambique, he found the red carpet thrown out in a willing friendship with the United States of America, but still they were very hesitant, because of the snubs they received through their struggle.

I think that if we want chrome from Rhodesia, the best way to get it is not to support the Byrd amendment, but to support the freedom struggle of all Africa, of which right now South Africa seems to be a part.

Incidentally, interestingly enough, the west coast of Africa gives us 25 percent of our imported oil. It did not cut off oil when the Arabs imposed their boycott.

Nigeria is another factor in this altogether. It in some way has been working with Zaire, right up to the present time, to support the United States in keeping Israel in the United Nations. They have been a moderating influence in the pricing of oil. They have continued the supply of oil.

I do not think we want to write off all of black Africa with its tremendous wealth and mineral resources and its moral right to freedom and dignity and the right to influence all human beings for a little bit of chrome in Rhodesia which we do not need anyway. We have enough chrome in our junkyards to recycle for the next dozen years.

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. BUCHANAN).

PARLIAMENTARY INQUIRY

Mr. BUCHANAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BUCHANAN. May I ask whether the making of this parliamentary inquiry is taken out of my time?

The CHAIRMAN. The Chair will state that it will be taken out of the gentleman's time.

Mr. BUCHANAN. Mr. Chairman, all right. I will proceed anyway.

Is it not correct that the gentleman from Minnesota (Mr. FRASER) is handling the 30 minutes for the Committee on International Relations on the majority side?

The CHAIRMAN. That is correct.

Mr. BUCHANAN. And is it not correct that the gentleman from Illinois (Mr. DERWINSKI) is handling the 30 minutes allotted to the minority side of the Committee on International Relations?

The CHAIRMAN. The gentleman is correct.

Mr. BUCHANAN. And the gentleman from Florida (Mr. BENNETT) is handling the 30 minutes on the majority side for the Committee on Armed Services?

The CHAIRMAN. The gentleman is correct.

Mr. BUCHANAN. And the gentleman from South Carolina (Mr. SPENCE) has 30 minutes on the minority side?

The CHAIRMAN. The gentleman is correct.

Mr. BUCHANAN. The gentleman from Minnesota (Mr. FRASER) has 1 hour that the Comimttee on Rules saw fit to give to that gentleman to handle as his own time. Is that correct?

The CHAIRMAN. That is correct.

Mr. BUCHANAN. I raise those inquiries, Mr. Chairman, so as to make clear to the Members just who will control the time because, like my friend the gentleman from Pennsylvania (Mr. DENT), who is on the other side of this issue, I asked the Committee on Rules to divide the time equally between the proponents and the opponents and it was my understanding that it was their intention to do so.

I believe the gentleman from Minnesota (Mr. FRASER) has just indicated that is his desire. Is that correct?

Mr. FRASER. Mr. Chairman, if the gentleman will yield, the gentleman is correct.

Mr. BUCHANAN. So if there is some Member who wants to know whether there is a desire to keep this debate fair on a very controversial issue and a very complicated issue, they have now been reminded who controls the time and how much each one has.

May I inquire, Mr. Chairman, how much time I have remaining?

The CHAIRMAN. The Chair will state that the gentleman from Alabama has 3½ minutes remaining.

Mr. BUCHANAN. Mr. Chairman, my friend the gentleman from Pennsylvania (Mr. DENT) reminded the House during the debate on the rule of a fact concerning my position on this issue, and that is that I earlier held a position different from the one which I now hold.

Mr. BENNETT. Mr. Chairman, if the gentleman will yield, I believe the gentleman was referring to the gentleman from Florida (Mr. BENNETT).

Mr. BUCHANAN. I beg the gentleman's pardon, and stand corrected. I would say to my friend that he is precisely correct about that fact. I would like to tell the Members why. Like the President of the United States, who earlier supported the Byrd amendment, who earlier voted for its passage and who now urges this House to repeal the Byrd amendment and to support the resolution, I once voted for the Byrd amendment but now I urge its repeal.

At the time that I cast that vote I agreed with Members who have spoken and Members who will speak in this chamber, that to take such action was protecting the national security interests of the United States and the vital economic interests of the United States. I believed that to take such action was a fair and right thing to do in light of the fact that, as much as we might deplore the nature of the government in Rhodesia, we also deplore the nature of the government in such countries as the Soviet Union, and I thought that this consistently made it possible for us to adopt this policy to protect the national security interest and to receive vital strategic materials.

I will explain to the House why I here today urge repeal of the Byrd amendment.

The gentleman from Illinois in testifying before the Committee on Rules stated that we would come to the floor of this House, those of us on my side, waving the banner of the United Nations. But my friend the gentleman from Florida is wrong if that gentleman believes that is the banner I wave today. As I said to the Committee on Rules in seeking a rule, the only banner I wave or ask the Members to wave in voting to repeal the Byrd amendment, is the flag of the United States.

Mr. BENNETT. Mr. Chairman, if the gentleman will yield, I said nothing about the gentleman waving a flag.

Mr. BUCHANAN. No, the gentleman did not. The gentleman from Illinois (Mr. DERWINSKI) said that.

Mr. BENNETT. I thank the gentleman.

Mr. BUCHANAN. What I here believe and would urge upon the Members is that it is in the national security interests of the United States to repeal the Byrd amendment and that it will in the long term serve our vital economic interests to do so. I believe, further, that it is right.

I hope that the committee listened with close attention to the remarks of the gentleman from Georgia (Mr. YOUNG), so that the Members might understand the nature of the choice we face. I think the gentleman's case was clear.

We have heard underlined the importance of Rhodesian chrome to the United States. I am not prepared to challenge that. Two-thirds of the world's reserves of chrome may be found in Rhodesia. We in the long term will need it and must have access to that chrome if we are to protect our vital security interests and our economic interests. But, how great is our reliance on Rhodesian chrome today? I would call to the attention of the committee the latest figures on chrome and ferrochrome importation into the United States:

CHROME AND FERROCHROME IMPORTS THROUGH JUNE 1975

METALLURGICAL GRADE CHROME

Country	Percent	Amount (gross short tons)	Total value	Price per ton
Albania	1. 4	5, 510		
Philippines	2. 3	8, 575		
India	3. 3	12, 289		
Iran	3. 0	11, 240		
Rhodesia	8. 0	29, 707	$1, 312, 000	$44. 16
South Africa	10. 7	39, 544	701, 000	$17. 72
Turkey	14. 4	53, 107	3, 778, 000	$71. 13
USSR	56. 6	209, 135	11, 517, 000	$55. 06
Total		369, 000	$20, 000, 000	
LOW CARBON FERROCHROME				
West Germany	7. 4	2, 741		
India	2. 6	969		
Japan	29. 9	10, 971		
Korea	. 02	11		
Norway	3. 8	1, 425		
Rhodesia	14. 2	5, 237		
South Africa	32. 2	12, 185		
Sweden	5. 4	1, 939		
Turkey	3. 0	1, 102		
Yugoslavia	. 1	45		
Total		36, 676		
HIGH CARBON FERROCHROME				
Brazil	4. 9	7, 936		
Finland	2. 7	4, 397		
Germany	1. 1	1, 792		
Japan	32. 6	52, 787		
Norway	. 3	496		
Rhodesia	23. 7	38, 500		
South Africa	29. 6	47, 953		
Taiwan	. 91	320		
Turkey	. 2	441		
Yugoslavia	4. 4	7, 184		
Total		161, 807		

Source: U.S. Bureau of Mines.

As this chart makes clear, at the present time we are importing only 8 percent of our metallurgical grade chrome and 23.7 percent of our high carbon ferrochrome from Rhodesia. With the stockpile we possess and with the other sources of supply we now have, we can in the short run—do without Rhodesian chrome. Indeed, we may have to. For Rhodesia is a land-locked country, and it appears likely that her neighbors, hostile to the 5 percent white minority rule in Rhodesia, may well cut off her exports' access to the sea. If this occurs, we will soon learn that we can and must operate for a time without Rhodesian chrome.

In the long run, however, access to Rhodesia's rich reserves is vital to our interests. This is why we must act to identify ourselves again with the rights and aspirations of the 95 percent who will ultimately control Rhodesia, while there is yet time.

If we act now, it is even possible that we can help achieve the end result of a government committed to the rights of both the black majority and the white minority, and one arrived at through negotiation rather than through violence and bloodshed.

The leader of the African forces in Rhodesia at present is Bishop Abel Muzorewa, a moderate leader who is a Methodist Christian clergyman, and an exponent of nonviolence and moderation. Both in speeches to black Rhodesians and in a recent visit here, this American-educated Christian leader has committed himself to the rights of all Rhodesians, including the white minority. He maintains that his followers do not seek to victimize or dispossess the white minority. They seek only to secure the rights of the 95 percent through negotiation and nonviolent means.

Yet if they are frustrated in their present efforts to achieve justice through negotiation, there are in and around Rhodesia violent, revolutionary forces which would virtually guarantee both a violent solution and the end result of a leftist, anti-American government in control of two-thirds of the world's chrome reserves, and this arrived at after months or years of civil war in which no chrome was being exported from Rhodesia.

Mr. Chairman, the primary reason Ian Smith will not enter real negotiations with Bishop Muzorewa is the political, moral, and economic support he receives from America's official position of trade with him in violation of our earlier international commitments and our own long term best interests as well.

The British have urged him to negotiate. The South Africans have pressed him increasingly to do the same. His African countrymen have stood ready to proceed—but answerable as he is to a voting majority of the white 5 percent, and bolstered by the Byrd amendment, he has stood unyielding. Only a change in our policy can change his stance. Our long run access to this vital material is threatened thereby.

A second risk we take without national security and economic interests by pursuing our present policy is the danger involved in our relationships to the rest of Africa, all the countries of which strongly disapprove our present stance. Had it not been for Nigerian oil, for example, during the recent OPEC boycott, we would have suffered much greater hardship. Nigeria has for some time been in the top three of the nations from which we are importing oil, and has been a steadfast friend when others have forsaken us.

Yet Nigeria feels great anger and frustration over our present Rhodesian trade policy, as do a number of other black African governments whose raw materials are important to our country. These nations also comprise a rich and growing export market for our goods and services. Yet we risk our relationship to all Africa in pursuing our present policy.

Mr. Chairman, we have placed all our eggs in one rotten basket. We have pinned our hopes on a sinking ship. We have bet all our money on a losing horse, and we must rectify this situation while there is yet time.

At the outset I indicated my conviction that the repeal of the Byrd amendment is in the national security and economic interests of the United States, and I have sought to explain why. Yet, there is another reason for this action, which ought suffice for Americans—and that is that doing so puts us down firmly on the side of freedom and justice. One may dress it in a fancy dress and cover it with powder and paint, but the reality of Rhodesia today is that of a racist white minority government which is systematically and perpetually violating the rights of the 95 percent. The gentleman from Minnesota (Mr. FRASER) earlier made reference to Rosalie Johnson. Dr. Johnson was a Methodist medical missionary for years in Rhodesia together with her husband, also a missionary. I believe the reports of these two Christian leaders from Birmingham, Ala., concerning the plight of black Rhodesians. It is confirmed by many like reports from the Christian community there. Americans ought stand in defense of the unalienable rights of man, everywhere.

This brings me, Mr. Chairman, to my last point—why trade with Russia, but not Rhodesia? This is a question which many have raised. In answer, let me point out first that the best way to assure Russian control over more of the world's chrome reserves is to contribute toward a leftist, revolutionary solution of the Rhodesian situation, as we are doing now.

Second, let me point out that the Soviet Union is a superpower of great strength, rather than a small, land-locked country. In the fight for human rights and human freedom we must never neglect the rights of that large number of unfortunate human beings living under the heel of this and other godless, totalitarian Communist governments. We must leave no stone unturned in our struggle for human freedom behind the Iron and Bamboo Curtains. But one does not use the same weapons in fighting a rat and a rhinoceros. A simple boycott can probably work to achieve justice in Rhodesia, and this in a short time, thus ending the boycott and renewing our access to Rhodesian chrome.

In the case of Russia, a great deal more will be required and it will take longer. In whatever ways are appropriate and effective, we ought to stand for human freedom everywhere. I have been a part of every battle against communism and for human rights behind the Iron Curtain since my first day in this House and we must never accept defeat in that struggle.

Yet we are more apt to make progress in that case through tough negotiation and increased communication than by attempting boycotts which could not succeed as likely weaponry against a superpower.

The passage of the Byrd amendment need not increase our reliance on the Russians for chrome substantially beyond present levels given the stockpile and our other sources of supply. And given the fact that in overall trade they need us so much more than we need them, they would be ill-advised to play too many games with us over this one item.

For all the above reasons, Mr. Chairman, I believe the repeal of the Byrd amendment to be both morally right and in the national interest of the United States. I, therefore, join the President of the United States, Secretary Kissinger, and many of our colleagues in urging the passage of this resolution.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, most certainly I would say to my good and distinguished friend, the gentleman from Alabama, that I would not question his sincerity or convictions about his position, no more than I would question the sincerity and convictions of the gentleman from Minnesota. But I cannot help but recall the words of Dante when he wrote that the paths to hell are paved with people of good intentions. I feel just as strongly on the other side of the issue that the passage of this bill is going to condemn the United States to an economic hell, if not a hell affecting the national security interests of our beloved country.

Mr. Chairman, H.R. 1287 has been floating around the Congress in one form or another from the very day that we adopted the Byrd amendment in 1971. My close attention was first attracted to this measure, because of the hypocrisy surrounding the issues, I would state to the gentleman from Texas, that we are debating today. This was brought about when I received a letter from the Zambian Ambassador to the United States urging me, as the duly elected Member from my congressional district, to vote in favor of a repeal of the Byrd amendment.

Mr. DENT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

At the time the point of order of no quorum was made, the gentleman from Missouri (Mr. ICHORD) had 7½ minutes remaining.

The Chair recognizes the gentleman from Missouri (Mr. ICHORD).

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, I asked the gentleman to yield to me so that I could explain to the House that I am not trying to delay this action today. I am trying to get some Members of Congress here to hear the debate. Voting on this issue in the blind is probably the worst thing we could possibly do. There is no piece of legislation coming before this body this year that means so much to so many people.

Mr. ICHORD. Mr. Chairman, I agree with the gentleman.

Mr. Chairman, I yield to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I thank the gentleman for yielding.

I would like to associate myself with his remarks.

I think it is very hypocritical that we can deal with the Soviet Union, we can trade with Red China, but when we discuss the internal affairs of South Africa or Rhodesia, as we are in this bill and we realize that of the 43 countries of south Africa, 17 are dictatorships, 17 are one-party governments, and all of them control the media, it is laughable.

Mr. Chairman, the issue we have before us engages the question of whether or not Congress will continue to uphold legislation enacted in 1971 permitting the importation of strategic materials from Rhodesia. These include chrome, ferrochrome, and nickel. It is about time we took a hard critical look at the case of the politically motivated restrictive effort which is being undertaken against Rhodesia pursuant to a United Nations Security Council Resolution of December, 1966.

Metallurgical chromite is of vital concern to us because of its indispensability in defense and industrial production, the lack of chromite ore sources in the United States, and the U.S. dependency upon foreign supplies. I oppose H.R. 1287 because renewal of the Rhodesia embargo will terminate our major source of chrome supply. The New York Journal of Commerce described the ludicrousy of this bill most aptly:

> It is odd, when one thinks of it, that even at a time when Washington is worrying about Arab oil embargoes, Congress is gearing up for another battle over proposals to restore its onetime boycott of Rhodesian chrome ore. It is odd because while this country can probably supply most of its oil needs from its own and other sources, its only major source of chrome ore outside of Rhodesia is the Soviet Union, which currently doesn't enjoy much support in the liberal United States circles either.

Passage of this bill is utterly hypocritical to our foreign trade policies, since it permits and encourages the United States to import chrome from other oppressive regimes—the Soviet Union. The United States is wholly dependent upon foreign sources. Barring Rhodesian chrome imports would drastically increase our dependency upon the Soviet Union, which historically has been a major source of supply. Past dealings with the Russians for chromium has resulted in the shipping of inferior ore at exorbitant prices, at the expense of our American consumer. We cannot even be guaranteed of their reliability as a supplier.

Chrome is an ever-increasing essential substance to our defense and industrial production. It has been a source of defense construction in the current production of weapons such as planes, submarines, and ships, and weapon-supporting systems. Can we afford to permit our supply of chrome, a national security requirement, to fall directly in the hands of the Soviet Union? Moreover, the utilization of chrome has been an absolute necessity to our steel industry. A report from the National Materials Advisory Board—May 1970—states:

> Chrome is the sine qua non of specialty steel.

The only certain impact this legislation would have would be to deprive the American industry of low-cost, high-quality ore and an adequate and cheap supply of ferrochrome, while assuring windfall profits to Soviet chromium dealers.

As for the second section of the bill, requiring a secondary embargo, this would most assuredly stretch beyond the United Nations sanction, would be virtually impossible to enforce extraterritorially, by scientific testing, by labor and/or industry groups filing complaints of violations to anyone. This would mean sole reliance upon the verity of the certificate of origin, hardly an efficient or accurate enforcement of the certificate procedure. This amounts to nothing but a sham.

H.R. 1287 must be defeated. There is every reason to continue importing chrome from Rhodesia under the lawful enactment of the Byrd amendment in 1972, while respecting other aspects of the U.N. sanctions. I entreat you to retain the Byrd amendment until such time a more stable solution can be reached with regard to the Rhodesian problem.

Mr. ICHORD. Mr. Chairman, I do not yield further at this time. My time is rapidly expiring and I have not even gotten started.

I was stating at the time the quorum call was made that my close attention was directed to this measure when I received a letter from the Zambian ambassador urging me as a Member of Congress to vote in favor of the repeal of the Byrd amendment. I recalled at the time reading an article in the paper which stated that the Zambian Government was trading quite extensively with the country of Rhodesia. I asked myself the question, why should I follow the advice of the Zambian Ambassador and damage my own country economically and from the standpoint of national security when the Zambian Government itself did not practice what it preached?

Apparently this hypocrisy that I spoke of has been continued from the very beginning. The distinguished gentleman from Minnesota has advised me that the Zambian Government was exempted from the sanctions of the United Nations.

I would state to the gentleman from Minnesota that I have read the U.N. resolutions, both 1966 and 1968 resolutions. Where is the exemption of the Zambian Government contained? I would ask the gentleman from Minnesota to answer that. I have looked through this record, through the record of the Committee on Foreign Affairs, the record of the Committee on Armed Services. I do not find the exemption. Would the gentleman from Minnesota, if I may have the gentleman's attention, tell me where this exemption for Zambia is located in the record?

Mr. FRASER. Mr. Chairman, if the gentleman will yield, the resolution, as I understand it, and I do not have the records in front of me, took into account at the time the fact that Zambia which used to be known as Northern Rhodesia, had special problems.

Mr. ICHORD. Would the gentleman supply that for the record? I do not question the gentleman, but I have not seen it.

Mr. FRASER. I do not recall whether or not Zambia is named by name, but account is taken of the difficulty of certain states.

Mr. ICHORD. I wish the gentleman would furnish that evidence for the Members of the House.

The hypocrisy of Zambia, Mr. Chairman, I later learned, was just the beginning. During the Easter recess I traveled to Rhodesia with the distinguished gentleman from Pennsylvania (Mr. DENT), whose district probably stands to be injured more than that of any other Member of this House, and the distinguished gentleman from New Mexico (Mr. RUNNELS).

I looked for myself as to what was going on in Rhodesia. I stood on the bridge, on the railroad bridge at Victoria Falls going into Zambia, and witnessed a whole trainload of foodstuffs and supplies going into the nation of Zambia. I was advised that four trains a day travel into Zambia. I have pictures of the train if the Members of the House care to examine the fact.

Then, in the beautiful city of Salisbury, I found out more about the hypocrisy that is going on throughout the world. Apparently, every nation in the world, practically every nation in the world, is trading with Rhodesia, except the United States, as we are only trading with Rhodesia in chrome. I have pictures here, if the Members of the House care to examine them, taken on the streets of Salisbury of new 1975 automobiles which were not manufactured or assembled in Rhodesia.

Here is one, a picture of a 1975 Renault, and there are many others besides this. I think Renault is made in France, is it not? Here is another picture of a Datsun, and I think the Datsun is made in Japan, and there are many, many more Datsuns, I assure the Members, on the streets of Salisbury.

Here is another of another French automobile, the Peugeot, the French automobile, a 1975 model. Here is another of a BMW, Bavarian Motor Works, and there are many other automobiles of the same make and model on the streets of Salisbury.

The only answer I have gotten from the gentleman from Minnesota and others is that Fiats and Volkswagens are made in South Africa, and South Africa does freely trade with Rhodesia. But these, I would state to the gentleman from Minnesota, are not Fiats and they are not Volkswagens, and they are very good evidence that many, many nations of the world are trading surreptitiously and covertly in violation of the United Nations sanction. I resent the hypocrisy of this particular resolution.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I think the gentleman is making a very valid point, because it is obvious that the Government of Rhodesia could not have sustained its economic effectiveness since it declared its independence without a substantial flow of trade, as well as a market for its products.

Mr. ICHORD. I agree with the gentleman.

Mr. DERWINSKI. The gentleman is properly emphasizing that other nations trade with Rhodesia, and we do not except for this Byrd amendment.

Mr. ICHORD. I take the floor this afternoon, Mr. Chairman, not in defense of Rhodesia, and not in defense of the policies of Rhodesia, but to protect the interests of my own country, the United States of America. I submit that it is not in the interests of the United States to cut itself off from Rhodesian chrome and make itself primarily dependent upon the Soviet Union.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. SPENCE. Mr. Chairman, I yield 3 additional minutes to the gentleman from Missouri.

Mr. ICHORD. The Soviet Union has not proved itself to be a reliable supplier of chrome for the United States of America. Let me remind the Members that no chrome is produced in the United States, and that we must have chrome to make everything from jet engine blades to sterile hypodermic syringes.

There is no other element which can be substituted for chromium. Stainless steel cannot be produced without this thing that we call chrome ore.

My good friend, the distinguished gentleman from Minnesota, is apparently attempting to sell this proposal on the ground that we do have dependable supplies of chrome and ferrochrome from other sources.

On page 17 of the House Armed Services Committee hearings, he states:

> Mr. Chairman, adequate and dependable supplies of chrome and ferrochrome are available to the United States at competitive prices from non-Rhodesian sources.

As the gentleman from South Carolina pointed out, the Soviet Union cut us off during the Korean war and did not resume shipments of chrome until the year of 1959.

And the gentleman, later on in the hearings, freely admitted—and I compliment the gentleman for his frankness—that the passage of this measure will mean an increase in the price of chrome to the United States of America.

And so, Mr. Chairman, the validity of all of the arguments of the proponents of this measure are exploded when closely examined and measured against commonsense, logic, and reason.

There is no validity to the argument that the United Nations sanctions are mandatory. That issue has already been decided by the Federal courts. The constitutionality of the Byrd amendment was upheld.

There is no validity to the argument that we must comply with United Nations sanctions in order to make Rhodesia change its policy. Rhodesia according to the proponents of this bill has not changed its policy. The record shows the futility of sanctions. Rhodesia has not been harmed by the sanctions. In fact, Rhodesia has prospered throughout the duration of the sanctions. Sanctions are not effective.

The hypocrisy of the argument is exposed when we see all of the other nations of the world, practically all of the other nations of the world, trading with Rhodesia covertly.

There is no validity to the argument that we have other dependable supplies. H.R. 1287 will make us primarily dependent upon the Soviet Union which has cut us off in the past and will do so again if it serves her purpose.

There is no validity to the argument that the price will not be increased. The principal proponent of the bill admits that the price of chrome will be increased when we cut off Rhodesia. The only argument of the proponents of H.R. 1287 which has the slightest scintilla of validity is the argument that Rhodesia will eventually become Zimbabwe under a black majority government which will not sell us chrome in the future if we do not pass this measure. But even this argument falls as one which is not compatible with commonsense and our own experience.

The proponents of this proposal say that Rhodesia is on its last legs. This argument, however, is purely conjectural. They have been saying for the last 10 years that Rhodesia was on its last legs and Rhodesia is still in existence and more prosperous than it has ever been before. I am sure that if the proponents had been in the United States 200 years ago in the late 1770's they would have said that the United States would have never come into being. The proponents may well be underestimating the determination, courage, and perseverance of Ian Smith and the other Rhodesian leaders. But even if they are correct in their conjecture, Mr. Chairman, it defies my experience that Zimbabwe will not sell chrome to the United States. Zimbabwe will act in its own economic self-interest as all other nations will act. Experience leads me to believe that if we have the money to buy chrome and the need to buy chrome, Zimbabwe will sell chrome to the United States just as well as Rhodesia is selling chrome and ferrochrome to all the major industrial nations despite the U.N. sanctions. I hope the Members will vote down H.R. 1287 forthwith.

Mr. SPENCE. Mr. Chairman, I yield such time as he may consume to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, the reinstitution of a ban against the importation of Rhodesian chromium will have the effect of American workers losing between 2,027,000 to 16,700,000 man-hours as thousands of employees are laid off in the steel industry, when chromium ore becomes unavailable to specialty steel factories.

A second negative effect will be that steel products requiring chromium for stainless steel, as, auto and factory pollution abatement equipment, nuclear powerplant reactors and boilers, jet engines, aircraft, railroad cars, pumps, tools, tableware, home appliance trim, and so forth, will cost consumers at least $300,000,000 per year for non-Rhodesian chromium.

Mr. Chairman, as Rhodesia—67.3 percent—and the Republic of South Africa—22.4 percent—produce almost 90 percent of the world's total chromite supply, during the original 1967–71 boycott of Rhodesian chrome, the Soviet Union and its captive satellites—5.9 percent—found it very easy to increase their chromium ore price from $36.46/ton to $68.49/ton, by cutting back their ore supplies by 35 percent in 1967. Promoting détente and higher chrome prices, the Russians for 5 months during 1973, decided not to ship ferrochromite to the United States, which resulted in closing down several American ferrochrome facilities. Crowning this embargo folly—similar to President Thomas Jefferson's "Ograbme" embargo against warring British and French products in 1807—was the United States becoming dependent upon Russia for 58 percent of its chromium, much necessary for stainless steel used in American tanks, during the height of the Vietnam war.

Between 1967 and 1971, Russian chromite prices increased over 67 percent. When the Byrd amendment was enacted, Russian prices stabilized, then fell as Soviet chrome dealers felt the impact of stiff Rhodesian competition. The price history of Soviet chrome is particularly noteworthy in view of the economic conditions of the period. Russian prices reached their peak in 1971, the last year of the Rhodesian embargo, despite the fact that chrome demand in the United States reached a 10-year low. In 1973, Russian chrome prices continued to decline despite an all-time high in chrome demand and some of the highest inflation rates in history. This price-demand equation is exactly the opposite of the usual situation, and largely reflects the impact of renewed Rhodesian chromium imports upon the Soviet monopoly.

If the trend in Russian prices established during the embargo period had been maintained—that is, if the Byrd amendment had not been enacted—American consumers would now be paying well over $100/ton for chromite—almost double the prevailing world price. This is an extremely conservative estimate, and does not contemplate increased demand or continued high inflation rates. It reflects only a continuation of the well-established pricing policies of the Soviet chrome dealers who would have continued exploitation of their near-monopoly in the U.S. chromite market.

Such "scalping" prices are passed through to consuming industries such as stainless steel producers. For every $.01/lb. increase in the price of landed chromite ore—on a chrome contained basis—U.S. specialty steelmakers must pay an additional $8 million annually. The Byrd amendment has already saved American consumers over $30 million—much of which represented lost profits to Soviet chrome merchants. Even considering increased inflation and demand, reimposition of the Rhodesian embargo would cost over $40 million/year in constant dollars. This additional cost does not "buy" anything. It merely inflates Soviet chrome dealers' profits. Rhodesian chromium will continue to enter the American market in the form of foreign made specialty steel, adding another burden to our balance of trade and endangering thousands of American jobs.

Since 1939, the Federal Government has been stockpiling chromium—the first mineral to be so hoarded—besides gold in 1934—since it is unique in its corrosion-resistant and alloying qualities. While the Government's chromium stockpile is twice greater than the ore's yearly American demand, should the Government sell off its reserves, low chromium prices could be expected to hold, until the Government supply was depleted after 2 years. However, at that time, the United States would become again totally dependent upon foreign supplies of chromium, as no chromium has been produced in the United States since 1961.

When the United States relied upon foreign oil to supply 18 percent of America's fuel needs, American consumers quickly learned what a foreign oil boycott could do to their gasoline and heating fuel prices, when the foreign oil tap's spicket was closed. One can readily guess what will happen to the price of chromium and stainless steel products, should the United States deplete its entire reserves and become not 18 percent, but 100 percent dependent upon some foreign supply.

Mr. Chairman, the Rhodesian chrome boycotters have made a series of unsupportable allegations.

Allegation: Sooner or later the government of Ian Smith will fall to a black majority. When this happens, the United States will be shut off from chrome in retaliation for supporting the Smith government.

Facts: First. Even the proponents of sanctions now concede that the fall of the Smith government could take as much as 10 years. It is doubtful whether the stainless steel industry can survive that long without access to the African ferrochrome. Thus, the point becomes moot. Second. Would the new black-ruled Rhodesian Government give up the income from ferrochrome shipments to the world's largest consumer? Third. One of the black factions vying for power is from the far left. Thus, we have no assurance they would sell us for ideological reasons anyway. Fourth. The embargo legislation leaves it officially up to the United Nations to lift the embargo. Thus, if S. 1868 were passed and a non-Communist black faction should ultimately win out, the Soviet Union has the power to veto the lifting of the sanctions. Thus it would appear the bird in the hand, and so forth, is the best course.

Allegation: We must not risk offending the black nations of central Africa by buying chrome from Rhodesia.

Facts: First. Is not this commodity blackmail practiced by the Arabs? Second. Since when does our foreign policy with one nation become a condition of trade for the third nation—Taiwan-Peking? Third. All of the nations of concern are already military dictatorships. Fourth. None of the nations control any commodity to anywhere near the degree of chrome and, thus, cannot leverage us nearly as bad.

Allegation: We have larger investments in some of these black nations than we do in Rhodesia and, therefore, we should protect them.

Fact: This is a moot point for it is against the law to invest in Rhodesia or indeed to exercise management over the investments we already have there and would have there if it were not for the sanctions.

A serious deficiency in the Boycott Rhodesian chrome bill (S. 1868) is that it does not specifically relate to Rhodesia, or Rhodesian chrome, but is broadly constructed. Therefore, enactment of S. 1868 would require the President to implement an embargo on importation of any strategic material if called upon by the U.N. Security Council at some time in the future.

The only benefactor from an American boycott of Rhodesian chrome will be the Soviet Union, which during the last boycott purchased the banned metal from Rhodesia, and then more than doubled the ore's price for resale to the United States.

Worldwide consumption for chromium or ferrochromium is outpacing available supplies. Demand is and was so strong, that during the American chrome "ograbme," Communist China broke through the United Nations ban to consume a third of Rhodesia's total chromium production, and thereby helped to nourish Rhodesia's apartheid policies.

Private American chromite inventory will last less than 30 days if the ban is reinstated. Thirty days for America to become again subservient to the supply whims of the Union of Soviet Socialist Republics to determine thousands of American capitalist jobs.

Mr. Speaker, I think that the Congress should say "No!" to Secretary Kissinger, the United Nations, and others who are pushing this legislation; for it is clearly not in the best interest of our country and the American consumer; and is a clear-cut case of hypocrisy. I urge a no vote.

Mr. SPENCE. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, it is indeed unfortunate that more Members are not actively participating in the debate on this most important piece of legislation, H.R. 1287, the United Nations Participation Act amendment. The constant notice quorum calls, however, are not the answer. For the better part of an hour they have stymied the House. Instead of enhancing debate they have virtually paralyzed it by interruption. I believe that the leadership should give serious consideration to a rule change which would establish that after a 5-minute notice quorum call a regular recorded quorum would develop if the necessary 100 Members did not register their presence.

Only in this manner can the business of the House proceed in an expeditious fashion and full participation in such critical debate as this be insured.

In substance this legislation, which would effectively cut off imports to the United States of Rhodesian chrome, raises economic, military, and political issues that are extremely critical to the future of our country and to the world. With matters such as this at stake, wider participation would have better insured a well-informed resolution of this matter.

Several argument can be made in favor of this legislation: The cause of humanitarianism, the plea for world justice, the rational stand of pragmatism.

There is no doubt that our purchases of Rhodesian chrome has served to prop up the white minority Salisbury regime. Without income from the United States, the Ian Smith government would have seen the handwriting on the wall months or years ago. Detractors of this legislation claim that trade with nations such as the Soviet Union also supports a totalitarian regime. I agree we must do all in our power to make certain that trade lessens rather than enforces repression. But this argument does not take into account that our trade with the Soviet Union, the second most powerful nation in the world, does not make or break the existing government as is the case with Rhodesia.

Until this bill becomes law, America remains the only nation in the world excepting South Africa that refuses to officially embargo Rhodesia. This is contrary to the 1968 action by the United Nation's Security Council. The U.N. has often been ineffectual, but surely we must do all we can to further world justice. Passage of this bill would be one small step.

The days of the Ian Smith regime are numbered. With the independence of Angola and Mozambique, all of southern Africa is changing. South Africa is trying to come to terms with black Africa. Part of this change is her growing wariness of Rhodesia: no longer is South Africa going to maintain paramilitary forces in Rhodesia. Guerrilla warfare is increasing. The principal ports of landlocked Rhodesia in Mozambique are now cut off, accounting for the drastic decline in Rhodesian chrome imports that have already taken place this year.

Rhodesia does have 67 percent of the world's chromite reserves. For the long term, our supply of chrome would be better assured by disassociating ourselves from the present rulers. No matter what the future brings, the new rulers will not be friendly with those who were supportive of the old.

Our present needs in chrome are not critical. We have more than enough stockpiled for any emergency. Our regular needs can be met by suppliers other than Rhodesia for the short term. For assurance of a long-term supply, adoption of this bill is critical. Passage in the next session may be too late, for there may be a new government in Salisbury.

Mr. SPENCE. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.).

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, I rise in opposition to H.R. 1287. We had before us in the Committee on Armed Services witnesses to testify on behalf of this legislation. Their testimony indicated that the effect of the repeal of the Byrd Amendment, from the point of view of defense, would be uniformally adverse. In fact, as I said at the time, I had never heard a group of witnesses appear as proponents of a piece of legislation who presented such persuasive arguments against it.

The State Department is urging us to reimpose the embargo on Rhodesia chromium. They tell us our relationships with Black African countries are being compromised by continued trade with Rhodesia. Further, they contend our principles of "self-determination, democracy, and majority rule" compel us to slap down the "illegal minority regime" in Salisbury.

Let us consider just who are these freedom-loving countries we are trying to please by handing them Rhodesia's scalp. What liberties do their citizens enjoy? Well, by far the most vehement body of critics of Rhodesia is the Organization of African unity. Charter members of this club include Burundi—where over a quarter million innocent civilians have been slaughtered over the past 3 years, and Chad, where the local dictator has Christians buried alive in ant hills for his personal amusement, and the Central African Republic where "President" Bokassa has tortured hundreds of minority tribesmen to death according to the signs of the Zodiac.

It comes as no surprise, then, that it is "Big Daddy" Amin, Rhodesia's most implacable enemy who is the heir apparent to the chairmanship of the OAU. He has already—

Expelled over 60,000 Ugandans of Asian ancestry;

Executed over 75,000 of his political opponents;

Thrown four cabinet members and the Chief Justice of the Supreme Court to the crocodiles; and

Criticized Adolf Hitler for not killing more Jews.

If a country is known by such enemies as these, Rhodesia would indeed stand high.

The purpose of the legislation is to nullify an action taken by the House on November 10, 1971 which lifted a senseless embargo on the importation, among other things, of chrome ore from Rhodesia.

The simple facts of life are that lifting this embargo was in our national interest.

The facts are that the three countries of the world which produce the bulk of the world's chrome—metallurgical chrome, chromite, or whatever term you want to use—are Rhodesia, South Africa, and the Soviet Union.

The economic sanctions placed against Rhodesia were voted by the United Nations in 1966 and 1967. Those sanctions were put into effect by the President of the United States. They were never submitted to the Congress for ratification. The Executive order issued by the President implementing the United Nations economic sanctions, in my view, represents a very dangerous precedent which involves the efforts of the United States to involve itself in the internal affairs of an independent and sovereign nation.

I do not endorse the internal policies of the Rhodesian Government, but certainly by the same token I do not endorse the internal policies of the Soviet Government or the Chinese Communist Government. However, to be consistent, should we not similarly apply economic sanctions against all of these nations since their form of government and their way of life is not consistent with our sense of human values? Of course not. We cannot hope to impose our way of life on any other nation of the world. Vietnam is a tragic illustration of our inability to force-feed democracy.

Let us be honest with ourselves. If we are going to eliminate trade with Rhodesia—and one of the reasons that the sponsors of this bill give that we should eliminate trade with Rhodesia—is because the white minority dominates the black majority—why, then would we not, to be consistent, similarly advocate sanctions against South Africa?

However, our Ambassador to the United Nations vetoed proposed sanctions against South Africa.

I agree with his action in that instance, but, to have been consistent, he should also have vetoed the proposed sanctions imposed on Rhodesia.

If we eliminate Rhodesia and South Africa as a source of chrome ore, our only remaining supplier is Russia. I find it inconceivable that this body could possibly accede to such incredible stupidity.

During the Korean war, the Russians turned off their supply of chrome ore. What perverse logic prompts us to think that when the Soviet Union again finds it in its national interest to deny chrome ore to the United States that it will not do so once again?

If the Congress passes this bill and reimposes an embargo on Rhodesia, we will be legislating higher prices for American consumers and windfall profits for the Soviet Union.

Every American was disturbed by the oil embargo imposed on us in 1973. Yet we are now contemplating ratifying the same kind of economic sanctions that was condemned by the world during the oil embargo.

The fact of the matter is—this is a bad bill and it should be rejected.

Mr. FRASER. Mr. Chairman, on behalf of the Committee on International Relations, I yield 10 minutes to the gentleman from Pennsylvania (Mr. Dent).

The CHAIRMAN. The Chair will remind the gentleman from Minnesota (Mr. Fraser) that he has only 9 minutes remaining insofar as the time for the committee is concerned.

Mr. FRASER. Then, Mr. Chairman, I will yield 1 minute in addition from the time that I control directly. That will give the gentleman from Pennsylvania a total of 10 minutes.

Mr. DENT. Mr. Chairman, I know that the Members do not want to be bored this afternoon, and I hope that I do not bore them.

Mr. ICHORD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

At the time the point of no quorum was made, the gentleman from Pennsylvania (Mr. Dent) had been recognized for 10 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. Dent).

Mr. DENT. Mr. Chairman, I have before me some samples. I would like some of the Members to pay attention and to look at what I have here. The Members see before them a mineral, the most valuable mineral in the world insofar as the daily lives of our men and women are concerned. I include the following:

Proposed Reimposition of Ban on Rhodesian Chrome—S. 1868

Dear Colleague: You have received several letters urging you to re-impose a ban on the importation of Rhodesian chrome in this country because of the UN sanctions against Rhodesia due to their racial policies. We agree with the lofty intentions expressed in the letters; however we feel very strongly that the letters have not advised you of the full effect of the proposed ban. You are asked to do something which we believe you would not do if you were aware of the full effect of the ban.

There are three major sources of supply for chrome—Rhodesia, the Soviet Union and South Africa. The ban on Rhodesia would be both hypocritical and dangerous to the security of the United States. The Senate bill would also lay the basis for surrender to the United Nations of the power of determining our ability to stockpile critical materials. We therefore intend to offer an amendment to remove the hyprocrisy and retain the safeguards under existing law concerning strategic and critical materials which are vital to our defense.

Since the Senate bill does more than what its title purports to do, we are enclosing an explanation of our amendment along with pertinent sections of the existing law which the Senate bill affects.

Let us briefly point out the major objections as we see them:

(1) We are being asked to make a judgment that the Soviet Union's persecution of intellectuals, ethnic and religious minorities—especially of Jews—is somehow more acceptable to the American people than is the denial of certain civil rights to the black citizenry of Rhodesia.

(2) Rhodesia is a country which poses no threat—real or potential—to our security. No one questions the fact that the Soviet Union is a potential adversary. This has recently been confirmed by Secretary Kissinger in answer to Senator Byrd's question on this matter. The Soviet Union cut off shipment of chrome to us at the beginning of the Korean war. When Turkey recently did likewise, Rhodesia stepped in and filled the gap. Obviously it is unwise to rely upon sources in the Soviet Union in any period of crisis.

(3) The actual text of the Senate bill does not even mention Rhodesian chrome, although it is referred to in the title of the bill. The fact of the matter is that the language of the bill is much more far-reaching than it appears at first glance. The language of S. 1868 is general enough to cover all strategic materials being stockpiled which can be obtained from Communist and non-communist countries. This bill if adopted in its present form could cause us to give preferential treatment to Communist countries while discriminating against friendly countries.

(4) Since the authority conferred by S. 1868 to ban imports from our friends is tied to decisions of the United Nations—decisions often hostile to United States policy—we would in effect embark on a course of surrendering our constitutional responsibilities to foreign powers.

Sincerely yours,

Richard H. Ichord,
John H. Dent.

Washington, D.C.,
September 24, 1975.

Hon. John H. Dent,
House of Representatives,
Washington, D.C.

Dear John: PPG Industries urges your opposition to HR–1287, which would reimpose the embargo on Rhodesian chrome ore. The bill is scheduled for a vote on Thursday, September 25.

The years 1974 and 1975 have been exceptionally difficult for all world chrome ore buyers, of which PPG is one. PPG is not a buyer of Rhodesian chrome ore; however, a self-imposed American embargo on Rhodesian ore will compound a present shortage by forcing more users into competing for the ore we do buy from South Africa via Mozambique.

Recent travels to the region by PPG's supply personnel convince us that:

1. Free trade currently exists between Black African nations and Rhodesia, with regard to a variety of commodities. Mozambique recently decided to continue shipping Rhodesian chrome ore through the Mozambique ports of Beira and Lourenco Marques. The thrust of these actions is that economic considerations overrode racial feelings among Black African nations.

2. Russia's recent withdrawal of 35 percent of the chrome ore it was putting on the world market reflects their assessment of the strategic importance of their own 30-year chrome ore reserve. At the same time, the Russians are among the largest buyers of Rhodesian chrome ore. Thus, their reserves are not being diminished and their dependency on foreign sources of this strategic material will be far less than will America's 100 percent dependency. The House Armed Service Committee realized this when they reported HR–1287 unfavorably on July 26, 1975.

For these reasons, we strongly urge your opposition to HR-1287.

Sincerely,

Jack Woolley.

Mr. Chairman, it is interesting to note that chromium production has increased during the periods of sanctions.

It is also worthy of note that Red China, boosted into the United Nations over the prostrate body of the law-abiding free nation of Taiwan, imports 60 percent of Rhodesian chrome production. Is it a possibility that China is consuming this chrome—it is not. It is the funnel for chromite and ferrochrome to the sanctimonious members of the United Nations even those nations that openly flout the United Nations' sanctions.

Another phase of the fraud is the trade in all other goods, services, and materials by the United Nations members with Rhodesia. Only Portugal, Switzerland, and the United States have had the courage to meet the problem head on.

We cannot survive without chrome, neither can they or any other nation. Unlike other nations these nations bit the bullet and openly and courageously repealed or denied the embargo.

We are asked to live a fraud. Are we afraid to admit that we are depending upon this enormous supply for our needs?

The hope expressed by the proponents that the blacks will take over anytime now—that the massacre, bloodshed, and civil war will somehow bring the fulfillment of their desires, makes a decent person's stomach revolt in disgust.

They talk of these whites in Rhodesia as a blight upon the Earth. Think of our part—we were a colony of Great Britain. We declared ourselves free and independent. So were the Rhodesians and so declared themselves to be free.

The treatment of the blacks in Rhodesia is by far better and more humane than our treatment of the Indians.

Can we wipe out the massacres of women and children? Can we call our treatments anything but cruel and inhumane? With guns we made war, with sticks and stones, with bows and arrows.

No massacres have occurred in Rhodesia. The only innocent dead were at the hands of guerrillas from neighboring countries. These neighboring countries are envious of the prosperity and decency of their neighbors, black and white, in Rhodesia.

If we again impose the embargo it will benefit one nation and one nation only, Russia.

Can Russia complain about the 5 percent whites controlling the Government in Rhodesia where the Senate has 50 percent black Members and there are 36 percent blacks in the House of Representatives.

How many non-Communists are in the Politburo in Russia? None—they are mostly in slave camps.

We make this choice between Russia and Rhodesia and blaspheme our morals by hiding behind the false cloak of humanitarianism.

No, my friends, we cannot be proud of our record if we fail to support our country.

Most of the votes against us today are not votes on the merits.

They are voting from plain, naked fear of the pressures from labor in some instances, the ADA, and the fear of loss of their elections.

Only shame can attach itself to this action, and only shame will reward the Nation if one life is taken, because of the agitators and their supporters in Congress.

This Congress may well become the one Congress that overshadows the post Civil War Congress for the worst in history.

With our world collapsing around us, we fight a paper tiger.

Mr. KETCHUM. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 547]

Adams
Alexander
Andrews, N.C.
Annunzio
Bergland
Bolling
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Mich.
Burton, John
Burton, Phillip
Byron
Chisholm
Conyers
Dickinson
Drinan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
English
Erlenborn
Esch
Eshleman
Fary
Fenwick
Foley
Ford, Mich.
Forsythe
Gibbons
Hagedorn
Harsha
Hays, Ohio
Hébert
Hefner
Horton
Howard
Kastenmeier
Krueger
Lehman
McCollister
McCormack
McHugh
Macdonald
Mathis
Mikva
Moore
Murphy, N.Y.
Nedzi
O'Hara
Pike
Rees
Riegle
Rodino
Rose
Rosenthal
Santini
Scheuer
Sisk
Stanton, J. William
Steelman
Udall
Vigorito
Waxman
Wiggins
Wilson, Bob
Wilson, C. H.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Roush, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 1287, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 363 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time the point of order of no quorum was made, the gentleman from Pennsylvania (Mr. Dent) had been recognized for 10 minutes. The gentleman had used one-half minute of his time.

The gentleman from Pennsylvania (Mr. Dent) is recognized for 9½ minutes.

Mr. DENT. Mr. Chairman, for the first time that I can remember I feel inadequate to the task I have to perform. Somehow I do not feel that I was gifted with either the wisdom nor the ability to make this Congress understand the importance of what I have to say.

I might say that long before my time a wise philosopher said, "When you speak, few will listen, and fewer will hear you."

I have before me now a display of the most valuable mineral element in the entire world. In the daily lives of every man and woman in the world this is the most valuable mineral. It is the most valuable for the progress of mankind. Without it we would never have been able to go to the Moon, much less flown an airplane. All of the improvements made by man in our standards of living have come directly and indirectly from what I hold in my hand.

This is the natural rock created by the Maker and put in only a certain few places on the face of the Earth. I do not know why Rhodesia was chosen to be the depository of this valuable mineral, but, of course, the Lord moves in strange ways. What He has in mind for us, I do not know; what this Congress has in mind for our people, I do not know; what the Members have in mind for my 4,100 steelworkers, I do not know.

Here are the petitions, signed and delivered. When I look at these, it is just like reading the litany of the citizenship of the United States. Let me read these names:

Keith Schaeffer, Gene Cousins, Gene Bowser, Ed Kiersul, Steve Hosak, Mike Timko, John Podsbensky, and William J. Hodak.

These names are the fiber of this country. These people do not know anything about the political pressures that are being applied here. They know nothing about how we shake and shiver when a threat is made against our careers and our chances for election. They do not know that we are swayed so many times away from the right course by the threat of political extinction.

I have had a long political life, and during that political life I have challenged every single political, religious, industrial, and labor entity in my district. When I thought I was right on a pension plan, I was threatened with political extinction, but I did not quit and leave. When I first introduced the black lung bill, they told me, "You'll never serve another day." They have been telling me that for 43 years.

Mr. Chairman, I think the people recognize when we are sincere and when we are being made afraid by some threat. The only thing that makes me afraid is the threat to the lives of these men and women and their families.

We went through it. What I am telling the Members is not what may happen. It happened. Every man and woman in this House of Representatives knows that it happened.

During the first 5 years of the embargo, we lost 35 percent of our ferrochrome industry. Now, by a twisted version of that loss, I am told by a DSG information sheet that the 35-percent loss, precipitated by the embargo is the very reason for imposing an embargo. Pursuant to an embargo of our chrome supply, the United States emphasized ferrochrome production. Obviously, without chrome, you can't have ferrochrome.

So, what did we do. We bought from other nations, destroying our ferrochrome industry in the process.

Does any man or woman here question my humanitarianism? Does any person know of any time in the 43 years that I have not stood for justice for all peoples?

I hear remarks about 5 percent of the population. What is the percent of the population that controls Russia? Who are the men who are deep in the chrome mines in Russia? Where do they come from?

Can the moralists in the crowd tell me? They are the 1.7 million people in the slave camps of Russia. They are the Soviet Jews who have no personal freedom whatsoever.

Let Russia disgorge their manual slaves, while these Rhodesians are called political slaves.

If I had the wealth, I would ask all the Members to join me in making a trip. I would take them down and see what I saw with my own eyes. This Nation is landlocked—consider this—and that is left to the world.

The gentleman from Missouri (Mr. ICHORD) and I rode the Rhodesian army's most efficient military piece of equipment. It was a 20-year-old flat-bedded truck loaded with sand bags so that if the land mines went off, you would not hurt your little tootsies. There were two carbines and two rifles there to protect us.

I sat on the brink of what was called a river, and right across Mozambique were the so-called enemies.

There have been less people killed by guerrilla activity in Rhodesia in the 10 years of their independence than have been murdered in New York City or in any other big city of this country within a 6-month period.

I heard the great dissertation about how this guerrilla warfare would blow over into the Republic of South Africa. That was the threat to world peace, and that was why South Africa was left out of the embargo.

We all know better than that. Let us not delude ourselves. Let us be honest with ourselves: "At least to thine own self be true."

The Members know why South Africa is left out. If we cut Rhodesia and South Africa out, tell me something: Where are we going to get the chrome to supply the world?

Let me tell the Members this: I have heard about this moral climate, about the indignant members of the United Nations who are pointing their finger at this sinful Nation of ours that has not endorsed or abided by the sanctions, but neither have they.

Here is the litany of infidelity, here it is right here.

Spain, Japan, Germany, Netherlands, Brazil, Liberia, Israel, Belgium, Holland, Uruguay, Sweden, Greece, Panama, Iran, Jordan, Oman, Iraq, Indonesia, Egypt, Austria, Mozambique, Venezuela, Lichtenstein, Kuwait, Morocco, Kenya, Rwanda, Czechoslovakia, Italy, Burundi, Malawi, Tanzania, Zambia, New Zealand, Swaziland, Canada, Gabon, Dahomey, and France.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNETT. Mr. Chairman, I yield the gentleman from Pennsylvania 2 additional minutes.

Mr. DENT. Mr. Chairman, I want the Members to take a look at this list afterward. They will see check marks after the countries that are exporting to the United States ferrochrome, and they do not have a pound of this ore to make ferrochrome. Where does it come from? It comes from Rhodesia.

So we are told that we do not need Rhodesian chrome. We buy all of the Rhodesian chrome through whom? Through all of the sanctimonious members of the United Nations who point the finger of guilt at the innocent. And we are innocent. We have stood up for this right and we have taken a position as a legislative body that is in the best interests of America, its workers, and its people. But these other countries have not lifted the embargo, no, they just do not see it. They ignore the embargo.

I am ashamed of some of the Members who have said to me that this is only a symbolic measure, go along with this. We will not ask your companies to live up to the embargo.

But, Mr. Chairman, rather I would die than live a lie.

And we are living a lie. They are asking us today to join that fraudulent and corrupt membership that have voted to put upon themselves a burden that they will not carry. This House has no reason to follow this kind of position.

Yes, my district will lose, but we will survive. We will add the unemployed steelworkers to the other 11 or 12 percent who are on relief. But I would rather not condemn one more family in my district to a relief existence.

Let me say that every black worker in my factories and in my mills have signed this petition. They do not know anything about highbrow politics. I have heard too much about ideologies and philosophies. I would like to hear a little bit more about bread and butter.

At this time, I want to read into the RECORD the text of a letter sent to all of you by the gentleman from Missouri (Mr. ICHORD) and myself early on in this debate, as well as last week's letter from PPG Industries, urging opposition to H.R. 1287.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Chairman, I should like to call to the attention of the Members here today to one very specific portion of this legislation that I think is bad, and I think it is bad enough that we ought to go ahead and defeat the whole bill. What I am referring to is section 2.

Let me explain the position that we are in procedurally at this point. I agree wholeheartedly with the comments of the gentleman from Minnesota that we ought to support the United Nations position that our country has taken. We ought to support the actions of the United Nations, especially when we have concurred in them and argued for them. For that reason I voted every other year for the repeal of the Byrd amendment, but this year I am going to vote the other way unless we strike section 2 off of the bill.

The reason is very simple. This is not the same bill that came to us 3 years ago. This bill has a new added feature, and that feature is a third-country embargo.

Section 2 of this bill requires that all steel products coming into the country, basic steel products manufactured abroad, have a certificate of origin that proclaims, presumably under oath, that they have not been made with Rhodesian steel. We are not simply upholding the United Nations ban in this legislation; we are going one step further. We are saying not only are we going to come into compliance and be good guys and put on our white hats, but we are going to make sure that every other country in the world puts on its white hat, too. What kind of a policy is that for the United States to be adopting?

That amendment was adopted in committee 13 to 10. It will be offered here again as the committee amendment later this afternoon, and I hope that I can persuade the Members to vote against it and strike it off of the bill so that we can go ahead and pass the repealer.

The intent of this is clear. We are trying to require other nations to enforce their sanctions, but what is the effect of the amendment? The effect is we are going to become the policemen, and we are going to intervene in the affairs of other nations.

Do the Members know what we are saying in this amendment? We are saying to Sweden and Japan and West Germany and France, and to all of the other steel manufacturers: "We do not trust you to impose the sanctions of the United Nations yourself; we want you to sign a piece of paper." I guess if they do not sign if, or if we question it, we are going to take them into Federal court. That is a step backward for our international relations, is it not, to be taking other nations into our courts to support a United Nations sanction? How can we enforce it? There is no chemical tests known that we can give to the piece of steel to tell whether the chrome in that steel came from Rhodesia or the Soviet Union or anywhere else.

In short it is unenforceable. It is a bad step to take in international relations, and I think we make a very serious error by adopting that policy.

I will admit that I am a free-trader. I think we ought to trade with everybody regardless of their policies, and I know that is far too liberal a position for most people in the House of Representatives to take. But have we not learned anything about economic sanctions? Have we not seen what happened with the Jackson-Vanik amendment? Emigration of Jews from the Soviet Union plummeted. Have we not seen what happened when we put a military embargo on Turkey? All of our bases were dismantled. And now we want to do that again. We want to step forward again and say to our neighbors and our friends, "We are sorry; we are not going to do business with you unless you are as pure as we are and so sign on a piece of paper, and put your name on it."

The gentleman from Minnesota mentioned that frequently we have put other embargoes into effect, and that this is a suitable tactic. He mentioned Cuba, and he mentioned China. Of course, the China embargo was put on when Chinese troops came into Korea in December 1950. We were at war. That is a little bit of a different situation. The Cuban embargo resulted after the aggressive Cuban action in the missile crisis in 1962. So that is a different situation, too. I think in this case it is very clear that we are breaking new ground. We are using economic sanctions to force third countries to do something that we want them to do. I think that is bad foreign policy, and I hope we defeat section 2 to the bill and go on and pass the legislation in the form in which it was before.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I yield 5 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, I support H.R. 1287. It has been argued many times that keeping the Byrd amendment on the books is important to the national security of the United States. This position is based on the single, often misinterpreted fact that chrome is considered a strategic material.

Important to the production of steel, chrome also becomes important to the defense industry as a whole. Chrome is important to the defensive industry, but this is only a fraction of the picture which we must look at when deciding whether Rhodesian chrome is important to the national security of the United States.

The United States imports all of its chrome. Domestic chrome ore is of such low quality that the expense of producing our chrome from domestic sources would be four to five times greater than the expense of importing our chrome.

The bottom line of all this is that chrome imports are very important to our security interests in 1975. However, this does not mean that Rhodesian chrome is very important to our security interests in 1975.

Supporters of the Byrd amendment like simply to transfer the importance of our chrome imports to the importance of our Rhodesian chrome imports. On the surface this appears to make sense. But it is a deceptive and dangerous transfer to make.

Rhodesian chrome ore is important to the United States as a long-term source of the mineral. In the decades to come, access to Rhodesian chrome ore will become increasingly important. Rhodesia possesses more than two-thirds of the world's chromite reserves. Possession of two-thirds of the world's chromite reserves will make Rhodesia very important to us in the years to come. I would like to emphasize, however, that Rhodesia does not presently have this importance. Nor is this importance likely to develop in the near future.

Our current refusal to recognize the United Nations-ordorsed sanctions against Rhodesia runs the risk of permanently damaging our relations with Rhodesia.

The Ian Smith government presently rules Rhodesia after unilaterally declaring its independence from Great Britain in 1965. The Smith government is the only faction in Rhodesia which is not antagonized by our current stance. And the Ian Smith government is clearly little more than a remnant of the colonial government imposed by the British during the days of British rule in the region. Even the British do not accept the Ian Smith government as the legitimate Government of Rhodesia.

It was the British Government which went to the United Nations Security Council in 1965 to urge that international actions be taken to pressure the Smith government from continuing its rule in Rhodesia. Unlike the Smith government, 95 percent of the people of Rhodesia are black. The Smith government cannot by any stretch of the imagination be considered to be a representative government for the country.

The result of the British appeal to the United Nations was the U.N.-endorsed trade embargo which was first imposed on a limited basis in 1966. The embargo became absolute in 1968, and at that time the United States ceased to import chrome from Rhodesia.

What the British, and later the United Nations, have been trying to achieve is the end of minority white rule in Rhodesia. The present government consists of people who, in effect, refused to go home when the Rhodesian colonial period should have ended.

Against this backdrop, I would like to review what I consider to be the significant factors when deciding whether or not to support H.R. 1287.

First, Rhodesia is not a significant supplier of chrome ore to the United States.

During 1974, Rhodesia supplied only 7.4 percent of the metallurgical grade chromite consumed in the United States. Only 13.4 percent of our imports of metallurgical grade chromite originated in Rhodesia in 1974. Figures for the first part of 1975 were just as low. During the first 6 months of 1975, Rhodesia supplied only 7.7 percent of our metallurgical chromite imports. These figures do not suggest that Rhodesian chrome is important either to our economy or to our security interests at this time.

Second, Rhodesian ore is not essential in the manufacture of high quality alloys.

There are at least seven other nations from which the United States could import chrome ore—Turkey, the Philippines, Albania, Iran, Pakistan, the Soviet Union and South Africa.

Furthermore, contrary to unsubstantiated charges, the Soviet Union is the best source of high quality chrome ore in the world. The U.S. Bureau of Mines reports that Soviet Union has the highest grade chrome ore available. The chrome to iron ore ratio of Soviet ore is 4:1. The Rhodesian ore ratio is only 3:1.

Third, the small amount of chrome which Rhodesia has supplied to the United States since passage of the Byrd amendment has not reduced our dependence on the Soviet Union as a source of chrome. Since 1971, the amount of chrome imported from the Soviet Union has increased from 41 percent to 60 percent.

Fourth, I would also like to emphasize that the Soviet position as a supplier of our chrome should not make us as nervous as it apparently does. The Soviet Union is dependent upon the United States for 18 percent of their aluminum oxide imports and 61 percent of their grain. Aluminum oxide, I should note, is a metal used in abrasive essential to the manufacture of machinery.

This mutually dependent relationship between the United States and the Soviet Union should make us a little more comfortable about our reliance upon Soviet chrome.

Furthermore, chrome shipments from the Soviet Union have continued without interruption through the Berlin and Cuban crises, three Middle East wars and the lengthy Indochina war. It would appear highly unlikely that the Soviet Union would suddenly cut off their exports to this country.

Fifth, I would like to emphasize that the U.S. stockpile contains more than an adequate amount of chrome ore and ferrochrome. The stockpile currently contains 3,006,500 tons of chrome ore equivalent—1,952,802 tons of stockpile grade chromite; 551,758 tons of nonstockpile grade chromite; 403,000 tons of high carbon ferrochrome and 298,570 tons of low carbon ferrochrome.

All of the material in the stockpile is usable for defense needs. The Defense Department has estimated that its stockpile needs for a 1-year conventional war would be approximately 128,000 tons. At this rate of use, the U.S. stockpile would meet the defense needs of our country for 23 years at war.

Finally, when considering where our true security interests lie, it would be wise for us to consider the current situation in southern Africa.

Rhodesia is now bounded by hostile neighbors to the north, east, west, and southwest. Her life-supporting trade routes through Mozambique have been severed and the vital protection the former Portuguese colony had provided her northern and eastern flanks has now disappeared. Rhodesia's only ally, South Africa, has removed its security forces and has increased its pressure on the Smith regime to reach a settlement with the black majority in the country.

By all accounts, majority rule for Rhodesia will eventually come. The question is when it will come. When the day of majority rule comes to Rhodesia is it unlikely that our present policy toward the country will stand in a very favorable light with the government that replaces the present Smith regime. To support my concern here, I offer for my colleague's consideration remarks made recently by Bishop Abel A. Muzorewa, president of the African National Council.

Bishop Muzorewa said:

> In a few months or even a few years, the government of Rhodesia will be black. We will remember those who understood and helped us in our fight for freedom. We will not forget those who ignored our suffering, and scorned our rights and, in complicity with the fascist regime of Mr. Smith, took our minerals—bestowing wealth to the white minority and sentencing the black majority to poverty and physical depravity.

Bishop Muzorewa, I must point out, is regarded as the moderate leader of the nationalist movement in Rhodesia. There are also groups far more radical than Muzorewa who favor violent tactics to overthrow the Smith regime. There have already been reports that the radical factions are receiving Soviet and Chinese aid in their fight.

If we have succeeded in alienating the moderates in Rhodesia, then we will surely be in trouble in the years to come. Our current refusal to recognize the United Nations-sponsored embargo against Rhodesia certainly calls into into question what, if any, principles motivate America's foreign policy these days. I hope the House of Representatives will again put itself on record that the United States does indeed stand for democratic rule in other countries. We should not be supporting the remnants of colonial rule. It was just such a careless attitude which allowed us to slip into the Indochina war back in the 1950's.

Our violation of the United Nations sanctions reflects badly on the importance we attach to principles in our foreign policy. And, far from insuring access to chrome supplies in Rhodesia, our present policy actually endangers this future supply.

In view of these facts, I urge my colleagues to vote in favor of H.R. 1287.

Mr. GREEN. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Pennsylvania.

Mr. GREEN. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, the Rhodesian chrome bill before us today contains an International Relations Committee amendment aimed at protecting U.S. steel mills from foreign competition that illegally use Rhodesian chrome. The amendment requires that shipments of bulk steel into the United States be accompanied by a certificate of origin indicating the source of the chrome in the steel. This certificate of origin program would be administered by Treasury, presumably the Customs Bureau.

An amendment such as this should have been under the jurisdiction of the Ways and Means Committee, and the Subcommittee on Trade, by virtue of the jurisdiction over trade and over customs and custom matters as provided in House Rules X(V) (1), (2), and (7) and Rule 4 of the Committee on Ways and Means.

The Rules Committee has recommended an open rule waiving points of order on grounds of germaneness on the certificates of origin provisions. Certainly, such a point of order would lie, absent such a rule, because the certificates of origins provisions would be germane to a Ways and Means matter, not a U.N. matter under the International Relations Committee's jurisdiction. I should point out that we have not waived jurisdiction over these matters, or over the provisions in question, and that the fact that the Rules Committee provided the waiver recognizes that this amendment properly belonged in the Ways and Means Committee.

Mr. BADILLO. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New York.

Mr. BADILLO. Mr. Chairman, I rise in support of the legislation.

Mr. Chairman, I rise to speak in support of H.R. 1287, which would, in its language, restore an embargo on chrome imports from Southern Rhodesia, but would, in its significance, give some credence to our country's claim that we are concerned with human rights of all citizens of the world as well as our own.

It is shocking to me that it has taken 4 years to bring this matter up again. In those 4 years, our relationship to the United Nations has been strained over and over again, and it has been a constant struggle to maintain the delicate equilibrium required in the search for peace. And yet, among all the blocs that dispute one another, all the warring philosophies seeking to gain transcendence, there has been absolute unanimity—except for America's violation—on the trade embargo to Southern Rhodesia.

And what is our rationale? The tired warhorse—and I mean it literally—that chrome is indispensible to the defense and national security of our country. We are told that because we do not have any chrome of our own, and are dependent on foreign sources, and that if we do not trade with Rhodesia we will become increasingly dependent on the Soviet Union. We are led to believe that if we were to go to war, our present national stockpiles would be insufficient, and told that if we do not continue these imports thousands of steelworkers will be unemployed.

And, finally, we are told, according to the committee's minority report that we should not "selectively impose a moralistic trade policy on the rest of the world." In short, another attempt is being made to scare us into voting for a bill that is offensive to principles we loudy proclaim are the foundation of our system.

But we do not have to look far to discover the truth. It has been shown that we do not need Rhodesian chrome to meet our defense needs. We have enough chrome stockpiled right now to meet all U.S. needs for the next 3 years—an amount equal to what we will import from Rhodesia for the next 22 years! And what is needed for defense is only a startling 6 percent of what we have on hand at this moment.

As for the threat of increased dependence on the Soviet Union, we can only note that we are importing more chrome from the Soviet Union now than we did before 1971 when the Rhodesian embargo was lifted. I am convinced that we will continue to import chrome from the Soviets, and have little anxiety that those imports will be cut off, since the Soviets are equally dependent on us for certain strategic ores that they require. And, not least of all, sources of chrome exist in many other countries—South Africa, Japan, Germany, Finland, Sweden, Pakistan, Turkey, and the Philippines.

And, while we are discussing dependencies on other nations for critical materials, we would do well to take notice of how, by dealing with Rhodesia, we have impaired our relations with many black African nations. We can ill afford similar sanctions that could be placed on us by African producers of such ores as manganese, cobalt—even crude oil. In fact, if Southern Rhodesia's Government should change within the next few years, as many think it will, this whole discussion will become academic, as we will be forbidden access to Rhodesian chrome as a result of our current position.

On the domestic front, the specialty steel industry is in a decline. Ferrochrome production, which has dramatically increased in the first 5 months of this year, has far outstripped production of the products it is used for. Despite this, the United Steelworkers Union has consistently supported and continues to support sanctions against Rhodesia and that union's members are the people most affected by the embargo.

Finally, it is appropriate to speak of "moralistic trade policies." And I could not agree more with those who say sanctions should not be imposed selectively. What is desperately needed are some basic criteria that will enable us to make the distinction between strategic necessity and uncaring self-interest. Throughout the world, people struggle for freedom. And in that struggle, many of them have been denied what we assume to be basic human rights. It has been American policy to very selectively turn our eyes away. If we look at our relations with many countries in the world, we can see that it has not done us much good. Yes, perhaps the time has come when we should start thinking about a "moralistic" trade policy. The bill before us this afternoon certainly is a beginning.

ANNOUNCEMENT BY THE CHAIR

The CHAIRMAN. The Chair would like to advise the committee in controlling time what the time situation is.

The gentleman from Minnesota (Mr. FRASER) controlling time for the committee has used all of the majority time of the Committee on International Relations.

The gentleman from Illinois (Mr. DERWINSKI) has 15 minutes remaining.

The gentleman from Florida (Mr. BENNETT) has 4 minutes remaining.

The gentleman from South Carolina (Mr. SPENCE) has 15 minutes remaining.

The gentleman from Minnesota (Mr. FRASER), having been granted time under the rule, has 52 minutes remaining.

The Chair would inquire of the gentleman from Minnesota (Mr. FRASER) whether he is prepared to yield time.

Mr. FRASER. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman and my colleagues, I got involved in this matter in 1969. My involvement was precipitated by the actions taken by local 333 in Baltimore, the dockworkers. The issue was that chrome ore was coming into the Baltimore ports. These are working men, but from that day on they would not unload chrome ore in the Baltimore ports. Each time they failed to unload, they lost a day's pay.

In many conversations with them they advised me that they would rather lose the day's pay that they needed so badly than see America acting as an international outlaw.

I am not going to speak to the facts about the economic impact in this country, the stockpiles, and the national security. We have heard all of that. I do want to speak to the issue that was raised earlier about the hypocrisy of other nations who continue to trade with Rhodesia. I echo the sentiments of the gentlewoman from Colorado (Mrs. SCHROEDER).

I would rather see those nations act decently and not as hypocrites, but that is not my major concern. My major concern is whether this country, my nation, my country, our country, is going to act with honor and decency and integrity. That is the main issue for me.

I am really concerned about hypocrisy, but more than that, I am concerned about whether or not this Nation will continue to assert the moral leadership around the world that it did at one time. I am concerned whether or not this Nation will remain No. 1 in moral leadership. Let us not kid ourselves. We have not remained No. 1 solely because of military power. We have not been No. 1 solely because of economic power. Of course, those factors intervene; but there was that third factor which caused the rest of the world to look to us and say: "Historically, America has stood for that which is right and just." That is how we won friends. That is how we won supporters. That is how we have won allies.

My colleagues candidly admit I am not the skilled orator that some are who appear in this well. I candidly admit that I am not any kind of legislative genius who knows all the economic implications of each bill this House considers, but I yield to no man or woman in this House in terms of my understanding of that which must dominate our lives as a country, and that is the issue of moral rectitude of this Nation.

Cut away all of the rest of this, cut away all of the data and statistics, and we come down to just one issue: moral rectitude and America's adherence to it. We lose it, we lose leadership. We cling to it, and hopefully we begin a moral rearmament, a moral reaffirmation throughout this entire world.

Support us. Support H.R. 1287.

Mr. Chairman, I am very pleased to be here to express my strong support for H.R. 1287, a bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome. This is a bill which I have cosponsored and a bill, which in my opinion, is desperately needed.

Men and women throughout the world who believe in the principle of government by majority rule, express strong opposition to American foreign policy toward Africa, in particular its policy toward Rhodesia. The United States is pursuing a course in foreign affairs of alining itself with the remaining colonial governments in the world where a small elite of people rule the majority, and deprive them of their human rights.

Since 1969, the United States began to receive chrome ore from Rhodesia. This country had banned trade with Rhodesia in 1968, when the United Nations Security Council imposed mandatory sanctions on trade with the Rhodesian Government. In September 1968, the Senate voted to violate our United Nations agreement to ban trade with Rhodesia. Thus, the United States is officially responsible for breaking the United Nations Security Council ban on trade with the minority regime in Rhodesia.

Ignoring the United Nations Security Council's resolution constitutes a serious violation of U.S. obligations under the United Nations Charter. Also, U.S. failure to comply with the resolution undermines the authority of the United Nations, whose overall contribution to world stability and peace it values and seeks to enhance.

In September of 1971, I was outraged with the Congress when we passed the now famous Byrd amendment which allowed the importation of chrome ore from the racist minority-ruled Ian Smith regime in Rhodesia. I was outraged because this country had voted at the United Nations to enforce economic sanctions against the regime.

My rage made me resolute about upholding international law. I decided that if there was any way that I could stop illegal cargo from being unloaded into the port of Baltimore, I would certainly try to do it. It turned out that I was not the only person outraged about the importation of goods that helped to maintain a minority regime in Africa. I was not the only person dismayed about the importation of chrome mined by forced labor. The workers of this country were also angry.

The crucial objection came from those workers of the International Longshoremen's Association, whose responsibility it was to unload the cargo. Their president, Thomas Gleason, had made clear in the strongest language the dockworkers commitment to uphold the United Nations sanctions. In Baltimore, the ILA locals were, and are, no less sensitive. They too, have made clear their intentions to uphold international law.

Out of this shared concern came some mutual action. On August 1, 1972, my office was successful in relaying information to local 333 in Baltimore that caused them to refuse to unload chrome ore aboard the *Mormaccove*, an American flagship owned by Moore-McCormack Lines. On June 6 of that same year, we were again successful in alerting the union to the existence of chrome ore on the flagship *African Meteor*. Some of the chrome was unloaded, but when the dockworkers were informed of the contents, they refused to unload the rest.

Much of the same thing happened on the morning of the arrival of the SS *African Dawn* into the Locust Point terminal in Baltimore. When the workers were informed of the contents of the cargo they were unloading, they again refused to unload the remainder.

I mention these incidents to reveal to my colleagues that members of local 333 have been an example of decency and morality. I only hope that the Congress will see fit to learn from them.

There is no doubt in my mind that the rescission of the Byrd amendment would be in the best economic, social, legal, and political interests of the United States. I want to emphasize, and I am sure the future will show, that the United States must have a much greater stake and much broader national interest in fostering better relations with the black African nations, than fostering relations with those who are in violation of sanctions. There is to be found a wealth of natural resources and markets of unlimited potential for U.S. exports, both of which are vital to the quality of life. While one cannot deny the immorality of the United States position vis-a-vis sanctions against Rhodesia, what was the idealism of the 1960's, has become the enlightened pragmatism of the 1970's and beyond. The United States cannot ignore one simple basic fact which is facing us, as a new economic order is being fashioned, that is, that the U.S. relations with the developing nations of the world must reflect equality and mutual respect. If it does not, then it will be the United States who suffers because the developing nations have alternatives available to them on a scale much greater than in the past.

I am hopeful the House will vote in favor of this bill, and will rectify a mistake which has caused us severe difficulties in the conduct of foreign policy. A return to United Nations' sanctions against Rhodesia is a small price to pay for relations with the black African nations upon whose good will and understanding we will be increasingly dependent. Failure to amend the United Nations' sanctions will foster an unwarranted, negative foreign policy between the United States and Africa.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico (Mr. RUNNELS).

Mr. RUNNELS. Mr. Chairman, the Members know that I very rarely take the well of this Chamber, and as many others who have spoken here today, I do not have a lot of education. I do not have a lot of smart know-how, but I am mystified as to what I have heard today on this bill.

Now, I am an American, and to my knowledge there is not a prejudiced bone in my body; and if there is, I ask the Lord to remove it.

Now, how can the United States go around the world when its hands are not clean? We have voted right here in this Chamber this week on a busing amendment again. Are we clean? I am asking the Members.

I come from the South. I never went to school 1 day with a black, and I was raised with a different thought about blacks than I have now, and I think the blacks that sit here know me. I judge each individual in this Chamber, in the United States, and in the world, regardless of the color of their skin, on an individual basis. I represent three true cultures, and I have been in politics for 15 years, and I have not been elected for 15 years by being prejudiced because I have Indians and I am outnumbered by the Spanish-Americans. Look at this Chamber. My colleague, MANUEL LUJAN, is the only Spanish-American in the House of Representatives on the Republican side. JOSEPH MONTOYA, U.S. Senator from New Mexico, is the only Spanish-American in the Senate and he comes from my State. I am a gringo.

I want the Members to know that I know how it feels to be a minority, and

I do not understand the word "détente" that they keep talking about. If what I see is what I think it is, I have had all the détente I want.

How can we trade with our friendly Communist Russia? How can we in all honesty trade with our Communist friends and say to the little nation of Rhodesia, "We do not want to trade with you?"

Yes, I went to Rhodesia, and was told by our great State Department, "Do not go to Rhodesia." Even when I got to Cape Town, the Ambassador's office said, "Do not go to Rhodesia; it is too dangerous." Then, he finally told us, "Well, if you must go, leave your wives here."

Our wives went to Rhodesia. They were never safer in any other country that I have ever been in. Do the Members want to hear another funny? My wife and my two younger children, at a cost of $7,000 just for the plane tickets, have just come back from 6 weeks in Rhodesia. I am telling the Members that they are getting some false, wrong information. Let me just tell the Members, and they can use their imaginations.

There are approximately 6 million blacks in Rhodesia and only approximately 250,000 whites. I ask the Members to use their imagination. If those 6 million blacks were being so mistreated, by sheer numbers they could run over 250,000 whites, because that includes men, women and children. And let me give the Members another little funny. In their army, for every white person there are four blacks, and every one of the blacks has a gun. I guarantee the Members. I went there. I saw with my own eyes. They are not mistreated.

I will answer the gentleman from Colorado. No, we did not see any Jaguars. And Great Britain, the one that brought sanctions against America, is also the one that brought sanctions against Rhodesia. Rhodesia never had its day in court, and the Members can check the record. They have never had a chance in the United Nations to argue their side of the picture.

Great Britain may not be sending them a Jaguar, but I can promise the Members—and the record can be checked—all of the Tampax in Rhodesia comes from the United Kingdom. That I know for a fact. And I never use them. I never have.

I urge the Members to vote against the bill. It is bad. And in the goodness of your heart, vote against it.

Mr. FRASER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. MURTHA).

Mr. MURTHA. Mr. Chairman, I rise not to talk about figures but to talk about my district. I have a substantial number of people, working in specialty steel, who would be affected directly by this embargo.

Mr. Chairman, I took a poll not too long ago. I sent out 165,000 questionnaires. People in my district said that inflation was the No. 1 problem, that unemployment was the No. 2 problem. Do the Members want to know something else? Ninety-three percent of the people in my district were against foreign aid of any kind.

What have we here in this proposition? We have, No. 1, an inflation bill; we have, No. 2, a bill that will cause unemployment in my district; and, No. 3, we have foreign aid to Russia, because it is going to increase the prices of chrome, and the chrome will come through Russia and, consequently, we will be helping out a country which is not particularly friendly to the United States.

I feel very strongly that it is nice to have these other countries like us. It is like one of my colleagues just said, it is nice to have Africa on our side and to have the people like us over here, and it is nice to have Great Britain on our side.

These Third World countries vote consistently against us in the U.N.

I want to tell the Members something else. We cannot buy their friendship. We cannot impress them by trying to interfere with the affairs of other countries, by telling them what to do.

If the Members have been to workshops, as I have almost every week, I am going to tell the Members that people do not think too much of this Congress. Do the Members know that only about 18 percent of the people think highly of what we are doing up here? Do the Members know why? Because we do not solve the real problems of this country, and those problems are inflation and unemployment.

Mr. Chairman, I would urge every person in this Chamber to consider very seriously that the 12th Congressional District in Pennsylvania is not a foreign country. We are not asking for aid of any kind. We have people in the 12th District who have fought in World War I, World War II, Korea, and South Vietnam; we have people in the 12th District who ask only for the right to work and to buy goods, especially chromite, and at the best possible price.

Mr. Chairman, I urge this great body to defeat this bill.

Mr. Chairman, I rise to urge a negative vote on H.R. 1287 and to state my very strong opposition to reinstituting the embargo on importation of chrome and ferrochrome from Rhodesia.

We have heard, and we will continue to hear, many conflicting figures during this debate offered by the opponents and proponents of this bill. I am going to use very few figures in these remarks, because I do not believe numbers convey the major impact of this bill. The real story of H.R. 1287 involves people, and the possible effect of this bill on people throughout the United States.

And let me say at the outset, Mr. Chairman, that this bill could significantly affect many families in my congressional district. The Allegheny Ludlum Steel Corp. has a specialty steel plant in Leechburg, Pa., and there is another specialty steel plant in Allegheny County, just 15 miles from my district that also employs many 12th Congressional District residents. For these people, and for me, the effect of this bill is not contained in price-per-ton figures, surpluses, stock piles, or shipping costs, but in what it will mean to some 5,000 homes in my district that have a family member involved in specialty steel production.

Here is what the chrome embargo means to these people: It means the largest and highest quality source of metallurgical grade chromite and the major source of ferrochrome will be cut off; it means the cost of these materials will rise when they are received from other nations; it will likely create a reduction in the U.S. production of stainless and other specialty steels; and it will mean an increase in the price of this steel produced in this Nation. And those facts taken together spell a formula we have all seen too often in the last 5 years—a formula of less production and higher prices leading to less demand, and eventually to fewer jobs.

The major effect of this bill, Mr. Chairman, is economic. And, the major economic impact involves jobs. In the 12th Congressional District, we have lost 42,000 people over the last 30 years. The unemployment rate of some of the counties in our district look like this as of July: the Johnstown labor market including Cambria and Somerset counties—6.9 percent with 7,100 persons out of work; Clarion County—7.9 percent with 1,100 persons out of work; Armstrong County, where the plant is located—11.7 percent with 3,200 persons out of work; and, Jefferson County has a rate of 8.3 percent with 1,600 persons out of work. Pennsylvania's total unemployment rate is 9.9 percent even though, to date, the steel industry has remained fairly strong.

And, it is against this job background that the U.S. steelworkers and company officials in my area are not willing to take a chance with such an embargo.

We are in the midst in the 12th Congressional District of a major effort to upgrade our facilities and attract new industry, new businesses, and new economic opportunities to the area. We were just able in Armstrong County to save a rail line that could have cost us thousands of jobs and been a major step backward. The possibility of reduction in jobs because of this embargo would be a major setback to our plans for economic improvement.

But, the impact goes beyond merely my congressional district. This bill will certainly not help the Nation's economic picture. The American people are suffering the ill effects of rapid and persistent price inflation, high and rising unemployment, and chronically low levels of production. Now we are considering a bill that could raise that unemployment level, increase the price of specialty steel, and cut back on the level of production within the steel industry. We need to increase the supply of scarce materials and forestall future shortages through advance planning and sensible import, export, subsidy, and market policies. I fail to see how this bill moves toward that consideration.

Testifying before the House Foreign Affairs Committee, Mr. E. F. Andrews, vice president, materials and services, Allegheny Ludlum Industries said:

> The competitive effect (of this bill) could be disastrous. Imports already have captured up to 50 percent of the market for several

> specialty steel products, and we could expect that trend to accelerate. Thus, American jobs and the American specialty steel industry would become the victims of a policy directed against a government which has prospered under the embargo . . . the irony will not be humorous to a black or white steelworker in Pittsburgh who loses his job if the sanctions are reimposed.

I have been very careful in this statement, Mr. Chairman, to comment on the possible and likely economic effects. Our economy is so convoluted that it is impossible to make totally accurate predictions on what will happen if this embargo is reenacted. But, I do know for certain that this bill has a high potential to adversely affect employment, production, and prices, and at this state in our shaky economy that is a risk I am not willing to take. And, with the jobs of 5,000 families possibly affected in the 12th Congressional District, that is a risk I am not willing to take. And, with plant production possibly cut back at a time of worsening inflation, that is a risk I am not willing to take.

I have great respect for the viewpoint of many of my colleagues that this bill basically involves a question of foreign policy. I would like to speak briefly on that aspect of the embargo. One effect of this bill in terms of foreign relations would be to make us dependent on very few nations for our supply of chrome. The bill would make us primarily dependent on the Soviet Union, which supplied one-half of the total United States needs during the period of the embargo—1967 to 1971. It will increase the over one-half of our chromite we now receive from the U.S.S.R. With a limited market, price increases and vulnerability to economic sanctions are all too great, and the memory of such actions in the oil area is all too fresh.

Now, we all applaud efforts at peaceful cooperation with the Soviet Union. Two winters ago, though, we saw what can happen when our Nation becomes dependent on a few countries for a vital resource. The oil lesson should well illustrate the problems of tying our need for vital supplies to the friendly foreign policy of a nation.

The second foreign policy consideration, Mr. Chairman, simply involves effectiveness. The embargo has not been adhered to by most nations. Illegal hidden shipments have continued to many countries. Very importantly, it has not helped to alter internal policy of the Rhodesian Government.

When the embargo was in effect, Mr. Chairman, we did not change one thing inside Rhodesia. There is a need for high-grade chrome in the United States. That need will continue. The embargo will only cause us to pay higher prices for the chrome we need. Instead of buying the chrome from the cheapest source—Rhodesia—we will have to buy it either at increased Russian prices, or through an agent country that buys from Rhodesia and then raises the price and resells it to us.

This embargo did not work. It did not change Rhodesian policy. It did not have any positive international effect. The embargo's only accomplishment was to push the price of chrome upward and jeopardize American jobs. We cannot afford to repeat that mistake.

The third consideration, Mr. Chairman, is one of consistency. The interdependence of nations for economic production raises a basic question of using economic sanctions to create foreign policy changes. We must be careful not to deplore the Middle Eastern nations for using economic sanctions against the United States, while applauding our own efforts to use economic sanctions against other nations. To be effective, our foreign policy attitude must be consistent.

We all deplore discrimination and unequal treatment by any nation, and none of us have any time for slave-labor operations, but realities prevent our foreign policy from crusading for certain policies that work undue hardships at home. As President John F. Kennedy once said:

> The purpose of foreign policy is not to provide an outlet for our own sentiments of hope or indignation; it is to shape real events in a real world.

I believe the real events of this situation dictate the defeat of this bill. Too often, our foreign policy becomes confused with the needs of America. Our people cannot understand selling cheap wheat to Russia that produces shortages at home. They cannot understand a Government policy that at times appears to work with oil companies and oil producing nations while ignoring problems at the gas pump. Let us not repeat those mistakes by adopting a Rhodesian importation policy that will jeopardize jobs, cause economic hardship in many areas, and damage our struggling economy.

To me, Mr. Chairman, the bill represents neither a wise economic or foreign policy. I believe the meager moral benefits of the bill are far outweighed by the domestic problems it will create and I strongly urge the defeat of H.R. 1287.

Mr. Chairman, I would like to discuss the apparent deficiencies in the amendment of the bill under section 2.

First, this amendment is literally impossible to enforce. It would apply not only to chromium and ferrochrome but all articles containing chromium. It is impossible to determine the origin of chromium contained in specialty steel products upon entry into the United States.

Second, foreign specialty steel producers currently deny they purchase any chromium from Rhodesia, and would undoubtedly be more than happy to certify they did not purchase Rhodesian chromium.

Third, it is impossible as a practical matter to prove the origin of chromium imported by foreign specialty steel makers. The Rhodesians have a long standing policy of refusing to disclose the destination of chromium shipments or the amount of such shipments.

Since 1967, there has only been one instance of a definitive finding that a country other than the United States or South Africa had purchased Rhodesian chromium. In this case, Japanese ferrochrome consumers did not reconcile their import statistics with those of South Africa. False South African certificates of origin had covered the imports of Rhodesian chromium. Rhodesian chromium production is now in excess of 300,000 tons per year, ferrochrome production exceeds 100,000 tons. Only that portion of Rhodesian chromium entering the United States and South Africa can be accounted for. The rest is shipped from Laurenco Marques with false certificates of origin and duplicate forged manifests to major steel producing countries other than the United States.

The existing government of Mozambique is disinclined to permit on-the-spot scientific examination of every shipment of chromite and ferrochrome leaving their ports. Further, such examination would require explicit treaty with the government of Mozambique which is not yet even in full control of its country. It would be unprecedented for any foreign government to permit such on-the-spot investigation by foreign nationals of its own exports, yet this is the only practical method of enforcement.

Other countries will continue to import Rhodesian chromium under false certificates of origin as they have for years; then in alleged reliance upon the false certificates issue their own certificates guaranteeing the non-Rhodesian origin of chromium contained in finished specialty steel products. This procedure would not require any change in policy or practice by foreign specialty steel producers. They are doing it now and would merely continue to do so.

Fourth, the certification procedure suggested in the amendment is currently applicable to all Rhodesian products except those on the strategic critical materials list, yet millions of dollars in Rhodesian exports enter the United States annually in the form of cigarettes, leather, et cetera. In 8 years there have only been four cases brought against importers of Rhodesian products, none of these involved direct violation of the certification procedure but concerned matters where no certification at all was attempted. It is clear the overall sanctions against Rhodesian products has been a dismal failure despite existing regulations.

Fifth, if worst comes to worst, foreign steel producers including Japan may even segregate their chromium into shipping us products made from non-Rhodesian chromite while enjoying the overall cost benefits afforded by Rhodesian chromium in their domestic sales and exports to their countries.

Sixth, the amendment applies to individual shipments of chrome-bearing metals entering the United States. It does not apply across the board to all specialty steel products imported from any country. Even assuming the origin of chromium contained in a place of imported steel could be traced back through the manufacturing process to Rhodesia, a finding would apply only to that particular piece of steel.

Seventh, the only country against which the amendment could be effectively enforced is South Africa, thus cutting us off from access to all South African ferrochrome.

I strongly urge you to reject the bill and include this chart for the RECORD:

Total inventory

	SDT
Metallurgical grade ore	2,504,560
Objective	444,700
Consumption (1974)	894,708
Imports (1974)	494,902
U.S. production	0
High carbon ferro chrome	402,694
Ore content	1,006,750
Objective	11,476
Consumption (1974, est.)	286,549
Imports (1974, est.)	116,156
U.S. production (1974, est.)	234,340
Low carbon ferro chrome	318,894
Ore content	797,200
Objective	0
Consumption (1974, est.)	172,479
Imports (1974, est.)	45,444
U.S. production (1974, est.)	87,256
Silican ferro chrome	58,355
Ore content	87,600
Objective	0
Consumption (1974, est.)	90,220
Imports (1974, est.)	6,831
U.S. production (1974, est.)	92,976
Total consumption (1974, est.)	1,443,956
Total inventory, ore content	4,396,110

U.S. IMPORTS

	1972		1973		1974	
	Amount	Percent	Amount	Percent	Amount	Percent
Rhodesia (ore)	65,000	10.3	43,000	11.2	66,000	13.3
Low carbon ferro chrome	2,581		3,329		29,204	
High carbon ferro chrome	8,075		31,580		4,959	
U.S.S.R. (ore): No ferro chrome	370,000	58.7	201,000	52.4	250,000	50.5
Turkey (ore)	55,000	8.7	82,000	21.4	86,000	17.4
Low carbon ferro chrome	4,703		1,179		1,565	
High carbon ferro chrome	0		0		0	
South Africa (ore)	104,000	16.5	34,000	8.8	87,000	17.6
Low carbon ferro chrome	14,406		8,745		11,709	
High carbon ferro chrome	17,113		23,450		24,512	

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. BIESTER. Mr. Chairman, in the gentleman's behalf, I yield myself 5 minutes.

The CHAIRMAN. The Chair will inquire, is the gentleman acting on behalf of the gentleman from Illinois (Mr. DERWINSKI)?

Mr. BIESTER. Yes, I am, Mr. Chairman.

Mr. Chairman, I would like to try to set some of what we have heard here today in some real context.

We are talking, among other things, about the United States and the American economy, the United States and the American political position in the world, and the situation of the people in Africa. The resources that are locked in Africa and that are currently under the control of the African peoples are enormous resources, and they are valuable, both in the short run and in the long run, to the economy and the people of the United States.

Nigeria is frequently, one week after another, reported as the most important supplier of oil to the United States. We depend upon Ghana for 12 percent of our imported aluminum ore; we depend upon Zaire for 51 percent of our cobalt; we depend on Malagasy for 66 percent of our graphite; and we depend upon Liberia for 8 percent of the iron ore that we import and for 7 percent of our natural rubber.

Over the last quarter of a century the peoples of Africa who had been colonized for generations by whites from Europe, either in cooperative ways or noncooperative ways, have, one by one, seen the continent come into genuine African control. There are some places where that has not happened, and the most significant of those places today is the country we have been discussing, Rhodesia.

It is a fact that there are only 250,000 whites in Rhodesia, and it is a fact that there are about 6 million blacks there. It is a fact that those blacks are effectively disenfranchised, and the whole issue in Rhodesia is whether they shall ever be allowed to have majority control of the country, which is traditionally theirs. That is the issue.

Mr. Chairman, it has been said that we lose votes in the United Nations. Yes, we have lost votes there.

Why? We can ask Ambassador Scali, and he will tell us. He was here pleading with us over and over again, "Please repeal the Byrd amendment, because the Byrd amendment is the one event that poisons and corrodes the relations between the United States and 30 to 40 black African countries."

We talk here about the Soviet Union controlling our supply of chrome. The facts that have been brought out are correct. About two-thirds of the world's chrome supplies lies in Rhodesia; a lot of the rest of the supply lies in the Soviet Union. Right now we are trying to see that majority rule occurs in Rhodesia under the auspices of a moderate black, Bishop Muzorewa. But if that effort fails and if the intransigent Ian Smith perpetuates his minority regime, is there a doubt in our minds as to what kind of a revolution will take place in Rhodesia?

Is there a doubt in anybody's mind as to where the arms will come from in that event? They will come from the Soviet Union. And when those revolutionary forces are successful, as they are bound to be if that occurs, who will then have the greatest influence over the Government of Rhodesia, which will then control all of that chrome? It will be the same people in the Politburo in Moscow who now control the balance of the chrome supply.

So it is in the American interest to see to it that we have a decent relationship with the moderate forces in black Rhodesia and to see to it that they come into power and come into power peacefully and give the American economy a chance for permanent access to those resources, undistorted by political circumstances.

With respect to the moral issue, all we have to do is look at some of the steps that have been taken by the Rhodesian Government with respect to newsmen whom they jail because they dare to write the truth and with respect to the reports of the herding of blacks by use of wire cages into concentration camp areas.

All we have to do is look at what happened to Father Plangger, the former editor of the Roman Catholic monthly magazine, Motto. Father Plangger wrote the following:

> The African people of Rhodesia cannot be expected to live uncomplainingly under a constitution that is itself a mockery of the law, being deliberately framed to keep the majority of the country's citizens in subjection for ages to come. To talk of preserving Christianity while tolerating racial discrimination mocks Christ.

I understand that that man was jailed by the Rhodesian authorities.

Mr. Chairman, I urge my colleagues to support this legislation.

Mr. BENNETT. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, there have been many articulate presentations on both sides of this issue, which points out that one can take various avenues to arrive at a position on this question.

It is obvious that President Gerald R. Ford has taken one of those avenues and has arrived at a position in support of this legislation.

Let me for a moment take the Members back to the 92d Congress, when Gerald R. Ford was not the President, but the distinguished minority leader. I was given the responsibility, as a member of the then Committee on Foreign Affairs and a member of the Subcommittee on African Affairs, to articulate our concerns with respect to the Byrd amendment. The gentleman from Michigan (Mr. DIGGS) at that time was a Congressional Representative to the United Nations. He asked me would I assume this responsibility on the floor and I tried to do it.

During the course of the debate, I went over to the distinguished minority leader, Mr. Ford.

I said, "As I understand it, it is the position of the administration that they oppose the Byrd amendment. It is and has been for some time the position of the State Department to oppose the Byrd amendment. It is clear to me that the Congressional Black Caucus alone will not win this issue on the floor, but certainly, if you use your credibility as a leader in this House and you take the well as you have often done to articulate the position of the administration on this issue, perhaps we can win the question."

His response was essentially as follows: "Ron, there are times when people are leaders, and there are times when people are politicians, and I have six factories in my district. This is the moment that I choose to be a politician. No, I will not assume my role as minority leader to take the floor and articulate the position of the administration. I am in opposition to the administration on this issue. The best I can do is tell you that I will not take the floor on either side of the question."

Why do I tell the Members this story? Simply to point out that when one is forced, by virtue of his or her position, to take a much broader view of the world, to take a much broader perspective than a district orientation, than a congressional election orientation, than a narrowly defined, parochial orientation, one is then forced to come to the correct position on this issue, and that is to support the legislation that is before us.

When one is forced to view the changing nature of the world, the changing role of the United States vis-a-vis that world, the changing interests of the United States vis-a-vis that world and the obvious changes in the priorities as our world changes, one is again forced to arrive at the correct position as Gerald R. Ford, now President, takes in direct opposition to the position that Gerald R. Ford, Member of Congress, took, because his position now forces him to look to the broad interests of the United States.

Let me now speak to a couple of arguments that have been advanced by the opposition.

First, there is extreme concern on the part of some of my colleagues that if we pass this legislation, there will be total and absolute reliance on the Soviet Union which in some way will affect our defensive posture.

Someone was once quoted as saying that an army travels on its stomachs, and it is interesting to me that we, with some degree of regularity and dependability, export tons of wheat to the Soviet Union.

My question is, Could there not be a quid pro quo? We could say to them: "We give you wheat, you give us chrome."

It is very simple, perhaps too simple and logical to penetrate the arguments of many of my colleagues.

The second argument: Many other nations are surreptitiously violating the United Nations sanctions. Does that mean, then, that because one nation or several nations violates the sanctions that we should also? I would suggest that that establishes an extraordinary precedent. Do we say to the American people that some of you have violated the laws, therefore all of us should violate the laws? That sort of logic is rather absurd.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I cannot yield at this moment. I would prefer to finish my statement, I have very little time remaining.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRASER. Mr. Chairman, I yield 1 additional minute to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, some argue that we should not maintain our commitments to the United Nations on this issue, but, interestingly enough, they are the same people who argued for our commitment in Vietnam to the point where 55,000 Americans died and we spent billions of the American taxpayers dollars maintaining that commitment. What is wrong here? If one can argue with valor and courage that we must maintain our commitment to the corrupt Thieu regime why can we not maintain our commitment to the family of nations in a world that is becoming increasingly smaller and increasingly interdependent? View this issue from the top of the mountain. View it from on high. View it beyond the narrow confines of your districts and I am sure that you will arrive at the position that Gerald R. Ford arrived at and that is to support this legislation.

Mr. FRASER. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. BROWN).

Mr. BROWN of California. Mr. Chairman, I thank the gentleman from Minnesota for yielding to me.

First let me say, Mr. Chairman, that I was so impressed by the eloquence of the preceding speaker, my distinguished colleague the gentleman from California (Mr. DELLUMS) that, although I represent one of the only steel mills on the west coast in my district, that I shall not approach this from a parochial point of view but instead will support this legislation.

Mr. Chairman, I rise in support of H.R. 1287.

I need not reiterate the persuasive arguments of those who preceded me in this debate who have repeatedly pointed out that the importation of Rhodesian chrome is not vital to our national defense requirements, or even that Rhodesia is not now a significant supplier of chrome to the United States These points have been amply demonstrated. Nor do I need to elaborate on the rapidly changing political situation among a united southern African community with respect to Rhodesia's geographical isolation, greatly inhibiting access to trade markets across unfriendly borders. This, as well as the inevitability of the collapse of the minority, white racist Smith regime, has been made abundantly clear. Rather, for those Members who are still undecided, I would like to address two basic and fundamental issues which should remain foremost in our deliberations to restore U.S. compliance with U.N. sanctions against Southern Rhodesia: First, human rights; and second, U.S. adherence to law, justice, and international order.

The legitimacy of the State of Southern Rhodesia has remained questionable ever since 1965 when Great Britain declared that this racist minority ruling class' secession from the United Kingdom constituted an "illegal assumption of independence." It was the view of Great Britain, and subsequently the U.N., that no nation that systematically and deliberately excludes a majority of its population from participation in government, can be considered self-governing. The U.N. Security Council unanimously called upon all U.N. member nations not to recognize "this illegal racist minority regime in Southern Rhodesia." Indeed, no nation has yet recognized Rhodesia as a state. The deplorable human rights violations against the vast black majority in Rhodesia has been recognized throughout the world, and condemned. Not only is the majority systematically repressed politically, socially, culturally, and economically, but its disenfranchisement is cemented by the minority constitution which specifically prohibits the black majority from ever playing a significant role in the government of its own country. The U.S. Government is the only one on the face of the globe, besides apartheid South Africa, to deliberately and overtly support, sustain, and condone this regime by lifting the ban on trade with Rhodesia, per the Byrd amendment. The $80 million in trade that we have supplied to Rhodesia, the largest single source of foreign exchange, to a large degree provides the economic base which maintains the Smith regime in power. The lofty principles of the Universal Declaration of Human Rights, to which the United States is a signatory, is made a sham by our actions.

The United States, a principal architect of the establishment of the U.N., has asserted that international law will succeed in superseding military might and force as an instrument for world peace only if adherence to global agreements is scrupulously respected by nations party to such agreements. It was out of this concern for a peaceful international world order that the U.N. was established. Twice, in the Security Council, the United States voted to impose mandatory economic sanctions against Southern Rhodesia. The first time, in 1966, the list of items forbidden to be imported included chrome. The second time, resolution 253 in 1968, broadened these sanctions to include virtually all economic relations with the racist Smith regime.

These resolutions were adopted unanimously, and the United States, who had the power to veto, did not exercise this option. We were committed, as President Johnson directed in 1967 and 1968, to compliance with these sanctions, and we were asserting that the illegal, repressive regime in Rhodesia would not be supported in any way by our Government. We were bound by these decisions, entered into in good faith by all member nations. So there can be no confusion, article 25 of the U.N. charter states:

> The Members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present Charter.

Regarding article 25, the International Court of Justice has stated:

> When the Security Council adopts a decision under Article 25 in accordance with the Charter, it is for Member States to comply with the decision. . . . To hold otherwise would be to deprive this principal organ of its essential functions and powers under the Charter.

Our obligations are clear; passage of the Byrd amendment, in direct contravention to our pledge to the world community is a travesty whose repeal is long overdue. I need not remind the Members that it was on this very question of enforcement of approved sanctions that the League of Nations failed. When individual nations renege on international promises and agreements, there is no question but that the international organ loses its effectiveness. When this nation is the United States, it is particularly intolerable, for our commitments to international law and justice for the easing of world tensions, and striving for a more humane world, become hollow indeed.

As my friend and colleague from Alabama (Mr. BUCHANAN) has observed:

> The finger of the world is not pointed elsewhere, it is pointed at the United States because we are the ones with an acknowledged double standard.

I urge, in the strongest possible terms, for us to rectify past wrongs and to pass H.R. 1287.

Mr. FRASER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Chairman, I would like to address myself to a most important aspect of this Rhodesian issue. I vigorously support H.R. 1287. I think it is a good bill. I want to move to the heart of the matter. Rhodesia is not just another country. And in a world that is, unfortunately, filled with tyrannous governments, the Smith regime is not just another tyranny. My fellow Members of the House, what we are talking about here is out and out racism—racism we must deal with on a moral level and racism the black majority of Rhodesia must face every day.

The facts are disarmingly simple. Rhodesia, or Zimbabwe as it is called by the majority of its people, has a population of about 5¼ million. About 250,000 of them are white, and 5 million are black. The whites are outnumbered by about 20 to 1, and yet they run the country. The black population is effectively disenfranchised. They cannot vote for their own representatives. They are told by the whites what land they can own. In short, 95 percent of the population is dictated to by 5 percent, and the division is on the basis of race, not on ability, or ambition, but on race. It is the same old story being retold, and we cannot escape from it.

Mr. Chairman, from its very beginning the Rhodesian Government set out to perpetrate a racist state of affairs. Its "unilateral declaration of independence" was initiated when it became obvious that genuine decolonization would result in majority rule. This outlaw government is recognized by no one, not even South Africa. The world reacted with outrage at this spread of racism at a time when true decolonization was finally taking effect. The U.N. sanctions are a result of this outrage.

Now, I have heard all the arguments—"We shouldn't meddle in the internal affairs of another state" is one. But as I just mentioned, Rhodesia's racism is so evident, it is so obviously the be-all and end-all for the Smith government, that no one recognizes it as an independent state. Legally, it is still a colony of Great Britain. There are also people who say that Rhodesia should be defended because it is the last bastion of "true parliamentary democracy" in Africa, and in this way it preserves Western tradition. Maybe they are thinking of the Ku Klux Klan, or the Nazis.

The Smith regime is truly the inheritor of those traditions. But is this what we wish to defend? Do we wish to present racism as the message of parliamentary government to African states? I certainly do not. The highest ideals of Western culture call on us to thoroughly repudiate Rhodesia and all it stands for. The United States should lead the way, not drag its heels.

Make no mistake about it, the states of Africa are clear on this issue. They will see us as either opposed to racism, or supporting it. For you see, this is not an academic issue to them. It is one they have faced all their lives.

We hear talk and read news reports that this dispute is about to be settled. But if one watches carefully, the talks always break down on the same issue—majority rule. That is, the white racist minority does not want to give up its privileged position.

Many will claim here today that importation of chrome is vital to our national interests. They will claim that our moral leadership in the international community and our respect among the African nations are secondary matters. Nothing could be less true. Our standing among the nations of the third world, the former colonial nations, will be critical as we become more and more dependent on raw materials from these communities. Moreover, the claims of the crucial nature of these chrome materials lack real credibility when we recognize that the only other country in the world not to honor this sanction is South Africa.

There can be no question about where our national interests lie: they lie with the spirit of independence, which we all look forward to honoring for our Nation's Bicentennial. The chrome, after all, won't go away: it will be there and available to us when democracy in this troubled nation is finally achieved unless we unalterably forsake that source by not repudiating this immoral position today.

I know where I stand. I know where I want my country to stand. I urge a vote for this bill.

Mr. FRASER. Mr. Chairman, I yield such time as he may consume to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 1287, a bill to restore the United States to full compliance with the United Nations sanctions against Rhodesia.

Mr. Chairman, this bill is one with important moral and international significance, whose passage has been delayed too long. In effect, it would prohibit further importation of chrome and ferrochrome from Rhodesia. In 1966, the United Nations, with U.S. support, overwhelmingly passed a resolution endorsing economic sanctions of just this nature.

Members of the Security Council imposed the 1966 embargo against Rhodesia as a form of protest against its improprieties. Thus our importations from Rhodesia are in direct violation of the action taken by the United Nations. More importantly, we are one of only three nations, besides South Africa and Portugal, to have violated this embargo. In 1971, on the grounds that it was wrong to purchase chrome from the U.S.S.R., we turned to Rhodesia instead.

Our trade dealings with Rhodesia merely add credibility to those who charge that the United States, although a member of the United Nations, acts unilaterally, whenever it pleases, to serve its own selfish interest.

Our present policy serves to breed hospitality against us among many other African nations and to antagonize black Americans. It has led other nations to question our moral fortitude and right to world leadership. We cannot further jeopardize these fragile relationships. By the adoption of the Byrd amendment 4 years ago and by defying the embargo passed by the Security Council, the United States has been guilty of weakening the authority and prestige of United Nations.

We have an opportunity today to contribute to a movement toward genuine majority rule in Rhodesia. Indeed, if what recent events seem to indicate is true, that is, that majority rule in Rhodesia is inevitable in the not-too-distant future, passage of H.R. 1287 is essential to maintaining long-term access to the vast mineral reserves in Rhodesia.

Moreover, a repeal of the Byrd amendment will in no way harm the U.S. steelworker. In the words of United Steelworkers' head, I. W. Abel:

> Do not . . . make your decision under the impression that American steelworkers will suffer if U.N. sanctions are enforced. The reverse is true.

Mr. Abel referred, of course, to the fact that chrome from Rhodesia competes with domestic production and therefore affects American jobs adversely. Two ferrochrome plants have been closed since 1971.

H.R. 1287 enjoys the support not only of the steelworkers, but also of the AFL-CIO, Secretary of State Kissinger, and the Ford administration.

Besides myself, this bill is cosponsored by more than 110 of my colleagues. I urge your strong support for the passage of this important measure today.

Mr. FRASER. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, this is

an extremely difficult issue. I have studied this problem very, very intently. I have discussed it at length with my friend the gentleman from Pennsylvania (Mr. DENT). I have tried to listen to all of the arguments. I am convinced that I should vote for this legislation.

It is very seldom that I can agree with our President on an issue and I believe that when we get that opportunity certainly we should step forward and show that we are willing to support the President where we can agree.

Seriously, Mr. Chairman, I do not believe that we have really looked at what I consider to be the real issue on this matter. The issue to me is whether or not we say that America is going to be a responsible citizen in our family of nations. We are a member of the United Nations. We are one of those who voted for this resolution. I do not agree with everything we do here in this Chamber. I do not agree with everything that many of the organizations to which I belong vote to do. But, if any organization is going to have votes then I submit to the Members that if that membership is going to completely ignore the vote of the membership of that organization I think our society is indeed in trouble.

We admit that only approximately 12 percent of our chrome comes from Rhodesia at this time, and since it is the fourth in the list of suppliers that supply America, and since the people who oppose the legislation agree that we now are at a point where we have a 3-year supply of chrome, I do not believe this justifies this Nation saying to the United Nations, no, we are not going to abide by the resolution which you passed and which we voted for.

I think the question really is whether America is going to step forward and assume the moral leadership that this world needs today. I applaud those who have spoken here and have stated that we should not be dragged down by the fact that maybe other nations did not follow their moral obligations. We are in a position to set the example. I submit to the Members that I think that time is now. I think the time has come for us to step forward and accept that responsibility and show that leadership.

I urge this membership to support this resolution and to stand up for what would really show that we mean business in America. We mean to be a part of this family of nations.

Mr. FRASER. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland (Mr. GUDE).

Mr. GUDE. Mr. Chairman, I think the quality of debate in the House has been high today, and I am proud of this quality of debate. However, time and again it seems to me the debate has gone back to the question of Rhodesia and chrome and what this means to the United States.

Mr. Chairman, one of the charges frequently made by opponents of this legislation is that while we may be one of the few nations violating the sanctions publicly, everyone else is doing it secretly. The implication, of course, is that we are somehow being less hypocritical than the others and that we should not comply with the sanctions until everyone else does so in substance as well as in word. The facts, however, show that there has been compliance with the sanctions, and that governments are making efforts to enforce the ban, even against their own nationals who violate it. A few facts from reports issued by the U.N. Sanctions Committee make the point:

July 1969, Italy seized 250 tons of Rhodesian tobacco.

November 1969, a group of British firms were fined 100,020 pounds for dealing in goods with intent to evade export prohibitions.

April 1970, Copenhagen City Court confiscated 10,170 kilos of mica powder and fined the importers 165,839 kroner.

And in January 1971, a British firm was fined 22,000 pounds and 500 pounds in costs for exporting carpeting yarn to Rhodesia.

These examples are not the whole story, rather they represent only a few of the cases where governments have made diligent efforts to enforce the sanctions voted by the United Nations. In voting to reimpose the sanctions here, the United States will by no means be unique.

In addition to that argument, Mr. Chairman, those who oppose this legislation generally claim to do so on economic grounds, citing the fact that this country needs chrome and that Rhodesia has large quantities of it, and implying that economic considerations alone should override moral, legal, and political considerations. Many of us reject that contention, and much of the debate today centers around just such moral, legal, and political considerations.

However, for just a few moments I would like to meet opponents of this bill on their own territory, and discuss some of the economic issues. In making their argument on behalf of the necessity of importing Rhodesian chrome, what some of my colleagues tend to forget is that Rhodesia is not the only country in Africa, and that chrome is not the only resource we import from Africa. A few examples:

Thirty-four percent of our imports of manganese ore come from black Africa. The United States is highly dependent on imports of manganese ore: 95 percent of what we use is imported.

Sixteen percent of our cobalt imports come from Zaire. Overall, Africa accounts for 64 percent of world cobalt production.

Twenty-three percent of our imports of tantalum, a highly corrosion-resistant strategic metal, comes from black Africa. The United States is totally dependent on imports for its tantalum.

Recently 13 to 14 percent of our weekly oil imports have been coming from Nigeria. I do not think anyone needs to be told the importance of oil in our economy.

While we have over $3 billion invested in the rest of Africa, we have only $56 million invested in Rhodesia.

These are only a few of the examples which make clear that we cannot view Rhodesia in isolation in terms of our economic needs, but that we must look carefully at the critical relationship of the resources of all African nations to our own economy. Black African nations have made it clear time and time again that our support for Rhodesia and our violation of U.N. sanctions have prevented us from improving relations with Africa. Our U.N. Ambassadors and U.N. Undersecretary, Gen. Brad Morse, a former colleague of ours, have been frank in saying that no other issue has so damaged our credibility in the eyes of underdeveloped nations as has the violation of sanctions against Rhodesia.

At this point opponents of the legislation would likely say that this discontent has no meaning in economic terms because the black African nations will continue to sell wherever there are markets. I would point out in response that the use of economic weapons for political purposes is hardly a new idea. The Arabs did it to us two winters ago, and we have done it to Cuba and North Vietnam for years. Only in the past few years have we lifted our total embargo on trade with the People's Republic of China. It is foolish to say that the black African nations—which were clearly impressed with the recent Arab tactics—will not use the same weapons against us that we ourselves have used in the past and continue to use today. Already producers of bauxite and some agricultural commodities are talking about forming cartels and raising prices. It is only a short step from there to political embargoes.

There are also long-term economic considerations which opponents of this bill are ignoring. The history of the past 20 years shows clearly the trend toward independence and Africanization of the various African colonies, and there is no reason to believe this trend of events will bypass Rhodesia. Representatives of the Smith regime and various African independence groups have been involved in negotiations over a resolution to the current political stalemate. These negotiations are occurring in the context of increasing guerilla violence within Rhodesia. Regardless of the result of the current meetings, there is little question that Rhodesia will ultimately become a truly African state with black majority rule. There is also little question that that will happen before Rhodesia runs out of chrome.

At that time, however, we will not be dealing with the white supremacist Smith regime, but with an indigenous black government which will be looking very closely at our past Rhodesian policy.

The conclusion is all too obvious: the white government in Rhodesia is a sinking ship, and if we are determined to go down with it on hard economic issues like this one, then there will be hard economic consequences afterwards, the same kind of consequences opponents of this bill are talking about now.

However, we know we can cope with an embargo now; it has been clear time and time again that passing this bill poses no danger to our national security or to our economy. We cannot, however, guarantee the future state of our economy or our need for chrome. Thus, I would suggest to opponents of this legislation that passing the bill will prevent the very thing they are most worried about—the cutting off of our sources of chrome.

I make these statements not to suggest that economic concerns should be our only, or even our major, consideration in debating this bill, for I do not believe that. However, since economic issues have been raised, it is important to show, as I believe we are doing here today, that the weight of the economic evidence, as well as the moral, legal and political evidence, clearly favors passage of the bill.

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I wonder how the Members would react if an outside authority—say, the White House—tried to tell us that we could no longer buy office machinery from a particular supplier and that instead we had to buy from another, more expensive source. Or suppose you were in business and one of your clients tried to force you to stop doing business with a particular producer. Would the Justice Department object? Would the Congress?

Or suppose another nation, an ally, told us we could no longer trade with a particular country, Would we object? I think so, for we as a people and as a nation abhor blackmail.

Now the bill we have before us today, H.R. 1287, may seem to bear no relation to these hypothetical cases—and they are hypothetical, because we could never realistically imagine ourselves submitting to such dictation. Yet that is precisely what this bill represents. Acquiescence to this bill means that we are willing to cut off our noses to spite someone else's face, and I cannot think of anything more pointless.

The facts are simple. Rhodesia has two-thirds of the metallurgical grade chrome in the world. South Africa, another nation charged with being racist, has 22 percent. The Soviet Union, not known for its attention to individual human rights, has 6 percent. The only other significant deposits are in Turkey, 2 percent.

In the face of these undisputed facts, what are we to make of this bill, which tells us we must stop buying from Rhodesia and turn instead to South Africa, where a white minority of under 4 million rules 20 million blacks, or to Russia, an avowed political and economic enemy? As if that were not bad enough, there is section 2 of the bill, which says that we must dictate to other nations who supply us with steel imports where they should trade. The obvious arrogance of this demand is exceeded only by its futility. What scientific tests exist to distinguish chrome mined in Rhodesia, after it has been made into a stainless steel turbine blade, from chrome mined in Turkey or the Soviet Union? Are we going to send inspectors over to Japan or to Sweden or to any other country to vouch for the absence of Rhodesian chrome in their factory yards? Of course not. We would not insult our allies or our trading partners in such fashion, nor would we tolerate such an arrangement in our own factories. Yet that is what this bill implies.

What of the inconsistency of submitting to Russian whims of price and supply for this strategic material when Russia denies emigration rights to its own citizens on a racial basis? Will dock workers refuse to unload Russian chrome as they have refused to load U.S. wheat destined for Russia?

Mr. Chairman, I submit this bill is hypocritical. Hypocritical in that it singles out a single nation for ostracism while forcing us to deal with other nations that can be called equally immoral. I urge a no vote.

Mr. SPENCE. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, in the consideration of this bill one thing is vital and that is for everyone to understand what the bill says.

Every year Congress goes through the same old discussions on the Rhodesian chrome bill. For the new Members let me remind you that the original bill does not name Rhodesia and it does not name chrome. The basic bill provided for the security of the United States. I remember when I first wrote the basic statute in 1971. It provides for the prohibition on importation in the United States of any strategic and critical material from any free world country for so long as the importation of like material from any Communist country is not prohibited by law.

When Senator BYRD introduced this amendment in the Senate the discussion was about Rhodesia and chrome. But if you will notice in the law there is no mention of either Rhodesia or of chrome. What this congressional law has assured us is that where a strategic material that is vital to our country is involved, we have the right to import it from a free country instead of being dependent on the Communist countries for our strategic materials. The resolution today is designed to give the Communist countries special preference in trade with the United States.

The effort to revoke this ban comes from a desire for the United Nations policy to be paramount to the best interests of the United States. The United Nations placed this embargo on Rhodesia. The United Nations realized that it has no authority to enter into the internal affairs of a local country so the United Nations took this action in the name of world peace. This is the first and only time that the United Nations has acted on world peace and placed an embargo. Here is little Rhodesia which is a country of 6 million people in the continent of Africa with 401 million people. When we needed the United Nations in Vietnam to settle that issue, they did not think that involved world peace. When we have troops in the Middle East the United Nations does not invoke an embargo to settle that. But in this small country of Rhodesia the United Nations moves in with a heavy hand. There is no excuse for the United Nations for the only time in its history to place an embargo on little Rhodesia and use the weak reasoning of world peace.

Chrome is essential to the United States. Chrome is the material that makes stainless steel stainless. So many of our vital strategic materials that are essential in our national defense are made of stainless steel. This vote is a vote for the national security of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia (Mr. McDONALD).

Mr. McDONALD of Georgia. Mr. Chairman, there are many reasons to rise in opposition to this bill. In the short available time, I would like to describe some of the best reasons for this opposition.

The initial sanctions were imposed in the United Nations either by simple error or by fraud.

If we want to consider Rhodesia as a colony of Great Britain, then this sanction interferes with the internal affairs of a given member; that is illegal.

If we want to consider Rhodesia as an independent state, clearly it never was a threat to world peace and, therefore, sanctions cannot legally be applied through the Security Council.

Questions of moral concern have been raised. In the nearby African States we have so-called true democracy at work, where we have one-man, one-vote, one time. As a result of this ritual, we have 17 military dictatorships with massive bloodshed in black Africa. Make no mistake about it, massive discrimination is the order of the day in the black dictatorships, discrimination based upon tribal differences and political differences.

Why did not the United Nations vote sanctions against Uganda where "Big Daddy" General Amin has murdered an estimated 90,000 of its citizens? When mass genocide was reported in Burundi by the ruling Tutsi against the Hutu, was Burundi declared a threat to the world's security? No, it was not.

We are being treated to selective morality, and we are playing a dangerous game.

The situation in Rhodesia is that they have a problem with the conflicting civilizations, Western civilization versus African tribal civilization. A similar conflict developed in the emerging United States in 1776. Luckily for us, we did not have a United Nations and no United Nations sanctions were applied against us in 1776. A direct parallel exists.

As far as future trade opportunities, we are told that unless we join the armed revolutionary groups of Rhodesia and the surrounding areas, future chrome supplies will be reduced or cut, if and when revolutionary groups take over. The same logic might be applied in regard to Eastern Europe and Russia some day when the freedom-loving people of Eastern Europe and Russia will be able to overthrow the Communist totalitarian regimes. Therefore, should we not by the same logic be cut out of Russian titanium, platinum, as well as Eastern European products.

We are told that we should support Israel in spite of a hostile set of surrounding Arab nations, but we should not support Rhodesia because of a hostile set of surrounding black African nations.

Basically this bill, if passed, gives the Soviet Union, a totalitarian killer of tens of millions of people, a virtual monopoly and stranglehold over a strategic material. This bill sustains a major area of hypocrisy. This bill is a matter of buying only Russian chrome versus buying free market chrome from all available sources, including Rhodesia.

Passage of this bill today will serve only two purposes that I am aware of. It will give the Soviet Union a stranglehold over the supply of chromite to the United States, and promote the selective morality of the United Nations, which is the most morally bankrupt organization in the world.

This measure should be defeated.

Mr. FRASER. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Mrs. CHISHOLM).

Mrs. CHISHOLM. Mr. Chairman, members of the committee, perhaps I will not even take my 3 minutes. I have listened to quite a bit of the debate this afternoon, and I would just like to say that I think we have to decide whether or not this is not really a question of morality and conscience. As this Nation approaches its 200th anniversary, this Nation consistently enunciates the words of the Declaration of Independence and the belief that every nation and every group of people in the world should have a right to determine their own destinies.

We are not dealing with a unilateral situation here this afternoon. We are not dealing with a situation that was created in a vacuum. We are dealing with the fact that this Government did not support, in the world body of the United Nations, the sanctions that were imposed by that very important body. Many people came to the well this afternoon and talked about what would happen to their respective districts economically, and I daresay that because we are going through an economic recession and/or depression, depending upon the part of the country from which a Member comes, this, of course, is of paramount importance.

But, beyond that issue here this afternoon, the only issue is whether or not this Nation, functioning in a body of nations called the United Nations, will comply with the basic decisions that are arrived at when a majority vote is taken. If we have not done that, then we have to come to the conclusion that we can no longer go about spouting a great deal of rhetoric about democracy and alleged opportunities for people when we do not espouse the equalitarian principles we constantly speak of.

This is perhaps the reason why the third world nations have been so skeptical about what has been happening consistently to them, because our actions are not consistent with our rhetoric. I would say to my peers in the House this evening that the Chief Executive of this Nation has gotten to the point where he recognizes that we are living in a changing world in which there is an element of risk.

If our President has been able to move from parochialism to the stage now that he realizes that he is representing the views of many people, I think the least all of us, or the majority of us, should do is to support our President. It is not a question of economics per se; the Members know that and I know that. It is a question of morality and whether or not this Nation really has the conscience to do that which is right.

I ask the Members to support this resolution this afternoon; let us get about the business of re-enunciating some really pragmatic words and implementing them. In reality this country is supposed to be about the espousal of equalitarian principles for everyone, regardless of his race, color or creed, even in the world of nations with which we have to deal.

Mr. DERWINSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, there is a fundamental issue in this debate on Rhodesian chrome sanctions which I have not heard articulated, and I would like to call attention to it. It is this: Is the case for imposing sanctions on Rhodesia so clear, so compelling, that we are willing to deny a fundamental freedom to our own American citizens?

Consider what this bill does to American citizens. It tells Americans that they cannot as free people spend their own money to purchase the material that they believe is badly needed; they cannot engage in commerce.

This bill says in effect, "We are taking this economic freedom away from you Americans because we disapprove of a particular foreign government withholding freedom from its people."

Mr. Chairman, no doubt we have the power to regulate foreign commerce, and there are times when compelling national interests dictate that we do so. But is the evidence so clear here today that this bill is a fair and equitable cure for a foreign human rights problem? Is this case so compelling today that we are willing to deny freedom to our own citizens; the freedom to engage in commerce, to spend their own money as they see fit?

This desire to apply an uneven, discriminatory moral standard on one foreign country is insufficient basis for denying American citizens their right to engage in commerce, their right to buy materials they need in the ordinary course of business.

Mr. Chairman, is it not ironic that the plea here today for the rights of foreign people is at the expense of the rights of the American people.

Let us concern ourselves first with preserving the American freedom and defeat this bill.

Mr. FRASER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan (Mr. DIGGS).

Mr. DIGGS. Mr. Chairman, I think it might be timely at this point, despite the repetition of most of the arguments, to give some focus to the forces that are on both sides of this issue. In that regard I think it is instructive when one looks at the broad-based bipartisan coalition which is in favor of this measure.

The President's name has been invoked, and with validity. The name of the Secretary of State has been invoked with validity. Henry Ford II, one of America's most distinguished industrialists, who had reservations about this matter at one point, has decided, after a more extensive analysis of this matter, to support it. And when one looks over the very impressive list of private groups and individuals throughout the country like the American Bar Association, the League of Women Voters, the Leadership Conference on Civil Rights, AFL–CIO, United Steelworkers, various church organizations, one sees here a very broad group of Americans that has historically supported matters that are of a humanitarian character.

However, when one looks on the other side one can understand some of the comments that have been made on the floor today by Members, many of whom are good and personal friends of mine, in opposition to the bill.

If they come from an area where they have some speciality steel component, they have political pressures back home that are very formidable, and we all understand them.

If they have been identified with fighting against detente with Russia or if they come from areas where people have extremely strong feelings about any kind of interdependence or even any kind of dealings with Soviet Russia, then one can understand their vociferous opposition, and we view these things with sort of a tongue-in-cheek attitude and sort of laugh about it back in the cloakroom.

I think it is interesting to note that opposition to repealing the so-called Byrd amendment is one of the chief components, however, of the agenda of the Liberty Lobby. The Liberty Lobby has opposed the nomination of Vice President ROCKEFELLER; it is among the more vociferous opponents of what they call forced busing; it is opposed to any trade with Russia; it is very vocal about excessive Executive powers, about the Panama Canal giveaway; and it talks about prayer in the schools and all these sorts of things. These are traditional items on the agenda of the Liberty Lobby, and those who score high on the Americans for Constitutional Action rating system feel comfortable with this kind of a position.

So when we put all of this in context, we have an interesting panorama, but a panorama which reflects some of the traditional opposing forces in the House. The exceptions are the Members who are very proud of their civil rights record and have every reason to be proud of their civil rights record, Members who by no stretch of the imagination or by any definition could be called racist, but who, because of special economic situations in their districts, are compelled to speak out very strongly on this matter.

Many of these Members, as I indicated, are friends of mine, and I understand their political situation. If I were in their shoes, I might be on the opposite side of this particular matter myself.

I think it also, however, is important to stress the point about the inevitability of transfer to majority rule in Rhodesia. There is no question in the minds of most people who are acquainted with the political dynamics in that part of the world that by this time next year either Rhodesia will be under majority rule or there will be a programed transfer to majority rule, and that is already in motion.

So those who cry out about the point of being dependent upon other sources are obviously very shortsighted with respect to their own interests when they make these kinds of statements about alternatives to dependency upon Russian sources.

I think, Mr. Chairman, this bill should be considered the Civil Rights Bill of 1975, because of the human rights components that are involved in it, and because of the implications that it has for many of the most critical politico-social decisions and responsibilities of our country, the leading nation in the world.

So I would like to point out in these few brief moments, Mr. Chairman, something about the political implications. Most of the Members of the House are politicians, not economists. We have proven that more than once by the imbalances in our budget and by other means. So I would like to talk about the political implications of this measure and speak from the mountaintop, as it was so ably put by the gentleman from California (Mr. DELLUMS) earlier.

I am reminded, Mr. Chairman, by the emphasis on the economic aspects of this matter and about the constitutional rights that are involved and all the rest, of the debates in the 1950's on this floor on the Powell amendment and in the late 1960's on this floor, during the great civil rights debates when they talked about protecting the constitutional rights of the majority. I remember when they talked about property rights versus people's rights, and when they talked about everything except the real issue that was involved, namely the violation of human rights.

Therefore, I think it is time that we put into perspective just what we mean when we talk about Rhodesia, an area where the 95-percent majority lack even the basic freedoms and the basic equal rights.

If we were arguing a domestic civil rights bill on the floor with these kinds of percentages, there are people who would never dare come to the well and speak for this matter or otherwise raise their voice because of their personal commitments or for other reasons.

I have not been to Rhodesia, so I am not in a position to speak about these conditions except from my knowledge of other reports. I was not able to travel to Rhodesia, as were some of the Members who have testified this afternoon but I can assure the Members that there is massive discrimination by law and by practice in every aspect of life in that ill-fortuned country, and that those who protest this kind of discrimination are subject to severe and often brutal repression.

Many examples of racial discrimination have already been alluded to, to some extent, but I think it might be instructive to cite one example that ought to have some meaning to the Members of the House.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DIGGS) has expired.

Mr. FRASER. Mr. Chairman, I yield 4 additional minutes to the gentleman from Michigan (Mr. DIGGS).

Mr. DIGGS. Mr. Chairman, the reason I have never been to Rhodesia is because that country discriminates against the black Members of this House.

In 1972, when there were nine Members in attendance at a conference in Lusaka, Zambia, four black Members and five white Members, there were six members of that delegation who asked to visit Salisbury, Rhodesia, which is right near by. All of the blacks were turned down. The two white Members of the House were granted permission to visit. They both withdrew their request when they found out that their black colleagues could not visit there.

This year, in 1975, in two trips to southern Africa I have been denied permission to visit Rhodesia, for no other reason than the color of my skin.

Therefore, there is no question that we are talking about a racist society. Those who want to be on that side of the issue must recognize where they are because freedom of movement is restricted. There is registration and identification that are required of Africans that others do not in moving around their own country. It is a crime for any African adult to be without a valid travel document on his person at any time. It is a crime for an African to leave his so-called district without obtaining a permit. Rhodesian Africans do not even have the basic freedom to live where they want to live, and a person of the one race may not purchase land in another area.

A third example is in the field of education where education for whites is free and compulsory but Africans must pay for their education which is not compulsory and, as a result, the secondary education is too expensive for Africans. In 1974, for example, there were 35,000 Africans and 25,000 whites in the secondary schools, certainly a ratio which is hardly reflective of the 20 to 1 ratio in that population.

De facto segregation in most public accommodations and restaurants, hotels and parks, and so forth, still exists.

So we have here a very unique kind of society that has nothing to do with the kind of discrimination that exists between Protestants and Catholics in Northern Ireland nor is it analagous to the Jewish versus the Arab situation, but this is a racial situation that is based on no other factor and is unique in the world society. The only one country in the world that has any kind of a system like it is South Africa and South Africa like other countries does not have diplomatic relations with Rhodesia. A point to be emphasized that keeps being glossed over on the floor here today is the alleged sovereignty of Rhodesia. Rhodesia is not a sovereign state by any definition. It is still part of the British Empire, or the United Kingdom. It is not recognized as a sovereign state by any country or international forum. It was the United Kingdom itself which initiated the whole question of sanctions against Rhodesia which illegally chose to become independent on their own.

We cannot look forward to any kind of rational resolution of this matter, unless there are international pressures or, beyond that, guerrilla warfare, because the majority has lost faith in the prospect of a peaceful internal solution.

So, for those reasons and more, Mr. Chairman, I urge support of this legislation.

Mr. SPENCE. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, I oppose H.R. 1287 which, under the lofty banner of participation in United Nations sanctions, rather porous at best, against the racial policies of Rhodesia, has the singular effect of prohibiting importation of chrome from Rhodesia. In theory this may have some appeal especially if the same standards were to be applied to other nations where the majority are governed without their consent, but in practice it will be damaging to the national interest of the United States.

It is one of the cardinal rules of business management, of course, to secure alternate sources of supply. What this bill will do is it will outlaw the principal source and principal deposits of chrome in the world and leave us dependent upon a grand total of two other nations, Russia and South Africa.

The known existing deposits of metallurgical grade chromite ores are as follows: Rhodesia, 67 percent; South Africa, 22 percent; Russia, 6 percent; Turkey, 2 percent; the United States, 0; and all other nations, everybody else combined, 3 percent.

So if we boycott both Rhodesia and South Africa, we deny ourselves access to nine-tenths of the world's supply.

The United States is totally dependent upon imported chrome which is alloyed with iron to make steel.

Mr. Chairman, like everyone else, I was amused by the argument of the gentlewoman from Colorado (Mrs. SCHROEDER) to the effect that we could do without chrome because shiny bumpers and bedpans were not essential. We all had to chuckle at the broad spectrum of perception in that argument.

If that were the extent of the use of chromium, we could indeed take it or leave it. But that is not the extent of its use. The use of chromium as an ostentatious shiny surface is a very minor use.

The major use is an essential ingredient of stainless steel. Can we do without jet engine blades or steam turbine blades? Can we do without the stainless steel in boilers? How about in railroad cars? Ships? Chemical processing equipment? How about catalytic converters in environmental control equipment? Practically every structural steel requiring corrosion resistance requires chromium alloys.

I have listened to the novel argument that we must boycott Rhodesia because there may soon be a revolutionary change in that government. Do we apply this standard to all fragile governments? I doubt it. Does this mean that if we import chrome from Rhodesia, some future government will refuse to ask us for foreign aid? I doubt it. Will we adhere to United Nations standards of morality if they expel Israel? I doubt that.

Meanwhile, if everyone in the world effectively halts the production of chrome in Rhodesia who will be put out of work? English descendants? I doubt that.

This proposal to cut off our supply of an essential commodity from Rhodesia is not in our national interest. It was not in 1971 when the Byrd amendment passed. It is not today, and it should be defeated.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. HAGEDORN).

Mr. HAGEDORN. Mr. Chairman, I oppose H.R. 1287, the bill to halt the importation of Rhodesian chrome. It an example of our continuing obsession with interfering in the internal affairs of other nations. Apparently, there are those who learn nothing from the past; when we attempted to tell the Soviet Union how to handle their emigration policies, we succeeded only in undermining very important trade negotiations.

We in the Congress are on the verge of prohibiting imports of Rhodesian chrome because there are those who are still intent on imposing our morality on other nations. What is most perplexing is that these advocates of interference intend to demonstrate their moral indignation with minority rule in Rhodesia despite the clear evidence that this action is not in our best interest.

I do not believe it is in our best interest to make our country almost totally dependent upon the Soviet Union for chromium. From past experience, we can certainly expect that the Soviet Union will take advantage of our self-imposed dependence upon them. During the 1967–72 embargo against Rhodesian trade, the U.S. ferrochrome industry became more reliant on Soviet supplies of metallurgical grade chromite. During the embargo, such supplies of Soviet metallurgical grade chromite almost doubled in price and during the same period the price of ferrochrome reacted similarly.

Of course, anyone with the slightest knowledge of chrome at all is aware of its importance to our national defense. Contrary to the claims of some proponents of renewing the embargo, the U.S. strategic stockpile of chromite and ferrochrome would not guarantee that our defense needs would be met. Much of the chromite now available out of the stockpile is not economically usable and the ferrochrome industry could not use the remaining metallurgical grade chromite in significant quantities because of shortrun capacity constraints.

Chrome's major use is in stainless steel for functional rather than decorative applications. Chrome is used in a number of essential industrial and consumer applications, such as nuclear powerplants, conventional powerplants, refineries, chemical processing equipment, food processing equipment, catalytic converters for automobile emission control, masonry hangers, locks and security devices, hospital equipment, flatware, pots, pans, rivets, and hose clamps. Conceivably, consumers of stainless steel products would face higher costs.

The hypocrisy involved in the attempt to prohibit imports of Rhodesian chrome is most striking. We are being asked to support this legislation because we supposedly should not tolerate minority rule in Rhodesia. Certainly, it would be preferable if every nation of the world allowed their citizens to enjoy a system of government such as we have here. But, how can we make an exclusive issue of Rhodesia and at the same time ignore the fact that the Soviet Union is ruled by a similarly elite class—the members of the Communist Party. In both cases, the countries are ruled by a minority. But, H.R. 1287 is nothing more than a method to punish Rhodesia for their unappealing system of government and then turn around and reward the Soviet Union for their variety of equally unappealing system of minority rule. If it is our responsibility to impose our values of democracy on other nations, we could at least try to be consistent with that policy.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. HAGEDORN. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. I thank the gentleman for yielding.

Mr. Chairman, I am happy to speak in favor of H.R. 1287. It will end what I consider to be a very unfortunate trend in American foreign policy. In my opinion, we have been largely ignoring the states of black Africa. In relation to our long-term strategic interests, this is a most unwise course.

In the past several years, most of our energy and resources have been directed toward the Far East, the Middle East, and Europe. It is understandable that the nations of Africa have felt neglected. Just in terms of trade and economics, they deserve more attention than they have been getting. In 1974, in dollar value, the Malagasy Republic supplied us with 52 percent of our graphite imports; 50 percent of our cobalt imports came from Zaire and Zambia, 35 percent of our manganese came from Gabon and Zaire, and 24 percent of our crude oil and shale came from Nigeria, Gabon, and Angola. This economic interdependence is a fact of life. It is in our long-range strategic interests to strengthen our relations with the states of Africa.

Admittedly, "good relations" can mean many things, but I like to fall back on what has become an axiom in international relations. The best relations are those born out of respect. It is not a matter of kowtowing; it is a matter of recognizing those areas with which states have a legitimate concern. Is there anyone in this Chamber who does not think that the states of black Africa have a legitimate concern with the establishment of a white racist government in Rhodesia? I think not. In my opinion, this should also be our concern, but, at the very least, we should understand the passionate interest of the Africans.

I find it fascinating that there are those who oppose this bill who say they do so in order to maintain U.S. access to Rhodesian chrome. Now, I do not think that Rhodesian chrome is a necessity for our national defense. That argument has been disproven. But I would like to keep this access if possible. In my opinion, the only way to do this is to be on good terms with the future leaders of what will one day soon be "Zimbabwe." The days of the Smith regime are numbered. Even South Africa has practically forced the Smith regime to negotiate with representatives of the black majority. The independence of the former Portuguese Colony of Mozambique, and the pending independence of Angola, represent the political and geographic isolation of Rhodesia. It is time to deal realistically with this problem. The future of Rhodesian chrome lies with decisions that will be taken by the black majority.

Mr. Chairman, the era of great power independence has ended, as has the isolation of the countries of Africa. We may not like it. We may find it difficult to deal with the fact that Nigeria has oil, or Ghana has aluminum, or what will be Zimbabwe has chrome. But that is the way things are. It does us no good to exhibit our exasperation with the U.N. by violating its sanctions against Rhodesia, thus earning us the emnity of Africa. This is not a sensible approach to international affairs. Instead, we can show our respect for the legitimate interests of the nations of Africa by adhering to the sanctions against Rhodesia, thus demonstrating that we keep our commitments. This will stand us in good stead over the long term, and is the best protection for our own interests.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. HAGEDORN. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, I just want to call to the attention of the gentleman something he may have overlooked. During the Korean conflict the Russians embargoed chrome until 1959. At that time they started to try to get into the American market again and found that the orders were being filled by Rhodesia and Russia could not crack the market. So together with Great Britain they dreamed up this original embargo.

The British out of animosity and the Russians out of greed.

Mr. FRASER. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Chairman, the Armed Services Committee report on page 10 says:

> We do not believe that long-range speculations about Africa's future should condition contemporary decisions about strategic and critical materials required for the security of the United States.

That statement is both shortsighted and misleading, Mr. Chairman. I think it is apparent from the debate and all the facts we have available to us that it is in the political, security, and economic interests of the United States to preserve the position our Government voted for in the United Nations in 1966, 1968, and 1973.

Everybody from the President, the National Security Council, and the Department of Defense to the AFL–CIO and some of the most prestigious church and social action groups in this country are behind this bill.

Let me remind the Members that when

this matter came before the Security Council in 1966 the United States had refused to recognize the Smith regime, we voted for the Security Council resolution applying sanctions, and, as Ambassador Goldberg said at the time, the United States was committed to taking positive economic action to "fully and faithfully" comply with the resolution we supported.

In January 1966 the President signed orders imposing selective sanctions in accordance with the resolution. That has been the policy of several succeeding administrations. It may be the Court has found the Byrd amendment to be a legal political action by Congress, but that does not change the fact that it places us in noncompliance with treaty obligations we undertook in 1945. We will continue to be in noncompliance unless we approve this bill.

Finally, moral issues are also critical. This country stands for some things in the world and I hope we believe in some things here at home. The Smith regime in Rhodesia is an illegal entity which allows 6 percent of the people who are white, to rule over 94 percent of the people, who are black. It is recognized by no government in the world. For 10 years Smith has resisted every effort by Britain, the United Nations, and good faith intermediaries to resolve jointly and equitably the issues of self-determination. Surely this provides no moral basis for us to violate the sanctions for which we ourselves voted.

The Rhodesian matter is the only instance in which we have voted affirmatively in the Security Council and then reneged. We have a veto in the Security Council which we could have exercised in this matter but we chose not to, and for good reasons which are as valid today as they were then.

We have both a legal and a moral obligation to bring our Government back into compliance with our treaty commitments and our obligations under the U.N. Charter. If we do so we will be acting in the interests of the United States and of international peace and security. I urge support of the committee bill.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the distinguished Speaker.

Mr. ALBERT. Mr. Chairman, I have nothing to add to what the gentleman from New Jersey is saying but I only wish to compliment him on the excellent manner in which he is presenting it.

Mr. MAGUIRE. I thank the Speaker.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. BENNETT), the chairman of the Subcommittee on Seapower and Strategic and Critical Materials of the Committee on Armed Services.

Mr. BENNETT. Mr. Chairman, in the last short while we have heard a considerable number of speakers who have entered the well and apparently were not here during the rest of the debate. It is very obvious.

One thing I heard just now was criticism of positions of Members of Congress for parochialism and other poor motives.

On the contrary, the people I heard speak in the well apparently took the well because they thought what they were doing was in the right interests of their country.

Another thing that was obviously the result of people not being here, was the assumption that no one contests that there is a perfectly valid sanction imposed which still exists and still binds the United States. The courts have upheld the actions of the U.S. Congress in upholding the Byrd amendment as a valid act of legislation of a free people. Further, I do not think our representative in the U.N. has any right to take away some of the inherent powers of the American people to decide whether they wish to give their Representatives in the U.S. Congress or their representative in the United Nations the power to deal with the internal affairs of another country. I made a strong statement for what I thought was the law of our country in preserving the rights of Americans. There is nothing devious about that position.

The United Nations Charter did not give the United Nations the power to embroil the United States and its citizens in international domestic matters of other countries. I think the sanctions against Rhodesia were void ab initio. I think it is a good time to stand up for democracy and freedom in our country and say that we are not going to have our rights dissipated in this fashion by unauthorized sanctions.

Mr. FRASER. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want to say, first of all, that concerning the statements by the gentleman from Florida suggesting that the figures in the chart were wrong, they are not wrong, to the best of my knowledge. I have had them checked.

Mr. BENNETT. Mr. Chairman, they were checked at 939,710. Is that right?

Mr. FRASER. Yes; that is right.

Mr. BENNETT. My staff said it was wrong by about three times. The summary of Government inventories, objectives, excesses, and balance of disposal authorizations listed chromite, refractory, as 399,960, and it is listed on that chart as 939,710.

Mr. FRASER. That is the figure from the Commerce Department.

Mr. BENNETT. We checked it this morning.

Mr. FRASER. Well, we checked it, too.

Mr. BENNETT. Does the gentleman deny the figure?

Mr. FRASER. I have not seen the figure.

Mr. BENNETT. Well, this is a Government publication.

Mr. FRASER. I just want to make the point that the basic figures on the level and extent of the stockpile we have are such that it will provide the United States for a long time in the event we have any difficulty.

I also want to underscore that the President has the right to undo what we do today, if a national emergency arises; so we are not locking ourselves into a problem that we cannot solve.

Finally, this bill has strong support, particularly by the United Steel Workers. I have a letter from President Abel. He says that the reinstatement of the Rhodesian embargo on chrome will not have an adverse effect on the chrome specialty steel industry. This is a letter from I. W. Abel, dated September 24, 1975.

We have the support of the AFL–CIO, President Ford, the auto workers, the communications workers, the mine workers the oil, atomic, and chemical workers, and most of the church groups and many others concerned about this matter.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Pennsylvania.

Mr. DENT. I just wanted to ask the gentleman if he had any support from those steelworkers whose jobs are at stake, the specialty steelworkers.

Mr. FRASER. The United Steel Workers of America represents all of those workers. Mr. Abel and the National have been very clear about this for the past 6 years. They held conventions which the gentleman's people and all the other people attended. The position has been consistently stated.

I am sure there are some few union members who have been misled about that information and who are worried about the bill.

Mr. DENT. I am sorry that I did not bring my information, but I will make it a part of the record.

In that letter he states that whatever rumors there are between us, he and I are in agreement that they are only personal opinions, and that I am entitled to exercise mine as a Member of Congress without regard to his, and he has the right to exercise his. I am doing it as a Member of Congress.

Mr. BIAGGI. Mr. Chairman, I rise in opposition to H.R. 1287 legislation to amend the United Nations Participation Act to ban imports of chrome and ferrochrome from Rhodesia. Our vote today is one of priorities and as I see them our foremost concern must be the maintenance of a strong national defense which stands to be jeopardized if this legislation is passed.

There have been numerous efforts by Congress to repeal the Byrd amendment of 1971 which allowed the United States to resume imports of chrome from Rhodesia. This bill is the latest effort. It should be noted that this bill while favorably reported by the International Relations Committee was overwhelmingly rejected by the Armed Services Committee by a lopsided 29-to-7 margin.

The Byrd amendment was passed to prevent this Nation from being overly reliant on the Soviet Union for chrome and ferrochrome products. The logic of this argument was persuasive then, it is more compelling now. Chrome is in shorter supply both in the United States and in the world than in 1971. By banning imports from Rhodesia we would be denying ourselves access to 67 percent of the metallurgical grade chrome reserves in the world. We would then be forced to rely on 10 percent of the remaining reserves, 60 percent of which are in the Soviet Union.

Translated this means that the Soviet Union will be primary supplier of a product of which 85 percent of our consumption is for national defense needs. The consequences of this excessive reliance could be drastic from a national security standpoint. In addition to the likelihood of higher world prices for chrome products we must also reckon with the possibility of reduced supply through embargo by the Soviet Union. This has happened before. Throughout much of the 1950's the Soviet Union withheld shipments of chrome and ferrochrome products as a protest to the Korean war. If this were to happen at a time when our dependence of these materials from the Soviet Union was at an alltime high, we could find our very security in dire jeopardy. We know the consequences of embargos. The OPEC nations have demonstrated this to us vividly. We do not need nor can we afford this to happen with chrome.

There are those who argue that our stockpiles of chrome and ferrochrome are sufficiently high to allow us to ban imports from Rhodesia. This argument was discounted by the Armed Services Committee which stated that our present stockpile is sufficient to merely meet the first year of an emergency and only as it relates to defense needs. Civilian needs including such vital industries as domestic steel and transportation could only be met through imposition of severe austerity measures. Is it wise for this Nation to shortchange ourselves in any of these vital areas? Can we afford to only look 1 year ahead? I answer "no" to both questions, but feel this will be the direct result of the passage of H.R. 1287.

I do not dismiss the arguments of those in support of this bill who point to continuation of trade with Rhodesia as being a violation of U.N. sanctions imposed against Rhodesia. I agree there is an urgent need for internal reform in Rhodesia, but I am vehemently opposed to this Nation jeopardizing its own critical national defense needs in order to bring this change about.

I will vote against this bill as I have the ones which preceeded it on the subject. This bill is not in the best interest of the United States. There is no higher priority than the maintenance of a strong national defense. Our personal and ideological feelings about the internal policies of Rhodesia cannot overrule the more important consideration of keeping this Nation strong and free. The fact that the committee in the House best equipped to know the present and future defense needs of this Nation is opposed to this bill should be a critical factor in our deliberations today. I hope that their arguments will prevail and this bill is defeated.

Mr. BEDELL. Mr. Chairman, my colleagues have done an excellent job in outlining the historical background of the Rhodesian chrome issue. I will not take up any more time rehashing a chronology of events. I would, however, like to take a brief moment to respond to some of the concerns which have been expressed about H.R. 1287 and to outline a few of my reasons for supporting this legislation.

The opponents of this bill contend that imports of Rhodesian chrome are vital to our national security. If we spurn Rhodesian chrome, so the argument goes, we will become dangerously dependent on supplies of Soviet chrome. This is, on the surface, a very appealing argument. It is, however, an argument that is not supported by either fact or logic.

There are several points to note in this regard.

First, Rhodesia is simply not an important supplier of chrome ore to the United States at this point in time. During 1974, Rhodesia supplied only 7.4 percent of the metallurgical grade chromite consumed in the United States, and only 13.4 percent of our imports of metallurgical chromite. And, in the first 6 months of this year, the Rhodesian share of our imports of metallurgical chromite has decreased to 8 percent.

Second, the enactment of the Byrd amendment in 1971 has had little affect on our chrome trade with the Soviet Union. The small amount of chrome which Rhodesia has supplied since 1971 has not reduced our dependence on Soviet chrome. In fact, the amount of chrome the Soviet Union has supplied increased from 41 percent to over 50 percent during this period.

Third, alternative sources of chrome are available at prices competitive with Rhodesia's, including South Africa, Japan, Germany, the Soviet Union, Turkey, and the Philippines.

Fourth, the U.S. strategic stockpile contains more than adequate supplies of chrome ore for domestic use in the event of an emergency. In fact, the Department of Defense has released statistics which indicate that there is enough chrome in the national stockpile to meet national security needs for more than 20 years.

The fact of the matter is that the United States does not now rely very heavily on imports of Rhodesian chrome. This is in part due to problems which the current regime is experiencing internally and with its neighbors that have hampered Rhodesian exports of chrome. All indications are that these problems will intensify, not diminish, and that there is little likelihood that any large amounts of chrome will be leaving Rhodesia in the near future, regardless of our attitude toward the United Nations embargo.

This is a very important point. Approximately 67 percent of the world's known deposits of metallurgical chromite are located in Rhodesia. While the Soviet Union, which possesses only 6 percent of world reserves of metallurgical chromite, has maintained its primacy in chrome trade with the United States for the last decade, it is evident that this situation will not continue indefinitely. Rhodesia, not the Soviet Union, will in all likelihood be the most significant chrome supplier for the world in the future.

It thus appears obvious to me that it is in our national interest to see a peaceful resolution of Rhodesia's internal problems as soon as possible so that orderly shipments of chrome can resume. The most effective means available to contribute toward that end is for the United States to once again join the international sanction effort.

Mr. Chairman, I believe that it is clearly in our national interest to halt the importation of Rhodesian chrome and restore U.S. compliance to the economic sanctions which the United Nations imposed against Rhodesia in 1968. This action would do as much as is possible to assure long-term access to supplies of Rhodesian chrome. It would also reaffirm the U.S. commitment to the rule of law and to the international effort to seek workable solutions to world problems.

It is time for our Nation to accept the international realities of the seventies. A new era in relations among sovereign states is emerging. It is an era based more on the economics of interdependence and mutual respect than on traditional concepts of military might and industrial power.

On September 1, the U.S. Representative to the U.N., Mr. Daniel Moynihan, delivered a landmark address before the seventh special session of the U.N. General Assembly. In this speech, the United States abandoned its policy of stonewalling third world demands and called for greater international cooperation in meeting the international challenges of the 1970's. This was a highly significant moment.

The developed and developing worlds are starting to come to terms with one another. In this sensitive time, it is of the utmost importance that the United States be believed, that its credibility remain high.

When we voted for the Rhodesian sanctions in the U.N. Security Council, we made an international commitment to support this course of action. Today, we have the opportunity to restore this pledge—to keep faith with the international community, and perhaps to keep faith with ourselves.

Reimposition of economic sanctions against Rhodesia is the right course of action. I urge my colleagues to vote for passage of H.R. 1287.

Mrs. BURKE of California. Mr. Chairman, I rise in support of H.R. 1287, which would halt the importation of Rhodesian chrome into the United States and would provide once again for our full compliance with United Nations sanctions against Southern Rhodesia. While this legislation will not erase the 1971 Byrd amendment from the books, the bill will permit the President to override the amendment if necessary to bring the United States into compliance with U.N. sanctions.

Mr. Chairman, this legislation is both necessary from an international standpoint and desirable from a domestic standpoint. Internationally, we must realize that it seriously weakens the strength and credibility of the United Nations when one of the strongest nations in the world openly flaunts the clear dictates of that body. By disregarding for 4 years the U.N.'s sanctions against Southern Rhodesia—which were not imposed lightly—we have singlehandedly done more to weaken the U.N. as an instrument of world peace than any other nation. At a time when we are still striving internally to destroy racism in all its insidious forms, internationally we place ourselves in the morally questionable position of strengthening a minority, racist regime in an African nation. We should not be surprised when other nations question our credibility.

Practical international considerations also support passage of this vital legislation. The Smith regime is losing support from South Africa and its days are numbered. Indeed, South Africa is now attempting to force Smith to a political settlement with the Africans. The new Government of Mozambique has already announced its intention to close its ports to exports violating U.N. sanctions. South Africa, Rhodesia's only alternative port, has refused to build additional rail facilities to Rhodesia, although its ports cannot handle the additional traffic created by the actions of Mozambique. Therefore, the U.N. sanctions will be much more effective than in the past.

Passage of this legislation will also greatly increase the effectiveness of the sanctions. This point has been made to me by my good friend, Ambassador Siteke Mwale of Zambia, whose country shares a border with Rhodesia and has been the center of negotiations recently for a peaceful settlement of the Rhodesian question. Just last week, President Kaunda of Zambia called a meeting of five "front line" countries who are seeking a peaceful resolution of the problem. Included in this meeting were Congo Brazzaville, Tanzania, and three African nations which border Rhodesia: Mozambique, Zambia, and Botswana. Those nations have also stressed the need for the United States to help in their effort by observing the U.N. sanctions. As long as Rhodesian President Smith is assured of the moral and financial support of the United States, he will have no reason to negotiate seriously with his African neighbors. However, Ambassador Mwale has indicated to me that his country has no doubt that removal of the impediment to U.S. compliance with the U.N. sanctions will put great pressure on the Smith regime, thus hastening settlement of the Rhodesian question.

In addition to the international considerations, domestically we simply do not need Rhodesia as a source for our chrome and ferrochrome. U.S. imports of metallurgical grade chromite ore, which is used to produce ferrochrome, have declined from a high of about 335,000 content tons in 1970 to 250,000 content tons in 1974. During that period, the Soviet Union met about 50 percent of U.S. import needs. Since passage of the Byrd amendment in 1971, Rhodesia has garnered only 13 percent of the U.S. market in 1974 and 7 percent in the first 5 months of 1975. Nevertheless, defense requirements for a 3-year war are estimated to be no more than 6 percent of the chrome and ferrochrome now in U.S. stockpiles.

Furthermore, the U.S. specialty steel industry is currently in a period of recession, so there is a slack demand for ferrochrome. In the first 5 months of 1975, ferrochrome produced in this country exceeded consumption and is being stockpiled and exported. In addition, since 1971, imports of low-cost Rhodesian ferrochrome have met only about 5 to 10 percent of the overall U.S. need. For high-carbon ferrochrome, Rhodesia's share of the import market rose from 16 percent in 1972 to 45 percent in 1973, but declined to 28 percent in 1974 and 18 percent in the first 5 months of 1975

Currently, the U.S. stockpile contains some 1,961,194 tons of metallurgical grade chrome ore. In 1974, we imported 66,395 tons of such ore from Rhodesia. Thus, the U.S. stockpile represents 29.5 years of Rhodesian imports. It would be no exaggeration to say that our stockpiles are entirely adequate to meet our needs if we find difficulty in replacing imports of Rhodesian chrome. Thus, we face no short-run supply difficulties. In the long run, our access to future supplies of Rhodesian chrome will certainly be improved if we end our apparent support of the 5-percent white regime now in control in Rhodesia. By withdrawing our support now, we hasten the end of the Smith regime and simultaneously hasten our eventual renewed access to Rhodesian chrome.

One other aspect of this legislation should encourage the support of this body, and that is a committee amendment that will offer steel mills in the United States some protection against any foreign competitors who illegally use Rhodesian chrome. The amendment provides that imported steel mill products containing chromium cannot be released from customs unless a certificate of origin indicates the source of the chrome in the steel. The United States currently uses similar procedures in regulating Chinese and Cuban trade. In addition, the International Relations Committee has reported discussions with officers of the European Economic Community in which the EEC indicated that they had achieved success by regularly using such certificates of origin to assure compliance with their rules and regulations.

Mr. Chairman, this legislation is vital and necessary—and long overdue—with respect to the international and domestic interests of the United States. The advantages overwhelmingly outweigh any disadvantages. Therefore, I respectfully urge my colleagues to support this legislation.

Mr. SIKES. Mr. Chairman, this should be called the "buy Russia" bill. The House will remember when we stressed "buy America." That is now old fashioned. This is a new age when we are told to be kind to our enemies. Help them to be modern. Help them to be strong. The more we give them, the more they can spend for their own development for defense. Maybe the taxpayers will understand.

The "buy Russia" bill will create unemployment in America, increase inflation and cause American industry to be dependent in large extent on chrome from Russia. Russia is principal beneficiary of the bill, the United States is the loser. Jobs for American employees and price restraints on steel products depend upon defeat of this "buy Russia" bill.

This bill does not mention Rhodesia—it says we must do what the U.N. dictates. But it is intended to stop American purchases of chrome from Rhodesia. Russia is a member of the U.N., but Russia is not bound by the U.N. Russia buys from Rhodesia and could sell Rhodesian chrome to us under another name. Do you like Russian policies toward labor? Toward minorities? Toward the Jewish people? This is the "buy Russia" bill. The rule and the bill should be defeated.

Chrome is essential to U.S. industry. It is essential to medical science in the United States. It is essential to defense. Guns, planes, tanks, missiles, and ships all require chrome. When we become principally dependent upon Russia, the supply can be cut off or the price increased at will. Is that commonsense?

American industry requires a constantly increasing supply of chrome. Rhodesia has the greatest resources. Passage of this bill will create permanent restrictions against Rhodesian chrome regardless of what government may be in power there in the future. If we shut off Rhodesian chrome, we increase our dependence upon Russian chrome. Russia will be glad to sell us chrome at a handsome profit. No longer will the world market govern the price to the United States. When Russia controls the major supply of chrome to the United States, they may decide it is not to their best interest to sell chrome to us. The recent Arab oil embargo demonstrated the complications that could be caused by a politically motivated trade embargo. Should we put ourselves in a position where the tyrants of the Soviet Union could use chrome against the United States as the Arabs did oil?

There are those who base the need for this bill on support for the U.N. Before we accept this assailable logic, let us look at what we are now doing for the U.N. We pay one quarter of the bills for that organization, plus loans and grants. We already are helping Russia in many ways. Russia ignores the U.N.; is usually delinquent in their payments and in toto contributes very little to the U.N. in return for three votes in the U.N.—not one, but three. Russia buys from Rhodesia in violation of U.N. sanctions; so does France; so does every other U.N. member if it suits their purpose to do so.

Now let me ask, where was the U.N. during all the years of the Indochina war when we needed their moral, if not military and diplomatic support? Where were they doing the October 1973 war? The Cyprus war?

I do not think we need jump every time the U.N. says "frog." I do not know why we should be led around by the nose. We do quite enough for the U.N. as it is. When, dear colleagues, are we going to look at America's interest?

You do not like the policies of the Rhodesian Government, because it is a minority government. I do not like those policies either, nor do I like the policies of the government in Ugandi nor any government which disenfranchises and robs its citizens who are not black or white or red or green. Talk about hypocrisy—why pick out Rhodesia? Let us treat them all alike.

And you do not like Rhodesia's labor policies. Do you like Russia's labor policies? Do you like forced labor in Siberia? There are no labor unions in Russia—there is only a farce.

Have you really thought this through? Is there any reason that the House should support this "buy Russia" bill? The Rhodesians have declared their independence from the British Union. This is probably the first time in history the United States has not supported an effort for independence by a colonial power. This is not consistent with our great record for helping other people who want their independence. There are those who say this bill would help to obtain more representation of the blacks in the Rhodesian Government. Once before we embargoed Russian chrome. It did not change a thing, except we paid more for inferior chrome. We should do what we can through diplomatic channels to help give a better break to black people in Rhodesia.

There is nothing to indicate a lessening of the U.S. requirements for chrome in future years. Demand for chrome by domestic consumers exceeds domestic capability by 25 percent and the picture is predicted to worsen.

Cutting off Rhodesian chrome would also cut back on the supply of South African chrome which uses the Rhodesian product. In other words, this bill will increase the cost of the remaining supplies of chrome elsewhere; will add to the fires of inflation; will hurt U.S. industry and U.S. workers; will help Russia to compete with us.

Despite record domestic steel production, U.S. demand for steel exceeds the available supply. Shortages are particularly acute in the case of stainless and other chrome-bearing alloy steels. Chrome suppliers are already rationing chrome to domestic users. Any further reduction in available domestic chrome supplies will cause a sharp cutback in U.S. stainless and alloy steel production and employment. This will have serious repercussions in such areas as petroleum refining, chemical production, pollution control efforts, power generation, food processing, transportation, and national security applications. Reimposition of the Rhodesian chrome embargo would have extremely serious inflationary implications for the U.S. economy as a whole, aggravating critical capacity shortages in industry dependent on stainless and alloy steels.

There are those who state that the stockpile can replace Rhodesia as a source of chrome. No one can say how long we could depend on the stockpile or whether it can safely be depleted, or how it would be replaced.

This bill will cost jobs to U.S. workers. The Soviet Union will become the chief source of chrome. During the 1968–71 embargo, the Soviet Union steadily raised the price of chrome to the United States. When the embargo was lifted, the prices fell. The Soviets can stop shipping whenever their own requirements reduce their interest in exports or when they want to cripple U.S. industry. Then the United States would have a dangerous shortage of chrome. This matter is much too serious for the capricious action proposed here.

The Rhodesian Government is trying to work out its difficulties with the black race. Concern over that issue is, of course, the reason for this bill. This bill is a slap in the face when Rhodesia has resolved to try to find a solution.

Mr. BRADEMAS. Mr. Chairman, passage of this bill will enable the United States to redeem itself on a broken promise—a pledge dating back 30 years to the ratification of the U.N. Charter by the Senate and the passage of the U.N. Participation Act by Congress. By enacting the U.N. Participation Act, the U.S. Government assumed the treaty obligation to adhere to article 41 of the U.N. Charter, which reads in part:

> The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions and it may call upon the members of the U.N. to apply such measures. These may include complete or partial interruption of economic relation.

Under this article, the decisions of the Security Council are binding upon all members of the United Nations.

However, the United States, like other permanent members of the Security Council, is in the position, by exercise of the veto power, to prevent the imposition of sanctions to which it is opposed. But the United States did not use its veto against the imposition of Rhodesian sanctions.

From the standpoint of international law and our own treaty obligations, once the Security Council had made its decision and the permanent members did not use their veto powers, the United States was legally committed to observe the sanctions. That commitment was breached when Congress in 1971 passed the so-called Byrd amendment.

In approving this amendment, which permitted the importation of Rhodesian chrome and numerous other minerals, Congress unwisely put the United States in the company of South Africa and Portugal, the only countries in the world the governments of which, as a matter of official policy, violated the sanctions.

The new Portuguese Government has announced that it will honor the sanctions, and the Rhodesian consulate in Lisbon has been closed. The United States of America now stands alone with South Africa in violation of the sanctions. Is this, Mr. Chairman, the position in which the United States wants to be?

How long will we stand with the practitioners of apartheid? How long will we stand against the expressed will of nearly every other nation—and against our own given word?

In approving the Byrd amendment, Congress told the world that this country cannot be depended on to keep its word.

In approving the Byrd amendment, Congress placed a marginal shortrun profit for a narrow segment of our business community over the efforts of the international community to bring about peaceful political change in Rhodesia.

In approving the Byrd amendment, Congress seriously weakened the potential for a system of effective international political action through sanctions in the future.

There is now a growing, but fragile, new dialog between the United States and the Third World. If this country reaffirms its commitment to international law, peaceful political change and majority rule, the benefits can be great indeed. African nations, long angered by our support of the Smith regime, will become more responsive to U.S. policy, both in Africa itself as well as in the United Nations.

And by joining ranks once again, this country can greatly improve the sanctions program, and quite possibly head off a tragic racial confrontation in Southern Africa.

But, Mr. Chairman, failure to do so could well poison a budding new relationship between America and the developing world and encourage the Smith regime to hold out still longer, with warfare increasingly likely.

Mr. Chairman, passage of H.R. 1287 would be a reaffirmation of the longstanding American tradition of respect for the rule of law, at home and abroad.

Mr. McDONALD of Georgia. Mr. Chairman there are many reasons to rise in opposition to this bill. It is my intention to describe the best of these reasons and at the same time to point out the illogic of those who favor this legislation. This bill is bad for the United States economically. It is a bad bill from the viewpoint of international relations, in that it is a case of selective morality that will only benefit the Soviet Union in particular and the world Communist movement in general.

Economically, the United States can only lose if this bill is passed. Rhodesia has 67.3 percent of the world resources of metallurgical grade chromite. None has been mined in the United States since 1961 and the demand for chromite is increasing. Since 1962, our national stockpile has declined and is currently at its lowest level in 20 years. Furthermore, 20 percent of this stockpile is classified as "nonstockpile grade"—not really of any use. And, as many Members of this body are also aware, the present administration wants to further reduce our stockpiles of strategic materials from 3 to 1 year.

In speaking of supplies of chromite ore, it is always instructive to "look at the record." During the period when sanctions were imposed upon Rhodesian ore the physical quality of the ore the Soviet Union exported to the United States went steadily down, while the price the Soviets asked for their ore went steadily up. After the Byrd amendment passed lifting the sanctions, the Soviet price stabilized and then fell in the face of stiff Rhodesian competition. When legislation to reimpose the ban was reintroduced in January of 1975, the Soviets responded in two ways. They informed their exclusive U.S. distributor AIRCO Alloys Ltd., that shipments would be cut back 35 percent immediately and that the price would be doubled to $160 a ton. It should also be recalled that during the Korean War and up until 1959, the Soviets refused to ship any chromite to the United States. Anyone who feels the U.S.S.R. would hesitate to cut off our supplies in the event of something new by way of a Middle East settlement or conflict that displeased them, just does not know the history of communism or the Soviet Union.

Now let us look at the morality issue and the international relations of the United States. Rhodesia is the only nation in the world facing U.S. sanctions at the moment. Accordingly, it must be the worst nation in the world and the worst threat to world peace and security. Who is Rhodesia threatening and whom has she attacked? No one that anyone is aware of. She is a threat, because she has not implemented one man-one vote, some say. However, if that is the rationale, how many African countries have one man-one vote or even a democratic form of government. Rhodesia is one of the few with a true parliament, even though the representation accorded blacks may be argued. Twenty-three percent of her House is black, 50 percent of her Senate is black, and 66 percent of the army that fights terrorists coming across the border is black. By way of contrast, however, how many Jews sit in the Soviet politbureau? Not one that I am aware of. How many Jewish flag-rank officers are there in the Soviet armed forces—only one that I am aware of. This is to say nothing of the lack of representation at the highest levels in the Soviet Government of the other many nationalities that make up half the U.S.S.R.

If sanctions are a good method of influencing internal policies of a nation, why did we drop them against the Communist countries? Why, because we are told that peaceful trade enhances friendship and builds interdependence and lessens the chance of war. So here we are with the Nation of Rhodesia declared a threat to the world's security and we are going to change her internal policies by not importing chromite ore. Such action will result in our importing ore in increasing amounts from the Soviet Union where an estimate 1,700,000 people are held in slave labor camps and most of the mining is still done by slave labor. How can we square such an action by claiming it to be moral? Why did not the United Nations vote sanctions against Uganda where General Amin has murdered an estimated 90,000 of its own citizens? When mass genocide was reported in Burundi by the ruling Tutsi against the Hutu was Burundi declared a threat to the world's security? No; it was not. We are being treated to selective morality and we are playing a dangerous game. As far as violators of the sanctions are concerned, it is well known that such countries as France and Japan as well as Germany, Austria, Belgium, Israel, Norway, and Denmark are all violators of the sanctions and on a much larger scale than the United States.

The bogeyman has been raised that the African states will cut us off from raw materials if we do not impose sanctions. This is highly unlikely. They need our trade more than we need most of their raw materials. It has also been stated that if the black majority ever takes over in Rhodesia, they will not trade with us and, hence, we would lose this source of raw materials. This is a never never land sort of argument. Suppose every country in Eastern Europe rose in revolt tomorrow and threw off its Communist shackles. Perhaps they might not trade with us, because of our present détente policy, who knows? It makes just about as much sense, though, to argue along those lines. But above all, we should do what is best for the United States and not what will be pleasing to whatever dictator happens to be ruling whichever African country at the moment.

We are all in receipt of a "dear colleague" from the gentleman from Minnesota suggesting we should be for the bill, because Rhodesia does not have a "chance." What sort of logic is that? That is strange reasoning to say the least. The British Government made similar statements in 1965—10 years ago. In this letter it is suggested that Rhodesia will be unable to move its commerce via South Africa. This is speculation at best and what it does not tell you is that South Africa is developing a new port to handle this commerce—Richards Bay on its east coast. Furthermore, it is doubtful that some African countries could survive without their trade with Rhodesia and South Africa in such products as coal, grain, building materials, meat, fertilizers, cotton, and tea—and, these countries know this.

Lastly, whether any of the proponents of this bill would like to admit it or not—nearly all the backing, training, money, and weapons for the guerrilla movement against Rhodesia comes from the Soviet Union and Communist China. We have the recent examples of Angola and Mozambique to see what kind of democracy that brings. Even Zambia has recently cracked down on this guerrilla group operating against Rhodesia as they have taken to shooting each others camps up—much as the various groups in Angola are doing now.

Passage of this bill today will serve only two purposes that I am aware of—give the Soviet Union a stranglehold on the supply of chromite to the United States and promote the selective morality of the United Nations which is the most morally bankrupt organization in the world, in my view.

This measure should be defeated.

Mr. DRINAN. Mr. Chairman, I rise in support of H.R. 1287, amending the United Nations Participation Act of 1945 to halt the further importation of Rhodesian chrome. Since enactment of the Byrd amendment in 1971, the United States has stood virtually alone in violation of a unanimous 1966 United Nations Security Council Resolution imposing mandatory sanctions against the importation by any country of products from Southern Rhodesia. Events between 1971 and the present refute every argument raised in support of the Byrd amendment and demonstrate clearly that the best interests of the United States lie in its abrogation.

BACKGROUND

The white minority government of Southern Rhodesia unilaterally and illegally declared its independence from Great Britain in November, 1965. The United Nations resolved that as long as the 95 percent black majority was excluded from political participation, Southern Rhodesia could not be considered a self-governing nation. A year later, economic sanctions were imposed. Pursuant to these sanctions, President Johnson in 1967 and 1968 issued two executive orders prohibiting the importation of products from Rhodesia into the United States. These orders had no negative impact on the American economy or national security during the 4 years of their operation. In September of 1971, Congress passed and the President signed the Military Procurement Act for fiscal year 1972, which contained the so-called Byrd amendment requiring the importation of "strategic and critical materials" from non-Communist countries. The singular effect of the amendment was to permit the importation of chrome ore and refined ferrochrome from Southern Rhodesia, in direct violation of the United Nations sanctions.

THE UNITED STATES DOES NOT NEED RHODESIAN CHROME

The supporters of the Byrd amendment argue that a ban on the purchase of chrome from Southern Rhodesia would place the United States in the dangerous position of over-reliance on the Soviet Union for this strategic metal. This argument is entirely specious. Between 1961 and 1966—the year before the U.S. barred Rhodesian chrome, imports of chrome from Russia rose from 4.7 percent to 58 percent, while imports from Rhodesia fell from 47.2 percent to 17.6 percent. After passage of the Byrd amendment restoring the availability of Rhodesian chrome, the Soviet Union has continued to account for over 50 percent of American chrome purchases, while sales from Rhodesia have fallen from a market share of 13 percent in 1974 to 7 percent this year.

The reasons for the small amount of chrome purchased from Rhodesia are obvious: the Russian product is both cheaper and of higher quality; demand for chrome has declined; and the Department of Defense has already stockpiled enormous quantities of the metal. So large is the present surplus that the Pentagon has calculated that the United States could wage an all-out war for 3 years using up only 6 percent of our chrome stockpile.

In analyzing the economic effects of the Byrd amendment, Julius Katz, Deputy Assistant Secretary of State for Economic and Business Affairs, told a House International Relations Subcommittee that:

> The amendment has not stimulated a revival of Rhodesian chromite purchases; Rhodesian chromite, to the extent that it has come into the United States, has replaced ore shipments from third countries rather than the Soviet Union; the amendment has had the effect of increasing our overall dependence for chrome materials on fewer, and less dependable sources.

Should the United States ever face a shortage of chrome due to a Soviet refusal to sell, we could easily dip into our massive defense stockpiles. Such a shortage is extremely unlikely, however, there are many other chrome exporters in the world—including Japan, Finland, Turkey, and the Philippines—to whom we could turn. Moreover, we currently supply the Soviet Union with myriad essential strategic materials, such as aluminum oxides, and the Kremlin is not likely to endanger that supply, as well as increased United States-Soviet trade in general, by refusing to sell us chrome.

Rhodesia, to a far greater extent than any other nation, sells its chrome in the form of refined ferrochrome, direct competition with the many American businesses which depend heavily on refining raw chrome ore, obtained from abroad, into ferrochrome. I. W. Abel, president of the United Steelworkers of America, has stated that:

> If any job loss argument can be made, then it would have to be that American ferrochrome jobs have been jeopardized by the partial lifting of the embargo for chrome products—not that reimposition of the embargo would cost jobs for American specialty steelworkers.

It is quite apparent that compliance with the United Nations sanctions against Southern Rhodesia would have a positive, rather than a negative impact upon the economy of the United States, while posing no threat whatsoever to our national security. In the simplest possible language, the United States does not need Rhodesian chrome.

THE CONSEQUENCES OF CONTINUED IMPORTATION OF RHODESIAN CHROME

The issues raised by H.R. 1287 go far deeper than the economic effects of American purchases of Rhodesian chrome. The Government of Southern Rhodesia is among the most racist and unrepresentative in the world. While imports of chrome from Rhodesia to the United States are miniscule from the standpoint of the American economy, the Rhodesians derive their largest source of foreign exchange from these transactions. America is thus subsidizing a regime whose racist policies have earned for it the status of an international outlaw.

In a more general sense, continued American noncompliance with the United Nations sanctions erodes the capacity of the U.N. to act as an instrument for peace and justice. Of what value can the United Nations be if its most powerful and wealthy member, one professing to represent equality and justice, ignores unanimously imposed sanctions against a regime that is a blight on international justice and an affront to human dignity?

Continued noncompliance will erode the moral stature of the United States among all the nations of the world. In particular, the position of the United States in Africa will be undermined seriously by continued dealings with Southern Rhodesia. African nations supply such essential goods as crude oil, manganese, bauxite, and cobalt to the United States. The Arab oil boycott illustrated American vulnerability to economic sanctions in critical areas; it is nonsensical to jeopardize these supplies, as well as our political relations with African nations, in the interest of retaining an unnecessary supply of Rhodesian chrome.

The raw materials wealth of the African Continent has barely been tapped. Recent developments such as the independence of neighboring Mozambique; the erosion of South African military support; and the increase in guerrilla activity in Rhodesia point to the eventual fall of the Smith government. To persist in violating the U.N. sanctions is to risk a potentially rich political, cultural, and economic relationship with the free nations of Africa in exchange for access to a product which we do not need, and support for a government which the conscience of the world cannot tolerate.

CONCLUSION

H.R. 1287 is designed to meet the problem effectively. It would not directly repeal the Byrd amendment, but rather would focus on the real issue by permitting the President to override the amendment if necessary to bring the United States into compliance with United Nations sanctions. The bill also prevents indirect support of the Rhodesian Government by requiring certification that imported steel mill products do not contain chrome of Rhodesian origin.

The bill has gained widespread bipartisan support. The Ford administration, the AFL–CIO, the United Auto Workers, the United Steelworkers of America, the Communications Workers of America, the Washington Office on Africa, and the Americans for Democratic Action have all voiced support for the measure. In a letter to Representative JOHN BRADEMAS, Democrat of Indiana, explaining his support of the bill, Secretary of State Kissinger wrote:

> I am personally convinced that the Byrd provision is not essential to our national security, brings no real economic advantage and is costly to the national interest of the United States in our conduct of foreign relations.

Mr. Chairman, in the interest of human dignity and freedom, and in the economic and national interest of the United States, I urge my colleagues to bring our Nation into conformity with the rest of the world by enacting H.R. 1287.

Mr. NIX. Mr. Chairman, I support the effort to repeal the Byrd amendment because it is in direct conflict with an international commitment of the United States to abide by the boycott of Rhodesian products imposed by the United Nations.

The argument for retaining the Byrd amendment in our national law is our need for chrome. While this response is not related to our commitments to the United Nations it has been the most effective argument in support of the Byrd amendment because our next alternative as a source of supply is the Soviet Union.

The answer is that we have time to make arrangements with other suppliers of chrome. We do not have to depend on the Soviet Union in the short run or in the long run because we have at least 3 years of chrome on hand in emergency stockpiles.

What is much more important is that we will loose any chance of establishing ourselves as customers with an assured supply of chrome in that the Ian Smith, white supremacy government is on the way out. They must compromise and deal with the great majority of their own citizens who are black. Their outlet to the rest of the world has been cut off through Mozambique by that government's order. South Africa will not extend rail service to the Rhodesian border and that white supremacy government has all but abandoned the Ian Smith regime.

What we are being asked to do here today is catch up with the foreign policy of South Africa which no longer will support Rhodesia. We have waited much too long. If we wait much longer we will be the Rhodesian regime's only supporter in the world. If we are ever to have any credibility left in Africa we must cut our ties to Rhodesia by repealing the Byrd amendment. We can no longer support 5 percent of the Rhodesian population against the remaining 95 percent. The days of white supremacy in Rhodesia are over, and the Byrd amendment must go.

Mr. RANGEL. Mr. Chairman, I rise in full support of H.R. 1287, a bill that would repeal the Byrd amendment. In an era when the United States is attempting to restore its image as a leader among nations, after having suffered a great deal as a result of its participation in the Vietnam debacle, it is essential that we pass this legislation, thus reaffirming our commitment to international justice.

On November 11, 1965, the white minority government of Southern Rhodesia unilaterally declared its independence of Great Britain. This minority government which represents 5 percent of the population is imposing its abhorrent apartheid policies on 95 percent of the people.

To counter this illegal move by the Rhodesian Government headed by Ian Smith, the United Nations Security Council acting under the authority found in chapter 7 of the charter, which allows that sanctions can be imposed in cases of threats to international peace, voted unanimously to impose sanctions with respect to the importation of Rhodesian chrome. The United States supported this move, and in 1967 and 1968 President Johnson reaffirmed our support for this action in two Executive orders.

But in September of 1971, the Military Procurement Act for fiscal year 1972 was amended, requiring the importation of strategic and critical materials from non-Communist nations. This amendment, known as the Byrd amendment, permitted the importation of chrome, thus thwarting the effectiveness of the sanctions imposed by the United Nations. Needless to say, our credibility has been severely damaged by violating this agreement thus engaging in trade with this illegal government.

Our relations with the African Continent are at best strained. The nations on that continent, chiefly the black nations, feel that the United States is not giving their needs and problems adequate attention. They see the Secretary of State engaging in shuttle diplomacy but never once touching down in their nations.

In a recent meeting with the Secretary, several members of the Congressional Black Caucus expressed these concerns to him. We felt that our Government was ignoring Africa and should begin to make a concerted effort to reverse this trend. The Secretary was receptive to our views and offered to work with us in developing a new approach.

At a recent reception honoring the delegates to the conference of the Organization for African Unity, Secretary Kissinger outlined the administration's new policy. He pointed out that our aid appropriation for Africa for this fiscal year was 60 percent over the sum provided last year. The Secretary also stated that we would propose to alter the structure of the International Monetary Fund in order to relieve the shortfalls in export earnings for those economies who rely chiefly upon primary commodities.

Obviously the administration has come to the realization that we must begin to work positively with the African continent. However, before we can offer assistance, we must assure these nations that we are acting in good faith. The way to begin this process is by repealing the Byrd amendment, a move the Secretary emphatically supported on behalf of the entire administration.

My colleagues, the choice is clear. We must reestablish ourselves as a leader among nations. We do this by assuming the morally correct position of repealing the Byrd amendment and not by supporting the undemocratic and racist minority regime of Ian Smith. Let us stand up for the principles of human rights by passing H.R. 1287.

Mr. FASCELL. Mr. Chairman, today the House will vote on an important—possibly crucial—foreign policy and national security proposal, the Rhodesian sanction bill. This measure has generated a great deal of controversy—and misunderstanding. Because of the very great foreign policy implications of this bill, it is vital that some of the facts being raised by opponents be challenged.

Opponents of H.R. 1287 contend that the reimposition of UN sanctions would make the United States dependent on Soviet chrome. But maintaining Rhodesian imports—now a paltry 6.7 percent of total imports—will not lessen reliance on Soviet minerals. In fact, since the Byrd amendment allowed trade in certain minerals with Rhodesia, shipments from the Soviet Union have increased and now account for 57 percent of U.S. imports.

Ironically, keeping trade with Rhodesia could well find our country more dependent on Soviet chrome. True, Rhodesia holds some 67 percent of the world world's known chrome reserves, but the Ian Smith regime's days are numbered. Even South Africa feels that 2 years is the outside limit for minority rule in Salisbury and is cutting back its support. And black nationalist leaders have hinted, not too subtly, that for our support of white supremacy the United States may itself be cut off from Rhodesia's vast chrome deposits. That would be a high price for the small percentage of chrome we now get from Rhodesia. And that amount is likely to dwindle more even without the sanctions as Mozambique—Rhodesia's route to the sea—closes its borders, and even South Africa turns down transhipments. If we fail to repeal the Byrd amendment, we will have an effective embargo anyway, but with all the political complications of the Byrd amendment.

Mr. Chairman, as if the record of increasing dependence on Soviet chrome, the damage done to our international relations—especially in Africa—and the very real danger of being denied future access to 67 percent of the world's chromite reserves is not enough, the National Security Council and the Defense Department have specifically determined that Rhodesian chrome is not vital to U.S. national security. The Ford administration backs H.R. 1287 as an important foreign policy measure. On these grounds, I urge you to support it as well.

Mr. FRENZEL. Mr. Chairman, I intend to vote for H.R. 1287, which would halt the importation of Rhodesian chrome into this country. If passage of this bill were to seriously jeopardize our stockpiles of chromium ore, we might wish to set aside the moral consideration in order to meet our industrial and military needs. Fortunately current circumstances do not place us in the position of having to make this difficult choice. The best available evidence indicates to me that our current stockpiles of this ore are adequate to meet our present and future needs for several years to come. Should some unforeseen set of circumstances change this picture, we would have ample time to reconsider the embargo.

There are additional factors that have led me to support this bill. Given the recent trend of political developments in South Central Africa. The Ian Smith minority government in Rhodesia seems likely to not to last as long as our chrome stockpiles. The change of government in Mozambique has dramatically increased Rhodesia's border problems and further limited its access to the sea. Even South Africa, who would normally be expected to support the current government in Rhodesia, continues to withhold diplomatic recognition and has tried to pressure Rhodesia to negotiate a political settlement with the nonwhite majority which constitutes 95 percent of the country's population.

In addition to the moral issues, reimposition of the embargo best now seems to serve our immediate and long-term interests. A major share of the world's dwindling mineral reserves are located on the African continent and a significant proportion of our petroleum also comes from the area. It makes good sense to try and maintain friendly relations with these resource rich countries, as long as we are not denying ourselves needed materials, and as long as the moral issue is right.

Until recently, the third world block in the UN has generally not acted responsibly on several issues most notably the integrity of the State of Israel. But there is new evidence that this track record is beginning to improve. Secretary Kissinger's recent speech to the UN delivered by Ambassador Moynihan seems to have had a salutary impact on our relations with these countries. We have an opportunity here today to help maintain this momentum. We ought to do so.

I urge the passage of this bill.

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 1287. I share the convictions of many of my colleagues that we should comply with international sanctions to which we were an approving party and that our future political and economic relations with black African nations are at stake in this matter. However, an underlying question the Congress must ask itself is what kind of economic and strategic impact a cutoff of Rhodesian chrome would have on the United States. The evidence, in my opinion, does not justify anxiety.

The administration supports repeal of the Byrd amendment partly because the National Security Council and the Department of Defense have determined the Rhodesian chrome is not vital to U.S. national security. The U.S. strategic stockpile is more than adequate to meet security needs, and indeed excess stocks could provide us the equivalent of decades of Rhodesian imports. Furthermore, the Byrd amendment did not succeed in lessening our dependence on the Soviet Union for chromite as it was designed to do: both during and after sanctions slightly more than 50 percent of our imports have come from Russia. So the recent inflow of Rhodesian chrome has in fact replaced ore not from communist nations but from other "free world" countries, thereby increasing our dependence on fewer and less dependable sources.

The legislation has ben carefully tailored so as to assure that the domestic steel industry will not be harmed. In order to prevent the possibility of unfair competition from foreign steelmakers who might obtain Rhodesian chrome for their operations, the legislation establishes an enforcement procedure regarding specialty steel mill products imported from our major foreign competitors. Therefore renewal of sanctions will have no adverse domestic employment effects.

Besides, Rhodesian chrome prices have not been consistently less than, for example, Soviet prices. In 1973 and 1974 they were even greater. If Rhodesian chrome has no consistent price advantage, and since Rhodesian chrome only represents about 10 to 15 percent of U.S. consumption—13 percent for chromite; 6 percent for ferrochrome—I am forced to conclude that industry opposition to this bill is based only on short-run reluctance to change suppliers.

To conclude, I support this bill enthusiastically and can foresee no adverse effect on our economy or security if it is passed.

Mr. LEGGETT. Mr. Chairman, I want to join the many Members who have spoken in favor of H.R. 1287, which would amend the U.N. Participation Act of 1945 in order to halt further importation of Rhodesian chrome. This is a bill, long debated in Congress, which has broad bipartisan support and whose time has obviously come.

Our experience with the Byrd amendment, which suspended the embargo on Rhodesian chrome and other strategic materials, has demonstrated that it has not fulfilled any of the purposes of its sponsors, except perhaps to undermine our relations with African States. I believe the evidence indicates clearly that this exception to the Rhodesian embargo has been as unnecessary, even harmful, in economic and national security terms, as it has been damaging to United States relations with black Africa.

One of the major contentions of supporters was that the Byrd amendment was necessary to prevent the United States from becoming dependent on chrome imports from the Soviet Union. It is clear, however, that removing the embargo on Rhodesian chrome has not had that effect. In the 5-year period since the embargo was lifted, the Soviets have continued to supply 50 percent or more of U.S. chromite ore imports.

In 1972 and 1973 we imported five times as much from the Soviet Union as from Rhodesia. In 1974 the proportion was lower, but the absolute amount of Soviet imports actually increased over the 1973 level, from 200,000 to 250,000 tons. In 1975 the trend has been further away from reliance on Rhodesia, with Soviet ore imports rising to almost 63 percent of the total, and imports from Rhodesia falling below 8 percent.

Since ending the embargo the United States has relied to a much greater extent on Rhodesia for imports of ferrochrome, a processed alloy made from raw chrome. Here too, however, the trend is the same—first an increase in the Rhodesian proportion of the market and then a decline. Rhodesia's share of U.S. high-carbon ferrochrome imports reached a high of 45 percent in 1973 but has declined to 28 percent in 1974 and 18 percent in the first 5 months of 1975. Moreover, Rhodesia's share of all ferrochrome imports dropped below 7 percent, which was less than the proportion of Rhodesian chrome ore imports.

In sum, the lesson is clear. It is that suspending the embargo has not reduced our dependence on Soviet chrome—imports of chrome, and particularly ferrochrome, from Rhodesia have in large part substituted for third country, not Soviet, sources.

The argument that Rhodesian imports have helped keep down chrome prices, and prevent the Soviets from gouging us, is also unsubstantiated by the facts. It is obvious, for example, that the 930,000 tons of chrome that our Government released from the U.S. stockpile and sold in 1973 had much more of an effect on the price than the 43,000 tons imported from Rhodesia. And now we see, according to the International Relations Committee, that the average price of Rhodesian chrome ore has risen almost to $40 a ton in the first quarter of 1975, while Soviet ore cost less than $26 per ton in the same period. Here too the facts show that ending the embargo did not produce the result promised by the Byrd amendment's supporters. The inescapable conclusion, as Assistant Secretary of State Julius Katz stated in International Relations Committee hearings, is that Rhodesian chrome imports have had no real economic benefit to the United States, and the economic cost of reimposing the embargo would be quite small.

An important factor in the decline of our Rhodesian chrome imports has been, not only its cost, but also Rhodesia's difficulty in transporting its chrome. Portugal's grant of independence to neighboring Mozambique has added another country to the long list of those opposing the racist Ian Smith regime and supporting majority rule in Rhodesia.

This country will have a particular effect on Rhodesia's future, however, because heretofore most of Rhodesia's exports have been shipped through Mozambique. In this situation, continuing the attempt to trade with Rhodesia is likely to be an increasingly futile exercise. In short, the Smith regime is progressively less able to deliver, and even our short term economic interest lies in ending whatever reliance we place on it.

It is even clearer that we will be serving our long-term economic purposes, not to speak of fulfilling our political and moral values, by shunning the odious Smith colonial regime. It is apparent that the future of this regime is not bright, that Rhodesia will be ruled by its black indiginous majority in the not too distant future. If we wish to have access to Rhodesia's 67 percent of the world's chrome reserves in the longer term, we will need an amicable relationship with that majority and a favorable orientation on its part to our needs. An end to our current trade arrangement, which has provided Ian Smith and his minions with much of their hard currency, would obviously be conducive to the establishment of such a relationship.

This is one instance where the course dictated by our political interests and moral values will also fulfill our long-term economic and security interests. This bill will enable us to end a flagrant violation of our U.N. Charter obligations and return to a responsible foreign policy in our dealings with Rhodesia. It will also enable us to avoid the political hazards of relying further on Rhodesian chrome. The value of Rhodesian chrome is low, relative to the significance our violation of U.N. sanctions has had for the attitudes of such key Africa states as Nigeria, Ghana, and Zaire. By passing this bill we can remove one of the greatest obstacles standing in the way of an effective U.S. foreign policy in Africa.

In conclusion, I urge my colleagues to support a bill which so clearly serves all of America's interests.

Mr. PREYER. Mr. Chairman, I will vote against H.R. 1287 because I believe the facts require such a position.

We are not determining whether or not the majority population in Rhodesia will assume their proper role in the life of their nation. There have been positive developments in negotiations between the Smith government and the leaders of African independence movements. There is reason to hope that the people of Rhodesia will find a sane and peaceful solution to their internal struggle.

The main issue is one of economics. We need to provide sufficient supplies for vital industry in this country. We know that we are beginning to experience the first stages of a serious minerals deficiency. We must not be dependent upon Soviet sources only. The alternative sources of chromium—South Africa and Turkey—both represent real difficulties for us at this time. The influence of the embargo, its lifting and the threat of reimposition, on the import price of Soviet Union chromium has been well documented in this body.

Our country is totally dependent upon imports for chrome ore. There is no compelling humanitarian or foreign policy issue to mandate an affirmative vote. The bill should be defeated.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to H.R. 1287.

Over the past 20 years, the Russians have been accused of many things—but rarely of being bad businessmen. In 1972, Soviet grain merchants skinned American taxpayers for more than $161 million. Now their business partners—the chrome merchants—are at it again. After the Russian chrome monopoly was broken in 1971 by passage of the Byrd amendment, Soviet prices plummeted despite the highest demand levels in history. Russian chromite dealers tried everything to salvage their dominant position here including a 5-month embargo on shipments to American consumers. Nothing proved very successful until legislation was reintroduced which would prohibit imports from Russia's toughest competitor—Rhodesia.

Imagine the champagne toasts in the Kremlin when H.R. 1287 was announced. It should be subtitled the "Buy Russia" bill. Chrome is already their biggest dollar earner in exports to the United States. This bill will give the Soviets at least another $200 million in windfall profits. The "Russian Chrome Merchants Relief Act of 1975" will permit the Soviets to double their prices while cutting back on quality and quantity.

Mr. BURKE of Florida. Mr. Chairman, I rise in opposition to H.R. 1287, which is designed to force the United States to cease all importation of chrome from Rhodesia on the ground that we have to comply with sanctions against trade with that country as ordered by the United Nations Security Council. The plain fact of the matter is that this bill, if passed, will have an adverse impact on both the price and the availability of chromium, which means an adverse impact on our industrial and economic well-being.

It is my belief that anything which adversely affects our industrial or economic well-being must of necessity adversely affect our security as a nation.

Unfortunately, the United States is in a bad position with respect to chromium. Since no chromite ore has been mined in this country since 1961, we are completely dependent on imports and our dwindling national stockpile, which has declined by more than 60 percent since 1962 and is now at the lowest level in 25 years.

As with all steel-producing nations, we have a tremendous need for chromite, so we have to ask ourselves where we are going to buy it if not from Rhodesia. We should recall that during our prior observance of the sanctions, our principal supplier was the Soviet Union and that, to put it mildly, they took advantage of us.

Perhaps some have forgotten the deterioration in the quality of ore exported to this country by the Soviets. Also, perhaps they have forgotten how the price was raised from $35.78 per short ton in 1965 to $69.45 in 1972. True, the price fell back to $51.73 per ton in 1973 when sanctions were lifted, but in obvious anticipation of congressional action to restore the embargo, the prices for 1975 delivery of Russian metallurgical grade ore are being quoted at an unbelievable $160 per ton. I think it is fair to say that if this bill is passed and we become dependent on the Soviets for chromium ore again, we are in real danger of being thoroughly fleeced.

And I think we can safely assume dependence on the Soviet Union. The world has three major suppliers of chromium: Rhodesia, the Republic of South Africa, and the Soviet Union. It is hardly realistic to think that we will be able to buy from the South Africans if we cannot buy from the Rhodesians, because the opponents of Rhodesia's racial polices are even more opposed to those of South Africa. Obviously, the next logical step would be to cut off imports from South Africa, which would leave us at the tender mercy of the U.S.S.R. again—at a minimum of $160 per ton.

We cannot afford the loss of chrome, either, because the automobile industry uses stainless steel, of which chrome is a major ingredient, at the rate of 7,500 tons per month just to meet current air quality standards. But if sanctions are reimposed as this bill contemplates, our imports of ferrochrome would be reduced by nearly 50 percent. South African imports would be just about cut in half because South Africa uses Rhodesian ore in about half of its ferrochrome production.

We might be able to make part of this up from lesser suppliers, but it would have to be at a much higher and inflationary cost. Japanese high carbon ferrochrome, as an example, was selling as of July at $60 a ton above the Rhodesian price.

During the 92d Congress, I introduced legislation to prevent the imposition under the United Nations Participation Act of prohibitions on the importation into the United States of any strategic material from any free world country for as long as the importation of like material from any Communist country is not prohibited by law. Senator HARRY F. BYRD, Jr., succeeded in amending the military procurement bill with this provision, and we were once again allowed to import from Rhodesia.

Now we are faced again with the prospect of losing our supply of Rhodesian chrome ore because of what I regard as irresponsible action by this body. If we pass H.R. 1287, we will have to go, hat in hand, to the Soviet Union for our chrome ore. What this means is that we will be subsidizing the Soviet economy again, which I regard as a dangerous business.

There is a great deal of moralizing about Rhodesia's race policies, but the people who moralize the loudest about Rhodesia—and about South Africa, too, for that matter—are often strangely silent about the Soviet Union. It is not Rhodesia that persecutes Jews and other religious minorities. It is not Rhodesia that puts dissenters in mental institutions and gives them daily injections that literally destroy their minds. It is not Rhodesia that trains and equips terrorists and guerrillas in the so-called "third world" countries. And it was not Rhodesia that supplied the Vietnamese Communists with the arms to kill American boys.

We should remember that every time we provide another subsidy or crutch for the disastrous Soviet economy we make it that much easier for the U.S.S.R. to divert production to military hardware that finds its way into the hands of anti-American terrorists and others around the world. Do we want to be guilty of this again? I, for one, do not.

Besides, from a purely practical standpoint the boycott is a farce. It is an indisputable fact that during the period the boycott was in force, exports continued from Rhodesia to U.N. member countries that were supposed to be observing the boycott. There were 170 recommendations made that breaches of the sanctions be dealt with, but only four cases were prosecuted. It is also a fact that by early 1972, exports from Rhodesia had recovered to 97 percent of what they had been before the imposition of sanctions.

Another practical objection is raised by a new feature of this bill which requires that no steel mill product containing any form of chromium may be imported without a certificate of origin from the exporting country that satisfies the Secretary of the Treasury that the product contains no Rhodesian chromium. Thus, H.R. 1287 expands implementation of the U.N. sanctions to steel mill products from third countries—in effect, a secondary boycott. The Treasury Department's opinion is that this requirement would be difficult to enforce and that it would constitute an impediment to our normal trade relations with other countries. Does our economy, with its current unemployment and inflation problems, need this additional burden? I think not.

Mr. Chairman, no matter how noble the intentions of H.R. 1287's proponents may be, we must ask ourselves one root question: Who benefits? It is obvious to me that the only ones to benefit from the reimposition of sanctions against Rhodesian chrome ore will be the Communist bloc and the host of miniscule "third world" countries that, spurred on by the Soviets, are causing U.N. actions to be increasingly anti-United States.

If we pass this bill, we will go a long way toward hurting Rhodesia and, eventually, South Africa while at the same time giving a major boost to the economy of the Soviet Union. This strikes me as being indicative of a somewhat misplaced sense of priority. Many people find the racial policies of Rhodesia and South Africa abhorrent, although there is much evidence that the picture we usually get is grossly distorted. However, what of the racial and other policies of persecution within the Soviet Union, which are, if anything, probably far worse than most of us realize?

Mr. Chairman, let us maintain our perspective. No matter how you approach this legislation—whether it be from the moral or pragmatic standpoint—it is unwise because it is, in my considered opinion, going to lead inevitably to further economic problems for the United States while it gives the extremists of the "third world" and Communist blocs a psychological victory of the first magnitude.

Mr. MONTGOMERY. Mr. Chairman, I rise in strong opposition to this bill and make note of the fact that the House Armed Services Committee, on which I serve, reported H.R. 1287 adversely by a rather large margin. I feel it would be the height of folly for the Congress to once again vote to place a total embargo on the importation of chrome and chrome products from Rhodesia.

It is my understanding that Rhodesia has the most plentiful supply of high quality chrome of any nation in the world. Yet we are about to vote to cut this supply off. Some say that we can import chrome from Russia, but let us look at past history for a moment. The last time we placed an embargo on Rhodesian chrome, the Russians immediately doubled their price to American firms. We have no reason to believe they would not do this again. Can you imagine the impact this would have on an already inflated American economy if the price of chrome were suddenly doubled.

The main reason some appear to be supporting this bill is their alleged aversion to the internal policies of Rhodesia. I personally feel this is a matter we should allow the Rhodesian people to work out, as they are apparently trying to do at this very moment.

Mr. Chairman, it should be noted that there are other nations in Africa with internal policies that many would consider to be similar to those alleged in Rhodesia. Yet, we are continuing to trade with and give foreign aid to these nations without a moment's hesitation. This is a double standard of justice I do not think the U.S. Congress should practice.

There is no doubt in my mind that it is in the best interest of the United States to continue to have an unlimited supply of chrome from Rhodesia at a relatively stable price. For this reason I urge my colleagues to vote no on H.R. 1287.

Mr. FRASER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(a) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(a)) is amended by adding at the end thereof the following new sentence: "Section 10 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596; 50 U.S.C. 98–98h) shall not apply to prohibitions or regulations established under the authority of this section.".

Mr. FRASER (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, I would like to ask my friends and colleague from Minnesota whether there is any intention on his side to close off debate. Some of us have been waiting to speak on this bill, even though it has been a long afternoon.

Mr. FRASER. I have no intention of cutting off debate prematurely, but if it goes on late in the evening, I would not want to be committed.

Mr. ASHBROOK. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: Page 2, line 2, immediately after "section" and before the first period insert the following: "; except that this section shall not apply with respect to the importation into the United States of chromium of Southern Rhodesian origin so long as chromium is imported into the United States from the Union of Soviet Socialist Republics, unless the President determines that the government of the Union of Soviet Socialist Republics—

"(1) grants its citizens the right or opportunity to emigrate;

"(2) does not impose more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; and

"(3) does not impose more than a nominal tax, levy, fine, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice."

POINT OF ORDER

Mr. FRASER. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. FRASER. Mr. Chairman, this amendment as offered by the gentleman from Illinois, in my judgment, is not germane under rule XVI, clause 7. It is introducing a subject which is different from the one dealt with in the bill and would change the scope of the bill considerably.

The bill itself simply allows the President to promulgate prohibition and regulations under United Nations Participation Act to give effect to its decisions. This introduces wholly extraneous matter that has nothing to do with the United Nations Participation Act or acts of the United Nations Security Council or the subject of the bill.

The CHAIRMAN. Does the gentleman from Illinois wish to be heard on the point of order?

Mr. DERWINSKI. Yes, Mr. Chairman.

May I point out to the Chairman that section 2 of the bill was added in the subcommittee, and that in and of itself, section 2 addresses itself to subject matter considerably beyond the scope of the original bill.

It in effect introduces substantial technical requirements that go far beyond the issue of the United Nations Participation Act.

Mr. Chairman, there are numerous precedents in the House, whereby once an amendment has been accepted that substantially enlarges the scope of the bill, further amendments so doing are in order.

Section 2, obviously, has been ruled germane, has been judged germane. It substantially expands the scope of the measure before us, goes far beyond the mere amendments to the United Nations Participation Act and, therefore, Mr. Chairman, logically, I believe, my amendment would be in order.

Mr. ICHORD. Mr. Chairman, may I be heard in support of the position of the gentleman from Illinois (Mr. DERWINSKI)?

The CHAIRMAN. The gentleman may be heard.

Mr. ICHORD. Mr. Chairman, I would further point out in support of the argument of the gentleman from Illinois (Mr. DERWINSKI) that this is in effect an amendment to section 10 of the Stockpile Act.

The amendment offered by the gentleman from Illinois (Mr. DERWINSKI) only goes to that basis, so undoubtedly his amendment would be in order.

The CHAIRMAN. Does the gentleman from Minnesota (Mr. FRASER) wish to be heard further on the point of order?

Mr. FRASER. Yes, Mr. Chairman, I do.

The CHAIRMAN. The gentleman may be heard.

Mr. FRASER. Mr. Chairman, I just want to respond to the argument of the gentleman from Illinois.

Section 2 deals with the United Nations Participation Act and so does section 1. Neither are in any sense related to the subject matter which the gentleman has sought to introduce in his amendment. The gentleman is introducing a whole new subject which has no relevance or germaneness to the basic thrust of the bill.

The CHAIRMAN. The Chairman is prepared to rule on the point of order.

With regard to the argument made by the gentleman from Minnesota (Mr. FRASER) when he last stood, the Chair would also point out that while it was necessary to obtain from the Committee on Rules a rule waiving points of order on that particular committee amendment which would indicate that it might not be germane in the first instance, and in any event, the committee amendment has not been adopted and is not part of the bill.

The Chair would also point out that the amendment offered by the gentleman from Illinois (Mr. DERWINSKI) has this effect: The effectiveness of the bill itself, the working of the bill itself, is contingent upon certain things happening. And in the case of the amendment offered by the gentleman from Illinois (Mr. DERWINSKI), those contingencies in the amendment are wholly unrelated to the substance of the bill.

As authority, the Chair would point to Deschler's Procedure in the U.S. House of Representatives, chapter 28, section 24, on page 395, the section being entitled "Amendment Postponing Effectiveness of Legislation Pending Contingency."

In section 24.10, in the instance of an amendment "To a bill authorizing appropriations for the Arms Control and Disarmament Agency, an amendment delaying the effectiveness of the authorization until the Soviet Union 'ceases to supply military articles to our enemy in Vietnam,' was ruled out as not germane."

Also, in section 24.11, an amendment "To a bill authorizing funds for foreign assistance, an amendment making such aid to any nation in Latin America contingent upon the enactment of tax reform measures by that nation was ruled out as not germane."

In view of this, the Chair sustains the point of order.

Are there any other amendments at this point?

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened to this entire debate, and I will have to admit that there have been some rather interesting concepts propounded. In the first place, I would like to address myself to the so-called moral obligation that we have to follow an action of the United Nations.

In commercial law there is a theory that we often talk about, and that is about bad paper becoming good paper if it is transferred to a good-faith purchaser in due course. I think that is what we are talking about here, trying to make bad paper good paper and fabricating as a fact that because an action has been taken by the U.N. have to follow along dutifully, with blinders on our eyes, agreeing to whatever they might have done in any way.

Let us just change that around for a moment. If by some mistake the United Nations had ever decided to support us in Vietnam, we would have probably heard exactly the same people saying, "Oh, no, we certainly cannot implement that; we can not give credibility to that."

Mr. Chairman, I think this moral argument runs a little bit shallow. They use it when it is in their best interests, and they oppose it when it would not be in their best interests.

On the subject of how that 1966 U.N. policy was arrived at, when I heard the very interesting and eloquent statement by my colleague, the gentleman from New Mexico (Mr. RUNNELS), I could not help but think of a personal experience I had.

I was the first Member of this body to go to Rhodesia. I went to Rhodesia in 1965, one month after its independence. I will never forget this. I got a call from a gentleman from Michigan whom most of us have probably forgotten about. His name was G. Mennen Williams, and he was in the State Department; particularly, he was in charge of African Affairs. I thought it was my obligation as a Member of Congress to go over to the State Department and hear him out.

I went down to his office and we talked for an hour.

If our policy was in any way based on his understanding of what was going on in Africa—and I am not sure he had any understanding—but if it was, it was not any wonder that we ended up backing the wrong position in the sanction vote.

He asked me, "Who are you going with?

I named a few people, and I named Max Yergan. He said, "Oh, not Max Yergan. He is a white supremacist."

I said, 'Well, I never heard that. How can a Negro be a white supremacist?"

"Oh," he said, "is Mr. Yergan a Negro?"

I said, "Yes."

He said, "He opposed our policy in Katanga."

I said, "The position has changed. You forget that some of the issues have changed. You now oppose our former policy in Katanga."

He said, "Yes, I think that is right. I guess we have changed."

The 1966 action was wrong and now this is translated into a solemn, moral obligation of this country by those who want to repeal the Byrd amendment.

Mr. Chairman, in responding to the arguments of some of the Members of this body, I will say that I listened to my friend and colleague, the gentleman from Michigan (Mr. DIGGS) and my friend and colleague, the gentleman from California (Mr. DELLUMS), and they both talked about the view from the mountaintop. I cannot help but wonder who put them on the mountaintop. How did they get there? Were they voted there? Are they self-ordained?

My friend, the gentleman from California, kept referring to the "correct position." The inference was left on a number of occasions that politicians would vote one way and leaders would vote another way. I think that is specious. I think just the opposite: politicians normally are going to be voting for this repeal because it is going to be translated into a civil rights issue.

Let us not use this excuse that leaders vote one way and politicians vote another way. That has been injected throughout this entire debate. It has been placed in the debate, I think, improperly.

There are men of different opinions, politicians and leaders, on both sides, but let us not leave the implication that politicians will vote against this bill and for the Byrd amendment and leaders will vote for it and against the Byrd amendment.

My friend, the gentleman from Michigan, went on to say that Rhodesia was not independent—and I wrote down what he said—it just decided to become independent on its own.

Mr. Chairman, that is the way most people become independent. They just decide to do it on their own. I never understood the argument that there needs to be some certification committee that says, "You are free and independent."

Rhodesia is free; Rhodesia is independent. They have survived 10 years, and that would pass the test in almost anybody's criteria, and yet we hear it said, "Oh, they are not free and independent."

Why? They say, "Because Great Britain does not agree."

The only difference, as my friend, the gentleman from Pennsylvania (Mr. DENT) pointed out, is that we have been independent just 190 years more than Rhodesia. But to say they are not independent, to my way of thinking, it inaccurate.

Then I would have to say that my good friend, the gentleman from Pennsylvania (Mr. BIESTER) spoke very forcefully, and I listened to this strategy of how we have got to do this and what this country is going to do and that country is going to do and how this is going to work, and that reminded me a little bit about the lawyer in a losing case who bragged that he held the verdict to the amount asked for in the petition.

I think that is the sort of victory we are going to get in this particular case. If the Byrd amendment is taken off the books, we will be worse off, not better.

Mr. Chairman, I strongly oppose H.R. 1287, which would repeal the Byrd amendment and reimpose the United Nations-sponsored embargo on chrome and ferrochrome from Rhodesia. Passage of this legislation would cost thousands of American steelworkers' jobs.

Metallurgical grade chromite is essential for our specialty steel industry. It is the only grade economically suitable for steelmaking applications. Specialty steels such as stainless steel require chrome ore for their production. In fact, chrome accounts for about 20 percent of the raw materials cost of stainless steel.

Chrome deposits in the United States are extremely negligible. As the Committee on Armed Services writes in its rereport:

> The United States has no indigenous chromite ores of economic significance . . . Since 1961 there has been no domestic mining of chromite.

Consequently our Nation must depend on foreign sources for this vital material.

Approximately two-thirds of the world's known reserves of metallurgical chrome are found in Rhodesia. H.R. 1287 would cut off this supply of chrome, leaving the Soviet Union as virtually the only supplier of metallurgical chrome to the United States.

Reliance on chrome from the Soviet Union would mean a large increase in price. The Soviets would use their captive market to increase prices and cut back on quality and quantity.

This is not empty theorizing. Let us take a look at the record. During the 1967 to 1971 embargo against Rhodesia, the price of Soviet chrome ore doubled. After the Russian chrome monopoly was broken in 1971 by passage of the Byrd amendment, Soviet prices fell sharply despite the highest demand levels in history.

This January, in anticipation of a renewed embargo, Soviet chrome merchants announced delivery cutbacks of 35 percent and price increases of 100 percent. No wonder this bill has been called the Russian Chrome Merchants Relief Act of 1975.

In summary, H.R. 1287 would grant the Soviets a monopoly in the U.S. market and allow them to gouge American chrome users. This would have a devastating impact on our specialty steel industry. Other countries that openly or covertly buy cheaper Rhodesian chrome would be able to produce steel products at a lower cost than in the United States.

It has been asserted that our purchase of Rhodesian chrome is unique in that other countries have scrupulously abided by the U.N. sanctions resolution. This is a myth. Our competitors in the world steel market only give lip service to compliance.

Japan is a case in point. It was recently shown that Japan secretly imported over 25 percent of its chrome requirements from Rhodesia over a 5-year span. Other industrialized countries also carry on trade with Rhodesia. As the report by the Committee on Armed Services observes:

> Cars and trucks and goods of every description from the western nations and Japan can be found in the stores and markets of Rhodesia. The dreary history of the failures of economic boycott seems to be repeating itself.

If our foreign competitors have access to low cost, high quality chrome, while Americans are forced to pay premium prices to Soviet suppliers, the U.S. steel industry simply will not be able to compete against imported stainless steel. Our domestic specialty steel industry would be seriously injured and thousands of jobs for American workers would be lost.

It would be ridiculous for Congress to adopt sanctions against Rhodesia when it would mean the loss of thousands of American steelworkers' jobs. We are sanctioning ourselves, not the Rhodesians. For the sake of American jobs, I urge the defeat of H.R. 1287.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

> Committee amendment: On the second page, after line 2, insert the following:
>
> SEC. 2. Section 5 of the United Nations Participation Act of 1945 (22 U.S.C. 287c) is amended by adding at the end thereof the following new subsection:
>
> "(c) (1) During the period in which measures are applied against Southern Rhodesia under subsection (a) pursuant to Security Council Resolutions numbered 232 (adopted December 16, 1966) and numbered 253 (adopted May 29, 1968), a shipment of any steel mill product (as such product may be defined by the Secretary) containing chromium in any form may not be released from customs custody for entry into the United States if—
>
> "(A) a certificate of origin with respect to such shipment has not been filed with the Secretary; or
>
> "(B) in the case of a shipment with respect to which a certificate of origin has been filed with the Secretary, the Secretary determines that the information contained in such certificate does not adequately establish that the steel mill product in such shipment does not contain chromium in any form which is of Southern Rhodesian origin; unless such release is authorized by the Secretary under paragraph (3) (B) or (C).
>
> "(2) The Secretary shall prescribe regulations for carrying out this subsection.
>
> "(3) (A) In carrying out this subsection, the Secretary may issue subpenas requiring the attendance and testimony of witnesses and the production of evidence. Any such subpena may, upon application by the Secretary, be enforced in a civil action in an appropriate United States district court.
>
> "(B) The Secretary may exempt from the certification requirements of this subsection any shipment of a steel mill product containing chromium in any form which is in transit to the United States on the date of enactment of this subsection.
>
> "(C) Under such circumstances as he

deems appropriate, the Secretary may release from customs custody for entry into the United States, under such bond as he may require, any shipment of a steel mill product containing chromium in any form.

"(4) As used in this subsection—

"(A) the term 'certificate of origin' means such certificate as the Secretary may require, with respect to a shipment of any steel mill product containing chromium in any form, issued by the government (or by a designee of such government if the Secretary is satisfied that such designee is the highest available certifying authority) of the country in which such steel mill product was produced certifying that the steel mill product in such shipment contains no chromium in any form which is of Southern Rhodesian origin; and

"(B) the term 'Secretary' means the Secretary of the Treasury.".

Mr. FRASER (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read, printed in the RECORD, and open to amendment at any point, since it is printed in the bill that is on the floor.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DU PONT. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I would like to take just a minute to comment on the committee amendment because I addressed it earlier in the general debate, but some of the Members may not have been present.

We are going to have to vote in just a few minutes on the committee amendment, which is, in fact, section 2 of the bill. Section 1 of the bill is the straight repealer of the Byrd amendment as we voted on it in prior years, but the committee adopted, by a vote of 13 to 10, section 2, which is the section that requires steel products manufactured in other countries and coming into the United States to be accompanied by a certificate of origin.

I stressed in my earlier remarks on this subject that I thought this was a very dangerous precedent in that we were saying to other countries of the world that we did not trust them, that we did not trust them to enforce the embargo on their own. We were going to make them sign a piece of paper saying they had supported the United Nations sanction.

I think that is bad foreign policy for the United States. I do not believe that we ought to be engaged in snooping on other countries of the world in order to see if they are living up to their international agreements. After all, it has been years since the United States has lived up to its international agreement in regard to the Byrd amendment.

Second, I pointed out that section 2, the committee amendment, is aboslutely unenforceable. There is no test that one can apply to a piece of steel to tell where the chrome ore was mined that was used in making that piece of steel. Therefore, we have no way to follow up on it. It is not as if we were dealing with some other kind of product where there was a test by which we could easily tell where the product originated.

Therefore, Mr. Chairman, we are going to take an absolutely unenforceable standard and apply it to the other nations of the world. I think that is a mistake.

I would hope that we have learned from our recent excursions into the morass of moralistic foreign policy that we found ourselves in with respect to the Vanik amendment and the Turkey arms amendment, that we cannot legislate morality in the international sphere.

The fact is that we are going to get ourselves into trouble with this amendment because, once again, we are trying to be the policeman of the world.

I do not believe, even though I supported repeal of the Byrd amendment in the past, that I can support it again unless section 2 is stricken. When we get to the appropriate point in the proceedings, I will ask for a recorded vote to see whether section 2 is stricken; and Mr. Chairman, I hope that my colleagues will join me in seeing that that happens.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise somewhat reluctantly in opposition to this legislation.

I recognize, as has already been said, that in some ways this is being interpreted as a black issue.

I think that my record in this Congress over the years on civil rights issues is a strong one, however, and needs no special defense here.

Recently I returned from a trip to Somalia and I recommended, in spite of the fact that I did not receive universal support in the Committee on Armed Services, that we supply humanitarian aid to Somalia, in spite of the Soviet missile base that we found located in the city of Berbera. But I believe that the question that is before us today in this legislation is another one, and deserves to be clearly understood.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I think the gentleman from New York is absolutely correct in pointing out that this is not a black and white issue.

I would say to the gentleman from New York that in South Africa recently over Easter the gentleman from New Mexico and the gentleman from Pennsylvania (Mr. DENT) and I had conversations with the mayor of Soweto and his deputy mayor. I might add that Soweto is a township outside of Johannesburg.

Both the mayor and the deputy mayor, although being black, asked us not to vote for sanctions against Rhodesia or South Africa on the ground that it would hurt the black man himself.

Mr. STRATTON. I thank the gentleman from Missouri for that very good point.

Mr. Chairman, I think we have had too many instances in recent weeks where we have cast our votes not on what was right for our country or on what was good for America, but on ethnic considerations. I think here we must consider what is the best course for America.

Chrome is a vital metal. It is a vital metal to national defense. I am sure that argument has been made earlier today; and it is also a vital metal for industrial America and for our industrial production. That is the reason we have a strategic stockpile of chrome. That is the reason why the Committee on Armed Services over the years persistently resisted the efforts of the Nixon administration to try to get rid of that stockpile so they could raise a little cash. We recognized we had a vital national interest involved in chrome and under the leadership of the distinguished gentleman from Florida (Mr. BENNETT) we held the line. And as a result we still have a few thousand tons left in the stockpile today. But even so we have less than a 3-year supply left.

Chrome is extremely vital to our civilian economy too. I think we ought not to forget that.

I heard a lot of talk here a moment ago about how Mr. I. W. Abel of the United Steelworkers had sent a telegram to somebody or other saying that the AFL-CIO are for this bill and that the steelworkers are also for this bill.

Well, that is what they told us last fall, too. I remember seeing a telegram from the steelworkers to that effect. They said they were for this bill and they wanted the embargo imposed.

I happen to have the Allegheny Ludlum Steel Corp., in my district and the business agent of the local steelworkers union there is a fellow by the name of Jim Sloan. He has always been a very close friend of mine. He was in Pittsburgh at the time I got that telegram. This was one of the conferences that the gentleman from Minnesota (Mr. FRASER) tells us the steelworkers have had from time to time where they have reaffirmed their position in support of this embargo.

I asked Jim Sloan where the local at Allegheny Ludlum stood on this issue. He said, "Let me call you back in a minute. I will ask them."

He went around the conference area and came back and said, "We want the best chrome that is available and we want the best source available. We do not care where it is from." He said, "That is the position of the steelworkers at this conference, not just our local."

So I think we ought to look at some of these telegrams that come from headquarters with a little grain of salt. Instead, let us turn to the people that actually make the steel.

And let me add that my record in support of the AFL-CIO I think will stand up with that of anybody else in this Chamber.

Also we have in my district a General Electric plant that manufactures turbines. This is not a defense plant. It is one of the major energy manufacturing sources of America and those turbines could never be produced without chrome. In fact, the people at General Electric in Schenectady get their chrome from the Allegheny Ludlum plant over in Watervliet.

So if we are going to cut down the supply and the quality of chrome for stainless steel, we are going to create more unemployment, and we are going to take away more jobs by passing this bill.

I have heard a lot of statistics cited

here today. But I happen to have some statistics, too, and these do not come from the steel companies or the Chrome Institute either, I might say.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 4 additional minutes.)

Mr. STRATTON. These statistics do not come from the Steel Institute or big business, or anything like that. They come from the critical materials commodity action analysis of the U.S. Department of the Interior. We have been engaged for the last few weeks in the debate over oil and the price of oil, and we finally got a bill out of this body to hold down the price of oil because we were afraid that if the controls over oil prices were taken off, we would be confronted with additional costs of $30 or $40 or $50 billion.

Well, here is an analysis from the Department of Interior that says that "the real cost on the economy of an indefinite embargo was estimated to be almost $11 billion, with the first 2 years alone costing over $1.2 billion."

Is this the time for us to slap on an extra $11 billion burden on the very slowly recovering economy that we hope is underway? I do not think we want to do that at all, and I think we ought to start thinking about jobs and the welfare of America, and not try to base our vote on other considerations.

I have also noticed these very attractive charts over here, but again my figures do not jibe with those charts at all. We are told in these charts, for example, that in high-grade ferrochrome, high carbon content, we imported 29,000 tons from Rhodesia in 1974. I wonder if the gentleman from Minnesota knows what we imported in 1975? I have it here, and again this statistic does not come from the steel manufacturers. It comes from the mineral industry surveys of the U.S. Bureau of Mines in the Department of the Interior:

We imported from Rhodesia 38,500 tons in 1975. But that is not all that we got from Rhodesia, because we got 47,953 tons from South Africa, and a good deal of that comes originally from Rhodesia. We also got 52,787 tons from Japan. They do not have any chrome in Japan. This is Rhodesian chrome that went to Japan and then came back here to us. That is the point that the gentleman from Delaware was making a moment ago. Once it comes in here as ferrochrome ore, we have no way of knowing for sure where it originated.

Brazil—we imported 7,936 tons from Brazil. They do not have any chrome down there either. This is Rhodesian chrome again.

So if we are going to cut off Rhodesia with this bill we are not going to lose just 38,000 tons; we are going to lose 148,968 tons. That is the real problem we are confronted with on this bill, and I think we would be extremely foolish at the present time to interfere not only with our national defense but to create the possibility of increased unemployment by cutting off a vital mineral that is absolutely essential to continued production of high-grade steel by American industrial workers.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

I am glad the gentleman made the record straight on an inaccuracy, because Members on the other side of the issue have talked about chrome from Rhodesia. There is a difference between chrome from Rhodesia and Rhodesian chrome which might come from somewhere else. I am glad the gentleman set the record straight.

Mr. STRATTON. I thank the gentleman for his kind words.

AMENDMENT OFFERED BY MR. DENT TO THE COMMITTEE AMENDMENT

Mr. DENT. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

> Amendment offered by Mr. DENT to the committee amendment: Page 2, line 20, after "steel mill product" add "or any product containing chromium in any form." And on page 3, line 13, strike out all of subsection (c), or paragraph 3, lines 13, 14, 15, 16, 17.

Mr. DENT. Mr. Chairman, I am sure no one wants to perpetrate a fraud on the people of this country and especially on the Members of Congress. The gentleman from Minnesota said he and I did discuss an amendment which would bar from the United States steel from any country which contained Rhodesian chrome. But when he talks about steel mill product and then says it does not mean any finished product, all he is doing is saying to us that now of course it does not mean anything because such a small amount of steel mill product comes into the United States in anything but a finished form. The bulk of the stainless steel coming in is in finished form. The automobiles coming in are in finished form. The watches and clocks and every item we can shake a stick at, and electronics are in finished form.

But why perpetrate a fraud? Why not just drop it or at least amend it to say any product containing Rhodesian chrome. It is easy, the gentleman says, to detect whether or not the chrome comes from Rhodesia. All the products we get from Japan contain Rhodesian chrome because they imported 200,000 tons last year. Twenty-one countries export ferrochrome itself to the United States and make their products from ferrochrome or from the chromite they buy and turn into ferrochrome for the U.S. market.

The second part of the amendment states simply that the particular subsection (C) is stricken and it says that—

> "(C) Under such circumstances as he deems appropriate, the Secretary may release from customs custody for entry into the United States, under such bond as he may require, any shipment of a steel mill product containing chromium in any form.

But we know what the Secretary of the Treasury will do. We have handed the Secretary of the Treasury 686 complaints, verified by facts and figures, of dumping in the United States. In all that time they have found only four cases of dumping and one recently which they are going to throw out before the month is over. Do we think they are not going to allow clocks and watches to come in? Do we think they will not allow electronics to come into the United States?

By the way, if we do this honestly there will not be any watches in the United States because the only watches we get are from Russia and Japan and Switzerland, and Switzerland has never abided by the sanctions. They put the economic welfare of their people ahead of a theoretical and moralistic issue. They never followed through with it. We have kicked Taiwan out of the U.N. Red China came in, and we made Taiwan into a prostrate form, and Red China is in the U.N. They do not abide by the sanction.

If it is, as the gentleman has said, a positive requirement that the United States must obey the dictates of the Security Council, then Red China assumed those responsibilities when it came in.

This is something we ought to know. Sixty percent of all the Rhodesian production of chrome goes to China. They cannot use 60 percent of that productivity if they took 100 years to use only 1 year's production. So what is it? It is a funnel into the other markets. Twenty-one of the nations that signed this, including France and Luxenbourg and Spain and Italy and the Netherlands, are all brokers for Rhodesian chrome into the United States.

I say if we are going to put this thing through at least we should clear it up. We should not be party to a fraud, particularly such an abject fraud which absolutely cannot stand the light of honesty to shine on it. How can we say steel mill products and not other products? The products that bring the Rhodesian chrome into the United States are the finished products that appear on the shelves of our marketplace. Take golf clubs. I doubt if there is a set of golf clubs in the United States that does not contain Rhodesian chrome and in all honesty we will have some trouble in trying to find the source or point of origin. It is very simple to buy 5 tons of chromite in Turkey or the Philippines or Russia and buy all the rest one needs from Southern Rhodesia. How, as the gentleman has said, are we going to enforce it? But we will find a way because we did find a way.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. DENT was allowed to proceed for 1 additional minute.)

Mr. DENT. Mr. Chairman, as we know, for a long time Red China was embargoed by the United States. Any time someone comes out of Hong Kong, out of Taiwan or anywhere, if he had a product, he had to have a country of origin before he was allowed to bring it bring it into the United States. If we are going to do it, please vote for this amendment, because unless we do, it is a fraud and if we are going to pass the bill, which I pray we do not, at least let us make it what we say it is going to do and it will not do it unless we pass this amendment.

Mr. HINSHAW. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment

Mr. Chairman, I should make clear that I am in opposition to the resolution before us, but if we are to pass that resolution it seems incumbent upon us that we pass this amendment to the committee amendment, because the imposition of an embargo upon Rhodesian chrome is a paragon of a highly inconsistent foreign policy which the United States persistently engages in in its dealings with some foreign countries. The United States, in attempting to force the Rhodesian Government to guarantee to all its citizens the most basic human and civil rights, which were talked about by one of our colleagues, when we as contemplated signed the United Nations resolution declaring sanctions against that country, did not realize what it was doing. In the years since that declaration we have not seen the Rhodesian Government yield to this economic pressure. If we reimpose the embargo, we are in the incongruous position of acquiring a heavy dependency upon the Soviet Union for a strategically important commodity. Maybe this is an attempt to bolster the economy of Russia. I do not know whether it is or not; but it seems to me, in talking with my colleague, the gentleman from Pennsylvania (Mr. DENT), the gentleman pointed out that we used to be heavily dependent upon Russia for some of our chrome. When we objected to the Russian invasion of Czechoslovakia, we had an embargo of Russian chrome; so, maybe, in the sense that we are now engaged in a détente with Russia, we are trying to bolster Russia's economy. But we certainly know that the Soviets do not guarantee to all their citizens the civil rights that the gentleman from Michigan (Mr. DIGGS) referred to and they do not guarantee the same rights to their citizens that we insist that the Rhodesian Government guarantee to their citizens by the intent of this resolution.

If we were to pass this resolution, we would be in a uniquely vulnerable position vis-a-vis Russia. Past experience shows us that the prices for this material will jump soon, if we can believe the quotation from the U.S.S.R. regarding the 1975 prices at $160 per ton. We do know that during the previous embargo, the price of Soviet ore doubled.

Now, if we wish to punish the Rhodesian Government, in order to reform its internal policies, ought we not take a more firm position with regard to our economic relations with the Soviet Union as well? An attempt to do so last year through the Jackson-Vanik amendment to the Trade Reform Act brought disastrous results and should certainly make every U.S. policymaker questions the desirability and the advisability of interfering in the internal policies of other nations. If we judge one nation by that standard, ought we not judge all nations and all of our partners by the same measure?

We have severely criticized the Arab exporting nations for the oil embargo of 1973 and 1974 which they established against us for political reasons, which may be more logical than those we have heard today. Today we seek to establish an embargo which not only forces us to rely on other sources for chrome, which sources are guilty of the same violations we seek to punish Rhodesia for, but which also goes further in attempting to force other nations to likewise reestablish an embargo of Rhodesian chrome.

In requiring certification of origin from nations which stand to lose economically from honest reporting, we merely encourage them to continue certification falsification which has already proved impractical and thereby allow such nations to provide iron ore to the United States at a price lower than our own producers can manufacture. There would be no way of montioring the source of our chrome, as my colleague from Pennsylvania (Mr. DENT) pointed out, the U.S. imports, apart from further investigations into the internal affairs of the exporting nations.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, the gentleman may not know of it, but one of the most important things that has been overlooked is that when we were most dependent in our lives on chrome from Russia, as the gentleman pointed out, during the Czechoslovakian situation or incident, they shut off our chrome.

What about the "Seven-Day War"? In the Seven-Day war, Russia shut off all shipments of chrome to the United States. Someone tell me who in this room is going to guarantee that they will not do it again.

Mr. EDGAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have heard for the last 20 minutes a number of speakers who have stood up and first spoke against the committee amendment, section 2, of the bill, and then offered an amendment that, if passed, would essentially kill H.R. 1287, which I think is one of the most significant resolutions which we have had before us in this House of Representatives.

I intend to support strongly the bill. I also intend to support section 2 of the bill, which deals with the certificate of origin provisions. This section is necessary. It is symbolic; it is the symbolic statement of our intent to be full partners with the world in the embargo, not a policy whose intent is only to go through the motions.

Mr. Chairman, I think that the moral implications of this bill ought to be highlighted at this point. Many speakers on both sides have raised the economic questions of this issue, and whether the bill is going to have a national security impact on the United States.

But, I think there is a deeper issue, the very much more important issue, the issue of whether we as a member of a world community are going to participate in that world community as a coequal member, or whether we are going to adopt meaningful words in the United Nations and let that simply stand as a verbal announcement. The United States has turned its back on the other nations of the world and the United Nations.

I strongly affirm this bill and affirm section 2, because I think it is our opportunity to stand up and be counted; to recognize the interdependency of the nations of the world and how important it is for us to work with those nations for our future.

The future holds for us many open-ended questions. Our energy resources are not national issues, but are issues which relate to all the peoples of the world. The world economic situation has a great impact on who we are as a nation, but a greater impact is whether we can be counted on as a nation to stand firm on the moral issues which face us. I think that H.R. 1287 speaks to that. I would like to remind my colleagues that we had some of the same language in the bills against Cuba and and against China. The gentleman from Pennsylvania (Mr. DENT) does a very unusual thing with his amendment.

He not only amends the bill to include "or any products containing chromium in any form," but when he goes on to say that one of the reasons we ought to kill the bill is because that very language which he is offering as an amendment is placed in the bill.

I urge all of the Members to look carefully at the amendment and reject it. I urge the Members to support the bill strongly.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Massachusetts (Mr. TSONGAS).

Mr. TSONGAS. I thank the gentleman for yielding.

Mr. Chairman, I want to inquire as to a previous statement about the mayor and the deputy mayor of Soweta, a black district outside of Johannesburg.

I wonder if the gentleman who made that remark would inform this body as to how the mayor and the deputy mayor are chosen in the district.

Mr. ICHORD. I am sorry, I did not hear the gentleman's statement.

Mr. TSONGAS. I wonder if the gentleman can help us about how the mayor and deputy mayor of the black district outside of Johannesburg are chosen.

Mr. ICHORD. If the gentleman will yield, I believe they are chosen by vote of the people in the township of Soweta. But I did not inquire of the two individuals, the mayor and the deputy mayor.

I would point out to the gentleman that the mayor of Soweta and the deputy mayor of Soweta met with the delegation, with the hope of getting a better deal for the black man in South Africa, better working conditions, better pay, et cetera. And I asked them if they thought that black men were in a better position in Rhodesia than they were in South Africa, and they replied in the affirmative.

Then I asked both of them how they thought about sanctions either against South Africa or Rhodesia, and they replied they were opposed to sanctions because it would hurt the black man more than it would hurt the white man. In other words, it would reduce jobs for the black man.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. EDGAR) has expired.

(By unanimous consent, Mr. EDGAR was allowed to proceed for 2 additional minutes.)

Mr. TSONGAS. Mr. Chairman, would the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. I thank the gentleman for yielding. I believe the mayor and the deputy mayor are appointed by the government in Victoria, and the record would show that.

Mr. Chairman, the second point I would like to make is to remind the body that in 1963 the Organization of African Unity met in South Africa, and the theme of that meeting, some 12 years ago, was "Africa for the Africans."

Since that time, the world has recognized that Africa is for the Africans. The administration has recognized that and Secretary of State Kissinger has recognized that. I think it is about time that the U.S. Congress recognize that as well.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield for a question?

Mr. EDGAR. I will yield to the gentleman just briefly for a question.

Mr. HINSHAW. I thank the gentleman for yielding.

Mr. Chairman, formerly our colleague the gentleman from Michigan (Mr. DIGGS) stated that within a year, it was his opinion, the Government of Rhodesia would be changing from the white minority to the black majority. And so I would like to inquire if this is in fact true: Would it not be in the best interests of the black majority in Rhodesia to sell their chrome and, therefore, keep the economy a viable economy so that when they take over the government they would be in a better economic position?

Mr. EDGAR. It is my opinion, with respect to that question we and the other nations of the world can lift the embargo at such time as the nation of Rhodesia lives up to its commitments.

Mr. Chairman, let me conclude by just stating that this bill would restore our lost respect in the world community which has been understandably diminished as a result of bad policies.

I urge my colleagues to support this bill and, in doing so, to raise the voices of the world community against subverting the embargo against Rhodesia. I ask support of the bill and the defeat of the amendment.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Pennsylvania (Mr. DENT).

Mr. Chairman, our colleague, the gentleman from Pennsylvania (Mr. DENT), in his zeal would like to enlarge section 2 which, as it stands, would cover bulk steel products shipments into the United States and require a certificate of origin. He would like to include everything, which would make chrome, of course, unenforceable.

The gentleman also in his same amendment wants to take out the provision that would provide administrative flexibility, which would allow a shipment of bulk steel to be released to the person who had bought it with the posting of a bond, as provided for in section (C) on page 3.

I the amendment offered by the gentleman from Pennsylvania (Mr. DENT) is agreed to, it will destroy the administrative flexibility, and I guess he would like that. I do not want to impugn wrong motives to him. I know that the motives of the gentleman from Pennsylvania (Mr. DENT) are as pure as the driven snow. However, I believe that it is true that he does not want the bill to pass, and I think he wants to make section 2 unenforceable and unworkable.

So, Mr. Chairman, I hope that the gentleman's amendment is voted down.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, I would agree with the gentleman in his statement that the amendment reduces administrative flexibility, but the gentleman from Minnesota said that it makes the rest of the bill unenforceable.

How can one enforce an embargo with a certificate of origin on a bulk steel product any better than one can do it on a manufactured steel product?

Mr. FRASER. Mr. Chairman, I am sure the gentleman heard me relate the experience of the European Community with certificates of origin. They say their companies try to avoid the position of signing false certificates, because they have their business reputations and their reputations with their customers to protect.

They say they have used this and find it effective. We have also used it, as the gentleman knows, in applying our restraints on trade with Cuba and China.

In addition, let me point out that this bill was drafted with the technical assistance of the members and staff of the Department of the Treasury, and they used their technical knowledge and they helped draft it. That is why I would be reluctant to see the amendment offered by the gentleman from Pennsylvania (Mr. DENT) adopted.

Mr. DU PONT. Mr. Chairman, if the gentleman will yield further, he is not answering the question.

The question is: Given a certificate of origin, why is the certificate of origin any better against a big sheet of rolled steel than it is against an automobile with Rhodesian chrome in the bumper?

Mr. FRASER. Mr. Chairman, the answer to the question is that once this gets to the consumer level, there are thousands and thousands of products, and the amount of paperwork that would be involved would be enormous.

However, in the case of bulk steel shipments we are dealing with a relatively small number of countries that have significant shipments. In that case we are dealing with large shipments, not a lot of small shipments, and it would be easier to get it enforced.

I know the gentleman is skeptical about this, but it is already in the statute with respect to Cuba and China.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, on that line of thought also, the gentleman said, according to my best recollection, that the section as it is is what the Treasury let us believe they could enforce.

Mr. FRASER. The gentleman is correct.

Mr. BUCHANAN. And they had reservations about their capability to enforce a section that would go as far as does the amendment offered by the gentleman from Pennsylvania (Mr. DENT).

Mr. FRASER. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I hope that the committee will find it possible to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. DENT) to the committee amendment.

The question was taken; and on a division (demanded by Mr. FRASER) there were—ayes 42, noes 31.

RECORDED VOTE

Mr. BUCHANAN. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 237, not voting 36, as follows:

[Roll No. 548]

AYES—160

Abdnor
Archer
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bevill
Bowen
Breaux
Brinkley
Brown, Mich.
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
de la Garza
Delaney
Dent
Derwinski
Devine
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
English
Evans, Ind.
Evins, Tenn.
Flood
Florio
Flowers
Flynt
Fountain
Frey
Fuqua
Gaydos
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hanley
Hansen
Harsha
Heinz
Henderson
Hightower
Hillis
Hinshaw
Holland
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCollister
McDonald
Mahon
Milford
Miller, Ohio
Mills
Mollohan
Montgomery
Moorhead, Calif.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pettis
Poage
Quillen
Randall
Regula
Roberts
Robinson
Rogers
Rooney
Roush
Runnels
Russo
Santini
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Staggers
Steed
Steelman
Stephens
Stratton
Stuckey
Sullivan
Symms
Taylor, Mo.
Teague
Thone
Thornton
Treen
Vigorito
Waggonner
Wampler
Whitehurst
Wiggins
Winn
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zeferetti

NOES—237

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Armstrong
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Bennett

Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brown, Calif.
Broyhill
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
D'Amours
Danielson
Davis
Dellums
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Colo.
Fascell
Findley
Fish
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Frenzel
Giaimo
Gilman
Gradison
Green
Gude
Hall
Hamilton
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hechler, W. Va.
Hefner
Helstoski
Hicks
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jordan
Kasten
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Levitas
Long, La.
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Michel
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Reuss
Rhodes
Richmond
Rinaldo
Roe
Roncalio
Rosenthal
Rostenkowski
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Smith, Iowa
Solarz
Spellman
Stanton, J. William
Stanton, James V.
Stark
Steiger, Ariz.
Steiger, Wis.
Stokes
Studds
Symington
Taylor, N.C.
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Walsh
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wylie
Yates
Young, Ga.
Zablocki

NOT VOTING—36

Alexander
Annunzio
Barrett
Brooks
Broomfield
Brown, Ohio
Burton, Phillip
Clausen, Don H.
Conlan
Conyers
Dickinson
Edwards, Ala.
Erlenborn
Eshleman
Fary
Fenwick
Forsythe
Gibbons
Hays, Ohio
Hébert
Heckler, Mass.
Litton
Macdonald
Mathis
Metcalfe
Mezvinsky
Moss
Riegle
Risenhoover
Rodino
Rose
Rousselot
Sisk
Talcott
Udall
Wilson, Bob

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Riegle against.

Mr. Risenhoover for, with Mr. Metcalfe against.

Mr. Sisk for, with Mr. Phillip Burton against.

Mr. Rose for, with Mr. Rodino against.

Mr. Fary for, with Mr. Barrett against.

Mr. Hébert for, with Mr. Conyers against.

Mr. Mathis for, with Mr. Moss against.

Messrs. ANDREWS of North Carolina, PATMAN, STEIGER of Wisconsin, FASCELL, KASTEN, SARASIN, TAYLOR of North Carolina, PICKLE, HEFNER, and CHARLES H. WILSON of California changed their vote from "aye" to "no."

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

Mr. DU PONT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have come to the point where we are going to vote on the committee amendment. I think the Members should be aware of exactly what the procedural situation is, because it is kind of complicated. When the original bill came before the committee it was a straight repealer of the Byrd amendment, just as was the one we have voted on here 2 or 3 years ago; but in committee by a vote of 13 to 10 we added section 2. Section 2 is the one that requires a certificate of origin for any steel product being imported into the United States. That section requires every country that is exporting to the United States to sign a piece of paper, presumably under oath, that says, "We promise none of the chromium in this steel came from Rhodesia."

Now, that is what the section does. I think it is a mistake. I have argued against it earlier. It is putting the United States into the domestic affairs of other countries. It is trying to play policeman to the World. I think it is setting back our foreign policy a great step.

I also think it is unenforceable, because there is no test by which we can tell whether the steel coming in has been made with Rhodesian chrome or not. There is absolutely no way to enforce it, other than to take this piece of paper, which may or may not be fraudulently signed, and we have no way of determining it. So when the vote comes, the vote is on the committee amendment. If anyone is against certificates of origin, he should vote no. If he is for certificates of origin, he should vote yes.

I would urge that we all vote no.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would support this bill with or without the committee amendment, but let me explain why the committee recommends it to the committee here on the floor.

First of all, this section 2 was drafted with the assistance of the Treasury Department experts.

No. 2, it is a similar procedure in that we already have a similar procedure on the books dealing with trade restrictions.

Finally, the Treasury Department is familiar with how it works and has worked.

No. 3, it offers some protection to the domestic steel mills, that they will not be faced with companies that may cheat by bringing in Rhodesian chrome. The steelworkers are very much for this amendment. We worked it out very carefully. The committee supports it. We think it offers a degree of protection. So I would urge support for the committee amendment.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to my colleague from Minnesota.

Mr. FRENZEL. Does the gentleman have any idea how we are going to know, in a piece of steel, whether it is made with Rhodesian chrome?

Mr. FRASER. My information came from discussing this with an officer of the European Economic Community, the EEC. They use certificates of origin in their transactions, and they say that the practice works fairly well because companies do not like to make false statements because of their reputations and their business relationships. So, even though they have the same thing, the companies are still competitors and they watch each other so that, in fact, because most people observe the law carefully, in practice it has worked very well.

Mr. FRENZEL. Those same companies who accept these certificates of origin, are they the ones who are honoring the embargo of Rhodesia?

Mr. FRASER. Well, in some cases the companies may not. They would have to go backward to find out where it came from. This would invite them to do so.

Mr. FRENZEL. If the gentleman will yield further, I thank him for the information. I think it is a bad arrangement.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. FRASER) there were—ayes 108; noes 119.

Mr. FRASER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. The Chair will ask the gentleman if he was on his feet.

Mr. FRASER. At what point, Mr. Chairman?

The CHAIRMAN. At the time the division was announced. Before the division was announced, was the gentleman on his feet?

Mr. FRASER. No, Mr. Chairman.

The CHAIRMAN. Apparently the gentleman was not.

Mr. FRASER. I do not remember, but I am told that I was not.

The CHAIRMAN. In that event, the gentleman's request comes too late.

So the committee amendment was rejected.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, earlier in the afternoon I addressed the House on this measure.

Mr. Chairman, I explained this bill, as best it could be explained, but the attendance was at a rather low ebb, and I thought it would be useful for the country and for the Members if I repeated a few of my remarks.

Mr. Chairman, first, may I compliment the gentleman from Minnesota (Mr. FRASER). He is a very honest man, as he just demonstrated. It is unfortunate, however, that his honesty does not follow over to logic in consideration of this measure.

Let me just sum up the issue before us. There has been a lot of exaggeration this afternoon, unnecessary exaggeration. This is a very, very simple issue.

Now that we have eliminated the committee amendments, we are at the point where we separate the men from the boys. The issue, basically, is this: If the repeal of the Byrd amendment is passed, we then put the United States at the mercy of the Soviet Union for chrome ore. That is an economic issue, and that is the only issue before us at the present time.

When we do so, we do not do this ignoring the civil rights of anyone in Rhodesia or any other country in Africa. We might ask ourselves if perhaps there are civil rights in the Soviet Union that are continually being trampled on. Our dear friend, Mr. Solzhenitsyn, who has been embraced by many Members of Congress, would wonder why we are giving the masters of the Kremlin a hold on the American economy.

Furthermore, the charge that the black African nations are going to vote against us in the U.N. and develop anti-U.S. economic policies unless we repeal the Byrd amendment is sheer nonsense.

The fact of life is that the nations of black Africa welcome the U.S. economic relations because of the value of our dollar.

Do we in any way lose our strength and our effectiveness in dealing with the diplomats of black Africa? They know what our economic strength is. They know we have been honest. They know the Japanese and the Western Europeans and the Eastern Europeans violate the embargo, hypocritically. They know that. And this is no excuse for the votes they may cast against us at the U.N. If they are going to cast a vote against us, they will find another reason for it.

If I might remind the Members, the issue before us is not just black or white, the people of Rhodesia, the black majority, will control the country. The issue is a vital product that we no longer mine in the United States, that we have not produced for 14 years. We must not place ourselves at the mercy of the Soviet Union for that vital commodity. That is the only issue before us, and I urge the defeat of this resolution.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman for yielding.

Is it not also true that if we pass this resolution the effect of it is to deny the American people of the right to engage in commerce?

Mr. DERWINSKI. Mr. Chairman, that is the practical effect, yes.

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. RUSSO. Mr. Chairman, I would like to commend the gentleman from Illinois (Mr. DERWINSKI), and I wish to associate myself with his comments.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will try not to take my full 5 minutes, but I do think, since there are so many more Members here at this time than have been here previously, I should say something about this bill.

In the first place, I think this bill is invalid as a bill, for the simple reason that the United Nations Charter never authorized any representative of the United States to vote for a sanction in an internal matter, and that is what this sanction is.

This is an internal matter; it is not an international war. There is no war involved. There is nothing but a colony involved; there is no war between the colony and the mother country. So it is an invalid thing from the very beginning.

More importantly, in the few moments I have left at my disposal, I would like to discuss briefly two points: First of all, we need chrome; it is absolutely essential to our national defense.

There are not 3 years of adequate tonnages of chrome in our stockpile, as there should be. There are standards that are being looked at today to see how much more chrome we should add to the stockpile.

We asked the Department of Defense what they felt about this bill, and so did the gentleman from Minnesota (Mr. FRASER). The gentleman from Minnesota (Mr. FRASER) received a letter on July 17, 1975, from the Department of Defense. Let us listen to what they say. Here is what the Department of Defense said:

> * * * the Deputy Secretary of Defense has recommended to the National Security Council that the assumptions and policies controlling the levels of strategic and critical materials to be held in the National Stockpile be reexamined and has further recommended that action be taken to defer the disposal of any stockpile materials since this reexamination may lead to recomputation of stockpile objectives.
>
> I hope this will assist you in your review of chrome ore matters.

Then I have a letter from President Ford dated August 28, 1975. This letter was written to me, and it says as follows:

> * * * The Executive Branch has undertaken a thorough review of stockpile policies, including each of the planning assumptions.

Mr. Chairman, assumptions have everything to do with what we need to do in keeping a stockpile. There is no valid reason for thinking we have an adequate stockpile today for 1 year or 2 years or 3 years. There is none whatsoever. The whole matter is under consideration.

That is the reason why I asked the Committee on Rules to postpone a rule on this bill until January, when we can expect to have these reports. General Bray, who is the man in charge of this matter, told me that the conditions and requirements as to chrome could actually be increased. We may have a deficiency of chrome in the national stockpile.

So I plead with the Members not to pass this bill because this is improper from the standpoint of law and it is dangerous to the national defense of this country.

Mr. ICHORD. Mr. Chairman, the gengentleman yield?

Mr. BENNETT. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the gentleman has pointed out that this bill will have an adverse effect upon our national security interests. I would like to have the chairman of the subcommittee advise the House as to what the testimony of witnesses before the subcommittee was as to how much this would cost the United States economically.

Mr. BENNETT. Mr. Chairman, it runs into billions of dollars, and it means a great deal of unemployment. It means billions of dollars of cash to the Treasury and billions to the general economy.

It is my responsibility to try to defend and help the Members defend our Nation in the interests of national defense. We have been told that they feel insecure about this matter, and I have asked the President to have this reexamined. The President advised me within the week that it is being reexamined.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, along with the President of the United States, who cares about our national security, and along with the Secretary of State, Secretary Kissinger, who is chairman of the National Security Council, I rise to urge the Members to vote for this bill to repeal the Byrd amendment.

One of the primary reasons I do so is because I believe this is the way to serve our national security interests, and I believe this is the way to serve our long-term economic interests as well .

The fact is, if we want to look beyond the end of our noses, we must recognize that the 5-percent minority regime which now controls Rhodesia is a doomed government.

If we would protect our long-term access to two-thirds of the world's chrome that exists in that country and if we would protect our long-term national security and economic interests, I say it is time, while there is yet time, to put ourselves down on the side of the people of Rhodesia, the people who will soon inherit that country's government.

How much do we need Rhodesian chrome? Through this year of 1975, only 8 percent of our metallurgical grade chrome and only 23.7 percent of our high-carbon ferrochrome came from Rhodesia.

We do have a stockpile, and we may have to get by with that now, as the gentleman from Georgia pointed out, because it is quite likely that this landlocked country in the near term will be blocked off from the export of any chrome. However, in the long run we must have access to these rich reserves if we would protect our national security interests. I join the President and the Secretary of State in urging that we vote for this bill.

I might add that in this Bicentennial year, we ought to put our country firmly down on the side of human rights and human self-determination.

In that connection, at this moment there is a man in Rhodesia named Bishop Muzorewa, who is a leader of the black forces. He is a moderate. He seeks to protect the rights of the white minority as well as those of the black majority. There is still some chance that we can end with him in charge of the country instead of having a radical, leftist, anti-American government in control of two-thirds of the world's supply of chrome, if we act now to strengthen his hand.

As a final point, if we want, in this bicentennial year, to do what we believe is right for our country, I would join the President and Secretary of State and say that this is the way to take a stand for human rights and for self-determination and to put our country firmly down on the side of right in this matter.

As to what other countries are doing or may do, I would simply ask the House: "If gold doth rust, then what will iron do?"

The CHAIRMAN. Are there any further amendments?

Mr. FRASER. Mr. Chairman, I do not believe that there are any further amendments.

I move to strike the requisite number of words.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. FRASER. Yes, I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, I thank the gentleman for yielding.

I would like to read, of course, what the gentleman from Alabama (Mr. BUCHANAN) has said. Not being a preacher, I do not have that oratorical skill.

I believe that we have cleaned this bill up. We struck out the bad part of the bill that required the certificates of origin.

Mr. Chairman, I would urge that the House pass the bill in its present form.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. ROUSH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1287) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome, pursuant to House Resolution 722, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DERWINSKI. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DERWINSKI moves to recommit the bill H.R. 1287 to the Committee on International Relations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. DERWINSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 187, nays 209, not voting 37, as follows:

[Roll No. 549]

YEAS—187

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burton, John
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
D'Amours
Danielson
Dellums
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Fascell
Findley
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Frenzel
Gaydos
Giaimo
Green
Gude
Hall
Hamilton
Hannaford
Harkin
Harrington
Hawkins
Hayes, Ind.
Helstoski
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Jeffords
Jenrette
Johnson, Calif.
Jordan
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Lloyd, Calif.
Long, La.
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madden
Maguire
Matsunaga
Meeds
Melcher
Meyner
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Price
Railsback
Rangel
Rees
Reuss
Richmond
Rinaldo
Roe
Roncalio
Rosenthal
Roybal
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Smith, Iowa
Solarz
Spellman
Stanton, J. William
Stanton, James V.
Stark
Stokes
Studds
Symington
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Yates
Young, Ga.

NAYS—209

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Biaggi
Bowen
Breaux
Brinkley
Brown, Mich.
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Downing, Va.
Duncan, Tenn.
English
Esch
Evans, Ind.
Evins, Tenn.
Fish
Flood
Florio
Flowers
Flynt
Fountain
Frey
Fuqua
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hanley
Hansen
Harris
Harsha
Hastings
Hechler, W. Va.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCollister
McDonald
McEwen
Mahon
Mann
Martin
Mazzoli
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
O'Brien
Passman
Pettis
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Randall
Regula
Rhodes
Roberts
Robinson
Rogers
Rooney
Rostenkowski
Roush
Runnels
Ruppe
Russo
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Staggers
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Winn
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—37

Alexander
Annunzio
Barrett
Brooks
Broomfield
Brown, Ohio
Burton, Phillip
Clausen, Don H.
Conlan
Conyers
Dickinson
Edwards, Ala.
Erlenborn
Eshleman
Fary
Fenwick
Forsythe
Gibbons
Hays, Ohio
Hébert
Heckler, Mass.
Litton
Macdonald
Madigan
Mathis
Metcalfe
Mezvinsky
Moss
Riegle
Risenhoover
Rodino
Rose
Rousselot
Sisk
Talcott
Udall
Wilson, Bob

The Clerk announced the following pairs:

On this vote:

Mr. Udall for, with Mr. Annunzio against.

Mr. Riegle for, with Mr. Hébert against.

Mr. Metcalfe for, with Mr. Risenhoover against.

Mr. Phillip Burton for, with Mr. Fary against.

Mr. Erlenborn for, with Mr. Rose against.

Mr. Brown of Ohio for, with Mr. Conlan against.

Mrs. Heckler of Massachusetts for, with Mr. Rousselot against.

Mr. Conyers for, with Mr. Dickinson against.

Mr. Rodino for, with Mr. Madigan against.

Mr. Moss for, with Mr. Broomfield against.

Mr. Barrett for, with Mr. Mathis against.

Mr. Mezvinsky for, with Mr. Alexander against.

Until further notice:

Mr. Brooks with Mr. Gibbons.

Mr. Hays of Ohio with Mr. Litton.

Mr. Macdonald of Massachusetts with Mr. Sisk.

Mrs. Fenwick with Mr. Edwards of Alabama.

Mr. Forsythe with Mr. Don A. Clausen.

Mr. Bob Wilson with Mr. Talcott.

Messrs. McDADE, BOLAND and HELSTOSKI changed their votes from "nay" to "yea."

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRASER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 1287) just considered.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m., on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FURTHER LEGISLATION PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I would like to announce the program for tomorrow, Friday, September 26.

We will consider the following bills:

H.R. 9524, Emergency Petroleum Act, that is, with agreement to the Senate amendments; we are expecting that the Senate will act on this this evening and it will be before us.

Following that we will consider H.R. 6844, the Consumer Product Safety Act.

This will be followed by H.R. 8841, the Federal Insecticide, Fungicide, and Rodenticide Act amendments.

Mr. Speaker, may I also announce to the Membership that by agreement of the leadership on both sides that it is the intent of the House to rise at 4 o'clock tomorrow afternoon.

S. 2203: SEEKING MILITARY AID RESUMPTION MUST BE DEFEATED

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, it was exactly 2 months ago today when this body voted 223 to 206 against legislation which would have restored arms aid to Turkey. Our message was clear at that time as it was when the embargo went into effect on February 5—no aid to Turkey until and unless she initiated meaningful negotiations aimed at ending the 14 months of conflict and occupation on Cyprus.

Despite this mandate from the House and despite the absence of initiative by Turkey to start negotiations, the House International Relations Committee has reported to the House floor, S. 2203, legislation seeking a limited resumption of military aid to Turkey. This bill is wrong, it deserves to be soundly defeated and in fact does not deserve to even reach the House floor at all.

Consider the fact that as recently as September 12, talks initiated by Secretary General Waldheim of the United Nations collapsed as a result of Turkey's failure to present a viable plan for determining the boundaries between the Greek and Turkish federal states on Cyprus. Consider the fact that to this day Turkey remains in illegal control of 40 percent of Cyprus as well as 60 percent of her agricultural and industrial production. Consider also the fact that there remain on Cyprus some 200,000 Greek refugees, helpless and homeless victims of Turkey's invasion and occupation.

All these factors clearly point out the fallacy of the House considering legislation to resume arms shipments to Turkey, the same arms used by Turkey to invade and control Cyprus. I would prefer to have the International Relations Committee report out legislation mandating that Turkey and Greece commence with negotiations immediately. I would prefer to see this administration take the lead in bringing the warring factions together for negotiations instead of lamenting over the consequences of cutting off aid to Turkey.

The passage of this bill would be a betrayal to the Greek American Community as well as condonation of violations of law to resume arms to Turkey without working on other alternatives more likely to bring peace to Cyprus would be a profound tragedy. I hope for the support of not only the 223 Members who opposed the earlier bill but of all Members committed to a restoration of peace and justice for the people of Cyprus and well as those who seek integrity in our foreign policy.

CONGRESSMAN HAMMERSCHMIDT ADDRESSES WORLD WAR I VETERANS

(Mr. ROBERTS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROBERTS. Mr. Speaker, during the recent congressional recess, the gentleman from Arkansas, Mr. JOHN PAUL HAMMERSCHMIDT, the ranking minority member of the Committee on Veterans' Affairs, addressed the 23d Annual National Convention of the Veterans of World War I of the U.S.A. in Kansas City, Mo. The gentleman, in his address, exhibits the perceptiveness that has distinguished his service as a member of my committee.

The text of Mr. HAMMERSCHMIDT'S address follows:

ADDRESS BY HON. JOHN PAUL HAMMERSCHMIDT

Thank you, Master of Ceremonies, James King.

Commander Byers, Senior Vice Commander Zaruba, Junior Vice Commander Bennett, President Victoria Wendel, Don Skinder (representing VA Administrator Roudebush), officers and members of the Veterans of World War I (of the United States of America) and the Ladies Auxiliary; your honored guests.

I bring you the warmest greetings from our distinguished Committee Chairman, Ray Roberts, certainly a great friend of World War I veterans, as you all know and recognize; and from all the members of the House Veterans Affairs Committee.

Since leaving Washington for the Congressional recess on August 2nd, a busy four weeks has passed.

At the invitation of the Secretary of Defense, I joined with a few other Congressmen in travelling to the Mid-East, to meet with Israeli Prime Minister Rabin, Defense Minister Peres, the Minister of Commerce, and other officials in that very troubled part of the world.

I left that tour in Cario, Egypt, to return to Washington in time to accompany President Ford to Fort Smith, Arkansas, to dedicate a new hospital there. While in Arkansas, the President also visited Fort Chaffee, one of the four processing centers for Vietnamese refugees.

The following few days were filled with Aviation Subcommittee hearings on airport noise abatement.

My schedule called for attendance at this year's DAV National Convention, at which an Arkansas man, Buddy Spivey of Fort Smith, was named the Outstanding Disabled American Veteran of the Year. Buddy truly has overcome tremendous disabling handicaps and serves us by his outstanding example of courage in adversity. Regretfully, responsibilities in my home district prevented me from attending.

Having scheduled three weeks of travel throughout the 21 counties of my Congressional District, I visited with folks, met with groups, and participated in several community Bicentennial celebrations.

If, by some miracle, in this bicentennial year, it were possible for me to address the veterans of the American Revolution, I would of course, feel greatly honored.

Yet, I could not be more honored than by this opportunity to address you, the Veterans of World War One, here this evening.

The men of the Revolution fought for America's freedom from tyranny.

You fought to preserve that freedom, and to extend it to others. You did it well; so well that you more than repaid those who came out of Europe to help General Washington and his men give life to the noble words of the Declaration of Independence.

With the men of that generation, and with those who have followed, you have one great common denominator:

Dedication to the liberty and dignity which God intended for the human-beings whom he created.

Like the men of the American revolutionary generation, and like those who have followed, you were the product of your times.

And in your own time, you, too, were the flower of America's youth.

In that milieu:

You danced to Irving Berlin.

You marched to John Philip Sousa.

You got a kick out of "K-K-K-Katy."

You had fun with "The Mademoiselle from Armentieres."

You sailed to the rousing strains of "Over There."

You found sadness in "The Rose of No-Man's Land."

And the throat still tightens a bit at the haunting sound of "My Buddy."

You thrilled at being part of the announcement, "Lafayette, We Are Here."

You found pride in helping fortify the vow, "They Shall Not Pass!"

You did your job of winning "The War To End All Wars," and "To Make the World Safe for Democracy."

But, the politicians, and the diplomats, failed.

So, less than a quarter-century later, your sons sailed off to an even more engulfing holocaust. Some of you sailed with them.

And this was soon repeated, in Korea, and most recently, in Vietnam. There, your grandsons also served.

It has been thus because, from the ugly bloom of that first world conflict, fell the noxious seeds of further, deeper conflict.

The men in Peking call it "The Protracted Conflict."

The men in Moscow call it "The Perpetual Revolution."

But their goals are the same.

And, for that reason, as you know, America must never let down her guard. America must forever be sure that she has a defense posture second to none.

This, America owes to the men of the American Revolution.

This, America owes to you, and to all those who, since, have served this nation and its cause of freedom.

This, in final analysis, America owes to herself. For the option could be enslavement, if not annihilation.

I know, of course, that you are very much aware of these things. I recognize certainly, that you, the Veterans of World War One, will take a back seat to no one in standing firm on the need for this adequacy of modern defense.

I know, too, that you feel just as strongly about the companion need to maintain our great American tradition of properly remembering, and honoring, those who already have seved that noble and necessary cause.

So, as you begin putting together your program for the next year, it may be helpful for me to offer a brief report on the key veterans' issues of the moment as seen from my vantage point.

Obviously, the most important veterans measure which, each year, the Congress must consider, is the annual appropriation for the Veterans Administration.

From this appropriation must come the monies needed to underwrite the various benefits authorized, initially, by our Committee on Veterans' Affairs.

This annual measure falls under the direct jurisdiction of the Appropriations Committee. But our Committee frequently has the opportunity to present information which leads to VA appropriations more responsive to the VA need than might otherwise be obtained.

For example:

It should be quite obvious that, in recent years, our veterans' population has increased substantially. Yet, as the old expression has it: "There is always someone who didn't get the word."

In the case of the planning for the most recent VA budget, this "someone" proved to be the Office of Management and Budget.

OMB produced a budget which not only failed to recognize the resultant increase in the VA workload, but which actually proposed a reduction of personnel needed to properly administer the veterans benefit program.

Discovering this oversight, our Committee quickly developed detailed information which clearly demonstrated VA workload increases in such critical areas as:

Claims for compensation and pension, educational benefits applications, correspondence, telephone calls, etc.

Presented with these facts, the Appropriations Committee promptly increased the VA budgetary request to add the 1,000 staff positions needed to keep pace with the increased workload, and to process it in timely fashion.

The Senate Committee has now approved an appropriation of more than $17.8 billion for VA's operation in the current fiscal year (FY '76).

This represents an increase of 155 percent. **In dollar terms, that is $10 billion over the** past 10 years in the VA budget.

During this same 10 year period, average VA employment has increased by 48,000 positions. Significantly, more than 44,000 of these positions are in VA hospitals.

Among other things, this record VA budget will do the following: It will provide compensation and dependency and indemnity compensation payments in the amount of $4.6 billion to 2.6 million veterans and their survivors.

It will authorize pension payments in the amount of $2.7 billion to 212 million veterans and survivors in financial need.

It will provide inpatient hospital, nursing home, and domiciliary care for more than 1.2 million veterans.

It will accommodate veteran outpatient visits which will approach 15 million, with an additional 1.5 million eligible dependents and survivors receiving treatment paid for by the Veterans Administration.

As for some of the major legislation with which our Veterans' Affairs Committee is more directly involved, none is more important to you than legislation concerning VA hospital and medical care.

All of our veterans, of course, have the right to expect a continuation of the quality medical care which, at Congressional insistence, has for years, been the hallmark of VA's Department of Medicine and Surgery.

Yet, this hard-earned reputation for excellence will be jeopardized, seriously, if urgently-needed pay increases for VA physicians are not quickly forthcoming.

VA's Chief Medical Director has advised our Committee of increasing difficulty in recruiting and retaining physicians who meet VA's high standards.

This difficulty stems from two basic conditions:

For about five years, the federal government's top salary level has been frozen at $36,000. During that same period, the cost-of-living has risen about 46 percent.

Meanwhile, discontinuance of the military's doctor draft made it necessary to authorize physician bonuses of up to $13,500 in order to recruit doctors for our Armed Services.

Consequently, about two-thirds of our federal physicians (the military and the Public Health Service) now receive salaries substantially greater than their VA colleagues.

I can, of course, sympathize with the income plight of our VA physicians. But my principal concern is that you, the veteran, do not suffer a deterioration in the medical care to which you are entitled, and which you must continue to receive.

To remedy this problem, the House, just before the August recess, passed a bill which I was pleased to co-author: A bill to give VA physicians up to $13,500 in additional annual pay, thereby making their salaries more nearly comparable with those of their federal colleagues.

The measure will provide this additional income through a carefully-considered combination of bonus and incentive pay for such things as a full-time status, length of service, and special educational achievements.

A similar measure was passed by the Senate on August 1st, the last day before the recess. It is now urgent that we resolve the differences in the two versions and send it to the President.

Meanwhile, our Hospitals Subcommittee is involved in several related actions of interest to you: hearings to ascertain the adequacy of funding and staffing of VA hospitals; consideration of legislation to increase the number of VA's nursing-care beds; and consideration of measures to authorize the federal government to pay a greater share of the cost of hospital, domiciliary, or nursing care in state veterans' homes.

Understandably enough, no veterans' issue produces more Congressional mail than that of non-service-connected pension. Nor is any issue more important to the older, totally-disabled veteran; for, in many cases, it represents his sole means of support.

Last January, the Congress increased pension rates by 12 percent; and the annual income limits by $400. Since then, the Consumer Price Index has jumped another four percent.

On July 1st, Social Security payments were increased by eight percent. This, however, will not affect VA pensions until 1976. It is important however, that pensioners know, as soon as possible, what is to be done to offset the adverse effect of that Social Security increase.

And I can assure you that something will be done—and very soon—on this important matter. For, by 1976, just four months from now, the cost-of-living is expected to rise to eight percent.

Consequently, I have co-authored a bill which would do the following: authorize an eight percent across-the-board increase in monthly pension benefits, and a $300 increase in the annual income limitation determining the amount of pension a veteran or widow may receive.

That $300 increase in income limits would prevent a veteran's being removed from the pension rolls solely because of that recent increase in Social Security benefits.

Our Chairman has assured me that hearings on this matter will be scheduled, soon, by the Subcommittee on Compensation, Pension and Insurance.

In addition to the basic pension increase measure, I have introduced two bills to provide more generous pension benefits for older veterans, and for our more seriously disabled veterans.

One would authorize the so-called "housebound" pension rate of $49 monthly, in addition to the basic pension, to be paid to any veteran who has achieved the age of 75.

My second bill would permit veterans seriously disabled and receiving the aid and attendance pension rate, to continue to do so in the event of the death of their wives. This would be permitted so long as such veterans' income from other sources did not exceed a married veteran's income limitation.

Under existing law, such a seriously disabled pensioner may lose his pension upon the death of his spouse because his income exceeds the maximum income limit allowed for an unmarried veteran.

Of special interest to veterans with service-connected disabilities, and to the widows of those who died in the service, or of service-rated disabilities, is the recently-enacted legislation which authorized increases in compensation and dependence and indemnity compensation.

Specifically, this measure increased monthly compensation payments by 10 percent for those with disabilities rated at 50 percent or less, and by 12 percent for the more serious disabilities. A 12 percent increase also was authorized in dependency and indemnity compensation payments for widows and children.

Another subject of considerable interest, of course, is the future of our national cemetery system. It is no secret that, at present, our national cemeteries are poorly distributed across the nation.

Nor is it a secret that they are rapidly becoming filled to the point of official closure.

Our recently-created Subcommittee on Cemeteries and Burial Benefits is attempting to respond to this problem by developing a regional cemetery system; a system which would provide at least one new national cemetery for each of the nation's 10 federal regions.

At this time, it appears that the first of these will be located at March Air Force Base, near Los Angeles, California.

Although our Veterans Affairs Committee never had jurisdiction over establishing dates for national holidays, I know that you join me in rejoicing that the Senate has passed and the House Post Office and Civil Service Committee has reported favorably, bills to put Armistice Day back where it belongs—to November 11th.

So, gentlemen, this ends my report to this distinguished convention on current key matters of legislative concern to you who can find great pride in being classified, with all due respect, as "Old Soldiers."

You will, of course, recall that great new meaning, dignity, and respect was given that term, "old soldiers," back in April, 1951, when the man who commanded your famous Rainbow Division addressed an historic Joint Session of the Congress. As he put it then, the world "had turned over many times" since he had taken his "oath on the plain at West Point."

That man, of course, was General of the Army Douglas MacArthur.

As you of the World War One generation are very much aware, the world has, indeed, "turned over many times" in the great span of your own lives.

You are the generation which has seen, and which has contributed so richly to an incredible plethora of rapid, dramatic change. It ranges the full spectrum of human existence and endeavor.

Ever at the heart of that change, that progress, has been the United States of America, in whose uniquely free atmosphere, science, technology, and general human achievement have flowered beyond compare.

Within that atmosphere, you have seen our nation put man on wheels, and on wings, and into space, and on the moon. Surely, it has been a life span of experience unequalled by any other generation in the history of man.

In his 1951 address, General MacArthur, touching upon much of that history, recalled the old barracks ballad which proclaimed:

"Old soldiers never die; they just fade away."

Fortunately for America, we still have with us a great many "old soldiers" who refuse to "fade away."

They are men such as you, our veterans of World War One; some 200 thousand strong, with 51 departments, and more than 35 hundred barracks.

You are blessed with a ladies auxiliary which is dedicated, active, helpful—and certainly lovely.

In our nation's capital, you have an alert, well-informed legislative team, ever-busily at work for you, and for America.

It is, in fact, a straight-from-the-shoulder headquarters outfit which wastes no words in letting us know of your views and your needs.

Your able, widely-respected National Legislative Director, Harold Say, is always at work, ready to counsel us. Also, Quartermaster Adjutant John McIntyre and Mrs. Switzer are invaluable advisers.

And, this past year, Commander Byers has done an outstanding job of presenting your legislative program to our committee, and, in rendering overall, a great, cooperative and constructive performance.

And I thank him.

It is through such excellent, respected representation in Washington that you, the Veterans of World War One, continue to work with the Congress, and help us in our deliberations.

In so-doing, you continue to perform a very positive and useful service to this nation whose uniform, in your heart, you continue to wear.

And, we in the Congress are grateful. For, at no time in our 199 year history as a nation, have we been in greater need of the particular wisdom which can only flow from the deep well of long experience: the wisdom of our elders.

And this, you have, and this you give us, in great and valued measure.

So, thank you so much for refusing to succumb to the lyrics of that old soldiers' ballad.

Thanks for refusing to "fade away. . . ."

You are much too valued—and too much needed. So again, permit me to express my deep appreciation for this great honor of addressing you here in this great convention.

Thank you.

PHENOMENAL RISE IN MEDICAL COSTS

(Mr. ROUSH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROUSH. Mr. Speaker, we are all aware of the fact that medical costs, doctor bills, hospital expenses and medication prices have risen phenomenally over the past decade. Annual expenditures for health purposes in the United States were $104.2 billion in fiscal year 1974 or 7.7 percent of the gross national product. In more manageable terms this means per capita expenditures of $485 for every man, woman, and child in the country. Since 1950 the national health bill has increased almost ninefold.

To the degree that this means improved medical care, new medical techniques and equipment, the money is well spent. Health care, through scientific and medical advances, has greatly improved, and patients with formerly fatal or totally debilitating illnesses can expect to survive, even recover, with extended hospital and medical care.

But there is the rub. How shall they afford what medical science has now made available? How many families can afford thousands of dollars for extended hospital or outpatient care for those with long-term diseases? People who must rely on kidney machines, or must undergo numerous and protracted transplant operations; those with strokes and the accompanying paralysis which requires intensive physical therapy; those required to take extensive and continued radiation therapy in association with surgery. Who will pay these costs?

No family can deny a member of that family the benefits of such treatment, nor do they want to have to do so, yet many times families do not have the money to buy these wonders of science; or they must mortgage their own and their children's futures to do so. This is a choice no family should have to make.

So I am introducing a bill today to help deal with the costs of these "catastrophic" kinds of illness. The bill I am introducing would reinsure private insurors, provide a Federal backup against loss, thus stimulating the insurance industry to provide coverage that would allow families to protect themselves against the costs of catastrophic illnesses. The legislation would encourage the creation of insurance pools similar to those available for flood insurance, but this time for catastrophic illnesses requiring extended care.

This proposal sets up a deductible formula which would be used to encourage each family to provide basic health-care protection. Only when this level is exceeded would the catastrophic insurance protection plan be utilized. An individual with an adjusted gross income of $10,000 and an "adjusted income"—after the $750 personal exemption—of $9,250, would have an annual deductible of $7,750 while a family of four with the same income would have a deductible of $5,500. The deductible would be reduced by the amount of any out-of-pocket payments or any public or private third party payment made on behalf of an insured person.

This bill may not be a total and final solution to our problem. I do believe that it is a constructive beginning and merits careful consideration. I am open to changes and refinements that might be suggested.

The principle involved is a sound one. If American citizens cannot reap the rewards to be garnered from the advancement of medical knowledge and technology, then the funds we are spending for that purpose from the taxpayer's pocketbook had better be allocated elsewhere.

CAB MUST STOP CONCORDE SST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I wish to inform the House of a petition I have joined asking the Civil Aeronautics Board, acting as a regulatory body, to deny entry to the British-French Concorde supersonic airliner because of the environmental and safety factors which are, by now, so well known by all.

While Federal law requires foreign air carriers to secure an operating permit from the CAB, all focus in the SST debate to date has been on the noise and environmental problems as being studied by the Federal Aviation Administration.

The FAA in March issued a preliminary environmental impact statement recommending regular commercial service next year at Dulles, controlled by the FAA, and at New York's John F. Kennedy Airport, controlled by representatives of the people of New York and New Jersey.

We learned last week, courtesy of the French Minister of Transport, that the FAA can be expected to follow through on its favorable recommendation on Dulles, despite the fact that its preliminary environmental study has been virtually demolished by the National Academy of Science, the White House's own Council on Environmental Quality, the Environmental Protection Agency, and, finally, the FAA regional staff based at Kennedy.

I expect that the FAA will publish its favorable recommendation on Dulles early next week, despite the clear and present danger the aircraft represents to the health and safety of U.S. citizens. Accordingly, I have joined with the Environmental Defense Fund, through its able attorney, Mr. John Hellegers, in hopes that our petition will compel the CAB to do its duty, and, hopefully, provide a measure of protection for the American people which the FAA has historically refused to do.

This petition is just one in a series of actions in Congress, the regulatory agencies, and the courts, which we will undertake, in cooperation with the environmental defense fund and other concerned groups and individuals, to make sure that the interests of the American people are truly served in the matter of this foreign SST.

As our petition states, Federal law and several current Federal court cases make it clear that the CAB will have no discretion in this matter, and that the CAB will have to hold public hearings on Concorde. I am confident that the negative evidence on Concorde's range, fuel capacity, noise levels, and exhaust pollution levels—all of which exceed U.S. legal limits, and which, at best, must require waivers—will compel the CAB to deny entry to Concorde.

Mr. Speaker, evidence from the FAA's own files has surfaced in recent weeks proving that Government experts have expressed grave reservations on Concorde's range and fuel reserve capacities, and warned that special landing and handling procedures will be a necessity if Concorde is to have any hope of landing at U.S. airports.

Today I take the liberty of urging our colleagues to consider why we should allow a foreign aircraft to brush aside American aircraft—filled with American passengers—regardless of the health and safety of Americans?

I urge our colleagues to contact the environmental defense fund, through Mr. Hellegers, at 833–1484, and to join in our petition to the Civil Aeronautics Board. The best interests of the American people have not been served to date by the FAA, and only concerted action by Congress, and such concerned groups as the environmental defense fund, will guarantee that this foreign aircraft is not rammed down our throats.

I now submit for the Record articles by Mr. Tom Love, of the Washington Star, and the able Newsday writers, Mr. Martin Schramm and Mr. Edward Hershey, which clearly outline the latest information on Concorde. I also submit two articles from the British press which show that English pilots are becoming increasingly alarmed at the prospect of Concorde actually going into service.

The articles follow:

SST SLIP QUICKLY GROUNDED

(By Edward Hershey and Martin Schram)

Faster than an SST, word shot across the Atlantic yesterday that the United States had approved Concorde supersonic transport landings at Washington's Dulles Airport.

Minutes later, the French government issued a retraction, of sorts, leaving SST critics feeling that the decision already may have been disclosed.

"Personally, I think he simply let the cat out of the bag," Rep. Lester Wolff (D-Kensington) said after the declaration and retraction by a French government spokesman in Paris. ". . . It's obvious this is a charade they're conducting."

The transatlantic discorde began when French government spokesman Andre Rossi announced in Paris that Transportation Minister Marcel Cavaille had told the French cabinet that the U.S. government had approved two weekly Concorde flights from Paris to Dulles, starting April 10. Cavaille's words carried ample weight because he had recently returned from talks with U.S. Transportation Secretary William T. Coleman and Deputy Transportation Secretary John Barnum. The French minister even had dinner at Coleman's Washington area home one evening, according to one source.

The French spokesman's pronouncements were quickly carried to the United States by wire service reports, and minutes later, according to a source in Washington, an official of the U.S. Transportation Department was on the phone to Paris.

Soon after, Rossi was issuing an apparently carefully qualified retraction: "Contrary to what I said earlier . . . the U.S. government has not yet given formal authorization to the landing of Concorde."

In a press conference in Washington, Transportation Secretary Coleman declared flatly that no decision had been reached on whether the controversial supersonic transport jet would be able to land at Dulles Airport.

But the carefully couched words of the French spokesman's retraction seemed to leave open the possibility that Coleman or his deputy, Barnum, had given informal assurances to the French minister during his recent visit to Washington that the Concorde's landing soon would be approved. Barnum firmly denied that. "You're reading too much into a simple mistake by Mr. Rossi," he said. "Mr. Coleman and I did not give any assurances, formal or informal."

Barnum was asked whether the French minister was told anything that would have led him to conclude that such an approval were in the offing. "You are talking to a lawyer." he replied. "That question is poorly asked." He later answered it, however, saying that the French minister was told nothing that would indicate that the approval soon would be forthcoming.

While Coleman and Barnum were staunchly maintaining that no decision—formal or informal—had been made or conveyed to the French, there were others in the Transportation Department who were not convinced. "If he did make any informal assurance, he won't admit it," said one mid-level official. "He says he didn't. But you and I know they must have talked about it. And everyone in our government from Henry Kissinger on down wants it" (the SST).

Coleman and Barnum maintain that the SST decision will not be made until after the government assesses at the end of this month the environmental impact that the landings would have.

Experts say that the joint British and French built Concorde will not be a commercial success unless it is allowed to fly to, and from New York's John F. Kennedy Airport. But approval for flights to and from Kennedy also would have to be granted by the Port Authority of New York and New Jersey, and there is sizable local opposition to the SST in the metropolitan New York area. In contrast, flights to and from Washington's Dulles Airport will need only the approval of the federal government—which many, including at least some officials in the Transportation Department, privately expect will be granted.

John Hellegers, attorney for the anti-Concorde Environmental Defense Fund, said yesterday that while Transportation Secretary Coleman might be unaware of it, he believed Cavaille has indeed been given assurances that the FAA will approve Concorde landings.

The EDF has said it will file suit to block FAA approval of Concorde landings on the ground that the plane is too noisy and cannot carry enough fuel to provide for a safe amount of extra flying time on the 3,868-mile Paris-to-Washington route.

In June, Newsday reported that when Richard Nixon was President, he wrote letters personally assuring the French and British heads of state that the U.S. planned to allow the Concorde to land at U.S. airports. Aides to President Ford also had pressured various federal agencies to hasten approval of the landings in time for the plane's scheduled debut in commercial aviation in January.

WILL FUEL-SHY CONCORDE NEED TO LAND FAST?

(By Thomas Love)

The British-French Concorde supersonic transport cannot carry the fuel reserves required for other jet aircraft and therefore might have to be granted perferential landing treatment to avoid normal holding patterns if allowed to operate in this country, according to a confidential State Department report.

British Airways and Air France have applied for permission to operate two flights a day into Dulles Airport and four a day into John F. Kennedy Airport in New York. Environmental and other citizen groups have opposed the request, charging that the plane violates noise standards, pollutes the atmosphere, poses a danger to the earth's ozone layer and is unsafe.

A spokesman for the Federal Aviation Administration said that the U.S. government does not mandate safety standards for foreign-built aircraft operated by foreign carriers and accepts the manufacturing country's operating specifications under international agreements.

Thus, he said, the agency cannot require a larger fuel reserve than set by France and Britain. Only if the Concorde is operated by American airlines—and none has announced plans to buy any—can the FAA set any standards for the plane, he explained.

The State Department document reported that Charles Cary, FAA assistant administrator for international affairs, "described several problems the Concorde must face" before being certified for use by U.S. airlines.

The document, released to the Environmental Defense Fund in connection with a lawsuit involving Concorde noise levels, reports on a 1972 interagency meeting called to discuss what actions about the Concorde should be taken by the government.

"The French and British have asked FAA for an exception to U.S. standard operating procedures to permit the Concorde to arrive at U.S. airports with less than the normal fuel reserves," the document states.

Rep. Lester Wolff, D-N.Y., a leading opponent of Concorde operations within the United States, charged that the statement proves "backers of the Concorde are willing to risk lives by demanding a waiver of fuel reserve requirements imposed on all other aircraft to ensure life-safety margins in the event of emergency conditions."

Philip Rogers, a spokesman for British Aircraft, producer of the Concorde along with its French counterpart, yesterday insisted that a supersonic plane needs a smaller fuel reserve than subsonic jets because of the plan's higher speed and its unique operating characteristics.

Subsonic planes are required to carry a 7.5 percent fuel reserve for emergencies, he explained, but only 5 percent will be carried by Concordes. "We do not mean to operate unsafe aircraft," he said. The smaller amount in SSTs will be "statistically as safe" as the larger amount in other planes, he said.

The FAA is now preparing an environmental impact statement on the British-French request and expects to make a decision in 30 to 45 days, the spokesman said. The FAA must amend the airlines' operating certificates to include any newly introduced airplane.

Environmental Defense Fund attorney John Hellegers said, "The problem of fuel reserves is one which the FAA studiously avoided in its draft environmental impact study on the Concorde—except for an intriguing admission that the distance between Dulles and Paris exceeds the stated maximum range of the plane."

Rogers admitted that the stated maximum range is 3,800 miles while the Dulles-Paris distance is 3,838, but he said the 3,800-mile figure was only "approximate" and the plane could actually fly up to 4,000 miles, depending on conditions.

The State Department document also stated that the Concorde would not be able to meet noise limits required for subsonic planes and stated that night curfews at major airports could "substantially limit potential usefulness of the Concorde."

The document also raises the question of pollution from the plane's engines, danger to the ozone layer and the possible need for a 50 percent surcharge to make the plane profitable.

The meeting was attended by representatives of the White House, FAA, Environmental Protection Agency, the Department of Health, Education and Welfare, Office of Management and Budget, the Council for Environmental Quality and the State Department.

EDF's Hellegers said yesterday the list of those attending the meeting proved the truth of previous charges that the executive branch is applying undue pressure on the FAA to approve the British-French request for diplomatic reasons.

Pilots Fear Safety Cuts on Concorde

(By John Keeble)

Britain's pilots are alarmed at moves to cut safety margins to suit Concorde.

They are particularly worried about planned noise abatement measures at New York's Kennedy Airport.

The procedure involves a climb-out turn at 100 ft. instead of the usual 300 ft.-plus of subsonic jetliners.

"If the aircraft can do it, we can," said Captain Jack Wickson, chairman of the British Airline Pilots Association.

"But we want it proved first. And it must be proved at Kennedy, where we will have to operate."

He added that pilots were also worried that if the procedure was adopted at Kennedy, other airports would demand it too.

Concorde, due in service in January with British Airways and Air France, has been flown in a 100 ft. turn during tests at Casablanca.

But it cannot be tested at Kennedy because of the Americans' refusal to allow it to land.

Pilots are worried, too, about reports that the plane's makers have asked the U.S. authorities to allow a reduction in the fuel reserve.

"We are not going to have any of the safety margins eroded," said Capt. Wickson. "There can be no new legislation written just for Concorde."

[Middlesex Chronicle (Hounslow and Brentford) Aug. 29 1975]

Fears Over Concorde Landings

Normal safety could have been sacrificed during Concorde approaches to Heathrow in order to secure an accident-free record for the supersonic airliner, believes one Cranford man.

The allegation has been flatly denied by both British Airways and the British Aircraft Corporation whose pilots have been flying the aircraft.

Mr. John Leech of Waye Avenue, Cranford, believes that BAC test pilots may have used non-standard approach techniques which would minimise damage to property under the flight path.

"My fears are that the present damage-free approaches are deceptive and that roof damage and ground incidents will return when Concorde enters normal airline service," he says.

Mr. Leech, an engineer, has been a consistent campaigner against noise and damage caused by aircraft.

VORTICES

Now, he has written to British Airways chairman Sir David Nicolson spelling out his current fears.

Mr. Leech says that in order to fly at the slow speed necessary on approach to the runway Concorde has to adopt a nose high angle. But he believes this angle can cause the vortices—trailing winds from the wing tips and edges—which caused damage to Cranford property during the plane's first landing approach over the area.

Now, he has told Sir David Nicolson Concorde has been observed to be coming in over the area at a much flatter angle. While this could minimise property damage caused by the vortices it would also mean that the plane was approaching at a faster speed than would other wise be the case.

But a British Airways spokesman said this week that Concorde does normally make a faster landing approach than other aircraft.

A spokesman for BAC emphatically ruled out the possibility of Concorde pilots adopting any dubious flying techniques.

"All approaches made to Heathrow by Concorde are subject to the same strict safety rules that govern all landings and there can be no question of any relaxation or evasion of any safety regulations by Concorde," he said.

An astounding 140 perceived noise decibels were recorded on equipment at the fencing at the end of runway 28 when Concorde took off on Sunday with its 35 "lucky draw" passengers.

The figures, which are unofficial compare with the Department of Trade ceiling of 110 perceived noise decibels allowed.

AMENDMENT TO FIFRA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Brown) is recognized for 5 minutes.

Mr. BROWN of California. Mr. Speaker, I wish to draw the attention of my colleagues to the amendment Mr. Peyser and I intend to offer to the Federal Insecticide, Fungicide and Rodenticide Act, which is scheduled for floor action at the end of this week. The amendment, to be offered in the form of a substitute, reads as follows:

Amendment in the Nature of a Substitute to H.R. 8841 Reported by the Agriculture Committee

On page 1 strike line 3 and all that follows, and insert in lieu thereof the following: That section 27 of the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. 136(y)) is amended by adding at the end of such section the following: "There is hereby authorized to be appropriated to carry out the provisions of this Act for the period beginning October 1, 1975, and ending September 30, 1976, the sum of $33,821,000."

Our reasons for offering such an amendment of simple extension are outlined in our dissenting views which were included in the committee report accompanying H.R. 8841. The report number is 94–497.

I am also including the remarks of the Friends of the Earth, the Sierra Club, and the National Audubon Society concerning the FIFRA bill as reported by the Agriculture Committee, and pesticide misuse in general, for the information of my colleagues:

Friends of the Earth,
Washington, D.C., September 22, 1975.

Dear Representative: As you are aware, on September 15, H.R. 8841—the reauthorization of the Federal Insecticide, Fungicide and Rodenticide Act of 1972—was voted favorably out of the House Agriculture Committee *With numerous amendments.*

Several strongly worded dissents were expressed by members of the Committee at the nature of the amendments, because they are designed largely to increase the "red tape" in regulation of pesticides and other poisonous agricultural chemicals so much that it will become impossible for the Environmental Protection Agency to administer any successful regulatory programs.

The Friends of the Earth is seriously concerned with the amendments and opposed to them. Those of us who have spent much of our lives in farming find it impossible to believe that the cautious regulatory program of the Environmental Protection Agency involves any serious risk to commercial agriculture—indeed every effort has been made to find substitutes for regulated chemicals by that agency. Nothing has happened since 1972 to suggest that the original law was unwise or that E.P.A. has been unjust.

Friends of the Earth is opposed to the amendments for two basic reasons. Additional reasons are spelled out on the attached pages. *First,* there can no longer be any doubt that some of the pesticides and chemicals used in agriculture, in household use, and in lawn treatment can cause injury such as irreversible liver damage to the user and also cancer. We know this because of numerous animal tests and findings of the more recent bacterial mutation tests as well as field experience with farmers and farmworkers. Natural environment impacts are also important.

It seems a proper role of the Environmental Protection Agency to screen these chemicals for persistence and safety so as to protect those users who may be unaware of the hazard of the chemicals used as well as protect the general population of Americans who have been found by measurements to store and harbor a significant amount of pesticides in their bodies due to pesticide spill, misapplications, and residues on food. For example, it has been well documented that 50 percent of some pesticides applied by air never reach the crop intended, but float downwind to some other location.

Secondly, it is also of concern in a period of high unemployment and inflation that amendments would be introduced to increase the "red tape" and cost of administration of the pesticide program while at the same time stripping it completely of its substance. Programs that are set up to look as if they are effective without in fact being so are inflationary, and this is what the amendments are designed to accomplish.

REAUTHORIZATION WITHOUT AMENDMENT AS THE CUSTOMARY PROCEDURE

We want to direct your attention to the remarks of Congressman Richard L. Ottinger on the bill, remarks that were printed in the Congressional Record of September 18, 1975.

In these remarks, Congressman Ottinger notes that reauthorization is the standard and customary procedure for new Agencies such as the pesticide program of E.P.A. Indeed that program is so new that regulations have not been issued to cover some of the legislation originally adopted.

Friends of the Earth wishes to urge you to vote a straight reauthorization without amendments for the pesticide, fungicide and rodenticide program. The Environmental Protection Agency deserves a chance to complete the establishment of their program.

Sincerely,

Erik Jansson,
Conservation Associate.

SIERRA CLUB,
Washington, D.C., July 28, 1975.
Re: FIFRA Reauthorization

DEAR REPRESENATIVE: Public Law 92–516, the Federal Environmental Pesticide Control Act of 1972, is the culmination of six decades of Federal regulatory measures to ensure that pesticides are unadulterated, effective for their intended purpose, and safe when properly used. This law, which substantially amended the 1947 Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), is well on its way to full implementation on the date Congress determined that it should be fully effective—October 1976.

However, well short of the fully operational legislative scheme provided by the authors, there is a serious effort underway to undo the amended FIFRA at a single stroke, or, failing that, on a piecemeal basis. The most serious challenge is being mounted by a coalition of some farm organizations, chemical companies, and professional pest control firms. Apparently believing that an agency which is not structured to deal with determinations about human health or environmental degradation will be more willing to subrogate these concerns—already balanced against social and economic factors by FIFRA—to food production or chemical sales, this lobby is supporting a bill to require the Agriculture Secretary to approve every significant action which Congress has made the legal responsibility of the EPA Administrator. Having ensured by the device of placing two heads on the body of one program that it will be powerless to follow the instructions of either, the proposal mandates an additional year to make the remaining features of the Act effective—requiring EPA to run in place for twelve months.

What are the statutory requirements regulating the sale and use of pesticides that would be so casually but completely discarded by these special interests? How has the EPA administration of the program been detrimental to these interests? Was there no basis for the concern reflected by the action of Congress in enacting the 1972 amendment of FIFRA?

Since 1947 all pesticides shipped in Interstate Commerce have had to be first registered by the Federal Government. Registration was contingent upon a showing that the product would be efficacious when used as directed and that its use could pose no undue harm to nontarget life when label directions and precautions were followed. The old label directions and precautions were followed. The old FIFRA also provided that the Secretary of Agriculture could cancel the registration of a product, rendering it unlawful for sale, for failure to meet the criteria for registration, in the light of current scientific knowledge. In the case of an imminent hazard to the public welfare the Secretary could suspend a registration. Neither authority was evoked to ban a pesticide in the 33 years the Act was administered by U.S. Department of Agriculture.

The administration of the old FIFRA was vested in the Administrator of EPA by Reorganization Plan No. 3 of 1970, as approved by Congress. The President observed, in transmitting this message:

"Almost every part of government is concerned with the environment in some way, and affects it in some way. Yet each department also has its own primary mission—such as resource development, transportation, health, defense, urban growth, or agriculture—which necessarily affects its view of environmental questions. . . . Because environmental protection cuts across so many jurisdictions, and because arresting environmental deterioration is of great importance to the quality of life in our country and the world, I believe that in this case a strong, independent agency is needed."

In 1971, the EPA initiated cancellation proceedings under the old FIFRA against DDT, Mirex, Aldrin and Dieldrin. Although in widespread use at that time, these substances still constituted only a small percentage of the one billion pounds of active pesticide ingredients used annually in the United States. Almost all uses of DDT were cancelled in June 1972, based upon findings that it was highly persistent, accumulates in the food chain, poses a risk of cancer in man, and is a severe threat to non-target species. An internal scientific review has found that the evidence upon which this decision was reached has not been refuted by subsequent technical findings. Aldrin and Dieldrin pose similar problems and were recently cancelled for most uses, while Mirex is presently available only for use against the imported fire ant. In addition, Mercury pesticides have been the subject of administrative actions resulting in their virtual disappearance from the market place.

It is apparently for these few actions, many instituted prior to adoption of the 1972 FEPCA, that special interests want to see EPA punished by mischievous legislation. These proceedings have involved years of expert, on the record testimony relating to human health, availability of substitutes and economic factors, before the Administrator took action on behalf of the government to protect against, "unreasonable adverse effects upon man and the environment." The Committee has not, of course, nor would it be expected to, review the extensive and highly technical record of those proceedings. It has not taken direct testimony of its own, in any systematic fashion at least, on these points of scientific controversy. Neither has it availed itself of the legislative branch independent resource for evaluation of highly technical issues—the Office of Technology Assessment.

These suspensions and cancellations have not meant that there are no effective products available for use—indeed there are approximately 1,200 active ingredients contained in nearly 36,000 federally registered products. Not that removal of chemicals from the market is the only means to mitigate adverse environmental effects. Indeed additional safeguards enacted with the 1972 FEPCA, give the Administrator several intermediate steps to ensure that pesticides which might otherwise be banned can remain on the market. If allowed to become fully effective these new features provide a further margin of safety to farmers, other pesticide users, consumers, and additional protections to the environment generally, including the incidentally exposed human population, commercial fisheries and other renewable natural resources and wildlife.

This is done by making the label directions and precautions on pesticide packages legally enforceable. Neglect or willful failure to abide by these safeguards is a violation of law. Further, all registered products will be classified by EPA for "general" use, that it by the public at large with no requirement for special know-how or in the case of more acutely toxic, persistent, or dangerous formulations, "restricted" use. A restricted product may only be used by, or under supervision of an applicator who is certified competent. States would certify the competence of applicators based on some demonstration of knowledge and ability in handling poisons.

In recommending that the 1947 FIFRA be strengthened by these and other provisions the House Agriculture Committee reported as followed in 1972:

"The Committee found that the greatest need for revision of existing laws to be in the area of strengthening regulatory control on the use and users of pesticides, speeding up procedures for barring pesticides found to be undesirable; streamlining procedures for making valuable new control measures, procedures, and materials broadly available; strengthening enforcement procedures to protect against misuse of these biologically effective materials; and creating an administrative and legal framework under which continued research can produce more knowledge about better ways to use existing pesticides as well as developing alternative materials and methods of pest control . . . old FIFRA is changed from a labelling to a regulatory program."

EPA's pesticide regulatory program explicitly requires a balancing of economic and social considerations with health and environmental risks. This responsibility has not been lightly regarded by the EPA Administrator. The gravity of the risks involved mandate that EPA's role in pesticide regulation be reaffirmed rather than restricted.

Sincerely,

LINDA M. BILLINGS,
Washington Representative.

NATIONAL AUDUBON SOCIETY,
Washington, D.C., July 24, 1975.

PRINCIPAL OBJECTIONS TO THE USE OF POISONS FOR PREDATOR CONTROL

1. Poisons are indiscriminate and kill many animals which in no way harm livestock. For example, the M–44 cyanide device, while more selective than baited carcasses, still is capable of killing non-target species. In April, 1975, the emergency program of the Fish and Wildlife Service utilized 4,255 devices to protect 137,271 sheep, cattle and goats. During the month, 206 coyotes were killed; also killed were 44 foxes, 10 "feral" dogs, 7 raccoons, 25 skunks, and 31 opossums.

Baited carcasses or drop baits are far worse, since typically strychnine or compound 1080 is used in the carcasses. Both poisons are extremely cruel, both are slow acting so that the animal may travel a long ways from the bait station before succumbing. Compound 1080 persists in the environment and can cause secondary poisoning, i.e. animal A feeds on a carcass and succumbs; animal B feeds on the carcass of animal A and also succumbs. In addition, because compound 1080 causes the victim to vomit, other animals may pick up the poison in this way. Studies such as the Aztert monograph cited during the Agriculture Committee's hearings have been used by the proponents of poison to argue that the chance of secondary poisoning is remote. However, it should be remembered that trying to distribute the poison in even doses throughout a carcass under field conditions is an entirely different situation than laboratory conditions. (See article, "1080 is a Selective Poison . . .") It is true that some species are more tolerant of 1080 than others, with members of the canine family being the most susceptible, but despite the assertions of the Aztert study, golden eagles as well as other non-target species have been killed by 1080 and the Department of Interior's own autopsies verify this. Since in the past no one bothered to keep very careful records of all the non-target species killed by poisons, existing records are fragmentary—but still demonstrate the power of poison to kill innocent wildlife.

2. All coyotes do not kill sheep, and simply trying to kill as many coyotes as possible—as was done for many years with poisons—does not necessarily solve the problem. Predator control should be aimed at the nuisance animal which is killing livestock, not at any and every coyote. The State of Kansas, for instance, for many years relied on the extension trapper system—with one man taking care of the coyote problem for the whole state. There is a large and flourishing coyote population in Kansas, and there is a large population of livestock. Livestock management tends to be different than on the rangeland of the mountain states, with smaller flocks. Coyote control was carried out by trapping and shooting and proved effective. Within the last year, a limited

number of M-44s were authorized for use in Kansas, but figures are not yet available to determine whether ranchers found them more effective than trapping.

3. Since the segment of the sheep industry which complains loudest about losses to predators raises its sheep on the public lands for bargain basement grazing fees, the public has a right to complain about the destruction of wildlife on the public's own land. The sheep industry is a dying industry and has been declining for many years. Much of the problem relates to the development of synthetics, competition from cheaper and better imported wool, and the inefficiencies of the industry itself. It is easy to see why a rancher would find it convenient to blame his problems on something visible like a coyote, since he is helpless to deal with things like world markets. If sheepmen want to continue grazing their flocks on public lands, they must accept the public's will about wildlife and its destruction.

4. Since the poison ban was enacted, a wide variety of research projects have been undertaken by USDA and the Interior Department. Some of those studies are well advanced and should be published this summer if they are not suppressed. Loss statistics have always been mostly guesswork, and the Economic Research Service of USDA has been trying to get an accurate picture of predator losses, along with answers to other economic questions related to the issue. Some of the key ERS studies are due to be published this summer, and it makes no sense to make a change in policy now before the results of those studies are available.

TWO HUNDRED AND FORTY DISTRICT OF COLUMBIA FARMERS?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the IRS' preliminary statistics of income for individuals for the year 1973 is a gold mine of information and provides a strong argument for tax reform. For example, I pointed out recently that the statistics indicate that there are 24 individuals with adjusted gross income of $1 million or more who in 1973 were able to avoid any Federal income tax.

There is another interesting statistic on page 24 of the IRS publication: In 1973 there were 240 individuals living in the District of Columbia who claimed farm losses—net profit less net loss—of $2,653,000 or an average loss of $11,054.16 per D.C. farm income return filed with the IRS.

I am not familiar with any farm areas in the District of Columbia. But perhaps I have been missing something. Are there 240 Washingtonians who rush over after work each day and hoe gardens on Tiber Island? Is someone claiming the Nation Botanical Garden as a flower farm? Is there someone who mows the Washington Monument grounds and counts it as a haying operation? Are 240 apartment dwellers along upper Connecticut Avenue claiming losses on their windowboxes? Do the quarter million dollar penthouses on the top of the Watergate support truck farm operations?

Actually, Mr. Speaker, it is probable that these 240 individuals are filing tax loss deductions for farm operations on either absentee farming land that they own or they are tax loss farmers—gentlemen farmers who have never even gotten their feet muddy.

The Ways and Means Committee has recently tentatively adopted provisions limiting the amount of artificial losses one can claim for farming operations. I am hopeful that this provision will end the abuse of tax loss farming partnerships.

I believe that the absurdity of 240 Washingtonians losing an average of $11,054.16 apiece on farms in one tax year will convince even the most skeptical that tax reform is needed.

HEARINGS ANNOUNCED ON NATIONAL WOMEN'S CONFERENCE BILL, H.R. 8903

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, I wish to announce that on Tuesday, September 30, the Subcommittee on Government Information and Individual Rights, which I chair, will hold hearings on H.R. 8903, a bill to direct the National Commission on the Observance of International Women's Year 1975, to organize and convene a National Women's Conference no later than December 31, 1976.

Under the provisions of this bill, the Commission on the Observation of International Women's Year, created by executive order on January 9, 1975, would be responsible for organizing and convening a national conference to assess the progress made to date by both the private and the public sector in promoting women's rights. This conference will consist of representatives from local, State, regional, and national institutions, agencies, organizations, unions, and associations which work to advance the rights of women; men and women involved in policymaking and decisionmaking in government, private industry, education, child care and social welfare, the media, and other fields; and members of the general public. The national conference would be preceded by local, State, and regional meetings of a preparatory nature.

The celebration of Internal Women's Year and our Nation's 200th anniversary are, indeed, appropriate occasions on which to focus attention on both the current status of American women and on the means to improve that status.

Witnesses will include several Members of Congress as well as representatives of a number of national organizations, unions, and interested groups of citizens. The hearing will be held in room 2247 beginning at 10 a.m. on September 30. It is open to the public. Those interested in presenting testimony or written statements should contact the subcommittee office.

FATHER YVO TYMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DE LA GARZA), is recognized for 5 minutes.

Mr. DE LA GARZA. Mr. Speaker, a pioneer missionary Roman Catholic priest in my south Texas district will observe his 96th birthday on the 30th of September. I call the attention of my colleagues to the life of this man. Father Yvo Tymen, because he provides a shining example of dedicated service to mankind, an inspiration to all who know what he has done.

Father Tymen, now retired and living in the historical rectory of Immaculate Conception Cathedral in Brownsville, Tex., is the last survivor of the "Cavalry of Christ," members of which in the early years of this century rode horses to visit the ranchos and missions in that area. Ordained a priest by the bishop of San Antonio in 1907, he was sent to the community of Roma located in Starr County in the lower Rio Grande Valley. During his 6 years in that outpost of the church, he traveled by horseback to bring the Catholic faith to the scattered residents of Starr and Zapata counties. Here was his first association with my family as he would come to Zapata and the ranches of Randado and San Antonio Viejo where my father's family lived. Father Yvo would come on horseback and he would spend the night. He would hold Rosary services and mass and then he would sing in Spanish and French into the night with the families of the ranch. He loved to sing, and even to this day, whenever I have the pleasure of seeing him, I remind him of this, and he breaks out with a song.

Later, in 1913, Father Tymen was placed in charge of a motorized chapel, a large truck converted to a chapel on wheels. He used this vehicle to travel, under hardship conditions, to the area's distant and widespread missions until fatigue overtook him and his Provincial at San Antonio gave him permission to return to his native France for a 6-month rest from the rigors of frontier life.

He reached his homeland in Brittany 2 weeks before the outbreak of World War I. He immediately joined his hometown unit and spent the next 3 years caring for the wounded on European battlefields. He was gased twice before the war ended.

Following his return to the United States and to south Texas, Father Tymen served in churches all over the lower Rio Grande Valley until his retirement in 1962.

It was while he served in Mission, Tex., in the thirties that I became acquainted with Farther Yvo. While attending Our Lady of Guadalupe Parochial School, I became an altar boy. It was on the Feast Day of Our Lady of Guadalupe in 1934 that I first attended at mass which the good Father Yvo celebrated.

He truly was a missionary. He built the small chapels in the surrounding communities or remodeled the ancient ones. With the help of his altar boys and a few older gentlemen from our church, we would go in the back of a covered pickup in the late afternoon, work on the chapel and then have rosary.

Returning that night he would teach us songs in French and we would teach him the Spanish songs of the border country. He loved those missions. Once on a Christmas Eve, so they could have "midnight mass," he celebrated mass—and I was thrilled to be one of the altar boys—at 11 p.m. and then every hour or so thereafter at a different rural community until the last one at 5 a.m. the next morning when, with the Sun breaking out of the clouds in the east, we headed for Mission and home.

He loved to go to the old monastery and novitiate called "La Lomita" on the banks of the Rio Grande south of Mission. Always he would take his altar boys with him. There we would work and sneak a few minutes to play and swim in the river before going home. The stories could go on for days about this holy man.

I was privileged recently to be present when he was decorated by the Government of France for his service to humanity. Mr. Speaker, it is a good thing that such a man as Father Tymen belongs to the human race. He has spent his life serving his God and church by doing good to others. I honor him on the occasion of his 96th birthday, and I remember with pride that as an altar boy I served my first mass with this great and good man.

HEARINGS TO BE CONDUCTED BY COMMITTEE ON ARMED SERVICES RELATING TO READINESS OF RESERVE FORCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. NEDZI) is recognized for 5 minutes.

Mr. NEDZI. Mr. Speaker, the General Accounting Office recently released a study which concluded that certain inadequacies exist in the Reserve training program. The Personnel Subcommittee of the Committee on Armed Services will conduct a series of hearings commencing on September 29, 1975, to review the findings and recommendations of this study, as well as other operational—not personnel benefit—problems relating to the readiness of Reserve forces.

Members of Congress are invited to appear or submit for the record their recommendations for improvements in the readiness of Reserve forces. Other interested individuals who wish to present their views on these issues may submit them in writing, or appear in person as time permits. Inquiries may be directed to the committee.

A STATE-DEFENSE COMMUNICATIONS GAP?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, in recent days press stories have indicated some difference of opinion between the State and Defense Departments with respect to the commitment by the United States to consider sales of Pershing missiles to Israel. The gist of the press stories is that there was apparently little if any consultation by State with the Defense Department about the possible Pershing missile sale. If these stories are true, there would appear to be a serious lack of communication within our Government with potentially grave implications for our own military preparedness.

I regret to say, Mr. Speaker, that this does not appear to be an isolated case. Recently the Subcommittee on International Political and Military Affairs, which I have the honor to chair, conducted a review of the planned sale of Hawk missiles to Jordan. From our review it now appears that the final form of the proposed missile sale, which differed from an earlier one, was never referred to the Defense Department for their professional military evaluation.

Mr. Speaker, the apparent lack of consultations and communications between our two primary national security agencies must not be allowed to continue. I hope the President will immediately resolve this urgent problem.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, yesterday I was not present for three recorded votes. Had I been present, I would have voted "nay" on rollcall No. 541, a motion to recommit the conference report on H.R. 8121 with instructions to insist on the House language in section 104, and "yea" on rollcall No. 542, a motion to recede from disagreement to the amendment No. 8 of the Senate. Further, I would have voted "aye" on rollcall No. 545, the amendment offered by Mr. Moss, to prohibit a consumer product safety standard from requiring sampling plans.

CONGRESSIONAL CONTROVERSY OVER STUDENT AID

(Mr. YOUNG of Georgia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. YOUNG of Georgia. Mr. Speaker, how should Federal student aid be distributed? Should limited financial resources be spread out in small amounts to a larger number of students, or should it be concentrated on those who have little or no funds of their own to use? A stated policy of the Federal Government is to assure equal educational opportunity to all students even if they are from the poorest of families. Should we allow the refocusing of funds now targeted at the most needy students away from those students?

A bill to extend student aid legislation introduced by Representative JAMES O'HARA, chairman of the Subcommittee on Postsecondary Education, would make important changes in the way Federal student grants and loans are awarded.

The following article which appeared in the Capitol Hill Forum attempts to answer these and other questions concerning Mr. O'HARA 's bill.

[From the Capitol Hill Forum, Sept. 22, 1975]

CONGRESSIONAL CONTROVERSY OVER STUDENT AID

(By Patricia Fleming)

The Education Amendments of 1972 were an anomaly, for in 1972, the retreat from programs with a poverty focus had already begun. The Great Society, only partially realized, was a fading dream. The Basic Educational Opportunity Grants (BEOGs) program—a student aid program in which grants are awarded solely on the basis of need—was a proposal that originated in a paper by Alice Rivlin in 1968 when she was assistant secretary at the Department of Health, Education, and Welfare. A similar idea was mentioned by President Nixon in his 1970 education message, but the actual basic grants legislation was drafted and introduced in 1971 by Sen. Claiborne Pell, Chairman of the Senate Education subcommittee. This program was the heart of the new congressional thrust toward equal educational opportunity at the post-secondary level. It was adopted by the 92nd Congress.

The Education amendments, authorizing Basic Grants, Supplemental Educational Opportunity Grants, State Students Incentive Grants, College Work-Study, and the student loan programs, expires on June 31, 1976, the end of this fiscal year. There is about a year left in which the Congress can make any changes in the programs it desires, and authorize them for several more years.

In the House of Representatives, Congressman James O'Hara (D-Mich.) now chairs the subcommittee on Postsecondary Education, formerly headed by Edith Green. Rep. O'Hara has introduced a bill, H.R. 3471, that reauthorizes student aid programs, extending them through fiscal year 1980, with some significant and controversial alterations.

The O'Hara bill, when introduced, caused an immediate negative reaction among groups and individuals concerned with the struggle for equal access for minority and low-income students. What appeared in the form of legislation was a new direction for the student aid programs—turning away from the goal of equal educational opportunity, at least as it was defined by groups with low-income or minority constituencies.

Congressman O'Hara's conception of equal educational opportunity is education "for the masses." To him, equal educational opportunity means universal access to education for any person, at any level, at any time of life. Ideally, he says, education should be a life-long undertaking, meaning an individual should be able to move in and out of the education process whenever necessary or desirable, "for any reason, at any age." Education, he asys, should be free. No charge.

He asked a black witness at the student aid hearings which of the following two alternatives he would select if he had the choice: to increase total college enrollment with proportions of minority and white students remaining the same as they are now, but having a larger number of blacks, as well as whites, in higher education; or to increase the proportion of minority students to reach a larger number as well as a larger percentage of non-white students.

The witness chose the second alternative—James O'Hara chose the first. This points out the major difference in definitions of equal educational opportunity. Rep. O'Hara does not think in terms of race and the effects of generations of discrimination on a person trying to enter college. Evidence for this can be found in Section 498 of his bill. Section 498 is the nondiscrimination provision. It bars discrimination on the basis of race, color, national origin, sex, and age. However, it also prohibits preferential treatment. It says, in effect, that no person shall be admitted to participation in, or provided the benefits of, programs under this title on the basis of race, sex, and so forth.

A report of the Carnegie Council on Policy Studies in Higher Education advocated focusing federal student aid on students from the lowest income groups. Rep. O'Hara says this ignores the needs of the middle and lower-middle class family. A student with "exceptional need" can now get a full basic grant of $1400 plus a supplemental grant, bringing his grant up to $2900 to attend a prestigious private institution. He asks why a family earning $15,000 and sending their children to a school like McComb Community College (which is in his congressional district) should support with their taxes the "exceptional need" student at a school like Harvard or MIT. For Rep. O'Hara, equal access means that students from both families could go to McComb Community College.

In considering the relationship between dollars and equity of access, it is simpler to talk about access for all low-income students, rather than for minority students, or black students.

However, we must remember that at every income level, black students are underrepresented. In Virginia Fleming's compilation of data on "Equal Access and Student Financial Aid," she notes, "It is clear that economic inequities strongly affect the opportunities of black students . . . for higher education. However, the heritage of segregation and unequal opportunities for high school preparation also play a part in restricting opportunity. . . . At every income level in America, more whites than blacks attended college in 1970. Discrimination has many aspects." As an example, 59 percent of white families earning $15,000 a year or more sent children to college, as compared with only 39 percent of black families.

Census data demonstrates that the black male has no prospect of earning as much as the white male high school graduate unless he has four years of college. If the trade union movement were open to blacks, perhaps there would not be such a great and overriding need for higher education. But it is not.

Last year, the O'Hara subcomittee held a lengthy series of hearings on student aid, then went to work on the legislation. The bill he drafted was introduced in February of this year without co-sponsors. In his introductory statement on the House floor, O'Hara said, "I will take the full responsibility for H.R. 3471 and for its manifold imperfections. I hope and trust that during the course of our concluding hearings and mark-ups, the normal working of the legislative process will identify those imperfections and help us improve the product. But the final legislation will not be the work of any one legislator, or any one group. It will be the best kind of combination of hard thinking, hard work and hard bargaining, in a free and open forum." Rep. O'Hara, in other words, is flexible. He will respond to the pressures and suggestions from other members of the committee.

Several weeks of additional hearings were held after the bill had been circulated. Since the hearings, the decision has been to wait until the criticisms and other reactions from the world of higher education have simmered down before holding a subcommittee mark-up. Mark-up will not be scheduled until late September or October, which gives other members of the subcommittee some time to come up with alternatives to existing proposals.

The O'Hara bill is, comprehensive, complex, and controversial. It represents a significant change in philosophy from the current federal aid programs which aim to extend educational opportunities to students regardless of income. Rep. O'Hara's goal seems to be to get the maximum number of students possible into institutions with low or no tuition. His concept of equal educational opportunity is to provide access to low-cost colleges for the majority of young people. He would add some special assistance for exceptional students which would be awarded on the basis of merit. He has written a bill which would be of most assistance to families such as those in his own congressional district in Michigan—working class, non-minority families who have, he feels, been neglected by federal aid programs. The alterations of the student aid programs are clearly not designed to help the student from a poor family who may have some educational disadvantage.

In April, Virginia Trotter, Assistant Secretary for Education, and Terrell Bell, Commissioner of Education, testified before the subcommittee on Post-secondary Education. Their objections to the bill were numerous. Dr. Bell said, "We would urge that the goal of equalizing opportunity remain the foremost priority of federal student assistance efforts, and that we continue to concentrate the limited funds available on those young people with the greatest financial need. Given rising educational costs and limited federal resources, it seems now more than ever that the funds available must be directed towards those with the greatest financial need."

In the O'Hara bill, the basic grant program, otherwise known as BEOGs, has two major changes:

(1) The half-cost limitation has been removed. Under current law, a basic grant may not exceed one-half the actual cost of college attendance—tuition, fees, room and board, books and other expenses. This is a positive move toward greater access for low-income students. The half-cost provision has been demonstrated to be one of the most inequitable provisions in the law as it now exists, because it only affects low-income students attending low-tuition institutions.

(2) Assets are removed from the determination of family contribution. Research being done by Lois Rice at the College Entrance Examination Board indicates that if assets are eliminated from the basic grant calculations, about 350,000 new eligible students will be drawn into the program, and almost three-fourths of them will come from families with incomes greater than $9,000. An additional $300 million would be required to fully fund the current program if assets are eliminated. Removal of assets would greatly simplify the program, but unless BEOGs become an entitlement program, which means funding to the level required to fully fund all eligible students, the removal of assets redistributes scarce resources away from low-income students to middle-income students.

A provision that is neither in current law nor in the O'Hara bill is one recommended by Lois Rice in a paper presented last October at an American Council of Education meeting, and subsequently offered by the Carnegie Council and the Consortium on Financing Higher Education (COFHE) in their most recent reports. They suggest the basic grants be restructured to provide only for students' noninstructional costs. These are the reasons for the proposal: Basic grants could be focused on access to post-secondary non-instructional education. Whereas tuition varies widely from zero to $4,000 a year, costs are by far more uniform from state to state and institution to institution. Thus, a grant based on such costs would tend to meet the needs of all students and could establish a national standard for the size of the basic grant. Annual adjustments in response to inflation would be simple. If basic grants covered a portion of non-instructional costs, other federal and state grant programs could provide for tuition. This would create a clear division of function between basic grants and other student grant programs. Basic grants could be focused on access to post-secondary education. Another important step recommended by Rice, Carnegie, and COFHE is to make basic grants a real entitlement program. Since 1972, BEOGs has not been fully funded. Grants to students have had to be reduced according to a complicated reduction formula. Their recommendation is to treat the basic grants program like the veterans' education benefits under the G.I. bill, making it an open-ended entitlement, providing for grants up to the maximum amount for all students meeting eligibility conditions.

Even though BEOGs is referred to as an "entitlement" now, there is no entitlement when a student gets only a portion of his grant. The size of the grant is determined in part by the amount of the appropriation for any given year. Only when BEOGs is a true entitlement program can access for low-income students be assured.

The Supplemental Educational Opportunity Grant program, known as SEOGs, provides assistance to students with exceptional financial need. The award cannot exceed $1,500 or one-half the sum of the other grants, loans, and work program assistance the student is getting. A supplemental grant is made through a participating institution rather than directly to the student.

O'Hara's bill changes student eligibility for SEOGs. First it requires that a student be eligible, on the basis of need, for a basic grant, but secondly, the student must qualify on the basis of academic promise as indicated by a national list of such promising students. In his floor statement, Rep. O'Hara stated, "While the bill does not so specify, I had the National Merit Scholarship list in mind as one possibility."

Education officials Trotter and Bell, as well as many others, took exception in their congressional testimony, to the shift from need-based programs to eligibility based on the almost indefinable concept of "academic promise" or outstanding academic performance. The National Merit Scholarship list referred to as an indicator of academic merit contains the names of only an insignificant number of black students, and very few low-income students of any ethnic background. Problems associated with measuring student ability in general, and low-income students in particular, are well known.

Rep. O'Hara's version of SEOGs would provide for the full cost of education—both instructional and non-instructional, minus the expected family contribution and the amount of any basic grant to the student.

Both the Carnegie Council and COFHE recommend the continuation of SEOG as a grant to cover instructional cost only, as a supplement to BEOGs, which they suggest should be applied to the student's non-instructional expenses. They further recommend that SEOG be structured to meet more effectively the needs of low and middle income students attending moderate and higher priced institutions. Thus, supplemental grants would focus on the problem of enhancing choice more than equalizing access.

Were there enough support for it among members of his subcommittee, Rep. O'Hara would be willing to drop the merit basis for awarding supplemental grants, while at the same time focusing SEOGs on a second dimension of equal opportunity, which is choice.

The State Student Incentive Grant program (SSIG), is designed to stimulate increased state efforts in student financial aid. Federal monies are matched on a 50–50 basis by the states and grants are awarded to students demonstrating "substantial financial need." By now all 50 states have scholarship and grant programs in operation or are planning them. Before the first year of SSIG, only about 27 states had student aid programs. The increase in state aid is largely, a result of SSIG. This remarkable response to a program which is funded at a relatively low level ($20 million in 1975, as compared with $660 million for BEOGs), demonstrates the growing commitment of the states to student financial aid programs.

Once again, Rep. O'Hara takes need out of the picture. In his bill, the term "eligible student" is left undefined, thus making the SSIG available to all students. In addition, it removes the $1,500 a year ceiling on individual grants. These two modifications could result in major changes in the population served by the program. They mean that the SSIG funds would be spread out over the entire college population in a state, reducing the average per-student grant drastically and diminishing the impact of the program. Once again, low-income students would be hurt most.

The bill would further allow states to channel SSIG into low or no tuition institutions, causing the gap between the costs of public and private institutions to widen even more.

A clearer definition of the relationship between federal and state student aid is required. If legislation authorizing basic grants is amended to allow them to cover only non-instructional costs, perhaps SSIG, as well as supplemental grants, should be limited to aid for instructional costs.

The legislation authorizes $200 million for SSIG, a dramatic expansion from its current funding level of $20 million. States match the federal funds dollar-for-dollar. It is open to question whether most states would be able to appropriate such increased new funds very quickly. A gradual increase over the entire authorization period of the bill would be more realistic.

A change in SSIG policy that is widely recommended is that states be allowed and encouraged to make grants to students who are attending out-of-state institutions. This would allow students greater choice in attempting to find schools which best serve their needs.

College work-study is another need-based program that the O'Hara bill would make available to the entire student population. Current law requires that college work-study provide assistance to students with the "greatest financial need." This includes students from low-income families but can also include middle-income students attending high-cost institutions. The federal subsidy is 80 percent of the student's salary and for this reason, among others, it is an extremely popular program.

There is good reason to keep the need focus of college work-study and, in addition, to expand appropriations for the program at the present time. With unemployment levels reaching for the moon, private employers are likely to provide fewer jobs for students on a non-subsidized basis than in times of a more stable economy. Again, it is the low-income student who is more likely to need the additional funds generated by a job. The college work-study program now enhances equal access.

A higher appropriation level for this program would be totally justified, for a study conducted at Columbia University indicated that about 80 percent of college work-study administrators could provide more jobs if additional funds were obtained.

The National Direct Student Loan program and the Guaranteed Student Loan program are 17 and ten years old, respectively. But there are still many policy questions regarding these and other loan programs that have never been adequately addressed by Congress.

What is the most effective balance of grants and loans to achieve maximum access? What is the proper role of loans in the entire student aid picture? Should loans be focused on low-income students and not on others? Or should they be primarily geared toward middle-income students? What roles should the federal and state governments, educational institutions and financial institutions play in student loan programs?

These and other questions need to be considered this year, before Congress enacts the Educational Amendments of 1976.

In the O'Hara bill, the National Direct Student Loan program, which is designed to provide campus-based, low-interest loans, would be phased out in one year. Funds administered by participating institutions would be transferred to those institutions to be used by them for their own student lending if they wish to maintain such a program.

The legislation would also totally abolish the direct federally insured student loans of the Guaranteed Student Loan program. The bill would encourage the expansion of state guarantee agencies which Rep. O'Hara believes, would take up the slack. To make equity matters worse, he limits the definitions of "eligible lender" to banks, credit unions, and other commercial lenders, fully acknowledging that the elimination of college-based lending programs will make it much harder for low-income and minority students to obtain loans. In his floor statement O'Hara said, "I am offering one other new provision which I think will help with the default problem. And it reminds me of a sign in a pizza parlor not far from this very chamber. On the walls of the pizzeria, it says: 'We have an agreement with the bank. We won't cash checks if they won't sell pizzas'." Later, in a more serious vein, he continued, "I believe that asking those students to borrow who have come from the most economically deprived groups and who are going to have, whatever their education, a tougher time than most to find gainful and stable employment when they get out of school, is not offering them 'assistance.' It is adding to their burdens at a time when we should be trying to lighten those burdens."

The loans programs constitute the most difficult and complicated portions of current student assistance law as well as the O'Hara bill. It is likely the committee will try to continue its patching efforts rather than making a major reform effort.

There is some cause for alarm among advocates of greater minority participation in post-secondary education. However, influential members of the House Education and Labor Committee are alarmed as well. Growing out of quiet discussions, the possibility for concensus among some of these members may result in a bipartisan effort to reinforce and expand the equal opportunity thrust of current student aid programs. There is no question that the O'Hara bill will be modified in the House committee.

As Congress moves toward extension of student aid programs, those concerned must be prepared to document and support with cogent arguments, the fact that the plight of the middle-class is not anything close to the plight of the lower class, in a time of economic crisis. Low-income families do not have the flexibility in their budgets that can cushion the shock waves of inflation. The low-income worker is also more likely to be hit by unemployment. While the cost of education continues to rise, the opening up of eligibility for federal grants to the middle-class student is justifiable. However, any expansion of eligibility for federal student aid must be contingent on increased appropriations. Without an increase in funding, the result will be like taking food from a starving man to give it to one who is merely hungry.

In Congress this year, we have witnessed a new budgetary consciousness among members who would traditionally have been the proponents of increased aid for poor students. We have seen them, in the name of fiscal responsibility, vote against increases for subsidized lunch programs and other social service programs. Thus, I believe it unlikely that this Congress will vote any substantial increases in student aid funding that would compensate for an upward expansion of eligibility.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Murphy of New York (at the request of Mr. O'Neill), for Friday, September 26, 1975, on account of official business.

Mr. Breaux (at the request of Mr. O'Neill), for Friday, September 26, 1975, on account of official business.

Mr. Dodd (at the request of Mr. O'Neill), for Friday, September 26, 1975, on account of official business.

Mr. Hughes (at the request of Mr. O'Neill), for Friday, September 26, 1975, on account of official business.

Mr. du Pont (at the request of Mr. O'Neill), for Friday, September 26, 1975, on account of official business.

Mr. Bauman (at the request of Mr. O'Neill), for Friday, September 26, 1975, on account of official business.

Mr. Miller of California (at the request of Mr. O'Neill), for Friday, September 26, 1975, on account of official business.

Mr. Moore (at the request of Mr. Rhodes), for today, on account of an injury.

Mr. Eshleman (at the request of Mr. Rhodes), from September 24, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Downey of New York) to revise and extend their remarks, and to include extraneous matters:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Brown of California, for 5 minutes today.

Mr. Vanik, for 5 minutes, today.

Ms. Abzug, for 5 minutes, today.

Mr. Koch, for 15 minutes, today.

Mr. de la Garza, for 5 minutes, today.

Mr. Nedzi, for 5 minutes, today.

Mr. Fascell, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Buchanan, and include extraneous matter on the bill H.R. 1287 considered today.

Mr. Young of Georgia and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $715.

(The following Members (at the request of Mr. Regula), and to include extraneous matter:)

Mr. Crane.

Mr. Carter in two instances.

Mr. Steelman.

Mr. McCloskey.

Mr. Ruppe.

Mr. McKinney.

Mr. Lent.

Mr. Harsha.

Mr. McClory.

Mr. Abdnor.

(The following Members (at the request of Mr. Downey of New York) and to include extraneous matter:)

Mr. McDonald of Georgia in four instances.

Mr. Wolff in 10 instances.

Mr. Badillo in 10 instances.

Mr. Solarz in two instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Barrett.

Mr. Fisher in two instances.

Mr. Matsunaga in six instances.

Mr. Waxman.

Mr. Mazzoli in 10 instances.

Mr. Helstoski.

Mr. Nix in two instances.

Mr. Harrington.

Ms. Abzug in 10 instances.

Mr. Rangel.

Mr. Drinan.

Mr. Bingham in 10 instances.

Mr. Charles H. Wilson of California in two instances.

Mrs. Burke of California.

Mr. de la Garza.

Mr. Gaydos.

Mr. Murtha.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2375. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 3 months; to the Committee on Agriculture.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on September 24, 1975, present to the President, for his approval, a bill of the House of the following title:

H.R. 4005. An act to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act.

ADJOURNMENT

Mr. DOWNEY of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 3 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, September 26, 1975, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1792. A letter from the General Counsel, Federal Home Loan Bank Board, transmitting a draft of proposed amendments to S. 1267, a bill to expand competition, provide improved consumer services, strengthen the ability of financial institutions to adjust to changing economic conditions, and improve the flow of funds for mortgage credit; to the Committee on Banking, Currency and Housing.

1793. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

1794. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of returns and the disclosure of information with respect thereto, and for other purposes; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FINDLEY: Committee on International Relations. House Concurrent Resolution 402. Concurrent resolution welcoming Their Majesties, the Emperor and Empress of Japan (Rept. No. 94–516). Referred to the House Calendar.

Mr. MAHON: Committee on Appropriations. H.R. 9861. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes (Rept. No. 94–517). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H.R. 9836. A bill to amend the Internal Revenue Code of 1954 to allow divorced individuals to take the dependent-care deduction for certain children in their custody; to the Committee on Ways and Means.

By Mr. DELANEY:

H.R. 9837. A bill to amend the Federal Food, Drug, and Cosmetic Act to ban the usage of diethylstilbestrol (DES) as a growth stimulant; to the Committee on Interstate and Foreign Commerce.

By Mr. FORSYTHE (for himself, Mr. Ottinger, Mr. Patten, Mr. Patterson of California, Mr. Pike, Mr. Pritchard, Mr. Rinaldo, Mr. Rogers, Mr. Roncalio, Mr. Ryan, Mr. St Germain, Mr. Sarasin, Mr. Snyder, Mr. James V. Stanton, Mr. Symms, Mr. Thompson, Mr. Tsongas, Mr. Vander Jagt, Mr. Vander Veen, Mr. Walsh, Mr. Weaver, Mr. Whitehurst, Mr. Charles Wilson of Texas, Mr. Charles H. Wilson of California, and Mr. Won Pat):

H.R. 9838. A bill to provide for the conservation and management of fisheries, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FRASER (for himself and Mr. Duncan of Oregon):

H.R. 9839. A bill to provide for the Federal payment of State unemployment compensation benefits which are attributable to services performed by certain employees of State or local governments; to the Committee on Ways and Means.

By Mr. LEGGETT (for himself, Mr. Helstoski, Mr. Holland, Mr. Hughes, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Kemp, Mr. Koch, Mr. Lent, Mrs. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Lott, Mr. McKinney, Mr. Macdonald of Massachusetts, Mr. Maguire, Mr. Martin, Mr. Mathis, Mr. Mezvinsky, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Murphy of New York, Mr. Murtha, Mr. Oberstar, Mr. O'Hara, and Mr. O'Neill):

H.R. 9840. A bill to provide for the conservation and management of fisheries, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MATSUNAGA:

H.R. 9841. A bill to amend the Crime Control Act of 1973 to include the Trust Territory of the Pacific Islands; to the Committee on the Judiciary.

H.R. 9842. A bill to amend title II of the Social Security Act to increase to $825 the maximum amount of the lump-sum death payment thereunder; to the Committee on Ways and Means.

By Mr. MAZZOLI:

H.R. 9843. A bill to limit the 1975 cost-of-living adjustment of Federal executive salaries to 5 percent; to the Committee on Post Office and Civil Service.

By Mr. PRESSLER:

H.R. 9844. A bill to amend title 18 of the United States Code to provide for a mandatory death penalty for premeditated asssassination or premeditated attempted assassination of a President; to the Committee on the Judiciary.

By Mr. RINALDO:

H.R. 9845. A bill to provide that the recently enacted provisions authorizing increases in the salaries of Senators and Representatives be limited only to the increase which will take effect October 1, 1975; to the Committee on Post Office and Civil Service.

By Mr. RINALDO (for himself and Ms. Holtzman):

H.R. 9846. A bill to amend the Urban Mass Transportation Act of 1964 to increase the amount of the Federal grant which may be made for certain mass transportation projects from 80 to 90 percent of the costs of such projects; to the Committee on Public Works and Transportation.

By Mr. RUPPE:

H.R. 9847. A bill to provide that the recently enacted provisions authorizing annual salary increases for Senators and Representatives be limited only to the increase which will take effect October 1, 1975; to the Committee on Post Office and Civil Service.

By Mr. SARASIN:

H.R. 9848. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

By Mr. STUDDS (for himself, Mr. Yatron, and Mr. Zeferetti):

H.R. 9849. A bill to provide for the conservation and management of fisheries, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mrs. SULLIVAN (for herself, Mr. Addabbo, Mr. Ambro, Mr. Annunzio, Mr. Aspin, Mr. AuCoin, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Breaux, Mr. Cleveland, Mr. Conte, Mr. Cotter, Mr. Dingell, Mr. Downey of New York, Mr. Drinan, Mr. Early, Mr. Eilberg, Mr. Fish, Mr. Foley, Mr. Gaydos, Mr. Giaimo, Mr. Ginn, and Ms. Heckler of Massachusetts):

H.R. 9850. A bill to provide for the conservation and management of fisheries, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Ms. ABZUG (for herself, Mr. Beard of Rhode Island, Mr. Maguire, Mr. Rosenthal, Mr. Sarbanes, and Mr. Stokes):

H.R. 9851. A bill to allow Federal employees to participate in a flexible work scheduling program which, for an initial period, shall be established on a temporary basis, and thereafter, subject to congressional disapproval, on a permanent basis; to the Committee on Post Office and Civil Service.

By Mr. BARRETT (for himself, Mr. Brown of Michigan, Mr. Ashley, Mr. Moorhead of Pennsylvania, Mr. Stephens, Mr. St Germain, Mr. Hanley, Mr. Fauntroy, Mrs. Boggs, Mr. Patterson of California. Mr. Ford of

Tennessee, Mr. LAFALCE, Mr. REES, Mrs. SPELLMAN, Mr. J. WILLIAM STANTON, Mr. WYLIE, and Mr. MCKINNEY):

H.R. 9852. A bill to amend section 2 of the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. CORMAN (for himself, Mr. BEARD of Rhode Island, Mr. BLOUIN, Mr. BRODHEAD, Mr. HOLLAND, Mr. HOWARD, Mr. MCCOLLISTER, Mr. PATTISON of New York, Mr. THONE, Mr. UDALL, Mr. VIGORITO, and Mr. YATRON):

H.R. 9853. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. FLORIO, Mr. FORD of Michigan, Mr. KREBS, and Mr. VANDER VEEN):

H.R. 9854. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; to the Committee on Ways and Means.

By Mr. FLOWERS:

H.R. 9855. A bill to repeal the Real Estate Settlement Procedures Act of 1974; to the Committee on Banking, Currency and Housing

By Mr. KINDNESS:

H.R. 9856. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for tuition expenses for the higher education of themselves, their spouses, or their dependents; to the Committee on Ways and Means.

By Mr. LEVITAS (by request):

H.R. 9857. A bill to amend section 518(b) of the National Housing Act for the purpose of providing benefits under such section to former owners of houses assisted under such section and to persons presently owning but not residing in such houses; to the Committee on Banking, Currency and Housing.

By Mr. McCLORY:

H.R. 9858. A bill to amend title 5, United States Code, to make Thomas Jefferson's birthday a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. ROUSH:

H.R. 9859. A bill to amend the Social Security Act to establish a national catastrophic illness insurance program under which the Federal Government, acting in cooperation with State insurance authorities and the private insurance industry, will reinsure and otherwise encourage the issuance of private health insurance policies which make adequate health protection available to all Americans at a reasonable cost; to the Committee on Interstate and Foreign Commerce.

By Mr. SOLARZ:

H.R. 9860. A bill to require termination of investment insurance issued by the Overseas Private Investment Corporation in any case in which the insured investor engages in bribery of a foreign official; to the Committee on International Relations.

By Mr. MAHON:

H.R. 9861. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

By Mr. McCLORY:

H.J. Res. 670. Joint resolution to designate April 13, 1976, as Thomas Jefferson Day; to the Committee on Post Office and Civil Service.

By Mr. STEIGER of Arizona:

H.J. Res. 671. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. WHALEN:

H. Con. Res. 407. Concurrent resolution to promote and encourage the removal of architectural barriers to the access of handicapped persons to public facilities and buildings; to the Committee on Public Works and Transportation.

By Mr. HELSTOSKI:

H. Res. 738. Resolution expressing the sense of the House that optometric services be included in medical assistance programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. RINALDO:

H. Res. 739. Resolution to review, evaluate, and further amend the Wagner-Peyser Act; to the Committee on Education and Labor.

By Mr. SOLARZ:

H. Res. 740. Resolution in support of the people of Portugal; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

267. By the SPEAKER: Memorial of the Legislature of the State of California, relative to South Lake Tahoe airline service; to the Committee on Public Works and Transportation.

268. Also, memorial of the Legislature of the State of California, relative to income tax deductions for geothermal drilling expenses; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6844

By Mr. BUTLER:

Page 20, strike out line 23 and all that follows down through and including line 22 on page 21.

Redesignate the suceeding sections accordingly.

H.R. 8603

By Mr. SIMON:

Page 14, strike out line 19 and all that follows through page 22, line 2, and insert in lieu thereof the following new sections:

SEC. 3. (a) Chapter 36 of title 39, United States Code, is amended—

(1) by striking out subchapters I, III, and IV;

(2) by redesignating subchapter II as subchapter I, and by redesignating subchapter V as subchapter II;

(3) by redesignating sections 3621 and 3622 as sections 3601 and 3602, respectively, by redesignating section 3623 as section 3604, by redesignating sections 3626 and 3627 as sections 3605 and 3606, respectively, and by redesignating section 3681 through section 3685 as section 3621 through section 3625, respectively; and

(4) by striking out sections 3624, 3625, and 3628.

(b) Subchapter I of chapter 36 of title 39, United States Code, as so redesignated by subsection (a), is amended by inserting immediately after section 3602 the following new section:

"§ 3603. Changes in rates and fees

"(a) The Postal Service may make one change in postal rates and fees during any fiscal year, in accordance with the provisions of this section.

"(b)(1) Except as provided by paragraph (4), if the Postal Service proposes an increase in any class of postal rates and fees in any fiscal year, and the percentage increase in such rates and fees is greater than the percentage increase in the price index during the preceding fiscal year (as certified by the Secretary of Labor under subsection (e)), then the Postal Service shall publish such proposal in the Federal Register and transmit such proposal, together with any other proposed changes in any class of postal rates and fees, to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Post Office and Civil Service of the Senate, no later than 30 days after such certification, for review in accordance with the provisions of this subsection.

"(2) In any case in which the Postal Service is required in any fiscal year to transmit a proposed increase in any class of postal rates and fees, the percentage increase of which is greater than the percentage increase in the price index during the preceding fiscal year, to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Post Office and Civil Service of the Senate under paragraph (1), no proposed changes in any class of postal rates and fees, whether or not any such proposed change constitutes an increase which is greater than the percentage increase in the price index during the preceding fiscal year, may take effect during the period established under paragraph (3) for consideration of such proposed increase by each such committee.

"(3)(A) Any proposed increase in any class of postal rates and fees, the percentage increase of which is greater than the percentage increase in the price index during the preceding fiscal year, which is transmitted by the Postal Service to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Post Office and Civil Service of the Senate in accordance with this subsection may take effect, upon 10 days notice published by the Postal Service in the Federal Register but no earlier than 60 calendar days of continuous session of the Congress after such proposed increase is transmitted, unless either such committee, during such 60-day period, disapproves such proposed increase through appropriate action.

"(B) The continuity of a session of the Congress is broken only an adjournment of the Congress sine die. Any day on which either House is not in session because of an adjournment of more than 3 days to a day certain is excluded from the computation of the 60-day period.

"(4) The Postal Service, in making any change in the rate of postage for any class of mail established in accordance with the second sentence of section 3604(c), may round off to the nearest whole cent the rate established by such change. In any case in which such action causes the increase in such rate to be greater than the percentage increase in the price index during the preceding fiscal year (as certified by the Secretary of Labor under subsection (e)), the Postal Service shall not be required to transmit a proposal with respect to such change under paragraph (2).

"(c) If the Postal Service proposes an increase in any class of postal rates and fees in any fiscal year, and the percentage increase in such rates and fees is equal to or less than the percentage increase in the price index (as certified by the Secretary of Labor under subsection (e)), then such rates and fees may take effect 10 days after the Postal Service publishes notice of such rates and fees in the Federal Register. Any proposed increase which is subject to the provisions of this subsection shall take effect no later than 30 days after such certification. If the Postal Service fails either to transmit a proposal under subsection (b)(1) or to place such increase in any class of postal rates and fees into effect during such period, the Postal Service may not make any change in such class of postal rates and fees during the fiscal year involved.

"(d) If the Committee on Post Office and Civil Service of the House of Representatives or the Committee on Post Office and Civil Service of the Senate disapproves a proposed change in any class of postal rates and fees under subsection (b)(3)(A), the Postal Service may place into effect, at such time as it determines during the fiscal year involved, any change in any class of postal rates and fees if such change is not subject to disapproval by such committees in accordance with the provisions of subsection (b)(3)(A).

"(e) At the beginning of each fiscal year, as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Postal Service the per centum difference between (1) the price index for the 12 months preceding such fiscal year; and (2) the price index for the next preceding 12-month period.

"(f) For purposes of this section, the term 'price index' means the average over a 12-month period of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

(c) Section 3604 of title 39, United States Code, as so redesignated by subsection (a), is amended—

(1) by striking out subsections (a), (b), and (c), and inserting in lieu thereof the following new subsections:

"(a) The Postal Service shall establish a mail classification schedule, and from time to time may make changes therein, in accordance with the policies of this title and the following factors:

"(1) the establishment and maintenance of a fair and equitable classification system for all mail;

"(2) the relative value to the people of the kinds of mail matter entered into the postal system and the desirability and justification for special classifications and services of mail;

"(3) the importance of providing classifications with extremely high degrees of reliability and speed of delivery;

"(4) the importance of providing classifications which do not require an extremely high degree of reliability and speed of delivery;

"(5) the desirability of special classifications from the point of view of both the user and the Postal Service; and

"(6) such other factors as the Postal Service may deem appropriate.

"(b) The Postal Service, before making any change in the mail classification schedule, shall transmit such proposed change to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Post Office and Civil Service of the Senate. Any such proposed change may take effect no earlier than 60 calendar days of continuous session of the Congress after such proposed change is transmitted, unless either such committee, during such 60-day period, disapproves such proposed change through appropriate action. Computation of such 60-day period shall be made in accordance with the provisions of section 3603(b)(3)(B)."; and

(2) by redesignating subsection (d) as subsection (c).

(d) Section 3602 of title 39, United States Code, as so redesignated by subsection (a), is amended—

(1) by striking out subsection (a);

(2) by striking out that portion of subsection (b) which precedes paragraph (1) and inserting in lieu thereof the following: "Changes in rates of postage and fees for postal services shall be made by the Postal Service in accordance with the policies of this title and the following factors:"; and

(3) in paragraph (8) thereof, as so redesignated by this subsection, by striking out "Commission" and inserting in lieu thereof "Postal Service".

(e) Section 3605 of title 39, United States Code, as so redesignated by subsection (a), is amended—

(1) by striking out "this subchapter" the second place it appears therein and inserting in lieu thereof "section 3603"; and

(2) by inserting immediately after "so that" the following: "notwithstanding sections 3602 and 3603".

(f)(1) Section 3601 of title 39, United States Code, as so redesignated by subsection (a), is amended by striking out "Governors are" and inserting in lieu thereof "Postal Service is".

(2) Section 3606 of title 39, United States Code, as so redesignated by subsection (a), is amended by striking out "3626" and inserting in lieu thereof "3605".

(3) Section 409(a) of title 39, United States Code, is amended by striking out "Except as provided in section 3628 of this title, the" and inserting in lieu thereof "The".

(4) Section 2003(e) of title 39, United States Code, is amended by striking out "and, subject to the provisions of section 3604 of this title, all of the expenses of the Postal Rate Commission".

(5) Section 2401(c) of title 39, United States Code, is amended by striking out "3626" and inserting in lieu thereof "3605".

(6) Section 3621 of title 39, United States Code, as so redesignated by subsection (a), is amended—

(A) by striking out "after proceedings in accordance with the provisions of section 3628 of this title"; and

(B) by striking out "subchapter II" and inserting in lieu thereof "subchapter I".

(7) Section 3622(c) of title 39, United States Code, as so redesignated by subsection (a), is amended by striking out "subchapter II" and inserting in lieu thereof "subchapter I".

(8) Section 3624 of title 39, United States Code, as so redesignated by subsection (a), is amended—

(A) by striking out "Governors" and inserting in lieu thereof "Postal Service";

(B) by striking out "3627" and inserting in lieu thereof "3606"; and

(C) by striking out "3682 and 3683" and inserting in lieu thereof "3622 or 3623".

(g) The table of sections for chapter 36 of title 39, United States Code, is amended to read as follows:

"Chapter 36.—POSTAL RATES, CLASSES, AND SERVICES

"SUBCHAPTER I—RATES AND CLASSES OF MAIL

"Sec.
"3601. Authority to fix rates and classes.
"3602. Rates and fees.
"3603. Changes in rates and fees.
"3604. Mail classification.
"3605. Reduced rates.
"3606. Adjusting free and reduced rates.

"SUBCHAPTER II—GENERAL

"Sec.
"3621. Reimbursement.
"3622. Size and weight limits.
"3623. Uniform rates for books; films; other materials.
"3624. Limitations.
"3625. Filing of information relating to periodical publications.".

SEC. 4. The General Accounting Office shall no later than 3 years after the date of the enactment of this Act, transmit a report to each House of the Congress which shall contain a review of the operation of amendments made by section 2, together with recommendations with respect to whether such amendments should remain in effect.

And redesignate the following sections accordingly.

Page 22, line 3, strike out "Section 3622 (b)" and insert in lieu thereof "Section 3602".

Page 22, line 10, strike out "Section 3626" and insert in lieu thereof "Section 3605".

Page 23, strike out line 17 and all that follows through page 24, line 13.

Page 24, strike out the material which appears immediately below line 13 and immediately above line 14.

And redesignate the following sections accordingly.

Page 24, strike out line 14 and all that follows through page 25, line 14.

Page 25, strike out the material which appears immediately below line 14 and immediately above line 15.

And redesignate the following sections accordingly.

Page 26, strike out line 1 and all that follows through line 23.

And redesignate the following sections accordingly.

Page 29, beginning on line 5, strike out "particularly the functions and responsibilities of the Postal Rate Commission,".

Page 29, line 8, strike out "If the".

Page 29, strike out line 9 and all that follows through line 11.

Page 29, line 12, strike out "viewed independently outside the Postal Service.".

Page 29, line 20, strike out "section 3622 (b)" and insert in lieu thereof "section 3602".

H.R. 8841

By Mr. BROWN of California:

(Amendment in the nature of a substitute to the committee amendment.)

On page 2 strike line 1 and all that follows through line 21 page 10 and insert in lieu thereof the following:

That section 27 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. 136 (y)), is amended by adding at the end of such section the following: "There is hereby authorized to be appropriated to carry out the provisions of this Act for the period beginning October 1, 1975, and ending September 30, 1976, the sum of $33,821,000.".

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of September 9, 1975, page 28054:

H.R. 9306. September 3, 1975. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 (1) to extend the authority of the Secretary of Transportation to make grants for airport development through fiscal year 1980; (2) to limit the consideration of the environmental impact of airport development outside of standard metropolitan statistical areas; (3) to require the preparation of environmental impact statements in projects under this Act; (4) to limit the requirement for public hearings on development projects; (5) to provide an alternate method of computing the Federal share of certain project costs; and (6) to change the tax on air fares.

H.R. 9307. September 3, 1975. Interstate and Foreign Commerce. Establishes the Electric Power Authority with the duty to assure that adequate supplies of electric energy are available to meet anticipated demand. Directs the Authority to assist in the construction of new electric power plants and transmission facilities, with preference to be given to those facilities fueled with domestic energy supplies other than crude oil derivatives.

H.R. 9308. September 3, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to revise the procedure for consideration of applications for renewal of broadcast licenses. Extends the maximum term of license for the operation of broadcasting stations from three to five years.

H.R. 9309. September 3, 1975. Judiciary. Prohibits any officer or employee of the United States from willfully administering any drug to any person for research purposes without that person's written, informed consent, obtained without coercion.

H.R. 9310. September 3, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that the appropriate congressional committees conduct a comprehensive review of all Federal programs every two years. Specifies the review method to be followed.

H.R. 9311. September 3, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to stipulate that in determining the eligibility of a paraplegic for assistance under a State medicaid plan, the financial responsibility of such individual's spouse shall not be taken into account. Requires that each State medicaid plan include the provision of private duty nursing services for paraplegics.

H.R. 9312. September 3, 1975. Judiciary; Rules. Declares that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule. Establishes procedures for exercising Congressional disapproval of such proposed rules.

H.R. 9313. September 3, 1975. Judiciary; Rules. Declares that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule. Establishes procedures for exercising Congressional disapproval of such proposed rules.

H.R. 9314. September 3, 1975. Judiciary; Rules. Declares that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule. Establishes procedures for exercising Congressional disapproval of such proposed rules.

H.R. 9315. September 3, 1975. Interstate and Foreign Commerce. Requires skilled nursing and intermediate care facilities participating in Medicare and Medicaid programs under the Social Security Act to publish a statement of the rights and responsibilities of their patients.

H.R. 9316. September 3, 1975. Ways and Means. Amends the Social Security Act to impose additional requirements on State unemployment compensation programs relating to hearing procedures available to persons denied unemployment compensation following an initial determination of eligibility.

H.R. 9317. September 3, 1975. Post Office and Civil Service. Entitles certain prevailing rate Federal employees to night differential pay as part of their basic pay for purposes of determining such pay in conversions to the General Schedule.

H.R. 9318. September 3, 1975. Education and Labor. Revises the Federal Metal and Nonmetallic Mine Safety Act to authorize additional standards to protect the health and safety of miners. Includes provisions to authorize inspections by Federal officials, to require reporting of major accidents, and to establish procedures for enforcement of standards and emergency relief.

Establishes the Office of Assistant Secretary for Metal and Nonmetallic Mine Safety in the Department of Labor. Transfers regulatory and enforcement authority from the Secretary of the Interior to the Assistant Secretary, to the Secretary of Health, Education, and Welfare, and to the newly-established Federal Metal and Nonmetallic Mine Safety Commission.

H.R. 9319. September 3, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by directing the Secretary of Labor to (1) render on-site consultation and advice to any employer, upon the request of such employer, concerning compliance with the act; and (2) establish programs for the education and training of employers and employees concerning hazards in particular industries.

H.R. 9320. September 3, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to acquire the Wallace House as part of the Petersburg National Battlefield in Virginia.

H.R. 9321. September 3, 1975. Public Works and Transportation. Deauthorizes a portion of the Nansemond River project in Virginia.

H.R. 9322. September 3, 1975. Ways and Means. Amends the Internal Revenue Code to allow a united credit against the income tax for the expenses of education above the 12th grade paid by the taxpayer for providing an education for himself or any other individual.

H.R. 9323. September 3, 1975. Judiciary. Increases the sentences for dangerous special criminal offenders and habitual violent criminal offenders.

H.R. 9324. September 3, 1975. Government Operations. Amends the Federal Property and Administrative Services Act of 1949 to permit the Administrator of General Services to assign to the Attorney General for disposal such surplus real property previously utilized for Federal court purposes as the Attorney General recommends is needed for court and law enforcement use.

H.R. 9325. September 3, 1975. Agriculture. Revises the formula for allocating Federal matching grants to State agricultural experiment stations for construction purposes. Authorizes the Secretary of Agriculture to make such grants to land grant colleges.

H.R. 9326. September 3, 1975. Agriculture. Amends the Federal Laboratory Animal Welfare Act to authorize the Secretary of Agriculture to promulgate standards for the transportation, handling and care of certain animals in interstate or foreign commerce. Prohibits the attendance at, promotion of, or supply of, animal fighting ventures. Sets forth regulations with respect to the transportation and handling of certain classes of animals.

H.R. 9327. September 3, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited deduction for amounts paid by an individual during the taxable year to any qualified handicapped child trust which was established by such individual.

Exempts such qualified handicapped child trust from taxation or the benefits from such trust from inclusion in the gross income of the beneficiary.

H.R. 9328. September 3, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 (1) to increase the Federal share of rail service continuation subsidies; and (2) to extend the authorization of appropriations for such subsidies for an additional three years.

H.R. 9329. September 3, 1975. Judiciary. Amends the Clayton Act to specificially prohibit the acquisition of the assets of one corporation by another corporation where the activities of either corporation are in or affect commerce and the effect of such acquisition may be to substantially lessen competition or tend to create a monopoly.

H.R. 9330. September 3, 1975. Ways and Means. Amends the Social Security Act to stipulate that no State shall be required to administer individual means tests for provision of education, nutrition, transportation, recreation, socialization, or associated services provided thereunder to groups of low-income individuals aged sixty or older.

H.R. 9331. September 3, 1975. Banking, Currency and Housing. Repeals the Real Estate Settlement Procedures Act.

H.R. 9332. September 3, 1975. Judiciary. Permits Federal courts, upon the recommendation of the United States prosecutor, to place certain persons charged with Federal crimes in programs of community supervision and services.

H.R. 9333. September 3, 1975. Banking, Currency and Housing. Repeals the Real Estate Settlement Procedures Act.

H.R. 9334. September 3, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize the Federal Power Commission to make certain sales of natural gas exempt from the provisions of such act.

H.R. 9335. September 3, 1975. Ways and Means. Amends the Internal Revenue Code to exempt aircraft uses primarily for agricultural operation from the tax imposed on the use of civil aircraft. Provides for the refund of the tax on gasoline where fuel has been used for farming purposes in an aircraft and by an aerial applicator who was the ultimate purchaser thereof, and the owner, tenant, or operator of the farm has waived the right to any payment, credit, or refund on such fuel.

H.R. 9336. September 3, 1975. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress.

H.R. 9337. September 3, 1975. Education and Labor. Amends the Age Discrimination in Employment Act by extending the coverage of the act to individuals 60 years of age or over.

H.R. 9338. September 3, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the medicare supplementary medical insurance benefits program.

H.R. 9339. September 3, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to include in the National Register 15 covered bridges located in Kentucky.

H.R. 9340. September 3, 1975. Judiciary; Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 9341. September 3, 1975. Banking, Currency and Housing. Establishes a National Rebuilding and Development Bank to assist in the construction of housing and community facilities. Authorizes the Bank to make loans and guarantees for such construction under a National Rebuilding and Development Program.

H.R. 9342. September 3, 1975. Ways and Means. Amends the Social Security Act and the Internal Revenue Code to allow a person who is 65 years or over at the close of a taxable year to elect to be exempt from social security taxes on employment or self-employment income which does not exceed $2,520.

H.R. 9343. September 3, 1975. Agriculture; International Relations. Requires prior approval by the Secretary of Agriculture of the export sale of wheat, wheat flour, feed grains, or other agricultural commodities designated by the Secretary.

H.R. 9344. September 3, 1975. Armed Services. Directs the Secretary of the Army to convey certain lands in Oklahoma known as Camp Gruber to the State of Oklahoma for the use of the Oklahoma National Guard. Enumerates certain terms and conditions relating to future rights retained in such lands by the United States.

H.R. 9345. September 3, 1975. Government Operations. Sets forth guidelines to be followed in the classification of material as "Defense Data" for purposes of determining whether its dissemination must be limited in the interest of national defense.

H.R. 9346. September 3, 1975. Interior and

Insular Affairs. Authorizes the addition of certain lands to Mount McKinley National Park and Katmai National Monument in Alaska.

Designates certain lands and waters in Alaska as additional units to the National Park System and the National Wild and Scenic Rivers System.

H.R. 9347. September 3, 1975. Merchant Marine and Fisheries. Requires the Secretary of the department in which the Coast Guard is operating to insure that female individuals shall be eligible for appointment and admission to the Coast Guard Academy, based upon the same academic and relevant standards as male individuals.

H.R. 9348. September 3, 1975. Public Works and Transportation. Names a certain building in Texas the W. R. Poage Federal Building.

H.R. 9349. September 3, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9350. September 3, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9351. September 3, 1975. Judiciary. Declares a certain individual the natural-born alien son of certain citizens of the United States, for purposes of the Immigration and Nationality Act.

H.R. 9352. September 3, 1972. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 9353. September 3, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for the loss of certain household goods.

H.R. 9354. September 3, 1975. Judiciary. Declares that a certain widow of a Federal employee is entitled to a monthly compensation payment for the death of such employee.

H.R. 9355. September 3, 1975. Judiciary. Declares a certain individual eligible for naturalization under the Immigration and Nationality Act.

H.R. 9356. September 3, 1975. Armed Services. Authorizes the President to appoint a certain individual to the grade of rear admiral on the Reserves retired list.

H.R. 9357. September 4, 1975. Education and Labor. Authorizes appropriations for fiscal year 1976 for manpower and employment programs contained in the Comprehensive Employment and Training Act of 1973.

H.R. 9358. September 4, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under the Social Security Act.

H.R. 9359. September 4, 1975. Public Works and Transportation. Redefines the composition of the Federal-aid secondary highway system as "rural collector routes."

H.R. 9360. September 4, 1975. Judiciary. Amends the Immigration and Nationality Act to permit the adoption of more than two alien children by a United States citizen.

H.R. 9361. September 4, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to establish a fuel stamp program to assist certain low-income elderly households to meet fuel costs.

H.R. 9362. September 4, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments and reports to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 9363. September 4, 1975. Public Works and Transportation. Terminates the authorization for the Tocks Island Reservoir project in New Jersey, New York, and Pennsylvania. Requires that property acquired by the Secretary of the Army pursuant to such authorization be transferred to the Secretary of the Interior.

H.R. 9364. September 4, 1975. Post Office and Civil Service. Repeals recently enacted authorizations of pay increases in the salaries of Senators and Representatives.

H.R. 9365. September 4, 1975. Ways and Means. Amends the Emergency Jobs and Unemployment Assistance Act of 1974 to make individuals performing services for an educational institution or agency ineligible for special unemployment compensation under the Act for periods between academic years or terms.

H.R. 9366. September 4, 1975. Ways and Means. Amends the Internal Revenue Code to require the Secretary of the Treasury to report to the Joint Committee on Internal Revenue Taxation the specific criteria and procedures used to audit returns and to report certain information regarding audits completed in the previous twelve months.

H.R. 9367. September 4, 1975. Atomic Energy. Directs the Nuclear Regulatory Commission and the Energy Research and Development Administration to limit the export of nuclear fuel or nuclear technology to those nations which are parties to certain international agreements and which have also restricted the flow of nuclear technology to parties of the Nuclear Non-Proliferation Treaty.

Authorizes the President to waive such restrictions if the export of such technology is deemed to be in the national security interests of the United States.

H.R. 9368. September 4, 1975. Veterans' Affairs. Extends the entitlement of veterans to educational assistance from thirty-six months to forty-five months.

H.R. 9369. September 4, 1975. Ways and Means. Amends the Internal Revenue Code to limit the deductions attributable to farming which can be used by a taxpayer to offset nonfarm income.

H.R. 9370. September 4, 1975. Ways and Means. Amends the Tax Reduction Act of 1975 to allow recipients of social security, railroad retirement, or supplemental security income benefits to receive the special $50 payment so long as their entitlement to such benefits for March 1975 is established before August 31, 1975, regardless of when the check is actually issued.

H.R. 9371. September 4, 1975. Armed Services. Amends the Military Selective Service Act to delete the requirement that Reserve officers ordered to active duty for training be ordered to such active duty for not less than three months.

H.R. 9372. September 4, 1975. Armed Services. Authorizes the President to sell certain naval vessels to the Government of Spain.

H.R. 9373. September 3, 1975. Education and Labor. Directs the Secretary of Agriculture and the Secretary of the Interior to establish a Civilian Conservation Corps to provide employment for unemployed persons in projects connected with the conservation of the Nation's land and water resources. Authorizes grants for State conservation projects which meet eligibility requirements under this Act.

H.R. 9374. September 3, 1975. Banking, Currency and Housing. Amends the Defense Production Act of 1950 to authorize the President to make commitments to purchase products produced from coal gasification and liquefaction for Government use or resale in order to encourage the development of such fuels.

H.R. 9375. September 4, 1975. Merchant Marine and Fisheries. Amends the Federal Boat Safety Act of 1971 to authorize appropriations through fiscal year 1978, and to specify various duties of the Secretary of the Department in which the Coast Guard is operating.

H.R. 9376. September 4, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish and maintain the Tallgrass Prairie National Park in Kansas.

H.R. 9377. September 4, 1975. Government Operations. Authorizes appropriations to the State and Local Government Fiscal Assistance Trust Fund for revenue sharing purposes through fiscal year 1981.

Stipulates that payments under the State and Local Government Fiscal Assistance Act which are waived by the Indian tribe or Alaskan Native Village entitled to receive them shall become part of the entitlement of the county government in which such Tribe or Village is located.

H.R. 9378. September 4, 1975. Judiciary. Declares a certain individual eligible for a visa as a nonimmigrant student under the Immigration and Nationality Act.

H.R. 9379. September 5, 1975. Post Office and Civil Service. Requires the United States Postal Service to provide any person residing in a rural area which does not receive postal delivery service with rent-free use of a postal lock box located at the rural station or branch nearest to the residence of such person.

H.R. 9380. September 5, 1975. Banking, Currency and Housing. Amends the National Flood Insurance Act of 1968 to extend coverage of the national flood insurance program to include losses from landslides which result from high-intensity precipitation.

H.R. 9381. September 5, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to convey certain phosphate interests of the United States in certain lands in Florida to the present owners or owners of record.

H.R. 9382. September 5, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited tax credit in an amount equal to the amount of post-secondary education expenses paid by the taxpayer during the taxable year which are attributable to the attendance of any individual as a student at an institution of post-secondary education.

H.R. 9383. September 5, 1975. Ways and Means. Excludes service performed by police officers of the Massachusetts Bay Transportation Authority from coverage under certain provisions of the Internal Revenue Code and the Old-Age, Survivors, and Disability Insurance program of the Social Security Act.

H.R. 9384. September 5, 1975. Government Operations. Authorizes Federal payments to county governments to compensate for the tax immunity of Federal lands within their boundaries.

H.R. 9385. September 5, 1975. Merchant Marine and Fisheries. Revises existing laws relating to the management of the National Wildlife Refuge System. Establishes a Bureau of National Wildlife Refuges in the Department of the Interior.

Establishes a system of classification of component units within the National Wildlife Refuge System. Deignates certain lands in Alaska for inclusion in the system as national wildlife refuges or wildlands.

H.R. 9386. September 5, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from income amounts received by an individual during a taxable year as a pension, annuity, or other benefit under a State or local public retirement system.

H.R. 9387. September 5, 1975. Banking, Currency and Housing. Directs the Secretary of the Treasury to issue two-dollar bills bearing the portrait of Susan B. Anthony.

H.R. 9388. September 5, 1975. Post Office and Civil Service. Repeals recently enacted authorizations of pay increases in the salaries of Senators and Representatives.

H.R. 9389. September 5, 1975. Banking, Currency and Housing. Repeals the Real Estate Settlement Procedures Act.

H.R. 9390. September 5, 1975. Judiciary; Rules. Requires that whenever any officer or agency of the executive branch of the Federal Government proposes to prescribe certain rules and regulations or to make changes in rules or regulations, such proposals must be submitted to each House of Congress with a report containing a full explanation thereof. Stipulates that such rule, regulation, or change shall become effective unless either House of Congress disapproves within 60 days.

H.R. 9391. September 5, 1975. Interior and Insular Affairs. Revises the boundaries of the Manassas National Battlefield Park in Virginia. Authorizes the Secretary of the Interior to acquire additional lands for the battlefield and to make minor revisions in the boundary. Establishes procedures to allow owners of property within the boundaries of the battlefield to retain a right of use and occupancy.

H.R. 9392. September 5, 1975. Interstate and Foreign Commerce. Prohibits distributors and refiners of petroleum products from cancelling franchises without cause and without prior notice.

H.R. 9393. September 5, 1975. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 9394. September 5, 1975. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 9395. September 5, 1975. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 9396. September 5, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments and reports to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 9397. September 5, 1975. Ways and Means. Amends the Social Security Act by allowing a State to terminate social security coverage for policemen and firemen without affecting the coverage of other public employees.

H.R. 9398. September 5, 1975. Public Works and Transportation. Amends the Public Works and Economic Development Act of 1965 to extend authorization provisions of the Act for an additional three fiscal years.

H.R. 9399. September 5, 1975. Post Office and Civil Service. Repeals recently enacted authorizations of increases in the salaries of Senators and Representatives.

SENATE—*Thursday, September 25, 1975*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Reverend Monsignor W. Louis Quinn, pastor, St. Matthews Cathedral, Washington, D.C., offered the following prayer:

Almighty God, You have blessed our land with great and bountiful natural resources. You have endowed our citizens with a generous spirit and a desire to see all live in the free exercise of the rights with which You have created them. You have given us leaders who have challenged us to rise above petty selfishness and to concern ourselves with the good of all we can reach.

Forgive our failures, give us the courage to be sons and daughters worthy of You. We pray this day that You may guide and direct the minds and hearts of the Members of this Senate, that they may direct their energies in the pursuit of justice, truth, and the good of all whom they have been elected to serve. May they be worthy of the trust You and all of us have placed in them.

May Your will be expressed in all that they say and do and in all they seek for and from us. We ask this through Your Son, our Lord, Jesus Christ. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 25, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, September 24, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 331, 378, and 381.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

FREE DUTY ON CERTAIN DYEING AND TANNING MATERIALS

The bill (H.R. 7715) to extend until the close of June 30, 1978, the period during which certain dyeing and tanning materials may be imported free of duty, was considered, ordered to a third reading, read the third time, and passed.

EMERGENCY GRAIN STANDARDS AMENDMENTS OF 1975

The Senate proceeded to consider the joint resolution (S.J. Res. 88) to provide emergency authority to the Secretary of Agriculture to restore confidence in the U.S. grain inspection system, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert the following:

That this joint resolution may be cited as the "Emergency Grain Standards Amendments of 1975".

TITLE I—CRIMINAL OFFENSES AND PENALTIES

SEC. 101. (a) (1) Section 13 of the United States Grain Standards Act (39 Stat. 482, as amended; 7 U.S.C. 71, 74–79, 84–87, and 87a–87h) is amended by striking out the word "knowingly" wherever it appears in subsections (a) and (b).

(2) Section 6(b) of the United States Grain Standards Act is amended by striking out "knowingly".

(b) Section 13(c) of the United States Grain Standards Act is amended to read as follows:

"(c) An offense shall be deemed to have been committed under this section only if it is shown that the person committing the offense had either an 'intentional', 'knowing', 'reckless', or 'negligent' state of mind with respect to the offense as defined in subsection (d) of this section.".

(c) Section 13 of the United States Grain Standards Act is further amended by adding at the end thereof the following new subsections:

"(d) The following definitions apply with respect to an offense set forth in this section:

"(1) 'Intentional'—A person's state of mind is intentional if it is his conscious objective or desire to engage in the conduct and to cause the result.

"(2) 'Knowing'—A person's state of mind is knowing if he is aware of the nature of his conduct, he is aware or believes that requisite circumstances exist, and he is aware or believes that his conduct is substantially certain to cause the result.

"(3) 'Reckless'—A person's state of mind is reckless if, with respect to a result of his conduct, he is aware of the risk that the result will occur but disregards the risk. The risk must be of such a nature and degree that its disregard constitutes a gross deviation from the standard of care that a reasonable person would exercise in such a situation.

"(4) 'Negligent'—A person's state of mind is negligent if, with respect to a result of his conduct, he ought to be aware of the risk that the result will occur. The risk must be of such a nature and degree that the failure to perceive it constitutes a gross deviation from the standard of care that a reasonable person would exercise in such a situation.

"(e) If the state of mind required in respect to an offense is—

"(1) 'knowing', this requirement can be satisfied alternatively by proof of an 'intentional' state of mind;

"(2) 'reckless', this requirement can be satisfied alternatively by proof of an 'intentional' or 'knowing' state of mind;

"(3) 'negligent', this requirement can be satisfied alternatively by proof of an 'intentional', 'knowing', or 'reckless' state of mind.".

SEC. 102. (a) Section 14 of the United States Grain Standards Act is amended to read as follows:

"SEC. 14. (a) Any person who knowingly or intentionally commits any offense prohibited by section 13 shall be guilty of a felony and shall, on conviction thereof, be subject to imprisonment for not more than five years, a fine of not more than $10,000, or both.

"(b) Any person who recklessly commits any offense prohibited by section 13 shall be guilty of a misdemeanor and shall, on conviction thereof, be subject to imprisonment for not more than nine months, a fine of not more than $5,000, or both.

"(c) Any person who negligently commits any offense prohibited by section 13 shall be guilty of a misdemeanor and shall, on conviction thereof, be subject to imprisonment for not more than three months, a fine of not more than $3,000, or both.".

(b) Section 17 of the United States Grain Standards Act is amended by inserting "(b)" after "section 14" in subsection (e) and by inserting "(b)" after "section 14" in subsection (g).

SEC. 103. Section 8(d) of the United States Grain Standards Act is amended by striking the period at the end thereof and substituting therefor the following: ": *Provided, however*, That such persons shall be considered, in the performance of any official inspection functions as prescribed by this Act or by the rules and regulations of the Secretary, as 'persons acting for or on behalf of the United States', for the purpose of determining the application of section 201 of title 18, United States Code, to such persons.".

SEC. 104. Section 1114 of title 18 of the United States Code, as amended, is hereby amended by inserting after "animal diseases," the following: "any employee of the Department of Agriculture assigned to perform inspection, weighing, or grading, or the supervision thereof, under the United States Grain Standards Act,".

SEC. 105. (a) Section 13 of the United States Grain Standards Act is amended by deleting therefrom subsection (b)(4).

(b) Section 13 is further amended by striking out in subsection (a)(8) thereof "or any officer or employee of the Department of Agriculture.".

(c) Section 13 is further amended by inserting "or" at the end of subsection (b)(2) and by striking out "; or" at the end of subsection (b)(3) and substituting therefor a period.

SEC. 106. (a) The United States Grain Standards Act is amended by striking out from section 3(u) the words "deceptive loading, handling, or sampling means any manner of loading, handling or sampling" and by inserting in lieu thereof "deceptive loading, handling, sampling, or weighing means any manner of loading, handling, sampling, or weighing.".

(b) The Act is further amended by striking out from section 13(a)(3) the words "or sampling" and "or sampled" and inserting in lieu thereof the words "sampling, or weighing" and "sampled, or weighed", respectively.

SEC. 107. Section 13 of the United States Grain Standards Act is amended by deleting subsection (a)(7) and substituting therefor the following:

"(7) engage in the falsifying of the weight of any grain shipped in interstate or foreign commerce;".

TITLE II—TEMPORARY AUTHORITIES FOR THE SECRETARY OF AGRICULTURE

SEC. 201. Notwithstanding any other provision of law, the Secretary of Agriculture may, for a period of one year after the date of enactment of this joint resolution, hire such additional personnel as he may deem necessary to implement properly the provisions of this joint resolution. The Secretary is authorized to utilize the funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this joint resolution, including payment of costs of administration. There are hereby authorized to be appropriated such amounts as may be required to make payments to the Corporation for the costs it incurs. The Secretary may, under such regulations as he may prescribe, charge and collect reasonable fees to cover the estimated total cost to the Department of Agriculture incident to the performance of inspection, except when the inspection is performed by employees of an inspection agency or other licensed persons. The fees authorized by this section shall, as nearly as practicable and after taking into consideration any proceeds from the sale of samples, cover the costs of the Department of Agriculture incident to the performance of inspection services in the United States and on United States grain in Canadian ports for which the fees are collected, including supervisory and administrative costs. Such fees, and the proceeds from the sale of samples obtained for purposes of inspection which become the property of the United States, shall be deposited to the accounts of the Commodity Credit Corporation, and such funds shall be available for the expenses of the Department of Agriculture incident to providing inspection services.

SEC. 202. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized, for a period of one year after the date of enactment of this joint resolution, to hire additional personnel to be stationed in foreign nations which are substantial importers of grain from the United States. These personnel shall conduct random and periodic inspections of United States grain upon its entry into the importing nation to determine whether such grain is of the same kind, class, quality, and condition that it was certified to be upon official inspection in the United States.

SEC. 203. (a) The Secretary of Agriculture shall review the designation of all inspection agencies presently in operation as official inspection agencies under the provisions of the United States Grain Standards Act to determine whether such agencies are in compliance with the provisions of the United States Grain Standards Act, as amended by this joint resolution, and with regulations issued pursuant to that Act. This review shall be completed no later than 180 days after the date of enactment of this joint resolution.

(b) Notwithstanding any other provision of law, the Secretary is authorized, for a period of one year after the date of enactment of this joint resolution, to suspend or revoke the designation of an official inspection agency, whenever, after affording the agency an opportunity for a hearing, the Secretary determines that such agency has failed to comply with any of the provisions of this joint resolution or of the United States Grain Standards Act, as amended by this joint resolution, or regulations issued pursuant thereto. The Secretary may, without first affording the agency an opportunity for hearing, suspend any designation temporarily pending final determination, whenever the Secretary deems such action to be in the best interest of the official inspection system under the United States Grain Standards Act, except that the Secretary shall afford any such agency an opportunity for a hearing within thirty days after temporarily suspending such designation.

SEC. 204. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized, for a period of one year after the date of the enactment of this joint resolution, to revoke the designation of an official inspection agency, whenever, after affording the agency an opportunity for a hearing, the Secretary determines that such agency is owned, controlled, or operated by a board of trade or any other business entity (1) whose owners, stockholders, officers, employees, or committee members own or operate a grain elevator or warehouse, or are currently engaged in the merchandising of grain, or (2) whose owners, stockholders, officers, employees, or committee members are financially interested (directly or otherwise) in any business entity which owns or operates any grain elevator, or warehouse, or is currently engaged in the merchandising of grain. The Secretary may, without first affording an agency an opportunity for hearing, suspend any designation temporarily pending final determination, whenever the Secretary deems such action to be in the best interest of the official inspection system under the United States Grain Standards Act, except that the Secretary shall afford any such agency an opportunity for a hearing within thirty days after temporarily suspending such designation.

SEC. 205. Notwithstanding any other provision of law, the Secretary of Agriculture may, for a period of one year after the date of enactment of this joint resolution, authorize any competent employee of the Department of Agriculture to perform all or specified original inspection or reinspection functions involved in official inspection of grain in the United States: *Provided*, That the use of authorized Department employees to perform original inspection and reinspection functions involved in official inspection of grain in the United States will be on an interim basis, (i) pending designation of an official inspection agency, (ii) during any period of suspension of the designation of an official inspection agency, or (iii) whenever the Secretary determines that no official inspection is available to provide needed inspection services.

SEC. 206. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized, for a period of one year after the date of enactment of this joint resolution, under such regulations as he may prescribe, to require (i) that all grain shipped from the United States to any place outside thereof be graded under standards effective under section 4 of the United States Grain Standards Act, and (ii) that no clearance shall be given to any vessel having on board grain as defined by section 3(g) of the United States Grain Standards Act for export to a foreign country until the owner or shipper of such grain has an official certificate showing the official grade designation of such grain as prescribed by regulations of the Secretary.

SEC. 207. Notwithstanding any other provision of law, the Secretary is authorized, for a period of one year after the date of enactment of this joint resolution, under such regulations as he may deem necessary, to require improved sampling equipment and procedures in export elevators, and to require installation of mechanical and electronic monitoring equipment in export elevators.

SEC. 208. Notwithstanding any other provision of law, the Secretary is authorized, for a period of one year after the date of enactment of this joint resolution, to establish standards and procedures for loading export grain to assure that elevator employees, longshoremen, and others who participate in the loading of export grain do not engage in any improper activities which would reduce the quantity or quality of export grain.

SEC. 209. (a) Notwithstanding any other

provision of law, the Secretary of Agriculture is authorized, for a period of one year after the date of enactment of this joint resolution, to prescribe, by regulations, the procedures for the weighing and the certification of the weight of grain when delivered from any elevator or warehouse for transportation in interstate or foreign commerce, and to supervise generally the weighing and the certification of the weight of such grain. No person shall weigh, or state in any document the weight of, such grain in any State, Territory, or possession of the United States, except in accordance with any such procedures prescribed by the Secretary unless such jurisdiction is enforcing equivalent procedures under its laws pursuant to a cooperative agreement under subsection (c) of this section.

(b) Notwithstanding any other provision of law, the Secretary is further authorized, for a period of one year after the date of enactment of this joint resolution, to inspect and test, in accordance with the procedures prescribed in regulations issued by the Secretary, all weights and scales used in the weighing of grain delivered from any elevator or warehouse for transportation in interstate or foreign commerce. No person shall use in weighing such grain any weights or scales disapproved by the Secretary.

(c) Such supervision or such inspection and testing shall be performed by employees of the Department of Agriculture unless (1) the Secretary finds that the State, Territory, or possession in which the weighing is done, conducts, respectively, supervision of the weighing and the certification of the weight of grain or the inspection and testing of weights and scales used in weighing grain, under procedures equivalent to those prescribed under this section and (2) the State, Territory, or possession enters into a cooperative agreement with the Secretary for the conduct of such activities, under the laws of such State, Territory, or possession with respect to elevators and warehouses subject to its jurisdiction. Such cooperative agreements shall be subject to regulations prescribed by the Secretary pursuant to the Act of September 28, 1962 (76 Stat. 633, 7 U.S.C. 450).

(d) The provisions of this section shall not limit any authority vested in the Secretary under the United States Warehouse Act (39 Stat. 486, as amended; 7 U.S.C. 241–273).

(e) The representatives of the Secretary shall be afforded access to any elevator or warehouse from which grain is delivered for transportation in interstate or foreign commerce and all facilities therein for weighing grain.

(f) If the Secretary determines, after affording an opportunity for a hearing, that any person has violated the provisions of this section, the Secretary may refuse to provide such person official inspection under the United States Grain Standards Act for such period as he deems necessary to effectuate the purposes of this section.

SEC. 210. Notwithstanding any other provision of law, the Secretary is authorized, for a period of one year after the date of enactment of this joint resolution, under such regulations as he may deem necessary, to effect periodic changes in Department of Agriculture supervisory personnel in port inspection localities at such intervals as to preserve the integrity of the inspection system.

TITLE III—AUTHORITY FOR A ONE-YEAR STUDY OF GRAIN EXPORTERS BY THE COMPTROLLER GENERAL

SEC. 301. For a period of one year after the date of enactment of this joint resolution, the Comptroller General of the United States (hereinafter referred to in this title as the "Comptroller General") shall evaluate and monitor the previous and current compliance with the United States Grain Standards Act, of the predominant exporters of United States grain, with special emphasis on the impact of such exporters on the prices received by farmers for their grain and the quality of grain received by foreign purchasers of United States grain. The Comptroller General shall make periodic reports to the Senate Committee on Agriculture and Forestry and House Committee on Agriculture and shall make a final report upon the expiration of this authority.

SEC. 302. For a period of one year after the date of enactment of this joint resolution, the Comptroller General or any of his authorized representatives, in carrying out his responsibilities under this section, may request access to books, documents, papers, statistics, data, records, and information of any corporation or other business entity which exported more than four per centum of the total volume of grain inspected under the United States Grain Standards Act during the current year or the immediately preceding calendar year where such material relates to the purposes of the United States Grain Standards Act, as amended by this joint resolution, including, but not limited to shipping logs, elevator records, records of commercial transactions, records of transactions involving the Agricultural Trade Development and Assistance Act of 1954, records of complaints from buyers, and instructions and company policies on compliance with the United States Grain Standards Act. The Comptroller General may request such corporation or other business entity to submit in writing the information described above. The Comptroller General shall have access to confidential reports obtained by the Department of Agriculture under section 812 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86) for the purpose of identifying the business entities to be evaluated and monitored under this section.

SEC. 303. To assist in carrying out his responsibilities under this title the Comptroller General may, with the concurrence of either the Senate Committee on Agriculture and Forestry or the House Committee on Agriculture and upon the adoption of a resolution by such a committee which sets forth specifically the scope and necessity therefor, and the specific identity of those persons from whom information is sought, sign and issue subpenas requiring the production of the books, documents, papers, statistics, data, records, and information referred to in section 302 of this title.

SEC. 304. In case of disobedience to a subpena issued under section 303 of this title, the Comptroller General may invoke the aid of any district court of the United States in requiring the production of the books, documents, papers, statistics, data, records, and information referred to in section 302 of this title. Any district court of the United States within the jurisdiction where such person is found or transacts business may, in case of contumacy or refusal to obey a subpena issued by the Comptroller General, issue an order requiring such person to produce the books, documents, papers, statistics, data, records, or information; and any failure to obey such order of the court shall be punished by the court as a contempt thereof.

SEC. 305. All information obtained by the Comptroller General under this title shall remain confidential and shall be available only to the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture, and, in the case of violations of law, to the appropriate law enforcement authorities.

TITLE IV—REGISTRATION REQUIREMENTS

SEC. 401. The United States Grain Standards Act is amended by redesignating sections 18 and 19 as sections 20 and 21, respectively, and by inserting after section 17 the following new section:

"REGISTRATION REQUIREMENTS

"SEC. 18. (a) The Secretary shall provide, under such regulations as he may prescribe, for the registration of all persons engaged in the business of buying grain for sale in interstate or foreign commerce, and in the business of handling, weighing, or transporting of grain for sale in interstate or foreign commerce. This section shall not apply to—

"(1) any person who only incidentally or occasionally buys for sale, or handles, weighs, or transports grain for sale and is not engaged in the regular business of buying grain for sale, or handling, weighing, or transporting grain for sale;

"(2) any producer of grain who only incidentally or occasionally sells or transports grain which he has purchased;

"(3) any person who transports grain for hire and does not own a financial interest in such grain;

"(4) any person who buys grain for feeding or processing and not for the purpose of reselling and only incidentally or occasionally sells such grain as grain; or

"(5) any merchandiser of grain who sells less than two million five hundred thousand bushels of grain in a calendar year, or owns, operates, or otherwise controls grain elevators with total storage capacity of less than one million bushels.

"(b)(1) All persons registered under this Act must submit the following information to the Secretary:

"(A) the name and principal address of the business,

"(B) the names of all directors of such business,

"(C) the names of the principal officers of such business,

"(D) the names of all persons in a control relationship with respect to such business,

"(E) a list of locations where the business conducts substantial operations, and

"(F) such other information as the Secretary deems necessary to carry out the purposes of this Act.

"(2) For purposes of subparagraph (D) of paragraph (1), the word 'person' shall mean any individual or any business entity of whatever form.

"(3) For purposes of subparagraph (D) of paragraph (1), a person shall be deemed to be in a 'control relationship' with respect to a business required to register under subsection (a) if—

"(A) such person has an ownership interest of 10 per centum or more in such business, or

"(B) a business or group of business entities, with respect to which such person is in a control relationship, has an ownership interest of 10 per centum or more in such business.

"(4) For purposes of subparagraphs (A) and (B) of paragraph (3) above, a person shall be considered to own the ownership interest which is owned by his or her spouse, minor children, and relatives living in the same household.

"(5) No information shall be required pursuant to subparagraph (F) of paragraph (1) of subsection (b) unless the Secretary has submitted such requirement to the Congress, and the Congress, within thirty days, fails to provide by concurrent resolution that such information shall not be required.

"(c) The Secretary shall issue a certificate of registration to persons who comply with the provisions of this section. The certificate of registration issued in accordance with this section shall be renewed annually. If there has been any change in the information required under subsection (b), the person holding such certificate shall, within thirty days of the discovery of such change, notify the Secretary of such change. No person shall engage in the business of buying grain for sale in interstate or foreign commerce, and in the business of handling, weighing, or transporting of grain in interstate or foreign commerce unless he has registered with the Secretary as required by this Act and has an unsuspended or unrevoked certificate of registration.

"(d) The Secretary may suspend or revoke any certificate of registration issued under this section whenever, after the person holding such certificate has been afforded an opportunity for a hearing, the Secretary shall determine that such person has violated any provision of this Act or of the regulations promulgated thereunder, or has been convicted of any violation involving the handling or inspection of grain under title 18 of the United States Code. The Secretary may, without first affording such person an opportunity for a hearing, suspend any certificate of registration temporarily pending final determination whenever the Secretary deems such action to be in accordance with the purposes of this Act, except that the Secretary shall afford any such person an opportunity for hearing within thirty days after temporarily suspending such certificate of registration.

"(e) The Secretary shall charge and collect fees from any person registered pursuant to subsection (a). The amount of such fees shall be determined on the basis of the costs of the Secretary in administering the registration directed by subsection (a). Such fees shall be deposited in, and used as part of, the funds described in the third sentence of section 7(e).".

TITLE V—DEPARTMENT OF AGRICULTURE REPORTING REQUIREMENTS

SEC. 501. The United States Grain Standards Act is amended by inserting after section 18 the following new section:

"REPORTING REQUIREMENTS

"SEC. 19. (a) The Secretary shall notify the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry (1) of any complaint made by a foreign purchaser to the Department of Agriculture regarding faulty grain delivery within thirty days after a determination by the Secretary that there is reasonable cause to believe that the grain delivery was in fact faulty and (2) within thirty days after receipt by him of the cancellation of any contract for the export of more than one hundred thousand metric tons of grain.

"(b) On February 1 of each year, the Secretary shall submit to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry a summary of all other complaints received by the Department of Agriculture from foreign purchasers and prospective purchasers of grain and other foreign purchasers interested in the trade of grain: *Provided*, That the summary shall not include a complaint unless reasonable cause exists to believe that the complaint is valid, as determined by the Secretary.".

SEC. 502. In order to assure that producers, handlers, and transporters of grain are encouraged and rewarded for the production, maintenance, and delivery of high quality grain, the Secretary of Agriculture is hereby authorized and directed to conduct a study regarding the adequacy of the current grain standards established under the United States Grain Standards Act. On the basis of the results of such study, the Secretary shall, in accordance with section 4 of the United States Grain Standards Act, make such changes in the grain standards as he determines necessary and appropriate, and, not later than six months after the enactment of this joint resolution, submit a report to the Congress setting forth the findings of such study.

SEC. 503. The Secretary of Agriculture is hereby authorized and directed to conduct a study concerning the contamination, transportation, and handling of United States agricultural products. On the basis of the results of such study, the Secretary shall, not later than one year after the enactment of this joint resolution, submit a report to the Congress and make such legislative recommendations as he deems necessary to maintain or increase the quality of United States agricultural products.

SEC. 504. The Secretary of Agriculture shall submit written reports to the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture sixty days after enactment of this joint resolution and every sixty days thereafter for a one-year period after enactment of this joint resolution. The Secretary shall include in these reports (i) the steps being taken by the Secretary to implement this joint resolution and improve the grain handling and export system, (ii) any legislative recommendations the Secretary may have to strengthen the grain handling and export system, and (iii) the current status of Federal investigations of irregularities involving the inspection of grain under the United States Grain Standards Act.

Mr. HUMPHREY. Mr. President, the results of the intensive Federal investigation that has thus far occurred into irregularities involving the inspection, grading, weighing, and handling of grain underscores the need for emergency legislation to amend the U.S. Grain Standards Act.

The investigation in the New Orleans area alone has produced 31 indictments of 52 defendants, including 48 individuals and 4 corporations, or a total of 265 alleged Federal criminal violations, as follows: conspiracy to commit fraud—5 counts; bribery of official inspectors—159 counts; corrupt influencing of inspection personnel—57 counts; mail and wire fraud—7 counts; theft from interstate or foreign commerce—4 counts; perjury or issuance of false certificates—9 counts; and, tax evasion—24 counts.

Forty of the 52 defendants have either pled guilty to, been convicted of, one or more of the charges in the indictments. It goes without saying that no inference of guilt should be raised as to any of the other defendants who have pled not guilty and must soon stand trial.

Senate Joint Resolution 88 provides the Secretary of Agriculture with interim emergency authorities to begin effectuating immediately improvements in the grain inspection system.

Senate Joint Resolution 88, as amended and reported to the Senate by the Committee on Agriculture and Forestry, would—

First. Grant the Secretary of Agriculture 1-year emergency powers to enable him to take immediate action to strengthen the system for the inspection, handling, and export of grain. Under such emergency powers, the Secretary could—among other things—use funds of the Commodity Credit Corporation to hire additional Federal inspection personnel, assign personnel to perform original inspection functions on an interim basis, rotate Federal supervisory personnel, revoke the designation of an official inspection agency if he finds that the agency has a conflict-of-interest relationship with a grain elevator or merchandiser, require that all export grain be inspected, and, under certain conditions, prescribe the procedures for the weighing and the certification of the weight of grain when delivered from any elevator or warehouse for transportation in interstate or foreign commerce.

Second. Require the Secretary to review the designation of all official inspection agencies to determine if they are in compliance with the provisions of the U.S. Grain Standards Act.

Third. Make several changes in the U.S. Grain Standards Act and the United States Criminal Code to increase the sanctions for violations of the U.S. Grain Standards Act; protect from assault and death Department of Agriculture personnel assigned to perform inspection, weighing, or grading functions; and make it clear that bribery of licensed inspectors is punishable as a felony.

Fourth. Direct the Comptroller General to make a 1-year study concerning the compliance by major grain exporters with the U.S. Grain Standards Act.

Fifth. Amend the U.S. Grain Standards Act to require—with certain exceptions—the registration of any person engaged in the business of buying grain for sale in interstate or foreign commerce and in the business of handling, weighing, or transporting of grain for sale in interstate or foreign commerce.

Sixth. Amend the U.S. Grain Standards Act to require the Secretary to notify the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry of complaints made by foreign purchasers regarding faulty grain deliveries; and cancellation of any contract for the export of more than 100,000 metric tons of grain.

Seventh. Require the Secretary to make studies regarding the adequacy of the current grain standards established under the U.S. Grain Standards Act; and the contamination, transportation, and handling of U.S. agricultural products.

Eighth. Require the Secretary to make periodic reports during the 1-year period after enactment of the joint resolution concerning the steps being taken to implement the joint resolution, and improve the system for the inspection, handling, and export of grain; any legislative recommendations to strengthen the system; and the status of investigations of irregularities involving the inspection of grain.

The changes in existing law made by Senate Joint Resolution 88 are intended to be supplementary to other statutes under which action can be taken to prosecute persons involved in grain inspection irregularities. The joint resolution does not, for example, affect the authority of the Department of Justice to prosecute thefts of interstate shipments of grain under the provisions of 18 U.S.C. 659.

Mr. President, it should be noted that the Committee on Agriculture and Forestry has authorized an investigation of the grain inspection system. The investigation is being conducted by the Subcommittee on Foreign Agricultural Policy, which I chair, and by the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, which is chaired by the distinguished Senator from Kentucky (Mr. HUDDLESTON). Thus far, the subcommittees have held 3 days of hearings in Washington and 2 days of field hearings in Iowa.

The Comptroller General pursuant to the request of the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture is making a complete and comprehensive investigation of the Nation's grain marketing system. The Comptroller General is to submit his final report to the committees by February 15, 1976.

Mr. President, Senate Joint Resolution 88 is, therefore, not intended to be a permanent solution to the problem in the grain trade. The resolution is, however, a positive and constructive step toward a permanent solution. Its enactment will permit the continuation of the orderly investigation that is needed to bring about permanent reform.

Upon completion of the subcommittee's investigation and receipt of the Comptroller General's report, I anticipate that the Committee on Agriculture and Forestry will report to the Senate a bill making permanent reforms in the grain inspection system.

Mr. President, I wish to bring to the Senate's attention the September 25 testimony of the Honorable Gerald J. Gallinghouse, U.S. attorney of the eastern district of Louisiana and his assistant, Mr. Cornelius R. Heusel, Jr., before the Subcommittee on Foreign Agricultural Policy and the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices.

The thrust of the testimony of these distinguished and able public servants was that the grain inspection system is in need of total repair. In the words of Mr. Gallinghouse, "the grain inspection system is in need of corrective surgery."

The testimony revealed widespread irregularities throughout the system, under which bribes were paid in order to benefit companies; but, in addition, examples were given where grain was diverted for the benefit of employees without knowledge of the companies.

Mr. Gallinghouse and Mr. Heusel commented on the thrust of Senate Joint Resolution 88 and indicated their belief that the strengthened criminal penalties—which take into account the intention of the individual and thus the degree of culpability—would represent a major step forward in clearing up the grain inspection problem.

Mr. Gallinghouse indicated that in the past 18 months his efforts have received strong support from Mr. John Graziano, who became the Director of the Office of Investigation of the USDA on April 28, 1974. Prior to that time, the Department of Agriculture did not appear to realize or sense the severity of the problem at hand.

The major break in launching the investigation at the Port of New Orleans was the result of work by the Federal Bureau of Investigation. Mr. Gallinghouse indicated that he and his staff and the grand jury have spent a major portion of their time on this effort. The investigation is still going on, and additional indictments are expected in the future.

Mr. Gallinghouse also indicated his belief that the provision in Senate Joint Resolution 88 whereby the General Accounting Office will be afforded access to company books represents a major improvement. And it will be a valuable further tool in dealing with the grain inspection problem.

I pointed out that the joint resolution was an interim measure designed to give the Department of Agriculture the tools to clean up the grain inspection problem. At the same time, extensive additional work remains to be carried out, and the issue of what kind of revised system we need is still to be decided upon.

The testimony of Mr. Gallinghouse was strongly supportive of a federalized system. He emphasized that we have a national and international problem. In his view, the official certificate of the U.S. Department of Agriculture should mean something.

While this issue still remains to be resolved, we can hardly ignore the very powerful and impressive testimony of one who has been so deeply involved in this investigation.

Mr. President, I ask unanimous consent that the statement of Mr. Gallinghouse be included at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PREPARED STATEMENT OF GERALD J. GALLINGHOUSE AND CORNELIUS R. HEUSEL, JR.

A. INTRODUCTION

Mr. Chairman, and other members of the Committee, my First Assistant, Mr. Neil Heusel, and I are pleased to accept, in a spirit of constructive cooperation, your invitation to appear at this important hearing to present a progress report on the intensive federal investigation into the inspection, grading, weighing and handling of grain that has been going on in our area of South Louisiana for the past eighteen months.

Please permit me to make a few preliminary remarks. First, we want to thank the Honorable Edward H. Levi, as Attorney General of the United States, for his trust and confidence in authorizing Mr. Heusel and me to appear before your Committee and to express our views on proposed legislation.

Understandably, our appearance must be subject to the necessary and proper admonition that we avoid any statement or disclosure that might compromise our continuing investigation or prejudice the rights of any actual or potential defendant.

Mr. Chairman, we have read copies of Senator Humphrey's letters of August 1 and 29, 1975 to Attorney General Levi, and the transcript of your hearing that was held on June 19, 1975. With special interest we have noted the thoughtful remarks made by members of the Committee about the importance of the subjects and purposes of these hearings.

We have also read Senator Humphrey's remarks on pages 16991–16994 of the June 4, 1975 Congressional Record that relate to Senate Joint Resolution 88, and the comments of Senator Clark on pages 26553–26557 of the August 1, 1975 Congressional Record that concern Senate Bill 2256.

We appreciate, Mr. Chairman, the compliments expressed in Senator Humphrey's letter of June 23, 1975 to us, and Senator Clark's July 11, 1975 letter to us.

From the statements made by the members of your Committee and members of your staff, it is evident that you and they understand and appreciate, as do Mr. Heusel and myself, that all of us, in responsible positions of public authority, must be scrupulously careful to preserve the confidentiality of our continuing federal investigative efforts, and to protect the rights of persons who are subject to federal criminal charges.

We are pleased, Mr. Chairman, with the assurances that this hearing will not in any way compromise the ongoing investigation nor prejudice any pending prosecution.

We would like to avail ourselves of this opportunity to commend Mr. Michael R. McLeod, as General Counsel and Staff Director of your Committee on Agriculture and Forestry, and the Committee investigators, Mr. Bert Williams and Hugh Williamson, and the other members of the Committee staff, for the professional competence they have demonstrated throughout their inquiries.

Mr. Heusel and I are confident that the working relationship, based on mutual trust, respect and confidence, that has been developed between our staffs will enable us to continue our active cooperation until our respective objectives are fully accomplished.

Mr. Heusel and I are anxious, Mr. Chairman, to assist you and the other members of your Committee and your staff to realize your congressional objectives in every reasonable way, to the limits of our authority.

We are prepared to respond with all permissible candor to your proper inquiries relating to activities, conditions and situations that are covered by our investigation.

However, we must respectfully request that we be allowed to avoid, insofar as possible, any specific reference to any person by name, and that we not be expected to describe any activity in particulars that might incriminate any individual, or to discuss any evidence that we may be required to present on trial of any pending or future criminal case.

Mr. Heusel and I, as United States attorneys, are mindful that our federal investigation into the handling of grain and the resulting prosecutions are impressed with intense public interest and may be considered to be of national significance.

We also recognize that representatives of the news media have the right and duty to keep their reading and viewing public informed through their own investigative reporting and their accounts of public matters.

But we feel constrained, Mr. Chairman, to make an urgent appeal to the news media to avoid any publication that could prejudice the rights of any actual or potential defendant to a fair trial, or impede the continuing investigation by federal authorities.

Please let it be understood, Mr. Chairman and members of the Committee, that Mr. Heusel and I do not appear as accusers or prosecutors of those who have violated our federal criminal laws, or as critics of the administration of the affairs of the United States Department of Agriculture. We want to be positive rather than negative. And, we want to be a unifying influence rather than a divisive influence. Rather, we are here as administrators of justice. As United States attorneys, we are members of the largest and the best law firm, the United States Department of Justice. We are charged with the solemn responsibility to assure that our laws are faithfully executed and vigorously enforced in order to maintain the rule of law within our limited jurisdiction.

Our responsibility to the administration of justice requires that we do nothing that will impair the right of any accused person to fair, equal and impartial treatment. As a representative of the public interest, our highest duty is to seek justice, not merely to convict those who may be accused of federal crimes.

But, Mr. Chairman, we recognize that we have other significant duties. It is an important function for us, as federal attorneys privileged and honored to serve our national government, to aid, whenever proper and possible, in the reform and improvement of our legal system in general and the administration of criminal justice in particular to protect the public interests by preventing crime and securing the integrity of our governmental affairs.

We ask that our appearance today be viewed and considered in furtherance of these responsibilities, as we submit to you, the makers of our laws, this report on our investigation of the grain industry our evaluation of the effectiveness of our official grain inspection system under existing statutes and regulations, and, if you wish to consider them, our recommendations for improvements based upon our limited information and experience.

We would also like to make it clear, Mr. Chairman and members of the Committee, that Mr. Heusel and I speak only for ourselves. Our opinions and our recommendations are our own. The views we express are not necessarily those of the United States Department of Justice, or of any other official in the executive branch of our national government.

B. BACKGROUND INFORMATICON

Mr. Chairman and members of the Committee, we think that a brief presentation of certain essential background information might help us place in proper perspective the conditions in our area of South Louisiana relating to the inspection, grading, weighing, handling and shipment of grain through the Port of New Orleans.

The City of New Orleans, as you know, is situated about 110 miles from the mouth of the Mississippi River that enters into the Gulf of Mexico. It is the gateway to the mid-continent area which has about 55.4% of the total area of continental United States, 39.9% of the population, 38.6% of the nation's retail sales, 32.7% of the nation's manufactured products, 61% of the nation's farm products sold, and 64.4% of the nation's mined minerals.

Our sprawling port is as busy as a beehive. In volume of maritime business, it ranks first in our Gulf area and second in the United States. Each year about 28 million tons of cargo valued at some $4.2 billion moves through the Port of New Orleans.

An average of more than one cargoliner docks at or leaves the Port of New Orleans every hour of every day. Ships spend an average of 2.5 days in port and handle a total average of about 1,600 tons, in and out, each. Government figures assign New Orleans imports and exports the value of $140 a ton—highest on the Gulf and almost twice the national average. Trade for the Port of New Orleans is worldwide, 42% with Europe, 30% with Asia, and 21% with the Western Hemisphere.

Activity with our Port of New Orleans supports about 60% of our economy, produces more than $20 million direct tax benefits to our State of Louisiana, provides gainful employment for approximately 40,000 families, and supplies the economic lifeblood for the progress and prosperity of our community.

Ownership of our Port of New Orleans facilities is vested in the State of Louisiana. The operations of our Port are governed by a 5-member Board of Commissioners appointed by the Governor from nominations made by educational institutions and civic bodies. The public port facilities of New Orleans are among the finest in our country, with replacement value of approximately $350,000,000.

Our Dock Board has jurisdiction over the harbor frontage of the parishes (or counties) of Orleans, Jefferson and St. Bernard, totaling about 51.4 miles on both banks of the Mississippi River; 11 miles on both banks of the Inner Harbor Navigation Canal that connects the Mississippi River with Lake Pontchartrain, and additional water frontage along a 76-mile tidewater ship channel to the Gulf of Mexico.

The Port of New Orleans is the largest grain exporting port in the world, with exports in 1974 of about 32,000,000 tons, or 1,280,000,000 bushels. This, we understand, is about 38% of all grain exported from the United States. Virtually all of this grain is delivered from all points in the mid-Continent to one of the eight export grain elevators in South Louisiana, and later loaded aboard oceangoing vessels for transportation to foreign ports.

According to the U. S. Department of Commerce statistics, each ton of grain that moves through the Port of New Orleans produces a direct economic benefit to the area of $13.65 per ton. The economists say that every dollar is turned over at least four times in the purchase of goods and services before it leaves the area.

Only two of our export grain elevators are within the jurisdiction of the Port of New Orleans. The Public Grain Elevator, which is situated on the eastbank of the Mississippi River within the City of New Orleans, is owned by the Dock Board and leased to a joint venture composed of Peavey Grain Company, C. B. Fox Company and Pike Grain Company. The other export elevator under Dock Board jurisdiction is in Westwego, La., across the river from the City of New Orleans, is owned and operated by Continental Grain Company.

These two export elevators are within the geographical area assigned by the U.S. Department of Agriculture to the New Orleans Board of Trade, Ltd., as the official inspection agency for the conduct of official inspections under the U.S. Grain Standards Act and regulations.

We have six other export grain elevators, and four more official inspection agencies, along the Mississippi River in South Louisiana that are beyond the territorial jurisdiction of the New Orleans Dock Board. This gives us a total of eight export elevators and five official inspection agencies within a distance of about 160 miles along the Mississippi River.

The location of these elevators and the official inspection agencies that service them are shown on attached Exhibit A.

When we contemplate, against this background, the intensified and expanded activity at our eight export grain elevators and our five inspection agencies that will be generated in the months ahead by the movement through the Port of New Orleans of approximately 38% of the 10,000,000 tons of grain purchased by Soviet Russia, with about one-third of the grain being carried in American vessels, we can understand the complications and difficulties that are involved in the inspection, grading, weighing and handling of grain in our area.

We recognize that the proper and efficient handling and movement of this grain is vital to the general welfare of the United States, and to the economic well-being of the people in our area of South Louisiana.

Throughout this investigation, we have enjoyed the active cooperation and assistance of Edward S. Reed, the Executive Director and General Manager of the Port of New Orleans, and other New Orleans Dock Board personnel.

Local and state law-enforcement authorities have been supportive of our federal investigative and prosecutive efforts.

All responsible public officials and private citizens in our area recognize that it is imperative that the high standards prescribed in the U.S. Grain Standards Act be achieved and maintained in the inspection, grading, weighing, handling and shipment of grain.

We must achieve strict compliance with and vigorous enforcement of all our federal laws and regulations that relate to the handling of grain.

In our considered judgment, complete integrity in grain transactions can be realized only through the active cooperation of all persons and companies engaged in the grain trade, including all personnel of the export elevators and the inspection agencies, and the most vigilant and affirmative efforts of all administrative and law-enforcement agencies.

C. THE INVESTIGATION

Mr. Chairman and members of the Committee, our federal investigation had a very simple beginning. Approximately eighteen months ago, on or about March 14, 1974, Mr. Heusel and I received from FBI Special Agent Richard L. Sloan some oral information indicating that a USDA-licensed inspector employed by a private inspection agency was demanding, and probably receiving, money from shipping firms in relation to his inspection and certification of ships for the stowage of grain for export to foreign ports.

We think that it is important to mention that the United States Department of Agriculture, through its Office of Investigation, has the authority and responsibility for initiating, directing, controlling and conducting investigation activities into possible violations of the United States Grain Standards Act (7 U.S. Code, Sections 71, 74–79, 84–87, and 87a–87h) and the United States Warehouse Act (7 U.S. Code, Sections 241–273).

These are the two comprehensive statutes, as implemented by detailed regulations (7 CFR 26.1–26.129, regulations under the Grain Standards Act, as amended; and 7 CFR 102.1–102.111, regulations under the Warehouse Act) that govern the inspection, grading, weighing and handling of grain.

The Federal Bureau of Investigation has the authority and responsibility for the investigation of activities relating to bribery, extortion and thefts from interstate and foreign commerce in possible violation of our federal criminal statutes.

So it should be clearly understood that the USDA Office of Investigation has the primary investigative authority and responsibility for most of the factual situations that involve possible irregularities in the inspection, grading, weighing and handling of grain.

In January and February 1974, FBI Agent Sloan, we learned, had talked with personnel of the Office of Investigation of the U.S. Department of Agriculture about an FBI investigation into reports of thefts of grain at two upriver export elevators and the independent OI investigation into reports that an employee of a private inspection agency prepared false samples of grain that was being loaded aboard the vessel "Belnor" on or about November 28, 1973.

From time to time, we had heard very vague rumors that grain was being pilfered from barges on the river, and, for some time, the FBI agents who handle thefts from interstate and foreign commerce in our area had been trying to catch the grain thieves.

On October 4, 1973, we had filed a bill of information charging the owner of an export elevator in Ama, La., with four alleged violations of the U.S. Grain Standards Act in failing, between March 13 to October 20, 1969, to have inspected four shiploads of corn going to foreign ports. This information had been furnished by the Office of the Inspector General of the U.S. Department of Agriculture.

The elevator owner at first maintained that official inspection of this grain was not required by the Grain Standards Act for these transactions, and had issued elevator letters showing grade and grading factors of the corn in lieu of official certificates. However, the elevator owner finally pled guilty to two violations.

Our efforts to hold one of the company's officers criminally liable proved unsuccessful when it was established that this officer was not personally responsible for these transactions.

Between November 1972 and February 1973, we received some indications from USDA OIG investigators about possible irregularities in the handling of grain at an export elevator, but the information was not sufficient to establish probable federal criminal violations.

But the first real indication that we, in the U.S. Attorney's office, had of possible bribery or extortion relating to the inspection, grading, weighing or handling of grain, or the inspection of vessels for the stowage of grain was in mid-March 1974.

This bit of information, we understand,

came from a marine surveyor who, while on the vessel "Achilles" on or about March 14, 1974 accidentally overheard a conversation between a steam ship boarding agent and the Captain of the vessel relating to a demand for money by a ship inspector in exchange for a certificate to clear the ship for loading grain.

The marine surveyor, we understand, told an employee of the Federal Maritime Commission who then advised the FBI Special Agent in Charge at New Orleans, Louisiana.

At our request, FBI Agent Sloan advised USDA Office of Investigation personnel of this information, and the FBI and OI coordinated their investigative efforts into the suspected illegal activity of these subjects.

Between March 15 and April 18, 1974, Mr. Heusel and I received from an attorney who represented a local steamship agency some very significant information that indicated to us a pattern of systematic bride payments by shipping firms to USDA-licensed employees of a private inspection agency relating to the inspection of vessels for the loading and stowage of export grain.

This attorney came to us after Mr. Sloan of the FBI visited the steamship agency's office for the purpose of interviewing personnel about possible bribery of USDA-licensed inspectors employed by private inspection agencies.

Mr. Heusel and I were soon satisfied that the information supplied by several employees of the steamship agency, coupled with information developed by the FBI and OI, was sufficient probable cause for a reasonable belief that federal crimes had been committed in our jurisdiction. We immediately commenced a grand jury investigation, on our own initiative, and called our first witness on April 18, 1974.

As United States attorneys, we are ordinarily required to rely upon our federal investigative agencies for investigation of alleged criminal acts, but we feel that we have an affirmative responsibility to utilize our grand juries to investigate suspected illegal activity whenever significant information is made available to us.

We assigned a very high priority to this grain investigation. Mr. Heusel, who was the Chief of our Criminal Division, was placed in charge of the case. He has coordinated and directed the entire investigation under my supervision. This investigation has featured excellent teamwork between the FBI, USDA, OI, IRS, our grand jury, and members of our staff.

When the 18-month term of this grand jury expired on August 15, 1975, 137 witnesses had been called to testify or produce records during one or more of the 43 sessions that consumed approximately 301 hours of grand jury time.

During this period, the members of our staff have devoted more than 2,900 hours to this complicated and extensive investigation. Mr. Heusel has averaged more than four hours of each of his normal workdays, or a total of approximately 1600 hours, and I have spent about two hours a day, or a total of about 725 hours, on this investigation. Others on our staff have put in a total of more than 610 hours.

Mr. Heusel has coordinated the continuing grand jury investigation with an intensive field investigation, in which the FBI, USDA, OI, and U.S. Internal Revenue Service have cooperated fully and actively.

This investigation has produced 31 indictments of 52 defendants, including 48 individuals and four corporations, on a total of 265 alleged federal criminal violations, as follows: conspiracy to commit or fraud—5 counts; bribery of official inspectors—159 counts; corrupt influencing of inspection personnel—57 counts; mail and wire fraud—7 counts; theft from interstate or foreign commerce—4 counts; perjury or issuance of false certificates—9 counts; and tax evasion—24 counts.

The essential information upon which most of these indictments were based was developed by the FBI investigation in the field and through the grand jury investigation. Mr. Heusel and I referred information relating to possible violations of our U.S. Internal Revenue Code to IRS and their Intelligence Division developed the income tax evasion cases. USDA OI has cooperated very well and has been very helpful to the success of the investigation.

You should know that 38 of the 52 defendants have either pled guilty to, or been convicted of, one or more of the charges in the indictments, but we would hope that no inference of guilt would be raised as to any of the other defendants who have pled not guilty and must soon stand trial.

Under our system of criminal justice, we must keep in mind, every person charged with a crime must be presumed innocent unless and until guilt is established by either a voluntary plea of guilty, or, in event of trial, by a guilty verdict of a unanimous jury convinced that the government has proved guilt beyond any reasonable doubt.

In addition, USDA has either revoked or suspended the licenses of a large number of official grain inspectors, samplers and weighers employed by private inspection agencies or elevator operators.

But this is not the end of our investigation. It is not even the beginning of the end. It is only the end of the beginning. Our thorough grand jury investigation into the inspection, grading, weighing and handling of grain in our area is continuing with the active cooperation and effective assistance of the FBI, USDA Office of Investigation, and IRS.

Under Mr. Heusel's direction, our team of investigators has been able to build additional cases one after the other as more information and new witnesses have been made available for presentation to our grand juries.

Mr. Heusel and I want to express our appreciation to the large number of cooperative witnesses who have furnished to federal authorities very valuable information about wrongdoing in the handling of grain in our area.

Our thorough investigation has been facilitated by the voluntary cooperation of many persons who have come forward to assist our efforts to put an end to the wrongful activities and dishonest practices that have troubled the grain industry in our area and elsewhere for many years.

We are well-satisfied with the high priorities and personnel assigned to this investigation by the FBI, USDA OI and IRS in our area. This has been a real team effort with all investigative agencies working closely and effectively together in faithful discharge of their respective responsibilities.

During the past eighteen months, we have received strong support from Mr. John V. Graziano, who became Director of USDA OI on April 28, 1974. From time to time, he has visited New Orleans to inform himself about the investigation, and to confer with other federal authorities and ourselves. We understand that he has recently expanded the scope of the USDA audits of major elevator operators.

We have been encouraged by the affirmative attitudes shown by USDA administrative personnel in recent months, in response, we understand, to the mandate from Honorable Earl L. Butz, Secretary of Agriculture, who has taken a positive personal interest in the investigation.

We are very pleased, Mr. Chairman and members of the Committee, that the Comptroller General of the United States, Honorable Elmer B. Staats, in response to the June 24, 1975 request from Honorable Thomas S. Foley, as Chairman of the Committee on Agriculture, U.S. House of Representatives, and Senator Humphrey, as Chairman of the Senate Subcommittee on Foreign Agricultural Policy, has undertaken with personnel of the General Accounting Office, a comprehensive study and evaluation of the grain marketing system from farm to foreign port.

And, we are very proud of the important role that our United States Department of Justice has played throughout this intensive investigation, and the successful prosecution of the cases that have resulted. The verbal assurances of active investigations and vigorous prosecutions that were expressed in Attorney General Levi's September 9, 1975 letter to you, Mr. Chairman, have been translated into affirmative action.

It is also anticipated that IRS, as a result of the work of its Audit Division, will impose civil tax liability upon a large number of individuals and companies who have failed to report substantial income from illegal grain transactions.

While we will not presume to forecast the specific results of our continuing investigation, Mr. Heusel and I reasonably expect to develop a substantial number of very significant additional cases. Mr. Heusel and I, and the other members of our staff, are committed, Mr. Chairman and members of the Committee, to push forward with this investigation until we are fully convinced that the last vestiges of crime and corruption have been eliminated throughout all grain handling operations in our area, and that complete integrity of the inspection, grading, weighing and handling of grain has been achieved. Much more work remains to be done; and we shall do it.

D. SUMMARY OF INDICTMENTS

Without mentioning the name of any party charged with a criminal violation, we will present a brief summary of the 31 indictments that were returned by our grand jury between August 8, 1974 and August 15, 1975.

Please understand, Mr. Chairman and members of the Committee, that these indictments tell only part of a much longer story, and show only part of the much larger picture, relative to the inspection, grading, weighing and handling of grain.

The first ten indictments, totaling 210 counts, were returned on August 8, 1974.

Six official ship inspectors were indicted on charges of demanding and receiving payments of bribes, in amounts ranging from $100 to $5,000, in relation to their inspection and certification of ships for the stowage of grain for export to foreign ports.

Another inspector was charged with issuing a false certificate for a vessel that had not been inspected, and with committing perjury before the grand jury when he denied offers and receipts of bribes.

The president of a ship cleaning service company, and the company, were indicted for paying bribes to two inspectors.

Also indicted was a marine surveyor on charges of perjury for his denials that he received payments of bribes in connection with any of his ship examinations.

The seven official inspectors who were indicted were employed by privately operated inspection agencies authorized by USDA to perform official grain and ship inspection functions in compliance with the Grain Standards Act and regulations.

These inspectors are not federal employees, but are licensed by USDA to perform official inspection functions for and on behalf of USDA under federal law and regulations.

Eight defendants have pled guilty. One had pled nolo contendere. The other was tried and convicted, and has appealed.

On August 27, 1974, another USDA licensed sampler employed by a private inspection agency was indicted on two charges of making and reporting false samples of grain in violation of the Grain Standards Act. This defendant pled guilty.

On May 29, 1975, the grand jury returned two indictments. Four men and a Louisiana corporation were indicted for an alleged fraud scheme involving fictitious sales and false inspections in January, February, and March, 1974 of ten truckloads of soybeans falsely valued at $63,449.

In a separate indictment, a country grain elevator operator was accused of improperly influencing a USDA licensed inspector, employed by a private inspection agency, with respect to the performance of his duties, in violation of the Grain Standards Act.

The indictments alleged that the defendants and others devised and employed a scheme to defraud and obtain money from a grain company through fraudulent pretenses.

The conspiracy indictment explains, as parts of the alleged fraudulent scheme, that the individual defendants formed a corporation for the avowed purpose of planting, cultivating and selling soybeans, and, that the corporation then entered into an agreement with the owner of the country elevator for the lease of 250 acres of land, purportedly for the growing of soybeans.

In furtherance of their scheme to defraud, the indictment avers, records were falsified to show fictitious costs for the planting, growing and harvesting of the soybeans, storage at the country elevator, and the trucking of them to an export elevator in New Orleans, and the sale thereof to the grain company.

In furtherance of the scheme, the indictment relates that the official grain inspector for the inspection agency would then prepare fraudulent truck grain tickets to show receipt, grading, weighing and storage of truckloads of soybeans that were never delivered.

Finally, the indictment alleges, the fraudulent truck grain tickets would then be transmited by wire from the export elevator to the grain company in Alton, Illinois, which would then issue checks in payment of the false tickets for the fictitious truckloads of soybeans.

The operator of the country elevator has pled guilty. Trial of the other four defendants is pending.

On July 21, 1975, the operator of an export elevator and 13 present or former employees were indicted on a charge of conspiring to commit systematic thefts of export grain from foreign commerce during a 12-year period, and to defraud the USDA of its lawful grain regulatory functions.

The indictment alleges a scheme to steal grain by shortweighing ships loaded at two of the company's export elevators, and to conceal the shortweighing by preparing false weight certificates and other records to indicate deliveries of grain in barges and rail cars to the elevators, and to adjust the grain stock inventory records at the elevators to account for the grain averages acquired by shortweighing of the seagoing vessels.

Five of the defendants have pled guilty. The elevator owner and others are awaiting trial.

On August 5, 1975, the grand jury returned separate indictments against eleven men who were involved in the handling of grain on income tax evasion charges.

The individuals, who were employed by export elevator operators, private inspection agencies or handlers of grain, were charged for allegedly failing to report and pay a total of $251,581 of taxes due on $713,840 allegedly received from the sale of stolen grain and fraudulent sales of non-existent grain.

The defendants were charged with willfully and knowingly attempting to evade and defeat personal income taxes in sums from $2,822 to $50,814 allegedly owed by them as a result of their filing false and fraudulent returns that omitted income, that ranged from $6,709 to $150,350, received from illegal grain transactions.

Seven of the defendants were employed by export elevators, two were employed by private inspection agencies, one was employed as a dispatcher by a barge line, and the other as a tugboat captain.

Ten of these defendants have pled guilty. The other defendant is awaiting trial.

On August 7, 1975, the grand jury returned four indictments against a total of 33 defendants on various criminal charges.

In one indictment, the operator of an export elevator and six employees were charged with a conspiracy, over a four-year period, to steal grain from interstate and foreign commerce, to cause USDA licensed inspectors to falsify inspection, grading and weight certificates, and to defraud the United States by interfering with the lawful grain regulatory functions of the U.S. Department of Agriculture.

The indictment alleges that the thefts of grain were accomplished by shortweighing seagoing vessels being loaded at the export elevator, and falsification of records to indicate that grain was loaded into the holds of the ships when this grain had been returned to the elevator after being weighed.

The indictment also alleges that the defendants and others surreptitiously bypassed the USDA licensed inspectors and automatic sampling equipment and dropped inferior grain and foreign material from a large bin on to loading conveyor belts by use of a remote control switch.

Four of these defendants have pled guilty. The elevator operator and two others are awaiting trial.

In a second indictment, three managerial employees of an export elevator were charged with conspiracy to commit wire fraud and to obtain money by false pretenses during a 20-month period, relating to fraudulent sales of non-existent grain through use of interstate transmissions of teletyped communications that falsely reported delivery of nine fictitious bargeloads of soybeans and corn. The indictment alleges that each of the defendants deposited approximately $100,000 in a Nassau, Bahamas bank.

These three defendants have pled guilty.

In a third indictment, nine individuals involved in the handling of grain at an export elevator were charged with conspiring, during a three-year period, to commit systematic theft of grain from interstate and foreign commerce, to obtain money by false pretenses, to falsify official inspection and weight certificates, to cover up material facts, and to defraud the United States.

The indictment alleges that the fraudulent scheme produced $817,612 for the defendants by the theft of three bargeloads of soybeans and the sale of non-existent grain to two grain companies.

Six of these defendants have pled guilty. The others are awaiting trial.

In a fourth indictment, the grand jury charged four employees of an export elevator company with a conspiracy, during a two-year period, to commit thefts of grain and convert it to themselves, and to deliver to a co-conspirator grain purchaser grain of higher grade then that purchased with the additional profits upon resale being divided among the co-conspirators. It is alleged that the defendants realize $220,600 from this scheme.

Three of these defendants have pled guilty. The other is awaiting trial.

On August 15, 1975, the grand jury returned a five-count indictment against the chief inspector for one of the USDA licensed private inspection agencies.

The indictment charges that the defendant, because of his official inspection functions received two cash payments of $1,500 and $5,000 from a grain company; that he gave $500 to one inspector and $200 to another inspector; and, that he testified falsely before a grand jury.

This defendant has pleaded not guilty, and is awaiting trial.

E. GENERAL CONCLUSIONS

Mr. Chairman and members of the Committee, we have given serious and thoughtful consideration to your request for our opinions as to the efficiency and effectiveness of our national inspection system for grain in the light of all the evidence that we have received and weighed during this intensive and lengthy investigation into the handling of grain in our area.

We are convinced beyond any reasonable doubt that the essential policies and objectives of the United States Congress, as declared in the United States Grain Standards Act, as amended August 15, 1968 (7 U.S. Code, Sections 71, 74–79, 84–87 and 87a–87h) have not been achieved in our area, despite the best efforts of many in and out of government to achieve those policies and objectives.

We can also report that the official grain standards prescribed by the United States Department of Agriculture in the regulations (7 Code of Federal Regulations, Section 26.1–26.129) have not always been fairly and uniformly applied by all USDA-licensed inspection personnel employed by the four private inspection agencies and the state inspection agency in our area, despite the best efforts of many in and out of government to achieve fair and uniform application of those standards.

We regret that we must candidly acknowledge that the essential integrity of the official grain inspection and handling systems has not been attained in our area under the administration of our existing laws, despite the best efforts of many in and out of government to attain integrity.

We are convinced that the dishonesty, deception, theft and fraud in the inspection, grading, weighing and handling of grain have been much more serious and pervasive in our area than described in the indictments that have been returned by our federal grand juries in our jurisdiction, despite the best efforts of many in and out of government to prevent dishonesty, deception, theft or fraud.

We are also convinced that the widespread crime and corruption that have been uncovered in our area are symptomatic of similar activities and practices that exist in some other areas of our country where large quantities of grain are handled under similar conditions.

While we can not forecast precisely what conditions will be in the grain industry in the years ahead, we have very serious doubts that uniformity and integrity can ever be fully achieved in our area under existing laws, regulations and policies, through the five official inspection agencies that service the eight export elevators, despite the best efforts of many in and out of government to achieve uniformity and integrity.

We likewise doubt that uniformity and integrity can ever be fully achieved in any other area, under existing laws, regulations and policies, despite the best efforts of many in and out of government, with 111 diversified official inspection agencies performing official grain inspection functions at 183 designated inspection points: 23 operated by states; 41 operated by boards of trade, chambers of commerce and/or grain exchanges; and, 47 operated by individuals under private ownership arrangements.

It seems to us, Mr. Chairman and members of the Committee, that many of the serious problems and troubles presented to the U.S. Department of Agriculture in the administration of the regulatory system and to law enforcement authorities in the enforcement of the laws and regulations are inherent in the national grain inspection system that has been established under existing laws and regulations.

EXHIBIT A

Elevator	Location	Inspection agency	Main office
1. Cargill	Port Allen (West Baton Rouge).	Greater Baton Rouge Port Commission	Baton Rouge.
2. Bayside (Cook)	Reserve (St. John)	Destrehan Board of Trade, Inc	Norco.
3. Bunge	Destrehan (St. Charles)	do	Do.
4. St. Charles	do	South Louisiana Port, Inspection and Weighing Bureau, Inc	Destrehan.
5. Farmers Export	Ama (St. Charles)	do	Do.
6. Continental	Westwego (Jefferson)	New Orleans Board of Trade, Ltd	New Orleans.
7. Public	New Orleans (Orleans)	do	Do.
8. Mississippi River (Feruzzi)	Myrtle Grove (Plaquemines).	Delta Weighing and Inspection Bureau, Inc	Myrtle Grove.

Note: Approximate distance from downtown New Orleans (foot of Canal Street)—1. Cargill 135 miles upriver; 2. Bayside, 43 miles upriver; 3. Bunge, 26 miles upriver; 4. St. Charles, 26 miles upriver; 5. Farmers Export, 22 miles upriver; 6. Continental, 8 miles upriver; 7. Public, 5 miles upriver; 8. Mississippi River, 36 miles downriver.

Mr. DOLE. Mr. President, passage of Senate Joint Resolution 88, which the Senator from Minnesota (Mr. HUMPHREY) and I introduced, is needed to provide stricter penalties and emergency authorities for the Secretary of Agriculture in order to protect our Nation's reputation as an exporter of quality grain. The Senate Committee on Agriculture and Forestry has held a number of hearings on the operation of the inspection system and has a comprehensive investigation underway. These hearings and investigations, coupled with the indictments and convictions of grain inspectors, grain export firm employees and others at our ports for violations of the Grain Standard Act and other Federal laws have made it obvious that serious weaknesses exist in the present law. I believe that passage of the temporary, emergency authorities of Senate Joint Resolution 88 will correct most of the existing weaknesses in the law that we have uncovered so far. This legislation greatly increases supervision of grain inspection with additional personnel, provides for more vigorous random sampling to check licensed inspection agencies, increases penalties for violations, eliminates conflicts of interest in inspection agency ownership, improves sampling regulations and provides other authorities which will go a long way toward strengthening the present system.

The Department of Agriculture's legislative recommendations on the subject of grain inspection basically parallel the provisions of Senate Joint Resolution 88 with the exception that the administration bill, S. 2297, asks for permanent provisions. It is my feeling that the temporary nature of Senate Joint Resolution 88 will make it difficult if not impossible for the Secretary to implement many of the provisions of the law. For instance, hiring and training additional personnel will be very difficult to accomplish under 12-month authority. However, the provisions of Senate Joint Resolution 88 will go a long way toward enabling the Secretary of Agriculture to strengthen the inspection system. Passage of this legislation will be a very constructive step toward a permanent solution to the problems of the grain trade. Meanwhile, the Agriculture Committee will continue its investigations and as soon as possible will introduce legislation to make further improvements in the law which are needed to bring about permanent reform. As soon as completion of the investigation will allow, I am hopeful that legislation to provide the Secretary with the permanent authority necessary to effectively implement the law and assure the continued shipment of high quality U.S. grain for export will be promptly enacted.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL SKI WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 90) to authorize the President of the United States to designate "National Ski Week," which had been reported from the Committee on the Judiciary with amendments as follows:

On line 4, strike "annually";

On line 6, strike "of every year" and insert "1976";

So as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is hereby authorized and requested to issue a proclamation designating the week beginning on the first Saturday after the first Tuesday in January 1976, as "National Ski Week", in recognition of the economic, recreational, and healthful aspects of the sport of skiing; and inviting the people of the United States to observe such week by participation in appropriate ceremonies and activities.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield all or such part of my time to the distinguished Senator from Connecticut as he may require.

Mr. RIBICOFF. I thank the distinguished Senator from Montana.

(The remarks of Mr. RIBICOFF at this point appear in today's RECORD of routine morning business under "Senate Resolution 265—Submission of a Resolution.")

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Hawaii (Mr. FONG) is recognized for not to exceed 15 minutes.

Mr. FONG. Mr. President, I ask unanimous consent that the time allotted to Senators HUGH SCOTT, ROTH, BELLMON, BROOKE, and MCCLURE be allotted to me this morning.

Mr. ROBERT C. BYRD. Mr. President, I will not object in this particular instance.

Mr. FONG. I thank the Senator.

The ACTING PRESIDENT pro tempore. Without objection, the time is allotted as requested.

FURTHER REFUTATION OF PATENT SMEAR

Mr. FONG. Mr. President, once again I rise to refute false, misleading, and unwarranted charges against my patent legislation, against my legislative aide on patents, and against myself.

In a third column on this subject, carried in the Washington Post on Sunday, September 7, the syndicated writer Jack Anderson embellished on his charge that I am a tool of the "patent lobby."

Twice before, on June 24 and September 9—see CONGRESSIONAL RECORD of June 24, pages 20475 and 20476, and September 9, pages 28083–28087—I refuted in detail similar charges, citing those which were outright falsehoods and those which were grossly misleading.

In America, we have the time-honored tradition of self-defense. I intend to exercise my right of self-defense and set the record straight.

Ordinarily, I would ignore the continued derelictions, the inaccuracies, and the smears of an obviously uninformed reporter.

But Mr. Anderson persists in repeating falsehoods.

Unfortunately, my remarks in the Senate will reach few of the readers of Mr. Anderson's column, as I do not know what newspapers carried his most recent smear. It is too much to expect that Anderson would be fair enough to provide me with equal space and distribution of my rebuttal. Without question, my rebuttal would cast doubt upon Anderson's accuracy and veracity.

Whenever Anderson becomes unbelievable or unreliable, sales of his column are jeopardized.

So he repeats the "Big Lie," in Nazi propaganda minister Goebbels' technique, hoping that if a lie is repeated often enough, an uninformed public will believe it. Thus he continues in this vein, taking advantage of his license to smear, knowing that his victim is able to reach only a very, very limited number of his readers to refute his falsehoods.

Anderson's persistence is repeating the falsehood that my bill contains antitrust exemptions—when clearly it does not—leads me to believe he is not interested in the truth about my patent bill, or in writing a balanced presentation of the issues involved in patent revision, but only in advocating his personal, myopic views on patent revision.

To show this more clearly to persons not familiar with legislation to revise U.S. patent law, let me explain that there are three major schools of thought currently held, not only in Congress but in the administration and in the private sector as well.

The first school of thought, mainly supported by antitrust attorneys and the Antitrust Division of the Department of Justice, would make radical changes in substance and procedures in the present law—title 35, United States Code. The antitrust advocates would introduce many new, untried, and unproven concepts into patent law. Many of these concepts would make the obtaining of patents much more complicated and much more costly than at present. This school would even require compulsory licensing of patents, which inventors regard as taking away their inherent personal property right in their inventions.

These features would substantially curtail the number of inventors who would disclose their discoveries to the public through the patent system. This would result in a substantial increase in secrecy and withholding of new discoveries from the public and would curtail competition.

The second, and largest, school of thought views the patent system in the traditional constitutional light and places emphasis on the Constitution's goal:

> To promote the Progress of Science and useful Arts by securing for limited Times to . . . Inventors exclusive Right to their respective . . . Discoveries.

In other words, this school wants to modernize cautiously the patent system to cope with the technological explosion of the seventies, while still making sure inventors are given sufficient incentive to reveal their discoveries and place this knowledge in the public domain. This school recognizes the crucial importance of encouraging public disclosure of new inventions so that America can maintain its technological lead in the world.

The Commerce Department, which has jurisdiction over the U.S. Patent Office, can be said to espouse the traditionalist viewpoint.

The third school of thought, represented by a minority of patent attorneys, would rather keep the present patent law exactly intact as it is now, and favors no changes whatsoever.

In the 8 years since the President's Commission on the Patent System issued its report with 35 major recommendations, Congress has been unable to reach agreement on patent revision legislation. Also, as Chemical & Engineering News, a trade publication Jack Anderson cited as "reliable," pointed out, in the administration the Commerce Department and the Antitrust Division of the Justice Department "have been haggling for years over how far patent reform should go."

The magazine continued, "The Justice Department was primarily responsible for drawing up S. 2504—the administration bill in the last Congress—and apparently would like to see it reintroduced essentially unchanged." It was reintroduced in the present 94th Congress. Thus, the split which exists in the administration on patent legislation carries over into Congress.

Apparently, Jack Anderson adheres to the first school of thought and is seeking every opportunity to discredit my bill, which most nearly conforms to the second school of thought.

ANDERSON SMEAR TACTICS

Let me say at the outset today that Anderson and his legman Whitten have both been guilty of deceit, misrepresentation and outright lying in their attacks on my patent bill, contained in three articles published in recent weeks.

They have painted patent attorneys as evil, sinister people and have portrayed me as their "front man," thus implying that I, too, am evil and sinister.

Anderson and Whitten are wrong on both counts.

The latest Anderson column is typical of his prejudicial, adjectival, biased and smear reporting. First, he sets up prejudicial straw men—in this case, what he calls "the patent lobby"—and then, with skilled adjectives and biased words, he paints pictures to discredit them as villains. This technique is used to prejudice Anderson's readers against whomever he deems a villain.

Look at the adjectival smears and the prejudicial and biased words in the first half of Anderson's latest article entitled in a Washington paper, "The Patent Lobby and the Fong Bill."

Patent attorneys are described as "special pleaders" in the "backrooms of Washington;" also as "wealthy" lawyers who "pretend" to speak for small inventors, but who, he claims, actually "represent the financial giants—the chemical combines, communications consortiums and oil corporations."

Anderson says these patent attorneys "operate on the inside" with "pressure" that is "largely invisible." Says Anderson, "They compose clauses worth millions to their clients and bury beneficial passages in complex legislation," which, Anderson goes on to say, "they palm off as essential for the salvation of the republic."

Continuing in this vein, Anderson termed them a "sophisticated" lobby—said they are manipulators, and "patent promoters" who, he claims, drafted a bill full of "million-dollar loopholes" and "inveigled" me to try to steer it through the Senate.

Mr. President, at this juncture, let me say that nobody "inveigles" me into introducing legislation. I have a mind of my own and, after serving more than 12 years on the Senate Judiciary Committee on Patents, Trademarks, and Copyrights, I have learned quite a bit about patent law and our patent system.

In fact and in truth, Mr. President, there is no such thing as "the patent lobby." Anderson invented the phrase and proceeded to prejudice readers against it.

Inventors, business executives, research directors, judges, patent lawyers and others, as in trade associations, who have made their views known voluntarily in congressional testimony, in speeches, in published articles, and in correspondence, have expressed widely varying views on patent revision, as is clearly evident in the record of hearings of the Senate Subcommittee on Patents, Trademarks, and Copyrights, on which I serve.

There are lawyers who speak for small inventors, there are lawyers who speak for companies—small or medium or large, or sometimes more than one size. There are lawyers who represent an inventor in one case and who represent a company in another case.

It is rare indeed to find unanimity on any major patent issue among the diverse parties involved in the patent system.

Patent legislation is certainly not the most exciting legislation, but it is certainly fundamental to the fostering of science and the incentive to invent and to promote progress of the useful arts in America, which our Founding Fathers recognized as essential when they drafted the Constitution of the United States 200 years ago.

U.S. PATENT SYSTEM

While I have not taken the time of the Senate in my two previous refutations of Anderson-Whitten charges to describe what my bill, S. 214, proposes, I shall do so today.

But first, in order for my colleagues and other readers of the CONGRESSIONAL RECORD to understand my bill, let me first briefly explain what is the basis for our patent system, what our patent system is, how it operates, and the desirability of patent law modernization.

Under our Nation's Constitution, Congress is authorized in article I, section 8, clause 8 as follows:

> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors exclusive Right to their respective Writings and Discoveries.

Incidentally, this is the constitutional basis of our Federal copyright law, under which Anderson and many other syndicated columnists protect their writings.

Confining my further remarks to inventors, please observe that the Constitution does not speak of "granting" a right to inventories, but of "securing" an already existing right to their discoveries. In this context, "securing" means "making fast."

Under the patent system set up by Congress pursuant to the Constitution, a person who invents something brand-new—that is something "nonobvious" to persons knowledgeable in that field of endeavor—may apply for a patient, and if granted, he or she has the exclusive right for 17 years to make, use, or sell the patented invention.

In granting a patent, the Federal Government secures the inherent right of the inventor for a limited time, in return for his disclosure of his invention to the public.

For, when the inventor applies for a patent, he must disclose his invention and prove that it indeed is a new nonobvious discovery.

No monopoly is granted by the Government. Nothing is taken away from the public. Indeed, the public gains knowledge of the invention and now can use that knowledge to make improvements upon it, or to design around it—the essence of competition—or establish new product lines. This can require additional workers and can increase competition while giving to the consumer a hitherto unavailable, desirable, or better product. The new product lines are thus established either by designing around or taking a license.

In either event, the public is benefited because of the "progress of science and the useful arts."

There is nothing in the Constitution or in our Federal or State statutes to compel an inventor to disclose his discovery or invention.

He is free to keep his invention a secret, and, if he has the capital and know-how, to manufacture or produce items for sale incorporating his invention. But he runs the risk that someone else will be able to copy his invention. His secret would no longer be secret and he could not insist that he be paid for the use of his invention.

On the other hand, if he applied for and received a patent, he would be protected against unauthorized use of his invention, but only for 17 years.

Large companies are not nearly so dependent on patent protection as individual inventors. Large companies can resort to trade secrets, giving them a monopoly on an invention or discovery and keeping the knowledge associated with that invention or discovery secret from the general public.

I strongly believe, therefore, that it is in the public interest and in the best interest of the future strength and progress of our Nation to maintain a patent system that will encourage inventors to disclose their inventions and discoveries to the public.

I agree with Dr. Edwin O. Land, the founder of the Polaroid Co., who pointed out in a penetrating article in the Harvard Business Review, September-October 1959:

> The horrible, unthinkable alternative [to patents] . . . is a cesspool of secrecy in which inventors would keep secret their discoveries because disclosure would enable competitors to take full advantage of the new found knowledge. (Bracketed matter added for clarity.)

PRESIDENT'S COMMISSION ON THE PATENT SYSTEM

Our Nation's patent system has worked remarkably well so far. But in the past several decades, when the frontiers of knowledge have expanded rapidly and in many directions into a veritable technological explosion, it has become clear our system needs some modernizing and streamlining, as the President's Commission on the patent system pointed out in its report, issued in 1967, after 2 years of intensive study.

This 14-member Commission was appointed in 1965 by President Johnson and was a blue-ribbon body of persons well informed on the patent system—including representatives of the inventive community and persons knowledgeable on patent law.

I quote from the introduction of the Commission report:

> The members of the Commission unanimously agreed that a patent system today is capable of continuing to provide an incentive to research, development, and innovation. They have discovered no practical substitute for the unique service it renders.
>
> First, a patent system provides an incentive to invent by offering the possibility of reward to the inventor and to those who support him. This prospect encourages the expenditure of time and private risk capital in research and development efforts.
>
> Second, and complementary to the first, a patent system stimulates the investment of additional capital needed for the further development and marketing of the invention. In return, the patent owner is given the right, for a limited period, to exclude others from making, using, or selling the invented product or process.
>
> Third, by affording protection, a patent system encourages early public disclosure of technological information, some of which might otherwise be kept secret. Early disclosure reduces the likelihood of duplication of effort by others and provides a basis for further advances in the technology involved.
>
> Fourth, a patent system promotes the beneficial exchange of products, services, and technological information across national boundaries by providing protection for industrial property of foreign nationals.

The Commission identified the following objectives:

First. To raise the quality and reliability of the U.S. patent.

Second. To shorten the period of pendency of a patent application from filing to final disposition by the Patent Office.

Third. To accelerate the public disclosure of technological advances.

Fourth. To reduce the expense of obtaining and litigating a patent.

Fifth. To make U.S. patent practice more compatible with that of other major countries, wherever consistent with the objectives of the U.S. patent system.

Sixth. To prepare the patent system to cope with the exploding technology foreseeable in the decades ahead.

The Commission made 35 recommendations for improving our patent system, some of which have been implemented through administrative action, while others, 8 years later remain to be acted on by Congress through legislation.

FONG PATENT BILL (S. 214)

My own patent legislation, designated S. 214, in the present Congress, was an attempt to achieve the objectives stated by the Commission.

The Commission did not propose complete revision of U.S. patent law. The Commission did not recommend radical changes in U.S. patent law.

Therefore, in drafting my patent bill, S. 214, I endeavored to retain as much as possible of existing patent law.

This has a very positive and beneficial purpose: to avoid unnecessary and protracted court suits to determine the meaning and intent of patent law. Such time-consuming suits would retard technological progress and would undoubtedly discourage disclosure of inventions, rather than encourage disclosure of new discoveries.

With more than 100,000 patent applications filed each year, if Congress alters patent law radically, we could well trigger a flood of litigation while the courts struggle to interpret a new law.

My patent bill, therefore, retains a great deal of present patent law. In fact, existing patent law comprises about one half of my bill, S. 214.

Some of the remaining provisions of my bill consist of provisions the Subcommittee on Patents, Trademarks, and Copyrights had approved last year when we worked on patent legislation.

Still other provisions were selected from hundreds of suggestions conveyed to me in letters from inventors, patent attorneys, bar associations, trade associations, and companies.

I received about 100 letters from individual inventors or attorneys representing individual inventors, about 50 letters from companies, and 20 letters from bar associations. Many of these communications contained multiple suggestions or recommendations.

GOALS OF FONG PATENT BILL (S. 214)

In any event, I designed my bill to meet the following goals:

First. To increase the incentive to our Nation's inventors to create more inventions to meet our country's needs now;

Second. To achieve the maximum percentage of valid patents at a minimum of cost;

Third. To allow the public to request the Patent Office to reexamine any questionable patent;

Fourth. To harness the patent system to help fight inflation, solve our energy problems, and relieve our food shortages;

Firth. To accelerate the public disclosure of technological advances.

Sixth. To reduce the expense of obtaining and litigating a patent.

Seventh. To shorten the period of pendency of a patent application from filing to final disposition by the Patent Office.

Eighth. To raise the quality and reliability of U.S. patents.

MAJOR NEW FEATURES OF FONG BILL (S. 214)

The major new features in my bill, S. 214, which are not in existing law are:

Chapter 31.—Prior art citations to Patent Office and reexamination of patents:

Chapter 31 would allow public participation in the Patent Office determination of the validity or invalidity of a patent during the entire lifetime of the patent.

Under chapter 31, any member of the public could request the Patent Office to reexamine any patent which that person believed was invalid, because the Patent Office did not have all the relevant evidence before it—pertinent patents or publications—when it originally issued the patent. That person would be allowed to cite any relevant evidence—pertinent patents or publications—to the Patent Office, and for a nominal fee of $75 request that the Patent Office reexamine any patent.

In doing so, the Patent Office could find that in light of the new evidence presented by the public, the Patent Office should not have issued the patent. Should this be the case, the Patent Office would then nullify or cancel that patent. Unless the patent holder appeals the decision through the Patent Office appeal procedure or, if still dissatisfied, through Federal court, that invention would then be dedicated to the public for public use and would remain in the public domain forever.

Chapter 31 would also be a great boon to the small inventor, since it would allow his patent to be reexamined initially by the Patent Office for $75, when his patent is attacked by a large company wishing to use his patent for nothing.

Should his patent be confirmed valid by the Patent Office, large companies would think twice before they continued to infringe his patent—use his patent for free. Should they still choose to violate the small inventor's patent, the small inventor at least would more likely be able to obtain the money needed to defend his patent in the Federal court since the validity of his patent had been reaffirmed by the Patent Office.

In this regard, I have received letters indicating that some large companies purposely ignore the rights of small inventors, by using their patents without paying, knowing that these small inventors cannot afford the $10,000 or more it might cost to defend their patents in a Federal court. This type of unfair advantage practiced by some large companies would be substantially stopped by my chapter 31.

Chapter 31 will not, as was erroneously reported in one news account in Hawaii, deny access to the Federal court system. All chapter 31 provides is that the Patent Office have a chance to look at any new patent evidence not presented to it previously, before the case goes to the Federal court where such adjudication can cost substantially over $10,000. Appeals back to the Federal courts would be still available, after this reexamination process, just as they are now available under present law.

MAINTENANCE FEES

Present law does not require the inventor or patent holder to pay fees to maintain the patent for its statutory life.

My bill provides for reasonable maintenance fees.

However, I am aware that most, if not all, patent attorneys and inventors oppose maintenance fees. They argue that the taxes received by the Government from royalties paid to the inventors and the taxes received by the Government from the sale of products covered by patents far outweigh the cost of running the Patent Office, now estimated at about $80 million per year.

This, therefore, is a major point on which I disagree with a great many, if not all, patent attorneys.

All four patent bills before the Patent Subcommittee require maintenance fees over the life of the patent. My bill, requiring a maximum total of not more than $2,000 in maintenance fees, has the least amount of any of the bills.

INFRINGEMENT OF PATENTED PROCESS BY IMPORTED PRODUCT

Present title 35 of the U.S. Code does not contain any explicit provision securing the right of a process patent holder to enable him to sue for infringement an importer of a product made abroad by the American patent holder's process.

My bill would provide protection for the U.S. process patent holder, as recommended by the President's Commission on the Patent System—see recommendation No. XXI of the Commission.

Major industrial nations—France, West Germany, Japan, England, Italy—who are competitors of U.S. producers, protect their inventors holding process patents.

My bill would provide similar protection to our Nation's inventors holding process patents.

This provision would prevent foreigners from copying American inventions abroad, and because of the availability of cheap foreign labor, immediately underselling the American product here in the United States. The effect of such unfair action would be to injure the American company, possibly leaving thousands of Americans jobless, and intensifying our Nation's unemployment problem.

Mr. President, I ask unanimous consent that the text and a sectional analysis of my bill be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

INFORMED COMMENT ON FONG BILL

Mr. FONG. Mr. President, while some elements of the press like Jack Anderson have, out of ignorance or malice, smeared my bill, the present U.S. Commissioner of Patents wrote me a letter last May in which he stated:

> Your bill does appear to me to be in the direction of attaining the objective of the President's Commission.

Further, the U.S. Commissioner of Patents commented on my bill:

> If S. 214 were to become law, there would be no difficulty in adjusting the procedures of the Patent and Trademark Office to operate effectively under that law.
>
> As compared with present law, the ultimate validity of patents which survive examination and reexamination should be considerably improved, in view of the chance for all interested persons to bring forth the best art they know of at any time during the life of the patent. This improvement in validity would be obtained at modest cost and without significant burden to the Patent and Trademark Office.
>
> The bill would not add much to the cost of obtaining a patent, while the provisions of chapter 31 [Prior Art Citations to Patent Office and Reexamination of Patents] would be expected to reduce substantially both the amount and the costs of patent litigation. Under your present bill, our patent system should remain compatible with the systems of other countries, and should be able to cope with modern technology developments.

A member of the President's Commission on the Patent System, Mr. Eugene J. Davidson, former chief counsel with the Small Business Administration, wrote to Senators on the Subcommittee on Patents, Trademarks, and Copyrights last April 4, stating in part:

> More than eight years have elapsed since the Commission on the Patent System urged reform of our patent statutes in order to achieve national goals. The Senate has before it a proposal—S. 214—while will achieve these goals. It merits your consideration and support.

Another member of the President's Commission on the Patent System, Mr. Sidney Neuman, wrote to Chairman MCCLELLAN urging that patent revision legislation be based on existing law and urging that "the Fong bill, S. 214, be selected for markup."

A third member of the President's Commission on the Patent System, Mr. Edward J. Brenner—who, since the Eisenhower administration, served longer than any other person as U.S. Commissioner of Patents and who served under Presidents Kennedy, Johnson, and Nixon—stated publicly last month, in part as follows:

> I approve in principle the action taken today in Montreal, Canada, by the Section on Patent, Trademark and Copyright law of the ABA, expressed in its resolution (attached), in that I have considered and still do consider the only acceptable patent bill to be S. 214 Fong which, importantly, makes only minimal departures from current well-operating Patent Title 35 [U.S. Code] which departures can be demonstrated on some basis to be advisable, and which makes a significant contribution in its Chapter 31 [Prior Art Citation to Patent Office and Reexamination of Patents] on reexamination.
>
> Chapter 31 at a very low $75 cost permits reexamination during the life of the patent at a time when it may become important to do so, and therefore does not encourage a great many foot-in-the-door oppositions—of a full-blown expensive kind as encouraged and required by section 135 in S. 2255, under which the reexamination must be requested in the first year after the grant of the patent.

Speaking of the objectives of the President's Commission, Mr. Brenner noted that:

> Chapter 31 of S. 214, which would return the patent holder to the Patent Office for its consideration of newly found patents or publications which are relied on by the defendant, if added now to Title 35 [U.S. Code], would be a major and the only feasible improvement of our patent law really now needed. It does tend to considerably alleviate the principal problem of our patent system now talked about by the courts.

In a speech in January, a leading patent law jurist, Judge Giles S. Rich, Court of Customs and Patent Appeals, Washington, D.C., declared:

> A significant step in the right direction was made in the Congress when Senator Fong, on December 19, 1974, introduced his "Patent Modernization Act bill. . . ." He added ". . . those interested in sound change would do well to consider this as a fresh starting point and participate in the refining process."

Mr. President, I believe the credentials in the field of patent law and patent administration of two U.S. Commissioners of Patents, three members of the President's Commission on the Patent System, and a leading judge on patent law render their judgments far more credible than the judgment of a hit-and-run artist like Jack Anderson, who has no claim to expertise on patents.

ANDERSON PERSISTS IN MISREPRESENTING THE FONG BILL

Indeed, each time that Jack Anderson writes about my patent bill and the patent system, he further betrays his ignorance both of my proposals and of the patent system itself. Otherwise, why would he persist in misrepresenting my bill.

Although Anderson claims to have studied my bill in depth, he either did not study it in depth, in which case he deceived his readers again, or he did not understand it.

Let me proceed now to point out the inaccuracies and mistakes in Anderson's column of September 7.

SMEARS AGAINST PATENT ATTORNEYS

The Anderson article is a broadbrush smear against patent lawyers, as well as against me, that is unwarranted, uncalled for, and grossly unfair. Such smear tactics would have been right in style in the McCarthy era, but have no place in responsible journalism.

Here is what Anderson said:

> In the backrooms of Washington, few special pleaders are skilled at subterfuge as the wealthy lawyers who comprise the patent lobby.
>
> They pretend to speak for the small inventors, the Thomas Edisons who putter in garage workshops. But in fact, the patent attorneys represent the financial giants—the chemical combines, communications consortiums and oil corporations.
>
> Normally, these able articulate attorneys speak with a soft voice and operate on the inside. Their pressure is largely invisible but nonetheless potent. They compose clauses worth millions to their clients and bury the beneficial passages in complex legislation, which they palm off as essential for the salvation of the republic.
>
> We got a rise out of this usually subdued and sophisticated lobby, however, when we exposed its latest manipulation. We told how the patent promoters had drafted a bill full of million-dollar loopholes and had inveigled Sen. Hiram Fong (R-Ha.) to try to steer it through the Senate.

Patent lawyers are eminently able to defend themselves, but unfortunately they are not given equal space in which to tell Anderson's readers the truth. Let me, then, quote from a letter written to Jack Anderson on September 8, a copy of which was sent to me, by a patent lawyer here in Washington, D.C., who described himself as "previously an admirer" of Jack Anderson, but who said he was disappointed in Anderson's article, "The Patent Lobby and the Fong Bill."

Let me state right here, Mr. President, that I do not know the gentleman who wrote the letter and I would not be able to identify him if he were standing next to me.

This patent lawyer, Mr. Sheridan Neimark, who according to his letter has been in the patent law field 18 years, wrote Anderson that his latest article against my bill:

> . . . is highly inaccurate presumably due either to a lack of adequate research or a dislike of the patent system due to a failure to understand what the patent system is.

Further, Mr. Neimark proceeded to rebut Anderson, point by point. Let me quote some of the pertinent paragraphs from his letter:

> (1) Implicit in the first paragraph of your article is that (1) patent lawyers use subterfuge and (2) patent lawyers are 'wealthy' and presumably wish to maintain their 'wealthy' status. I have been a patent lawyer since 1962 and before that was employed by the U.S. Patent Office from 1957. It has been my experience that patent lawyers are as forthright as any lawyers; they naturally advocate the position of their client as is their responsibility, but to suggest that they use 'subterfuge' is unfair. While there are undoubtedly some patent lawyers who are 'wealthy', most of the patent lawyers I know (and I know many) are far from being wealthy; the profession is highly competitive and most patent lawyers would earn a higher salary if they were in general practice.

Mr. Neimark continued:

> (2) The second paragraph of your article implies that all patent lawyers represent giant corporations and none represent small inventors. This is patently untrue. Worse, the article implies that large companies are the prime beneficiaries of the patent system, while the converse is true. The larger corporations, like General Motors, would be very happy if there were no patent system. They can maintain their position because of their size and strength. The individual inventor and the small companies can progress only through innovation and the protection of their innovative ideas. To emasculate the patent system would be to virtually ensure the continued dominance of the larger corporations.

Mr. President, let me repeat that last sentence of Patent Attorney Neimark:

> To emasculate the patent system would be to virtually ensure the continued dominance of the larger corporations.

Mr. Neimark went on to say:

> But the classic examples of companies started by innovative inventors who obtained the protection of the patent system are Polaroid Corporation and Xerox Corporation. If there had been no patent system, there may never have been the incentive for Chester Carlsen and Edwin Land to make their inventions. Certainly, other companies which dominated the industries at the times that these inventors made their inventions would have continued their domination through the present time, had it not been for the protection afforded by the patent system.
>
> I have seen, first hand, what the recent erosion of the patent system has done to the small inventor. I have seen the inventions of my relatively small clients effectively stolen by the large corporations because they feel, in many cases, that they can simply ignore patents because of the likelihood of having patents invalidated in court. I have heard rumor of at least one large company which has as policy ignoring the patents of inventors and taking what they want for themselves. This is the type of action which should be stopped and it can only be stopped by a strengthening of the patent system, not by its continued weakening. I repeat that the large companies, contrary to your statement, desire the death of the patent system because they have the economic power to survive in the absence of a patent system. Unfortunately, articles such as yours serve to advance the monopolistic powers of the large companies.

Mr. President, I would like to repeat that last sentence. Mr. Neimark said that unfortunately, articles such as Jack Anderson's "serve to advance the monopolistic powers of the large companies."

Far from being a knight in shining armor, Jack Anderson through his irresponsible, inaccurate, misleading attacks on my bill and disparagement of the patent law profession is causing erosion of faith and confidence in the U.S. patent system, which is the only protection small inventors and small companies have for their patented inventions and discoveries.

In other words, the effect of the Anderson articles is just the opposite of that which he professes to achieve.

Let me continue to quote from Mr. Neimark's letter to Jack Anderson. Toward the end of his letter, Mr. Neimark refers to another Anderson smear against patent lawyers:

> (9) In your penultimate paragraph, you again take what I consider to be an unjust swipe against patent lawyers. Patent lawyers serve both plaintiffs and defendents (sic), individual inventors and companies to which company inventors have assigned their rights. I do not feel that there is any bias one way or another in the patent bar taken as a whole. I myself very strongly feel (contrary to the common notion) that the patent system is fully consistent with the antitrust laws in that both serve to further (rather than inhibit) competition. No patent has ever taken something out of the public domain. The incentives provided by the patent system cause new methods and new products to be introduced into competition and further stimulate even newer products and newer processes.
>
> The founding fathers in their wisdom recognized the attributes of a patent system. Unfortunately, there is a commonly held misconception, furthered by articles such as yours, that the patent system is evil. A proper understanding of the patent system should make one realize that a strong patent system is fully in the national interest. I repeat, and strongly believe, that it is the giants of industry who gain most by the continued erosion of the patent system.

Mr. Neimark concluded by telling Jack Anderson:

> While I am sure that my views are shared by many conservatives, they are fully consistent with my liberal beliefs (I am a member of ADA, ACLU and Consumers Union as well as being a regular contributor to liberal causes) . . .

Mr. President, I ask unanimous consent that the entire text of Mr. Neimark's letter be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

MORE ANDERSON SMEARS TO DISCREDIT MY BILL

Mr. FONG. Anderson proceeded to smear my bill as follows:

> The bill is so complex that few members of Congress will have the patience to study it. Indeed, the wording seems calculated to thwart opponents, first, by confounding them and then by boring them to death.
>
> This is often the strategy in such matters as patents, insurance, taxes and banking. The smooth professionals, who represent these special interests in Washington, are experts at obfuscation. They draft legislation to benefit their clients and ensnarl it with so many whereases and wherefores that only an expert can find his way through the legislative thicket.
>
> For example, the advocates carefully concealed the true purpose of the patent legislation, with its deceptive phrases and camouflaged clauses. We felt the public interest would be best served, however, by giving this dull, difficult bill a thorough airing.

In typical smear style, Anderson sought to discredit my bill by saying that the wording seems "calculated to thwart opponents" by "confounding" them; that the advocates "carefully concealed the true purpose" of the bill, which he said contains "deceptive phrases" and "camouflaged clauses" and is ensnarled with so many "whereases and wherefores" that only an expert can understand it.

There has been no attempt whatsoever at concealment by me of my patent legislation. On the contrary, when I introduced my first patent bill last December 19, I made a lengthy statement in the Senate explaining the purpose and the background of my legislation. My statement was printed in full in the CONGRESSIONAL RECORD, available to anyone in this country or in the entire world, for that matter. In addition, I put into the CONGRESSIONAL RECORD at that time the complete text of my bill and a sectional analysis of it.

When I introduced my bill, I invited

any one interested to submit his or her views on my bill and to make any comments or recommendations for changes or improvements. Far from trying to conceal the provisions of my bill from public scrutiny and consideration, I did everything I could to encourage the public to respond.

On the basis of the reactions I obtained to that bill, I revised my legislation and introduced a new bill on January 17 this year. This is designated S. 214, the full text of which I included with lengthy introductory remarks and a sectional analysis which were all printed in the CONGRESSIONAL RECORD.

Again I invited public scrutiny and public comment.

So any implication that I have tried to conceal my patent proposals is totally false and reprehensible.

Yes, Mr. President, patent legislation is technical and complex. But just because a layman like Jack Anderson cannot understand it is no basis for charging that my bill is deceptive or conceals its true purpose.

Obviously, as of September 7, Jack Anderson still had not read the text of my bill. If he had, he would know my bill does not contain any "whereases and wherefores." Obviously, Jack Anderson failed to do a thorough or accurate research job on my bill. Equally obviously, he is not qualified to evaluate the merits of my bill or, for that matter, any of the complex patent bills considered by the Senate subcommittee.

PATENT DOES NOT "GIVE" CONTROL TO INVENTOR

Jack Anderson alleges that—

> A patent usually gives the owner total control over a valuable product or process.

Once again Anderson reveals his ignorance. A patent does not "give" control. By virtue of creating something that never existed before, the inventor already has total control of his invention—from the very moment he invents. His invention is his own property, so he has total control of it long before he obtains a patent.

Thus, he could practice his process or manufacture his product in complete secrecy. He could even throw his invention away or destroy it.

What a patent does is to protect, but only for a period of 17 years, the right the inventor already possesses to make, use, or sell his invention.

In exchange for this limited patent protection, the inventor discloses his invention to the public and thereby adds to the wealth of knowledge in the public domain. This promotes the progress of the sciences and useful arts as the Constitution sanctions.

PATENT NOT A GOVERNMENT LICENSE TO "HOLD UP" CONSUMER

Anderson contends a patent "can become a government license, therefore, to hold up the consumers."

An inventor, Mr. Paul E. Reimann, whom I have never met, wrote a letter to the editor of the Deseret News of Salt Lake City, Utah, in which, referring to Anderson's August 1 column, Reimann noted:

> His earlier charges that a patent "can become a government license to hold up the customers" (sic) are strong words from a columnist who gets copyright royalties from me almost every time I buy this paper, despite seldom reading his column.

As I noted at the outset of my remarks today, a patent is issued only for a "nonobvious" invention. It is something never before on the market. Consumers need not buy it. There is no compulsion on consumers to buy the new product or process. If they do not buy it, they need not pay for it. But if they want it, they will be willing to pay for it. They will pay for it because they prefer it over that which existed before.

For example, consumers found the electric refrigerator a great improvement over the icebox. They did not have to buy the refrigerator, which obviously was more expensive. But enough consumers preferred refrigerators and paid their money for a refrigerator that the icebox became obsolete.

The only way I am aware that patents "hold up the consumers" is it—

> holds 'em up out of the gooey mud of national stagnation, supplies 'em with products and processes to help meet the challenges of the Seventies and the years to come afterward.

As so aptly stated by Mr. Floyd B. Quigg, an inventor from the State of California.

By charging that patents are a "Government license to hold up the consumers," Jack Anderson has used smear and scare tactics.

If what he said is true, then we can logically assume Jack Anderson favors abolishment of patents altogether.

Jack Anderson should come clean. Does he advocate the destruction of the patent system, which is sanctioned by the U.S. Constitution and which has played a crucial role in the scientific and technological leadership the United States has attained?

The warning of John Stuart Mill in 1877 is equally apropros today. In his book "The Principle of Political Economy," Mill said:

> . . . I have seen with real alarm several recent attempts . . . to impugn the principle of patents . . . which, if practically successful, would enthrone free stealing under the prostituted name of free trade, and make the men of brains, still more than at present, the needy retainers and dependents of the men of money bags.

I repeat that the President's Commission on the Patent System said:

> They "unanimously agreed that a patent system today is capable of continuing to provide an incentive to research, development, and innovation. They have discovered *no practical substitute* for the unique service it renders. (Italics added.)

In view of the scientific and technological revolution that exists today, the need for a viable patent system is even more urgent today, in my opinion, than in the late 1700's, when the first U.S. patent system was established.

George Washington, one of the framers of our Constitution, which recognized the need to secure for limited times the exclusive right of inventors to their discoveries, urged in his First Inaugural Address—

> the expediency of giving effectual encouragement, as well to the introduction of new and useful inventions from abroad as to the exertions of skill and genius at home.

President Thomas Jefferson, a versatile scientist and inventor himself and the first Administrator of the Patent System while Secretary of State, said:

> Nobody wishes more than I do that ingenuity should receive liberal encouragement.

President Abraham Lincoln declared:

> The patent system added the fuel of interest to the fire of genius.

By disparaging the Patent System, Jack Anderson is doing a great disservice to the American people—consumers and inventors alike—and a great disservice to our Nation.

I repeat what Dr. Edwin Land, inventor of the Polaroid camera, said:

> The horrible, unthinkable alternative . . . is a cesspool of secrecy in which inventors would keep secret their discoveries because disclosure would enable competitors to take full advantage of the new found knowledge.

NO EXEMPTIONS FROM ANTITRUST LAWS

Jack Anderson embellished his previous false charges that my bill contains antitrust exemptions as follows:

> The Fong bill would permit great corporations to squeeze extra millions out of their patents by securing special exemptions from the antitrust laws.

There are no antitrust exemptions in my bill.

I have said it before, and I say it again, in as clear and understandable language as I know how: "My bill, S. 214, does not contain any antitrust provisions for any person or company."

Helen W. Nies, chairman of the patent, trademark, and copyright law section, Bar Association of the District of Columbia, in a letter to the editor of the Washington Post, regarding Jack Anderson's earlier charges that my bill contains antitrust exemptions, wrote as folows:

> No exemption from the operation of the antitrust laws is contained within the Fong bill for any industry.

It is time for Anderson to admit his mistake and to cease repeating his false antitrust allegations.

ANDERSON'S CHARGES OF LOOPHOLES ARE PURE BALONEY

Anderson claims:

> We found so many loopholes in the Fong bill that we described it as "legislative Swiss cheese."

I say, Anderson's charges are pure baloney.

I will show the so-called loopholes are figments of Jack Anderson's vivid imagination.

I shall rebut, point by point, his phony charges of loopholes, even though my recitation of truth may be "tedious" to him.

ANDERSON REPEATS INACCURATE QUOTES AGAIN

Here again is another repeated instance of inaccurate and misleading journalism by Anderson.

> A Fong memo confides that "actual wordings (in the bill) essentially are from . . . various (industry-dominated) patent law committees, PPG (Pittsburgh Plate Glass) industries and others." The "others" include Phillips Petroleum, Westinghouse, Dow Chemical and Allis-Chalmers.

First, Anderson attributed the memo to me, whereas in fact it was prepared by and signed by my staff aide, Robert Seto.

Second, Anderson said it "confides"—

in other words, implied it was confidential—whereas in fact the memo was distributed to the four staff aides of my colleagues on the Patent Subcommittee, who were free to discuss the memo with anyone.

Third, as I indicated in my September 9 rebuttal to Mr. Anderson in the RECORD, instead of quoting Mr. Seto exactly, Anderson did his editing within the quotation, inserting—without advising the readers—his own words, and these words are "industry-dominated" in an obvious effort to influence an adverse reaction. By editing within the quotation, Anderson led his readers to believe the entire quotation was Seto's language, which it is not.

What Anderson failed to indicate is that these papers and letters to me were not uniform in their recommendations on patent legislation by any stretch of the imagination.

Among the hundreds of suggestions I received, I selected as amendments to S. 23 only those which conformed to my belief, first, that we should not tinker unduly with our Nation's present voluntary disclosure, patent incentive inventive system, which has worked remarkably well; second, that amendments should encourage disclosure of inventions; and third, that small inventors should have simpler, less expensive means of defending their patents than at present.

My more detailed rebuttal to this charge can be found in the RECORD, September 9, pages 28083–28087.

ANDERSON WRONG ON "MONOPOLISTIC" CHARGE

Anderson erred again in charging me with slipping a "monopolistic" measure into my bill. He wrote as follows:

> In 1971, Fong voted against a monopolistic measure which would have barred the importation of cheap, competitive, foreign pharmaceuticals and other goods. In 1975, the senator slipped this same monopolistic measure into his own bill.

The provision that I voted against in 1971 was not a "monopolistic" provision and had nothing to do with antitrust and monopoly laws.

What I, along with Senators PHILIP A. HART and QUENTION N. BURDICK, voted against in a Patent Subcommittee executive session was a provision which would have protected an American process patent owner. This would have enabled him to sue—for patent infringement—an importer of a product made by a foreign manufacturer using the American patent process without permission from and without payment to the American patent process holder.

Nothing in this provision affected antitrust and monopoly laws. It concerned unfair foreign use of an American patent process.

I voted against this provision because at that time I was more concerned with the possible anti-consumer effect it could have.

However, since that time unfair foreign competition has increased. Likewise, unemployment in our Nation has also increased. Now, I am more concerned with preventing the loss of Americans' jobs from this type of unfair competition.

Since many foreign countries do not have minimum wage laws or unions, as we do, their workers are paid low wages. With such low pay, naturally foreign manufacturers can make products identical to American-made products more cheaply than we can and undersell our American companies. To allow foreign manufacturers to use American patent processes without payment as happens under present law gives them a double advantage over American firms.

While some foreign competition is fair and necessary for foreign trade, some of it is definitely unfair. I believe that it is definitely unfair to allow a foreign company to use an American patented process for nothing, and then to allow that very product to be imported into the United States, to undersell the American product, and possibly put the American enterprise out of business and all its employees out of work and into the unemployment lines.

Additionally, the American company may have spent thousands of dollars developing that particular process. Why should a foreign company be allowed to steal that process when it had not invested a penny in its making?

Finally, I became aware that our major foreign competitors—France, West Germany, Japan, England, and Italy—all protect their inventors of process patents.

Why should we not give American inventors the same protection as foreign inventors now receive?

For these main reasons, particularly in light of our Nation's worsening unemployment problem, I decided to reverse my position and support the protection of American inventors.

From the consumer's standpoint, may I point out to Mr. Anderson that foreign producers still can make other nonpatented products cheaply and export them into the United States. Additionally, foreign producers can also use American patented processes after a patent has expired and is in the public domain. Finally, foreign producers are not stopped from making these same products by a different process other than that patented by the American inventor. As we all know, there is more than one way to skin a cat.

For these above reasons, I decided to include such a protective provision in my patent bill.

This provision applies to all fields of industry, not just pharmaceuticals.

Senators PHILIP A. HART and QUENTIN N. BURDICK, who in 1971 voted as I did against the same provision, apparently now have also changed their minds and now support American patent holders. This appears so as they now cosponsor S. 2255, which contains a similar provision.

S. 2255 is the latest patent bill introduced by Senator MCCLELLAN after subcommittee staff markup and is cosponsored by Senators HUGH SCOTT, PHILIP A. HART, and QUENTIN N. BURDICK.

Thus, all five members of the Subcommittee on Patents, Trademarks, and Copyrights are now supporting this kind of protection for American process patent holders.

Mr. Anderson conveniently overlooked this fact.

I am sure all my colleagues would protest as vigorously as I, that this protective provision is not monopolistic.

ANDERSON CONJURES UP IMAGINARY ANTITRUST EXEMPTION

Anderson alleged that my bill proposed another antitrust exemption that would allow manufacturers to conspire together to avoid challenging each other's patents.

There is no antitrust exemption in my bill for any company or for anybody.

Once again, Anderson disclosed that he could not possibly have read my bill. Had he read it, he would know there is no such exemption in the entire bill.

Any antitrust exemption alleged by Jack Anderson to be in my bill is strictly a figment of his own imagination.

My bill does not amend the Sherman Antitrust Act or any other antitrust act in any way whatsoever, not even by changing a comma or a period. Nor does my bill circumvent the Sherman Antitrust Act or any other antitrust act in any way whatsoever.

To charge there are antitrust exemptions in my bill when there are not is the worst sort of irresponsible reporting. It is a downright lie.

Rather than to allow manufacturers to conspire together to avoid challenging each other's patents, my bill makes it possible for any person in the United States to challenge, for the nominal sum of $75, any patentholder's patent.

So the "little guy" in America, under my bill could challenge the patent of the big companies for only $75 in the Patent Office.

Under present law, if a "little guy" wants to challenge a patent, he has to go to Federal court where it will cost him a minimum of $10,000.

FONG BILL WOULD NOT ALLOW STATES TO SET UP PATENT SYSTEMS

Here is what Anderson said:

> Still another antitrust loophole would allow the 50 states to set up their own patent systems. Because many states have pro-industry regulators, this could open the way to gross antitrust abuse. Even under Richard Nixon, the Justice Department said such a measure would impair . . . competition (and) may be unconstitutional.

Jack Anderson was 100 percent wrong when he said my bill has "another antitrust loophole" which he claimed would "allow the 50 States to set up their own patent systems."

My bill retains the U.S. patent system as the one and only patent system in America.

There is no provision that Anderson can cite—he never gives specifics, such as chapter number and section number—in my bill that would allow States to set up patent systems.

That is so ludicrous a suggestion as to be laughable.

Once again, I repeat, my bill contains not a single provision changing the antitrust provisions of law.

Jack Anderson cannot cite a single provision in my bill easing antitrust law. Nobody can—because there just is not any such provision.

Further, my bill, like S. 2255 introduced August 1 by my colleagues on the Senate Patent Subcommittee, contains a provision specifically stating that the bill would not alter the existing statutes, Federal or State, concerning confidential or proprietary information or trade secrets. My provision further states that my bill would not alter existing Federal or State laws on contracts or on unfair competition.

ANDERSON WAY OFF BASE AGAIN

Anderson is also way off base in the following statement which he made:

> At closed-door sessions, Fong's representative, Robert Seto, also tried to block an honest patent bill. He offered 34 different amendments, some with multiple sections, thus obstructing orderly staff work. Significantly, Seto came to Fong's office from Monsanto, where he was a patent attorney.

There was no attempt to block an honest patent bill by anyone. There were four patent bills, my bill—S. 214—and three other bills—S. 23, S. 473, and S. 1308—introduced by three of my colleagues on the Senate Subcommittee on Patents, Trademarks, and Copyrights. All were honest, good-faith attempts to improve the present patent system.

I am sure that all my colleagues on the Patent Subcommittee will agree with me that all four bills were an honest, good-faith attempt to achieve constructive changes in our present patent system.

I vigorously protest the accusation made by Mr. Anderson. He falsely concluded that Mr. Seto tried to obstruct orderly staff work.

On the contrary, Mr. Seto supplied copies of his amendments to each of the other Senators' aides well in advance of each staff meeting, precisely following the rules laid down by the chief counsel of the Patent Subcommittee, who had issued a written invitation to all staff aides to submit amendments by a certain deadline. Thus, none of the Seto amendments came as a surprise, nor were they out of place. Several other aides on this subcommittee had almost as many amendments, and they were not charged by Mr. Anderson of "obstructing orderly staff work."

The amendments offered by Mr. Seto to his four staff colleagues prior to markup and later at the markup were reasonable and proper. They were honest attempts by him to improve S. 23, the bill chosen for markup.

While many of my amendments were voted down during the markup on 3-to-1 votes, a large number of them had Senator McCLELLAN's support.

The "multiple sections" were rephrasings of amendments to the same provisions and represented extra effort on the part of Mr. Seto to reach a compromise. Indeed, a third alternative from one of the "multiple sections" was adopted. It clarified section 24 of S. 23 and amended it to specify "fraud and inequitable conduct" as subject to Patent Office subpenas.

To imply that because Mr. Seto once worked for Monsanto as a patent attorney he is now an improper aide is clearly unwarranted. Nor is it fair play to cast such aspersions. No amendment offered by Mr. Seto can be said to have originated with Monsanto. In fact, Mr. Seto has leaned over backwards to insure that his recommendations and actions were not taken, because of any connection he may have once had with Monsanto. Since working for me, he, of course, has not derived any pecuniary benefit from any increase or decrease of Monsanto profits. So there is no basis at all to state that his once-brief relationship with Monsanto should tarnish his fair judgment now or in the future.

ANDERSON INACCURATE ONCE MORE

The following statement made by Jack Anderson is another example of his inaccurate reporting:

> At one secret session, Seto blocked an effort to set up a special unit in the Patent Office to help individual inventors.

Apparently, any meeting Jack Anderson does not attend is a "secret" session. The fact is that all sessions are announced in writing well in advance of the scheduled date by the chief counsel of the subcommittee.

Furthermore, Mr. Seto, with one vote, could not possibly block anything in a five-man staff markup, since it takes three "no" votes from three of the five aides to block any amendments.

The provision Mr. Anderson is referring to was voted down 3 to 2, with the aides of Senator McCLELLAN and Senator BURDICK voting with Mr. Seto. The provision voted down was a Hart amendment which would have created a conflict of interest in the Patent Office by establishing in that Office, under one head, patent attorneys working on opposite sides of the same case.

This would be tantamount in criminal law to having the prosecuting attorneys and the public defenders both working in the same office on the same case and reporting to the same boss. This, of course, as knowledgeable attorneys and sensible people would agree, is unthinkable, as well as unworkable.

Mr. Seto was not against the principle of providing legal patent aid to poor inventors. On the contrary, Mr. Seto offered in the subcommittee markup session to accept properly provided aid to individual poor inventors as long as it was done in such a manner to avoid this conflict of interest. Mr. Seto suggested a type of patent aid such as is now available in many criminal courts whereby patent attorneys in private practice would be appointed by the Patent Office and paid a set fee by the Office to represent poor individual inventors. His suggestion, however, was not acted upon.

Rather than being deaf to the needs of small inventors, Mr. Seto actually performed yeoman service on my behalf regarding my chapter 31, which would be of great service to small inventors. Only through the procedures of my chapter 31 could a poor individual inventor defend his patent from giants of industry at an affordable cost. For the very small sum of approximately $75 through the Patent Office, the small inventor could defend his patent. At present, his only recourse is through the very expensive Federal court system, at a minimum cost of $10,000.

As I indicated elsewhere in my remarks, I have received letters from patent attorneys that indicate that some large companies actually "steal" patents from small inventors, knowing that most small inventors could never afford to defend their patents in Federal courts.

My chapter 31 would force the large companies to go back to the Patent Office, where a new examination on the questioned patent would take place in light of any new evidence, and this examination would be conducted by the Patent Office for the low cost of $75.

Should this examination indicate that the inventor's patent was indeed valid, then the large company would probably make a decision to pay the small inventor for the use of his patent, rather than risk losing an infringement case against it in the Federal courts.

Further evidence that my patent bill, S. 214, on which Mr. Seto labored so diligently, would help rather than hinder poor individual inventors is found in an article in the May 12, 1975, issue of the trade journal, Chemical and Engineering News—a publication Anderson termed "reliable":

> . . . cost increases under the fourth bill, S. 214, introduced by Sen. Hiram L. Fong (R.-Hawaii), would *not* be significant since the bill is very close to existing law . . . additional costs involved in obtaining effective patent protection *under the three bills might well spell the end for an independent inventor in the chemical field.* (the three bills are the other three patent bills besides mine, i.e., the Scott patent bill, the Hart patent bill, and the McClellan patent bill)

ANDERSON WRONG ON ENFORCEMENT POWERS

Again, Jack Anderson is 100 percent wrong—this time in his statement:

> Fong also tried to cut out enforcement powers, which would empower the Patent Office to battle frauds by big corporations.

If Mr. Anderson had done his homework, he would have been aware that I actually strengthened section 24 of Senator McCLELLAN's bill to make certain that it applied to investigations of "fraud and inequitable conduct." This was done with my amendment 5(c) that was accepted by a 3-to-2 vote in the subcommittee.

My amendment inserted the words "with respect to fraud and inequitable conduct" ahead of "the Board of Examiners-in-Chief" in section 24 of the McClellan bill and added the words "or any member thereof" after these same words, "the Board of Examiners-in-Chief."

The effect of my amendment was twofold: First, to make sure that the Solicitor could issue a subpena to anybody in the United States to require him to appear in Washington before the Patent Office upon any investigation for fraud or inequitable conduct; and second, to not only let the Board of Examiners-in-Chief as a body issue such subpenas, but also to expand their authority so that any individual member of the Board of Examiners-in-Chief could issue such a subpena to investigate fraud or inequitable conduct.

ANDERSON INACCURATE AGAIN

Another smear in the September 7 article by Jack Anderson is his statement that—

> A disgusted Ford administration expert called another provision in the Fong bill a bias against individual inventors.

Both the Ford administration "expert" and Jack Anderson are dead wrong.

An experienced patent attorney, Mr. Sheridan Neimark, said in his earlier cited letter to Jack Anderson:

> I sincerely believe that the Fong bill would aid the individual inventor, and that it is inaccurate to indicate that it contains a provision which is a "bias against individual inventors."

I say again, I do not know Mr. Neimark, so his letter was not inspired out of friendship for me.

I have had numerous letters from individual inventors who have told me they regard my bill as the most helpful to them of all the bills pending before the Patent Subcommittee.

And while I am on the subject of the Ford administration, it should be understood that the administration is split on patent legislation. Whereas one would think the Patent Office would have had prime responsibility for drafting the administration bill for revising the patent system, I understand the Antitrust Division of the Justice Department was primarily responsible for drafting the administration bill.

Just how much expertise there exists in the Antitrust Division in the field of patents is questionable.

Were the Patent Office to take prime responsibility for drafting antitrust legislation, I have a hunch the Antitrust Division of the Justice Department would scream to high heaven.

The eminent and highly respected Judge Giles Rich of the Court of Customs and Patent Appeals had this to say about the administration bill last year, which was drafted by the Justice Department, according to Chemical and Engineering News:

> I am persuaded that if all the changes contained in S. 2504 CP [the administration bill] are made at once, the effect on the incentives which have been producing progress in the useful arts will be catastrophic.

The former U.S. Commissioner of Patents who served under Presidents Kennedy, Johnson, and Nixon, Mr. Edward Brenner, noted in an August statement at the American Bar Association patent section meeting in Montreal:

> Last year I gave the Administration bill an "F" for failure.

Mr. President, insofar as my own bill, S. 214, is concerned, I have already explained in my two previous rebuttals and in my rebuttal today how my bill would aid individual inventors.

ANDERSON STRIVES VAINLY FOR AUTHENTICITY

In an effort to obtain authenticity, Jack Anderson cited the prestigious publication, Chemical and Engineering News, as follows:

> And the reliable trade journal, Chemical and Engineering News, said "Fong's views on patent legislation follow quite clearly those of the U.S. patent bar."

As I have stated before, there are all types of patent lawyers. There is no monolithic "U.S. patent bar" and there is no unanimity among patent attorneys.

Some patent attorneys represent individual inventors, some represent small companies, some represent large companies, some represent inventors in one case and a company in another. Patent attorneys can and do hold diametrically opposing views on patent matters.

There is no doubt that Chemical and Engineering News is a good trade news journal. If in drafting my bill and in preparing amendments to other patent legislation. I have correctly sensed the needs of our Nation in patent law revision. I am grateful to have the endorsement of reputable and knowledgeable organizations, such as the American Patent Law Association and the American Bar Association.

It is, however, unfortunate that Chemical and Engineering News used the word "follow." A more accurate verb would have been "coincide with"—and even that should be qualified by the phrase "in many respects."

In other words, it would have been accurate to say that "Fong's views coincide with the views of many in the U.S. patent bar in many respects."

In the interest of accuracy and fairness, it should have been pointed out that the views of many in the patent bar differ with my views in certain major respects, notably in my "first to file" provisions and in my "maintenance fee" provisions, which are strongly opposed by many patent attorneys.

This is substantiated by a letter written to Chemical and Engineering News by reader John H. Shurtleff and printed in the June 2 issue. Reader Shurtleff, apparently a patent attorney, wrote, in part:

> The Fong bill is not favored by those members of the U.S. patent bar who strongly object to a "first to file" rule of determining the earliest inventor.

In addition, the widespread opposition of most patent attorneys to the imposition of maintenance fees over the life of a patent, only $2,000 under my bill, is a matter of public knowledge. I have received scores of letters from patent attorneys and inventors objecting to maintenance fees in principle or to the amount that would be required under my bill.

So, Jack Anderson is off base again.

ANDERSON A CHARACTER ASSASSIN

In his next-to-last salvo, Anderson plays his most despicable role, that of character assassin.

Just listen to what he wrote:

> On Capitol Hill, legislation is shaped as much by hidden influences as by public debates. Among the most elite of these less visible forces are the patent lawyers, who are dedicated to the proposition that the national interest is identical to their client's particular interest.

Note the use of the words "hidden influences." The fact is, the views of the various elements of our Nation concerned with patent law—the inventors, the companies of all sizes, the patent attorneys who represent inventors or companies or both, the trade associations, the bar associations—have been a matter of public record in hearings before the Senate Subcommittee on Patents, Trademarks, and Copyrights.

Their speeches have often been reported in the public media, including the daily press, law journals, trade publications, and patent magazines.

These various elements often differ sharply on what they believe patent law should contain. Their proposals for amendments have been submitted, not just to me, but to the other four members of the subcommittee as well. And, as every well-informed person knows, the members of the subcommittee have quite diverse views on patent legislation. So there is no secret what the various parties concerned with patent law propose.

The Constitution of the United States gives every citizen the right to petition Congress and to present his or her views. When the various parties concerned with patent law present their views to Members of Congress, they are exercising their constitutional right, just as Jack Anderson in writing his column exercises his constitutional rights of free speech and freedom of the press.

To impugn the integrity of all patent lawyers, as Jack Anderson does by saying they "are dedicated to the proposition that the national interest is identical to their client's particular interest," is absolutely contemptible.

It is also idiotic, for as I have pointed out time and again, patent attorneys do not all represent one kind of client. In one case an attorney may represent an inventor. In another case, the same attorney may represent a company. And so on.

To follow Jack Anderson's line of reasoning, we might as well say that Anderson is dedicated to the proposition that the national interest is identical to his views and anyone who differs with his views is against the national interest.

Obviously, this is preposterous.

CONCLUSION

In conclusion, let me just say that it is strange indeed that Jack Anderson should persist in attacking me and my bill on three separate occasions over the past several weeks, when my bill is not the bill the subcommittee acted on. Nor is it likely my bill will be the one reported to the Senate for action by the full Judiciary Committee.

In the custom of the Senate, it is most likely to be the bill bearing the sponsorship of the chairman of the Senate Subcommittee on Patents, Trademarks, and Copyrights, possibly with amendments in the full Judiciary Committee.

Why, then, should Jack Anderson try so hard and so frequently to discredit me and my bill?

Can it be that this provides him with a vehicle on which to make vicious attacks against the American patent system itself?

More and more, I am forced to the conclusion that Jack Anderson seeks the destruction of the American patent system, despite the fact that our Founding Fathers recognized the need for patent protection for a limited time; despite the fact that many Presidents starting with George Washington have reaffirmed the value of our patent system; despite the fact that our American patent system has served our country well; and despite the fact that the President's Commission on the Patent System in 1965–67 examined the validity of patents in this day and age and found that there is "no practical substitute for the unique service" our American patent system provides.

As Mr. Neimark, an experienced patent attorney whom I quoted earlier, explained to Jack Anderson in his September 8 letter:

> In general, patents benefit the public in a number of ways. The public benefits (1) from free use of the invention patented after the patent expires; (2) from the patent disclosure upon which others may begin to build their own newer inventions even during the patent term; (3) from the patented subject matter during the patent term (for which the owner may exact some tribute, but which tribute will only be paid by those who consider its use to be worth the price, it being again repeated that it is impossible for the patent to cover something which was previously available), and (4) from the encouragement of the development of new inventions, the incentive for which is the patent grant limited in years.

If the patent system is abandoned, as apparently Jack Anderson wants, the American people will lose the benefits we derive as a nation from the public disclosure of new inventions.

Regarding Jack Anderson's vicious attacks against me in his September 7 column, a distinguished gentleman who served on the President's Commission on the Patent System, Mr. Sidney Neuman, wrote me as follows:

> The American Patent System is indeed in jeopardy when the opponents of your proposed patent reform bill find it necessary to utilize the services of muckrakers to attempt to discredit you and to prevent adoption of your bill or any of its provisions.
>
> I say this advisedly because your bill is the only pending proposed legislation which preserves the structure of our basic system while only introducing a few reforms and certain necessary improvements.
>
> I . . . strongly urge you to continue to fight for a just and reasonable patent bill. For this the American people will be in your everlasting debt.

Mr. President, I have taken the time of the Senate for about an hour and a half to point out the prevarications, the perfidy, the malice, and the ignorance of Jack Anderson in his attacks on my patent legislation so that my colleagues and the American public will be aware that what Jack Anderson wrote went far beyond attacks on me—he attacked the American patent system itself.

Mr. President, I ask unanimous consent that the Anderson column entitled "The Patent Lobby and the Fong Bill," be printed in the RECORD following the other material I am inserting in the RECORD today on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. FONG. Mr. President, I ask to have printed in the RECORD, before the Anderson article, a letter to the editor which appeared in the Washington Post this morning signed by Helen W. Nies, chairman, Patent, Trademark, and Copyright Law Section, Bar Association of the District of Columbia.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. FONG. Mr. President, I conclude by reading three paragraphs of that letter:

> It was our conclusion that the alternatives to the Fong bill will foreclose the patent system to all but the most affluent because of greatly increased costs in securing a patent. The result will be less innovation, less competition. A good patent in the hands of a small company is often the key to its entering and continuing in a market. Large companies are not similarly dependent.
>
> While one could devise a wholly different method for encouraging new enterprise, we have relied upon the patent system which has proved to be the foundation for a productive society unparalleled anywhere in the world.
>
> We believe the Fong bill offers the best chance for its survival.

Mr. President, I yield the floor.

EXHIBIT 1

GENERAL DISCUSSION OF SOME PROVISIONS OF THE FONG PATENT MODERNIZATION ACT

1. STATUS OF COMMISSIONER OF PATENTS—ELEVATION

Presently the Commissioner of Patents is under the Assistant Secretary of Commerce for Science and Technology.

My bill would elevate the Commissioner of Patents to Assistant Secretary of Commerce, would raise his grade from executive level V to executive level IV, and would provide the Commissioner with full authority, responsibility, and necessary flexibility to conduct the operations of the Office.

My bill would provide the essential statutory guidance for the operation of the Patent Office and the examination of patent applications. It would leave the rulemaking authority in the administration of the Patent Office, where it belongs.

2. MAJOR PROVISIONS OF PRESENT TITLE 35 UNITED STATES CODE ARE RETAINED

Those provisions which are essential in present title 35 are retained as a basis for continued effective operation of our system.

The major portion of my bill consists of existing law, with slight modifications in some cases and substantive improvements in others.

3. SUBMISSION OF PRIOR ART BY APPLICANT

Present law does not require nor provide for submission of prior art known to applicant.

As I have noted, the principal problem in patent procurement is to place before the patent examiner the pertinent information needed to reach a judgment on patentability. My bill provides this in a reasonable, relatively feasible, inexpensive, manner. All pertinent information that reasonably can be found which would affect the examiner's judgment is required to be submitted by the applicant into the record.

4. RECORD OF ORAL INTERVIEWS

Present law provides no guidelines for recordation of oral interviews.

My bill would provide that no oral interviews can be had without making a written record of points covered and their disposition. This record would be a permanent part of the patent file in the Patent Office. It would be available to the public whenever a study of the patent is made.

5. PATENT DISCLOSURE REQUIREMENTS—VALIDITY

Present law provides requirements for disclosure.

My bill would require only that the inventor or applicant for patent shall disclose sufficiently that concept or that information which those skilled in the art need to understand the invention.

The constitutional provision regarding patents obviously envisioned a system in which the return to the aplicant will make it worth his while to relinquish his disclosure to competitors. Any attempt to siphon from him the continuing results of his research will operate as a serious disincentive, particularly at this time when we need to increase incentives.

The constitutional mandate does not require extensive, time-consuming disclosure of "all" the knowledge of the inventor or his associates. Funds and time should not be required to prepare a cookbook detailed disclosure to those skilled in the art.

6. RE-EXAMINATION OF ISSUED PATENTS

Present law has no provision for reexamination of patents.

(A) CITATION OF ART

Importantly, my bill provides that the applicant's invention shall not be disclosed to the public by the Patent Office unless and until the applicant and the Patent Office Examiner are both satisfied that a patent should and does issue. I have previously noted that my bill provides that any interested party can cite additional prior art to the Patent Office at any time after a patent issues. Upon a request for reexamination the Patent Office will consider the new art. That consideration will show whether the disclosure of the newly cited art is in fact closer to the invention claimed in the patent than that of the art previously considered by the Office. If it is, the Office will then decide whether it will nullify the patent or one or more of its claims or to abbreviate their scope.

(B) RIGHTS OF PATENT HOLDER

Present law sufficiently provides for rights of a patent holder.

My bill preserves the present rights of a patent holder.

Importantly, at the moment the patent is granted, the inventor—now a patentee—will, under my bill, have the rights which under our laws always have been those of a patent holder and which provided the incentive to disclose his invention. The incentive to apply for a patent will have been preserved. He will have the right to proceed, under due process of law, to obtain an injunction against anyone who infringes a claim of his patent.

Potential infringers will know this and only at their own risk will then proceed to use the invention and/or to make, use, sell, or stockpile either machines, manufactures, articles, or compositions of matter protected by patent claims. Full measure of damages for infringement will be available to the patentee in the courts. The mandate of our Constitution will have been "secured."

Many approaches have been advanced for improving potential validity of patents through the means of opposition proceedings. One approach called for opposition proceedings before the issuance of a patent. This could allow third parties to cite from time to time prior art, hoping that, by repeated new citations, issuance will be delayed. Also, I have noted great concern about the inherent expense of such proceedings.

In that respect, I have supported S. 2930 introduced by my colleague from New York, Senator JAMES BUCKLEY. However, as I have previously stated, chapter 31 of my bill does insure that all art will be considered by the Patent Office in connection with those patents which may be offered for license or in the course of litigation.

This procedure is also attractive because it is relatively inexpensive. Thus, under chapter 31 there are reduced to a minimum the time and expense involved on the part of the

Office personnel and on the part of the innovative community to deal with art cited against the patent, leaving the time and money for further progress of the useful arts through innovation.

The provisions of chapter 31 of my bill should be contrasted, carefully, with provisions of other bills which would publish and thus disclose the invention to a competitor of the inventor before a patent has been granted. Unless such bills would provide that the remedies for any unauthorized practice during the period starting with publication and ending with issuance of patent shall be those which would have been available had the patent been issued at the beginning of the period, and further, that there shall be upon issuance of the patent the right to enjoin the use or sale of machines, manufactures, or compositions of matter made during that period, the provisions should be condemned as failing to meet the constitutional test.

Without these provisions, these bills would permit a compulsory licensing of the invention during the pending of the application after its publication and, if and when a patent has issued, a compulsory licensing of the patent with respect to machines, manufactures, or compositions of matter made during that opposition period.

Even if such provision includes that a reasonable royalty shall be paid to the patentee, that provision is defective because a reasonable royalty to one may not be a reasonable royalty to another.

Furthermore, the patentee may have wanted to practice his invention and to permit no one else to do so. He may have wished to start his own company or to cause his own company to grow, this being his free choice of how to compete in the marketplace.

7. SUBPENA POWERS—SECTION 23, SECTION 24

Present law, in section 23 and 24, provides subpena powers which have always been ample and proper.

My bill would preserve these powers.

In line with the principle of keeping examination in the Patent Office, I believe that subpena powers should be retained in the Federal courts. A person, especially one who has no experience in the Patent Office, should continue to have, as he now does, the right to move to quash a subpena issued against him and to do so in his own home district or jurisdiction. He should be able to do this under due process of law in a duly established court where each citizen would have the protection of the law as applied by a judge of that court. My bill preserves this due process of law for all persons.

8. SOLICITOR—SECTION 3(d); BOARD OF APPEALS—SECTION 7

Present title 35 does not establish the position of Solicitor.

For a very long time, however, by administrative action there has been a satisfactorily functioning Solicitor and aides in the Patent Office.

There has also been a Board of Appeals and this Board is currently provided for in title 35.

My bill retains the Board of Appeals and also provides statutorily for a Solicitor. It prescribes the powers and duties of the Solicitor and the Board of Appeals. The functions of the Solicitor and the Board of Appeals are basically retained as in present law.

9. PROVISIONS FOR DISCLOSURE TO THE PATENT OFFICE—SECTIONS 112, 113, 251

Present law provides for disclosure, for an oath, for examination, and for reissue of a defective patent.

My bill preserves and modifies, with improvements, these provisions.

I reiterate that the primary function of the Patent Office is to obtain disclosure of invention in such a manner that its basic concept will be clear to one who is skilled in the art to which it pertains or with which it may be most nearly connected. The would-be discloser of an invention should be continually encouraged, subject only to reasonable regulations or requirements, to come forward and to disclose his invention.

If the basic concept of his invention is not sufficiently made clear so that one skilled in the art applying his skill can place the invention into practice, then the patent should not be granted. My bill amply provides for a court to hold the patent invalid if it is granted without adequate disclosure of the invention. This will be a loss to the patentee of his secured right to exclude others. This possible loss of right is ample incentive to produce the necessary disclosure.

Thousands of persons apply for a patent each year. Of these, a very few may inadvertently fail to disclose sufficiently that which is needed by one skilled in the art to comprehend and to practice the invention. There may be some who may deliberately withhold essential information from those skilled in the art. Burdening thousands of patent applicants because of relatively very few who may not have dealt fairly or properly with the Patent Office would be grossly inequitable.

Our great voluntary disclosure, patent incentive, inventive system should be made even more attractive, if possible, to encourage more progress of the useful arts and competition. It should not be made less attractive to the thousands of applicants because of a dishonest few. The patents of those few would, of course, be judged invalid.

Only reasonable disclosure requirements can be successful in a voluntary disclosure, patent incentive, inventive system.

The provisions which relate to disclosure including sections 112, 115, 131, and 251, should be sufficient to insure that an adequate disclosure will be made. There must be a balance between that which in theory may be required and that which in practice can be reasonably supplied. Anything less than adequate would be under my bill, as at present, basis for refusing to grant a patent.

(A) INFORMATION IN POSSESSION OF APPLICANT

Present title 35 makes no explicit requirement that information relating to prior art in possession of applicant shall be disclosed to the Patent Office.

My bill provides a practical requirement for such disclosure.

It is reasonable to require that the applicant, his associates, and/or his attorney tell the Patent Office the principal items of prior art that any of them have in their possession and which any of them have considered during the preparation of the application for patent.

It is reasonable to expect that such items will be noted by them so that when the time comes that the application for patent is filed, they can apprise the Patent Office of prior art which, upon review of all matters noted by them, should in good conscience be disclosed to the Patent Office.

Also, it is reasonable to insist that the disclosure of such information and knowledge be reasonably complete at the time the application for patent is filed.

(B) PRIOR ART AFTER FILING

My bill further provides that, subsequent to the filing of the application, any prior art coming to the attention of either the inventor or his associates, or their attorneys or agent, shall be made available to the Patent Office within a reasonable time. There should be no penalty for inadvertence leading to a failure to disclose. Invalidity of a patent should not rest on mere technicality. It should be based only on whether or not the essential information has been disclosed.

10. COMMISSIONER'S FREEDOM TO REGULATE APPROPRIATELY

Present law provides the Commissioner of Patents with authority to issue regulations or rules not inconsistent with the law.

My bill preserves and improves present law. Under my bill, the Commissioner of Patents would have the authority, as he has now, to promulgate rules and regulations not inconsistent with the law. In addition, by elevating the Commissioner of Patents to the level of Assistant Secretary, my bill streamlines the operation of the Patent Office.

My bill does not, as the administration bill had proposed, write detailed regulations into the statute. I believe the existing Administrative Procedure Act not only provides the necessary flexibility for the Commissioner, but also provides opportunity for all interested parties to express to the Commissioner their views prior to final promulgation of regulations. In addition, this act provides for judicial review of regulations.

In the very complex, highly technical field of patent examination, Congress should set the policy guidelines and let the rulemaking process with all its safeguards under well-established law fill in the pertinent details.

11. COSTS OF PATENT OFFICE OPERATIONS—FEES AND BUDGET

At present, the entire Patent Office operation involves a budget of about $80,000,000 annually. The Patent Office collects fees to the extent of about $30,000,000, which are paid to the Treasury. If only these fees are taken into consideration, the net cost of the operation of the Patent Office is approximately $50,000,000. As I note in my "Individual Views," however, the tax revenue generated through licensing of patents and through taxable income earned by enterprises using the patents totals more than the budget of the Patent Office.

Many in Government circles choose to ignore the general income taxes that patent owners pay on income from patent licenses. Also, many ignore the taxes generated by the great many enterprises created and operated as a result of the working of the incentive of our patent incentive system. Despite the fact that such funds are not set aside for specific use of the Patent Office, I believe we should recognize the financial support to the Federal Government by those funds and not try to cut too deeply into the patent owner's returns.

My bill retains the fee schedule of 35 U.S.C. I do not favor drastic revision of those fees. The public will continue to benefit greatly by continued widespread use of the patent system. They should not be discouraged in that use by fee increases.

Setting of fees has been, and should continue to be, the prerogative of the Congress by statute. The Commissioner and his staff should submit to the Congress a schedule of fees with suitable justification.

12. MAINTENANCE FEES

Present law does not require the inventor or patent holder to pay fees to maintain the patent for its statutory life.

My bill provides for reasonable maintenance fees.

It is a fallacy to contend, as some have done, that under present law the Patent Office operates at a financial loss to our Government. Our Nation derives benefit far in excess of costs of operation of the Patent Office. It taxes incomes created by the progress of the useful arts and by consequent competition induced by the granting of patents. As earlier indicated, taxes collected by the Federal, State, and local governments on all operations, production of goods and services or by earned income in wages and salaries, and on royalties on patent license agreements, are so vast that our government at all levels—local, State, and Federal—is amply repaid for operation of the Federal patent incentive system.

On the other hand, those who would seek a patent should pay reasonable filing fees so that they will not lightly file applications for patent.

Time has allowed review of whether and

to what extent maintenance fees should be payable on issued patents and yet retain the maximum possible incentive to come forward and to disclose. It must be clear to the inventor or to the organization to which he may assign his invention that the expense in proceeding by the patent route will be reasonable to his or its circumstances, otherwise he will proceed in secrecy, as I noted earlier.

Whether maintenance fees should be charged should not be related to the cost of operation of the Patent Office. At best such fees should be related only to the cost of collecting the fees.

In my "Individual Views," referring to the question of maintenance fees, I stated:

There have never been maintenance fees in the United States. There are no maintenance fees under present law. Once an inventor pays his patent attorney the fees for the prosecution for a patent and pays the fees charged by the Patent Office and his patent is issued, he has his patent free and clear for 17 years. He has responded to the incentive of the system and has disclosed his invention to the public.

Inventors are creators. Inventors take nothing from the public; they add to the public domain. Perhaps they should not be charged at all for filing patent applications, but should be paid for doing so.

At a time when our nation's economy is faltering, and our Gross National Product is declining, I question the wisdom of adding this heavy handicap to our nation's inventors. At a time when our Gross National Product has fallen 5.8% and we have a negative export/import balance, it appears to be a most inappropriate time to possibly DEstimulate our economy. (See April 19, 1974, Washington Post article entitled "GNP Falls 5.8%; Inflation Rate Rises to 10.8%")

It is also arguable that extremely high maintenance fees are possibly unconstitutional. Congress has been mandated (Article I, Sec. 8, Cl. 8):

"To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

There is no indication in our Constitution that the government should charge any more than nominal administrative fees.

Many of the inventive community argue that the taxes received by the government from royalties paid to inventors and the taxes received by the government from the sale of products covered by patents far outweigh the cost of running the Patent Office, now estimated at about $77 million per year.

Indeed, it has been said as early as in the 1950's that the tax on the royalties which are received in the electronics industry alone, through patent license and other arrangements, just about equals the cost of operation of the Patent Office. Therefore, the Patent Office could be looked upon as already a self-sustaining operation in the sense that it earns for the government taxes which already exceed the cost of operating the Patent Office.

There is no logical reason based either on the constitutional mandate or otherwise for which maintenance fees should be charged. The Patent Office is operated to stimulate invention and disclosure thereof to benefit all the people. All parties agree that this function has been amply discharged. The value of the award of a patent in exchange for the disclosure of the invention therein described should not be significantly reduced by maintenance fees. Maintenance fees will constitute a second big bite of the apple from the patent owner.

In a spirit of compromise, I am willing to accept reasonable maintenance fees.

13. INFRINGEMENT OF PATENTED PROCESS BY IMPORTED PRODUCT

Present title 35 does not contain any explicit provision securing the right of a process patent holder to enable him to sue for infringement an importer of a product made abroad by the patented process.

My bill would provide protection for the U.S. process patent holder.

Major industrial nations—France, West Germany, Japan, England, Italy—who are competitors of U.S. producers protect their inventors holding process patents.

My bill would provide similar protection to our Nation's inventors holding process patents.

Section 271(e) of my bill would provide to the American patentee or patent holder the right to sue for infringement upon any unauthorized importation of a product produced abroad by anyone else using his patented process.

PRESIDENT'S COMMISSION ON PATENT SYSTEM

Finally, my bill has been designed to accomplish the objectives of the President's Commission on the Patent System as these are reported by that Commission on pages 3 and 4 of its report submitted to the President on November 17, 1966. These objectives are worthy of repetition because all of them must be implemented in such a manner as to preserve, protect, and perfect the incentive of our voluntary disclosure, patent incentive, inventive system. Accordingly, they are contained in my "Individual Views" on S. 2504 committee print at the conclusion of my remarks.

CONCLUDING REMARKS

In preparing and presenting this bill, I have endeavored to find common ground on which all parties can agree, so that the patent incentive system will be truly improved. I believe the provisions of my bill are reasonable.

A complete rewrite or even extensive revision of title 35 or of its basic concepts can but engender 20 to 30 years of litigation at great expense to the public and great uncertainty to the inventive community as indicated by Judge Giles S. Rich.

I seek to avoid a dichotomy amounting to a polarization of opinion respecting key provisions. I have endeavored to give due weight to the views of the voluntary disclosure, patent incentive, inventive system community, which includes the Patent Office Commissioner, the Commission on Revision of the Federal Appellate System, and inventors, individuals, industry, and members of the bar who advise those responding to the patent incentive.

As I stated in my earlier remarks, I again offer my bill for discussion and study by all interested parties. I look forward to receiving further comments and suggestions which would improve features of my bill.

Mr. President, I ask unanimous consent to include in the RECORD at this point the following related material: First, a brief explanation of revisions in sections 103, 142, 143, and 144; second, the text of my new bill; third, the "Individual Views of Senator HIRAM L. FONG"; and fourth, the "Individual Views of Senator JOHN L. MCCLELLAN."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTIONS OF S. 4259 REVISED IN S. 214

Section 103. I have revised Section 103, which deals with "obviousness" of an invention to those skilled in the art, so as to incorporate and codify *In re Foster*, 52 CCPA 1808, 343 F. 2d 980, 145 USPQ 146, cert. den., 383 U.S. 966, reh. den., 384 U.S. 934 (1965). Since this is the case law at the present time, I think it is desirable to reflect it in my new bill (S. 214).

Sections 142, 143, and 144. I have revised these three sections dealing with appeals from the final decision of the Patent Office. The revisions eliminate the "reasons of appeal." As so revised, my new bill will conform the procedure before the Court of Customs and Patent Appeals with that in other Federal Courts where the requirement for "assignments of error" in appeals from a district court to the U.S. court of appeals for the several circuits has been eliminated. I realize that formal recitation of reasons of appeal serves no practical purpose since an appellate court must derive its real understanding of the points at issue from the decisions below and from the briefs of the parties. As so revised, my new bill eliminates the requirement of existing law for "reasons of appeal."

S. 214

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Patent Modernization Act of 1975".

SEC. 2. Title 35 of the United States Code, entitled "Patents", is hereby amended in its entirety to read as follows:

"PART I—PATENT AND TRADEMARK OFFICE

"CHAPTER 1.—ESTABLISHMENT, OFFICE, FUNCTIONS

"Sec.
"1. Establishment.
"2. Seal.
"3. Commissioner and other officers.
"4. Restrictions on officers and employees as to interest in patents.
"5. Omitted.
"6. Omitted.
"7. Board of Appeals.
"8. Library.
"9. Classification of patents.
"10. Certified copies of records.
"11. Publications and public services.
"12. Research and studies.
"13. Annual report to Congress.

"CHAPTER 2.—PROCEEDINGS IN THE OFFICE

"Sec.
"21. Day for taking action falling on Saturday, Sunday, or holiday.
"22. Form of papers filed.
"23. Evidence on Office cases.
"24. Subpoenas, witnesses.
"25. Oath and declaration in lieu of oath.
"26. Effect of defective or missing execution.
"27. Effective date of documents and fees to be filed in the Office.

"CHAPTER 3.—PRACTICE BEFORE OFFICE

"Sec.
"31. Regulations for agents and attorneys.
"32. Suspension or exclusion from practice.
"33. Unauthorized practice.

"CHAPTER 4.—PATENT FEES

"Sec.
"41. Patent fees.
"42. Payment of patent fees; return of excess amounts.
"43. Maintenance fees.

"PART II—PATENTABILITY OF INVENTIONS AND GRANT OF PATENTS

"CHAPTER 10.—PATENTABILITY OF INVENTIONS

"Sec.
"100. Definitions.
"101. Subject matter patentable.
"102. Conditions for patentability; novelty and loss of right to patent.
"103. Conditions for patentability; non-obvious subject matter.
"104. Invention made abroad.

"CHAPTER 11.—APPLICATION FOR PATENT

"Sec.
"111. Application for patent.
"112. Specification.
"113. Drawings.
"114. Models, specimens.
"115. Oath of applicant; duty to disclose.
"116. Joint inventors.
"117. Death or incapacity of inventor.
"118. Filing by other than inventor, oath by other than inventor.
"119. Benefit of earlier filing date in foreign country; right of priority.
"120. Benefit of earlier filing date in the United States.
"121. Divisional applications.

"122. Confidential status of applications.
"123. Publication.

"CHAPTER 12.—EXAMINATION OF APPLICATION

"Sec.
"131. Examination of application.
"132. Notice of rejection; reexamination.
"133. Time for prosecuting application.
"134. Appeal to the Board.
"135. Priority of invention contest.
"136. Settlement agreements.

"CHAPTER 13.—REVIEW OF OFFICE DECISION

"Sec.
"141. Appeal to Court of Customs and Patent Appeals.
"142. Notice of appeal.
"143. Proceedings on appeal.
"144. Decision on appeal.
"145. Civil action to obtain patent.
"146. Civil action in case of interference.
"148. Presumption of correctness.
"149. Judicial review of nonfinal decisions.

"CHAPTER 14.—ISSUE OF PATENT

"Sec.
"151. Issue of patent.
"152. Late payment effect of reinstatement of patent.
"153. How issued.
"154. Contents and term of patent.
"155. Patents granted on review.

"CHAPTER 15.—PLANT PATENTS

"Sec.
"161. Patents for plants.
"162. Description, claim.
"163. Grant.
"164. Assistance of Department of Agriculture.

"CHAPTER 16.—DESIGNS

"Sec.
"171. Patents for designs.
"172. Right of priority.
"173. Term of design patent.

"CHAPTER 17.—SECRECY OF CERTAIN INVENTIONS AND FILING APPLICATIONS IN FOREIGN COUNTRIES

"Sec.
"181. Secrecy of certain inventions and withholding of patent.
"182. Forfeiture of the right to a patent for unauthorized disclosure.
"183. Right for compensation.
"184. Filing of application in foreign country.
"185. Patent barred for filing without license.
"186. Penalty.
"187. Nonapplicability to certain persons.
"188. Rules and regulations, delegation of power.

"PART III—PATENTS AND PROTECTION OF PATENT RIGHTS

"CHAPTER 25.—AMENDMENT AND CORRECTION OF PATENTS

"Sec.
"251. Reissue of defective patents.
"252. Effect of reissue.
"253. Disclaimer.
"254. Certificate of correction of Office mistake.
"255. Certificate of correction of applicant's mistake.
"256. Correction of named inventor.
"257. Certificate for change in status of claims.

"CHAPTER 26.—OWNERSHIP AND ASSIGNMENT

"Sec.
"261. Ownership; assignment.
"262. Joint Owners.

"CHAPTER 27.—GOVERNMENT INTERESTS IN PATENTS

"Sec.
"266. (Repealed.)
"267. Time for taking action in Government application.

"CHAPTER 28.—INFRINGEMENT OF PATENTS

"Sec.
"271. Infringement of patent.
"272. Temporary presence in the United States.

"CHAPTER 29.—REMEDIES FOR INFRINGEMENT OF PATENT, AND OTHER ACTIONS

"Sec.
"281. Remedy for infringement of patent.
"282. Presumption of validity; defenses.
"283. Injunction.
"284. Damages.
"285. Attorney fees.
"286. Time limitation on damages.
"287. Limitation on damages; marking and notice.
"288. Action for infringement of a patent containing an invalid claim.
"289. Additional remedy for infringement of design patent.
"290. Notice of patent suits.
"291. Priority of invention between patentees.
"292. False marking.
"293. Nonresident patentee, service and notice.
"294. Arbitration.

"CHAPTER 30.—PRESERVATION OF OTHER RIGHTS

"Sec.
"301. Preservation of other rights; nonpreemption.

"CHAPTER 31.—PRIOR ART CITATIONS

"Sec.
"311. Rules established by Commissioner of Patents.
"312. Citation of art.
"313. Request for examination.
"314. Determination of issue by Commissioner of Patents.
"315. Reexamination ordered by Commissioner of Patents.
"316. Response or amendment by patent owner.
"317. Appeals.
"318. Certificate of patentability; Unpatentability and claim cancellation.
"319. Reliance on art in court only after Office review.
"320. Stay of court proceedings to permit Office review.
"321. Dismissal of complaint.

"PART IV—PATENT COOPERATION TREATY

"CHAPTER 35.—DEFINITIONS

"Sec.
"351. Definitions.

"CHAPTER 36.—INTERNATIONAL STAGE

"Sec.
"361. Receiving Office.
"362. International searching authority.
"363. International application designating the United States; effect.
"364. International stage; procedure.
"365. Right of priority; benefit of the filing date of a prior application.
"366. Withdrawn international application.
"367. Actions of other authorities; review.
"368. Secrecy of certain inventions; filing international applications in foreign countries.

"CHAPTER 37.—NATIONAL STAGE

"Sec.
"371. National stage; commencement.
"372. National stage; requirements and procedure.
"373. Improper applicant.
"374. Publication of international application; effect.
"375. Patent issued on international application;
"376. Fees.
"1542. Transitional and supplementary provisions.

"PART I—PATENT AND TRADEMARK OFFICE

"Chaper 1.—ESTABLISHMENT, OFFICERS, FUNCTIONS

"Sec.
"1. Establishment.
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"7. Board of Appeals.
"8. Library.
"9. Classification of patents.
"10. Certified copies of records.
"11. Publications and public services.
"12. Research and studies.
"13. Annual report to Congress.

"§ 1. Establishment

"The Patent and Trademark Office, hereinafter termed 'Office,' shall continue as an office in the Department of Commerce, where records, books, drawings, specifications, and other papers and things pertaining to patents and the trademark registrations shall be kept and preserved, except as otherwise provided by law. The Office shall function independently of the Department of Commerce in the exercise of discretion concerning the rulemaking, investigatory, and adjudicatory functions of the Office, including judicial proceedings related thereto. Appointment of members of the Board of Examiners-in-Chief and primary examiner shall not be subject to the provisions of section 3105 of title 5, United States Code.

"§ 2. Seal

"The Patent Office shall have a seal with which letters patent, certificates of trademark registrations, and papers issued from the Office shall be authenticated.

"§ 3. Commissioner and other officers

"(a) (1) There shall be a chief administrative officer of the Office, the Commissioner of Patents and Trademarks, referred to in this title as the 'Commissioner.' The Assistant Secretary of Commerce for Patents and Trademarks, shall, ex officio, be the Commissioner of Patents and Trademarks. The Commissioner shall be appointed by the President, by and with the advice and consent of the Senate, and he shall be compensated at the rate now or hereafter provided for level IV of the Executive Schedule pay rates (5 U.S.C. 5315). The Commissioner shall superintend or perform all duties required by law respecting the granting and issuing of patents and the registration of trademarks, shall have the authority to carry on studies and programs regarding domestic and international and patent and trademark law and practice, and shall have charge of property belonging to the Office. The Commissioner is authorized to promulgate rules and regulations, not inconsistent with law, governing proceedings before the Office; to review, himself or by such delegate as he shall designate, all decisions or orders of the Office, the review of which other provisions of this title do not assign to the Board of Appeals; and otherwise to prescribe such further rules and regulations and take such further actions as may be necessary or proper for purposes of administration of the Office.

"(2) The Commissioner may, in coordination with the Department of State, carry on programs and studies cooperatively with foreign patent offices and international intergovernmental organizations, or may authorize such programs and studies to be carried on, in connection with the performance of duties stated in subsection (a)(1) of this section.

"(3) The Commissioner may, with the concurrence of the Secretary of State, transfer funds appropriated to the Office, not to exceed $200,000 in any year, to the Department of State for the purpose of making special payments to international intergovernmental organizations for studies and programs for advancing international cooperation concerning patents and trademarks. These special payments may be in addition to any other payments or contributions to the international organization and shall not be subject to any limitations imposed by law on the amounts of such payments or contributions by the Government of the United States.

"(4) The Commissioner may, with the concurrence of the Secretary of State, allocate funds appropriated to the Office, to the Department of State for the purpose of payment of the share on the part of the United States to the working capital fund established under the Patent Cooperation Treaty. Contributions to cover the share on the part of the United States of any operating deficits of the International Bureau under the Patent Cooperation Treaty shall be included in the annual budget of the Office and may be transferred by the Commissioner to the Department of State for the purpose of making payments thereof to the International Bureau.

"(b) There shall be a Deputy Commissioner of the Office, who shall be appointed by the Commissioner, and who shall be compensated at a per annum rate of basic compensation not in excess of the maximum scheduled rate provided for positions in grade 18 of the General Schedule. The Deputy Commissioner shall perform such functions as the Commissioner may assign or delegate and he shall act as Commissioner during the absence or disability of the Commissioner or in the event of a vacancy in the office of the Commissioner.

"(c) The Commissioner may appoint not more than four assistant Commissioners of the Office who shall be compensated at a per annum rate of basic compensation not in excess of the maximum scheduled rate provided for positions in grade 18 of the General Schedule. Such Assistant Commissioners shall perform such functions as the Commissioner may from time to time assign or delegate. In the event of vacancies in the offices of Commissioner and Deputy Commissioner, or their absence or disability, the Assistant Commissioner senior in date of appointment shall fill the office of Commissioner until said vacancies, absences, or disabilities terminate.

"(d) In addition to the officers designated in the preceding subsections of this section, there shall be a Solicitor of competent legal and scientific knowledge and ability, appointed by the Commissioner, who shall be compensated at a per annum rate of basic compensation not in excess of the maximum scheduled rate provided for positions in grade 18 of the General Schedule. He shall perform such legal functions as requested by the Commissioner under regulations promulgated by the Commissioner. He or his delegate—

"(1) may participate in any proceeding before the Office when the supervisory primary examiner or the Board of Appeals so requests and it appears to him that it is necessary or appropriate in the public interest for him to participate; and

"(2) shall defend appeals from any final action of the office, except as otherwise provided by subsection (f) of this section; and

"(3) shall conduct such investigations or inquiries pursuant to section 24 of this title, as may be necessary or appropriate to investigate violations of this title and rules and regulations promulgated thereunder; and

"(4) shall take measures appropriate to assure that adverse or conflicting interests or positions are not taken by the same employee of the Office.

"(e) The Commissioner shall, subject to other requirements of law, appoint Examiners-in-Chief and other officers and employees and assign or delegate to them the functions of the Office. The Commissioner is authorized to fix the per annum rate of basic compensation of each Examiner-in-Chief at not in excess of the maximum scheduled rate provided for positions in Grade 17 of the General Schedule (5 U.S.C. 5104).

"(f) Any other provision of law to the contrary notwithstanding the authority of the Solicitor and that of any officer or employee of the Office, to appear before the courts shall be subject to the direction and control of the Attorney General, and shall be limited to such delegation of authority as the Attorney General or his duly authorized representative may make.

"(g) The Secretary of Commerce may vest in himself the functions of the Patent Office and its officers and employees specified in this title and may from time to time authorize their performance by any other officer or employee.

"§4. Restrictions on officers and employees as to interest in patents

"(a) Officers and employees of the Office shall be incapable, during the period of their appointments and for one year therafter, of applying for a patent or, during such period and for one year thereafter, being named as an inventor in an application for patent for an invention made during such period or for one year thereafter and of acquiring, directly or indirectly, except by inheritance or bequest, any patent or any right or interest in any patent, issued or to be issued by the Office.

"(b) After expiration of the one-year post-appointment period provided for in subsection (a) of this section, a former officer or employee may apply for a patent or be named as an inventor in an application for patent: *Provided, however*, That if the subject matter claimed in an application for patent was invented during the period of his appointment or employment or within one year thereafter, the application for such patent shall not be entitled to any date of invention earlier than one year after termination of the appointment of such former officer or employee.

"(c) The Commissioner shall prescribe regulations governing the participation of present or former officers and employees of the Office in the preparation or prosecution of applications for patent which may be or have been assigned to one or more examining groups to which the work of such officers or employees may be or has been related.

"(d) Nothing contained in this section shall be construed to modify the obligations imposed by this or any other title of the United States Code upon present or former officers and employees of the United States.

"§ 7. Board of Appeals

"(a) The Commissioner, the Deputy Commissioner, the Assistant Commissioners, and the examiners-in-chief shall constitute a Board of Appeals in the Patent Office. The examiners-in-chief shall be persons of competent legal knowledge and scientific ability, who shall be appointed under the classified Civil Service. There shall be not more than thirty examiners-in-chief.

"(b) The Board of Appeals shall:

"(1) Review adverse decisions of the primary examiners upon applications for patents as provided in section 134 of this title.

"(2) Review or consider actions arising under Section 135 of this title and perform the functions specified in other Acts of Congress as being performed by a Board of Patent Interferences and when performing said functions shall consttiute a Board of Patent Interferences.

"(3) Render other decisions and orders or perform other functions or duties as provided in this title or as the Commissioner of Patents may by regulation or order prescribe.

"(c) Each appeal or other action shall be decided by at least three members of the Board of Appeals. The Board of Appeals has sole power to reconsider its decisions.

"(d) Whenever the Commissioner considers it necessary to maintain the work of the Board of Appeals current, he may designate any patent examiner of the primary examiner grade or higher having the requisite ability to serve as examiner-in-chief for periods not exceeding six months each. An examiner so designated shall be qualified to act as a member of the Board of Appeals. Not more than one such designated examiner-in chief shall be a member of the Board of Appeals hearing an appeal or considering a case. The Secretary of Commerce is authorized to fix the per annum rate of basic compensation of each designated examiner-in-chief in the Office at not in exces of the maximum scheduled rate provided for positions in grade 16 of the General Schedule of positions referred to in section 5104 of title 5, United States Code. The per annum rate of basic compensation of each designated examiner-in-chief shall be adjusted, at the close of the period for which he was designated to act as examiner-in-chief, to the per anum rate of basic compensation which he would have been receiving at the close of such period if such designation had not been made.

"(e) Except as otherwise provided in or pursuant to this title, the Board of Appeals shall exercise judicial functions of the Office, including all agency review of appeals, as provided in this title. Except as provided otherwise in this title, the decision of the Board of Appeals shall constitute final agency action (as that term is defined in 5 U.S.C. 551) in all matters considered by it, and shall be the final decision of the office for the purposes of chapter 13 of this title.

"§ 8. Library

"(a) The Commissioner shall make all reasonable efforts to maintain a complete and current library of scientific and other works and periodicals, both foreign and domestic, in the Office which shall be available to its employees in the discharge of their duties under this title and to assist the public in the study of the useful arts.

"(b) The Commissioner may establish liaison with such Government agencies as may be appropriate in order to make available to the Office library additional scientific and other works and periodicals, both foreign and domestic.

"§ 9. Classification of patents

"The Commissioner shall maintain with appropriate revisions the classification by subject matter of published specifications of United States patents and of such other patents and applications and other scientific and technical information as may be necessary or practicable, for the purpose of determining with readiness and accuracy the patentability of subject matter for which applications for patent are filed.

"§ 10. Certified copies of records

"The Commissioner may, upon payment of the prescribed fee, furnish certified copies of records of the Office to persons entitled thereto.

"§ 11. Publications and public services

"(a) The Commissioner shall cause to be published, in such format as he determines to be suitable, the following:

"(1) The specifications and drawings of patents and patent applications, subject to the provisions of this title.

"(2) Certificates of trademark registrations, including statements and drawings.

"(b) The Commissioner may cause to be published, in such format as he determines to be suitable, the following:

"(1) Patent abstracts.

"(2) The Official Gazette of the United States Patent Office.

"(3) Annual indices of patents, published applications and trademarks, and information concerning the same.

"(4) Annual volumes of decisions in patent and trademark cases.

"(5) Classification manuals and indices of the classifications of patients.

"(6) Pamphlet copies of the patent laws and rules of practice, laws, and rules relating to trademarks and circulars and other publications relating to the business of the Office.

"(c) The Office may print the headings of the drawings for patents for use in photolithography.

"(d) The Commissioner (1) shall maintain public facilities for the searching of patent materials, (2) may establish a public information service for the dissemination to the public of information concerning patents and trademarks, and (3) may from time to time disseminate or provide for dissemination of public technological and other public information, the publication of which in his judgment would encourage invention and progress in the useful arts. Such dissemination may be made by periodical or other publications, the preparation and display of exhibits, and other appropriate means.

"(e) The Commissioner may exchange copies of any of the publications specified in subsections (a) and (b) for publications desirable for the use of the Office for like items of other countries, and may furnish copies of any of these publications to international intergovernmental organizations of which the United States is a member.

"(f) The Commissioner may supply copies of specifications and drawings of patents to public libraries in the United States which shall maintain such copies for the use of the public, at the rate for each year's issue established for this purpose in section 41 of this title.

"§ 12. Research and studies

"The Commissioner shall conduct a program of research and development to improve and expedite the handling, classification, storage, and retrieval of patents and other scientific and technical information.

"§ 13. Annual report to Congress

"The Commissioner shall report to Congress annually the moneys received and expanded, statistics concerning the work of the Office and other information relating to the Office as may be useful to the Congress or the public.

"Chapter 2.—PROCEEDINGS IN THE OFFICE

"Sec.

"21. Day for taking action falling on Saturday, Sunday, or holiday.

"22. Form of papers filed.

"23. Evidence on Office cases.

"24. Subpoenas, witnesses.

"25. Oath and declaration in lieu of oath.

"26. Effect of defective or missing execution.

"27. Effective date of documents and fees to be filed in the Office.

"§ 21. Day for taking action falling on Saturday, Sunday or holiday

"When the day, or the last day, for taking any action or paying any fee required by this title falls on Saturday, Sunday, a holiday within the District of Columbia, or on any other day where receipt of papers cannot be effected the action may be taken, or the fee paid, on the next succeeding secular business day.

"§ 22. Form of papers filed

"The Commissioner may by regulation prescribe the form of papers filed in the Office.

"§ 23. Evidence in Office cases

"The Commissioner shall establish regulations for the presentation and production of evidence in Office proceedings, including affidavits, depositions, discovery, and other evidence required in the Office. Any officer authorized by law to take depositions to be used in the courts of the United States, or of the State where he resides, may take such affidavits and depositions.

"§ 24. Subpoenas, witnesses

"(a) The clerk of any United States court for the district wherein testimony is to be taken in accordance with regulations established by the Commissioner for use in any case in the Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses, discovery and to the production of documents and things shall apply to contested cases in the Office consistent with Office regulations established under section 23 of this title.

"(b) Every witness subpoenaed and in attendance shall be allowed the fees and traveling expenses allowed to witnesses attending the United States district courts.

"(c) A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in the other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpoena unless his fees and traveling expenses in going to, and returning from, and one day's attendance at the place of examination, are paid or tendered him at the time of the service of the subpoena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpoena.

"§ 25. Oath and declaration in lieu of oath

"(a) An oath to be filed in the Office may be made before any person within the United States authorized by law to administer oaths or, when made in a foreign country, before any diplomatic or consular officer of the United States authorized to administer oaths, or before any officer authorized to administer oaths in the foreign country in which the applicant may be, whose authority shall be proved by certificate of a diplomatic or consular officer of the United States, and such oath shall be valid if it complies with the laws of the state or country where made.

"(b) The Commissioner may by regulation prescribe that any document to be filed in the Office and which is required by any law, rule, or other regulation to be under oath may be subscribed to by a written declaration in such form as the Commissioner may prescribe, such declaration to be in lieu of the oath otherwise required.

"(c) Whenever such written declaration is used, the document must warn the declarant that willful false statements and the like are punishable by fine or imprisonment, or both, in accordance with 18 U.S.C. 1001.

"(d) The Commissioner may by regulation prescribe that any oath or declaration of a person not fluent in English shall be in a language in which he is fluent, together with an English translation thereof, the accuracy of which shall be attested to pursuant to such rules as the Commissioner may prescribe

"§ 26. Effect of defective or missing execution

"Any document to be filed in the Office and which is required by any law or regulation to be executed in a specified manner may be provisionally accepted by the Commissioner despite a defective or missing execution, provided a properly executed document is submitted within such reasonable time as may be prescribed by the Commissioner.

"§ 27. Effective date of documents and fees to be filed in the Office

"The Commissioner may by regulation prescribe that an application for Letters Patent, or for Trademark registration, any other document or thing, or a fee shall be deemed to have been filed in the Office as of the day of deposit thereof in the United States mails, and the Commissioner may by regulation prescribe the conditions which must be fulfilled to make such deposit effective as a filing in the Office as of the date of such deposit.

"Chapter 3.—PRACTICE BEFORE OFFICE

"Sec.

"31. Regulations for agents and attorneys.

"32. Suspensions or exclusion from practice.

"33. Unauthorized practice.

"§ 31. Regulations for agents and attorneys

"The Commissioner may prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office, and may require them, before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other person valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office.

§ 32. Suspension or exclusion from practice

"The Commissioner may, after notice and opportunity for a hearing, suspend or exclude, either generally or in any particular case, from further practice before the Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 31 of this title, or who shall, by word, circular, letter, or advertising, with intent to defraud in any manner, deceive, mislead, or threaten any applicant or prospective applicant, or other person having immediate or prospective business before the Office. The reasons for any such suspension or exclusion shall be duly recorded. The United States District Court for the District of Columbia, under such conditions and upon such proceedings as it by its rules determines, may review the action of the Commissioner upon the petition of the person so refused recognition or so suspended or excluded.

"§ 33. Unauthorized practice

"(a) Whoever, not being recognized to practice before the Office:

"(1) Holds himself out or knowingly permits himself to be held out as so recognized, or

"(2) Holds himself out or knowingly permits himself to be held out as available either to perform the service of preparing or prosecuting an application for patent or to provide such service to be performed by a person not so recognized or by an unidentified person, or

"(3) For compensation, either performs the services of preparing or prosecuting an application for patent for another not so recognized or provides such service to be performed by a person not so recognized or by an unidentified person, or

"(4) Knowingly makes to an applicant or prospective applicant for a patent any false, misleading or deceptive material representation, by commission or omission, with respect to patentability or the procurement of a patent—shall be punishable by imprisonment not exceeding one (1) year or a fine not exceeding $25,000 nor less than $1,000 for each offense or both.

"(b) Where an agent, attorney, or firm recognized to practice before the Office assumes responsibility for the service of preparing or prosecuting a patent application at the time such service is rendered, the service shall be considered as performed by such agent, attorney, or firm within the meaning of this section.

"(c) An action for injunctive relief may be brought by the United States or by any person that is or is likely to be injured by any act proscribed in subsection (a) of this section. In any action under this subsection, it shall not be necessary that actual damage be alleged or proved.

"(d) Whoever engages in any act proscribed in subsection (a) of this section shall be liable in a civil action to any person injured by such acts, and the person injured shall be entitled to recover damages which the court may treble in its discretion, and full costs and expenses including attorneys' fees.

"(e) The district and territorial courts of the United States shall have original jurisdiction of all actions arising under this section, without regard to the amount in controversy or to the diversity of the citizenship of the parties.

"(f) The bringing of or maintenance of

a civil action for damages or injunctive relief under this section shall not prevent or be prevented by the institution or continuation of criminal proceedings against whoever commits any act proscribed in subsection (a) of this section.

"Chapter 4.—PATENT FEES

"Sec.
"41. Patent fees.
"42. Payment of patent fees; return of excess amounts.
"43. Maintenance fees.

"§ 41. Patent fees

"(a) The Commissioner shall charge the following fees:

"1. On filing each application for an original patent, except in design cases, $65; in addition, on filing or on presentation at any other time, $10 for each claim in independent form which is in excess of one, and $2 for each claim (whether independent or dependent) which is in excess of ten. Errors in payment of the additional fees may be rectified in accordance with regulations of the Commissioner.

"2. For issuing each original or reissue patent, except in design cases, $100; in addition, $10 for each page (or portion thereof) of specification as printed, and $2 for each sheet of drawing.

"3. In design cases:

"a. On filing each design application, $20.

"b. On issuing each design patent: For three years and six months, $10; for seven years, $20; and for fourteen years, $30.

"4. On filing each application for the reissue of a patent, $65; in addition, on filing or on presentation at any other time, $10 for each claim in independent form which is in excess of the number of independent claims of the original patent, and $2 for each claim (whether independent or dependent) which is in excess of ten and also in excess of the number of claims of the original patent. Errors in payment of the additional fees may be rectified in accordance with regulations of the Commissioner.

"5. On filing each disclaimer, $15.

"6. On appeal for the first time from the examiner to the Board of Appeals, $50; in addition, on filing a brief in support of the appeal, $50.

"7. On filing each petition for the revival of an abandoned application for a patent or for the delayed payment of the fee for issuing each patent, $15.

"8. For certificate under section 255 or under section 256 of this title, $15.

"9. As available and if in print: For uncertified printed copies of specifications and drawings of patents (except design patents), 50 cents per copy; for design patents, 20 cents per copy; the Commissioner may establish a charge not to exceed $1 per copy for patents in excess of twenty-five pages of drawings and specifications and for plant patents printed in color; special rates for libraries specified in section 13 of this title, $50 for patents issued in one year. The Commissioner may, without charge, provide applicants with copies of specifications and drawings of patents when referred to in a notice under section 132.

"10. For recording every assignment, agreement, or other paper relating to the property in a patent or application, $20; where the document relates to more than one patent or application, $3 for each additional item.

"11. For each certificate, $1.

"(b) The Commissioner may establish charges for copies of records, publications, or services furnished by the Office, not specified above.

"(c) The fees prescribed by or under this section shall apply to any other Government department or agency, or officer thereof, except that the Commissioner may waive the payment of any fee for services or materials in cases of occasional or incidental requests by a Government department or agency, or officer thereof. (Amended July 24, 1965, Public Law 89-83, secs. 1 and 2, 79 Stat. 259.)

"12. For any request for patent reexamination under chapter 31, $75.

"§ 42. Payment of patent fees; return of excess amounts

"All patent fees shall be paid to the Commissioner who, except as provided in sections 361(b) and 376(b) of this title, shall deposit the same in the Treasury of the United States in such manner as the Secretary of the Treasury directs, and the Commissioner may refund any sum paid by mistake or in excess of the fee required by law.

"§ 43. Maintenance fees

"(a) During the term of a patent, other than for a design, the following maintenance fees shall be due:

"(1) a first maintenance fee of $300 on or before the seventh anniversary of the beginning of the term of the patent; and

"(2) a second maintenance fee of $600 on or before the tenth anniversary of the beginning of the term of the patent; and

"(3) a third maintenance fee of $1,100 on or before the thirteenth anniversary of the beginning of the term of the parent.

"(b) In the case of a reissue patent the times specified herein shall run from the beginning of the term of the patent.

"(c)(1) A grace period of six months will be allowed in which to pay any maintenance fee, provided it is accompanied by the fee prescribed for delayed payment. When a response is not received to the notice provided by paragraph (e) of this subsection, a subsequent notice shall be sent approximately sixty days after the due date of any maintenance fee.

"(2) The first and second maintenance fees may be deferred in accordance with paragraph (f) on this subsection.

"(d) A patent will terminate on the due date for any maintenance fee unless, as provided for in this section, the fee due (including any fees previously deferred) is paid or a statement in accordance with paragraph (f) of this subsection requesting deferment is filed. Such termination or lapsing shall be without prejudice to rights existing under any other patent.

"(e) Notice of the requirement for the payment of the maintenance fees and the filing of statements in compliance with this subsection shall be attached to or embodied in the patent. Approximately thirty days before a maintenance fee is due, the Commissioner shall send an initial notice thereof to the patentee and all other parties having an interest of record at the addresses last furnished to the Office. Irrespective of any other provision of this subsection, a maintenance fee may be paid within thirty days after the date of such initial notice.

"(f) Any inventor to whom a patent issued (or his heirs) and who owns the patent, or any small business concern (as that term is defined in or pursuant to section 2[3] of the Small Business Act, as amended, 15 U.S.C. 632), may within six months of the seventh anniversary of the beginning of the term of the patent by a statement to the Commissioner request deferment of the first maintenance fee if the gross benefit received by the inventor or any other party having or having had any interest in the subject matter of the patent, from under, or by virtue of the patent or from the manufacture, use, or sale of the invention, was less in value than the amount of the fee, and the statement so specifies. The fee shall thereupon be deferred until the time the second maintenance fee is due and shall be paid in addition to the second maintenance fee.

"PART II—PATENTABILITY OF INVENTIONS AND GRANT OF PATENTS

"Chapter Sec.
"10. PATENTABILITY OF INVENTIONS 100
"11. APPLICATION FOR PATENT 111
"12. EXAMINATION OF APPLICATIONS 131
"13. REVIEW OF OFFICE DECISIONS 141
"14. ISSUE OF PATENT 151
"15. PLANT PATENTS 161
"16. DESIGNS 171
"17. SECRECY OF CERTAIN INVENTIONS AND FILING APPLICATIONS ABROAD 181

"Chapter 10.—PATENTABILITY OF INVENTIONS

"Sec.
"100. Definitions.
"101. Inventions patentable.
"102. Conditions for patentability; novelty and loss of right to patent.
"103. Conditions for patentability; non-obvious subject matter.
"104. Invention made abroad.

"§ 100. Definitions

"When used in this title unless the context otherwise indicates:

"(a) The term 'invention' means invention or discovery.

"(b) The term 'process' means process, art, or method and includes a new use of a known process, machine, manufacture, composition of matter, or material.

"(c) The terms 'United States' and 'this country' mean the United States of America, its territories and possessions, and the Commonwealth of Puerto Rico.

"(d) The term 'applicant' means any person who owns an application for a patent, as provided in this title.

"(e) The term 'patentee' includes not only the person to whom the patent was issued but also the successors in title to such person.

"(f) The term 'actual filing date in the United States' includes the filing date to which an application, an international application under section 363 of this title, or patent, or the subject matter of any claim thereof, may be entitled under the provisions of sections 120 and 365(c) of this title (and excludes any date under section 119, 365(a) or 365(b) of this title). An application or the resulting patent may contain separate claims for subject matter having different actual filing dates in the United States by virtue of the provisions of section 120 of this title or may contain claims entitled to the benefit of a prior date under the provisions of section 119 of this title, in addition to claims not so entitled.

"(g) The term 'useful' shall include, but shall not be limited to, utility in agriculture, commerce, industry, health or research.

"(h) The term 'person' includes an individual and any entity considered as such at law, including a corporation, company, foundation, institution, society, union, club, church, the United States, any Government agency, or any other group of persons whether or not organized for any purpose.

§ 101. Subject matter patentable

"Whoever invents or discovers any new and useful process, machine, manufacture, composition of matter, or any new and useful improvement, thereof, or his successor in title, may obtain a patent therefor, subject to the conditions and requirements of this title.

§ 102. Conditions for patentability; novelty and loss of right to patent

"A person shall be entitled to a patent unless:

"(a) The applicant or any of his predecessors in title has abandoned the invention; or

"(b) The invention was first patented or caused to be patented or was the subject of an inventor's certificate by the inventor or applicant, or their assigns or legal representatives, or described or caused to be described in an official publication of an application in a foreign country before the actual filing date of the United States application, the application for patent or inventor's certificate resulting in the patenting or description of this subsection having been filed in said country more than twelve months before said actual filing date in the United States; or

"(c) Before the invention thereof the invention was made in this country by another, provided the invention of such other does not stand abandoned at the time of the invention which is the subject of the application; *And further provided,* That such other has not suppressed or concealed his invention. In determining priority of invention, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time before conception by the other until his own reduction to practice. However, in establishing priority of invention, an invention which has been abandoned shall not be accorded a date prior to the date of resumption of activity; or

"(d) The subject matter was not invented by the inventor himself but rather derived by him from another; or

"(e) The invention is identically disclosed or described in any of the following prior art:

"(1) A patent or publication in this or a foreign country reasonably available to the public of the United States in printed or other tangible form before the invention was made by the inventor, or more than one year before the actual filing date in the United States of the application; or

"(2) A published United States patent application or United States patent of another which has an actual filing date in the United States before the invention was made by the inventor named in the application; or

"(3) Subject matter made known publicly by another, or in public use by another, in this country before the invention was made by the inventor named in the application; or

"(4) Subject matter on sale or in public use in this country more than one year before the actual filing date in the United States of the application; or

"(5) With respect only to the losing party of a priority of invention contest under sections 135 and 291 of this title, the subject matter of the claim involved.

"§ 103. Conditions for patentability; nonobvious subject matter

"A patent may not be obtained though the invention is not identically disclosed or described in the prior art as set forth in section 102(e) of this title, if the differences between the subject matter sought to be patented and prior art are such that the subject matter as a whole would have been obvious from said prior art, either at the time the invention was made or more than one year before the actual filing date in the United States of the application to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made, or because the invention has simplicity or is the last step in an evolutionary development, or because it is not revolutionary, basic, scientific or technical in character. Claims for a new combination or assemblage of known mechanical or other elements shall be subjected to the same standard of patentability as is applied to claims for other types of subject matter.

"§ 104. Invention made abroad

"In proceedings in the Office and in the courts, an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge or use thereof, or other activity with respect thereto, in a foreign country, except as provided in sections 119 and 365 of this title. Where an invention was made by a person, civil or military, while domiciled in the United States and serving in a foreign country in connection with operations by or on behalf of the United States, he shall be entitled to the same rights of priority with respect to such invention as though the same had been made in the United States.

"Chapter 11.—APPLICATION FOR PATENT

"Sec.
"111. Application for patent.
"112. Specification.
"113. Drawings.
"114. Models, Specimens.
"115. Oath of applicant.
"116. Joint inventors.
"117. Death or incapacity of inventor.
"118. Filing by other than inventor, oath by other than inventor.
"119. Benefit of earlier filing date in foreign country; right of priority.
"120. Benefit of earlier filing date in the United States.
"121. Divisional applications.
"122. Confidential status of applications.
"123. Publication.

"§ 111. Application for patent

"(a) An application for patent may be filed by either the inventor or the owner of the invention sought to be patented. The application shall be made in writing to the Commissioner, shall be signed by the applicant and include the name of each person believed to have made an inventive contribution, and shall be accompanied by the prescribed fee. An Application filed by a person not the inventor shall include, at the time of filing, a statement of the facts supporting the allegation of ownership of the invention.

"(b) An application for patent shall include: (1) A specification as prescribed by section 112 of this chapter, and (2) A drawing as prescribed by section 113 of this chapter.

"(c) For purposes of filing a patent application and securing a filing date, an application may be signed by an agent of the applicant, provided that the agent is authorized so to do or provided that the application is ratified in writing by the applicant within six months after the filing. Failure of proof of the authority of the agent or of ratification by the applicant within six months after the filing of the application shall result in abandonment of the application.

"(d) When the application is signed by the owner or his agent, the owner, within thirty days after filing an application for patent, shall serve a copy of the application on the inventor, along with a statement calling the inventor's attention to the provisions of subsection (e) of this section. Service may be effected by mailing a copy of the application and statement, by first-class mail, to the last known address of the inventor. Failure to serve a copy of the application and statement on the inventor within thirty days shall result in abandonment of the application. The Commissioner may by regulation require proof of such service, and may extend the thirty-day period or waive the requirement for service upon a showing of sufficient cause.

"(e) An inventor, within a time prescribed by the Commissioner, may furnish a statement under oath to the Commissioner alleging that the applicant is not the owner of the invention as required by subsection (a) of this section. The Commissioner, in accordance with such regulations as he establishes and on compliance with the requirements of this title, shall issue a patent to the inventor filing such statement without prejudice to later judicial proceedings, unless the notice is withdrawn by the inventor or the applicant records in the Office an assignment by the inventor, or in lieu thereof, files a written statement by the inventor consenting to the filing of the application by and the issuance of the patent to the applicant.

"(f) Notice to the Commissioner, in a manner prescribed by regulations, of a final decision in a judicial proceeding in a court having jurisdiction thereof, from which no appeal has or can be taken, that an applicant is the owner of an invention shall authorize the Commissioner to issue a patent to such applicant for such invention.

"(g) An error in the naming of an inventor, in either a sole or joint application for patent, without deceptive intent, may be corrected at any time, in accordance with regulations established by the Commissioner.

"§ 112. Specification

"(a) The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the applicant of carrying out his invention.

"(b) The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. A claim may be written in independent or dependent form, and if in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim.

"(c) An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

"(d) When the invention relates to a process involving the action of a micro-organism not already known and available to the public, or in a product of such a process, the written description required by subsection (a) of this section shall be sufficient as to said micro-organism if—

"(1) not later than the date that the United States application is filed, an approved deposit of a culture of the micro-organism is made by or on behalf of the applicant or his predecessor in title, and

"(2) the written description includes the name of the depository and its designation of the approved deposit and, taken as a whole, is in such descriptive terms as to enable any person skilled in the art to which the invention pertains to make and use the same.

"An approved deposit shall be a deposit which—

"(i) is made in any public depository in the United States which shall have been designated for such deposits by the Commissioner of Patents by publication, and

"(ii) is available, except as otherwise prohibited by law, in accordance with such regulations as may be prescribed—

"a. to the public upon issuance of a United States patent to the applicant or his predecessor or successor in title which refers to such deposit, and

"b. prior to issuance of said patent, under the conditions specified in section 122.

"(e) For the dissemination of information and other purposes, the Commissioner, in accordance with such regulations as he establishes, may require a brief abstract of all or part of the application. The abstract shall not be used for interpreting the scope of any claims of a patent, nor shall it affect in any way the validity of the patent.

"§ 113. Drawings

"When the nature of the case admits, the applicant shall furnish a drawing.

"§ 114. Models, specimens

"(a) The Commissioner may require the applicant to furnish a model of convenient size to exhibit advantageously the several parts of his invention.

"(b) When the invention relates to a composition of matter, the Commissioner may require the applicant to furnish specimens or ingredients for the purpose of inspection or experiment.

"§ 115. Oath of applicant; duty to disclose

"(a) Except as provided in section 118, the inventor shall make oath that he believes to the best of his knowledge that he is the first inventor, that he is aware of no prior public use or other facts which would bar the issuance of the patent, and that he has made full disclosure to the Office of all facts he reasonably believes to be pertinent to the prosecution of his application. Such oath shall state of what country the inventor is a citizen.

"(b) The applicant of an application filed pursuant to section 117 of this title may make the oath required by subsection (a) of this section, so varied in form that it can be made by him.

"(c) The oath or oaths shall be submitted not later than the time of payment of the fee required under the provisions of section 151(a) of this title.

"(d) The applicant, and his agent or attorney (while responsible for prosecution of his application) have an obligation, continuing until issuance of the patent, to notify the Office of any known change in, or addition to, the information provided in accordance with section 131(b) of this title.

"(e) Only one of the inventor, the applicant (if it not the inventor), any person to whom the inventor is under any obligation to assign the application, and the agent or attorney (or other representative recognized under section 31 of this title) shall be responsible for making a reasonable inquiry and filing a statement of facts with respect to any change in or addition to the information required by subsections (a) and (d) of this section.

"§ 116. Joint inventors

"(a) When two or more persons have made inventive contributions to subject matter claimed in an application, they shall apply for a patent jointly and each sign the application and make the required oath, or, if the application is filed by some other person having the right to do so, they shall be named as the inventors.

"(b) In an application for patent for an invention naming two or more inventors, it shall not be necessary for each person named as an inventor to be a joint inventor of the invention asserted in any claim.

"(c) If a joint inventor refuses upon notice to him to join another inventor in an application for patent, or cannot be found or reached after diligent effort, the application may, subject to the requirements of section 111 of this title, be made by the other inventor on behalf of himself and the omitted inventor. The Commissioner, on proof of the pertinent facts and after such notice to the omitted inventor as he prescribes, may grant a patent to the inventor making the application, subject to the same rights which the omitted inventor would have had if he had been joined. The omitted inventor may subsequently join in the application.

"(d) Whenever a person is joined in an application for patent as joint inventor through error, or a joint inventor is not included in an application through error, and such error arose without any deceptive intention on his part, the Commissioner may permit the application to be amended accordingly, under such terms as he prescribes.

"§ 117. Death or incapacity of inventor

"Legal representatives of deceased inventors and of those under legal incapacity and, if necessary to preserve his legal rights or prevent irreparable damage, the assignee or any person to whom the inventor was or is under an obligation to assign the application, may make application for patent and otherwise proceed on behalf of the inventor upon compliance with the requirements and on the same terms and conditions applicable to the inventor.

"§ 118. Filing by other than inventor, oath by other than inventor

"Whenever an inventor refuses to execute an application for patent, or an oath, or cannot be found or reached after diligent effort, a person to whom the inventor has assigned or agreed in writing to assign the invention or who otherwise shows sufficient proprietary interest in the matter justifying such action, may make application for patent on behalf of and as agent for the inventor on proof of the pertinent facts and a showing that such action is necessary to preserve the rights of the parties or to prevent irreparable damage; and the Commissioner may grant a patent to such inventor upon such notice to him as the Commissioner deems sufficient, and on compliance with such regulations as he prescribes.

"§ 119. Benefit of earlier filing date in foreign country; right of priority.

"(a) An application for patent for an invention filed in this country by any person who has, or whose predecessor or successor has, previously regularly filed an application for a patent for the same invention in a foreign country which affords similar privileges in the case of applications filed in the United States or to citizens of the United States, shall have the same effect as the same application would have if filed in this country on the date on which the application for patent for the same invention was first filed in such foreign country, if application in this country is filed within twelve months from the earliest date on which such foreign application was filed; but no patent shall be granted on any application for patent for an invention which has been patented or described in a printed publication in any country more than one year before the date of the actual filing of the application in this country, or which had been in public use or on sale in this country more than one year prior to such filing.

"(b) No application for patent shall be entitled to this right of priority unless a claim therefor and a certified copy of the original foreign application, specification and drawings upon which it is based are filed in the Office before the patent is granted, or at such time during the pendency of the application as required by the Commissioner not earlier than six months after the filing of the application in this country. Such certification shall be made by the office of the foreign country in which filed and show the date of the application and of the filing of the specification and other papers. The Commissioner may require a translation of the papers filed if not in the English language and such other information as he deems necessary.

(c) In like manner and subject to the same conditions and requirements, the right provided in this section may be based upon a subsequent regularly filed application in the same foreign country instead of the first filed foreign application: *Provided*, That any foreign application filed prior to such subsequent application has been withdrawn, abandoned, or otherwise disposed of, without having been laid open to public inspection and without leaving any rights outstanding, and has not served, nor thereafter shall serve, as a basis for claiming a right of priority.

"(d) When the application claiming priority under this section discloses an invention relating to a process involving the action of a micro-organism not already known and available to the public, or a product of such a process, and an approved deposit is made under section 112, subsection (d) the approved deposit shall be considered to have been made on the earliest date that an application in a foreign country, the priority of which is being claimed, contains a reference identifying a deposit of the same micro-organism made in a public depository.

"(e) Applications for inventor's certificates filed in a foreign country in which applicants have a right to apply, at their discretion, either for a patent or for an inventor's certificate shall be treated in this country in the same manner and have the same effect for purpose of the right of priority under this section as applications for patent, subject to the same conditions and requirements of this section as apply to applications for patent, provided such applicants are entitled to the benefits of the Stockholm Revision of the Paris Convention at the time of such filing.

"§ 120. Benefit of earlier filing date in the United States

(a) An application for patent for an invention disclosed in the manner provided in section 112(a) of this chapter in an application previously filed in the United States shall have the same effect, as to such invention, as though filed on the date of the prior application if—

"(1) it is filed during the pendency of the prior application, that is, before the patenting or abandonment of, or the termination of proceedings in, the prior application;

"(2) the two applications have the same inventor for the subject matter common to both, and

"(3) the application specifically claims or is amended to claim the benefit of the date of filing of the prior application for subject matter claimed in the second application.

"(b) In a series of applications with respect to an invention, each of which is entitled to the benefit of the filing date of the immediately preceding application in the series in accordance with the provisions of subsection (a) of this section, the last application in the series shall be entitled to the benefit of the filing date of the earliest application in the series for which a claim is made, even though any application in the series may be copending only with the immediately preceding application.

"(c) Subject to the limitations of this section, if a previous application referred to in subsection (a) of this section is entitled to the benefit of the date of an application in a foreign country under section 119 of this chapter, with respect to the subject matter sought to be patented in the later application, then the later application referred to in subsection (a) of this section shall be entitled to the benefit of such date.

"(d) An applicant must claim the benefit of the filing date of the earliest application on which he intends to rely in a later filed application within three months of the time of filing such later application, or during examination or re-examination of such application as provided in chapter 12 of this title upon an adequate showing why the claim was not made earlier. In a series, each application must claim the benefit of the immediately preceding application in accordance with the provisions herein.

"(e) The Commissioner may by regulation dispense with signing and execution in the case of an application directed solely to subject matter described and claimed in the prior application.

"§ 121. Divisional applications

"If two or more independent and distinct inventions are claimed in one application, the Commissioner may require the application to be restricted to one of the inventions. If the other invention is made the subject of a divisional application which complies with the requirements of section 120 of this title it shall be entitled to the benefit of the filing date of the original application. A patent issuing on an application with respect to which a requirement for restriction under this section has been made, or on an application filed as a result of such a requirement, shall not be used as a reference either in the Office or in the courts against a divisional application or against the original application or any patent issued on either of them, if the divisional application is filed before the issuance of the patent on the other application. If a divisional application is directed solely to subject matter described and claimed in the original application as filed, the Commissioner may dispense with signing and execution by the inventor. The validity of a patent shall not be questioned for failure of the Commissioner to require the application to be restricted to one invention.

"§ 122. Confidential status of applications

"Applications for patents shall be kept in confidence by the Office and no information concerning the same given without authority of the applicant, or owner of record of the application, unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner.

"§ 123. Publication

"The Commissioner may establish regulations for the publication of pending applications at the request of applicants and shall publish applications in accordance therewith.

"Chapter 12.—EXAMINATION OF APPLICATION

"Sec.
"131. Examination of application.
"132. Notice of rejection; reexamination.
"133. Time for prosecuting application.
"134. Appeal to the Board of Appeals.
"135. Priority of invention contest.
"136. Settlement agreements.

"§ 131. Examination of application

"(a) The Commissioner shall cause an examination to be made of the application and the alleged new invention. If on such examination it appears that the applicant is entitled to a patent under the law, the Commissioner shall issue a patent therefor as herein provided.

"(b) All oral interviews related to applications pending in the Office shall be in recorded form. Any arguments, or representations by the applicant, anyone acting on his behalf, or for the Office shall be summarized into the record and shall be available to the public in the patented file.

"(c) The Commissioner may require an applicant, within such time as he may prescribe by regulation, to submit copies of or cite a reasonable number of patents and publications the applicant has specifically considered in connection with the application for patent, and which were known with reasonable certainty to be prior art or, if no specific relevant patents or publications were considered, a statement to that effect and an explanation as to why the claims in such application are believed to be patentable. The Commissioner may at any time require an applicant to state in the record why a claim is patentable over any patent or publication. Neither matters of judgment exercised in citing such patents or publications, nor inadvertent failure to comply with the provisions of this section in whole or in part, shall constitute a ground for holding a patent invalid or unenforceable, or subject the patentee or patentee's attorney or agent to a charge of misuse or fraud.

"(d) The granting of a patent shall not be refused solely on the ground that if it occurred there would then exist more than one patent for the same invention where the patents will expire on the same date as a result of filing on the same date or as the result of a terminal disclaimer pursuant to section 253 of this title, so long as the right to sue for infringement of said patents is in the same legal entity.

"§ 132. Notice of rejection; reexamination

"Whenever, on examination, any claim of an application is rejected, or any objection or requirement made, the Commissioner shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of the application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined. No amendment shall introduce new matter into the disclosure of the invention.

"§ 133. Time for prosecuting application

"Upon failure of applicant to prosecute the application within six months after any action therein, of which notice has been given or mailed to the applicant, or within such shorter time, not less than one month as fixed by the Commissioner in such action, the application shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Commissioner that such delay was unavoidable.

"§ 134. Appeal to the Board of Appeals

"An applicant for a patent, any of whose claims have been finally or twice rejected, may appeal from the decision of the primary examiner to the Board of Appeals, having once paid the fee for such appeal.

"§ 135. Priority of invention contest

"(a) Whenever there are two applications naming different inventors claiming the same or substantially the same subject matter, a patent shall ordinarily be issued on the application having the earliest actual filing date in the United States, if otherwise allowable. The application having the later filing date in the United States with respect to such subject matter shall be rejected on the basis of such patent. If, within one year after the issuance of the patent or within six months after a rejection of claims in his application on the basis of the invention claimed in the patent, or within such shorter time as fixed by the Commissioner, not less than one month, the applicant for such later filed application, which application is found otherwise allowable, makes a prima facie showing of priority of invention in accordance with section 102(c), 119, or 120 of this title with respect to the actual filing date in the United States of such patent and offers to present evidence in support of such showing, the matter of priority of invention shall be determined by the Board of Appeals in such proceedings as the Commissioner shall establish. The Commissioner, upon the institution of proceedings under this section, shall issue a patent at the request of such applicant if his application is otherwise allowable. Failure of that applicant to proceed hereunder within the time specified shall preclude such applicant from asserting priority of his invention with respect to the invention claimed in the patent for the purpose of obtaining a patent.

"(b) Whenever an otherwise allowable claim of an application is for the same or substantially the same subject matter as a claim of a patent having a later actual filing date in the United States, or for subject matter over which a claim of such patent is unpatentable, the Commissioner may, on his own motion or at the request of the applicant, initiate proceedings under this section on notice to the parties, requiring such patentee to present his prima facie case within a designated time not less than three months. The Commissioner upon the institution of proceedings under this section, shall issue a patent at the request of such applicant if his application is otherwise allowable.

"(c) If two or more applications for the same or substantially the same subject matter have the same actual filing date in the United States, the Commissioner may initiate a priority contest under this section on his own motion, whether or not any of the applications may have been issued as a patent. The Commissioner shall, upon the institution of proceedings under this subsection and at the request of any applicant, issue a patent on his otherwise allowable application.

"(d) A claim for the same or substantially the same subject matter as a claim of an issued patent may not be made in any application unless such claim is made prior to one year after the date on which the patent was granted.

"(e) In any proceeding under this section, the Office or a party may raise the question of the patentability of any claim of the application or patent of one party over the subject matter claimed in the application or patent of the other party, and such question may be considered in the proceeding.

"(f) Whenever a patent, reexamination of which under provisions of chapter 31 has been ordered has an actual filing date earlier than that of an application, the patent shall have prima facie priority with respect to the application. In the case of two patents being reexamined, the patent having the earlier actual filing date shall have prima facie priority.

"(g) The decision of the Board of Appeals in proceedings under this section adverse to a claim of an application shall constitute the final refusal by the Office of such claim. A final judgment adverse to a claim of a patent from which no appeal or other review has been or can be taken or had been taken shall constitute cancellation of such claim from the patent, and notice thereof shall be endorsed on copies of the specification of the patent thereafter distributed by the Office.

"(h) Any person who has not proceeded in accordance with the provisions of this title shall not be foreclosed or in any way prejudiced with respect to the defense of an infringement suit or affirmative relief under declaratory judgment proceedings, except as provided in chapter 31.

"(i) No person subject to an adverse decision in a proceeding under this chapter shall be foreclosed with respect to asserting comparable grounds in defense of an infringement suit or as a basis for affirmative relief under declaratory judgment proceedings involving the patent of the successful party.

"(j) Judgment adverse to a claim of a patent shall not preclude the filing of an application for reissue in accordance with section 251 of this title but matters already decided in a proceeding under this chapter may not be again considered.

"§ 136. Settlements agreements

"(a) Any agreement or understanding between parties to a proceeding under section 135 or 192 of this title including any collateral agreements referred to therein, made in connection with or in contemplation of the termination of the proceeding shall be in writing and a true copy thereof filed in the Office before the termination of the proceeding as between the said parties to the agreement or understanding. If any party filing the same so requests, the copy shall be kept separate from the file of the proceeding and made available only to Government agencies on written request stating reasons for the request or to any person on a showing of good cause. Failure to file the copy of such agreement or understanding shall render permanently unenforceable such agreement or understanding and any patent of such parties involved in the proceeding, or any patent subsequently issued on any application of such parties so involved. The Commissioner may, however, on a showing of good cause for failure to file within the time prescribed, permit the filing of the agreement or understanding during the six-month period subsequent to the termination of the proceeding as between the parties to the agreement or understanding.

"(b) The Commissioner shall give notice to the parties or their attorneys of record, a reasonable time prior to said termination, of the filing requirement of this section. If the Commissioner gives such notice at a later time, irrespective of the right to file such agreement or understanding within the six-month period on a showing of good cause, the parties may file such agreement or understanding within sixty days of the receipt of such notice.

"(c) Any discretionary action of the Commissioner under this subsection shall be reviewable under chapter 7 of title 5, United States Code.

"Chapter 13.—REVIEW OF OFFICE DECISION

"Sec.
"141. Appeal to Court of Customs and Patent Appeals.
"142. Notice of appeal.
"143. Proceedings on appeal.
"144. Decision on appeal.
"145. Civil action to obtain patent.
"146. Civil action in case of interference.
"148. Presumption of correctness.
"149. Judicial review of nonfinal decisions.

"§ 141. Appeal to Court of Customs and Patent Appeals

"(a) An applicant or patentee dissatisfied with a decision of the Board of Appeals under sections 134, 135, or chapter 31 may appeal to the United States Court of Customs and Patent Appeals, thereby waiving the right to proceed under section 145 of this title.

"(b) The appeal of a party to a priority of invention contest dissatisfied with the decision of the Board on the question of priority may appeal to the United States Court of Customs and Patent Appeals, but such appeal shall be dismissed if any adverse party to such interference, within twenty days after the appellant has filed notice of appeal according to section 142 of this title, files notice with the Commissioner that he elects to have all further proceedings conducted as provided in section 146 of this title. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under section 146, in default of which the decision appealed from shall govern the further proceedings in the case.

"§ 142. Notice of appeal

"When an appeal is taken to the United States Court of Customs and Patent Appeals, the appellant shall give notice thereof to the Commissioner within such time after the date of the decision appealed from, not less than sixty days, as the Commissioner appoints.

"§ 143. Proceedings on appeal

"The United States Court of Customs and Patent Appeals shall, before hearing such appeal, give notice of the time and place of the hearing to the Commissioner and the parties thereto. The Commissioner shall transmit to the court certified copies of all the necessary original papers and evidence in the case specified by the appellant and any additional papers and evidence specified by the appellee and in an ex parte case the Commissioner shall in writing furnish the court with the grounds of the decision of the Office.

"§ 144. Decision on appeal

"The United States Court of Customs and Patent Appeals, on petition, shall hear and determine such appeal on the evidence produced before the Office. Upon its determination the court shall return to the Commissioner a certificate of its proceedings and decision, which shall be entered of record in the Office and govern the further proceedings in the case.

"§ 145. Civil action to obtain patent

"An applicant dissatisfied with the decision of the Board of Appeals may unless appeal has been taken to the United States Court of Customs and Patent Appeals, have remedy by civil action against the Commissioner in the United States District Court for the District of Columbia if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints. The court may adjudge that such applicant is entitled to receive a patent for his invention, as specified in any of his claims involved in the decision of the Board of Appeals, as the facts in the case may appear and such adjudication shall authorize the Commissioner to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.

"§ 146. Civil action in case of interference

"(a) Any party to a priority of invention contest under section 135 of this title dissatisfied with the decision of the Board of Appeals on the question of priority, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided. In such suits the record in the Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Office when admitted shall have the same effect as if originally taken and produced in the suit.

"(b) Such suit may be instituted against the party in interest as shown by the records of the Office at the time of the decision complained of, but any party in interest may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same state, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs. The Commissioner shall not be a necessary party but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene. Judgment of the court in favor of the right of an applicant to a patent shall authorize the Commissioner to issue such patent on the filing in the Office of a certified copy of the judgment and on compliance with the requirements of law.

"§ 148. Presumption of correctness

"In any appeal or proceeding under this chapter, the Office decision shall be given a presumption of correctness.

"§ 149. Judicial review of nonfinal decisions

"The Commissioner may by general regulation provide that there shall be judicial review of specified nonfinal decisions of the Office.

"Chapter 14.—ISSUE OF PATENT

"Sec.
"151. Issue of patent.
"152. Late payment; effect of reinstatement of patent.
"153. How issued.
"154. Contents and term of patent.
"155. Patents granted on review.

"§ 151. Issue of patent

"(a) If it is determined that an applicant is entitled to a patent under the law, a written notice of allowance of the application shall be given or mailed to the applicant. The notice shall specify a sum, constituting the issue fee or a portion thereof, which shall be paid within three months thereafter.

"(b) Upon payment of this sum the patent shall issue, but if payment is not timely made, the application shall be regarded as abandoned. Issuance of the patent shall be subject to the provisions of chapter 31.

"(c) Any remaining balance of the issue fee shall be paid within three months from the sending of a notice thereof and, if not paid, the patent shall lapse at the termination of this three-month period. In calculating the amount of a remaining balance, charges for a page or less may be disregarded.

"(d) If any payment required by this section is not timely made, but is submitted with the fee for delayed payment and sufficient cause is shown for the late payment, it may be accepted by the Commissioner as though no abandonment or lapse had ever occurred.

"§ 152. Late payment; effect of reinstatement of patent

"No patent with respect to which a late payment is accepted shall abridge or affect the right or privilege of any person or his successors in business or title to continue to use, or to sell to others for their use or sale, anything which such person without bad faith made, used, or acquired during the interim period after the date the patent lapsed or became unenforceable for failure to pay such fee, and prior to the reinstatement of the patent. Any such person or his successor may use or sell the specific thing so made, used, or acquired, in the same manner as though the patentee had authorized such use or sale, even though such use or sale by him or his successor would infringe the patent, in the absence of such authorization. A court before which the matter is in question may provide for the continued manufacture, use, or sale of things, to the extent and under such terms as the court deems equitable for the protection of investments made, business commenced, of business for which substantial preparation was made, during such interim period.

"§ 153. How issued

"Patents shall be issued in the name of the United States of America, under the seal of the Office, and shall be signed by the Commissioner or have his signature placed thereon, and shall be recorded in the Office.

"§ 154. Contents and term of patent

"(a) Every patent shall contain a grant to the applicant, his heirs or assigns or, as provided in section (e) of this title, to the inventor, his heirs or assigns, of the right, during the term of the patent, to exclude others from making, using, or selling the invention throughout the United States, referring to the specification for the particulars thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

"(b) The term of a patent shall expire twenty years from the date of filing the application in the United States or, if the benefit of the filing date in the United States of a prior application is claimed, from the earliest such prior date claimed. In determining the term of the patent, the date of filing any application in a foreign country which may be claimed by the applicant shall not be taken into consideration.

"(c) The term of a patent whose issuance has been delayed by reason of the application having been ordered kept secret under section 181 of this title shall be extended for a period equal to such delay in issuance of the patent after the notice of allowability referred to in section 183 of this title. The term of a patent shall also be extended for a period equal to the delay incurred due to review under section 151 or 152 of the Atomic Energy Act of 1954 (68 Stat. 943), or under section 305 of the National Aeronautics and Space Act (72 Stat. 435).

"§ 155. Patents granted on review

"An applicant may, after initiating review under sections 141, 145, or 146 of this title, request the issuance of a patent for claims standing allowed in the application. Upon payment of the prescribed fee, issuance of such patent shall occur in accordance with this chapter. As to claims which stand allowed, the patent shall have the force and effect specified in section 154 of this title. Each claim in the application not standing allowed shall be identified as such, and shall not have any force and effect, except as provided in section 257 of this title.

"Chapter 15.—PLANT PATENTS

"Sec.
"161. Patents for plants.
"162. Description, claim.
"163. Grant.
"164. Assistanance of Department of Agriculture.

"§ 161. Patents for plants

"(a) Whoever invents or discovers and asexually reproduces any distinct and new variety of plant, including cultivated sports, mutants, hybrids, and newly found seedlings, other than a tuber propagated plant or a plant found in an uncultivated state, may obtain a patent therefor, subject to the conditions and requirements of this title. (Amended September 3, 1954, 68 Stat. 1190.)

"(b) The provisions of this title relating to patents for inventions shall apply to patents for plants, except as otherwise provided.

"§ 162. Description, claim

"(a) No plant patent shall be declared invalid for noncompliance with section 112 of this title if the description is as complete as is reasonably possible.

"(b) The claim in the specification shall be in formal terms to the plant shown and described.

"§ 163. Grant

"In the case of a plant patent the grant shall be of the right to exclude others from asexually reproducing the plant or selling or using the plant so reproduced.

"§ 164. Assistance of Department of Agriculture

"The President may by Executive order direct the Secretary of Agriculture, in accordance with the requests of the Commissioner, for the purpose of carrying into effect the provisions of this title with respect to plants (1) to furnish available information of the Department of Agriculture, (2) to conduct through the appropriate bureau or division of the Department research upon special problems, or (3) to detail to the Commissioner officers and employees of the Department.

"Chapter 16.—DESIGNS

"Sec.
"171. Patents for designs.
"172. Right of priority.
"173. Term of design patent.

"§ 171. Patents for designs

"(a) Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.

"(b) The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.

"§ 172. Right of priority

"The right of priority provided for by section 119 of this title and the time specified in section 102(b) shall be six months in the case of designs. Applications for design registrations and such registrations in foreign countries shall have the same effect as applications for design patents for the purpose of section 102(b) and 119 of this title.

"§ 173. Term of design patent

"Patents for designs may be granted for the term of three years and six months, or for seven years, or for fourteen years, as the applicant, in his application, elects.

"Chapter 17.—SECRECY OF CERTAIN INVENTORIES AND FILING APPLICATIONS IN FOREIGN COUNTRIES

"Sec.
"181. Secrecy of certain inventions and withholding of patent.
"182. Forfeiture of the right to a patent for unauthorized disclosure.
"183. Right of compensation.
"184. Filing of application in foreign country.
"185. Patent barred for filing without license.
"186. Penalty.
"187. Nonapplicability to certain persons.
"188. Rules and regulations, delegations of power.

"§ 181. Secrecy of certain inventions and withholding of patent

"(a) Whenever publication or disclosure by the grant of a patent on an invention in which the Government has a property interest might, in the opinion of the head of the interested Government agency, be detrimental to the national security, the Commissioner upon being so notified shall order that the invention be kept secret and shall without publication thereof order withholding of the grant of a patent therefor under the conditions set forth hereinafter.

"(b) Whenever the publication or disclosure of an invention, in which the Government does not have a property interest, might, in the opinion of the Commissioner, be detrimental to the national security, he shall make the application for patent in which such invention is disclosed available for inspection to the Atomic Energy Commission, the Secretary of Defense, and the chief officer of any other department or agency of the Government designated by the President as a defense agency of the United States.

"(c) Each individual to whom the application is disclosed shall sign a dated acknowledgment thereof, which acknowledgment shall be entered in the file of the application. If, in the opinion of the Atomic Energy Commission, the Secretary of Defense, or the chief officer of another department or agency so designated, the publication or disclosure of the invention by the granting of a patent therefor would be detrimental to the national security, the Atomic Energy Commission, the Secretary of a defense department, or such other chief officer shall notify the Commissioner and the Commissioner shall order that the invention be kept secret and shall withhold the grant of a patent for such period as the national interest requires, and notify the applicant thereof. Upon proper showing by the head of the department or agency who caused the secrecy order to be issued that the examination of the application might jeopardize the national interest, the Commissioner shall thereupon maintain the application in a sealed condition and notify the applicant thereof. The owner of an application which has been placed under a secrecy order shall have a right to appeal from the order to the Secretary of Commerce under rules prescribed by him.

"(d) An invention shall not be ordered kept secret and publication or the grant of a patent withheld for a period of more than one year. The Commissioner shall renew the order at the end thereof, or at the end of any renewal period, for additional periods of one year upon notification by the head of the department or the chief officer of the agency who caused the order to be issued that an affirmative determination has been made that the national interest continues so to require. An order in effect, or issued, during a time when the United States is at war, shall remain in effect for the duration of hostilities and one year following cessation of hostilities. An order in effect, or issued, during a national emergency declared by the President shall remain in effect for the duration of the national emergency and six months thereafter. The Commission may rescind any order upon notification by the heads of the departments and the chief officers of the agencies who caused the order to be issued that the publication or disclosure of the invention is no longer deemed detrimental to the national security.

"§ 182. Forfeiture of the right to a patent for unauthorized disclosure

"The right to a patent for the invention disclosed in an application for patent subject to an order made pursuant to section 181 of this title may be held forfeited upon its being established by the Commissioner that in violation of said order the invention has been published or disclosed or that an application for a patent therefor has been filed in a foreign country by the inventor, his successors, assigns, or legal representatives, or anyone in privity with him or them, without the consent of the Commissioner. The forefeiture shall be held to have occurred as of the time of violation. The consent of the Commissioner shall not be given without the concurrence of the heads of the departments and the chief officers of the agencies who caused the order to be issued. A holding of forfeiture shall constitute forefeiture by the applicant, his successors, assigns, or legal representatives, or anyone in privity with him or them, of all claims against the United States based upon such invention.

"§ 7183. Right to compensation

"(a) An applicant, his successors, assigns, or legal representatives, whose patent is withheld as herein provided, shall have the right, beginning at the date the applicant is notified that, except for such order, his application is otherwise in condition for allowance, or February 1, 1952, whichever is later and ending six years after a patent is issued thereon to apply to the head of any department or agency who caused the order to be issued for compensation for the damage caused by the order of secrecy and/or for the use of the invention by the Government, resulting from his disclosure. The right to compensation for use shall begin on the date of the first use of the invention by the Government. The head of the department or agency is authorized, upon the presentation of a claim, to enter into an agreement with the applicant, his successors, assigns, or legal representatives, in full settlement for the damage and/or use. This settlement agreement shall be conclusive for all purposes notwithstanding any other provision of law to the contrary. If full settlement of the claim cannot be effected, the head of the department or agency may award and pay to such applicant, his successors, assigns, or legal representatives, a sum not exceeding 75 per centum of the sum which the head of the department or agency considers just compensation for the damage and/or use. A claimant may bring suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such claimant is a resident for an amount which when added to the award shall constitute just compensation for the damage and/or use of the invention by the Government.

"(b) The owner of any patent issued upon an application that was subject to a secrecy order issued pursuant to section 181 of this title, who did not apply for compensation as above provided, shall have the right, after the date of issuance of such patent, to bring suit in the Court of Claims for just compensation for the damage caused by reason of the order of secrecy and/or use by the Government of the invention resulting from his disclosure. The right to compensation for use shall begin on the date of the first use of the invention by the Government. In a suit under the provisions of this section the United States may avail itself of all defenses it may plead in an action under section 1498 of title 28. This section shall not confer a right of action on anyone or his successors, assigns, or legal representatives who, while in the full-time employment or service of the United States, discovered, invented or developed the invention on which the claim is based. A patentee receiving a settlement of his claim for damages caused by reason of an order of secrecy by the Court of Claims shall be required to disclaim the terminal portion of the patent term equal in duration to any extension granted under the provisions of section 154(c) of this title.

"§ 184. Filing of application in foreign country

"(a) Except when authorized by a license obtained from the Commissioner a person shall not file or cause or authorize to be filed in any foreign country prior to six months after filing in the United States an application for patent or inventor's certificate or for the registration of a utility model, industrial design, or model in respect of an invention made in this country. A license shall not be granted with respect to an invention subject to an order issued by the Commissioner pursuant to section 181 of this title without the concurrence of the head of the departments and the chief officers of the agencies who caused the order to be issued. The license may be granted retroactively where an application has been inadvertently filed abroad and the application does not disclose an invention within the scope of section 181 of this title.

"(b) The term 'application' when used in this chapter includes applications and any modifications, amendments, or supplements thereto, or divisions thereof.

"(c) No license shall be required subsequent to the filing of a foreign application for any modifications, amendments, or supplements to that foreign application, or divisions thereof, which do not alter the nature of the invention originally disclosed, which are within the scope of the subject matter originally disclosed, and where the filing of the foreign application originally complied with the provisions of this section, unless the applicant has been notified by the Commissioner that a specific license is required for filing such papers in connection with any application.

"§ 185. Patent barred for filing without license

"Notwithstanding any other provisions of law any person, and his successors, assigns, or legal representatives, shall not receive a United States patent for an invention if that person, or his successors, assigns, or legal representatives shall, without procuring the license prescribed in section 184 of this title, have made, or consented to or assisted another's making, application in a foreign country for a patent or inventor's certificate or for the registration of a utility model, industrial design, or model in respect of the invention. A United States patent issued to such a person, his successors, assigns, or legal representatives shall be invalid.

"§ 186. Penalty

"Whoever, during the period or periods of time an invention has been ordered to be kept secret and the grant of a patent thereon withheld pursuant to section 181 of this title, shall, with knowledge of such order and without due authorization, wilfully publish or disclose or authorize or cause to be published or disclosed the invention, or material information with respect thereto, or whoever, in violation of the provisions of section 184 of this title, shall file or cause or authorize to be filed in any foreign country an application for patent or inventor's certificate or for the registration of a utility model, industrial design, or model in respect of any invention made in the United States, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than two years, or both.

"§ 187. Nonapplicability to certain persons

"The prohibitions and penalties of this chapter shall not apply to any officer or agent of the United States acting within the scope of his authority, nor to any person acting upon his written instructions or permission.

"§ 188. Rules and regulations, delegation of power

"The Atomic Energy Commission, the Secretary of a defense department, the chief officer of any other department or agency of the Government designated by the President as a defense agency of the United States, and the Secretary of Commerce, may separately issue rules and regulations to enable the respective department or agency to carry out the provisions of this chapter, and may delegate any power conferred by this chapter.

"PART III— PATENTS AND PROTECTION OF PATENT RIGHTS

"Chapter	Sec.
"25. AMENDMENT AND CORRECTION OF PATENTS	251
"26. OWNERSHIP AND ASSIGNMENT	261
"27. GOVERNMENT INTERESTS IN PATENTS	266
"28. INFRINGEMENT OF PATENTS	271
"29. REMEDIES FOR INFRINGEMENT OF PATENT AND OTHER ACTIONS	281

"Chapter 25.—AMENDMENT AND CORRECTION OF PATENTS

"Sec.
"251. Reissue of defective patents.
"252. Effect of reissue.
"253. Disclaimer.
"254. Certificate of correction of Office mistake.
"255. Certificate of correction of applicant's mistake.
"256. Correction of named inventor.
"257. Certificate for change in status of claims.

"§ 251. Reissue of defective patents

"(a) Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent or by reason of failure to cite or adequately distinguish previously uncited prior art, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

"(b) The Commissioner may issue several reissued patents for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued patents.

"(c) The provisions of this title relating to applications for patent shall be applicable to applications for reissue of a patent, except that the oath of the applicant prescribed by section 115 shall not be required if the application does not seek to enlarge the scope of the claims of the original patent.

"(d) No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within one year from the grant of the original patent.

"§ 252. Effect of reissue

"(a) The surrender of the original patent shall take effect upon the issue of the reissued patent, and every reissued patent shall have the same effect and operation in law, on the trial of actions for causes thereafter arising, as if the same had been originally granted in such amended form, but in so far as the claims of the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are identical with the original patent, shall constitute a continuation thereof and have effect continuously from the date of the original patent, subject to the provisions of section 152 of this title and subsection (b) of this section.

"(b) No reissued patent shall abridge or affect the right of any person or his successors in business who made, purchased or used prior to the grant of a reissue anything patented by the reissued patent, to continue the use of, or to sell to others to be used or sold, the specific thing so made, purchased or used, unless the making, using or selling of such thing infringes a valid claim of the reissued patent which was in the original patent. The court before which such matter is in question may provide for the continued manufacture, use or sale of the thing made, purchased or used as specified, or for the manufacture, use or sale of which substantial preparation was made before the grant of the reissue, and it may also provide for the continued practice of any process patented by the reissue, practiced, or for the practice of which substantial preparation was made, prior to the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.

"§ 253. Disclaimer

"(a) Whenever, without any deceptive intention, a claim of a patent is invalid the remaining claims shall not thereby be rendered invalid. A patentee, whether of the whole or any sectional interest therein, may, on payment of the fee required by law, make disclaimer of any complete claim, stating therein the extent of his interest in such patent. Such disclaimer shall be in writing and recorded in the Office; and it shall thereafter be considered as part of the original patent to the extent of the interest possessed by the disclaimant and by those claiming under him.

"(b) In like manner any patentee or applicant may disclaim or dedicate to the public the entire term, or any terminal part of the term, of the patent granted or to be granted.

"§ 254. Certificate of correction of Office mistake

"Whenever a mistake in a patent, incurred through the fault of the Office, is clearly disclosed by the records of the Office, the Commissioner may issue a certificate of correction stating the fact and nature of such mistake, under seal, without charge, to be recorded in the records of patents. A printed copy thereof shall be attached to each printed copy of the patent, and such certificate shall be considered as part of the original patent. Every such patent, together with such certificate, shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form. The Commissioner may issue a corrected patent without charge in lieu of and with like effect as a certificate of correction.

"§ 255. Certificate of correction of applicant's mistake

"Whenever a mistake of a clerical or typographical nature, or of minor character, which was not the fault of the Office, appears in a patent and a showing has been made that such mistake occurred in good faith, the Commissioner may, upon payment of the required fee, issue a certificate of correction, if the correction does not involve such changes in the patent as would constitute new matter or would require re-examination. Such patent, together with the certificate, shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form.

"§ 256. Correction of named inventor

"An error in the naming of an inventor in either a sole or joint application for patent, without deceptive intent, shall not affect validity of a patent and may be corrected at any time by the Commissioner in accordance with regulations established by him or upon order of a Federal court before which the matter is called in question. Upon such correction, the Commissioner shall issue a certificate of correction.

"§ 257. Certificate for change in status of claims

"(a) When any claim in a patent is allowed subsequent to the issuance of the patent under section 155 of this title, the Commissioner shall issue a certificate stating the fact, under seal, without charge, to be recorded in the record of the patent and shall publish a notice thereof in the Official Gazette. Such certificate shall be considered as part of the original patent, and a copy of the certificate shall be attached to each copy of the patent thereafter distributed by the Office. Upon the issuance of such certificate, such claim shall constitute a claim of the patent which shall have the force and effect specified in section 154 of this title with respect to actions for causes thereafter arising.

"(b) Upon the termination of proceedings on any patent issued pursuant to section 155 of this title, the Commissioner shall attach a certificate to subsequently distributed copies of the patent and publish in the Official Gazette a notice of the final disposition of all claims in the patent which were not allowed at the time such patent was granted.

"Chapter 26.—OWNERSHIP AND ASSIGNMENT

"Sec.
"261. Ownership; assignment.
"262. Joint owners.

"§ 261. Ownership; assignment

"(a) Subject to the provisions of this title, patents shall have the attributes of personal property.

"(b) Applications for patent, patents, or any interest therein, shall be assignable in law by an instrument in writing. The applicant, patentee, or his assigns or legal representatives may in like manner grant and convey an exclusive right under his application for patent, or patents, to the whole or any specified part of the United States.

"(c) A certificate of ackowledgment under the hand and official seal of a person authorized to administer oaths within the United States, or, in a foreign country, of a diplomatic or consular officer of the United States or an officer authorized to administer oaths whose authority is proved by a certificate of a diplomatic or consular officer of the United States, shall be prima facie evidence of the execution of an assignment, grant or conveyance of a patent or application for patent.

"(d) An assignment, grant or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Office within three months from its date or prior to the date of such subsequent purchase or mortgage.

"§ 262. Joint owners

"In the absence of any agreement to the contrary, each of the joint owners of a patent may make, use or sell the patented invention without the consent of and without accounting to the other owners.

"Chapter 27.—GOVERNMENT INTEREST IN PATENTS

"Sec.
"266. [Repealed.]
"267. Time for taking action in Government applications.

"§ 267. Time for taking action in Government applications

"Notwithstanding the provisions of sections 133 and 151 of this title, the Commissioner may extend the time for taking any action to three years, when an application has become the property of the United States and the head of the appropriate department or agency of the Government has certified to the Commissioner that the invention disclosed therein is important to the armament or defense of the United States.

"Chapter 28.—INFRINGEMENT OF PATENTS

"Sec.
"271. Infringement of patent.
"272. Temporary presence in the United States.

"§ 271. Infringement of patent

"(a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.

"(b) Whoever, without authority, imports into the United States a product made in another country by a process patented in the United States shall be liable as an infringer.

"(c) Whoever actively induces infringement of a patent shall be liable as an infringer.

"(d) Whoever sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

"(e) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized another to perform acts which if performed without his consent would constitute contributory infringement of the patent; (3) sought to enforce his patent rights against infringement or contributory infringement.

"(f) Whenever a licensee under a patent licensing arrangement asserts in appropriate proceedings the invalidity of any patent or of any claim of any patent included in such arrangement—

"(1) the action in which such invalidity is asserted, if then pending in a state court, shall be removed to the district court of the United States for the district embracing the place where such action is pending, and

"(2) the licensor shall, with respect to such patent or to such claim of such patent, have the option of terminating such arrangement: *Provided, however,* That if any such arrangement is so terminated with respect to less than all of the patents or claims so licensed, and the arrangement itself does not provide for, or the parties thereto are unable, within such time as the court may determine to be reasonable, to agree upon the consideration to be paid for the license under the remaining patents or claims, the court in which the invalidity is asserted shall determine a reasonable consideration to be paid for the patents or claims not terminated: *Provided further,* That such termination shall not relieve the licensee of liabilities accrued for the period prior to such termination. Agreement in such a patent licensing arrangement not to contest the validity of any licensed claim or patent shall neither prevent a licensee from asserting invalidity under this subsection nor serve as the basis for the finding of a misuse or illegal extension of the patent right.

"(g) No assignor of a patent shall directly or indirectly contest the validity of the patent which he has assigned unless he first offers to restore to the owner of the patent, or for his benefit, the consideration paid by such owner for the patent, or an amount determined by the court to equal the value of such payment. Such restoration must be made regardless of the outcome of the contest, and the court shall provide therefor in its judgment or other final determination, if not previously paid. An assignor proceeding under this subsection shall be precluded from asserting any ground for invalidity known or reasonably available to him at the time his assignment of the patent was made.

"§ 272. Temporary presence in the United States

"The use of any invention in any vessel, aircraft or vehicle of any country which affords similar privileges to vessels, aircraft or vehicles of the United States, entering the United States temporarily or accidentally, shall not constitute infringement of any patent, if the invention is used exclusively for the needs of the vessel, aircraft or vehicle and is not sold in or used for the manufacture of anything to be sold in or exported from the United States.

"Chapter 29.—REMEDIES FOR INFRINGEMENT OF PATENT, AND OTHER ACTIONS

"Sec.
"281. Remedy for infringement of patent.
"282. Presumption of validity; defenses.
"283. Injunction.
"284. Damages.
"285. Attorney fees.
"286. Time limitation on damages.
"287. Limitation on damages; marking and notice.
"288. Action for infringement of a patent containing an invalid claim.
"289. Additional remedy for infringement of design patent.
"290. Notice of patent suits.
"291. Interfering patents.
"292. False marking.
"293. Nonresident patentee, service and notice.
"294. Arbitration.

"§ 281. Remedy for infringement of patent

"A patentee shall have remedy by civil action for infringement of his patent.

"§ 282. Presumption of validity; defenses

"(a) A patent shall be presumed valid. Each claim of a patent (whether in independent or dependent form) shall be presumed valid independently of the validity of other claims; dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting it. A party challenging the validity of a patent under this title has the burden of establishing invalidity of the claimed invention by clear and convincing evidence.

"(b) The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded—

"(1) noninfringement, absence or liability for infringement, or unenforceability,

"(2) invalidity of the patent or any claim in suit on any ground specified in part II of this title except that based upon prior art cited under provisions of chapter 31, which shall be considered only after said prior art has been considered by the office under the provisions of said chapter as a condition for patentability: *Provided, however,* That the validity of a patent may not be questioned solely because of the existence of two or more patents where said patents will expire on the same date as a result of filing on the same date or as a result of a terminal disclaimer pursuant to section 253 of this title, so long as the right to sue for infringement of said patents is maintained in the same legal entity,

"(3) invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112 or 251 of this title,

"(4) any other fact or act made a defense by this title.

"(c) In actions involving the validity or infringement of a patent the party asserting notice in the pleadings or otherwise in writing to the adverse party at least thirty days before the trial, of the country, number, date, and name of the patentee of any patent, the title, date, and page numbers of any publication to be relied upon as anticipation of the patent in suit or, except in actions in the United States Court of Claims, as showing the state of the art, and the name and address of any person who may be relied upon as the prior inventor or as having prior knowledge of or as having previously used or offered for sale the invention of the patent in suit. In the absence of such notice proof of the said matters may not be made at the trial except on such terms as the court requires.

"§ 283. Injunction

"The several courts having jurisdiction of cases under this title may grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by patent, on such terms as the court deems reasonable.

"§ 284. Damages

"(a) Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.

"(b) When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages up to three times the amount found or assessed.

"(c) The court may receive expert testimony as an aid to the determination of damages or of what royalty would be reasonable under the circumstances.

"§ 285. Attorney fees

"The court in exceptional cases may award reasonable attorney fees to the prevailing party.

"§ 286. Time limitation on damages

"(a) Except as otherwise provided by law, no recovery shall be had for any infringement committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action.

"(b) In the case of claims against the United States Government for use of a patented invention, the period before bringing suit, up to six years, between the date of receipt of a written claim for compensation by the department or agency of the Government having authority to settle such claim, and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the period referred to in the preceding paragraph.

"§ 287. Limitation on damages; marking and notice

"Patentees, and persons making or selling any patented article for or under them, may give notice to the public that the same is patented, either by fixing thereon the word 'patent' or the abbreviation 'pat.', together with the number of the patent, or when, from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.

"§ 288. Action for infringement of a patent containing an invalid claim

"Whenever, without deceptive intention, a claim of a patient is invalid, an action may be maintained for the infringement of a claim of the patent which may be valid.

"§ 289. Additional remedy for infringement of design patent

"(a) Whoever during the term of a patent for a design, without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than $250, recoverable in any United States district court having jurisdiction of the parties.

"(b) Nothing in this section shall prevent, lessen, or impeach any other remedy which an owner of an infringed patent has under the provisions of this title, but he shall not twice recover the profit made from the infringement.

"§ 290. Notice of patent suits

"The clerk of a court of the United States, within one month after the filing of an action under this title shall give notice thereof in writing to the Commissioner, setting forth so far as known the names and addresses of the parties, name of the inventor, and the designating number of the patent upon which the action has been brought. If any other patent is subsequently included in the action the clerk of the court shall give like notice thereof. Within one month after the decision is rendered or a judgment issued the clerk of the court shall give notice to the Commissioner. The Commissioner shall, on receipt of such notices, enter the same in the file of such patent.

"§ 291. Priority of invention between patentees

"(a) Whenever there are two patents naming different inventors and claiming the same or substantially the same subject matter, the owner of one of the patents may have relief against the owner of the other by civil action, and the court may adjudge the question of the validity of any of such patents, in whole or in part. A final judgment in such action adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Patent Office.

"(b) Such suit may be instituted against the party in interest as shown by the records of the Office, but any party in interest may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same state, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs. The Commissioner shall not be made a party, but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene.

"§ 292. False marking

"(a) Whoever, without the consent of the patentee, marks upon, or affixes to, or uses in advertising in connection with anything made, used, or sold by him, the name or any imitation of the name of the patentee, the patent number, or the words 'patent', 'patentee', or the like, with the intent of counterfeiting or imitating the mark of the patentee, or of deceiving the public and inducing them to believe that the thing was made or sold by or with the consent of the patentee; or

"(b) Whoever marks upon, or affixes to, or uses in advertising in connection with any unpatented article, the word 'patent' or any word or number importing that the same is patented, for the purpose of deceiving the public; or

"(c) Whoever marks upon, or affixes to, or uses in advertising in connection with any article, the words 'patent applied for', 'patent pending', or any word importing that an application for patent has been made, when no application for patent has been made, or if made, is not pending, for the purpose of deceiving the public—

Shall be fined not more than $500 for every such offense.

"(d) Any person may sue for the penalty, in which event one-half shall go to the person suing and the other to the use of the United States.

"§ 293. Nonresident patentee; service and notice

"Every patentee not residing in the United States may file in the Office a written designation stating the name and address of a person residing within the United States on whom may be served process or notice of proceedings affecting the patent or rights thereunder. If the person designated cannot be found at the address given in the last designation, or if no person has been designated, the United States District Court for the District of Columbia shall have jurisdiction and summons shall be served by publication or otherwise as the court directs. The court shall have the same jurisdiction to take any action respecting the patent or rights thereunder that it would have if the patentee were personally within the jurisdiction of the court.

"§ 294. Arbitration

"(a) A written provision in any agreement or contract to settle by arbitration any controversy thereafter arising out of such contract or agreement in respect to the infringement or validity of any patent involved in said contract or agreement, or an agreement in writing to settle by arbitration an existing controversy in respect to the infringement or validity of any patent involved in said contract or agreement, or an agreement in writing to settle by arbitration an existing controversy in respect to the infringement or validity of any patent, shall be valid, irrevocable, and enforceable, except for any grounds as exist at law or in equity for the revocation of any contract. Arbitration of such controversies, awards, and confirmation of awards shall be governed by title 9, United States Code. In any such arbitration, the defenses provided for under section 282 of this title shall be considered by the arbitrator.

"(b) The parties to an existing dispute as to patent validity or infringement may, after such dispute has arisen, agree in writing to settle such dispute by arbitration, and such agreement shall be valid, irrevocable, and enforceable, except for any grounds as exist at law or in equity for revocation of any contract.

"(c) Within two months after the award is rendered, the patentee shall give notice thereof in writing to the Commissioner and to the clerk of the district court of the United States for the district and division embracing the place where the arbitration proceeding was conducted. There shall be a separate notice prepared for each patent involved in such proceeding. Such notice shall set forth the names and addresses of the parties, the name of the inventor, and the name of the patent owner, shall designate the number of the patent, shall contain a copy of the award, and shall contain a copy of all submissions to the arbitrator concerning the validity of the patent. The Commissioner shall, upon receipt of such notice, enter the same in the record of the prosecution of such patent.

"(d) Any party to the arbitration proceeding may designate those portions of an award or submission contained in the notice required under subsection (c) of this section that he deems to relate to a trade secret or other confidential research, development, or commercial information belonging to and of substantial value to him. Upon a verified showing of good cause, such designated information shall be kept separate from the file of the patent, and made available only to government agencies on written request to and approval by the Attorney General.

"Chapter 30.—PRESERVATION OF OTHER RIGHTS

"§ 301. Preservation of other rights; nonpreemption

"This title shall not be construed to preempt rights or obligations not arising by operation of this title, whether arising by operation of state or Federal law of contracts, of confidential or proprietary information, of trade secrets, or of unfair competition.

"Chapter 31.—PRIOR ART CITATIONS TO PATENT OFFICE AND REEXAMINATION OF PATENTS

"§ 311. Rules Established by Commissioner of Patents

"The Commission shall establish rules and regulations for the citation to the Office of prior art patents or publications, pertinent to the validiy of patents, and for the reexamination of patents in the light of such prior art.

"§ 312. Citation of art

"Any person may, at any time within the period of enforceability of a patent, cite to the Office prior patent or publications which may have a bearing on the patentability of any claim of the patent, provided that the person citing such prior art identifies in writing the part(s) of the same considered pertinent and the manner of applying the same to at least one claim of the patent. The writing identifying and applying the same shall become a part of the official file of the patent. The identity of the person citing the prior art will be excluded from such file upon his request to remain anonymous.

"§ 313. Request for examination

"Any person may, at any time within the period of enforceability of a patent, request reexamination of the patent as to the patentability of any claim thereof in the light of any prior art cited under the provisions of section 312 of this chapter, by filing in the Office a written request for such reexamination accompanied by a reexamination fee prescribed according to this title and by a statement of the relation of such prior art to the patentability of the claim or claims involved. Unless the requesting person is the patentee, the Commissioner shall promptly send a copy of such request and statement to the owner of the patent appearing from the records of the Office at the time of the filing of the request.

"§ 314. Determination of issue by Commissioner of Patents

"(a) Within ninety days following the filing of a request for reexamination under section 313 of this chapter the Commissioner shall make a determination as to whether a substantial new question of patentability affecting any claim of the patent concerned, not previously considered in examination or reexamination of such claim, is raised by the consideration, with or without any other prior art, of the prior art which has been cited in relation to the patent according to section 312 of this chapter. The Commissioner on his own initiative may make such a determination at any time.

"(b) A record of the Commissioner's determination under paragraph (a) of this section shall be made in the file of the patent, and a copy of it sent promptly to the owner of the patent.

"(c) A determination by the Commissioner pursuant to paragraph (a) of this section that such a new question of patentability is not so raised shall be final and nonappealable.

"§ 315. Reexamination ordered by Commissioner of Patents

"If, in a determination made pursuant to paragraph (a) of section 314, the Commissioner finds that a substantial new question of patentability affecting a claim or claims of the patent is raised by consideration of the patents and publications that have been cited in relation to the patent according to section 312 of this chapter, he shall order a reexamination of the patent for the resolution of the question, and shall proceed to resolve it in accordance with sections 131, 132, 133, and any other pertinent section of this title, as though the claim or claims involved were present in a pending application. The patent owner shall be given a reasonable period, not less than two months, after the filing of the reexamination order within which he may file a statement on such question for consideration in the reexamination. Any reexamination proceeding under this section shall be conducted with special dispatch within the Office.

"§ 316. Response or amendment by patent owner

"The patent owner shall be provided an opportunity in any reexamination proceeding under this chapter to amend any claim of his patent in order to distinguish the claim from prior art cited according to section 312 of this chapter, or in response to a decision adverse to the patentability of the claim, but no amendment enlarging the scope of a claim shall be permitted in a reexamination proceeding under this chapter.

"§ 317. Appeals

"The owner of a patent involved in a reexamination proceeding under this chapter may appeal in accordance with section 134, sections 141 through 145 or other pertinent section of this title from a final decision in such proceeding adverse to the patentability of any claim, or amended claim, of the patent.

"§ 318. Certificate of patentability; unpatentability and claim cancellation

"When in a reexamination proceeding under this chapter the time for appeal has expired or any appeal proceeding has terminated, the Commissioner shall issue and publish a certificate cancelling any claim of the patent finally determined in such proceeding or on appeal therein to be unpatentable, confirming any claim of the patent so determined to be patentable, and incorporating in the patent any amended claim thereof so determined to be patentable.

"§ 319. Reliance on art in court only after Office review

"No patent or (printed) publication may be relied upon as evidence of nonpatentability in a civil action involving an issue of validity or infringement of a patent unless the patent or publication was cited by or to the Office during prosecution of the application for the patent or was submitted for consideration by the Office in accordance with sections 312 and 313 of this chapter and was actually considered in accordance with section 314. The limitation provided by this section shall apply in any civil action in which a pleading presents a claim for infringement or for adjudication of the validity of a patent, upon the basis of the contents of the patent file as it existed on the date of the filing of such pleading, excepting that a party may rely upon a patent or publication cited later, and upon the final determination had on a request for reexamination in the light of such patent or publication, if such patent or publication was cited and such request was filed in the Office within the period of a stay ordered by the court in accordance with section 320 of this chapter.

"§ 320. Stay of court proceedings to permit Office review

"(a) Any party to a civil action against whom a pleading presents a claim for infringement or for adjudication of the validity of a patent shall have the right, by motion brought before any responsive pleading, to secure a stay of all proceedings in the action by order of the court for a period, not less than four months, sufficient to enable such party to search for and cite patents or publications considered pertinent to the patent and to request reexamination of the patent in view of such prior art according to sections 312 and 313 of this chapter. If such party files a request for such reexamination in the Office and serves and files a copy of it in the action within the period of the stay provided by such order, the stay shall be extended by further order of the court until at least twenty days after the final determination of the request for reexamination.

"(b) The court, on motion and upon such terms as are just, may at any time stay the proceedings in a civil action in which the validity of a patent is in issue for a period sufficient to enable the moving party to cite to the Office newly discovered additional prior art in the nature of patents or (printed) publications and to secure final determination of a request for reexamination of the patent in the light of such additional prior art, provided the court finds that such additional prior art, in fact, constitutes newly discovered evidence which by due diligence could not have been discovered in time to be cited to and considered by the Office within the period of a stay of such proceedings that was or could have been secured according to subsection (a) of this section.

"§ 321. Dismissal of complaint

"The party or parties whose complaint commencing a civil action presents a claim for infringement or for adjudication of the validity of a patent shall have the right, by notice served upon the other party or parties and filed in the action at any time within the period of a stay ordered by the court pursuant to section 320 of this chapter, to dismiss such complaint without prejudice and without costs to any party.

"PART IV—PATENT COOPERATION TREATY

"Chapter 35.—DEFINITIONS

"Sec.
"351. Definitions.

"§ 351. Definitions

"When used in this part unless the context otherwise indicates—

"(a) The term 'treaty' means the Patent Cooperation Treaty done at Washington, on June 19, 1970, excluding chapter II thereof.

"(b) The term 'Regulations', when capitalized, means the Regulations under the treaty excluding part C thereof, done at Washington on the same date as the treaty. The term 'regulations,' when not capitalized, means the regulations established by the Commissioner under this title.

"(c) The term 'international application' means an application filed under the treaty.

"(d) The term 'international application originating in the United States', means an international application filed in the Office when it is acting as a Receiving Office under the treaty, irrespective of whether or not the United States has been designated in that international application.

"(e) The term 'international application designating the United States' means an international application specifying the United States as a country in which a patent is sought regardless where such international application is filed.

"(f) The term 'Receiving Office' means a national patent office or intergovernmental organization which receives and processes international applications as prescribed by the treaty and the Regulations.

"(g) The term 'International Searching Authority' means a national patent office or intergovernmental organization as appointed under the treaty which processes international applications as prescribed by the treaty and the Regulations.

"(h) The term 'International Bureau' means the international intergovernmental organization which is recognized as the coordinating body under the treaty and the Regulations.

"(i) Terms and expressions not defined in this part are to be taken in the sense indicated by the treaty and the Regulations.

"Chapter 36.—INTERNATIONAL STAGE

"Sec.
"361. Receiving Office.
"362. International Searching Authority.
"363. International application designating the United States: Effect.
"364. International stage: Procedure.
"365. Right of priority; benefit of the filing date of a prior application.
"366. Withdrawn international application.
"367. Actions of other authorities: Review.
"368. Secrecy of certain inventions; filing international applications in foreign countries.

"§ 361. Receiving Office.

"(a) The Office shall act as a Receiving Office for international applications filed by nationals or residents of the United States. In accordance with any agreement made between the United States and another country, the Office may also act as a Receiving Office for international applications filed by residents or nationals of such country who are entitled to file international applications.

"(b) The Office shall perform all acts connected with the discharge of duties required of a Receiving Office, including the collection of international fees and their transmittal to the International Bureau.

"(c) International applications filed in the Office shall be in the English language.

"(d) The basic fee portion of the international fee, and the transmittal and search fees prescribed under section 376(a) of this part, shall be paid on filing of an international application. Payment of designation fees may be made on filing and shall be made not later than one year from the priority date of the international application.

"§ 362. International Searching Authority

"The Office may act as an International Searching Authority with respect to international applications in accordance with the terms and conditions of an agreement which may be concluded with the International Bureau.

"§ 363. International application designating the United States: Effect

"An international application designating the United States shall have the effect, from its international filing date under article 11 of the treaty, of a national application for patent regularly filed in the Office.

"§ 364. International stage: Procedure

"(a) International applications shall be processed by the Office when acting as a Receiving Office or International Searching Authority, or both, in accordance with the applicable provisions of the treaty, the Regulations, and this title.

"(b) An applicant's failure to act within prescribed time limits in connection with requirements pertaining to a pending international application may be excused upon a showing satisfactory to the Commissioner of unavoidable delay, to the extent not precluded by the treaty and the Regulations, and provided the conditions imposed by the treaty and the Regulations regarding the excuse of such failure to act are complied with.

"§ 365. Right of priority; benefit of the filing date of a prior application

"(a) In accordance with the conditions and requirements of section 119 of this title, a national application shall be entitled to the right of priority based on a prior filed international application which designated at least one country other than the United States.

"(a) In accordance with the conditions and requirement of the first paragraph of section 119 of this title and the treaty and the Regulations, an international application designating the United States shall be entitled to the right of priority based on a prior foreign application, or a prior international application designating at least one country other than the United States.

"(c) In accordance with the conditions and requirements of section 120 of this title, an international application designating the United States shall be entitled to the benefit of the filing date of a prior national application or a prior international application designating the United States, and a national application shall be entitled to the benefit of the filing date of a prior international application designating the United States. If any claim for the benefit of an earlier filing date is based on a prior international application which designated but did not originate in the United States, the Commissioner may require the filing in the Patent Office of a certified copy of such application together with a translation thereof into the English language, if it was filed in another language.

"§ 366. Withdrawn international application

"Subject to section 367 of this part, if an international application designating the United States is withdrawn or considered withdrawn, either generally or as to the United States, under the conditions of the treaty and the Regulations, before the applicant has complied with the applicable requirements prescribed by section 371(c) of this part, the designation of the United States shall have no effect and shall be considered as not having been made. However, such international application may serve as the basis for a claim of priority under section 365 (a) and (b) of this part, if it designated a country other than the United States.

"§ 367. Actions of other authorities: Review

"(a) Where a Receiving Office other than the Patent and Trademark Office has refused to accord an international filing date to an international application designating the United States or where it has held such application to be withdrawn either generally or as to the United States, the applicant may request review of the matter by the Commissioner, on compliance with the requirements of and within the time limits specified by the treaty and the Regulations. Such review may result in a determination that such application be considered as pending in the national stage.

"(b) The review under subsection (a) of this section, subject to the same requirements and conditions, may also be requested in those instances where an international application designating the United States is considered withdrawn due to a finding by the International Bureau under article 12(3) of the treaty.

"§ 368. Secrecy of certain inventions; filing international applications in foreign countries

"(a) International applications filed in the Office shall be subject to the provisions of chapter 17 of this title.

"(b) In accordance with article 27(8) of the treaty, the filing of an international application in a country other than the United States on the invention made in this country shall be considered to constitute the filing of an application in a foreign country within the meaning of chapter 17 of this title, whether or not the United States is designated in that international application.

"(c) If a license to file in a foreign country is refused or if an international application is ordered to be kept secret and a permit refused, the Office when acting as a Receiving Office or International Searching Authority, or both, may not disclose the contents of such application to anyone not authorized to receive such disclosure.

"Chapter 37.—NATIONAL STAGE

"Sec.
"371. National stage: Commencement.
"372. National stage: Requirements and procedure.
"373. Improper applicant.
"374. Publication of international application: Effect.
"375. Patent issued on international application: Effect.
"376. Fees.

"§ 371. National stage: Commencement

"(a) Receipt from the International Bureau of copies of international applications with amendments to the claims, if any, and international search reports is required in the case of all international applications designating the United States, except those filed in the Office.

"(b) Subject to subsection (f) of this section, the national stage shall commence with the expiration of the applicable time limit under article 22(1) or (2) of the treaty, at which time the applicant shall have complied with the applicable requirements specified in subsection (c) of this section.

"(c) The applicant shall file in the Office—

"(1) the national fee prescribed under section 376(a)(4) of this part;

"(2) a copy of the international application, unless not required under subsection (a) of this section or already received from the International Bureau, and a verified translation into the English language of the international applicaton, if it was filed in another language;

"(3) amendments, if any, to the claims in the international application, made under article 19 of the treaty, unless such amendments have been communicated to the Office by the International Bureau, and a translation into the English language of such amendments were made in another language;

"(4) a statement of the inventor (or other person authorized under chapter 11 of this title) complying with the requirements of section 115 of this title and with regulations prescribed for statements of applicants.

"(d) Failure to comply with any of the requirements of paragraph (1) to (3) of subsection (c) of this section within the time limit provided by article 22(1) or (2) of the treaty shall result in abandonment of the international application.

"(e) If the international application was signed by or on behalf of the assignee, or other successor in title, the inventor shall have the opportunity to file a ratification within thirty days from commencement of the national stage as provided in subsection (b) of this section. If such ratification is not timely filed, the procedure provided by section 111(d) of this title shall apply.

"(f) After an international application has entered the national stage, no patent may be granted or refused thereon before the expiration of the applicable time limit under article 28 of the treaty, except with the express consent of the applicant. The applicant may present amendments to the specification, claims, and drawings of the application after the national stage has commenced.

"(g) At the express request of the applicant, the national stage of processing may be commenced at any time at which the application is in order for such purpose and the applicable requirements of subsection (c) of this section have been complied with.

"§ 372. National stage: Requirements and procedure

"(a) All questions of substance and, within the scope of the requirements of the treaty and the Regulations, procedure in an international application designating the United States shall be determined as in the case of national applications regularly filed in the Office.

"(b) In case of international applications designating but not originating in, the United States—

"(1) the Commissioner may cause to be reexamined questions relating to form and contents of the application in accordance with the requirements of the treaty and the Regulations;

"(2) the Commissioner may cause the question of unity of invention to be reexamined under section 121 of this title, within the scope of the requirements of the treaty and the Regulations.

"(c) Any claim not searched in the international stage in view of a holding, found to be justified by the Commissioner upon review, that the international application did not comply with the requirement for unity of invention under the treaty and the Regulations, shall be considered canceled, unless payment of a special fee is made by the applicant. Such special fee shall be paid with respect to each claim not searched in the international stage and shall be submitted not later than one month after a notice was sent to the applicant informing him that the said holding was deemed to be justified. The payment of the special fee shall not prevent the Commissioner from requiring that the international application be restricted to one of the inventions claimed therein under section 121 of this title, and within the scope of the requirements of the treaty and the Regulations.

"§ 373. Improper applicant

"An international application designating the United States, shall not be accepted by the Office for the national stage if it was filed by anyone not qualified under chapter 11 of this title to be an applicant for the purpose of filing a national application in the United States. Such international applications shall not serve as the basis for the benefits of an earlier filing date under section 120 of this title in a subsequently filed application, but may serve as the basis for a claim of the right of priority under section 119 of this title, if the United States was not the sole country designated in such international application.

"§ 374. Publication of international application: Effect

"The publication under the treaty of an international application designating the United States shall have the same effect under this title as a published national application.

"§ 375. Patent issued on international application: Effect

"(a) A patent may be issued by the Commissioner based on an international application designating the United States, in accordance with the provisions of this title. Such patent shall have the force and effect of a patent issued on a national application filed under the provisions of chapter 11 of this title.

"(b) Where due to an incorrect translation the scope of a patent granted on an international application designating the United States, which was not originally filed in the English language, exceeds the scope of the international application in its original language, a court of competent jurisdiction may retroactively limit the scope of the patent, by declaring it unenforceable to the extent that it exceeds the scope of the international application in its original language.

"§ 376. Fees

"(a) The required payment of the international fee, which amount is specified in the Regulations, shall be paid in United States currency. The Office may also charge the following fees:

"(1) A transmittal fee (see section 361(d));

"(2) A search fee (see section 361(d));

"(3) A supplemental search fee (to be paid when required);

"(4) A national fee (see section 371(c));

"(5) A special fee (to be paid when required; see section 372(c));

"(6) Such other fees as established by the Commissioner.

"(b) The amounts of fees specified in subsection (a) of this section, except the international fee, shall be prescribed by the Commissioner. He may refund any sum paid by mistake or in excess of the fees so specified, or if required under the treaty and the Regulations. The Commissioner may also refund any part of the search fee, where he determines such refund to be warranted.".

TRANSITIONAL AND SUPPLEMENTARY PROVISIONS

SEC. 2. Section 1542 of title 28, United States Code, is amended to read as follows:

"§ 1542. Office decisions

"The Court of Customs and Patent Appeals shall have jurisdiction of appeals from decisions of:

"(1) The Board of Appeals of the Office as to patent applications and patents as provided in chapter 13 of title 35, United States Code.

"(2) The Commissioner of Patents or the Trademark Trial and Appeals Board as to trademark applications and proceedings as provided in section 1071 of title 15, United States Code.".

SEC. 3. If any provision of title 35, Patents, United States Code, as amended by this Act, or any other provision of this Act, is declared unconstitutional or is held invalid, the validity of the remaining provisions shall not be affected.

SEC. 4. (a) This Act shall take effect on the day one year after enactment. It shall apply to all applications for patent actually filed in the United States on and after this effective date, even though entitled to the benefit of an earlier filing date, and to patents issued on such applications.

(b) Applications for patent actually filed in the United States before and still pending on the effective date of this Act, and patents issued on such applications, shall be governed by the provisions of title 35, United States Code, in effect immediately prior to the effective date. Part II and part III of this Act shall apply to patents issued on or after the effective date.

(c) Part III of this Act shall apply to unexpired patents granted or applied for prior to the effective date of the Act except as otherwise provided.

(d) Section 251 of title 35 as amended by this Act shall apply to applications for reissue filed after the effective date but the conditions for patentability shall be determined under the law applicable to the original patent.

(e) Assistant Commissioners of patents and examiners-in-chief in office on the effective date of this Act shall continue in office and in accordance with their then existing appointments.

(f) Subsection (d) of section 112 of title 35 as amended by this Act shall not apply to patents issued, and applications filed, prior to the effective date of this Act. No such application shall be held incomplete, and no such patent shall be held invalid, because availability to the public of a deposit of a micro-organism recited therein was conditioned upon issuance of a United States patent reciting a deposit of said micro-organism.

(g) The amendment made by this Act to title 35, United States Code, shall not affect any rights or liabilities existing under such title as in effect immediately prior to the effective date of this Act.

(h) All functions performed by the Board of Patent Interferences shall be performed by the Board of Appeals. When performing such functions the Board of Appeals shall constitute a Board of Patent Interferences. Individuals who are members of the Board of Patent Interferences immediately prior to the effective date of this Act shall become examiners-in-chief and members of the Board of Appeals on the effective date of this Act and shall receive compensation at the same rate as provided for members of the Board of Appeals.

SEC. 5. Nothing in title 35 as amended by this Act shall affect any provision of the Atomic Energy Act of 1954, as amended, or of the National Aeronautics and Space Act, except that the functions of a Board of Patent Interferences specified in said Acts may be performed by the Board of Appeals as specified in section 7 of title 35 as amended by this Act.

SEC. 6. Section 308 of the Clean Air Amendments Act of 1970 is amended to read as follows:

"SEC. 308. If the Administrator determines that the implementation of the purposes and intent of this Act is being significantly retarded by any section of title 35 of the United States Code he shall, after consultation with the Department of Commerce, recommend to the Congress such modification of title 35, as may be necessary.".

EXHIBIT 2

LAW OFFICES, BROWDY AND NEIMARK,
Washington, D.C., September 8, 1975.

Mr. JACK ANDERSON,
Syndicated Columnist, Washington Post
Washington, D.C.

DEAR MR. ANDERSON: I read, with great disappointment, your article entitled "The Patent Lobby and the Fong Bill" which appeared in the Sunday, September 7, 1975 Washington Post. My disappointment stems from the fact that, while I have previously been an admirer of you because of your usually well researched and forthright reporting, the article in question is highly inaccurate presumably due either to a lack of adequate research or a dislike of the patent system due to a failure to understand what the patent system really is.

I will take up, point by point, the items which appear in your article which I believe to be erroneous:

(1) Implicit in the first paragraph of your article is that (1) patent lawyers use subterfuge and (2) patent lawyers are "wealthy" and presumably wish to maintain their "wealthy" status. I have been a patent lawyer since 1962 and before that was employed by the U.S. Patent Office from 1957. It has been my experience that patent lawyers are as forthright as any lawyers; they naturally advocate the position of their client as is their responsibility, but to suggest that they use "subterfuge" is unfair. While there are undoubtedly some patent lawyers who are "wealthy", most of the patent lawyers I know (and I know many) are far from being wealthy; the profession is highly competitive and most patent lawyers would earn a higher salary if they were in general practice.

(2) The second paragraph of your article implies that all patent lawyers represent giant corporations and none represent small inventors. This is patently untrue. Worse, the article implies that large companies are the prime beneficiaries of the patent system, while the converse is true. The larger corporations, like General Motors, would be very happy if there were no patent system. They can maintain their position because of their size and strength. The individual inventor and the small companies can progress only through innovation and the protection of their innovative ideas. To emasculate the patent system would be to virtually ensure the continued dominance of the larger corporations.

But the classic examples of companies started by innovating inventors who obtained the protection of the patent system are Polaroid Corporation and Xerox Corporation. If there had been no patent system there may never have been the incentive for Chester Carlsen and Edwin Land to make their inventions. Certainly, other companies which dominated the industries at the times that these inventors made their inventions would have continued their domination through the present time, had it not been for the protection afforded by the patent system.

I have seen, first hand, what the recent erosion of the patent system has done to the small inventor. I have seen the inventions of my relatively small clients effectively stolen by the large corporations because they feel, in many cases, that they can simply ignore patents because of the likelihood of having patents invalidated in court. I have heard rumor of at least one large company which has as policy ignoring the patents of inventors and taking what they want for themselves. This is the type of action which should be stopped and it can only be stopped by a strengthening of the patent system, not by its continued weakening. I repeat that the large companies, contrary to your statement, desire the death of the patent system because they have the economic power to survive in the absence of a patent system. Unfortunately, articles such as yours serve to advance the monopolistic powers of the large companies.

(3) In your fourth paragraph, you indicate that "the patent promoters . . . drafted a bill full of million-dollar loopholes." This suggests something evil, but it is not clear what type of "loopholes" you are suggesting. As far as I am aware, the bill applies equally to everyone and there is no favorite class.

(4) You criticize the complexity of the legislation. Of course, it is true that the patent legislation is complex. Patent law that already exists is complex. The attempt to draft a new bill is an attempt to codify certain portions of the law, as well as clarify other portions.

(5) The ninth paragraph of your article indicates a basic lack of understanding of what a patent is. A patent gives to its owner control over a valuable product or process only if there is no dominant patent (the grant of a patent is only an exclusionary right, and it gives no positive power to the patent owner). Furthermore, and more importantly, it must be remembered that the limited control given by the patent grant *is only for the new invention*. There is absolutely no power "to hold up the consumers" since the consumers are entirely free to utilize what was previously available. As a consumer, I am as much in favor of consumer's rights as anyone, but no patent is capable of denying to consumers something which they previously had.

In general, patents benefit the public in a number of ways. The public benefits (1) from free use of the inventions patented after the patent expires; (2) from the patent disclosure upon which others may begin to build their own newer inventions even during the patent term; (3) from the patented subject matter during the patent term (for which the owner may exact some tribute, but which tribute will only be paid by those who consider its use to be worth the price, it being again repeated that it is impossible for the patent to cover something which was previously available), and (4) from the encouragement of the development of new inventories, the incentive for which is the patent grant limited in years.

(6) Apparently other attorneys have written to you indicating that the Fong bill does not contain any antitrust exemptions. Your six point rebuttal to this involves three (the first and the last two) relating to matters which go to the motives of Senator Fong and "behind the scene moves." I cannot comment on these latter three points since I do not have the information which you have, but regardless I feel that they are irrelevant since they do not relate to the language of the bill itself.

However, with regard to the three points which do relate to the bill, I give you the following comments:

(a) As far as I am aware, the Fong bill would prohibit the sale of articles (including pharmaceutical articles) in this country made in a foreign country by a process patented in this country. This seems a needed reform since in many cases a process patent is the only way to obtain protection of an invention. Without this proposed provision, a manufacturer in a foreign country has an "anti-competitive" edge against manufacturers in the United States since he can effectively steal an innovative process patented in the United States, make use of it in a foreign country, and then sell the goods produced, in the United States, at a lower price. Why should a foreign company be given such an "anti-competitive" edge against United States manufacturers?

(b) Your second point mentions an "antitrust exemption . . . [which] would allow manufacturers to conspire together to avoid challenging each others patents." I know of no such provision in any proposed patent bill including Senator Fong's bill. I would appreciate it if you could point this out to me in Senator Fong's bill.

(c) Your third criticism of the Fong bill is that it would permit each state to set up its own patent system. Once again, I know of no provision of this type in either the Fong bill or any other proposed bill. The only thing I know of which has been proposed and which might possibly be extrapolated so far as to be considered to permit each state to set up its own patent system, is the proposal in the field of unfair competition relative to the *Sears* and *Compco* cases. But permitting each state to have some jurisdiction over unfair competition is in no sense allowing each such state to set up its own patent system. Furthermore, it has recently been written that the Supreme Court has already overridden *Sears* and *Compco* with reference to the *Kewanee Oil Co.* case (see 81 Supreme Court Review 81).

Furthermore, from an equitable viewpoint, it does not seem fair to provide blanket permission for anyone to copy what another has done without some inhibition or restriction.

(7) In the first point in your rebuttal to the arguments that the Fong bill does not permit any antitrust exemptions, you indicate that various patent law committees are "industry-dominated". As far as I am aware, both the American Patent Law Association and the Patent Law Committee of the American Bar Association are approximately equally divided between attorneys in private practice and those in the employ of corporations. It is not clear how this makes such committees industry-dominated. I am a member of both the ABA and the APLA, and I do not feel that I am industry-dominated.

(8) In the third from last paragraph of your article, you quote from a "Ford Administration expert". I do not consider the Ford Administration liberal in any sense and it would seem, from the Ford Administration's activities in other areas, that they are probig business. I sincerely believe that the Fong bill would aid the individual inventor, and that it is inaccurate to indicate that it contains a provision which is "a bias against individual inventors".

(9) In your penultimate paragraph, you again take what I consider to be an unjust swipe against patent lawyers. Patent lawyers serve both plaintiffs and defendants, individual inventors and companies to which company inventors have assigned their rights. I do not feel that there is any bias one way or another in the patent bar taken as a whole. I myself very strongly feel (contrary to the common notion) that the patent system is fully consistent with the antitrust laws in that both serve to further (rather than inhibit) competition. No patent has ever taken something out of the public domain. The incentives provided by the patent system cause new methods and new products to be introduced into competition and further stimulate even newer products and newer processes.

The founding fathers in their wisdom recognized the attributes of a patent system. Unfortunately, there is a commonly held misconception, furthered by articles such as yours, that the patent system is evil. A proper understanding of the patent system should make one realize that a strong patent system is fully in the national interest. I repeat, and strongly believe, that it is the giants of industry who gain most by the continued erosion of the patent system.

While I am sure that my views are shared by many conservatives, they are fully consistent with my liberal beliefs (I am a member of ADA, ACLU and Consumers Union as well as being a regular contributor to liberal causes). I welcome the opportunity to discuss this matter further with you or your representatives.

Sincerely,

SHERIDAN NEIMARK.

EXHIBIT 3

[Letters to the Editor, Washington Post, Sept. 25, 1975]

THE FONG PATENT BILL

The Patent, Trademark and Copyright Law Section of the Bar Association of the District of Columbia has supported the Fong patent bill which has again been attacked by Jack Anderson on grounds that we believe are without substance.

The Fong bill and the alternative proposals that Mr. Anderson does not attack contain comparable provisions with respect to protection under a patent and protection of confidential laws. The significant differences in the various proposals lie in patent prosecution and maintenance, not in the scope of protection of a valid patent.

It was our conclusion that the alternatives to the Fong bill will foreclose the patent system to all but the most affluent because of greatly increased costs in securing a patent. The result will be less innovation, less competition. A good patent in the hands of a small company is often the key to its entering and continuing in a market. Large companies are not similarly dependent.

While one could devise a wholly different method for encouraging new enterprise, we have relied upon the patent system which has proved to be the foundation for a productive society unparalleled anywhere in the world. We believe the Fong bill offers the best chance for its survival.

May we again urge The Washington Post to undertake an independent evaluation of this important legislation.

HELEN W. NIES,
Chairman, Patent, Trademark and Copyright Law Section Bar Association of the District of Columbia.
WASHINGTON.

EXHIBIT 4

[From the Washington Post, Sept. 7, 1975]

THE PATENT LOBBY AND THE FONG BILL

(By Jack Anderson)

In the backrooms of Washington, few special pleaders are skilled at subterfuge as the wealthy lawyers who comprise the patent lobby.

They pretend to speak for the small inventors, the Thomas Edisons who putter in garage workshops. But in fact, the patent attorneys represent the financial giants—the chemical combines, communications consortiums and oil corporations.

Normally, these able, articulate attorneys speak with a soft voice and operate on the inside. Their pressure is largely invisible but nonetheless potent. They compose clauses worth millions to their clients and bury the beneficial passages in complex legislation, which they palm off as essential for the salvation of the republic.

We got a rise out of this usually subdued and sophisticated lobby, however, when we exposed its latest manipulation. We told how the patent promoters had drafted a bill full of million-dollar loopholes and had inveigled Sen. Hiram Fong (R-Ha.) to try to steer it through the Senate.

The bill is so complex that few members of Congress will have the patience to study it. Indeed, the wording seems calculated to thwart opponents, first, by confounding them and then by boring them to death.

This is often the strategy in such matters as patents, insurance, taxes and banking. The smooth professionals, who represent these special interests in Washington, are experts of obfuscation. They draft legislation to benefit their clients and ensnarl it with so many whereases and wherefores that only an expert can find his way through the legislative thicket. This has the effect of a sedative on the most wide-awake watchdog.

But if the legislation itself is unfathomable, it is usually presented at congressional hearings with remarkable clarity as a matter of pressing public interest.

For example, the advocates carefully concealed the true purpose of the patent legislation, with its deceptive phrases and camouflaged clauses. We felt the public interest would be best served, however, by giving this dull, difficult bill a thorough airing.

A patent usually gives the owner total control over a valuable product or process. It can become a government license, therefore, to hold up the consumers. The Fong bill would permit great corporations to squeeze extra millions out of their patents by securing special exemptions from the antitrust laws.

We found so many loopholes in the Fong bill that we described it as "legislative Swiss cheese." This aroused the patent lobby to an uncharacteristic frenzy. The dignified Sen. Fong assailed us on the Senate floor with startling vehemence. The patent lawyers wrote vitriolic letters to our newspapers. Clearly, we had stepped on some sensitive toes.

But aside from the personal attacks upon us, the rebuttals were as tedious as the original legislation. We were tempted to drop the whole matter, therefore, as too technical to hold the interest of our readers. We suspect the patent attorneys may have counted upon this.

But because of the high stakes, we cannot in good conscience let the record stand without a response. The angry attorneys denied that Fong was a tool of the patent lobby or that his bill contained a single antitrust exemption. But here are the facts, from Fong's own files and from related documents:

A Fong memo confides that "the actual wordings (in the bill) essentially are from . . . various (industry-dominated) patent law committees, PPG (Pittsburgh Plate Glass) industries and others." The "others" include Phillips Petroleum, Westinghouse, Dow Chemical and Allis-Chalmers.

In 1971, Fong voted against a monopolistic measure which would have barred the importation of cheap, competitive foreign pharmaceuticals and many other goods. In 1975, the senator slipped this same monopolistic measure into his own bill.

Another antitrust exemption proposed by Fong would allow manufacturers to conspire together to avoid challenging each other's patents. This is the worst sort of antitrust abuse.

Still another antitrust loophole would allow the 50 states to set up their own patent systems. Because many states have pro-industry regulators, this could open the way to gross antitrust abuse. Even under Richard Nixon, the Justice Department said such a measure would "impair . . . competition (and) may be unconstitutional."

At closed-door sessions, Fong's representative, Robert Seto, also tried to block an honest patent bill. He offered 34 different amendments, some with multiple sections, thus obstructing orderly staff work. Significantly, Seto came to Fong's office from Monsanto, where he was a patent attorney.

At one secret session, Seto blocked an effort to set up a special unit in the Patent Office to help individual inventors. Fong has also tried to cut out enforcement powers, which would empower the Patent Office to battle frauds by big corporations.

A disgusted Ford administration expert called another provision in the Fong bill "a bias against individual inventors." And the reliable trade journal, Chemical and Engineering News, said "Fong's views on patent legislation follow quite clearly those of the U.S. patent bar."

On Capitol Hill, legislation is shaped as much by the hidden influences as by the public debates. Among the most elite of these less visible forces are the patent lawyers, who are dedicated to the proposition that the national interest is identical to their client's particular interest.

Footnote: In his Senate speech, Fong charged that we had not contacted him before we wrote our earlier story linking him to the patent lobby. This, too, is pure persiflage. We spoke with his aide, Seto, who is his spokesman on patent matters.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. FORD). Under the previous order, the Senator from Alabama (Mr. ALLEN) is recognized for not to exceed 15 minutes.

Mr. ALLEN. I thank the Chair.

SENATOR JAMES L. BUCKLEY

Mr. ALLEN. Mr. President, the American people are disillusioned and disenchanted with politics and politicians and even with government itself, and this is a sad state of affairs in our country.

The people admire most in their leaders, character and courage, and they find these qualities or attributes missing all too often in their public servants.

So today, Mr. President, I want to call attention to a Member of this body who has these two desirable attributes or qualities in great abundance.

The distinguished junior Senator from New York (Mr. EUCKLEY) is a man of great courage and strong and high-minded character. As I have observed his service here in this body, it has been like a fresh, cool breeze on a summer day. It has been so refreshing, because here is a man of character, courage, a man of deep-rooted convictions, a man with lofty principles, with the courage to stand by those principles and convictions.

I have seen him time and time again choose courses here in the Senate that apparently have not been the easy course, the popular course, with respect to an issue. But his philosophy has been such and his principles have been such that he has followed the dictates of his conscience as he has voted on these issues, issues that were seemingly popular that he has opposed and issues that are seemingly unpopular that he has advocated.

He has stood for the private enterprise system. He has been against big government, big brotherism, and irresponsible Government spending. He has fought the mushrooming Federal bureaucracy. He has disregarded politics and partisan or political considerations in his decisions.

This body has many men of character and courage, but I would be constrained to say, based on his record, that like Ben Adhem in the poem Abou Ben Adhem, "Lo, his name led all the rest."

My attention was forcefully called to these great qualities in Mr. BUCKLEY by the stand he has just recently taken with respect to a bailout by the Federal Government of the city of New York, which possibly is opposite that of many of his constituents.

As a matter of principle, he stated that he would not be in favor of the Federal Government guaranteeing the bonds of the city of New York, that New York ought to work out its own problems, that there should not be a further takeover by the Federal Government of the affairs of local government, that a guarantee of New York City's bonds would be accompanied by Federal guidelines which would take over local rights and functions.

It has been my observation, Mr. President, that where unpopular positions are taken here in this body, or in Congress, or anywhere in public service, if those positions are taken as a matter of conscience, if they are taken in furtherance of one's conception of one's duty and one's conception of the obligation to stand for principle, then the American people applaud such action, such courage, such character.

I was pleased to notice in the newspaper just the other day that a poll was run by the Democratic committee, I believe, in the State of New York and they had five prospective candidates for the Senate running separately against Senator BUCKLEY. According to that poll, none of those prospective candidates came anywhere close to Senator BUCKLEY.

Some years ago then Senator John F. Kennedy compiled his very fine work "Profiles in Courage." He gave examples of men in public life who were men of courage. I believe the one which stuck the most in my mind was the courage of Edmund G. Ross, the Senator from Kansas who, here in this Chamber, had the courage though his vote was the decisive vote to vote against the conviction of President Andrew Johnson on impeachment charges brought by the House of Representatives. He realized that the charges against President Johnson were politically motivated and that the President had not been guilty of impeachable conduct. Resisting, I guess, the most intense pressure that has ever been brought on a Member of the Senate, Senator Ross voted against conviction of President Johnson on those impeachment charges.

Many others were pointed out by Senator Kennedy, later President Kennedy: Sam Houston, who, as Governor of Texas, resisted the strong secession forces in Texas just before the War Between the States; Daniel Webster, who sought to prevent the War Between the States by supporting compromises here in the Senate; George Norris, Robert A. Taft, Thomas Hart Benton; the two Presidents Adams; L. Q. C. Lamar, and a number of others.

But I say that very few of these great men, these men of great courage, exhibited any more courage than Senator BUCKLEY exhibited in his stand with respect to the proposed bailout of New York City by the Federal Government.

Mr. President, I realize it is a little unusual to eulogize a Member of the Senate here in the Chamber, but Senator BUCKLEY's courage and character at a time when the public feels that these qualities exist too little in public officials are so great and so praiseworthy that I feel that a comment by me will be in order because I admire these qualities so much.

I was pleased that on yesterday the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) commented on Senator BUCKLEY's courage and character as exemplified by his record and as exemplified by the stand he has taken on this important issue in his State.

I am persuaded, Mr. President, that the people applaud character and they applaud courage. I would feel that the people of his State, which he represents so well here in the Senate, also would applaud his character and his courage.

I yield back the remainder of my time, Mr. President.

(The following order was entered during the presentation of Mr. FONG's remarks and is printed at this point in the RECORD by unanimous consent:)

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TODAY

Mr. ROBERT C. BYRD. Mr. President, I understand that there is a necessity for the transaction of some routine morning business.

I ask unanimous consent that upon the conclusion of the remarks of the distinguished Senator from Alabama (Mr. ALLEN) who will immediately follow the distinguished Senator from Hawaii, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each, such statements to be confined only to the introduction into the record of statements, memorials, petitions, bills, resolutions, and so forth.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I would ask unanimous consent, though I do not think it is necessary, that upon the conclusion of routine morning business, the Senate then resume the consideration of the HEW appropriation bill.

The ACTING PRESIDENT pro tempore. That is the order.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a brief period of 30 minutes for the transaction of routine morning business, with statements therein limited to 5 minutes.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate a message from the President of the United States submitting the nomination of John Gunther Dean, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

MESSAGES FROM THE HOUSE

At 10:20 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the report of the further committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for the procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1247) to authorize certain construction at military installations, and for other purposes.

At 1:20 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 9600) to rescind certain budget authority recommended in the message of the President of July 26, 1975 (H. Doc. 94-225), transmitted pursuant to the Impoundment Control Act of 1974, in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the concurrent resolution (H. Con. Res. 405) authorizing technical corrections in the enrollment of S. 1247, in which it requests the concurrence of the Senate.

At 5:45 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House insists upon its amendments to bill (S. 622) to provide standby authority to assure that the essential energy needs of the United States are met, to reduce reliance on oil imported from insecure sources at high prices, to implement United States obligations under international agreements to deal with shortage conditions, and to authorize and direct the implementation of Federal and State conservation programs consistent with economic recovery; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. DINGELL, Mr. MACDONALD of Massachusetts, Mr. Moss, Mr. ROGERS, Mr. BROWN of Ohio, and Mr. Broyhill were appointed managers of the conference on the part of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 605. A bill for the relief of Heung Soon Kim (Rept. No. 94-390);

S. 1488. A bill for the relief of Dr. Timothy Kam-Hung Chung (Rept. No. 94-391);

S. 1709. A bill for the relief of Dr. Lawrence Chin Bong Chan (Rept. No. 94-392);

S. 1940. A bill for the relief of Dr. Gustavo Scioville (Rept. No. 94-393);

H.R. 1757. An act for the relief of Plotemia Mabanag Bareng and Bastana Lilian Mabanag Bareng (Rept. No. 94-394); and

S. Res. 5. A resolution for the relief of Commander Edward White Rawlins (Rept. No. 94-395).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1653. A bill for the relief of Sun Yang Kim and Sun Mi Kim (Rept. No. 94-397); and

S. 1787. A bill for the relief of Maria Lisa R. Manola and Rogena R. Manola (Rept. No. 94-398).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 832. A bill for the relief of Kristen Marisol Kneebone (Rept. No. 94-396).

By Mr. HUDDLESTON, from the Committee on Agriculture and Forestry, without amendment:

S. Res. 216. A resolution requesting the Secretary of Agriculture to submit a plan for the eradication of brucellosis (Rept. No. 94-399).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

E. Edward Johnson, of Kansas, to be U.S. Attorney for the District of Kansas.

James R. Laffoon, of California, to be U.S. Marshal for the Southern District of California.

By Mr. MAGNUSON, from the Committee on the District of Columbia:

Abbott Washburn, of the District of Columbia, to be a member of the Federal Communications Commission.

By Mr. CANNON, from the Committee on Rules and Administration:

Daniel J. Boorstin, of the District of Columbia, to be Librarian of Congress (Exec. Rept. No. 94-6).

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILL REFERRED

The following bill was read twice by its title and referred to the Committee on Appropriations and the Committee on the Budget, jointly, pursuant to the order of January 30, 1975:

H.R. 9600. An Act to rescind certain budget authority recommended in the message of the President of July 26, 1975 (H. Doc. 94-225), transmitted pursuant to the Impoundment Control Act of 1974.

ORDER FOR STAR PRINT—S. 3261

Mr. HANSEN. Mr. President, in behalf of the distinguished senior Senator from Oregon (Mr. Hatfield), I ask that, because of a printing error, unanimous consent may be given that a star print be made of S. 2361, a bill he introduced to reauthorize and modify McKay Dam, Umatilla project in the State of Washington.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. STAFFORD:

S. 2411. A bill to terminate the authorization of the Gaysville Dam and Lake Project. Referred to the Committee on Public Works.

By Mr. EASTLAND:

S. 2412. A bill to provide for holding terms of the district court of the United States for the eastern division of the Northern District of Mississippi in Corinth, Mississippi. Referred to the Committee on the Judiciary.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 2413. A bill to amend section 21 of the Mineral Leasing Act (41 Stat. 445), as amended (30 U.S.C. 241). Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS:

S. 2414. A bill for the relief of Pan Bok Lee. Referred to the Committee on the Judiciary.

S. 2415. A bill for the relief of Evelina Irene Jara. Referred to the Committee on the Judiciary.

By Mr. MATHIAS (for himself and Mr. Beall):

S. 2416. A bill to amend the National Trails System Act to authorize a feasibility study for the establishment of certain bicycle trails. Referred to the Committee on Interior and Insular Affairs.

By Mr. PACKWOOD (for himself, Mr. Beall, Mr. Brock, Mr. Curtis, Mr. Domenici, Mr. Fannin, Mr. Fong, Mr. Garn, Mr. Goldwater, Mr. Griffin, Mr. Hatfield, Mr. Helms, Mr. Hruska, Mr. Laxalt, Mr. McClure, Mr. Pearson, Mr. Percy, Mr. Hugh Scott, Mr. William L. Scott, Mr. Taft, Mr. Thurmond, and Mr. Young):

S. 2417. A bill to provide for the phased control of crude oil prices, to provide for a gradual transition from mandatory price and allocation controls, to amend the Emergency Petroleum Allocation Act of 1973, as amended, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. CHILES:

S. 2418. A bill to amend the Accounting and Auditing Act of 1950 to provide for the audit of certain Federal agencies by the Comptroller General. Referred to the Committee on Government Operations.

By Mr. HOLLINGS:

S. 2419. A bill for the relief of Donald N. Yates, Junior, Carolyn B. Yates, Guy Kevin Yates, Sean Hansen Yates, and Michelle Lyn Yates. Referred to the Committee on the Judiciary.

By Mr. MUSKIE (for himself and Mr. Javits):

S. 2420. A bill to provide for the establishment of a new office in the Executive Office of the President and of a joint committee in the Congress in order to supervise policies and procedures with respect to the development and review of national defense and foreign policies of the United States and the protection and disclosure of information relating to such policies, and for other purposes. Referred to the Committee on Government Operations.

By Mr. HARTKE (for himself and Mr. Pearson) (by request):

S. 2421. A bill to amend the Regional Rail Reorganization Act of 1973 to provide for the purchase of securities of the Consolidated Rail Corporation, and for other purposes. Referred to the Committee on Commerce.

By Mr. HUMPHREY (for himself, Mr. Brock, Mr. Nelson, Mr. Javits, Mr. Thurmond, Mr. Fannin, Mr. McIntyre, Mr. Mondale, Mr. Philip A. Hart, Mr. McGee, Mr. Hartke, Mr. Laxalt, Mr. Johnston, Mr. Mathias, Mr. Gravel, Mr. Nunn, Mr. Domenici, Mr. Stevens, Mr. Tunney, and Mr. Stafford):

S.J. Res. 131. A joint resolution to establish a Joint Congressional Task Force on Federal Small Business Impact. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BELLMON:

S.J. Res. 132. A joint resolution to amend the Agriculture and Consumer Protection Act of 1973. Referred to the Committee on Agriculture and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STAFFORD:

S. 2411. A bill to terminate the authorization of the Gaysville Dam and Lake Project. Referred to the Committee on Public Works.

GAYSVILLE DAM AND LAKE PROJECT

Mr. STAFFORD. Mr. President, I am introducing legislation that would deauthorize Gaysville Dam in Vermont.

This project of the U.S. Army Corps of Engineers was authorized by the Congress in the Flood Control Acts of 1936, 1938, and 1941. But work on the dam was never initiated.

At the most recent estimate—1969—the cost of the project was set at $28,700,000. As of now $206,600 has been spent. That money went for design work. No money has been spent to buy any of the 3,200 acres needed for the project; acreage that would require the removal of many permanent and vacation homes.

While the purposes of the project are listed as flood control, recreation, fish and wildlife mitigation, and low-flow augmentation, the people of Vermont do not believe that the project is necessary and they do not support it. They have no desire to flood forever a picturesque stretch of the White River behind a 190-foot-high dam that would be built upriver from the river's confluence with the Connecticut River.

If built, the dam would have a major and unsightly impact on the White River Valley. In peak flood periods, the dam would create a reservoir covering 1,840 acres. But in the winter, the pool would be as small as 300 acres. Therefore, as many as 1,540 acres (about 2½ square miles) of the river valley would be denuded of life by the flood pool, then left most of the time as barren, open land. Even in the summertime, this barren area would cover approximately 2 square miles.

The people of Vermont do not want their State desolated by planned flooding in the name of recreational development.

It is clear to me that the Corps and the Congress have given up on this project. No funds have been appropriated for Gaysville Dam since fiscal year 1969. I recognize that the project should become eligible in another year or two for deauthorization under section 12 of Public Law 93-251. Nevertheless, I believe the people of Vermont want this project deauthorized now, removing forever the threat of its possible revival.

I look forward to consideration of this bill by the Water Resources Subcommittee of the Committee on Public Works.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2411

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Gaysville Dam and Lake project, Stockbridge, Chittenden and Rochester, Vermont, authorized by section 5 of the Flood Control Act of 1936 as modified by the Acts of Congress approved 25 May 1937, 28 June 1938 and 18 August 1941, is not authorized after the date of enactment of this Act.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 2413. A bill to amend section 21 of the Mineral Leasing Act (41 Stat. 445), as amended (30 U.S.C. 241). Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, on behalf of myself and the Senator from Arizona (Mr. FANNIN), I am introducing, at the request of the Department of the Interior, a bill to amend the Mineral Leasing Act of 1920 so as to authorize the Secretary of the Interior to lease to holders of oil shale leases other lands needed for purposes other than actual mining of oil shale but properly connected with operations pursuant to such leases.

I ask unanimous consent that the Executive communication and the text of the bill be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2413

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a new subsection (d) is hereby added to section 21 of the Mineral Leasing Act (41 Stat. 445), as amended (30 U.S.C. Section 241), reading as follows:

"(d) The Secretary of the Interior is hereby authorized to grant to any person, association, or corporation, holding a lease for oil shale under the provisions of subsection (a) of this section, additional leases for lands outside the oil shale lease lands for any purpose, other than the actual mining of oil shale, connected with operations pursuant to that oil shale lease except that no additional leases may be granted for lands excluded from disposition by the provisions of section 1 of this Act. Any lease issued under this subsection (d) shall be granted only in connection with a specific oil shale lease issued under subsection (a) and only to the same parties as those owning that specific oil shale lease; the total land which may be leased under this subsection (d) in connection with any one oil shale lease issued under subsection (a) shall be not more than 6,400 acres. Any lease under this subsection for any lands the surface of which is under the jurisdiction of a Federal agency other than the Department of the Interior shall be issued only with the consent of that other Federal agency and subject to such terms and conditions as that other Federal agency may prescribe. The additional land leased pursuant to this subsection may be used only for such purposes as the Secretary may prescribe in the lease which may include the disposal of oil shale waste and other materials removed from the lands leased under subsection (a), the building of plants, reduction works and other facilities connected with the operations under the oil shale lease, and any other purposes connected with lease operations (except mining) which the Secretary may deem advisable. No mining of any kind may be performed under leases issued pursuant to this subsection. The Secretary shall not grant an additional lease (i) unless the oil shale lessee shall demonstrate to the Secretary's satisfaction that the additional land is needed for proper operations under the oil shale lease and that he will be able to conduct all operations on the land leased under this subsection in an environmentally proper manner and (ii) unless the Secretary shall determine that the issuance of the additional lease is in the public interest. Any lease issued under this subsection shall provide for the payment to the United States of an annual rental which shall reflect the fair market value of the rights granted and which shall be subject to such revision as may be needed from time to time to continue to reflect the fair market value. The leases issued under this subsection shall be for such periods of time as the Secretary may determine to be necessary for the purposes for which they are granted and shall contain such provisions as may be needed for proper environmental protection. Lands leased under this subsection shall remain subject to leasing under the other provisions of this Act where such leasing would not be incompatible with the lease issued under this subsection."

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., September 12, 1975.
Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend section 21 of the Mineral Leasing Act (41 Stat. 445), as amended (30 U.S.C. 241)."

We recommend that this bill be referred to the appropriate committee for consideration and that it be enacted.

The draft bill would amend the Mineral Leasing Act to provide Secretarial discretion for authorizing grants to holders of oil shale leases of land outside the actual oil shale lease for purposes other than actual mining of oil shale but properly connected with operations pursuant to the lease. Lessees would provide payment to the United States for the fair market value of such rights granted, and such rights would only be granted following compliance with all applicable provisions of the National Environmental Policy Act.

The Department presently has no statutory authority to grant to oil shale lessees additional lands outside the leased area for disposal sites. It is believed that, for the most efficient development of oil shale, lessees may need disposal areas and lands for other purposes (e.g., for building of plants, reduction works, or other facilities connected with operations under the oil shale lease) in addition to the lands embraced in their present leases. Accordingly, we submit the enclosed draft legislation for this purpose. We urge that Congress act on this proposal without delay.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Adminisration's program.

Sincerely yours,

JACK HORTON,
Assistant Secretary of the Interior.

By Mr. MATHIAS (for himself and Mr. BEALL):

S. 2416. A bill to amend the National Trails System Act to authorize a feasibility study for the establishment of certain bicycle trails. Referred to the Committee on Interior and Insular Affairs.

ESTABLISHING NATIONAL SCENIC BICYCLE TRAILS

Mr. MATHIAS. Mr. President, the bicycle is an important, permanent, and legitimate form of transportation and recreation that has come into increasing use by a growing number of Americans each year. Not only do we see evidence of this in the number of businessmen and women braving the downtown traffic while pedalling their way to work, but we see our parks and country roads increasingly dotted with bicyclists taking advantage of a beautiful day and good, clean exercise. In the past 2 years, bicycle sales have soared and the demand does not show any signs of abating.

The time has come to create safe, separate routes to accommodate this increased flow of bicycle traffic. We need to establish a nationwide skeletal system of scenic trails that can be interconnected and expanded on the State level. Creation of such a system would provide a much needed recreational space away from the noise, pollution, and dangers of automobile traffic and, in many instances, an alternative route to work. The beautiful and scenic landscape that would border many parts of the bikeway would encourage vacationers to use the trail for long holiday excursions. Finally, it would provide people with a greater opportunity to make use of the bicycle. This would result in a reduction in automobile traffic and a drop in gasoline consumption.

Because I believe so strongly in the above goals, I am today introducing legislation to amend the National Trails System Act to authorize a feasibility study for the establishment of certain bicycle trails. Specifically, this bill would authorize the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of Transportation to conduct a joint study to determine the feasibility and desirability of establishing national scenic bicycle trails to parallel three major U.S. highways. It is important to assure that these trails would harmonize with local transportation programs; and therefore, the studies are to be made in consultation with other Federal, State, and local agencies, and public and private organizations and landowners, administering or owning lands through which the bikeways would pass. When the studies are completed, they will be submitted to the President and the Congress with recommendations for such additional administrative and legislative action as may be needed to establish the trails.

The bill designates the construction of a route along U.S. highway No. 1, extending the length of the east coast from Kent, Maine to Key West, Fla.; a route along U.S. highway No. 30, extending across the top of the United States from Atlantic City, N.J., to

Astoria, Oreg., and a route along U.S. highway No. 101, extending the length of the west coast from Olympia, Wash., to San Diego, Calif.

In light of America's commitment to energy conservation and to providing our citizens fulfilling recreational experiences, this bill clearly merits the careful and favorable consideration of my Senate colleagues. I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2416

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the National Trails System Act (16 U.S.C. 1241–1249) is amended by inserting at the end thereof the following:

"Sec. 11. (a) The Secretary of the Interior, the Secretary of Agriculture, and the Secretary of Transportation are authorized and directed jointly to conduct studies for the purpose of determining the feasibiliy and desirability of establishing national scenic bicycle trails along the routes specified in the succeeding provisions of this section. Such studies shall be made in consultation with the heads of other Federal agencies administering lands through which such additional proposed trails would pass and in cooperation with interested interstate, State, and local governmental agencies, public and private organizations, and landowners and land users concerned. When completed, such studies shall be submitted to the President and to the Congress, and shall include recommendations as to such additional administrative and legislative action which should be taken with respect to the establishment of such trails.

"(b) The following routes shall be studied in accordance with the objectives outlined in subsection (a) of this section—

"(1) United States Highway Numbered 1, extending approximately two thousand four hundred and fifty miles from Kent, Maine, to Key West, Florida;

"(2) United States Highway Numbered 30, extending approximately three thousand three hundred and fifty miles from Atlantic City, New Jersey, to Astoria, Oregon; and

"(3) United States Highway Numbered 101, extending approximately one thousand five hundred and thirty miles from Olympia, Washington, to San Diego, California.".

By Mr. PACKWOOD for himself, Mr. Beall, Mr. Brock, Mr. Curtis, Mr. Domenici, Mr. Fannin, Mr. Fong, Mr. Garn, Mr. Goldwater, Mr. Griffin, Mr. Hatfield, Mr. Helms, Mr. Hruska, Mr. Laxalt, Mr. McClure, Mr. Pearson, Mr. Percy, Mr. Hugh Scott, Mr. William L. Scott, Mr. Taft, Mr. Thurmond, and Mr. Young):

S. 2417. A bill to provide for the phased control of crude oil prices, to provide for a gradual transition from mandatory price and allocation controls, to amend the Emergency Petroleum Allocation Act of 1973, as amended, and for other purposes. Referred to the Committee on Government Operations.

OIL PRICING ACT OF 1975

Mr. PACKWOOD. Mr. President, I am introducing today a compromise decontrol measure. Twenty-one of my colleagues have joined with me in this Senate initiative.

The Senate has already moved toward an agreement on a temporary extension of price controls under the Emergency Petroleum Allocation Act. We need to join together, Congress and administration, Republicans and Democrats, on a solution to the decontrol dilemma. We need compromise. But most of all we need action.

Few in Congress want continued controls ad infinitum; likewise, few want immediate decontrol. The logical compromise course is a plan which phases out controls over a period of time. This would cushion the economy against the shocks of immediate decontrol while at the same time give the needed stimulus to greater exploration and development of new oil resources. Equally important, decontrol would curb consumption of oil and encourage the development of alternate fuels. All of these actions would result in a decrease in our dependence on imported foreign oil.

Mr. President, I am pleased that the Senate is beginning to work in a conciliatory manner. Through compromise we can take constructive action to solve our pressing energy problems, and continue to work towards the goal of energy independence.

In the spirit of compromise, I ask that my colleagues join with me in this measure to phase out price controls on old oil. This is but a first step, to be followed immediately by a windfall profits tax bill with adequate rebates to the American consumer. But we must take the first step.

Mr. President, I ask unanimous consent that a summary of the legislation I have introduced be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Factsheet: Oil Pricing Act of 1975

This legislation amends Section 4(g) of the Emergency Petroleum Allocation Act to provide for phased decontrol of oil prices and allow for the proper transition to the termination of price and allocation controls. The legislation accomplishes the following:

1. Thirty-six month phase out of crude oil price controls.—Old oil would be phased out over a 36-month period beginning November 1, 1975, and ending October 31, 1978, at the rates of 1% the first 12 months, 2.5% the next 12 months, and 5% the last 12 months. A secondary ceiling price of $11.50 per barrel would be imposed on all new, released and decontrolled domestic oil beginning November 1, 1975, rising $.05 each month thereafter to a level of $13.40 by October 31, 1978.

2. Removal of price controls on natural gas liquids (propane) over the 36-month period at the same rate as the phase out of old oil.—The 70% of the propane derived from the natural gas stream can now only increase in price under FEA regulations as the cost of natural gas increases. Without a phase out of controls on NGL's, decontrol of crude oil prices will operate to increase the disparity between natural gas derived propane and crude oil derived propane and cause serious market distortions.

3. Elimination of requirement for prior Congressional review every 90 days for all exemptions.—If price controls on crude oil must be retained for 3 years, many currently extraneous regulatory measures can be removed long before the expiration of that period. FEA is granted discretionary authority to exempt products from unnecessary allocation and price controls upon certain findings of fact.

4. Exemption for crude oil produced by high-cost enhanced recovery methods.—Because a large percentage of the potentially available incremental domestic production is obtainable only by the high-cost tertiary recovery methods, which might not be adequately stimulated by a 36-month phase out plan, FEA is permitted by regulation to exempt such production from old oil price controls, and allow it to be sold at the secondary ceiling price of $11.50 after November 1, 1975.

5. Treatment of stripper well oil in the same manner as new oil.—If the first sale of stripper well oil continues to be exempt from price controls and a secondary ceiling price of $11.50 is placed on new and decontrolled oil, the price of stripper well oil would probably be somewhere between the price of new oil and the landed cost of imported crude oil. Thus, unless stripper well oil is also subject to the secondary price ceiling, a 4-tier cost equalization entitlements program would become necessary which would be almost impossible to administer.

6. Extension of EPAA until October 31, 1978.—The Allocation Act must be extended for the same length of time as the phase out of old oil to allow the continuation of the entitlements program and the crude oil allocation program since controls on the price of crude oil require that these programs be maintained.

Mr. McCLURE. Mr. President, I urge my colleagues to give immediate consideration and approval to this proposal. It offers us the best alternative to either immediate decontrol of all oil prices or to the indefinite continuation of the import-increasing Emergency Petroleum Allocation Act, in its present form.

Passage of this measure will prevent the sudden economic impact of total decontrol, while simultaneously beginning the difficult process required to decrease imports of foreign oil. In addition, States such as Idaho would be able to look forward to a discontinuation of the so-called entitlements program, whereby they and others have been forced to subsidize the fuel costs of the Northeast.

Mr. President, I ask unanimous consent that a table showing the impact on different regions of the entitlements program be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

NET VALUE OF ENTITLEMENTS BY REGION, FEBRUARY AND MARCH 1975

[In millions of dollars]

Region	February	March	5 mos, November through March
Northeast	[1] 26.5	38.3	159.3
Pacific Coast	−11.2	3.8	−14.0
Other areas	−15.3	−42.0	−145.2

[1] Includes $754,663 in adjustments for product importers from previous months. The entire amount of adjustments in products importers' entitlements in February benefited the Northeast.

Mr. McCLURE. Mr. President, my State of Idaho, for example, pays an annualized cost of over $1 million. The gradual phaseout that I am supporting would eliminate that subsidy cost, and would provide some fuel cost relief for consumers outside the Northeast.

It is vital that this Nation seriously begin the job of reducing oil import levels. The impacts on our national security and economy become more critical each year. Continuation of the EPAA in its present form can only impair our progress in reducing this burden.

There is one provision of this proposal which does concern me, the automatic 5-cent-a-month increase in the ceiling price for all new, released, and decontrolled oil, beginning November 1, 1975. I would prefer a more flexible provision, wherein the price could either increase or decrease, depending on world market conditions. A percentage change of plus or minus 2 √2 percent of the difference between the ceiling price and the world price each month, phased in over a suitable time period would, in my opinion, strengthen domestic oil. I do intend to bring this issue forward in greater detail when actual debate begins on the proposed legislation.

In summary, Mr. President, this measure is critically needed now. Additionally, delays can only serve to further weaken our efforts toward reducing oil imports, while increasing the economic risks of total and immediate decontrol.

PHASED DECONTROL OF OIL

Mr. PERCY. Mr. President, I am pleased to be an original cosponsor of the bill being introduced today by Senator Packwood to gradually eliminate price controls on domestic oil. It is our hope that this bill will serve as the vehicle for compromise on the oil decontrol issue.

On September 9, the day the Senate sustained the President's veto of the 6-month extension of oil price controls, I was joined by many of my colleagues on both sides of the aisle in calling for a compromise. The first step toward that compromise was to be a short-term extension of the Emergency Petroleum Allocation Act. I cosponsored Senator Roth's 45-day extension bill and the House quickly passed a 60-day extension. The Senate still has not acted on that simple measure.

The legislation we are introducing today is the second step toward a compromise on the oil pricing issue. It provides for a 3-year phaseout of price controls on old domestic oil, with the price of new domestic oil being held at a level below its current selling price. The rate of decontrol would begin slowly and increase gradually. Thus, the largest price impact would occur in the third year, so as not to interfere with the current recovery from recession.

I am convinced that gradually decontrolling oil prices is the best way to deal with this complex issue. Phased decontrol promises to provide a positive incentive for increased production and a stable environment for new investment without seriously affecting consumer prices and economic recovery. The cost of our "do-nothing" policy has been very high indeed, and will get higher as time goes on.

The details of this plan are subject to negotiation. The important thing is to achieve a consensus on this issue that has paralyzed Congressional action toward a vitally needed energy conservation policy. I would hope that Democratic and Republican Senators alike, all of whom are concerned about our Nation's increasing dependence on risky and expensive foreign oil, would join in sponsoring this compromise legislation.

Let us finally put an end to partisan wrangling and confrontation with the President. Let us begin to work together with the executive branch while we still have options available to us—before our resources are depleted and we become hopelessly beholden to foreign governments. We have had enough of confrontation politics on energy. Let us start solving energy problems for the good of the country.

Domestic oil pricing is only one of the major energy issues that face the Congress. We in the Senate still have not acted on the whole important area of energy conservation taxes. We have not yet found an acceptable solution to strip mining control and reclamation. We have not dealt adequately with improving competition in the energy industries or with financing atlernate energy sources.

There are many such problems that require our attention. This bill which we are introducing today is an effort to resolve the lingering dispute over oil pricing policy. Let us compromise on a phased decontrol plan, then move on to other vital matters.

By Mr. CHILES:

S. 2418. A bill to amend the Accounting and Auditing Act of 1950 to provide for the audit of certain Federal agencies by the Comptroller General. Referred to the Committee on Government Operations.

Mr. CHILES. Mr. President, today I am introducing a bill, identical to S. 2481 of the 93d Congress, to amend the Accounting and Auditing Act of 1950 to provide for an audit by the Comptroller General of Federal agencies which are not now audited. These agencies are the Federal Reserve Board, Federal Reserve Banks and their branches, the Internal Revenue Service, the Comptroller of the Currency, and the Office of Alien Property. Each of these agencies spends taxpayers' money and I feel they should be held accountable to the public just as other Federal agencies of the Government are.

The General Accounting Office was created to assist Congress in providing legislative control over the receipt, disbursement, and application of public funds; and I believe it should be required to audit the Federal agencies which are not now audited. It is in the ultimate interest of these agencies that their funds be audited, and I feel the people of the United States are entitled to an accounting. For these reasons I am today reintroducing this legislation.

By Mr. MUSKIE (for himself and Mr. Javits):

S. 2420. A bill to provide for the establishment of a new office in the Executive Office of the President and of a joint committee in the Congress in order to supervise policies and procedures with respect to the development and review of national defense and foreign policies of the United States and the protection and disclosure of information relating to such policies, and for other purposes. Referred to the Committee on Government Operations.

GOVERNMENT SECRECY CONTROL ACT OF 1975

Mr. MUSKIE. Mr. President, the practice of government secrecy gives a higher priority to confidentiality than to candor. It encourages deception instead of disclosure. And it feeds the suspicion of many Americans that their Government will not tell them the truth.

Yet, we all realize that a degree of secrecy is essential to protect our defense and to promote the success of our foreign policies in a world where nations hostile to our interests hold both the power and the intent to undermine our cause and that of freedom.

In our democracy there is an inherent conflict between the need for secrecy and the need for a fully informed public. The only answer to that conflict is to find the balance between a society that is open and one that is dangerously exposed.

Certain institutions of our Government have by tradition and neglect been permitted to operate without public or congressional scrutiny. The inevitable result of such isolation in a society which encourages a free and aggressive press is the rush to make public long-hidden transgressions by Government agencies and officials.

This process of public cleansing is important to the restoration of order and proper control to various parts of the Government, but it necessarily results in a temporary loss of effectiveness.

It is better to assure that the operation of Government is continuously subject to proper oversight by the people and their representatives so that openness is ongoing and not merely cyclical.

What has been ongoing, however, is the dispute between the Congress and the President over material which has been stamped secret by the executive branch.

Mr. President, the legislation I introduce today with the cosponsorship of the distinguished senior Senator from New York (Mr. Javits), the Government Secrecy Control Act, is an effort to restore the balance between secrecy and accountability by restoring the balance between the powers of the executive and legislative branches over national security policy and the information essential to its determination.

Hearings on similar legislation which we introduced in the 93d Congress were held in May and June of last year. Since that time, the importance of such a measure to resolve the conflict has become ever more apparent.

I view this bill as part of the broad historical effort raised to the forefront by the last two Congresses to redress the constitutional balance between the branches. It is a companion measure to the war powers legislation enacted over the President's veto and to the executive privilege and impoundment bills the Senate passed in the last Congress.

I also view it as complementing the intent of the Budget Reform Act as another means to strengthen the Congress by organizing to inform itself and act effectively on vital issues.

The legislation I introduce today approaches the problems of secrecy from the perspective of sharing a constitutional power—the power to withhold or disclose sensitive information.

By default and inaction, responsive to the perceived, leading role of the President in dealing with cold war tensions, the Congress has permitted that power over information to lodge exclusively in the Executive. The result of our one-way grant of discretion over secrecy policy has, inevitably, been abuses of power, a system of information classification which serves neither the interests of intelligent policy making nor the requirements of an informed citizenry.

Classification stamps on documents no longer serve to protect information from disclosure. On the contrary, a "secret" marking on an official document often makes officials and journalists suspect that the contents are being hidden from the public more to conceal mistaken or questionable actions, than to promote national security.

The administration recognized the widespread disdain for the classification system in 1972 and issued Executive Order 11652 to reform the system. On the whole, the intent of the reforms is good. But their implementation has been haphazard at best.

The governmentwide machinery established to police the reforms, the Interagency Classification Review Committee, has not proved as effective as it should. One reason for its inadequacy is simple; it has no bureaucratic power. The full committee meets once a month in the White House, but its real work is carried out from an office in the Archives, where the size of the staff is limited.

If we understand that decisions on requiring or dropping secrecy are essentially matters of individual judgment where precise standards cannot be automatically applied to every case, then we realize that the surest way to regulate the thousands of officials who must make such judgments daily is to subject their decisions to continuous, impartial review. The review procedures in Executive Order 11652 are a step in the right direction, but the step is incomplete. All of the review is carried out inside the executive branch, and most of it is carried out at the lower policymaking levels of the very agencies where the volume of classified information—and of information improperly classified—is greatest.

The Government Secrecy Control Act would strengthen that review process within the executive branch. But, more importantly, it would expand the review power to Congress. By sharing the discretion to impose and maintain secrecy, the legislation would assure that the difficult, delicate, individual judgments about secrecy are checked and rechecked. Only through such thorough review can we establish that elusive, essential balance between secrecy and openness.

The review would begin in the executive branch, where a new office—with the power and staff which the Interagency Committee now lacks—would be established in the White House for the registrar of National Defense and Foreign Policy Information. The registrar would be a Presidential appointee, confirmed by the Senate, with power to oversee and regulate secrecy practices throughout the Federal Government.

He would also have the key function of compiling a monthly index, a register of classified information from every agency. It would be his responsibility to check the entries on that register to see that they actually describe the records being kept secret and their origin and location, and to see that the duration of secrecy imposed on them meets the policy standard of the act.

The bill, additionally, will link the Freedom of Information Act and its intent of broadening public access to official information directly to the reformed classification system. No information relating to national defense or foreign policy could be withheld from the public under the first exemption from disclosure in the Freedom of Information Act, unless the documents or records containing that information had been indexed on the register.

In compiling a governmentwide central index, the registrar will act as the first line of defense against classification abuses. Able to know what is being kept secret, his office will also be able to correct improper agency secrecy practices. Without such knowledge, no one can hope to bring the classification system under control. With an effective index in operation, officials wil be able to inspect the system, trace its flaws, and make it stronger.

The register compiled in the White House will also be transmited every month to the new Joint Committee on Government Secrecy, in effect, the second line of defense against unjustified secrecy. The first of the committee's specific tasks will be to review the monthly register as a way of reviewing the performance of the registrar and of the agencies under his supervision.

The committee will have explicit authority to obtain documents or records listed on the register and, if it finds them improperly classified, to direct that they be disclosed or that the date of their declassification be changed. If this legislation would make the registrar a "secrecy czar," it would also make the joint committee a powerful watchdog over his office and authority.

The committee will be authorized to take "necessary or appropriate" action to enforce compliance with its subpenas or directives on a recalcitrant agency. Specifically, the committee will have the power to go to the U.S. district court to seek judicial enforcement of its will.

The committee's second specific task would be that of developing procedures for congressional handling of secret information. Few of our committees now have precise rules for handling classified records, and none have had their own standards for security clearance of congressional employees. As a result Members of Congress and their staffs are really at the mercy of executive decisions as to who may see or discuss what information. The joint committee, would be able to establish the basic groundrules for the entire Congress in this respect and, in consultation with the registrar, would act as arbiter between Members or committees of Congress seeking access to classified information and agencies seeking to withhold it or to dictate the terms of its disclosure.

More broadly, the joint committee would have the role of overall congressional monitor of national security policy. With the information available from the index, the committee will be in a position to steer other committees, Foreign Relations and Armed Services most obviously, into areas of inquiry and oversight they might otherwise miss. But the joint committee's own oversight should extend to assisting the coordination of policy by often competitive executive departments and to assuring a channel of full communication and current consultation between those departments and the Congress.

Finally, the legislation sets a standard for secrecy embodying both the positive finding that information is permitted to be kept secret only when its disclosure "would harm the national defense or foreign policy" and the negative rule that information shall not be concealed to hide "incompetence, inefficiency, wrongdoing, or administrative error" or simply to avoid embarrassing officials or agencies. That standard is not precise and automatic. I believe, as I said earlier, that no one standard can be.

But, by design, the standard differs from existing practice in the executive branch by requiring classifiers to make a determination that disclosure would harm national defense or foreign policy, not the broader, more inclusive, and less precise concept of "national security." The proposed narrowing of the standard reflects my concern that too loose a terminology in the past has permitted many of the abuses of classification authority. The tighter language should serve both to protect secrets which are vital and to encourage the flow of information which must be shared among our policymakers and with the public.

One of the most serious concerns with excessive secrecy is the role it plays in bureaucratic gamemanship, enabling one official to keep his proposals and actions hidden from others who share his concerns, but not necessarily his views. It is essential that policy be made after the most exhaustive examination of alternatives and the fullest debate. When secrecy is used to short-circuit dissent, when policy is shaped by only a select few, it becomes doubly difficult to conduct policy or insure support for it even within the Government.

Mr. President, Lord Acton is famous for his aphorism on the corrupting effect of absolute power. He also said, in the same vein:

> Everything secret degenerates, even the administration of justice; nothing is safe that does not show it can bear discussion and publicity.

It is the purpose of the Government Secrecy Control Act to share what has been absolute power over secret information and to insure, through that constitutional division of power and responsibility, that we halt the degeneration of public trust that stems from excessive secrecy.

The balance between openness and overexposure in a free society in an unfree world is, I acknowledge, extremely difficult to find and perhaps even harder to maintain under the pressure of events.

But it was the proud boast of Pericles, in his funeral oration for the men of Athens who died in the first year of the Peloponnesian War, that—

> We Athenians are able to judge . . . all events . . . and instead of looking on discussion as a stumbling block in the way of action, we think it an indispensable preliminary to any wise action at all.

Our heritage of free speech is in the Athenian tradition. Like Pericles, we cherish the faith that men can govern themselves, that they can choose between right and wrong policies, that they can bargain openly in the marketplace of ideas and can strike the proper balance between private interest and the public good.

Secrecy upsets that balance. It corrupts the commerce of ideas. It blurs the distinction between right and wrong, and it erodes the foundation of self-government.

It is my hope that with this legislation we can begin to regain control over secrecy in Government, that we can further redress the balance of power between the branches of Government and between the Government and the governed.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. That this Act may be cited as the "Government Secrecy Control Act of 1975."

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. Congress finds and declares that—

(1) the development and review of the national defense and foreign policies of the United States are constitutional responsibilities which are shared by the legislative and executive branches of the Federal Government;

(2) the proper execution of the shared constitutional responsibility requires that maximum access to information relating to national defense and foreign policies must be afforded to the Congress;

(3) there is a need for the maintenance of procedures under which certain information relating to the national defense and foreign policies of the United States be kept secret; and

(4) the excessive or unnecessary imposition of secrecy limits access to such information and thereby prevents Congress from carrying out its constitutional responsibility in the development and review of such policies, hinders the proper development and execution of such policies within the executive branch, and impedes public understanding of such policies and their implementation.

(b) It is the purpose of this Act to establish in the Congress and in the executive branch a system to assure that national defense and foreign policy information is made available as necessary for the fulfillment of the Congress constitutional responsibilities, to assure that procedures are established and maintained to protect information which in fact requires secrecy, and to promote the maintenance of an informed public.

STATEMENT OF POLICY

SEC. 3. It is the policy of the United States Government to permit information relating to the national defense or foreign policy of the United States to be kept secret only when the disclosure of such information would harm the national defense or foreign policy or when such information has been provided to the Government of the United States by a foreign government or international organization pursuant to an agreement which conforms to the policy of this section and which precludes the release of such information without the consent of that foreign government or international organization. It is also the policy of the United States Government not to permit information to be kept secret in order to impede access by Congress to such information or to conceal incompetence, inefficiency, wrongdoing, or administrative error, to avoid embarrassment to any officer or agency, or to restrain competition or independent initiative.

JOINT COMMITTEE ON GOVERNMENT SECRECY

SEC. 4. (a) (1) There is hereby established a Joint Committee on Government Secrecy (hereinafter referred to as the "Joint Committee") which shall be composed of the Speaker of the House of Representatives, the majority and minority leaders of the Senate and the House of Representatives, four other Members of the Senate appointed by the President of the Senate, and four other Members of the House of Representatives appointed by the Speaker of the House of Representatives.

(2) A vacancy in the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee, and shall be filled in the same manner as the original selection. The chairman of the Joint Committee shall be selected by the members of the Joint Committee.

(3) The Joint Committee and any subcommittee thereof, is authorized, in its discretion (A) to make expenditures from the contingent fund of the Senate, (B) to employ personnel, (C) to hold hearings, (D) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Congress, (E) to require, by subpena or otherwise, the attendance of witnesses and the production of correspondence, books, papers, and documents, (F) to take depositions and other testimony, (G) to procure the temporary services (not to exceed one year) of experts, or consultants or organizations thereof by contract at rates of pay not in excess of the per diem equivalent of the highest rate of basic pay paid under the General Schedule of section 5332 of title 5, United States Code, including payment of such rates for necessary traveltime, and (H) with the prior consent of the Government department or agency concerned, to use on a reimbursable basis the services of personnel of any such department or agency.

(4) Subpenas may be issued by the Joint Committee or by a subcommittee thereof, over the signature of the chairman of the Joint Committee or subcommittee or any member designated by either of them, and may be served by any member designated by any such chairman or member. Any such chairman or member may administer oaths to witnesses.

(5) Service of a Senator as a member or as chairman of the Joint Committee shall not be taken into account for the purpose of paragraph 6 of rule XXV of the Standing Rules of the Senate.

(6) The expenses of the Joint Committee shall be paid from the contingent fund of the Senate on vouchers approved by the chairman of the Joint Committee.

(b) (1) It shall be the principal duty of the Joint Committee to review the practices of Government departments and agencies originating or having custody of information designated to be kept secret pursuant to the policy of this Act and, upon determination that such practices fail to conform to that policy, to direct their revision. In carrying out this duty, the Joint Committee shall receive and review the Register of National Defense and Foreign Policy Information when transmitted under section 6(d), receive reports from the Registrar of National Defense and Foreign Policy Information, and receive notifications from the Registrar under section 6(c) (2) and (3) and section 7(b). In conducting such review, the Joint Committee may direct any agency originating or having custody of a document or other matter with respect to which an entry on the Register is made, to furnish that document or other matter to the Joint Committee for inspection to determine the propriety of the extent of protection accorded the document or other matter.

(2) Having conducted such inspection and reached such a determination, the Joint Committee shall, when appropriate, direct the public disclosure, in whole or in part, of such document or other matter or direct that the date entered on the Register in accordance with section 6(c) (1) (F) be changed.

(3) Upon consideration of reports from the Registrar and notifications from the Registrar in accordance with sections 6(c) (2) or (3) and section 7(b), the Joint Committee may direct the Registrar to modify authorizations given for aggregate entries on the Register or for substituting codes for names of officials originating documents or other matters and may direct the Registrar to remove from the Register any entry or portion of any entry made for documents or other matters originated 10 years or more prior to the effective date of this Act.

(4) (A) Directives, including subpenas, issued by the Joint Committee under paragraphs (2) and (3) shall issue upon a two-thirds vote of the members of the Joint Committee. In the case of any failure of the Registrar or any agency to respond within 15 days to directives or subpenas issued under paragraphs (1), (2), or (3), the Joint Committee shall take such other action as may be necessary or appropriate, including bringing an action to enforce its directive or subpena.

(B) The United States District Court for the District of Columbia shall have original jurisdiction of actions brought pursuant to this paragraph without regard to the sum or value of the matter in controversy. The court shall have power to issue a mandatory injunction or other order as may be appropriate, and to make and enter a decree enforcing, modifying and enforcing as so modified, or setting aside in whole or in part the subpena or directive issued pursuant to this clause. The Joint Committee, in bringing or prosecuting an action pursuant to this paragraph, may be represented by such attorneys as it may designate. Appeal of the judgment and orders of the court in such actions shall be had in the same manner as actions brought against the United States under section 1346 of title 28, United States Code. The courts shall give precedence over all other civil actions to actions brought under this paragraph.

(c) It shall also be the responsibility of the Joint Committee to—

(1) recommend to Members and to other committees of Congress procedures for protecting or disclosing documents or other matters held by Members or committees and designated secret by authorized officials

of the executive branch pursuant to the policy of this Act;

(2) recommend action by other committees or officers of Congress to be taken on requests for public disclosure of or access to documents or other matters originated by them or under their control and designated secret by them or other agencies of Congress; and

(3) recommend to Members and to other committees of Congress procedures for granting or denying employees of Congress access to documents or other matters designated secret pursuant to the policy of this Act and for disciplining any such employees for breaching such procedures.

(d) It shall also be a function of the Joint Committee to—

(1) make available to Members and other committees of Congress and to the public such portions of the contents of the Register and such reports from the Registrar as the Joint Committee decides independently or upon request are necessary to the activity of Members or committees of Congress or appropriate to the maintenance of an informed public; and

(2) recommend to the Congress such legislation relating to the protection or disclosure of information dealing with the national defense or foreign policy as may be necessary or appropriate; and

(3) file reports at least annually, and at such other times as may be appropriate, with the Senate and the House of Representatives, containing its findings and recommendations with respect to the matters under its jurisdiction.

REGISTRAR OF NATIONAL DEFENSE AND FOREIGN POLICY INFORMATION

SEC. 5. (a) There is hereby established in the Executive Office of the President an Office of National Defense and Foreign Policy Information (hereinafter referred to as the "Office"). The Office shall be headed by a Registrar of National Defense and Foreign Policy Information (hereinafter referred to as the "Registrar") who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) It shall be the function of the Registrar—

(1) to compile and transmit to the Joint Committee on Government Secrecy a Register of National Defense and Foreign Policy Information in accordance with the provisions of section 6;

(2) to review entries on the Register to determine whether they comply with the policy stated in section 3, and with the provisions of section 6 of this Act, and to adjust those entries which are not in compliance with that policy or section or with the standards established by statute or Executive order consistent with the policy of this Act for the imposition and duration of secrecy on information relating to the national defense and foreign policy of the United States;

(3) to recommend to the President, after reviewing existing orders and regulations and their administration, procedures authorizing Federal departments and agencies and the officials thereof to designate information relating to the national defense and foreign policy to be kept secret and to withdraw such designations and providing for the monthly submission by such departments, agencies, and officials of entries for the Register;

(4) to report not later than March 31 of each year, to the President and the Congress, on the administration of such regulations and orders within the executive branch, including (A) the numbers and titles of officials within Federal departments and agencies authorized to designate information relating to the national defense and foreign policy to be kept secret and to withdraw such designations, (B) the numbers of documents or other matters designated to be kept secret and withdrawn from secrecy during the preceding twelve months in each Federal department and agency, (C) the number of such documents or other matters designated in each Federal department and agency during that twelve months to be kept secret for a period in excess of three years from the date of origination of the document or other matter, and (D) the number and result of investigations in the preceding twelve months in each Federal department and agency into breaches of such regulations and orders;

(5) to review with the appropriate officials of any Federal department or agency any proposed final administrative action which would deny access by any person to information requested to be made available to that person under section 552 of title 5, United States Code, on the grounds that such information is exempted from disclosure to the public under the terms of subsection (b)(1) of that section and to approve or disapprove such action; and

(6) to review and promulgate regulations to standardize such other practices within the executive branch relating to secrecy of information, including security clearance procedures, routing designations for information, and security measures for automatic data processing systems of secret information, as the Registrar deems necessary and appropriate to the fulfillment of the purposes of this Act.

(c) The Registrar is authorized (1) to appoint such officers and employees as may be necessary to carry out his functions; (2) to employ experts and consultants in accordance with section 3109 of title 5, United States Code, at rates not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of such title for each day they are so employed (including traveltime) and pay such persons travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of such title for persons in Government service employed intermittently; and (3) to the fullest extent possible, to utilize the services, facilities, and information, including statistical information, of other Federal agencies in carrying out his functions.

(d) The Interagency Classification Review Committee established by Executive Order 11652, March 8, 1972, is hereby abolished, and the personnel, assets, liabilities, property and records thereof are hereby transferred to the Registrar.

(e) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(22) Registrar, National Defense and Foreign Policy Information.".

MAINTENANCE OF THE REGISTER OF NATIONAL DEFENSE AND FOREIGN POLICY INFORMATION

SEC. 6. (a) Any document or other matter which is originated after the effective date of this Act may not be kept secret pursuant to the policy of this Act or withheld from the public in accordance with section 552(b)(1) of title 5, United States Code, unless an entry in the Register of National Defense and Foreign Policy Information meeting the requirements of this section is made with respect to such document or other matter.

(b) In carrying out his functions under section 5(b) the Registrar shall follow the procedures established in this section. Any document or other matter in the custody of the United States Government which is designated to be kept secret pursuant to the policy of this Act shall be entered on the Register in accordance with subsection (c) within twenty days after the date on which the document or other matter was originated, except that, in the case of any document or other matter which is originated outside the United States (other than a document or other matter originated by a foreign government), such entry shall be made within twenty days after the date on which that document or other matter was received by an agency in the United States.

(c)(1) Except as provided in paragraphs (2), (3), and (4), each entry required to be made in the Register shall contain the following information:

(A) a concise and complete description of the subject matter, including the title if any, of the document or other matter;

(B) the name of the agency which originated the document or other matter;

(C) the name and title of the official who designated the document or other matter to be kept secret;

(D) the name of each agency to which such document or other matter was disseminated;

(E) the date on which the document or other matter was originated and the date on which it was designated to be kept secret; and

(F) the date on which such designation of the document or other matter can be withdrawn pursuant to the policy of this Act.

Each entry shall be indexed alphabetically by the title or subject matter of the document or other matter, and alphabetically by the name of the agency which originated the document or other matter.

(2) At the discretion of the Registrar and upon timely explanatory notification by the Registrar to the Joint Committee, agencies are authorized to make aggregate entries on the Register with respect to categories of documents or other matters which are too voluminous in quantity or too similar in content to require separate indexing.

(3) At the discretion of the Registrar and upon explanatory notification to the Joint Committee, agencies are authorized to substitute for the name and title of the official required by paragraph (1)(C) of this subsection a code and title identifying such official whose activity in gathering, transmitting, or analyzing secret information requires anonymity in the interest of his personal safety.

(4) No document or other matter destined for disposal within sixty days of its origination, such as a working paper or draft report, is required to be entered on the Register.

(d) A Duplicate Register, covering all documents or other matters determined to require protection shall be transmitted to the Joint Committee not later than the fifth day of the month following the month in which such determinations were made.

TRANSITIONAL PROVISIONS

SEC. 7. (a) Upon the expiration of four years following the effective date of this Act, no document or other matter which was originated less than ten years prior to such date may be withheld from the public pursuant to the policy of this Act or to section 552(b)(1) of title 5, United States Code, unless an entry meeting the requirements of section 6(c) has been made with respect to such document or other matter.

(b) After the effective date of this Act, no document or other matter which was originated ten years or more prior to such date may be withheld from the public pursuant to the policy of this Act or to section 552(b)(1) of title 5, United States Code, unless the Registrar makes an entry meeting the requirements of section 6(c) with respect to such document or other matter and immediately notifies the Joint Committee of such entry.

AUTHORIZATION

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 9. This Act shall take effect one hundred and eighty days after the date of its enactment.

By Mr. HARTKE (for himself and Mr. Pearson) (by request):

S. 2421. A bill to amend the Regional Rail Reorganization Act of 1973 to provide for the purchase of securities of the Consolidated Rail Corporation, and for other purposes. Referred to the Committee on Commerce.

SECOND REGIONAL RAIL REORGANIZATION ACT AMENDMENTS OF 1975

Mr. HARTKE. Mr. President, yesterday Senator Pearson and I introduced by request S. 2406, legislation drafted by the U.S. Railway Association and the Department of Transportation designed to implement the final system plan of the USRA. Shortly after this proposal was introduced, the Association transmitted to the Senate Commerce Committee a number of corrections and improvements to S. 2406. Although many of these changes are minor or technical in nature, there are some important improvements in the way in which the bill would determine the guaranteed values under the certificates of value, one of the key features of this legislative proposal. Because these changes are important improvements in the draft that was introduced yesterday, I am today introducing an improved draft incorporating the changes, and a section-by-section analysis of the bill and I ask unanimous consent that both the bill and the section-by-section analysis be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2421

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Second Regional Rail Reorganization Act Amendments of 1975".

GOVERNMENT INVESTMENT COMMITTEE

Sec. 2. Section 201 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711) is amended by redesignating subsections (i) and (j) thereof as subsections (j) and (k), respectively, and inserting a new subsection (i) reading as follows:

"(i) Government Investment Committee.—The Board of Directors of the Association shall have a Government Investment Committee which shall consist of the Chairman of the Board, the Secretary, and the Secretary of the Treasury or their duly authorized representatives. The Government Investment Committee shall be vested with the exclusive decisional power to (1) exercise or decline to exercise, as provided in the final system plan, the rights of the Association as holder of any securities of the Corporation issued to the Association under section 216 of this title, (2) make the affirmative findings and exercise any exclusive powers, as expressly provided in section 216(b) of this title, and (3) exercise the authority expressly conferred on it under section 216(d)(2) of this title. The vesting of such exclusive decisional powers in the Government Investment Committee shall not be deemed to relieve the Board of Directors of the Association of any obligation to exercise all other decisional powers conferred on it under this Act, and the power to perform analyses and make advisory findings on any matter relevant to the role of the Association as an investor in the securities of the Corporation."

ASSOCIATION INVESTMENT IN CORPORATION

Sec. 3. (a) Section 202(a)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712(a)(2)) is amended to read as follows:

"(2) issue obligations under section 210 of this title; make loans under section 211 of this title; purchase or otherwise receive and hold securities (whether debt or equity) of the Corporation under section 216 of this title and exercise all rights, privileges and powers of a holder of any such securities; and issue certificates of value under section 306 of this Act;"

(b) Section 210(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 720 (b)) is amended by striking everything following the phrase "of this Act" and adding the following:

": *Provided, however,* That after the date on which the Association first makes a purchase of securities under section 216 of this title, no additional obligations or proceeds thereof may be issued or made available to the Corporation under this section, and the aggregate amount of obligations of the Association which may be outstanding at any one time under this section shall be reduced by $1,000,000,000."

(c) Title II of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711, et seq.) is amended by adding at the end thereof the following new section:

"PURCHASE OF DEBENTURES AND SERIES A PREFERRED STOCK

"Sec. 216. (a) General.—The Association is authorized, in accordance with the provisions of this section and such rules and regulations as it may prescribe, to invest from time to time in the securities of the Corporation by purchasing up to $1,000,000,000 principal amount of Debentures issued by the Corporation and, after the acquisition of such Debentures, up to $850,000,000 principal amount of the Series A Preferred Stock of the Corporation and, subject to the conditions prescribed in subsection (b) of this section, up to an additional $250,000,000 principal amount of the Series A Preferred Stock of the Corporation.

"(b) Purposes and Procedure for Investment.—The Association shall purchase Debentures and thereafter Series A Preferred Stock of the Corporation, in accordance with terms and conditions governing such purchases, which shall be jointly prescribed by the Board of Directors of the Association and the Government Investment Committee, at such times and in such amounts as may be required and requested by the Corporation to provide for the modernization, rehabilitation and maintenance of rail properties of the Corporation; for the acquisition of equipment and other capital needs; for the refinancing of indebtedness incurred by the Corporation under section 211 of this title or incurred under section 215 of this title and assumed by the Corporation; or to provide working capital as contemplated by the final system plan. Purchases of up to $1,000,000,000 of Debentures and thereafter of up to $850,000,000 of Series A Preferred Stock shall be made by the Association as required and requested by the Corporation unless the Government Investment Committee makes an affirmative finding that (1) the Corporation has failed in any material respect to comply with any covenant or undertaking made to the Association and such failure remains uncorrected,

(2) the Corporation has failed substantially (as determined by performance within margins jointly prescribed by the Board of Directors of the Association and the Government Investment Committee) to attain the overall operating and financial results projected in the final system plan, as they may be jointly modified by the Board of Directors and the Government Investment Committee, or (3) taking into consideration all relevant factors, including its overall operating and financial results, it is not reasonably likely that the Corporation will be able to become financially self-sustaining without requiring Federal funds in excess of the amount authorized in this section: *Provided, however,* That the Government Investment Committee shall not be required to make any finding except as a condition for denying such approval. If the Government Investment Committee makes such a finding, it may (i) direct the Association not to purchase Debentures and Series A Preferred Stock of the Corporation after the date of such determination, or (ii) notwithstanding the provisions of subsection (d)(1) of this section, approve the purchase by the Association of Debentures and Series A Preferred Stock of the Corporation after the date of such determination only in such amounts, at such times, and on such terms and conditions as the Government Investment Committee determines to be appropriate to the role of the Association as an investor in the Debentures and Series A Preferred Stock of the Corporation. After the purchase of $1,000,000,000 of Debentures and $850,000,000 of Series A Preferred Stock, the Association, acting through the Government Investment Committee, may approve purchases, upon such terms and conditions as the Committee deems appropriate, of up to an additional $250,000,000 of Series A Preferred Stock.

"(c) Terms and Conditions.—The Debentures and the Series A Preferred Stock shall have such terms and conditions not inconsistent with the final system plan as may be prescribed by the Board of Directors of the Association: *Provided, however,* That any terms and conditions which prescribe covenants or undertakings referred to in subsection (b), clause (1) of this section shall be prescribed jointly by the Board of Directors of the Association and the Government Investment Committee.

"(d) Modifications and Waivers.—(1) The Board of Directors of the Association and the Government Investment Committee, acting jointly, may agree with the Corporation to modify any of the terms and conditions governing the purchase of the securities of the Corporation held by the Association upon a finding that such action is necessary or appropriate to achieve the purposes of this Act or the goals of the final system plan. The Board of Directors of the Association and the Government Investment Committee may jointly agree with the Corporation to modify any terms and conditions of the securities of the Corporation which prescribe covenants or undertakings referred to in subsection (b), clause (1) of this section, and the Board of Directors of the Association may agree with the Corporation to modify any other terms and conditions of the securities of the Corporation in a manner not inconsistent with the final system plan.

(2) The Government Investment Committee may, in its discretion and upon a finding that such action is necessary or appropriate to achieve the purposes of this Act or the goals of the final system plan, waive compliance with any term, condition, provision or covenant of the securities of the Corporation held by the Association, including without limitation any provision of such securities with respect to payment or redemption of principal or issuance price or payment of interest or dividends, or any term or condition governing the purchase of such securities.

"(e) Appropriation.—There is authorized to be appropriated to the Association the sum of $2,100,000,000 to be used for the purchase of securities of the Corporation in accordance with this section. All sums received by the Association on account of the holding or disposition of any such securities shall be deposited in the general fund of the Treasury."

(d) Section 202(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712 (e)) is amended by inserting after the words "obligations issued" in clause (4) a comma and the words "certificates of value issued, securities purchased;"

(e) Section 202(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712 (f)) is amended by adding after the word "section" in the first sentence the words "and receipts and disbursements under section 216 of this title and section 306 of this Act".

CAPITALIZATION OF CORPORATION

SEC. 4. Section 301(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741 (e) is amended by striking the first two sentences thereof and substituting the following:

"In order to carry out the final system plan, the Corporation is authorized to issue Debentures, Series A Preferred Stock, Series B Preferred Stock, common stock and other securities. Debentures and Series A Preferred Stock shall be issued initially to the Association. Series B Preferred Stock and Common Stock shall be issued initially to the estates of railroads in reorganization in the region and to railroads leased, operated, or controlled by railroads in reorganization in the region and to other transferors of rail properties in exchange for rail properties transferred to the Corporation pursuant to the final system plan."

CERTIFICATES OF VALUE

SEC. 5. (a) Section 303 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743) is amended:

(1) by adding ", certificates of value" after the word "securities" in subsections (c)(1)(A)(1); (c)(2), and (c)(3);

(2) by adding the words "and certificates of value" after the words "of the Corporation" in subsection (c)(2)(A); and after the words "Corporation's securities" in subsections (c)(2)(B) and (c)(2)(C); and

(3) by striking out "obligations of the Association" wherever it appears and inserting in lieu thereof "certificates of value issued by the Association"; and by striking "obligations" each other time it appears and inserting in lieu thereof "certificates of value".

(b) Title III of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741, *et seq.*) is amended by adding the following section:

"CERTIFICATES OF VALUE

"SEC. 306. (a) GENERAL.—On the date the final system plan is delivered to the special court under section 303(a) of this title, the Association shall deliver to the Corporation for deposit with the special court under section 303(a)(1) of this title the certificates of value of the Association required by this section. The Secretary shall guarantee the payment of all certificates of value delivered to the Corporation in accordance with this section. All guarantees entered into by the Secretary under this section shall constitute general obligations of the United States of America. Such obligations shall be valid and incontestable in the hands of a holder, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

"(b) NUMBER AND DISTRIBUTION.—The number of certificates of value shall be equal to the number of shares of Series B Preferred Stock of the Corporation required to be deposited by the Corporation with the special court under section 303(a)(1) of this title. The aggregate base value of the certificates of value, as of the date of conveyance of rail properties under section 303(b)(1) of this title, shall not exceed the net liquidation value, as designated by the Association in its certificate to the Special Court under Section 209(c), of all rail properties transferred under section 303(b)(1) to the Corporation and any subsidiaries thereof. The certificates of value shall be distributed by the special court under section 303(c)(4) of this title at the same time and to the same transferors in the same numbers of units as shares of such Series B Preferred Stock.

"(c) REDEMPTION.—(1) Certificates of value shall be redeemed by the Association on December 31, 1987 or such earlier date as the Association may determine and specify.

"(2) Each certificate of value shall be redeemed for an amount equal to its base value on the redemption date minus a sum calculated according to a formula to be set forth in the certificates to give effect to the fair market value of the Series B Preferred Stock, dividends paid thereon, such other distributions then having been made or to be made to the initial holders of such stock as may be determined by the special court to be fair and equitable, and the fair market value of the common stock applicable to such certificate.

"(3) The base value of each certificate of value shall be the lesser of (A) the value obtained by taking the constitutional minimum value as determined by the special court (including any effect thereon of the rate of interest established under this clause (A)) to which each transferor is entitled by virtue of transfers of rail properties to the Corporation and any subsidiaries thereof, with interest to the redemption date at a rate of eight per cent per annum, and dividing the constitutional minimum value by the number of certificataes of value distributed to such transferor, or (B) the value shown on the following tables:

If redeemed during the year ending Dec. 31—

	Base value
1976	$21.44
1977	23.16
1978	25.01
1979	27.01
1980	29.17
1981	31.51
1982	34.03
1983	36.75
1984	39.69
1985	42.87
1986	46.30
1987	50.00

"(4) The fair market value of Series B Preferred Stock and of common stock shall be determined, in accordance with regulations prescribed by the Association, on the basis of the average price of each such security in an established market over a period of not less than 20 trading days preceding the redemption date, or, in the case of a security for which there is no established market, on the basis of the majority vote of three experts in the valuation of securities, one to be selected by the Association acting through the Government Investment Committee, one to be selected by the directors of the Corporation elected by the holders of the security to be valued, and one to be selected by the other two.

"(d) AUTHORIZATION FOR APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary such amounts as are necessary to discharge the obligations of the United States arising under this section."

(c) Section 210(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 720 (e)) is amended by inserting after the word "section" in the first sentence thereof the following:

"or under section 306(a) of this Act".

DIRECTORS OF THE CORPORATION

SEC. 6. (a) Section 301(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(c)) is amended by striking the second sentence thereof and substituting the following sentence:

"The members of the Executive Committee of the Association shall also adopt the initial by-laws of the Corporation and serve as the Board of Directors until all of the members of the Board of Directors have been selected in accordance with subsection (d) of this section."

(b) Section 301(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741 (d)) is amended to read as follows:

"BOARD OF DIRECTORS.—The Board of Directors of the Corporation shall consist of 15 individuals selected in accordance with the articles and by-laws of the Corporation as follows: six individuals appointed by the President by and with the advice and consent of the Senate, the President of the Association, two individuals selected by the holders of the Debentures and Series A Preferred Stock of the Corporation, voting as a class, the Chairman and President of the Corporation, two individuals selected by the holders of the Series B Preferred Stock of the Corporation, and two individuals selected by the holders of the common stock of the Corporation. Beginning on the sixth anniversary of the date the special court issues the orders described in section 303(b)(1) of this title, one director designated at the time of his appointment by the President from among the Presidential appointees shall resign when the aggregate outstanding principal amount of debt securities and the original issue price of equity securities of the Corporation held by the Association is reduced below $2,000,000,000, and one such director designated at the time of his appointment shall resign for each $400,000,000 reduction in such aggregate amount thereafter. The President of the Association and the two directors selected by the holders of the Debentures and Series A Preferred Stock of the Corporation shall resign when the Association no longer holds any securities of the Corporation issued to it pursuant to section 211 or section 216 of this Act."

(c) Section 301 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741) is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and inserting a new subsection (f) reading as follows:

"(f) For and during the period between the deposit of securities of the Corporation with the special court in accordance with section 303(a) of this title and the distribution of such securities in accordance with section 303(c) of this title, the special court may appoint one or more voting trustees for each class of securities so deposited. Any voting trustees shall exercise the rights of holders of such securities in behalf of the distributees as their interests may appear."

SUPPLEMENTARY ASSISTANCE

SEC. 7. Title III of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741, *et seq.*) is amended by adding the following section:

"SUPPLEMENTARY ASSISTANCE

"SEC. 307(a) PURPOSES.—The Secretary is authorized to provide financial assistance in the form of grants or loans to, or by the acquisition of securities of (i) the Corporation or other railroads, any State or local or regional transportation authority, or any other responsible person, for the purpose of facilitating the implementation of a supplementary transaction, and (ii) the Corporation for the purpose of supplementary assistance.

"(b) TERMS AND CONDITIONS.—Financial assistance shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Secretary deems appropriate. Loans shall bear interest at a rate not less than the greater of a rate determined by the Secretary of the Treasury taking into consideration (1) the rate prevailing in the private market for similar loans as determined by the Secretary of the Treasury, or (2) the current average yield on outstanding marketable obligations of the Association issued under section 210 of this Act with remaining periods of maturity comparable to the average maturities of such loans, plus such adidtional charge, if any, toward covering costs of the Secretary as the Secretary may determine to be consistent with the purposes of this Act.

“(c) Loan Prerequisites.—The Secretary shall make a finding in writing, before making a loan to any applicant under this section, that—

“(1) the loan is necessary to achieve the purposes of this Act;

“(2) he is satisfied that the business affairs of the applicant will be conducted in a reasonable and prudent manner; and

“(3) the applicant has offered such security as the Secretary deems necessary to protect reasonably the interests of the United States.

“(d) Policy.—It is the intent of Congress that loans made under this section shall be made on terms and conditions which furnish reasonable assurance that any borrower will be able to repay them within the time fixed and that the purposes of this Act are reasonably likely to be achieved.”

“(e) Loan Modifications.—The Secretary is authorized to modify, upon agreement with the borrower, or to waive any provision of a loan under this section, including without limitation any provision with respect to payment of interest or principal, upon a finding by the Secretary that the modification or waiver is necessary or appropriate to achieve the purposes of this section.”

“(f) Authorization.—There are authorized to be appropriated to the Secretary $400,000,000, to remain available until expended, to carry out the purposes of this section.”

TRANSFERS INVOLVING PROFITABLE RAILROADS

Sec. 8. (a) Section 214(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(a)) is amended by adding the following at the end thereof:

“There are hereby authorized to be appropriated to the Secretary such amounts as may be necessary to discharge the obligations of the United States of America arising under section 303(c)(5) of this Act.”

(b) Section 303(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743 (c)(3)) is amended by adding at the end thereof the following:

“(5) Where, pursuant to an explicit recommendation in the final system plan, the Association certifies, at the time of delivery of a certified copy of the final system plan to the special court under section 209(c) of this Act, that finality of the terms of specified conveyances of rail properties to a profitable railroad is in its opinion essential to the achievement of the basic industry structure recommended in the final system plan, then the United States of America may, in its discretion, represent such profitable railroad in any proceedings before the special court that could result in a judgment against such profitable railroad under section 303(c)(3) of this title, and the United States of America shall pay any judgment entered against such profitable railroad plus interest thereon at such rate as may be determined by the special court. Any profitable railroad which is represented by the United States of America shall cooperate diligently in whatever manner the United States of America shall reasonably request of it in connection with such proceedings.

(c) Section 501 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 771(1)) is amended by:

(i) amending clause (3) to read as follows:

“(3) ‘protected employee’ means any employee of—

“(A) an acquiring or selling railroad adversely affected by a transaction;

“(B) the Corporation who, immediately preceding such employment by the Corporation, was employed by a selling railroad and who is adversely affected by the sale of rail properties to the Corporation pursuant to an offer designated under Section 206(c)(2) of this Act; and

“(C) a railroad in reorganization who, in any such case, has not reached age 65 on the effective date of this Act.”

(ii) striking the word “and” at the end of subsection (8), by striking the period at the end of subsection (9) and by inserting at the end thereof the following:

“and

“(10) ‘selling railroad’ means a railroad which sells rail properties pursuant to an offer designated under section 206(c)(2) of this Act; and”

(d) Section 508 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 778) is amended by

(i) changing the title thereof to read “ACQUIRING AND SELLING RAILROADS”;

(ii) inserting after the words “Sec. 508” the words “(a) Acquiring Railroads.—”;

(iii) striking the word “303” and inserting in lieu thereof the word “206(d)(4)”; and

(iv) adding at the end thereof the following:

“For purposes of this subsection, the Corporation shall be deemed to be an acquiring railroad with respect to employees described in clause (B) of section 501(3) of this title.

“(b) Selling Railroads.—A selling railroad shall offer such employment and afford such employment protection to its employees who are adversely affected by such sale as shall be agred upon between the selling railroad and the representatives of such employees prior to said sale: *Provided, however,* That the protection and benefits provided for protected employees in such agreements shall be the same as those specified in section 505 of this title: *And provided further, however,* That unless and until such agreements are reached, the selling railroad shall not enter into selling agreements pursuant to section 206(d) of this Act.”

SUPPLEMENTARY TRANSACTIONS

Sec. 9. (a) Section 102 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702) is amended by striking “and” at the end of paragraph (14), striking the period at the end of paragraph (15) and adding the following:

“; and

“(16) ‘Supplementary transaction’ means any transaction proposed under section 305(a) of this Act as supplemental to the final system plan within six years after the date on which the special court orders conveyances of rail properties to the Corporation under section 303(b), under which the Corporation (which for purposes of supplementary transactions shall be deemed to include any subsidiary or affiliate thereof) would (A) acquire rail properties not designated for transfer or conveyance to it under the final system plan, (B) convey rail properties to a profitable railroad, a subsidiary or affiliate of the Corporation or, other than as designated in the final system plan, to the National Railroad Passenger Corporation or to a State or a local or regional transportation authority, or, for rail use, to any other responsible person, or (C) enter into contractual or other arrangements with any person for the joint use of rail properties or the coordination or separation of rail operations or services.”

(b) Title III of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741, *et seq.*) is amended by adding at the end thereof the following section:

“SUPPLEMENTARY TRANSACTIONS

“Sec. 305. (a) Proposals.—If the Secretary, the Commission, or the Association determines that further restructuring of rail properties in the region through transactions supplemental to the final system plan would promote the establishment and retention of a financially self-sustaining rail service system in the region adequate to meet the needs of the region, the Secretary, the Commission or the Association, as the case may be, may develop proposals for such supplementary transactions as are necessary or appropriate to implement the needed restructuring. Transfers of rail properties included in proposals developed by the Association shall be limited to (1) rail properties which would have qualified for designation under section 206(c)(1)(A) of this Act but which were not transferred or conveyed under the final system plan, and which the Association finds to be essential to the Corporation's efficient operations, and (2) transfers, consistent with the final system plan, of rail properties from the Corporation to a subsidiary or affiliate thereof. Each proposal (other than a proposal developed by the Association) shall be submitted in writing to the Association and shall state the rail properties involved, the parties to any transactions, the financial and other terms of any transactions, the purposes of the Act or goals of the final system plan intended to be effectuated by any transactions, and such other information incidental thereto as the Association may prescribe. Within 10 days after receipt of a proposal developed by the Secretary or the Commission, and upon the development of a proposal developed by the Association, the Association shall publish in the Federal Register a notice which shall include a summary of the proposal and shall afford interested persons an opportunity to comment thereon.

“(b) Evaluation by Association.—The Association shall analyze each proposal for any supplementary transactions, taking into account the comments of interested persons and statements and exhibits submitted at any public hearings that may have been held, and shall, within 120 days after publication of the notice required by subsection (a), publish in the Federal Register a report evaluating the proposal. Such evaluation shall state whether the proposal for supplementary transactions is (1) in the public interest as defined by the purposes of the Act and the goals of the final system plan and (2) fair and equitable. Within 30 days after the Association publishes its report, each proposed transferor or transferee (other than the Corporation where it is a proposed transferor) shall notify the Association in writing whether the proposed supplementary transaction is acceptable to it. If any such proposed transferor or transferee fails to notify the Association that the proposed supplementary transaction is acceptable to it, no further administrative or judicial proceedings shall be conducted with respect to such proposed supplementary transaction.

“(c) Special Court Proceedings.—(1) If the Association makes the determination that a proposal for supplementary transactions is in the public interest as defined by the purposes of this Act and the goals of the final system plan and is fair and equitable, the Association shall, within forty days after the publication of its report, petition the special court for an order finding that the proposal for supplementary transactions is in the public interest as defined by the purposes of this Act and the goals of the final system plan and is fair and equitable, and directing the Corporation to carry out the supplementary transactions specified in the proposal. If the Association determines that a proposal made by the Secretary is not in the public interest or is not fair and equitable, the Secretary may, if he determines that the proposal is in the public interest and is fair and equitable, petition the special court for an order finding that the proposal for supplementary transactions is in the public interest and is fair and equitable, and directing the Corporation to carry out the supplementary transactions specified in the proposal.

“(2) Within 180 days after the filing of a petition under paragraph (1) of this subsection the special court shall decide, after hearing, whether the proposed supplementary transactions, considered in their entirety, are in the public interest as defined by the purposes of this Act and the goals of the final system plan and are fair and equitable. If the special court determines that such proposed supplementary transactions, considered in their entirety, are in the public interest and are fair and equitable, it shall, upon making such determination, issue such orders as may be necessary to direct the Corporation to consummate the transactions. If the special court determines either that such proposed supplementary transactions, considered in their entirety, are not in the public interest or are not fair and equitable, it shall file an opinion stating its conclusion and the reasons therefor. In such event the Secretary may, within 30 days after the filing of such opinion, certify to the special court that the terms and conditions of the proposal have been modified consistent with the opinion of the court and are acceptable to each proposed transferor or transferee (other than the Corporation where it is a proposed transferor), and may petition the special court for reconsideration of the proposal as so modified. Within 90 days after the filing of such petition, the special court shall decide, after hearing, whether the proposal as modified by the Secretary's certification is in the public interest and is fair and equitable, and shall enter such further orders as are consistent with that determination.

"(3) The special court shall make such rules for the conduct of proceedings under this subsection, including any necessary provisions for the representation of interests not otherwise represented, as it deems necessary or appropriate.

"(4) In proceedings under this subsection, the special court is authorized to exercise the powers of a district judge with respect to such proceedings and such powers shall include those of a reorganization court.

"(5) Any evaluation of the Association or the Secretary shall not be reviewable in any court except the special court in accordance with the provisions of this section. The supplementary transactions shall not be restrained or enjoined by any court nor shall they be otherwise reviewable by any court other than by the special court to the extent provided in this section.

"(6) Notwithstanding any other provision of this Act, no findings, determinations, or proceedings shall be required with respect to any proposal for supplementary transactions other than as expressly set forth in this section.

"(d) 'FAIR AND EQUITABLE'.—For all purposes of this section, the term "fair and equitable" means fair and equitable, in accordance with the standards applicable to the approval of a plan of reorganization or a step in such a plan under section 77 of the Bankruptcy Act (11 U.S.C. 205), to (1) the estates of railroads in reorganization, and railroads leased, operated, or controlled by railroads in reorganization, or other transferors who have conveyed rail properties under section 303(b) of this title in exchange for the securities of the Corporation, the securities of the Association and other profitable railroads and the other benefits provided by the Act, and to subsequent holders of such securities, if any, at the time of such supplemental transaction; and (2) to the holders of other securities of the Corporation. Whenever any property or securities of the Corporation are required to be valued in order to determine whether the terms of a supplementary transaction are fair and equitable, the special court shall give proper recognition to the contributions to the Corporation by all classes of security holders: *Provided, however,* That the special court shall not assign to the Series B Preferred Stock and common stock any values added to those securities by reason of the investment by the Association in the Debentures and Series A Preferred Stock issued by the Corporation in excess of any values required by constitutional principles applicable to a reorganization process.

"(e) APPEALS.—Judgments of the special court entering or denying orders pursuant to this section may be appealed directly to the Supreme Court of the United States in the same manner that an injunctive order may be appealed under section 1253 of title 28, United States Code: *Provided, however,* That such appeal is exclusive and shall be filed in the Supreme Court not more than 20 days after the entry of such judgment."

EXEMPTIONS

SEC. 10. (a) Section 601(a)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791(a)(2)) is amended by striking the period at the end of such section and adding the following:

"and with respect to any action taken to formulate or implement any supplementary transaction as defined in section 102(16) of this Act."

(b) Section 601(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791(b)) is amended by amending the title thereof to read "COMMERCE, BANKRUPTCY, *and* SECURITIES LAWS", redesignating the existing provision as paragraph (1); striking the words "to the extent necessary" and substituting the word "taken"; striking everything that follows the word "plan" and inserting the following:

"where such action was in compliance with the requirements of such plan, or to any action taken to formulate or implement any supplementary transaction as defined in section 102(16 of this Act."

and by adding the following paragraph:

"(2) All securities of the Corporation issued to the Association as the initial holder or issued in connection with the transfer to the Corporation of rail properties under this Act shall be deemed for all purposes to have been issued subject to the provisions of section 20a of the Interstate Commerce Act, as amended (49 U.S.C. 20a)."

(c) Section 601(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791(c)) is amended by striking everything commencing with the word "before" and substituting the following:

"to formulate or implement the final system plan where such action was in compliance with the provisions of such plan, or to any action taken to formulate or implement any supplementary transaction as defined in section 102(16) of this Act."

DESIGNATIONS TO NATIONAL RAILROAD PASSENGER CORPORATION OUTSIDE NORTHEAST CORRIDOR

SEC. 11. Section 206(c)(1)(D) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(c)(1)(D)) is amended by:

(a) inserting following the word "by" the word "(i)"; and

(b) striking the word "; and"; at the end thereof and adding the following:

"or (ii) the National Railroad Passenger Corporation to meet the needs of improved passenger service over intercity routes, other than the Northeast corridor, identified by the Association pursuant to the final system plan; and"

MISCELLANEOUS AMENDMENTS TO TITLE II

SEC. 12. (a) Section 201(h) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711(h)) is amended to read as follows:

"(h) EXECUTIVE COMMITTEE.—The Board of Directors of the Association shall have an executive committee which shall consist of the Chairman of the Board, the Secretary, the Chairman of the Commission or his duly authorized representative, and two other members who shall be selected by the members of the Board."

(b) Section 203(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 713(a)) is amended by striking the last sentence thereof.

(c) Section 206(d)(3) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(d)(3)) is amended by adding the following after the first sentence:

": *Provided, however,* That all determinations made by the Association in the correction to the preliminary system plan published on April 11, 1975 (40 Fed. Reg. 16377) shall be treated for all purposes as if they had been made upon adoption and release by the Association of the preliminary system plan; *Provided further* That all determinations made by the Commission with respect to said correction shall be treated for all purposes as if they had been made within 90 days after adoption and release by the Association of the preliminary system plan; *and Provided further* That all determinations made by the Commission with respect to acquisitions by profitable railroads referred to in any supplement to the preliminary system plan published under section 207(b)(2) of this title (45 U.S.C. ——) shall be deemed to be timely made if made before adoption of the final system plan under section 207(c) (45 U.S.C. 717(c))."

(d) Section 209 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 719) is amended by inserting the following new subsection at the end thereof—

"(e). INJUNCTIVE AND DECLARATORY ACTIONS.—Notwithstanding any other provision of law, any action—

(1) for injunctive or other relief from enforcement, operation or execution of any part of this Act or from any action taken pursuant to authority purportedly conferred under this Act,

(2) for a declaratory judgment of the unconstitutionality of any part of this Act or of the illegality of any action or of any failure to take action pursuant to authority conferred or purportedly conferred under this Act, or

(3) to enforce or declare rights under this Act,

shall be within the exclusive jurisdiction of the special court. An order or judgment of the special court in any such action shall be reviewable by direct appeal to the Supreme Court of the United States: *Provided, however,* That any such appeal is exclusive and shall be filed not more than 20 days after the entry of such order or judgment."

(e) Section 210(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 720(c)) is amended by adding at the end thereof the following:

"All guarantees entered into by the Secretary under this section shall constitute general obligations of the United States of America."

MISCELLANEOUS AMENDMENTS TO TITLE III

SEC. 13. (a) Section 301(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(f)) is amended by striking the first sentence thereof.

(b) Section 303(c)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(c)(2)) is amended by striking out "shall—" and inserting "may do any or all of the following—" in lieu thereof, by striking out "and" at the end of paragraph (A), by striking everything before "order" in paragraph (B), by striking "and" at the end of paragraph (B), and by striking paragraph (C) and by inserting in lieu thereof the following:

"(C) enter a judgment against the Corporation if the judgment would not endanger the viability or solvency of the Corporation."

(c) Section 303(c)(4) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(c)(4)) is amended by:

(1) striking "subsection (b)" therefrom and inserting "subsection (a)" in lieu thereof; and

(2) inserting after the word "region" the following words:

> "and to railroads leased, operated or controlled by railroads in reorganization in the region and to other transferors of rail properties".

(d) Section 201 of the Government Corporation Control Act (31 U.S.C. 856) is amended by adding "; and" at the end of subparagraph (7) and by striking therefrom the following:

> ", and (9) the Consolidated Rail Corporation to the extent provided in the Regional Rail Reorganization Act of 1973."

(e) Section 303(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(d)) is amended by striking out "5" and inserting "20" in lieu thereof and by striking out the last sentence.

(f) Section 403(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 763(b)) is amended by inserting in the first sentence thereof after the word "assistance" the words "in the form of loans" and by striking the second sentence thereof.

ALTERNATIVE DESIGNATIONS TO PROFITABLE RAILROADS

SEC. 14. Section 206(c)(1)(B) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(c)(1)(B)) is amended by inserting after the word "paragraph" the following words:

> "and what alternative designations shall be made under this subparagraph".

AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE FUNCTIONS OF THE ASSOCIATION

SEC. 15. Section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended by striking the words "not to exceed $40,000,000".

TRANSFERS TO SUBSIDIARIES OR AFFILIATES OF THE CORPORATION

SEC. 16. (a) Section 206(c)(1)(A) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(c)(1)(A)) is amended by striking the semi-colon and adding the following:

> ": *Provided, however*, That the Corporation shall, within 45 days following the effective date of the final system plan, give notice to the Association of which rail properties, if any, designated hereunder are to be transferred to a subsidiary or affiliate of the Corporation in the event that the Board of Directors of the Association finds that such transfer would be consistent with the final system plan,"

(b) Section 206(c)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(c)(2)) is amended by striking the period and adding: "Any rail properties designated to be offered for sale to the Corporation may be sold instead to a subsidiary or affiliate thereof."

(c) Sections 206(d)(1), 209(c) and (d), 215(d), 303(c)(1)(A)(i), 303(c)(2)(A), 304(e), and 501(1) and (2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(d)(1), 719(c) and (d), ———, 743(c)(1)(A)(i), 743(c)(2)(A), 744(e), and 771(1) and (2)) are amended by inserting following the word "Corporation" each time it appears in each of said sections the words "or any subsidiary or affiliate thereof";

(d) Section 303(a)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(a)(1)) is amended by inserting following the word "Corporation" the second time it appears the words "or any subsidiary or affiliate thereof";

(e) Section 303(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(b)) is amended by inserting following the word "Corporation" each time it appears therein except the first time the words "or any subsidiary or affiliate thereof";

(f) Section 501 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 771) is amended by inserting the following new subparagraph:

> "(11) 'Corporation' as used in this title means the Consolidated Rail Corporation and (as may be appropriate in the context) any subsidiary or affiliate thereof."

SECTION-BY-SECTION ANALYSIS OF A BILL TO IMPLEMENT THE FINAL SYSTEM PLAN OF THE UNITED STATES RAILWAY ASSOCIATION

To Amend the Regional Rail Reorganization Act of 1973, To Provide for the Purchase of Securities of the Consolidated Rail Corporation, and for Other Purposes

Sec. 1. Cites the proposed Act as "Second Regional Rail Reorganization Act Amendments of 1975."

GOVERNMENT INVESTMENT COMMITTEE

Sec. 2. Amends section 201 of the Regional Rail Reorganization Act of 1973 ("Act"). Section 201 establishes the basic structure of the United States Railway Association ("USRA"), and the present amendment creates a special committee of the Board of Directors within that structure, the Government Investment Committee ("GIC"). The GIC will be composed of the Chairman of the USRA Board and the Secretaries of Transportation and Treasury (or their representatives). It will have certain expressly conferred powers, some of an exclusive nature and some that it will exercise together with USRA's Board. The GIC will have the exclusive decisional powers to (1) exercise the rights of USRA as debenture holder and preferred stockholder of Consolidated Rail Corporation (ConRail), (2) make certain findings and exercise certain powers with respect to the purchase of ConRail securities as discussed below, and (3) waive compliance with any term or condition of ConRail's securities. The Board itself will, of course, retain all other decisional powers conferred on it under the Act, and may perform analyses and render advisory findings on all matters, including all decisional matters, relevant to the Association's role as an investor in ConRail.

ASSOCIATION INVESTMENT IN CONRAIL

Sec. 3. This section amends sections 202(a)(2) and 201(b), which give USRA the power to issue obligations and to make loans to ConRail and others to carry out the purposes of the Act, and adds a new section 216.

(a) Under the first part of this amendment, USRA is given the additional power under section 202(a)(2) to purchase securities issued by ConRail under section 216 and to issue a new type of obligation called a "Certificate of Value." The Certificates of Value are defined and created in a new section 306 described below.

(b) Amends section 210(b) by reducing the aggregate amount of USRA obligations which may be outstanding at any one time from $1.5 billion to $500 million.

Since ConRail is to be funded through the purchase of securities from funds appropriated to USRA pursuant to the authorization in section 216(e), it is also appropriate to terminate the authority to make new section 210 financing available to ConRail after USRA makes its first purchase of ConRail's securities. It is contemplated that during the interim period until funds can be provided to ConRail through the financing mechanism provided in this bill ConRail would be eligible to borrow section 210 funds through loan transactions under section 211. The outstanding loan balances would be repaid with financing available under section 216. If separate legislation is enacted to fund the high speed rail passenger project in the Northeast corridor and any other purposes for which funds are now available under sections 210 and 211, the $500 million limitation would be subject to reduction accordingly. Section 210 does not include any authority for funding sections 215 or 306 needs, for which separate obligational authority is provided.

(c) Amends Title II of the Act by adding a new section 216, which provides for purchases of debentures and Preferred Stock of ConRail by USRA:

(1) USRA is authorized in subsection (a) of section 216 to invest up to $1 billion in debentures and $1.1 billion in Series A Preferred Stock issued by ConRail, and an appropriation for this expenditure is authorized in subsection (e). The final system plan contemplates, and the amendment would permit, payment of interest on the debentures through issuance of Series A Preferred Stock before USRA begins to purchase such stock.

(2) Subsection (b) establishes the purposes and procedures for the investment in ConRail's securities. At the outset, the USRA Board and the GIC will jointly prescribe the terms and conditions for any such purchase, including an agreed margin of deviance from the overall results projected for ConRail in the final system plan. The proceeds of these investments may be used by ConRail to modernize, rehabilitate, and maintain its rail properties, acquire capital items such as equipment, refinance debt incurred under sections 211 and 215, and provide working capital. Purchases of up to $1 billion of debentures and $850 million of Preferred Stock shall be made as required and requested by ConRail unless the GIC finds that (1) ConRail has committed and left uncorrected a material violation of any covenant or undertaking made to USRA, (2) it has failed substantially (*i.e.,* within margins jointly prescribed by USRA's Board and the GIC) to obtain the overall business and financial results projected in the final system plan, as they may be modified by the Board and GIC, or (3) ConRail is not reasonably likely to become financially self-sustaining without government funds in addition to those authorized in section 216. If such a finding were made, GIC could direct that USRA purchase no more ConRail securities or that it purchase such additional securities only on such terms and conditions as GIC determines to be appropriate to USRA's role as an investor. Once the $1.85 billion has been invested, GIC may authorize the purchase of an additional $250 million of ConRail Preferred Stock upon terms and conditions which it deems appropriate. This additional authorization will provide a source of funds to meet unexpected contingency needs above the projected need for $1.85 billion.

(3) The terms and conditions of the debentures and Series A Preferred Stock which USRA will acquire will be prescribed by USRA's Board subject to GIC's concurrence with respect to certain kinds of terms and conditions. As presented in the final system plan, the debentures will (i) earn interest at 7.50% per year, (ii) be senior to the two classes of Preferred and one class of Common Stock issued by ConRail, (iii) be callable at 100 percent of their issue price, and (iv) be due January 1, 2011 but will be gradually redeemed under a mandatory annual redemption program starting in 1986 if there is "cash available" (as defined in the final system plan) for such redemption. The debentures will contain negative covenants normally found in debt instruments, such as promises not to make certain by-law changes, issue other debt, or dispose or acquire assets without approval of the debenture holder. Subsection (b) also authorizes USRA to purchase 8.5 million shares of Series A Preferred Stock for $100 per share. The Preferred Stock will (i) be entitled to a 7.5% annual dividend, (ii) be senior to the Series B Preferred and Common Stock that will be issued to the transferrors of rail properties to ConRail, and (iii) will have redemption, call, and negative covenant provisions similar to the debentures. In case of a material and uncorrected event of default, the debentures will have accelerated repayment require-

ments and the Series A Preferred will have accelerated redemption provisions. The final system plan explains that interest on the debentures and dividends on the Series A Preferred will be paid only if there is "cash available;" if there is insufficient "cash available;" if there is insufficient "cash available," the interest and dividends will be paid in additional Series A Preferred shares.

(4) Section 216(d) authorizes the USRA Board and the GIC jointly to reach agreements with ConRail modifying the terms and conditions governing the purchase of any securities held by USRA. The terms and conditions of ConRail's securities acquired by USRA may be modified by agreement of USRA and ConRail subject to GIC's concurrence with respect to certain kinds of terms and conditions. The GIC alone may waive compliance by ConRail with any "term, condition, provision, or covenant" of any security or with any term and condition governing their purchase. Most importantly, the subsection makes clear that this power to waive includes the power to forgive payment of interest dividends, payment of principal on the debentures, and redemption of the Series A Preferred Stock.

(d) Amends section 202(e)(4) to require USRA to provide a statistical compilation of not only its obligations issued and loans made, as presently provided, but also a compilation specifically of its Certificates of Value which it has issued and of the ConRail securities it has purchased.

(e) Amends subsection 202(f) which presently provides that only the administrative expenses of USRA should be included in the annual federal budget, and that its receipts and disbursements not be included in the budget. The present amendment would require receipts and disbursements with respect to investments in ConRail securities under section 216 and the Certificates of Value authorized by section 306 to be included in the federal budget and deficit ceilings.

CAPITALIZATION OF CORPORATION

Sec. 4. Amends section 301(e), which presently provides for the capital structure of ConRail, to add references to the specific classes of securities contemplated by the final system plan. The debentures and Series A Preferred Stock are to be initially issued to USRA, and the Series B Preferred Stock and the Common Stock are to be initially issued to (a) the northeast railroads presently in reorganization, (b) the leased lines of those reorganizing railroads, which are for the most part affiliates of the reorganizing railroads, and (c) other transferors of rail properties to ConRail pursuant to the final system plan.

CERTIFICATES OF VALUE

Sec. 5. Amends section 303 in various places, adds a new section 306 which creates the USRA Certificates of Value, and amends section 210 to make the certificates a full faith and credit obligation of the United States.

(a) The Certificates of Value will be issued to transferors of rail property to ConRail. The Certificates of Value, along with the ConRail Series B Preferred Stock and Common Stock, are intended to provide a package of securities that, together with the "other benefits" provided by the Act, will result in transfers and conveyances which meet the Act's "fair and equitable" test and which comply with the constitutional minimum requirement referred to in section 303 of the Act. The effect of these amendments to section 303 is to:

(1) Instruct the special court to consider the newly authorized USRA Certificates of Value (along with the other items it is already instructed to consider) in reaching the decision as to whether the transaction being evaluated meets the tests of section 303(c);

(2) Include redistribution of the USRA Certificates of Value as one of the actions open to the special court; and

(3) Replace the obsolete term "obligations of the Association" with the term "Certificates of Value."

(b) Adds a new section 306 to the Act creating the Certificates of Value which will be issued by USRA to the transferors of rail property to ConRail.

(1) The certificates are to be deposited with the special court along with ConRail's securities. They will be guaranteed by the Secretary of Transportation, these guarantees constituting a full faith and credit obligation of the United States Government.

(2) The certificates will be issued and deposited in a number equal to the number of Series B Preferred Shares deposited by ConRail with the special court for distribution to the transferors. The final system plan contemplates that 21 million Series B Preferred Shares will be issued by ConRail. In its valuation analysis in the final system plan, USRA assumed issuance of 21 million certificates, with a December 31, 1976 value, if the Association should call them, of $450 million, equal to the Association's determination of the discounted net liquidation value of properties transferred to ConRail. The final system plan provides for an eight percent compounded annual increase in the "call value," reaching a total of $1.050 billion by December 31, 1987. Those numbers are likely to change before USRA makes the certification to the special court required under section 209(c) for two reasons. First, since the Northeast corridor properties must be transferred to ConRail in the first instance before they are retransferred to Amtrak, these figures may be increased depending on how the re-transfer to Amtrak is finally negotiated. Second, USRA is continuing to make technical adjustments to its determination of net liquidation value, and technical corrections in the identification of rail properties to be conveyed, and its determination before certification under section 209(c) should furnish the basis for the number of Series B Preferred Shares and Certificates of Value deposited with the special court if that later determination differs from the one set forth in the final system plan.

(3) All certificates must be redeemed by December 31, 1987 but can be redeemed before that time if USRA gives proper notice. The redemption price of each certificate is calculated first upon a "base value" for each certificate which is the lesser of (i) an amount arrived at by dividing the constitutional minimum value, as determined by the special court with regard to certain relevant factors as set forth in section 306(c)(3) of the properties conveyed by a transferor by the number of certificates of value distributed to such transferor or (ii) an amount determined according to the table set forth in section 306(c)(3). The various amounts in this table were derived by dividing the net liquidation value of rail properties transferred to ConRail or any subsidiary, as determined by the Association, by the number of certificates to be issued and compounding the resulting amount at a rate of eight percent per annum. To obtain the redemption price, the base value is then reduced according to a formula that takes into account (a) the value of one share of Series B Preferred Shares; (b) the value of one share of Common Stock multiplied by a fraction, the numerator of which is the number of Series B Preferred Shares issued to the particular estate in question and the denominator of which is the number of Common Stock shares issued to that estate; (c) the total dividends paid up to that point on the Series B Preferred Stock; and (d) other distributions to the initial holder of such stock (such as any distributions associated with the transfer of Northeast corridor properties to Amtrak). The special court is given the authority to determine the extent to which these distributions must be taken into account as part of its fair and equitable determination. Thus the redemption price will be equal to the base value only if the Series B Preferred Stock and Common Stock prove to be worthless, and no dividends or other distributions have ever been paid on the Series B Preferred Stock. The values of the Series B Preferred Stock and of the Common Stock are to be determined by one of two alternative methods, one of which utilizes a trading market should one exist in the securities, the other of which provides for valuation by experts if no market exists.

(4) Finally, subsection (d) authorizes the appropriation of whatever funds are necessary to redeem the certificates.

(c) Amends section 210(e) to permit the Secretary of Transportation to back his guarantee of the Certificates of Value issued under Section 306(a) by the same mechanism now available to him with respect to his guarantee of USRA's section 210 obligations.

CORPORATION'S DIRECTORS

Sec. 6. Creates a number of changes in the structure of ConRail as recommended in the final system plan and consistent with the governments' role as the source of new capital for ConRail.

(a) In the present Act, it was contemplated that the members of the Executive Committee of USRA would be the incorporators of ConRail and also serve as its Board of Directors until its securities were distributed by the special court. This amendment will permit the full ConRail Board to take office as soon as possible after ConRail becomes an operating railroad.

(b) Section (b) replaces section 301(d). The ConRail Board will have, as before, 15 members, but its members will consist of six individuals appointed by the President by and with the advice and consent of the Senate, two individuals selected by GIC acting on behalf of USRA as the holder of the ConRail debentures and Series A Preferred Stock, two selected by the Series B Preferred stockholders, two by the Common stockholders (the last two classes being initially the transferors of properties to ConRail), the Chairman and President of ConRail, and the President of USRA. The government will thus have the power at the outset to appoint eight of the initial 15 members of ConRail's Board, a representation that is appropriate to protect the important interest of the United States in assuring repayment of the government's investment. The responsibilities of these directors are not, of course, different from those of the other ConRail directors—to operate ConRail at a profit for the benefit of its shareholders. One Presidentially appointed director will resign as soon as the aggregate face amount of debt and equity invested and held by USRA in ConRail falls below $2 billion. An additional Persidential director will resign for each additional $400,000,000 reduction in the debt and equity held by USRA. The government appointees will be replaced by directors selected by the stockholders as the government's investment in ConRail is reduced. When the debentures and Series A Preferred Stock are all redeemed, an event projected by the final system plan to take place in 2016, the USRA president and the two directors appointed by the GIC to represent the debenture and Series A Preferred shareholders will also resign.

(c) While the special court is carrying out its responsibilities to determine that the transactions provided for by the final system plan are in the public interest and fair and equitable, the securities to be distributed by ConRail under the plan will be deposited with the special court. Subsection (c) provides a new paragraph in section 301 authorizing the special court, during the time the securities are deposited with it, to appoint voting trustees for each of the two classes of securities. These trustees will exercise the rights of their respective classes and protect their interests.

SUPPLEMENTARY ASSISTANCE

Sec. 7. Adds a new section 307 authorizing the Secretary of Transportation to provide up to $400 million for supplementary assistance.

(a) Supplementary assistance would be available for grants or loans to, or for acquiistion of securities (including equity securities) of, ConRail or other railroads, state, local, or regional transportation authorities, or other responsible persons. These funds are to be utilized to provide supplementary assistance to ConRail and to facilitate "supplementary transactions."

(a) Subsection (b) parallels section 211 (c) with respect to terms and conditions for supplementary assistance in the form of loans. The terms and conditions for other forms of supplementary assistance are to be established by the Secretary.

(c) Loan prerequisites similar to those in section 211(e) are established for section 307 loans.

(d) As with subsection (c), the expression of policy in subsection (d) has a parallel in section 211, namely, section 211(f).

(e) Authority for the Secretary to modify the terms and conditions of loans is included.

(f) This section includes a separate continuing authorization in the amount of $400,000,000.

TRANSFERS INVOLVING PROFITABLE RAILROADS

Sec. 8. The Act presently provides in section 303(c)(3) that under certain circumstances the special court shall enter a judgment against a profitable railroad that acquires rail properties for constitutionally inadequate compensation. USRA has determined in the final system plan that a specified group of proposed transactions are essential to the achievement of the basic industry structure recommended in the plan. The plan states that it will be necessary as a basis for acceptance of the particular offers identified in the final system plan, to indemnify the acquiring railroad against any such judgments.

(a) Subsection(a) appropriates to the Secretary of Transportation the funds necessary to discharge an obligation to pay such a deficiency judgment.

(b) Subsection (b) describes the indemnification process. Where, pursuant to an explicit recommendation in the final system plan, USRA certifies to the special court that finality of the term of certain conveyances is essential to the achievement of the basic industry structure recommended in the final system plan, the United States must they pay a deficiency judgment entered against a profitable railroad with respect to the conveyances covered by the certification, with interest at a rate to be determined by the special court. The United States, at its discretion, may take over the defense of special court proceedings against the profitable railroad, which would then be obligated to cooperate with the United States in the proceeding.

(c) Subsections (c) and (d) contain related changes which extend the employee protection of Title V to (i) employees of profitable railroads adversely affected when rail properties of those roads are conveyed under the final system plan to ConRail or another profitable railroad, and to (ii) certain ConRail employees, as defined, adversely affected by the conveyance of rail properties from profitable railroads to ConRail.

SUPPLEMENTARY TRANSACTIONS

Sec. 9. The final system plan notes that maintaining the future flexibility of ConRail is important to the successful restructuring of the rail system in the region. The present amendment seeks to supply that flexibility by adding a new definitional section 102(16) and a new section 305 to permit transactions supplementary to the final system plan after the conveyances under the final system plan are made and ConRail is established.

(a) Subsection (a) amends the definitions in section 102 to add the definition of "supplementary transactions." These transactions, which must be proposed within six years after ConRail begins to operate, involve property acquisitions or conveyances by ConRail (or a subsidiary or affiliate) not originally designated in the final system plan and contracts between ConRail and another person for either the joint use of rail properties or the coordination or separation of rail operations and services.

(b) Subsection (b) of this amendment adds a new section 305 which establishes the planning and approval process for the supplementary transactions:

Under section 305(a) the Secretary of Transportation, USRA, or the ICC can propose a supplementary transaction. Permitting proposals to be initiated by USRA will provide a mechanism to correct technical errors in the final system plan, or to provide for transfers to subsidiaries or affiliates of ConRail consistent with the final system plan. The proposal must be submitted to USRA in detail, and within 10 days after receiving the proposal USRA must publish a notice of the proposal in the Federal Register and afford interested persons the chance to make comments on the proposal.

Under section 305(b), USRA will evaluate such proposal, consider the comments made, hold hearings if felt to be necessary, and within 120 days of the publication of the notice of the proposal, publish in the Federal Register its own evaluation. The standard for evaluation will be whether the proposal is in the public interest as defined by the purposes and goals of the Rail Act and the final system plan and is fair and equitable as defined in section 305(d). After the USRA evaluation is published, each proposed transferor or transferee (except ConRail where it is a transferor) has 30 days to accept the proposal by notifying USRA. No transaction can take place unless it is accepted by the proposed transferor and transferee (except that ConRail can be directed to sell property regardless of whether it approves) if the transaction meets the statutory standards.

Section 305(c) establishes the special court proceedings for review of the supplementary transactions as being in the public interest and fair and equitable in accordance with the standards applicable to the approval of a plan of reorganization or a step in such a plan under section 77 of the Bankruptcy Act (11 U.S.C. 205):

(1) If USRA approves the proposal, it must petition the special court within 40 days for an order directing ConRail to carry out the supplementary transactions. The special court will so order if it finds the transactions to be in the public interest as defined by the purposes of the Rail Act and the goals of the final system plan, and fair and equitable. If USRA disapproves of a proposal made by the Secretary of Transportation, the Secretary can petition the special court for a finding that the supplementary transactions, considered in their entirety, are fair and equitable and in the public interest and an order directing ConRail to carry out the transactions.

(2) The special court must decide the question of whether the supplementary transactions, considered in their entirety, are in the public interest and fair and equitable within 180 days after a petition by USRA or the Secretary is filed. If it finds that the supplementary transactions are in the public interest and are fair and equitable it will enter an order directing consummation of the transactions. If it finds the supplementary transactions, considered in their entirety, are not fair and equitable, it will enter an opinion explaining its reasons. The Secretary then can use expedited procedures to adjust the proposal, correct deficiencies found by the special court, and re-petition the special court for approval.

(3) The special court is given power to establish its own rules of proceeding to insure that it hears all interested parties.

(4) In reviewing the supplementary transactions, the special court is to have all of the powers of a judge of a United States District Court, including those of a reorganization court judge.

(5) The special court will be the only court with jurisdiction to review the proposed supplementary transactions.

(6) Only the requirements for findings, determinations, and proceedings specifically set forth in this section will be applicable to supplementary transactions. For example, the provisions of section 206(d)(3) would not be applicable.

Section 305(d) sets forth a definition of the term "fair and equitable" to be used each time that phrase appears in section 305.

Section 305(e) provides that appeals from the special court will be directly and exclusively to the Supreme Court whose jurisdiction, which must be invoked within 20 days, will be the same as in appeals from injunctions by three-judge courts in constitutional cases.

EXEMPTIONS

Sec. 10. Amends Title VI to modify the exemptions from other federal laws.

(a) Adds a new clause to section 601(a) (2) exempting the supplementary transactions from the antitrust laws just as the present law exempts any action taken to formulate or implement the final system plan.

(b) Modifies the language of section 601(b) so that it parallels the language of section 601(a), as amended. This section also adds a new paragraph (2) to section 601(b) stating that all securities issued by ConRail to USRA or in connection with the transfer of rail properties to ConRail will be deemed to have been issued in compliance with section 20a of the Interstate Commerce Act, 49 U.S.C. § 20a. This section of the Interstate Commerce Act gives the ICC sole authority to oversee and approve issuance of securities by a railroad. The present amendment is added to insure that securities will have the same benefit of the exemption provided by section 20a that other rail carriers enjoy.

(c) Broadens the section 601(c) exemption from the National Environmental Policy Act of 1969 with respect to any action taken before the effective date of the final system plan to include exemption of all acts implementing the plan and the supplementary transactions as well. As it is now worded, a literal reading of the section would leave the Environmental Act applicable to the statutory conveyances and abandonments pursuant to the final system plan.

DESIGNATIONS TO NATIONAL RAILROAD PASSENGER CORPORATIONS OUTSIDE NORTHEAST CORRIDOR

Sec. 11. Amends section 206(c)(1)(D) to permit designation in the final system plan of properties of railroads in reorganization that may be purchased or leased from ConRail by Amtrak to meet the needs of improved passenger service over intercity routes other than the Northeast corridor.

MISCELLANEOUS AMENDMENTS TO TITLE II

Sec. 12. Makes various miscellaneous changes in Title II:

(a) Amends section 201(h) to permit the Chairman of the Interstate Commerce Commission to appoint a representative to serve for him on the Executive Committee of the Board of Directors of USRA. The two cabinet Secretaries who are members of the Executive Committee already have corresponding power.

(b) Strikes the last sentence of section 203(a) which provides that the Secretary of Transportation, the ICC Rail Services Planning Office, or USRA could not request information about operations from railroads after the final system plan went into effect. USRA, in particular, may need to obtain information from transferors of rail properties between the time the final system plan becomes effective and the time of USRA's certification to the special court under section 209(c). In addition, since supplementary transactions are planned, the present restriction could be a severe handicap in planning or evaluating supplementary transactions.

(c) Amends section 206(d)(3) to deal with consideration by the ICC of the corrections made by USRA in the preliminary system plan covering specific transfers of rail property to profitable railroads. Before an acquisition by a profitable railroad can be permitted, USRA must have made certain determinations in its preliminary system plan and the ICC must have also made determinations within 90 days concerning the provisions and standards of section 5 of part I of the Interstate Commerce Act, as amended. This amendment requires these corrections to be treated as if they had appeared in the preliminary system plan; it also requires the ICC's determinations to be treated as if they had been made within the 90 day time limit contained in section 206(d)(3). Finally, the amendment corrects a technical drafting oversight in Public Law 94–5. That law permitted publication of supplements to the preliminary system plan but did not explicitly deal with the ICC's determination under section 206(d)(3) concerning any acquisitions by profitable railroads contemplated in the supplements.

(d) Adds a new subsection to section 209. This new subsection provides that any legal action brought to stop the operation of this Act, or any part or amendment of the Act, can be brought only in the special court set up under the Act and not in any other federal or state court. The subsection is intended to insure that even action which a party contends is illegal and outside the authority of the Act can be challenged only in the special court if such action was purportedly taken under the Act.

(e) Amends section 210(c) to clarify that all guarantees made by the Secretary of Transportation of obligations of USRA will be considered as general obligations of the United States backed by the full faith and credit of the federal government.

MISCELLANEOUS AMENDMENTS TO TITLE III

Sec. 13. Makes various miscellaneous changes in Title III.

(a) Strikes the first sentence of section 301(f) which makes ConRail subject to government audits under the Government Corporation Control Act. Adequate financial reporting and information on ConRail can and will be obtained by the government in its role as investor in ConRail. In addition, of course, ConRail will be subject to the financial reporting requirements of the ICC and to the normal independent audits of certified public accountants customary for public corporations.

(b) Amends 303(c)(2) to increase the flexibility of the special court's authority to fashion remedies as part of its valuation proceedings. The flexibility of the deficiency judgment remedy, as perceived by the special court, *In Re Penn Central Transportation Co.*, 384 F. Supp. 895, 930, n. 67, 981 (1974) has been retained while at the same time it is made clear that no deficiency judgment may be entered that would endanger ConRail's viability or solvency.

(c) Amends section 303(c)(4) to provide for distribution of the securities deposited with the special court not only to the estates of the railroads in reorganization as presently provided, but also to the other transferors of rail properties (which may include entities that, considered alone, are not "railroads") in accordance with the final system plan.

(d) Complements the change discussed in (b) by removing ConRail from the list of "mixed ownership Government Corporations" contained in section 201 of the Government Corporation Control Act (31 U.S.C. 856).

(e) Amends section 303(d) by increasing the amount of time for filing appeals from the special court and by deleting the unessential last sentence.

(f) Amends section 403(b) to remove the authority to guarantee loans for modernization purposes, thereby making the authorized form of assistance under subsections (a) and (b) identical, and consistent with section 211 loan assistance. Guaranteed loans would be more expensive to the borrower than direct loans from USRA and the loan guarantees would have the same impact on obligational authority as direct loans.

ALTERNATIVE DESIGNATIONS TO PROFITABLE RAILROADS

Sec. 14. Amends section 206(c)(1)(B) to authorize USRA to designate an alternative profitable railroad to which properties can be transferred if the first profitable railroad offered the properties does not accept the offer. As identified in the final system plan, the Delaware & Hudson is the alternative designee for two groups of rail properties in the event the Chessie system does not acquire certain rail properties now offered to it. In such event, the Delaware & Hudson would be offered trackage rights between Allentown, Pennsylvania and Alexandria, Virginia, and between Binghampton and Buffalo, New York. USRA's certification to the special court would incorporate the results of sales embraced by the alternative designations if the Delaware & Hudson accepts the alternative offer.

TRANSFERS TO SUBSIDIARIES OR AFFILIATES OF THE CORPORATION

Sec. 16. ConRail may wish to establish a corporate structure, similar to that found in other railroads and transportation companies, in which properties with specialized functions are held and operated by wholly-owned subsidiaries or affiliates. Thus marine terminals, rail-integrated motor carrier properties, and commuter or inter-city passenger facilities might be examples of properties that would be held and operated by a subsidiary. The sections of this amendment are intended to enable ConRail to establish such a structure if it desires.

(a) Amends 206(c)(1)(A) to permit the designation of rail properties for transfer from a railroad in reorganization or other transferor to a ConRail subsidiary, as well as to ConRail.

(b) Amends section 206(c)(2) to permit designation of sales of rail properties by profitable railroads to ConRail subsidiaries as well as to ConRail and other profitable railroads.

(c) Amends sections 206(d)(1), 209(c) and (d), 215(d), 303(c)(1)(A)(i), 303(c)(2)(A), 304(e), and 501(1) and (2) which all deal with transfers to or acquisitions by ConRail. The additional references to ConRail subsidiaries and affiliates complements the preceding changes authorizing these transactions by subsidiaries and affiliates.

(d) Amends sections 303(a)(1) again to complement preceding changes authorizing transfers under the final system plan to ConRail subsidiaries and affiliates.

(e) Amends section 303(b) to reflect the possibility of transfer to subsidiaries and affiliates of ConRail.

(f) Amends section 501 to add a new definition in Title V, making clear that all appropriate references to ConRail in Title V will be understood to be references to its subsidiaries or affiliates as well.

By Mr. HUMPHREY (for himself, Mr. Brock, Mr. Nelson, Mr. Javits, Mr. Thurmond, Mr. Fannin, Mr. McIntyre, Mr. Mondale, Mr. Philip A. Hart, Mr. McGee, Mr. Hartke, Mr. Laxalt, Mr. Johnston, Mr. Mathias, Mr. Gravel, Mr. Nunn, Mr. Domenici, Mr. Stevens, Mr. Tunney, and Mr. Stafford):

S.J. Res. 131. A joint resolution to establish a Joint Congressional Task Force on Federal Small Business Impact. Referred to the Committee on Banking, Housing, and Urban Affairs.

JOINT CONGRESSIONAL TASK FORCE TO STUDY SMALL BUSINESS IN AMERICA

Mr. HUMPHREY. Mr. President, the small business sector of our economy has been forgotten by Federal economic policymakers for too long. And, considering that small business accounts for over 40 percent of domestic output and over 50 percent of domestic employment, this is surely no minor omission from U.S. economic policy.

Government must redirect its efforts to create a favorable business climate that will strengthen small firms and enable them to operate on a more equal basis with their larger competitors.

Presently, the Small Business Administration is the only major Federal body that assists small business. Up to now, however, the SBA has existed primarily as a lender of last resort and not as the pivotal point of Federal small business policymaking.

I am amazed that we in the Congress or anyone else in the Federal Government has not developed, much less implemented, a national small business policy. It is essential that we fill this void.

I am, therefore, introducing this joint resolution with Senator Brock and 18 other Senators as a first step in developing a comprehensive national small business policy. The resolution creates a joint congressional task force that will coordinate a major review of Federal programs and laws that affect small business in the United States.

The task force will have six members, two each—majority and minority—from the Joint Economic Committee, the Senate Select Committee on Small Business, and the House Committee on Small Business. The chairman of each committee will choose which Members will serve on the task force.

The task force will have three primary tasks. No. 1, it will determine the specific areas that each committee will study as part of the overall review. Potential areas of investigation include:

First. Federal subsidy and assistance programs to small business;

Second. The effect of tax laws on small business;

Third. The costs and benefits of Federal regulations on small business; and

Fourth. The ability of financial markets and Federal programs to meet the capital requirements of small business.

No. 2, the task force will issue a report that will reflect the results of the work done at the committee level.

No. 3, the task force will draft an omnibus package of legislation to implement the recommendations of the task force report. I believe this is an especially important aspect of the task force's responsibilities. It is not my intention to create another group that studies an important problem and then does nothing to resolve it.

Not only will legislation be drafted by the task force, but it will also be introduced. Constructive measures that deal creatively with the problems that plague small business are long overdue. It is proper that Congress take the lead in proposing such measures.

The time has surely arrived to deal with the problems of small business in a comprehensive manner. I hope all my colleagues will support this important measure.

Mr. President, I ask unanimous consent that the text of this joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 131

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is established a Joint Congressional Task Force on Federal Small Business Impact (hereinafter referred to as the "Task Force").

SEC. 2. (a) The Task Force shall consist of one majority and one minority member of—

(1) the Committee on Small Business of the House of Representatives;

(2) the Select Committee on Small Business of the Senate; and

(3) the Joint Economic Committee.

Appointments to the Task Force shall be made by the Chairman of each such Committee. The members of the Task Force shall select a chairman and a vice chairman from among their number. The vice chairman shall act in the place of the chairman in the absence of the chairman.

(b) Any vacancy in the membership of the Task Force shall not affect the power of the remaining members to execute the functions of the Task Force and shall be filled in the same manner as in the case of the original appointment. A quorum of the Task Force shall be a majority of the Task Force members. A quorum of the Task Force shall be sufficient to transact all business except that no report or recommendation of the Task Force shall be made except by a majority vote of the Task Force.

(c) Service of a Senator as a member or as chairman or vice chairman of the Task Force shall not be taken into account for the purposes of paragraph (6) of Rule XXV of the Standing Rules of the Senate.

SEC. 3. (a) Notwithstanding any provision of law or rule of either House of Congress, the Task Force shall establish the subject matter priorities and assignments for the Committees referred to in section 4 of this joint resolution in order to coordinate and assign to such Committee areas for investigations to be undertaken by them under such section.

(b) Upon completion of the investigations and studies required to be made by such Committees, under the direction of the Task Force, the Task Force shall prepare and publish a report including such recommendations for legislation as it may deem necessary based upon the information obtained and the work done by the several Committees. The Task Force shall submit its report to the Congress not later than 8 months after the enactment of this joint resolution. The Chairman of the Task Force shall cause such report, or a summary thereof, to be published in the Congressional Record.

(c) No legislative measure or nomination shall be referred to the Task Force. The Task Force shall have no authority to report any such measure or nomination.

SEC. 4. (a) The Committee on Small Business of the House of Representatives, the Select Committee on Small Business of the Senate, and the Joint Economic Committee shall, under the direction of the Task Force (except as otherwise provided by concurrent resolution), conduct investigations of Federal programs and laws that affect small business in America. Such investigations shall include, but not be limited to, a study of—

(1) Federal subsidy and assistance programs to small business;

(2) the effect of the tax laws on small business;

(3) the costs and benefits of Federal regulation to small business;

(4) the ability of financial markets and Federal programs to meet the capital requirements of small business;

(5) the position of small business in the American economy; and

(6) such other matters as the Task Force may by majority vote direct.

(b) Each committee conducting an investigation under this joint resolution shall complete its work not later than 6 months after the date of enactment of this joint resolution. Upon completion of its work the Task Force shall report its findings and recommendations in the Congressional Record and cause its findings and recommendations to be published.

SEC. 5. (a) The Task Force is authorized to make such rules relating to its organization and procedures as may be necessary.

(b) The Task Force is authorized—

(1) to make expenditures;

(2) to sit and act at anytime or place; and

(3) to have such printing and binding done as it may find necessary.

(c) Notwithstanding the provisions of section 202 of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a), the Chairman of each Committee represented on the Task Force shall assign a member of the staff of such committee to assist the Task Force in the completion of its work. Any employee so assigned shall remain an employee of the Committee from which he is assigned.

SEC. 6. (a) The expenses of the Task Force in carrying out the provisions of this joint resolution shall be paid from the contingent fund of the Senate, from funds appropriated for the Task Force, upon vouchers approved by the Chairman of the Task Force.

(b) The expenses of each committee in carrying out their functions under this joint resolution shall be paid out of the Contingent fund of the Senate or the House of Representatives as the case may be. Expenses of any such committee under this joint resolution may not exceed $50,000. None of the funds available for any such committee under this joint resolution may be used for the employment of additional staff members for any such committee or for the Task Force.

By Mr. BELLMON:

S.J. Res. 132. A joint resolution to amend the Agriculture and Consumer Protection Act of 1973. Referred to the Committee on Agriculture and Forestry.

Mr. BELLMON. Mr. President, during the past few months the administration has embargoed further sales of wheat, feed grains, and soybeans to the Soviet Union until the actual size of the 1975 crops can be determined by the USDA. Last week an embargo was placed on further grain sales to Poland.

The administration is now negotiating with these two countries for a long term agreement that would require Russia and Poland to purchase a minimum amount of grain annually. Yet, during these negotiations, the Department of Agriculture has been forced to take a back seat to the State Department and Labor Department.

The officials of these two departments are not the best authorities on agricultural commodity production. The Secretary of Agriculture is clearly the best qualified official to represent the U.S.A. in grain export negotiations. It may be useful to have diplomats as advisors to the Secretary of Agriculture in these situations, but if we are going to ask American farmers to produce for world markets an official who is familiar with supply and demand factors in agriculture should be representing this country in negotiations with other countries.

Mr. President, I am wondering whose grain the State Department is selling. At this time, the Federal Government does not maintain grain stocks. To my knowledge, only the USDA through the Commodity Credit Corporation has the authority to acquire grain which is through their loan program. It is the farmer's grain that is being sold and they deserve to be represented by the Secretary of Agriculture or his representative in the exportation or importation of agriculture commodities. The joint resolution I am introducing today will accomplish that objective. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 132

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agriculture and Consumer Protection Act of 1973 is amended by inserting after section 818 the following new section:

"AGRICULTURAL COMMODITY NEGOTIATIONS

"SEC. 819. In furtherance of the provisions of this Act the Secretary of Agriculture shall, with respect to all negotiations with foreign governments concerning the exportation or importation of agricultural commodities, serve as the principal representative of the United States Government."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 80

At the request of Mr. MATHIAS, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of the bill (S. 80) to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land (rather than at its fair market value), and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes at its value for its existing use, and to provide for the revocation of such lower valuation and recapture of unpaid taxes with interest in appropriate circumstances.

S. 89

At the request of Mr. Mathias, the Senator from Indiana (Mr. Hartke) and the Senator from Iowa (Mr. Clark) were added as cosponsors of the bill (S. 89) to provide that income from entertainment activities held in conjunction with a public fair conducted by an organization described in section 501(c), (3) and (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization.

S. 83

At the request of Mr. Mathias, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of the bill (S. 93) to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return shall be taxed on his or her earned income at the same time as an unmarried individual.

S. 1173

At the request of Mr. Curtis, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of the bill (S. 1173) to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes.

S. 1970

At the request of Mr. Stone, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of the bill (S. 1970) to amend title 28 of the United States Code to provide that information relating to the administration of the U.S. courts be made available to the public.

S. 2088

At the request of Mr. Mathias, the Senator from California (Mr. Tunney) and the Senator from Minnesota (Mr. Mondale) were added as cosponsors of the bill (S. 2088) to prohibit the use of dogs by the Department of Defense in connection with the research, testing, development, or evaluation of radioactive, chemical, or biological warfare agents, and to require the Department of Defense to develop and use, where feasible, alternative, nonanimal methods of experimentation.

S. 2170

At the request of Mr. Muskie, the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from Tennessee (Mr. Brock), the Senator from Florida (Mr. Chiles), the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Culver), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Colorado (Mr. Haskell), and the Senator from Montana (Mr. Mansfield) were added as cosponsors of (S. 2170) the Congressional Right to Information Act.

S. 2272

At the request of Mr. Roth, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of the bill (S. 2272) the family farm estate tax reform bill.

S. 2305

At the request of Mr. Williams, the Senator from Michigan (Mr. Philip A. Hart) was added as a cosponsor of the bill (S. 2305) the Construction Industry Collective Bargaining Act of 1975.

S. 2329

At the request of Mr. Stevenson, the Senator from Utah (Mr. Moss) was added as a cosponsor of the bill (S. 2329) to amend the Export-Import Bank Act of 1945 with respect to nuclear exports.

S. 2372

At the request of Mr. Jackson, the Senator from New York (Mr. Javits) was added as a cosponsor of the bill (S. 2372) to secure fair financing for local units of government.

SENATE RESOLUTION 245

At the request of Mr. Haskell, the Senator from Maine (Mr. Hathaway), the Senator from Minnesota (Mr. Humphrey) and the Senator from Illinois (Mr. Stevenson) were added as cosponsors of the resolution (S. Res. 245) to express the sense of the Senate that the President should make public immediately all agreements and understandings entered into and all commitments made by the United States with respect to Israel and Egypt.

SENATE RESOLUTION 265—SUBMISSION OF A RESOLUTION TO PROTECT THE ABILITY OF THE UNITED STATES TO TRADE ABROAD

(Referred to the Committee on Finance.)

Mr. RIBICOFF (for himself, Mr. Long and Mr. Church) submitted the following resolution:

S. Res. 265

Whereas, recent statements of American multinational corporations before the Congress and recent disclosures of the Securities and Exchange Commission have revealed that policies and practices in foreign nations necessitate the use of special and unusual payments through middlemen, and the use of direct and indirect payments to foreign government officials, to reasonably and effectively compete in those markets; and

Whereas, public disclosure by American multinational corporations and by the SEC have revealed direct and indirect involvements by the governments of other nations in unreasonably and unjustifiably restricting and limiting trade and commerce with its agencies and offices by requiring or inducing political contributions to reasonably and effectively compete in those markets; and

Whereas, the practices of bribery, indirect payments, kickbacks, unethical political contributions, and other such similar disreputable activities have been found to be widespread internationally and are a significant influence on the conduct of trade and commerce, and may otherwise continue on the part of other governments and business enterprises in other nations, which would give rise to unfair, unjust, and unreasonable conditions of competition in world trade and commerce; and

Whereas, it is the intent of Congress that American companies be able to compete fairly without participating or being required, coerced, or otherwise induced to participate in such improper practices; and

Whereas, the Trade Act of 1974, stipulates that the overall objective of the United States in negotiating Trade Agreements is to obtain more open and equitable market access and the harmonization, reduction, or elimination of devices which distort trade or commerce and stipulated as a major purpose of that Act that Trade Agreements should assure substantially equivalent competitive opportunities for U.S. commerce, and provided the Executive with appropriate negotiating powers, towards these ends; and

Whereas, the Trade Act of 1974 requires (Sec. 301) that "whenever the President determines that a foreign country or instrumentality . . . (2) engages in discriminatory or other acts or policies which are unjustifiable or unreasonable and which burden or restrict United States commerce," "the President shall take all appropriate and feasible steps within his power to obtain the elimination of such restrictions or subsidies . . ."; and

Whereas, the Trade Act of 1974 and related legislative history provides that the Committee on Finance shall provide oversight and that the Chairman of the Committee on Finance shall appoint Congressional Delegates to serve as official advisors to conferences, meetings, and negotiating sessions relating to agreements pursuant to the Trade Act of 1974; Now, therefore, be it

Resolved by the Senate that the President's Special Representative for Trade Negotiations and appropriate officials of the Departments of State, Commerce, Treasury, and Justice, in consultation with the Chairman of the Committee on Finance and the Congressional Delegates for trade agreements, initiate at once negotiations within the framework of the current Multilateral Trade Negotiations in Geneva, and in other negotiations of Trade Agreements pursuant to the Trade Act of 1974, with the intent of developing an appropriate code of conduct and specific trading obligations among governments, together with suitable procedures for dispute settlement, which would result in elimination of such practices on an international, multilateral basis, including suitable sanctions to cope with problems posed by nonparticipating nations, such codes and written obligations to become part of the international system of rules and obligations within the framework of the GATT and other appropriate international trade agreements pursuant to the provisions and intent of the Trade Act of 1974.

Mr. RIBICOFF. Mr. President, Senator Long, Senator Church and myself have today submitted a resolution to protect the ability of the United States to trade abroad. This resolution seeks to insure that American corporations and industry are able to compete fairly in foreign markets without being coerced or induced in any way to participate in the widespread practices of bribery, indirect payments, kickbacks or unethical political contributions. We condemn these disreputable activities for what they are.

The recent investigations of Congress, the SEC and others have revealed the shocking extent to which American firms, foreign firms, and foreign governments have been involved in these unethical and unjustifiable activities. I commend the thoroughness of these investigations, and I thank those responsible, particularly Senator Church, for uncovering these revelations. I am pleased that Senator Church has agreed to join Senator Long and myself in sponsoring this resolution.

It has been argued that American companies were unable to compete in certain foreign countries because of their lack of familiarity with "local customs." Some of these companies seem to have found it necessary to hire agents who acted as middlemen in dealings with the foreign government. Huge amounts of money were given to these agents for the purpose of bribing the foreign government's officials in keeping with "local customs." One such agent was allegedly given over $200 million during a 5-year period to obtain contracts for a company from a Middle Eastern nation.

In another publicized case, both national and foreign oil companies active in a Western European country were pressured into joining a trade alliance whose major purpose was to contribute to a wide range of political parties on behalf of its members, the oil companies. The alliance borrowed money to make the contributions. To repay the loan, it assessed each oil company for its share on the basis of that company's sales to the state-owned utility company. Over a 10-year period, one corporation paid $50 million for this kind of political contribution.

No single nation, or single company is responsible for these abuses. When a government looks the other way, corruption tends to seep in, anywhere in the world. If one company is asked to give bribes and agrees, others will tend to follow so that they can remain competitive. Corruption of this sort is infectious. And we must put a stop to it now.

The publicity that has accompanied the recent revelations has made it seem to many that this is strictly an American problem. But the truth is, many foreign companies have engaged in these same practices, probably to even a greater extent than our companies. The foreign governments that allow or encourage such practices are not limited to any one part of the world.

Stricter laws are needed to force complete and accurate disclosure by our corporations. But disclosure is only one aspect of the problem. So long as foreign companies are willing to make these secret payments, and so long as other governments tolerate and frequently require bribery, unethical political contributions and the like, strict disclosure laws will only tie the hands of American corporations competing for a share of foreign markets. It is not enough to restrict our own companies without making any effort to end the basic problem internationally. American companies cannot compete fairly with companies of other nations who remain free to continue past abuses.

What we face it not our problem alone. It is an international one and we must find an international solution.

A major purpose of the Trade Act of 1974 is to reduce any barriers and distortions to trade while insuring opportunities of U.S. firms to compete fairly in World markets. That act specifically states that:

> The overall United States negotiation objective under sections 107 and 102 shall be to obtain more open and equitable market access and the harmonization, reduction, or elimination of devices which distort trade or commerce.

A foreign government's unspoken policy of requiring bribes or secret payments in order to compete fairly is, clearly, a device which distorts trade or commerce. And the assessment of self-serving political contributions on the basis of sales to the State-owned utility company constitutes a barrier to open and equitable market access.

Under the provisions of the Trade Act of 1974, we therefore call on the President of the United States to take immediate action on these matters. In accordance with the terms of this resolution, I expect him to instruct his special representative for trade negotiations and other appropriate officials to initiate international negotiations in an effort to eliminate this threat to the trade and commerce of the United States.

These negotiations must begin without delay, since our companies are already under the gun. Their objective should be the development of an appropriate code of conduct, together with specific trading obligations between governments. Suitable procedures for settlement of disputes should be established. Such negotiations could be conducted within the framework of the current multilateral trade negotiations and in such existing international bodies as may be deemed appropriate.

SENATE CONCURRENT RESOLUTION 66—SUBMISSION OF A CONCURRENT RESOLUTION WITH REGARD TO THE WORLD FOOD CRISIS

(Referred to the Committee on Agriculture and Forestry.)

Mr. HATFIELD (for himself, Mr. Hugh Scott, Mr. McGee, Mr. McGovern, Mr. Clark, Mr. Humphrey, Mr. Bayh, Mr. Stevenson, and Mr. Mathias) submitted the following concurrent resolution:

S. Con. Res. 66

Resolved by the Senate (the House of Representatives concurring),

Whereas an estimated 460 million persons, almost half of them young children, suffer from acute malnutrition because they lack even the calories to sustain normal human life; and

Whereas those who get enough calories but are seriously deficient of proteins or other essential nutrients may include half of the human race; and

Whereas the President, through his Secretary of State, proclaimed at the World Food Conference a bold objective for this nation in collaboration with other nations: "that within a decade no child will go to bed hungry, that no family will fear for its next day's bread, and that no human being's future and capacities will be stunted by malnutrition"; and

Whereas all the governments at the World Food Conference adopted this objective; and

Whereas in our interdependent world, hunger anywhere represents a threat to peace everywhere; and

Whereas the coming bicentennial provides a timely occasion to honor this nation's founding ideals of "liberty and justice for all," as well as our tradition of assisting those in need, by taking a clear stand on the critical issue of hunger: Now, therefore, be it

Resolved That it is the sense of Congress that

(1) every person in this country and throughout the world has the right to food—the right to a nutritionally adequate diet—and that this right is henceforth to be recognized as a cornerstone of U.S. policy; and

(2) this right become a fundamental point of reference in the formation of legislation and administrative decisions in areas such as trade, assistance, monetary reform, military spending and all other matters that bear on hunger; and

(3) concerning hunger in the United States we seek to enroll on food assistance programs all who are in need, to improve those programs to insure that recipients receive an adequate diet, and to attain full employment and a floor of economic decency for everyone; and

(4) concerning global hunger this country increase its assistance for self-help development among the world's poorest people, especially in countries most seriously affected by hunger, with particular emphasis on increasing food production among the rural poor; and that development assistance and food assistance, including assistance given through private, voluntary agencies, increase over a period of years until such assistance has reached the target of one percent of our total national production (GNP).

RESOLUTION DECLARING AS NATIONAL POLICY THE RIGHT TO FOOD

Mr. HATFIELD. Mr. President, in the months since we have become aware of the acute world food problem our Nation has supported many admirable food aid programs. Several of these were, indeed, in operation before the rush of publicity and news coverage preceding and subsequent to the World Food Conference in Rome last November. Through the Agricultural Trade and Development Act of 1954 we have provided direct grants of food and low-interest loans to countries seeking to buy U.S. agricultural commodities. In our own country the school lunch program has made nutritional meals available to children who, in many cases, did not know what a good meal was. Food stamps enable 19 million Americans to have more adequate diets.

However, our efforts at food aid based upon the needs of the people often have been resisted, especially in the international arena, by policies which place food in the realm of politics. The tragedy of funneling 70 percent of our food aid into Indochina for political considerations led to successful efforts in the Senate to limit such use of food to 30 percent of the total of title I of Public Law 480—the concessionary sales portion of the international food aid program.

Our Government should take a cue from the American people's response to the appeals for voluntary relief and development efforts. In a year which has seen the worst recession since the Depression of the 1930's, we are witnessing phenomenal increases of gifts from individuals to relief and development organizations. According to USAID, private contributions to voluntary agencies in calendar year 1974 were 67 percent higher than in calendar year 1973. Gifts to volags in 1974 are equivalent to 65 percent of the fiscal year 1976 budget request of USAID for development assistance, and over $200 million more than USAID has requested for the food production and nutrition portion of the development assistance budget. The American people are interested in humanitarian efforts. Is the Congress?

At the World Food Conference, Secretary of State Kissinger challenged the delegates to adopt the goal of the eradication of hunger by 1985. At the conclusion of the Conference, the delegates from the United States joined those from other countries in affirming resolutions which were designed to help the world reach the goal set forth by Dr. Kissinger. But to date, the Congress has not established any comprehensive policy by which to conduct the affairs of our Government as they relate to food or to comply with the resolutions to which our delegation agreed. Will we wait until the crisis touches us individually as does the energy crisis and still not act?

Unfortunately, our Government still has to be prodded at each point to recognize that the food crisis is not over and that we cannot slip back into the old practice of "food for politics." We must continually remind ourselves that people are hungry. Hunger does not go away when the headlines are replaced. The United Nations today lists more nations in the "most seriously affected" category than were listed at the time of the World Food Conference—42 against 32. While we worry about the price of sugar hundreds of millions do not have enough food to eat. We must not close our eyes to the cries of humanity for the nourishment necessary for survival.

Today I am submitting a resolution which would express that the sense of this body is that every person has a right to food. Amidst all the noble speech regarding food and hunger, no such affirmation has yet been made. This is the starting point for all other decisions. If we are not convinced that people have a right to eat, then we will not undertake efforts to assure the availability of adequate amounts of food.

An identical resolution has been introduced in the House of Representatives by the Honorable Donald Fraser. The implications of this resolution would be felt in our food aid and development programs, placing the emphasis on the humanitarian rather than on the political concerns. The attempts to base domestic food aid programs upon legitimate need should be reinforced and duplicated in the international scene.

This resolution will not merely voice an aspiration. It will challenge the Congress to evaluate all legislative efforts in the light of how they may affect people with regard to food.

It can help move our country from the debate over whether the world can produce enough food to the actual production of the needed food.

We are not owners of the world's resources, merely caretakers. Our Nation has one national resource which is not in danger of being depleted and which can contribute to peace in the world when applied to the needs of the desperately hungry—that resource is food. All of our claims of ownership are merely evasions of our responsibility to others which has been further affirmed through the Rome Food Conference. By what merit of our own do we, rather than the needy peoples, have a wealth of food? History has shown that those who would selfishly seek to save their lives will, indeed, lose them. Let us reaffirm our commitment to the humanitarian use of this resource.

AMENDMENTS SUBMITTED FOR PRINTING

NATURAL GAS EMERGENCY ACT OF 1975—S. 2310

AMENDMENT NO. 935

(Ordered to be printed and to lie on the table.)

Mr. FORD submitted an amendment intended to be proposed by him to amendment No. 919, intended to be proposed by Mr. Pearson (for himself and Mr. Bentsen), jointly, to the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

NATIONAL HISTORIC PRESERVATION FUND—S. 327

AMENDMENT NO. 936

(Ordered to be printed and to lie on the table.)

Mr. MOSS submitted an amendment intended to be proposed by him to the bill (S. 327) to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes.

Mr. MOSS. Mr. President, the amendment I now submit to S. 327 concerns establishment of a more rational approach to selection of the top executive of the Interior Department's Bureau of Land Management.

For those of my colleagues who are not entirely familiar with this Bureau, I will point out that it is responsible for the most interesting array of Federal resources of any agency in Government. The Bureau of Land Management directly manages 474 million acres of federally owned land; it is additionally responsible for hundreds of millions of acres of Federal minerals such as the oil and gas resources of the Outer Continental Shelf; oil, gas, and coal under privately owned surfaces and under other Federal lands; and for hard rock minerals and various other materials owned by the Federal Government.

The Bureau is a multiple-use and sustained-yield agency. Its responsibilities stretch from coast to coast and beyond our shores.

The Director's position should be as free as possible from political influences. Therefore, I propose that the Senate amend section 301 of S. 327 by adding a new subsection (b) reading:

> The Director of the Bureau of Land Management shall have a broad background and experience in public land and natural resource management, and shall be a person who is eligible for such appointment under the competitive service.

My intent is simply to establish general criteria for appointment of individuals to this very sensitive position much like those in existence for other positions to which the President must nominate uniquely qualified persons.

The Bureau of Land Management directly administers 22.7 million acres of the land area of Utah; nearly 300 million acres in Alaska; 48.3 million acres in Nevada; and even 644 acres in Florida.

To remove the directorship of the Bureau from the competitive career service as it is now and immediately cross over to a purely political appointment could have totally disruptive effects on the management program with nationwide repercussions.

I urge the Senate to adopt this amendment so that while the Senate can exercise its constitutional role in confirming appointees to key positions, we will also assist the executive branch by establishing criteria to assure nomination of only the most qualified executives.

ANNOUNCEMENT OF HEARINGS

Mr. JOHNSTON. Mr. President, I wish to announce, for the benefit of my colleagues and the public, scheduling of 2 days of oversight hearings by the Subcommittee on Parks and Recreation. The hearings will be conducted October 14 in Jackson, Wyo., and October 16, in Cody, Wyo. The subject of these hearings will be management policies at Grand Teton National Park and Yellowstone National Park. The October 14 hearings will deal with Grand Teton, and the October 16 hearings will deal with Yellowstone.

The oversight hearings will consider various issues which impact generally on the management of our National Park System and which are specifically applicable to Grand Teton and Yellowstone National Parks. Among the issues on which the subcommittee wishes to receive testimony are controlled burning within units of the National Park System, concession policy and oversight of concession activities, including the provision of concession services such as lodging, transportation and food, the impact of increased visitation, and the resulting demands for additional visitor services and facilities, and the operation and maintenance of park facilities.

Anyone wishing to testify at these hearings or who wishes to submit written testimony should contact Mr. James P. Beirne, counsel to the subcommittee, room 3106, Dirksen Senate Office Building, telephone 224-7145.

NOTICE OF HEARINGS ON BILLS TO AMEND THE CRIME CONTROL AND SAFE STREETS ACT

Mr. McCLELLAN. Mr. President, I wish to announce for the information of the Members and the public that the Subcommittee on Criminal Laws and Procedures will hold open hearings on bills to amend the Omnibus Crime Control and Safe Streets Act of 1968 beginning October 2, 1975, instead of October 1 as previously announced. Bills to be covered in the hearings include: S. 460, Senator Javits; S. 1297, Senator Morgan; S. 1598, Senator Morgan; S. 1601, Senator Eagleton; S. 1875, Senator Beall; S. 2212, Senator Hruska; and S. 2245, Senator Fong. The following dates and room numbers are announced at this time:

October 2, 1975, room 1318, Dirksen Senate Office Building.

October 8, 9, 1975, room 2228, Dirksen Senate Office Building.

October 22, 23, 1975, room 1318, Dirksen Senate Office Building.

The hearings will commence each day at 10 a.m.

Any person wishing to appear and testify or to submit a statement should contact the subcommittee staff in room 2204, Dirksen Senate Office Building, telephone 202—224-3281.

ADDITIONAL STATEMENTS

KISSINGER'S STRANGE REASONING

Mr. HARRY F. BYRD, JR. Mr. President, the New York Times in an editorial today calls attention to a speech made by Secretary of State Kissinger at a dinner for African Ministers at the United Nations which Mr. Kissinger hosted in New York on Tuesday.

He told the African Ministers that he favored repeal of the Byrd amendment which, simply stated, does this: Prevents the U.S. embargo of a strategic material from a free world country if such strategic material is being imported from a Communist dominated country.

The effect of the Byrd amendment is to permit the importation of chrome from Rhodesia. Virtually all of the world's chrome comes from three countries, Rhodesia, South Africa, and Russia. The United States has none.

The first two countries have racial policies which most Americans do not approve. But the third country, Russia, is the world's tightest dictatorship, suppressing the liberties of all the people. It is Russia which would be aided by repeal of the Byrd amendment.

When Secretary Kissinger appeared before the Senate Committee on Finance on March 7, 1974, I put a series of questions to him on this subject.

I will bring out now a few of the questions and answers and then at the end of my remarks I will ask unanimous consent that all of my questions to Secretary Kissinger on March 7, 1974, and his replies be printed in the Record.

Senator Byrd. Do you regard the Soviet Union as being governed by a tight dictatorship, by a very few persons over a great number of individuals.

Secretary Kissinger. I consider the Soviet Union, yes, as a dictatorship of an oligarchic nature, that is, of a small number of people in the Politburo.

Senator Byrd. In your judgment, is Rhodesia a threat to world peace?

Secretary Kissinger. No.

Senator Byrd. In your judgment, is Russia a potential threat to world peace?

Secretary Kissinger. I think the Soviet Union has the military capacity to disturb the peace, yes.

Senator Byrd. In your judgment, does Russia have a more democratic government than Rhodesia?

Secretary Kissinger. No.

Senator Byrd. In your judgment, does South Africa have better racial policies than Rhodesia?

Secretary Kissinger. Does South Africa have better racial policies?

Senator Byrd. Yes.

Secretary Kissinger. I would not think so.

Senator Byrd. If it is just to embargo trade on Rhodesia, would it be equally just to embargo trade against South Africa?

Secretary Kissinger. I believe that the embargoing of trade on Rhodesia is not based on its internal policies so much as on the fact that a minority has established a separate state, and it does not therefore represent exclusively a judgment on the domestic policies of the Rhodesian government, but also a question with respect to the legitimacy of the Rhodesian government.

Senator Byrd. The staff informs me that the Rhodesian trades actions were imposed January 5, 1967, before the Smith government was established.

Well, to get back to—so it is not because of the internal policy, it is not because of the racial policies—

Secretary Kissinger. Not at all.

Secretary Kissinger told the African Ministers that the embargo on trade with Rhodesia is the result of Rhodesia's racial policies. But he testified before the Senate Finance Committee precisely to the contrary.

I repeat again, several questions in this regard:

Senator Byrd. In your judgment, does South Africa have better racial policies than Rhodesia?

Secretary Kissinger. I would not think so.

Senator Byrd. If it is just to embargo trade with Rhodesia would it be equally just to embargo trade against South Africa?

Secretary Kissinger. I believe that the embargo of trade on Rhodesia is not based on its internal policies——

Senator Byrd. So it is not because of the internal policies (of Rhodesia), it is not because of the racial policies?

Secretary Kissinger. Not at all.

If one reads the questions which I put to Secretary Kissinger and his replies, one will perceive some strange reasoning on the Secretary's part.

Rhodesia and South Africa, he says, have equally bad racial policies, but only Rhodesia should be embargoed.

Rhodesia, he says firmly and categorically, is not a threat to world peace. But Russia, he admits, is such a threat.

So, Mr. Kissinger reasons, we must embargo trade with Rhodesia and expand trade with Russia.

Russia will benefit materially by a repeal of the Byrd amendment, as our Nation then must rely on the Soviet Union for a substantial amount of a strategic material essential to our defense needs.

This, I suppose, fits in with Secretary Kissinger's love affair with Russia and his policy of détente. Under détente, the United States has come out second best in virtually all of the agreement with Russia.

Russia has every reason to be well pleased with the results of détente; just what the United States has obtained is not clear.

At this point I ask unanimous consent to print in the Record my questions to Secretary Kissinger and his replies at the Senate Finance Committee hearing of March 7, 1974.

There being no objection, the material was ordered to be printed in the Record, as follows:

Senator Byrd Questions Secretary Kissinger at Senate Finance Committee Hearing, March 7, 1974

The Chairman. Senator Byrd?

Senator Byrd. Thank you, Mr. Chairman.

Mr. Secretary, am I correct in my understanding of your statements today that the major, the most important, and the most compelling aspect of the pending legislation is Title IV, giving trade concessions and credits to Russia?

Secretary Kissinger. No, Senator Byrd, I do not think you would be correct in drawing this conclusion. We think that the whole bill is of extraordinary importance.

The reason that I have emphasized the amendments that have been made to Title IV is the consequences of these amendments on our foreign policy would be so severe. But, if you ask me to compare Title IV as it was drafted, or as it was proposed to the Congress, and its significance to other Titles, I would not single it out.

Senator Byrd. Well, I am asking you to compare it as it exists today, as it is before the Committee today.

Secretary Kissinger. As it is before the Committee today, it is the part which most requires change, and therefore, I have singled it out in my testimony. It is the most urgent issue before the Committee, in my view.

Senator Byrd. If it is not the most important, and the most compelling aspect of this legislation, then why would you recommend a veto?

Secretary Kissinger. Well, when I was asked the question I think Senator Hartke correctly pointed out that I was in some difficulty; that I would not recommend a veto very happily and very easily because I think it is equally compelling, or almost equally compelling, to have a—to create a multilateral trading system. It is going to be a very close decision which I hope we will not be forced to make.

I believe that the impact of withholding most favored nation treatment from the Soviet Union, after the record that I have put before the Committee, would have a very serious effect on our relationships with the Soviet Union.

Senator Byrd. Well, the fact that you would recommend a veto, as you stated you would do, certainly suggests to me that you regard that part of the bill as more important than all of the rest of the bill combined.

Secretary Kissinger. Well, I have every hope that we will not be faced with this decision and that we can work something out before I will have to face that question.

Senator Byrd. In other words, you feel that you made a commitment to Russia in that regard?

Secretary Kissinger. I feel that we have made a commitment, but that, I think, is relatively less important because it would be clearly understood that the commitments would fail for reasons that are outside of our control.

I believe that the evolution toward a more moderate international system, that the prospects of peace, would be severely jeopardized—not in the sense that a nuclear war would start, but in the sense that relationships would deteriorate and some of the cold war atmosphere would return; and that in this resulting atmosphere of tension, there could be—that this could have consequences that we would all regret, and I believe it is unnecessary.

I believe we can achieve the objectives of the Trade Act as well as our foreign policy objectives, and many of the objectives of those who have put forward the amendments, without driving it to this confrontation.

Senator Byrd. An outstanding newspaper—The Richmond Times-Dispatch—had an editorial on Monday—I just saw it today—in which it commends your efforts in the Middle East and I certainly concur in that. You have done a magnificent job. But it comes up in the context of commitments. The editorial ends by saying that what is known of the developments in the Middle East is fine for the Arabs and is fine for the Americans and is fine for the Russians, but the missing ingredient according to the editorial is what secret commitments, if any, have been made to Israel.

And the editorial says, Israel very likely is being offered nothing less than the military protection of the United States. Now my question is, have any commitments been made to Israel and has the military protection of the United States been offered to Israel?

Secretary Kissinger. No commitments, either secret or otherwise, of any kind, have been made to Israel, or to anybody else. Everything, every understanding that has been reached, has been put before the Senate Foreign Relations Committee, and every understanding, written or implied, has been shown to the Chairman of the Senate Foreign Relations Committee and is available to the Chairman of the House Foreign Affairs Committee.

Senator Byrd. Well, there are commitments and agreements?

Secretary Kissinger. There were a series of technical understandings associated with this disengagement agreement, most of which have been already superseded by the implementation.

We were in the position where, on occasion, neither side was willing to accept a proposal by the other, but that both sides were willing to accept proposals when they were made by us. Sometimes we passed on understandings of one side to the other.

There is no military commitment to Israel and no additional commitment except those that are generally known to have been made to Israel or to anybody else as a result of the negotiations that are now going on.

And I am not hedging. There is nothing—there is no escape clause in what I am saying.

Senator Byrd. Mr. Secretary, would you agree or disagree with Sakharov's statement in regard to detente in which he said, and I quote, "Detente is when the West in fact accept Russia's rules of the game. Such a detente would be dangerous."

Secretary Kissinger. Well, Senator Byrd, the relationship between domestic structure and international stability is a problem that has fascinated students of history for a long time. Is it necessary to have democracy in order to have peace? I think it would not be easy to demonstrate from history that democracies are always peaceful.

At any rate, to bring about democracy in the Soviet Union in the face of 300 years of Russian history followed by 50 years of Soviet history, as a pre-condition to making peace would doom us to decades of struggle, and the outcome would not be foreordained. We do not approve of the Soviet domestic structure. We do not like its values. We do recognize, however, that today, and for the immediate future, we are doomed to co-existence with the Soviet Union.

Senator Byrd. That is what gets me to the next subject that I was interested in, the question of domestic policy in other nations and subjecting ourselves on other nations. You are here to advocate relaxing trade barriers with other nations, but you recommend that legislation be enacted by the Congress to embargo the purchase of a vitally strategic material from Rhodesia, of which material the United States has none.

Now your testimony before the Foreign Relations Committee, of which the present Chairman is in the Chair, you were then urging an embargo on trade. Now you are coming here and urging a relaxing on trade with another country.

Secretary Kissinger. First of all, Senator, I must say you were very restrained in your first round of questions. (General laughter.)

I have already been asked substantially this question earlier. Quite frankly, the foreign policy context of the decisions is somewhat different, both because of the case of Rhodesia, it is tied to the status of the government itself. It is tied to the implementation of U.N. resolutions. And it is related to our relationship with many other countries.

In the case of the Soviet Union you have this overriding, practical necessity.

Senator Byrd. Do you think our actions toward Rhodesia are just or unjust?

Secretary Kissinger. I think it reflects the decisions of the international community and the general conviction about justice.

Senator Byrd. Well, I am not clear whether you regard it as just or unjust.

Secretary Kissinger. Our action? Yes, I recognize it as just.

Senator Byrd. You recognize our action in embargoing trade with Rhodesia as being just?

Secretary Kissinger. Yes.

Senator Byrd. Do you regard the Soviet Union as being governed by a tight dictatorship, by a very few persons over a great number of individuals.

Secretary Kissinger. I consider the Soviet Union, yes, as a dictatorship of an oligarchic nature, that is, of a small number of people in the Politburo.

Senator Byrd. In your judgment, is Rhodesia a threat to world peace?

Secretary Kissinger. No.

Secretary Byrd. In your judgment, is Russia a potential threat to world peace?

Secretary Kissinger. I think the Soviet Union has the military capacity to disturb the peace; yes.

Senator Byrd. In your judgment, does Russia have a more democratic government than Rhodesia?

Secretary Kissinger. No.

Senator Byrd. In your judgment, does South Africa have better racial policies than Rhodesia?

Secretary Kissinger. Does South Africa have better racial policies?

Senator Byrd. Yes.

Secretary Kissinger. I would not think so.

Senator Byrd. If it is just to embargo trade on Rhodesia, would it be equally just to embargo trade against South Africa?

Secretary Kissinger. I believe that the embargoing of trade on Rhodesia is not based on its internal policies so much as on the fact that a minority has established a separate state, and it does not therefore represent exclusively a judgment on the domestic policies of the Rhodesian government, but also a question with respect to the legitimacy of the Rhodesian government.

Senator Byrd. The staff informs me that the Rhodesian trades actions were imposed January 5, 1967, before the Smith government was established.

Well, to get back to—so it is not because of the internal policy, it is not because of the racial policies——

Secretary Kissinger. Not at all.

Senator Byrd. Well, then you say it is because Rhodesia seeks to establish her own government. Is that not what the United States did in 1776?

Secretary Kissinger. In a different international context.

Senator Fulbright. Well the Secretary said he would stay until 1:00 o'clock. Does the Senator from Virginia have two or three more minutes he would like to have?

Senator Byrd. I have three or four more questions. (General laughter.)

Senator Fulbright. Well, the Chairman made a bargain with him. If he stayed until around 1:00, he would not have him back this afternoon.

Senator Byrd. But the Chairman made a bargain on behalf of himself, not on behalf of the Committee.

Senator Fulbright. Well, go ahead.

Senator Byrd. My questions are brief and I do not want to hold you up, Mr. Secretary.

Senator Fulbright. No. The Senator is recognized.

Senator Byrd. Mr. Secretary, I am very interested in this Rhodesian matter. I have never been there. I have no connection with it one way or the other. And you have testified that you feel that the action that the United States has taken is a just action, and you are entitled to your view, just as I am entitled to my view; I feel that it is a very unprincipled action.

Now you have testified, and it is interesting to note, that the then foreign secretary of Great Britain, Douglas Hume, in an interview last December, said that while his government supports trade sanctions against Rhodesia because it had been put on by the previous Labor government, he did not think it was the correct policy. And then he added "We disagree with the political systems of a number of countries, for example, South Africa. But we trade with them. And by and large, we do not believe in ostracism and a boycott.

Would you care to comment on that?

Secretary Kissinger. I agree with the general principle that he has enunciated.

Senator Byrd. And then you have testified that you do not regard Rhodesia as being a threat to world peace.

Secretary Kissinger. That is correct.

Senator Byrd. And then you know, of course, that under the United Nations Charter action can only be taken against a country in regard to an embargo, if that country is judged to be a threat to world peace.

And so my question to you is do you think the United Nations acted improperly?

Secretary Kissinger. I had not thought that the United Nations had acted improperly, but in the light of what you have said, I would have to review the particular positions of the embargo.

Senator Byrd. Thank you.

I have just one more question, and I want to say, Mr. Secretary, as you know, I have a high regard for you. We met five years ago in the President's office, and I have had a warm regard for you ever since then, for yourself and for your ability. In presenting these questions, I just want to understand the issues. These are vitally important matters, and I think the matter of Rhodesia pertains to something that should be considered in the context of this pending legislation.

But there is one statement that I would like to take exception to that you made, Mr. Secretary, in Panama. Now you said this in your statements to the Panamanians—that you commit the United States to prompt completion of negotiations leading to the transfer of sovereignty over the Canal Zone from the United States to Panama. I just want to get clear whether you can commit the United States to negotiations leading to giving up the Panama Canal in perpetuity.

Secretary Kissinger. I can commit the United States to the negotiations. I cannot commit the United States without ratification by the Congress to the result.

Senator Byrd. That is why I thought that it was unfortunate to use the word commit. I think that might be misleading.

Secretary Kissinger. I do not have the text in front of me, Senator.

The intent was to commit the United States to prompt negotiations leading to a result that had already been agreed to in these principles. There was no additional commitment involved except to the prompt negotiation.

Senator Byrd. Leading to the transfer of sovereignty.

Secretary Kissinger. To negotiations leading to the transfer of sovereignty. This was part of the eight principles that were signed.

Senator Byrd. This has not been agreed to by the Congress.

Secretary Kissinger. But of course the Congress will have an opportunity to reject it. The commitment obviously extends only to the prompt negotiations and to the content of what we will submit to the Congress. It cannot commit the Congress to approve it.

Senator Byrd. Well, I hope the Panamanians understood that.

Thank you, Mr. Secretary.

MORE REPRESENTATIVE COINAGE FOR BICENTENNIAL

Mr. MATHIAS. Mr. President. In July, I introduced legislation to authorize the striking of two gold medals with the likenesses of Susan B. Anthony and Abigail Adams. I felt that the Bicentennial coins, while inspiring, ignored one-half of our population in their designs. Barbara Bondanza, a Ph. D. candidate in American Civilization at New York University, addresses the issue of coin design in an article for Coinage magazine and urges the striking of a coin design for the proposed 2-cent piece which will recognize the role of women in the American Revolution. She points out rightly that it is people that have made our country strong, not buildings or liberty bells. I ask unanimous consent that Ms. Bondanza's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

America's Bicentennial Coinage: The Untold Story of Our Freedom

(By Barbara Bondanza)

It is the summer of 1776. For over a decade, colonists have struggled with the English mother country for increased freedoms and rights. The battle is far from ended, but a seemingly irrevocable step has been taken. Independence has been declared—a revolution launched.

And now, nearly 200 years later, our country attempts to commemorate that era of its birth. One of the most widespread means of commemoration is our new bicentennial coinage, for these coins will literally reach the hands of millions of Americans.

Admirable though it is to want to call to mind the things which made our country great, America's newly designed bicentennial quarter, half dollar and dollar fail miserably.

America is not a single building—the old Pennsylvania State House in Philadelphia—where a room full of men met behind closed doors in the Spring of 1776. Nor is it a Bell originally designed for use by the State of Pennsylvania alone. Further, can we really believe that the United States can claim the moon as being uniquely American?

Only one new coin—Jack L. Ahr's prize-winning quarter design—approaches the essence of America's greatness. And at that, it falls short by at least 50 per cent.

The reverse of Ahr's quarter depicts a drummer boy in the foreground. Famous for his cadences which notified the fighting infantry of the changes in military maneuvers, the drummer boy made a significant contribution to the revolutionary cause. Over the drummer boy's right shoulder, one can see the torch of freedom in the background, surrounded by 13 stars—one for each original state.

Directly under the torch are the words "E Pluribus Unum," Latin for "Out of Many, One," while the circumference or edge of the coin reads "United States of America" and "Quarter Dollar" in a distinctive lettering style.

Of the three new bicentennial coins, only this quarter is representative of the real American resource—people. Ultimately, America's greatness has been achieved by the unique blend and intermingling of many groups of people. The sweat and sacrifice of millions went into building this nation, yet only one human image appears on our new commemorative coinage.

What of the forgotten half of America's revolutionaries. The American male population of 1776 did not fight and win the battle for Liberty alone. Countless unremembered women nurtured, supported, assisted and strengthened the fight for independence, but not a single female image appears on our bicentennial coinage.

America's founding mothers deserve the same respect and honor that the founding fathers have received for the past 200 years. Congress now has the opportunity to correct this unfortunate oversight. The proposed reissue of the two cent piece provides an excellent chance to render a long overdue tribute to American Revolutionary women in particular, and American women in general.

Originally struck for 1864 to 1873, the two cent piece was the first minor coin authorized between the cent and silver half-dime. (The silver three cent piece is not considered minor coinage). It was also the first coin to bear what is now our national motto, "In God We Trust." Its reissue could serve as a timely vehicle to commemorate both America's bicentennial and International Women's Year.

American women as real personalities have been noticeably absent from American coinage. Although several women have served as models for American coins, they were usually used to depict a symbolic figure. Alice Longacre, daughter of the chief Engraver James B. Longacre, is believed to have modeled for the Indian Head Cent in 1858.

Teresa Cafarelli de Francisci is the "Miss Liberty" of the Peace Dollar which her husband sculpted. Elzie Kochel Stevens posed for the Weinman designs of the Mercury Dime and the Walking Liberty Half Dollar; Dora Doscher served as the model for the Standing Liberty Quarter, and Anna W. Williams portrayed the female image on the Morgan Dollar.

While other American women have appeared on our coinage, the overwhelming majority of these coins were merely commemorative, non-circulating issues.

Only one woman has appeared as herself on circulating American currency. Martha Dandridge Washington was depicted on the series 1886 silver certificates (Friedberg reference numbers 215–223). The engraving, which was done by Charles Burt, is based on a portrait of the first "First Lady" by Jalbert. Martha Washington's likeness was also used on a pattern quarter dated 1759, but struck in 1965, to test cupro-nickel clad composition.

Many candidates could be considered to represent the American woman of our nation's revolutionary period. Some possibilities include Abigail Adams, Betsy Ross, Margaret Corbin, and Deborah Sampson.

Abigail Smith Adams, the second "First Lady" of the United States, was of inestimable help in furthering the cause of both the revolution and the new nation. A gifted letter writer, she was also celebrated for her keen political instincts. John Adams frequently consulted her on matters of political importance.

Although Betsy Ross has been traditionally attributed with the making of our first flag, historians have not been able to clearly establish that fact. Actually, there is more to indicate that the flag which became "Old Glory" was not the handiwork of Betsy Ross, but that this story was nonetheless circulated years later by her husband and family. Still, the legend is part of Revolutionary folklore.

The fight for freedom was literally carried on by Margaret Cochran Corbin. When her husband, John Corbin, was killed in action during a revolutionary battle, she took his place as matross of the cannon. In spite of a severe wound in which her arm was nearly severed, she was able to keep the gun in action. In 1779, Congress awarded her the veteran's stipend of half-pay for life. She died in Westchester, New York, in 1848, but was reburied at the national service academy at West Point in 1926.

Another female revolutionary soldier was Deborah Sampson. At the age of 22, she concealed her identity and enlisted in the army. After fighting in several battles, she was seriously wounded, but escaped from the medics for fear that her identity would be discovered. Her unattended wound healed slowly and painfully. Eventually, she was discovered and was given an honorable discharge. In 1802, she began lecturing about war experiences and eventually, she published a narrative of her life entitled "The Female's Review."

No doubt, the list of possible candidates for the new coin under Congressional scrutiny is extensive, and the choice is difficult. Indeed, selecting a single personality to commemorate the contributions of the countless women of the revolution would be a nearly impossible task.

More equitable and democratic would be a plan to design a female image similar in concept to that of the drummer boy. The image of a nameless colonial woman on a new two cent piece could serve as the reminder of all those colonial women who suffered and sacrified for our new nation.

In this year of the 200th birthday of our nation, we all should be sharing the great spirit of this country with as many other Americans as possible. Coins are an excellent means of doing so. Our bicentennial coinage to date commemorates several symbols of America's heritage—Independence Hall and the Liberty Bell—but symbols are not enough.

This nation was built by people, and it is all those people—both men and women—who should be remembered.

We have one last chance to assure equal tribute to all of our revolutionary forebearers—the two cent piece. Will our founding mothers have to wait another hundred years before they receive some gratitude and recognition?

The solitary human figure of the drummer boy on our new bicentennial coinage is unbalanced. It is time to give tribute to the forgotten half of our country's founders—American women.

REAUTHORIZATION OF SICKLE CELL ANEMIA CONTROL ACT

Mr. TUNNEY. Mr. President, in a time when health care is such an important issue in this country, and when we are presently discussing the merits of health manpower legislation and an eventual national health insurance plan, we should not lose sight of some of the important health bills which already have been made law and need reauthorization. One of these bills is the important Sickle Cell Anemia Control Act, which I authored and which became law in 1972. Senate Bill 1619, which has been introduced by Senator Kennedy, would now reauthorize the act and reopen the possibilities that the administration will make specific budget requests for its provisions.

Sickle Cell Anemia still affects one in every 400 live black births in this country every year, and that is approximately 62,500 patients. However, great confusion and a massive bureaucratic mess has grown out of the various sickle cell programs under the National Heart and Lung Institute—all because the administration refuses to take advantage of this legislation which would earmark funds and centralize all sickle cell activity. Without a central authority, and without the President recognizing the importance of such a central office for sickle cell programs, there will be continued confusion between the various programs within the National Institutes of Health and the Health Services Administration. While the red tape continues, the only people who will really suffer will be those who fear their next sickle cell attack or "crisis."

I have continued to keep in close contact with many doctors in California, black civic leaders and several spokesmen for various sickle cell projects, and they are honestly worried that all they have achieved might be lost if the Sickle Cell Anemia Control Act is not reauthorized. In the past 3 years, there has been great community involvement and dialog between the local black clinics and the major hospitals in those areas. This type of community action in the underserviced areas should not be allowed to fall by the wayside before we realize the full potential of the act.

After I testified before the Senate Subcommittee on Health on behalf of S. 1619, I received quite a bit of correspondence from sickle cell activists around the country. I would like to draw the Senate's attention to one especially informative article I received from Dr. David Satcher of Los Angeles. Dr. Satcher is presently an assistant professor of epidemiology at the UCLA Medical Center, the director of the King/Drew Sickle Cell Center in Los Angeles and was given an award for medical education from the Sickle Cell Disease Research Foundation of Los Angeles. Dr. Satcher makes some very important points in his correspondence to me and emphasizes the point that we must reauthorize the sickle cell law as soon as we can.

Mr. President, I ask unanimous consent that Dr. Satcher's essay to me be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

THE NATIONAL SICKLE CELL ANEMIA PROGRAM

WHAT ARE ITS PROBLEMS—WHY IT SHOULD CONTINUE

The National Sickle Cell Program officially started with the National Sickle Cell Anemia Control Act in 1972. Since that time, 15 centers have been funded throughout the country to provide for research, patient care and community services. Included under community services are, education, screening and genetic counseling programs. Now, there have been many problems with the National Sickle Cell Program during the past 3 years.

The first problem, and the problem of most concern is the fact that the National Sickle Cell Anemia Control Act authorized 115 million dollars to be spent for sickle cell programs over a period of 3 years. It is interesting and of much concern that during the past 3 years, *none* of the money authorized by the National Sickle Cell Anemia Control Act has been appropriated for sickle cell disease and related programs. All of the money that has been expended for sickle cell disease over the past 3 years has come from other grants and money has been borrowed from those grants when the funding was not completely expended for them. However, one of the major problems which we have faced in setting up programs for sickle cell disease is this whole issue if uncertainty and lack of clarity about funding. It is very difficult to mount a strong program in which the people of the community can have confidence when we are not certain from year to year of how much money we are going to get and from what source. Therefore, it is very important at this time in history that the National Sickle Cell Anemia Control Act:

1. Be continued
2. Assure that funds that are authorized to be expended for sickle cell disease are appropriated for that purpose.

It is also desirable that there be one source of funding for sickle cell programs. Seemingly, this would allow for some kind of unity of programming nationally. However, this point may be debated by those who would say that it is an advantage to have the funds coming from different sources so that there can be more flexibility.

During the past 3 years, many important things have happened nationally, as it relates to sickle cell disease. As a result of the National Sickle Cell Anemia Control Act, as I pointed out, 15 national sickle cell centers have been established and 26 education, screening and counseling clinics. Perhaps the most significant positive thing that has come out of the sickle cell programs nationally has been the involvement of many Black people in their own health. Prior to the National Sickle Cell Anemia Control Act, there was no health problem around which the Black community organized and in which many people in the Black community became involved. Since 1972, many people have been able to acquire jobs in sickle cell programs, many people have been inspired to continue education because of their involvement and concern for sickle cell disease, etc. This is very interesting when we think of the fact that the medical institutions in this country have a very poor reputation when it comes to involving communities around them, especially the Black communities. I think it is very fair to say that most of the medical schools in this country are located near urban communities and have depended upon those predominantly Black urban communities for patients on whom interns and residents were to receive their training. After practicing, or receiving their training treating minority patients in urban communities, most of these physicians go out to practice in suburban communities or rural areas rather than in these same urban communities in which they received their training. So, it is clear that through years, medical institutions have not been very effective or successful in involving communities around them on a partnership basis.

However, the Sickle Cell Control Act has done more than any other measure in terms of developing that kind of relationship between medical institutions and communities. Most of the sickle cell centers have gone out and involved communities around them through advisory committees. They have also employed many Black persons who have become key figures in the sickle cell program. So, experts or health professionals have effectively combined with people from the Black community in developing sickle cell control programs. This is one of the most important things that has come out of the sickle cell movement. It is very clear that we need models on which to develop health care programs for the future, and one of the major problems is, how do we develop cooperation between health institutions and the community. I submit that the sickle cell control programs throughout the country provide us with such a model and if allowed to continue, this model can be more refined.

I think it is also fair to say that many of the problems which we have faced and have had to solve in dealing with sickle cell disease and sickle cell trait, etc. are problems that are going to be common to any genetic disease. Sickle Cell hemoglobin, on a world-wide basis is the most prevalent recessive genetic disorder. It is indeed the most prevalent recessive genetic disorder in this country. So this makes it a good model. The second thing that makes sickle cell diseases and carrier states a good model for genetic disease control is that it is fairly easy to diagnose carriers. Now, for most genetic abnormalities, it is very difficult to make a diagnosis that one is a carrier and is therefore capable of passing the disease on to his offspring. However, with sickle cell disease, we are in a position to diagnose carriers. Because of this, we have been faced with many problems—that are misunderstood and stereotyped, they are discriminated against in employment and insurance. And we are just beginning now to be able to deal effectively with these problems. If sickle cell programs are allowed to continue, there is another area in which we can develop some very successful models. There are so many other questions with which we are struggling in the sickle cell movement that relate to decisions about marriage and reproduction and how these decisions are affected when one is diagnosed to be a carrier. Within the next few years, we should have some very solid information relative to these questions that can be used in dealing with other genetic problems. Certainly, we have made significant progress in the medical care for patients and families with sickle cell disease and, again, as we improve, these progress can be transferred to other health problems in our communities and other communities.

Finally, as a geneticist, I have to comment on the Javits Bill which provides for a comprehensive genetic disease control act. Now, it is difficult to be against such a bill because, ultimately, we have to deal with genetic diseases and ultimately, we will. However, I think it is fair to say that such a Bill is very premature. In the first place, we are not yet in a position to define genetic diseases. We have listed more than 8,000 diseases as being genetic. About some, of course, there is much controversy. Examples given are, hypertension, diabetes, and epilepsy. Therefore, I think it is very premature to have a national comprehensive genetic disease control act when we are not yet able to define genetic disease in total. So it is very important. I think, in this time in history to stick with models like sickle cell disease or Tay-Sachs but not to try to dump all genetic diseases into one bag for a national program.

In summary, I feel that we are faced with a critical time in history. It seems to be a pattern that when programs are funded which primarily involve and affect the Black community, they exist just long enough to begin making progress, and then they are discontinued. At this time in history we are faced with that threat as it relates to sickle cell disease programs in this country. After 3 years, and after beginning to make some significant progress, their survival is now threatened like many other poverty programs, etc. I think it is very crucial that the National Sickle Cell Anemia Control Act be continued and that funds that are authorized be appropriated so that funding is clear and certain. I also think it is important to point out that we are on the threshold of some very significant developments relative to sickle cell disease and related conditions. If we are allowed to continue these programs, the benefits will accrue, not only to sickle cell disease, but to many other health problems in the Black community and to many other genetic problems that affect all communities.

S. 2371—TO REPEAL MINING PROVISIONS FOR CERTAIN NATIONAL PARKS AND MONUMENTS

Mr. PACKWOOD. Mr. President, I am pleased to join with my distinguished colleague, Senator Metcalf, in cosponsorship of legislation to repeal certain mining provisions which could allow the mining of some of the Nation's great national parks and monuments, such as Crater Lake, Mount McKinley, Death Valley, Glacier Bay, Coronado and the Organ Pipe Cactus Parks.

In a time when the development of our coal fields, our Outer Continental Shelf, and some of the country's expansive grazing lands are proceeding at an awesome pace I believe this legislation is sorely needed. The notion of a national park or monument is to provide a sanctified area for the enjoyment of the public, away from the bustle of the metropolis, away from the flurry of the freeway and ultimately, away from the often frenzied life we run during the work week.

It is a respect for the serenity of our national parks and monuments which moves me to cosponsor this legislation to insure no mining, no patents and no development of these vistas will occur. As my fight over the years to preserve the Rock Mesa area of the Three Sister Wilderness has demonstrated, the public will not stand for the disruption of a natural parkland, which has been specifically set aside for outdoor enjoyment.

Mr. President, the public's desire to stifle mining operations within an existing wild and scenic area which is intended to be used for those purposes is well founded in my home State of Oregon.

Too many people have worked too long, and too hard to see further efforts required of themselves to preserve the wild and natural sanctity of public lands. If I can help maintain the integrity of the Nation's parks and monuments, you can rest assured I shall.

I hope we move to pass this legislation as soon as possible, and ask for its immediate consideration by the Senate Interior Committee, which I understand will be holding hearings, perhaps, later in October.

To emphasize my point for prompt action on this bill, I ask unanimous consent that an article which recently appeared in the Washington Star outlining the mining operations currently taking place in the Death Valley National Monument be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Death Valley Strip Mining To Start

(By Thomas Love)

Widespread strip mining is set to start soon in the most scenic portion of Death Valley National Monument, Calif., under a recent ruling by the Interior Department.

Overruling a decision of the National Park Service, Interior has ruled that no action is possible to prevent what NPS officials say will forever ruin the most popular sport in the monument which draws half a million visitors a year.

The ecology of Death Valley is so fragile that the Park Service is worried about the damage caused by the grazing of wild burros and is working on a plan to control them. Scars left by roads and a pipeline built half a century ago still mar the landscape and may never heal, according to officials at the monument.

The area of the proposed open pit mines includes Zabriskie Point and Gower Gulch, the first of which provides the best-known view in Death Valley and the second the most popular hiking trail. The area was made famous by the work of nature photographer Ansel Adams.

In a memo to Interior in June, Russell E. Dickerson, acting director of the NPS, said "immediate action on this matter is imperative to forstall the threatened location of mining claims in Gower Gulch," and he proposed prohibiting all further mining in the area.

In August, the Park Service went further and proposed legislation which would prohibit any mining in Death Valley and also Glacier Bay National Monument in Alaska. Yesterday, a spokesman for the Interior Department said there are no plans for the department to take any action to block the mining.

Michele B. Metrinko, associate Interior solicitor, ruled in July that the Park Service cannot prohibit any mining in the monument because of a law enacted in 1933.

She would not respond yesterday to questions about the decision, but a department spokesman said her ruling concluded that although the law opened the area to mining under "regulations prescribed by the secretary" of interior, that authority is limited to such areas as campgrounds and archeological sites.

There is no authority to withdraw land from mining solely for scenic reasons, she said.

This decision is in conflict with the decision of the NPS solicitor who ruled that authority existed to block the mining. An attorney for a respected environmental group, who asked not to be identified because he had not read the ruling, said yesterday that he believed the law allowed Interior to withdraw any part of public and from prospecting and subsequent mining.

The Park Service memo to Interior concluded that because of various legal opinions, "we feel that scenic and recreational protection" are ample reasons to withdraw the area from further prospecting and mining. The memo also said that additional mining would jeopardize any future Park Service moves to create a wilderness area at Death Valley.

According to the legislative history of the 1933 act, mining was allowed in the monument because of the "romance and mystery" of the prospectors in the area. Environmentalists insist there is little relationship between a prospector with his burro and modern strip mining with massive earthmovers.

Although there has been some mining in the area for decades, strip mining did not start until 1971, according to James Thompson, superintendent of the monument.

He estimated that 1,200 acres of the monument are now being scarred each year by strip mining for talc and two borates—ulexite and colemanite—the latter two of which are used for insulation. The demand for the two borates is increasing at a great rate because of the energy crisis.

He said that unless something is done, total mining is expected to increase by at least 50 percent in the next four years, with most of the increase in the form of strip mining.

New mining claims, ranging from 20 to 160 acres, are increasing at the rate of 200 a year, he said. Of the 1,827 claims now filed, only about 25 percent are actually being worked, a Park Service spokesman said.

There are now four open pit mines in the area, the largest of which is 3,000 feet by 600 feet and more than 200 feet deep.

A NEW PANAMA CANAL TREATY

Mr. McGEE. Mr. President, last week, John D. Blacken, Counselor of the American Embassy in the Republic of Panama, delivered a speech to leaders of civic groups and labor unions in the Panama Canal Zone. The subject of his remarks was the current negotiations between the United States and the Republic of Panama over a new canal treaty.

I was very impressed with Counselor Blacken's presentation. It was a very pragmatic and factual presentation of why we are negotiating a new treaty today, in 1975; how we are protecting our interests through negotiation; and why we should resist cloaking ourselves in the myths of 1903.

Mr. President, I am confident that once this body has the treaty before it for consideration, it will be considered on its own merits alone, and not on a past based upon myth, fear, and misrepresentation of both history and American interests.

I ask unanimous consent that the speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Address by John D. Blacken

Mr. Schmidt, ladies and gentlemen, Americans and Panamanians. I am pleased to be here tonight to discuss aspects of a serious problem—the Panama Canal issue.

The Secretary General of the Organization of American States recently described the canal problem as the most explosive issue in Latin America. The closest friends of the United States in Latin America have been warning us about the Canal issue and what it may mean to the future of U.S. relations with the hemisphere. Secretary of State Kissinger, Ambassador Bunker, and Assistant Secretary of State William B. Rogers have spoken of the hemispheric importance of the issue in major addresses in the United States. I have also touched on them in several speeches to Canal Zone audiences.

Tonight I will direct my remarks primarily at the concerns which your representatives—leaders of civic councils and Canal Zone labor unions—expressed in meetings with me recently. I have also, in private conversations with individuals, had impressed upon me your views, hopes and fears concerning the treaty negotiations. These concerns are varied and complex—just as is the canal issue. Some that have been expressed to me are:

That the U.S. Government has decided to conclude a new Canal treaty at any cost;

That President Ford and Secretary Kissinger have ignored the desires of the American people concerning the canal;

That the State Department is not presenting a U.S. position in the negotiations, rather it is merely accepting the Panamanian position;

That the State Department is ignoring the concerns and views of Canal Zone residents and employees;

That under a new treaty U.S. employees of the Canal Company might be subjected to harassment by the Panamanian National Guard;

That working conditions for canal employees would deteriorate;

That you have not had sufficient information concerning the treaty negotiations;

That a confrontation will result if an acceptable treaty is not concluded;

That talk of a confrontation leads to violence;

That U.S. citizen employees will not have promotion opportunities under a new treaty;

That your wages or other employee benefits will be reduced or endangered; and

That prior to a treaty ratification the U.S. executive branch might try to transfer to Panama the responsibility and burden of certain community services and functions such as fire, police, postal services, educational facilities, commissaries, etc.

This is a partial list; I am aware of others. I cannot answer all your queries this evening, but I will try to respond to as many as I can as frankly and thoroughly as I am able within the limits of our available time and within the strictures of confidentiality required by the negotiations.

Let us deal with the fundamental issue first, namely, your concern that you are ignored and your fears disregarded by officials of the Executive Branch, particularly the State Department. This is not true. We are aware of and take pride in the efficiency and dedication that all of you—Americans and Panamanians—have shown in carrying out your task of running the canal. Yesterday, in speaking to civic council and labor leaders Ambassador Bunker stressed his intention to obtain a treaty that will protect your legitimate rights and interests and stated that he would not agree to *any* treaty which jeopardizes those rights and interests. Ambassador Bunker has devoted more years to serving the American Government and the American people than most of us have lived. He means what he says. If anyone still has doubts, you can be sure that any treaty which failed to provide for the protection of legitimate employee interests would be rejected by the Senate. Ambassador Bunker assured your representatives that it was not his intention to negotiate a treaty which he thought the Senate would reject.

Last year we thought that it would be sufficient if we informed Canal employees of significant developments in the negotiations. To do this Ambassador Bunker met over a year ago with your representatives. Subsequently, he continued this conversation through messages to the Governor which were published in the "Spillway." Major speeches which Ambassador Bunker made in the United States have been published in the Canal Zone and Panama. I have appeared seven times during the past year before different groups in the Canal Zone. Some of my speeches were also published. Wild rumors and sensational news headlines in both Panama and the United States have occasionally given a distorted—sometimes overly optimistic, at times excessively pessimistic, and sometimes false—picture of the course of the negotiations. Some of these rumors were so far fetched that we assumed they would only amuse and not alarm, but in fact they did frighten many people.

Our channels of communication with Canal Zone Government officials are excellent. Governor Parfitt meets regularly with Ambassador Jorden and thereby keeps U.S. policy makers informed of your attitudes and concerns. Nevertheless, we now recognize that we must have a more active dialogue with you, if only to let you know there is nothing to report. To promote this dialogue, I have been designated to provide liaison between Ambassador Bunker, his negotiating team and people in the Canal Zone. I intend to work closely with Governor Parfitt and his staff in accomplishing this. Sherman Hinson and Steve May of my staff will be helping me in this liaison. Finally, to give added depth and meaning to the dialogue, several distinguished Panamanians—including persons involved in the negotiations—have indicated to me their willingness to meet and talk with groups here in the Canal Zone. I hope for the cooperation of your leaders in expanding this dialogue and am open to and welcome any suggestions from you on how to do this.

Now let me turn to a fuller response to some of the questions and concerns that I have heard.

Some of your representatives either directly or indirectly questioned the need for any change from the 1903 treaty. Let me touch on this question briefly.

Treaties define mutual commitments between nations. They almost invariably result from the need to harmonize conflicting interests, and they reflect, if they are to be successful and lasting, a mutually acceptable balance of interests and benefits for the treaty partners. Normally both sides participate in interpreting the treaty. Thus, when one partner no longer is satisfied with the treaty terms, that partner can request revision of the treaty.

You are all aware that Panamanians have been dissatisfied with the 1903 treaty from the day it was signed. Small wonder. It was negotiated by a Frenchman who stood to gain personally if the U.S. bought the French option to construst a canal in Panama. Panamanian leaders were depending upon the U.S. to protect their country's new-found independence from Colombia. To preserve that independence they ratified the treaty, but with great reluctance. Above all, they disagree with the United States' assertion of broad authority to act as if it were the sovereign concerning all activities in the Canal Zone and not just those mentioned in the treaty as relating specifically to the canal. Panamanians have charged that the United States has repeatedly and systematically violated the treaty. Nevertheless, despite these differences, Panama has never officially challenged the legal validity of the treaty itself and has carried out its obligation to comply with it. Moreover, Panama has been a loyal friend of the United States over the past 72 years, including during two world wars. Panamanians have welcomed Americans into their homes and on their streets. My perception is that the overwhelming majority of Panamanians like individual Americans and respect the United States for the ideals of democracy and justice it has espoused throughout the years. But they feel deeply that the nature of our presence in the Canal Zone is an offense to their country's national dignity. They are determied to persuade us to change the nature of this presence. They ask us: How would you feel if French exercised jurisdiction over a swath of land ten miles wide along the banks of the Mississippi from New Orleans to Canada?

Some people would have us base our policy toward Panama and the Canal Zone on the myth that the Canal Zone is U.S. territory just as is Alaska, or Florida or New Mexico. They erroneously cite U.S. legislation and court cases to support their contention. It is true that for the purpose of applying domestic legislation to the Canal Zone, Congress and the courts sometimes treat it as U.S. territory. At other times such as for customs, mail and social security purposes, U.S. law treats it as foreign territory. But this method of dealing with the Canal Zone has no relation to its international status. Nothing in the 1903 treaty or its amendments indicates that Panama ever ceded the Canal Zone to the U.S. Under international law the Canal Zone is regarded as Panamanian territory uder U.S. jurisdiction. To refuse to acknowledge that the Canal Zone is Panamanian territory is to avoid reality.

Instead of illusory and self-deceptive reliance on myth, let us base our policy on what is best for the national interest of the United States. In this we most assuredly include the welfare safety and rights of canal employees as well as U.S. commercial, shipping, defense, and foreign policy considerations. How best do we safeguard our national interest? I submit that the 1903 treaty embodies a philosophy dating back to the past century and is no longer adequate for the job.

Why not? Briefly stated, our essential interest here is a Panama Canal which is safe, efficiently operated, and open to our vessels and those of the rest of the world at reasonable toll, with all of this obtained in such a way as not to jeopardize our extensive interests in the rest of Latin America and elsewhere. The 1903 treaty arrangement as it exists today fails to protect these interests because:

It is no longer—if it ever was—broadly acceptable to the people of Panama, without whose acceptance both the operation of the canal and its successful defense have questionable futures; and

It is widely perceived by other nations as grossly inequitable to Panama. Our ability and willingness to change this is regarded by those other Latin American nations as an indication of how we will deal with them on other matters.

Science, technology, social customs, values and relationships have changed drastically since 1900. We no longer rely on the medical remedies, technical procedures or school curricula in vogue in 1900. The nature of international relations and of power relationships has also changed. Even treaties concluded as recently as 1949, the NATO treaty, for example, have been adjusted to changing reality and to continue accommodating the interests of the participants. Why then, should we insist upon keeping without substantial change a canal treaty relationship created in 1903 when U.S. foreign policy specialists—military as well as civilian—acknowledge that it no longer adequately protects the interests of the United States.

I have already quoted the OAS Secretary General's remark that the canal issue is the most explosive issue in Latin America. Leaders of all Latin American countries have expressed support or sympathy for Panama, among them the President of Mexico who recently said, Quote: Latin America is entirely on Panama's side. We share the exasperation of the Panamanian people at having a foreign enclave in their territory. That anachronism must be removed if we are to enjoy a mutual relationship with the United States based on justice and democratic principles. End quote

Panama has mounted an effective diplomatic campaign, a very skillful and determined campaign, in the United Nations and elsewhere on behalf of her cause. Our conversations with diplomatic representatives of other nations, including those of major maritime nations, indicate that they too desire the United States to reach a satisfactory settlement with Panama.

To the above sentiments I have heard people say, "So what? What does it matter? We have overwhelming military power. Let us ignore Panama's complaints and the opinions of the rest of the world." I could not disagree more strongly. True, the United States is a great and powerful nation, but let us recall that its greatness depends as much upon its tradition of dedication to justice and fairness, the Founding Fathers' ideals and dreams of liberty, and its healthy political and economic base at home as upon military power.

A great power which aspires to be an arbiter of stability and orderly change accepts certain responsibilities. Thus, in this economically and politically interdependent world of today we must ensure that our friends derive enough out of their relationship with us that they remain our friends. If a great power does not take care to keep its friends, it will inevitably stand alone against its enemies. Let us then, through wise and judicious policies, draw closer to our natural friends, one of whom is Panama. Let us try to maintain and strengthen this friendship. The way to start is to conclude a new canal treaty which maximizes benefits for *both* countries.

Five American presidents have recognized that a new treaty relationship with Panama would be in the U.S. national interest. For 11 years the U.S. has had a presidential commitment to negotiate a new treaty which would eliminate the causes of conflict between the United States and Panama. Why have we failed in the past? Emotions have run high on both sides. The issue was not well understood in the United States. And throughout the years, a lack of mutual confidence plagued the efforts of the two countries to solve the problem.

Much of this has changed. Key United States civilian and military officials are now aware of the nature and seriousness of the problem. Our government has appointed one of its most experienced and able men to head the U.S. negotiating team. He and our Ambassador in Panama, William Jorden, have been able to create the essential atmosphere of trust and confidence among the negotiating partners and between U.S. and Panamanians leaders. Within this atmosphere the negotiations have been advancing.

I have heard some persons in the Canal Zone demand that details of the negotiations be exposed. As any labor union leader or management participant in labor-management negotiations understands very well, confidentiality in negotiations is usually essential to their success. In negotiations held completely in the open, neither side—neither side—can give on anything in order to produce an overall solution which will be best for both. Confidentiality is one way of assuring that neither negotiating partner will be prematurely forced by his domestic politics to sacrifice the overall good for a single point. Certainly in negotiation concerning the extremely complex canal issue, confidentiality is needed to secure a treaty which will both satisfy legitimate Panamanian aspirations and protect United States national interests, in a manner which the citizens of both countries can view as acceptable to themselves. And just as a labor contract is eventually submitted to the union membership for approval, so the treaty will be sent to the Senate for its advice and consent. Undoubtedly, legislation by both Houses of Congress will be necessary to implement certain aspects of the treaty.

Concerning confidentiality I wish to make one more point. Each time a rumor or news story comes out with something purporting to be a U.S. or Panamanian position in the negotiation, we cannot adopt a practice of confirming or denying it. Why? Because if we were to play "20 questions" in any way, a good questioner could with perhaps four or five questions make a good guess as to what the actual position is.

Civic council leaders have criticized the negotiators for making "accommodations" in the negotiations. Accommodation or compromise is what negotiation is all about. It is the essential tool of politics, for without it conflict is the inevitable arbiter. Normally a government does not enter negotiations until it decides that the status quo will no longer adequately serve its national interest. Therefore when two sides sit down to negotiate seriously and with intent to agree they must both be prepared to seek an accommodation with the interests of the other.

Now let me turn to the canal treaty negotiations currently underway. Following the Kissinger-Tack Statement of Principles of February 7, 1974, the U.S. and Panamanian negotiators agreed to first seek agreement on certain concepts surrounding each issue; and that once conceptual agreement as reached on all issues, the process of writing the treaty would begin.

Ambassador Bunker made clear in his discussion with civic council leaders yesterday that reaching conceptual agreement on an issue does ont mean it is finally resolved. This is because issues are interwoven and interrelated, and many details and subordinate issues will have to be addressed once the negotiators begin to draw up treaty language.

The negotiators have reached conceptual agreement on the following issues: Panamanian participation in the operation of the canal; defense of the canal; and certain aspects of jurisdiction and U.S. use rights.

They still have to achieve conceptual agreement on such matters as: Economic benefits to Panama; the lands and waters area the U.S. will need to carry out its responsibilities for the operation and defense of the canal; arrangements for expansion of the present canal or to construct a sea-level canal, and last and more importantly, the duration of the treaty.

After gaining conceptual agreement on all of these issues, the Negotiators may have to modify some of the conceptual agreements to assure that a comprehensive, equitable and balanced treaty is achieved. Also, when the drafting process begins, many details surrounding each conceptual agreement will have to be worked out. For example, one of the important matters remaining to be resolved is the treatment of civilian employees working for the Canal Company. You can see that the Negotiators have much work ahead of them. Much progress has been achieved, but at this time no accurate estimate can be given a sto when a treaty will be completed.

During my meeting with civil council representatives last month, I was asked what would happen if the two sides failed to agree on a treaty or if one side refused to ratify it. Earlier in the same meeting, I heard criticism of U.S. officials who earlier had given their honest opinions in response to the same question. Let me emphasize here that both governments are pursuing policies which they hope will lead to a peaceful solution of the canal problem. Panama's Minister-Negotiator Juan Antonio Tack in discussing Panama's policy has said, "Alongside the nationalism of the Panamanian people, the solidarity of the peoples of the world represents the best weapon with which Panama will triumph in its endeavor to achieve its liberation through the peaceful road of negotiation." The Minister also voiced confidence that once the new treaty has been signed many of the opponents in the U.S. would reverse their position because the formula agreed upon would provide for the efficient and uninterrupted operation of the canal on a basis of equality, reasonable tolls and neutrality.

But suppose either of the two governments were to lose courage and give in to extremists who oppose compromise and the door to peaceful resolution of the problem is slammed shut. Does anyone believe that the resulting situation would not be tense? All Panamanians feel the present situation is unjust. Some form of confrontation would be probable. I am not saying Panama will declare war on the U.S. But in such a confrontation would the National Guard, the Panamanian Government or the United States be able to stem the discontent of the Panamanian people? And in such a climate, how do you prevent some deranged individual from creating conflict? I leave the answers to you. I believe that the best protection for the canal is a friendly environment in which the U.S. and Panamanian military can carry out their job.

You have expressed concern about the inflammatory nature of some articles and statements that have appeared in the Panamanian press. I share this concern. Yet, if we are fair, we must admit that frequently statements extremely denigrating to Panama, its people and leaders, have appeared in the U.S. press. Some provocative statements about Panama have emanated from the Canal Zone. These do not help the situation, nor do they help the two sides draw together in friendship. Some U.S. treaty opponents have made public remarks which show a lack of sensitivity and inadequate regard for the changes that have occurred in the world. Disparaging remarks about Panama's ability to operate the canal reflect condescension not just toward Panamanians but toward all people of Latin America. Such remarks are deeply resented. The United States or other countries of the Northern Hemisphere have no monopoly on talent or ability.

I have pointed out that much remains to be agreed upon in these complex negotiations. Bearing this and the confidentiality of the negotiations in mind, I am going to project for you some of the things I believe will be provided for in any treaty that is finally agreed upon. Let me start from the principles set down in the Kissinger-Tack joint declaration of February 7, 1974. These principles provided that the 1903 treaty and its amendments will be abrogated and the concept of perpetuity eliminated. Panama will grant to the United States the rights necessary to operate, maintain, protect and defend the canal and regulate the transit of ships. Panama will participate in the administration of the canal and will assume total responsibility for the operation of the canal upon termination of the treaty. To me this implies that canal administration will be carried out primarily by the United States for the lifetime of the treaty. I think we can assume that employees who are in jobs related to canal operation will be able to continue their careers.

Some of the functions now being carried out by the Canal Company or Government will undoubtedly be affected. No one yet knows just which functions will be involved; however it is clear that for employees in these areas special provisions, legislative or administrative, will have to be made. The formula for handling this remains to be determined. The U.S. Government recognizes a moral obligation to such employees.

The Panamanians are also aware of this situation. General Torrijos, in his meeting earlier this year with some Canal Zone civil council and labor leaders, said that no one need anticipate a reduction in his working level, salary or legitimate benefits as a result of a new treaty.

Labor leaders have raised the question of whether there would be a labor annex to the treaty. This has not been determined yet, but you can be sure that the question of labor rights will be addressed with a view to protecting the interests of our employees.

The two sides have agreed that the termination of United States jurisdiction over Panamanian territory shall take place promptly. The negotiators of both sides want to provide for a gradual process by which canal employees and their families can adjust to the new situation. I anticipate that Panama will assume the responsibility for providing many of the community services for canal employees and that United States citizen employees of the Canal Company will be provided protections and guarantees similar to those of United States Government employees in other countries of the world. The Kissinger-Tack principles state that Panama will grant to the United States use rights for lands and waters and airspace necessary for the operation and defense of the canal and that Panama will participate with the United States in the defense of the canal. Thus, you can be sure that the treaty will provide for the adequate defense of the canal. Both countries accept that one of the elements of security for the canal is a peaceful environment surrounding it and the good will of the Panamanian people.

At the present time, the Negotiators are discussing the question of which lands and water areas are needed to operate and defend the canal. They will also be discussing the duration of a new treaty. As you know, these are both extremely sensitive and difficult issues. Also remaining to be settled are the issues of expansion of canal capacity and economic benefits for Panama. The United States has previously agreed that Panama shall have an equitable share of the benefits derived from the operation of the canal in its territory. Also we have recognized that Panama's geographic position constitutes its principal resource.

Much concern has been expressed by your representatives about whether Panama would abide by the terms of a new treaty and also about the nature of the Panamanian Government and the quality of life in Panama. I ask you: If Panama has adhered for 72 years to a treaty which her people despise, why should she not carry out her obligations under a treaty which was freely negotiated and which provides for fulfillment of many of her aspirations concerning the canal?

Since 1968, Panama has had a government which has been seeking to integrate all Panamanians into the political, social and economic life of Panama. The 505 Representatives elected in 1972 have the task of promoting grass roots participation in the governing process. The Representatives serve at four levels of government—local, municipal, provincial and national. They are consulted on legislation and administrative decisions affecting people in their areas. They participate in the important process of forming the government's development budget. Through them the voice of the people is heard at the highest levels of government. Explanations and information from the various levels of the government reach the people through them. The representational system is still evolving, but through these elected representatives and the community councils, the people in each community can participate in shaping the decisions that affect their daily lives.

The Panamanian Government has a different legislative structure than we do in the United States. This does not mean, however, that it is not responsive to its citizenry. As you are aware, developments in many countries in this hemisphere have led a number of thoughtful individuals to question whether Anglo-Saxon legislative forms are appropriate to the political, economic and cultural environment of Latin America. In Panama, we witness a government which is seeking another approach to extending full participation in responsive government to that great majority of people who traditionally have not been active participants in the governing process. Moreover, it is seeking to do this without incurring great social costs to the midle and upper classes, or the violent upheaval that elsewhere sometimes results from such an attempt.

As for concrete accomplishments, this government has increased by over 50 percent the number of schools. It has built numerous feeder roads for isolated agricultural communities and carried out an extensive program to improve rural health and nutrition. It is undertaking a program to improve marketing facilities for small farmers. It is building major hydroelectric plants. It is engaged in a large scale, low cost housing program for the urban and rural poor. It has steadily increased its income from tourism and has become a large banking center—with a total of 73 banks operating in Panama.

These are some of the major accomplishments of the Panamanian Government. It is not my point to praise or condemn it. That is beyond my competence. But I believe it is reasonable to recognize that Panama is one country in Latin America that has made impressive economic and social gains for the majority of its people. One measure of its success is that Panama, in contrast to many other countries, has not had active guerrilla movements, bombings or assassinations in recent years.

Your representatives have asked whether they might be harassed by the National Guard after a new treaty comes into effect. If even under the 11 years of tension which have passed since the U.S. made a commitment to agree to a new treaty the National Guard has not had a pattern of harassing Americans, why should they begin after the major issues of contention have been resolved. Despite what some of you may believe, the National Guard police and military men are well disciplined and well trained. The 6,000 Americans now living in Panama get along very well in the same way that Americans in many other foreign countries do. I think that canal employees should be able to adjust to the new situation without undue difficulty.

Some of you have told me that it appeared that the State Department had no position in the negotiations but was accepting as its own the Panamanian position. Others have said we were determined to get a treaty at any cost and that the negotiators were moving too fast. If my description tonight of the negotiating process has not already answered these questions, the fact that the negotiators and their staffs have been working steadily since the latter part of 1973 and still have much work remaining ahead of them should be sufficient in itself to dispel these allegations.

Another misconception I have heard is that the negotiators are presenting a "State Department" position somehow different from the position of the rest of the U.S. Government. The truth is that when Ambassador Bunker comes to Panama, he comes with a coordinated position. He is presenting the position of the U.S. Executive Branch. He is the President's representative. We are hopeful that the recent visit here by the Deputy Secretary of Defense and the Chairman of the U.S. Joint Chiefs of Staff has put an end to the rumors that the U.S. military leaders do not support the negotiations.

I hope I have spoken to the major concerns expressed to me by your representatives. I hope I have dispelled some of the confusion and corrected some of the misinformation that have complicated this issue, fraught as it is with emotions on both sides. I realize not all of you will agree with all that I have said here tonight. I do not expect you to. But I do expect, and am confident that we can continue to discuss differences of opinion in the mature, reasoned manner that is the cornerstone and *sine qua non* of American democracy. I realize, and I assure you the United States Negotiators realize how difficult many of the considerations and changes I have discussed this evening are for you. I have stated as strongly as I know how that your interests will be protected in any new treaty submitted to the Congress of the United States. You have the word of the President of the United States, of his most eminent diplomat, as well as the interest of the new treaty itself to guarantee that. And Congress in passing implementing legislation will certainly have employee welfare in mind.

The relationship between Panama and the United States forged 72 years ago will no longer protect the interests of the United States in the Panama Canal, nor will it any longer protect your jobs, your security, or your future in operating that canal. To serve both the national interest and your own we are seeking to create a new relationship between Panama and the United States. That relationship must reflect the changes in perception in our nation and worldwide of justice and power and how large and small nations interact. It must succeed in ensuring that the interests and aspirations of both the United States and Panama be served.

It would be foolhardy, harmful, and dangerous, whether for individuals or nations, to cling to a past that conflicts with present realities and that would cripple future hopes and possibilities. We are therefore seeking to remedy the causes of conflict deriving from that past to create a more harmonious and mutually satisfactory future.

To achieve these goals is the purpose of our negotiation.

I believe that you, more than almost any other group, have a profound interest in this purpose. I also believe that you can assist vitally in helping to shape that purpose—to create a more stable and enduring future through your participation in this dialogue, through your understanding of what these negotiations are all about, and through your firm rejection of extremist provocations and rumors, whatever their source may be. To this end may I invite your questions.

THE SYMBIOTIC CONNECTION

Mr. MATHIAS. Mr. President, the news gives us much to ponder. Not only two assassination attempts on the life of the President, but the testimony offered daily in public session at hearings conducted by the Select Committee to Study Intelligence Operations advances our threshold of shock.

In the select committee we learn that some of the practices revealed in the intelligence agencies are not the visceral reactions to this or that event perceived as a national emergency at the time. On the contrary, they are the accretion or a series of insidious practices adopted step by step over a long period of time to the point that they create a pattern. Taken together, they represent a change in our society that is deeply concerning.

Harrison E. Salisbury, writing in today's New York Times, points out another aspect of what may be the same syndrome. He gives us further grounds to ponder the state of our society.

I ask uanimnous consent that the New York Times article, "The Symbiotic Connection," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SYMBIOTIC CONNECTION

(By Harrison E. Salisbury)

At about 9 P.M. on Sept. 1, 1911, in the great Opera House of Kiev in the presence of Czar Nicholas II a young man named Bogrov drew a revolver and, firing at point-blank range, fatally wounded Premier Pyotr Arkadevich Stolypin.

Bogrov was on the payroll of the Czar's gendarmerie. He was a petty informer for the Russian equivalent of our Federal Bureau of Investigation. He had come to the secret police with the story of a plot by radicals to assassinate Stolypin. But he neglected to tell them that he was the man who would be the assassin. The police carried out a desultory investigation, decided the story was rather farfetched and actually gave Bogrov a ticket of admission to the Opera House.

Bogrov was only one of a number of assassins or would-be assassins in the failing days of the Romanov era who were informers for the Czar's secret police. The Czar's uncle, the Grand Duke Sergei, was assassinated in Moscow in 1906 in a plot organized by a police informer. So was Interior Minister Pleve and a few others.

Boris Azef, the man who directed Pleve's assassination, was an agent of Pleve's own secret police. The police found Azef very useful. He was diligent in giving them names of radical plotters—*after* a terrorist operation had been carried out.

The police-informer system was not confined to terrorism. The Czar's agents thoroughly infiltrated all the radical organizations. The leading member of the Bolshevik party in the Russian Parliament on the eve of World War I was a man named Roman Malinovsky. Lenin trusted Malinovsky implicitly and defended him against all criticism. But actually Malinovsky was Operative "X" of the secret police.

When Malinovsky spoke in the Duma his

remarks had been edited on the one hand by Lenin and on the other by the deputy chief of secret police S. P. Beletsky from whom "X" took his orders.

Years before the Russian Revolution a symbiotic connection was fully developed between the various police agencies and the various radical revolutionary groups. Neither side was totally aware of the extent of this symbiosis but honest men among both the police and the revolutionaries could not but feel the corrupting effect of the process.

Most of all it corrupted Russian society as a whole. The Janus-faced Azef who plotted assassinations and then turned his comrades over to the police became a kind of folk hero—the Charles Manson of his day.

Honest police functionaries turned cynical about their own role and about the social system they were sworn to protect. How could it be otherwise when they knew that today's bomb-thrower tomorrow could be closeted with their superior, selling the story of his "plot"?

So far as the Russian radicals were concerned, the demoralization was equally profound. Paranoid distrust of all elements of society became common and the way was opened for the rise of Lenin with his extremism, his insistence on mindless discipline, and his limitless distrust not only of opponent but of associates.

It is not too much to say that it is from this poisoned soil that so luxuriantly grew the Stalinist world with its secret police, institutionalized paranoia, prison camps and total terrorization.

The parallels with contemporary America are too close for comfort. I do not suggest that our society is treading the fateful path of Nicholas's Russia. Our society is still strong and vibrant, but no one can read the daily headlines about our secret security agencies like the F.B.I. and the Central Intelligence Agency without recognizing the similarity of symptoms.

Violence inevitably stems from a police system that recruits (and educates) secret informers and provocateurs within a radical movement. The recruited agent almost by definition is an unstable, psychotic or psychopathic individual. His temptation to improve his status by engaging in or encouraging violence is almost irresistible. This is what touches off the fatal chain reaction. Violence feeds on violence and the question of who is informer, who is terrorist, becomes confused beyond comprehension even by the individual involved.

There is another danger. In the Russia of 1911 some police officials saw eye-to-eye with Lenin in the philosophy of "the worse the better." The suspicion is still alive today that in some manner the police *themselves* had a hand in Stolypin's murder (and other terrorist acts).

If events in California (and Washington) have not spelled out the peril of police-informer-radical symbiosis, the Russian precedent should. What we are confronted with is not merely violation of the law and deep confusion of roles—it is evidence of serious decay within the structure of our social and political system.

THE FUTURE DIRECTIONS OF AMERICAN FOREIGN POLICY

Mr. STEVENSON. Mr. President, this past Monday, the Chicago Council on Foreign Relations was fortunate to have as its speaker Senator HUBERT HUMPHREY. His remarks deserve thoughtful attention by those concerned with the future directions of American foreign policy. Senator HUMPHREY notes, correctly in my judgment, that prosperity requires collective action among the industrial democracies upon such large questions as trade, credits, investment, energy, and food. The economies of all nations are bound together. Each is dependent on the other for markets and supplies. Senator HUMPHREY does not dwell on the mistakes of the past. He points instead to the potentials of American policy for the future. His speech is worth the attention of all his colleagues in the Congress.

Mr. President, I ask unanimous consent that Senator HUMPHREY's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

AMERICA'S FOREIGN POLICY: THE CHALLENGE OF CHANGE

(By Senator HUBERT H. HUMPHREY)

Chicago is a good place to discuss the future of America's foreign policy and the challenges of change.

This great city of America's heartland is an international city:

A city of finance and world trade.

A city of international research and learning.

An international center for art, music, literature and creative thought.

Yes, Chicago looks beyond our national borders for economic and intellectual sustenance. Because of this basic fact of your city, I want to share my thoughts with you about America's role in a changing world.

One of the most fundamental, far reaching changes in American foreign policy began at the end of the last decade and is still occurring today.

I speak of the growing importance of economic policy as the central focus of our foreign policy.

It now has begun to overshadow some of our more traditional strategic and military concerns. To be sure, policy makers must still be concerned with security matters as they relate to maintaining alliances, dealing with other superpowers and mediating regional conflicts.

But the basic thrust of America's foreign policy is now shifting.

Today, greater economic security for all nations is as vital to world peace as is the end of the nuclear arms race. And such security can only be achieved with policies which recognize the imperative of global interdependence.

The fights against recession, inflation and unemployment have become as important to nations as the maintenance of their defense capabilities.

The management of global resources, the free and assured flow of commodities, and the eradication of hunger and disease are becoming the central issues of American foreign policy.

The American people have begun to understand this important change and what it means for our lives.

I know that many of this community's distinguished citizens and members of the Council on Foreign Relations—men such as George Shultz, Peter Peterson, Robert Ingersoll and many others—have been in the forefront of public leadership on these critical policy issues.

In America we are beginning to recognize that our economic well-being depends upon others as well as ourselves.

To be frank, in the past, it's been easy for us to go our own way.

We are blessed with abundant resources. We are the world's bread basket. We have been spared the destructive ravages—the physical damages—of war for generations.

Though traumatized by the tragedy of Vietnam, the crisis of Watergate and serious domestic economic problems of inflation and recession, America has begun to recognize the basic fact of its interdependence.

A new internationalism has begun to mold the world view of the American people. Experts in public opinion confirm this phenomenon.

The new internationalism of the mid-decade is not anything like the internationalism of the cold war era. That outlook was founded on anti-communism, fear of world war and the dominance of traditional security considerations.

The new internationalism rests on two grounds:

First, the United States no longer possesses the power to remain immune from economic fluctuations abroad. The energy crisis and the devaluation of the dollar are sharp reminders of this fact.

We are beginning to understand that our domestic problems cannot be solved without acting in concert with others.

Second, the new internationalism also rests on a recognition of our humanitarian obligation to others in the common struggle for greater economic and social justice.

But American foreign policy has been slow to reflect these important changes in the way that nations and peoples perceive their interests.

The imperatives of interdependence demand more than rhetoric. They demand the creation of an American economic policy—a policy which actually integrates domestic and foreign economic policy into a coherent whole.

The old distinction we make between domestic and foreign policy is fast disappearing. Yet our institutions of government struggle to keep these two issues apart when they need to be made one.

No event or decision of any significance can occur on the domestic side of the American economy without international implications. And significant economic events abroad have an immediate impact at home.

Yet the Executive branch and the Congress are shamefully fragmented and can't even begin to cope with the need for an integrated foreign and domestic economic policy. In 1975 we organize our decision making as if the date were 1955.

We forget the disaster of a soybean embargo where we tried to prevent inflation at home but damaged our relations with a major Pacific power and valued customer.

We forget that the global inflationary boom was fueled by our inattention to economic events in Europe and Japan.

We forget the disastrous effects of the first Russian grain deal when foreign policy needs were put before domestic economic considerations.

We failed to comprehend the growing world food shortage and its impact at home and abroad.

We live in a world of wishful thinking about energy and in particular, oil, despite repeated warnings of trouble ahead.

These and other mistakes reveal growing interdependence. They point as well to the critical need to develop *an American economic policy* which recognizes the inseparability of foreign and domestic economic policies.

It is inded ironic that the United States is more preoccupied with its trade and commercial interests in the Soviet Union than we are in our relations with the industrialized West or the developing world.

Have we lost our perspective? I believe that we have.

During the first six months of this year, U.S. exports to the Soviet Union amounted to approximately $520 million. This figure is rather insignificant when we look at our trade over the same six months of 1975 with our regular customers:

Japan: $4.9 billion

West Germany: $2.6 billion

England: $2.4 billion

Brazil: $1.4 billion

It is interesting to note that we exported more to India or Switzerland during this period than we did to the Soviet Union.

But a bad Russian wheat deal and the possibility of another one has forced us to begin to think seriously about an integrated economic policy with the Soviet Union.

However, our policies with the industrialized world are still reactive. We rush about the world scene like firemen running from one blaze to the next.

The need for the formulation of an American economic policy is critical. We cannot wait for another economic crisis to provide an excuse for action. The development of this policy must begin with our traditional trading partners in the industrialized nations, but it must place much greater emphasis, than in the past, upon the relationships of the industrialized economies with the so-called Third World.

It is the developing countries that represent future markets. It is these areas where rich and abundant raw materials are to be found and developed. We need them, even as they need us.

The United States, Western Europe and Japan are now suffering through a recession with many of the same problems.

All of us are afflicted with inflation.

All of us are plagued by unacceptable levels of unemployment.

All of us are having a difficult time of combatting these problems with traditional economic practices.

But let's be frank about it—America, Europe and Japan pursue domestic economic policies independent of one another. They do so despite the fact that economic interdependence among them has become so great that the business cycles of boom and bust are magnified by their lack of coordination—or even effective economic dialogue about future plans.

Let's take a look at how this process actually works.

1971, 1972 and most of 1973 were good years across Europe, North America and Japan. This was because economic policy makers had been pursuing policies of all-out growth without bothering to add up the cumulative effect of their decisions.

The result: These countries were confronted with rising rates of inflation. Inflation reached 17 percent in France, a relatively high 8 percent in Germany, and 10 percent in Japan.

The solution to this problem: The old economic religion—tighten up the money supply and hike up interest rates.

And that's what we did.

Each nation did it unilaterally.

We did it without consulting one another. Important decisions were made in a vacuum.

We either had the arrogance or ignorance to disregard the impact of those decisions on one another. The cumulative effect of deflationary decisions—like those of earlier inflationary decisions—outran expectations.

They fed and reinforced one another.

Monetary supply growth in America fell to 6 percent in 1973 from a 9 percent level the previous year.

In France, the growth of money was slashed by more than half—from 19 percent in 1972 to 9 percent in 1973.

And in Germany, banking authorities cut monetary growth in 1973 to a depression level of 1 percent from an average of 16 percent the year before.

Taken individually, these policies meant a slowdown in economic growth—not a cessation.

In combination, they slowed economic growth far beyond their individual significance.

The result was worldwide recession. A recession from which the United States is barely recovering and with which Europe and Japan are still struggling. A recession which could easily strike the American economy once again.

Many people believe that this recession has its *roots* in the energy crisis. But let's take a look at the facts.

The energy crisis did not occur until the final months of 1973 with the embargo and the OPEC price hike.

Yet, in Canada, France and Germany industrial production started to decline in early 1973.

In England, the decline began in the second quarter of 1973.

And in the United States there were warning signs in the second quarter of 1973 when production advances were minimal.

The world-wide recession was well underway long before the October War.

It was the unilateral pursuit of a restrictive monetary policy to combat inflation in the industrialized countries which precipitated this recession—not the energy crisis.

What the energy crisis did do is overwhelm governmental efforts to rollback inflation. In combination with the world-wide food crisis, the energy crisis:

Forced prices everywhere up at double-digit rates;

Forced us much deeper into the recession;

Created the worst of all possible economic worlds, a deep recession and soaring inflation together;

And it forced us to question—and question seriously—the effectiveness of traditional economic policies; the energy crisis has changed the rules governing economic policy decision-making.

When energy and food bills soared, they only made matters worse by increasing the depth and duration of the recession.

It is all too easy to blame the recession on OPEC or high food prices—Arabs and farmers are easy targets.

To be sure, oil and food are important factors in the inflation-recession scenario. But they are not the whole story.

Mutually reinforcing deflationary policies were a key factor. They deprived us of any opportunity to offset the effects of massive energy price increases on our economy.

In other words, the energy crisis has disguised the harm of uncoordinated, deflationary policies in the industrialized countries.

The go-it-alone practices of the past can only lead to unconscionable levels of unemployment and inflation.

Yet, coordinating domestic and economic decisions at the international level is a formidable task. It cannot be carried out by experts alone. It will take time.

It requires basic political decisions by political leaders.

The magnitude of the political and economic decisions necessary for coordination will require the attention of the heads of government, of political leaders who must bear the ultimate responsibility for these decisions.

Therefore, I propose that an economic summit conference be convened soon to bring together the heads of governments of the industrialized nations of North America, Europe and Japan to discuss the specific coordination of their domestic economic policies.

It is essential that they discuss and arrive at acceptable policies in the field of energy, food, employment, trade and credits, with the specific purpose of developing a strategy for rapid and sound economic recovery with a minimum of inflation.

The economic summit conference can also focus attention on other questions of how industrialized economies should deal with trade barriers and international monetary reform.

But the summit should not be a substitute for the already existing dialogue on these matters.

Rather, its role would be to highlight and complement such discussions.

Nor should the convening of such a summit conference interfere with the continuing efforts of industrialized nations to engage the OPEC nations and the developing world in constructive and cooperative dialogue. Clearly, coordination of domestic economic policies within the OECD can only lead to a more rapid growth of markets for both OPEC and Third World countries. And one of the key issues of a summit should be how to integrate the developed countries' aid and other policies of benefit to the Third World.

The summit will benefit all trading nations. It should not be seen by either developing nations or OPEC as a step toward economic confrontation.

The aim of the economic summit conference which I am proposing is a more rapid and sustained economic recovery.

A recovery which could benefit the industrialized and developing world.

But let me issue a warning now. Recovery in America, Europe and Japan could be slowed or even reversed by selfish or short-sighted actions by the oil-producing nations.

Rumors abound that the OPEC nations will again increase the price of oil soon by 10 to 15 percent.

If another large OPEC price increase is added to the unwise step urged by President Ford to decontrol domestic oil, changes for rapid economic recovery will be damaged and delayed.

We must remind OPEC that large oil price increases can only have a destructive impact on the foreign economies in which they have so heavily invested, and on Third World economies already shaken by rising energy bills.

All importing nations must bring every reasonable influence they can command to prevent excessive oil price increases. But most of all they must work together to reduce energy consumption and increase energy production. Doing this will improve their bargaining leverage in the world oil market. It will also permit them to regain control of their economic destiny.

There is no other alternative.

But America's economic interdependence reaches beyond the range of shared problems with the industrialized world. We must not forget the urgent problems of over one billion of the world's poor in the urban slums and rural villages of the developing world.

Their poverty diminishes the hope of world peace and economic security. The great waste of human resources magnifies the loss in global productive capacity—food not grown, factories not built, minerals not extracted, markets not developed. It is a political, economic and moral imperative that all address the growing disparity between rich and poor nations.

I am encouraged by the progress made at the Seventh Special Session of the United Nations earlier this month.

The American position was positive and constructive. It is clear that we have moved back considerably from the threshold of confrontation. In fact, I believe that this UN session marked an extraordinary breakthrough in relations between the developing and industrialized world.

I want our country, in cooperation with others, to play a responsible role in the creation of a developing strategy designed to meet the needs of the poorest people in the poorest nations.

The cornerstone of any attack on global poverty is increased food production. We must act now with other nations to help the food deficit countries achieve a greater food self-sufficiency.

Unless we act soon it is estimated that the world food deficit by 1985 might run as high as 72 million tons of grain. It could be as low as 16 million tons if prompt action is taken.

Increased food production requires increased investment in agriculture. Most of the capital must come from the developing countries. But some must come from outside—from bilateral aid, the World Bank and other existing multilateral institutions, and the proposed new International Agricultural Development Fund.

I have joined twenty-five other Senators and Congressmen of both political parties in proposing that repayments on past U.S. AID loans—which would otherwise go to general receipts of the Treasury—be used to finance the proposed U.S. annual contribution of $200 million to this Fund. This will ensure that our contribution is a new addition to existing aid, not a mere reshuffling of resources from one channel to another. Only if this is clearly the U.S. intent can we expect other potential donors to follow suit.

The development of a more self-sufficient food policy for the Third World should be accompanied by creation of a world food policy in which the United States can and should play a major role.

The components of this policy must be international food reserves and a full and free exchange of food production and marketing information.

Many centuries ago, governments found it desirable to establish food reserves to cushion the impact of sudden shortages in supplies.

The United States does not yet have a food reserve policy.

As a result, consumers and farmers are on the crack end of the world food whip. We are exposed to a shocking degree of price fluctuation. I can think of few acts which would go as far in recognizing our interdependence as the creation of a national food policy with food reserves. Farm income could be maintained and at the same time adequate reserves could meet our domestic needs as well as insure our steady customers adequate exports and guard against famine in the poor countries.

We need reserves not only in the United States but in other countries as well. It is important to recognize that the world can no longer depend on the U.S. to be the sole food reserve country. The burden must be shared.

The development of an international food reserve system in which both exporting and importing countries participate is a priority matter on the international agenda.

Food policy and its impact upon both domestic and foreign economic policy has been highlighted by the recent difficulties in the Soviet grain purchases.

The attention of the public has been focused on the purchase of American grain by the Russians—but the grain export picture is much more complex and more extensive than just another Russian grain deal. Food supply is a world-wide problem. A shortage of food in any area affects the supply and price for all nations. Therefore, bilateral arrangements between the U.S. and the Soviet Union, while hopefully providing a more stable export policy between our two countries—and surely to be desired—is no substitute for an overall system of international food reserves.

Also, any long-term American agreement with the Soviet Union must require them to participate in a food early warning system—where information on food supplies and crop prospects is provided.

The United States should not permit easy, penalty-free access to our food supply by any nation unwilling to provide consistently complete and accurate information on the conditions of their own crops and food needs.

The ultimate goal of a nation's foreign policy is to provide for the security and well being of its people. I do not believe we can attain these fundamental goals unless we embark on a course which fosters greater cooperation among nations to solve common problems.

The economic facts of life are such that we can no longer go it alone.

Leaders at all levels of government and in community service have a responsibility to guide and educate our people toward a better understanding of the stake we have in global interdependence and cooperation.

Here in the Midwest, the Council of Foreign Relations is doing a superb job of leadership toward this goal.

Americans are not becoming isolationists. In fact, according to pollster Lou Harris, 67 percent of the American people feel it is important to cooperate with other nations in the fields of food, energy and inflation control. The poll conducted recently by the Council on Foreign Relations confirms this trend.

Our leaders should heed the council and good sense of the people.

Yes, we are preoccupied with our own domestic concerns—our economy, our cities, our race relations. But the American people know that domestic problems cannot be solved in isolation from the larger problems of our globe.

My dear friend and one of this state's truly great men, the late Adlai Stevenson, often referred to the world as "this spaceship earth." He was a firm believer in the notion of the earth as a huge spaceship moving through the universe. It was his unique way of discussing global interdependence—the need for cooperation and coordination among nations.

We have now reached the moment in our history when the security and prosperity of this Republic are linked inextricably to others.

We have not lost our independence or sovereignty. We have gained a better sense of who we are and how our lives are linked to others beyond our shores.

The Bicentennial of our independence can and must remind us of our interdependence.

We are on the verge of a new era—a new internationalism. Let us summon all of our wisdom and the maturity which we possess as a nation and people to take advantage of the challenge.

There is no better way for me to characterize the opportunity at hand than to turn to the words of one of America's greatest statesmen—Abraham Lincoln. Lincoln said that:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise to the occasion. As our cause is new so we must think anew and act anew. We must disenthrall ourselves . . ."

This is a different world than it was 100 or even 25 years ago. There are rising expectations in both the industrialized and developing world. It is our task to realize this—to plan for the future and to do it together.

NONRETURNABLE BEVERAGE CONTAINERS

Mr. **HATFIELD**. Mr. President, for some time, the Environmental Protection Agency has been considering guidelines which would regulate the use of nonreturnable beverage containers on Federal facilities.

As my colleagues are aware, I have introduced legislation which would require a minimum deposit on all soft drink and beer containers. This is similar to Oregon's "bottle bill" which has successfully cut roadside litter and saved energy since October of 1972. Implementation of this concept on the national level would be a great step forward in the effort to reduce wasteful consumption of energy and natural resources.

It would seem to me altogether appropriate for the Federal Government to take steps on its own facilities to regulate the use of nonreturnables, as the Government has set the example in other areas where consumption patterns ought to be altered, or where resource use must be curtailed. In the case of EPA's proposed guidelines, however, they have not even been published in the Federal Register yet, due to the opposition from certain segments of the beverage and packaging industries.

It is unconscionable that the proposed guidelines could be stopped before being printed in the Federal Register, a process which allows all of the interested public to become involved and to comment.

Last week, I wrote Russell Train, Administrator of the EPA, to indicate to him my strong feelings about this issue, and my hope that the proposed guidelines will be published soon.

Mr. President, I ask unanimous consent that my letter to Mr. Train be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
September 18, 1975.

Hon. RUSSELL TRAIN,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR RUSS: It is my understanding that there is some question as to whether the Environmental Protection Agency's proposed guidelines to regulate non-returnable containers in federal facilities will be published.

As you know, I have strongly supported EPA's efforts to look into the issue of non-returnables, which waste energy and result in increased litter along the nation's highways. As in other areas where changes in consumption patterns are desirable, the federal government can play an important role by setting an example. Oregon has already done this with respect to non-returnables, and similar action on federal facilities would provide some additional impetus to other states and jurisdictions to take similar action.

Perhaps more importantly, the EPA ought to publish the proposed guidelines so that all of the interested public will have an opportunity to comment in an open process. Charges that particular interest groups have intervened in this decision-making process are damaging to EPA and the entire Administration. I, for one, would feel much more comfortable about this entire matter if you published the proposed guidelines, solicited input from the interested public, and then made a decision as to the feasibility of implementing the guidelines as published, rather than if you determined that the proposals should not even be published.

Again, Russ, I want to emphasize my support of EPA's efforts thus far in connection with this issue. I know it is not always easy in view of the strength of the opposition of certain segments of the beverage and packaging industries.

I hope that you will let me know whenever I may be of any assistance to you on this or other issues.

Warmest personal regards.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.

SIMPLIFIED REPORTING AND DISCLOSURE REQUIREMENTS FOR SMALL PENSION PLANS

Mr. **HOLLINGS**. Mr. President, I am a cosponsor of S. 2344, a bill recently introduced to amend the Employee Retirement Income Security Act of 1974.

This bill is designed to require the Secretary of Labor to issue simplified reporting and disclosure requirements for small pension plans. Although the new pension law gives similar authority to the Secretary, it seems that it will be necessary to direct him to issue simplified forms for retirement plans with less than 100 participants.

Such action is necessary in order to prevent the small businessman from being burdened with unreasonable and costly paperwork. While detailed reporting may be appropriate for our largest private pension plans, they simply are not appropriate for our smallest pension plans. To the contrary, these overwhelming paperwork requirements could likely cause a termination of the smaller plans.

It is well known that the Federal bureaucracy generates massive amounts of paperwork. I am informed that small business spends billions of dollars annually trying to keep up with this paperwork. With the already present obstacles that must be overcome by the small businessman, I see no reason to impose another.

Thus, this legislation will be a step forward in reducing an unnecessary burden on the small businessman with respect to the new pension law. I commend Senators BENTSEN and NELSON for their introduction of S. 2344, and I am pleased to join them in their effort to simplify the forms requirement under this law.

ISRAEL PROMOTES REGIONAL COOPERATION

Mr. TAFT. Mr. President, I would like to bring to the attention of my colleagues a new Israeli initiative to promote regional cooperation in the Middle East.

On September 8, Mr. Chaim Herzog, Permanent Representative and Chairman of the Delegation of Israel at the United Nations, outlined some bold new proposals to the seventh special session of the U.N. General Assembly.

These proposals constitute a determined attempt by Israel to overcome the political differences in the Middle East, and to promote the regional cooperation on which true peace in the Middle East must ultimately depend. Israel made this new offer of cooperation unilaterally and without conditions.

Mr. President, this is the sort of action which we must all praise and hold up as an example to all Middle Eastern states. It is not self-serving, except in that peace serves Israel as it serves everyone. It shows that Israel is taking some real steps to promote peace in the Middle East, and stands forth as a sign that Israel is willing to work for a genuine peace, one that will accommodate the vital interests of all parties in the area.

I hope that my colleagues will give this initiative the attention it is due. I further hope that the other states of the Middle East will respond favorably to these proposals, and will match them with proposals of their own designed to bring about regional cooperation. Many states of the Middle East have come to realize that only peace and regional cooperation will solve the problems in the area, particularly the problems which bear down so heavily on the lives of the people in that part of the world. I hope that our Government will do everything in its power to further these proposals by the Government of Israel.

Mr. President, I ask that the statement by Mr. Chaim Herzog be reprinted in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A CALL FOR REGIONAL COOPERATION IN THE MIDDLE EAST

The following are excerpts from a Statement delivered by Mr. Chaim Herzog, Permanent Representative and Chairman of the Delegation of Israel at the United Nations, to the Seventh Special Session of the UN General Assembly, on September 8, 1975:

What is so impressive in the deliberations in this Special Assembly is the fact that so many delegations are earnestly endeavoring to come to grips, in a realistic and pragmatic manner, with the problems which plague our world and which, in the final analysis, mean that millions awaken every morning to yet another day of hunger, disease and malnutrition.

It is encouraging to note that it is in this spirit that so many delegations have approached the issues facing us and have endeavored to produce solutions in a spirit of free debate and not of confrontation, in an atmosphere of open and frank discussion between delegations belonging to different groupings and ideologies. The fact of deep political differences between countries and groupings has not prevented them from discussing common problems together and even reaching an important measure of agreement.

INTERDEPENDENCE OF WORLD COMMUNITY

Among those basic principles which were formulated by the Sixth Special Session and which were accepted by all member States, we should like to place special emphasis on the "reality of interdependence of the world community," the realization that there is a "close interrelationship between the prosperity of the developed countries and the growth and development of the developing countries, and that the prosperity of the international community depends on the prosperity of its constituent parts" and that, furthermore, "the United Nations, as a universal organization, should be capable of dealing with problems of international cooperation in a comprehensive manner and insuring equally the interests of all countries."

It is with this aim in mind that my Government has approached the various points set out in the Programme of Action for the Establishment of a New Economic Order and the specific proposals for tackling each element of the overall problem. We are convinced that the interests of all countries should be equally assured irrespective of their economic and social systems as well as their geographic location and their endowment with natural resources. . . .

MUTUAL AID AMONG DEVELOPING NATIONS

While our delegation, like other delegations, has stated its view on a number of important points relating to the economic well-being of the world, I believe it is important, in the case of a small developing country, as we are, that we discuss not only what the other countries can do for us, but also what we can do for ourselves and how we can, in our own small and modest way, contribute to the welfare of each other. In this connection, the remarks made at this Assembly by the distinguished Head of the Chinese Delegation, Mr. Li Chiang, are most apt. He said:

Mutual assistance and economic co-operation among developing countries are especially important. We are all developing countries, and we understand best each other's difficulties and needs, so we should support and help each other. Such co-operation is based on genuine equality and has broad prospects.

Despite the very difficult challenges which have faced Israel and which face us today, we have, over the years, struggled to improve our lot and to maintain our economic growth.

It is only a matter of regret for us that excessive military expenditures, occasioned by our specific problem, do not always enable us to take full advantage of the benefits of our economic progress. In achieving the progress we have achieved, we have, like many other participants at this Conference, enjoyed considerable aid from friendly countries, for which we express our gratitude and appreciation.

Furthermore, we can point to the fact that we have fully utilized the aid given to us and have considered it to be our duty, as a member of the community of nations, to ensure that the benefits which we have received are passed on to other countries in forms which can be readily translated into their peculiar requirements from the point of view of the scope, the size and the demand.

A PROGRAM FOR REGIONAL COOPERATION

From the outset, it has been my Government's policy to institute programs of co-emerging and developing countries. Indeed, it is a source of the utmost pride to note that my small country, without the gift of natural resources, saddled with burdens as it is, without any sources of energy, is today—at this very moment—cooperating, in one technical form or another, with some fifty countries represented in this hall.

On May 11 of this year in Brussels, Israel entered into an agreement for the establishment of a free trade area with the European Economic Community. On this historic occasion, our Foreign Minister, Mr. Yigal Allon, expressed his prayer that:

This agreement will not only create a free trade area for industrial goods, and facilitate the export of our agricultural products, it will also have great political importance: Europe is paving the way to a new kind of cooperation which, we believe, may provide a model for regional cooperation in our area.

It may seem Utopian today, but we are sure that the day will come when the states of the Middle East will live in peace, will trade freely with each other and exchange their knowledge and technology for the mutual advantage of all their populations. In the Middle East, as elsewhere, economic integration could well be an important element of peaceful co-existence.

The Government of Israel believes that the best interests of our area will be served by the creation, in the Middle East, of regional economic integration.

It may be relevant to mention specifically a number of important advances.

DRIP IRRIGATION

The drip or trickle of irrigation method, which is an Israeli innovation and is being widely applied in Israel, saves up to 50% of the water required and has the added advantage of being combined with fertilizer which is dissolved in the water.

This method has been successfully used, not only on normal land, but also in the Arava Valley in the arid Negev Desert, with saline water which is unusable in other irrigation systems. Furthermore, this method has been applied successfully on steep hills which have never been used for agricultural purposes.

DISEASE-RESISTANT WHEAT

Our scientists at the Weizmann Institute of Science recently announced the development of a high-yield disease-resisting variety of wheat. Israel, at present, grows only 55% of its wheat requirements. When this new development has been fully developed and exploited, we may reach almost complete self-sufficiency in our wheat production.

SOLAR ENERGY AND UTILIZATION OF WATER RESOURCES

Research and development in the use of solar energy has been, and continues to be, a major field of endeavor in Israel. Those who have visited our country will be familiar with the universal use of solar heaters in Israel, a technique which has been exported. We are also concentrating on several projects in respect of the utilization of solar energy for agricultural and industrial purposes. These efforts are of course spurred on by the necessity to develop local sources for our energy requirements. Our research is adapted to the peculiar requirements of our area and is linked to the very extensive development which has been made in Israel in the use of water resources, in processes of desalinization of sea water and of brackish water in the desert.

All of this research and development, which includes the highest degree of water control achieved by any country in the world, is directed towards turning arid deserts into green, fruitful, food-bearing soil. Very considerable developments are taking place in these fields.

THREE SPECIFIC PROPOSALS

1. Regional Research Center

The Government of Israel, as an act of goodwill without reference to political differences which divide countries in our area, and in regard to which a meaningful advance has been made in recent days, is prepared to place at the disposal of our neighbors, as a regional project, the benefits of our research and development in these vital fields, so that the lot of man in the Middle East may be improved.

Accordingly, we are prepared to convert our existing research center on arid zones in the Negev Desert, and the various ancillary institutions of research and development in the fields of agriculture and water in our country, from a national center into a regional center which will be open to all countries in the Middle East desiring to participate and cooperate.

2. Training Courses in Israel

Secondly, the Government of Israel hereby renews its offer to accept trainees from all countries wishing to avail themselves of this offer in all areas of development, technical and cultural, medical and other, in which Israel has achieved a certain expertise. This is a continuation of a policy which the Government of Israel has pursued from the outset, mindful of the fact that it is not enough, to paraphrase the late President Kennedy, to ask what the world can do for you; it is equally important to ask what you can do for the world.

3. Free Use of Israel Ports

Finally, I am authorized to announce that the Government of Israel is prepared, unilaterally, and without reference to the political problems which divide our area, in a move designed to further the aims of this Conference in our area, to allow the free passage of goods to our immediate neighbors, to and from the ports of Israel. This, I repeat, is an offer without strings attached and without prejudice to the ultimate solution of the political problems which beset our area.

This Conference can go down in history as one in which the participants have risen above the conflicts of daily life, have for a moment put aside many of the divisions and differences which beset our world and have combined to endeavor to find solution for the common man, woman and child who are all too frequently ignored in the heat of political debates and in the rarified atmosphere of international conference. In this Conference one has sensed a stirring of the conscience of man—the desire of man to help his fellow-man, in the spirit of the ancient prophets of Israel who gave to the world the concept of the fatherhood of God and the brotherhood of man, a concept that has formed the basis for the great ideals of mankind.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, issues dealing with human rights and social consciousness have been on people's minds for generations. Mr. William Gerber, in a report entitled "Human Rights Protection," contained in the Editorial Research Report series traces the evolution of human rights in international treaties and demonstrates its vital role today. The point is that not only are human rights a historic issue, but it is an issue that has been successfully dealt with time and time again. What seems ironic to me though, is that the United States has fought so hard in the past to develop and expand international law in the human rights area, yet we allow a basic concern such as genocide to languish in this very Chamber for nearly three decades.

It is embarrassing that a nation of our humane and philanthropic capacity can sit by and fail to act on an issue which has such potential catastrophic effects.

Unfortunately, genocide is not merely an abstract thought. Mass murder, sterilization, and mental harms were inflicted by Adolph Hitler on more than 12 million Europeans—including 6 million Jews and almost the entire Gypsy community of the Slavic nations. Genocide was also inflicted upon the Armenians and upon the Biafrans. Therefore, what we are talking about is the planned systematic annihilation of a race of people. The act of genocide is morally repugnant, and I feel that it would be in the best interest of this Nation if we were to sit down once and for all and deliberate the principal moral issues involved in the Genocide Convention. I am convinced that in principle everyone opposes genocide. After all it is only human to feel compassion for fellow human beings so when we set out to reexamine the prerequisites of a sound foreign policy, we must perceive the interconnection between the promotion of human rights and the attainment of global peace. Understanding at all times that global peace is truly the goal we wish to achieve and that human rights is a means to that goal. As a public servant I feel that support of the Genocide Convention is indicative of the good will and sentiment of the people of the United States. I firmly believe that a vote in favor of ratification of the Genocide Convention is a small step in the direction of a lasting peace.

PAIN MAY NOT GIVE TONGUE—EDGEWOOD ARSENAL REVISITED

Mr. MATHIAS. Mr. President, as our Senate colleagues are well aware, there has been a renewed public outcry against the Army's resumption of toxic chemical experimentation on beagle puppies at Edgewood Arsenal, Md. As a representative of the State in which these experiments are being conducted, I receive a large volume of mail protesting this practice. As you know, I have introduced legislation to bring a halt to the Army's use of dogs in experiment, testing biological warfare agents, and also to discourage the Army's insensitive reliance on the use of live animals in toxic chemical experimentation. I can think of no reason why the Army should not be required to substitute alternative, nonanimal methods of experimentation where feasible. Certainly, it should be the policy of all Federal agencies to first determine the necessity for using live animals in their experiments before committing any unfortunate creatures to the tortures they invariably suffer during the course of experimentation.

Mr. President, I recently had the privilege of receiving a letter from one of my constituents, Dr. James Brewer, who presented the issue we are dealing with at Edgewood Arsenal with great clarity and insight. I share his remarks with our colleagues. I ask unanimous consent that Dr. Brewer's paper entitled "Pain May Not Give Tongue—Edgewood Arsenal Revisited," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PAIN MAY NOT GIVE TONGUE—EDGEWOOD ARSENAL REVISITED

(By James F. Brewer)

Since the Spring of this year, newspapers and television have featured extensively the use at the Edgewood Arsenal of warm-blooded animals for experimental purposes. National humane societies have protested in particular tests upon beagle dogs. Members of Congress have been petitioned to pressure the Pentagon to terminate the experiments.

Through the courtesy of Congresswoman Marjorie Holt, this writer, accompanied by the distinguished humanitarian author-commentator, Cleveland Amory, and Mrs. Linda Winchester of the New York State Attorney-General's office visited Edgewood on August 14. We were treated with exemplary courtesy, and within the limits of national security guidelines, our questions were answered with candor.

For concerned citizens who may have felt that the Army's facility is engaged in sadism, there may be limited comfort in the knowledge that the animals confined are as well treated as those in comparable institutions, but that knowledge begs the question.

With the exception of one building in poor condition, the buildings are sanitary. A replacement facility for the defective one is nearly completed, but there is still much vacant space which could be temporarily used for the dogs, and that vacant space is unused.

In fairness to this military establishment, we saw no evidence of cruelty, and one must accept in good faith the assurance of those in charge that none would be tolerated.

But the destiny of these animals is death after experimentation, and the rationale for the decision, to this observer, is unacceptable.

Two basic reasons are put forth to justify the program.

The first is to discover the toxicity level in the atmosphere at which life becomes insupportable. The second is to search for an anti-toxin to counteract poison gases in future warfare.

These reasons are of dubious validity.

A population which grows steadily apprehensive of atmospheric pollution can only appreciate efforts to minimize or terminate the danger.

But are there not better and more valid alternatives than slowly asphyxiating helpless animals? The Bell Laboratories, to cite one example, have developed equipment capable of detecting toxicity to one 10 millionth of a particle in the atmosphere. It seems unreasonable to accept passively the idea of increasing atmosphere pollution when equivalent energy and dollars might better be employed to decrease or eliminate it.

In the matter of anti-toxins for paralyzing or death-inducing gases, the last use of them was in the Italian-Ethiopian War of 1935–1936. Poison gas had been employed in World War I, but with minimal military effect. At present, nations have eschewed their use, not for humanitarian motives, but for the coldly practical reason that poison gases are as dangerous to the user as the enemy.

There is an irrationality, seemingly, in researching anti-toxins for poison gases whose identity and character are unknown to the researcher unless the Army, in quiet defiance of national law and international treaties to which the United States has been since 1974 a signatory, goes on. That treaty, passed unanimously by the Senate, bans the *development*, production, and stockpiling of biological and chemical warfare weapons. It will be recalled that after the passing of this legislation, the Army rather nervously began burying its supplies as the most practical solution to the danger.

The Edgewood Arsenal is an attractive, clean and well-maintained facility. The staff are courteous and informative, but the Army since Vietnam suffers a credibility lack.

In particular, the replies and explanation of the Pentagon to questions by citizens are ambiguous and vague at best, and at worst curt and contemptuous. Even the Maryland Congressional delegation, under pressure from its constituents, in correspondence which this writer has seen has not been exempt by Pentagon press officers, from double-talk and unsatisfactory excuses.

Specific questions raised by Senators Beall and Mathias, Congressmen Long and Sarbanes are replied to by "canned" replies to the people's representatives.

The responsibility for the decision to experiment on animals lies ultimately with the Pentagon. Its rationale is dubious, and one suspects that the current activity is busy work designed to maintain a continuing, wasteful and astronomical budget.

A citizen whose taxpayer's dollars are spent, without his express consent cannot but feel a terrible sadness when he enters the buildings where the beagles are confined.

The beagles rush to the doors of their cages when strangers enter, most of them barking eager welcomes. Others, whose vocal cords were removed before they were sold to the Army, can only whimper their hoarse greetings. All of them promise with their pleading eyes the love and devotion which dogs offer.

But the response of the Army under the present program is the assurance of dusty death.

NURSE WHO CARES FOR THE DYING

Mr. SCHWEIKER. Mr. President, on Sunday, August 24, 1975, the Washington Post carried a front-page article on a unique individual. She is Joy Ufema, a nurse at the Harrisburg Hospital whose specialty is thanatology, caring for terminally ill patients, and preparing patients and their families for imminent death. I feel this item merits the attention of my colleagues, and ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NURSE'S SPECIALTY: CARE FOR THE DYING

(By B. D. Colen)

HARRISBURG, PA.—Joy Ufema, nurse, ombudsman, comforter and friend of the dying patients in Harrisburg Hospital was making her rounds one day last week when she entered the room of a new patient.

"What kind of work do you do?" asked the man, who had been told only hours earlier that he has prostate and bone cancer.

"I work with cancer patients," said Miss Ufema. "How are you feeling today? The doctors told you . . ."

"I feel fine," interrupted the man, whose unshaven face looked like a smudge on the white pillow case. "I feel fine."

In fact, the man is dying. But until he dies, Joy Ufema, the hospital's "death and dying" nurse, will be there, ready to talk, ready to listen, ready to give a backrub and ready to just sit quietly and hold the hand of a frightened fellow human being.

As the "Nurse Specialist-Death and Dying," a position she created for herself two years ago, Miss Ufema cares for all the hospital's terminally ill patients.

She asked for the job after coming to the realization, as are many in the health field, that a medical profession dedicated to healing and making well has long ignored the needs of those it cannot save.

"I don't think hospitals are interested in the dying," she said. "We're life-saving institutions. We tend to isolate the individual (who is dying) within our society. First we put them in a hospital or nursing home. Then we put them in a back room. There's an identification with death which most of us want to avoid," said Miss Ufema, who has cared for 260 dying patients in the last two years.

Because she is trying to make the last days of life easier for the hospital's terminal patients, and in so doing violates numerous hospital rules, Miss Ufema often makes life rougher for her fellow health professionals and makes herself unpopular.

"I find that people don't want to eat lunch with me." said the 32-year-old nurse, who will break rules in little ways, like arranging for a patient to get a glass of beer and a pizza, or in big ways, like arranging for a wife to spend a night in the same room as her husband.

Doctors, she said, have been no happier with her, and one went so far as to scrawl on a patient's chart: "Keep that Death and Dying squad out of my (patient's) room!"

But the only person who can get Joy Ufema to leave a patient alone is the patient himself. And patients, she said, are almost all thankful to have someone who will pay attention to them.

One recent day on rounds, Miss Ufema spent a long time with Jackie Ayre, a 41-year-old mother and stepmother of four, victim of breast and bone cancer, herself the widow of a cancer victim and now married to a widower.

Unlike the other two patients Miss Ufema visited that afternoon, Mrs. Ayre, who over the course of three years has lost both breasts and been in and out of the hospital, has few illusions about her condition, or her future.

When she first got cancer, she said, "I wasn't sick, so I didn't think much about it. I was on my feet and continued my life style." When her second breast was removed, a year after the first surgery, she said she thought, "Doggone, here we go again, like a second attack of measles. It wasn't until my pins were knocked out from under me that my ego's been hurt. I have to ask people to do things for me, and I've always been a proud, independent person."

"Are you angry, Jackie?" asked Joy Ufema, who sat on Mrs. Ayre's bed, holding her hand.

"Yes, I'm angry. I'm angry at the fact I don't do what I want to do. I'm a little angry at God right now. I'm asking the question right now, 'Why me? I've had my share of problems. It's time to get off my back and on to somebody else's.' "

Mrs. Ayre said Miss Ufema is her "Friend. She comes in and we talk. We talk about old times. And if I need something, I know she's there. It makes me feel better. I know she can get it. I have an 'in'."

"I haven't asked you, Jackie, but when death comes, do you have a preference where? Do you want it at home or here?" asked Miss Ufema.

"I don't know," said Mrs. Ayre. "I don't know if I want my children there or not. My father died at home, my (first) husband died in the hospital.

"I kind of think I don't want my children to be there. But if it were at home, they wouldn't have all those tubes running in and out of you. But if it were in the hospital, I'm sure my children would be here, and I would be lying with these tubes running in my nose and out of my mouth and so forth, and I don't want them to remember me like that."

"We can control that, Jackie, we can tell the doctor that you don't want those things," said Miss Ufema.

Mrs. Ayre looked relieved. "I think I would prefer to die in the hospital," she said, "but I don't want my children to remember me like that."

The woman was asked how she felt about ten days ago, when she found herself in great pain and realized she was going back to the hospital, perhaps for the last time.

"I thought about what I was leaving behind," she said, "and I thought I have a lot to do. When I came in the hospital I thought 'this was it,' and I wasn't ready because I didn't have the washing done.

"Isn't that ridiculous," she said, half laughing through tears, "the washing wasn't caught up and I thought, 'Oh my God, I can't die yet, the washing wasn't caught up.' "

"That's not ridiculous, Jackie," said Miss Ufema, laughing with her patient.

That's what was on my mind, my family, and what they're going to have to cope with without me. Even though I contribute little in activity, at least the mother is still there," said Mrs. Ayre, struggling with tears.

"Oh yes, that's important. You're needed, Jackie, you know," said the nurse soothingly.

"But that's so silly though. Here you're going off to the hospital and you think you're going to die, and you've never felt so bad, and I was worried about the washing. But this is a housewife and mother talking," said Mrs. Ayre.

Seventy-one years ago, there was no need for specialists like Joy Ufema, for the Jackie Ayres died at home, surrounded by their families in the settings in which they had spent their lives.

But as this century progressed more and more persons were placed in hospitals or nursing homes as they grew ill, or old, or both, and today, more than 90 percent of the population dies in institutions.

But the fact that the dying have been in institutions that are traditionally thought of as providing care and comfort has not necessarily meant that they have received more help and attention than they used to get at home.

Studies have shown that nurses generally take twice as long to respond to the call bell of a terminal patient than they do to answer the summons of a patient who is in relatively good health.

"In the hospital I worked in a number of years ago, we used to have what we called 'the little room,'" said Jean Deeter, assistant administrator of Harrisburg Hospital, and the person who was director of nursing at the time Miss Ufema asked to work only with the dying.

"It was just that, the little single room. The patients were all in large wards, and the dying patient would be isolated in 'the little room'" and forgotten, said Miss Deeter.

Even today at Harrisburg, Miss Ufema says "I don't know if it's planned, but I always seem to find my patients in the last room on the hall," as far as possible from the nursing station.

"For so long we have been geared to saving lives, and the fact that someone is dying and we have a patient for whom there is no hope, (that) it is a defeat for us, and we may tend to avoid the terminal patient," said Tanya Wagner, Harrisburg's present director of nursing.

"Another thing is that the terminal patient tends to remind us of our own finiteness, and it's such an emotionally charged situation that we may not be prepared to handle these situations."

Over the past five years there has been a recognition on the part of some hospitals and medical schools that many health professionals from doctors and nurses to orderlies, tend to ignore and shun the dying patient.

In order to provide better care for these patients, some hospitals have begun to hire, or train, death and dying specialists, who either work directly with patients, or who help the doctors and nurses who work with the dying cope with their own feelings about death.

Holy Cross Hospital in Montgomery County is presently looking for just such a specialist, and ran the following advertisement in The Washington Post:

"Thanatology Program Coordinator—We are in need of an individual for a new position in a new field. The successful candidate should have a high degree of initiative, ingenuity, diplomacy and acute sensitivity to the feelings and needs of the dying patient and their families. The position involves planning, development and staff educational programs related to Thanatology (the study of death, from the Greek word thanatos, which means, death) in order that the needs related to loss and separation of patients and their families, as well as the needs of the hospital staff . . . can be met . . ."

Jean Fries, the hospital's assistant director of nursing, said, "The need (for a specialist) is being manifested by . . . the nursing staff in two ways: in saying to us, and to others, 'what can I do? I just don't like going in there' (to the dying patient's room); it's also being exhibited in reading (books about death and dying) grabbing the opportunity to learn more. It's a feeling of discomfort by the staff, and a knowledge that we're not doing everything we can. This is not unique at Holy Cross."

In addition to working directly with the hospital's dying patients, Miss Ufema conducts seminars and courses for nursing students and students in psychology and sociology from colleges in Pennsylvania.

Miss Ufema had only been out of nursing school a year when she convinced Miss Deeter of the need for the establishment of a "death and dying" nursing position.

"I was working on the urology floor, and we'd have some terminal patients there. I'd be talking to a dying patient and then I'd have to say, 'I'll be right back, Emily, just have to go give these pills to Sally and I'll be right back.' You'd come back and she'd be dead. I went to Miss Deeter and said 'give me all the terminal patients.'

"I'm very comfortable with the work. I believe dying patients are being abused, and perhaps (I'm) just trying to bring a little dignity to people."

Miss Ufema says she is "sick of all the intellectualizing" about death which is popular now, with books on death selling extremely well and college after college including "death and dying" courses in the curriculum. "If death is so groovy, how come we fight it with medicine?" she asked rheorically.

As death and dying nurse, Miss Ufema's duties fall roughly into three categories: fighting the hospital bureaucracy to insure the patient's physical comfort and control over his or her remaining days; trying to help the patient psychologically adjust to death, and helping the family through the death crisis.

In the first category, she particularly remembers the case of the woman in the hospital dying of cancer who became frantic when her husband was involved in a minor automobile accident and was also admitted to the hospital.

Miss Ufema received a phone call at home, came in and took her, oxygen tank and all, up to his room. "Then she asked me, 'Could I have Harold in my room?'

"I asked Harold if he would like to be in the same room as his wife and he said yes," said Miss Ufema, who said the nurses in the all-female area "went crazy."

Despite the fact that fellow staffers were aghast at what Miss Ufema had done, the husband and wife "had breakfast together the next morning and she kept the food down for the first time in three weeks."

According to the hospital's director of nursing, about 60 to 70 per cent of the time the doctor does not tell the patient that death is imminent. That task falls to Joy Ufema.

Some people around here have this image of me wearing a black cape and running in and out of rooms crying You're dying! You're dying! You're dying!" she said.

Rather, she said, a patient will say "I'm going to die, aren't '?" and Miss Ufema will confirm what the patient has already guessed.

The hardest situation to deal with is that involving what she terms the 52-year-old superman, this guy who's making $75,000 a year, sending a couple of kids to Harvard, the wife wears diamonds and rubies, has perfect makeup, a perfect facade, and she holds off the doctor and me.

She tells the doctor "Now we don't want to tell Bill he's dying, he mustn't know," and she tells me to stay away from the room. But I sneak in there around 6:30 and there's Bill, bawling, and he asks, "What's wrong with me, am I dying?" Superman and his money can't buy new bone marrow.

Many of Miss Ufema's colleagues wonder how she can go on, working with the dying day after day, watching every one of her patients die .

"It's a scary thing, man. Some days I'm afraid to die, some days I'm not. But we're all human beings with human needs. I'm going to die someday, too, now what can I do to help you," she said.

And the rewards, she said, are great. There are the words and cards of thanks from families of patients. And the smiles from patients.

And things like the small pewter mug that sits on a shelf in her office, a gift from the 17 children of a woman who died of cancer. On the mug is inscribed the Biblical quotation:

"Weeping may endure a night, but Joy cometh in the morning."

DIRK VAN DER VOET TO BE AWARDED NEW HAMPSHIRE NATIONAL GUARD COMMENDATION MEDAL

Mr. McINTYRE. Mr. President, on October 11, 1975, Dirk van der Voet will be awarded the New Hampshire National Guard Commendation Medal in recognition of his service as a member of the New Hampshire National Guard. Mr. van der Voet, born in Hudson, N.H., on February 3, 1921, was educated in New Hampshire, and received his B.S. degree from the University of New Hampshire in 1948. Since that time, he has been a long and trusted employee of the U.S. Department of Agriculture, and has risen to the post of Assistant Deputy Administrator for Soil Survey of the Soil Conservation Service. However, during that time, he distinguished himself in another area—as a member of the New Hampshire National Guard. Prior to getting his degree and going to work for the Department of Agriculture, he served as a field artillery officer from 1942 to 1946 in the European theater, and also continued his distinguished military career by serving again in the U.S. Army during the Korean conflict.

As an employee of the Department of Agriculture, Dirk van der Voet has also received recognition, as on two occasions the Department of Agriculture has recognized him for outstanding performance. This occurred in 1957 and 1968. Mr. President, while he excelled in the soil conservation area, he continued to maintain his Reserve career with the New Hampshire National Guard.

Mr. President, I wanted to add my compliments to Mr. van der Voet, and also to the adjutant general of New Hampshire, General Blatsos, for this selection of this distinguished citizen-soldier for this award, and I ask unanimouse consent that a letter from General Blatsos to Dirk van der Voet be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE ADJUTANT GENERAL,
The State of New Hampshire, Concord.

Lieutenant Colonel DIRK VAN DER VOET, 5th,
1624 Woodman Drive,
McLean, Va.

DEAR COLONEL VAN DER VOET: The New Hampshire National Guard desires to recognize the outstanding service provided by you as Commanding Officer of the 3d Howitzer Battalion, 197th Artillery, NHARNG, during the period of 13 June 1961 through 30 January 1963, by awarding to you The New Hampshire National Guard Commendation Medal.

This medal was authorized by the State of New Hampshire a few years ago in order to properly recognize meritorious service performed by an individual while a member of The New Hampshire National Guard. The award includes a distinctive medal and a citation.

We are planning an appropriate ceremony, to be held during the annual New Hampshire National Guard Association banquet, to present this award to our former Battalion and Group level Commanders. The banquet will be on October 11, 1975, at the New Hampshire Highway Hotel in Concord.

We would appreciate an early reply from you indicating if you will be able to accept the award at this ceremony so that we may make reservations for you and your guest for the banquet.

If you are unable to attend the ceremony on October 11, we will make arrangements for a mutually convenient date to present this award to you.

Sincerely,

JOHN BLATSOS,
The Adjutant General.

AIR TRANSPORTATION SAFETY

Mr. CURTIS. Mr. President, millions of Americans, as well as people all around the world, are taking more advantage all the time of the speed and reliability of air transportation. For many of us, it is a business necessity. For thousands of others, it increases the amount of time that may be spent with loved ones, or on vacation. Air travel makes it possible to get almost anywhere quickly, in case of emergency.

It is an indispensable part of our way of life.

As anyone else who fastens his seat belt when the light goes on, I depend on the safety of this mode of transportation. We know statistically that flying is safer than driving. And yet there is a difference that affects our worry factor when we fly. Aside from the "unnatural" effect of being off the ground, we continually realize we are not in control when we fly, that our safety depends on so many other individuals.

And because air accidents are so dramatic in terms of numbers of people killed or injured when they occur, the responsibility is incredible that falls on the shoulders of mechanics, air controllers, and airline pilots.

Mr. President, two articles have come to my attention this week that reflect the need for stronger measures that could be taken to improve the safety of air transportation.

An article in U.S. News & World Report of September 29 stresses the need for stronger compliance with FAA regulations insuring the safety of airport runways.

An article in Government Executive of September 1975 outlines the areas of safety in which airline pilots must work and discusses the measures which pilots are taking, as a group, to improve flight safety.

Both articles indicate the need for those of us in Government to coordinate our efforts with the agencies and companies and groups involved in the business of flight safety.

The issue involves all of us, and all of mankind. Safety should never become the victim of petty bickering within the bureaucracy. It should be our primary concern. If we do not think of safety first, it could be our last thought.

Mr. President, I ask unanimous consent to have the two articles I mentioned printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

LAXITY IN SAFETY AT NATION'S AIRPORTS

Serious questions are being raised about the safety of many U.S. airports, large and small.

Fresh Government investigations have turned up a rash of examples of airports handling both commercial and private passenger planes that are operating below Federal standards, or without any safety guides at all.

Among the charges—

Out of the roughly 500 largest airports, more than 40 percent are inadequately equipped to fight fires, rescue crash victims, or handle other emergencies.

Runways at many airports are poorly marked or are cracked. Some emergency lighting systems are faulty.

Bickering among experts about nonskid construction materials goes on while many runways remain so slippery in wet weather that a landing plane could slide off.

Travelers flying small commuter air services often land at fields not required to enforce any Federal airport safety regulations.

GAO REPORT

These fiindings and others are part of a controversial General Accounting Office report to Congress.

Target of that report is the Federal Aviation Administration's airport certification program, a project that is supposed to insure that airports are safe for passenger aircraft use.

By act of Congress in 1970, the Nation's 496 largest airports handling commercial flights on a regular basis were to be certified "safe" by the FAA by May 21, 1973. Later, another 500 smaller fields handling nonscheduled passenger planes were added to the inspection program.

So far, the program has fallen woefully short of its goals, Government investigators contend.

FAA's implementation of the whole program, GAO charged, "appears to have been designed to avoid substantial economic and technical difficulties for the airport operators and FAA."

Officials of the FAA, for the most part, agree with much of the criticism leveled at them. They say that pressure to certify so many airports with a small staff of field inspectors forced them into taking short cuts—for example, relying heavily on safety reports filed by airports, rather than making all their own on-the-spot inspections.

FAA PLEDGE

From now on, the FAA says, all inspections will be made personally by agency officials.

The GAO inspectors this past spring found that only 289 of the 496 large landing fields met the rules for firefighting and rescue equipment—though all were certified safe. Among the alleged violations: inadequate quantities of firefighting materials on hand, and inadequately trained and equipped emergency personnel.

Spot checks of major airports around the country turned up frequent cases of runways' being inaccurately marked or of markings fading so an incoming pilot might have trouble reading them.

Furthermore, the General Accounting Office inspectors contend that the FAA, after first proposing stiff safety regulations, often dropped or diluted them before the full certification program went into effect.

Originally, rules called for an airport to be shut down—until repairs were made—if fire-fighting and rescue equipment were out of order for three days. But aviation regulators softened their stand, allowing equipment to stay inoperabe for 10 days before close-down.

Dropped entirely in the final certification regulations were plans that required airport operators to have on hand adequate emergency-lighting equipment to illuminate a runway clearly if permanent equipment went on the blink. Critics of the proposed rule said it would be too costly or take too long to set up.

LANDING ACCIDENTS

Then there is the problem of slippery runways. One study shows that 78 accidents took place from 1971 to 1973 because planes overran or veered off slippery runways.

So far, no one has yet come up with a standard for identifying slippery runways that will satisfy all the interested parties. The National Aeronautics and Space Administration, FAA, the Air Force and several foreign countries have been arguing for 10 years or more over how to measure runway slipperiness.

Another major safety problem cited by GAO involves "commuter" air service. This is furnished by small airlines—serving less-populated destinations—with schedules usually linked to those of major airlines.

Airports that handle only commuter flights are not required to have FAA safety certificates. The GAO report insists that the certification requirement should be met because many of these commuter airports handle substantial volumes of passengers.

FAA agrees it would be a "sound" idea to add the commuter fields to the program—but that legislation is required, an issue Congress will debate.

FAA officials also say that they may not require all airports, especially smaller ones, to comply with every regulation because the costs would put them out of business.

Airport operators are pushing hard for exempting smaller airports, insisting that this would not jeopardize landings and take-offs.

In fact, operators of major airports—as represented by the Airport Operators Council International—claim the whole certification program costs far too much for the extra safety it provides.

One council official estimates it costs $750,000 or more a year to maintain a medium-size airport, and millions for larger ones. If all the safety rules were followed to the letter, he adds, operating costs would triple—and would eventually be passed on to passengers.

For all the objections, however, the pressure now is on to assure travelers that United States airports will be made safer than ever.

AIR LINES—SAFETY FIRST

If you are one of 250,000,000 passengers that fly U.S. airlines annually, and believe what you read, what you see and hear from the media about the hazards of airline flying, you would be justified in wanting to travel by stage coach.

Looking at the numbers, there were 467 fatalities last year, compared with nearly half that number in 1973. Accident statisticians figure 0.256 deaths per 100 million miles traveled, compared with 0.115 for 1973. There were 47 major accidents in 1974, against 43 in 1973.

Although such statistics released by the National Transportation Safety Board, sound ominous when reported in the news, U.S. airlines fly 13,000 flights daily or 5 million per year. In the past five years 99.999903% of the flights have been safe. "With this kind of performance," author Robert Serling stated recently, "somebody must be doing something right."

The near 40,000 professional airline pilots who operate the fleet of 2,500 airline transports, the men up front who know the facts, are an assurance that air travel is the safest mode of transport today. It's better than auto or train.

Much of this fine safety performance is due to the stubborn efforts of these same men who are the first at the scene of an accident. They are pleased with the progress made during the past fifty years but impatient to work at whittling down accidents and fatalities to the ultimate low of zero.

It is their persistence and awareness of the problems that augurs well for their potential success in reducing accident rates during the next decade.

Here are just a few of the ways these men—the flight crews—are working to improve air safety.

CLEAR PATHS

San Francisco builders planned to construct a tall building on the departure track of jets taking off from San Francisco's International Airport. The upper floors of the building would jeopardize the protected safe air space for jets. No alternative departure route was available.

Airline pilots protested even though local and state officials were ready to grant a building permit. The pilots' protest finally reached the Administrator of the Federal Aviation Administration who declared the proposed structure to be a hazard to air navigation. Thanks to the airline pilots, this unjustified intrusion of air space was arrested.

Last December, pilots were roundly criticized publicly for claiming that a system breakdown and long standing inadequacies triggered actions resulting in the crash of a TWA jet and death for 92 near Washington, D.C. Public hearings and subsequent actions by the government have corroborated the pilots' views. Frantic efforts are now underway to integrate air traffic control and flight operations manuals so that the users of the system will be speaking and understanding the same language and following the same procedures.

In June, freak and unpredictable winds—called wind shears—were considered important factors behind the crash of an Eastern Air Lines jet during the low level phase of its approach to the landing at New York's Kennedy International Airport. In August, wind shear struck another jet during its lift-off from Stapleton International Airport, Denver.

Wind shear has been identified as dangerous by pilots since 1963, and they have appealed repeatedly for research and development attention. Now, with the death of 113 at New York and the injury of 49 at Denver, work is at last promised.

The technology exists and all that is needed is concentrated action by government and industry to give pilots a means of instant recognition so that they may take effective action against this invisible, unpredictable phenomenon.

Airline transports operate in and out of 532 airports in the U.S. For years pilots have needed a precise system of guidance to the runways when the weather robs them of a view of the airport and the runway threshold. Such a system exists. It's called the Instrument Landing System (ILS). It provides a precise electronic glide path for pilots to follow in their descent to the runway. But only 227 airports have the system and not all runways are equipped.

The absence of ILS means that the airline pilot must make non-precision bad weather approaches to airport runways. A large number of the landing approach accidents were of the non-precision category. Still the FAA refuses to install them largely for economic reasons, until an accident happens: at Huntington, W. Va., 75 were killed and at Bradford, Pa. another 32 lives were lost in two accidents. New Haven, Connecticut offers another example of an ILS being installed after a serious accident. These are typical examples. Yet, the pilots pursue their cause in the hope that every new installation gained will prevent additional loss of life.

These are but four examples of the broad areas of safety in which the pilots work. Operating under the banner of the Air Line Pilots Association, they have made substantial contributions to the high level of safety enjoyed by the U.S. and world airlines today.

The ALPA pilot's safety concern covers every facet of commercial flight from the time a passenger arrives at the landing gate until he is delivered to his destination with dispatch, in comfort and reliability.

SOLID INTEGRATION

Despite public press notices, the area of cooperation between the airline pilot, his company, the government and regulatory agencies has been on the increase for the past 20 years. Much has been accomplished that has not made the headlines. This work is continuing. It is the relatively few points of hot contest which make the news.

One particularly critical area of importance today is community relations involvement. The effect of jet operations over communities surrounding airports must be recognized—action without knowledge of the facts cannot be allowed to risk serious potential impact on safe flight operations. Such unimportant sounding terms as two-segment approaches, reduced power take-off and climbs, re-routing for noise reduction, nose-to-nose arrivals and departures, all could deliver serious penalties in flight safety.

Speaking to his fellow pilots, Captain J. W. Meek, ALPA's executive central air safety chairman said, "The FAA and the airlines have once again decided to stretch operational criteria beyond the bounds of good sense and the limits of safety in the name of community relations."

He noted that the unsafe practice of having airplanes take off over the oceans with arriving airplanes coming in the opposite direction, from the ocean, in Los Angeles, is now being proposed for Kennedy International Airport in New York by local political officials who are under pressure from community groups. To apply this procedure there "would be chaotic", he said. It is dangerous enough at Los Angeles where weather developments are fairly predictable; to use it at Kennedy or other airports where fast and violent changes in weather take place, could be disastrous—not only to those who fly but to residents of surrounding communities.

In Alaska, there is critical need for an additional runway so the large jet airliners will not have to land in dangerously strong crosswinds and risk skidding on ice and snow from violent Arctic storm winds. But, local government hesitates to approve a crosswind runway because of an isolated situation involving one property owner.

It is estimated that ALPA itself, spends in excess of $1-million a year to support its flight safety and accident prevention programs. In addition, it is impossible to put a price tag on the work being done by hundreds of airline pilots around the country who work with local organizations, and government officials to iron out conflicts that may exist between airport area residents and the commercial users of the air space.

BENJAMIN GORDON TO PARTICIPATE IN CONFERENCE

Mr. NELSON. Mr. President, I wish to announce that Benjamin Gordon, the staff economist of the Senate Select Committee on Small Business, has been invited to participate in a conference, sponsored by the Organization for Economic Cooperation and Development, on the competitive position of small and medium-size business in pharmaceutical manufacturing.

The conference will be held in Barcelona, Spain, from October 14–17, 1975.

THEIR JUSTICE IS JUDGE RESNICK, OF EASTERN STATION

Mr. MATHIAS. Mr. President, I was gratified this morning to discover that the Wall Street Journal, in an article about the quality of justice at the basic level of the administration of justice, has focused upon the court of Judge Alan Resnick. As one who served with Judge Resnick in the Maryland General Assembly, I am glad to see that his vigor and enthusiasm are still very much in evidence.

In addition, I would note that the article is an excellent reminder to us that the work of the Committee on the Judiciary and of Congress eventually come home to people at home.

The pressures upon the judiciary when time, information, and funds are all in short supply are apparent in this account and could provide the basis of many a congressional inquiry. We must keep in mind that—

> Many citizens get their impression of justice as a whole from the judge, not from the legal system as a whole. "The man in the street doesn't know anything about the Supreme Court," he says. "People just know about Judge Resnick. Their justice is Judge Resnick of Eastern Station."

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Rough Justice?: How the Law Works In a Criminal Court Run by a Busy Judge

(By Wayne E. Green)

Baltimore.—It is late morning, and Maryland District Judge Alan Resnick is deciding the 19th case he has heard in the past two hours.

There's not much to go on. A young woman has accused Leroy Odom of following her along a sidewalk, grabbing her hand and threatening to "bang" her face. Leroy Odom says the woman propositioned him, upped her price and started yelling when he turned her down. The policeman who arrested him knows only that the woman was screaming and Mr. Odom was running.

Judge Resnick wastes little time in finding guilt. "I don't think she's a hustler," he tells Mr. Odom, "and I think you assaulted her." The sentence; one year in prison for the misdemeanor.

It seems an inexact sort of justice. But that's the way it often is here in Baltimore's eastern judicial district ("eastern station") and in hundreds of other lower criminal courts across the country. The judge hears a dispute, sizes up the witnesses, perhaps asks a few questions and decides whose word to take. Rarely do eloquent argument or scholarly reflection weigh in the balance; dockets are too crowded, lawyers are in a rush and judges are under constant pressure to issue a ruling and move on to another case.

"This is where the action is," says 47-year-old Judge Resnick, a trim, intense man with long gray-black hair. "You have to make decisions right then and there on the law and the facts as to who you believe."

Lower courts handle 90% of the nation's criminal cases—matters as diverse as family and neighborhood brawls, prostitution, shoplifting, drug possession, knifings and countless forms of disorderly conduct. For most citizens who get a view of criminal justice, this is the only kind of peek they ever will get; and what happens in the lower courts may strongly influence the public's attitude toward law and justice.

"No formal legal institution, except the police, has as much direct contact with people as the lower courts," writes John A. Robertson, a University of Wisconsin law professor, in a book called "Rough Justice." "For millions of people, these courts embody the law and the judicial process." Charles Smith, an attorney at Boston University's center for criminal justice, says the judge in these courts is "the trier of fact and law, the determiner of guilt and the sentencer—the whole ball game."

BARE-BONED JUSTICE

Four days in Judge Resnick's small, dingy courtroom show that many of the traditional formalities of jurisprudence are missing. Defendants, mostly poor and poorly educated, sometimes choose to forfeit their right to have an attorney defend them, and they almost always waive their right to a jury trial. Usually, they "just want to get this thing over with," as Alexander Wilson, charged with carrying a dangerous weapon, tells Judge Resnick. Mr. Wilson is found innocent.

Judge Resnick tries to create an atmosphere of fairness. But his courtroom is in the police station, a locale that hardly reeks of fine impartiality. The judge opens each court session by stressing that "this is not a police court," and he promises that "each case will be decided in accordance with the facts and the laws of Maryland." Still, police officers are in sight all day, testifying, fetching defendants from the police "lockup" or just milling around before the bench.

In some lower courts, "a five-minute trial is a long trial," says David Rossman, another attorney at Boston University's criminal justice center. "There is no prosecutor or defense counsel. The judge just says, 'Okay, what happened?' "

Justice isn't that bare-boned in Baltimore. There are two prosecutors in the eastern district court, and most defendants are represented by a public defender or private counsel. There is no jury box. Defendants who invoke their right to a jury trial are sent to another court with a jury box and a witness stand. In Judge Resnick's court, witnesses are sworn as a group, and everyone—lawyers, defendant and any witnesses—simply stands in front of the judge for a "bench trial."

TOUGH QUESTIONING

Instead of telling a defendant merely that he has a right to a jury trial, Judge Resnick usually explains that "you have a right to be tried by 12 people drawn from your community, all of whom must find you guilty." Even so, some defendants look baffled. "I can't give them a test," the judge says. "I do the best I can."

The bench trial sounds more like an informal conversation, most of it inaudible to spectators, than an adversary proceeding. Opposing attorneys rarely clash in a serious way, and questioning generally seems designed to elicit little more than factual accounts of what took place. Much of the toughest questioning comes from Judge Resnick, and it's often dripping with disbelief. In Leroy Odom's case, he asks why Mr. Odom didn't bother to tell the arresting officer he had been "hustled." "Why didn't you tell him right then and there, 'Man, am I glad you saved me!' " the judge demands.

Later, in another case, Judge Resnick has a few questions for Yoha Walker. A police officer has testified that she admitted him to her motel room and offered to engage in sex for pay. But she says the policeman barged in uninvited and "whipped out" a badge just as she was waking up, naked. Did she scream? the judge asks. No. Was there a phone? Yes. Did she use it to call and complain to the motel manager? No. Judge Resnick puts the woman on "probation before verdict," explaining that if she misbehaves on probation he will find her guilty of the soliciting charge.

The one thing that most people remember from court is the presiding judge's demeanor. During a recess here, a teenager who has been in several courts bitterly gibes at "the wicked dude" who used to be a judge in the eastern district court. An assistant state attorney calls a judge in another Baltimore court a "tyrant" who "belittled defendants" and generally "demeaned everybody."

There's a reason for occasional lack of dignity. The wearying judgeships in lower criminal courts often have been filled by political hacks instead of qualified jurists. Nobody considers Judge Resnick a hack, although he has a political background. For 16 years he was a state legislator, of generally liberal persuasion. In July 1974, his old friend, Gov. Marvin Mandel, appointed him a judge. He is paid about $33,000 a year, better than average.

MAKING SPEECHES

For the most part, Judge Resnick is regarded as a fair man. His decisions, of course, aren't universally popular. When he judges Kingar G. Wilson guilty of a handgun violation, a young woman in the courtroom snaps, "He thinks everybody's guilty. He's prejudiced."' (Later, the judge amends his decision and imposes probation before a verdict.) On the bench, Judge Resnick is aggressive, and his temper occasionally flares. Like many other judges, he talks a lot. "When you're elevated and sitting higher than the rest of the world, it's irresistible—you simply must make speeches," says David Berman, executive director of Milwaukee's Legal Aid Society.

Judge Resnick insists that his comments convey important messages. When he talks sharply to a defendant requesting a trial delay, the judge says, it's "an advertisement that you can't just come in here and automatically get a postponement." He says many defendants, to avoid trial, keep using the excuse that they need more time to get a lawyer. "You've got some real cutie pies out there," he says of the courtroom.

When he considers that a defendant has had time to get a lawyer but simply failed to get one, he rules that the defendant has waived the right to counsel. Then the judge enters a not-guilty plea and proceeds with a trial. This is what happens to Kathleen Tobin, who has put off getting a lawyer until the day before her trial and has then sought help from the public defender; but she makes too much money to get free counsel.

"WHAT AM I SUPPOSED TO DO?"

The tone of Judge Resnick's comments ranges from stern to incredulous to jovial. Kathleen Tobin explains that she wrote a worthless $25 check because she had moved, ran up some bills and lost track of her finances. "You know what priorities are, don't you?" the judge lectures. "Your action is inexcusable, more so because you're above average intelligence." She is an executive secretary.

Then the judge can't resist playing for laughs. "With women's lib today," he says, "women have a right to go to jail. They fought for that right." Kathleen Tobin, however, gets probation and a month to make good her check.

Sometimes Judge Resnick sounds genuinely indecisive. When Robert Brice asks leniency for Theodore Crawford on the ground that "Teddy" didn't really mean to carve Mr. Brice's chest with a knife during a scuffle, the judge says, "I don't know what I'm supposed to do." Should he, he asks himself aloud, "wait until Mr. Brice gets his throat slit, then put him (Theodore Crawford) away?" He finally gives Mr. Crawford 12 months' probation and warns him that he'll go to jail next time.

The judge saves his toughest talk for what he considers the most serious crimes. "I don't like guns," or "I don't like stealing," he will tell defendants. When Leroy Odom asks the judge to reconsider his one-year prison sentence, the judge retorts: "That's why you didn't get three years, because you don't have a record and the girl wasn't hurt." (Mr. Odom is appealing his sentence.) To Lamont Reece, sentenced to one year for assault and larceny, the judge says, "I tell you, young man, if you had any kind of record, I'd give you a minimum of two years."

Such commentary is needed, Judge Resnick believes, because many citizens get their impression of justice from the judge, not from the legal system as a whole. "The man in the street doesn't know anything about the Supreme Court," he says. "People just know about Judge Resnick. Their justice is Judge Resnick, of eastern station."

A BICENTENNIAL PRAYER

Mr. HARRY F. BYRD, JR. Mr. President, a beautiful prayer composed by Florence Pedigo Jansson of New Castle, Va., has been selected as the official Bicentennial prayer of the Virginia Annual Conference of the United Methodist Church. This was sent to me by my friend William E. Moore of Portsmouth, Va.

I ask unanimous consent that this prayer be printed in the Record.

There being no objection, the prayer was ordered to be printed in the Record, as follows:

Bicentennial Prayer

Lord, we bow before You in profound gratitude and supplication as we observe this Bicentennial milestone in our nation's history. We praise You as the Divine Source of our national being. We thank You for inspired ideals that were a moving force in our country's foundation.

Help us, dear Lord, to zealously maintain our heritage of responsible freedoms. May we faithfully uphold our avowed principles, unerringly adapting them to ever-changing conditions.

Even as our dependence on You is built into the earliest concept of our nationhood, we trustingly look to You now to guide us safely through the changes, challenges, and developments rushing in upon us. Be ever in the affairs of our nation. Give us the sturdy will and statesmanship to apply Your guiding principles to our national objectives.

Grant us abiding faith in Your wisdom and goodness; unity of high purpose among ourselves; and courage equal to our need in whatever circumstances may confront us. Renew our sense of destiny. Give us a national spirit of rededication, save us from falling short of our worthiest aspirations and grant that our loyalty to You and to our country ever redound to Your honor and glory, Amen.

IMPORTANT QUESTIONS ON OUR GRAIN EXPORT NEGOTIATIONS WITH THE SOVIET UNION

Mr. HUMPHREY. Mr. President, because of the importance of export sales to the Soviet Union to our farmers and consumers, the Foreign Agriculture Policy Subcommittee which I chair will be conducting a thorough review of the negotiations to establish a long-term supply arrangement with the Soviet Union. We will be calling Under Secretary of State Charles Robinson before our subcommittee to explain the progress of these discussions with the Soviets. This review also will include review of how and by whom our foreign agricultural policy is being made today.

In recent years we have heard a proclaimed policy of minimal Government involvement in agriculture. But now we are faced with unpredictable Government intervention in agricultural export sales with nobody knowing the rules of the game from day to day. We lurch from one direction to another in what appears to be an ambivalent and frantic search for a foreign agricultural policy.

The administration is currently pursuing bilateral negotiations to assure that the Soviet Union will purchase a minimum quantity of grain even during years when they have adequate harvest. While this should help stabilize Soviet demands on our market and provide a degree of price support for U.S. grain farmers in years of abundant production, there has been little attention given to the implications of such bilateral agreements on our livestock producers and our own consumers in years of short supply. We cannot assume that we will always be in a bumper crop situation as we are this year.

I also find no evidence that the administration has given consideration as to how this proposed agreement will affect our regular buyers who do not have bilateral purchasing agreements. Have they been consulted, or is there any plan to negotiate similar agreements with them? And has consideration been given to the implications of a bilateral agreement on our efforts to establish a multilateral food security system?

I am also concerned over the role of the Department of State in these negotiations. It was my understanding that we established a special office in the White House to handle international negotiations on trade. Has the administration any plans to establish new formal machinery to implement its agricultural and trade policies, and will such a proposal be submitted to Congress for its consideration?

In the recent confusion over whether we had or had not suspended grain shipments to Poland and East Germany, there was some doubt whether the Department of Agriculture was informed as to what was happening.

The administration needs to bring the Congress into the negotiation process so that we can be in on the development of policy rather than simply advised after the fact.

We will continue to insist that the negotiators report to the subcommittee regarding the progress of these negotiations and developments in this area.

OUR FIRST AMERICAN BORN SAINT

Mr. MATHIAS. Mr. President, the day following the canonization of the first American born saint, Elizabeth Ann Seton, I was privileged to deliver to the historic Mother Seton House in Baltimore, Md., an American flag which was flown over the U.S. Capitol on the day of her elevation to sainthood. The ceremonies in Emmitsburg marking that day were most impressive and joyful. I share in that joy and in the appreciation of the many people who have sought for many years the recognition for Mother Seton appropriate to her remarkable accomplishments and exemplary life. An excellent brief outline of her career was published in the Frederick Post on Friday, September 12, 1975, 2 days before her canonization. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Our First American Born Saint

On September 14, 1975 the eyes of the world will be watching the great City of Rome and St. Peter's Basilica as Blessed Elizabeth Ann Seton reaches the highest award her church can bestow upon her—the canonization as a Saint.

On the same day, thousands of the devout and the piously curious will be teeming the highways of Frederick County, wending their way to the canonization ceremonies in the small town of Emmitsburg where on July 31, 1809, Mother Seton established her small group of religious women—the Sisters of Charity. This group of dedicated women has increased from a handful to over 7,500 members through the leadership and guidance of Mother Seton.

We, in Frederick, were among the early citizens to benefit from the foundation of this religious order, since this pious and holy woman, with her companions, traveled through the city of Frederick to the famous Stone House in Emmitsburg which was to become the great St. Joseph College and in recent years the Mother House of this illustrious group of nuns.

In 1824, Sisters of Charity from Blessed Elizabeth Ann Seton's foundation traveled to Frederick city to establish St. John's Female Benevolent and Frederick's Free School for all denominations. The school was officially opened in Frederick on January 2, 1825. Students flocked to the new school. Within a few years an impressive three-story brick building went up, boarders were accepted and a much needed orphanage was opened.

The growth of the schol was rapid and eventually became a drain on the limited man-power of teachers available among the Sisters of Charity. Arrangements were made for the Visitation Sisters from Georgetown to come to Frederick to relieve the short supply. On September 8, 1846 the Sisters of Charity withdrew and the Visitandine Nuns took over and continue to operate the Visitation Academy on East Second Street—today—the only primary boarding school in the state of Maryland and one of few in the Eastern part of the country.

In establishing her first school at the Stone House on February 20, 1810 Mother Seton earned the title of Foundress of the American Parochial School System as we now understand it.

What is not generally realized is that Saint Elizabeth Ann Seton accomplished an historic achievement in the short span of the 47 years she lived among us.

She was born a socialite, was a devout member of the Protestant Episcopal Church for thirty-one years, became a bride, a mother of five children and too soon a widow.

When, after a long soul-searching agony of seeking what she believed the truth and God's desire, she was baptized a Catholic on May 14, 1805 at which time she pledged her whole life to God's work.

The accomplishments she achieved through faith and personal self-sacrifice in the short span of the 16 years left to her life is inspiring—almost to the point of disbelief. As one poet wrote "So little moments though they be—make the mighty ages of eternity."

John J. Pullen in his book "Patriotism in America" definies it as "genuine love of country and readiness to act in its best interests as indicated by individual conscience and judgment, leaving room for all types, even those which might seem inimical to its destiny."

Since a country's well being is consonant with that of the citizens who comprise it, Elizabeth Seton's contribution to church and country is clearly indicated. Both Cardinal James Gibbons and Thomas B. Fox agreed that true patriotism is "a calm, rational principle of the mind—a rational instinct placed by the creator in the breast of man."

Mother Seton's sanctity was truly the greatest gift she could give to God and America. She gave it with all its heroic endeavor and endurance of trials and intense suffering, with all its spirit and ardor in joy.

Cardinal Francis Spellman in his "Introduction to Mrs. Seton" wrote "She was a down-to-earth woman who breathed American air, loved American town and countryside, enjoyed American pastimes, followed American social conventions. She battled against odds in the trial of life with American stamina and cheerfulness; she worked and succeeded with American efficiency. And she imbued all with a supreme holiness."

As Bishop Edward McCarthy said recently, "It seems a happy coincidence that the first native born saint in our 200 year old history sould be a woman who was one of its very first citizens in point of time, just as she is now in terms of authentic holiness."

We in Frederick County are grateful to Saint Elizabeth Ann Seton for all she accomplished in and for our area and rejoice with her members of the Sisters of Charity and her countless followers that the ninety-three years spent in the cause of her canonization have come to a happy and enriching conclusion.

NBC'S BICENTENNIAL PROGRAMING

Mr. MAGNUSON. Mr. President, as Americans everywhere move forward with an array of plans and projects to celebrate the 200th anniversary of our democracy, I wish to call the Members' attention to the substantial Bicentennial programing effort that is under way in one of our great communications organizations—the Nationa Broadcasting Co.

In 1976 NBC will observe its own 50th anniversary as the country's first coast-to-coast broadcasting network, and this has engendered a special enthusiasm and creativity in NBC's programing for the Nation's Bicentennial celebration.

Approximately 190 hours of Bicentennial-oriented programing is being offered by the NBC Television Network of some 200 affiliated stations in every part of the country. The five television stations owned by NBC are each presenting an additional 70 hours of programing on Bicentennial themes, and the NBC Radio Network will carry a series of special broadcasts related to the celebration.

The programs will be seen and heard by millions of Americans on a regularly scheduled basis in the coming months, and in a very real sense this effort will help unify national awareness and appreciation of the American spirit and the American idea.

Special entertainment, documentary and children's programs will emphasize our evolution since 1776 as the most vigorous and industrious society on earth, and renew for all of us our heritage of freedom, justice, and individual worth.

NBC's "Today" program is devoting a special 2-hour salute every Friday to each of the 50 States, and the District of Columbia, culminating next July 2 in a tribute to the city of Philadelphia.

NBC News, with David Brinkley reporting, will explore the great Jeffersonian themes of "Life," Liberty," and "The Pursuit of Happiness" in three 90-minute programs during prime-time evening hours. Each of the programs will examine one of these fundamental American ideals and evaluate our national striving to reach them.

The children in NBC's television audience will have a series of their own—13 programs dramatizing little-known heroes and heroines of American history. NBC also will broadcast two 1-hour specials designed primarily for children. One of these, "Bound for Freedom," tells the story of two teen-age English boys who are brought to the colonies as indentured servants. The other, "200 Years of American Humor," will star Jonathan Winters as a Pilgrim, a pirate, a cowboy and a prospector, among other characterizations.

Three daytime plays, entitled "First Ladies' Diaries" will present intimate, biographical portraits of three Presidential wives. James Michener, one of our greatest authors, has created a 2-hour drama on America's movement westward and the growing industrialization of the Nation in the years before the Civil War. "The Red Badge of Courage," Stephen Crane's classic Civil War story, will be presented again, and the "Hallmark Hall of Fame" will present 90-minute dramas honoring George Washington and Abraham Lincoln.

The NBC Television Network's Bicentennial celebration will reach its climax on July 4, 1976, with 21 hours of live coverage of events in all parts of the Nation.

Among programs planned by NBC-owned television stations are "An Historic Voyage Down the Hudson," "An American Portrait: The Lees of Maryland," and two 10-part series titled "The American Revolution" and "The Presidency."

The NBC Radio Network will present a broad schedule of Bicentennial-related presentations including a daily commentary series by NBC's distinguished news correspondent, Edwin Newman. There will also be a nationwide essay contest for high school students on the topic, "What is an American?"

These are some of the highlights of a television and radio programing schedule that will explore the breadth and depth of our 200 years as a nation. As our foremost medium of communications, television is superbly equipped to display and explain our way of life, and to give millions of Americans an opportunity to share our great traditions in a common experience. Television itself is an American invention, pioneered by NBC's parent company, RCA Corp., and in little more than a quarter century, it has become one of this Nation's central institutions.

It is in this light that I believe special commendation should be made to the National Broadcasting Co. for the service it is performing for all Americans. I urge other Members of the Senate to give their attention and consideration to the splendid offerings being made available by NBC during the Bicentennial period.

NO CHANCE OF BALANCED BUDGET SEEN

Mr. THURMOND. Mr. President, an excellent column entitled "No Chance of Balanced Budget Seen" appeared in the September 14, 1975, issue of the Sunday Augusta Chronicle Herald newspaper, Augusta, Ga., written by J. J. Kilpatrick. This article points out that the 94th Congress is headed toward exceeding the deficit proposed by the administration budget, as well as Congress own higher deficit.

Mr. President, in the past few years we have shifted to future generations unconscionable burdens through heavy deficits. Frankly, I believe the American people are ready to bite the bullet and get the Nation's house in order. I hope the Congress will wake up and move rapidly in that direction.

Mr. President, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

No Chance of Balanced Budget Seen

(By J. J. Kilpatrick)

Roughly a century and a half ago, John Randolph of Roanoke startled the House with a sudden interruption. "Mr. Speaker," he cried, "I have discovered the philosopher's stone! It is this, sir—Pay as you go! Pay as you go!"

As events in our own time have demonstrated, this proved to be the stone the builders rejected. Now Senator Carl Curtis of Nebraska is trying to retrieve it. On September 23, a Senate subcommittee on constitutional amendments will begin formal hearings on the senator's proposal to write into the supreme law of the land a requirement that the federal budget be balanced.

Now, there is one view of constitutional amendments, firmly held by some of my brother conservatives, that there have been no good amendments since the first ten. It is not necessary to embrace that troglodyte conviction in order to justify a wary approach to the amendment process. I therefore do not endorse the Senator's amendment, as such, but by the bones of John Randolph and the memory of Harry Byrd, it is something to think about.

Over the past three or four decades, deficit spending has become a way of life within the federal government. It is immaterial whether a Democrat or a Republican occupies the White House. Party divisions within the Congress do not matter. Deficits continue in peace as in war. Only a handful of conservative Senators still defend the old cause. The last time the question came before the House, when Rep. Philip Crane of Illinois tried for a balanced budget in fiscal '76, his effort failed by 311 to 94.

The appalling figures long since ceased to appall. Back in January Mr. Ford, the sturdy Republican, proposed a '76 budget with a deficit of $51.9 billion. A couple of months later, his convictions grown stronger with the passage of time, the President drew a line at $60 billion. As of September 2, the prospective deficit stood at $68.8 billion. It seems entirely probable that before Congress adopts its last spending bill, the deficit will rise to $75 billion.

The figures wash across our consciousness as indifferently as one more wave upon a sandy beach. They leave no residue of shock behind. When Curtis first came to Congress, the symbolic "000" meant hundreds of thousands of dollars. Now we read the "000" in hundreds of billions. It will be routine, the way things are going, to translate "000" into trillions in a few years hence.

In the current fiscal year, the government is spending money at better than a billion dollars a day. Ten years ago, interest on the debt came to $10 billion a year; now it surges past $35 billion a year. The treasury will go into the capital markets this year to borrow more money than all public and private borrowers put together ever have borrowed in a single year. The day never passes on Capitol Hill that some special interest is not drumming up support for larger outlays. And the beat goes on.

The Curtis amendment would call a halt. He would require the President annually to submit a balanced budget. If proposed expenditures exceeded anticipated revenues, the President would have to fix a surtax sufficient to make up the deficit. The Congress could agree to the surtax (or to equivalent alternate taxes), or the Congress could cut proposed expenditures; but if Congress took no independent action, the presidential surtax automatically would be imposed. Only in the event of a "grave national emergency," by a recorded three-fourths vote in each chamber, could the draconian requirements be suspended.

It is inconceivable, to put the matter bluntly, that the senator's resolution could now command the two-thirds vote in House and Senate required for submission of a constitutional amendment. The probabilities are strong that his proposal will die quietly in subcommittee and not be heard from again. Nevertheless, Curtis is determined to make his pitch, and he has a number of respectable witnesses lined up in support of his plan.

"There is one thing of which I am very certain," says Curtis. "That is, that it is totally immoral and dishonest to vote for more welfare state programs than we are willing to pay for. The greatest challenge to this generation is to bring federal spending under control, and to stop the ravages of inflation. If we fail to successfully meet this challenge in our generation, our very liberty can be destroyed."

Pay as you go! It remains a basically sound rule for the ordinary operations of government. And Curtis may be right. If Congress will not voluntarily accept the wisdom of that rule, in time the Constitution may have to impose the philosopher's stone.

AMENDMENTS TO CHAPTER 11 OF S. 1

Mr. MOSS. Mr. President, on August 1, 1975, I submitted amendments to chapter 11 of S. 1. I would like to today submit for the Record a complete analysis of those amendments.

There being no objection, the material was ordered to be printed in the Record, as follows:

Amendments to S. 1—Criminal Justice Reform Act of 1975; To Amend Chapter 11, Offenses Involving National Defense

(By Senator Frank Moss)

I.—AMENDMENT NO. 867

The term "war" is not defined in S. 1. This is true even though the bill uses the condition of being at war as a substantive element of some offenses and as a grading element in others. The opinions of the courts have not limited the meaning of "war" to its constitutional definition in those cases which have raised "state of war" as an issue. The severity of the effects on an offender, if a court finds that a condition of "war" exists, require that there be no discretion in its definition. The amendment defines the term "war" by recognizing that the Congress has the sole constitutional power to declare a war.

II.—AMENDMENT NO. 866

To amend Section 1101 of S. 1—Treason.

Treason is the only crime defined in the Constitution; at Article III, Section 3:

> Treason against the United States, shall consist only in levying war against them, or in adhering to their enemies, giving them aid and comfort. No person shall be convicted of treason unless on the testimony of two witnesses to the same overt act, or on confession in open court.

The current treason statute, 18 USC Section 2381, follows the constitutional language and states:

> Whoever, owing allegiance to the United States, levies war against them or adheres to their enemies, giving them aid and comfort within the United States or elsewhere, is guilty of treason . . .

S. 1 follows the language of the current statute, but adds, after "levies war against them" of Section 1101:

By engaging in armed rebellion or insurrection against the authority of the United States or a state with intent to: (a) overthrow, destroy, supplant, or change the form of the government of the United States; or (b) sever a state's relationship with the United States.

While the language may appear insignificant, or appear to limit the crime of treason, it must be recognized that Congressional power as regards the crime of treason is strictly limited. The Supreme Court, in *United States v. Fries*, 3 U.S. 515 (1799) held that Congress has *no* power over the definition of treason. Congress can neither extend, nor restrict, nor change in any way the crime of treason as it is defined in the Constitution. It is for the courts alone to interpret what constitutes the crime of treason within the constitutional definition. Congress's *sole* power lies in the prescription of the punishment.

The intent of this amendment of S. 1 is to avoid the inevitable constitutional challenge in the Courts that Congress acted unconstitutionally by altering the definition of treason. This as accomplished by returning the definition to its constitutional form.

III.—AMENDMENT NO. 865

To amend section 1103—Instigating Overthrow or Destruction of the Government.

This section of S. 1 is based upon 18 USC Section 2385—Advocating Overthrow of the Government—which is also known as the Smith Act.

The touchstone of criminal liability in the present statute requires that the offender: knowingly or willfully advocates, abets, advises, or teaches the duty, necessity, desirability, or propriety of overthrowing or destroying the government . . . by force . . . or with intent to overthrow the government prints or distributes material that does the above; or who organizes a group or is a member of a group that engages in the above, is criminally liable.

Section 1103, modernizes the wording of the present statute and uses generic terms rather than the specifics which are set out in Section 2385, (i.e., "incites other to engage in conduct" rather than "advocates, abuses" etc.) but the proscribed activity is still advocating, inciting or being an organizer or active member of a group that advocates or incites to overthrow the government. This section also sets out the time frame of the proscribed intent and activity by allowing punishment for intent to bring about overthrow "as speedily as circumstances permit" and for conduct that "then or at some future would facilitate" the overthrow of the Government.

Clearly, Congress must pay close attention to the first amendment guarantees of free speech and assembly as it considers enactment of Section 1103, because the proscribed activity is that of speech and assembly advocating, inciting or membership in a group. The Supreme Court has often stated that the first amendment freedoms are the foundation of our democracy, and that ". . . [p]recision of regulation must be the touchstone in an area so closely touching our most precious freedoms", *NAACP v. Button*, 371 U.S. 415, 438 (1963).

The Smith Act itself has had a long history of litigation concerning its regulation of speech and assembly. The Court has upheld the statute, but has done so only through limitations being placed upon the literal words by "writing into" the statute the necessary protections of free speech and assembly. *Dennis v. United States*, 341 U.S. 495, (1951), wrote in as a constitutional requirement that the advocating, inciting, or organization must present a "clear and present danger" to the Government before criminal liability can attach. *Noto v. United States*, 367 U.S. 290 (1958), added before criminal liability can be established there is a requirement that the inciting or advocacy must be "a present advocacy, and not an intent to advocate in the future or a conspiracy to advocate in the future once a groundwork has been laid". *Noto*, at 298. *Scales v. United States*, 367 U.S. 203 (1961), said that an organization must have a specific intent to overthrow the Government, and that an individual must have that same specific intent as a member of an organization before he goes beyond his first amendment freedoms. The Court also stated in *Scales*, that the statute must be strictly construed against the Government to preserve the first amendment rights.

More recently the Court has more precisely defined the scope of the first amendment freedoms when hearing cases brought under State statutes which were similar to Section 1103. In *Brandenburg v. Ohio*, 395 U.S. 444 (1968), a Ku Klux Klan leader had been convicted of the Ohio Criminal Syndicalism Statute, which paralleled the Smith Act. The Court expressly overruled *Whitney v. California*, 274 U.S. 357 (1927), a case upholding a similar State statute, stating that the *Whitney* decision had been thoroughly discredited by later decisions, and that the conviction must be reversed because:

These later decisions have fashioned the principle that the constitutional guarantees of free speech and free press do not permit a State to forbid or proscribe advocacy of the use of violence or of a law violation *except* where such advocacy is directed to inciting or producing *imminent* lawless action *and* is *likely* to incite or produce such action. *Brandenburg*, at 447 (emphasis added)

This principle has also been applied to strike down regulatory schemes that directly forbid or proscribe such advocacy; see *Keyishian v. Board of Regents*, 385 U.S. 589 (1967), (to determine eligibility for public employment); *Speisser v. Randall*, 357 U.S. 513 (1958), (tax exemptions); *Schware v. Board of Bar Examiners*, 353 U.S. 232 (1957), (moral fitness justifying disbarment); *Communist Party of Indiana v. Whitcomb*, 414 U.S. 441 (1973), (required loyalty oaths for status as political party on a ballot).

In *United States* v. *Robel*, 389 U.S. 258 (1967), the defendant was convicted of being a member of an organization (Communist) that was certified as being a dangerous and subversive group by the Subversive Control Board, and of then willfully working in a plant designated by the Secretary of Defense as being a "defense plant" in violation of 50 USC Section 784(a)(1)(D). The Supreme Court declared the statute unconstitutional saying:

"The statute quite literally established guilt by association alone, without any need to establish that an individual's association poses the threat feared by the Government proscribing it."

The opinion makes it clear that in order to abridge the right to freely associate, the Government must prove that the organization poses a specific threat to the Government and that the individual's membership and activities must pose an imminent, specific danger to society or to the Government.

The Government certainly has legitimate interests in protecting itself, but it must do so within the constitutional guidelines and demands of free speech and association. Amendment 863 is being offered to provide for government protection while recognizing first amendment guarantees. It does this by eliminating the amorphous and unconstitutional terms "as speedily as circumstances permit" and "then or at some future time", and inserting 'imminently" in their stead, thereby requiring that the conduct pose a specific and immediate danger. It also requires that the conduct will be likely to cause the intended result. This insures that fortuitous conduct, and conduct that poses no real threat, will not be the basis for a conviction. See e.g., *Brandenburg, supra*.

The Government has a responsibility, and a duty, to protect itself from destruction. However, one of the main pillars of a democratic society is that the people also have a right to speak freely, and to associate themselves with whomever they wish. Those rights of the people cannot be abridged unless their conduct poses a clear and present danger to a legitimate interest of the Government. Section 1103 as presently drafted protects the Government, but it paints with too broad a brush. Only conduct that poses an imminent threat can, and need be, proscribed. The rights of the citizenry must be protected and promoted as a goal of a democratic government. The amendment is a closer approximation to the ideal.

IV.—AMENDMENT NO. 864

To amend Section 1111.—Sabotage.

The crime of sabotage is currently set forth at 18 U.S.C. Sections 2151–57. The proscribed offenses are defined by the type of injury to the Government:

Section 2152—Fortifications, Harbor Defenses, or Defensive Sea Areas;

Section 2153—Destruction of War Material, War Premises or War Utilities;

Section 2154—Production of Defective War Material, War Premises, or War Utilities;

Section 2155—Destruction of National Defense Materials, National Defense Premises or National Defense Utilities;

Section 2156—Production of Defective National Defense Material, National Defense Premises or National Defense Utilities.

Sections 2153 and 2154 are in effect only when the United States is at war or during a declared national emergency, the others are in force at all times.

In order for criminal liability to attach under the present statutes an individual must act "with intent to injure, interfere with, or obstruct the national defense of the United States", or "willfully injure, destroy, contaminate, or defectively make an object or facility of the national defense." In those sections which require a state of war or of national defense emergency, the culpability requirement is less (a standard of "knowing") insofar as the offender need only to act with "reason to believe that his act may" insure, interfere with or obstruct—but his actions must still be willful.

S. 1 condenses the present statutory offenses into two sections, section 1111 Sabotage and section 1112 Impairing Military Effectiveness. As written, section 1111 requires that the offender intend to impair or impede, and section 1112 requires only a reckless disregard of the risk that his conduct may impair or impede. The offenses are punished more severely if there is a state of war or a national defense emergency, but both sections are still in effect when the United States is not in a state of war or national defense emergency. These sections extend the offense beyond the present statutes by allowing prosecution for the intent (or reckless disregard) to impair the "ability . . . to prepare for or to engage in war or defense activities," rather than prosecution for knowing acts to impair the "national defense of the United States" as the statutes currently read. The sections also extend the possible objects of sabotage by allowing prosecution for acts to any property of the Government, a public facility, or a facility engaged in supplying national defense materials and supplies. This is a broad expansion of the current statute which goes only to war or national defense materials, premises or utilities.

The differences between S. 1 and current law is a significant extension of the reach of the sabotage statutes. For the first time the mental culpability element is only reckless disregard (one step down from "knowing"), and this mental element would apply to offenses occurring at times other than war or national defense emergency. Further extension is made by protection of the Government's ability "to prepare for or engage in war or defense activities" as opposed to the "national defense." In addition to U.S. interest, a conviction would lie under these statutes, if, in time of peace, a person acted with reckless disregard of the risk that his conduct might interfere with the ability of an associate nation to prepare for defense activities. This is a considerable extension of the present statutes which require in time of war, a person act with reason to believe that his conduct may interfere with an associated nation in preparing for defense activities; and that in time of a peace a person act with intent to interfere with the national defense of the United States.

Amendment 864 will return the scope of the crime of sabotage more closely to its traditional and current status. The requisite intent will be to impair, interfere with or obstruct the ability of the United States to engage in war. Sabotage has traditionally involved the destruction of war materials with an intent to injure a war effort, and such conduct should not be equated with obstructing the service of a public facility or with an intent to interfere with the ability of an associate nation to prepare for defense activities. It must be remembered that there are other statutes that relate to destruction of Government property, or interference with a Government installation or facility. If such conduct is a crime, it should be handled and enforced via the appropriate statute, and not under the sabotage statute.

V.—AMENDMENT NO. 859

To amend Section 1112—Impairing Military Effectiveness.

This section is a watered down sabotage crime. It contains the same elements but only requires as a mental state "reckless disregard" rather than a specific intent as with the sabotage statute. The same concerns that called for changes in the sabotage section (see Number IV above) apply here. The amendment gives due regard for the right to peaceably assemble and petition the Government for redress of grievances. This insures that a prosecution will not lie for an inadvertent disruption of a company engaged in defense work as a result of lawful assembly.

VI.—AMENDMENT NO. 860

To amend section 1117—Inciting or Aiding Mutiny, Insubordination or Desertion.

The current statutes covering these offenses are:

18 USC Section 2387—Activities Affecting Armed Services generally;

18 USC Section 238—Activities Affecting Armed Forces During War, and;

18 USC 2192—Incitation of Seamen to Revolt or Mutiny.

S. 1 combines these three sections into one section, Section 1117, and makes the condition of being at war an element that changes the grading of the offense.

The amendment does two things. First, it makes the punishment more closely fit the crime. As the current statute stands, and S. 1 follows, inciting or aiding insubordination is punished as severely as inciting or aiding mutiny and desertion. The amendment classes inciting or aiding mutiny and desertion together, and makes it a lesser offense for inciting or aiding insubordination and refusal of duty. This reflects the potential gravity of the offenses and recognizes the same distinctions as the Uniform Code of Military Justice.

Second, the amendment makes due provision for the right of free speech. The crime is "inciting", which is within the ambit of the first amendment. As stated in *Brandenburg v. Ohio,* 395 U.S. 444 (1969), the Government cannot forbid or proscribe advocacy of lawless action unless such advocacy is directed to producing imminent lawless action and is likely to produce such action. Therefore, these provisions should be explicitly written into the law, rather than waiting for court action to rule them invalid.

VII.—AMENDMENTS 861 AND 862

To amend Subchapter C of S. 1—Espionage and Related Offenses.

Espionage, and its related crimes, are currently set forth in six statutes:

18 U.S.C. Section 793—Gathering, Transmitting or Losing Defense Information;

18 U.S.C. Section 794—Gathering or Delivering Defense Information to Aid a Foreign Government;

18 U.S.C. Section 795—Photographing and Sketching Defense Installations;

18 U.S.C. 797—Publication and Sale of Photographs of Defense Installations; and

18 U.S.C. Section 798—Disclosure of Classified Information.

Within these statutes there are a number of required mental states of culpability in divulging national defense information:

The individual must act "with intent or reason to believe that the information is to be used to the injury of the United States", section 793(a);

If, being in possession of national defense information, information which the possessor "has reason to believe could be used to the injury of the United States", section 793 (d); and through "gross negligence" allows national defense information to be unlawfully removed from his possession when he is entrusted to safeguard it, section 793(f). The Supreme Court has added, as a requirement for prosecution under the chapter, the individual must be acting in bad faith and with scienter, knowledge that his conduct is wrongful and unlawful—when he communicates, gathers or transmits national defense information, *Gorin* v. *United States,* 312 U.S. 19, (1941). Subchapter C of S. 1 reduces the number of sections related to Espionage to four, to wit:

Section 1121 Espionage;

Section 1122 Disclosing National Defense Information;

Section 1123 Mishandling National Defense Information;

Section 1124 Disclosing Classified Information.

The intent of these sections is to prohibit the dissemination of "national defense information" and "classified information". Section 1121, Espionage, is the most restricted section, it requires that the individual, "knowing that national defense information may be used to the prejudice of the safety or interest of the United States", communicate it to a foreign power. Each succeeding section lessens the mental culpability element and broadens the group to whom disclosure is unlawful within that section. Sections 1123 and 1124 requires only that an individual be in possession of the information and communicate it to one not authorized to receive it. The range of the mental state required goes from the least required standard in the current statutes for communication or gathering of defense information to the standard for those entrusted with guarding files of secret information. This reduces the culpability requirement and with the attendant broadening of the reach of the statute, brings within the offenses conduct which has been heretofore allowable.

Thus Subchapter C raises defense and problems that are not in the present statute.

Much of the conduct proscribed by these sections is "communication" which means that the first amendment freedoms may be involved. To alleviate these constitutional concerns requires that there be a sufficiently close nexus between the conduct and a threat to the Government to outweigh any constitutional defenses. The amendment does this first by eliminating the term "national defense information", and requires that it be "classified information". This will protect from dissemination any information which the government has a legitimate and compelling interest in keeping secret, as any information which is in the interest of national defense information will be classified.

The amendment also rejects the notion of S. 1, that there should be a reduction of the required mental state for Espionage to "knowing that (it) may be used", and maintains the present requirement for espionage that the mental standard must be such the offender is "intending that (it) will" be used to the injury of the United States. This keeps espionage as a distinct and more severe crime, as it should be, and provides that lesser breaches of security will be prosecuted under a different section.

The other three sections 1122, 1123, and 1124, all involved the lesser breaches of security and are unnecessarily redundant and restrictive, going beyond the current criminal sanctions. The amendment combines all of them into the one section, Section 1122—Disclosing and Mishandling of National Defense Information. The distinction is maintained in this new section between those in lawful possession and those in unlawful possession of classified information. The gravity of the different possible offenses is reflected in the grading of the offenses, ranging from a Class A felony to a Class A misdemeanor and the Supreme Court's requirement of bad faith and scienter have been attempted to be maintained in the definition of the crimes.

These sections must draw the line and strike a balance between two conflicting, constitutional rights. On the one hand is the Government, with the duty to protect itself against destruction and subversion, and on the other is the citizenry of the democracy with rights of free speech, free press and to be informed. As presently drafted, the reach of these provisions of S. 1 goes far beyond the current reach of the criminal laws, and strikes a balance that is dangerously overweighed to protect the Government's secrets, painting with a brush so broad that information in which the Government does not have a compelling interest to keep secret can be swept within its coverage. Within the amendments there still is this danger, but to provide some added protection amendment 862 establishes the requirement of a review procedure. Classified information must be reviewed annually to assure that it should remain classified. To be certain that the Government meets this yearly review requirement it is a bar to prosecution if the Government cannot show such review has been made. That information which is in the interest of national defense and should not be freely communicated will be protected as classified information.

As stated in *NAACP* v. *Button,* 371 U.S. 415, 438 (1963), "[p]recision of regulation must be the touchstone in an area so closely touching our most precious freedoms." And precision here dictates that the limits of criminal sanctions be drawn as narrowly as possible, and in those grey areas provide for a chance of review to challenge the possibility of criminal sanctions.

The current statute on disclosing classified information, 18 U.S.C. Section 798(a), states that:

> Whoever knowingly and willfully communicates, furnishes, transmits, or otherwise makes available to an unauthorized person . . . any classified information . . .

can be imprisoned for up to ten years. Implied within this statute is the requirement of bad faith and scienter. The amendment draws upon this section but prefers as a question of policy to reject "national defense information", which has no formal definition procedures, and accepts the limiting of the distribution of "classified information" the status of which is currently controlled by Executive Order No. 10501, and is capable of further legislative determination Any information which is in the interest of national defense should be classified if that interest is genuine, the amendment recognizes and establishes this requirement.

VIII.—AMENDMENT NO. 863

To amend definitions used in Chapter 13.

The definition of "classified information" is changed to exclude from that definition information that was once freely available in the public domain. This brings the definition in line with *United States* v. *Heine*, 151 F.2d 813, 328 U.S. 833 (cert. den.) (1945), whfch reversed a treason conviction because the information had previously been available to all.

Classified information is defined in S. 1 to be any information, "regardless of its origin", that is marked "classified" pursuant to other statutes. The phrase is inclusive enough to include information that was once freely in the public domain, and such should not be the case. In *United States* v. *Heine*, 151 F.2d 813, 328 U.S. 833 (cert. den.) (1945), which was a prosecution for treason, the Court reversed the conviction saying that a conviction could not lie for communicating information which came from sources lawfully available to everyone. This change in the definition insures that everything that is freely in the public domain, and available to everyone, will not at some later date be removed from the public domain to be made the basis of a conviction for Espionage or Disclosure and Mishandling of Classified Information.

The definition of "national defense information" has been deleted, as has all reference to national defense information in the Chapter.

ADDITIONAL

Throughout this chapter, the existence of a "national defense emergency" is used as a substantive element in some crimes, and as an upgrading of punishment in others. Although this reflects a valid concern—that where this country is not at war but is still in a period of national defense crisis, the ability of the nation to function effectively may require a more exacting standard of conduct of its citizenry—such is not the case as the law and situation now exists. On December 16, 1950, President Truman issued Proclamation No. 2914, declaring the Nation to be in a condition of a national defense emergency. This order still stands with the force of law; we are currently, legally, in a state of a "national defense emergency". The present times do not require the exacting standards and additional punishments set forth in this chapter of S. 1. Therefore, unless this condition is remedied, the use of "national defense emergency" as a grading element should be eliminated.

The definitions of "communications intelligence information" and "cryptographic information" have been amended by adding the word "particular", to insure that only information that can pose a specific threat will be the basis of any prosecution. General discussion on these areas create no harm and need not be proscribed.

FEA'S ENTITLEMENTS PROGRAM AND THE INDEPENDENT

Mr. BROCK. Mr. President, although Congress remains deeply divided on many energy policy issues, on one issue there is near unanimous agreement: the need to preserve the independent businessman in the oil industry. The independent provides the competitive factors that insures that petroleum and petroleum products are distributed and marketed in the most efficient manner. Unfortunately, many of the laws and regulations established to protect the independent have had just the opposite effect.

A case in point is FEA's old oil entitlements program. Because the Cost of Living Council's two-price system for crude oil was creating an impossible competitive situation for many independent refiners and marketers, the FEA established the entitlements program. This program is supposed to equalize crude costs for all refiners, thus insuring that all distributors and marketers are placed on an equal footing with regard to price. At present, many of my colleagues believe that a two- or even multitiered price system for crude oil can be continued indefinitely and that an entitlements program will insure that no problems are created for the independents.

Mr. President, this is simply not true. No bureaucracy can possibly hope to simulate the workings of a competitive market. This point is well illustrated in a paper written by Prof. William Johnson of the George Washington University. I ask unanimous consent that it be printed in the Record.

There being no objection, the paper was ordered to be printed in the Record, as follows:

How Federal Regulations Are Putting Independent Oilmen Out of Business

(By William A. Johnson)

In November 1974, under pressure from the Congress, the Administration created the "old" crude oil entitlements program. This program is supposed to preserve the competitive viability of independent refiners and marketers. Despite its noble intentions, many independents are being put at a severe competitive disadvantage by this and other federal price regulations.

A case in point is Whitaker Oil Company of Atlanta, Georgia. Whitaker Oil has been a wholesale supplier to independent private brand marketers in Georgia and Alabama for over forty years. During 1975, Whitaker's monthly sales of gasoline have dwindled from nearly 4 million to 400,000 gallons. Whitaker's suppliers were Triangle and, to a lesser extent, Cities Service and Crown Central. Both Triangle and Cities Service have had to buy entitlements (i.e., subsidize their competitors) under the Administration's entitlements program. Both Triangle and Cities Service are also relatively high cost sources of product. This is the reason for Whitaker's difficulties.

The source of the problem is the government's two-tier price system for crude oil. To encourage domestic exploration while controlling domestic prices the government established in 1973 price ceilings only on so-called "old" oil. This is crude oil produced from properties at or below levels during comparable months in 1972. However, the establishment of a dual price for crude oil in place of the uniform price that would normally exist in a free market created an impossible competitive situation for those refiners and marketers who happen to rely on relatively large amounts of unregulated oil. FEA's solution to the problem which it itself had created was the "old" oil entitlements program.

The entitlements program is supposed to equalize crude oil costs for all refiners. In fact, it has scrambled refiner's costs. Disparities created by the two-tier price system and other FEA regulations continue and, over the long run, will probably put out of business many of the independent oilmen whom FEA is supposed to protect. As the French general, Michel Ney, once said: "Protect me from my friends; I'll take care of my enemies."

This problem is not confined to the Whitaker Oil Company. The attached table presents prices for gasoline charged by a number of primary suppliers selling through the Atlanta terminals. The range in prices on September 16 was 4 cents per gallon. Unfortunately for Whitaker, Triangle, its principal source of supply, is now one of the highest cost suppliers in the Atlanta area, thanks, largely, to the fact that it must purchase entitlements. Independent marketers served by Whitaker have had no choice other than to be reassigned to lower cost suppliers, thus effectively putting Whitaker out of Business.

Paradoxically, Triangle's prices are higher than the average even though its parent company, Kerr-McGee, has invested heavily in domestic production of crude oil and possesses relatively large amounts of "old" or price controlled oil. Under the entitlements program Triangle must pay competing refiners for the right to refine some of this "old" oil. In theory, the crude oil costs of Triangle and its competitors should be more or less equal after the purchase and sale of entitlements. In fact, the program over-penalizies Triangle. Distributors purchasing from Triangle at the Atlanta terminals are now put at at least a 2-cent price disadvantage. This may seem a small amount of money. However, it is enough to put the independent wholesaler out of business should it persist over a long period of time.

Prior to the government's involvement in the pricing and distribution of oil, prices at terminals varied only slightly, if at all, from one supplier to another. Competition prevented substantial disparities in the price of gasoline and other refined products. FEA's attempt to simulate the free market by equalizing crude oil prices has failed. FEA's entitlements program has, instead, transferred the benefits of possession of "old" oil from some companies to others; disparities in costs created by possession of "old" oil continue. The marketplace for oil is simply too complex for FEA's administrators to try to approximate by means of federal regulations.

The attached table also illustrates still another problem created by federal price controls. In the absence of controls, suppliers would normally sell to non-branded jobbers at a few cents less than they sell to branded jobbers. This is a major reason why the independent marketers have in the past been able to flourish. However, because of disparities created by the two-tier price system and not corrected by the entitlements program major oil companies marketing primarily through branded jobbers are now selling at lower prices in the Atlanta area than companies selling primarily to non-branded jobbers. This turnabout makes no sense given the use of credit cards, the existence of major oil company advertising, and other services normally enjoyed by branded jobbers. In effect, FEA is forcing some non-branded independent marketers who have historically been the price cutters of the industry to sell at the highest prices. Whitaker Oil is only one of many of this endangered species.

The implications are ominous. The Administration and some members of Congress are now talking about phasing out the two-tier price system over a period of several years. Both the Senate and the House have passed legislation that would create a four-tier price system for crude oil, require an infinitely more complex entitlements program, and perpetuate federal controls over oil, perhaps indefinitely. Continuation of a two- or four-tier price system for 39 or 48 months, or for whatever period, despite the entitlements program, would create serious problems for those refiners, jobbers, and marketers who, for one reason or another, are unlucky enough to have come out on the short end of the entitlements stick. It will almost certainly put many independent businessmen out of business.

Some jobbers who are forced to buy from relatively high cost suppliers by the Federal Energy Administration have been reassigned by the FEA to lower cost suppliers. This expedient, however, is not available to all jobbers and only serves to transfer the problem from the jobber to the refiner level of the industry. It may also disrupt long and established and, were it not for FEA's controls, highly satisfactory supplier-jobber relationships. Whitaker Oil has been dealing with Triangle for over a decade. It has no reason to want to switch to a new supplier other than to salvage itself from an impossible situation created by the federal government.

Reassignment also opens the door to abuse. Earlier this year, another Georgia wholesaler, Dean Power Oil Company, managed to get itself reassigned from Murphy, a high cost supplier under the entitlements program, to Phillips, the lowest cost supplier in the Atlanta area. (Murphy is a middle-sized refiner that must purchase entitlements; Phillips, on the other hand, is a major oil company that is allowed to sell entitlements. Murphy is hurt and Phillips helped by a program that is supposed to protect the small oilman.)

To accommodate its newly assigned customer, Phillips had to reduce supply to its own customers in Georgia to less than 100 percent of their adjusted base period volumes. Adding insult to injury, at the same time Dean Oil sent letters to competing jobbers announcing that it had more gasoline than it needed and that it was prepared to sell off some of its surplus at a reasonable price. Among the jobbers receiving this letter were some of the Phillips jobbers whose supplies had been curtailed by order of FEA.

There is only one realistic solution to the chaos created by the Federal Energy Administration's regulations. This is an end to federal price and allocation controls. As one jobber put it: "I can fight my supplier. But, I can't fight my supplier and the government together."

POSTED TERMINAL PRICES FOR GASOLINE

Suppliers Selling Entirely or Primarily through Independent Non-Branded Jobbers:

	Per gallon
Ashland*	37.50
Coastal States*	37.13
Triangle (Kerr-McGee)	36.75
Murphy	36.25
Crown Central*	36.00
Cities Service	35.80
Tenneco*	35.50
Marathon	34.25
CONOCO	33.75
Phillips*	33.50

Suppliers Selling Entirely and Primarily through Branded Jobbers:**

	Per gallon
Texaco	35.50
Amoco	34.20
Chevron (Social)*	34.20
Shell	34.10
Gulf	34.10
Exxon	34.00

*Net buyers (beneficiaries) in August under the entitlements program.

**Approximations. Dealer tank wagon prices (prices at retail outlets) have been adjusted by subtracting average jobber margins and transportation charges incurred in delivery from terminal to station. The total cost adjustment is 4.2¢ per gallon.

WESTERNERS OBJECT TO "DUMB GOVERNMENT"

Mr. FANNIN. Mr. President, the current issue of U.S. News & World Report carries a very interesting article by Stanley N. Wellborn, an associate editor of the magazine.

This column captures some of the feeling which westerners have regarding the Federal Government and attempts by Washington to intrude on every facet of our lives.

The point is well made that people in the West fully appreciate the need for Government. What the people of the West, and especially of my State of Arizona, object to is "dumb government."

Members of Congress must be reminded continually that the United States is a vast country, and the problems of each region are different. Solutions to problems which may be applicable in the East may constitute "dumb government" in the West.

Mr. President, Arizona and much of the West is thought of today by most of us as "conservative territory, But Mr. Wellborn points out that the attitudes are what he calls "classic liberalism." As he defines "clasic liberalism," I certainly would agree with him—and we call it conservatism today.

Mr. President, this article is excellent food for thought and I ask unanimous consent that it be printed in the RECORD for the benefit of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PEOPLE OBJECT TO DUMB GOVERNMENT

One comes back to Washington with an overwhelming sense of paradox about the country. The contrasts seem to grow sharper on every trip—in work habits, life styles and aspirations, between the urban East and rural West.

The people I talked with seemed mostly conservative in their politics and manners. But in many ways their attitudes embodied a more classic liberalism in the tradition of Jefferson—a reliance upon individual liberties, and a distrust of government policies that interfere with those freedoms.

Yet it may not be necessarily *big* government about which people are apprehensive, but *dumb* government which does not perceive that different regions of the U.S. have unique problems. Too often, the bureaucracy is viewed as a meddler and a nuisance.

Of course, federal spending has been in many ways to the rural West. Flying over plains and mountains, one can see the benefits of that spending.

Construction of interstate highways means that the Plains States are less isolated. This has opened new markets for business. Federal land-management programs have preserved thousands of acres of grassland and forest.

Soil-conservation programs, flood control and irrigation projects have tempered the flood-and-drought cycles that have plagued the West for generations. Dams and reservoirs give people on the plains recreational possibilities undreamed of during the Dust Bowl days.

It's highly unlikely that Westerners would want to do away with this kind of federal "meddling."

Yet over and over, you encounter the feeling in the West that Washington is a steering wheel that's not connected to the engine.

MISUNDERSTOOD?

People in the rural West believe that bureaucrats in Washington, and most big-city residents, don't understand how the "heartland" operates. They say that federal laws are based on urban and suburban conditions, where most Americans live, and that, as a result, the rural population gets lost somewhere in between. For instance—

Proposals to jack up the price of gasoline outrage people who must drive long distances between towns to get to work on farms. Their angry reaction is similar to that of Easterners who read about big federal subsidies to farmers.

Another example of the gap:

Federal land-use proposals may protect the favorite recreation area of a suburbanite from exploitation by developers. But such suggestions give the willies to many farmers who fear that a federal bureaucracy might be able to take control of a man's land—and thus his livelihood. As still another example, the Environmental Protection Agency's air-pollution regulations may help in crowded industrial areas. But several areas in the West are in violation of the rules because the ever-present prairie dust keeps the air from complying with federal standards.

And even when government can provide a needed service, it often doesn't. One oilman, for example, requested a geological map from a government bureau and was told that no mailing tubes were available to send the map. As a result, the oilman had to send an empty mailing tube to the agency to get the map he needed. Such incidents breed open frustration and contempt in rural and small-town taxpayers.

Still, the West's open space, clean air and friendly and uncynical people refresh the spirit and make the economic and social problems that are discussed daily in Washington seem far removed.

The conservation ethic is alive and well in the West. Again and again, you see examples of people caught up in the spirit of recycling things.

One man had built several stylish and energy-efficient homes out of old beer cans. A young couple set up a business turning sheepskins into beautiful overcoats and slippers. Another fellow had built from used parts costing $48 a log-splitting machine that usually retails for $1,200.

Surrounded by such serious efforts at conservation, it is hard for Westerners to keep from lamenting the frequent instances of waste and inefficiency in government that they read about elsewhere.

One woman remarked on the financial plight of New York City and other big metropolitan areas: "We're awfully leery of growth for the sake of growth, and adding public services that can't be supported financially. If the big cities are going down the drain, why should we copy them?"

Many do a slow burn when they see "hippies"—their word for all able-bodies ne'er-do-wells—in their midst, getting food stamps to buy steaks, other expensive items. One man, on Social Security, says that what makes him mad is seeing big signs at supermarkets, "We gladly accept food stamps," and talking with farmers who don't care who buys their products with food stamps as long as those products continue to move off the shelves. People do not object to providing food for those in need, but feel cheated when they see abuses of such programs because of government mismanagement. Again, a paradox in the prevailing mood of Jeffersonian liberalism.

SEND IT BACK

Basically, however, the old spirit of independence is dominant in the rural West.

In historic Taos, N.M., a ski resort, art colony and tourist area, the town government got a $200,000 federal grant for a badly needed renovation of the town plaza. The money would mean jobs for many of the Spanish-speaking and Indian people in the area who are chronicallly jobless.

An open meeting was held to discuss how the project should be undertaken according to the federal requirements for awarding the money. The mayor warned that if the town did not come to a decision on spending the grant properly, the federal award would lapse in a matter of weeks.

So what happened? When somebody yelled, "Send it back to Washington—we can handle our own affairs!," everybody cheered and the meeting quickly broke up. The town wanted the money badly, but resented the fact that it was being told how to use it.

RECLAMATION INCREASES WATER DELIVERIES TO CITIES, TOWNS, AND INDUSTRIES IN WEST

Mr. HANSEN. Mr. President, many residents of the East regard the Bureau of Reclamation as an agency exclusively devoted to the delivery of irrigation water to farms in the West.

This important function of supplying water required for agricultural development in the arid and semiarid West, of course, was the major reason for establishing the Bureau of Reclamation in the Department of the Interior in 1902. And it still remains a major role of the water resources agency.

However, since 1960, the delivery of municipal and industrial water supplies by the Bureau of Reclamation has almost doubled—a reflection of both the expanding role of the agency and the population increases in the rapidly growing western region.

A news release issued by the Bureau today disclosed that the Bureau of Reclamation supplied 738 billion gallons of water to cities, towns, and industries in the 17 contiguous Western States during 1974, a new record. Commissioner of Reclamation Gilbert G. Stamm said that this was enough water to meet most of the daily requirements of about one out of three residents in the West, and exceeds by one-third the total combined water needs of the six New England States.

Of these 1974 municipal and industrial water deliveries, some 616 billion gallons were delivered from reclamation works to help meet the water needs of 15.8 million people living in western towns and cities or employed in industries in that area supplied with reclamation water. Another 122 billion gallons was provided for other nonagricultural uses, including irrigation of urban and suburban gardens, orchards, and lawns; water supplies for livestock and fish and wildlife, and domestic onfarm uses. Total deliveries of this water represented an increase of 17.6 billion gallons over 1973.

Mr. President, in view of the importance of this multiple-purpose water supply to the arid and semiarid West, I request unanimous consent that the Bureau of Reclamation release be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

RECLAMATION MADE RECORD WATER DELIVERIES TO WESTERN CITIES, TOWNS, INDUSTRIES IN 1974

Federal Reclamation projects supplied a record 738 billion gallons of water to cities, homes, and industries in the 17 Western States during 1974, Commissioner of Reclamation Gilbert G. Stamm said today.

Stamm said this was enough water to meet most of the daily requirements of about one out of every three persons in the West, and is one-third more than the total combined water needs of the six New England States.

Many view Reclamation as a program which primarily benefits agriculture, and while irrigation remains the largest water user, there are millions of people in the West who depend on Reclamation water to meet daily human needs," he said.

About 616 billion gallons of water were delivered from Reclamation facilities to Western cities, towns, and industries last year to help meet the water needs of 15.8 million people. In addition, water deliveries for other nonagricultural uses such as irrigation of urban and suburban lands, water for livestock, fish and wildlife, and domestic on-farm uses totaled 122 billion gallons.

Total deliveries of nonagricultural water for 1974 represented an increase of 17.6 billion gallons over the previous year. Stamm said one-half of all Reclamation projects or units of projects in operation during 1974 provided municipal, industrial, and other nonagricultural water service.

The Boulder Canyon Project on the Colorado River including Hoover Dam and Lake Mead, which supplies water to Los Angeles, San Diego, Las Vegas, and over 100 other smaller municipalities, led all projects in terms of population served (10.8 million) and total municipal and industrial water delivered (382 billion gallons).

This was followed by the Salt River Project serving Phoenix, Ariz., the Provo River Project serving Salt Lake City and other Wasatch Front communities in Utah, and the Central Valley Project, which furnishes water to Sacramento, Fresno, and other northern California cities.

The 1974 increase in domestic and industrial water deliveries was a continuation of the steady increase that has taken place since 1960. During this period, the annual delivery of water for nonagricultural uses has almost doubled.

CANAL ZONE MUST NOT BE GIVEN AWAY

Mr. THURMOND. Mr. President, the recent attack on the American Embassy in Panama is a deplorable action designed to apply pressure on our Government in connection with current treaty negotiations.

The best information to me indicates this demonstration was not spontaneous but well planned and carried out with the encouragement of the Torrijos government. While I am totally opposed to the stated U.S. position in the negotiations by Ambassador Ellsworth Bunker with Panama, it is my view that some changes could be made to improve relations between the United States and the Republic of Panama. An interesting article on this general subject appeared in the September 17, 1975, issue of the Augusta Chronicle newspaper, Augusta, Ga., under the byline of John Chamberlain.

Mr. President, I ask unanimous consent that this article entitled "Canal Zone Must Not Be Given Away" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Augusta Chronicle, Sept. 17, 1975]

CANAL ZONE MUST NOT BE GIVEN AWAY

(By John Chamberlain)

Panamanian Foreign Minister Juan Tuck and U.S. Ambassador-at-large Ellsworth Bunker have been sitting by the sea at a tropical island hideaway, trying to hammer out a new Panama Canal Treaty to replace the one that has been in existence since 1903, when we bought, supposedly for the ages, the 10-mile-wide strip known as the Canal Zone.

Bunker, an 81-year-old veteran of negotiation between Indonesia and the Netherlands over West New Guinea, is a suave man. He could be trusted with the fate of West New Guinea, for its strategic import to the U.S. was practically nil.

The Canal Zone is something different: It we were to turn it over to an unstable Panamanian government, it might end up as the personal possession of a group of anti-U.S. and pro-Soviet colonels.

Let us assume for purposes of argument that the current Panamanian dictator, Gen. Omar Torrijos, is an entirely trustworthy believer in the Monroe Doctrine that frowns on Old World interference in Latin American affairs. I met Torrijos some years ago and was impressed with his objections to Cuba's Fidel Castro, who had been violating international law by encouraging guerrilla infiltration of Panama territory. Torrijos, at the time, was anti-Marxist. He seemed entirely sincere in his protestations against Soviet manipulation of the Cuban revolution.

The point, however, is that Torrijos, like other Latin American strong men, is vulnerable to events. He may last a lifetime, or he may last for another 10 minutes. So it is worrisome when Ambassador-at-large Bunker indicates that he is primarily engaged in making a common front with Torrijos in writing a new treaty that will, by some semantic magic, get by the 37 Senators who have indicated to Sen. Strom Thurmond that they don't relish surrendering territory that has been for more than 70 years an integral part of the U.S.

Speaking of the Panamanian negotiators, Bunker has said in a recent Parade magazine interview that "they understand how things work in Washington." The statement, in the context of the interview, had subtle overtones: It indicates that Bunker is really trying to negotiate with the voters of the U.S. to agree with him that the Canal Zone, even though it came into existence through a legitimate deal, differs from the Louisiana, the Alaskan and the Gadsden purchases that added so many square miles to the sovereign U.S.

Bunker, who is loyal to the Kissinger view of things, thinks we must surrender control of the Canal Zone or "face a confrontation with the Panamanians" that would lead to "hostilities with an otherwise friendly country." No doubt the students of Panama could easily be unleashed to raise hell if the U.S. Senate can't be prevailed upon to see things eye-to-eye with Kissinger. And Bunker could be right when he says he fears that the rest of Latin America would gang up against the U.S. if the treaty that he is negotiating fails to become law. But how sincere would the gang-up be?

The west coast nations of Latin America have benefitted for years from the low tolls charged by the U.S. for canal transit. So does anyone know how the Chileans, the Peruvians and the Ecuadoreans really feel about handing control of the Canal Zone over to a government that might use its new-found possession of a bottleneck to enrich itself? Torrijos might promise one thing, but how is he to bind his successors? The Chileans the Peruvians and the Ecuadoreans with copper, oil and bananas to sell in Atlantic ports, might want to have guarantees of a sort that a new Canal Zone Treaty cannot in the nature of things nail down.

On the Atlantic side of the Canal the Latin nations would not be risking much in a new treaty. But how deeply do they care whether Panama owns the Canal Zone or not? The Venezuelans are going to charge the U.S. just as much for their oil whether they approve a new Canal Treaty or not. Brazil and the Argentine have their own affairs to worry about: They aren't going to send guerrillas to Panama to fight the U.S.

So let's be sure that we aren't being victimized by cliches when the new Panama treaty comes up for ratification. Let's find out how the Latins really think before we give in to Henry Kissinger's sense of doom.

TIME FOR ACTION ON GUN CONTROL

Mr. PERCY. Mr. President, the recent shocking attempts on the life of President Ford have produced a great deal of speculation and discussion on the problem of assuring adequate security for high public officials in their contacts with the public.

Some of these discussions have suggested that the answer might lie in the reclusivity of the Chief Executive. I am glad that the President himself has in general rejected this suggestion, though he will, I believe, reduce the intensity of his schedule, and that he has reaffirmed his belief in the importance of public officials remaining just that.

Others have suggested increased surveillance of potentially dangerous persons, even locking them up in expectation of a President's visit. Again, this approach misses the point. I think we would have all been shocked and offended had the Secret Service acted to detain all of the thousands of persons in the San Francisco area who were on its various lists of potential troublemakers.

The one consistent thread recurring again and again throughout these sorrowful incidents and others like them is the presence of the weapon, invariably the handgun. With it, the assassin can strike at will. Without it, the assassin is rendered almost helpless.

The experience of the past 18 days throws into dark and ominous focus the need for effective, affirmative action on the part of the Congress to deal with the problem of the handgun. Not only does the handgun kill Presidents, it kills men, women, and children of every walk of life. It has killed 800,000 of us since the turn of the century, and each year the number continues to grow. There are more than 40 million of these potential killers at large in the country today. Many of them are in Washington, D.C. Some have been used against Members of Congress and their staffs.

The American people have become rightly cynical of their Federal Government ignoring this problem. Over the past decade they have heard politician after politician lecture them about "law and order," "safe streets," and all the rest. Yet, what do they see being done; toothless laws on the books, and then before their eyes, a gun pointed at the President of the United States. No doubt they wonder how long it will be before they themselves are placed in the fearful position at the end of a barrel.

Senator Javits and I have introduced two related bills to try to deal with the handgun problem. It would be illusory to suggest that it will not be a long and difficult struggle to get any such gun control legislation through the Congress. Yet, as legislators, it is our self-imposed duty to take the initiative.

This legislation would tighten the restrictions around the sale and resale of handguns, ban the sale and possession of handguns altogether in urban areas suffering relative high crime rates, ban the sale and possession of "Saturday night specials," and centralize all Federal Government gun-related functions in the Department of Justice. To assure the most thoughtful and expert consideration of these measures, the legislation has been divided into a substantive bill and a Government reorganization bill, referred respectively to the Committees on Judiciary and Government Operations.

There is no more room for rhetoric on crime and guns. We have reached a crisis stage. I trust my colleagues in the Congress will now turn to positive, effective action in this most frightening area of handgun control.

THANKS TO JAMES HUDEC

Mr. NUNN. Mr. President, when the National Productivity and Quality of Working Life Act of 1975, S. 2195, passed the Senate on September 4, I inadvertently failed to mention the outstanding contributions of a former member of my staff, James Hudec.

Mr. Hudec worked in my office as an American Political Science Association congressional fellow. Among his many duties was assisting me in formulating my original productivity bill, S. 2163, which I introduced in the 93d Congress. He also rendered invaluable service to the Committee on Government Operations in connection with hearings on my bill, and a similar measure introduced by Senator Percy, which were held in December 1974.

Mr. Hudec has the rare combination of an extremely high intellectual ability coupled with practical know-how. He was able, in a short period of time, to become totally involved in my staff work.

In addition to his work on the productivity bill, he served as my legislative assistant in military and foreign policy affairs and provided staff support and expertise that was of the highest quality.

Mr. Hudec has now returned to his former job at the National Security Agency and our Government is fortunate to have individuals of his caliber serving our country. I feel extremely fortunate to have had the use of his talents during his fellowship and consider him among the very best.

THE WAYWARD WELFARE STATE

Mr. HARRY F. BYRD, JR. Mr. President, I rise to bring to the attention of the Senate, a recent editorial in the Chicago Tribune entitled, "The Wayward Welfare State."

The editorial cites a recent study by Dr. Roger Freeman of the Hoover Institution at Stanford, which illustrates the threat of big government to our society. Dr. Freeman shows that in the 20-year period, 1952–72, nondefense and non-post office Federal employment rose 139 percent, while population rose 33 percent.

In addition, government is cited as the biggest threat to a pleasant existence by 55 percent of the populace.

Indeed, this year's massive budget indicates Americans are getting more government than they are willing to pay for.

Mr. President, I ask unanimous consent that the editorial from the September 21 Chicago Tribune be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Wayward Welfare State

"The relief rolls continue to soar. Welfare programs are so unwieldly that they are being ripped-off to the extent of billions of dollars a year by unscrupulous hospitals, doctors, druggists, nursing homes, lawyers, mortgage companies, developers, builders, unions, food stores, and others. The taxpayer is helpless in the hands of a vast and often incompetent bureaucracy. Unions of government workers grow in size, in power, and in appetite.

"All of this brings us to the title of this editorial, which is the title given by Roger A. Freeman to the introductory chapter of his cogent report on 'The Growth of American Government: The Morphology of the Welfare State,' published recently by the Hoover Institution at Stanford University, where he is a senior fellow.

"The report is a study of the growth and direction of government spending during the 20 years from 1952 to 1972. It notes that defense, which is usually regarded as the villain in government spending, accounted for only 21 per cent of government spending at all levels in 1972, compared with 50 per cent in 1950. Outlays for defense dropped from 14 per cent of gross national product in 1952 to 7 per cent in 1972, while domestic spending, mostly for welfare, rose from 12 to 26 percent.

"Mr. Freeman questions how effectively the welfare state has spent its new wealth, and concludes that the spending has not only been largely futile, but often counterproductive.

"The figures are appalling enough in themselves. In the 20-year period the population of the country rose by 33 per cent, yet federal employment [excluding the postoffice and defense-related jobs] rose by 56 per cent and state and local government employment by 139 per cent.

"They are even more dismaying when compared with the results. During these 20 years public spending on education multiplied eight-fold, from $8.4 billion a year to $67.5 billion; yet as Mr. Freeman says, 'the status and products of our educational system do not reflect' that increase. Reading scores continue to lag. College freshmen are increasingly unprepared for college level work. 'Schools and colleges no longer rank as high in the respect and affection of the American people,' Mr. Freeman says, 'as they did thruout most of our history.'

"Spending under various income maintenance programs has risen to such an extent that the proportion of the population with incomes of less than $3,000 [in 1972 dollars] declined from 18.3 to 7.2 per cent. Yet the welfare rolls continue to grow.

"Poverty and 'social conditions' are widely blamed for crime; yet as poverty has gone down, the crime rate has soared. Expenditures for police rose 570 per cent while national income rose 224 per cent; yet Mr. Freeman says that 'without doubt the United States has become the most crime-ridden country in the world.'

"The more government undertakes to "improve' our conditions, the more we fear it. Mr. Freeman points out that the Gallup poll has showed a sharp drop in the number of people who fear labor or business, while the proportion viewing government as the biggest threat to a pleasant existence has risen from 20 to 55 per cent.

"According to Mr. Freeman, 'the steady weakening of the nation's global and military power, and of its domestic tranquility, cohesion, and progress must to a large extent be attributed to the growth of the welfare state. If it continues at the rate of these years, the future of the American commonwealth may indeed be in jeopardy.'

"If the recent rate continues, more than a third of the labor force will be working for government in the year 2000, and more than 70 per cent of the gross national product will be accounted for by government spending. Clearly this would be incompatible with a free enterprise society. It follows—just as clearly—that the trend must be reversed and soon, or our free society's days are numbered."

REPORT OF THE SENATE BUDGET COMMITTEE TASK FORCE ON ENERGY

Mr. MOSS. Mr. President, as chairman of the Senate Budget Committee's Task Force on Energy, I released on September 25 the task force report—which has been filed with the committee. The report which analyzes comprehensive policy alternatives to the Nation's energy challenge calls for an energy "package" which includes the following: phased decontrol of "old" oil, establishment of ceiling prices on both "new" oil and natural gas, and elimination of the $2 tariff on oil imports.

This report provides us with the ability to strike a reasonable balance between the goals of energy independence and a stable economic recovery.

The report indicates the need for macroeconomic and energy policies to be integrated. It rejects the status quo on energy policy that existed prior to September 1, 1975, as well as the extremes of stringent import quotas with rationing and of immediate decontrol with tariffs and excise taxes. The report recommends phased decontrol, a price ceiling on new oil—with exclusions—a price ceiling on new natural gas—with exclusions—and elimination of the tariff on oil.

In developing the report the task force considered options with various features and analyzed three policy alternatives.

Alternative A would decontrol natural gas prices immediately, decontrol oil over 39 months and set new oil prices at $11.50 per barrel increasing by a nickel per month.

Alternative B would decontrol oil over 66 months and roll back new oil prices to $9 per barrel—rising by a nickel per month—control new natural gas prices at $1.30 per MCF and keep controls on old natural gas.

Alternative C would roll oil prices back to $7.50 per barrel and set new natural gas prices at $1 per MCF.

I believe that the alternatives analyzed by the task force represent a range of options from which a national energy policy choice can be made.

The energy policy options are as follows:

	Immediate decontrol	39-month $11.50 oil $1.80 gas	66-month $9.00 oil $1.30 gas	66-month $7.50 oil $1.00 gas
1. Change in:				
(a) Oil prices (percent):				
75:3 to 76:4	26.5	4.7	−2.9	−6.9
76:4 to 77:4	7.6	14.1	9.9	9.7
77:4 to 80:4	20.7	37.6	29.5	39.1
75:3 to 80:4	64.3	64.3	38.2	42.0
(b) Energy prices (percent):				
75:3 to 76:4	36.6	14.6	2.1	−2.9
76:4 to 77:4	20.1	24.3	16.5	14.0
(c) Inflation rate (percent):				
75:3 to 76:4	2.9	1.2	.3	−.1
76:4 to 77:4	1.8	1.9	1.1	.9
(d) Unemployment rate (percent):				
75:3 to 76:4	.9	.4	.1	0
76:4 to 77:4	.5	.6	.3	.3
2. Import levels (MMBD):				
75:3	6.2	6.2	6.2	6.2
76:4	6.6	7.0	7.2	7.3
77:4	7.3	7.7	7.9	8.6
80:4	5.2	5.2	7.0	9.4
3. Rate of return on oil exploration and development (percent)	25.0 22.4	22.0 19.4	14.0 12.3	8.0 6.8

Note: Copies of the report are available after Sept. 25th in room 3230, Dirksen Senate Office Building.

FEDERAL PAY RAISE

Mr. MOSS. Mr. President, there has been a great deal of flak in the press in the last several weeks about the Federal pay raise. I was in Utah for a long standing engagement at a Federal installation when the vote was taken in which the Senate determined 39 to 53 that a 5-percent increase was all we could afford. On the vote I had a live pair with Senator METCALF. Had I been here to vote, I would have voted against the 8.66 percent. Senator METCALF would have voted for the 8.66 percent. I had publicly announced in Utah 2 weeks before that vote that I could not support more than a 5-percent increase and stated that 8.66 percent was inflationary. As a member of the Senate Budget Committee, I believe it is necessary to lead the way in fiscal responsibility in the Congress.

I was delighted to see the Washington Post editorial of September 25 which is a responsible approach by the press to the whole question of the Federal pay raise. The editorial emphasizes the need for restraint. I ask unanimous consent that the editorial be printed in full in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REDUCING THE FEDERAL PAY RAISE

The Senate decided to hold down the federal pay raise not out of concern about the budget and economy, but because senators were nervous about voting themselves a larger raise. That is the prevailing explanation of the Senate's 53–39 vote to limit next month's military and white-collar civilian pay raise to 5 per cent, as President Ford had proposed, rather than the 8.66 per cent figure that official review panels had endorsed. And this rather cynical interpretation may not be far off the mark. After all, there was rather less congressional support for a 5 per cent "cap" on federal pay increases until Congress whisked through a law in July tying their own pay and that of judges and top-level executives to the annual overall review.

Reps. Herbert E. Harris (D-Va.) and Gladys Noon Spellman (D-Md.) have reacted to the Senate action by urging the House to take two steps. First, they want their colleagues to abandon the tactic adopted in July and divorce congressional pay from the general review. Second, they urge House rejection of the 5 per cent limit on executive-branch increases. Under the pay-review system in effect, if the House should vote down the President's alternative, the full 8.66 per cent raise would be granted next month.

The first part of this plan is absolutely right. Congressional pay is such a prickly issue for the Congress that it ought to be dealt with separately and straight-forwardly. Tying the lawmakers' salaries to those of high-level federal executives and judges, the system that prevailed from 1969 until this summer, caused serious problems and inequities at the top of the executive and judicial services. Linking Congress with everyone else only compounds those problems—and vastly complicates serious debate about what executive pay raise is now justified.

Once one gets past the roadblock of congressional increases, however, there are other and much better reasons for limiting this year's federal pay increase to 5 per cent. One is the problem of federal deficits, a matter which Congress is finally taking very seriously. During the Senate debate last week, Senate Budget Committee Chairman Edmund S. Muskie (D-Maine) emphasized that an increase of 8.66 per cent instead of 5 per cent would add $1.6 billion to spending totals that are already likely to exceed not only President Ford's budget but also the targets set by Congress last spring. The need for budgetary self-discipline may not have been the primary influence on the Senate vote, but considerable concern on this point was quite evident—and very welcome.

The need to contain inflation also dictates some restraint. All the rhetoric about setting a good example is more than usually on the point, because federal pay increases have a large bearing on inflation in two ways: through their effects on federal spending, and through their influence on public and private salary levels nationwide. The principle of comparability, which federal workers fought so hard to achieve, now permeates wage and salary arrangements everywhere. For all its merits, comparability has one large, inherent defect: It can function as an engine of inflation, and a powerfully effective one. If everybody's pay is constantly being adjusted upwards to keep pace with someone else who has just gotten a cost-of-living increase, the spiral can go out of sight. This may be manageable if the economy and public revenues are growing fast enough. Otherwise—and now is certainly a time of otherwise—it is a route to nationwide New York.

The only remedy is restraint, and that can never be totally fair or painless. For instance, many federal employees, especially in the lower grades, have already had to trim back their style of living quite a lot, and will feel the economic strains even if they do get a raise of 8.66 per cent. But on the other hand, no amount of increase will mean very much if inflation takes off once again. The only way to hold it down is for the federal government to exercise some real, hard leadership—and that means federal self-restraint, not just appeals for sacrifice by everybody else. A 5 per cent increase may be less than federal employees deserve, but as Sen. Muskie said last week, "It is all that the country can afford."

WORLD FOOD AND AGRICULTURE INFORMATION SYSTEM

Mr. HUMPHREY. Mr. President, yesterday, it was my privilege to chair the first hearings that Congress Office of Technology Assessment has held on a specific assessment area.

In early 1974 I requested, with the endorsement of the chairman of the Senate Agriculture and Forestry Committee, Senator Herman Talmadge, that OTA make an assessment of agriculture and information systems and their adequacy for policy planning. The numerous events that occurred in 1972 and 1973 to trigger the necessity for this assessment have been well chronicled. Although these events may be dated, their consequences and effects are still being felt today. Thus, it is essential to explore the amount of progress made since 1972 to improve the information available for food policy planning.

In view of recent and prospective Soviet grain purchases in the U.S. markets and the great uncertainties that have been created for U.S. producers and consumers, an evaluation of the importance of accuracy and timeliness of information on United States and world agriculture must be underscored.

There has been increased attention given to the importance of agricultural information in recent years. In 1972 Senator Bellmon and I visited the Soviet Union, and our report, "Observations on Soviet and Polish Agriculture," offered a number of recommendations, such as increasing the number of agricultural attachés assigned to the Soviet Union.

The World Food Conference of November 1974 was intimately concerned with this issue. I urged the U.S. delegation to support the establishment of a World Food and Agricultural Information Center.

These OTA hearings come at a most opportune time. The recent Russian grain purchases, their impact on food prices, and their disruption of our agriculture marketing processes have again underscored how fragile our information systems are to deal with unexpected events. Many have asked:

Why did the U.S. food and agriculture information systems fail during the 1972–73 period? What are the defects in our system?

In view of this and subsequent developments, do existing food and agricultural information systems meet today's needs? What improvements should be made to correct the deficiencies in the system?

Congress is intrinsically dependent upon outside sources for information upon which it bases food and agriculture decisions. Thus, it is necessary to review and analyze these sources, especially the U.S. Department of Agriculture.

The importance of these hearings and the focus of information grow out of the recent exhaustion of world food reserves. So long as apparently limitless reserves were available, there seemed little need to gather exact information on the world food situation. Emergencies could always be met.

That is no longer the case. Only through adequate planning and careful coordination of national food policies in the light of systematic and timely information on the current food situation can the world overcome the present crisis.

We must diminish the realm of the unpredictable. We must take some of the guesswork out of agricultural policymaking. Only in this way can we provide a sound basis for world food security policy.

Systematic information on world food is particularly important for the United States, the world's major food exporter, because of its open, free market system.

Two of the witnesses yesterday provided deep insights into the existing systems and their defects and suggested several options for improving the systems. Mr. President, I would like to submit copies of their prepared statements.

Mr. Howard Hjort stressed objectively as a prime requirement of an agricultural information system. He pointed out that agencies of the U.S. Department of Agriculture which have missions to expand exports and to administer domestic adjustment programs are responsible for substantial parts of the U.S. and world information system. Both quality and objectivity may be compromised. Integrated analysis also is frustrated by divided responsibilities and agency jurisdictions.

Shortrun improvements could be achieved if the current economic intelligence aspects of commodity analysis, now divided among three USDA agencies, were integrated into a Current Economic Intelligence Unit responsible to an Administrator without other action program missions.

Dr. Dale Hathaway indicated that it is unrealistic to talk of an adequate world food information system that does not have timely and reasonably accurate information on agricultural conditions in the world's second and third largest grain producing countries—the U.S.S.R. and the People's Republic of China.

The new FAO food information system is an expansion and improvement of a system that has a long history of dealing with world food problems. It has four basic types of output: First, the food situation and outlook series; second, an early warning of food shortages; third, information on food stocks and food aid; and fourth, fertilizer and pesticide information.

This new series will solve the timeliness problem to a large extent. Until the U.S.S.R. and the PRC cooperate in supplying information, no system can be adequate in terms of coverage.

An accuracy problem continues because some countries simply do not want to admit that their agricultural economies are performing badly, and some countries lack an adequate support system.

The FAO information system, by action of member governments, is limited to the member countries for their exclusive use. It is not available to the general public and the media.

The United States should continue to cooperate with FAO and use its influence to persuade other governments to cooperate in the FAO information system.

Our Nation should take the lead in insuring that FAO information activities are adequately financed.

Mr. President, I would like to add one final thought.

Information is a precious commodity. To be useful, it must be objective, timely, and reliable. Such information will not automatically insure better decisions, but it will expose those decisionmakers who fail to use these resources.

Mr. President, I ask unanimous consent that the statements of Mr. Hjort and Dr. Hathaway be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

World Agricultural Information System: A Critical Evaluation

(A report submitted to the Office of Technology Assessment, by Howard W. Hjort)

SUMMARY AND CONCLUSIONS

1. World supply-demand estimates are the summation of country supply-demand estimates. Therefore, the performance of the world agricultural information system depends upon the availability and reliability of national estimates. Unfortunately, current supply-demand estimates obtained from national agricultural information systems vary from timely and reliable to nonexistent. Only the former can be used in the world system. FAO has been working with member governments for years to help them establish agricultural information systems and improve the reliability of agricultural statistics. These efforts must continue to be supported, but under the best of circumstances it will take years to bring all national systems to an acceptable standard. While this long-range program moves forward to generate analytic models of proven validity, the only alternative is to use timely and reliable estimates.

2. Neither USDA nor FAO possess the analytic capability to generate sufficiently timely and reliable supply-demand estimates for all commodities and countries where national systems are unreliable. In consequence, all too frequently estimates based on past trends, sometimes adjusted by judgment, are used instead of more reliable estimates from formal analytic models that take into account the full range of factors influencing the supply of and demand for agricultural products. A deeper analytic capability must be developed to improve the reliability of current world supply-demand estimates and assessments of the world situation and outlook for food and agriculture.

3. Reports received from USDA's attache network are the primary source of foreign agricultural information for the world agricultural information system. Attaches prepare many reports and provide much information, but few are specialists in the collection or analysis of agricultural data, and these tasks are usually not perceived to be their primary mission. Frequent reposting of attaches adversely affects the quality of the information they provide. These weaknesses can be overcome by employing special-

ists in the collection and analysis of agricultural information who would be posted for extended periods, but this is a long-range and partial solution. The near-term solution is to require attaches to provide more precise data and information on the use of land, agricultural inputs, human and animal populations, income, prices, and other supply and demand factors so that analysts covering the world situation and outlook are in a better position to assess these factors, develop more reliable supply-demand estimates, and report more fully and frequently on the world food and agriculture situation and outlook. Since inadequate analysis of available data already is a more serious constraint than inadequate data, the overall improvement of the world systems depends mainly upon how many and how effectively analysts are employed.

4. In the final analysis, objectivity is the essential attribute of an agricultural information system. The objectivity of USDA's world and national agricultural information systems is threatened, and efficiency and effectiveness held far below potential by the organizational structure used to operate the systems and the manner in which the responsibilities for them are assigned. The responsibility for the world agricultural information system is shared by two officials in the Office of the Secretary and the system is operated by two completely separate agencies, one with a mission and action program responsibilities that make it unnecessarily difficult to maintain objectivity. The responsibility for reporting on the U.S. agricultural situation and outlook rests with the Economic Research Service and the Outlook and Situation Board, but the chairmanships of the U.S. supply-demand estimates committees have been given to an agency that has responsibility for administering farm programs. To protect objectivity and improve efficiency and effectiveness, the responsibility for USDA's world and national agricultural information systems should be clearly assigned. The Director, Agricultural Economics, who already has the responsibility for the U.S. system and shares the responsibility for the world system, should be assigned the responsibility for both systems, and the agencies that report to the Director should have the sole mission of providing economic intelligence on U.S. and world agriculture. Chairmanship of interagency commodity estimates committees should be provided by the agency that has the responsibility for the estimates and assessments of the situation and outlook. Reorganization is a necessary condition to improving the efficiency and effectiveness of the agricultural information systems operated by USDA. The reorganization alternative that promises the highest efficiency and cost effectiveness is one that combines world and national commodity analysts in a manner that eliminates unnecessary duplication.

INTRODUCTION

On August 21 I was asked by the Office of Technology Assessment (OTA) to prepare a report containing "a critical evaluation of the world agricultural information system . . ." The objective of the report is to assist in the formulation of specific subject areas to probe, and questions to be explored during the forthcoming OTA hearings on food information systems. The report concentrates on specific gaps or weaknesses in the system that can be corrected within the short run at minimum cost, especially those where corrective measures can be taken unilaterally by the United States. Other improvements that should be made but that will take longer to implement and that require cooperation from others are identified and an implementation approach outlined.

AGRICULTURAL INFORMATION SYSTEMS

A world agricultural information system must have the capacity to develop world supply-demand estimates for all agricultural commodities and be able to accurately assess and interpret their implications. Agricultural statistics and analysis are the ingredients of the system; forecasts of the outlook are the outputs.

Agricultural statistics are the raw material—the basic input—for an agricultural information system. Agricultural statistics, collected either by taking a census or sampling a population, tell us what is happening or what has happened. An agricultural census, taken once every several years, provides the benchmark for the world agricultural information system. Estimates for the current and intervening years are developed either by sample surveys or through analytic methods that use statistics and interrelationships from the past to generate current estimates. World supply-demand estimates are now being developed from a combination of sample survey data and analysis. The basic data requirements for an agricultural information system are identified and alternative procedures for developing them outlined in Appendix I.

While agricultural statistics and supply-demand estimates are essential to an agricultural information system they, alone, are of limited value. These statistics must be carefully analyzed by specialists who can interpret their significance. Finally, the results of their assessments must be made available to those who need to be informed about the world food and agricultural situation and outlook, and used by the policy officials. The ability to analyze and interpret agricultural statistics depends upon the number of analysts, their training and experience, and the analytic techniques they employ. Since agricultural production is influenced greatly by weather patterns and is, therefore, inherently unstable, the analysts and managers of the world agricultural information system must have the time and ability to continually reassess the situation and outlook for world agriculture.

In order to operate a world agricultural information system, it is necessary to maintain historic data, have the capacity to develop and publish reliable supply-demand estimates, possess the ability to trace the implications of the current situation, and to make those implications known to the world. While there are a number of private and public organizations that operate partial world agricultural information systems, only two operate full-fledged systems—the United States Department of Agriculture (USDA) and the Food and Agriculture Organization of the United Nations (FAO).

USDA and FAO collect, maintain, and publish world agricultural statistics; develop and maintain world, regional, and country supply-demand estimates for agricultural commodities; continually analyze the supply-demand balances and the factors or events influencing supply and demand; and release reports containing the results of their assessments of the current situation, near-term and longer range outlook for food and agriculture. Both USDA and FAO depend heavily upon national agricultural information systems of varying sophistication and reliability, but both have the analytic capability to develop current supply-demand estimates in those situations where the national agricultural information systems fail to generate timely or reliable estimates. USDA and FAO draw upon sources outside their own system for agricultural information and intelligence.

EVALUATION CRITERIA

The factors that must be taken into account in developing judgments about the relative strengths and weaknesses of a world agricultural information system are objectivity, reliability, timeliness, adequacy in terms of coverage, efficiency, and effectiveness. The ideal is a system that provides users timely, unbiased interpretations of the current situation and outlook based upon estimates of known reliability for all commodities and countries through the use of the most cost effective procedures known to mankind.

Objectivity

Objectivity is the essential attribute of an agricultural information system, and the most difficult to ensure or measure. To be useful, the products of the system must be as free of bias as the state of the art will permit. Users must be convinced that the results are not tempered to prevent an outcome that is more or less favorable than is the real situation. In theory, the objectiveness of a system can be measured by comparing supply-demand estimates with the final outcome after adjusting the latter for changes in the estimates due to events that took place after the estimates had been prepared. In practice, it is extremely difficult to make such measurements. There are guidelines, however, that can be followed to help ensure objectivity. Objectivity is more likely to be obtained when the organization with responsibility for the information system has the operation of the system as it sole mission. Suspicions about objectivity automatically arise whenever an organization that has multiple missions or action program responsibilities also has the responsibility for operating the agricultural information system. The temptation to modify estimates is ever present, and some estimates are always biased for political purposes. In this circumstance, the organization operating a world agricultural information system must reject the biased estimate in order to maintain the integrity of the system. In order to protect the system, the responsibility for it should be assigned to an organization that has no other responsibilities and that is directed, administered, and operated by persons of high integrity.

Reliability

The reliability of an agricultural information system refers to the confidence that one can have in the supply-demand estimates developed within the system. It is easy to confuse the terms objectivity and reliability. In simple language, objectivity means to tell it like it is, while reliability means to find out what the situation is and what it is likely to be.

The reliability of the estimates is indicated by the methods used to develop them. Those of known statistical reliability developed from a representative sample of a population and those from analytic models of proven validity are superior to estimates developed from non-representative samples or from samples drawn from unknown populations, or through the use of untested or weak analytic techniques. Some national agricultural information systems develop and release current supply-demand estimates that can be relied upon by those operating world-wide systems; others generate current estimates of unknown statistical reliability that must be subjected to consistency checks before being used in the world system. Some countries never develop or release current estimates, so those operating the world system must use analytic techniques to develop the necessary estimates. Finally, some national systems are essentially without capability to generate agricultural statistics, which means those operating the world system must rely entirely upon analysis of factors influencing supply and demand for current estimates. The reliability of a system can be indicated by comparing estimates with final results.

Timeliness

Timeliness refers to the time that lapses between receipt and release of agricultural information. A system that can assess and report the implications of a changing situation days after the change becomes known is more useful than one that takes weeks or months. A system that releases unanalyzed information immediately upon receipt is more effective than one that delays release. A system that generates an estimate of, say, crop production ten days after data were collected from farmers is more timely and effective than one that takes thirty days to prepare the estimate for release. The timeliness of the national agricultural information systems is extremely variable. USDA's national system is without parallel in this regard in that estimates are released after a lapse of as few as ten days. There are others that do not even bother to collect agricultural statistics until after the season has ended. In order to provide timely information, therefore, those operating world agricultural information systems must be prepared to develop and release their own estimates.

Adequacy

The adequacy of a system refers to the scope and uniformity of coverage. A system that provides detailed coverage of the crops, but superficially covers livestock is less adequate than a system that provides uniform coverage of both crops and livestock. Similarly, a system that provides detailed coverage of agricultural production, but fails to adequately cover consumption is inadequate. Further, a system that covers some countries, but fails to cover others, is inadequate.

Efficiency and effectiveness

Efficiency and effectiveness can be judged by determining if obsolete data are being collected, reviewing the methods used to collect and analyze data, the number and qualifications of analysts employed in operating the system, the number of organizational units involved in collecting and analyzing agricultural data, and the organizational structure used to operate the system. Collecting obsolete data is, at best, a waste of money and can lead to inappropriate and misleading conclusions.

Reliable estimates can be generated by sampling a relatively small proportion of a population, a procedure much more cost effective than drawing larger than necessary samples. Sophisticated analytic models and computers can systematically handle more variables, but they cost more than less sophisticated techniques. The task is to use the analytic technique that generates reliable results at minimum cost. Too few analysts keeps the system's efficiency low, as does too many. A system operated by well trained, experienced analysts and statisticians will be more cost effective than one operated by poorly trained or inexperienced employees. Efficient use of manpower and cost effectiveness of the system are influenced by the organizational structure. When the responsibility for the system rests with a single organizational unit, efficiency and cost effectiveness are highest, all else being equal.

GENERAL COMPARISON OF USDA'S AND FAO'S SYSTEMS

USDA's world agricultural information system is backed by a larger field staff and has been providing information more timely than FAO's. The statistical reliability of supply estimates appears to be about the same, in part because they both rely heavily upon national systems, but USDA releases estimates and assessments more frequently. FAO allocates more resources to improving national data collection and processing capabilities than USDA. FAO provides comprehensive coverage of agriculture, including forestry and fisheries, and is the major source of comprehensive historical agricultural statistics. FAO seems to probe more deeply into factors influencing the situation and outlook for world food and agriculture, but takes more time to do so and tends to limit coverage to specific issues. Both USDA and FAO are relatively weak in assessing current consumption requirements. Serious efforts are being made both by USDA and FAO to improve their systems. Both have given increased attention to the number and frequency of reports and FAO is in the process of augmenting staff to handle the broader responsibilities assigned them after the World Food Conference of last November. While they both have increased the number and frequency of reports on various aspects of world agriculture, most of the additional information from USDA's system is data for analysis instead of the results of analysis. Inadequate analysis appears to be a more effective constraint on both systems than inadequate data. FAO's mission and organizational structure suggest it is easier for them to maintain objectivity, and to make more progress in improving the reliability of agricultural statistics collected through various national systems. The major weakness in the FAO system has been the inability to provide information on a timely basis. This weakness is being overcome by the series of monthly and quarterly reports now being released. FAO's system is constrained by a serious lack of qualified analysts, especially in view of the additional tasks they were assigned last fall. The field staff is extremely limited and data from non-member countries difficult to obtain. However, they now obtain reports prepared by the U.S. agricultural attaches to augment reports from traditional sources. FAO does have a sensitive problem when it becomes necessary to adjust member government estimates that have been biased for political purposes, but they can and do substitute their own estimate for the "official" estimate when necessary. All in all, USDA's system clearly has been superior with respect to timely assessments of the current situation and near-term outlook, but unless steps are taken soon to improve USDA's system, the most reliable system will be the one operated by FAO.

USDA'S WORLD AGRICULTURAL INFORMATION SYSTEM

Responsibility for the system

USDA operates a national and a world agricultural information system; here our focus is upon the world system. The rationale for USDA's world agricultural information system has never been clearly specified. In consequence, no one person, officer, or agency has the responsibility for operating USDA's world agricultural information system. Presently, the responsibility for the system rests with two USDA agencies—the Foreign Agricultural Service (FAS) and the Economic Research Service (ERS). FAS's agricultural attache network provides foreign agricultural statistics and intelligence and the Foreign Commodity Analysis Unit maintains, analyzes and publishes world agricultural statistics and reports on the situation and outlook for major commodities. ERS's Foreign Demand and Competition Division reports their assessment of the world and regional agricultural situation and outlook. The Administrator of FAS reports to the Assistant Secretary for International Affairs and Commodity Programs, while the Administrator of ERS reports to the Director of Agricultural Economics. The Assistant Secretary and the Director both report to the Secretary of Agriculture.

The mission of FAS "is to expand foreign markets for U.S. farm commodities." In support of that mission, FAS administers commercial export, food assistance, and foreign market development programs, participates in the development of agricultural trade policy, and collects, analyzes, and disseminates information on foreign agriculture. Agricultural attaches located in most major agriculturally important countries have, along with other duties, responsibility for reporting information of importance to local and U.S. agriculture.

Collecting foreign agricultural information

Reports from the attaches are the heart of USDA's world agricultural information system. They are scheduled, coverage specified, and reporting procedures standardized by officials in Washington. The reports include assessments of the overall agricultural situation and the factors influencing production, consumption, and trade such as prices, price and non-price policies and programs, and input supply availabilities. Monthly highlight reports provide updates to previous reports. Quarterly (grains for example), semiannual (fats and oils for example), or annual (agricultural situation for example) reports are prepared on various aspects of the agricultural situation and outlook. Faster means are used to report events of major significance.

The objectivity of the estimates transmitted by the attache depends upon the objectiveness of the estimates released by the host government and the attache. When governments believe it to be in their vested interest to release biased estimates, the attaches report the "official" estimates but make their own when they have reason to believe the estimate is biased. Sometimes attache estimates are biased in the opposite direction, requiring consistency checks by analysts in Washington.

The reliability of the estimates attaches transmit is a function of the methods used to collect agricultural statistics and to assess them. The reliability of estimates from national agricultural information systems varies significantly from one country to another, as previously indicated. When the host country fails to collect or publish agricultural statistics, the attache is required to develop them.

When estimates of known reliability are available on a timely basis, the attache's task is relatively simple—all he need do is transmit them along with brief explanatory notes. Estimates of questionable reliability must be subjected to consistency criteria and modified to make them internally consistent, either by the attache or the analytic staff in Washington. When estimates are not available, the alternatives are to conduct a judgmental type survey or use analytic models that have been verified by comparing model estimates with actual historic results to develop the necessary estimates. In general, the attaches submit estimates based upon their own and local staff's judgment, after reviewing the estimates with others on the scene. The reliability of the estimates transmitted by the attaches from countries who fail to provide reliable current estimates depends heavily upon their judgment, a function of experience, interest, analytic capability, and the importance they attach to the task of developing estimates. These attributes obviously vary significantly from one attache to another, but in general are influenced by what they perceive to be their mission and the length of time they are posted in a country. Few attaches perceive the collection of agricultural statistics and the development of supply-demand estimates to be their primary mission; instead, just as is the case for FAS, the attache's primary mission is to expand foreign markets for U.S. farm commodities. The task of developing numbers and drafting reports is usually assigned to assistants or local staff, many of whom are more familiar with the data anyway. Attaches seldom are selected for their analytic capability; instead, it is their ability to represent U.S. agriculture that is the guiding criteria. Relatively short tours of duty may be advisable in the larger picture, but is a distinct disadvantage with respect to the development of reliable estimates.

Timeliness of agricultural intelligence depends upon directives from Washington, the initiative of the attache, and the ability of national systems to generate timely information. As previously indicated, there are a number of countries where estimates are never released in a timely manner. Most national systems rank poorly in terms of timeliness. Attaches must submit supply-demand estimates when scheduled and, therefore, frequently send "post" estimates. Attaches cable information of significance immediately.

The scope of the intelligence system operated by the attache is broad, but adequacy is impaired by the lack of uniformity of coverage, both in terms of content and geography. Various efforts are under way to improve adequacy by requesting attaches to give greater attention to the factors that are or will influence supply-demand balances for agricultural products. Their discussion of the factors that influence production and supply tend to be more complete and frequent than on the factors influencing the demand for agricultural products. Analyses of these factors by attaches or their staff are based upon extremely simple analytic techniques or pure judgment, instead of formal models that generate results of known reliability. The adequacy of the intelligence system operated by the attaches is held below potential due to inadequate coverage of several important agricultural countries. The most notable gap is the lack of an attache in the People's Republic of China, but the intelligence gathering in many centrally planned economies is weak to nonexistent.

The efficiency and effectiveness of the intelligence system operated by the attaches is lower than it would be if specialists in data collection and analysis with no other duties were located in the country and if they were part of an organization whose sole mission was to operate a world agricultural information system.

Assessing and disseminating information

FAS's Foreign Commodity Analysis Unit and ERS's Foreign Demand and Competition Division share the responsibility for analyzing and disseminating information on world agriculture. Both rely mainly upon attaché reports but obtain intelligence from numerous other sources, including the Central Intelligence Agency.

FAS publishes world agricultural production and trade estimates for agricultural commodities, releases revised foreign estimates weekly, prepares reports on developments of importance to world agriculture, publishes a series of circulars that contain assessments of the current situation and near-term outlook for major groups of commodities such as the grains or fats and oils, and maintains historic supply-demand estimates for selected commodities.

ERS conducts a program of research and analysis that results in reports containing assessments of the current world and regional agricultural situation and near-term outlook, the longer range outlook for world agriculture, and the implications of changes in the international monetary situation, world agriculture and trade policies, and economic development and trade patterns. ERS also monitors and publishes foreign agricultural trade statistics of the United States.

Since the basic source of data for analysis is the same for both FAS's and ERS's analytic units, improvements in the objectivity, reliability, timeliness, and adequacy of the information released by them depend upon the other sources of intelligence they draw upon, their own analytic capability, and the consistency checks they employ prior to releasing information and reports. Estimates from the field are subjected to consistency checks, using data from prior years to improve reliability, and in some cases estimates are developed by the analysts using analytic models that have generated reasonably reliable results in prior years. For example, estimates of grain production for the Soviet Union are developed by specialists in the Foreign Demand and Competition Division of the Economic Research Service. FAS's analysts rely more upon simple consistency checks, experience, judgment, and trend analyses than upon models or sophisticated techniques of analysis in checking or developing estimates. They do not conduct in-depth analyses of issues or factors influencing supply and demand. The FAS analyst is a commodity specialist. The ERS analyst is a country specialist. ERS is more research oriented than FAS. ERS's analysts have received deeper training in research methodology and have more experience in the use of sophisticated analytic techniques and models. They conduct the in-depth analyses of issues and factors influencing supply and demand. ERS is the source of agricultural intelligence; FAS the source of agricultural statistics and commodity information. In recent months the flow of unanalyzed data from USDA's system has increased significantly, much more than the increase in reports containing carefully reasoned assessments of the current situation and outlook.

ERS's world and regional agricultural situation and outlook reports are approved by the Outlook and Situation Board; FAS's reports on the world situation and outlook for the various commodities are not. Attempts to ensure objectivity and reliability are more evident with respect to the world agricultural information developed and released by ERS than is the case for the information developed and released by FAS.

WEAKNESSES IN USDA'S SYSTEMS AND MEANS OF OVERCOMING THEM

Weaknesses due to poor national systems

The supply-demand estimates produced by a few national agricultural information systems lack objectivity. To prevent this problem from impairing the objectivity of USDA's system, USDA's analysts must develop a deeper capacity to generate unbiased estimates for the country of concern and those managing the USDA world system must be prepared to defend the revised estimates.

The supply-demand estimates produced by national agricultural information systems vary greatly in reliability, timeliness, and adequacy. To prevent this variation from keeping the reliability, timeliness, and adequacy of USDA's world system below potential, there are two alternatives: provide additional technical and financial assistance to help improve national agricultural information systems with respect to these attributes, or strengthen the analytic component of USDA's world system so that more reliable and timely national estimates can be generated within the system. Both approaches must be pursued, but the former will take longer to accomplish than the latter. In the near-term, the only alternative is to improve the analytic capability of USDA's world system.

When countries fail to provide current supply-demand estimates, the only alternative is for USDA's analysts to develop reliable estimates through the use of analytic techniques. The longer-range solution is to encourage and assist these countries in the development of a reliable national agricultural information system.

Weaknesses due to collecting inadequate data

For various reasons, the reliability of the supply-demand estimates forwarded by attaches varies significantly. In addition to the problems with national systems previously discussed, reliability is reduced due to the low priority given the development of estimates by some attaches, the lack of knowledge about the country due to frequent reposting, and inadequate training or interest in the use of analytic techniques. In order to keep these problems from holding the reliability of the system's estimates below standard, there are two broad choices: replace the attaches with specialists in collecting and analyzing agricultural statistics, or requiring attaches to submit more precise statistics and information on the factors that determine production, supply, consumption requirements, and trade according to standardized formats so that the analysts in Washington can develop more reliable estimates. The latter is the alternative being pursued and must continue to be relied upon for the near-term. It must be pursued more vigorously.

Weaknesses in analytic component

The analysts in FAS rely almost exclusively on experience, judgment, and trend analyses in making initial forecasts of supply-demand balances for the commodities. As we have learned in recent years, trend analyses fail to provide reliable results. More detailed analyses of the factors that determine production and consumption are required to improve the reliability of USDA's world estimates.

There is a clear imbalance in USDA's system—more data for analysis are being provided from the field and other sources than are being adequately analyzed. In part, this imbalance stems from insufficiently precise data; in part, due to an inadequate analytic capability; and is partially a function of the organizational structure USDA uses to operate the world system. There is need for more precise reporting from the field on the input situations and outlook, and on the factors influencing consumption requirements.

These field reports must be standardized as the data are the raw material for analysis and reports from USDA. Better data from the field is a necessary prerequisite to better reports from USDA on the farm input situation and outlook and on consumption requirements, but unless USDA possesses a deeper analytic capability and uses analysts more efficiently and effectively than now, better field data will be largely wasted. The present imbalance can only be corrected by reorganizing and by augmenting the analytic staff as necessary.

Weaknesses Due to Orzanizational Structure

The organizational structure used by USDA to operate the world agricultural information system impedes efficiency and effectiveness. It is extremely difficult to use analysts efficiently and effectively when the responsibility for the outputs of a system is assigned to two completely separate agencies.

Permitting the responsibility for the world agricultural information system to be shared by two different agencies, one with a mission, policy, and program responsibilities that makes it unnecessarily difficult to ensure objectivity, weakens the system appreciably. The mission of FAS is to expand foreign markets for U.S. farm commodities. The mission of ERS is to develop and carry out a program of economic research designed to provide economic intelligence for users. FAS has responsibility for administering action programs; ERS does not. The mission of FAS, and the vested interest that FAS thereby has in U.S. and world estimates, makes it difficult for those in the Foreign Commodity Analysis Unit or the attaches to maintain objectivity with respect to assessments of the world situation and outlook. It will be essentially impossible for USDA's world agricultural information system to reach potential under the present organizational setup.

In order to improve the efficiency, effectiveness, and objectivity of USDA's world agricultural information system, the responsibility for it must be clearly assigned. Using these criteria, the position of Director, Agricultural Economics is the logical choice for the assignment. The Director would then have the overall responsibility for both the world and national agricultural information systems operated by USDA. ERS, the agency with responsibility for reporting on the situation and outlook for U.S. agriculture, and the Statistical Reporting Service (SRS), the agency with responsibilities for collecting, processing, and publishing U.S. agricultural statistics, report to the Director of Agricultural Economics. Further, the Economic Research Service shares the responsibility for the operation of USDA's world agricultural information system. The Director, therefore, already has the responsibility for the national agricultural information system and shares the responsibility for the world system. Third, the position of Director has been filled, ever since being established, with a professional agriculturalist of high integrity, a necessary condition for objectivity.

There are alternative means of accomplishing the necessary reorganization. One would be simply to transfer the Foreign Commodity Analysis Unit from FAS to ERS and make it another division of that agency. Another would be to combine the Foreign Commodity Analysis Unit from FAS with the Foreign Demand and Competition Division from ERS into a new agency, one with the sole mission of providing economic intelligence on world agriculture. The third alternative would be to combine the foreign commodity analysts from FAS with the U.S. commodity analysts from ERS and the foreign and national analysts from ERS into a single economic intelligence agency with responsibility for assessing and disseminating information on world and U.S. agriculture.

Objectivity criteria would be satisfied under either reorganization alternative. Overall efficiency and effectiveness would be highest under the third alternative, next highest under the second, and lowest under the first alternative. It would be higher, however, under the first alternative than at present, simply because it would become possible for the first time for a single agency to plan and carry out a coordinated program of analysis. Efficiency and effectiveness would be higher under alternative two because the system's operation would be directed by more senior professionals. The third alternative promises the highest efficiency and effectiveness. It provides the opportunity to eliminate the duplication associated with the operation of two systems. It is not necessary to have one group of commodity analysts for the world and another for the U.S. The U.S. analyst cannot perform his duties unless he takes the world situation and outlook into account; the world analyst cannot perform his duties unless he takes the U.S. situation and outlook into account. Efficiency and effectiveness would obviously be improved by combining the knowledge of these analysts.

Under either reorganization alternative, the responsibility for collecting foreign agricultural information would have to remain with FAS's attaches until arrangements can be made to relieve them of the responsibility by employing and posting specialists in the collection and analysis of agricultural statistics. But the responsibility for the content, frequency, and format of attache reports would have to be assigned to the agency with responsibility for operating the world agricultural information system. As soon as feasible, a separate agency under the Director's guidance should be created, or the responsibility for collecting, processing, and publishing world agricultural statistics should be assigned to the Statistical Reporting Service.

SRS is among the premier agencies in the world with responsibility for collecting, processing, and reporting agricultural statistics. It is the world's best with respect to timeliness, and among the very best with respect to statistical reliability of the results. SRS is a professional organization whose sole mission is to collect, process, and report agricultural statistics. They never attempt to interpret the results; they do run elaborate consistency checks before the results are released; they are constantly trying to improve methodology; and the security procedures they employ are exceptional. In short, they take their mission seriously and constantly strive to improve the quality of the information they generate. They must be relied upon for at least advising those with responsibility for collecting statistics to be used in USDA's world system.

As previously indicated, it is necessary to develop a deeper capability for analysis of the factors influencing world agriculture. It may be necessary to employ additional analysts, but doing so and using them inefficiently, the present approach toward improving the world and national agricultural information systems, is not a cost effective solution to the problem; reorganizing is. It may be necessary to increase the number of analysts and field staff of the new or augmented agency, but the potential from reorganization must be tapped first. The need for developing, verifying, and using more sophisticated analytic techniques is evident, but this need not increase the number of analysts. Instead, the task is to make more effective use of the analysts and positions now available.

WEAKNESS IN USDA'S NATIONAL AGRICULTURAL INFORMATION SYSTEM

This report has focused on USDA's world agricultural information system. There is, however, a serious flaw in the *national* agricultural information system operated by USDA. The responsibility for outlook and situation reports rests with ERS and the Outlook and Situation Board, but the authority for U.S. community supply-demand estimates is outside ERS. The reliability of the U.S. agricultural information system is, as a result, seriously impaired. U.S. supply-demand estimates are developed by Interagency Commodity Estimates Committee (ICEC) chaired by the Agricultural Stabilization and Conservation Service. Members of the committees are drawn from the Economic Research Service and the Foreign Agricultural Service. Responsibility for foreign trade estimates rests with the member from the Foreign Agricultural Service; the responsibility for domestic estimates rests with the representative from the Economic Research Service. The Agricultural Stabilization and Conservation Service has the responsibility for administering price support programs for farmers, and the Foreign Agricultural Service has responsibilities for administering export expansion programs. Both, therefore, have a vested interest in U.S. supply-demand estimates. USDA's Outlook and Situation Board approves outlook and situation reports on U.S. agriculture, but the ICEC's supply-demand estimates are taken as given by the Board. USDA's supply-demand estimates for the United States have been wide of the mark in recent years. While both domestic and foreign demand estimates have been in error, the magnitude of the error in the export estimate has been much larger, either due to change in the basic situation, faulty analysis, or bias. Investigations of the reasons for errors in the estimates have centered upon ERS, the agency with responsibility for the estimates but without authority. This flaw must be corrected. It is necessary to take program operations into account when developing supply-demand estimates but the responsibility for them. That is, the Chairmanship of the ICEC's should be assigned the agency with responsibility for operating the agricultural information system and the members should be drawn from the agencies with responsibilities for programs that have an impact on supplies or demand.

The creation of an economic intelligence agency, and combining commodity analysts from FAS and ERS into one unit, provides the opportunity for improving reliability of U.S. supply-demand estimates, but this major flaw in USDA's national agricultural information system will continue to impair reliability unless the Chairmanship of the ICEC's is taken from ASCS.

LONGER-RANGE IMPROVEMENTS THAT REQUIRE COOPERATION

FAO has concentrated on improving the quality of agricultural statistics through standardization of census procedures and the use of proven statistical methodology in developing estimates from samples. FAS has not been able to help host governments improve the statistical reliability of their agricultural statistics and estimates. The United States has an interest in reliable agricultural statistics and the world agricultural information system operated by USDA has its effectiveness reduced and costs increased by unreliable statistics and estimates and the lack of data.

The United States should provide financial support to FAO's program of improving agricultural statistics. The alternative is to encourage the Statistical Reporting Service and the Economic Research Service to develop an expanded technical assistance program for, respectively, the collection and analysis of agricultural statistics.

NOTE ON RECOMMENDATIONS CONTAINED IN REPORT OF THE FOOD ADVISORY COMMITTEE

I am in full agreement with recommendation three, on eliminating obsolescence in food and fiber data series. Maintaining obsolete data series is wasteful. Analyzing obsolete data is, at best, unproductive, and is of negative benefit when reliance on obsolescent data leads to inappropriate conclusions. For these reasons the place to start improving the national system is by removing excess and outdated information prior to overloading the system with additional data.

Recommendation four, on the integration of staff and activities of the Agricultural Census and the Statistical Reporting Service, has considerable merit, but probably should be broadened to include data collection activities in addition to the Census. The Statistical Reporting Service, in my view, is the premier government data collection and processing agency. They obtain high marks with respect to reliability and the highest marks with respect to timeliness. I am convinced SRS could significantly reduce the time lag between collection and release of agricultural data now being collected by the Census Bureau.

The situation with respect to the fertilizer information system is an example of how difficult simple tasks can be made. We find it far easier to obtain reliable information on fertilizer stocks, production, supplies, prices and consumption for India or Pakistan than we do for the United States. Obviously, I support recommendation five.

For reasons given in the report, I am in full support of recommendation ten, concerning assistance for FAO information activities, and especially recommendation twelve, providing for increased technical assistance to improve agricultural information systems in the developing countries.

APPENDIX I: BASIC REQUIREMENTS AND ALTERNATIVE PROCEDURES

I. Land use pattern

A. Area used to produce crops
1. Cropped area
2. Idle/fallow area
B. Area used to produce livestock
C. Non-agricultural area

II. Crops

A. Crop Production
1. Area planted to each crop
a. Sample survey
b. Analysis of factors influencing plantings
i. Area available for crops
ii. Policies of governments
iii. Price relationships between various crops and between inputs and outputs
iv. Input supply availabilities
c. Area for harvest
2. Yield per unit

a. Objective yield survey

b. Judgemental yield survey

c. Analysis of factors influencing yields

i. Quantities of inputs applied and their relationship to yield

ii. Weather patterns

3. Production estimate (area times yield)

B. Stocks

1. Old crop stocks at beginning of crop year

a. Survey

b. Analysis of supply-demand factors

2. Old crop stocks remaining at end of crop year

C. Consumption requirements

1. Food use

a. Food consumption surveys

b. Food processing industry surveys

c. Analysis of factors influencing demand for food

i. Growth in population

ii. Change in income and its distribution

iii. Change in product price and its relationship to prices of substitute foods

iv. Governmental policies and programs—food distribution and regulations.

2. Feed use

a. Feed user surveys

b. Feed processing industry surveys

c. Surveys of stocks

d. Analysis of factors influencing demand for feed

i. Demand for animal products (population, prices, policies and programs)

ii. Animal units to be fed

iii. Price relationships between livestock product prices and feed prices

iv. Price relationships between feeds

3. Industrial use

a. Survey data

b. Analysis of factors influencing industrial demand

4. Seed use

a. Estimate of area to be planted in subsequent year

D. Exports or imports

1. Export availability or import requirement

a. Beginning stocks plus production less consumption and ending stocks requirement

2. Exports or imports

a. World supply-demand-price prospects for crop of concern and for substitutes

III. Livestock

A. Production

1. Number of animals by class of livestock

a. Sample survey or census

b. Analysis of factors influencing animal population

i. Government policies and programs

ii. Area available for livestock

iii. Price relationships between various classes of livestock

iv. Input-output price relationships and returns prospects

2. Production per animal

a. Sample survey

b. Analysis of factors influencing productivity

i. Slaughter weight and carcass yield

ii. Feed conversion ratios

iii. Weather patterns

iv. Supply of feeds

3. Production estimates

a. Meat production (number slaughtered times carcass yield)

b. Milk, eggs, etc. production (production units times per unit yield)

B. Stocks

1. Beginning of year

a. Survey

b. Analysis of supply-demand

2. End of year

a. Analysis of supply-demand

b. Policy considerations

C. Consumption requirements

1. Food use

a. Food consumption surveys

b. Processing industry data

c. Analysis of factors influencing food use (same as II, C. 1. c. i-iv above)

2. Industrial use.

a. & b. (Same as II. C. 3. a. & b. above)

D. Exports or imports (Same as II. D. above)

A Statement on World Food Information Systems: Progress and Problems

(By Dale E. Hathaway, Director,* International Food Policy Research Institute)

Senator Humphrey, members of the Technology Assessment Board, I am pleased to be able to appear before you to comment on the world food, agriculture, and nutrition systems, a matter of significance to all concerned with food policy decisions at the national and international level. Since others will be discussing the information and analytical systems of the U.S. Government, as requested by Chairman Teague in his letter of August 29, 1975, I will concentrate my comments on the expanded Global Information and Early Warning System on Food and Agriculture of the Food and Agriculture Organization of the United Nations (FAO). At the outset, I should like to make it clear that I speak as the director of a newly formed, independent research institute keenly interested in, and dependent upon the statistics available from such sources; and not as a representative of any government or the FAO. I have. however, had the full cooperation of the North American Office of FAO and of FAO officials in Rome regarding the nature of and plans for their food information system; but, they have no responsibility for my comments.

First, it should be noted that the FAO took the initiative in this area prior to the World Food Conference in November 1975. FAO recognized that an adequate World Food Security Programme required accurate and timely information on world food conditions. Thus, the improved system called for by the World Food Conference in Resolution XVI was already being planned before that Conference, and it was endorsed in principal by the FAO Council in its November 1974 session immediately following the World Food Conference. Thus, the system we are discussing is not merely a hasty reaction to a current crisis, but expansion and improvement of a system that has evolved from FAO's long history of dealing with food problems and the related policy decisions.

Second, it should be noted that most of the problems and deficiencies I shall mention later are largely those faced by any attempt at collection and dissemination of data from a large number of governments with diverse information assembling capabilities and dissemination policies. Partially these deficiencies can be attributed to the limitations on FAO action inherent in an international or intergovernmental organization.

At the outset, I should like to comment on the use of information and analysis in policy making. I shall start with the obtaining and disseminating of information and later discuss analysis and use of the available information.

Presumably we are talking about current information that is of value to policy makers in current policy decisions.

Information for policy making purposes ideally must be timely, adequate in coverage, and accurate. On the face of it, this seems to be obvious, but a failure to distinguish among these characteristics and their importance can cause confusion, malallocation of scarce resources in the information-gathering field, and a failure to recognize where the major efforts for improvement should be placed. Let me illustrate the differences.

Timeliness is the most obvious and widely recognized attribute of information for policy makers. It is of little help to find out that the grain crop in a major producing country has failed some time after they have entered world markets and made major purchases. It is of no great help to find that a portion of the population in a country, large or small, faces starvation due to crop failure when it is too late to effectively mobilize national or international emergency relief programs.

The adequacy of the information is a different matter entirely. Adequacy relates both the items covered in the information system and the extent of the coverage. Moreover, adequacy must be judged relative to the policy actions contemplated. From the standpoint of international production, trade and aid policies, it is completely unrealistic to talk of an adequate food information system that does not have timely and reasonably accurate information on agricultural conditions in the world's second and third largest grain-producing countries—the USSR and the People's Republic of China. On the other hand, the absence of such data from a country whose population or food production is small is not of major significance to world markets and to other countries' well-being. Thus, the adequacy of data for countries with small production and consumption levels is primarily their concern, and if they choose for one reason or another not to provide such information, they are more likely to be harmed as a result than in the rest of the world. On the other hand, timeliness of information provided is just as important for small countries as large ones when issues of food aid, disaster relief and similar matters are involved; a starving person in a small country is just as badly off as one in a very large country if food aid arrives too late. Thus, timely information is essential for the effective operation of world food programs or a bilateral aid program.

Accuracy of information is always of importance to policy makers. but here again it relates to magnitude of the populations and production involved. A ten percent error in production estimates for large countries such as India, the USSR, China or the USA creates substantially greater problems for world policy makers than a 50-percent error in the production estimate of a country that produces or consumes a few hundred thousand tons of grain annually. Unfortunately, statisticians are often more concerned about estimating errors than policy implications of such errors and thus may be overly concerned with accuracy in some cases.

Thus, for a food information system to serve the needs of policy makers it needs to be timely for all countries; to be adequate, it needs to provide a wide range of information for those countries whose actions and/or needs can have a major impact on world markets; and it needs to be accurate in most respects for those countries that can or are likely to affect world markets. Of course, for national purposes all countries would benefit from timely, adequate and accurate information; but from the point of view of international policy makers the importance of adequacy and accuracy of food information regarding other countries varies greatly depending upon the nature of the policy issue involved.

With these comments as background, let me review briefly the status and plans of FAO for its Global Information and Early Warning System. In the past the FAO and the U.S. Government were the two major sources of world food information. The FAO statistics were published annually in The State of Food and Agriculture, and their various statistical publications. The statistics were generally a year to eighteen months old and thus failed to meet the criterion of timeliness.

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*Presented to the Technology Assessment Board of the Congress of the United States, Chaired by Senator Hubert H. Humphrey, September 24, 1975.

The Monthly Bulletin on Statistics, the Early Warning System, and commodity publications provided more current data, especially in recent years on particular commodities and commodity groups. The new food information system represents a step forward in providing a greater emphasis on a more coordinated and timely approach.

The new FAO food information system has four basic types of output: 1) the food situation and outlook series, 2) an early warning of food shortages, 3) information on food stocks and food aid, and 4) fertilizer and pesticide information. Let me comment on each.

THE FOOD SITUATION AND OUTLOOK SERIES

This now consists of monthly, quarterly and ad hoc reports. They cover the food supply-demand outlook in light of changes in production prospects, prices, policies, sales, stocks and the availability and prices of key inputs such as fertilizer, pesticide, shipping, etc.

The Food Outlook Quarterly has now been published twice, the last dated August 25, 1975 and the next scheduled for release November 28, 1975.

The monthly Food Situation Report presents, more briefly, developments during each preceding month on factors affecting the world food situation, covering much the same material as the Quarterly, updating those items which have changed from the previous report.

My appraisal is that this new series will solve the timeliness problem to a large extent. Its gaps are in adequacy and accuracy, neither of which is the fault of the persons who produce the reports. In terms of the range of information covered, the adequacy is excellent; but in terms of world coverage, it is inadequate because the USSR is not a member of FAO and has thus far been no more cooperative with them than others regarding this information. The People's Republic of China, although a member of FAO, has not yet seen fit to provide the information requested for the system. Thus, the FAO food information system, in common with others which are generally available to most governments, is totally inadequate in terms of coverage of two of the world's largest agricultural producers and consumers. Until these countries choose to cooperate, no system can be adequate in terms of coverage.

Moreover, at the insistence of some Member Governments, statistics for a country may be, at the request of that government, only shown as part of area or world totals. This, again, limits the adequacy if the country is significant in world production, consumption and trade.

The problem of accuracy is two-fold. The first and most significant is the sheer inability to produce accurate information in developing countries with present indigenous technology. Despite the large quantities of technical assistance from FAO and national governments, the problem of producing reasonably accurate estimates in developing countries is enormous and far from solved. Hopefully, improved technology and more assistance can improve this situation. The World Food Conference Resolution XVI establishing the Global Information and Early Warning System specifically requested governments to take steps to improve their data collection and dissemination services. Regular assessments of the effects of current weather on crop production was also emphasized.

Another accuracy problem arises because some countries simply do not want to admit that their agricultural economy is performing badly, and they do not report or are slow to report the facts regarding agricultural production. However, since FAO is governed and financed by its Member Governments, it must have a substantial basis to modify the official estimates of the Member Government, estimates that in the absence of objective statistics may represent hopes rather than actual achievements or expected performance. The reasons for such actions on the part of governments are varied and sometimes valid, but they reduce the accuracy of world food information.

EARLY WARNING OF FOOD SHORTAGES

A monthly summary of the latest information on crop conditions, weather and plant diseases, food deficits and availabilities in some 90 countries is published in Foodcrops and Shortages. This contains largely qualitative estimates of conditions including a rating scale of crop conditions, plantings, progress of harvest, and rainfall, plus comments or observations from FAO representatives, project specialists, World Food Programme officers and other sources.

The most valuable attribute of this portion of the system is its timeliness. The reporting of adverse weather conditions, natural disasters and other events which may affect crop availabilities and demands is a great aid to those who must make rapid policy decisions in advance of the final quantitative estimates.

The adequacy of information available in this part of the system varies greatly from country to country. This is partly a lack of an adequate support system and, in some cases, lack of country cooperation.

In the case of the early warning system, quantitative accuracy is almost impossible by definition. As yet the relationships between weather or insect and disease appearances are not well quantified, nor is a direct and stable relationship likely to be found in the near future. Thus, the qualitative estimates now used probably are as good as can be devised given the state of knowledge regarding these relationships.

FOOD STOCKS AND FOOD AID INFORMATION

World food stocks: status and evaluation reports were authorized by the FAO Conference of 1973; they include assessment of national stock targets and policies and the adequacy of world cereal stocks in the context of world food security; they also include data on storage capacity and facilities. The latest one was issued for the coming October meeting of the GAO Group on Grains.

The FAO Food Aid Bulletin issued quarterly since July 1970 provides information on bilateral and multilateral food aid transactions and food aid availabilities, based on notifications made by governments to FAO and data especially provided by international agencies concerned.

FERTILIZER AND PESTICIDE INFORMATION

The FAO fertilizer and pesticide information is an off-shoot of their newly established International Fertilizer Supply Scheme. Information on supplies, deficits, prices, contracts and capacities are monitored for the purposes of emergency operations under the scheme. A new quarterly fertilizer survey and other information-gathering activities have been initiated. Steps are being taken to develop a similar information system on pesticides.

In this area of key inputs, I must judge that the information is neither timely, accurate, nor adequate. The reasons for this vary. First, the production and distribution of these products are carried on by a mix of private and public enterprises, sometimes within the same country. Some countries, for their own reasons, do not divulge their current statistics on current status or plans even though they presumably have them. The private firms involved often are reluctant to disclose information which they believe may affect their competitive position. All in all, the situation is totally unsatisfactory in both current estimates and forecasts and the problem of accurate information an exceedingly difficult one.

As an illustration, in the months just prior to the World Food Conference in 1974, a series of estimates on world fertilizer production, use, availability and potential capacity in the short and longer run were prepared by several national and international organizations. They varied widely in several aspects and changed markedly during a short period of time. The situation regarding pesticides appeared equally confusing.

It is clear that governments and the FAO need to spend much more time and money in devising and implementing an improved information system for this important area relating to agricultural production. I would expect it to be a difficult process, leaving aside the fact that some major countries may not wish to cooperate.

One final point on the FAO information system. By action of Member Governments it is a closed system. By that I mean certain of the materials are limited in distribution only to participating countries and cooperating international organizations for their exclusive use. This includes the monthly Food Situation Reports, the reports on crop conditions and food situations by countries and the special reports. The Food Quarterly Outlook is distributed to participating governments, to nonparticipating governments which are members of FAO, and to cooperating international organizations.

Thus, the FAO food information system is not available to the general public and the media. This condition was imposed by some Member Governments which believe that a disclosure of such information would give an advantage to private traders and speculators.

My own view is that such restrictions on the FAO system are wrong and that more and better information widely shared would reduce the advantages of those who cause concern. First, the large private international traders have their own complex information system that gives them an advantage that better public information would reduce or remove. Second, the major destabilizing forces in the market are governments that operate state trading operations in secrecy. But, right or wrong, these restrictions on the FAO system do exist and are likely to persist.

I hope I have not appeared overly critical of the FAO food information system. It represents a marked improvement over what has existed, and if it were adequately financed and received the full cooperation of Member Governments, it would be of significant aid to national and international policy makers.

It appears, based entirely on an examination of FAO budget documents, that far too little budget priority is given to such work by FAO. For the system to work as effectively as it could, it needs at least regional, and generally country statistical representatives, to provide information and reports to the Rome headquarters. This is in addition to the persons at the regional level who work with countries on upgrading the timeliness and accuracy of country data. Given the magnitude of their task it would appear that the Rome staff needs to be expanded. But, this again is a matter for decision on FAO's program of work and budget, a decision made by Member Governments and, unfortunately the provision of timely, adequate, and accurate food information is less visible and glamorous than other activities that compete for scarce funds.

THE ANALYSIS PROBLEM

Thus far I have commented upon the data base for the food information system of FAO. But, even if all the data were timely, adequate, and accurate the utility depends upon its use in policy analysis. Facts without analysis often are not much more use than analysis without facts. And as we have seen recently, even within the U.S. Government, the same facts can be interpreted differently and different policy conclusions reached.

Essentially competent policy analysis should present an in-depth analysis of policy options and their implications for the parties concerned. At this point one enters the area of who gains and loses by certain policies or lack thereof. Such areas are sensitive in that they involve national political decisions, and that may at times have adverse effects upon others.

In this area FAO faces a problem created by the nature of the organization. The reporting of facts is a much less sensitive area than analysis of what actions need to be taken by whom. Here FAO directly encounters sensitive problems of national sovereignty. It is one thing to point out that there is a serious gap between the food and needs of the Most Seriously Affected Nations and another to suggest to the U.S. Government or to the EEC that they should do more in providing food aid. As I understand the rules of the game in international organizations, it is acceptable for one nation to publicly question another's policy, but it is not acceptable for the staff of an international organization composed of member nations to do so.

Thus, I would think it is expecting too much of the FAO to provide substantial policy analysis which is explicitly critical of national policies. This means that policy analysis must rest with national governments and organizations outside the formal United Nations framework. This, of course, means that a substantial imbalance between nations occurs. The United States and many other developed, wealthy nations have a large core of trained professionals available to analyze the food information available to the government. Many developing nations have neither the trained manpower or resources for such analysis, nor do they always accept analysis done by other governments. The International Food Policy Research Institute represents a modest effort to redress that imbalance. It is our intention to do such analysis and to collaborate with countries interested in such work and in developing such capabilities within their own countries.

WHAT CAN AND SHOULD THE U.S. GOVERNMENT DO TO IMPROVE THE WORLD FOOD INFORMATION SYSTEM?

The prime interest of the Technology Assessment Board, as I understand it, is to assess the food, agriculture, and nutrition information systems and recommend action that can be taken by the United States to improve them. I shall confine my comments to U.S. Government actions which would be of aid in strengthening the FAO food information system, assuming that others will concentrate on the U.S. system.

First, of course, the United States Government should continue to actively cooperate with FAO in exchange of information available. Possible problems involved in that cooperation can be best discussed by U.S. Government representatives who will appear before this group.

Second, I suggest the U.S. Government should use its power and influence as the world's largest grain exporter and the largest supplier of food aid to try to persuade other governments to cooperate with the FAO in the provision of the information necessary to make the FAO food information system more timely and adequate in terms of country coverage.

Third, I suggest that the U.S. Government efforts be increased to aid developing countries improve their food information systems. This aid should include the development of and training for the provision of standard, statistical report procedures; but, equally important it should involve the increased development of new and better information based upon the most advanced technologies. The U.S. capabilities in satellites, weather monitoring, and related fields needs to be more fully used in the food information field. To do so will require a substantial investment in research on weather-crop relationships, the use of satellites in conditions of small, fragmented, multiple-crop areas, and similar problems. This also involves sensitive problems of national sovereignty, and will require full cooperation with other nations and international organizations. Funding, and encouragement and leadership in that cooperation should be forthcoming.

Fourth, as a major contributor to the FAO and other United Nations organizations concerned with improved food information systems, the U.S. Government should take the leadership in ensuring that such activities receive the funds that an improved FAO food information system requires to become more effective. I am concerned that since the food information system of the U.S. Government is so good and also is undergoing substantial improvements there may be a tendency on the part of this government to have less concern for an effective international system. If my concern is correct, then an important point is being missed. Until and unless a large portion of the policy makers in all countries have equally good information, there is a continuing likelihood that actions on the part of others, possibly acting on the basis of inadequate information, will continue to be a major destabilizing force in world markets, food trade, and inhibit effective food aid actions.

In summary, great progress has been made in recent years in providing an improved world food information system. Much more needs to be done in order to make the system adequate to meet the needs of policy makers in the U.S. and all other governments. The actions of the U.S. Government in this area can be an important factor in making the needed improvements.

CONCLUSION OF MORNING BUSINESS—RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed and that the Senate stand in recess until the hour of 1:30 p.m. today.

There being no objection, the Senate, at 11:49 a.m., recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STONE).

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, H.R. 8069, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The PRESIDING OFFICER. The pending question is the amendment in the nature of a substitute by the Senator from North Carolina.

The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I thank the Chair.

Mr. President, I think it is essential at this point that the Senate once more examine the harassment—and that is what it is—the harassment of the public schools throughout America by the Department of HEW, or more specifically, nonelected, anonymous bureaucrats in that Department.

First of all, let me add another perspective which has already been alluded to in this Chamber as to why it is imperative that we move decisively to put an end, for once and for all, to Federal interference with our public schools. Let us look first, Mr. President, at the energy situation and how we can conserve energy by putting an end to forced busing.

Let me reiterate the position that I took in this Chamber on April 10 of this year when by way of amendment I attempted to stop this ridiculous forced busing of schoolchildren.

At that time I stated:

> This unjustifiable waste of gasoline should be ended. Prior to the general realization of our serious energy problems, the human hardships caused by forced busing were unconscionable. Of course, this abusive treatment of our schoolchildren continues as they are forced daily to ride great distances past their neighborhood schools to some remote institution, spending an inordinate amount of their youthful lives viewing the world for long hours through the windows of a school bus.

The point, Mr. President, is that we have been talking about energy conservation, but that is all that has happened—talk. If we can get through with this bill, the next item of business before the Senate will be consideration of legislation in that connection. Then we will have an opportunity to stop talking—and start doing something constructive.

In the meantime, my amendment which is now the pending business would offer a solution. My amendment, which was the pending business on April 10 of this year, provided a simple way to conserve literally millions of gallons of gasoline yearly without any sacrifice or any difficulty to anyone. It was rejected by Senators who favor forced busing of schoolchildren.

How could public officials seriously talk about additional taxes on gasoline or petroleum generally, knowing the economic hardships that these taxes would create, and at the same time demand a continuation of the wasteful effects of forced busing?

If the Senate of the United States really wants to practice what it is preaching in connection with energy conservation, Mr. President, it can eliminate this most outrageous misuse of gasoline by eliminating the abuse of the rights of innocent schoolchildren.

Mr. TOWER. Will the Senator from North Carolina yield to me for a brief consent agreement?

Mr. HELMS. I am delighted to yield to the able Senator.

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration of H.R. 8069 Mr. Thomas

Spencer, a staff associate of the Republican Policy Committee, be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, some time ago, in order to examine more fully the magnitude of the energy waste involved in forced busing, I made a spot check of just four school districts in my State, the State of North Carolina.

Mr. President, I obtained the exact statistics of gasoline consumption by public school buses in these four districts for the 12-month period before compulsory busing was ordered. Then I compared that total with the gasoline consumption by public schoolbuses—in these very same four school districts—for the following year, when additional thousands of schoolchildren were being hauled against their will, and absolutely unnecessarily for any worthy purpose, across cities and counties.

Mr. President, just for the purpose of emphasis, let me say again that the statistics I am about to relate cover only 4 of these school districts in the State of North Carolina, and there are 151 school administrative units in my State.

Prior to the imposition of forced busing, the schoolbuses of these four districts consumed 943,463 gallons of gasoline.

The year after forced busing was imposed, Mr. President, the consumption of gasoline by public schoolbuses in these same four districts had increased by—I wish the Chair could hazard a guess, but I will tell the Chair—218 percent.

Think of it. For an unnecessary purpose of depriving little children of the right to walk to their neighborhood schools.

Let me repeat, Mr. President. The increase was 218 percent for a nonessential, undesirable and often destructive exercise in futility demanded by Federal bureaucrats, or Federal judges, or a combination of the two.

This 218-percent increase in 1 year's time is a direct, demonstrable result of Federal interference in the operation of public schools and represents a virtual waste of 1,118,908 gallons of gasoline in 12 months' time in just 4 of 151 school districts of just 1 of the 50 States in the Union.

Projected estimates for the entire State of North Carolina set the total of this nonessential use of gasoline for that year as high as 30 million gallons.

Senators can project this waste on a national basis to suit themselves. Any projection is bound to disclose an appalling waste of gasoline at a time in our history when we cannot afford to waste any of it.

I repeat, Mr. President, if the Senate is really serious about energy conservation, simple arithmetic demonstrates that my proposal was sound, that it can have almost immediate application, and that there would be wholesome benefits to the children of this country.

Mr. President, on April 14, 1975, I attempted further to emphasize the ridiculous wastes of energy caused by forced busing. At that time, I stated, and I quote from the CONGRESSIONAL RECORD:

> This past Thursday (April 10, 1975) I submitted an amendment to S. 622, the so-called Standby Energy Authorities Act. I was not surprised that my amendment failed, because I have been accustomed to some people talking out of both sides of their mouths on the subject of energy—and forced busing of school children.

If any Senator wishes to check the CONGRESSIONAL RECORD of April 10, it appeared that I did the best I could to spell out the astonishing statistics related to how much gasoline could be saved—immediately—if the foolish, cruel practice of forced busing were suspended.

I am not going to repeat those statistics, but I do suggest, Mr. President, that the people of America can get an instant reading on how their Senators stand—both on the question of conserving energy and on forced busing—by taking a look at the rollcall votes taken in this Chamber time after time, including yesterday when the very desirable perfecting amendment of the distinguished Senator from West Virginia was approved in this Chamber.

Mr. President, some of my colleagues jestingly refer to me as "the antibusing Senator." I like to be called that. I appreciate the compliment. One of my constituents, a proponent of forced busing, a man who favors hauling little children across cities and counties to satisfy the whim of some Federal bureaucrat or judge, wrote to me recently and derisively described me as "the George Wallace of the Republican Party."

Well, Mr. President, I do share Governor Wallace's concern about forced busing. Obviously, Governor Wallace speaks for millions of Americans.

The polls show, in fact, that Governor Wallace represents the vast majority of Americans of all races when he condemns the insane, indefensible practice of depriving little children and their parents of their right to make personal decisions about school enrollment.

If there is any doubt remaining in anybody's mind, Mr. President, yes, sir, I do feel that children ought to be allowed to walk to their neighborhood schools instead of being hauled against their will to some school across the city or across the county.

So I am complimented to be associated with Governor Wallace in that regard and many others. He is a friend of mine. He is a man of demonstrable courage.

I have often alluded in this Chamber to the tragic set of circumstances that arose in the Charlotte-Mecklenburg school district, wherein a little boy was forced to ride a bus, as I recall, 22 miles to school in the morning and 22 miles from school to his home in the afternoon. Do you know, Mr. President, he was the only occupant of the bus both ways? He had a private bus and a private driver to take him to school and bring him home.

I think it was Mr. Bumble in Dickens' Oliver Twist who was looking at a bureaucratic judicial absurdity of that time. Mr. Bumble said, of that decision, "If the law supposes that, the law is a ass."

That is what I think of any bureaucrat or any judge who orders anything like that, Mr. President. If they want to refer to the Senator from North Carolina for being "the antibusing Senator," let them be my guest. They have got it right.

Let us go a little bit further, Mr. President. Let us examine the concerns of the American people in the matter of forced busing. Obviously, some Senators are not yet impressed with the findings of repeated polls showing that the vast majority of citizens are opposed to forced busing. I noticed an inclination even this week to dismiss that very clear fact in this Chamber. I do not recall the precise figures of the polls, but there have been several of them. My recollection is that the majority in opposition to forced busing has run between 75 and 86 percent, and that includes both races, I will say to the distinguished Senator from Alaska.

Let Senators say, if they will, "What the people want does not matter. We know better than the people of America what is good for them."

But those Senators will have to count me out of any such posture as that.

Let me discuss one young man in my State, a fine, bright, teenage youngster in Charlotte, N.C. This young man's name is Kenneth F. Wood.

Some time back, Ken, an 11th grade student in the Charlotte-Mecklenburg school system, decided to write a letter to the editor of the Boston Globe. The people in Boston were sending a team of experts down to Charlotte-Mecklenburg to see how great things were. A copy of his letter was sent to me. Let me emphasize that this letter is by a teenage high school student in Charlotte, N.C., to the editor of the Boston Globe, Boston, Mass.

> DEAR SIR: In recent days, national publicity has been given to a group of students in the Charlotte-Mecklenburg school system (West Charlotte High School). These students have presented an unrealistic view of integration and the effects of mass busing upon a school system as well as the community. I have been a student in the Charlotte-Mecklenburg system for over 10 years. I am presently in the 11th grade. I can honestly say that the disadvantages of mass busing and integration far outweigh any positive aspects. The millions of dollars that our school system has spent on busing since 1970 have been funded through cuts in the budget of areas such as equipment, buildings, resources of various kinds, and salary increases for teachers.

Bear in mind, Mr. President, this is an 11th grade high school student writing this.

He goes on to say:

> Racial integration in Charlotte-Mecklenburg has caused "white flight," a lowering of educational standards, a breaching of democratic practices, such as mandatory representation of nonwhites in student government, student affairs, committees, et cetera. It has caused divisions within schools by race, flareups of racial tension and unrest, the need for some students to spend an hour each way to school on a bus, destruction of school morale and spirit, and total lack of stability.
>
> Anyone who states that mass busing for racial integration is justified is placing education at the bottom of the list. The sole purpose of the public school system is to

> educate the youth within the respective area and to prepare them for life as an adult. Mass transit is the up and coming thing, but the school systems in America are not the place to experiment with this technique. Equality in education can be achieved without integration. The money required to integrate a large system for one year could easily rectify any inconsistent practices in application of funds or subsidies for educational purposes.

Mr. President, I would point out that I am yet quoting from a letter by an 11th grade student in Charlotte-Mecklenburg, Kenneth F. Wood.

To continue his letter to the Boston Globe:

> I do not advocate violence to change any situation unless all other methods have been exhausted. This should apply to the Bostonians. If the people in this country rally to this cause against busing and forced integration, the Congress will have no choice except to make this asinine practice illegal. Our system of democracy will respond to the wishes of its people when severely prompted. All possibilities should be investigated, though, before violence is used.

The 11th grader continues:

> I don't think we as Americans can state that we have earnestly tried to find the peaceful and legal solution. I urge the Bostonians as well as all Americans to write their Congressional Representatives and denounce this unfair practice and urge them to support legislation that would abolish mass busing and forced integration.

The letter continues:

> It is interesting to note that in most situations neither the black students nor the white students are for integration. This is illustrated by the fact that most integrated schools house a black school and a white school and no judge or court can force two groups to have a positive encounter that is highlighted by social gains for both sides. The plaintiffs in both the Charlotte-Mecklenburg suit and the Boston suit were either civil rights groups or individuals strongly pushed by civil rights leaders. I strongly question that many of the civil rights groups in America today truly represent the minority that they claim to. No doubt some civil rights groups have done great service to this country, but I believe that every member of any minority group should stand back and see if their respective organizations have their best interest in mind.

Mr. President, I reiterate, this is a letter written by an 11th grade student in Charlotte-Mecklenburg to the editor of the Boston Globe. I shall now read the final and concluding paragraph:

> The troubles in Boston are tragic, but the fact that such problems are occurring demonstrates the disenchantment among the people over court ordered integration. A literate society is necessary to our form of government; anything that harms the educational process in America serves only to damage our future. By 1980, over fifty percent of the population in the United States will be under the age of twenty-five. The leaders in the 1980's will come from the youth of today. I challenge anyone to justify forced integration when it results in significantly harming the education of America's youth!
>
> Sincerely,
>
> KENNETH F. WOOD.

Mr. President, I sincerely feel that Senators who are fighting to continue forced busing should accept the challenge stated by young Kenneth Wood in the last sentence of his letter to the Boston newspaper, when he said:

> I challenge anyone to justify forced integration when it results in significantly harming the education of America's youth!

And, Mr. President, he might have added:

> And when it results in foolishly wasting millions upon millions of gallons of gasoline, and untold millions of the taxpayers' dollars.

Mr. President, it is of no personal consequence to me when legislation which I have offered is rejected by the Senate. That is part of the give and take of the legislative process. You win some, you lose some, and some are rained out, as the saying goes. But this matter of forced busing is of such great concern to me that I intend to continue to submit legislation, month after month, year after year, to bring a complete halt to forced busing. I may never be successful, but I want to be able to say that I tried.

Of course, Mr. President, it has been my intent to put the Senate on record repeatedly, in the hope that, sooner or later, our constituents back home may be made aware of what is going on in Washington, and perhaps make their views known to their Senators and Congressmen. If enough people speak up, we could have an end to the folly of forced busing.

Mr. President, my views regarding the wasteful nature of forced busing are the same today as they were last April. In addition to being dictatorial in nature, destructive of democracy, and dangerous to the lives of young schoolchildren, it wastes a great deal of much needed energy. It wastes energy at a time when we can little afford it. This is just one more reason why the forced busing of schoolchildren should be stopped, and it should be stopped immediately.

Mr. President, without relinquishing my right to the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, the pending amendment of the Senator from North Carolina constitutes, as I understand it, the only qualified substitute amendment at the desk. Is that correct?

The PRESIDING OFFICER. As far as the Chair is currently advised, that is correct.

Mr. HELMS. Needless to say, Mr. President, the Senator from North Carolina has been very gratified at developments in this Chamber in recent days, including yesterday, when the perfecting amendment of the distinguished Senator from West Virginia was approved, an amendment of which I was proud to be a cosponsor.

In view of the existing situation, and in the hope that we can expedite the conclusion of the consideration of this bill in its entirety so that we can move on to the next order of business, which will concern energy, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The question recurs on agreeing to the amendment of the Senator from Pennsylvania (Mr. HUGH SCOTT), as amended.

Those in favor will say "aye."

Those opposed——

QUORUM CALL

Mr. BROOKE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. BROOKE. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will proceed.

The call of the roll was continued.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. BROOKE. I object.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, let us have a live quorum.

The PRESIDING OFFICER. The clerk will resume calling the roll.

The second assistant legislative clerk resumed the call of the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 73 Leg.]

Allen
Bentsen
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Cranston
Eastland
Ford
Glenn
Hart, Gary W.
Helms
Hollings
Humphrey
Inouye
Javits
Johnston
Long
Magnuson
McGee
Pastore
Sparkman
Stennis
Stone
Symington
Thurmond
Tunney
Williams

The PRESIDING OFFICER (Mr. STONE). A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Buckley
Bumpers
Cannon
Church
Clark
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Fannin
Fong
Garn
Goldwater
Gravel
Hansen
Hartke
Haskell
Hatfield
Hathaway
Hruska
Huddleston
Jackson
Kennedy
Laxalt
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Stafford
Stevens
Stevenson
Taft
Talmadge
Tower
Weicker
Young

Mr. ROBERT C. BYRD. I announce that the Senator from New Mexico (Mr. MONTOYA) is necessarily absent.

I also announce that the Senator from Michigan (Mr. HART), and the Senator from Vermont (Mr. LEAHY) are absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The PRESIDING OFFICER. A quorum is present.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. BROOKE. Mr. President, I ask unanimous consent that Barbara Harris of my staff be granted privilege of the floor during the continuation of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, yesterday, prior to the vote on cloture, I filed several amendments at the desk on this bill. At the time I filed them, I was informed by the Parliamentarian that my amendments had been timely filed.

Subsequent thereto, the Parlimentarian, as I understand it, was informed that a unanimous-consent agreement agreeing that the amendments be considered as read was not requested by the leadership and thus the amendments which I had filed would not qualify.

Mr. President, during the lengthy debate on this bill, and particularly during the debate on busing issues, I have done everything possible to see that every Senator who has had an amendment had an opportunity to have his amendment acted upon.

Regarding my own amendment, I was under the impression that the usual unanimous-consent request pertaining to amendments filed before cloture had been entered into. The fact is that the unanimous consent agreement was not asked for and, of course, was not agreed to.

The effect of this, Mr. President, would be to deny me, and others who had filed amendments to this bill prior to the vote on cloture yesterday, the opportunity to have an up-and-down vote on our amendments.

Mr. President, this is an important piece of legislation.

One of the amendments which has been adopted by the Senate, the so-called Biden amendment, is an amendment which, in effect, would vitiate title VI of the Civil Rights Act of 1964.

Even the proponent of that amendment, Senator BIDEN, admits this amendment goes much further than he had wanted it to. Senator BIDEN has said that he did not intend to vitiate title VI of the 1964 Civil Rights Act. Rather he wanted an antibusing amendment.

I can understand the Senators who want an antibusing amendment. I do not agree with them, but I understand and respect their rights to seek one. They have had an opportunity to vote upon their amendments. But if I am denied the right to bring up my amendment because of this inadvertency, then, in effect, this bill could be passed without my having an opportunity to have a vote on my amendment and with the so-called Biden amendment as a part of this legislation.

I am appealing to my colleagues in equity, and I think there is a case in equity. I am not asking Senators to change their votes insofar as the substantive legislation is concerned. How a Senator votes on the amendments that I call up is his own business.

I am merely asking an opportunity to have my amendments qualify so that they can be voted upon, up or down, or even be subject to a motion to table—I do not even worry about a motion to table—but at least give the Senate an opportunity to vote on my amendment, which would in effect—and I inform Senators of what it would do—nullify the Biden amendment.

I feel this unfortunate parliamentary situation was the result of an inadvertency—and I term it that because I think that is exactly what it was—because it is my understanding that for as long as anyone can remember the leadership has automatically gotten this unanimous-consent agreement. It is just one of those things we ordinarily do and I do not blame anyone for not doing it.

I merely say that the fact is that it was not done and as a result thereof the amendment does not qualify. I am asking my colleagues to support me when I call this amendment up and a point of order is raised, and I appeal to the Chair.

Mr. MANSFIELD. Will the Senator yield?

Mr. BROOKE. I am very pleased to yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I think the distinguished Senator from Massachusetts has made an excellent case for the need to give, in the interest of equity, consideration to a proposal which he has made.

This is the first time in my many years in the Senate that the matter which he referred to was not automatically presented and automatically accepted.

It would be my intention to support the distinguished Senator in his motion because I think in the interest of equity, which should amount to something in this body, that a mistake was made, unintentional, and hopefully it can be corrected.

Mr. HUGH SCOTT. Will the Senator yield briefly to me?

Mr. BROOKE. I am pleased to yield to the distinguished minority leader.

Mr. HUGH SCOTT. I would like to join in the request of the majority leader since I have a leadership responsibility and normally that request is made by the majority leader and concurred in by the minority leader as a matter of course.

I do not think it has ever been denied that there is a strong effort here. I would hope the unanimous-consent request can be accepted since one of the amendments at the desk is mine and I would like to have a vote on it, preferably up or down. We have leaned over backwards to give the distinguished Senator from West Virginia the opportunity to have a vote on his amendment and he has prevailed on it. Maybe he pushed us a little to lean over backwards, but, in any event, we worked it out, and equitably. I hope we can work this one out equitably. If, however, there is objection and the Senator from Massachusetts appeals the ruling of the Chair, I hope he will be supported in that cause. Otherwise the procedure in the future in dealing with cloture motions is going to be one that we will have to watch very carefully. So I plead here for the equity involved. It is not my desire to ask anyone to vote one way or the other on the merits, but simply to get the chance to vote on these amendments.

Mr. LONG. Will the Senator yield?

Mr. BROOKE. I yield.

Mr. LONG. Mr. President, I voted against cloture because of the kinds of things that are involved right now. I did not think that we ought to proceed with the bill under cloture; I did not think it was necessary. I would not object to a unanimous-consent request to consider the amendment as read. I do not object to that. But when we vote cloture, that amounts to a compact among Senators that we are going to be foreclosed from offering amendments; that we are going to agree that no amendment can be considered if it is not germane, and that no amendment can be offered except by unanimous consent unless it has been previously read. If we vote cloture by a 60-percent vote and lock ourselves into that situation, every Senator has agreed with one another that we are going to do business in that fashion.

To appeal the ruling of the Chair and by a simple majority vote overrule, our own rules and our own Parliamentarian, and stultify ourselves, is 100 percent contrary to the way this Senator thinks we ought to proceed. I will not object to having the amendment considered as having been read. It is all right with me. But if any single Senator voted for cloture thinking this is the way it is going to be, he has every right to insist on obeying the rule. Anyone who is opposed to the amendment has the right to object and say, "I am sorry, fellows, but that is the rule we agreed on when we invoked cloture."

Mr. HARTKE. Will the Senator yield?

Mr. LONG. I do not have the floor.

I do not object to having the amendment considered as having been read, but I would have to vote and resist any effort to have the Senate overrule its own Presiding Officer, disregarding the honest advice of its Parliamentarian, and stultify itself to say the rules do not mean what they say after we have locked everyone else into a cloture situation.

Mr. BROOKE. Will the Senator yield?

Mr. LONG. Yes.

Mr. BROOKE. I hope the Senator will understand these amendments were filed prior to the cloture vote.

Mr. LONG. But they were not read.

Mr. BROOKE. That is correct.

Mr. LONG. I know the Senator filed them and I am sure he was in good faith. It was probably a matter of inadvertence that they were not read. But that cloture rule is a very, very strict rule.

Mr. BROOKE. In introducing the amendments, it is not customary for a Senator to request that they be read. It generally has been the leadership's role to ask unanimous consent that the amendments be read.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. LONG. Any time one gets ready to vote for cloture, if they have an amendment out there they ought to protect their rights by asking that it be read or ask that it be regarded as being read prior to the agreement. If they fail to protect themselves like that they are just like a great many other people who are victimized by the fact that cloture has been voted. If I want to offer an amendment to another amendment, I cannot offer it now. Cloture has been invoked. As I say, I will not object. It is all right with me if the Senator can get a unanimous consent. That is all right with this Senator.

I have even proposed that we put it in the rules that once we have invoked cloture, the Senate will have to abide by the advice of the Parliamentarian on germaneness unless by a two-thirds majority it should overrule its own Parliamentarian once cloture has been invoked.

That is a very rigid rule and it drastically limits the rights of Senators. It does prejudice Senators when we do that. It prejudices them in all kinds of ways. I would think that Senators would be very reluctant to vote for cloture if they know that having done so, someone is going to appeal the ruling of the Chair and the Senate will proceed to stultify itself by ruling that that rule does not mean what it says and overrule its Chair and Parliamentarian when they are doing their duty under the rules. Those rules are not there to be treated with violence. They are there to serve the Senate.

As I say, if the Senator asks consent, I will not object and I hope nobody else objects. But I would hope that the Senator will not ask the Senate to stultify itself by ruling that that rule does not mean what it says and overrule its Presiding Officer and disregard the advice of that Parliamentarian and the Presiding Officer who are doing their duty as the rule requires them to do. We should not be doing business that way among men here. We ought to be willing to abide by our own rules and to honestly vote on those points of order rather than stultify ourselves by saying the rule does not mean what it says.

Since the day I came here I have not voted on these points of order by looking to the merits of the amendment or votes on the merits of the amendment. I have tried to honestly do my duty, and I think those of us who have had legal education tend to do that to a greater extent than most people, because we have been schooled in the need to abide by procedural rules.

I hope the Senator will not insist on the procedure he has outlined. I hope he can get unanimous consent. However, if anyone objects, I would hope the Senate would not agree to that procedure. I would say by a majority vote to upset a rule invoked by the 60-percent vote is not the proper course to follow.

Mr. STENNIS. Is time controlled? Will the Senator yield?

Mr. BROOKE. I yield.

Mr. STENNIS. Mr. President, I feel compelled as a Member of this body to say a word. The Senator from Louisiana has made a wonderful statement. It could not be improved upon. Of all the time I have been here, this is the first time I have ever heard it argued openly in the Chamber of the Senate that even though we know the Chair is right in his ruling, nevertheless vote to overrule him.

I am not talking about the individual. I had not noticed who was in the Chair.

Even though we know the Chair is right, nevertheless, by sheer majority, vote to overrule the rule that we adopted ourselves 24 hours ago, I believe it was, or less.

If that is going to be the rule after almost 200 years of this body's existence, although rule XXII has not been in that long, if it is going to be the rule in the Senate that a bare majority can overrule the Chair when they know the Chair is right, and it is argued he is right, then we have a new kind of government.

Yes, we have some kind of rule rather than by law, and we have the Senate adopting some kind of a concept of government that is not the Senate rules.

I humbly and respectfully say that we are no longer the U.S. Senate if we are going to adopt a course like that. Take what you may, and I have taken as much as any, almost, as to what has happened in the Chamber since I have been a Member. We just have to take what comes under the rules, but preserve the rules, preserve the concept of law.

I know we talk about equity. I know a little of the history of the courts of equity in England, held up to scorn at first as a court, maybe, but the rule finally prevailed that equity follows the law. So there is swallowed up all elements of equity there may be in the plea here about this amendment—it is all swallowed up by the rules of the Senate. If we do not have any rules, we do not have any Senate. If we do not obey them ourselves, who will obey them? If we do not respect them ourselves, who will? Who will? No one, for long.

So regardless of the outcome of all this about these amendments, I hope we will stay with a ruling that we know is right and preserve what does not belong to us, preserve these Senate rules.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. BROOKE. Mr. President, I have been in the Senate only 9 years. I have not counted, but I recall on several occasions that there has been an appeal of the ruling of the Chair which has been overturned by the Senate. Perhaps the distinguished Senator from Mississippi does not recall.

Mr. TALMADGE. Will the Senator yield at that point?

Mr. BROOKE. Yes.

Mr. TALMADGE. Can the Senator recall any instance when the ruling of the Chair was overruled by this body when the proponents of the motion to override the Chair knew that the rule was being sustained by the Chair properly?

Mr. BROOKE. That would be a subjective consideration, and I would not know.

Mr. TALMADGE. I do not recall one single instance since I have been in the Senate, almost 19 years, when anyone has sought to override the Chair and they themselves knew that the Chair's ruling was correct and admitted it.

Mr. BROOKE. Well, as I said, I have been here when there have been overrulings of the Chair.

Mr. TALMADGE. So have I, but on a different basis.

Mr. BROOKE. I do not know whether the Senator who appealed the ruling of the Chair knew whether the Chair was correct or incorrect at the time the appeal was made. I do not know, because I cannot know what was in the mind of the particular Senator.

Mr. President, I think that we have had sufficient debate. I think all of the Members of the Senate know what this issue is all about. I circulated a letter to my colleagues—perhaps the first time that I have done so—to point out to them what the parliamentary situation was and what I intended to do about it. I do not think there is any necessity for further debate.

Mr. President, I ask unanimous consent that an amendment I send to the desk be considered as qualified under the rule.

Mr. ALLEN. I object, and ask for recognition, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. BROOKE. I did not hear the Senator.

The PRESIDING OFFICER. The Senator from Alabama—did the Senator from Massachusetts yield the floor?

Mr. BROOKE. No, I did not.

The PRESIDING OFFICER. Then the Senator from Massachusetts is further recognized.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. The sending of the amendment to the desk and asking unanimous consent that it be considered constitutes giving up the floor.

The PRESIDING OFFICER. The Senator from Massachusetts made a unanimous-consent request. He did not actually send an amendment to the desk.

Mr. ALLEN. He did send an amendment to the desk.

The PRESIDING OFFICER. The Senator asked unanimous consent that he be allowed to send the amendment to the desk, and thereby did not lose the floor.

Mr. ALLEN. I thought the clerk was holding it.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 923

Mr. BROOKE. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. BROOKE) proposes an amendment (No. 923) as follows:

At the end of the amendment by the Senator from Pennsylvania (Mr. SCOTT) add the following language: ": *Provided, however*, That, notwithstanding any other provision of this Act, the funds contained in this Act shall be used in a manner consistent with the enforcement of the fifth and fourteenth amendments to the Constitution of the United States and the Civil Rights Act of 1964".

Mr. ALLEN and Mr. BROOKE addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Did the distinguished Senator from West Virginia wish to raise a point of order? If he does, and there is an appeal from it, that would foreclose further debate. I would like to discuss the matter, if I might, within my time limit.

Mr. ROBERT C. BYRD. Very well. I will, at an appropriate time, raise a point of order.

Mr. ALLEN. The request at this time is for unanimous consent; is that correct?

Mr. BROOKE. No, I have just sent an amendment to the desk.

The PRESIDING OFFICER. The amendment has been stated.

Mr. ALLEN. Very well. This amendment is open for debate, is it not?

The PRESIDING OFFICER. The amendment is debatable within the 1 hour each Senator has.

Mr. LONG. Mr. President, will the Senator yield to me for a brief statement?

Mr. ALLEN. If I may do so without losing my right to the floor.

Mr. LONG. I ask unanimous consent that the Senator may do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, last year we passed the Trade Act of 1974 under cloture. I asked the Senate to vote for cloture on that issue to expedite the flow of that bill; it was an important bill, and could have dragged on indefinitely.

Organized labor was against that bill. They hoped it would be dragged out in lengthy debate and not become law. Spokesmen for organized labor told Senators to vote against cloture, that labor could be badly injured by this bill.

When Senators told them there was nothing in the bill that could injure labor, they said, "Oh, no, just a minute. Once cloture has been invoked, Senators could proceed to overrule their Chair by majority vote, they could disregard the advice of their Parliamentarian, they could do violence to their rules by a simple majority vote, and the Senate would be locked in on cloture, and could crucify labor under those circumstances."

It took a quite a bit of persuading to convince Senators that the Senate would so stultify itself; that the Senate would invoke cloture to limit Senators in their debating rights, and then proceed to do violence to what is implicit in a cloture motion—that amendments will have to be germane, that they will have to be read in advance before the cloture motion is voted on, so that everyone that knows in advance what they are expected to vote on, and anyone who might wish to protect his rights would know about it before we vote cloture.

The Senate cannot set this precedent that honor and conscience and rules do not mean anything, that a majority can just do anything it wants to when it wants to, regardless of any principle of conscience or anything else, regardless of the fact which is understood and implicit among Senators when they vote for cloture they agree that we are going to do business by a very strict rule, which would require that if a Chair gives an honest ruling the Senate will sustain that ruling.

Several Senators addressed the Chair.

Mr. ALLEN. Mr. President, I have the floor. I desire to yield to the Senator from Georgia, if I may do so without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I wish to propound two or three questions to the Senator from Louisiana.

Is not the very first thing we do as Senators take an oath to uphold and defend the Constitution of the United States?

Mr. LONG. It is.

Mr. TALMADGE. Does not the Constitution of the United States give to this body and the other the power to write their own rules?

Mr. LONG. It definitely does.

Mr. TALMADGE. Did not this body write rule XXII, which provides that you cannot have an amendment considered after invoking Senate rule XXII unless it is done by unanimous consent?

Mr. LONG. It did that.

Mr. TALMADGE. Therefore, is not every Member of the Senate bound by the oath that he took when he entered this body to support rule XXII when it has been invoked?

Mr. LONG. He is.

Mr. TALMADGE. He has taken an oath to that effect.

Mr. LONG. Especially if he is one of those who voted to invoke rule XXII himself.

Mr. TALMADGE. Correct.

Mr. LONG. And impose it on every Senator in this body.

Mr. TALMADGE. I thank my colleague.

Mr. LONG. Mr. President, the precedent being suggested here could be used to crucify labor. This precedent that the Senate would create here could be used to do all kinds of violence to this form of government. There are all sorts of measures that could be passed under a gag rule which could never be passed under free debate, such as the proposal that Franklin D. Roosevelt unwisely made at one point, and I think regretted thereafter, to pack the Supreme Court. That thing passed the House of Representatives, but it could not stand the light of free debate in the U.S. Senate.

There are all kinds of mischief that could occur to this form of government if the Senate did not respect its own rules and in good conscience abide by them. This is the first time in the history of the Senate, to my knowledge, that a Senator has stood here and said, "I know the Chair is going to rule this way, because that happens to be what the rule is, but I am going to ask the Chair to help me overrule the Chair, even though he is right and even though he is acting on the advice of the Parliamentarian."

Mr. President, if we are going to set that kind of a precedent, Senators would be voting for government by mob rule here in the United States. They would be voting for total disorder. They are voting to completely strike down every concept under which men try to govern themselves. Here is a rule book; do we all abide by it and agree to be treated equally without favor or partiality?

I am sorry the Senator prejudiced himself by voting to invoke cloture on the Senate. That is the very sort of thing I feared when I voted against cloture. I had in mind no amendment at all, but I felt that someone might want to offer one, and wanted to protect his rights. But for us to set a precedent here that we will not abide by our own rules, that we will invoke a cloture which will limit severely the rights of every Senator, and then proceed to let one man overrule the Chair, even though he agrees that the Chair is right, strike down the advice of the Parliamentarian, even though he knows that is right, and take advantage of his colleagues, who certainly could not be accorded similiar rights, would set a precedent that I do not think the Senate could live with.

If we are going to do that, we might as well strike off of the Senate Manual all the rules that exist there, because none of them mean a thing. It would just mean that any time a Senator is getting the worst of it, he would propose to overrule the Parliamentarian and the Presiding Officer, even though everyone knows they are right, which is nothing more than a complete extension of the theory that the end justifies the means: "Don't argue with us about what is right; we are going to cut off debate and have it our way." That is basically what it amounts to, when the Senate is asked to overrule the Chair on the motion of one Senator who stands there and states that he knows the Chair is going to rule against him and asks the Senate to overrule the Chair, even though he knows the ruling will be correct.

Several Senators addressed the Chair.

Mr. ALLEN. Mr. President, I ask unanimous consent to extend my remarks, if I may be accorded that privilege.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. I appreciate very much the remarks of the Senator from Louisiana. He has expressed the opinions of the Senator from Alabama much more eloquently than I can do.

On yesterday, the Senator from Alabama asked of the Chair, as a parliamentary inquiry, whether amendments filed subsequent to the cloture vote on Tuesday and not read here in the Chamber would be in order, and the Chair stated that such amendments would not be in order. No comment was made to the contrary; that was accepted as the ruling of the Chair in response to a parliamentary inquiry.

Mr. President, I ask unanimous consent to have printed in the Record the "Dear Colleague" letter from Mr. Brooke, dated September 24, 1975.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., September 24, 1975.

Dear Colleague: A serious parliamentary problem has arisen on H.R. 8069, the Labor-HEW Appropriation bill, due to inadvertence, which I would like to call to your attention.

Under the cloture rule amendments are not in order after cloture has been invoked unless the amendment has been presented and read prior to the cloture vote. The normal procedure is for amendments to be handed in at the desk and for a unanimous consent request to be made to have all amendments considered as read. Due to an oversight the unanimous consent request on reading of amendments was not made prior to the vote when cloture was invoked. Thus amendments presented at the desk prior to the vote could be ruled out of order even though it was clearly the intent that they be in order.

I hope that the leadership will attempt to get a unanimous consent request to qualify these amendments but it is not certain that no objection will be raised to this request. If it is not possible to get a unanimous consent request I will attempt to appeal the ruling of the Chair and will hope that a majority of the Senate in the interest of fairness would support the appeal.

It should be pointed out that allowing a vote on amendments which are at the desk dealing with busing will in no way foreclose Senators who support anti-busing amendments from asserting their rights on amendments which they have submitted and qualified.

Officers of the Senate who have been here for many years cannot recall another occasion when this has happened and I believe that it is in the interest of the Senate to correct this oversight and allow the amendments which were filed prior to the vote invoking cloture to be called up for consideration by the Senate.

Sincerely yours,

Edward W. Brooke.

Mr. BROOKE. Mr. President, will the Senator yield at that point?

Mr. ALLEN. For a question, yes.

Mr. BROOKE. Did I not ask unanimous consent that the Senator's amendment be qualified?

Mr. ALLEN. Yes; but I stated that if it did not comply with the rules I did not want it considered, and it was not considered, the Senator will recall.

Mr. BROOKE. I thank the Senator.

Mr. ALLEN. Because the Senator from Alabama recognized that it was not in order, and he did not insist upon it, as the distinguished Senator from Massachusetts is now doing as to his amendment.

So we did receive today this letter from the distinguished Senator from Massachusetts, in which he states that he is going to ask unanimous consent that these amendments, which are not in order and which have been stated by the Chair not to be in order—that if he cannot get unanimous consent for their consideration, "I will attempt to appeal the ruling of the Chair and will hope that a majority of the Senate, in the interest of fairness, would support the appeal."

The distinguished Senator from Massachusetts (Mr. Brooke) is one of the cosigners of the cloture motion, and it reads:

> We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon—

The record is in error here. It does not give the remainder of the cloture motion. But it seeks to bring the debate to a close under the provisions of rule XXII.

With respect to invoking the provisions of rule XXII, I read from that rule:

> Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time.

No contention is made that the amendments that the Senator refers to comply with rule XXII. The distinguished Senator from Massachusetts and at least 15 other Senators joined in the effort to invoke—that is, put into effect—the provisions of rule XXII. Here is what rule XXII says: These amendments are not in order.

If we are going to amend the rules each time the rules do not work to our satisfaction or they pinch our toes, we are going to have rule by 51 Senators.

That is the reason why it is so dangerous—as we have found out time and time again on the floor of the Senate—to invoke cloture. Senators are then subject to the harsh rules or the exact provisions of rule XXII if they are in the minority. But if a Senator is one of 51 who are willing to run roughshod over the rules, then he can amend the rules any way he wishes.

Let us look at the effect in the future. This is not just a one-time operation, Mr. President. The point of order has not been made. The distinguished Senator from West Virginia was going to make the point of order against the amendment. I asked that he not do that, because we would have had an immediate ruling by the Chair and an appeal, and there would be no time under rule XXII, unless a Senator wanted to appeal from the ruling of the Chair on that. There would be no opportunity to debate. That is the reason why I asked for recognition at this time, so that I could discuss this proposition.

This is not just a one-time affair. Once the Senate overrules the ruling of the Chair, that amendments that have not been read at the time cloture is invoked, or if unanimous consent has not been given, that they be considered as having been read—once the Senate overrules the Chair on that, this provision is no longer the rule of the Senate, because this ruling of the Chair in overruling the Chair's ruling becomes the ruling of the Senate.

Let us extend that further. The next time cloture is invoked, somebody will come in, not having filed the amendment, and say, "I have an amendment, and I want to get it considered." He will then turn it in at the desk and ask that it be read, and somebody will raise a point of order. It is a popular amendment, and 51 Senators overrule the Chair, and we have the rules amended again by 51 Senators.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. ALLEN. No, I will not yield. The Senator can be recognized at the proper time. I am limited as to time.

So what we are doing here is amending the rules of the Senate right on the floor. In fact, we are throwing the rule book out the window, because the rules say one thing and the distinguished Senator from Massachusetts wants us to travel a different route. In his letter, he says that the Chair is right; he concedes that. He says, "The Chair is right, but let us hold that it is wrong."

What kind of request is that, in the U.S. Senate?

I have been proud to be a Member of the U.S. Senate. I am proud to be a Senator representing the sovereign people of the State of Alabama. But I will say this: I will be just a little less proud to be a U.S. Senator if the Senate says to the Chair, "We know you are right, but we are going to rule that you are wrong." I hope we are not making this mistake—not just for this matter, but for the future as well.

Let me ask this rhetorical question: Can a cause be righteous if it takes tactics such as these to enact it?

I reserve the remainder of my time.

Mr. HELMS and Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California, who was on his feet first, is recognized.

Mr. CRANSTON. Mr. President, I remind the Senator from Alabama and others in the Chamber of a somewhat similar experience we had during the Voting Rights Act, when Senator Nunn wrote an amendment that technically was disqualified for technical reasons of faulty draftsmanship, and he was unable to have that amendment considered. I worked with other Senators, in an effort, purely in the interest of fair play and comity in the Senate, to have Senator Nunn's amendment considered by unanimous consent, and that unanimous consent was granted, for Senator Nunn's amendment to be considered under the Voting Rights Act.

We are now in a rather similar circumstance in the Senate. I think the request by the Senator from Massachusetts for unanimous consent to consider the amendment that he would like to have considered fits into exactly the same framework. It seems to me that comity and good will in the Senate should lead to the same result, that there should be no objection and that unanimous consent would be granted.

I point out further that no Member of the Senate to whom I have talked can remember a time when, before cloture was voted, there was not a unanimous consent request that amendments pending at the desk would be considered as read for purposes of rule XXII.

That has been the tradition. That is what we expect—and are justified in so expecting—to be the situation under cloture. It just did not happen that way, for whatever reasons, probably primarily because of a very sudden switch in the scenario yesterday.

When Senator BYRD's amendment was permitted to be voted upon before cloture, the distinguished Senator from Massachusetts, the very Senator who is now asking unanimous consent, withheld an objection he had made the day before, and it made possible that Senator BYRD's amendment was voted upon; it was adopted, and that made it possible suddenly to vote cloture on a day when we did not expect to have cloture voted, based upon what had happened the previous day and based upon the situation that prevailed in the Senate until the very moment when Senator BYRD made the unanimous-consent request. Senator BROOKE, after rising to his feet and stating his reservation, reserving the right to object, did not object, after he understood what the situation was, and he felt it was appropriate to give Senator BYRD his opportunity.

The suddenness of the move instantly from that announced vote, after the 15-minute rollcall, into cloture, is probably the reason why the normal request was not made to have all the amendments at the desk considered.

So it seems to me that it is now in order for no objection to be made to the request of the Senator from Massachusetts.

I should like to comment on one other aspect of the situation. The Senator from Georgia asked if anyone can remember a time when there was an appeal from the ruling of the Chair, where the rules were quite clear cut, and where the decision came out contrary to the rules. I cannot cite the precise case, but I recall that occurring in the time I have been in the Senate.

There is one particular event, and I do not recall the precise instance——.

Mr. TALMADGE. Mr. President, will the Senator yield for a clarification?

Mr. CRANSTON. Let me complete what I recall having happened once.

I do not recall what the issue was, but Senator CLARK was presiding. An amendment was offered. It was challenged on the ground that it was not germane. Mr. Zweben, who is now the Parliamentarian, told Senator CLARK, who was presiding, that it was not germane. Senator CLARK ruled that it was not germane. It clearly was not germane. The Senate voted, because that was its will at that moment, 44 to 43 that the amendment be considered germane.

So the request of the distinguished Senator from Massachusetts may be unprecedented in its frankness, and for that I admire him. But I do not think it is unprecedented in terms of what has occurred in the Senate on prior occasions.

Mr. TALMADGE. The analogy that the Senator recalls is utterly different from what I said on the floor. I stated that in the more than 18 years I have served in the Senate, I have never seen any Senator rise to appeal a ruling of the Chair, knowing and stating that he knew that the ruling of the Chair was correct.

Mr. CRANSTON. Our memories may be clashing, but we have been on the floor at different moments. I recall appeals from the ruling of the Chair in which plainly the Chair was correct, in accordance with the advice given to the Chair by the Parliamentarian, as to the rules. The Senator who appealed just was not as candid as the Senator from Massachusetts. He did not say, "I know the Chair is right, but I appeal, anyway." He just appealed. On the occasion I recall, the majority sustained the Senator who was objecting, by a vote of 44 to 43.

Mr. TALMADGE. I have seen two or three rulings of the Chair overruled in the time I have been in the Senate—sometimes erroneously, I think, and sometimes properly. But I have never seen a time when there was even an attempt to overrule the Chair when the Senator stated that he knew that the ruling of the Chair was correct.

Mr. CRANSTON. I think our difference is that I have seen it occur when it was done knowingly by many Senators in terms of the votes they cast. I, too, have never seen it occur when the Senator making the motion stated that he knew that the ruling of the Chair was correct.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. LONG. Can the Senator get any one of those 43 Senators who voted to overrule the Chair to stand here and state that he knew the Chair ruled correctly and that they stultified themselves by overruling the Chair, even though they knew he was right?

Mr. CRANSTON. I do not recall what the rollcall was.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. LONG. I say to the Senator that it is a bad enough matter for Senators to fail to uphold the Chair when the Chair is right and when the Chair has been advised by the Parliamentarian that the Chair is right. That is bad enough. But it is different when the Senate openly flouts the ruling, stating:

> I know that if the Chair rules this way, he is going to be right, no doubt about it—that amendment has never been read—but I am going to appeal from the ruling of the Chair, and I ask Senators to help strike down the ruling of the Chair and rule to the contrary, even though I know that what the Chair will rule will be correct, and I know that what the Parliamentarian will advise will be right.

If the Senator from California is going to do that, then he would not be operating under any pretense of being right. He would not be operating under the pretense of anything except the theory that those in the majority can do any fool thing they wish, whether it is right or not.

It is clear what the rule says, and I am not talking about equity. If the Senator can get unanimous consent as he suggested, I will not object to it. All I am saying is that we are in a parliamentary situation which should require unanimous consent to offer that amendment because that amendment has not been read under the rule.

I hope the Senator will not continue to suggest to this body that Senators should stultify themselves on these rules. They should uphold the rules. If they do not like the rules, they should change them.

Mr. CRANSTON. I have made no such suggestion. I was just recalling some precedents in terms of what the Senate has done, as to what I have witnessed, in response to the statement by the Senator from Georgia that this was the first time to his knowledge that this had ever occurred.

The more important matter, and what I rose to comment upon, is that the unanimous-consent request that the Senator from Massachusetts will make has a very unique and a very appropriate precedent in the action of the Senate on the Nunn amendment.

Mr. FORD. Mr. President, will the Senator yield so that I may make a parliamentary inquiry?

Mr. CRANSTON. I yield.

Mr. FORD. Mr. President, will the Chair advise the junior Senator from Kentucky, since we are operating under cloture, whether each Senator who is speaking is having the time charged against him?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER. The Senator from California sat down.

Mr. HELMS. Mr. President, am I recognized?

The PRESIDING OFFICER. Yes.

Mr. HELMS. Mr. President, I hope tempers will not flare over this issue because it is so clearcut as to be almost ridiculous. Really we ought to laugh at it.

The truth of the matter—and I say this with all due respect to Senators who wish to abrogate the rules of the Senate—is that they find themselves hoisted on their own petards. They are the ones who voted cloture upon themselves—and they now wish to extricate themselves from their own nets.

Now, the Senator from North Carolina did not vote for cloture. I have never voted for cloture. I do not believe in cloture. I believe in letting every Senator have his say. So it is a curious thing that, without exception, every Senator who has spoken during the past few minutes, pleading for equity, is a Senator who voted for cloture yesterday and the day before. They are filing cloture petitions with the rapidity of an automatic rifle. They did not realize what they were doing, perhaps, but it is up to each of us, as Senators, to know the rules, and abide by them.

I believe in living by the law and within the rules. I do not particularly like it when the rules work against me, but I have learned to live with the rules which I sometimes wish were different.

The other day the distinguished Senator from Massachusetts, who is now making a plea for equity, moved to table one of my amendments before I was permitted to speak one syllable in advocacy of my amendment, let alone explain it. I did not particularly like that, but it is the rule. I accepted it. We live by the rules, gentlemen, and this Senate, if it is going to mean anything, simply must protect its rules.

Now, the Senator from Massachusetts was clearly within his rights when he moved to table my amendment. I never resent it when a Senator exercises his rights. The Senator from New York, who makes a career out of tabling my amendments, [laughter] is within his rights, and he knows of my affection for him. I do not get upset about it. Neither do I try to abrogate the rules.

But the point is he lives by the rules when he is winning and, by golly, he ought to be willing to live by the rules when he is losing. That is the way I feel about it.

The Senator from North Carolina wants to make a point that in this country we do not say, "I will abide by a law," or "I will abide by a rule, except." We are supposed to be setting an example, and I hope we can move on, and I hope the U.S. Senate will perform true to its traditions this afternoon and refuse to abrogate its rules.

Mr. JAVITS. Mr. President, I shall be very brief. I know Senator BYRD wishes to speak. I yield myself 3 minutes.

Mr. President, I rise only for two points: One, because the fundamental point here has been lost sight of and that is the majority leader and the minority leader joined in saying that the oversight caused this situation, that it was inadvertent.

Now, have we got our feet so tangled in tape that we cannot untangle ourselves? That is point one. That is what distinguishes this from every other. The majority and minority leaders stated that by inadvertence they failed to get the consent, which is routine, and can we, therefore, get ourselves out of that situation.

Second, Mr. President, and very importantly, I heard it said that one man would reverse the Senate, one man. But, Mr. President, who is that man? That man is the one who objects to the consideration of this amendment. Senator BROOKE's motion has to be voted on by the Senate, and we will have to prevail by a majority. The Senate will speak in full conscience of everything that the eloquent Senator LONG, Senator TALMADGE, Senator HELMS, and Senator ALLEN have said.

We have heard them all, and then the Senate will vote. But it is one man who arrogates it to himself, if that is the way you want to put it on the other side. I do not put it that way. He is perfectly right to object, but we are perfectly right to try to undo a manifest wrong which we are asked by the majority and minority leaders to correct, a strictly formal procedural matter. It seems to me that the weight of equity—and that is what was referred to here in the British courts of equity—the weight of equity is to make that change in common justice when it is so testified to. That does not mean we will do it every month or every day or every year. It is 18 years we are talking about. But when you get yourself into this snarl, with the majority and minority leaders saying it should have been done and was not done through inadvertence, I believe the Senate, in the best conscience, has the right to do what is right.

Mr. MORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to recognize one of the other Senators.

Mr. ALLEN. Mr. President, will the Senator yield me 2 minutes after the distinguished Senator from North Carolina?

Mr. ROBERT C. BYRD. Yes.

Mr. MORGAN. Mr. President, I have not been too involved in this discussion. From necessity, I have had to be elsewhere and, as a matter of fact, I do not know how I will vote on the Humphrey-Scott amendment. For the record, I voted against Senator BIDEN's amendment.

But, Mr. President, I was always taught that what is sauce for the goose is sauce for the gander. When I came to the Senate in January I made up my mind I would vote for cloture whenever I thought it was justified. I have probably voted for cloture more than any Senator from North Carolina has ever voted in the history of the Senate in these short 8 months.

Mr. President, I got caught by this same rule on the Voting Rights Act, and the distinguished Senator from New York, who has just pleaded for equity, is the very man who called for a point of order on my amendment.

[Laughter.]

I would say to the distinguished Senator from New York that what is sauce for the goose is sauce for the gander. I got snarled in the redtape. He raised a point of order, and my amendment was ruled out of order.

All my amendment sought to do was to extend to New York and to other States the same protection for the minorities there that is extended to them in North Carolina. But the distinguished Senator from New York saw fit to invoke this part of rule XXII.

I do not think it is right now, and I do not think it would be equitable now, to come back and say, "Oh, Senator, you were snarled in redtape and we pulled a rule on you, but even though we have got caught in it, please do not pull it on us."

If we are going to have the rules, we ought to live by them, and I would say to the Senator from New York that he arrogated to himself the position of one man objecting to my amendment on the Voting Rights Act, and I think we should abide by the same rule now.

Mr. LONG. Mr. President, will the Senator yield for a question at that point?

Mr. MORGAN. I would be glad to.

Mr. LONG. In that particular case did anybody suggest to the Senator that it was the duty of the majority leader to protect his rights under the rules? Did anybody make that point?

Mr. MORGAN. No.

Mr. LONG. Was not what was said, it was unfortunate if he offered an amendment that did not comply with the rules, it was just his bad luck? Perhaps you learned to talk to the Parliamentarian in advance to protect your own rights.

Mr. JAVITS. Mr. President, will the Senator yield to me, in view of the fact that he speaks about me?

Mr. MORGAN. I would be delighted to.

Mr. JAVITS. Is it not a fact that the Senator got a vote on his amendment because Senator BROOKE and I kept quiet when the time came?

Mr. MORGAN. No, it is not, Senator. I had an amendment, I asked for a vote on it. The Senator asked or made a point of order. His point of order was sustained. I then announced that it would be few times and far between when I ever voted again for cloture, which since then I have not. It was thereafter that Senator CRANSTON and Senator NUNN offered an amendment, but it was not my amendment.

The Senator made a point of order on my amendment and it was sustained.

Mr. JAVITS. If I may ask him another question, Mr. President, is it not a fact that the Nunn-Cranston amendment, whatever it was, raised exactly the same question the Senator had raised?

Mr. MORGAN. It raised substantially the same question. But my point is that the Senator raised it on my amendment, and it was only after that that Senator CRANSTON and Senator NUNN and someone else worked it out. But the point is the Senator raised it on my amendment and the point of order was sustained. Now the Senator stands up in righteous indignation and says that we should not do the same thing.

Mr. JAVITS. May I ask this question, Am I standing up and asking it or am I asking the Senate to vote affirmatively on it?

Mr. MORGAN. The net result is the same thing.

Mr. JAVITS. I am sorry, I cannot agree.

Mr. MORGAN. I certainly do not agree with the Senator's interpretation either.

Mr. ALLEN. Mr. President, will the Senator yield in order that I may use 2 minutes of my time?

Mr. ROBERT C. BYRD. Yes, go ahead.

Mr. ALLEN. Mr. President, if those who so determine to carry their point in favor of forced busing of schoolchildren that they would consciously and deliberately overrule the Chair when they know the Chair is right, their victory will, indeed, be very hollow and the country is going to wonder, what about this business of forced busing of schoolchildren, the Senate must not be for it if they have got to overrule the Chair in order to carry their point, if they have got to overrule the Chair when they know he is right in order to reverse decisions made by the Senate on rollcall votes, maybe this business of forced busing of schoolchildren is not so good after all.

Let us see these Senators who are willing to overrule the Chair when they know he is right. They are going to go out and boast to those who favor forced busing of schoolchildren, "Well, I was so strong for you that I was willing to overturn the Chair, vote against what I know was right, vote against what the rule book says. I am so strong for you, I am so strong for forced busing, that I would throw the rule book out the window, I would amend the Senate rules on the floor of the Senate."

If that is what it takes to carry the day, I believe Senators who vote that way are going to rue that day. I believe those to whom they go back and brag that they overturned the Chair are not going to be so happy with their action. They will say, "Can't you carry through the force of debate, can't you carry your point through logic; have you got to ram it through by the sheer weight of numbers?"

I believe every Senator that votes to overrule the Chair when he knows the Chair is right is going to live to regret that. He has not only got to live with his constituency, he has got to live with himself, and it might be easier to live with his constituency than it will be with himself.

Mr. President, I reserve the remainder of my time.

Mr. BROOKE. Will the distinguished Senator yield, Mr. President?

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER (Mr. PACKWOOD). Did the Senator from West Virginia say he would yield, I thought he had yielded?

Mr. ROBERT C. BYRD. No, I do not have the floor, I have not had the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. BROOKE. Mr. President, if I might have the attention of the distinguished Senator from Louisiana, whom I respect, and the distinguished Senator from Georgia, whom I also respect.

I have sat here and listened very attentatively, and I have heard it said time after time that I stood up on the floor and said that I knew that the Chair would rule against me and that I knew the Chair was right.

In fact, it has been said so many times and so much has been made of it, that I was beginning to question myself as to whether I had said it or not.

I did not believe I had said it, but I began to question it. So I sent for the RECORD to find out whether I had actually said it or not.

I have with me the RECORD, and I give it to the distinguished Senator from Louisiana and ask him to search the RECORD, not my RECORD, the clerk's RECORD, and find one instance where I said at any time that the Chair was right.

Mr. TALMADGE. Will the Senator yield?

Mr. BROOKE. Yes, in a moment.

Then I looked at the letter that I sent out, and I want to read the letter, the pertinent part of that letter, in which I said:

> I hope that the leadership will attempt to get a unanimous consent request to qualify these amendments but it is not certain that no objection will be raised to this respect. If it is not possible to get a unanimous consent request I will attempt to appeal the ruling of the Chair and will hope that a majority of the Senate in the interest of fairness would support the appeal.

Mr. TALMADGE. Will the Senator yield?

Mr. BROOKE. Yes.

Mr. TALMADGE. All right, in paragraph 2, the Senator skipped that——

Mr. BROOKE. I did not skip 2, I will read the whole letter into the RECORD.

Mr. TALMADGE. Under the cloture rule, amendments are not in order after cloture has been invoked unless the amendment has been presented and read prior to the cloture vote.

Mr. BROOKE. Yes.

Mr. TALMADGE. The normal procedure is for amendments to be handed in at the desk and for a unanimous-consent request to be made to have all amendments considered as read. Due to an oversight, the unanimous-consent request on reading of amendments was not made prior to the vote when cloture was invoked.

I take that to be an admission that the Senator knows that if the Chair sustains a point of order against his amendment, that he knows that the Chair is correct in his ruling.

Mr. BROOKE. I think the Senator is too able a lawyer to take that statement to mean that.

I do not think 9 out of 10 people, or 99 out of 100, could read into that statement that I stood on the floor and said that I know the Chair is correct. I repeat what the Senator said: "He knows that he was wrong and he is asking us to uphold it when he knows he is wrong." And the Senator from Louisiana said the Senator from Massachusetts knows that he is wrong; he has admitted on the floor he is wrong.

At no time did I admit on the floor that I was wrong. And this letter did not admit I knew it was wrong. I said the Chair could rule and the Chair could rule either way.

I think the Senator from Georgia knows that. I do not think he wants to press that point.

Mr. TALMADGE. And if that, in effect, is not a plea of confession, I never saw one in my life.

Mr. BROOKE. If the Senator wants to get into this legal mumbo jumbo, I do not think it is a plea of confession, and I think the Senator knows that.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, let me thank my distinguished colleague from West Virginia for extending me this courtesy.

As one of the Members of this body who is not a lawyer, but who hopes that he can understand what the English language means when it is written as clearly as this letter is written, it seems to me to be extremely difficult for anyone, for anyone whether he is a lawyer, whether he is a farmer as I am, or whatever he may be, to reach any other conclusion than has just been reached by my good friend from Georgia.

I do not know how one can say more clearly, more unequivocally, with greater finality and conviction than has been stated here that under the cloture rule amendments are not in order, and I read it:

> Under the cloture rule amendments are not in order after cloture has been invoked unless the amendment has been presented and read prior to the cloture vote. The normal procedure is for amendments to be handed in at the desk and for a unanimous consent request to be made to have all amendments considered as read. Due to an oversight the unanimous consent request on reading of amendments was not made prior to the vote when cloture was invoked.

I do not think it takes any stretch of the imagination, I do not think it requires any fabrication, I do not think it requires adding any elasticity to words at all to reach exactly the conclusion that my good friend from Georgia has reached and which I, too, reach.

I would have to say, not being a lawyer, that I reached the same conclusion my friend from Georgia reaches.

Mr. BROOKE. What conclusion does the Senator reach?

Mr. HANSEN. My conclusion is that there is no doubt at all in the mind of the distinguished Senator from Massachusetts as to what rule XXII says and to what the ruling of the Chair would be.

Mr. BROOKE. I agree to that. I know what rule XXII says, and I knew exactly what the law is. I stated what the law was, but I did not say anything further than that.

If the Senator reads the RECORD to see what I was referring to, he will find that was not what I said at any time, either on the floor of the Senate or in that letter.

Mr. HANSEN. I ask the Senator from Massachusetts, is this his letter; I mean, is this a facsimile of the letter?

Mr. BROOKE. I am not going to get on that.

Of course, that is my letter, no question about that, I do not raise that question.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROBERT C. BYRD addressed the Chair.

Mr. HRUSKA. Mr. President, I yield myself 3 minutes of my own time.

Mr. President, the discussion of the past hour brings to mind the many occasions that this body has debated the virtues and the necessity of a cloture rule. Almost 25 years ago, when I first come to the Senate, the first major debate of that Congress was upon that very subject.

There have been efforts ever since that time which have resulted in a qualified success for the advocates of modifying the cloture rule. Last year the rule was modified so that no longer were two-thirds of those present and voting necessary to invoke cloture. Now the rule is that there must be 60 Senators, absolutely numbered at 60, to bring about a cloture of debate.

The present rule was a compromise, Mr. President, and it was said, when it was adopted, "Well, that is a little more reasonable and workable."

Let me remind the Chair and my colleagues that this Senator opposed that compromise and other compromises to the cloture rule that have been suggested from time to time.

For example, the proposition that only three-fifths of the Senators present and voting would be sufficient to invoke cloture.

There were several reasons for the position taken by this Senator, but let me cite the fundamental and basic reason: the opponents of the cloture rule as we had it and as we have it now will never be satisfied, Mr. President, until there will be a simple majority that will be able to impose cloture.

Make no bones about it. That is what the opponents of the rule have in their minds and they intend to get it bit by bit on the principle that they will go from two-thirds to three-fifths to 60, and then to three-fifths of those present and voting and then down to 55 and then down to 51.

Mr. President, we now see in the situation we have before us this afternoon that that day has come, that that day is here right now, but in a more vicious form than a simple 51 percent of the Senators present and voting. If there is an appeal taken from the rule of the Chair under this situation outlined in the letter of the Senator from Massachusetts, that appeal being taken is not debatable, and it will be decided not by 51 Senators, Mr. President; it will be decided by one more than one-half of those who are present——

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. HRUSKA. I yield myself 2 more minutes.

It will be decided by one more than one-half of the Senators who are present and voting. If there are 80 Senators here, it will take 41 Senators ovting. Let me remind the Senate, the day before yesterday cloture was denied on a vote of only 43 votes in favor of that motion to invoke cloture.

Mr. President, the situation resolves itself into a very simple proposition: if the position and the contemplated procedure here is followed, it will result in an abrogation of our present rule. It will enable a simple majority of those present and voting to nullify, without debate, a position which has come about by a requirement of a 60 Senator vote, and it is done in a flagrant and unabashed effort to obviate that rule.

I share the sentiments of those who have expressed themselves to the effect that this move is an effort to overrule, a raw power play to overrule, what admittedly is the rule of the Senate. Any ruling to the contrary by the Presiding Officer would likewise be a blatant effort to overcome the rules.

There cannot be any question but what the proper ruling can be from the Presiding Officer of the Senate. It is that which would disqualify this amendment from being considered.

If we do not want to place ourselves on record here as making a shambles of this rule upon which further shambles will be built in future sessions of Congress, we had better be careful. We had better assess the situation very, very wisely and very deliberately. I hope that that occasion will not arise.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROBERT C. BYRD. Mr. President, I very patiently sought to wait to make a point of order. But time is running. Some Senators have to leave to catch planes. I know the Senator from Maryland has been on his feet. Will the Senator indicate how long he wishes to speak?

Mr. MATHIAS. Three or 4 minutes.

Mr. ROBERT C. BYRD. I will yield to the distinguished Senator and then I hope I can proceed.

Mr. MATHIAS. Mr. President, I will try to be more brief than that.

I want to ask Senators to think back several weeks to the 24th of July of this year. On the evening of the 24th of July of this year we were debating the extension of the Voting Rights Act. The manager of the bill on the majority side was the Senator from California (Mr. TUNNEY). I was sitting on this side.

Under circumstances which are not precisely parallel but which are not too dissimilar than the existing circumstances, the Senator from Georgia (Mr. NUNN) was very anxious to propound an amendment and offer it to the Senate. It was very clear that that amendment could not be presented to the Senate under the rules. As the manager of the bill on this side, I was under enormous pressure to object.

The word equity has been used here this afternoon. I thought that as a matter of equity, the Senator from Georgia had a right, and if not a right at least he ought to have the benefit of the privilege, of having the Senate vote on that amendment.

We all have rights. Everyone has rights. Everyone in the world has rights. But if we sit around and argue about our rights and press for the *n*th degree of our rights, we will not get very much else done.

Why not let the Senator from Massachusetts have a vote? If we can judge anything from the results of the vote on the Biden amendment and the results of the vote on the Byrd amendment, the results can be predicted and those who are objecting to having the vote will not be very unhappy about it. I cannot say what the results will be.

But going back to what was done in the Senate—and let me say the Senator from Massachusetts was present in the Chamber, was vitally interested, and could also have objected to the vote on the Nunn amendment to the voting rights extension—going back to that kind of spirit, of amity or equity, let us let the Senator from Massachusetts have the vote on his amendment.

Mr. President, I ask unanimous consent that the Senator from Massachusetts may be allowed to offer his amendment and to obtain a vote thereon.

Mr. HELMS. I object.

The PRESIDING OFFICER. Objection is heard. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Massachusetts stated that he was offering an amendment, the purpose of which would be to nullify the Biden amendment.

The amendment that the distinguished Senator from Massachusetts is offering would nullify not only the Biden amendment; it would also nullify the Byrd amendment. It does not address itself to the Biden amendment alone; a careful reading of the amendment would indicate that its purpose would be to nullify the intent of not only the Biden amendment but also the Byrd amendment.

Mr. President, the distinguished majority leader asked the Senate to consent to the request of the distinguished Senator from Massachusetts that his amendment be allowed to qualify under the reading requirement of rule XXII. My relationship with the distinguished majority leader is such that I would never object to a unanimous consent request after his having appealed, as he did, to the Senate that the request be granted. But an objection has been made; in fact objections have been twice made. Now we are beyond that point.

The rule has been read by another Senator, but I want to read those pertinent provisions again for the RECORD.

> Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time.

A unanimous consent request was made; it was objected to. A second unanimous consent request was made, this time by the distinguished Senator from Maryland (Mr. MATHIAS), and objection was again made. Therefore, the amendment offered by Mr. BROOKE is not in order. The rule clearly states that.

If the Chair rules that the amendment is not in order—and I do not see how the Chair could rule otherwise—then an appeal from the ruling of the Chair will be made. If the Senate overrules the Chair in a matter that is clear, a matter about which there can be no argument, a matter about which there can be no difference of opinion, then the rule book means nothing.

I have acted as the chairman of the Subcommittee on Rules for a good number of years. I have sought to apply myself in as dedicated way as I knew how to a study of the rules, and to a study of the precedents. I have read the volume on procedure—from cover to cover—through twice and I am now on my third time through it. I have read portions of those precedents even more. I have read the book of rules dozens of times. What is the use for me to spend all of that time reading the rules and the precedents if they are not going to mean anything?

Mr. President, may we have order in the Senate?

Why should I spend all of my time working with the Rules of the Senate in the subcommittee if they are not going to mean anything? Why should any Senator even bother to read the rules or the precedents if they are to mean nothing?

Any lawyer or any judge who does not comply with the clear letter of the law knows that the letter of the law means nothing. Any lower court that does not comply with the clear ruling of the Supreme Court of the United States is saying that that ruling means nothing and can be waived or negated at random.

It is the same way here. A Senate has to have rules. If we are going to have any stability in the legislative process, we have to follow the rules.

I have been on both sides, philosophically, many times since I have been acting in the leadership. At times I have taken the side of the so-called liberals in the Senate. At times I have taken the side of the so-called conservatives. It was not very long ago that I took the side of the so-called liberals that helped push through a change in the cloture rule and also, later, an extension of the Voting Rights Act. Upon that latter occasion, I appealed the ruling of the Chair on one occasion and the Senate supported me. I appealed the ruling of the Chair on the question as to whether or not a cloture motion could be offered to the unfinished business when the unfinished business was not before the Senate. I argued that a motion to proceed to other business—if adopted—disposed of the unfinished business, it automatically went back to the calendar, and was no longer the unfinished business before the Senate. Consequently, it was not before the Senate at that time and no cloture motion could be offered to it. The Chair overruled me, but the Senate sustained me upon appeal from the Chair's ruling.

I have sought to press for cloture upon many measures, some of which measures I voted against, but I still sought to get cloture and shut off debate, feeling it was my duty as a member of the leadership to try to keep the——

Mr. President, may we have order?

The PRESIDING OFFICER. There will be order in the Senate, please.

Mr. ROBERT C. BYRD. To try to keep the legislative process moving.

What I am attempting to say is that, when it comes to the rules of the Senate, I do not bend one way or the other just because my heart may be for or against a particular issue. I may be for a particular bill on its merits, or I may be against it. But when it comes to the rules of the Senate, I attempt to uphold the ruling of the Chair when I think the Chair is right. I do not let my feelings on a substantive issue influence my position on a ruling by the Chair.

There can be a difference of opinion as to germaneness. Someone made the point a while ago that the Senate had from time to time overruled the Chair on the question of germaneness. The question of germaneness is one upon which honest men can differ. But honest men cannot differ upon the clear letter and intent of the rule we are talking about here. There can be no difference of opinion. The rule is not ambiguous. It leaves no room for doubt.

Objections having been made, if an appeal is made and the Senate does overrule the ruling of the Chair in this instance, then the Senate will have stultified itself because it will have said that regardless of what the rule says, the rule will be willfully disregarded and reduced to a nullity.

I would appeal to Senators in the interest of stability in the Senate, in the interest of the future integrity of the Senate, to stand by the rules and not let themselves be persuaded by the substantive issue to overrule the Chair when the Chair's ruling is clearly and unquestionably right and proper.

Mr. LONG. Will the Senator yield for a question at that point?

Mr. ROBERT C. BYRD. If the Senator will allow me to complete my thought, I will be glad to yield at that time.

The distinguished Senator from Massachusetts has indicated—and I hope I am not wrong in saying that it was he—that he had been in the Senate a great number of years, and that the Chair had been overruled often.

Well, Mr. President, my recollection does not comport with that statement. I have been in the Senate now for 17 years. The Chair has seldom been overruled. Not often is the Chair overruled.

From time to time I have taken this floor to plead with the Senate not to overrule the Chair. If we want to change the rules, let us change the rules, but let us go about doing it in the way that is provided. The Chair is not often overruled, and never have I seen the Chair overruled in my 17 years in the Senate—never—when the intent and the letter of the rule is crystal clear, as it is in this instance. When there is no ambiguity, no possible room for a difference of opinion, the Chair has never, in my time in the Senate, been overruled.

Mr. LONG. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. I would hope if this appeal is made, that the Chair will be sustained.

Mr. LONG. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. LONG. The point made by the distinguished Senator from California had to do with a situation where the majority leader (Mr. MANSFIELD) made the point of order against an amendment on a civil rights bill, which was an amendment involving Indian rights.

One could contend that Indian rights are civil rights. Indeed, why are they not? The only reason one would not rule that they are civil rights would be that the cloture rule has always been very strictly construed. But one could very well contend, and logically argue, that Indian rights are civil rights just as much as anybody else's rights are, whether it is under an Indian treaty or anything else. That was the case the Senator referred to where, on a matter of germaneness, the Chair was overruled. I was not here but if I had been here I would have voted to sustain the Chair.

What we are voting on here is whether this amendment has been read. Everybody knows it has not been read. Nobody contends the amendment has been read. We have heard apology after apology for the fact that it was not read. The leadership on both sides of the aisle said they wished they had thought about that matter because they would have asked unanimous consent that it be regarded as read. Not one soul here has to this very moment even suggested that the amendment was read before the outcome of the vote on cloture was announced.

If the Chair should by chance rule that the amendment had been read, the Chair would be doing the Senate a disservice. He would be engaging in conduct that would require that anyone of conscience should insist that that ruling be appealed from. We would expect that the Chair would rule exactly what we all know to be true, that the amendment has not been read prior to the cloture vote and therefore is not in order under the rules.

On something that is that clear, when no one has yet said the amendment has been read in all this debate, I do not see how the Senate could adopt a precedent that the rules do not mean anything. We would shortly come to a point in the Senate where differences would be settled by fistfights rather than by orderly parliamentary procedure.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, I have the floor.

Mr. BROOKE. Will the Senator yield?

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROBERT C. BYRD. I will yield shortly, but not at this point.

Mr. President, reference has been repeatedly made here to the leadership, and something has been stated and said here on the floor and in the newspapers to the effect that the leadership did not secure unanimous consent that this rule be waived.

That is not the duty of the leadership. It is not the role of the leadership to see that rules are waived. It is the leadership's duty to protect the integrity of the rules. It has never been the responsibility of the leadership to get unanimous consent, prior to every vote on cloture, to waive the cloture rule as to the reading requirements.

From time to time I have done it for Senators. I have sought, from time to time, to press for cloture—again I say—on matters the substance of which I was opposed to. For example, the Consumer Advocacy Agency. I voted against the bill creating the agency, but I pressured for cloture to keep the legislative process moving.

I was against the extension of the Office of Economic Opportunity Act 3 or 4 years ago, but I pressed for cloture so that Senators could have an up-or-down vote. So from time to time I have supported cloture, and before the vote, a Senator would come to me and ask, "Are you going to get consent that amendments at the desk be considered as having met the reading requirement?"

And I have so requested. Had it been requested of me in this instance, I would again have sought such consent. Nobody mentioned it to me, and I never thought about it.

But it is not the responsibility of the leadership to do this as a matter of course, and I would like to debunk that idea if anyone is of the opinion that this is a duty incumbent upon the leadership.

Mr. BROOKE. Will the Senator yield?

Mr. ROBERT C. BYRD. No, I do not yield right at this point. I shall be glad to yield shortly.

That is not the role of the leadership, and it has not been a member of the leadership in all instances heretofore who has made such request. I do not know who made the request prior to the vote on cloture on Tuesday. It was not I. It was the majority leader, I am now told, but it was not I.

I remember occasions when the Senator from Alabama, Mr. ALLEN, made the request that amendments at the desk qualify under the cloture rule.

Mr. ALLEN. And he is not part of the leadership, I might say.

Mr. ROBERT C. BYRD. I can recall occasions when the distinguished former Senator from North Carolina (Mr. Ervin) made the request. He was not a part of the leadership.

So, for the record, let it be shown that it is not a duty incumbent upon the leadership to see that this rule is waived. It is the duty of the leadership to help enforce the rules of the Senate. The Senate, by unanimous consent, can waive this rule or any other. As the distinguished senior Senator from California has stated, the scenario yesterday moved and shifted rapidly, and the Senator from Massachusetts, Mr. BROOKE, never thought to waive the reading requirement. But he had 15 minutes during the rollcall on my amendment, and he could have asked unanimous consent even as late as at the end of that rollcall and prior to the vote on cloture, and I would not have objected. I would have helped, to the best of my ability, to obtain that unanimous consent for him.

Yet, the distinguished Senator from Massachusetts was inadvertent. He and his supporters were inadvertent, in that they did not ask unanimous consent. A timely request would not have been objected to. But now that cloture has been invoked, the request comes too late.

So I would hope that no one would attempt to make the leadership the scapegoat for the inadvertence of those who, by their own inadvertence, have lost the right to offer their amendments. It is up to every Senator to protect himself. If I speak to a Senator and ask him to protect me, then I expect him to do it. If a Senator asks me to protect him, I will try to do it. If I forget it, that is too bad; I will apologize.

But no one asked me to request a waiver of the rule, and they did not have to ask me. They could have spoken for themselves. All they needed to have done was to address the Chair and ask unanimous consent. Such a request certainly would have received no objection from me, and as I said, I would have tried to help them at that time. So much for this business about the inadvertence of the leadership.

Mr. BROOKE. Mr. President, will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. BROOKE. I do not know if anywhere there are written the duties and responsibilities of the leadership, and I do not wish to impose upon the distinguished assistant majority leader any responsibility or duty which he says he does not have. I do know that the distinguished majority leader today said, in reference to this matter, "This is the first time in my many years in the Senate that the matter referred to was not automatically presented and automatically accepted."

Then I refer to the statement by the distinguished minority leader, who said, "I would like to join in the request of the majority leader, since I have a leadership responsibility, and normally that request is made by the majority leader and concurred in by the minority leader as a matter of course."

Mr. ROBERT C. BYRD. Well——

Mr. BROOKE. Let me just finish.

Mr. ROBERT C. BYRD. I have the floor.

Mr. BROOKE. I know, but the Senator yielded to me, and I would like to finish, if I may.

Mr. ROBERT C. BYRD. I beg the Senator's pardon.

Mr. BROOKE. I was not the only one who filed amendments at the desk prior to the vote on cloture. The distinguished Senator from Alabama, who is heralded by many as being one of the greatest parliamentarians in the U.S. Senate, filed an amendment at the desk prior to the vote on cloture, and he did not ask unanimous consent that the amendments be considered as read.

Mr. ROBERT C. BYRD. I have an amendment here that I would like to call up, but it does not meet the reading requirement under the rule.

Mr. BROOKE. And he stood up on this floor yesterday and called his amendment up, so presumably he was laboring under the impression that the unanimous-consent agreement had been asked for and had been obtained by the leadership in this case. So I just want the record to be clear; I am just stating the facts.

I cannot say what was in the mind of the distinguished Senator from Alabama, but he said, in response to one of the Senator's questions, or nodded his head in affirmation, that at some time he himself had asked for unanimous consent under those circumstances. But he did not ask for it yesterday.

Mr. ALLEN. And he did not insist on his amendment, either.

Mr. ROBERT C. BYRD. Mr. President, I have the floor, and I did not yield for a colloquy.

Mr. BROOKE. I thank the distinguished Senator for his generosity. I appreciate it very much.

Mr. ROBERT C. BYRD. Mr. President, when unanimous-consent requests heretofore have been made—prior to the invoking of cloture—that the rule be waived, so that all amendments at the desk can meet the reading requirements, it is true that quite automatically those requests have, as a general rule, been granted.

But it is not automatic that the leadership always does this.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I say again it is the responsibility of every Senator to protect his own rights here. I would further have to state, Mr. President, that if the Chair is overruled in this instance the action by the Senate to overrule the Chair will come back to haunt the Senate. Mr. President, I make a point of order——

Mr. ALLEN. Before the Senator makes a point of order, will he yield 2 minutes?

Mr. ROBERT C. BYRD. I will yield 2 minutes.

Mr. ALLEN. That is all I ask.

Mr. President, as Senators are considering this point of order, I point out to the Senate that even if this amendment had been properly filed, if unanimous consent had been given, and it be considered as having been read, it would not be in order.

I call attention to the fact, this is amendment No. 723—Senators can examine it themselves—this is legislation. The other amendments have said that the funds cannot be used in such a way. That is a prohibition, that is a limitation, and that has been ruled to be in order. But this amendment is legislation. If Senators will look at the amendment they will see that it calls for affirmative action, not the prohibition against action, which is in order but this is affirmative action, and read here:

> *Provided, however,* That, notwithstanding any other provision of this Act, the funds contained in this Act shall be used * * *

not words of limitation; affirmative action—

> * * * shall be used in a manner consistent with the enforcement of the fifth and fourteenth amendments * * *

If the Senator had filed this properly, if he had gotten permission as having been read, it would not be in order under Senate rules. I hope Senators will consider that point that it is out of order on two grounds.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Alabama for his observation. I agree with him.

Mr. President, if the Chair is overridden, again I want to say that the Senate will rue the day. I regret that.

Mr. President, I make the point of order that the amendment is not in order, that it is violative of the reading requirement of paragraph 2 of rule XXII of the Standing Rules of the Senate.

The PRESIDING OFFICER. The point of order is well taken.

Mr. BROOKE. Mr. President, I appeal the decision of the Chair and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The matter is not debatable.

Mr. ALLEN. I am not asking to debate. I am just asking for recognition.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I move to table the——

Mr. CRANSTON addressed the Chair.

Mr. ALLEN. I move to table the appeal of the ruling of the Chair and call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to table.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. GRAVEL (when his name was called). On this vote I have a pair with the Senator from Arkansas (Mr. McCLELLAN). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Iowa (Mr. Culver), the Senator from Maine (Mr. Hathaway), the Senator from Arkansas (Mr. McClellan), the Senator from New Mexico (Mr. Montoya), the Senator from New Hampshire (Mr. Durkin), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

I also announce that the Senator from Vermont (Mr. Leahy) and the Senator from Michigan (Mr. Philip A. Hart) are absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Michigan (Mr. Griffin) is absent on official business.

The result was announced—yeas 50, nays 39, as follows:

[Rollcall Vote No. 415 Leg.]

YEAS—50

Allen
Baker
Bartlett
Bellmon
Bentsen
Biden
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Goldwater
Hansen
Hart, Gary W.
Hartke
Haskell
Helms
Hollings
Hruska
Huddleston
Johnston
Long
McClure
McGee
McIntyre
Morgan
Nelson
Nunn
Proxmire
Randolph
Roth
Scott, William L.
Stennis
Stone
Symington
Talmadge
Thurmond
Tower
Young

NAYS—39

Abourezk
Beall
Brooke
Case
Church
Clark
Cranston
Fong
Glenn
Hatfield
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Magnuson
Mansfield
Mathias
McGovern
Metcalf
Mondale
Moss
Muskie
Packwood
Pastore
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Gravel, against.

NOT VOTING—10

Bayh
Culver
Durkin
Griffin
Hart, Philip A.
Hathaway
Leahy
McClellan
Montoya
Sparkman

So the motion to table was agreed to.

Mr. ALLEN. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Pennsylvania.

Mr. BROOKE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order.

The clerk will suspend until the Senate is in order.

The clerk may proceed.

Mr. NELSON. Mr. President, the Senate is not in order. There are Senators conversing around in the aisles.

The PRESIDING OFFICER. The Senator is correct. Will those who are conversing please take their conversations to the cloakroom?

The Senate will be in order, please. Will those who are conversing please take their conversations to the cloakroom?

The second assistant legislative clerk resumed the call of the roll.

Mr. HANSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. BROOKE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. NELSON. Mr. President, the Senate is still not in order.

The PRESIDING OFFICER. Will those who are conversing please stop conversing on the Senate floor?

The objection is heard.

The clerk will call the roll.

The second assistant legislative clerk resumed the call of the roll.

Mr. HANSEN. Mr. President, I repeat my unanimous-consent request that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEAVE OF ABSENCE

Mr. GOLDWATER. Mr. President, I ask unanimous consent that I may absent myself from the Senate from September 30 to October 7 for the purposes of attending an aviation conference in Belgium and visiting with the commander of NATO.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. BROOKE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, this will be a live quorum. I ask that it be so considered.

The second assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 74 Leg.]

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Hart, Gary W.
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Long
Magnuson
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present. The question is on the amendment of the Senator from Pennsylvania.

Mr. BROOKE. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, I make the point of order that no business has been transacted since the last quorum.

The PRESIDING OFFICER. The point of order is well taken.

Mr. BROOKE. Mr. President, I ask unanimous consent that Kris Anderson of my staff be permitted the privilege of the floor during the duration of consideration of this bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BIDEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 75 Leg.]

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Hart, Gary W.
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Long
Magnuson
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment of the Senator from Pennsylvania (Mr. Hugh Scott), as amended.

Mr. BROOKE. Mr. President, I ask unanimous consent that Mr. Hardy Nathan of my staff be granted permission to stay on this floor for the duration of the consideration of this bill.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I am not going to object, but this obviously is a dilatory tactic and, under the cloture rule, the Chair has to enforce that rule against dilatory tactics and dilatory motions. I am not going to object to the request in this instance, but when the cloture rule is invoked no dilatory amendment or dilatory motion, is in order, and it is up to the Chair to enforce the rule.

The PRESIDING OFFICER. The point is well taken.

Mr. ROBERT C. BYRD. It is becoming obvious that the distinguished Senator from Massachusetts—and I say this with all due respect—is engaged in dilatory tactics.

Mr. BROOKE. Mr. President, I believe it is within my right to suggest the absence of a quorum.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BROOKE. I believe it is within my right to ask unanimous consent that a member of my staff have the privileges of the floor.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BROOKE. That is what I have done.

Mr. ROBERT C. BYRD. That is correct so far. But the Senator has asked for a quorum three times in succession and they have all been live. He interspersed these with requests for floor privileges, when he could have made a single request for both staffers.

Mr. President, I want to call the Chair's attention to the fact that dilatory motions, dilatory tactics, and dilatory amendments are not allowed under the cloture rule, and I will insist on the enforcement of the rule.

Mr. BROOKE. Now, Mr. President, I think the distinguished assistant majority leader knows full well we are trying to work out some kind of an agreement with the Senator from Delaware (Mr. Biden). I think the distinguished assistant majority leader has been party to the negotiations.

Mr. ROBERT C. BYRD. If the Senator wishes a little time let us move that the Senate stand in recess for a few minutes so that we do not——

Mr. BROOKE. I have been considering that, but I have thought we were properly at a time when we might reach negotiation.

Mr. ROBERT C. BYRD. How much time does the Senator wish to have?

Mr. BROOKE. At the proper time I shall move for a recess.

Mr. ROBERT C. BYRD. That is normally a leadership prerogative. How much time does the Senator need?

Mr. BROOKE. An hour.

Mr. ROBERT C. BYRD. Well, Mr. President, I do not think the business of the Senate should be held up for an hour while the Senator attempts to work out something.

The pending question before the Senate is on the adoption of the Scott-Humphrey amendment, as amended. I say let us vote on it up or down, or a motion to table would be in order, if anyone wishes to make such motion.

RECESS FOR 10 MINUTES

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate stand in recess for 10 minutes.

There being no objection, the Senate, at 4:45 p.m., recessed until 4:55 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Packwood).

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

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Mr. BROOKE addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. BROOKE. Mr. President, I move that the Senate stand in recess for 30 minutes.

The PRESIDING OFFICER. Thirty minutes?

Mr. BROOKE. Yes.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. I object.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts (Mr. Brooke). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask that the floor be cleared. The Senate is in session and doing business and there is a vote now underway.

The PRESIDING OFFICER. Senators will clear the floor and carry on their compromise efforts in the back room.

The clerk will continue.

The assistant legislative clerk resumed the call of the roll.

Mr. GOLDWATER. Mr. President, I call for regular order.

The PRESIDING OFFICER. Regular order has been called.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Arkansas (Mr. Bumpers), the Senator from Iowa (Mr. Culver), the Senator from New Hampshire (Mr. Durkin), the Senator from Mississippi (Mr. Eastland), the Senator from Maine (Mr. Hathaway), the Senator from Arkansas (Mr. McClellan), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Philip A. Hart), and the Senator from Vermont (Mr. Leahy) are absent because of illness.

Mr. SCOTT of Pennsylvania. I announce that the Senator from Oregon (Mr. Hatfield) is necessarily absent.

I also announce that the Senator from Michigan (Mr. Griffin) is absent on official business.

The result was announced—yeas 23, nays 62, as follows:

[Rollcall Vote No. 416 Leg.]

YEAS—23

Brooke
Case
Clark
Curtis
Fong
Glenn
Humphrey
Inouye
Javits
Kennedy
Mathias
McIntyre
Nelson
Packwood
Percy
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Taft
Tunney
Williams

NAYS—62

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Dole
Domenici
Eagleton
Fannin
Ford
Garn
Goldwater
Gravel
Hansen
Hart, Gary W.
Hartke
Haskell
Helms
Hollings
Hruska
Huddleston
Jackson
Johnston
Laxalt
Long
Magnuson
Mansfield
McClure
McGee
McGovern
Metcalf
Morgan
Moss
Muskie
Nunn
Pastore
Pearson
Pell
Proxmire
Randolph
Roth
Scott, William L.
Stennis
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—15

Abourezk
Bayh
Bumpers
Culver
Durkin
Eastland
Griffin
Hart, Philip A.
Hatfield
Hathaway
Leahy
McClellan
Mondale
Montoya
Sparkman

So Mr. Brooke's motion was rejected.

The PRESIDING OFFICER (Mr. Johnston). The question is on agreeing to the amendment (No. 901) of the Senator from Pennsylvania (Mr. Hugh Scott), as amended.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, will the clerk state the amendment?

The PRESIDING OFFICER. The amendment, as amended, will be stated.

The legislative clerk read as follows:

> On page 45, after line 26, insert the following new section:
>
> Sec. 209. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with title VI of the Civil Rights Act of 1964.".

The PRESIDING OFFICER. The question is on agreeing to the amendment, as amended.

The amendment, as amended, was agreed to.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the amendment was agreed to.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 915

Mr. BIDEN. Mr. President, I call up my amendment No. 915, which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. BIDEN) offers an amendment numbered 915, as follows:

Insert at the end of the bill the following:

SEC. . Notwithstanding any other provision of this Act, the funds contained in this Act shall be used in a manner consistent with the enforcement of the fifth and fourteenth amendments to the Constitution of the United States and title VI of the Civil Rights Act of 1964: *Provided*, That the funds contained in this Act shall not be used so as to require the transportation of students for reasons of race unless such transportation is specifically required by a final decree of a court of law.

Several Senators addressed the Chair.

Mr. BROOKE. Mr. President, under the rule, I raise the question of germaneness.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. A point of order has not been raised.

Mr. HELMS. Point of order, Mr. President.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, let the Senator state his point of order and the reasons therefor.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. HELMS. The Senator from North Carolina suggests that the last 15 words of the amendment state a condition which makes it legislation on an appropriation bill, and therefore it is not in order.

Mr. BROOKE. Mr. President, under the rule I raise the question of germaneness.

The PRESIDING OFFICER. Under the precedents and rule, the Chair submits to the Senate the question of germaneness.

Is it the sense of the Senate that the amendment is germane?

Mr. BROOKE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, is it the sense of the Senate that the amendment (No. 915) of the Senator from Delaware is germane? On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. The Senate will be in order.

Senators will please clear the well.

Mr. GRAVEL (when his name was called). On this vote I have a pair with the distinguished Senator from Arkansas (Mr. MCCLELLAN). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Iowa (Mr. CULVER), the Senator from New Hampshire (Mr. DURKIN), the Senator from Colorado (Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Vermont (Mr. LEAHY) and the Senator from Michigan (Mr. HART) are absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from New Mexico (Mr. DOMENICI) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

I also announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

Mr. BROOKE. Regular order. Mr. President.

The yeas and nays resulted—yeas 44, nays 41, as follows:

[Rollcall Vote No. 417 Leg.]

YEAS—44

Abourezk
Bellmon
Biden
Brooke
Burdick
Case
Church
Clark
Cranston
Eagleton
Fong
Glenn
Hart, Gary W.
Humphrey
Inouye
Jackson
Javits
Kennedy
Mansfield
Mathias
McGee
McGovern
McIntyre
Mondale
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NAYS—41

Allen
Baker
Bartlett
Beall
Bentsen
Brock
Buckley
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Eastland
Fannin
Ford
Garn
Goldwater
Hansen
Hartke
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Long
Magnuson
McClure
Metcalf
Morgan
Nunn
Randolph
Roth
Scott,
 William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Gravel, for.

NOT VOTING—14

Bayh
Bumpers
Culver
Domenici
Durkin
Griffin
Hart, Philip A.
Haskell
Hatfield
Hathaway
Leahy
McClellan
Montoya
Sparkman

The PRESIDING OFFICER. The amendment is germane, and the point of order falls.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. Mr. President, there is a good deal of confusion in the Chamber at this point, and I suspect that I am in large part responsible for some of that confusion.

Approximately 9 days ago, the junior Senator from Delaware took the floor and, in an attempt to amend an amendment by the distinguished Senator from North Carolina that was referred to as an antibusing amendment, modified the language of the Senator from North Carolina, thinking that the only thing that the Senator from Delaware's amendment did was, from that time forward, to preclude the Department of Health, Education, and Welfare from directly or indirectly being able to bus students.

The critics of my amendment raised the point that, in addition to preventing HEW from directly or indirectly being able to bus children, I may also have precluded HEW from being able to assign teachers, from being able to redress racial imbalances within classrooms; and that somehow—I do not know quite how—I supposedly interfered with higher education. I am not sure how I did that.

I insisted from the beginning that my amendment and the legislative intent, as could be determined by the record and my language at the time, did not do any of those things. But some of my colleagues who in good faith voted with me—and who traditionally are known as liberals, whatever that means—became a little concerned that perhaps I did go beyond what I assured them I went beyond. At that time, I told them that I would do whatever I could to make it—as one famous American said—perfectly clear that the only thing I was intending to deal with was busing, nothing beyond busing. At that time, I made a commitment to some of these gentlemen that I would attempt to clarify it.

In the meantime, the opponents of the Biden amendment—and later the Byrd-Biden amendment and other amendments that dealt with antibusing—felt that it was their responsibility to attempt to knock out every aspect of the Biden amendment, which had been agreed to a week ago Wednesday. All those efforts have failed. I oppose the efforts to knock out my amendment completely.

Then along came Senator BYRD, and he offered what I consider a very enlightened, very succinct, very direct amendment, which said: "You can't bus, HEW, period." That is what it said.

Then we found out from the legal counsel on both sides that, unfortunately—I am really going to confuse Senators now—the Scott-Humphrey-Byrd-Biden amendment did not touch the Biden amendment. So we would have the anomalous situation, assuming that it survived, of having the so-called Biden amendment as part of the law, in addition to having the Byrd amendment as part of the law. In short, the Byrd amendment ended up not modifying the Biden amendment and not taking out——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BIDEN. I yield.

Mr. ROBERT C. BYRD. The adoption of the Byrd amendment nullified the Scott-Humphrey amendment.

Mr. BIDEN. That is correct.

Mr. ROBERT C. BYRD. Which, if adopted without the Byrd amendment, would have nullified the Biden amendment.

Mr. BIDEN. That is correct. I thank the Senator for saving the Biden amendment.

What Mr. BIDEN wants to do now with the Biden amendment is to make sure the Biden amendment says what Mr. BIDEN meant it to say, and that is all Mr. BIDEN wants to do here today.

Now that we have gone through all

this procedural mishmash, which I do not think anyone intended from the beginning, perhaps we can get right down to cases, and Senators can vote up and down on how they feel about an administrative agency, HEW, being able to bus children directly or indirectly—that is, by either using and/or withholding funds. That is what I wanted to stop in the first place. I do not back off that position. I think they should not have that right. As I have told many Senators, I do not even think the courts should be busing. I have not figured out how to stop them yet, but I have figured out how to stop HEW. Fortunately, a majority of my colleagues in this body figure the same way I do, that HEW should not have that right.

I want to put it all to rest, so that what the net result and the effect will be, after this vote is taken on the amendment which I have called up—if it is agreed to—is this: HEW will not be able, directly or indirectly, to put a child on a schoolbus to redress any kind of imbalance, to redress any kind of alleged violation of title VI of the Civil Rights Act. I want to take that power away from HEW. This amendment would take that remedy under title VI away from HEW. That is what it would do.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BIDEN. I yield.

Mr. ROBERT C. BYRD. So the effect of the Senator's amendment would not in any way negate the intent and effect of the amendment by BYRD and his cosponsors.

Mr. BIDEN. Precisely. I suppose a shorthand way of saying it—and this is a way of shifting responsibility—is that I want the Byrd amendment to be the law. That is what I want the law to be. But, as the Senator from West Virginia, the sponsor of that amendment, knows, the Byrd amendment unfortunately is the law now but the Biden amendment also would be the law; and I want, in as magnanimous fashion as I can, to give the Senator from West Virginia all the credit for it. I want it to be just the Byrd amendment. I want the Byrd amendment to be the law of the land with regard to HEW's use of funds in any way to order busing.

Mr. ROBERT C. BYRD. The Senator knows that the amendment I offered was cosponsored by the Senator from Delaware, by the Florida Senators, the Georgia Senators, the two Senators from Kentucky, by Mr. ALLEN, Mr. HARRY F. BYRD, JR., and by Mr. HELMS and my senior colleague from West Virginia (Mr. RANDOLPH), and others, and was supported by a majority of the Members of the Senate, to the credit of all of them.

Mr. BIDEN. As the Senator from West Virginia knows, throughout the procedural moves to defeat the amendment, I supported his efforts.

Mr. ROBERT C. BYRD. I do know that and I thank the Senator.

Mr. ALLEN. Will the Senator yield?

Mr. BIDEN. Yes, I will.

Mr. ALLEN. The Senator has spoken about his intention with regard to the Byrd amendment and his own amendment. He would still leave that portion of the Byrd amendment having to do with inhibiting the use of funds for transportation of students by reason of race—that would still be intact unless a Federal court or a court ordered the busing, is that correct?

Mr. BIDEN. That is correct, but the court has that power now.

Mr. ALLEN. I understand, but under the Senator's amendment, he still plans to prohibit HEW from using any of these funds to force the busing of schoolchildren by reason of race. Is that right?

Mr. BIDEN. Absolutely and categorically.

Mr. ALLEN. The effect of his amendment, then, as regards the Biden amendment, which was a very constructive amendment, and I understand the Senator is not backing up from the purpose and intent that he had in offering the original Biden amendment—is that not right?

Mr. BIDEN. That is absolutely correct.

Mr. ALLEN. So nothing contained in the Senator's amendment now would permit HEW to order or to use funds for the purpose of ordering school children to be bused by reason of race.

Mr. BIDEN. That is absolutely correct.

Mr. ALLEN. Well, now, the Senator does not say anything about the assignment of teachers or students to schools, classes, or courses for reason of race, because that would be left intact, would it not?

Mr. BIDEN. The purpose of this amendment would be, in effect to eliminate the reference of before to teachers and classes, because that goes beyond busing. That is not a busing question, as has been raised, and I think mighty properly so, by the opponents of the amendment; that goes beyond the question of busing.

Mr. ALLEN. Wherein is that language repealed or changed, directly or by implication, in the Senator's present amendment?

Mr. BIDEN. It is changed by the reference to title VI. In this amendment that I have now before us, it says "notwithstanding any other provision of this act, the funds contained in this act shall not be used in a manner inconsistent with title VI of the 1964 Civil Rights Act, provided"—in short, I nullify my amendment by saying all of title VI stays intact as far as HEW's administrative powers go, provided that, and there is one exception—provided that they do not fool around with busing.

That is how I would eliminate my prior reference to classes, courses, teachers, and other educational institutions.

Mr. ALLEN. I fail to see that language in the amendment.

Mr. BIDEN. Unfortunately, the stage which we have reached, in a parliamentary sense, precludes me from doing what would be the easiest thing in the world to do. I should like nothing better than to be able to call my amendment back on the floor and strike the words "courses, classses, teachers, and other educational institutions," and I would accomplish what I set out to do in the first place. This is the only way that I can do that, because when I say all of title VI is intact with the exception of busing, I, by implication, eliminate the words, "courses, classes, teachers and other educational institutions."

Mr. HELMS. Mr. President——

Mr. ALLEN. Mr. President, if I may go one step further.

Mr. BIDEN. Certainly.

Mr. ALLEN. The original Biden amendment was a prohibition on the use of funds, was it not?

Mr. BIDEN. Correct.

No, excuse me, the original Biden amendment was a prohibition on the withholding of funds.

Mr. ALLEN. But they could not use any funds contained in the bill, is that not right? "None of the funds appropriated under this Act shall be used"—that is prohibition, is it not?

Mr. BIDEN. Yes.

Mr. ALLEN. The Senator's present amendment says that:

> Notwithstanding any other provision of this Act, the funds contained in this Act shall be used.

So that would not seem to change the prohibition, because this is affirmative action. In fact, this is legislation saying it shall be used in a certain manner. That would not conflict with the provisions of the Biden amendment, which says no funds shall be used. So there is no conflict there, is there, in the field of operations of both amendments?

Mr. BIDEN. I think not. The reason I think not is that what we are saying here—let me add one thing. I am going to move, at the appropriate time, I am going to ask unanimous consent that I perfect my amendment, which is at the desk now, so it reads as follows from the "provided" portion. Maybe this will, in part, answer the Senator's question:

> Provided that the funds contained in this Act shall not be used, directly or indirectly . . .

They are the words I want to add to modify my amendment.

Mr. ALLEN. Will the Senator yield further?

Mr. BIDEN. Yes, I will.

Mr. ALLEN. The Senator then feels it is necessary to further modify his amendment to accomplish what he wants to accomplish, is that not right, to destroy the field of application of the original Biden amendment.

Mr. BIDEN. To be certain I have destroyed it, yes.

Mr. ALLEN. So he thinks different action other than this amendment is necessary in order to remove the field of operation of the original Biden amendment?

Mr. BIDEN. I think it is necessary so that we do not confuse any clear-thinking or unclear-thinking bureaucrat or judge.

Mr. ALLEN. If this should be misconstrued by Federal judges—the Senator does not feel they would fall within that category?

Mr. BIDEN. I would prefer not to respond to that.

Mr. ALLEN. The Senator has responded.

Mr. JOHNSTON. Will the Senator yield?

Mr. BIDEN. How much time do I have remaining, Mr. President?

Mr. JOHNSTON. On my time.

Mr. BIDEN. I will yield on the time of the Senator from Louisiana.

The PRESIDING OFFICER (Mr. MORGAN). The Senator has 49 minutes remaining.

Mr. JOHNSTON. With regard to the words "final decree" in the next to last sentence, "final," I take it, means a decree is not final so long as it is on appeal or as long as an application for certiorari is pending in the Supreme Court, is that correct?

Mr. BIDEN. It seems to me that a final decree of a court would be a final decree even while it is on appeal, but it would not be a final decree until the order was handed down.

For example, a Federal district court may very well rule that a district is in violation of the Constitution and discriminating and give the parties involved 6 months, as they often do, to draw up plans for a way to redress that. That is not a final decree until, in fact, the plan has been submitted, the court has approved the plan, and the order is underway.

I think that a final decree would be a final decree of a Federal court, even if it is on appeal to the Supreme Court of the United States.

Mr. JOHNSTON. So a decree on appeal or pending certiorari is not final, is that correct?

Mr. BIDEN. Correct.

Mr. JOHNSTON. The Senator used the words "specifically required"—"unless specifically required by a court of law" with respect to the busing—"unless specifically required by final decree of the court of law."

Is it not the purpose of that word "specifically" to take the discretion out of HEW?

Mr. BIDEN. Absolutely.

Mr. JOHNSTON. So if there is any doubt about what a court decree requires with respect to busing, HEW cannot resolve that question, is that correct?

Mr. BIDEN. That is correct.

Mr. JOHNSTON. So, for example, if the court decree required busing between a certain school and a certain neighborhood and a school board undertook to supply that busing, let us say, with five buses, but HEW thought it ought to be done with six buses, if there is any doubt about what the court decree says, HEW cannot resolve that doubt by withholding funds?

Mr. BIDEN. That is correct. That is the intention of the Senator from Delaware.

Mr. JOHNSTON. So that "specifically" means just that. It means with such specificity that the school board need not be in any doubt as to what exactly is required of them under the court decree.

Mr. BIDEN. That is correct. I want HEW to have absolutely no input whatsoever with regard to any order of a court and/or feeling on their part regarding the busing of schoolchildren.

Mr. JOHNSTON. One final, short question on the word "enforcement." I simply do not know what the word "enforcement" means in the third line:

> Notwithstanding any other provision of this Act, the funds contained in this Act shall be used in a manner consistent with the enforcement of the fifth and fourteenth amendments.

Could we just as well read the word "enforcement" there to mean "provisions"?

Mr. BIDEN. Yes.

Mr. JOHNSTON. I thank the Senator from Delaware.

Mr. STEVENSON. Will the Senator from Delaware yield for a brief question?

Mr. BIDEN. Yes; on the Senator's time.

Mr. STEVENSON. If I understand the Senator correctly, he said the final decree within the meaning of this amendment was a decree of the appellate court after all of the rights to review the decision of the trial court had been exhausted. Is that so?

Mr. BIDEN. Yes.

Mr. STEVENSON. During the pendency of the appeal, is it not possible that the school district could be ordered to bus?

Mr. BIDEN. By whom?

Mr. STEVENSON. By the trial court.

Mr. BIDEN. Yes.

Mr. STEVENSON. So the defect of this amendment is not to prevent busing but to prevent any funds from HEW being used in order to defray the expenses of busing during the pendency of appeals; is that the case?

Mr. BIDEN. Or to withhold the funds. The usual way in which it is done is HEW refuses.

Mr. STEVENSON. But this is after an order of the trial court has been entered. That order in this hypothetical situation requires busing. The defect then of the Senator's amendment, so interpreted, is to simply make the local school district pay for the expense of the busing, the local taxpayers, instead of whatever expense funds are available permitting HEW to defray those expenses.

In that case, the amendment, this interpretation, does nothing to prevent, stop, court-ordered busing. All it does is shift the expense of that busing from the Federal Government to the local taxpayers.

My question is whether that really is what the Senator intends to accomplish and, if not, to suggest it might be more appropriate to delete that expression "final," the word "final."

Mr. BIDEN. A final decree of a Federal court—I did not intend, quite frankly think, this would be the turning point of this amendment. A final decree of a Federal court seems to me to mean that it would mean a decree of a trial court that would need to be made final before it could be appealed, so it could be a final decree of the trial court.

Mr. STEVENSON. Of the trial court. I would think that is right.

Mr. BIDEN. I would think that would——

Mr. STEVENSON. It is perfectly possible for trial courts—and the Senator from Missouri may correct me—to enter final decrees. Those final decrees of a trial court, pending appeal, can require busing, and I do not believe it should be our intent or effect to prevent the use of Federal funds to defray the cost of that court-ordered busing.

I think the Senator can accomplish the result which he intended and expressed in earlier parts of this discussion by either deleting the word "final" or, in the course of the legislative record, by making it clear, as I think he intends to do, that a final decree can be the final decree of the trial court which, in fact, requires busing, even though that busing may take place during the pendency of the appeal.

Mr. BIDEN. The Senator from Delaware was asked originally if a final decree of a Federal Court could mean a decree of a trial court, and then it was stated by the Senator from Missouri that it could only be a final decree of an appellate court. I have answered the question two different ways so far and, I guess, I should clarify it.

The intent, although technically a final decree could mean a final decree of a trial court, the Senator from Delaware would prefer the interpretation to be the exact opposite of what the Senator from Illinois wants. I would prefer the interpretation to be a final decree of an appellate court.

The argument of the Senator from Illinois that that would result in the taxpayers of that particular area having to pay the cost of transportation, and not HEW, is one which I do not find compelling. I would prefer to make it as stringent as I can so that there would be the most reluctance of a court or HEW or anyone to be involved in the busing of children, and I think it would make a stronger case if a final decree would be a final decree of an appellate court.

Mr. STEVENSON. I submit to the Senator that the effect of this language has absolutely no effect on the Constitution of the United States and, therefore, it will have absolutely no effect on the court. The court will order busing if it is required to do so under the Constitution.

The only effect of that expression as it is now defined in this legislative history is to deprive the taxpayers of Wilmington, Del., and of every other school district ordered by a court of law to bus, Federal relief, deprive them of the Federal money with which to defray the expenses of busing.

If there is any logic in that interpretation or that result I fail to see it, and I fail to see why any proponent or opponent of busing would want the local taxpayers to pay for the cost of that busing required by a Federal court of law.

Mr. BIDEN. Mr. President, I would like to wind up my statement here as rapidly as I can. I think it should be pointed out that there are no funds in this bill that are available to HEW to bus any way that I know of. The only way in which HEW gets involved in this picture is if, in fact, they withhold funds for failure of a district to move into a busing program. But the essence of the amendment again is to prevent HEW from busing, not to prevent HEW from having the right to enforce any other sanctions available to it under title VI of the Civil Rights Act of 1964.

It is to take the one single power away from them that they now have, and that is the power to, directly or indirectly, order busing so as to provide for compliance with title VI as they see it. I want them not to have that jurisdiction; I want them not to have that ability and, therefore, I want to have this amendment passed.

I should make it clear this has become so confusing that a vote for the Biden amendment that is presently before the Senate is an antibusing amendment. It is not a probusing amendment, and those of you who have voted the probusing line, I would point out to you that you have got nowhere else to go. There is not any other way to vote, and I would hope that the so-called antibusers would not leave me now, so that we end up with an antibusing amendment, the one that the Senator from Delaware has at the desk, and we get HEW out of the bus business.

I reserve the remainder of my time.

Mr. McCLURE. Mr. President, will the Senator from Delaware answer one question concerning the intent of his amendment. He has made some allusion to it, and I want to make a little more specific reference to the question and the response. The Senator's original amendment speaks directly to the question of HEW withholding funds.

Mr. BIDEN. Correct.

Mr. McCLURE. This amendment now pending speaks to the use of funds.

Mr. BIDEN Correct.

Mr. McCLURE. The original amendment said "shall not withhold." This says "shall not be used." Is it the intention of the Senator from Delaware that this language under the term "used" also includes or is intended to include the possible withholding of funds?

Mr. BIDEN. The word "require," I think, should satisfy the Senator. But in the event it does not, I would like to ask unanimous consent at this time to modify my amendment to read on line 6 as follows:

> Funds contained in this act shall not be used—

And insert the words—

> directly or indirectly, so as to require—

Mr. ALLEN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. McCLURE. With the objection being raised to that change of language, could the Senator state that it is his intention that this language shall not be used so as to require, also would include the withholding of funds?

Mr. BIDEN. Absolutely.

Mr. McCLURE. In order to require?

Mr. BIDEN. Absolutely.

Mr. McCLURE. I thank the Senator for that answer.

The PRESIDING OFFICER (Mr. Johnston). Who yields time?

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I understood the distinguished Senator from Delaware to say that this is an antibusing amendment. I believe that is what the distinguished Senator said and, certainly, if it be that, I would be very strongly for the amendment.

It is less of an antibusing amendment, however, than the famous Biden amendment 1, shall we say, and it is less as an antibusing amendment than the Scott-Humphrey amendment as amended by the Robert C. Byrd amendment, and the Senate has spoken in no uncertain language as to what these amendments will do and what they want them to do.

Vote after vote has been taken and the Senate has made it very clear what it wishes to do.

The distinguished Senator from Delaware in discussing his own amendment says, in effect, that this amendment is confusing things, and I agree with the distinguished Senator at that point. He, himself, has gotten confused and took four different positions alternately as to whether a final decree meant a decree of the lower court, an appellate court, or the Supreme Court.

I do not think as a workman trying to put together a bill expressing the intent of the Senate that we ought to vote affirmatively by heavy margins to put certain amendments into the bill and then at the last minute toss an amendment in the hopper that confuses the issue on what the Senate does mean.

I think it would be the better part of wisdom to stick by what we have already put in the bill.

I am sure that many favor busing. Apparently there are some 42, 44, 46 Senators here who apparently favor busing and I would hate to see them called on to vote for what the distinguished Senator says is an antibusing amendment. I would hate for them to have to swallow an amendment that is labeled an antibusing amendment, and I would hate to see confusion reign here in the Senate as to what in the world the Senate has done.

The Senate has acted affirmatively. We have been debating this matter for days on end and I feel that this amendment would only confuse the issue, as the distinguished Senator has said himself.

So I am going to move, Mr. President, to——

Mr. BIDEN. Will the Senator withhold the request?

Mr. ALLEN. I am delighted to withhold it provided I do not lose my right to the floor.

What does the Senator wish?

Mr. BIDEN. Will the Senator yield for a couple of questions?

Mr. ALLEN. Yes.

Mr. President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The Senator has 27-plus minutes.

Mr. ALLEN. I will yield for a question on the Senator's time.

Mr. BIDEN. Fine.

Mr. ALLEN. And I do plan——

Mr. EAGLETON. Will the distinguished Senator from Alabama yield to me so that I may ask about three questions of the Senator from Delaware?

Mr. ALLEN. I first would like to yield to the distinguished Senator himself, before we get off on a collateral matter.

So let me first yield here and then I will have no objection to yielding provided I do not lose my right to the floor and my right to offer a motion to table.

Mr. BIDEN. The distinguished Senator from Alabama said, or I think he said, that this is not an antibusing amendment.

Mr. ALLEN. No; I did not say that.

I understood the Senator himself to say that his amendment was an antibusing amendment.

Mr. BIDEN. It is.

Mr. ALLEN. Yes; that is what I thought.

Mr. BIDEN. I wanted to make sure the Senator from Alabama was not confused on that issue.

Mr. ALLEN. No; I am not confused, and I have not pled guilty to being confused, as the distinguished Senator has.

I stated that it was an antibusing amendment, according to the distinguished Senator from Delaware, but that it is not as much an antibusing amendment as the Biden 1 amendment and the Scott-Humphrey amendment as amended by the Robert C. Byrd amendment.

Mr. BIDEN. My question is, in what way is it not as much. Specifically, how is it not as much an antibusing amendment?

Mr. ALLEN. I would say in answer to that that the distinguished Senator from West Virginia's amendment does not have in its amendment the permissions to permit funds to go where busing is ordered by a court, the amendment is silent at that point.

Mr. BIDEN. Is it the Senator's contention that the amendment as passed—the Senator from West Virginia's amendment—is it the contention of the Senator from Alabama that that in any way can preclude the court from ordering busing?

Mr. ALLEN. I do not say it precludes the court from ordering busing, but no funds under this act can go for the purpose of ordering transportation under the Robert C. Byrd amendment.

Mr. BIDEN. It is the Senator's contention that the Federal court could not order HEW to enforce a court-ruled busing order?

Mr. ALLEN. I am saying that the Byrd amendment makes no reference to the court, whereas the distinguished Senator from Delaware's amendment does make reference to the court.

Mr. BIDEN. All right.

Mr. ALLEN. And as to it not being as strong an antibusing amendment as the Senator's own amendment is concerned, the Senator states positively he is trying to get this amendment in to weaken the provisions of his own amendment.

Mr. BIDEN. But not the busing provisions of the amendment. To weaken the provisions of the amendment that would preclude HEW from being able to use remedies to redress class discrimination within the four walls of the school, where, for example, a school may have one class of eighth graders all black and the other class all white. HEW would have the power to continue to be able to do that.

That has nothing to do with busing. That is what the Senator from Delaware wants made clear.

Mr. ALLEN. The Senator's amendment is in two parts, and the first part requires the funds appropriated in this act be used in a manner consistent with the enforcement of the 5th and 14th amendments to the Constitution of the United States and title VI of the Civil Rights Act.

The Senator's original amendment was silent at that point and it could well be that the courts would be looking for some pretext—as they have done in the past—to nullify the original provision.

Mr. BIDEN. Can the Senator from Alabama give me any logical argument that he can fathom they were being used other than a suspicion that the courts would look?

Mr. ALLEN. Just past performance is all the Senator from Alabama would point to.

Mr. BIDEN. Another question that I have, does the Senator from Alabama not agree with me that on line 6 of my amendment, which is before the Senate now, it reads:

> Funds contained in this Act shall not be used so as to require the transportation of students.

Does the Senator from Alabama not agree with the Senator from Delaware that "require" applies to both using and withholding Federal funds under this piece of legislation?

Mr. ALLEN. Yes, I would think so.

Mr. BIDEN. The Senator agrees with that. The Senator also agrees with the fact that there is nothing that I touch other than dealing with classrooms and teachers and courses.

I fail to see how the Senator can say that this is, in fact, a weaker busing amendment.

Mr. ALLEN. As I stated, it is in two parts and I do not know how the courts would rule on part one.

As I say, the courts would be looking for a method to say that the Senate did not mean what it said it meant.

If they could seize upon this pretext, they would do so.

Mr. BIDEN. One last question: The amendment of the Senator from West Virginia said the nearest school in terms of transportation. Is not the legislation of the Senator from Delaware even more broad than that, with there being an absolute prohibition of the transportation of students, period, anywhere? Is it not even stronger than the provision of the Senator from West Virginia, which says transportation beyond the nearest school?

Mr. ALLEN. Yes, at that point, except that this does include language that the Byrd amendment does not have with respect to courts. It also has the big question mark about the meaning of the first proviso.

Mr. BIDEN. I have no more questions of the Senator from Alabama, but would he withhold his tabling motion to give the Senator from Missouri an opportunity to ask the Senator from Delaware a question or two?

Mr. ALLEN. Mr. President, I ask unanimous consent that when the distinguished Senator from Missouri (Mr. EAGLETON) has propounded his questions to the distinguished Senator from Delaware (Mr. BIDEN), that I be recognized for the purpose of making a tabling motion.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. EAGLETON. I thank the distinguished Senator from Alabama. I shall be brief.

Is it not the case that with the passage of the Byrd amendment, HEW is prohibited, administratively, from requiring busing? Or, to put it another way, HEW can no longer threaten to withhold funds so as to require busing?

Mr. BIDEN. Yes, that is the Senator's understanding.

Mr. EAGLETON. If procedurally there be some way to strike out the Biden amendment, I take it that the Senator from Delaware would actually prefer to do that which would mean that this bill on final passage would contain only the Byrd amendment?

Mr. BIDEN. I attempted to do that, yes.

Mr. EAGLETON. But the Senator cannot do that. It is locked into the bill.

Mr. BIDEN. That is correct.

Mr. EAGLETON. What the Senator is attempting to do with his current amendment is to nullify the excess as to teachers, classes, and so forth, and to have the net and final result be that Biden No. 1 read in conjunction with Biden No. 2 would have the same operative effect as the Byrd amendment?

Mr. BIDEN. Correct.

Mr. EAGLETON. It is the legislative intent of the Senator from Delaware to have both of his amendments read together with the result being that HEW cannot force, by either spending money or withholding money of a school district to adopt a busing plan.

Mr. BIDEN. Correct.

Mr. EAGLETON. I thank the distinguished Senator.

Mr. BIDEN. I thank the distinguished Senator from Alabama.

Mr. JOHNSTON. Will the Senator yield?

Mr. BIDEN. The Senator from Alabama has the floor.

Mr. ALLEN. Mr. President, I ask that I may yield to the distinguished Senator from Louisiana without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSTON. I do not want to prolong this, but I am concerned about the language. I would submit to the Senator, in a form of a question, the fact that the words "the funds contained in this Act shall not be used so as to require the transportation of students" do not cover the withholding of funds situation. Under the first clause, HEW is required to use the funds consistent with title VI. Title VI has been interpreted so as to require funds for busing, so the first clause says, in effect, "You use funds for busing."

Then there is a proviso—

> Provided, that the funds shall not be used so as to require transportation.

Mr. BIDEN. I take issue with the Senator's interpretation of title VI, that it requires the use of funds. I disagree with that interpretation.

Mr. JOHNSTON. Shall we say title VI has been used to require busing?

Mr. BIDEN. Through the vehicle of withholding funds, yes.

Mr. JOHNSTON. I know the Senator does not intend this, but I think it is very plain, that if one withholds funds, then those funds are not being used to require transportation. The funds are not being used at all, if they are withheld, are they?

Mr. BIDEN. The sentence reads, "funds contained—shall not be used." It does not say, "shall not be withheld, shall not be used." The "used" is modified by "required." It is, "shall not be used so as to require."

One uses funds to require busing when one witholds them. They have the funds in their hand and they are using them. They are saying, "I am not going to give them to you unless you bus." Therefore, they are using them.

Mr. JOHNSTON. I know that is the Senator's intent, but I just think that a court would rule that you do not use funds by withholding them; that the best way to use funds is to spend them, and you cannot spend them to require it, but you can withhold them, that is, not use them in order to require it. I wonder if the Senator can modify the amendment to reflect that.

Mr. BIDEN. The Senator does not feel it is necessary, but in order to accommodate people I am willing to do that by inserting the words "directly or indirectly," which would clarify the point of the Senator from Louisiana. The Senator from Delaware needs unanimous consent to do that. When he made a unanimous-consent request it was objected to and, therefore, he cannot do it. I was willing to do it to accommodate. I do not think it is necessary. I think the legislative intent here is clear. Where there is ambiguity, the court will look at the legislative intent. I do not think there is ambiguity. The court will look at the record and the record is clear that it is meant to imply using or withholding.

Mr. JOHNSTON. If the Senator will yield on my time, I wonder if I can ask the distinguished Senator from Massachusetts if he is in concurrence with that interpretation.

Mr. BROOKE. Mr. President, in response to the Senator from Louisiana, my interpretation is that Federal funds cannot be used for the transportation of children for the purpose of busing and, to my knowledge, Federal funds have not been used for transportation of children by busing by HEW.

Mr. JOHNSTON. The Senator from Delaware just stated that it was the intent of his amendment that when it says "funds should not be used so as to require transportation," that he means to include in that prohibition the fact that HEW could not withhold funds in such a way that the effect of that withholding or the threat of that withholding would be to encourage or force or require the schools to bus. Does the Senator concur that that is what those words mean?

Mr. BROOKE. Except by court order. Under the amendment, only the courts can order busing and HEW cannot withhold funds under the law to encourage schools to submit a plan for desegregation of public schools. Only the court can order. The Federal district court by final decree can order the busing.

Nothing that can be said, no amendment, including the amendment of the Senator from West Virginia, touches the courts. We are now talking about HEW. As I interpret the amendment of the Senator from Delaware, what he is trying to do is to see that no funds are used by HEW for the transportation of children by busing.

He is trying to nullify—I will use that word, if the Senator will allow—that part of his original amendment which would have struck out title VI of the Civil Rights Act of 1964. I think that is all he is really doing.

Mr. JOHNSTON. He went a step further in his interpretation here and said that the HEW could not use the threat of withholding funds or the withholding of funds in order to encourage or require or cajole the school board into accepting a busing plan.

Mr. BROOKE. As I understand it, that is the intent of the Senator from Delaware. That is what he said in the Chamber and that is part of the legislative history.

Mr. JOHNSTON. And the Senator from Massachusetts concurs that this amendment apparently pending means just what the Senator from Delaware said?

Mr. BROOKE. I am not going to interpret the amendment. I am just saying what the Senator has said his amendment meant. I am not in favor of the amendment of the Senator from Delaware. I was violently opposed to his original amendment, and I am opposed to his amendment at this time. I think he has said one thing with which I agree, that the vote of the Senate today and the vote of the Senate yesterday would appear——

Mr. NUNN. Did the Senator say he was not in favor of this amendment?

Mr. BROOKE. Yes, I said I was not in favor of this amendment. I am not in favor of any antibusing amendment.

Mr. JOHNSTON. But the point is that the Senator——

Mr. BROOKE. I want to be clear on that matter. What I am saying, however, is that I believe the Senator from Delaware is correct when he says that the only reason that there may be some of us on this side of this issue who would vote for this amendment is because we have absolutely nothing left, inasmuch as my amendment is not able to be brought up for a vote by the Senate. That is all.

Mr. JOHNSTON. The Senator did say his interpretation of the words of the Biden amendment was different from that of the Senator from Delaware; is that correct?

Mr. BROOKE. I did not say that. I said I placed no interpretation upon the language. I have listened to what the Senator from Delaware has said he intends by his amendment.

Mr. JOHNSTON. And the Senator neither confirms nor denies it?

Mr. BROOKE. That is correct.

Mr. McCLURE. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. I yield.

Mr. McCLURE. I noticed, in the colloquy with the Senator from Massachusetts, that the Senator from Massachusetts has twice used the words that the amendment of the Senator from Delaware now pending says that the funds "shall not be used for transportation." The words of the amendment say "shall not be used so as to require the transportation." It seems to me that there is a difference between those two things.

Mr. BROOKE. The language, as read, says "so as to require." That is a general, broad statement.

Mr. McCLURE. I thank the Senator from Massachusetts, and I thank the Senator from Louisiana.

Several Senators. Vote!

STANDBY ENERGY AUTHORITIES ACT

Mr. JACKSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 622.

The PRESIDING OFFICER (Mr. Stone) laid before the Senate the amendments of the House of Representatives to the bill (S. 622), to provide standby authority to assure that the essential energy needs of the United States are met, to reduce reliance on oil imported from insecure sources at high prices, to implement U.S. obligations under international agreements to deal with shortage conditions, and to authorize and direct the implementation of Federal and State conservation programs consistent with economic recovery.

Mr. JACKSON. Mr. President, I move that the Senate disagree to the amendments of the House of Representatives and agree to the request of the House for a conference on the disagreeing votes of the two houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Stone) appointed Mr. Jackson, Mr. Johnston, Mr. Abourezk, Mr. Haskell, Mr. Glenn, Mr. Stone, Mr. Bumpers, Mr. Fannin, Mr. Hansen, Mr. McClure, Mr. Bartlett, Mr. Magnuson, Mr. Hollings, Mr. Stevenson, Mr. Pastore, Mr. Hartke, Mr. Philip A. Hart, Mr. Cannon, Mr. Griffin, Mr. Stevens, Mr. Beall, and Mr. Weicker conferees on the part of the Senate.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 8069) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. NUNN. Mr. President, will the Senator yield for a brief question?

Mr. ALLEN. I yield.

Mr. NUNN. In regarding this second Biden amendment, it seems to me that the last paragraph is very important. I ask the Senator from Alabama if he would concur in this observation:

The last paragraph says:

> *Provided,* That the funds contained in this Act shall not be used so as to require the transportation of students for reasons of race unless such transportation is specifically required by a final decree of a court of law.

It has not been established what "a final decree of a court" means. I do not know what that means, and I think no one has established that.

But I would suggest that it seems to me that if you turn it around, what that last paragraph is saying is that "funds under this act shall be used to require transportation of students for reasons of race when such transportation is required by a court of law."

I understand that the Senator from Delaware is not trying to affect a court decision, but it seems to me that any court would determine that this amendment means that once a court has ruled on it, no matter how broad it may be, whether it requires a few students to be transported, or anything else, the Senator is then saying that the funds appropriated under this act shall be used to require transportation of students. Does the Senator from Alabama agree with that?

Mr. ALLEN. Yes, I think that implications could be drawn from the wording of the amendment. That is why I say it is less of an anti-busing amendment than the Byrd amendment itself. I certainly agree with that, but I would like to stress again that there is no correct legislative history as to what is meant by a final decree, as to whether that is a court of last jurisdiction.

Mr. NUNN. I would certainly agree with that. The "final decree" in many States, and Georgia is one, means a decree which is appealable, as opposed to a temporary decree or a temporary restraining order.

I would ask the Senator from Alabama one further question: The real question is, is there not a great danger that this second Biden amendment not only weakens the first Biden amendment, which is the intent could very definitely weaken the Byrd amendment, which everyone thought they had a clear vote on?

Mr. ALLEN. Yes, I think that very definitely is correct. I might say to the distinguished author of the amendment, as I understood it, you last stated that he meant a final decree to be that of an appellate court rather than the trial court.

Mr. BIDEN. That is correct. Will the Senator——

Mr. NUNN. I do not know exactly what the words "final decree" mean. I think Senators will find that in several States they mean different things. I know in Georgia it has more than one meaning. I do not know what it would mean under the Federal law, but it seems to me that this is an important point in this situation, because it seems to me HEW, if this is a final decree at the lower court level, could come in, even though the court had erroneously ruled under the Supreme Court busing decision, HEW could come in while the matter was on appeal and withhold funds for school functions, even though it might have been an unconstitutional decree by the lower court.

Mr. ALLEN. I agree with the Senator. The sole issue, it seems to me, is whether we want to weaken and water down what the Senate has already done with respect to these matters. The meaning of what the Senate has done is very clear, whereas the distinguished Senator from Delaware says that the situation as presented by his amendment creates a confused situation. So I believe the Senate would not like to be a party to creating any further confusion than we ordinarily create. Here is an opportunity to avoid some of the confusion.

Mr. BIDEN. Mr. President, will the Senator yield for one very short question?

Mr. ALLEN. I yield.

Mr. BIDEN. Is it not true, in response to the Senator's inquiries, that there are no funds in this legislation for busing?

Mr. ALLEN. No, I do not agree with the Senator. I think there is $41 billion appropriated, and a great deal of it goes for educational functions. Just because there is no line item there does not mean that there are not funds there for busing.

Mr. President, if there are no further questions, I move that the amendment of the distinguished Senator from Delaware (Mr. BIDEN) be laid on the table, and I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Delaware. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAVEL (when his name was called). On this vote, I have a pair with the distinguished Senator from Arkansas (Mr. MCCLELLAN). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. PASTORE. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. STONE). Senators will kindly take their seats.

The clerk will resume.

The legislative clerk resumed and concluded the call of the roll.

Mr. PASTORE (after having voted in the negative). On this vote I have a pair with the distinguished Senator from Mississippi (Mr. EASTLAND). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. KENNEDY (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Arkansas (Mr. BUMPERS). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Iowa (Mr. CULVER), the Senator from Maine (Mr. HATHAWAY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Alabama (Mr. SPARKMAN), the Senator from New Hampshire (Mr. DURKIN), and the Senator from Mississippi (Mr. EASTLAND) are necessarily absent.

I also announce that the Senator from Vermont (Mr. LEAHY) and the Senator from Michigan (Mr. PHILIP A. HART) are absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

I also announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

On this vote, the Senator from Arizona (Mr. GOLDWATER) is paired with the Senator from Oregon (Mr. HATFIELD).

If present and voting, the Senator from Arizona would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 35, nays 46, as follows:

[Rollcall Vote No. 418 Leg.]

YEAS—35

Allen
Baker
Bartlett
Beall
Bentsen
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Fannin
Ford
Garn
Hansen
Hartke
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Long
McClure
Nunn
Randolph
Roth
Scott, William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NAYS—46

Abourezk
Bellmon
Biden
Brooke
Burdick
Case
Church
Clark
Cranston
Eagleton
Fong
Glenn
Hart, Gary W.
Haskell
Humphrey
Inouye
Jackson
Javits
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—3

Gravel, against
Kennedy, for
Pastore, against

NOT VOTING—16

Bayh
Brock
Bumpers
Culver
Domenici
Durkin
Eastland
Goldwater
Griffin
Hart, Philip A.
Hatfield
Hathaway
Leahy
McClellan
Montoya
Sparkman

So Mr. ALLEN's motion to lay Mr. BIDEN's amendment (No. 915) on the table was rejected.

Mr. BROOKE. Mr. President, I move to reconsider the vote by which the motion to table was not agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion was agreed to.

Mr. BROOKE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Would it be in order for the Senator from North Carolina to call up, at an appropriate time, amendment No. 914?

Mr. ROBERT C. BYRD. Mr. President, the answer is, not at this time. Will the Senator yield to me?

(Laughter.)

The PRESIDING OFFICER. Not at this time.

Mr. HELMS. I mean at an appropriate time, of course. I wonder whether, after this vote, it would be proper for the Senator from North Carolina to call up amendment 914. This is a qualified amendment, submitted by Senator BIDEN. He has informed me that he does not intend to call it up—and I strongly feel that it should be called up, and approved by the Senate.

Mr. President, this is no laughing matter because the amendment which is just about to be voted on is ambiguous. Amendment No. 914 would clear up some of that ambiguity.

The PRESIDING OFFICER. The amendment does not have to be offered by the Senator who submitted it in order to be called up.

Mr. HELMS. I thank the Chair. That was the point of my inquiry.

Mr. ROBERT C. BYRD. Mr. President, before we vote on this amendment, I ask unanimous consent that the amendment be modified as follows:

After the word "used" insert the words "directly or indirectly, by withholding or otherwise,".

This would comport with the position that has been expressed by the Senator from Delaware, I believe, and it would leave no doubt as to the withholding of funds, if the amendment is adopted.

Is the Senator agreeable to that modification of his amendment?

Mr. BIDEN. Yes; the Senator agrees that that, in effect, is the intent of the amendment. I think it already accomplishes that. But I have no objection.

Mr. HELMS. Mr. President, reserving the right to object, would the Senator be willing to set the pending amendment aside and let us have a vote on amendment 914? I would have no objection, if amendment 914 is approved.

Mr. BROOKE. Reserving the right to object——

Mr. PASTORE. Mr. President, may we have order, please?

Mr. BROOKE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. In order to understand and be able to object or not object to these unanimous-consent requests, the Senate will have to be in order, so that Senators can hear. Will

Senators kindly take their seats or withdraw?

The Senator from Massachusetts will state his inquiry.

Mr. BROOKE. Mr. President, the amendment propounded by the distinguished Senator from Delaware (Mr. BIDEN) has been debated, and the yeas and nays have been ordered. Is that not correct?

The PRESIDING OFFICER. That is correct.

Mr. BROOKE. My inquiry is this: Is it in order now for the amendment to be modified?

Mr. ROBERT C. BYRD. By unanimous consent, yes.

The PRESIDING OFFICER. By unanimous consent, the amendment can be modified, and that is the request that is pending.

Mr. BROOKE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HELMS. Mr. President, I suggest that Senators who under the illusion that they are voting to prohibit forced busing by approving the Biden amendment that they had better read the language. The proviso in the amendment is meaningless, because courts and HEW do not order the transportation of students by race. They order the assignment of students to schools by race. It does not follow that by merely prohibiting HEW from specifically requiring the transportation of students, Congress is thereby prohibiting HEW from requiring the reassignment of students in such a way as to necessitate transportation—or forced busing, which is the issue here. Of course, HEW is interested only in integration—not education. It would suit the bureaucrats if the children had to walk across town, just so the bureaucrats have their way. That is the nub of this issue.

So I say, if Senators want to continue forced busing, they should vote "aye" on the Biden amendment. If they want to stop it, they should vote "no." It is as simple as that.

Mr. BIDEN. Mr. President, I think that is a little preposterous. I do not quite see how the Senator, as much as he might want to see to it that this amendment is not agreed to, can insist seriously to this body that the amendment that is presently before the Senate does not prohibit forced busing by HEW. I have yet to hear a cogent argument to that point.

I heard the Senator from Alabama say that he suspects, based on past history, that courts may do thus and so. I have heard concerns about what constitutes a final decree. But I would like very much for the Senator from North Carolina to specify for this body how, in fact, voting for this amendment is voting for forced busing. That really escapes me. Perhaps he can tell me.

Mr. HELMS. If the Senator will yield, I will be glad to tell him.

Mr. BIDEN. I yield.

Mr. HELMS. The Senator has given five different explanations of his amendment.

Mr. BIDEN. Will the Senator name them, please?

Mr. HELMS. It is in the record. I do not want to consume the Senate's time.

Mr. BIDEN. Do it on my time.

Mr. HELMS. I do not want to consume the Senate's time. The hour is late. I am simply saying that the proviso in the Senator's amendment is meaningless.

Mr. BIDEN. Why?

Mr. HELMS. Because the courts and the Department of Health, Education, and Welfare do not order the transportation of students by race. The Senator knows that. They order the assignment of students to schools by race. It is as simple as that.

Mr. BIDEN. Is the Byrd amendment useless?

Mr. HELMS. No, sir.

Mr. BIDEN. Does this not use the word "transportation?"

Mr. HELMS. It does not stop there. It has some very important language thereafter.

Mr. BIDEN. Does the Senator suggest that the Byrd amendment does not use the word "transportation?" If that is the case, one of our staff members should be fired.

Mr. HELMS. Let me supply the precise language.

Mr. BIDEN. Does it not say "require directly or indirectly the transportation of any student to a school," and so on and so forth?

Mr. HELMS. "Which is nearest the student's home and which offers the courses pursued by such student."

Mr. BIDEN. I understand that. The Senator from North Carolina made the point that the reason why the "provided" section of my amendment is meaningless is because I used the word "transportation." Then he went forward and said the Byrd amendment is not meaningless. I just wanted to point out to him that the Byrd amendment and the Biden amendment are precisely the same.

Mr. HELMS. The Senator is 180° off course, because the words, "which is nearest the student's home and which offers the courses of study pursued by such student," constitute an assignment.

Mr. BIDEN. Is it not broader to state an absolute prohibition on any transportation; not just to the nearest school, any transportation? Is it not true that when we add a word following the word "transportation," we modify "transportation"? The legislation of the Senator from Delaware says "transportation," period—anywhere, anyhow, for any reason. Is that not, in fact, broader than the Byrd amendment?

Mr. HELMS. I think the Senator will find, to his discontent—if I correctly assume that he does, indeed, wish to put an end to forced busing—that his amendment may be meaningless and that it may be destructive of the very thing which he says that he seeks to achieve.

Mr. BIDEN. I understand the Senator's concern, but what I am suggesting is that the Senator's concern is more emotional than factual. He has not been able to substantiate that, in fact, it fails to accomplish what he states it fails to accomplish.

I once again ask unanimous consent, and I request that the Senator from North Carolina listen closely if he really does want to stop the forced transportation of students or the forced busing of students. I ask once again for unanimous consent to modify my amendment to insert, after the word "used," "directly or indirectly by withholding or otherwise."

Mr. BROOKE. Object.

The PRESIDING OFFICER. Is there objection? Objection is heard.

Mr. HELMS. I wish I could strike a deal with the Senator.

Mr. BIDEN. Apparently, I am not in a position to, since the Senator from Massachusetts is also objecting to this.

Mr. BROOKE. Mr. President, we have had this amendment argued, back and forth, for an hour. We all understand exactly what it means.

Mr. HELMS. I admire the Senator. He, as well as anybody else in this Chamber who favors forced busing, understands what is happening with this amendment. That is the reason he is objecting.

Let me ask the Senator from Delaware, will he agree to call up his amendment No. 914? If he will, this argument is over.

Mr. BIDEN. No, I will not. I think my amendment 915, which is before us now, accomplishes everything which we set out to accomplish to stop HEW from being able to bus students. I do not want to confuse the issue by raising another question. I think the legislative history is clear. I think, in fact, HEW, once this amendment is passed, which I hope it will be, will in fact be out of the busing business, period. Assuming that the conference does not drop them all and assuming that the conference report is adopted with this language intact, and the President signs the legislation, HEW had better get out of the busing business. They will not have any business at all, they will have no input into it whatsoever. Clearly, this accomplishes that end.

Therefore, I am willing to yield back the remainder of my time and call it to a vote.

Mr. HELMS. The Senator cannot call it to a vote yet, because he cannot yield back the time of the Senator from North Carolina.

Mr. BIDEN. I would not be so presumptuous.

Mr. HELMS. I know he would not, of course. The Senator's amendment reminds me of the little boy with a fish in his hand, saying, "Hold still, I am not going to hurt you. I am just going to gut you." I am apprehensive that a Federal judge, intent upon cramming forced busing down the throats, could use the Senator's amendment—contrary to the intent of the Senator from Delaware—as a basis for a very unwise and unjustified ruling. I hope I am proved wrong.

I call the attention of the Senators to the language of the various amendments and I urge the defeat of this amendment.

Mr. ALLEN. Mr. President, I shall not detain the Senate very long. I was very much interested and I believe that these discussions on forced busing are helpful, not only to Members of the Senate but to the public throughout the entire Nation. I believe the votes that we have cast in the Senate that would have as their purpose the elimination of the forced busing of schoolchildren in order to create a racial balance will be very effective to those in HEW and those on the courts that have jurisdiction over these matters. I am glad to see that a larger number of Senators this time have voted against forced busing. I feel that situations that exist throughout the country have called attention to the need to call a halt to forced busing.

I was particularly pleased with the fact that the distinguished Senator from Massachusetts (Mr. KENNEDY) voted "aye" on my motion to table the Biden amendment. I believe he withdrew his vote and paired, stating that had he voted, he would have voted aye. So I believe we are making some inroads into certain sections of the country.

I am glad to see that this conversion is taking place in New England and throughout the country, generally, because more Senators have voted against forced busing on these issues that we have had up in the last few days than ever before in the history of the U.S. Senate.

Mr. President, looking at the vote on my motion to table the Biden amendment No. 2—I liked the position of the courageous distinguished Senator from Delaware a whole lot more when he was advocating Biden No. 1 rather than when he was advocating Biden No. 2. I believe that he would have done well to stand by that courageous position that he adopted. The 35 votes, after losing the distinguished Senator from Massachusetts—when he paired, it cut us down to 35 to 46. In view of that, I do not see any need of prolonging the discussion. I have no further comments to make.

I reserve the remainder of my time.

SEVERAL SENATORS. Vote!

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware. The yeas and nays have already been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the affirmative). Mr. President, on this vote, I have a pair with the Senator from Arkansas (Mr. MCCLELLAN). If he were present and voting he would vote "no." Having already voted, if I were permitted to vote, I would have voted "aye." I, therefore, withdraw my vote.

Mr. ROBERT C. BYRD (after having voted in the negative). Mr. President, on this vote I have a live pair with the distinguished junior Senator from Arkansas (Mr. BUMPERS). If he were present and voting he would vote "aye." I have already voted "no." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Iowa (Mr. CULVER), the Senator from New Hampshire (Mr. DURKIN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), the Senator from New Mexico (Mr. MONTOYA), the Senator from Alabama (Mr. SPARKMAN), the Senator from Missouri (Mr. SYMINGTON), the Senator from Maine (Mr. HATHAWAY) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) and the Senator from Vermont (Mr. LEAHY) are absent because of illness.

On this vote, the Senator from Mississippi (Mr. EASTLAND) is paired with the Senator from Missouri (Mr. SYMINGTON). If present and voting, the Senator from Mississippi would vote "nay" and the Senator from Missouri would vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

I also announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Arizona (Mr. GOLDWATER). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Arizona would vote "nay."

The result was announced—yeas 44, nays 34, as follows:

[Rollcall Vote No. 419 Leg.]

YEAS—44

Abourezk
Bellmon
Biden
Brooke
Burdick
Case
Church
Clark
Cranston
Eagleton
Fong
Glenn
Hart, Gary W.
Hartke
Haskell
Humphrey
Inouye
Jackson
Javits
Magnuson
Mathias
McGee
McGovern
McIntyre
Mondale
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NAYS—34

Allen
Baker
Bartlett
Beall
Bentsen
Byrd, Harry F., Jr.
Cannon
Chiles
Curtis
Dole
Fannin
Ford
Garn
Hansen
Helms
Hollings
Hruska
Huddleston
Johnston
Kennedy
Laxalt
Long
McClure
Morgan
Nunn
Randolph
Roth
Scott, William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Mansfield, for.
Byrd, Robert C., against.

NOT VOTING—20

Bayh
Brock
Buckley
Bumpers
Culver
Domenici
Durkin
Eastland
Goldwater
Gravel
Griffin
Hart, Philip A.
Hatfield
Hathaway
Leahy
McClellan
Metcalf
Montoya
Sparkman
Symington

So Mr. BIDEN's amendment was agreed to.

Mr. BROOKE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOSS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

AMENDMENT NO. 914

Mr. HELMS. Mr. President, I call up my amendment No. 914 and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> At the appropriate place in the bill insert the following: "Notwithstanding any other provision in this Act, none of the funds appropriated under this Act shall be used to require any school or school system, as a condition for receiving funds, grants, or other benefits from the Federal Government, to assign students to schools for reasons of race, except as specifically required by final decree of a court of law.".

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

Mr. President, I am perfectly willing to carry this amendment over until tomorrow if that is the wish of the distinguished leadership of the Senate.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

ADDITIONAL STATEMENTS SUBMITTED IN CONNECTION WITH H.R. 8069

Mr. MOSS. Mr. President, we are all aware in this body that one of the most consuming controversies in our great Nation today is the problem of busing schoolchildren. The New York Times has written an excellent article regarding schoolbusing in my home State of Utah. However, busing there is quite different from that which we hear so much about in Boston, Louisville, and other major metropolitan areas. In Utah, a bus ride is often a 2½-hour ordeal one way for a schoolchild, which means of course a 5-hour ride for a child from an Indian reservation to receive an education. But great strides have been made as a result of litigation and HEW funds. New schools are going to be built nearer the homes of these schoolchildren. The New York Times article is an excellent commentary on the situation, but it does not describe these new schools.

In Monument Valley, the elementary school which is being proposed will be unique not only by virtue of the fact that it will be the only school for several hundred square miles, but hopefully it will be 100 percent self-contained through the use of solar energy systems for heating and cooling purposes. This, of course, will depend on the actions of the Department of Housing and Urban Development and the Department of Health, Education, and Welfare in allocating the necessary funds to install solar heating and cooling systems in a school which is to be built in the middle of a desert, certainly an efficient utilization of energy systems.

Mr. President, I ask unanimous consent that the New York Times article written by Grace Lichtenstein be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN UTAH SCHOOL DISTRICT, BUSING MEANS 2½-HOUR RIDE

(By Grace Lichtenstein)

MONUMENT VALLEY, UTAH.—At 6:30 A.M. just as the sky is brightening over Totem Pole, Stage Coach, The Mittens and the other majestic red sandstone buttes in this legendary high desert country, Leonard Atene, a 10-year-old Navajo boy, stands on a lonely stretch of road. He is waiting for the yellow bus that will take him to school.

Leonard's ride is no ordinary one. It will take him two-and-one-half hours to reach his classroom in Blanding, 92 miles away.

He is among hundreds of Anglo and Navajo students who belong to one of the largest school districts in the United States.

While cities such as Boston and Louisville, Ky., are grappling with court-ordered busing to achieve integration, the San Juan County School District has decided to do the reverse.

Here, long-distance integrated busing has created geographic problems so great that the procedure is about to be overhauled.

The San Juan County District sprawls over 7,884 square miles of the remote southeast corner of Utah, an area larger than New Jersey. The district has 2,700 students, almost half of them Indian. (New Jersey has almost 1.5-million pupils.)

Some San Juan students' homes are so far from the district's eight schools that the children board during the week with families in the county's few towns. Others have to walk three hours from their bus stops after school to get home when a parent isn't waiting to collect them in the family pickup. Five Navajo high school students have rented a trailer to live in this term in the town of Monticello rather than ride a bus.

Last November, a group of Navajo parents in the southernmost portion of the district, where the vast Navajo reservation spills into Utah, sued the San Juan school board, charging that the location of the two high schools in the northern section discriminated against their children by forcing them to make the long bus ride. The suit also charged that elementary schools in the heavily Navajo southern section were inferior to those in the north, and that bilingual programs were inadequate.

Last month, the board agreed to reduce busing by building two new high schools on the reservation and enlarging the elementary schools.

School district officials and lawyers for the Indian parents emphasized that the San Juan dispute bore no resemblance to that of Boston, Louisville or practically anywhere else.

Herbert Yazzie, a Navajo lawyer in Mexican Hat at the northern end of Monument Valley, explained that in years past some reservation children had no choice but to go to Bureau of Indian Affairs boarding schools that kept them away from home most of the year. Many students didn't go to school at all.

In recent years, more and more parents have chosen to send their children on the long bus ride to San Juan schools. "But the parents never liked it," he continued, "because they never had a say in the operation of the schools." When the new schools are built by 1978, the parents hope to have more influence.

SHORTER RIDES

The children of Anglo parents who work in oil fields near the Four Corners area or in the uranium mines in La Sal to the north also spend as many as four hours a day on buses. The San Juan district pays school districts just across its borders in Colorado and Arizona to take some Utah students because the bus rides are shorter.

Drivers of the 22 San Juan buses get up at 5:30 A.M. to start work. In spring, when rains muddy the road near the Utah border, the buses sometimes don't make it. One bus sank into a bog at Montezuma Creek last term on an afternoon ride and was stuck there all night.

The burden weights most heavily on the Navajo students, many of whom start kindergarten knowing no English. They complain that the long rides make them cold, tired, hungry, uninterested in school and unable to participate fully in afterschool athletics.

At the Blanding Elementary School, a modern suburban-style building where half the students are Indian, Victoria Blackhorse, an 11-year-old fifth-grader, told through an interpreter what her day was like.

Victoria get up at 5 A.M. in her home on a dirt road in the middle of the desert 13 miles from the bus stop in Bluff. She helps her mother with chores and breakfast. Then her father drives her to catch the bus.

There are more chores when she gets home late in the afternoon.

A few years ago, Victoria spent two years boarding with a Mormon family in Salt Lake City while attending school there, but she returned to San Juan County because she wanted to be with her family. "I'm here to get an education," the quiet girl in wire-rim glasses said, "and I'll get it anyway I can, even if it means two hours on the bus each day."

The education Victoria and other Navajo students get is as white as the snow that will soon blanket the nearby La Sal Mountains.

A dozen Navajo elementary and high school students interviewed recently said they had learned nothing of native American history or culture in the public schools. Among 8,000 books in the Blanding Elementary School Library, there were only 200 about Indians.

Eric Swenson, a lawyer with the DNA People's Legal Services Agency in Mexican Hat, called bicultural programs "virtually nonexistent."

AGAINST LONG HAIR

The school district has had a federally funded bilingual program for five years but Kenneth B. Baughan, the district superintendent, acknowledged that it was inadequate. Of the district's 135 classroom teachers, 18 are Indian. There are 56 Indian teacher aides who translate in class for Navajo-speaking children.

The Navajo children face other problems.

At San Juan High School in Blanding, Pierce Benally, a 16-year-old who, like many young Indians, wore his hair shoulder-length with a bandana around his forehead, said, "We won't play football here because the coach makes Indians cut their hair."

George Bayles, the football and basketball coach, said his short-hair rule applies to all prospective players. "It's an indication of their willingness to accept discipline," he said. "Besides, I don't think long hair is clean." Less than one-third of this season's football squad and only a few basketball players are Indian.

About 100 students board with families or in commercial boarding houses during the week rather than make the long bus ride. The families they stay with, almost all of them Mormon, are paid up to $150 a month a child by the Utah welfare system. The families often encourage Mormon religious training for their boarders.

Numerous Indian children are converted but continue to attend Navajo ceremonies at home.

"It really confuses me sometimes," said Jolynn Begay, a 16-year-old San Juan high school student. "I don't know which way to go."

"They go to get an education, and in between they are brainwashed," said Mary Ann Williams, a mental health worker in Mexican Hat, whose children go to the San Juan school.

"When these children come back to the reservation, they don't want to have anything to do with their culture. A lot of conflict develops between kids on the reservation and those who get Anglicized."

One 17-year-old high school girl, after several years of attending public schools, said, "I have to have a translater to talk to my parents sometimes."

L. Robert Anderson, an attorney for the school board and the stake's, or regional, president of the Church of Jesus Christ of Latter-Day Saints in Monticello, observed that "if you get exposed to a Mormon he'll try to convert you sooner or later. We're missionary-oriented."

He suggested it was part of the price the Navajos paid to get an Anglo education.

Herbert Yazzie, the Navajo lawyer, however believes the settlement of the lawsuit—which promised new schools, shorter bus rides and a better bicultural program—will help reservation students reap the best of both the Navajo and Anglo worlds.

The Navajos, he said, have experienced "an invasion of foreigners for so many years" that "Mormonism is just one more thing contributing to the breaking down of the tribe."

When the reservation parents get more control over schools in the San Juan district, he predicted, "we'll be trying to get back what we lost."

DIABETES RESEARCH

Mr. SCHWEIKER. Mr. President, one aspect of this bill which I feel deserves special attention is diabetes research. As author of the legislation enacted last year as the National Diabetes Mellitus Research and Education Act, I am vitally interested in the acceleration and coordination of research at the National Institutes of Health, in the hope of finding a cure for this disease, which affects millions of Americans and is one of the leading causes of death in our country today. To this end, the committee's bill provides an additional $300,000 for the National Diabetes Commission, which is in the process of formulating a long-range plan of coordinated research within NIH to combat diabetes. I look forward to receiving the Commission's report and seeing it immediately implemented.

This bill provides funding, as authorized by Public Law 93–354, for diabetes research in the various institutes of the National Institutes of Health. The committee, in its report, urged the National Institute of Arthritis, Metabolism, and Digestive Diseases to increase its efforts in diabetes research and to submit to the committee a report outlining what efforts are being made at the NIH in the area of research and diabetes research coordination. Further, the committee has directed the NIAMDD to expand its diabetes-related research in endocrinology and kidney disease and to develop a strong and active program management and coordination office.

Although the major thrust of diabetes research lies within NIAMDD, the committee, recognizing that diabetes is related to many other physiological disorders, has encouraged the expansion of diabetes-related research at other institutes as well. For example, recognizing that diabetes has become the leading cause of new blindness and the third leading cause of all blindness, the committee encouraged the National Eye Institute to utilize the expertise of all vision care specialists wherever and whenever possible for research into diabetic retinopathy.

In addition, testimony before our subcommittee brought out the fact that up to 75 percent of the diabetic population may die prematurely from cardiovascular causes. Therefore, the committee directed the National Heart and Lung Institute to strengthen its efforts in this important area.

Other institutes, including the National Institute of Child Health and Human Development and the National Institute of Neurological and Communicative Disorders and Stroke, should also expand their diabetes research programs, both individually and cooperatively. Diabetes is a broad problem and requires a broadly-based research effort if we are to conquer it.

In fact, Mr. President, diabetes may well be the major health problem in this country today, and affects or may affect as much as 10 to 20 percent of our population. Its incidence is increasing faster than the population, and has many of the hallmarks of an epidemic. The knowledge we have available today can do nothing to reverse this trend. The need for more research is too great to wait any longer to recommend increased funding. Therefore, in the strongest possible way I urge NIH to use a portion of the funds appropriated by this legislation to implement the National Diabetes Mellitus Research and Education Act, by expanding research into new areas, bebeginning cooperative diabetes research, and coordinating diabetes research now underway.

ORDER FOR RECESS UNTIL 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow.

THE PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HELMS AND SENATOR EAGLETON TOMORROW AND FOR CONSIDERATION OF H.R. 9524

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, Mr. HELMS be recognized for not to exceed 15 minutes; that Mr. EAGLETON then be recognized for not to exceed 15 minutes, after which the Senate proceed to the consideration of H.R. 9524, an act to extend the Emergency Petroleum Allocation Act of 1973, with the HEW appropriation bill temporarily laid aside until H.R. 9524 is disposed of; that on that bill, H.R. 9524, there be a time limitation of 1 hour to be equally divided between Mr. MUSKIE and Mr. FANNIN; that one amendment be in order, that amendment to be offered by Mr. MUSKIE, provided that the vote on the amendment, and the bill as amended, if amended, occur at no later than the hour of 10:30 a.m. tomorrow, with paragraph 3 of rule 12 being waived.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Reserving the right to object, is there not an amendment pending, a substitute pending, the substitute offered by the distinguished majority leader?

Mr. ROBERT C. BYRD. There is a pending substitute offered by the distinguished majority leader.

Mr. ALLEN. Will that be withdrawn?

Mr. MANSFIELD. No.

Mr. HANSEN. Mr. President, reserving the right to object, and I hope that I will not object, would the distinguished majority whip consider a little earlier vote than 10:30?

Mr. ROBERT C. BYRD. The vote could occur earlier than 10:30, but not later.

UNANIMOUS-CONSENT AGREEMENT—H.R. 9524

Mr. ROBERT C. BYRD. Mr. President, may I revise my request as follows, with respect to H.R. 9524:

I ask unanimous consent that at the conclusion of the orders for the recognition of Senators on tomorrow, the Chair lay before the Senate H.R. 9524; that there be a time limitation on that bill and on the substitute which has been offered by the distinguished majority leader and on one amendment by Mr. MUSKIE; that no amendment other than an amendment by Mr. MUSKIE to the substitute by Mr. MANSFIELD be in order; and that the time on all of these—the bill, the substitute, and the amendment by Mr. MUSKIE—be limited to not to exceed 1 hour, with a vote occurring on passage of the measure, as amended, if amended, at no later than 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CRANSTON. Will the distinguished assistant majority leader yield for a question on tomorrow's program?

Mr. ROBERT C. BYRD. Yes.

Mr. CRANSTON. I have an amendment, No. 890, to H.R. 8069. I had hoped we could have voted on that today, but it will be held over because Senator BAYH cannot be here until tomorrow. I would hope that we could have a vote not later than noon tomorrow on that proposal.

Mr. ROBERT C. BYRD. Does the Senator's amendment meet the reading requirement under rule XXII?

Mr. CRANSTON. Yes, it does.

Mr. ROBERT C. BYRD. The distinguished manager of the bill is not here now——

Mr. CRANSTON. He wished an early vote on the amendment.

Mr. ROBERT C. BYRD. Can we wait until the morning and try to work out something to accommodate the Senator?

Mr. CRANSTON. Yes. If the Senator can make sure that it comes up for a vote not too late in the day, it would be appreciated.

Mr. ROBERT C. BYRD. I will do all I can.

Mr. CRANSTON. I thank the Senator.

ORDER TO RESUME CONSIDERATION OF H.R. 8069

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 8069 remain in a temporarily laid aside status until the disposition of H.R. 9524, and that upon the disposition of H.R. 9524 the Senate resume consideration of H.R. 8069 in connection with which the pending question will be on the adoption of the amendment which has been called up by Mr. HELMS, on which the yeas and nays have been ordered.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER FOR RECESS FROM TOMORROW UNTIL 11 A.M. MONDAY, SEPTEMBER 29, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in recess until the hour of 11 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor for the time being.

Mr. President, has there been any morning business today?

The PRESIDING OFFICER. There has been morning business today.

RECESS TO 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9 a.m. tomorrow.

The motion was agreed to; and at 7:24 p.m. the Senate recessed until tomorrow, Friday, September 26, 1975, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate, September 25, 1975:

DEPARTMENT OF STATE

John Gunther Dean, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

EXTENSIONS OF REMARKS

PUBLIC CALLED WARY ON FOREIGN POLICY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BONKER. Mr. Speaker, in a recent statement on the Middle East I raised the question of coherency and consistency in America's foreign policy. It is difficult indeed for Israel and Egypt, the countries involved in the Cyprus issue and others to know and respond to our foreign policy when the Secretary of State is advocating one course and the Congress another.

We are without consensus on objectives and policies. Détente is as close as we come to any central theme, but it is a meandering stream yet to clearly define its course. For the most part, we watch Dr. Kissinger's personal diplomacy with all the anticipation and uncertainty of an audience at an Alfred Hitchcock movie.

The flexibility of this approach, and the acknowledged skill of the Secretary of State often yield positive results. Yet we need to be aware of the limits of this one man show.

The Secretary of State confronts himself with a dilemma based upon two of his core doctrines. He says our foreign policy must speak with "central authority," at the same time that he desires to retain the flexibility of personal diplomacy. Yet, surely he realizes that the very basics of our government structure dictate the necessity of a broad consensus among public opinion, the executive, Congress and even the courts before any policy can be considered authoritative and stable. There is no "authority" based upon abdication of responsibility to any one man or institution. That is a simple fact of life built into our system of checks and balances, separation of powers, and popular responibility.

As many commentators throughout our history have noted, this may not be the best possible way to conduct foreign affairs, but it is the only way available to a democracy.

Recent testimony by some of the Nation's leading pollsters before the Senate International Relations Committee indicates the troubled and unsettled state of current public opinion on foreign affairs. Both Congress and Dr. Kissinger would do well to pay heed to this testimony. I ask that a Washington Post summary of the testimony be placed in the Record at this point:

Public Called Wary on Foreign Policy: Pollsters Find Americans Set To Challenge Presidential Decisions

(By Murrey Marder)

Americans no longer automatically assume that "the President knows best" about shaping foreign policy, public opinion experts told the Senate Foreign Relations Committee yesterday.

The American public has become more challenging, suspicious and selective about foreign involvement, especially the use of military power, since the Vietnam war, the committee was told.

However, the dominant U.S. public attitude is internationalist, not growingly isolationist, according to most, but not all of the analysts.

The committee's new inquiry into the American role in the world began with a poll of eight pollsters. It was the start of an intermittent series of hearings re-examining U.S. foreign policy goals that will continue into next summer's bicentennial celebrations, Chairman John Sparkman (D-Ala.) said.

The pollsters, agreeing and disagreeing about what is on the minds of Americans, did reach a consensus on some points, especially that Americans are readier than ever to argue with their leaders.

Americans believe that the "public and Congress should have greater influence on U.S. foreign policy," and they ask "for candor and openness" from political and military leaders, said George Gallup Jr. of the American Institute of Public Opinion.

It is a myth, said pollster Louis Harris, "that America has gone isolationist." Instead, he said, the public is "disturbed at what might be called the old way of cementing foreign policy mainly with military power and the export of military weaponry."

Americans, he said, "are prepared to take giant strides toward international participation, well beyond what many of their leaders have asked," but have become "far more selective and articulate" about U.S. objectives.

Pollster Daniel Yankelovich and other panelists agreed that most Americans reject the Cold War strategies and accept detente with the Soviet Union and China, although suspicion continues about Soviet motives.

He said, "The public's slogan might well be: 'Detente, yes; damn fools, no.' "

A majority of Californians, said Mervin Field of the Field Research Corp., have adopted the "rather revolutionary idea" that "Congress, not the President, should have the strongest voice in foreign policy."

". . . We are a troubled and beleaguered people." said William Watts, president of Potomac Associates.

Americans, he said, have experienced "a truly profound change in our sense of priorities" in the last decade, with domestic problems replacing international issues as the prime cause of worry. This year there has been "a slight shift back toward a more internationalist, less isolationist point of view," he said.

Burns Roper of the Roper Organization went far beyond Watts, disagreeing sweepingly with specialists like Harris and Gallup.

The American public, Roper said, "is definitely not internationalist," but rather "is almost oblivious to foreign problems and foreign issues, and is instead, intensely preoccupied with things domestic."

Public attitudes on world affairs, he said, are "confusing" and "inconsistent." For example, he said, "half the public believes that if the flow of foreign oil were totally stopped, we would have no serious problem. Only a third say we couldn't manage without it."

Americans already are better informed than many in Congress and elsewhere realize, said economic analyst Albert E. Sindlinger, and there is "a new unrest" which he labeled "belligerent isolationism."

Public attitudes, Sindlinger maintained, "have moved from bewilderment, to frustration, to anger and to confusion, to complete distrust."

He said, "Not only do they distrust business—they now distrust big labor, big government—and now their own state and local governments are gaining on the distrust treatment."

"Uncritical trust in the President's judgment is gone," agreed Yankelovich and numerous others.

Pollster Harris contended, however, that what has occurred is a fundamental American change of focus on the world, not a turning away from the world.

"Our people have come to believe that it is a mistake for us to back corrupt and repressive governments, no matter how beneficial the military advantages might be in such arrangements," Harris said.

"To me," said pollster Field, "the root of this matter seems to me to be the absence of public debate about our national interest and the true nature of our national security." Americans, he said, no longer assume "that the President knows best."

CONGRESSMAN DRINAN VISITS ANDREI SAKHAROV

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BINGHAM. Mr. Speaker, during his visit to the Soviet Union last month, Representative Robert F. Drinan, Democrat, of Massachusetts, visited with Russia's world-renowned nuclear physicist and leading spokesman for freedom and human dignity, Dr. Andrei D. Sakharov.

In the September 13 edition of the Boston Globe, Congressman Drinan wrote movingly of the plight of this outstanding individual. The courageous efforts of Dr. Sakharov in resisting the Soviet Government's attempts to silence him constitute a monument to the strength of the human spirit and an indictment of the Soviet system. Congressman Drinan's article follows:

A Visit With Sakharov

(By Robert F. Drinan)

Dr. Andrei Sakharov was a troubled, lonely man when I visited with him for 80 minutes in Moscow on Aug. 22. His wife had left two days earleir for eye surgery in Italy. His handsome grandson, aged 2, recently threatened by blackmailers with bodily harm, was on his grandfather's lap recovering from a mysterious malady that had conceivably been caused by some criminal assault on the child.

Russia's world-famous nuclear physicist, now the Soviet Union's most troublesome dissident in residence, looked older than his 54 years. He spoke gently, reflectively, almost prayerfully. He talked first about his now intensified hope that his daughter Tatyana and her husband, the parents of his threatened grandson, would be able to leave Russia and accept a fellowship offered to them by MIT in 1973. Sakharov noted that it was only world pressure from such persons as Willy Brandt and King Baudouin of Belgium that had produced a visa for his wife.

I told Dr. Sakharov how I had organized a group of nine church-related Americans to visit the USSR to express our solidarity with Soviet Jews. I recalled how visas were granted and then withdrawn. He was not surprised but expressed with remarkable vigor his conviction that the "role of Christians" in helping Soviet Jews "can be immense." He urged that Christian spokesmen from America avoid the official religious leaders in the USSR who are "collaborators" and establish contacts with Russia's religious dissidents, at least 300 of whom are in prison.

In a touching display of his compassion for those who suffer persecution for religion's sake, Dr. Sakharov rose and obtained from his desk for me the address of the wife of a Russian Orthodox priest who has been in jail in the Ukraine for several years. Sakharov asked me to write to this woman whom his wife had met when Mrs. Sakharov was visiting some prisoners associated with her nephew, who received a 15-year sentence in the Leningrad hijacking trial. Sakharov suggested that Russia's prisoners of Zion received some moral support and help but that Christians imprisoned in Russia for their religion received almost no domestic or international encouragement.

Dr. Sakharov explained at some length the work in defense of religious freedom of his friend now imprisoned, biologist Dr. Kovalyov, whose trial in Lithuania is scheduled for about Oct. 15. Lamented Sakharov, Kovalyov receives support neither from Christians nor from his fellow biologists.

It was extraordinarily moving to hear Sakharov speak with such conviction about religious freedom. I was listening to a man who, after the death of his wife, married in the early 1970s a woman he met at one of the protest vigils he attended.

Half Jewish and the daughter of a woman who spent 16 years in Stalinist prison camps, this woman knew the lash of Russian oppression and Soviet anti-Semitism. It was she, I thought as I sat in awe and admiration in Sakharov's modest apartment, who must have radicalized and "religionized" her husband.

Obviously missing her, Sakharov combined the forces of his powerful mind with her absent militant spirit and sketched a vision of what could happen in Russia—if only enough believing and non-believing persons cared enough to fight for human freedom.

For hours after talking with Sakharov, I could not quiet my concern about the future of this beautiful human being. Will the Kremlin keep his wife outside of Russia and thereby seek to induce her husband to follow? Would Brezhnev hope that the prophetic voice of Sakharov would fade away if he were "banished" to the West? Or will Sakharov be allowed to remain in Moscow where each day his stature grows as a prophet?

Like other things in the Soviet Union this question will be resolved by expediency, fear, chance or happenstance. I profoundly hope that Andrei D. Sakharov can remain in Moscow for years to come; if he does he can be the founder of a new Russia and the architect of a new world.

MR. COLBY'S PROBLEMS WITH REALITY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. HARRINGTON. Mr. Speaker, CIA Director William Colby's article in a recent issue of the New York Times, which asks us to avoid the "myths" and to see the "reality" of modern intelligence work, is actually a familiar CIA exercise in avoiding reality. Again an Agency apologist has blandly pretended that public and congressional critics are denying the value of intelligence itself or are challenging the need for guarding intelligence sources and methods.

I have met no informed and responsible citizen, and certainly no Member of Congress, who has suggested that the United States can do without an effective system of intelligence gathering and analysis. And in my experience the CIA has generally performed these functions rather well. What has caused such widespread alarm, and what Mr. Colby has refused to deal with frontally, is the Agency's straying from legitimate information gathering to engage in direct manipulation of governments and institutions, often by the most violent of means. Even if Mr. Colby thinks he can blur the distinction, Americans do understand the difference between gathering intelligence and pushing people around.

Of such strong-arm tactics Mr. Colby only says that "little of this nature" is done any more, an assurance that must come as cold comfort to the widow of Salvador Allende and to other recent victims of CIA skulduggery. It is high time indeed for a facing of reality, and Mr. Colby and his superiors might start by rereading the CIA charter, a document directing the collection of intelligence but in no way authorizing political and paramilitary action.

Mr. Colby's article follows:

Modern Intelligence: Myth and Reality

(By William E. Colby)

WASHINGTON.—The Aztecs thought the Sun God had to be strengthened each day by the sacrifice of a young man or woman. Without the sacrifice the sun could not rise.

The *myth* of the Sun God's need drove the nation through the daily travail of the sacrifice.

The *reality* of astronomy to explain the sunrise was unknown.

Today we have myths about our intelligence. They are expressed in sensational catchwords: "dirty tricks," "invisible government," "terminate with extreme prejudice," "lie to anyone but the President," "infiltration of the White House," "destabilization," "secret war," "massive illegal."

They come from old, outmoded ideas about intelligence: espionage, intrigue, derring-do.

These myths achieve lives of their own. Formal denials, evidence to the contrary, and independent, serious, follow-up assessments of the true proportions of a catch phrase never overtake the original allegation. The myth becomes accepted as reality.

In normal times, these myths are but part of the life of an intelligence professional, like the anonymity and the lonely challenges, intellectual as well as physical, of a demanding craft.

Today, however, these individual myths are gaining momentum and mass. They tend to portray intelligence as unconstitutional, improper, unwanted by our citizens. They threaten American intelligence's ability to contribute to the political, economic and military safety and welfare of our nation. These myths threaten intelligence's ability to help our country to negotiate with—not confront—opponents in an unsettled world.

If we believe these myths, we can make our own mistaken Aztec sacrifice—American intelligence—in the belief that only thus can the democratic sun of our free society rise.

We must not sacrifice a virile, a necessary, contributor to the safety of our nation, the welfare of our citizens, and peacekeeping in the world of the future to a handful of myths. The reality of intelligence today is as different from the myths about it as the reality of astronomy from the Aztec myth of the sunrise.

Let's note some of the realities:

Our careful centralization of foreign information from open, public sources provides us with a compendium and continuity of facts.

America's technical genius has revolutionized intelligence. It has given us new views of distant objects, new abilities to analyze and absorb masses of data and detail, new electronic ways to keep up with the fast-moving and complex world of today.

To these must still be added that information that we can only get from the resourceful, dedicatd clandestine operator. He is the only one who can overcome the barriers of the closed and hostile societies that share our planet. He can tell us of secret plans for tomorrow or the research ideas of today. He tells us of the human interaction—something no technology can show—among groups and leaders of closed societies.

Experts of independence, talent and intellectual integrity study this wealth of reporting. They write objective assessments of world affairs free from domestic political bias of Government departments' budget desires.

Intelligence collection and analysis cover not only military threats but political problems and economic dangers as well. Intelligence forecasts of future trends abroad permit us to make national decisions about future foreign threats in time to react.

Intelligence permits us to negotiate international differences before they become disputes. And today the excellence of our information now contributes to a new role for intelligence: peacemaking and peacekeeping.

With sure information about the plans, capabilities and dispositions of the political and military forces on both sides of foreign crises, we can clarify their misunderstandings of each other that might lead them to go to war; we can reassure both sides of getting from us early warning of hostile moves by the other side.

Perhaps the strongest myths relate to the Central Intelligence Agency's mission of covert political and paramilitary action. Today's reality is that little of this nature is done. What is done is fully controlled by the policy levels of our Government and is reported to committees of the Congress.

This, then, is the reality of modern intelligence. We understand why the myths arose, as we understand why the Aztec myth was born, but serious and scientific investigations by the Congressional committees examining intelligence will clarify the need of our free society for intelligence and show the excellence of the intelligence structure that serves it. They should also show the true proportions of the missteps of the past, and the national atmosphere in which they occurred.

With this new perception of reality should also come clear direction and effective supervision. This will insure that the new reality remains fully compatible with our free society. For this, too, is a reality of American intelligence, that it must conform to the will of the American public as well as our constitutional procedures.

This need not include some new myth that "the public has a right to know" everything. The citizen does have a right to expect that this new reality of intelligence will protect his country's essential secrets.

We protect other American secrets: proceedings of grand juries, diplomacy, trade, income tax and census data, although intelligence secrets are being exposed in unprecedented, and dangerous, volume.

Secrecy is not new in America. Intelligence professionals accept, indeed seek, a better discipline to enforce adherence to the fundamental obligation of intelligence, that it protect its sources.

With public understanding of the realities of American intelligence, we can avoid a useless Aztec sacrifice. Nor need we believe that ultimate myth: that America does not have the responsibility and restraint necessary to have the best intelligence service in the world.

IRRATIONALITY AND SEVERE PENALTIES OF INCREASED TRUCK WEIGHTS

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. McKINNEY. Mr. Speaker, recently I presented testimony to the Subcommittee on Surface Transportation of the House Public Works Committee, in opposition to the increase in allowable truck weights from 73,820 pounds to 80,000 pounds. I would like to have this testimony reprinted in the RECORD in hopes that my colleagues will finally come to the realization that to ignore the issue is to condone the irrational value judgments and frightening consequences that the weight increase represents.

STATEMENT BY HON. STEWART McKINNEY—TRUCK WEIGHTS

Mr. Chairman:

In light of my unalterable opposition to the increase in allowable truck weights, from 73,820 to 80,000 lbs., I am extremely pleased to have this opportunity to testify before your committee today.

In recent months I have contributed my full assistance to the vigorous efforts directed at correcting the intolerable error that resulted from passage of the weight increases. The reason for my participation in this effort is two-fold. The first is my personal anticipation of the adverse effects that will inevitably accompany the increases. The second stems from the overwhelming opposition to the weight additions, voiced by members of my constituency, who have witnessed the rising threat of injury or death on our nation's highways; who forsee the reduction of many thousands of jobs at a time when increased employment is vital; and who have felt the tightening of the inflationary grip resulting from increased highway maintenance costs. These people, who constitute a wide occupational cross-section, have strongly petitioned me to take advantage of any opportunity to reset the increased weight limits at their original level.

The question of whether additional truck weights has an effect on the outcome of a car-truck collision was answered for us years ago with the discovery of the law of physics which states that force equals mass times acceleration. Despite this obvious conclusion, a recital of some very frightening statistics may provide a clearer and more detailed proof of the increased hazards to motorists, who confront the problem of heavier trucks on our nation's highways.

The poor safety record of tractor trailer trucks includes involvement in twice as many fatal highway crashes per 100 million vehicle miles of travel as passenger cars. An individual's chance of being killed in an accident is 10 times greater in a collision involving a large truck and a car than between two cars. About 40 occupants of passenger cars die for every occupant of a heavy truck in a car-truck collision.

The aforementioned high-risk figures come from such reputable sources as the National Transportation Board, the National Highway Safety Administration, the National Safety Council, and the Bureau of Motor Safety Carriers.

Further data also shows that there is an increase of 8% in the stopping distance of an average 55 foot, 5 axle tractor trailer, when the gross weight of the truck is raised from 73,820 lbs. to 80,000 lbs. This single statistic gains crucial significance when one considers the design of the highways servicing the millions of commuters who use these roads in the large metropolitan areas of the country. These highways have a great many exits and entrances within a short distance of one another. They are not the long, straight roads with few interchanges that are found in some states.

There is no room for error in assessing the existence or degree of the increased safety-risks involved in raising the weight limitations for trucks; for as we all know, the penalty that could result from an improper assessment is too servere.

Mr. Chairman, this rising threat to personal safety is but one aspect of the intolerable situation caused by increasing the weight limitations. It is estimated that it would take $4 billion to replace the capital and improve the maintenance of our nation's failing railroad system. The truck weight increase, by taking perhaps another half billion dollars out of our railroad's incoming net revenue, will make their untenable situation significantly worse. Furthermore, the idea of the railroad and trucking industries working in opposition to one another seems particularly irrational at a time when both the industries should be making a concerted effort to relieve the critical transportation problems in this country.

The idea of maintaining the increased weight limitations seems equally irrational in consideration of the estimated $100,000,000 inflationary rise in maintenance costs for our nation's highway system, and a staggering projection of $2.4 billion for providing a complete road system capable of accommodating the higher weights.

The costs of these increases is exemplified not only in maintenance costs but also in employment figures as well. An increase in weight limits from 73,820 lbs. to 80,000 lbs., effectively permits a 10% payload increase for trucks and has and will occasion the elimination of jobs at a time when unemployment is one of our country's most pressing problems.

Mr. Chairman, it is my hope that, with your committe's approval, we will be able to restore some measure of safety to the treacherous situation on our nation's highways, that we will be able to arrest the escalation of costs for highway maintenance, and work towards the implementation of a balanced transportation system. In short, Mr. Chairman, I hope we can nullify the error that permitted the truck weight increase to become law.

SOCIAL SECURITY DEATH BENEFIT IN NEED OF ADJUSTMENT

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. MATSUNAGA. Mr. Speaker, during the August recess we celebrated the 40th anniversary of the enactment of the Social Security Act.

One of the provisions in that original act was for a death benefit, to help survivors pay for the attendant expense of burial. The benefit was set at three times the monthly benefit, up to a limit of $250. At that time, the average monthly benefit was about $65 to $75.

Today, the average monthly benefit is in the range of $250–$275, but the death benefit is still limited to $250. Clearly, the relationship envisioned in the original act has not been maintained.

I am therefore introducing today legislation to increase the upper limit for death benefits under social security to $825, so that the original intent of the act is restored. I trust the House Ways and Means Committee will act speedily and favorably on this modest but important proposal.

CLOTHING WORKERS ATTACK MULTINATIONAL SWEATSHOPS

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. NIX. Mr. Speaker, in my capacity as chairman of the International Economic Policy Subcommittee of the International Relations Committee, I have been studying the activities of American multinational corporations and the effect they have on employment, prices, and prosperity here at home.

A very disturbing trend that is developing among some of these companies is the "export" of jobs to low-wage countries overseas. A typical pattern is for a large company to transfer its production facilities from this country to Asian or other countries. The products of these facilities are then imported back into our domestic market.

One industry that has been particularly hard hit by this practice, including in my city of Philadelphia, is the apparel industry. The Amalgamated Clothing Workers of America, one of America's most dynamic labor unions, has been a leader in calling attention to this problem. The following article from the current issue of the ACWA's official publication, the Advance, summarizes their recent research into this problem.

I would call particular attention to one point mentioned in the article. Not only does the transfer of production to other countries mean a loss of jobs here at home, it also means the development of exploitative, "sweatshop" industry in the host countries. I offer the article for the RECORD:

MULTINATIONALS: SWEATSHOPS ABROAD AND UNEMPLOYMENT IN THE UNITED STATES

In the world economy today, many manufactured items sold in the United States are produced in foreign factories, the products of American multinational operations.

Multinationals concede that they buy or manufacture abroad in certain low-wage developing countries because labor and production costs are far cheaper there than in the United States. But they insist that by putting their operations into those areas of the world, they are raising the standards of living there.

But the reality and the stated purpose are poles apart.

Far from bringing "a higher standard of living" to such countries as South Korea, Thailand and Hong Kong, the multinationals have brought degrading low-wage sweatshop conditions like those the American labor movement spent a century trying to eradicate.

There is mounting evidence that the operations of multinational corporations do not lead to economic benefits for the majority of the people in countries favored by their investments, and that the multinationals' claims of being humanitarian benefactors are a sanctimonious cloak for ruthless exploitation of workers.

Moreover, the consequent flood of low-wage imports to the U.S. is washing away American jobs at a time of unemployment already at crucially high levels.

And, of course, the nations which provide low-wage labor for American manufacturers are necessarily those nations in which no strong trade union movement exists to safeguard worker rights. Often they are nations in which trade union organization is prohibited by governments eager to attract American investment that will facilitate industrialization.

Take the example of South Korea where strikes by workers in a foreign-owned company are outlawed, and collective bargaining activity is severely limited.

In the interests of industrial development for which it requires American capital, the South Korean government "balances the welfare of the workers against the development of the nation," according to its Director of Labor Affairs.

For an article in the January 1975 issue of The Advance, Rev. Herbert White, Economic Concerns Consultant for the United Church Board for Homeland Ministries, who had headed a church mission in South Korea, described the poor factory conditions there and the government's repressive actions to hold the workers down.

"Only a sutained worldwide boycott of goods manufactured under sweatshop conditions can force the South Korean government to pay competitive wages and thus simultaneously save American jobs and the dignity and freedom of its own working population."

It is in a South Korean factory where teenage girls are hired to produce children's dresses for export to the U.S. that the girls' working day is 11 hours long, seven days a week, for $23 monthly wage. In summer, the working day is spent in an airless loft where the temperature sometimes reaches 100 degrees. The shop is monitored by uniformed police and by detectives who make sure that no labor "agitation" ever takes place.

Another chilling case of exploitation of child labor in a factory in Thailand producing blouses exported to the U.S. was recently reported in the syndicated newspaper column of Gus Tyler, assistant president of the International Ladies Garment Workers Union.

The owner of this factory held 54 small children in captivity, forcing them to run sewing machines. Their average age was 12; 42 were girls; the youngest was nine.

"To maintain good work habits, the children were beaten . . . The children were promised $10 a month . . . Many were sold outright by their parents for $25.

"That's how millions of blouses, skirts, dresses, shoes, pants, toys, novelties are made in Southeast Asia. Few of these items will be sold to natives: They can't afford them . . . The products are sold overseas—especially to affluent America."

Conditions in other low-wage nations of the world are comparable—and sometimes even worse.

In Liberia, according to a recent article in the AFL–CIO Free Trade Union News, "Every attempt to organize workers (employed by the Firestone Co.) by the trade union central organization has ended in arrests and jail sentences." Prevailing wages are 12 cents an hour for skilled workers. "I was informed," writes Ben Sharman, the author of the article, "that the workers on the rubber plantations live in shacks provided by the company, but they have no toilet facilities. In fact, it was reported that these unhealthy conditions had not changed in the last 30 or 40 years, and the subsistence wage, as in most of the developing countries, is drastically eroded by inflation and the ever increasing cost of food."

Far from raising the standard of living in low-wage countries, American factories and multinational corporations help perpetuate working conditions and wages which are illegal in the U.S. and in most other developed countries where a free trade union movement exists.

The authoritative Wall Street Journal recently published an account on the use of prison labor by multinational corporations based in Colombia.

"Currently," reports Stephen J. Sansweet, writer of the article, "Colombian prison authorities say, about 6,000 prisoners work at prison facilities on tasks ranging from assembling cardboard egg cartons to recycling bottle caps. They are paid, but far less than the average unskilled worker in regular factories, and they don't get any fringe benefits."

When nations build export industries based not on creativity, invention, style, sources of raw materials or some other special advantage, but only on the "advantage" of low wages, the result is economic chaos and social injustice. Multinational corporations are able to roam the globe, looking for the lowest wages, pulling up stakes if wages rise in one area to move to another. Companies looking to buy imports search for the cheapest wage scales, shifting from nation to nation in an effort to keep labor costs down. Huge retailers hop, skip and jump around the earth looking for high-profit items, based on low wages.

The ultimate impact of these operations of multinational corporations on the American economy is that, at a time like the present, when the economy is weak, traditional American industries, including apparel and textile, are being mortally injured and job opportunities killed.

The union member or other consumer who pledges to "Buy American" is therefore not only helping to safeguard American jobs—he or she is also striking a blow for international worker solidarity and freedom by refusing to participate in the organized oppression practiced throughout the world by profit-hungry multinational corporations.

MONSIGNOR HAMMERL'S 30 YEARS OF SERVICE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. LAFALCE. Mr. Speaker, today I would like to honor one of the foremost educational and civil leaders of the western New York region. This year Msgr. Leo E. Hammerl completed 30 years of service to the parochial schools throughout Buffalo, N.Y. His enlightened guidance and faith as evidenced over this era has won him the respect, admiration, and affection of thousands of Buffalonians.

Over the 30 year period, Monsignor Hammerl made significant contributions to the upgrading of Buffalo's exceptional parochial school system. He served for 16 years as associate superintendent of Catholic schools of the Diocese of Buffalo, and continued his work for another 14 years as the superintendent of the system. His tenure gave rise to a total school environment encompassing the necessary blend of educational tools and instruments of faith—the type of foundation today's students need to prepare them for their role in a very complex society.

The monsignor's achievements go well beyond the realm of education to embrace many civic and humanitarian causes. Over the years he has served, to cite only a few, on the editorial board of the Western New York Catholic; on the Erie County Narcotics Board; as a member of the board of directors of the Buffalo Chamber of Commerce; and as a member of the board of directors of the Buffalo Philharmonic Orchestra Society, the Western New York Tuberculosis and Health Association, and the Buffalo Council on World Affairs. The list of his contributions and his achievements seems almost endless, and it reflects the boundless energy and enthusiasm Monsignor Hammerl has devoted to his community.

The monsignor will now devote his full time to pastoral duties in the Buffalo area. I salute this fine man and I know that I speak for the entire Buffalo community when I thank him for all he has done and wish him the best for all future endeavors.

UNITED NATIONS PARTICIPATION ACT AMENDMENT

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. HELSTOSKI. Mr. Speaker, today, September 25, 1975, the House is scheduled to consider H.R. 1287, the United Nations Participation Act Amendment. A subject of widespread controversy, I would like to state, at this time, my support for this fine piece of legislation aimed at the continuation of U.S. participation in the maintenance of world order.

I have been an original sponsor of relative legislation. Should the United States resume the importation of Rhodesian chrome, we would not only violate U.N. sanction, but we would set the tone for future violations of international law by a major world power.

Those who oppose this bill state that as a U.S. policy of national security, we should not base our needs on a long term supply from the Soviet Union. It is obvious that since the embargo came into effect, we have imported more chrome from the Soviet Union than ever before. However, due to Russia's dependence on certain U.S. products and resources, it seems highly improbable that our importation of chrome ore would not be cut off at a future date.

Another aspect of this issue in the area of international political affairs addresses itself to the impact this measure would have on other countries located in Africa. As a matter of record, we do import many essential products from various nations. We are faced with the question of jeopardizing U.S. relations with others over supplies of Rhodesian chrome.

I am confident that my fellow colleagues in the House will lend their support to this measure. We cannot afford to risk the serious moral and political effects of violating U.N. sanctions and it is imperative that we defend the U.S. principle of respect for human rights and dignity.

MAOIST SUBVERSIVES IN U.S. FACTORIES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in the early sixties many of our news people and commentators used to speak of some of the new radical groups in very condescending tones, and sort of pooh poohed them. Now some of the these children of the sixties are grown up and engaging in real revolutionary activities.

One of these groups are the young Maoists and many firms, both labor and management, have found to their sorrow that this group is dangerous. Victor Riesel wrote a very illuminating article on this group which appeared in Human Events on July 26, 1975. The article follows:

MAOIST SUBVERSIVES IN U.S. FACTORIES

(By Victor Riesel)

At first you check and recheck to make certain the revolutionary "literature," newspapers, pamphlets, leaflets and tracts aren't dated Shanghai, 1926–27. Or that the self-avowed insurrectionary agit-props (writers) aren't Mao, Chou En-lai or Chu-teh. Or perhaps V. I. Lenin himself on "Make Every Factory a Fortress."

Then comes the impact. The "literature" is up to the minute. It is being printed in the U.S. these days by Maoist revolutionary cells, cadres, leagues and tiny parties dotting the nation. Georgia as well as Michigan.

And they're tough. They invade union meetings. They attempt to get to chief executives of some America's major corporations—in Pennsylvania as well as New York and California.

Some are under cadre orders to have dependable arms in their homes. Shotguns preferred. Some carry knives, guns, chains, blackjacks. Some just their gut and nerve.

Their "literature" reads as though they were preparing for the "long march" from Los Angeles into the Sierra Madre. Or from Pittsburgh into the Rockies. As did Mao from Canton to Yenan back in the '20s.

No comic opera this. They're serious, these young Maoists. So much so that Floyd (Red) Smith is seeing red. He's president of the 900,000-member International Association of Machinists (AFL–CIO). Its meetings have been invaded. And he has dispatched word to the IAM's hundreds of lodges that "the best way to meet commie-inspired, bully-boy tactics is with physical defense." Mark this now. Greatest concentration of machinists members are in the aerospace and heavy machinery plants.

The American Maoist cadre tactics have so angered labor leaders they refer to the revolutionaries as "crazies." But the self-styled Maoists aren't mad—they're cold, frequently violence-prone organizers.

Red Smith may call them "commies." But the Revolutionary Union and the newly arrived California-based October League aren't garden variety Communists who are now serving the Soviet Union inside the U.S.A. The Maoist American youth are the types I've encountered in Calcutta (India) and Colombo, Sri Lanka (Ceylon).

They're the American counterparts of the Marxist-Leninist bands now rampant in Europe. They think of the Communist Party, U.S.A., and its current Chicago convention festival and meetings as no more radical than a Girl Scout cookie jamboree.

There is, for example, the virtually unknown new October League. It has a national leader, a countrywide executive committee, district organizers, factory cells and cadres.

And a tough, disciplinary manual as the basis for creating "living schools for Marxism." It calls for factory organization in depth—the peoples' "fortress." And for each O.L. member to fortify his or her home.

"A shotgun is the recommended weapon because they are the least regulated, most difficult to deal with ballistically and easiest to fire and maintain," says the manual.

And "every member, or at least every household, must have a reliable firearm and an ample quantity of ammunition."

There is much revolutionary rhetoric and study. Sounds like gobbledygook to the layman. But to the specialist it is all sliced in razor-like organization directives. Mostly inside "the factory." All about what the overt comrades can do. How they are expendable. How, if arrested, they can easily be replaced by the covert units.

They talk of "Bolshevik methods of organization." They run tiny seminars on Lenin's writings to comrades. And on Marx.

Of course the October League, the Revolutionary Union, the Sparks and all the rest are only handfuls of young men and women. But they move swiftly and arrogantly. Few big union gatherings, and now few corporate boards of directors meetings are unguarded.

Much care, for example, is being taken by the national AFL–CIO to protect the dinners being planned for the Nobel Prize-winning author and Soviet dissident Alexander Solzhenitsyn, who was expelled from Russia by the KGB, though some 2,000 are expected at the testimonial banquets here and in New York.

It is difficult to describe the intensity of the new Maoist groups. They aren't of working family origin, most of them. They're semi-skilled intellectuals. But disciplined. Willing to invade any mass meeting. They meteorize. They sputter and flutter away. But they've disrupted rallies. They've seized factories. They've invaded legislative sessions.

They're what the old conspiratorial, espionage-oriented Communist movement was at the beginning. The CPUSA is an old, faded banner now. But before its color drained off, it created havoc. History may repeat itself.

HOME DEFENSE SECTION HAS BEEN CLARIFIED

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. MAZZOLI. Mr. Speaker, the proposed Federal Criminal Code reform—S. 1 and H.R. 33—has aroused the ire of many of my constituents because it seems to make the use of deadly force by a homeowner against a night-time prowler a Federal crime. My mail on this issue has been very heavy.

Since an early story appeared in the Nation's newspapers, the effect of this "home defense" section has been clarified.

It now appears that the "home defense" section of S. 1 and H.R. 33 applies only to Federal property, such as national parks and military posts. This section has nothing to do with privately owned property like homes and apartments. Those come under State law.

In my judgment, the "home defense" section of these bills—even though limited to Federal property—is unwise and should be deleted. I feel an individual should be able to protect himself or herself against an intruding night-time prowler without having to fulfill unrealistic guidelines or measure up to some arbitrary standard of conduct.

While it is hoped that the dweller will use the least possible force necessary to defend person and property, such an individual should be given wide discretion in the selection, application, and end result of such force.

CRIMINAL JUSTICE REFORM ACT OF 1975

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. BADILLO. Mr. Speaker, I would like to insert into the CONGRESSIONAL RECORD an excellent editorial published in the Los Angeles Times on Monday, September 15, 1975. The editorial discusses S. 1, the Criminal Justice Reform Act of 1975. I concur with this analysis of the legislation and would like to encourage my colleagues on the Senate Committee on the Judiciary to abandon their efforts to report out such a faulty piece of legislation. The growing opinion of civil rights advocates and the legal community is that the bill goes too far and is now unamendable. I hope other Members of Congress will heed the advice given in the following editorial.

The editorial follows:

PUTTING FREEDOM AGAINST THE WALL

Legislation now pending in Congress to revise the federal criminal code should be junked.

Senate Bill 1, a massive and complicated measure 753 pages long, is so pervasively and fatally flawed that it lies beyond the scope of any rational amending process.

Known as the Criminal Justice Reform Act of 1975, the bill, and companion legislation in the House, purports to standardize federal criminal law. It does that to an extent—but far more. It proposes revolutionary change that would vastly enhance the power of government and sharply decrease the freedom of the American people.

Federal law is a hodgepodge of discrepancies that need revision and codification. That was the purpose of the National Commission on Reform of Criminal Laws appointed in 1966, with former Gov. Edmund G. Brown as chairman. After five years of study, the commission presented its report to President Nixon and Congress in 1971.

In the next two years, the bipartisan commission's effort was undercut. The three

Senate members of the commission, often dissenting from its recommendations, embodied their views in a bill (S 1) introduced in 1973. They were John L. McClellan (D-Ark.), Roman L. Hruska (R-Neb.) and Sam J. Ervin Jr. (D-N.C.). Even this did not satisfy Nixon, who had the Brown commission report thoroughly revised and presented as the administration-backed Criminal Code Reform Act of 1973 (S 1400). McClellan and Hruska held hearings to consolidate both bills, and what emerged was the present legislation, which far exceeds the goal of the Brown commission.

The American Bar Assn. house of delegates recognized this last month by voting nearly unanimously that codification should not go beyond present law. And the board of governors of the Society of American Law Teachers concluded recently that "the bill is so riddled with defects" that it is doubtful whether it is "amenable to piecemeal improvements."

Its most drastic provisions would virtually give ownership to the government of all public information. The legislation would accomplish this by creating a new felony: unauthorized disclosure of "classified" official data. With some 15,000 government employes authorized to classify documents, this provision, with its severe penalties, would permit the government to engage in unprecedented suppression of information.

The sections dealing with "national defense information" would make government employes and news reporters vulnerable to prosecution that would be limited only by the imagination of the prosecutor.

One section would make it a crime to collect or communicate "national defense information" with the "knowledge that it may be used to the advantage of a foreign power . . ." Is there any information, defined as a prosecutor may want to define it, that could not be "used" by a foreign power or would not be related in some way to national defense?

Government employes who revealed information and reporters who received and published it would be liable under the law. Only the official version of events would be available to the public. The government would be able to operate behind a screen of secrecy.

This attempt to scuttle the First Amendment is the most dangerous aspect of S 1, and naturally has drawn the most fire from the press. As a result, some modifications of sections relating to control of government information may be accepted by the bill's sponsors. Even so, the legislation should be rejected, because freedom is not a commodity to be parceled out in varying degrees to the American people, and S 1 contains a long array of hazards to a free society. The bill would:

Protect federal officials from criminal prosecution for illegal acts as long as they believed "the conduct charged was required or authorized by law"; this clause, dubbed the "Watergate defense," would provide a rationale for almost any kind of abuse of authority.

Reaffirm authorization of domestic wiretapping for 48 hours without court order and require landlords and companies to cooperate "forthwith" and "unobtrusively" with government agents.

Impose restrictions on demonstrations by making the picketing of government buildings illegal; also illegal would be interstate travel to assemble 10 or more persons who "create a grave danger of imminently causing" damage to property.

Outlaw demonstrations that would take place adjacent to wherever authorities say is the "temporary residence" of a President.

Revive in part the Smith Act by making it a crime to incite others to engage in conduct that then or at some future time would facilitate the destruction of the government.

Define sabotage broadly as activity that "damages" or "tampers with" almost any property, facility or service "that is or might be used" in the national defense of this country or "an associate nation."

Permit entrapment by government agents, and place the burden on a defendant to prove he was "not predisposed" to commit the crime.

Broaden the conspiracy law by eliminating the requirement of proof of an "overt act"; substituted is "any conduct" that shows intent to effect a criminal agreement.

Reaffirm limited "use" immunity in criminal proceedings and congressional hearings—a procedure that weakens the Fifth Amendment protections against self-incrimination.

These provisions do not by any means exhaust the list; worse, the legislation is marked throughout by a chronic vagueness of definition that would insure decades of battles in the courts.

Whatever this bill is, it is not simply an effort to pull together and rationalize existing federal law. It is, rather, a reflection of an authoritarian view of the way government should function, and a radical departure from the letter and spirit of the Constitution.

In this bicentennial year, Congress could honor the founding fathers in no more effective way than by throwing out this legislation in its entirety.

A TRIBUTE TO BOB JOHN

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. MURTHA. Mr. Speaker, it has come to my attention that a very important milestone has been marked by one of my constituents—Mr. Robert John this week celebrated his 40th year as a newspaperman, and his 40th year with the Johnstown Tribune Democrat.

In the years that I have known Bob John, I have found him to be an extremely fair and conscientious newsman. Possibly the finest thing I can say about his professionalism is that although I consider him my personal friend, his reporting of me and my activities has always been objective and informative. That to me is one mark of a first-rate journalist.

I should also add that Bob has been active in many community affairs and civic interest activities. Most notable of these has been his great accomplishments in directing the Route 219 Association as a member and currently as president of the group. Joining with citizen groups from New York and West Virginia, this group is working hard to improve the central part of Pennsylvania and bring new economic prosperity to the area.

While it is an oft-repeated quote, I would like to repeat Thomas Jefferson's view of the press:

> The basis of our government being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter.

I would add that our newspapers are as good as our journalists. In the case of Johnstown, this means our citizens have benefited greatly from the work of Bob John. I know I speak for the entire House in extending him congratulations and best wishes on his 40th anniversary as a newspaper reporter.

VIEWS ON THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT, AS AMENDED

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. BROWN of California. Mr. Speaker, I intend to offer an amendment to the Federal Insecticide, Fungicide, and Rodenticide Act, when it comes before the House. There has been a great deal of controversy, regarding various provisions in the bill, as reported by the Agriculture Committee, because some members within the Agriculture Committee, and within the entire House, are understandably concerned with the effects of EPA restrictions, suspensions, and cancellations of certain pesticides on the farming community. It is true that the 1972 amendments to FIFRA legislated a thorough program for certifying all commercial and private applicators within each State and gave EPA the expressed authority to restrict or recall any pesticide that poses an imminent hazard to the environment and the health of our people.

Since 1972, EPA has moved in these directions. States, as directed by section 4(a)(2) of the 1972 amendments to FIFRA, have formulated plans to handle the certification of all applicators of restricted pesticides, both private and commercial. Two States have had their plans approved by EPA, 21 States have submitted plans for review and approval, and the other States are in various stages of the planning procedure.

These plans were required because, after long and arduous consideration by the House and Senate in 1972, it was accepted that the overuse, misuse, and lack of understanding of the dangers of the most toxic pesticides were causing the spread of serious illnesses in our farming communities, and, in extreme cases, death. It was also ascertained that many States had little if no plan for certifying commercial applicators, thereby not checking their ability to apply poisonous pesticides as safely as possible. In addition, proof was given that demonstrated the deleterious effects such toxic pesticides were having on the quality of our soil, our air, our water, and the health of many of our animals. Something had to be done—and the 1972 amendments to FIFRA were the reasonable answer to these serious problems.

Now that FIFRA is up for extension once again, some Members feel that EPA's regulations and restrictions have been too stringent; that our farmers should not have to prove their understanding of pesticide dangers and the methods of correct application. I must respond to this view, for I strongly believe that these regulations serve as a protection for those farmers, those families, and those farmworkers who are in constant contact with these toxic pesticides. EPA has gone to great lengths to lighten the burden of certification of these private applicators as much as is prudently possible—but the line between health and sickness, between clean and polluted water, food, and air, must be drawn. In my opinion, the seriousness of the hazards involved if pesticides are misused is not to be trifled with or we will be shirking our responsibility for protecting the public health.

If the Agriculture Committee bill, extending the authorization of FIFRA with amendments, is accepted in its present form, we will be approving a system by which all private applicators can sign a form that says they are certified applicators of restricted pesticides. No training, no tests, are required. This will not provide us with the information we need, nor the assurance that private applicators are competent in their methods of handling pesticides. We will lose and the private applicators will lose, because, though I am sure many farmers are aware of pesticide dangers and apply those pesticides correctly, the law is aimed at those who do not understand the hazards involved.

In addition, H.R. 8841, as reported by the Agriculture Committee, sets up a system of consultation with the USDA which, to quote the committee report accompanying FIFRA, "assures that EPA takes cognizance of the effect of its actions on the agricultural economy at virtually every step in the decisionmaking process". This system will hinder EPA's ability to move quickly in the face of emergencies and is an excessive, time-consuming, unnecessary burden on their regulatory process. EPA has already established a Pesticide Policy Advisory Committee that includes members of the farming community, the pesticide industry, the general public, and the environmental groups. Such a committee will assure the consideration by EPA of the views of all those affected by pesticide regulations. There is no need to add to this, in my opinion, and a greater bureaucratic structure—which will result from the USDA consultation provision—will lead to greater inefficiency.

My amendment, therefore, is a simple extension of the Federal Insecticide, Fungicide, and Rodenticide Act's authorization for 1 year with a funding level of $33,821,000. The difference in funding from the committee's level of $47,868,000, an amount of $14,047,000 is that amount of EPA's research and development funding under FIFRA, which has already been authorized to be appropriated under the bill, H.R. 7108. This bill has passed the House and is now pending in the Senate. I see no need for a double authorization of EPA's FIFRA research and development funding and so have simply deleted this amount from the amendment I intend to offer.

I urge my colleagues to maintain the 1972 intent of Congress, which was the result of long and thoughtful consideration, and support a simple extension to the Federal Insecticide, Fungicide, and Rodenticide Act.

RATE YOUR CANDIDATE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. McCLOSKEY. Mr. Speaker, I am pleased to submit here a second portion of an excellent article by former Field and Stream editorial writer, Michael Frome. The article appeared in the July/August 1975 issue of the Center magazine:

Early in 1972, I discussed with Mr. Conley, then editor of *Field and Stream*, plans for a new Rate Your Candidate feature. I proposed this time to rate every member of Congress and I asked for a special assistant. Mr. Conley approved and I hired Gail Hayes, a brilliant young woman who had been with Environmental Action and the Highway Action Coalition. We decided to tackle the tough ones and to ignore the consensus votes, though it is difficult to pin down clear-cut definitions through legislation. Congressmen tend to obscure their tracks. Through amendment and emasculation the soundest legislation is apt to lose its meaning by the time it goes through the mill. But we tried. And this time we sent a questionnaire to every members of Congress inviting them to tell us about their environmental policies and performance. Almost three hundred replies were received from members of both houses.

Rate Your Candidate covered eight pages in the September 1972, issue. Ratings covered a spread from Excellent to Very Good, Good, Fair, and Marginal, to Poor and Very Poor. Representative Wayne Aspinall, of Colorado, the powerful, crusty chairman of the House Interior Committee, was listed as follows: "In a class by himself—the man who must go." Alan Merson, Mr. Aspinall's primary opponent, at once ordered ten thousand reprints; he said later that our pungent classification was the most decisive factor in his victory. (Unfortunately, he was defeated in the general election).

Readers responded warmly and gratefully; they simply had not known the facts before. One reader in Virginia, noting that a disproportionate number of the "Poor"-rated congressmen came from the Southeast, implored: "Put a little heat on Dixie; we've got sportsmen down here as well as moonshiners. Prod us up a little. From our legislators' records, we could use it." District No. 2 of the Idaho Wildlife Federation issued a bulletin urging all its members to read our September issue: "With the tool Mr. Frome has given us we may be able to curtail some of the farces being foisted upon us and be much more effective in reaching our objectives."

There was plenty of criticism, too, principally on the gun-control issue. Some readers were upset about the high ratings given to senators favoring registration. As one wrote: "Of the seven senators up for reelection this year rated 'good' to 'excellent' by Mr. Frome, five of the seven have consistently supported anti-gun legislation, including national registration and licensing (Case, Pell, Percy, Brooke, and Mondale). Thirteen of the fifteen rated 'inadequate' to 'very poor' have consistently opposed such legislation, and certainly deserve some recognition in this regard."

I suppose in a sportsman's magazine the opponents of gun control deserve recognition, which they did receive in separate editorials. But we tried to separate the environment and gun-control questions. It has always seemed lamentable to me that some of the worst political opponents of wildlife habitat should be allowed to wear the label of sportsmen's friend for their position on gun ownership. Some readers, however, were carried away. A sporting goods dealer in Kansas issued an irate bulletin: "Those advertisers who do not wish to promote the anti-gun position should refrain from advertising in *Field & Stream*. We dealers should refrain from selling the products of those who do advertise in *Field & Stream*." From a friend in the industry I received this admonition: "Stick to conservation, Mike—not controversy."

Then there were the complaints from congressmen. The low-rated vented their wrath upon the publisher, the editor, C.B.S., the advertisers, in letters and through the press. I was called on to write endless letters to congressmen, explaining our project, both in general and on specific questions.

None seemed more upset than Representative Bob Sikes, of Florida. On September 25, 1972, he attacked *Field & Stream* on the floor of the House. He said the rating contained so many surprises that it had become the subject of much comment around the Capitol—"little of it favorable." He criticized the selection of issues, including the supersonic transport, ("It is hard to understand how a vote for or against the S.S.T. affects conservation and the sportsmen's interests in America."); Cannikin, the Aleutian Islands atomic test; the Reuss water pollution amendment; and the confirmation of Earl Butz as Secretary of Agriculture. Then he concluded:

"Let us be charitable and say *Field & Stream* used poor judgment. I am reluctant to say they do not know any better. Congressmen are accustomed to harsh treatment from 'experts' who pre-empt for themselves the exclusive right to judge performance. It is not new for us to be rated by handicappers who measure our work against their views and not in light of the interests of the public. Fortunately, campaigns are decided by separate constituencies who consider the issues in their entirety and who are not bound by the one-sided views of the handicappers.

"After all, Congress has been around much longer than *Field & Stream* or C.B.S."

By this time, alas, Mr. Conley was no longer on the scene. First, Mr. Forsberg had retired and had been replaced as publisher by a former advertising executive, Michael J. O'Neill. Mr. Conley had been deeply concerned about possible editorial interference and about slickness creeping into the magazine. He had clashed with the new publisher and had been dismissed.

The new editor, Jack Samson, had been on the staff for about two years as managing editor. We had good rapport; he gave reason to hope the crusading days would continue. For one thing, Mr. Samson wrote to critics defending the magazine's tough environmental line, warning that without protecting the woods and clear streams from the ravages of strip mining, clear-cut logging, and the like, there would be no place remaining for hunter and fisherman to enjoy their sports. And I felt I had his support during the Rate Your Candidate flap.

This was evident in a number of communications he sent me. One was a tear sheet from *Business Week* (September 23, 1972) headed "How the Ecologists Defeated Aspinall," with reference to *Field & Stream's* role. It bore a handwritten notation, "Great! Jack." Then there were letters from congressmen and others sent to me for response, with such written comments as: "Mike, you could have fun with this guy." "Mike, have fun. Best, Jack." "Mike, here's another missile for you. How's the old arm holding out?" There was a sharp letter from Warren Page, president of the National Shooting Sports Foundation, demanding: "Doesn't Frome know that the majority of these gentlemen have either authored restrictive gun bills of the worst sort or have stumped for badly designed restrictions which must have the eventual effect of eliminating those excise tax and hunting license funds which have contributed roughly two billion bucks to modern conservation?" Mr. Samson wrote across the top, "Mike, maybe you could try an answer to Warren. I tried last time and it didn't work."

Then, following the 1972 election, he wrote this encouraging word: "You are an excellent conservation editor and we sure as hell will continue to back you, as we have done during the past few months of heated controversy over politics," Could any writer ask more?

The first sign of a breakup came in 1973. Following up on confidential reports, I went to New Mexico to investigate questionable land transactions conducted at the state office of the Bureau of Land Management, an Interior Department agency that administers millions of acres of domain throughout the West. Staff personnel were deeply disturbed (but fearful of speaking openly) about many areas of land being transferred to private ownership. Land studies by the agency were inadequately performed and records scantily kept; exchanges were being conducted without public review.

I had pursued other B.L.M. land problems in Arizona, Wyoming, and Idaho and had found the public estate being divested of choice acreage without, shall we say, prior full disclosure of value to be lost. Some of these cases became known through confidential warnings, which may be the most frightening aspect of all; why should whispers be necessary when the Interior Department is charged with protection of public interest, not the promotion of profiteering private interest?

In New Mexico I learned that a prominent real estate outfit, the Crowder Investment Company, had completed a series of major land exchanges with B.L.M., obtaining title to more than half a million acres of federal land. Two key areas—one adjacent to El Paso and another midway between Alberquerque and Santa Fe—held high real estate potential. Additional cases were pending even while I was in New Mexico. (Moreover, in March, 1973, Secretary of the Interior Rogers C. B. Morton appointed Willard Lewis, a business consultant associated with the Crowder Investment Company, as the Department's Southwest field representative.)

I learned further that a powerful political figure, Tom Bolack, had entered applications to B.L.M. for purchase of ten tracts, averaging about 750 acres each, in the northwest part of the state. He had held meetings in Washington with political officials including Curt Berklund, Deputy Assistant Secretary of the Interior, who later became director of the B.L.M., seeking to obtain approval for these applications without following established B.L.M. procedures. Staff professionals, however, had recommended that at least three tracts in the flood plain of the San Juan River be retained in public ownership to protect wildlife values and public access. The Navajo tribe, owner of adjacent land to the south, termed Mr. Bolack's approach "a direct attempt to circumvent the federal policies and law with respect to land within the public domain."

I wrote a report on my findings for publication as my regular column in the June, 1973, issue. That never appeared. Nor did I receive any valid explanation. It was my first taste of censorship. I tried to attribute it to the fact that Mr. Samson had lived and worked in New Mexico for a number of years, and so I hoped it would be my last taste of censorship. In June, while traveling in Montana, I met Ted Trueblood, a longtime *Field & Stream* associate editor and columnist. He shared my concern and subsequently sent a letter of inquiry to Mr. Samson. "I consider Mike Frome an asset to *Field & Stream* and the best writer in the conservation field." wrote Mr. Trueblood. "I have a number of friends who read his column first—even ahead of Zern or me!" On July 3, Mr. Samson replied: "Glad you ran into Mike Frome. I agree he is one of the best conservation editors around. Nothing was amiss about his June column not running. It was just a priority matter and I think we have our priorities ironed out."

However, in the publication of my column for the July, 1973, issue, dealing with the unhappy state of our national forests, I found key expressions deleted and the article cut abruply. The reader was left hanging the midst of the adventure on Admirality Island, Alaska. The following three paragraphs were omitted:

"I fear for the future of the eagles in Southeast Alaska. The Forest Service doesn't have enough people to inspect logging shows, nor people sufficiently qualified to observe damage to habitat, whether of eagles or other wild species, nor people with enough courage to speak out. Insofar as Admiralty goes, the country is allowing a timber-oriented agency to manage one of the finest wildlife areas on this continent.

"I have dwelt on Alaska because the Forest Service there has made timber sales of immense proportion, committing the public resource to single use over long periods of time. The errors are plainly evident. They point up a basic deficiency prevalent through out the National Forest System. Two years ago, the Forest Service published a study of six national forests in the West, called the Stratification Reports. It revealed that land classified 'available for commercial logging' had been overestimated by an average of twenty-two per cent. These figures may even be modest. Severe overcutting is widespread.

"A tragedy of awesome consequences is at hand. Secretary Earl Butz should be replaced by someone with environmental concern. The Chief of the Forest Service should either exercise some muscle and leadership or quit. Without basic change in direction, generations still unborn will be required to pay in depleted resources for the exploitation of our public forests which this Administration has decreed. Sportsmen and all other citizen conservationists must demand a reversal in this fearful course."

In the course of the next several months the space for my column was cut and my secretarial allowance eliminated, but these steps were explained as resulting from a drop in advertising revenue and economy measures dictated by C.B.S. In addition, I was instructed to write in generalities without naming names. Mr. samson scrapped plans for a Rate Your Candidate feature. In a memo to me he wrote: "I feel this is definitely not the year of the environmentalist. The energy crisis has caused a backlash which I don't want to subject *Field & Stream* to at this time." Still, on April 9, 1974, he congratulated me warmly on being nominated for the board of the Outdoor Writers Association of America and gave approval to attend meetings on the expense account.

In late September, 1974, I submitted my column for the December issue, dealing with the Forest Service's new Environmental Program for the Future, which struck me as nothing more than a scheme of accelerated exploitation of forest resources. So, I wrote as follows:

"The document, I fear, does not fulfill the promise. The emphasis in the text is not on sustaining land health over the long run, but on gaining maximum production of commodities over the short run, without fundamental concern for the future. Three levels of operation are offered to the public: low, moderate, and high. However, the low level of timber cutting, 16.4 billion board feet, is just a shade below the moderate level and not much below the high (of 20 billion board feet). There is no choice of indicating that today's cutting is already too high, that foresters should revert to a sensible dimension in order to insure perpetual yield. . . .

"Reading this document carefully convinces me that my friends of the Forest Service have found a new package for the old sales pitch. What they really want to generate is not public involvement in decision-making but public support for increased appropriations to cut more trees, build more roads, spread more chemical poisons, graze more livestock. The draft Environmental Program supposedly represents the basis of furnishing public input, but page after page is filled with the most suggestive comments on why the low-level alternative will not do, and why the high-level alternative will best meet 'national production goals for 1984.' Almost as an afterthought, hunters and fishermen are promised greater access, but in many cases there is too much access already for the game and the true sportsman."

This column was never published. Within a week after I had sent it to the office in New York I received my letter of dismissal. (My wife, who opens and sorts my mail, said, "Have a double Scotch before you read this one." And the time was only 10:00 a.m.). It was marked "Personal and Confidential"—presumably Mr. Samson expected that I would keep my discharge a secret and that it would all blow away. This attitude subsequently characterized his and C.B.S.'s response to inquiries; they simply did not want to talk about it. Mr. Samson's letter gave no real reason. "We contemplate handling our conservation department in a slightly different manner. This will not only require a modification in the editorial approach," he wrote, "but will mean a change in editorial personnel."

Thus my relationship with *Field & Stream* came to an end. However, no one, I daresay, could have foreseen the trend of things that followed.

I notified one person, Joe Stephens, a close friend and ardent environmentalist of Alexandria, Virginia, and the dominoes fell. He in turn advised the national conservation organizations in Washington, D.C., across the Potomac. Marion Edey, spark plug of the League of Conservation Voters, was incensed; she urged a picketing action before the Washington headquarters of C.B.S. And in a few days fifty citizens produced a highly unusual happening, even for Washington, toting posters with such slogans as "Fairfax Loves Mike Frome" (carried by a member of the Board of Supervisors of my own county); "Friends of the Earth Love Mike"; "C.B.S.—Censored Broadcasting System"; and "Does C.B.S. Front for Polluters?" Almost concurrently a dozen national organizations directed statements of protest to William S. Paley, board chairman of C.B.S. So did several members of Congress; Representative Guy Vander Jagt, of Michigan, went so far as to issue a news release endorsing the picketing.

Soon the media coverage began. Jeff Stansbury and Ed Flattau, columnists for the *Los Angeles Times* syndicate, reported on asking Mr. Samson why he had let me go. He declined to respond, declaring, "We don't want to wash our linen in public. It was strictly an editorial decision." So he wrote inquiring readers as well, with a statement that "Mr. Frome's removal concerns only him and *Field & Stream.*" This was a curious posture for someone in the public arena to assume on an issue of public concern.

Mr. Paley's replies likewise dismissed inquiry and protest. He wrote that he had looked into the decision. He had determined that I was not a full-time employee of Field & Stream but "did submit articles to our senior editors for publication"—when, in fact, over a course of six and a half years I contributed seventy-five monthly columns and a dozen major articles in this magazine, and was given business cards and stationery by his organization. He said Field & Stream was now going to engage a full-time conservation editor, when this was not to be the case at all. Such is the insensitive blight of bigness, whether in government, industry, media, or enemies in big business, the gun lobby, and bureaucracy render review or reversal of course extremely difficult.

Time magazine apparently also had difficulty in getting C.B.S. or Field and Stream spokesmen to open up, though Mr. Samson spoke enough to denigrate my competency. Nevertheless, in its issue of November 4, 1974, Time said I had been fired because I made enemies in big business, the gun lobby, and on Capitol Hill. The last two paragraphs of its feature read as follows:

"Rhode Island Senator John Pastore was cited [in our Rate Your Candidate feature] as 'marginal'—a particular concern to C.B.S. Pastore chairs the Subcommittee on Communications, with jurisdiction over broadcasting regulations. His committee hearings are often an ordeal for the networks, and broadcast executives are always fearful of restrictive legislation. Clare Dean Conley, then Stream's editor, recalls: 'We got vibes from C.B.S. that they didn't want trouble with Pastore.' The word was 'Do what you have to do, but take it easy.'

Presently Mr. Samson disclosed() 6,.d)3

"That Frome refused to do, with the result that he lost his biggest platform. Says Congressman Reuss: 'If Field & Stream has no place for Frome, then we have come to a time when the voice of conservation is, quite literally, a voice crying in the wilderness.' "

Presently Mr. Samson disclosed "the real reason," for my dismissal: that I was anti-hunting. Well, I had never thought of myself as such and certainly had never submitted a line of anti-hunting material to Field & Stream. But the editor explained his action in a letter sent to a number of people:

"I personally fired him because—while I have no objection to anyone freely expressing an opinion in this great country—when someone writes anti-hunting material in another publication and also submits a monthly conservation column to this eighty-year-old hunting and fishing magazine, it is more than sufficient grounds for dropping that column. No one who is anti-hunting will remain on the masthead of Field & Stream as long as I am editor."

MICHIGAN TECHNOLOGICAL UNIVERSITY HAS LARGEST METALLURGICAL ENGINEERING DEPARTMENT

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. RUPPE. Mr. Speaker, I was pleased recently to learn that Michigan Technological University's Department of Metallurgical Engineering is again the largest in the United States and Canada. The Journal of Metals 16th annual survey showed that MTU was at the top of 77 United States and Canadian universities. This is indeed good news, and I commend the school, both for the number and for the high caliber of metallurgical graduates, and hope this record will continue in the years ahead. The announcement from MTU's Corporate Reporter is inserted for the consideration of my colleagues.

RANKS NO. 1 IN NATION

The Department of Metallurgical Engineering at Michigan Tech again is the largest in the U.S. and Canada. The 16th annual survey of senior classes which appeared in the Journal of Metals showed MTU at the top of 77 U.S. and Canadian universities.

Metallurgical Engineering was the second academic program begun at Michigan Tech and the department will enter its 50th year during the 1975–76 academic year. For much of this time the department has been the largest in the U.S. The 40 to 70 metallurgical engineering degrees granted per year at Tech usually account for 7 to 10 percent of the national total.

THE RECORD OF THE 94TH CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my Washington Report entitled "The Record of the 94th Congress":

THE RECORD OF THE 94TH CONGRESS

The American people have a decidely low opinion of the 94th Congress. One recent poll showed that only about 20% of those polled gave the Congress a positive rating and that almost 70% gave it a negative rating.

In some respects, this judgment may be harsh. The 94th Congress, which is only one-third of the way through its two-year lifespan, has some significant accomplishments to its credit. It terminated the American involvement in Indochina, rejected President Ford's ill-timed tax increased proposal of last fall, and decided that anti-recession measures should have top priority over other legislation.

On the whole, the 94th Congress has moved in the right direction in economic policy matters. The size and shape of the tax cut, the principal anti-recession measure, were largely determined by the Congress. Moreover, the Congress is beginning to show a willingness to accept the discipline of its own budget procedures, and it is staying within its approved spending targets. The Congress has been sensitive to the urgent needs of the unemployed and others in the nation by supporting such measures as an expanded jobs bill, by blocking an increase in the price of food stamps, and by strengthening the voting rights of minorities.

Whatever its faults, the 94th Congress has not been lazy. Of course, a Congress' achievements cannot be measured entirely by the number of votes taken or the hours worked, but it is at lease worth noting, if not emphasizing, that the 94th Congress has worked more hours, taken more votes, and passed more legislation during its first 24 weeks than any Congress in the past quarter century.

Even so, the American people apparently are not impressed by the record of the 94th Congress, with some justification.

There are several reasons. For one thing, the bright hope of the 94th Congress has faded. It began, not with a whimper, but a bang. The seniority system was scuttled, accountability and majority rule were strengthened, power was spread among the members, secrecy was reduced. With these new reforms, people began to believe that the 94th Congress would provide effective national leadership, with innovative legislative approaches to the frustratingly difficult national problems, but its performance has simply not been able to match these expectations.

For another, neither the President nor the Congress has really met the test of national leadership. Americans want to move forward on the problems that concern them, and they want to be assured that their leaders are working together to tackle them. They do not expect, or even want, unanimity on every issue, but they do want assurance that national leaders of good will and common objectives are working together to advance the national interest. It is at this point that the failure of the Congress is most disappointing.

Americans perceive that the national leadership is divided, fractious, and overly political, and they don't like it. Fears of a veto-proof Congress and talk of Congressional government, both current only a few months ago, have faded, but they have focused attention on the confrontation between the President and the Congress. The mood of the people, as I perceive it, is for compromise and cooperation, not for a smashing victory by the President or the Congress on major policy issues. People see too much public posturing by both the Congress and the President and not enough hard negotiation to develop policy. They see too many fights over vetoes, too much disagreement of critical foreign policy concerns, such as on aid to Turkey, and, perhaps most importantly, they see a failure to come up with a comprehensive energy program.

So, at mid-session, I do find the record of the 94th Congress to be satisfactory, but, on the other hand, the Congress probably does not entirely deserve its present low public esteem. True enough, its failures involve decidedly difficult subjects, such as energy, and not many institutions or leaders can really measure up to the standards of inspired leadership. But even making those allowances, I am concerned that this Congress is not really responding to the challenges in a way which will give hope to troubled Americans.

If the 94th Congress can end the unnecessary division over the conduct of foreign policy, agree upon a tough, comprehensive energy policy, reach a workable accommodation with the President, and continue to handle its routine tasks efficiently—all of which I recognize is a tall order—the 94th Congress can still go down as one of the better Congresses.

AUTOMOBILE FUEL ECONOMY REVISITED

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. BROWN of California. Mr. Speaker, today I wish to say something positive about the American automobile companies. This will undoubtedly surprise some of my colleagues who seem to believe that because of the unemployment in the automobile industry the management decisions of that industry should be free from criticism. This legitimate concern about impairing the recovery of a significant segment of our economy has even led some to recommend against auto emission controls which are necessary to protect the public health.

My positive comments relate to the very substantial improvements in fuel economy that have been made in the last two model years. What is even more significant about these improvements is that they are far better than the automobile manufacturers themselves seemed to believe was possible, if one were to read their testimony to the Congress. General Motors alone, to quote their full-page ad on this issue, has made a 38.3 percent improvement in average sales-weighted fuel economy since 1974. Perhaps more significant than even this is the fact that an American company now makes an automobile that is more fuel-efficient than its foreign counterparts. Finally, those Americans who wanted fuel economy can buy American.

Since the President and the automobile companies have set their fuel economy improvement goal at 40 percent in 1980, I believe this near achievement of this goal in the 1976 model year deserves praise and attention. It proves that Detroit can achieve what the EPA and the National Academy of Sciences said it could achieve, and it can do so without postponing the auto emission standards deadline.

Mr. Speaker, I have always maintained that the fuel economy issue was a "red herring" in the auto emissions debate, and I am pleased to see that this assessment was correct.

"ASSISTING SPANIARDS, IGNORING PORTUGUESE"

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. SOLARZ. Mr. Speaker, the Iberian Peninsula has twice in this century been the scene of dramatic struggles for freedom and democracy. In the 1930's the future of liberty in Spain hung in the balance, as the Fascists under Franco, aided by Nazi Germany, fought with the forces of the newly established democratic Republic. The outcome of that struggle was in large part determined by the failure of the Western democracies to aid the Republican cause. The bankruptcy of that policy was proven a few years later when democracy and decency faced annihilation in World War II.

Today, another part of the Iberian Peninsula is the setting of a historic struggle for liberty. Since the revolt of the armed forces in April of 1974, the forces of totalitarianism, led by a small but disciplined cadre of Communists, have attempted to subvert the democratically inspired revolution. Fortunately, the ordinary people of Portugal have resisted this attempt to once again deprive them of their freedoms and have forced the resignation of a Communist-dominated government and the installation of one that reflects the results of their free and fair national elections.

The battle between totalitarianism and democracy is, however, not yet over in Portugal. A year of political turmoil has left the country in a state of economic chaos. As long as this situation continues, the survival of democracy will be threatened by Communists on the left and the supporters of the old Fascist regime on the right. International economic aid is, therefore, desperately needed in Portugal, but as of yet we have not responded with the programs necessary to safeguard the nascent freedoms in Portugal.

In a column that appeared in the New York Times of September 20, Joseph Lash, an American who actively supported the struggle for democracy in Spain, eloquently compared the events of the 1930's with the current Portugese situation. In the hope that we, as the world's largest democracy, will not repeat our past mistakes, I recommend this article to my colleagues:

ASSISTING SPANIARDS, IGNORING PORTUGUESE

(By Joseph P. Lash)

The dinner party was about to break up. Suddenly another man of the 1930's remarked, "You know, I turn on the radio every morning and listen tensely for the report from Lisbon." "I'm interested," I said to him, "because I do the same."

How many of us, I wondered afterward, who had been shaped by the experience of Spain, when the cause of Spanish democracy became that of progressive humanity everywhere, listened anxiously to the news from Portugal, asking ourselves whether Lisbon like Madrid would fall to the totalitarians and make war, despite all the talk of detente, between East and West that much more likely.

The spontaneous resistance of Portuguese peasants, journalists, soldiers and Roman Catholic worshipers to the effort of a small but disciplined minority of Communist cadres to use the revolution against one dictatorship to impose another was, and is, one of the great sagas of freedom in this era.

It might have been expected to galvanize American progressives into action, but in the United States there has been no answering movement of solidarity and support for Portuguese democracy and Mario Soares, the Socialist party leader. We appear to be inert and immobilized.

When the newspaper Republica's freedom was ended by commissars in soldiers' suits, there were eloquent editorials of protest in the great American newspapers, but neither the Newspaper Guild nor the International Typographical Union were moved to set up picket lines outside the Portuguese Mission to the United Nations and Embassy.

American young people, so courageous and warmhearted in their succesful effort to turn this country's policy around on Vietnam, showed little interest in demanding for the Portuguese people the right to determine their own destinies—the issue that was at the heart of the Vietnamese solidarity movement.

We have been so demoralized by the Vietnam experience and by the shattering revelations about the Central Intelligence Agency that we shy away even from grassroots expressions of support for the democratic forces of Portugal.

In distrust of our own Government and its agencies we appear to have recoiled to a new kind of noninterventionism that, reminiscent of the isolationism of the 1930's would deny the support of the American people to the forces of democracy in Portugal.

No such hesitation affected the dictatorships. The field of "mass solidarity" was left to Pravda, which recently summoned Communists everywhere to rally to the support of Alvaro Cunhal and the Portuguese Communists—to the support, that is, of the 20 per cent that is coldly maneuvering to impose a Communist dictatorship over the 80 per cent.

We may be sure that the rank-and-file Communist neither asked nor cared whether "Observer"—as the Pravda writer signed himself—might not have been a pseudonym for the Soviet equivalent of the C.I.A., nor has he shown any squeamishness over Pravda's description of Mario Soares and the democratic resistance movement in Portugal as tools of fascism.

In France the powerful Communist party was even prepared to jeopardize its alliance with the Socialists, an alliance that is based upon the presumed commitment of both parties to democratic rule. It took these risks in order to rally to the defense of Mr. Cunhal and his secret battalions—to the defense of the man who gaily proclaimed, "I care nothing for elections, ha, ha!"

In the 1930's there was a North American Committee to Aid Spanish Democracy. For a time it wielded considerable influence. Should there not have been a comparable organization in the 1970's in support of Portuguese democracy?

Should there not have been a way by which Americans who feel passionately about freedom could stand up and say once again *No Parasan* ("They Shall Not Pass") to dictatorship?

Every generation must establish anew its right to the freedoms it inherited. The failure to save Madrid in the 1930's had to be redeemed on the battlefields a few years later.

THE COMMUNIST PARTY'S SOUTHERN ORGANIZING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. McDONALD of Georgia. Mr. Speaker, organizers for the Communist Party, U.S.A.—CPUSA—are continuing their efforts to organize among civil rights groups in the South and sell collectivism instead of individual freedom as the way to a just society. In line with the Communist Party's nationwide drive to make use of economic issues which I discussed previously on April 16 and 18, some 50 activists from radical organizations in Alabama, Georgia, Louisiana, North Carolina, Tennessee, and Kentucky met at Miles College, Birmingham, on June 21 to organize a new southwide coalition supposedly against inflation and unemployment.

The meeting was called by the Southern Organizing Committee for Economic and Social Justice—SOCESJ—which operates from P.O. Box 11308, Louisville, Ky 40211. The SOCESJ emerged late in 1974 as an organization for the "old guard" of the Southern Conference Educational Fund—SCEF—for many years the main Communist Party front in the South, but which was taken over by a Maoist-dominated coalition in late 1973.

According to the CPUSA newspaper, the Daily World of July 9, 1975—

> The Southern Organizing Committee for Economic and Social Justice is "a South-wide network that has grown out of the old civil rights movement, and the Martin Luther King, Jr. Workers Conferences, under the sponsorship of the Southern Christian Leadership Conference (SCLC).

SOCESJ agreed to fund a southern organizer or "traveler" to develop the organization. The initial thrust is stated to be building support for passage of H.R. 50, a bill strongly supported by the Communist Party since its introduction and characterized by them as "the most advanced bill in Congress" representing "a tremendous advance over the Employment Act of 1946. It codifies full employment as a new Government responsibility to the working class."

Principal speakers at the SOCESJ conference included:

PRINCIPAL SPEAKERS

Don Jones, president of the American Federation of Government Employees

> (AFGE) in Chicago, and vice-president of the National Coalition Against Inflation and Unemployment (NCFIU), a Communist Party front which has chapters in some 40 cities and has as one of its main goals lobbying for passage of H.R. 50. Jones also heads NCFIU's Chicago affiliate, Chicago Acts Against Inflation (CAAI).
>
> Carl E. Farris, coordinator of the Martin Luther King Workers Conferences and labor secretary of the Southern Christian Leadership Conference. While never identified as a member of CPUSA, Farris has an impressive record of involvement in and sponsorship of CPUSA fronts and causes including Trade Union Action and Democracy (TUAD), the front for penetration of trade unions; and the National Anti-Imperialist Movement in Solidarity with African Liberation (NAIMSAL), a support group for Marxist terrorists. In October, 1973, Farris was a delegate to the Soviet-controlled World Congress of Peace Forces, a World Peace Council production, in Moscow.
>
> Jack H. O'Dell, also known as Hunter Pitts O'Dell, now an organizer for Rev. Jesse L. Jackson's Operation PUSH (People United to Save Humanity) in Chicago. Identified in the early 1960's as a district organizer for the Communist Party and as a member of its National Committee, O'Dell was acting executive director for Rev. King's Southern Christian Leadership Conference in the Southeastern states until June 1963. When a public controversy developed over O'Dell's CPUSA involvement, King transferred O'Dell to SCLC's New York office, and after a continuing public outcry, eventually dropped him from the organization.

Other listed speakers included Rev. Fred Tayloy, an SCLC director; Rev. Edward Gardner, president of the Alabama Christian Movement for Human Rights; Don Bollen of Winston-Salem, N.C., southern organizer for the United Electrical Workers—UE—a union long under CPUSA domination; and Jan Phillips of Louisville, Ky., formerly an organizer for the Service Employees International Union and a SCEF staffer forced out during the Maoist takeover.

The civil rights movement continues to be a target for manipulation and exploitation by a broad range of Marxist-Leninist totalitarian groups, including the Communist Party. One such target remains the Southern Christian Leadership Conference—SCLC—which held its annual convention August 12–15, 1975, in Anniston, Ala. Among the main speakers at that gathering were Rev. Ralph D. Abernathy, SCLC president and member of the Presidential Committee of the international Soviet-dominated World Peace Council; and the other U.S. member of the World Peace Council's Presidential Committee, Dr. Carlton B. Goodlett.

My distinguished colleague from Georgia (Mr. YOUNG) placed Dr. Goodlett's speech to the SCLC convention into the RECORD recently with the note that it "deserves the attention of Congress and the Nation." I fully agree and wish to offer additional background so that our colleagues may better place the speech in context.

Dr. Carlton B. Goodlett, in addition to being an identified member of the Communist Party, U.S.A., is the publisher of the Sun Reporter and Metro Reporter newspapers in California and is president of the National Newspaper Publishers Association, "the organization for the black press of America." As previously noted, Goodlett and Ralph Abernathy are the two U.S. members of the Presidential Committee of the World Peace Council.

Over the years, Goodlett has maintained a record of activity with a wide range of CPUSA fronts and causes including CPUSA-dominated "antiwar" organizations in support of the North Vietnamese—member of the People's Coalition for Peace and Justice Coordinating Committee, sponsor of New Mobe's 1970 Strategy Action Conference, signer of the People's Peace Treaty—a private citizen's treaty with the North Vietnamese—active with the Angela Davis Defense Committees, and sponsor of the CPUSA's National Alliance Against Racist and Political Repression.

In 1973, Goodlett was a sponsor of the World Youth Festival held in East Berlin by the Soviet-controlled World Federation of Democratic Youth and was chairman of the U.S. delegation to the World Peace Council's World Congress of Peace Forces in Moscow.

This spring he was an initiating sponsor of the Rally for Détente and World Peace held on May 13 under the auspices of CPUSA's National Council of American-Soviet Friendship and the editors of the CPUSA publication, New World Review. And in addition, sponsored the National Conference for a Drastic Cutback in Military Spending held in April in Chicago which was organized by the CPUSA-run American section of the World Peace Council.

From May 15 to 22, of this year, Goodlett led a 15-member delegation from the National Newspaper Publishers Association to Communist East Germany, during which Goodlett was awarded the Gold Peace Medal of the GDR's League of Friendship Among the Peoples by Albert Norden, Secretary of the Central Committee of the Socialist Unity Party—SED, the East German Communist Party—and a fellow member of the World Peace Council Presidium.

The CPUSA press reported that "three black representatives of the U.S. Committee for Friendship with the GDR" accompanied the NNPA delegation headed by Goodlett. The three, all well-known members of the Communist Party, were Claude Lightfoot, a member of the CPUSA Political and Central Committees; George B. Murphy, Jr., of the Afro-American newspaper chain; and septuagenarian veteran reporter for the Daily World, Ted Bassett.

The purpose of the trip was to organize a propaganda campaign on behalf of the East German Communists in the U.S. Negro press, intended to present the brutal East German regime—a regime whose monstrous cruelty recently included the drowning of a 10-year-old Turkish boy who fell from a West Berlin embankment into a canal between East and West Berlin and whose rescue was prevented by force of arms by the East German Communist guards—as champions of human rights.

Ted Bassett reported Carleton Goodlett's medal acceptance speech:

> These trips are important because * * * the demands placed upon us by our militant youth make it necessary for us to touch the pressure points throughout the world so as to be able to offer intelligent leadership to Blacks on the crucial questions that challenge the U.S. and the Third World nations.

Goodlett named as specific "pressure points" to be visited such "bastions of freedom" as Cuba, North Korea, China, and Africa. Presumably among African nations, Goodlett is referring to such as the Leninist swamp known as Guinea-Bissau and the new Soviet satellite of Somalia.

Goodlett's speech concluded with a statement that he sees the role of the black press in America as a weapon against the free enterprise system:

> The Black press is determined to play a decisive role in the search of the Black masses, progressive youth, peace fighters, senior citizens, and in fact all the progressive forces in America for alternatives in the present economic crisis challenging capitalism.

Goodlett's speech to the Southern Christian Leadership Conference expressed his, and his party's, overall view of the role of SCLC and other institutions of black society in the class war called for by Marx.

On the eve of the Bicentennial, Goodlett makes clear his hatred for all aspects of our history on grounds of racism:

> Scratch this patriotic surface of Mother, Flag, Church and the Law and my country is revealed as a racist society; from the genocide of the Red Man until this very hour, her social dynamics have been propelled by the myth and the evil of white supremacy.

Goodlett rejects the law and the courts to ever administer justice to a black—the acquittals of Joann Little and Angela Davis notwithstanding:

> Is it possible for a black man, an outsider in a racist society, ever to use the instruments of law (honed to protect the values of white racial superiority in a capitalist society) to bring about the administration of justice for the wretched and exploited of that society?

Twice Goodlett brings up allusions to the necessity for armed struggle in this country:

> The time is not far distant * * * when blacks will have to make that choice made in 1842 by China which led to the Chinese Opium Wars * * * The Chinese lost that war, in quantitative terms, but they saved the soul of China. Can you not envision a day when the black mothers will rise in indignation, and in all their wrath declare war on those insidious beasts in the white society who prey upon their children, the hope of our tomorrow?

And again:

> Have you ever been disturbed by the fact that blacks in America * * * have never developed a revolutionary class? Not only must we engage in persistent agitation, but Black America at this crucial hour * * * must find a Black Ideology and a Black Agenda.

On the role of the black fraternities and other organizations of the "educated black elite" Goodlett says:

> These organizations are capable of amassing tremendous manpower and economic resources directed toward common programs and common causes. Their only need is an ideology as a precursor to their development of agendas in a common struggle to recharter the black experience.

Of the revolutionary role Goodlett would like the black churches to play, he said:

> Christianity is a revolutionary religion. We charge black churchmen to espouse the revolutionary zeal of early Christianity, when the acts of the church reinforced the characterization of Jesus Christ as the first great socialist * * *

Proclaiming that "those three cardinal defenders against fascism: a strong Communist Party, a vibrant, creative Socialist Party, and a labor movement ingrained in the masses of the people, do not exist in America today," Goodlett calls for the Southern Christian Leadership Conference to act in their stead in the struggle to impose a Marxist order in America, for the SCLC to form a black vanguard for the socialist revolution:

> We have no illusions * * *. Yet, 25 million blacks, finally clearly visualizing the ultimate disaster offered by capitalism for black colonials in capitalist America, led by SCLC and the educated tenth, using their moral, mental and physical resources in serious analysis and studies of economic-political alternatives which will be transmitted by the Black Church and the Black Press to the black masses numbering more than 20 million people; such a unified, dedicated black vanguard for change residing in the belly of the beast would create an irresistible process in the body politic * * *.
>
> This black vanguard, rejecting capitalism * * * would become the redemptive catalytic force in America * * *.

Carleton Goodlett concludes his speech to SCLC by offering the alternative of totalitarian state control under a Marxist system to what he terms as incipient totalitarian fascism in America. Predictably Goodlett's speech ended with calls for disarmament—which would suit the Soviets just fine—and with a challenge and a dare to SCLC to become that revolutionary "catalyst" in the "economic tyranny."

Truly this is a significant speech. As we enter the Bicentennial year several revolutionary Marxist-Leninist organizations are making plans to disrupt the celebrations. And public exposure of Communist attempts to promote race and class warfare must not be disregarded. Indeed, public exposure of these plans can be an effective countermeasure. In presenting the text of Carleton Goodlett's speech to the Southern Christian Leadership Conference for our consideration, my Georgia colleague may have performed a greater service than he realized.

BOOK DEALER ACQUIRES VALUABLE COLLECTION

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. PICKLE. Mr. Speaker, among the cognoscenti of the book world, there is one name which is now on everyone's lips. That name is John H. Jenkins, of Austin, Tex.

Recently Mr. Jenkins completed a purchase for the Eberstadt Collection of more than 40,000 rare books. Some observers speculate that this transaction may make Jenkins compare favorably with Secretary Seward's purchase of Alaska or the adroit manueverings of Armand Hammer.

John Jenkins is an entrepreneur of the first magnitude and simultaneously a devotee of belles lettres.

The Daily Texan recently profiled Mr. Jenkins. I insert this article in the RECORD for you to know more about this enterprising individual:

LOCAL BOOK DEALER ACQUIRES VALUABLE COLLECTION

(By Vicki Vaughan)

John H. Jenkins is a rare bookman—in both senses of the phrase.

The historian and rare book dealer presides over a warehouse domain on the outskirts of Austin, housing more than half a million items. Recently Jenkins pulled off somewhat of a coup in the rare book world by purchasing the Eberstadt Collection of more than 40,000 rare books. Its estimated value: more than $10 million.

Presiding over his publishing company which includes all facilities for binding and printing, Jenkins greets visitors from behind an imposing desk, sitting in a late 18th Century German chair that has arms curving up into frightening gargoyles.

"I call it nightmare style," he said.

A native of Beaumont, Jenkins began his rare book business with $100. While in law school at the University, he was persuaded to abandon his legal aspirations by J. Frank Dobie and Walter Prescott Webb.

"I always wanted somehow to be connected with books. I have never regretted leaving law school, as I believe this is one of the few professions, on a daily basis, that is exciting."

Two years ago Jenkins got all the excitement one could ask for. And perhaps he brought the German chair to ward off such visitors as the man who came to Jenkins in the summer of 1971 with some rare books to sell.

The man called himself Carl Hoffman, and he offered a pair of books for sale.

". . . I immediately appraised (them) at something between $10,000 and $20,000. Simply as rare books, they were eyeopeners; one was an illuminated manuscript, the other a very early manuscript Koran."

Then the man mentioned he had some "pictures of American birds, great big ones, and old," Jenkins said.

Trying to contain his excitement, Jenkins asked if they might be Audubon prints. Yes, that's what they were, the man said.

Jenkins said he was definitely interested in seeing those prints. Hoffman said he would call back in a week.

Jenkins was already deeply involved in what he later called "The Audubon Caper." He had had some reason to be suspicious of Hoffman, since the man had seemed confused, but Jenkins' suspicions were confirmed when he picked up his copy of the Antiquarian Bookman, which had arrived that day.

"I idly flipped through it (the magazine) and two ads leaped out at me: one announced the theft of a number of very rare books and manuscripts, including a Koran . . . the other offered a reward . . . for the first volume of an elephant folio Audubon, stolen from Union College (in Schenectady, N.Y.).

Jenkins immediately called the bookseller, Union College and the FBI.

The FBI did not seem to be so much interested in whether the books were recovered as they were in catching the thief.

After a fruitless attempt to explain the importance of recovering the irreplaceable books and prints, Jenkins was given a chance to play private eye when Hoffman called back and Jenkins arranged to meet him in New York.

The FBI was not pleased.

"We don't know what you look like, and we don't have time to give you protection," Jenkins said they told him.

But the FBI made it to the New York airport all right, "eight crewcut men in business suits, including one with a camera. I shook hands with Hoffman and started talking very, very fast," Jenkins said.

Hoffman tried to lose the FBI by following a most circuitous route to his hotel.

In the hotel room, Jenkins said he "watched for evidence linking these plates to the Union volume. It was easy to find. The thief had half-cut, half-torn the plates from the binding; one of the plates had been ripped in two, and half a dozen others were liberally smeared with bloody handprints and drops of blood."

After some nervous bargaining and fast talking, Jenkins persuaded Hoffman to accompany him to Jenkins' motel in Manhattan.

From his room Jenkins called the FBI and told them of his evening appointment with Hoffman. They agreed with some reluctance to wait until the night's meeting to capture Hoffman, when he might have the books and prints with him. Later that evening, Jenkins made it to Hoffman's hotel expecting to see the Audubon prints.

But when Hoffman opened the door I saw that there were no books or plates in evidence. Before I could do or say anything, FBI agents with drawn pistols—11 of them all told—came out of the woodwork, in from the hall, through the window; one even seemed to come out of the bathroom."

Jenkins was arrested along with Hoffman, because, the FBI told him later, "you've been dealing with the Mafia." They arrested him, fearing that "some of the Hoffman's 'associates' might be watching," Jenkins said one agent told him.

The missing plates were discovered in Hoffman's car, and all items were later returned and restored.

"The Eberstadt Collection is one of the finest collections now in private hands and is especially rare monetarily speaking and in terms of its research value. Many an item is the only existing copy in North America," Jenkins said.

The collection, purchased at a price of more than $5 million, was put together item by item by Edward Eberstadt, a German immigrant whose Madison Avenue bookstore was a haven for turn-of-the-century literati.

The stock is principally Americana, with special collections on the American Revolution, the Confederacy, the American West and Mexico.

Items of special interest include the first printing of the broadside of the Emancipation Proclamation and the document from Texas colonists to the government of Mexico carried personally by Stephen F. Austin to Santa Anna.

Things move slowly in the book world, he continued, and for the time being he is content to examine the volumes of the Eberstadt Collection, in what most people must visualize as a dull profession peopled by myopic and musty old men.

STONEWALLING ON AUTOMOBILE EMISSIONS

HON. HENRY A. WAXMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. WAXMAN. Mr. Speaker, the four major domestic automobile companies have generated considerable constituent mail in recent weeks by placing full page advertisements on auto emission controls in some 1,800 daily newspapers at an estimated cost of $750,000.

The ad is headlined "You'll be paying the bill, so let Congress know your choice." The ad goes on to present the two major alternatives to auto emissions control the ads says are being considered in Congress. "Choice 1" is the administration's recommended 5-year moratorium on the statutory emissions standards set by the Clean Air Act Amendments of 1970. "Choice 2" is keeping the present law which calls for stricter standards for 1977–78 model cars than those now in effect. The ad then implies that the only real choice is to support the moratorium.

The Justice Department is currently investigating the joint sponsorship of the ads to determine whether the manufacturers violated the consent decree in the 1969 antitrust suit against the manufacturers for conspiracy to suppress the development and installation of pollution controls on automobiles.

BACKGROUND

After years of delay by the auto industry in installing effective emission controls in automobiles and in view of increasing levels of harmful air pollution in urban areas throughout the country, Congress amended the Clean Air Act in 1970 to require the auto companies to meet strict statutory emission standards by 1975–76. The standards were set to achieve air quality levels sufficient to protect the public health and welfare.

Air pollution is harmful to the health, damages materials and crops, lowers property values and reduces visibility. In 1974 the National Academy of Sciences estimated that automotive air pollution causes 4,000 premature deaths and 4 million illness-restricted days per year.

The statutory emission standards have been delayed until 1978 to give the auto companies sufficient time to develop and produce the technology needed to meet the emission standards without economic disruption or fuel penalties.

AD ANALYSIS

The ad outlines the "results" of each choice in terms of air quality, fuel economy, and costs.

Under choice 1, "There will be continued improvement of air quality as new cars replace old cars." Under choice 2, "Stricter standards would only add marginal improvement to air quality."

Although these results may be true for some of the country, they conceal the fact that a freeze would result in more violations of air quality standards throughout the country, and at higher violation levels. According to EPA studies of 26 cities, there would be 46 percent more occasions on which the carbon monoxide standards would be violated.

The same EPA studies show the proposed emissions moratorium would increase the number of hours of violations of the ambient standard by at least 9,400 during 1977–85 in 30 urban areas. This amounts to an average of 3 additional hours of exposure to harmful oxidant levels per day every day for 9 years. The auto industry's argument that the present interim standards are sufficient to protect air quality because the old cars that new cars replace are so dirty is incorrect.

In 1978, when the administration's proposed freeze begins, the newest uncontrolled car will be 11 years although the number of uncontrolled cars being phased out in 1978 will total only about 2 million and will decrease every year thereafter. And since the average car that age travels only one-third as far as a new car, the only valid comparison requires three old cars to be phased out for every new car purchased—a situation that clearly will not happen.

> Compared to pre-controlled cars, today's standards result in reductions of over 80 percent for hydrocarbons and for carbon monoxide and about 40 percent for oxides of nitrogen according to industry figures.

However, according to EPA, the 80-percent reduction for hydrocarbons and carbon monoxide is not actually being achieved by vehicles now on the road.

In fact the actual reduction achieved over the 100,000 miles useful life of an automobile is only one-third to one-half that required by the standards because automobiles on the road do not meet the emission standards and because the Federal standards apply only for the first 50,000 miles of a car's life.

For oxides of nitrogen, the actual reduction in emissions from uncontrolled levels is only 11 percent, not the 40 percent mentioned in the ad, according to EPA.

With respect to fuel economy, the ad states that, "Your gas mileage could be reduced by 5 percent to as much as 30 percent." It also questions the feasibility of the statutory standards.

The National Academy of Sciences points out that the statutory standards "could, and should, be achieved while improving fuel economy. Substantial improvements in fuel economy can and should be realized at any of the proposed levels of emissions. The improved technology required to meet emission standards may assist in improving fuel economy." This is exactly what happened in 1975 when tighter emission standards resulted in a fuel economy improvement of 14 percent over 1974 models. EPA and DOT reached a similar conclusion in a joint study last fall in reporting that a 60 percent fuel economy gain is possible for 1980 cars.

A recent Ford Motor Co. sponsored study by the Jet Propulsion Laboratory at California Institute of Technology also concluded that goals for emissions reduction and fuel economy for the automobile over the next 5 to 10 years can be met with engine improvements and vehicle charges. A November 1974 EPA study also indicated that the automobile emission standards could be met while obtaining the administration's fuel economy goals.

With respect to costs, the automobile companies claim that meeting the statutory standards would cost an additional $150 to $400.

The National Academy of Sciences found that meeting the statutory standards would only add $126 to $203 to the 1975 price of a car. In the case of a three-way catalyst, the Academy found that this added cost would be more than offset by increased fuel economy and lower maintenance costs as compared to 1974 vehicles.

After making a total cost-benefit analysis of reducing auto emissions to the statutory levels, the Academy estimated the costs at $2.5 to $10 billion, but found these costs to be commensurate with the benefits.

NEW YORK CITY—AND SOUTHERN ILLINOIS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. SOLARZ. Mr. Speaker, the role of an elected official in a democracy is a complex one filled with many tensions. To continue in office a public official must represent the views of his constituents; and to serve his country, he must follow the dictates of his conscience. In this Congress, we are fortunate to have as a colleague, Congressman Paul Simon of Illinois, who has resolved the tensions of his office and has met its demands in on outstanding fashion. In part, Congressman Simon has done this by helping to shape public opinion in his district through an excellent column on national issues which appears in some of the local newspapers in southern Illinois. There is much we can all learn from the gentleman from Illinois. Accordingly, I am placing in the Record an article of his on the financial crisis in New York City. It is encouraging to learn that you do not have to be a New Yorker to want to save New York City from the prospect of a financial collapse.

The article follows:

New York City—and Southern Illinois

Why should anyone in Southern Illinois worry about New York City's problems?

That's a logical enough question, particularly in view of the fact that not too many people in New York City have worried about the problems of Southern Illinois. One of the few references to Southern Illinois I have ever found in the New York Times was sports writer Red Smith's description of our area. "In scenic splendor," Smith wrote in 1972, "Southern Illinois runs a poor second to the east Bronx"—a greater comment on his lack of knowledge of Southern Illinois than on our scenery.

But the problems of New York City cannot be isolated.

Because New York City has fouled its financial nest, municipal bonds throughout the nation cost more, because there is an increased lack of confidence in municipal finances. When Carbondale or Harrisburg or Mt. Vernon or Cairo have to issue bonds, the citizens in those towns will have to pay a little more for their water or sewer service because of the New York City situation.

That's the direct application.

If New York City is forced to default on its bonds, the result will be some fairly severe restraints on that city's financial expenditures, substantial enough to have some immediate impact on the economy in that area, with ripple effects in our area—not major ones, but not good ones.

What can be done about New York City's

problems? How can we prevent this from happening in the future elsewhere?

As of this writing it appears that New York City will be able to stumble through the next weeks, perhaps months, and that the short-range picture will improve only if the long-range prospects are brighter. If the banks and bonding houses see "a light at the end of the tunnel", they will help the city because they recognize their major stake in getting this situation solved.

How do we prevent the New York City disease from spreading?

That answer is tied in with the long-range answer.

Cities and states have learned a lesson from the federal government: you can spend more than you take in. That has tremendous political appeal. Instead of lowering expenditures to meet revenue, or increasing taxes to take care of expenditures, you simply issue bonds—the state and local governments equivalent of printing more money.

But just as federal deficits are costly, so are local deficits.

The result is that a higher and higher percentage of our tax dollar is going for interest rather than goods and services.

One way to reduce that problem is by federal example, though I am not optimistic that answer will surface unless the economy improves substantially, and the steps to make that happen are not being taken.

A second way to deal with this is to amend the revenue sharing extension which is likely to pass later this year or early next year. In addition to the present grants to cities, counties and state governments, I favor adding a two per cent bonus to all units of government which do not increase their indebtedness during the previous fiscal year.

That will be a practical way of providing additional assistance to units of government which act responsibly. Right now, most citizens have no idea whether their mayors or county boards or governors are operating within fiscal restraints. This will be a practical way of dramatically encouraging the right thing.

A few days ago a school superintendent told me, "We got into a hassle with our teachers and we finally decided that we would give in, create some more debt, and let someone else worry about it in the future. We've had our share of headaches."

I sympathize with problems which teachers and administrators face, but that's the New York City approach, and the result of that type of conduct should be clear.

This amendment to revenue sharing would help New York City slightly, and lessen the demand for state and local deficit financing appreciably.

A second change which could help the long-range picture would be for the federal government to recognize that the welfare situation cannot be a local burden. Since the courts have ruled out residence requirements for welfare, perhaps we should say that starting in 1978, the federal government will take over the financing of welfare.

In the meantime we can start looking for some much more imaginative answers to this problem, answers that are fairer to the welfare recipients and fairer to the taxpayers.

If those long-range steps would be taken, New York City, Southern Illinois and the nation would be moving in the right direction.

REACTORS AND RADICAL REACTION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in the Nation's quest for energy self-sufficiency we are encountering many roadblocks. One of the more serious impediments, is the quasi-scientific drive against nuclear energy mounted by certain groups. Dr. Petr Beckmann, a professor of electrical engineering at the University of Colorado, has presented a good case against the people opposing nuclear energy in a recent article that appeared in the Review of the News for July 23, 1975. The article, slightly abbreviated, follows:

Reactors and Radical Reaction

(By Petr Beckmann)

In 1754 a Czech priest named Prokop Divis constructed a lighting conductor which worked on the same principle as the one demonstrated by Benjamin Franklin six years later. But Divis called his device a "weather machine," and when the surrounding region was hit by a drought the following year, a mob of peasants attacked and smashed the "machine."

Nuclear power is a far more powerful invention than the lightning conductor; but far more powerful, too, are the superstitious peasants who are trying to destroy it.

Unlike their predecessors in the Eighteenth Century, the superstitious peasants of the 1970s are affluent and college educated; they have considerable political clout and are waging a well-organized campaign. What they share with their predecessors is fear and hatred of something they do not understand.

The anti-nuclear campaign is being waged by a motley crowd of demagogues who are totally ignorant of nuclear technology, but highly skilled in propaganda tactics. The leaders of such environmentalist organizations as the Sierra Club and the Friends of the Earth have had years of experience in turning the understandable desire of people for a clean environment into a stalking horse challenging Free Enterprise, economic growth, modern technology, and "the establishment." And they have shown themselves equally adept in using genuine concerns for safety as a new saddle for the same old stalking horse.

Yet even these environmentalist groups seem moderate compared with such movements as the one launched last November by Ralph Nader at the "Critical Mass '74" rally. It has strong totalitarian overtones, and unabashedly casts aside all technological considerations in favor of purely political notions. Nader was supported at the rally by an impressive number of political radicals who fervently cheered his boast that the meeting heralded "the beginning of a democratic control of all technology."

THE NUCLEAR MONOLOGUE

The anti-nuclear crusaders project a bewildering mix of outright falsehoods and half-truths. But there is one phrase that I find particularly exasperating, and that is their continual reference to "the nuclear debate."

What debate?

There is no debate, only a monologue. The three television networks give exaggerated coverage to Nader's hysteria, but last February they censored a unique appeal for nuclear power by 34 of this country's foremost scientists, including 11 Nobel Prize winners. Their "documentaries" on nuclear power attempt to give the impression of fairness by balancing the truth against a lie, giving them equal weight, and even then they smuggle in the savage distortions of the half-truth. They endlessly exploit the psychological association of *nuclear* and *bomb*, which makes as much sense as the association of *electric* and *chair*.

The national newspapers and weeklies are hardly better, and the distortions are by no means limited to what is thought of as the "Liberal" press. The *Wall Street Journal*, for instance, has many times fallen for Nader's hoaxes on the unreliability of nuclear plants and alleged accidents, and has not published corrections when the dishonesty of these reports was pointed out to its editors. *Business Week* has gone so far as to editorialize on the "Faustian Bargain Of Nuclear Power" and similar melodramatic piffle.

The truth is that most of the issues raised by the anti-nuclear crusaders are not a matter of opinion, but deal with matters of quantifiable, measurable, and demonstrable facts. These facts are meticulously avoided by the superstition mongers who refuse to be drawn from their monologue into a debate.

For example, the Energy Research Group, an assembly of Massachusetts nuclear scientists, has many times asked Nader to debate the issues. At various press conferences, Nader always pretended to accept the challenge, boasting that he would "demolish their phony arguments in front of millions of viewers." But he ignored all of their frequently repeated invitations. When his fraudulent hit-and-run tactics finally began to wear thin, after endless delays, he did recently appear in two debates with nuclear scientists. And he fared as well as a member of the Flat Earth Society in a confrontation with astronomers.

In spite of such flops, there is no denying that the anti-nuclear movement has been surprisingly successful. Honest citizens have grown concerned about nuclear power; sincere public officials are beginning to doubt its safety; several states have severely curtailed the growth of nuclear power; and, a referendum seeking virtually to halt nuclear power will be on the ballot in California next year. Politicians are beginning to wonder whether the word "nuclear" (like "profits") is now sufficiently dirty to grab votes by campaigning against nuclear power.

The anti-nuclear crusaders have not only been helped by the active support of the mass media, but also by the passivity of those who ought to know better. Ralph Nader has become the laughing stock of the nuclear industry, but that industry has done very little to take its case to the public. The A.E.C. let itself be crowded into a defensive position and vainly sought to appease the superstition mongers by increasing the rigor of its safety regulations, in some cases to the border of the absurd. Its successors, the E.R.D.A. and the N.R.C., appear to be bent on the same policy, having done very little in the way of making the simple facts credible.

INCOMBUSTIBLE FUEL

The most frequently asked question remains: "Is nuclear power safe?"

The honest answer is No. There is no such thing as perfectly safe energy: Energy is the capacity for doing work, and as long as man is fallible, there is always the possibility that it will do the wrong kind of work. To ask for safe energy is much like asking for incombustible fuel.

A more meaningful question, therefore, is whether the benefits are worth the risks. That issue has been analyzed many times, and nuclear energy has always come out of such analyses with flying colors. Since this approach does not seem to have convinced everybody, let us try another tack: What are the risks of nuclear power compared with the risks of the alternatives?

Like any other type of energy conversion, nuclear power is associated with a number of dangers, of which nuclear explosion, waste disposal, loss of coolant, radioactivity, and nuclear theft appear to have caused the most widespread fears. But before we compare these dangers to those inherent in other forms of power generation, let us briefly review how nuclear power is generated, and what the alternatives are.

SOME BASICS

Nuclear energy is not converted to electricity directly; it is used as a source of heat, which is in turn employed to produce steam to drive the turbo-generators.

All commercially operating reactors use uranium as a fuel, but uranium as found in nature contains only a trace of the isotope that is fissile, *i.e.,* capable of the chain reaction that releases energy and produces heat. For the most usual type of reactor, the uranium is therefore processed or "enriched" until the concentration of the fissile isotope is increased from 0.7 percent to about 3 percent. It is then inserted into fuel rods which go into the reactor core. Nuclear reactions in the core produce heat, the amount of which can readily be regulated from zero to a maximum amount, and this heat is transferred to the coolant surrounding the core (water), which then produces the steam for the turbogenerator.

The fissile uranium is eventually spent, and the fuel rods, now containing radioactive fission products, are removed from the core. Only a small part of the contents is ultimately wasted; the rest, including plutonium, can be processed and recycled to provide new fuel (which at present is not yet done for commercial plants).

What are the alternatives to use of nuclear power? If the United States is to retain anywhere near its present standard of life—let alone national security—it cannot settle for zero energy growth: To keep the per capita energy consumption merely constant, the total consumption must increase as the population increases. To be sure, there is plenty of waste to be cut. But only so much is fat; the rest cuts into the muscle. (In G.N.P. dollars produced per kilowatt-hours consumed, the U.S. is among the world's most efficient users of energy.) It is one thing to change from gas guzzlers to smaller cars; it is quite another to lack the energy for producing steel and a thousand other products that keep a modern industrialized economy running.

Among other energy sources, coal is by far the most important. The production of oil and gas cannot be expected to increase drastically, and solar energy, even if it can be made economical, will need very large collecting areas. Windmills make a fine conversation piece, but a poor and expensive energy source. There is not enough energy in the tides along the entire U.S. seaboard to provide a significant fraction of the total consumption. Quite insufficient, too, are the presently known and accessible deposits of geothermal energy. Clearly, nuclear power is a very important alternative. But is it safe?

NUCLEAR EXPLOSION

It is physically impossible to induce an explosive nuclear chain reaction in the uranium used for fuel in power plants. Anti-nuclear horror stories, such as Nader's fable of "100,000 deaths and the destruction of an area the size of Pennsylvania" are undiluted hogwash. A nuclear explosion in a power plant is not merely improbable, it is impossible: An explosive chain reaction is no more feasible in 3 percent enriched uranium than it is in chewing gum.

NUCLEAR WASTES

Some of the nuclear wastes, say the anti-nuclear crusaders, retain their radioactivity for thousands of years; what to do with them is an unresolved problem.

That is the truth, but not the whole truth. The thing that is never mentioned is the *volume* of these wastes. If the entire U.S. electric power capacity were nuclear, the wastes per person per year would occupy the volume of one aspirin tablet. One aspirin tablet! By comparison, the waste per person per year in coal-fired plants amounts to a whopping 320 lbs., of which only 90 percent is in the ash pile, the rest being spewed into the air.

If the entire U.S. capacity were nuclear, and a cubical volume 200 feet on a side were set aside to bury them, it would take no less than 350 years—yes, three and a half centuries—to fill it.

Clearly, waste disposal is not a pressing problem. It has many solutions, such as storing the wastes in salt formations that are known to have been undisturbed for the past 200 million years; and the reason why the "problem" has not yet been definitely "resolved" is that there is plenty of time to investigate even better possibilities.

No such simple solutions are available to the problem of what to do with the ashes of coal-fired plants. In both cases we leave a problem to future generations; but the problem is bigger for coal.

ENVIRONMENTAL DAMAGE

If all of America's electric power were supplied by nuclear breeders (which breed more nuclear fuel simultaneously with producing heat), the volume of uranium ore mined annually would occupy a space of 200 by 200 by 75 feet. For coal, that space is 200 by 200 feet by 75 miles, or 5,000 times larger.

But the Friends of the Earth abhor nuclear power; for, in their ignorance and superstition, they are no friends of the earth.

NUCLEAR ACCIDENT

In evaluating the consequences of a nuclear accident, the Atomic Energy Commission and other investigators have worked with a standard called the "maximum credible accident" (M.C.A.), which assumes a chain of highly improbable, but possible, partial accidents. Let us consider the M.C.A.

The scenario invariably starts with the most dangerous accident, the loss of coolant. The water surrounding the core is connected to the heat exchangers by pipes, which are of a special design (earthquakeproof, for example), specially tested, and continuously monitored for leaks. It is highly unlikely that even a small leak could develop (the recent story that 23 plants developed such leaks was a typical Naderite hoax); but the M.C.A. assumes a "guillotine break"—a clean break with complete separation of the broken ends of the pipe. In that highly unlikely case, the emergency core cooling system with independent pipes and pumps would automatically take over; but the M.C.A. assumes that both automatic and manual operation of the emergency system would fail and the core would be drained of coolant. In that extremely unlikely case, the fuel would melt and slump to the bottom of the steel pressure vessel. It would then melt through the steel and fall into the concrete foundations below.

What would happen then, nobody knows exactly—just as nobody knows what exactly would happen if a jumbo jet crashed into a railroad bridge just after two trains had collided on it, and the flaming debris were to drop onto an oil tanker passing under the bridge next to a gasoline refinery.

Most likely, the molten fuel would disperse in the concrete and the earth below it, where most of the radioactive materials would be absorbed. However, continuing the scenario of maximum improbability, the M.C.A. assumes that the fuel would melt through in a single lump and then release all its gaseous and volatile radioactive material. In that case, the gases would most probably return through the hole made by the molten fuel into the containment building housing the reactor (which is made of thick ferroconcrete and must be strong enough to withstand the impact of a jet liner crashing into it). But the M.C.A. assumes that somehow the gases could find their way past the containment building and reach the public.

Even then, however, people would not drop dead by the thousands as depicted by Ralph Nader's fertile imagination. What would happen, if there were no evacuation, is that there would be an increased incidence of cancer, detectable only by statistical analysis. The probability of thousands of lives being lost is of the same order as of a large meteor crashing into a populated area. (Hundreds of thousands of lives would have been lost, for instance, if the Siberian meteor had crashed into Manhattan.) It is a probability smaller than that of any other disaster, natural or man-made.

Now the M.C.A. sounds pretty horrible, but it is no more horrible than what is possible with old-fashioned sources of energy, the main difference being that few people are interested in M.C.A. analyses for fossil-fired plants. But there is a more important difference: An accident with massive loss of life due to fossil fuels is not just possible, it is far more probable. Indeed, one need not fantasize as in the case of nuclear plants; one can simply look at what has already happened, and what risks a society, large sections of which are scared by anti-nuclear hysteria, is willing to take with coal, oil, and gas.

For example, as the scientists of the Energy Research Group have pointed out, almost every major coastal port city has, either within the city or nearby, a major oil or gas storage facility with millions of gallons of flammable liquids and gases. The Chelsea, Massachusetts, tank farm, for example, contains 151 million gallons of fuel oil in the immediate neighborhood of a population of 37,000. The possibility of an explosion and chain reaction is obviously less farfetched than the science-fiction-like scenario of the nuclear M.C.A.

Oil tanker explosions, not in hypothesis but in fact, have averaged 14 per year in the last 15 years. A fully laden 200,000-ton oil tanker carries the potential thermal energy of a 2-megaton hydrogen bomb. What if one of those were to explode near the storage facilities of a major port? This is a field ungrazed by Nader's imagination.

Professor Richard Wilson of Harvard University has supplied some stunning figures on how much we are willing to pay to save a life in one case, but not in another. When in 1973 the permissible radiation level at nuclear plants was reduced from 170 to 10 millirems, the effect was to reduce the corresponding incidence of cancer from 4 to 1 per year (out of a total of 300,000 in the United States). This works out to $800 million per saved life. On the other hand, there are now 75 tanks of liquid natural gas located in U.S. cities. At times, they are involved in explosions and cause loss of life—133 lives in 1946, 33 lives in 1973. The cost of moving these storage tanks out of the cities would work out to $1,000 per life saved . . . but they are still sitting there.

In other words, the superstitious peasants have so brainwashed us that we are willing to spend $800 million per saved life when the danger is nuclear, but unwilling to spend $1,000 to save a life from an exploding gas tank.

Millions of dollars have been spent to analyze the maximum credible accident for nuclear power plants, and a special facility is now under construction in Idaho actually to create a loss-of-coolant "accident." No such effort has ever been made to study the maximum credible accident for fossil-fuel storage and transportation. Even so, it is fairly obvious that while the loss of life would be comparable, the probability in the latter case is higher. Since risk is defined as the product of probability and penalty, it follows that the risk of accident with massive loss of life is smaller for nuclear power.

RADIOACTIVITY

Another radical bugaboo is radioactivity. The hazards of non-accidental radiation due to nuclear power plants are utterly negligible and can be dismissed quickly: The average U.S. citizen receives 130 mrem/year from natural background radiation (cosmic rays, radiation from the ground, buildings, food, and other materials), and another 118 mrem/year from manmade equipment, particularly medical equipment such as X-rays. From nuclear reactors and all other nuclear facilities, he receives all of 0.013 mrem/year, or much less than 1/10,000th of the radiation he would receive anyway.

The level of cosmic radiation depends on the altitude—in Denver, Colorado, it is about twice as strong as at sea level. The dose received in jet flights amounts to about 0.7 mrem/hr, so that every time Ralph Nader jets to some campus to lecture on the threat of the "radioactive society," he receives a far stronger dose than he would receive in a lifetime of living next to a nuclear power plant.

NUCLEAR THEFT

The risk of nuclear theft and blackmail is not to be taken lightly. But here, again, the danger is concentrated, for it is virtually impossible to steal plutonium anywhere but at the reprocessing plant or in transit from it. By comparison, the danger of theft is far more dilute in the case of ready-made military weapons, for tactical nuclear bombs are stored with U.S. force abroad as well as in this country, and they are not mounted inaccessibly in a reactor core like nuclear fuel. Yet we are assured that in 30 years not a single nuclear weapon has been stolen, and this makes nonsense of the claim that properly safeguarded recycling technology would turn the U.S. into a "garrison state."

Nor is it as easy to process fuel to make a bomb as the nuclear critics make out. It took India eight years, with full government support and teams of highly competent scientists, to breed enough plutonium and make a bomb—which was a failure on the first test. The idea that a petty criminal could do better in a basement or garage is ludicrous.

But there are other dangers. What seems all but certain is that nuclear weapons, manufactured under the cloak of nuclear power will eventually proliferate among the governments of the Third World. Apart from the method used by India (heavy-water reactor breeding plutonium from unenriched uranium ore), there is now a relatively unsophisticated, if wasteful, method of enriching uranium—and whether it is enriched to 3 percent for fuel or beyond 90 percent for a bomb is up to the country that has the equipment. A plant of this type has just been sold to Brazil by West Germany, and shortly after closing the deal, the Brazilian foreign minister said: "We would never dream of making a bomb—unless, of course, Argentina were to make one first."

All of this is unpleasant, but it has very little to do with nuclear power, for the overriding question is this: How can you stop the threat of nuclear blackmail by prohibiting nuclear technology in the civilian sector of a single country—the United States only?

THE DEEPER RISKS

We believe that the foregoing discussion has shown the risks of going nuclear are far smaller than those associated with any other form of large-scale energy conversion. Yet the points made above are purely technical, and as such only scratch the surface of the problem. Energy is the life blood of an industrialized society, and a nation that is short of energy is doomed to decay, for lack of energy is self-propagating. Under the bureaucratic allocation rules enforced during the Arab oil embargo, for instance, some Texas wells lacked the Diesel oil to pump crude oil. Moreover, a great power that does not control its own energy sources is bound to degenerate into a blustering impostor.

It is an intolerable situation that a significant fraction of America's energy sources should be in the hands of unstable Mideast dictatorships, some of which are under strong Soviet influence, and all of which are within easy Soviet grasp.

It is an intolerable situation that America's energy lifelines across the oceans should no longer be secure in the face of the feverish buildup of the Soviet Navy and the decimation of the U.S. Navy by a crowd of opportunistic Congressmen.

The vast energy needed to sustain America's economy and national security cannot be supplied by sunbeams, summer breezes, and fumaroles. When all the rhetoric has been exhausted, a little elementary arithmetic comes through loud and clear with only two possibilities of bridging the energy gap for the next decades—coal and nuclear fuel. Not either, but both.

The rest of the world is forging ahead. While the U.S. is studying the breeder reactor to death, France has had one in commercial operation since last year. While U.S. utilities have deferred or cancelled half of their nuclear orders in the last year, the rest of the world has increased its nuclear commitment by 38 percent. Taiwan, Britain, Belgium, and Switzerland have now outstripped the United States in percentage nuclear capacity. The Soviet bloc, too, unhampered by college-educated illiterates waging obstructionist campaigns, is going nuclear with vigorous determination.

If this country is willing to take the risk of rejecting the cleanest and safest form of energy conversion yet devised, it might ultimately find itself experiencing some other health hazards. For example, how many women will die in childbirth when the electric power runs out? What are the health hazards of turning the United States into a giant Albania? What are the health hazards of life in a Soviet colony?

INCLUDE TRUST TERRITORY IN LAW ENFORCEMENT ASSISTANCE LAW

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. MATSUNAGA. Mr. Speaker, I was surprised to learn, when I received a letter recently from the Deputy High Commissioner of the Trust Territory of the Pacific Islands, that the Trust Territory was not eligible to receive funds from the Law Enforcement Assistance Administration—LEAA.

Participation in LEAA's valuable programs has thus been denied the people in this area. I believe it is time to remedy this oversight, and am therefore introducing today legislation to include the Trust Territory in the Crime Control Act of 1973.

I believe that Deputy Commissioner Peter Coleman's letter urging such a change is a valuable chronicling of the need for it, and I include the letter at this point:

TRUST TERRITORY OF THE PACIFIC ISLANDS, OFFICE OF THE HIGH COMMISSIONER,
Saipan, Mariana Islands, June 5, 1975.

Hon. SPARK M. MATSUNAGA,
U.S. House of Representatives,
Washington, D.C.

DEAR SPARKY: In the Omnibus Crime Control and Safe Streets Act of 1968, the Trust Territory of the Pacific Islands was omitted from the applicability of the Act and we have, therefore, been unable to receive LEAA funds to assist us in the upgrading of our criminal justice system.

We are not only anxious to be included within the provisions of this Act, but it is now doubly important because of our inclusion in the Juvenile Justice and Delinquency Control Act of 1974.

The Juvenile Act of 1974 has not yet been funded, but does include the Trust Territory. However, the Act provides that if and when funds are appropriated, they will be allocated to the administering agency created by the Omnibus Safe Streets Act.

There are, therefore, two reasons why we need to amend the Omnibus Safe Streets Act, first, to receive LEAA funds for the Trust Territory, and, second, to create the administering agency to receive the funds of this Act.

The amendment of this Act to fulfill both purposes can be handled by a rather simple amendment to the Omnibus Safe Streets Act. A proposed bill for such an amendment is enclosed.

We would appreciate any assistance your office can give us in the amendment of the Act, and if we can in any way assist in the accomplishment of this goal, please let us know.

Mahalo and Aloha.

PETER T. COLEMAN,
Deputy High Commissioner.

CONSERVATION AND OIL POLICY ACT OF 1975

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. HARRINGTON. Mr. Speaker, on Tuesday, September 23, I, along with the majority of my colleagues, voted for final passage of H.R. 7014, the Energy Conservation and Oil Policy Act of 1975. For the past several months the Interstate and Foreign Commerce Committee has been fashioning a comprehensive energy bill. The result of that effort balances the need for developing of new energy resources with the need for effective energy conservation. It balances the needs of the energy producers with the needs of energy consumers.

The committee has rejected the course charted by the major oil companies and adopted by the administration. That policy called for an end to Federal involvement in controlling the price of energy products, except to the extent necessary to guarantee the profits of those companies and the investment of their stockholders. The policy also called for a continuation of our present wasteful use of energy, relying instead on developing ever increasingly costly new sources at the expense of both the consumer and the environment.

The bill, as amended by the Staggers amendment, establishes a $5.25-per-barrel ceiling for old oil, a $7.50 ceiling on new oil, and a $10 ceiling on high cost recovery oil. These prices, well below the current cost of imported oil, will benefit consumers, while, at the same time, allow companies to make sufficient profits to attract needed investment.

Most importantly, the committee will seriously address the issue of energy conservation. It establishes mandatory standards for automobile fuel consumption, requires the labeling of energy intensive appliances, and sets standards for industrial and commercial energy conservation. It is estimated that up to 40 percent of the energy used in industrial applications is wasted. Given the uncertainty surrounding the estimates of remaining domestic petroleum reserves, energy conservation must be the major cornerstone of any rational energy policy.

In addition, the legislation establishes a national civilian strategic storage reserve. The reserve, of up to 1 billion barrels of oil, will provide protection against a cutoff of foreign oil. This will permit the United States to import lower cost oil from abroad—if the cartel is broken—secure in the knowledge that it will not be subject to political blackmail by the producing countries.

The bill also gives the President standby authority to impose mandatory allocations of petroleum and gas rationing. It permits him to regulate refinery outputs to prevent the creation of artificial shortages and requires the rapid development of energy resources on Federal lands.

Finally, the bill authorizes the General Accounting Office to undertake a complete audit of the books of the major oil companies. For too long, the Congress has been dependent on unreviewed, unaudited data supplied by the oil companies. In recent congressional hearings, it has been discovered that the major oil companies have spent millions of dollars under the table to influence foreign politicians and governments. It is equally likely that the majors have utilized accounting and bookkeeping procedures which provide an inaccurate picture of their actual profitability. A GAO audit would bring any questionable practices to light.

In short, the Energy Conservation and Oil Policy Act of 1975 is a sensible, long term approach to our energy problems. It is not a "quick fix" and will not bring about the economic dislocation and hardship that the more drastic energy measures would create.

It is a bill which will protect consumers and the environment while providing the new energy resources it needs, and protecting it from foreign energy blackmail.

COMMUNITY REACTION TO BUREAU OF PRISON OVERSIGHT HEARINGS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. BADILLO. Mr. Speaker, prior to the August recess the House Judiciary Committee Subcommittee on Courts, Civil Liberties, and the Administration of Justice held oversight hearings on the Federal Bureau of Prisons. The hearings, under the leadership of Chairman ROBERT KASTENMEIER, provided a balanced and thought provoking investigation into the current plans of the Bureau and exciting alternatives to incarceration being tried by other political jurisdictions. The hearings were very well received by the prison reform community and others interested in improving our criminal justice system. I would like to insert into the CONGRESSIONAL RECORD a thoughtful response to some of the issues raised during the hearings. The following letter from the National Moratorium on Prison Construction is printed at this point:

NATIONAL MORATORIUM
ON PRISON CONSTRUCTION,
Washington, D.C., September 17, 1975.

Mr. HERMAN BADILLO,
Cannon House Office Building,
Washington, D.C.

DEAR MR. BADILLO: We want to take this opportunity to commend the Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice, of which you are a member, for having conducted oversight hearings on July 28 and 30 on the programs, plans, policy, and philosophy of the Federal Bureau of Prisons as a component of the federal criminal justice bureaucracy. We would trust that as other questions arise, you would not hesitate to conduct further hearings.

It was heartwarming for us to hear some of the major issues discussed that normally cannot or will not be addressed by the operators themselves. The question was raised of lack of federal criminal justice planning to properly examine the entire intake and flow process so that resources can be creatively allocated and applied at the appropriate intervention points. This question assumes the continued existence of the federal criminal justice process. But if there remains a federal nonsystem, something will have to be done to rectify the resultant fiscal irresponsibility that allows, because of lack of central coordination, 15,000 nondangerous to be confined at the rate of over $6,100 per year while federal probationers cost only $500 per year.

The issue of whether there should be a federally operated prison system at all in light of a creative federalism was an even more tantalizing question. Since 85–95% of federal confinees have been convicted for crimes similar in kind to state offenses, a federal system seems to be needlessly redundant. Furthermore, a federal system can never produce a model that provides a true close-to-home/community corrections model, as it must serve too large a geographical area. A local system rectifies that deficiency by definition.

Mr. Nagel raised the most profound issue—whether the prison or "doing time" concept possesses such inherent defects as to make it virtually a worthless, or worse, damaging, social control device? The very nature of prisons seems contra to positive change in people—if some do change it is despite, rather than because of, being locked up. The interruption, removal, isolation, and alienation involved seems to produce so many unnatural obstacles as to require our unprecedented scrutiny of the penitentiary concept itself.

Finally, an issue that constantly surfaced was the change underway in the philosophical direction for the correctional function. Several federally funded or sponsored reports have all suggested an intensive new emphasis on various community alternatives to prison for most offenders. The Bureau of Prisons seems intent on going just as intensively in an opposite direction toward *more* dependence on institutions. If for no other reason than the tremendous cost differential involved when comparing prisons with alternatives, serious changes in direction must be attempted. Once built, prisons remain quite permanent and inflexible, and the capital outlay itself becomes reason for their perpetuation even after changes in philosophy make their operation outdated and even counterproductive.

A brief note is in order here to comment on the recent flurry over whether rehabilitation works, and if it does not, the need to return to a more punitive model. It should be understood that the rehabilitation/treatment model was the latest in a series of reform attempts to discover that additional ingredient that would bring success to the penitentiary experiment. Our position is that all of the major reform efforts attempted throughout the nearly 200-year-old history in the use of prisons have left legacies of failure. This has been so because of the basic inherent defects in the penitentiary concept (interruption, removal, isolation, doing time for penitence) itself. Until this concept itself is virtually eliminated as the primary or ultimate sanction, we continually are led down dead-end streets toward other futile panaceas. The punitive model has a much longer record of failure than does the rehabilitative one. To go from one to the other is like going from the frying pan into the fire. As Robert Martinson's study of various treatment modalities has shown, whether tried in prison or in the community, neither works well when recidivism is used as the criteria. To follow this to its logical conclusion—since it makes little difference which route is imposed, for most offenders the most economically feasible route should be attempted.

Our sketch for the future would require principles of making whole the victim, the defendant, and the community: restitution and making amends, community mediation and reconciliation of difficulties and disputes, focusing on the social and economc injustices that frequently make the community seem as criminal as the defendant.

We would like to suggest a framework for an immediate course of action that your committee could consider:

1. Moratorium on any and all new construction for a period of, say, ten years, consistent with the recommendations of the National Advisory Commission on Criminal Justice Standards and Goals. This would provide the time and technique for forcing an intensive review of current policy and implementation of various alternatives.

2. A federal criminal justice planning mechanism that can analyze the entire intake and flow process, make cost-effective studies, and understand from an economic and pragmatic perspective which alternatives should or could be introduced at the various decision-making points in the process.

3. Identify a range of alternatives and develop a strategy for their timely implementation. Some can be implemented now—more use of small community facilities, either operated by the Federal Bureau or contracted with resources of local public or private agencies. Shorter rather than longer sentences would require legislation. But serious study should be conducted as to the relationship of length of prison sentence to recidivism. Many studies reveal a positive coorelation between the two—the longer the period of removal, the higher the repeat rate. To increase the use of federal probation for "nondangerous" offenders would require greater coordinated planning and increased leadership from corrections personnel in dealing with the judicial function. Virtual elimination of the jail for the poor, bail for the rich pre-trial detention process would require a major change in policy and procedure.

4. As part of a strategy for implementation of alternatives within a framework of the new federalism, develop a working arrangement with select states, such as California and Minnesota, and let those states deal with all federal offenders who live or were committed from within their borders. California, for one, has expressed an interest in the past for doing this.

Finally, since questions were raised about who we are, we should tell you. We have been in existence since February 1975, funded and staffed by the Unitarian Universalist Service Committee (UUSC) with in-kind services provided by the National Council on Crime and Delinquency (NCCD). We represent over a half-million people which comprise NCCD, UUSC, and the Unitarian Universalist Association. We are involved with attempts to stop construction of local jails, state prisons, and federal prisons, whether for juveniles or adults. We do this not because we are do-gooders or soft-hearted. Many of our people would be considered conservative. What ties us all together is the belief that the prison concept is historically a costly failure, that enough evidence exists to prove to rational human beings that this is so, and that money for more of the same is extremely unwise and irresponsible. We do not profess to have all the answers. What we do advocate is at least a pause in further perpetuation of *more* prisons which last so long once built. This moratorium will provide time for hard questioning and serious pursuit of various alternatives in program, procedure, policy, and philosophy.

Sincerely yours,

S. Brian Willson,
Coordinator.
David M. Eberhardt,
Associate Coordinator.

CONGRESSMAN MOORHEAD NAMED PENNSYLVANIA'S HOUSING MAN OF THE YEAR

HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. BARRETT. Mr. Speaker, one of the most active members of the Housing and Community Development Subcommittee, which I have the honor of chairing, is my good friend and fellow delegation Member, Bill Moorhead.

Last week, the Pennsylvania Association of Housing and Redevelopment Officials honored Bill for his outstanding work on the 1974 Housing and Community Development Act and his other efforts in the field of urban legislation, by naming him Pennsylvania's Man of the Year in Housing.

From my firsthand experience, I know that PAHRA could not have chosen a more worthy recipient for this year's honor than Bill Moorhead.

The people of Pittsburgh are fortunate to have a man of his caliber, experience, and dedication, representing them in the House.

I would like to include in the Record at this time the speech the gentleman from Pittsburgh delivered at the annual PAHRA conference last week in Lancaster, Pa., when he accepted his award:

Remarks of William S. Moorhead

Jim Knox, ladies and gentlemen of PAHRA, I want to extend to you my deepest appreciation for the honor you have accorded me this evening.

With the economy suffering the slings and arrows of recession and the spectre of inflation once again rearing its ugly head, my colleagues in the Congress and I have been called some pretty pungent things by our constituents lately.

I can assure you that being honored by you as Pennsylvania's Housing Man of the Year is far and away the most agreeable. I am proud that you consider my activities in Congress worthy of an accolade that has been given in the past to men like Richard K. Mellon, Bill Scranton, and my great friend and mentor, David L. Lawrence.

I have to thank Jim Knox for more than his kind introduction. Jim and I go back a long way. Before I entered Congress in 1958, I served for two years as a member of Allegheny County's Housing Authority when Jim was County Comptroller. It was my firsthand exposure to the actions of a public housing authority and the people it served that led me to seek assignment to the House Banking, Currency and Housing Committee, with its jurisdiction over housing and urban affairs policies.

In the 17 years I've been on the Housing Subcommittee, I've had the privilege to work with some outstanding people, both in Washington and at the local level. We've written the basic housing laws which give life and substance to your agencies and to which many of you have dedicated your professional lives and careers.

If there has been a common thread guiding my activities as a Member of Congress, it is my belief in the mandate of the 1949 Housing Act which guaranteed all Americans a decent home in a suitable living environment.

It may sound oversimplified but I believe deeply in that charge and I view my re-election to Congress as a reaffirmation that the people for whom I toil expect me to give life to that simple pledge.

This principle has guided me in my housing and community development endeavors, my work on the Joint Economic Committee and most recently, as Chairman of the Conservation, Energy and Natural Resources Subcommittee.

The decent home in a suitable living environment precept, in the past, has served as a successful "jumping off point" for political ideologues. It's not that the Housing Committees in the House and Senate and the people in the Executive branch lack partisan feelings. But, historically, parochial politics have been largely submerged when the Congress and the Administration went to work on national housing and community development policy.

This held true for the first dozen years I was on the Housing Subcommittee. Unfortunately it stopped when Richard Nixon became President. His commitment to the 1949 Act was non-existent. From 1968 through 1974, rhetoric replaced substance. Accusation replaced action. A vacuum ensued where before there had been conciliation and compromise. And a moratorium succeeded 30 years of federal participation in housing and community development activities.

In this slightly poisoned atmosphere there were those of us both in the Congress and in the Administration who explored ways to bridge the gap and once again install the federal presence in urban housing and renewal programs.

Feelings still ran pretty high though, as reflected in a remark I made to your national conference meeting in Atlantic City on September 23, 1973, when they were kind enough to invite me to address them on pending legislation.

After listening to then Secretary Jim Lynn wax eloquently about Nixon's hope that cities and their residents would prosper and be happy under his policies, I got up and said, "I realize that President Nixon is a narrow constructionist when it comes to the Constitution, but to take the broad mandate of the 1968 Housing Act and apply it only to two houses, one in San Clemente and the other in Key Biscayne, is just a bit too narrow to me."

The thunderous applause I received from your colleagues that night more than made up for my distress at planting Nixon's rap on Jim Lynn.

Because neither the Congress nor the President had the strength to write the type of legislation each desired, the 1974 Act became a compromise. Political considerations edged out programmatic soundness.

The Congress was at a definite disadvantage in this affair, because most of us desperately wanted a housing and community development bill in 1974. And we were more willing to compromise than they. The Administration's strength was based on a threatened presidential veto, that we could not override, despite Nixon's predicament with Watergate.

In reviewing the birth of that Act, I look with pride at my compromise proposal that led to final House and Senate acceptance of the housing and community development package.

In the legislation—besides the two major new programs—we established the urban county concept; insisted that, despite the existence of the Section 8 program, HUD should continue to build new conventional public housing; and put the Federal Government behind the bond issues of State housing finance agencies.

I fought for each one of the proposals because I believed they were necessary, consistent with the decent home in a suitable environment pledge, and complemented the block grant and Section 8 programs.

Needless to say, HUD has refused to seek money for some provisions of the 1974 law. It has sought to legislate other matters through regulation. And in some instances, the Department has merely ignored the will of Congress.

While it is much too soon to damn the new law for its inability to stem the tide of blight and decay in our cities and towns or to provide shelter for those who cannot house themselves, there are signs that the tools we provided HUD are being blunted.

Generally I have been pleased with the cooperation and efficiency exhibited over the past year by the Department of Housing and Urban Development in implementing one half of the Act—the community development block grant program. This good record with the start-up of a new and complex program does not mean however that I am yet totally satisfied with implementation of all the provisions of the new bill.

HUD regulations in some instances have impeded rather than expedited the process.

It is my belief that this transition from the older programs to block grants should not impose hardships on localities which in the past have demonstrated, through their involvement with the categorical programs, a commitment to the problems of slum and blight elimination and prevention.

To this end, I have recently introduced H.R. 9568, a bill to ease the transition from the old categorical programs to the new community development block grants. This legislation will allow localities, at their option, to exercise greater prerogatives in outlining their transitional policies.

In short, this proposal will permit the waiver of certain "non-cash credits" scheduled for commitment under existing urban renewal projects. It has come to my attention that many of these planned "credits" are no longer necessary or valid. In these cases, I believe, and my bill provides, that the local public agency and the local governing body should have the option of waiving this credit so long as the affected locality agrees to make an equivalent financial contribution to a community development program area.

On a broader transitional scale, hold harmless communities continue to tell me that the shift from their current grant to formula share in two years will present near insurmountable problems.

This claim has been supported as the first year C–D applications arrive at HUD.

While it is still premature, I believe the

Congress will probably have to consider extending the "hold-harmless-to-formula" weaning process from the current three years to five years or more.

While the problems with the community development block grants appear merely mechanical, the obstacles to providing housing for low and moderate income people under the Section 8 program seem gargantuan.

The Congress, in going along with the Administration's Section 8 program last year, believed we were creating a construction program that would—with a few pulls and tugs—be able to serve the same people being served by the older assisted housing programs.

As insurance, we directed HUD to proceed with the development of the Section 8 program while telling them that "at least $150 million of the new authority should be used for contracts for housing to be owned by public housing agencies and that not more than 50% of those funds should be for Section 8 assistance."

Now that provision doesn't say 50% should be for Section 8. It says not more than 50% for the new program, with the balance going to the conventional program. Theoretically all $150 million could have gone to the one housing program that has shown that it can house the poorest of the poor.

As you know, that has been one element of the law HUD chose to ignore. Instead, it promised that the Section 8 program would produce between 300,000 and 400,000 units in fiscal year 1975.

It just hasn't happened.

As you know, HUD has come nowhere near reaching this figure, despite the existence of the necessary contract authority.

While Carla Hills' predictions of unit approvals get rosier each time she testifies, the actual number of approvals slink along at a totally unacceptable rate.

HUD now has processed applications for 40,000 nationally. This is an amazingly low number considering the Department's claim that it hoped to OK 10 times that number. And because of built-in disincentives—and departmental regulations—most units being given Section 8 approvals are existing structures. While the few new projects coming through the HUD mills are solely for the elderly.

Pittsburgh has one of the finest, if not the best, HUD staff in the nation. It works efficiently with local officials and builders and developers. But no matter how able it is, that office has yet to approve one single new Section 8 project for families.

That's because it has yet to receive one viable proposal for a Section 8 family project.

HUD's advertising in Pittsburgh for 500 Section 8 units has drawn some 35 proposals, representing almost 4,000 units.

Not one developer has submitted a family proposal. The HUD guidelines for Section 8 appear to cripple the possibility of success of the family program.

Where will these poor families live? HUD's only answer is to shrug its shoulders and mumble some drivel about the marketplace.

While the Congress did not anticipate the revenue crisis in New York, and its impact on the bond market, we were able to see that if the federal government did not get behind the bond issues of state finance agencies, there would be no major source of Section 8 front money. Consequently, we wrote that into the law. Yet HUD has refused this year to seek money for that purpose.

When you fail to provide necessary financing for your primary subsidized housing program and then refuse to build new units under an older program that has proved its merit—the result is predictable. You have no federally subsidized housing program.

Fate has a strange way of reshaping alliances and reviving issues. And beginning tomorrow, events in Washington may just breathe a great deal of life into those provisions of the 1974 Act which have been ignored.

In the Emergency Housing Act of this year, which was successfully vetoed by Gerald Ford, I authored a section directing that $75 million in Section 8 contract authority be used for the conventional program. The Administration fought it in subcommittee, fought it in the full committee, lost each time, and then vetoed the package which contained the language.

Yet tomorrow, House and Senate conferees meeting on the HUD Appropriations bill are expected to earmark $75 million for the conventional program.

I am told that HUD is willing to live with this new charge and will consider reopening the conventional public housing program if the conference votes the money.

The conferees also are expected to provide funds for Section 802 of the 1974 Act. This deals with the federal guarantee of taxable bonds issued by state housing finance agencies.

Once again, HUD may do a turnabout on this issue and administer the program because of the dismal prospects for new construction under the Section 8 program. A source of financing must be discovered for Section 8 or, for all intents and purposes, there will be no federally subsidized program for the poor.

HUD always has contended that state agencies present the best hope of front money. And they do, if they could raise the money. Guaranteeing their bonds is probably the least expensive way to enhance the state issues. And HUD is leaning toward doing that.

This is pertinent for you—not only for the obvious reasons—but because if the program called for in the 1974 Act proves successful, I believe that a federal guarantee for state finance agency bonds could probably be extended to local housing and development agencies next year.

Another provision in the appropriations package is new money for the Section 312 rehabilitation loans. The Senate has approved $50 million for this purpose and is trying to convince the Department to administer it in parallel with community development block grants. I agree with the Senators who suggest that preservation is so very important, especially when times are so difficult for new construction, that we should run a categorical program like this in conjunction with the more flexible block grant program.

The issues raised by the Appropriations Committees are vital, because unlike authorizations, which I deal with, these bills carry program dollars. And the only way the Administration can avoid spending them is to veto the bill or impound the money.

Veto is risky especially since there is a lot at stake in the bill that the Administration wants. And impoundments run afoul of new laws which severely limit that practice and allow simple majority votes in Congress to force spending.

Everyone interested in housing and community development matters will be watching the conference with great concern for there is much at stake.

On another Washington note, in the next several weeks, the housing subcommittee will begin a major probe of federal housing, community development and mortgage credit programs.

While the 1974 Act and its new programs will get most of the attention, the entire FHA apparatus will also be examined with an eye toward making major changes in the role of FHA.

During the course of our inquiry, I plan to raise questions on matters which I believe are of concern to you.

These are issues which I've discussed in detail with Jay Goggin, Executive Director of the Pittsburgh Housing Authority, and Jim Knox, his Allegheny County counterpart.

The first revolves around the question, what do you do with public housing projects that soon will amortize under their 40 year mortgage and then leave the safety of the federal umbrella?

These projects become property of the localities in which they are located. But in many cases, these local governments are being hard pressed to provide revenue for their current obligations. Can they extend their coffers to support public housing projects that heretofore have had the financial support of the federal government?

Granted we won't begin to face this problem in a massive scale for another few years or so but I believe we should begin now thinking of the fate of these projects.

Should they be converted to Section 8's, made co-ops? I don't have the answer. But I do have the questions and I think it is important that they be answered.

As Jay Goggin pointed out to me in a letter recently, some of the older projects are beyond modernization. They should be removed and replaced. But where do you get the money to replace them and what type of structure do you employ?

I realize that HUD is going to employ a new management tool in determining the future operating subsidies for local housing agencies. But we soon will reach a point where the operating costs of some of the older projects—and I have several in my district—dictate their demolition and replacement.

As important as tomorrow's appropriations conference is to the immediate future of federal housing and community development policies, the planned inquiry of our Subcommittee is even more vital.

Frankly, my colleagues in the House and Senate Committees are tired of seeing laws we write mismanaged and subverted by recalcitrant bureaucrats.

We expect these hearings to bring to the attention of the Congress and the Nation what is good about federal policy and personnel at HUD . . . and what is bad.

We are motivated by the belief that Administration officials currently directing HUD—and that is not limited solely to Secretary Hills—have allowed seven years of benign neglect to permanently blind them to their moral and legal responsibilities.

Federal housing and community development policy cannot be a hodge-podge of laissez-faire and caveat emptor.

Scandals, moratoriums, and caretaker regimes, do not revitalize neighborhoods and build needed housing.

It will probably take a change of Administration to accomplish all that we believe should be done. But, until that time, I know that I can pledge to you that the Committees in Congress most concerned about the housing and development needs of our communities and their people will continue to strive for that decent home in a suitable environment for all Americans. Thank you.

RETIRING (?) FRED BURKHARD

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. CARTER. Mr. Speaker, I have known plain, honest, able and outspoken Fred Burkhard for many years. Besides being a tremendous newspaper editor, he is an avid collector of Indian relics, an orchardist, a sports fan, and one who stands up for the good of his town and country without fear or favor.

It is with a great deal of pleasure that I include in the RECORD a dissertation on the life of this eminently successful and outgoing editor.

[From the Liberty (Ky.) Courier-Journal, Sept. 3, 1975]

RETIRING (?) FRED BURKHARD

(By Billy Reed)

LIBERTY, KY.—He was supposed to retire as editor of the Casey County News a couple of weeks ago, so why is Fred Burkhard still pounding his typewriter there in the dim, cluttered sweatshop that serves as the newspaper's city room, editorial office, library and live-in Dempster Dumpster?

"Aw, they haven't found a replacement yet," says Fred, breaking into his toothy grin. "None of these young fellers are willin' to work as hard as you've got to."

Of course, Fred Burkhard can't be replaced, even if they find a new person to sit at his desk. Hard-headed, stubborn and independent, Burkhard may be stronger and better-known than any politician in the county. When he answers the phone, it's simply with "Fred speaking," or "This is Fred." (His wife and co-worker, Esther, answers with, "This is Mrs. Fred.")

Says James L. Cravens, publisher of the Central Kentucky News-Journal and a Fred-watcher since the days when he took photography under Fred in a Boy Scout course:

"Casey County doesn't operate without Fred. They ask when it's gonna rain, and he tells 'em. A few years ago, a young newspaper executive was in Fred's office, looking around. 'Mr. Burkhard,' he said, 'you said in last week's paper that it was gonna rain and it hasn't rained yet.'

"Fred looked up from what he was doing and said, 'Did I say that? Well, by God, if I said it, it's gonna happen.' And you know what? That newspaper executive said it was raining by the time he left Liberty that afternoon."

For 29 years, Fred Burkhard has been putting out the Casey County News. He takes pictures, writes all the news and used to do all the editing, until he finally got some help. His circulation has grown from 2,100 in 1946 to a current press run of 6,075. In his farewell column, Fred wrote:

"There is not another town or county in the state with a population near this with that much circulation. It may rank in the first 10 in America, or even in the first five.

"Once we were asked by a Louisville newspaperman how we accounted for such a large circulation, and we told them just about everybody in Casey County was literate. He opened his mouth, but nothing came out in rebuttal."

At Berea College, where he graduated in 1935, Fred majored in biology, and he says that background has been invaluable in helping him relate to the farmers of Casey County. Before coming here in 1946, he taught school at the Pine Mountain Settlement School, worked for a magazine publishing firm in Louisville and ran the Bethel College press in Chanute, Kansas.

He bought the paper for $15,000 and got into his first scrape over a cat that hung around the office, of all things. The cat aggravated Fred, so one day he took it and threw it in the stove. "Fred grieved about that as soon as he did it," said Jim Cravens, "but the Humane Society got all over him, and the grand jury was ready to indict him. That's about the only serious scrape he ever got in."

Although he has only twice endorsed political candidates, Fred seldom fails to take a stand on issues. The only criterion he applies is whether it's good for the county or not. Looking back, Fred is proud of what he and his paper, have done for Casey County.

"We have one of the most honest counties in Kentucky," he says. Our county is debt-free. In fact, the county has money in the bank. We have honest law-enforcement officers who work 24 hours a day. We have honest judges and honest office-holders. And we have a secure county. Hell, we don't even know there's a depression on. I think we've got one of the best school systems in Kentucky. The teachers are excellent, and there are a minimum of problems.

"I think I've done a great deal to hold this county together. We only print Casey County news, you know. Oh, I don't take all the credit for our improvements, mind you. But I give the readers what I support and what I think they ought to know and let them make up their own minds. Sometimes I don't crusade for things, even if I'm for 'em, 'cause you can build up an opposition group. There are times when you open your mouth, times when you keep it closed.

"We've had pretty good county officials. We sit down and discuss things, and they've been very co-operative news-wise. They attempt to hide very little from me. If something is confidential, then I keep it as such. And I believe in using a soft touch. If a county official is getting out of line, then I kick it around with him in person instead of burning him in the press."

Burkhard also has been known to use his "soft touch" to make a point in his capacity as Casey County deputy coroner, as his friend Jim Cravens tells it.

"Once there was this 16-year-old speed demon who had just got his driver's license," said Cravens. "It was apparent that he was headed for a bad accident. One day Fred saw him go into the Liberty Grill, right there next to the paper, so he got his book of death certificates and caught him back in the pool room.

"Fred sat the boy down and took out his book of death certificates and began asking the boy what was his mother's maiden name and stuff like that. When the boy asked what was going on, Fred said, 'Well, it's apparent that you're gonna meet with a tragic accident, so I just thought I'd start collecting this information so I won't have to bother your parents later.' You know, there never was any trouble with that boy after that."

In 28 years, Fred and his wife have taken only a total of four weeks' vacation. Now, when his replacement is found, Fred intends to spend most of his time working in the peach and apple orchards on his 80-acre farm outside of town, and maybe play some golf and do a little fishing. He also will work on a book about Casey County.

As he prepares to leave his desk and typewriter, Fred is glad that most of the people in the county still regard him as a good friend and good neighbor.

"I've always got about 20 per cent of the population mad at me, but, fortunately it's a revolving 20 per cent," says Fred. "There's maybe only five people I don't bother to speak to, and I can't even remember all five of them. All of 'em are oddballs, anyway. As many times as I've been chewed out, I guess 30 per cent came back to apologize. They know that Fred's always got Casey County's best interests at heart."

INTERNAL PROBLEMS IN CHINA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. CRANE. Mr. Speaker, as many of our elected officials return from the People's Republic of Chi[illegible]th glowing comments praising the way that the country has developed and matured, it is important that we also see the other side of the fence. American's who visit the mainland meet only selected peasants who are prepped to say specific things and that is all. No one is given the free run of the country to actually talk to the real people. Thus, we have a very distorted view of what is really happening within China.

What I mentioned makes this article from Red Flag of great interest to all real China watchers. Red Flag is the Communist Party's theoretical journal and always preaches the party line. The Communist Party was making a call for unity and demanding, that the people do as they were told. Thus the references to "sabotage activities" by "class enemies" is very relevant to the overall picture of the Communist giant. No matter what image they present to the outside world, the Communist government is still plagued by revolutionaries who believe that freedom is important and they are willing to strike or fight to get it.

[From the Washington Star, Aug. 12, 1975]

INTERNAL PROBLEMS IN CHINA PROMPT A CALL FOR UNITY

(By Charles R. Smith)

HONG KONG.—China faces serious internal problems which have prompted a strident call for unity and tougher leadership, according to political observers in Hong Kong.

Among some of the problems which prompted the Communist party's theoretical journal, Red Flag, to issue a call for unity in its August issue, observers said, were:

Industrial strife that required military intervention on a large scale in at least one province; disruption of railway services by disgruntled workers; a possible underground movement in Peking attacking high-level officials; disaffected young people resisting movement to the countryside and demanding more voice in leadership councils.

"To strengthen the party is a very important matter . . ." the magazine said in an article broadcast to domestic listeners during the weekend by Peking Radio. "The 54-year history of our party has proved that only by strengthening unity, achieving unified policy, unified planning, unified command, unified action, can we develop and maintain the party's supreme leadership."

The Red Flag article warned gravely of factional disputes, jealousy, capitalist tendencies, lack of discipline and military-civilian rivalry that threatened to split the party at all levels. Elements which create these problems must be dealt with severely, it said.

It may be only a minor development, but one of the latest indications of dissent was the appearance of letters and handbills in Peking attacking some high-level party and military leaders. They were mailed to foreign diplomatic missions in the capital, apparently by disgruntled Chinese citizens.

In another weekend development, party leaders in troubled Chekiang Province warned that elements fomenting industrial unrest would be "ruthlessly" suppressed.

During the past month, thousands of troops have been sent to factories throughout the east coast province to maintain order and keep production going.

A weekend report, by Nationalist China's Central News Agency, claimed that "large-scale rioting"' occurred in late July along the border of Yunnan and Szechuan provinces in southwest China. The unconfirmed report said several of the rioters—mostly demobilized soldiers and students unhappy at being sent to work in the countryside—were killed or wounded when troops opened fire on them.

Travelers returning from China also reported that train traffic has been disrupted in scattered areas throughout the country for the past few months. Official reports referred to "sabotage activities" by "class enemies."

RHODESIAN CHROME AND THE U.S. CONSUMER

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. ICHORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the American Coalition,
New York, N.Y.]

RHODESIAN CHROME AND THE U.S. CONSUMER (1975)

A bill has been introduced in the U.S. House of Representatives that seeks to cut America off from 67% of the world's reserves of metallurgical grade chromite ore. We urge the defeat of this piece of legislation (H.R. 1287). We have prepared this pamphlet to give in detail our reasons why.

I. CHROME: A GENERAL DESCRIPTION

Stainless steel is essential to a modern industrial society due to its ability to resist corrosion. Over half the chrome used in America ends up in stainless steel. As the National Materials Advisory Board states:

"It should be emphasized that for its major use—stainless steel—chromium is unique; unlike nickel or molybdenum which have alternates to perform the desired function, there is no other element which can be used as a substitute for chromium. Stainless steel cannot be made without chromium."[1]

In terms of chrome the U.S. is a "have-not" nation. Our reserves are so small as to be practically worthless, and as a result we have to import almost 100% of our needs.[2] Of the chrome used in America 23% ends up in construction, 17% in transportation, 16% in machinery and equipment and 15% in refractory products.[3]

What the Mideast is to oil, southern Africa is to chrome, only more so. The Republic of South Africa has 74% of the world's chrome reserves, followed by Rhodesia with 22%. However, the majority of the world's reserves of metallurgical chrome, the kind most economical for the production of stainless steel, are in Rhodesia with 67%, followed by South Africa with 22% and the Soviet Union with 6%.[4] Chrome is more heavily concentrated in one area than any other major mineral on earth.

II. THE MORAL FOUNDATIONS OF THE U.N. SANCTIONS

Rhodesia is the only country in the world facing U.N. sanctions. Thus, if the U.N. is to be our moral yardstick, as some in America claim it should be, Rhodesia must be seen as the worst nation on this planet. Yet is this really the case?

Secretary of State Kissinger has stated that the Soviet Union is no closer to democracy than Rhodesia.[5] According to Dr. Andrei Sakharov, the father of the Soviet H-Bomb, there are 1,700,000 people in Soviet concentration camps today.[6] Alexander Solzhenitsyn has charged that much of the Soviet mining industry, if not all of it, was built by slave labor,[7] and no western observers have been allowed to visit the Soviet chrome mines to verify that this is not the case right now.

As for South Africa, even the violently anti-Rhodesian *Manchester Guardian* has stated that "Rhodesia's inequities" "are only a pale reflection of those in South Africa."[8] The London *Economist* says of black Rhodesians: "They are certainly better off financially than most black Africans south of the Sahara and, except for South African goldminers, they earn more money in real terms than the black South Africans."[9]

So much for the "superior" morality of the other two main sources of chrome in the world. A look at the rest of the world is also in order to put the U.N.'s code of morals in clearer perspective.

According to Hal Sheets of the Carnegie Endowment for International Peace, General Amin of Uganda has murdered 90,000 of his own citizens since coming to power in 1971.[10] The U.N. has found nothing wrong with this. In July "Big Daddy" Amin is scheduled to become Chairman of the Organization of African Unity.[11]

On March 14, 1974 columnist Jack Anderson reported that the government of Burundi "over the past two years has engaged in mass genocide on a scale the world has not seen since Adolf Hitler tried to wipe out the Jews in World War II."[12] The U.N. found nothing wrong with this. The U.N. also found nothing wrong with the fact that the majority of Burundi's citizens, the Hutus, were ruled by another tribe, the Tutsi, which excluded them from the government as well as killing them.[13] In December 1973 the U.N. General Assembly endorsed a resolution proposed by Burundi which condemned Israel for "racism".[14]

In the Mideast the U.N. has yet to find anything wrong with the atrocities of Arab terrorists. It refused to condemn the massacre of the Israel athletes in Munich. It refused to condemn the murder of 18 unarmed civilians at Qiryat Shemona. It refused to condemn the cold-blooded slaughter of 16 Israeli schoolchildren at Maalot.

When the U.N. spoke out on violence in the Mideast it was to condemn the Israelis—not the terrorists. On April 24, 1974 the U.N. Security Council passed Resolution 347 condemning Israel for raiding camps used by terrorists in Lebanon.[15] Under orders from President Nixon the American ambassador cast an affirmative vote for this proposal.[16]

Was Mr. Nixon expressing the wishes of the U.S. Congress in voting as he did? Does Congress now have a "commitment" to condemn Israel? Should Congress feel a "commitment to the U.N. sanctions against Rhodesia because President Johnson voted for them in 1966?

Shouldn't the U.S. Congress feel free to judge issues on their own merits? Isn't it time the U.N. was made to impose a consistent code of international law? Isn't it time the U.N. was made to honor the principles of its own charter rather than hailing people like Yassir Arafat, who just recently claimed "credit" for the murder of 16 tourists in a small Tel Aviv hotel?[17]

Until the U.N. does live up to its own charter, do we really have to go along with the Security Council Resolutions such as Number 347? Do we really have to punish our own economy by buying chrome from the Soviet Union at inflated prices "because the U.N. says so"?

III. SANCTIONS: AN EFFECTIVE METHOD OF DIPLOMACY

Sanctions do not have a good record of accomplishing their goals. Napoleon's Continental System failed to break Britain. The League of Nations sanctions against fascist Italy drove Mussolini closer to Hitler rather than out of Ethiopia.

In our time the two best examples of sanctions are Cuba and Rhodesia. In both cases they failed. Castro still rules Cuba. There are no serious elections. Civil liberties are nonexisten[illegible]s at the beginning of the blockade. Ian Smith still rules Rhodesia. The 200,000 whites who support him are no more inclined toward surrendering their power than they were in 1967. He recently won reelection by a landslide.

In both these cases the "moral" foundations of American policy have been, at best, questionable. We have continued to trade all the while with nations whose internal policies are just as foreign to our concept of democracy as those of Cuba and Rhodesia.

Other nations did not take either sanctions campaign very seriously. According to *The Economist* of London black African states such as Zaire, Zambia and Botswana continue to trade with Rhodesia.[18] On April 18, 1975 the London *Daily Telegraph* stated flatly that "Russia entered the international black market for Rhodesian chrome in 1972."[19] *Fortune* magazine reported in 1971 that even the People's Republic of China was importing large amounts of Rhodesian chrome.[20] A recent U.N. report accuses Japan of importing almost 200,000 tons of Rhodesian chrome in 1972.[21] The South African *Rand Daily Mail* pointed out in December 1974 that Japanese and French cars were cheaper in Rhodesia than in South Africa.[22] On June 30, 1973 the respected *Africa Research Bulletin* of London reported evidence of massive sanctions breaking by West Germany, Japan, Austria, Belgium, Israel, Norway and Denmark.[23]

As for the Cuban sanctions, they were considered such a joke by the international community that even Fascist Spain continued to trade with Castro.

By supporting the sanctions America has hurt its own economy and thus the U.S. consumer. Our refusal to buy chrome from Rhodesia forced us to turn to the Soviet Union. The Russians took advantage of this situation to not only raise their prices but to actually lower the quality of their exports.[24] Our refusal to buy sugar from Cuba caused us to buy sugar from the Philippines at a much greater cost.

The repeal of the sanctions against Cuba as called for in Representative Harrington's bill (H.R. 2681) would bring down the present high price of sugar. The repeal of the sanctions against Rhodesian chrome in 1971 did the same with that material.[25]

The use of trade as a weapon has tended to antagonize rather than intimidate those against whom it has been used. We have quite rightly objected to the Arabs use of this tactic in their campaign against Israel. Does it make much sense for us to turn around and use it against Cuba and Rhodesia? Shouldn't American foreign policy be talking about scrapping sanctions against foreign countries rather than imposing them? Can the American consumer really afford to pay for this kind of diplomacy?

IV. IS THE SOVIET UNION A RELIABLE SOURCE OF SUPPLY?

Assuming we are not going to boycott the three major chrome nations because of our differences with their internal policies, it seems logical to examine the chrome question from a practical point of view.

Is the Soviet Union a reliable trading partner? In December 1974 the National Security Council and the Council on International Economic Policy stated that the Soviet Union could not be counted on to maintain a continuous flow of chrome ore to the U.S.[26] According to *U.S. News and World Report* in 1972, the Soviets had, by that time, broken 24 out of 25 agreements signed with us during the seven previous summit meetings.[27] In 1973 they broke within months their promise at San Clemente to keep the peace throughout the world. Not only did they fail to warn us of the impending Mideast war but once it began, the Politburo sent out messages urging other Arab states to join in the fray against Israel.[28] Radio Moscow rejoiced at the Arab oil embargo and encouraged them to keep it up as long as possible.[29]

Footnotes at end of article.

The Russians even threatened their own oil embargo against Iceland unless it closed down its vital NATO airbase.[30] Meanwhile, as *Newsweek* put it, "The only country besides the United States that offered Israel aid was the government of South Africa."[31] Thus, the recent mideast crisis found South Africa and the United States on one side and the Soviet Union on the other. Is it not fair to conclude from their recent behavior that South Africa is a more reliable source for a strategic raw material than the Soviet Union? Does it make sense to regard the Soviet Union as a more reliable trading partner than Rhodesia, a country which offered us material support during our dark days in Vietnam?[32] From a practical point of view wouldn't it make more sense to end chrome imports from the Soviet Union if we are going to implement a boycott?

V. THE CHROME STOCKPILE: CAN WE AFFORD TO DUMP IT?

Backers of H.R. 1287 claim that America can afford to end chrome imports from Rhodesia because we have an overabundance of this mineral in our strategic stockpile right now.

To substantiate this argument they point to Richard Nixon's plan to reduce the U.S. stockpile of metallurgical grade chromite ore to 445,000 tons. They do not mention that Senator John Sparkman, Chairman of the Joint Congressional Committee on Defense Production, called this proposal "an excellent example of the willingness of the Executive branch to rely heavily on foreign sources of supply or unrealistic estimates of domestic production for meeting military and civilian requirements."[33]

In 1974 America consumed 894,708 tons of metallurgical grade chromite ore. If the stockpile is reduced according to Mr. Nixon's plans there will not be enough chrome on hand to last half a year at the present rate of consumption.

As of January 1, 1975 there were 1,962,000 tons of usable metallurgical grade chromite ore in the national stockpile.[34] This should be kept. There are no serious natural reserves of chrome on the North American mainland. If we ever ran out of this material during a war it would have to be imported by sea from countries thousands of miles away. Chrome is vital to the health of a modern industrial economy.

We should also remember that the stockpile has economic as well as strategic significance. It's the best guarantee we have against arbitrary rises in the prices chrome exporters choose to charge us. It gives us the option to refuse to purchase chrome that is not offered at a reasonable price.

The Arab oil embargo and the subsequent price rise by fiat of the OPEC cartel have shown the dangers of not maintaining adequate stockpiles of critical imported materials. In the case of chrome the supporters of H.R. 1287 have apparently chosen to ignore these dangers. Can the American people afford to do likewise?

VI. FERROCHROMIUM AND RHODESIA

The main end use of chrome in America is stainless steel. Metallurgical grade chromite ore cannot be turned directly into stainless steel. It must first be turned into ferrochromium.

One of the major economic trends of our time is the move by developing countries to process the raw materials they export, thus generating more foreign exchange. This is apparent in the Mideast where the oil exporters are involved in a major refinery building program.[35] It is apparent in Africa and the Caribbean where Guinea[36] and Jamaica[37] have announced plans to build huge plants that will convert bauxite into alumina for export. Rhodesia and South Africa have followed this trend. Both have built major ferrochromium plants.

Needless to say it is cheaper to process a raw material near its source than thousands of miles away. Thus the processing industries of the producing countries will be able to undercut the processing industries of the consuming countries. It is also important to note that it is more profitable to export a semi-finished product than a raw material so the producers are likely to emphasize the export of the former at the expense of the latter in the future. What all this means is a change in the world economic order. It means more money flowing from the more advanced nations toward the developing world.

The rise of the Rhodesian ferrochromium industry is part of this change. It is not due to "slave labor" as supporters of H.R. 1287 claim. According to the London Economist the black workers of Rhodesia are among the highest paid in Africa.[38] The price difference comes from the low costs of transportation and the cheap hydro-electric power generated by the Kariba Dam.

Cutting America off from chrome and ferrochromium from Rhodesia will not save the U.S. ferrochromium industry. South Africa is engaged in a massive expansion of its ferrochromium facilities. It's unlikely the Russians will stay out of such a profitable business for long. Sanctions failed to help the U.S. ferrochromium industry in the past. While they were in effect, the U.S. production of ferrochromium fell from 313,793 short tons in 1967 to 244,030 short tons in 1971,[39] the last year of the sanctions. The repeal of the sanctions raised U.S. ferrochromium production to 304,952 tons in 1974.[40] It's difficult to see how their restoration will be of much help in this area of the economy.

VII. RHODESIAN SANCTIONS AND U.S. UNEMPLOYMENT

While it's unlikely that the passage of H.R. 1287 would do much good for workers in the American ferrochromium industry, there is serious evidence that this bill would be a disaster for workers in the U.S. stainless steel industry. According to a detailed study of the situation by the Center for Advanced International Studies at the University of Miami, a renewal of U.S. sanctions against Rhodesia would reduce the amount of work in the American stainless steel industry by 2,000,000 manhours.

Thus, it is likely that the passage of H.R. 1287 would accentuate the worst aspects of the present "stagflation". It would increase both inflation and unemployment.

VIII. WILL TRADE WITH SOUTHERN AFRICA LEAD TO EMBARGOES FROM BLACK AFRICA?

This is a possibility but not a very likely one. In the eyes of black Africa the U.S. is not the major violator of the sanctions. At the annual meeting of the Organization of African Unity in 1974 Japan was named as the "most notorious sanctions buster." France was labeled as the second biggest villain.[41] The black African states do not like the fact that in 1971 America joined Switzerland and South Africa in openly repudiating the U.N. sanctions but they are well aware of who is doing the most sanctions breaking.

The black states have shown little inclination to go beyond rhetoric in punishing western states for thir trade with southern Africa. France, for instance, has very good relations with black Africa. French corporations today dominate the Nigerian auto industry.[42] Yet France is also the major supplier of foreign arms to South Africa[43] as well as a violator of the Rhodesian sanctions.

Even if the black states chose to punish America for its trade with Rhodesia they would not be in a very good position to do so. Unlike Arab states like Saudi Arabia and Kuwait the mineral-rich black African states need every penny of the revenues they earn for internal development. They could not very well afford a campaign of economic warfare against the U.S.

Furthermore, if they mounted such a project, it would not be very effective. A look at the major mineral resources they control shows why.

In the case of cobalt large reserves exist in Australia, New Caledonia and Canada as well as Zambia and Zaire.[44] It may soon be possible to mine the huge amounts that lie on the sea floor.[45] Furthermore, as a special commission of the European Common Market points out, there are many materials that can be substituted for cobalt should the need arise.[46] (This is not true in the case of chrome.)

In the case of manganese Gabon's reserves are equalled by those of Brazil and South Africa,[47] and manganese may also soon be be mined from the sea floor.[48] Furthermore, there is a current excess mining capacity among the world's major producers.[49]

At present Guinea's large bauxite reserves are not important to us since we do not import much of this material from Guinea.[50] Even if we did it is important to keep in mind that Australia has just as much bauxite as Guinea.[51]

Contrary to Senator McGee's totally fallacious claim during the 1973 Senate debate[52] we do not get most of our copper from Zambia. The overwhelming majority of our imports come from Canada, Chile, and Peru.[53] Furthermore, America has the largest copper reserves in the world.[54] They supply 90% of our current demands.[55]

Though Nigeria represented 17.5% of U.S. oil imports for the first six months of 1974,[56] this country is in no position to wage economic warfare. It has the largest population in Africa—nearly 80 million according to the latest census.[57] A large number of these people are starving, and the country as a whole has still not recovered from the ravages of the recent civil war. Nigeria needs all the money it can earn from the sale of its oil. We should also keep in mind that Nigeria does not represent a large percentage of the world's total oil reserves. It has 3% of the world's total supply of petroleum.[58]

On the other hand, Rhodesia and South Africa control almost all the chrome in the world—96%. Together they control 89% of the world's reserves of metallurgical chrome, and Rhodesia alone controls 67%.[59] All the black African states together do not control any major mineral so completely. While there are viable alternatives for every major mineral we get from black Africa, there are no long range viable alternatives for the chrome from southern Africa. Thus, if we had to choose between trade with black Africa and trade with southern Africa, the choice would have to be in favor of southern Africa.

Furthermore, we should not allow American policy to be changed by foreign economic blackmail. Rather than dumping raw material stockpiles as Nixonomics decried to cover up a failure to fight inflation, we should build up stockpiles of raw materials we lack at home and institute a strict recycling program to make the most efficient use of what we do import. We should try to diversify our sources of raw materials giving particular preference to those nations who pursue generally friendly policies toward the U.S. Appeasement has never been a very good method of dealing with aggression—be it military or economic.

IX. CONCLUSION

Should the House vote to impose sanctions on Rhodesian chrome, it will be engaging in what *The Washington Star-News* has quite rightly called an "exercise in selective morality".[60] Can a morality that is selective be much of a morality at all? Does anyone really believe that the Soviet Union is morally superior to Rhodesia?

While we are not only trading with the Russians but also granting them massive low-interest credits and, at one point, even offering to sell them police equipment to help them crush domestic dissent,[61] can we really find a "moral" argument for not trading with Rhodesia? Is it logical to consider the Soviet Union a reliable source for a strategic raw material when it breaks agree-

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Footnotes at end of article.

ments with us within months of signing them? Is it practical to cut the U.S. consumer off 67% of the world's reserves of metallurgical chrome? Should we fuel the present high rate of inflation in America by actions which will most surely drive up the price of a commodity we import? We think not. We most strongly urge the House to kill the Rhodesian chrome bill when it reaches the floor.

FOOTNOTES

[1] The National Materials Advisory Board. *Trends in Usage of Chromium*, 1970, p. 35.

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[4] *Ibid.*, p. 251.

[5] Testimony before the Senate Finance Committee, 7 March 1974.

[6] Andrei Sakharov, *Sakharov Speaks*, Knopf, N.Y., 1974, p. 45.

[7] *The Daily Telegraph* (London), 7 June 1974.

[8] *The Manchester Guardian* (Weekly International Edition), 22 March 1975.

[9] *The Economist* (London), 16 November 1974.

[10] *The New York Times*, 4 August 1974.

[11] *The Washington Post*, 18 March 1975.

[12] Jack Anderson in *The New York Post*, 14 March 1974.

[13] Roger Morris, *Passing By—The United States and Genocide in Burundi 1972*. The Carnegie Endowment for International Peace. 1974.

[14] *The Washington Post*, 6 July 1974.

[15] United Nations Office of Public Information, *U.N. Monthly Chronicle*, May 1974, p. 34.

[16] *The New York Times*, 25 April 1974.

[17] *TIME*, 17 March 1975.

[18] *The Economist* (London), 16 November 1974.

[19] *The Daily Telegraph* (London), 18 April 1975.

[20] *Fortune*, April 1971.

[21] *The Financial Times* (London), 2 July 1974.

[22] *The Rand Daily Mail*, 10 December 1974.

[23] *The Africa Research Bulletin* (London), 30 June 1973.

[24] The National Materials Advisory Board, *op. cit.*, p. 16.

[25] U.S. Bureau of Mines, *Minerals Yearbook and Mineral Industry Surveys*.

[26] The National Security Council and the Council on International Economic Policy, *Special Report: Critical Imported Materials*, December 1974, p. 17.

[27] *U.S. News and World Report*, 29 May 1972.

[28] *The New York Times*, 16 October 1973.

[29] Victor Zorza in *The Washington Post*, 20 November 1973; *The New York Times*, 13 March 1974.

[30] *CBS News*, 8 February 1974.

[31] *Newsweek*, 5 November 1973.

[32] Rhodesian Information Service, 15 February 1966.

[33] Joint Committee on Defense Production, U.S. Congress, 1974 Annual Report, p. 36.

[34] John L. Morning, U.S. Bureau of Mines, April 30, 1975.

[35] *The New York Times*, 31 March 1975.

[36] *The Wall Street Journal*, 18 February 1975.

[37] *The Times* (London), 15 April 1975.

[38] *The Economist* (London), 16 November 1974.

[39] U.S. Bureau of Mines, *Minerals Yearbook, Mineral Industry Surveys*—1967 to 1971.

[40] U.S. Bureau of Mines, *Mineral Industry Surveys*, 1974.

[41] *The Times* (London), 10 June 1974.

[42] *Ibid.*, 25 January 1975.

[43] *Africa Report*, January–February 1975.

[44] U.S. Bureau of Mines, *Commodity Data Summaries*, January 1972, p. 39.

[45] *Newsweek*, 24 June 1974.

[46] Commission of the European Communities, *The Community's Supplies of Raw Materials*, Brussels, 5 February 1975, p. 20a.

[47] U.S. Bureau of Mines, *Commodity Data Summaries*, January 1972, p. 89.

[48] *Newsweek*, 24 June 1974.

[49] The National Security Council and the Council and the Council on International Economic Policy, *op. cit.*, p. 33.

[50] U.S. Department of Commerce, *Imports-Commodity by Country*, December 1973.

[51] U.S. Bureau of Mines, *Minerals Yearbook*-1971, Volume III, p. 35.

[52] *The Congressional Record*, 18 December 1973, p. S23195.

[53] U.S. Department of Commerce, *op. cit.*

[54] The Morgan Guaranty *Survey*, March 1974.

[55] *The New York Times*, 22 April 1974.

[56] *The Washington Post*, 24 October 1974.

[57] *The Manchester Guardian* (weekly International Edition), 12 October 1974.

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SOVIETS RENEW THE COLD WAR STATE WESTERN FOREIGN MINISTERS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the foreign ministers of Britain, France, and West Germany met in New York on September 5 with the Secretary of State to discuss the threat posed by the reopening of the cold war of subversion in Western Europe by the Soviet Union.

At a time when the Soviet-sponsored "peace" apparatus in the West is increasing its strident calls for disarmament, it is significant that "underlying their discussion was the question none of the four ministers felt able to answer—why do the Warsaw Pact countries keep so many men under arms and so many ships in commission?" Perhaps for use against Yugoslavia, Spain, Finland, in the Middle East.

I commend the article to the urgent attention of my colleagues:

Soviets Renew the Cold War State Western Foreign Ministers

The Soviet Union has reopened the cold war not just in Portugal but with attempts at subversion in at least three other areas of Western Europe.

This is the considered joint opinion of the foreign ministers of Britain, the U.S., France, and Germany. At a recent private meeting in New York, Mrs. Callaghan, Dr. Kissinger, M. Sauvagnargues, and Dr. Genscher reviewed together the following "worse-case" possibilities:

One—A Soviet intervention in Yugoslavia following the death of Tito.

Two—The election of Communists to positions of power in Italy.

Three—Civil disorder or worse in Spain following the death of Franco.

Four—A Communist-dominated government in Portugal, or one too weak to resist a Communist-led trade union movement.

Five—Soviet intervention or subversion in Finland following the death of President Kekkonen.

Six—Renewed Soviet intervention in Berlin.

The four foreign ministers seem to have been unanimous about the seriousness of the first four possibilities but were less sure about the last two. Their meeting took place over dinner in Dr. Kissinger's suite at the Waldorf Hotel, New York, on September 5.

Dr. Kissinger had returned that morning from the Middle East and was anxious to inform his three principal colleagues about the situation there. However, the conversation seems to have moved on from there to Portugal—where the situation was then graver than it is now—and thence to Spain, Italy, and Yugoslavia.

The general conclusion, which seems to have been unanimous, was that in spite of the benign formalities of the Helsinki Conference on Security and Cooperation in Europe, the Warsaw Pact states (East Germany, Czechoslovakia, and the Soviet Union in particular) were still intent on nurturing communism in Western Europe by all available means. One example was the money (about 4 million pounds a month) supplied to the Portuguese Communists.

The cold war was being resumed, the ministers recognised, at a time when two more or less absolute rulers—Franco and Tito—were about to die without obvious heirs, when the Italian Communists were within reach of power for the first time in post-war history, and while Portugal was still in a state of political turmoil.

Underlying their discussion was the question none of the four ministers felt able to answer—why do the Warsaw Pact countries keep so many men under arms and so many ships in commission?

Among the possibilities arising out of the Yugoslav case was the establishment of a Soviet naval base in the Adriatic. This, according to naval sources, would multiply enormously the range and therefore the effectiveness of the Soviet Navy's Mediterranean squadron, now based in the Black Sea or else—precariously—in Syria. There is also the long-standing American conviction that if Communists were to join the Italian Government NATO would no longer be free to transfer resources from Greek bases, now at risk, to Italian ones.

Other worrying stategic considerations concern Spain and Portugal. If Portugal were to leave NATO, as may yet happen, the U.S. base in the Azores would be in jeopardy. Unless the Azores became independent, which must remain a possibility, the U.S. Air Force would no longer be able to ferry supplies to Israel.

The U.S. bases in Spain would only be jeopardised in the event of a chaotic sequel to Franco's death. The Russians are known to fear that, under American pressure, Spain may be admitted to NATO and to have threatened reprisals if this were to happen. However, that possibility at least is far-fetched because Norway, Denmark, the Netherlands, and Britain would veto Spain's admission. British sources have emphasised, however, that there is no way of knowing what might happen in Spain after Franco's death or in Yugoslavia after Tito's. Any alternative government to Franco's has been suppressed for so long that the strength of the factions which are bound to join the struggle for power when he dies or retires must defy measurement.

HON. EARLE CABELL

HON. OMAR BURLESON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1975

Mr. BURLESON of Texas. Mr. Speaker, it is indeed a sad time when news comes of the passing away of a dear friend. Many of you remember Earle Cabell when he was our colleague as furnishing able and dedicated leadership here in this House of Representatives.

Earle Cabell was one of the most unselfish men I ever knew. His entire nature was that of rendering capable public service. Before he entered Congress, he was mayor of the city of Dallas, Tex., where he left an enviable record. As a successful businessman in Dallas, he was a civic leader and devoted a large part of his time to making his community a better place in which to live. He had that same goal and purpose here in the U.S. Congress. He wanted America to be a better place in which to live and contributed greatly toward those ends.

Earle Cabell's wife Dearie, as she is fondly known by her friends, is remembered by those of us who knew both of them well as a delightful and endearing person, and to her I join with friends in expressing deepest sympathy and wishing for her God's comfort in her great loss.

BIG GOVERNMENT—STILL GROWING

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. ABDNOR. Mr. Speaker, on August 14, 1975, Publisher Glenn Gering of the Freeman, S. Dak. Courier wrote of his discontent— discontent shared by millions of other Americans—with the "growing big government" we are seeing today. I would like to share his comments with my colleagues:

BIG GOVERNMENT—STILL GROWING

Has Big Government finally grown beyond the realm of reason?

How can government originally founded to be "of the people, by the people and for the people" reach the point where many of its regulations become contradictory, oppressive and unnecessary?

Why have we reached the point where Washington bureaucrats are in a position to overrule local planning and zoning of wetlands, golf courses, schools and institutions?

How can it be that a government which is unable to balance its own budget and lives far beyond its means, has the authority to tell a businessman whom he must hire, how much he must pay, how long the work week must be, and where and for how much he may sell his products?

What strange series of events has made every businessman and the farmer who hires occasional help an arm of the federal tax-collecting service?

Why is it that the law of supply and demand no longer dominates the American consumer's choice of products? The free enterprise system that led a wise old sage to observe that "when a man builds a better mousetrap the world will beat a path to his door," is now saddled with so many regulations that it is not the producers and consumers, but people in government agencies who make the choice of what products are allowed to come to the market.

What mentality is it which decrees that the arbitrary whims of elected or appointed bureaucrats and politicians in air-conditioned offices are wiser than the inevitable will of hundreds of thousands of consumers and citizens?

Is it right that a handful of people can decide "what is best for the people" and then harness the powers of governments to impose it on all?

President Ford has taken some grave political risks in recognizing this problem. He recently told a group of businessmen that the "force" of government "often does more harm than good." He said "over a period of 90 years we have erected a massive federal regulatory structure encrusted with contradictions, excesses and rules that have outlived any conceivable value." There is more hope now than there has been for a long time for a change toward freedom.

Is there any way the will of the people can prevail over the edicts of a powerful and "blameless" government? If a citizen makes a mistake government will punish him. If government makes a mistake it is rarely punished and too often lives on perpetually and unchanged.

I'm tired of collecting and paying taxes for the government. I'm tired of filling out forms, questionnaires, reports, surveys and mandatory paperwork. I'm tired of the federal arm poking into every nook and cranny of by business. I'm tired of making decisions not on the basis of common sense, but on the basis of tax laws and federal regulations.

Some laws, though costly, are necessary, no doubt about it—but that is not to say that all regulations imposed on us are either necessary or beneficial.

Two hundreds years ago the colonies which are the foundation of our potentially great nation rebelled against a distant and unresponsive monarch. Today many of their descendants believe the time has come again for people to speak out against unreasonable and oppressive legislation, rather than meekly submit to every whim of every bureaucrat.

ANOTHER MONUMENT TOPPLES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. GAYDOS. Mr. Speaker, another monument to the meddling foreign policies of the late Secretary of State John Foster Dulles is crumbling away without much attention being paid to it either here or in the rest of the world.

I refer to the Southeast Asia Treaty Organization—SEATO—which Mr. Dulles hastily brought into being back in the Eisenhower era as a means of containing communism in that troubled area so far away.

He enlisted us in it and, in the busy airborne diplomacy which he pursued, managed to get the signatures also of Britain, France, Australia, New Zealand, Pakistan, the Philippines, and Thailand.

It was an empty alliance from the beginning. But it was a particularly tragic one for Americans. Under its auspices we ended up in the debacle of Vietnam and the American cost of that misadventure is almost beyond calculation in terms of human suffering, money, and prestige, to say nothing of domestic tranquility.

Now SEATO is collapsing entirely. Only two Asian members remain, the Philippines and Thailand, and they are preparing to get out on the grounds that SEATO no longer has purpose. France quit in 1967. Others faded away, one by one, as we were left stuck in Vietnam. Now, with our détente with Communist China, we also have no reason to carry on the SEATO charade.

And yet SEATO should not be let pass without recognizing the lessons it should have taught. It proved by the great sacrifices it demanded from us that there are definite limits to the scope of our interference in the world at large. Also, it stands as an example of the futility of the beliefs held by Mr. Dulles that the fate of this Nation could be risked by commitments far beyond its capability to fulfill.

Now SEATO, after 21 tough years, is becoming a thing of the past. It goes without any evident regrets in Asia and Europe and only with bitter memories here. The best that can be said for it at this late date is that it may in the future serve to show what can happen when a country places its own interests secondary to those of others and by this prevent for coming Americans a revival of the world leadership idealism which so misled Mr. Dulles.

CITIZENSHIP AND THE LONG ISLAND COAST

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. LENT. Mr. Speaker, the Congress is now in the process of considering legislation to revise the Coastal Zone Management Act of 1972. As a member of the Committee on Merchant Marine and Fisheries, I attach great importance to this legislation, particularly for the people in our coastal areas who will be most involved in these programs.

My constituents on Long Island are vitally concerned with the preservation and improvement of our coastal lands and waters. Our citizens are deeply committed to enhancing our marine environment.

And while the State of New York, the New England River Basins Commission, the Nassau-Suffolk Regional Planning Board, and the local governments on Long Island have done much to solve our environmental problems, many private citizens of Long Island, through countless and often thankless hours of voluntary effort, have also accomplished mighty things. They deserve more attention and the public's gratitude.

I rise today to commend two such groups which serve the 4th District and the people of Nassau and Suffolk Counties.

The Long Island Environmental Council, under the able leadership of Mrs. Claire Stern, and the Marine Environmental Council of Long Island, directed by Mr. George Wilde, are representative of the kind of citizen involvement and concern which must always preface and parallel government decisionmaking in a democracy.

These groups operate primarily on a voluntary basis, gathering and disseminating information, helping inform public officials of the sentiment of the people on matters that are important to them, and helping to coordinate citizen input with the governmental process.

These people deserve great praise, and I am honored to present them to the attention of this body.

HEARINGS REVEAL WIDE OPPOSITION TO RURAL POST OFFICE CLOSINGS

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, many of my colleagues have approached me in recent weeks to express their deep concern about a self-initiated study by the General Accounting Office which claimed that the U.S. Postal Service could close about 12,000 small, mostly rural, post offices, and thereby save $100 million annually.

In response to this concern, the Postal Facilities, Mail, and Labor Management Subcommittee, of which I serve as chairman, and the Postal Service Subcommittee, chaired by my good friend JIM HANLEY, have been holding hearings this week on the GAO report.

Although we will conduct one further hearing in this series on October 8 when Postal Service officials will appear, I think that it would be appropriate to tell my colleagues that to date we have heard solid opposition to any plan to precipitously close a large number of small post offices. This testimony has come from Members of Congress and representatives of the major postal employee organizations.

My personal belief, which is shared by JIM HANLEY, is that small post offices not only serve as a conduit for mail but they often are a community center in a small rural town, the only direct contact many Americans have with the Federal Government on a regular basis, and therefore should be maintained if at all possible. If savings are to be made in the operations of the Postal Service, there are clearly other places where cutbacks could better be made.

The Postal Reorganization Act of 1970 specifically prohibits the closing of post offices solely for economic reasons, and any effort by postal management to implement large-scale postal closings would be in clear violation of the law.

I would also comment that I am concerned that this provocative GAO report was not requested by a Member of Congress, but rather internally initiated, perhaps at the suggestion of someone or some organization which stood to benefit from its publication.

As an example of the testimony we have been receiving I am proud to commend to your attention the prepared statement of my good friend Mr. Hal L. Hemmingsen, postmaster at Glendale, Calif., a community near my district. Mr. Hemmingsen is a career postal employee and president of the National Association of Postmasters of the United States.

The text of Mr. Hemmingsen's testimony follows:

STATEMENT OF HAL L. HEMMINGSEN, POSTMASTER AT GLENDALE, CALIF., AND PRESIDENT OF THE NATIONAL ASSOCIATION OF POSTMASTERS OF THE UNITED STATES

Mr. Chairman and Members of the Committee:

My name is Hal Hemmingsen. I am the Postmaster at Glendale, California, and the President of the National Association of Postmasters of the United States, representing ninety-one percent of all postmasters in this country. With me today is John Goodman, Postmaster at O'Fallon, Illinois, the Secretary-Treasurer of our association.

On behalf of our members, the Postmasters of the United States, I want to thank you, Mr. Chairman, for this opportunity to appear before this Committee on the subject of the GAO Report on the closing of small post offices.

One of the objectives of the National Association of Postmasters of the United States is "To promote the best interests of the Postal Service." Coupled with this mission is the basic desire and determination of postmasters to serve their fellow citizens. This is why we feel obligated to express to you, Mr. Chairman, and the Members of this Committee our observations, recommendations and judgment relative to the GAO Report now before you.

Our organization was the first and only organization of postal managers which publicly supported the Postal Service Act of 1969. The decision to do so was made by the duly elected officials of the Association and was influenced greatly by an exchange of correspondence between our national president, Thomas P. Costin, Jr., and the Postmaster General at that time, Winton M. Blount.

Responding to a specific question concerning the possibility of closing of post offices if the statute were enacted, Mr. Blount on June 25, 1969, replied:

"II. Your second question is whether significant numbers of existing post offices would be closed if the statute were enacted.

"I do not forsee any greater likelihood of post office closings than has prevailed in the past—indeed, the likelihood might be significantly reduced. The new Postal Service would be expected to serve every postal patron in the United States. Obviously, it is not practicable to guarantee every single citizen exactly the same kind of postal service, but I anticipate that every citizen would receive service at least as good as that being provided today, and in many areas the service should be significantly improved. We must have an enormous network of post offices in order to provide adequate nationwide postal service, and, with the growth in population, the system is bound to expand. Under the Postal Service Act, the location of new post offices would be determined strictly on the basis of need, and they could be opened promptly as the need arises.

"It has become obvious to me, in the last few months, that there are no really significant cost savings to be realized by closing small post offices. Our major problem is to improve our operations in the big cities; the real opportunity for cost savings exists there."

Relying on this statement by former Postmaster General Blount, the officials of NAPUS gave full support to the Postal Service Act feeling confident that there would be no wholesale closing of post offices.

On January 25, 1972, Postmaster General E. T. Klassen while addressing the officers of our fifty-one chapters made the statement:

"We said we would not make wholesale closings of small post offices. I find that recently there have been some and I have just issued an order to stop it.

"We have an obligation to the public, no matter where they may live. I don't mean that we are not going to close some post offices in the future. There are obvious reasons why some of them may have to be closed, but that is not our policy."

This policy together with the mandate of Congress not to close small post offices solely for operating at a deficit necessitated the establishment of fair and equitable criteria for the discontinuance of post offices. On August 1, 1973, Postmaster General Klassen issued the following criteria:

"The outright discontinuance of a post office will be considered when (a) a community has been abandoned, or (b) a vacancy exists in the position of postmaster, service to be provided will be as good as, or better than, the service being received, and one or more of the following conditions exists:

"1. No suitable person can be found in the community to permanently take charge of the post office.

"2. No suitable quarters can be found in the community for housing the post office.

"3. Fewer than 25 families are being served by the post office.

"4. Another post office or a classified station or branch is located within a reasonble distance of the post office to be discontinued (normally, three to five miles except in sparsely settled areas such as Alaska), which is easily accessible to the customer affected, and will provide service equal to, or better than, the services being received."

We recognized that some post offices would have to be closed for justifiable reasons and we felt that this policy was a fair one and that the criteria was sound in principle.

To the best of our knowledge the U.S. Postal Service has adhered to this policy and the closing of small post offices has been held down to approximately three hundred annually. The GAO Report asserted that this number is small in comparison to the number of post offices which they feel could be closed. But we view this number with apprehension because at this rate in ten years three thousand small post offices would be eliminated and that is a significant number.

The GAO calls the criteria of the Postal Service too liberal and recommends a stricter interpretation of the mandate of Congress. We strongly disagree. We feel that the present criteria is fair and feasible having been conceived through consultation with our postmaster organization. Any broadening of the criteria already established would only release the floodgates so that there would be a wholesale closing of post offices with a resulting deterioration of postal service to the rural postal customer.

During consideration of the Postal Reorganization Act before the House of Representatives in 1970, Representative James C. Wright of Texas made the following statement:

"I do not think the Congress is ready to sacrifice and condemn to the past the initial fundamental concept of the Post Office Department as a service institution.

"The Post Office Department has one purpose in being, and one purpose only—service to the people of the United States.

"From its very beginning, the Post Office has existed not to make money but to serve people—all the people—from the biggest business in the most crowded city to the humblest farmer in the remotest wilderness."

And Senate McGee of Wyoming, Chairman of the Senate Committee on Post Office and Civil Service, said before the U.S. Senate in 1970:

"We think it is important that this body give every inducement to the new authority to protect the rural areas. We think, likewise, that every post office in a town with a population below 5,000 should be protected, for the same important reason. They lose money. We want to prevent a new Postmaster General from being able to cut that service down, because that is where the pressure will be, in order to operate in the black—whatever that means.

"We believe, in other words, that in our postal service there are limited areas in which it is in the national interest, in the public service concept, to protect the costing factors that have plagued a Postmaster General and added to his budgeting problems."

In another speech before the Senate Senator McGee said:

"Public service appropriations to the Postal Service for the first eight years will equal ten percent of the amount appropriated to the Post Office Department for fiscal year 1971—$800 million. This appropriation is intended to meet the requirement that the Postal Service maintain service in rural areas and other areas where post office and other services provided by the Postal Service are not self-sustaining."

The Senator further stated:

"Mr. President, very frankly, this form of subsidy was retained because, in the judgment of the Senate, constantly present in the new independent postal authority would be a public interest and a public image—the image of the Government of the United States of America. As I have said on many occasions, in many of the middle-sized and small towns across the land, the only symbol of their Government, of the American Republic, is the local post office building and its facilities and the flag that flies over it. We did not believe that we ought to assign that to some private operation to protect in the national interest. This belongs to the people of the United States."

In agreement with Senator McGee, it is our thought, Mr. Chairman, that it is the obligation of the Congress and the U.S. Postal Service to give service to the American postal public. We believe the Congress took all this into consideration when it decided to give the U.S. Postal Service a public subsidy. The Congress was well aware that the small post offices in the rural communities operated at a deficit and that was one of the compelling reasons for giving this subsidy to the U.S. Postal Service.

What has changed then? The facts are unchanged. The GAO Report confines itself only to economics and continues to stress that the small post office should be eliminated for purely monetary reasons.

The small towns and villages in rural America are certainly entitled to service equal to that received in the cities and metropolitan areas. There is no reason why all savings have to be effected in the rural areas. The Congress made this decision in 1970 when they included the following provision in the Postal Reorganization Act:

"No small post office shall be closed solely for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities."

The National Association of Postmasters takes the position that this provision in the law should not be weakened or changed in any way. It was put in the law for the express purpose of protecting the small post office and giving comparable service to all postal customers.

The GAO Report states that small post offices can be closed without affecting the quality of service. It does not define what is meant by quality of service, but after reading it, one must conclude that it basically refers to the sale and purchase of stamps and the acceptance of parcels.

This is not the definition of service we feel should be given to the rural postal customers. It is only a minimal level of service which is not acceptable to the National Association of Postmasters and certainly is not the quality of service demanded by the Congress.

Most definitely this is not the type of service which the Postal Service proudly portrayed in the Postal Leader of August 1974. The article, "Post Office Is Heart of Small Town Life" descriptively told the postal world of the friendly, helpful manner in which a postmaster serves his customers.

There are many facets of postal service which a contract station, awarded to a low bidder, is not able to furnish. Postal service is secondary to the merchandizing of other products and the postal customer becomes the object of sales rather than service.

Postmasters represent the Federal Government and they are interested in their customers. If there is a complaint against the Postal Service, a postmaster is probably going to be more diligent in getting to the root of the problem.

With a contract holder whose primary interest is in another business be too busy to help read a letter, wrap a package or locate friends and relatives? Will he be too busy to furnish and disseminate information on social security, food stamps, income tax, FBI releases, alien address questions and civil service? Traditionally, postmasters take pride in providing these services.

As for the alternative rural and star route services, the rural or star route carriers seldom see their customers. Thus the contact they have with them is not the same as the contact the customers once had with their postmaster. Often, to them a customer is only a name and a number painted on a box by the side of the road. The U.S. Government once more becomes quite remote to the person on a scarcely travelled rural route.

There are problems as far as the quality of service is concerned on the rural route. If you had to have a postage meter set or wanted to deposit a third class mailing, where would you do it on a rural or star contract route? How would you mail or receive a large package? A notice is left to go to the nearest post office which might be miles away. If the package is left by the box, it might be stolen, damaged or just plain disappear.

If you have a box at the post office, you can get your mail early but this is not true on the rural or contract route. You receive your mail by the position of your box on the route.

And what about the security of your box? You can lock the clasp on your box but you can't prevent a vandal from pulling up a whole string of boxes and stealing the contents.

What rural carrier is going to take an active interest in selling philatelic stamps and supplies?

These are only some of the factors affecting the quality of service which is offered in the alternatives to the service furnished by the postmaster in a small office.

It is our belief that the quality of service rendered by alternative methods does not measure up to the standard expected by the postal public and Members of Congress. It certainly does not approach the standard of service given to the urban customers and to which rural postal customers are entitled.

The GAO Report indicates that in the closing of small post offices there is no problem of losing community identity. According to the statistics of the Report, the customers of the thirty-two offices identified are now being served, under the postal alternatives selected, by thirteen community post offices, twelve rural routes, six contractor routes and one combination rural and contractor route. The community contract office might retain its ZIP Code and its identity but the rural route customers have the ZIP Code of the post office from which the route emanates, often a distant city. This means that nineteen communities in the sample lost their identity and this is important to the people who reside in these communities.

It is suggested in the Report that the U.S. Postal Service improve its procedures for advising customers of proposed changes. An examination of the proposed letter and forms sent out to the customers concerned reveals that the true picture is not fully shown. In stating what the alternatives furnish, only positive statements are made and no possible areas of diminished postal service are pointed out. However, when stating the services furnished by the small post office, it is very clearly pointed out that a vast economic savings can be effected by using the other alternatives.

It is our view that the form is couched in such a fashion that it violates the law in that the whole emphasis is based on the operating expenses of the small post office concerned. The postal customer, being confused as to what is actually offered by the proposal, will vote favorably for any proposal that promises him monetary relief. He probably is not really aware of what the alternative he has chosen truly entails.

The cold-blooded concept of "saving money" has resulted in a GAO recommendation to close 12,192 post offices in as many United States communities.

This chilling proposal envisages shutting down almost every fourth-class office in the country and about one-half of the third-class offices.

It is the position of NAPUS that this action and recommendation made by the General Accounting Office is discriminatory in its nature inasmuch as most operations in the Postal Service are losing money today. It seems to me that the most significant cost savings are to be found in the vast mechanical jungle of the bulk mail system, in the thickets of ploy and politics surrounding rates and the Postal Rate Commission and in your teeming urban areas where the dollar costs of sick leave and relief breaks are felt all the way down the line.

Traditionally, most postmasters believe in and have devoted their efforts to furnishing all possible service to the public consistent with reasonable fiscal policies as originally set forth by the Congress and the President, and now by an expanded triumvirate which includes the semi-independent United States Postal Service as directed by the Board of Governors.

About 160 million dollars could be "saved" by shutting down the National Weather Service.

The American people would not stand for it.

Millions of dollars could be "saved" by cutting back on the Bureau of Fisheries, the Maritime Commission and the ship-building subsidies.

The American people would not stand for it.

Millions of dollars could be "saved" by abolishing vital services of the National Park Service and closing all but our busiest national parks.

The American people would not stand for it.

Millions of dollars could be "saved" by eliminating the crop forecasting activities of the Department of Agriculture.

The American people would not stand for it.

The list is endless.

Mr. Chairman, I do not know if you have ever read the philosophy of the Postal Service which is chiseled in stone on the old Post Office Department building. It reads:

"The Post Office Department in its ceaseless labors pervades every channel of commerce and every theatre of human enterprise and while visiting as it does kindly, every fireside, mingles with the throbbings of almost every heart in the land. In the amplitude of its beneficience, it ministers to all climes and creeds, and pursuits with the same eager readiness and with equal fullness of fidelity. It is the delicate trump through which alike nations and families and isolated individuals whispers their joys and their sorrows, their convictions and their sympathies to all who listen for their coming."

If this is the fundamental purpose of the Postal Service, neither the U.S. Postal Service nor the U.S. Congress should ever consider the wholesale closing of the small post offices but rather they should continue to guarantee their existence so that the U.S. Postal Service, as in the quotation, "ministers to all climes and creeds, and pursuits with the same eager readiness and with equal fullness of fidelity."

I thank you, Mr. Chairman, for this opportunity to appear before you and the Members of this Committee. I will be happy to answer any questions you may have.

HON. GENE SNYDER ON AIR TRANSPORTATION

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. HARSHA. Mr. Speaker, I would like to introduce in the RECORD today a speech which warrants the full attention of my distinguished colleagues. It was delivered recently by Representative GENE SNYDER, ranking member of the Subcommittee on Aviation of the Public Works and Transportation Committee, a young man who has conducted his minority leadership role with distinction. His statement offers some forceful and thought-provoking comments about some of the critical issues facing air transportation today. I commend his remarks to my colleagues:

SPEECH BY HON. GENE SNYDER, 1975 AIRLINES OPERATIONS FORUM, ATLANTA, GA., SEPTEMBER 23, 1975

It's a real pleasure to be here with you tonight and to be associated, in some small way, with this great industry. As a pilot I feel at home with you. And, it is a great industry. I think that what has been accomplished in air transportation over a relatively short time span is truly one of the wonders of the world.

Tonight, I'd like to address a few subjects—which I feel are important.

First, I would like to discuss something that has been given a great deal of attention, at least at the White House, and that is "Deregulation of the Airlines."

Second, I would like to touch very briefly on what I consider a short term aid to you and the traveling public that can come in the very near future. That will include a status report on the Airport and Airway Development Act.

And third, I'd like to share some thoughts with you about a pending government decision that could have a serious impact on your industry.

A few short years ago—around the beginning of World War II—there were 437 scheduled aircraft, doing business along 32,000 miles of federal airways. The average speed was about 150 miles per hour, and 22,000 people were employed in the industry, and about one and one-half million passengers were carried. Today—about 35 years later—we have about 27 domestic scheduled carriers, with a fleet of over 2,000 aircraft, flying over 200 million passengers, and employing some 300,000 dedicated persons. Through private initiative, private capital, and free enterprise—coupled with Federal regulation, we have constructed the best system in the world.

All of us in this room are well aware of the great debate over deregulation. The Administration has made much of it and we in Congress are still waiting to take a look at the Administration's legislation on aviation regulation, but I can give you some preliminary judgments of my own, which have come from listening and analyzing the dialogue that has been conducted so far.

First, I think Congress and the CAB share your deep concern about the difficult problems the industry faces today. Fuel costs, inflation and a host of others. I believe that Congress and the CAB are going to act responsibly and helpfully during these difficult times.

Second, I don't believe Congress is going to do anything foolish or shoot in the dark on regulatory change. We think we have a great air transport system and we shouldn't be sweeping away the regulatory structure in which it was built unless we are darn sure we know where we are going, why we are going there, and how to get there.

That doesn't mean that changes in regulation may not be needed and that both the industry and the public couldn't benefit from them. So I don't think Congress is going to ignore the problem. But we will approach it with the yellow caution flag up.

Certainly an area of regulation that needs improvement is procedures. Decisions take too long and the process is too expensive and complicated. The CAB has taken some initiative and expects to have a thorough review of its procedures, and recommendations for revamping them completed sometime near the first of the year. Our aviation subcommittee agrees with this initiative to see improvements in the speed or regulatory decision making.

But, while examining regulatory policies and practices to see what improvement may be needed is important, we simply cannot afford to engage in a theoretical exercise on wholesale regulatory reform. The industry faces tremendous problems today and economic forces will do more to reshape our air system than rhetoric.

A basic dilemma today is how to deal with the dramatic rise in such basic operating costs as the price of jet fuel. With Western Airlines paying 32.2 cents per gallon, and Air New England paying 42.8 cents per gallon, I want to know how we can "serve the greatest number of people at the lowest possible cost" consistent with the economic well being of the industry.

During the past year, the cost of a gallon of jet fuel doubled for domestic air carriers and tripled for the international carriers. While they carried six million more passengers in 1974, than the year before, and used about one billion fewer gallons—the fuel bill increased by about one billion dollars. It appears that this industry has, more than any other, made about as many conservation moves as can be expected within existing technology. In short, it appears you've trimmed out the fat. Any further cuts will come from the meat.

And if "Decontrol" of oil prices takes place, we all know that prices will not only continue to rise, but escalate dramatically for everyone, including the airlines. This could have a disastrous effect on air service throughout the nation. When prices rise, we could see a decrease in the number of travelers on the airways. While that obviously wasn't the case in 1974 with fare increases—and may not necessarily result from additional increases the inflationary impact is indisputable. So, to my mind, we should be focusing on how to *save* what we presently have—and how to *maintain* the present service—how to keep prices low and how to keep service into the smaller cities. This is the dilemma and believe me, we, in the Congress, know this must be done.

There are several things we can do, but I'd like to discuss with you tonight three critical areas where we can take useful action immediately.

(1) Improve the operational framework within which air transportation functions.

(2) Help lower the cost of air transportation.

(3) Avoid the imposition of non-productive requirements on the airlines—such as retrofit.

As you know, the Congress in 1970, levied—among others—an eight percent ticket tax on the passengers to pay for "Airport and Airway Development." The purpose of this tax was to pay for the improvement and modernization of the nation's airports and airway facilities, and was designed to meet those needs and *no other purpose*. Over the five-year course of the program, however, the income generated from the taxes has far outdistanced expenditures. In fact, revenues exceed expenditures by almost one billion dollars. As a result—with the "benefit" of the unified budget—we have the airline passenger paying a tax that is, today, being used to lessen the national deficit.

In addition, the government—once having found a good source of income—is looking for other ways to spend that money. Now, before the Health, Education, and Welfare boys wake up and discover that there is some one billion dollars salted away in the Federal Treasury that is only committed to a program—and not authorized for expenditure. Before that happens, I think we should reduce those taxes on the passenger so that we aren't taking in more money than is needed for airport and airway development.

Thursday, the Aviation Subcommittee on the House is scheduled to consider and report a bill which will continue the part of the law which spends the money. We will determine *how much* should be spent, and on *what* programs, in order to modernize our airport and airway system. I am committed to improving this network and making it as safe, dependable, and efficient as possible. It's going to take a lot of money—but there is and will be enough in the Trust Fund to do this and it ought to be committed and used for aviation purposes. At the same time we can give the tax payer a break.

We are talking about spending $500 million annually for airport development, gradually increasing to $700 million by 1980. This funding exceeds the current budget—even though it's trust fund money—and we may encounter some problems along the way. There will also be some new features including a higher federal share for grants, 75 percent—Federal funding for terminals, eligibility of land purchases to mitigate noise problems.

A very important feature, I believe, is that which requires that airport sponsors consult with air carriers before undertaking projects. It will have considerable effect, I believe, in assuring that only the most essential projects, at the lowest feasible cost, will be undertaken.

We are keenly aware, however, that the Nation's air system consists of more than just a series of airports. Therefore, our bill increases the annual funding for facilities and equipment to $300 million annually. Beyond that, we have taken care to assure that there will be a continuing strong research and development program to provide the technology for future improvements to the system. A minimum of $50 million annually will continue to be spent on this effort.

Even with these levels of spending, there will, as you know, be a large surplus in the Trust Fund. While actual tax cuts can only be made through the Ways and Means Committee, I for one, intend to help get the ball rolling by seeking our committee's recommendation to lower the user taxes, thereby bringing the Trust Fund revenue and expenditures into balance. This will serve as a means of lowering one item of the cost of air transportation.

These measures should have the common virtue of improving the air system as well as the productivity industry. It is the kind of action that the President has called for in getting our Nation and its economy on the move again.

On the other side of the coin, there are some disturbing countermoves which are very much live threats and must be dealt with in the coming weeks and months. The foremost is the present proposal before the Secretary of Transportation to require that the airline fleet be retrofitted. I have some serious concerns and questions about this.

These are the things that trouble me:

(1) A one billion dollar retrofit requirement imposed on the industry will have disruptive effects, and add to operating costs. Doesn't this run counter to the present administration effort to improve business productivity?

(2) The SAM retrofit will require an additional 60–150 million gallons of fuel to be burned annually. Isn't this contrary to the national need and avowed objective to conserve fuel?

(3) There are some unresolved safety questions, such as the use of an inlet ring on the engines, which would be used on B–707's. Can we afford, in any way, to proceed with things that may infringe on safety?

(4) Most importantly, the present evidence suggests that the retrofit will not really provide meaningful relief to the public. It will be primarily a "cosmetic" or "P–R snow job."

Personally, I do not believe that either the Congress or the Administration should engage in such deception. Too often, people promise what they can't deliver but I, for one, don't like to operate that way. Rather, I believe we should pursue the course which, in the long run, will produce the most meaningful results for the public. With the possible delivery dates of retrofit kits having slipped so much, we can't realistically be talking about completing retrofit before 1982 anyway. So why not reduce aircraft noise through the application of new technology?

We've already seen the beneficial results of this course. Since 1969, over 400 new, quieter aircraft have replaced the older, noisier planes. In addition, there is new engine technology just over the horizon which can be applied in about the same time frame. The CFM 56 engine, for example, is coming along and early projections indicate it could, according to McDonnell-Douglas, *reduce noise* by 12 EPNdB on sideline, 12 on takeoff, and 13 on approach for a DC–8. At the same time, it would *reduce fuel burnage* by 15–21 percent and *increase range* 19–28 percent. This, it seems to me, represents a solution more in accord with the national fuel objectives, the public interest in noise reduction, and, hopefully would improve the industry's productivity. In short, everyone comes out a winner. And who could ask for more?

These then, are the initiatives that I see we in Congress must come to grips with. And we must do it in a cautious and practical manner. There is no need to be "lost, but making good time." And if we're successful, we can maintain and improve the greatest air transportation system in the world today.

NEWSLETTER CONTRIBUTORS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. FISHER. Mr. Speaker, in March of this year I established a fund to pay for printing and production of newsletters to enable me to communicate with my constituents. In keeping with my policy of full financial disclosure, I announced strict guidelines for this fund to prospective contributors and to the press.

Contributions of more than $10 have been made by check or money order. No person or group has been permitted to contribute more than $100 for this year. In addition, I have announced that I will not send out franked newsletters after primary election day, or, if opposed in a primary election, after I file my declaration of candidacy.

To fulfill my pledge to make public contributions of more than $10, I would like to insert into the Record the following list of contributors to my newsletter fund as of August 29, 1975—there were 235 contributions of $10 or less:

Contributions to J. L. Fisher Newsletter Fund as of August 26, 1975

Adler, Hans & Mary, 6656 Helland Street, McLean, Va. 22101, $30.00.

AFSCME, National People Committee, P.O. Box 6587, Washington, D.C. 20009, $100.00.

Allison, Charles & Barbara, 2944 N. 26th Street, Arlington, Va. 22207, $20.00.

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Nathan, Robert, 1200 18th St. NW., Washington, D.C. 20036, $25.00

Nelson, Paul & Marg., 4561 N. 26th St., Arlington, Va. 22207, $25.00

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O'Donnell, Martha, 2378 N. Fillmore St., Arlington, Va. 22207, $15.00.

Olds, Herbert & Mary, 4733 N. 32nd St., Arlington, Va. 22207, $15.00.

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Overby, Peter, 605 Hillwood Ave., Falls Church, Va. 22042, $35.00.

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Simpson, John and Virginia, 3617 Ridgeway Terrace, Falls Church, Va. 22044, $50.

Skallerup, M/M Walter, 1155 Crest Lane, McLean, Va. 22101, $25.

Smith, Howard and Janet, 3029 Knoll Dr., Falls Church, Va. 22042, $25.

Smith, Roger, 3826 Fairfax Parkway, Alexandria, Va. 22312, $25.

Sharpe, Lois, 2837 Monroe St., Falls Church, Va. 22042, $25.

Smith, Roger and Lanora, 3826 Fairfax Parkway, Alexandria, Va. 22312, $25.

Stockton, William, 213 W. Greenway Blvd., Falls Church, Va. 22046, $15.

Swisher, C. Clement and Sue, 4815 N. 16th St., Arlington, Va. 22205, $20.

Sundquist, James and Beta, 3016 N. Florida, Arlington, Va. 22207, $20.

Taeuber, Conrad, 4222 Sheridan, Hyattsville, Md. 20782, $25.

Talbot, Dr. and Mrs. Lee, 6656 Chilton Ct., McLean, Va. 22101, $18.

Taylor, Theodore and Jean, 706 N. Fredrick St., Arlington, Va. 22203, $50.

Tetro, Robert and Alice, 12012 Aintree Lane, Reston, Va. 22091, $25.

Tod, Carel and Joy, 1908 N. Quintana St., Arlington, Va. 22205, $20.

Tucker, John, 4300 Old Dominion Dr., Arlington, Va. 22207, $25.

Valtin, Rolf and Nancy, 1319 Woodside Dr., McLean, Va. 22101, $25.

Walker, Walter and Virginia, 2813 N. Kensington St., Arlington, Va. 22207, $25.

Weisman, Bernard and Anne, 4700 N. 25th St., Arlington, Va. 22207, $25.

Weinberg, Robert and Wendy, 5109 N. 38th Rd., Arlington, Va. 22207, $20.

Welsch and Morgan, Attorney's at Law, 900 17th Street NW., Washington, D.C., $100.

Wertz, Milton and Virginia, 2137 N. Troy St., Arlington, Va. 22201, $15.

White, Marjorie, 6684 Midhill Pl., Falls Church, Va. 22043, $15.

Wilson, Alexander, 1400 N. Uhle St., Arlington, Va. 22201, $25.

Wilson, Thomas and Dolores, 2206 N. Nottingham St., Arlington, Va. 22205, $15.

Wise, Harold, 21 Dupont Circle NW., Washington, D.C. 20036, $25.

Wollenberg, J. R. and Patricia, 508 Lincoln Ave., Falls Church, Va. 22046, $25.

Wolf, Alfred and Agnes, 1057 Rocky Run Rd., McLean, Va. 22101, $25.

Zen, Evan, 11923 Escalante Ct., Reston, Va. 22091, $15.

Yarger, James and Marian, 309 Walnut St., Falls Church, Va. 22046, $15.

WOMEN SPORTS ATHLETE OF THE YEAR AWARD

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 25, 1975

Mr. DE LA GARZA. Mr. Speaker, if my colleagues will permit me to indulge in a bit of what some might term typical Texas bragging, I would like to call their attention to the athletic prowess of a young woman I am proud to include among my constituents. She is Miss Yvonne "Bonnie" Saenz, a student of Premont High School in the 15th Congressional District of Texas.

Bonnie was featured in a recent issue of Women Sports magazine as the top female athlete of her school. She was nominated by directors of the recreation program of Community Action.

Here is an unadorned list of the letters and awards she earned:

Four-year letterman in basketball; captain of the basketball team; 2 years selected as all-district forward; 3-year letterman in tennis; second in district girls doubles 1974; third in district girls doubles 1975; selected by her classmates as "Most Athletic"; Outstanding Girl Athlete, Premont High School, 1975; all-tournament forward, 3 years Premont Tourney, 1 year Bruni Tourney; selected to Prep All-American Basketball Team.

Bonnie was presented the Women Sports Athlete of the Year Award by Billy Jean King, publisher of Women Sports magazine.

Mr. Speaker, I respectfully submit that Bonnie Saenz is somebody to brag about.